

RISING WITH FAITH



ANNUAL REPORT 2017



Meezan
Financial Planning
Fund of Funds



Meezan
Strategic Allocation Fund



ANNUAL REPORT
2017

CONTENT

Who we are	04
Core Values	08
The Financial Year at Al Meezan FY 2017	12
Report of the Directors of the Management Company of the Funds - English	20

06	Vision Mission
10	Pride of the Year FY 2017
14	Board of Directors
31	Report of the Directors of the Management Company of the Funds - Urdu



Meezan
Financial Planning
Fund of Funds

Fund Information	46
Report of the Fund Manager	47
Report of the Shari'ah Advisor	51
Trustee Report to the Unitholders	52
Statement of Compliance with the Code of Corporate Governance	53
Review Report to the Unitholders' on Statement of Compliance with Best Practices of Code of Corporate Governance	55
Independent Auditors' Report to the Unitholders	56
Statement of Assets and Liabilities	58
Income Statement and Statement of Comprehensive Income	60
Distribution Statement	62
Statement of Movement in Unitholders' Fund	64
Cash Flow Statement	66
Notes to the Financial Statements	68
Pattern of Holdings (Units) as per the Requirement of Code of Corporate Governance	99

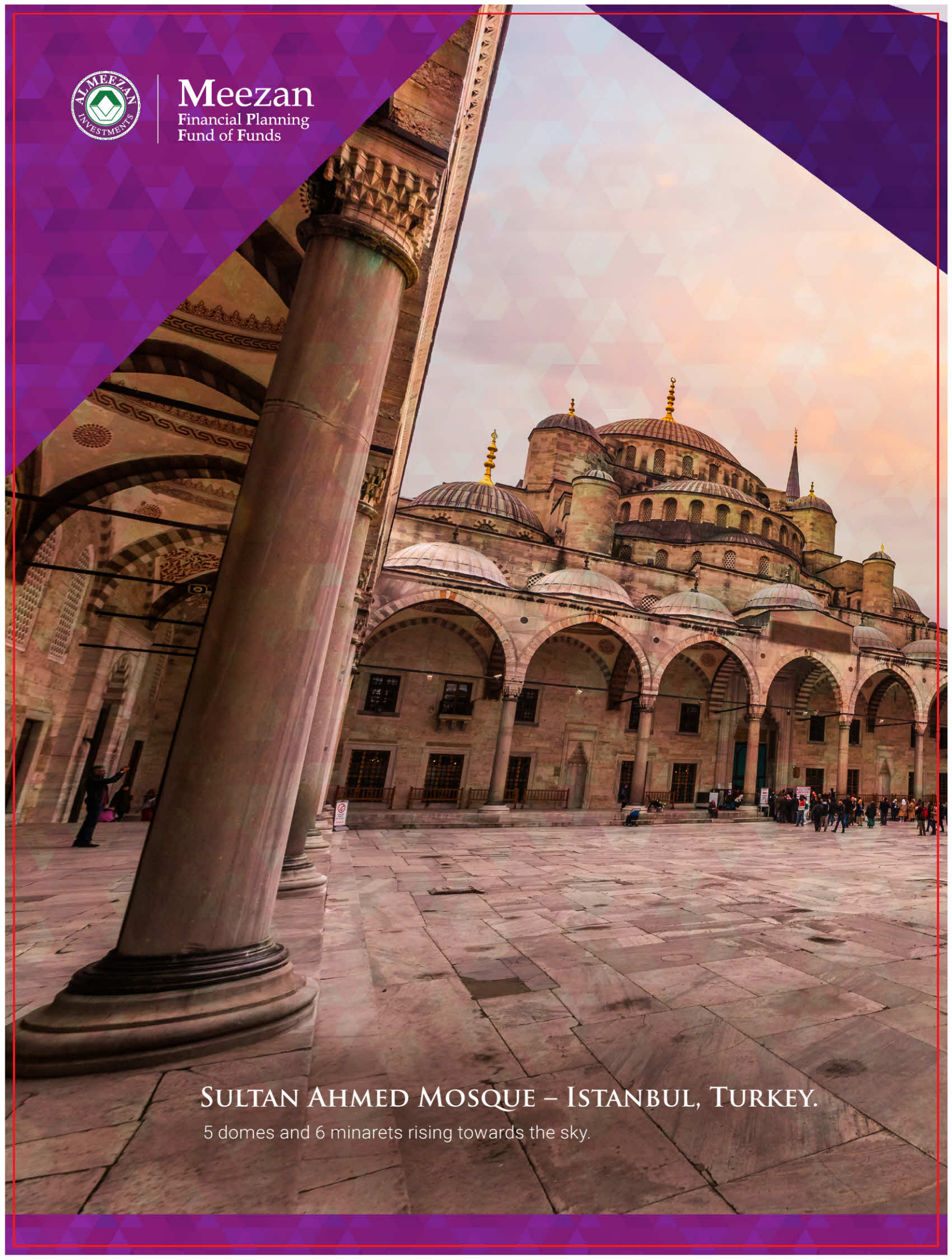


Meezan
Strategic Allocation Fund

104	Fund Information
105	Report of the Fund Manager
107	Report of the Shari'ah Advisor
108	Trustee Report to the Unitholders
109	Statement of Compliance with the Code of Corporate Governance
111	Review Report to the Unitholders' on Statement of Compliance with Best Practices of Code of Corporate Governance
112	Independent Auditors' Report to the Unitholders
114	Statement of Assets and Liabilities
115	Income Statement and Statement of Comprehensive Income
116	Distribution Statement
117	Statement of Movement in Unitholders' Fund
118	Cash Flow Statement
119	Notes to the Financial Statements
143	Pattern of Holdings (Units) as per the Requirement of Code of Corporate Governance



Meezan
Financial Planning
Fund of Funds



SULTAN AHMED MOSQUE – ISTANBUL, TURKEY.

5 domes and 6 minarets rising towards the sky.



MEEZAN FINANCIAL PLANNING FUND OF FUNDS (MFPF):

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

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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



REPORT OF THE FUND MANAGER

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

Type of Fund

Open-end Shariah Compliant (Islamic) Fund of Funds Scheme

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

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

The Aggressive Allocation Plan

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

The Moderate Allocation Plan

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

The Conservative Allocation Plan

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

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

These were closed end Plans which were suitable for Investors having a relatively moderate risk tolerance and/or wished to earn a relatively higher return over the medium term. These could switch exposures between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance. These plans matured during this fiscal year.

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

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

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

Aggressive Allocation Plan	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Moderate Allocation Plan	
Conservative Allocation Plan	
Meezan Capital Preservation Plan-I	
Meezan Capital Preservation Plan-II	
Meezan Asset Allocation Plan - I	
Meezan Asset Allocation Plan - II	
Meezan Asset Allocation Plan - III	
Meezan Asset Allocation Plan - IV	

Performance Table with Benchmark

Returns - FY17	
MFPF - Aggressive	16.95%
Benchmark	13.54%
MFPF - Moderate	13.34%
Benchmark	11.53%
MFPF - Conservative	9.75%
Benchmark	7.62%
MFPF - MCPP I*	6.15%
Benchmark	1.28%
MFPF - MCPP II**	12.68%
Benchmark	11.52%
MFPF - MAAP I#	18.82%
Benchmark	16.66%
MFPF - MAAP II##	18.06%
Benchmark	16.15%
MFPF - MAAP III###	18.01%
Benchmark	16.03%
MFPF - MAAP IV####	16.90%
Benchmark	14.05%

* The Fund was launched on September 01, 2014

** The Fund was launched on December 16, 2014

The Fund was launched on July 10, 2015

The Fund was launched on November 24, 2015

The Fund was launched on January 26, 2016

The Fund was launched on May 23, 2016

Aggressive Allocation Plan

The Aggressive Allocation Plan posted a total income of Rs. 88 million in FY17 as compared to Rs. 52 million last year. Total income comprised of dividend income, realized gain on investments, and income from reversal of WWF of Rs. 37 million, Rs. 60 million, and Rs. 3 million respectively. Unrealized loss was Rs. 13 million. After accounting for expenses of Rs. 5 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 12 million, the Fund posted a net income of Rs. 94 million. The net assets of the Fund as at June 30, 2017 were Rs. 622 million as compared to Rs. 443 million at the end of last year depicting a rise of 40.41%.



Moderate Allocation Plan

The Moderate Allocation Plan posted a total income of Rs. 73 million in FY17 as compared to Rs. 37 million last year. Total income comprised of dividend income, realized gain on investments and income from reversal of WWF of Rs. 24 million, Rs. 53 million and Rs. 2 million respectively. Unrealized loss was Rs. 7 million. After accounting for expenses of Rs. 4 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 20 million, the Fund posted a net income of Rs. 49 million. The net assets of the Fund as at June 30, 2017 were Rs. 408 million as compared to Rs. 367 million at the end of last year depicting a rise of 11.17%.

Conservative Allocation Plan

The Conservative Allocation Plan posted a total income of Rs. 46 million in FY17 as compared to Rs. 21 million last year. Total income comprised of dividend income, realized gain on investments and income from reversal of WWF of Rs. 22 million, Rs. 35 million and Rs. 1 million respectively. Unrealized loss was Rs. 13 million. After accounting for expenses of Rs. 3 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 6 million, the Fund posted a net income of Rs. 37 million. The net assets of the Fund as at June 30, 2017 were Rs. 413 million as compared to Rs. 327 million at the end of last year depicting a rise of 26.30%.

Meezan Capital Preservation Plan - I

Meezan Capital Preservation Plan-I matured on October 27, 2016 and posted a total income of Rs. 98 million during FY17. Total income comprised of realized gain on investments and profit on saving accounts with bank of Rs. 97 million and Rs. 1 million respectively. After accounting for expenses of Rs. 2 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 28 million, the Fund posted a net income of Rs. 69 million. The net assets at maturity were Rs. 1,657 million as compared to Rs. 1,576 million at the end of last year depicting a rise of 5.14%.

Meezan Capital Preservation Plan - II

Meezan Capital Preservation Plan-II matured on March 24, 2017 and posted a total income of Rs. 400 million during FY17. Total income comprised of realized gain on investment, back end load income and profit on saving accounts with banks of Rs. 395 million, Rs.4 million and Rs. 1 million respectively. After accounting for expenses of Rs. 21 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 9 million, the Fund posted a net income of Rs. 370 million. The net assets at maturity were Rs. 3,324 million as compared to Rs. 3,035 million at the end of last year depicting a rise of 9.52%.

Meezan Asset Allocation Plan - I (MAAP-I)

Meezan Asset Allocation Plan-I posted a total income of Rs. 249 million during FY17. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 81 million, Rs. 74 million and Rs. 94 million respectively while back end load income contributed Rs. 1 million to the income. After accounting for expenses of Rs. 11 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 34 million, the Fund posted a net income of Rs. 203 million. The net assets of the Fund as at June 30, 2017 were Rs. 1,251 million as compared to Rs. 1,278 million at the end of last year depicting a decrease of 2.11%.

Meezan Asset Allocation Plan - II (MAAP-II)

Meezan Asset Allocation Plan-II posted a total income of Rs. 180 million during FY17. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 59 million, Rs. 37 million and Rs. 83 million respectively. After accounting for expenses of Rs. 9 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 17 million, the Fund posted a net income of Rs. 154 million. The net assets of the Fund as at June 30, 2017 were Rs. 978 million as compared to Rs. 925 million at the end of last year depicting a rise of 5.73%.

Meezan Asset Allocation Plan - III (MAAP-III)

Meezan Asset Allocation Plan-III posted a total income of Rs. 546 million during FY17. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 172 million, Rs. 99 million and Rs. 271 million respectively while back end load income contributed Rs. 3 million to the income. After accounting for expenses of

Rs. 26 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 62 million, the Fund posted a net income of Rs. 458 million. The net assets of the Fund as at June 30, 2017 were Rs. 2,923 million as compared to Rs. 2,851 million at the end of last year depicting a rise of 2.53%.

Meezan Asset Allocation Plan - IV (MAAP-IV)

Meezan Asset Allocation Plan-IV posted a total income of Rs. 152 million during FY17. Total income comprised of dividend income, realized and unrealized gain on investments Rs. 51 million, Rs. 31 million and Rs. 64 million respectively while back end load income contributed Rs. 5 million to the income. After accounting for expenses of Rs. 6 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 18 million, the Fund posted a net income of Rs. 128 million. The net assets of the Fund as at June 30, 2017 were Rs. 860 million as compared to Rs. 532 million at the end of last year depicting a rise of 61.65%.

Distributions

The interim distribution in the form of cash dividend by the following plans of the Fund during the fiscal year ended June 30, 2017:

Plan	Cash dividend per unit - Rs.	Cash dividend per unit - %	Total amount of distribution
MFPF- Aggressive	6.00	12.00	44 Million
MFPF- Moderate	2.00	4.00	11 Million
MFPF- Conservative	0.30	0.60	2 Million
MFPF- MAAP-I	1.80	3.60	35 Million
MFPF- MAAP- II	2.25	4.50	34 Million
MFPF- MAAP- III	1.90	3.80	87 Million
MFPF- MAAP- IV	2.20	4.40	34 Million

Breakdown of unit holdings by size

(As on June 30, 2017)

Breakdown of unit holdings by size							
Range (Units)	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV
	No. of investors						
1 - 9,999	435	265	186	194	150	243	64
10,000 - 49,999	57	83	80	199	112	285	95
50,000 - 99,999	5	10	19	22	19	57	29
100,000 - 499,999	5	9	9	25	21	58	27
500,000 and above	4	1	1	6	6	15	5
Total	506	368	295	446	308	658	220



Meezan Bank
The Premier Islamic Bank

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

August 21, 2017/ Dhu Al-Qi'dah 28, 1438

Alhamdulillah, the period from July 01, 2016 to June 30, 2017 was the fifth year of operations of Meezan Financial Planning Fund of Funds (MFPPFOF) under management of Al Meezan Investment Management Limited (Al Meezan). We Meezan Bank Limited are the *Shari'ah* Advisor of the Fund and are issuing the report in accordance with clause 6.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MFPPFOF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MFPPFOF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MFPPFOF for the year ended June 30, 2017 have been in compliance with *Shari'ah* principles.

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

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

Meezan Bank Ltd.
Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
Tel : (92-21) 38103500 Fax : (92-21) 36406049 www.meezanbank.com

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Financial Planning Fund of Funds (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 14, 2017





STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.24 of Listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

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

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

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

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the Board on June 14, 2017 was filled up the directors within 30 days.
5. The Management Company has prepared a "Code of conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman, and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board of Directors of the Management Company meets the requirements of the Directors' Training Program as per proviso to clause 5.19.7 of the Code of Corporate Governance.

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



Mohammad Shoaib, CFA
Chief Executive

Dated: August 24, 2017
Karachi.



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

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

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of Al Meezan Investment Management Limited (“Management Company”) of the Fund for the year ended 30 June 2017 to comply with the requirements contained in Clause No. 5.19 of Rule Book of the Pakistan Stock Exchange Limited (formerly Listing Regulation No. 35 of Islamabad Stock Exchange Limited) where the Fund is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund’s compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2017.

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



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

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

Independent Auditors' Report to the Unitholders

Report on the Financial Statements

We have audited the accompanying financial statements of **Meezan Financial Planning Fund of Funds** ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2017, and the related income statement and statement of comprehensive income, distribution statement, cash flow statement, statement of movement in unitholders' fund for the year / period ended 30 June 2017, 27 October 2016 and 24 March 2017 and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2017, and of its financial performance, cash flows and transactions for the year / period ended 30 June 2017, 27 October 2016 and 24 March 2017 in accordance with approved accounting standards as applicable in Pakistan.

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



KPMG Taseer Hadi & Co.



Meezan
Financial Planning
Fund of Funds

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1.7 of the financial statements, which states that the financial statements of Meezan Capital Preservation Plan I (MCPP I) and Meezan Capital Preservation Plan II (MCPP II) have not been prepared on going concern basis because these allocation plans matured on 27 October 2016 and 24 March 2017 respectively.

Report on Other Legal and Regulatory Requirements

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

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Malik


STATEMENT OF ASSETS AND LIABILITIES

AS AT OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

Note	As at June 30, 2017							As at October 27, 2016	As at March 24, 2017	Total	
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II		
(Rupees in '000)											
Assets											
Balances with banks	4	12,939	6,239	2,634	2,009	5,981	12,981	2,670	1,676,547	3,368,527	5,090,527
Investments	5	628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	-	-	7,526,048
Preliminary expenses and floatation cost	6	-	-	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	742	595	1,549
Total assets		646,206	449,232	432,019	1,268,575	1,002,062	2,994,609	869,568	1,677,289	3,369,122	12,708,682
Liabilities											
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	7	106	42	165	113	86	264	76	183	258	1,293
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	54	32	38	95	73	220	64	107	191	874
Payable to Meezan Bank Limited (MBL)		3	-	-	-	-	-	-	-	-	3
Payable to Securities and Exchange Commission of Pakistan (SECP)	9	601	477	421	1,330	982	3,003	892	509	2,220	10,435
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
Accrued expenses and other liabilities	10	10,872	4,404	1,922	15,425	11,841	33,143	8,169	19,780	42,321	147,877
Total liabilities		24,072	41,423	18,622	17,263	24,085	72,068	9,324	20,579	44,990	272,426
Net assets		622,134	407,809	413,397	1,251,312	977,977	2,922,541	860,244	1,656,710	3,324,132	12,436,256
Contingencies and commitments											
Unitholders' fund (as per statement attached)		622,134	407,809	413,397	1,251,312	977,977	2,922,541	860,244	1,656,710	3,324,132	12,436,256
(Number of units)											
Number of units in issue	14	7,792,766	5,660,927	6,232,476	20,048,269	15,671,463	47,233,009	15,806,163	33,134,195	66,482,548	
(Rupees)											
Net assets value per unit		79.83	72.04	66.33	62.41	62.40	61.87	54.42	50.00	50.00	

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

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director




STATEMENT OF ASSETS AND LIABILITIES

AS AT OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

		As at June 30, 2016									
Note	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
(Rupees in '000)											
Assets											
Balances with banks	4	1,250	8,622	2,701	11,454	5,398	8,009	21,477	11,225	48,753	118,889
Investments	5	448,568	366,770	294,927	1,591,746	3,061,757	1,282,841	913,648	2,862,723	443,913	11,266,893
Preliminary expenses and floatation cost	6	-	-	357	-	-	-	-	-	-	357
Receivable on issuance and conversion of units		956	351	33,854	-	-	-	-	-	59,215	94,376
Profit receivable on saving accounts with banks		22	18	9	29	16	14	33	80	176	397
Total assets		450,796	375,761	331,848	1,603,229	3,067,171	1,290,864	935,158	2,874,028	552,057	11,480,912
Liabilities											
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	7	91	95	61	140	257	121	94	249	1,334	2,442
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	35	26	29	112	205	92	67	205	21	792
Payable to Meezan Bank Limited (MBL)		3	-	-	-	-	-	-	-	1,035	1,038
Payable to Securities and Exchange Commission of Pakistan (SECP)	9	366	305	233	1,488	2,912	951	419	904	22	7,600
Payable on redemption and conversion of units		411	1,020	208	-	1	32	-	-	-	1,672
Dividend payable		25	165	53	142	802	3,788	2,629	356	269	8,229
Accrued expenses and other liabilities	10	6,996	7,549	4,608	25,701	28,360	7,974	6,722	21,307	17,443	126,660
Total liabilities		7,927	9,160	5,192	27,583	32,537	12,958	9,931	23,021	20,124	148,433
Net assets		442,869	366,601	326,656	1,575,646	3,034,634	1,277,906	925,227	2,851,007	531,933	11,332,479
Contingencies and Commitments											
Unitholders' fund (as per statement attached)		442,869	366,601	326,656	1,575,646	3,034,634	1,277,906	925,227	2,851,007	531,933	11,332,479
(Number of units)											
Number of units in issue	14	6,036,493	5,612,498	5,380,605	28,317,037	59,824,077	23,650,020	16,899,207	52,765,904	10,985,112	
(Rupees)											
Net assets value per unit		73.37	65.32	60.71	55.64	50.73	54.03	54.75	54.03	48.42	

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

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


Mohammad Shoab, CFA
Chief Executive


Mazhar Sharif
Director


INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

Note	For the year ended June 30, 2017								For the period from July 1, 2016 to October 27, 2016	For the period from July 1, 2017 to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II		
	(Rupees in '000)										
Income											
Realised gain on sale of investments	60,831	54,394	36,126	79,006	41,002	108,427	31,152	97,601	395,448	903,987	
Realised loss on sale of investments	(714)	(933)	(757)	(5,309)	(3,505)	(9,505)	(21)	(184)	-	(20,928)	
Dividend income	36,915	24,421	22,002	80,738	59,138	171,867	50,871	-	-	445,952	
Back end load income	-	-	-	523	132	3,443	5,142	143	3,576	12,959	
Profit on saving accounts with banks	389	497	406	171	276	302	326	799	704	3,870	
Reversal of provision for Workers' Welfare Fund	12	2,694	1,745	1,452	-	-	-	-	282	6,173	
Other income	36	20	-	7	-	5	-	81	-	149	
	100,151	80,144	59,229	155,136	97,043	274,539	87,470	98,440	400,010	1,352,162	
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	(12,553)	(7,158)	(13,146)	93,510	82,985	271,498	64,423	-	479,559	
Total income		87,598	72,986	46,083	248,646	180,028	546,037	151,893	98,440	400,010	1,831,721
Expenses											
Remuneration to Al Meezan - Management Company	7.1	187	171	156	66	110	130	114	83	93	1,110
Sindh Sales Tax on Management Fee	7.2	24	22	20	9	14	17	15	11	12	144
Allocated expenses	7.3	633	502	443	1,399	1,033	3,160	939	535	2,337	10,981
Remuneration to CDC - Trustee	8	489	388	343	1,082	799	2,444	726	413	1,801	8,485
Sindh Sales Tax on Trustee Fee	8.1	64	50	45	141	104	318	94	54	234	1,104
Annual fee to SECP	9	601	477	421	1,330	982	3,003	892	509	2,220	10,435
Auditors' remuneration	11	28	24	19	68	48	141	47	28	128	531
Fees and subscription		18	15	13	42	31	96	26	19	65	325
Amortisation of preliminary expenses and floatation costs	6	-	-	200	-	-	-	-	-	-	200
Legal and professional charges		4	4	3	13	9	29	5	5	31	103
Transaction cost		-	-	-	75	-	-	-	-	-	75
Bank and settlement charges		9	7	5	4	4	-	10	-	-	39
Printing charges		20	16	14	51	36	115	24	60	114	450
Provision for Sindh Workers' Welfare Fund (SWWF)	12	3,380	1,916	1,214	6,886	5,615	16,339	2,621	-	13,681	51,652
Total expenses		5,457	3,592	2,896	11,166	8,785	25,792	5,513	1,717	20,716	85,634
Net income from operating activities		82,141	69,394	43,187	237,480	171,243	520,245	146,380	96,723	379,294	1,746,087
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)		12,260	(20,263)	(6,301)	(34,250)	(17,091)	(62,394)	(17,966)	(27,599)	(8,800)	(182,404)
Net income for the year / period before taxation		94,401	49,131	36,886	203,230	154,152	457,851	128,414	69,124	370,494	1,563,683
Taxation	19	-	-	-	-	-	-	-	-	-	-
Net income for the year / period after taxation		94,401	49,131	36,886	203,230	154,152	457,851	128,414	69,124	370,494	1,563,683
Other comprehensive income for the year / period		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period		94,401	49,131	36,886	203,230	154,152	457,851	128,414	69,124	370,494	1,563,683

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

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director




INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

	For the year ended June 30, 2016										For the period from July 10, 2015 to June 30, 2016	For the period from November 27, 2015 to June 30, 2016	For the period from January 26, 2016 to June 30, 2016	For the period from May 25, 2016 to June 30, 2016	Total	
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV							
Income																
Realised gain on sale of investments	2,866	3,102	1,355	35,077	75,676	18,374	14,566	33,301	207	184,524						
Realised loss on sale of investments	(1,265)	(4,629)	(9,108)	(57,371)	(125,993)	(581)	-	(519)	(1,204)	(200,670)						
Dividend income	33,776	34,068	32,896	129,676	220,756	54,740	39,288	124,605	14,817	684,622						
Back end load income	-	-	-	7,547	9,709	2,016	235	155	-	19,662						
Profit on saving accounts with banks	95	147	210	228	182	665	407	772	180	2,886						
	35,472	32,688	25,353	115,157	180,330	75,214	54,496	158,314	14,000	691,024						
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' (net)	5.1	16,462	4,508	(4,108)	43,914	18,860	74,917	63,294	170,835	(11,597)	377,085					
Total income		51,934	37,196	21,245	159,071	199,190	150,131	117,790	329,149	2,403	1,068,109					
Expenses																
Remuneration to AI Meezan - Management Company	7.1	38	125	109	81	36	97	164	172	25	847					
Sindh Sales Tax and Federal Excise Duty on management fee	7.2 & 10.1	12	40	36	26	12	32	53	56	8	275					
Allocated expenses	7.3	218	178	132	833	1,648	663	438	952	23	5,085					
Remuneration to CDC - Trustee	8	302	251	192	1,226	2,400	781	342	737	18	6,249					
Sindh Sales Tax on trustee fee	8.1	42	35	27	172	336	109	48	103	3	875					
Annual fee to SECP	9	366	305	233	1,488	2,912	951	419	904	22	7,600					
Auditors' remuneration	11	21	18	14	127	169	54	25	24	1	453					
Fees and subscription		10	9	10	27	49	22	12	23	-	162					
Amortization of preliminary expenses and floatation cost	6	-	-	200	-	-	-	-	-	-	200					
Legal and professional charges		10	9	7	45	88	6	-	-	-	165					
Bank and settlement charges		3	3	3	2	-	3	2	5	-	21					
Printing charges		14	12	5	57	119	7	2	3	-	219					
Total expenses		1,036	985	968	4,084	7,769	2,725	1,505	2,979	100	22,151					
Net income from operating activities		50,898	36,211	20,277	154,987	191,421	147,406	116,285	326,170	2,303	1,045,958					
Element of income / (loss) and capital gains / (losses) included units issued less those in units redeemed (net)		1,226	(663)	2,796	(763)	(2,849)	(10,477)	7,158	23,584	(4,758)	15,254					
Net income / (loss) for the year / period before taxation		52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212					
Taxation	19	-	-	-	-	-	-	-	-	-	-					
Net income / (loss) for the year / period after taxation		52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212					
Other comprehensive income for the year / period		-	-	-	-	-	-	-	-	-	-					
Total comprehensive income for the year / period		52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212					

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

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


Mohammad Shoab, CFA
Chief Executive


Mazhar Sharif
Director


DISTRIBUTION STATEMENT

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

	For the year ended June 30, 2017							For the period from July 1, to October 27, 2016	For the period from July 1, to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	
	(Rupees in '000)									
Undistributed income / (loss) brought forward										
- Realised	107,345	66,828	56,767	20,488	16,973	41,877	(5,726)	120,478	24,832	449,862
- Unrealised	16,462	4,508	(4,108)	74,917	63,294	170,835	(11,597)	43,914	18,860	377,085
	<u>123,807</u>	<u>71,336</u>	<u>52,659</u>	<u>95,405</u>	<u>80,267</u>	<u>212,712</u>	<u>(17,323)</u>	<u>164,392</u>	<u>43,692</u>	<u>826,947</u>
Interim distribution for the year / period ended June 30, 2017										
- Bonus units:										
MCPP-I @ 18.12% (Rs. 9.06 per unit)								(256,088)		(256,088)
MCPP-II @ 14.32% (Rs. 7.16 per unit)									(418,781)	(418,781)
- Cash dividend:										
Aggressive @ 12.00% i.e. Rs. 6.00 per unit	(43,993)									(43,993)
Moderate @ 4% i.e. Rs. 2.00 per unit		(11,086)								(11,086)
Conservative @ 0.60% i.e. Rs. 0.30 per unit			(1,862)							(1,862)
MAAP-I @ 3.60% i.e. Rs. 1.80 per unit				(35,221)						(35,221)
MAAP-II @ 4.50% i.e. Rs. 2.25 per unit					(34,183)					(34,183)
MAAP-III @ 3.80% i.e. Rs. 1.90 per unit						(87,375)				(87,375)
MAAP-IV @ 4.40% i.e. Rs. 2.20 per unit							(33,539)			(33,539)
Total distribution	(43,993)	(11,086)	(1,862)	(35,221)	(34,183)	(87,375)	(33,539)	(256,088)	(418,781)	(922,128)
Net income for the year / period	<u>94,401</u>	<u>49,131</u>	<u>36,886</u>	<u>203,230</u>	<u>154,152</u>	<u>457,851</u>	<u>128,414</u>	<u>69,124</u>	<u>370,494</u>	<u>1,563,682</u>
Undistributed income / (loss) carried forward	<u>174,215</u>	<u>109,381</u>	<u>87,683</u>	<u>263,414</u>	<u>200,236</u>	<u>583,188</u>	<u>77,552</u>	<u>(22,572)</u>	<u>(4,595)</u>	<u>1,468,501</u>
Undistributed income / (loss) carried forward										
- Realised	186,768	116,539	100,829	169,904	117,251	311,690	13,129	(22,572)	(4,595)	988,942
- Unrealised	(12,553)	(7,158)	(13,146)	93,510	82,985	271,498	64,423	-	-	479,559
	<u>174,215</u>	<u>109,381</u>	<u>87,683</u>	<u>263,414</u>	<u>200,236</u>	<u>583,188</u>	<u>77,552</u>	<u>(22,572)</u>	<u>(4,595)</u>	<u>1,468,501</u>

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

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director




DISTRIBUTION STATEMENT

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

	For the year ended June 30, 2016					For the period from July 10, 2015 to June 30, 2016	For the period from November 27, 2015 to June 30, 2016	For the period from January 26, 2016 to June 30, 2016	For the period from May 25, 2016 to June 30, 2016	Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
Undistributed income brought forward										
- Realised	61,683	35,241	29,192	14,093	2,929	-	-	-	-	143,138
- Unrealised	42,171	30,353	26,499	101,204	10,737	-	-	-	-	210,964
	103,854	65,594	55,691	115,297	13,666	-	-	-	-	354,102
Final distribution for the year ended June 30, 2015										
- cash dividend:										
MCPP-I @ 0.04% i.e. Rs. 0.02 per unit				(590)						(590)
MCPP-II @ 0.10% i.e. Rs. 0.05 per unit					(3,068)					(3,068)
Interim distribution for the year /period ended June 30, 2016 - cash dividend:										
Aggressive @ 12.00% i.e. Rs. 6.00 per unit	(32,171)									(32,171)
Moderate @ 12.50% i.e. Rs. 6.25 per unit		(29,806)								(29,806)
Conservative @ 11.80% i.e. Rs. 5.90 per unit			(26,105)							(26,105)
MCPP-I @ 7.80% i.e. Rs. 3.90 per unit				(104,539)						(104,539)
MCPP-II @ 5.40% i.e. Rs. 2.70 per unit					(155,478)					(155,478)
MAAP-I @ 3.60% i.e. Rs. 1.80 per unit						(41,524)				(41,524)
MAAP-II @ 5.30% i.e. Rs. 2.65 per unit							(43,176)			(43,176)
MAAP-III @ 5.40% i.e. Rs. 2.70 per unit								(137,042)		(137,042)
MAAP-IV @ 3.90% i.e. Rs. 1.95 per unit									(14,868)	(14,868)
Total distribution	(32,171)	(29,806)	(26,105)	(105,129)	(158,546)	(41,524)	(43,176)	(137,042)	(14,868)	(588,367)
Net income / (loss) for the year / period	52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212
Undistributed income / (loss) carried forward	123,807	71,336	52,659	164,392	43,692	95,405	80,267	212,712	(17,323)	826,947
Undistributed income / (loss) carried forward										
- Realised	107,345	66,828	56,767	120,478	24,832	20,488	16,973	41,877	(5,726)	449,862
- Unrealised	16,462	4,508	(4,108)	43,914	18,860	74,917	63,294	170,835	(11,597)	377,085
	123,807	71,336	52,659	164,392	43,692	95,405	80,267	212,712	(17,323)	826,947

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

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoab, CFA
Chief Executive


Mazhar Sharif
Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

	For the year ended June 30, 2017							As at October 27, 2016	As at March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	
Net assets at beginning of the year / period	442,869	366,601	326,656	1,277,906	925,227	2,851,007	531,933	1,575,646	3,034,634	11,332,479
Issue of units: Aggressive: 12,824,546 units, Moderate: 13,262,944 units, Conservative: 14,095,403 units, MAAP-I: 485,751 units, MAAP-II: 478,918 units, MAAP-III: 1,246,110 units, MAAP-IV: 8,512,385 units MCPP-I: nil, and MCPP-II: nil.	1,091,766	956,130	913,318	26,245	26,221	67,327	427,552	-	-	3,508,559
Issue of bonus units: MCPP-I: 5,121,753 units and MCPP-II: 8,375,613 units.								256,087	418,781	256,087
Redemption of units: Aggressive: 11,068,273 units, Moderate: 13,214,515 units, Conservative: 13,243,532 units, MAAP-I: 4,087,502 units, MAAP-II: 1,706,662 units, MAAP-III: 6,779,005 units, MAAP-IV: 3,691,334 units MCPP-I: 304,595 units and MCPP-II: 1,717,142 units.	(950,649)	(973,230)	(867,902)	(255,098)	(110,531)	(428,663)	(212,082)	(15,658)	(89,796)	(3,903,609)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	141,117	(17,100)	45,416	(228,853)	(84,310)	(361,336)	215,470	240,429	328,985	279,818
Realised gain on sale of investments	60,831	54,394	36,126	79,006	41,002	108,427	31,152	97,601	395,448	903,987
Realised loss on sale of investments	(714)	(933)	(757)	(5,309)	(3,505)	(9,505)	(21)	(184)	-	(20,928)
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	(12,553)	(7,158)	(13,146)	93,510	82,985	271,498	64,423	-	-	479,559
Net other income / (loss) for the year / period	46,837	2,828	14,663	36,023	33,670	87,431	32,860	(28,293)	(24,954)	201,064
Total comprehensive income for the year / period	94,401	49,131	36,886	203,230	154,152	457,851	128,414	69,124	370,494	1,563,682
Interim distribution for the year / period ended June 30, 2017										
- Bonus units	-	-	-	-	-	-	-	(256,088)	(418,781)	(674,869)
- Cash dividend	(43,993)	(11,086)	(1,862)	(35,221)	(34,183)	(87,375)	(33,539)	-	-	(247,259)
Total distribution	(43,993)	(11,086)	(1,862)	(35,221)	(34,183)	(87,375)	(33,539)	(256,088)	(418,781)	(922,128)
Net income for the year / period less distribution	50,408	38,045	35,024	168,009	119,969	370,476	94,875	(186,964)	(48,287)	641,554
Net assets at end of the year / period	622,134	407,809	413,397	1,251,312	977,977	2,922,541	860,244	1,656,710	3,324,132	12,436,256
	(Rupees)									
Net assets value per unit at beginning of the year / period	73.37	65.32	60.71	54.03	54.75	54.03	48.42	55.64	50.73	
Net assets value per unit at end of the year / period	79.83	72.04	66.33	62.41	62.40	61.87	54.42	50.00	50.00	

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

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



**Mohammad Shoab, CFA
Chief Executive**



**Mazhar Sharif
Director**




STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

	For the year ended June 30, 2016					For the period from July 01, 2015 to June 30, 2016	For the period from November 27, 2015 to June 30, 2016	For the period from January 26, 2016 to June 30, 2016	For the period from May 25, 2016 to June 30, 2016	Total
	Aggressive	Moderate	Conservative	MCPPI-I	MCPPI-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
Net assets at beginning of the year / period	356,415	320,046	237,421	1,590,238	3,081,799	-	-	-	-	5,585,919
Issue of units:										
Aggressive: 2,305,270 units,										
Moderate: 3,673,328 units,										
Conservative: 3,949,074 units,										
MCPPI I: 1,509,548 units,										
MCPPI II: 2,246,983 units,										
MAAP I: 27,170,175 units,										
MAAP II: 17,082,332 units,										
MAAP III: 55,295,194 units, and										
MAAP IV: 11,006,399 units.	168,265	245,833	250,330	84,557	116,771	1,365,013	861,991	2,794,539	551,814	6,439,113
Redemption of units:										
Aggressive: 1,356,071 units,										
Moderate: 3,038,616 units,										
Conservative: 2,443,167 units,										
MCPPI I: 2,691,336 units,										
MCPPI II: 3,785,579 units,										
MAAP I: 3,520,155 units,										
MAAP II: 183,125 units,										
MAAP III: 2,529,290 units and										
MAAP IV: 21,287 units.	(100,538)	(205,683)	(155,267)	(149,007)	(196,811)	(192,989)	(9,873)	(132,660)	(7,316)	(1,150,144)
	67,727	40,150	95,063	(64,450)	(80,040)	1,172,024	852,118	2,661,879	544,498	5,288,969
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(1,226)	663	(2,796)	763	2,849	10,477	(7,158)	(23,584)	4,758	(15,254)
Realised gain on sale of investments	2,866	3,102	1,355	35,077	75,676	18,374	14,566	33,301	207	184,524
Realised loss on sale of investments	(1,265)	(4,629)	(9,108)	(57,371)	(125,993)	(581)	-	(519)	(1,204)	(200,670)
Unrealised appreciation / (diminution) on re-measurement of investments' at fair value through profit or loss' (net)	16,462	4,508	(4,108)	43,914	18,860	74,917	63,294	170,835	(11,597)	377,085
Net other income for the year / period	34,061	32,567	34,934	132,604	220,029	44,219	45,583	146,137	10,139	700,273
Total comprehensive income for the year / period	52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212
Final distribution for the year ended June 30, 2015 - cash dividend	-	-	-	(590)	(3,068)	-	-	-	-	(3,658)
Interim distribution for the year / period ended June 30, 2016 - cash dividend	(32,171)	(29,806)	(26,105)	(104,539)	(155,478)	(41,524)	(43,176)	(137,042)	(14,868)	(584,709)
Total distribution for the year / period	(32,171)	(29,806)	(26,105)	(105,129)	(158,546)	(41,524)	(43,176)	(137,042)	(14,868)	(588,367)
Net income for the year / period less distribution	19,953	5,742	(3,032)	49,095	30,026	95,405	80,267	212,712	(17,323)	472,845
Net assets at end of the year / period	442,869	366,601	326,656	1,575,646	3,034,634	1,277,906	925,227	2,851,007	531,933	11,332,479
	(Rupees)									
Net assets value per unit at beginning of the year / period	70.06	64.29	61.27	53.91	50.22	-	-	-	-	
Net assets value per unit at end of the year / period	73.37	65.32	60.71	55.64	50.73	54.03	54.75	54.03	48.42	

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

For Al Meezan Investment Management Limited (Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

CASH FLOW STATEMENT

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

Note	For the year ended June 30, 2017								For the period from July 1, to October 27, 2016	For the period from July 1, to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II		
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income for the year / period before taxation	94,401	49,131	36,886	203,230	154,152	457,851	128,414	69,124	370,494	1,563,683	
Adjustments for											
Unrealised (appreciation) / diminution re-measurement of investments 'at fair value through profit or loss' (net)	5.1	12,553	7,158	13,146	(93,510)	(82,985)	(271,498)	(64,423)	-	(479,559)	
Amortisation of preliminary expenses and floatation costs		-	-	200	-	-	-	-	-	200	
Element of loss / (income) and capital losses/ (gains) included in prices of units issued less those in units redeemed (net)		(12,260)	20,263	6,301	34,250	17,091	62,394	17,966	27,599	182,404	
		94,694	76,552	56,533	143,970	88,258	248,747	81,957	96,723	1,266,728	
(Increase) / decrease in assets											
Investments (net)		(192,247)	(49,482)	(126,300)	109,803	6,257	177,383	(358,513)	1,591,746	4,220,404	
Receivable against investments (net)		(5,000)	(33,875)	(19,000)	-	(5,700)	(24,700)	-	-	(88,275)	
Profit receivable on saving accounts with banks		20	(6)	(15)	(4)	28	(10)	127	(713)	(1,152)	
		(197,227)	(83,363)	(145,315)	109,799	585	152,673	(358,386)	1,591,033	4,130,977	
Increase / (decrease) in liabilities											
Remuneration to Al Meezan - Management Company		15	(53)	104	(8)	(8)	15	(1,258)	42	(1,150)	
Remuneration to CDC - Trustee		19	6	9	3	6	15	43	(5)	82	
Payable to MBL		-	-	-	-	-	-	(1,035)	-	(1,035)	
Annual fee to SECP		235	172	188	379	563	2,099	870	(979)	2,835	
Accrued expenses and other liabilities		3,876	(3,145)	(2,686)	7,451	5,119	11,836	(9,274)	(5,920)	21,218	
		4,145	(3,020)	(2,385)	7,825	5,680	13,965	(10,654)	(6,862)	21,950	
Net cash (used in) / generated from operating activities		(98,388)	(9,831)	(91,167)	261,594	94,523	415,385	(287,083)	1,680,894	5,419,655	
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts against issuance and conversion of units		1,092,719	956,481	945,049	26,245	26,221	67,327	486,767	-	3,600,809	
Payments against redemption and conversion of units		(938,922)	(938,682)	(852,097)	(254,830)	(99,428)	(393,225)	(211,959)	(15,659)	(3,794,599)	
Dividend paid		(43,720)	(10,351)	(1,852)	(39,009)	(36,812)	(87,731)	(33,808)	(142)	(254,227)	
Net cash generated from / (used in) financing activities		110,077	7,448	91,100	(267,594)	(110,019)	(413,629)	241,000	(15,801)	(448,017)	
Net increase / (decrease) in cash and cash equivalents during the year / period		11,689	(2,383)	(67)	(6,000)	(15,496)	1,756	(46,083)	1,665,093	4,971,638	
Cash and cash equivalents at beginning of the year / period		1,250	8,622	2,701	8,009	21,477	11,225	48,753	11,454	118,889	
Cash and cash equivalents at end of the year / period	4	12,939	6,239	2,634	2,009	5,981	12,981	2,670	1,676,547	5,090,527	

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

For Al Meezan Investment Management Limited
(Management Company)



Mohammad Shoab, CFA
Chief Executive



Mazhar Sharif
Director




CASH FLOW STATEMENT

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

Note	For the year ended June 30, 2016									
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)									
CASH FLOWS FROM OPERATING ACTIVITIES										
Net income / (loss) for the year / period	52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212
Adjustments for:										
Unrealised (appreciation) / diminution on re-measurement of investments										
- 'at fair value through profit or loss' (net)	5.1 (16,462)	(4,508)	4,108	(43,914)	(18,860)	(74,917)	(63,294)	(170,835)	11,597	(377,085)
Preliminary expenses and floatation costs	-	-	200	-	-	-	-	-	-	200
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(1,226)	663	(2,796)	763	2,849	10,477	(7,158)	(23,584)	4,758	(15,254)
	34,436	31,703	24,585	111,073	172,561	72,489	52,991	155,335	13,900	669,073
(Increase) / decrease in assets										
Investments (net)	(83,978)	13,609	59,307	47,708	47,491	(1,207,924)	(850,354)	(2,691,888)	(455,510)	(5,121,539)
Profit receivable on saving accounts with bank	-	48	33	7	(6)	(14)	(33)	(80)	(176)	(221)
	(83,978)	13,657	59,340	47,715	47,485	(1,207,938)	(850,387)	(2,691,968)	(455,686)	(5,121,760)
Increase / (decrease) in liabilities										
Payable to AI Meezan - Management Company	(292)	(320)	(362)	(4,397)	(9,273)	121	94	249	1,334	(12,846)
Payable to the CDC - Trustee	8	1	(6)	8	11	92	67	205	21	407
Payable to MBL	(1)	(2)	-	-	-	-	-	-	1,035	1,032
Payable to SECP	39	(2)	(153)	374	1,788	951	419	904	22	4,342
Accrued expenses and other liabilities	4,162	5,363	2,992	23,291	28,005	7,974	6,722	21,307	17,443	117,259
	3,916	5,040	2,471	19,276	20,531	9,138	7,302	22,665	19,855	110,194
Net cash (used in) / generated from operating activities	(45,626)	50,400	86,396	178,064	240,577	(1,126,311)	(790,094)	(2,513,968)	(421,931)	(4,342,493)
CASH FLOWS FROM FINANCING ACTIVITIES										
Proceeds against issuance and conversion of units	179,663	269,066	216,497	84,557	116,771	1,365,013	861,991	2,794,539	492,599	6,380,696
Payments against redemption and conversion of units	(105,157)	(325,219)	(311,377)	(149,007)	(196,811)	(192,957)	(9,873)	(132,660)	(7,316)	(1,430,377)
Dividend paid	(32,143)	(29,641)	(26,052)	(104,987)	(157,744)	(37,736)	(40,547)	(136,686)	(14,599)	(580,135)
Net cash generated from / (used in) financing activities	42,363	(85,794)	(120,932)	(169,437)	(237,784)	1,134,320	811,571	2,525,193	470,684	4,370,184
Net (decrease) / increase in cash and cash equivalents during the year / period	(3,263)	(35,394)	(34,536)	8,627	2,793	8,009	21,477	11,225	48,753	27,691
Cash and cash equivalents at beginning of the year / period	4,513	44,016	37,237	2,827	2,605	-	-	-	-	91,198
Cash and cash equivalents at end of the year / period	4	1,250	8,622	2,701	11,454	5,398	8,009	21,477	11,225	48,753
										118,889

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

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR / PERIOD ENDED OCTOBER 27, 2016, MARCH 24, 2017 AND JUNE 30, 2017

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 listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). Units are offered for public subscription on a continuous basis except for six plans Meezan Capital Preservation Plan-I (MCPPI) and Meezan Capital Preservation Plan-II (MCPPII), Meezan Asset Allocation Plan-I (MAAP-I), Meezan Asset Allocation Plan-II (MAAP-II), Meezan Asset Allocation Plan-III (MAAP-III) and Meezan Asset Allocation Plan-IV (MAAP-IV) in which the offer of units is discontinued after the end of the subscription period, however the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Open End Shariah Compliant Fund of Funds Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 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, MCPPI, MCPPII, MAAP-I, MAAP-II, MAAP-III and MAAP-IV by investing in Shariah compliant income, money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP. The brief description of the plans is as follows:

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



Conservative Allocation Plan (Conservative)	<i>Low risk - Medium and short term investor</i> This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.
Meezan Capital Preservation Plan I (MCPPI-I)	<i>Low risk - High return along with capital preservation upon maturity</i> This plan was based on the Constant Proportion Portfolio Insurance (CPPI) methodology and might invest up to 100 percent in equity or fixed income, depending on the market conditions. This plan was matured on October 27, 2016.
Meezan Capital Preservation Plan II (MCPPI-II)	<i>Low risk - High return along with capital preservation upon maturity</i> This plan was based on the Constant Proportion Portfolio Insurance (CPPI) methodology and might invest up to 100 percent in equity or fixed income, depending on the market conditions. This plan was matured on March 24, 2017.
Meezan Asset Allocation Plan I (MAAP-I)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes/ Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan II (MAAP-II)	<i>Low risk - High return along through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes/ Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 11, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan III (MAAP-III)	<i>Low risk - High return along through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes/ Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. March 30, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan IV (MAAP-IV)	<i>Low risk - High return along through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes/ Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. July 22, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

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.

- 1.7** During the period, Meezan Capital Preservation Plan I (MCPPI-I) has been matured on dated October 27, 2016 and Meezan Capital Preservation Plan II (MCPPI-II) has been matured on March 24, 2017, Resultantly, the financial statements of the Plans has not been prepared on a going concern basis. Therefore, the assets and liabilities are measured at lower of their carrying amount and fair value less cost to sell.

2. BASIS OF PRESENTATION

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

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued

by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, and the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations 2008) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirement of the NBFC Rules, the NBFC Regulations and the said directives differ with the requirements of these standards, the requirements of the NBFC Rules, the NBFC Regulations, and the said directives shall prevail.

2.1.2 The Companies Act, 2017 was enacted on May 30, 2017 and is applicable with immediate effect. The Securities and Exchange Commission of Pakistan through press release and vide circular no 17 of 2017 dated July 20, 2017 has decided that all the companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after June 30, 2017.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Amortization of preliminary expenses and floatation costs (note 3.6 and 6);
- c) Recognition of provision for Sindh Workers' Welfare Fund (note 12);
- d) Taxation (note 3.8 and 19); and
- e) Federal Excise Duty and related Sindh Sales Tax on management fee and sales load (note 10).

2.5 Standard, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards and requirements of Companies Act, 2017 will be effective for accounting periods beginning on or after July 01, 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 01, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 01, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 01, 2018. The amendments cover three accounting



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

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after January 01, 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Fund's financial statements.
- Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
 - Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after January 01, 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Fund's financial statements.
 - Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after January 01, 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Fund's financial statements.
 - IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after January 01, 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
 - IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.
- As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017 shall be applicable to the financial statements issued on or after June 30, 2017. The Act included mutual funds in Third Schedule, accordingly, certain additional requirements / disclosures in Fifth Schedule are also applicable to the financial statements of mutual funds. Significant disclosures / requirements, which are relevant to the funds includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and / or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; management assessment of sufficiency of tax provision including comparisons of tax provision as per accounts with tax assessment for last three years and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.

The above amendments are not likely to have an impact on Fund's financial statements except for additional disclosures and reclassifications mentioned above.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Classification

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

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

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

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

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

(b) Loans and receivables

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

3.1.2 Regular way contracts

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

3.1.3 Recognition

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

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

3.1.4 Measurement

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

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

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



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

3.1.5 Fair value measurement principles

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

3.1.6 Derecognition

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

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

3.1.7 Offsetting of financial instruments

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

3.1.8 Impairment

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

3.2 Unitholders' fund

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

3.3 Issuance and redemption of units

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

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

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

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

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

3.5 Provisions

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

3.6 Preliminary expenses and floatation costs

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

3.7 Net assets value per Unit

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

3.8 Taxation

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

Current

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

Deferred

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

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

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

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

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

3.9 Revenue recognition

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



- (iii) Profit on bank deposit is recognized on time proportion basis using effective yield method.
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

3.10 Expenses

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

3.11 Cash and cash equivalents

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

3.12 Segment Reporting

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

3.13 Earnings per unit

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

3.14 Distribution

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

4. BALANCES WITH BANKS

	Note	As at June 30, 2017								As at	As at	Total
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	October 27, 2016	
(Rupees in '000)												
Saving accounts	4.1	10,519	4,817	2,139	1,974	5,687	10,767	2,563	1,676,547	3,368,527	5,083,540	
Current accounts		2,420	1,422	495	35	294	2,214	107	-	-	6,987	
		<u>12,939</u>	<u>6,239</u>	<u>2,634</u>	<u>2,009</u>	<u>5,981</u>	<u>12,981</u>	<u>2,670</u>	<u>1,676,547</u>	<u>3,368,527</u>	<u>5,090,527</u>	
2016												
	Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total	
(Rupees in '000)												
Saving accounts	4.1	1,250	8,622	2,701	8,009	21,477	11,225	48,753	11,454	5,398	118,889	

- 4.1 The balance in savings accounts have profit which ranges from 2.00% to 2.40% (2016: 2.50% to 3.59%) per annum.

5. INVESTMENTS

Note	As at June 30, 2017								As at October 27, 2016	As at March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II		
Investments - 'at fair value through profit or loss' - held for trading	5.1	628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	-	-	7,526,048
2016											
Investments - 'at fair value through profit or loss' - held for trading		448,568	366,770	294,927	1,282,841	913,648	2,862,723	443,913	1,591,746	3,061,757	11,266,893

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

Name of the investee funds	As at July 01, 2016	Purchases during the year/ period	Sales during the year/ period	As at June 30, 2017	Carrying value as at June 30, 2017	Market value as at June 30, 2017	Unrealised appreciation/ (diminution) as at June 30, 2017	Percentage of market value to total investment
	(Number of units)				(Rupees in '000)			%
Aggressive Allocation Plan								
Meezan Islamic Fund	4,742,448	6,721,531	5,708,399	5,755,580	444,508	439,784	(4,724)	70.00
Meezan Islamic Income Fund	-	2,195,497	361,689	1,833,808	97,922	94,239	(3,683)	15.00
Meezan Cash Fund	-	2,228,076	359,359	1,868,717	98,385	94,239	(4,146)	15.00
Meezan Sovereign Fund	2,649,023	4,865,600	7,514,623	-	-	-	-	-
					640,815	628,262	(12,553)	100
Moderate Allocation Plan								
Meezan Islamic Fund	2,769,750	4,394,776	4,487,555	2,676,971	203,231	204,546	1,315	50.00
Meezan Cash Fund	-	2,343,328	315,296	2,028,032	106,785	102,274	(4,511)	25.00
Meezan Islamic Income Fund	-	2,299,085	308,938	1,990,147	106,236	102,274	(3,962)	25.00
Meezan Sovereign Fund	3,609,945	6,442,217	10,052,162	-	-	-	-	-
					416,252	409,094	(7,158)	100
Conservative Allocation Plan								
Meezan Islamic Fund	1,113,606	2,278,036	2,056,473	1,335,169	102,563	102,020	(543)	25.00
Meezan Cash Fund	-	3,362,999	328,489	3,034,510	159,814	153,030	(6,784)	37.50
Meezan Islamic Income Fund	-	3,299,619	321,796	2,977,823	158,850	153,031	(5,819)	37.50
Meezan Sovereign Fund	4,354,238	9,234,583	13,588,821	-	-	-	-	-
					421,227	408,081	(13,146)	100
Meezan Capital Preservation Plan I								
Al Meezan Mutual Fund	-	3,499,470	3,499,470	-	-	-	-	-
Meezan Islamic Fund	14,680,450	1,605,687	16,286,137	-	-	-	-	-
Meezan Cash Fund	46,815	32,708,833	32,755,648	-	-	-	-	-
Meezan Sovereign Fund	12,153,662	6,310,639	18,464,301	-	-	-	-	-
					-	-	-	-
Meezan Capital Preservation Plan II								
Al Meezan Mutual Fund	4,912,176	2,991,027	7,903,203	-	-	-	-	-
Meezan Islamic Fund	15,391,100	7,515,588	22,906,688	-	-	-	-	-
Meezan Cash Fund	-	105,603,792	105,603,792	-	-	-	-	-
Meezan Sovereign Fund	38,471,290	55,963,749	94,435,039	-	-	-	-	-
					-	-	-	-
Meezan Asset Allocation Plan I								
Al Meezan Mutual Fund	3,263,441	153,141	-	3,416,582	61,973	72,227	10,254	5.71
Meezan Islamic Fund	16,178,167	3,991,012	6,751,382	13,417,797	932,493	1,025,254	92,761	80.94
Meezan Sovereign Fund	3,011,305	6,675,654	8,778,344	908,615	46,703	46,703	-	3.69
Meezan Islamic Income Fund	-	6,726,576	6,726,576	-	-	-	-	-
Meezan Cash Fund	-	2,340,409	463,492	1,876,917	98,308	94,653	(3,655)	7.47
KSE Meezan Index Fund	-	348,329	-	348,329	33,561	27,711	(5,850)	2.19
					1,173,038	1,266,548	93,510	100
Meezan Asset Allocation Plan II								
Meezan Islamic Fund	11,833,268	2,714,754	3,688,964	10,859,058	744,319	829,741	85,422	83.78
Meezan Sovereign Fund	876,557	5,194,921	4,491,517	1,579,961	81,210	81,210	-	8.20
Meezan Islamic Income Fund	1,670,003	3,583,861	5,253,864	-	-	-	-	-
Meezan Cash Fund	-	2,823,075	1,248,112	1,574,963	81,862	79,425	(2,437)	8.02
					907,391	990,376	82,985	100



Name of the investee funds	As at July 01, 2016	Purchases during the year/period	Sales during the year/period	As at June 30, 2017	Carrying value as at June 30, 2017	Market value as at June 30, 2017	Unrealised appreciation / (diminution) as at June 30, 2017	Percentage of market value to total investment
	(Number of units)			(Rupees in '000)				
Meezan Asset Allocation Plan III								
Al Meezan Mutual Fund	17,952,133	842,427	-	18,794,560	340,911	397,317	56,406	13.44
Meezan Islamic Fund	32,276,978	7,547,389	11,334,478	28,489,889	1,960,441	2,176,912	216,471	73.62
Meezan Islamic Income Fund	7,853,062	20,823,970	21,231,840	7,445,192	383,988	382,609	(1,379)	12.94
Meezan Cash Fund	-	5,397,053	5,397,053	-	-	-	-	-
					2,685,340	2,956,838	271,498	100
Meezan Asset Allocation Plan IV								
Al Meezan Mutual Fund	-	3,941,239	-	3,941,239	74,765	83,318	8,553	9.62
Meezan Islamic Fund	5,047,854	5,484,869	1,510,915	9,021,808	630,469	689,356	58,887	79.52
Meezan Islamic Income Fund	2,139,131	11,142,025	12,828,462	452,694	23,526	23,264	(262)	2.68
Meezan Cash Fund	-	1,406,135	-	1,406,135	73,666	70,911	(2,755)	8.18
					802,426	866,849	64,423	100
Total investments in units of mutual funds								
Al Meezan Mutual Fund	26,127,750	11,427,304	11,402,673	26,152,381	477,649	552,862	75,213	7.35
Meezan Islamic Fund	104,033,621	42,253,642	74,730,991	71,556,272	5,018,024	5,467,613	449,589	72.65
Meezan Cash Fund	46,815	158,213,700	146,471,241	11,789,274	618,820	594,532	(24,288)	7.90
Meezan Sovereign Fund	65,126,020	94,687,363	157,324,807	2,488,576	127,913	127,913	-	1.70
Meezan Islamic Income Fund	11,662,196	50,070,633	47,033,165	14,699,664	770,522	755,417	(15,105)	10.03
KSE Meezan Index Fund	-	348,329	-	348,329	33,561	27,711	(5,850)	0.37
					7,046,489	7,526,048	479,559	100

6. PRELIMINARY EXPENSES AND FLOATATION COST

Note	As at June 30, 2017								As at October 27, 2016	As at March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II		
Opening balance	-	-	357	-	-	-	-	-	-	357	
Less: Amortization during the year / period	6.1	-	200	-	-	-	-	-	-	200	
Closing balance	-	-	157	-	-	-	-	-	-	157	
2016											
Opening balance	-	-	557	-	-	-	-	-	-	557	
Less: Amortization during the year / period	6.1	-	200	-	-	-	-	-	-	200	
Closing balance	-	-	357	-	-	-	-	-	-	357	

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

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

Note	As at June 30, 2017								As at October 27, 2016	As at March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II		
Management fee	7.1	10	4	12	2	2	12	3	53	34	132
Sindh Sales Tax on management fee	7.2	1	1	2	-	-	2	-	7	4	17
Sales load		34	-	103	-	-	-	-	-	-	137
Sindh Sales Tax on sales load	7.2	4	-	13	-	-	-	-	-	-	17
Allocated expense	7.3	57	37	35	111	84	250	73	123	220	990
		106	42	165	113	86	264	76	183	258	1,293

		2016									
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II	Total
Note		(Rupees in '000)									
Management Fee	7.1	7	8	3	6	16	8	24	9	5	86
Sindh Sales Tax on management fee	7.2	1	1	-	1	2	1	3	1	1	11
Sales load		42	49	30	7	-	6	1,137	-	-	1,271
Sindh Sales Tax on sales load	7.2	5	6	4	1	-	1	148	-	-	165
Allocated expense	7.3	36	31	24	106	76	233	22	130	251	909
		91	95	61	121	94	249	1,334	140	257	2,442

- 7.1** As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of average annual net assets in case of Fund of Funds Scheme. The remuneration of the Management Company has been charged at the rate of 1 percent per annum for the year / period ended June 30, 2017.
- 7.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company, sales load and trustee fee through Sindh Sales Tax on Services Act 2011. In the current year / period, Sindh Sales Tax at the rate of 13 percent (June 30, 2016: 14 percent) was charged on the remuneration of Management Company, sales load and trustee fee. (refer note 10.1 for Sindh Sales Tax applied on Federal Excise Duty).
- 7.3** A statutory notification no. 1160 (I) / 2015 dated November 25, 2015 was issued by the Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses has been charged at the rate of 0.1% of average annual net assets of the Scheme.

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

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

The remuneration of the Trustee for the year / period ended June 30, 2017 and 2016 has been calculated as per the following applicable tariff:

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

- 8.1** A notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. During the year / period, Sindh Sales Tax at the rate of 13 percent (June 30, 2016: 14 percent) was charged on the remuneration of trustee.

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

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

During the year / period, fees charges at the rate of 0.095 percent (June 30, 2016: 0.095 percent). The fee is payable to the SECP within three months of the close of the financial year.



10. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	As at June 30, 2017							As at October 27, 2016	As at March 24, 2017	Total	
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II		
	(Rupees in '000)										
Withholding tax payable	10.2	7,079	2,033	203	5,166	4,362	9,898	2,840	12,928	19,124	63,633
Provision for Sindh Workers' Welfare Fund	12	3,380	1,916	1,214	6,886	5,615	16,339	2,621	-	13,681	51,652
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1	364	394	454	3,294	1,787	6,735	2,662	4,406	9,341	29,437
Provision for Workers' Welfare Fund	12	-	-	-	-	-	-	-	2,353	-	2,353
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.1	19	39	31	17	30	31	5	34	50	256
Shariah advisor fee payable		10	7	6	20	15	45	13	33	49	198
Auditors' remuneration		19	14	13	41	30	91	27	25	60	320
Printing charges payable		1	1	1	1	2	4	1	1	3	15
Zakat payable		-	-	-	-	-	-	-	-	13	13
		10,872	4,404	1,922	15,425	11,841	33,143	8,169	19,780	42,321	147,877

Note	2016							Total			
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV				
	(Rupees in '000)										
Withholding tax payable	10.2	3,900	5,278	2,656	4,616	4,880	14,492	1,362	18,797	18,532	74,513
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1	364	394	454	3,294	1,787	6,735	2,662	4,406	9,341	29,437
Provision for Workers' Welfare Fund	12	2,694	1,745	1,452	-	-	-	-	2,353	282	8,526
Auditors' remuneration		13	10	8	31	12	24	1	91	101	291
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.1	19	39	31	17	30	31	5	34	50	256
Shariah advisor fee payable		4	4	4	15	10	23	-	18	40	118
Zakat payable		2	67	2	-	-	-	-	-	13	84
Printing charges payable		-	1	-	1	2	2	-	1	1	8
Others		-	11	1	-	1	-	13,413	1	-	13,427
		6,996	7,549	4,608	7,974	6,722	21,307	17,443	25,701	28,360	126,660

10.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

The SHC while disposing the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds has declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed appeal against the decision of SHC in the Supreme Court of Pakistan, which is pending for the decision.

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

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained a provision on FED and relates SST on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating Rs. 0.38 million, Rs. 0.43 million, Rs. 0.49 million and Rs. 3.31 million, Rs. 1.82 million, Rs. 6.77 million, 2.67 million, 4.44 million and 9.39 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP- I, MAAP-II, MAAP-III, MAAP-IV, MCPP-I and MCPP-II respectively. Had the provision not being made, the impact on Net Assets Value per unit as at October 27, 2016 in MCPP-I, March 24, 2017 in MCPP-II, and June 30, 2017 in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP- I, MAAP-II, MAAP-III would not have been significant.

- 10.2** This represents withholding tax on bonus units. The Fund announced distribution on October 26, 2016 and March 22, 2017 for Rs. 9.06 per unit and Rs. 7.16 per unit for MCPP-I and MCPP-II respectively in the form of bonus units. The units were issued after deduction of withholding tax amounting to Rs. 12.67 million and Rs. 19.09 million which are outstanding as at October 26, 2016 and March 24, 2017 for MCPPI and MCPPII respectively.

11. AUDITORS' REMUNERATION

	For the year ended June 30, 2017								For the period from July 1, 2016 to October 27, 2016	For the period from July 1, 2017 to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II		
	(Rupees in '000)										
Statutory audit fee	14	12	9	33	23	68	24	9	58	250	
Half year review fee	7	6	5	21	12	33	10	12	50	156	
Certification fee	4	3	2	8	6	18	5	3	12	61	
Out of pocket expense	3	3	3	6	7	22	8	4	8	64	
	28	24	19	68	48	141	47	28	128	531	

	For the year ended June 30, 2016								For the period from July 10, 2015 to June 30, 2016	For the period from November 27, 2015 to June 30, 2016	For the period from January 26, 2016 to June 30, 2016	For the period from May 25, 2016 to June 30, 2016	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II				
	(Rupees in '000)												
Statutory audit fee	11	10	8	26	10	19	1	87	91	263			
Half year review fee	7	6	4	21	12	-	-	28	55	133			
Certification fee	3	2	2	6	2	5	-	10	20	50			
Out of pocket expense	-	-	-	1	1	-	-	2	3	7			
	21	18	14	54	25	24	1	127	169	453			

12. SINDH WORKERS' WELFARE FUND AND WORKERS' WELFARE FUND

The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated November 10, 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution.

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016, passed in the Civil Appeal may kindly be reviewed in the interest of justice. After deliberating the position, The Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective from January 12, 2017. The provision reversed on January 12, 2017, amounted to Rs. 2.69 million, Rs. 1.75 million, Rs. 1.45 million and Rs. 0.28 million for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MCPP-II, respectively. This has resulted in an increase in NAV per unit of Re. 0.34, Re. 0.15, Re. 0.21 and Re. 0.01 on January 12, 2017 for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan and MCPP-II respectively.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds for SWWF continue. The provision



made for SWWF on January 12, 2017, amounted to Rs. 3.07 million, Rs. 1.36 million, Rs. 3.31 million, Rs. 8.56 million, Rs. 6.77 million, Rs. 19.89 million and Rs. 3.81 million for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively. This has resulted in a decrease in NAV per unit of Re. 0.50, Re. 0.20, Re. 0.30, Re. 0.23, Re. 0.39, Re. 0.40, and Re. 0.39 on January 12, 2017 for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively.

The provision that should have been made for SWWF in MCPP-I would have amounted to Rs. 4.04 million. Had this provision been recognized on October 27, 2016 the NAV per unit of the Fund would have been lower by Re. 0.12. The Fund holds Rs. 2.35 million for WWF and the net amount, if required to be paid, will be borne by the Management Company.

On January 12, 2017, the decisions of MUFAP were communicated to Securities and Exchange Commission of Pakistan (SECP). SECP vide their letter no. SCD/AMCW/MUFAP/2017 – 405 dated February 1, 2017, suggested that the matters can be addressed through appropriate disclosure in the financial statements for the information of investors, as the impact of the same is not significant. The Management Company has recognised the SWWF charge for the period from May 21, 2015 to June 30, 2017, amounting to Rs. 3.38 million, Rs. 1.92 million, Rs. 1.21 million, Rs. 6.89 million, Rs. 5.62 million, Rs. 16.34 million, Rs. 2.62 million and Rs. 13.68 million for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III, MAAP-IV and MCPP-II respectively.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2017 and June 30, 2016.

14. NUMBER OF UNITS IN ISSUE

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

	As at June 30, 2017							As at October 27, 2016	As at March 24, 2017
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II
	(Rupees in '000)								
Total units in issue at beginning of the year / period	6,036,493	5,612,498	5,380,605	23,650,020	16,899,207	52,765,904	10,985,112	28,317,037	59,824,077
Units issued during the year / period	12,824,546	13,262,944	14,095,403	485,751	478,918	1,246,110	8,512,385	-	-
Units issued against bonus units during the year / period	-	-	-	-	-	-	-	5,121,753	8,375,613
Units redeemed during the year / period	(11,068,273)	(13,214,515)	(13,243,532)	(4,087,502)	(1,706,662)	(6,779,005)	(3,691,334)	(304,595)	(1,717,142)
Total units in issue at end of the year / period	7,792,766	5,660,927	6,232,476	20,048,269	15,671,463	47,233,009	15,806,163	33,134,195	66,482,548
	2016								
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II
	(Rupees in '000)								
Total units in issue at beginning of the year / period	5,087,294	4,977,786	3,874,698	-	-	-	-	29,498,825	61,362,673
Units issued during the year / period	2,305,270	3,673,328	3,949,074	27,170,175	17,082,332	55,295,194	11,006,399	1,509,548	2,246,983
Units redeemed during the year / period	(1,356,071)	(3,038,616)	(2,443,167)	(3,520,155)	(183,125)	(2,529,290)	(21,287)	(2,691,336)	(3,785,579)
Total units in issue at end of the year / period	6,036,493	5,612,498	5,380,605	23,650,020	16,899,207	52,765,904	10,985,112	28,317,037	59,824,077

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

15. 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 Islamic Income Fund, Meezan Capital Preservation Fund – II, 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 / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

	As at June 30, 2017						As at October 27, 2016	As at March 24, 2017	Total	
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I		MCPP-II
	(Rupees in '000)									
Al Meezan Investment Management Limited										
- Management Company										
Remuneration payable (Rupees in '000)	10	4	12	2	2	12	3	53	34	132
Sindh Sales Tax Management fee payable (Rupees in '000)	1	1	2	-	-	2	-	7	4	17
Sales load payable (Rupees in '000)	34	-	103	-	-	-	-	-	-	137
Sindh Sales Tax and Federal Excise Duty on Sales load payable (Rupees in '000)	4	-	13	-	-	-	-	-	-	17
Allocated Expenses payable (Rupees '000)	57	37	35	111	84	250	73	123	220	990
Amount (Rupees in '000)	-	-	7,029	-	31,658	162,516	-	-	-	201,203
Units	-	-	105,971	-	507,341	2,626,733	-	-	-	3,240,045
Meezan Bank Limited										
Bank balance (Rupees in '000)	8,550	8,131	2,230	1,999	9,937	12,981	2,670	1,676,547	3,368,527	5,091,572
Profit Receivable (Rupees in '000)	-	5	22	18	5	90	49	742	595	1,526
Central Depository Company of Pakistan Limited - Trustee										
Trustee Fee payable (Rupees in '000)	48	28	35	84	65	195	57	95	169	776
Sindh Sales Tax on trustee fee payable (Rupees in '000)	6	4	3	11	8	25	7	12	22	98
Directors and Executives of the Management Company										
Amount (Rupees in '000)	601	2	-	256	-	-	-	-	-	859
Units	7,534	31	-	4,109	-	-	-	-	-	11,674
Meezan Islamic Fund										
Amount (Rupees 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
Meezan Sovereign Fund										
Amount (Rupees in '000)	-	-	-	46,703	81,210	-	-	-	-	127,913
Units	-	-	-	908,615	1,579,961	-	-	-	-	2,488,576
Al Meezan Mutual fund										
Amount (Rupees in '000)	-	-	-	72,227	-	397,317	83,318	-	-	552,862
Units	-	-	-	3,416,582	-	18,794,560	3,941,239	-	-	26,152,381
Meezan Cash Fund										
Amount (Rupees 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
Meezan Islamic Income Fund										
Amount (Rupees 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
KSE Meezan Index Fund										
Amount (Rupees in '000)	-	-	-	27,711	-	-	-	-	-	27,711
Units	-	-	-	348,329	-	-	-	-	-	348,329
Unit Holders holding 10% or more units of the Fund										
	252,830	58,630	48,969	379,617	194,088	-	226,733	155,788	-	1,316,656



2016

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total
(Rupees in '000)										
Al Meezan Investment Management Limited - Management Company										
Management fee payable (Rupees in '000)	7	8	3	6	16	8	24	9	5	86
Sindh Sales Tax on Management fee (Rupees in '000)	1	1	-	1	2	1	3	1	1	11
Sales load payable (Rupees in '000)	42	49	30	7	-	6	1,137	-	-	1,271
Sindh Sales Tax on Sales load payable (Rupees in '000)	5	6	4	1	-	1	148	-	-	165
Allocated expenses (Rupees in '000)	36	31	24	106	76	233	22	130	251	909
Amount (Rupees in '000)	-	-	6,412	-	27,050	138,749	-	155,313	-	327,524
Units	-	-	105,614	-	494,071	2,568,004	-	2,791,385	-	5,959,074
Meezan Bank Limited										
Bank balance (Rupees in '000)	185	8,157	2,584	7,999	21,477	11,225	48,753	11,454	5,398	117,232
Sales load payable (Rupees in '000)	3	-	-	-	-	-	1,035	-	-	1,038
Profit Receivable (Rupees in '000)	20	17	11	14	34	80	176	29	16	397
Amount (Rupees in '000)	-	-	-	-	-	-	-	-	201,110	201,110
Units	-	-	-	-	-	-	-	-	3,964,321	3,964,321
Central Depository Company of Pakistan Limited - Trustee										
Trustee Fee payable (Rupees in '000)	35	26	29	92	67	205	21	112	205	792
Directors and Executives of the Management Company										
Amount (Rupees in '000)	3,378	783	693	217	-	-	-	1,261	15,820	22,151
Units	46,045	11,986	11,410	4,011	-	-	-	22,667	311,840	407,959
Meezan Islamic Fund										
Amount (Rupees in '000)	313,997	183,385	73,732	1,071,156	783,481	2,137,059	334,218	971,993	1,019,045	6,888,066
Units	4,742,448	2,769,750	1,113,606	16,178,167	11,833,268	32,276,978	5,047,854	14,680,450	15,391,100	104,033,621
Meezan Sovereign Fund										
Amount (Rupees in '000)	134,571	183,385	221,195	152,976	44,529	-	-	617,406	1,954,342	3,308,404
Units	2,649,023	3,609,945	4,354,238	3,011,305	876,557	-	-	12,153,662	38,471,290	65,126,020
Meezan Cash Fund										
Amount (Rupees in '000)	-	-	-	-	-	-	-	2,347	-	2,347
Units	-	-	-	-	-	-	-	46,815	-	46,815
Al Meezan Mutual Fund										
Amount (Rupees in '000)	-	-	-	58,709	-	322,959	-	-	88,370	470,038
Units	-	-	-	3,263,441	-	17,952,133	-	-	4,912,176	26,127,750
Meezan Islamic Income Fund										
Amount (Rupees in '000)	-	-	-	-	85,638	402,705	109,695	-	-	598,038
Units	-	-	-	-	1,670,003	7,853,062	2,139,131	-	-	11,662,196
Unit Holders holding 10% or more units of the Fund										
	133,948	93,088	33,000	215,059	165,839	-	-	173,361	-	814,295

For the year ended June 30, 2017

For the period from July 1, to October 27, 2016
For the period from July 1, to March 24, 2017

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total
(Rupees in '000)										
Al Meezan Investment Management Limited - Management Company										
Remuneration for the period (Rupees in '000)	187	171	156	66	110	130	114	83	93	1,110
Sindh Sales Tax on Management Fee (Rupees in '000)	24	22	20	9	14	17	15	11	12	144
Allocated expense (Rupees in '000)	633	502	443	1,399	1,033	3,160	939	535	2,337	10,981

	For the year ended June 30, 2017							For the period from July 1, 2016 to October 27, 2016	For the period from July 1, 2017 to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	
	(Rupees in '000)									
Amount invested during the period (Rupees in '000)	-	-	32	-	1,112	4,879	-	-	-	6,023
Units issued during the period	-	-	358	-	13,270	58,729	-	480,509	-	552,865
Amount redeemed during the period (Rupees in '000)	-	-	-	-	-	-	-	163,595	-	163,595
Units redeemed during the period	-	-	-	-	-	-	-	3,271,894	-	3,271,894
Dividend paid (Rupees in '000)	-	-	32	-	1,112	4,879	-	-	-	6,023
Bonus issue (Rupees in '000)	-	-	-	-	-	-	-	25,290	-	25,290
Meezan Bank Limited										
Profit on saving account (Rupees in '000)	229	363	325	171	277	303	326	799	705	3,498
Central Depository Company of Pakistan Limited - Trustee										
Trustee fee for the period (Rupees in '000)	489	388	343	1,082	799	2,444	726	413	1,801	8,485
Sindh Sales Tax on Trustee Fee (Rupees in '000)	64	50	45	141	104	318	94	54	234	1,104
Directors and Executives of the Management Company										
Amount invested during the period (Rupees in '000)	142	100	100	7	-	-	-	205	2,233	2,788
Units issued during the period	1,601	1,321	1,488	98	-	-	-	3,902	42,423	50,832
Amount redeemed during the period (Rupees in '000)	2,270	974	846	-	-	-	-	1,328	17,713	23,132
Units redeemed during the period	28,114	13,305	12,898	-	-	-	-	26,569	354,263	435,149
Meezan Islamic Fund										
Amount invested during the period (Rupees in '000)	543,436	347,116	176,869	309,718	205,987	576,769	399,360	109,000	530,000	3,198,255
Units issued during the period	6,721,531	4,394,776	2,278,036	3,991,012	2,714,754	7,547,389	5,484,869	1,605,687	7,515,588	42,253,642
Amount redeemed during the period (Rupees in '000)	464,902	368,123	167,745	511,000	275,000	838,500	126,000	1,164,107	1,792,374	5,707,751
Units redeemed during the period	5,708,399	4,487,555	2,056,473	6,751,382	3,688,964	11,334,478	1,510,915	16,286,137	22,906,688	74,730,991
Dividend received (Rupees in '000)	26,872	13,336	6,345	63,001	50,987	133,769	42,360	-	-	336,669
Meezan Sovereign Fund										
Amount invested during the period (Rupees in '000)	256,802	338,173	483,620	341,703	266,210	-	-	325,780	2,889,385	4,901,673
Units issued during the period	4,865,600	6,442,217	9,234,583	6,675,654	5,194,921	-	-	6,310,639	55,963,749	94,687,363
Amount redeemed during the period (Rupees in '000)	400,088	535,078	721,162	463,264	236,767	-	-	952,546	4,934,998	8,243,903
Units redeemed during the period	7,514,623	10,052,162	13,588,821	8,778,344	4,491,517	-	-	18,464,301	94,435,039	157,324,807
Meezan Cash Fund										
Amount invested during the period (Rupees in '000)	117,329	123,391	177,125	122,107	145,949	283,032	73,667	1,661,298	5,450,921	8,154,819
Units issued during the period	2,228,076	2,343,328	3,362,999	2,340,409	2,823,075	5,397,053	1,406,135	32,708,833	105,603,792	158,213,700
Amount redeemed during the period (Rupees in '000)	18,858	16,119	16,941	24,217	65,394	273,898	-	1,667,262	5,477,099	7,559,788
Units redeemed during the period	359,359	315,296	328,489	463,492	1,248,112	5,397,053	-	32,755,648	105,603,792	146,471,241
Dividend received (Rupees in '000)	5,067	5,872	8,374	4,894	4,107	12,032	3,667	-	-	44,013
Al Meezan Mutual Fund										
Amount invested during the period (Rupees in '000)	-	-	-	3,263	-	17,952	74,765	66,000	60,000	221,980
Units issued during the period	-	-	-	153,141	-	842,427	3,941,239	3,499,470	2,991,027	11,427,304
Amount redeemed during the period (Rupees in '000)	-	-	-	-	-	-	-	67,673	183,038	250,711
Units redeemed during the period	-	-	-	-	-	-	-	3,499,470	7,903,203	11,402,673
Dividend received	-	-	-	3,263	-	17,952	3,765	-	-	24,980
Meezan Islamic Income Fund										
Amount invested during the period (Rupees in '000)	117,237	122,733	176,034	357,569	190,681	1,079,303	575,084	-	-	2,618,641
Units issued during the period	2,195,497	2,299,085	3,299,619	6,726,576	3,583,861	20,823,970	11,142,025	-	-	50,070,633
Amount Redeemed during the period (Rupees in '000)	18,826	16,071	16,870	352,938	275,419	1,120,962	669,492	-	-	2,470,578
Units redeemed during the period	361,689	308,938	321,796	6,726,576	5,253,864	21,231,840	12,828,462	-	-	47,033,165
Dividend received	4,976	5,213	7,283	5,943	4,044	8,115	1,079	-	-	36,653
KSE Meezan Index Fund										
Amount invested during the period (Rupees in '000)	-	-	-	33,636	-	-	-	-	-	33,636
Units issued during the period	-	-	-	348,329	-	-	-	-	-	348,329
Dividend received (Rupees in '000)	-	-	-	3,636	-	-	-	-	-	3,636



	For the year ended June 30, 2016	For the period from July 10, 2015 to June 30, 2016	For the period from November 27, 2015 to June 30, 2016	For the period from January 26, 2016 to June 30, 2016	For the period from May 25, 2016 to June 30, 2016	For the year ended June 30, 2016					
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total	
	(Rupees in '000)										
Al Meezan Investment Management Limited Management Company											
Remuneration for the year / period (Rupees in '000)	38	125	109	97	164	172	25	81	36	847	
Sindh Sales Tax and Federal Excise Duty on Management Fee (Rupees in '000)	12	40	36	32	53	56	8	26	12	275	
Allocated expenses (Rupees in '000)	218	178	132	663	438	952	23	833	1,648	5,085	
Amount invested during the period (Rupees in '000)	-	-	581	-	25,263	128,611	-	10,396	-	164,851	
Units issued during the period	-	-	7,177	-	494,071	2,568,004	-	140,176	-	3,209,428	
Cash dividend paid (Rupees in '000)	-	-	581	-	1,263	6,683	-	10,396	-	18,923	
Meezan Bank Limited											
Profit on saving account (Rupees in '000)	90	141	207	663	408	771	181	228	182	2,871	
Cash dividend paid (Rupees in '000)	-	-	-	-	-	-	-	-	10,902	10,902	
Central Depository Company of Pakistan Limited - Trustee											
Trustee fee for the period (Rupees in '000)	302	251	192	781	342	737	18	1,226	2,400	6,249	
Sindh Sales Tax on Trustee Fee (Rupees in '000)	42	35	27	109	48	103	3	172	336	875	
Directors and Executives of the Management Company											
Amount invested during the period (Rupees in '000)	6,684	1,169	62	209	-	-	-	84	818	9,026	
Units issued during the period	87,763	17,627	918	4,041	-	-	-	1,352	14,516	126,217	
Amount Redeemed during the period (Rupees in '000)	3,999	1,160	-	1	-	-	-	-	-	5,160	
Units Redeemed during the period	55,246	17,429	-	30	-	-	-	-	-	72,705	
Cash dividend paid (Rupees in '000)	407	69	62	7	-	-	-	83	818	1,447	
Meezan Islamic Fund											
Amount invested during the period (Rupees in '000)	106,149	93,787	45,641	1,313,189	979,017	2,398,154	345,367	852,635	1,575,038	7,708,977	
Units issued during the period	16,699,615	1,490,991	727,555	21,408,494	16,290,892	39,206,278	5,047,854	13,746,230	25,323,693	139,941,602	
Amount redeemed during the period (Rupees in '000)	59,980	112,243	66,987	324,000	275,000	434,000	-	1,183,552	2,087,888	4,543,650	
Units redeemed during the period	944,892	1,796,604	1,079,922	5,230,327	4,457,624	6,929,300	-	19,873,403	35,560,005	75,872,077	
Dividend received (Rupees in '000)	22,027	15,301	6,581	45,689	33,418	91,154	13,189	87,761	101,024	416,144	
Meezan Sovereign Fund											
Amount invested during the period (Rupees in '000)	60,199	107,935	148,540	1,170,067	193,943	-	-	2,231,195	4,453,710	8,365,589	
Units issued during the period	1,174,353	2,095,502	2,877,729	22,788,255	3,716,683	-	-	43,234,157	86,386,512	162,273,191	
Amount redeemed during the period (Rupees in '000)	23,993	101,561	178,748	1,015,624	149,524	-	-	1,842,757	2,927,566	6,239,773	
Units redeemed during the period	462,246	1,971,006	3,507,851	19,776,950	2,840,126	-	-	35,610,459	56,604,781	120,773,419	
Dividend received (Rupees in '000)	11,750	18,767	26,315	6,492	1,889	-	-	41,814	115,880	222,907	
Meezan Cash Fund											
Amount invested during the period (Rupees in '000)	-	-	-	906,714	-	-	-	1,536,930	2,504,395	4,948,039	
Units issued during the period	-	-	-	17,878,903	-	-	-	30,182,062	49,329,322	97,390,287	
Amount redeemed during the period (Rupees in '000)	-	-	-	909,257	-	-	-	1,623,991	3,594,445	6,127,693	
Units redeemed during the period	-	-	-	17,878,903	-	-	-	31,726,676	49,329,322	98,934,901	
Dividend received (Rupees in '000)	-	-	-	-	-	-	-	101	-	101	
Al Meezan Mutual Fund											
Amount invested during the period (Rupees in '000)	-	-	-	53,559	-	284,404	-	103,000	108,852	549,815	
Units issued during the period	-	-	-	3,263,441	-	17,952,133	-	6,325,869	6,731,130	34,272,573	
Amount redeemed during the period (Rupees in '000)	-	-	-	-	-	-	-	98,873	29,269	128,142	
Units redeemed during the period	-	-	-	-	-	-	-	6,325,869	1,818,953	8,144,822	
Dividend received (Rupees in '000)	-	-	-	2,559	-	14,079	-	-	3,852	20,491	
Meezan Islamic Income Fund											
Amount invested during the period (Rupees in '000)	-	-	-	691,257	1,016,005	2,839,372	381,627	-	30,000	4,958,261	
Units issued during the period	-	-	-	13,269,167	19,291,436	53,532,368	7,198,193	-	561,167	93,852,331	
Amount redeemed during the period (Rupees in '000)	-	-	-	695,776	928,652	2,428,825	270,488	-	30,000	4,353,741	
Units redeemed during the period	-	-	-	13,269,035	17,621,433	45,679,306	5,059,062	-	561,167	82,190,003	
Dividend received (Rupees in '000)	-	-	-	-	3,981	19,372	1,627	-	-	24,981	

16. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies:

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

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

Risks managed and measured by the Fund are explained below:

16.1 Credit risk

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

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

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

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

The maximum exposure to credit risk as at June 30, 2017 and 2016 is tabulated below:

	As at June 30, 2017							As at October 27, 2016	As at March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	M CPP-I	M CPP-II	
(Rupees in '000)										
FINANCIAL ASSETS										
Balances with banks	12,939	6,239	2,634	2,009	5,981	12,981	2,670	1,676,547	3,368,527	5,090,527
Investments	628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	-	-	7,526,048
Receivable on issuance and conversion of units	3	-	2,123	-	-	-	-	-	-	2,126
Receivable against sale of investments (net)	5,000	33,875	19,000	-	5,700	24,700	-	-	-	88,275
Profit receivable on saving accounts	2	24	24	18	5	90	49	742	595	1,549
	646,206	449,232	431,862	1,268,575	1,002,062	2,994,609	869,568	1,677,289	3,369,122	12,708,525
2016										
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	M CPP-I	M CPP-II	Total
(Rupees in '000)										
FINANCIAL ASSETS										
Balances with banks	1,250	8,622	2,701	8,009	21,477	11,225	48,753	11,454	5,398	118,889
Investments	448,568	366,770	294,927	1,282,841	913,648	2,862,723	443,913	1,591,746	3,061,757	11,266,893
Receivable on issuance and conversion of units	956	351	33,854	-	-	-	59,215	-	-	94,376
Profit receivable on saving accounts	22	18	9	14	33	80	176	29	16	397
	450,796	375,761	331,491	1,290,864	935,158	2,874,028	552,057	1,603,229	3,067,171	11,480,555



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

Rating agency	As at June 30, 2017 / October 27, 2016 / March 24, 2017		As at June 30, 2016		
	(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)	
AA+	PACRA/JCR-VIS	1,499	0.03	321	0.27
AA	PACRA/JCR-VIS	5,088,644	99.96	118,538	99.70
AA-	PACRA/JCR-VIS	45	-	30	0.03
A+	PACRA/JCR-VIS	339	0.01	-	-
		5,090,527	100.00	118,889	100.00

None of the financial assets were considered to be past due or impaired as on June 30, 2017.

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

16.2 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's investments are considered to be readily realisable as they are all listed on stock exchange of the country. The Fund manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's asset in highly liquid financial assets.

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding three months to the extent of fifteen percent of the net assets of Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, Meezan Capital Preservation Plan I, Meezan Capital Preservation Plan II, Meezan Asset Allocation Plan I, Meezan Asset Allocation Plan II, Meezan Asset Allocation Plan III and Meezan Asset Allocation Plan IV. However, no such borrowing has been obtained during the year / period.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008 to defer redemption requests to the next dealing day, had such requests exceed ten percent of the total number of units in issue. However, no such defer redemption request has been exercised by the Fund during the year / period.

An analysis of the Fund's liabilities into relevant maturity grouping is tabulated below:

	Maturity upto				2017	2016
	Three months	Six months	One year	More than one year	Total	Total Maturity up to three months
Aggressive (as at June 30)	(Rupees in '000)					
Payable to Al Meezan - Management Company	106	-	-	-	106	91
Payable to CDC - Trustee	54	-	-	-	54	35
Payable to MBL	3	-	-	-	3	3
Payable on redemption and conversion of units	12,138	-	-	-	12,138	411
Dividend payable	298	-	-	-	298	25
Accrued expenses and other liabilities	413	-	-	-	413	3,094
	13,012	-	-	-	13,012	3,659
Moderate (as at June 30)						
Payable to Al Meezan - Management Company	42	-	-	-	42	95
Payable to CDC - Trustee	32	-	-	-	32	26
Payable on redemption and conversion of units	35,568	-	-	-	35,568	1,020
Dividend payable	900	-	-	-	900	165
Accrued expenses and other liabilities	455	-	-	-	455	2,204
	36,997	-	-	-	36,997	3,510
Conservative (as at June 30)						
Payable to Al Meezan - Management Company	165	-	-	-	165	61
Payable to CDC - Trustee	38	-	-	-	38	29
Payable on redemption and conversion of units	16,013	-	-	-	16,013	208
Dividend payable	63	-	-	-	63	53
Accrued expenses and other liabilities	505	-	-	-	505	1,950
	16,784	-	-	-	16,784	2,301

	Maturity upto				2017	2016
	Three months	Six months	One year	More than one year	Total	Total Maturity up to three months
	(Rupees in '000)					
MAAP-I (as at June 30)						
Payable to Al Meezan - Management Company	113	-	-	-	113	121
Payable to CDC - Trustee	95	-	-	-	95	92
Payable on redemption and conversion of units	300	-	-	-	300	32
Dividend payable	-	-	-	-	-	3,788
Accrued expenses and other liabilities	1,864	-	-	-	1,864	3,358
	2,372	-	-	-	2,372	7,391
MAAP-II (as at June 30)						
Payable to Al Meezan - Management Company	86	-	-	-	86	94
Payable to CDC - Trustee	73	-	-	-	73	67
Payable on redemption and conversion of units	11,103	-	-	-	11,103	-
Dividend payable	-	-	-	-	-	2,629
Accrued expenses and other liabilities	1,864	-	-	-	1,864	1,842
	13,126	-	-	-	13,126	4,632
MAAP-III (as at June 30)						
Payable to Al Meezan - Management Company	264	-	-	-	264	249
Payable to CDC - Trustee	220	-	-	-	220	205
Payable on redemption and conversion of units	35,438	-	-	-	35,438	-
Dividend payable	-	-	-	-	-	356
Accrued expenses and other liabilities	6,906	-	-	-	6,906	6,815
	42,828	-	-	-	42,828	7,625
MAAP-IV (as at June 30)						
Payable to Al Meezan - Management Company	76	-	-	-	76	1,334
Payable to CDC - Trustee	64	-	-	-	64	21
Payable on redemption and conversion of units	123	-	-	-	123	-
Dividend payable	-	-	-	-	-	269
Accrued expenses and other liabilities	2,708	-	-	-	2,708	16,081
	2,971	-	-	-	2,971	17,705
MCPP I (as at October 27 / June 30)						
Payable to Al Meezan - Management Company	183	-	-	-	183	140
Payable to CDC - Trustee	107	-	-	-	107	112
Dividend payable	-	-	-	-	-	142
Accrued expenses and other liabilities	4,499	-	-	-	4,499	6,904
	4,789	-	-	-	4,789	7,298
MCPP II (as at March 24 / June 30)						
Payable to Al Meezan - Management Company	258	-	-	-	258	257
Payable to CDC - Trustee	191	-	-	-	191	205
Payable on redemption and conversion of units	-	-	-	-	-	1
Dividend payable	-	-	-	-	-	802
Accrued expenses and other liabilities	9,503	-	-	-	9,503	9,815
	9,952	-	-	-	9,952	11,080

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

16.3 Market Risk

16.3.1 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry, environment and / or the economy in general. The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the unitholders from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the investment committee in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the



attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities and by complying with the internal risk management policies and regulations laid down in NBFC Regulations, 2008.

Details of the Fund's investment portfolio exposed to price risk, at the reporting date are disclosed in note 5 to these financial statements. At June 30, 2017, the Fund's overall exposure to price risk is limited to investments in funds.

16.3.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which affect cash flows pertaining to debt instruments and their fair values. The Fund invests in income fund which are exposed to interest rate risk and which indirectly affect the interest rate risk of the Fund.

Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. During the year / period ended June 30, 2017, the net income would have increased / (decreased) by Rs. 0.13 million (June 30, 2016: Rs. 0.01 million), Rs. 0.06 million (June 30, 2016: Rs. 0.09 million), Rs. 0.03 million (June 30, 2016: Rs. 0.03 million), Rs. 16.77 million (June 30, 2016: Rs. 0.11 million), Rs. 33.69 million (June 30, 2016: Rs. 0.05 million), Rs. 0.02 (June 30, 2016: Rs. 0.08 million), Rs. 0.06 (June 30, 2016: Rs. 0.21 million), Rs. 0.13 (June 30, 2016: Rs. 0.11 million) and Rs. 0.03 million (June 30, 2016: Rs. 0.49 million) in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, Meezan Capital Preservation Plan I, Meezan Capital Preservation Plan II, Meezan Asset Allocation Plan I, Meezan Asset Allocation Plan II, Meezan Asset Allocation Plan III and Meezan Asset Allocation Plan IV respectively, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

Fair value interest rate risk

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

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

Effective yield / interest rate	As at June 30, 2017 / October 27, 2016 / March 24, 2017				Total	
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk		
	Upto three months	More than three months and upto one year	More than one year			
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Balance with banks	2.0% to 2.40%	5,083,540	-	-	6,987	5,090,527
Investments		-	-	-	7,526,048	7,526,048
Receivable on issuance and conversion of units		-	-	-	2,126	2,126
Receivable against sale of investments (net)		-	-	-	88,275	88,275
Profit receivable on saving accounts with banks		-	-	-	1,549	1,549
		5,083,540	-	-	7,624,985	12,708,525
Financial liabilities						
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	-	1,293	1,293
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	-	874	874
Payable to Meezan Bank Limited (MBL)		-	-	-	3	3
Payable on redemption and conversion of units		-	-	-	110,683	110,683
Dividend Payable		-	-	-	1,261	1,261
Accrued expenses and other liabilities		-	-	-	30,226	30,226
		-	-	-	144,340	144,340
On-balance sheet gap		5,083,540	-	-	7,480,645	12,564,185
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		5,083,540	-	-		
Cumulative interest rate sensitivity gap		5,083,540	5,083,540	5,083,540		

	As at June 30, 2016					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
Financial assets						
Balance with banks	2.50% to 3.59%	118,889	-	-	118,889	
Investments		-	-	11,266,893	11,266,893	
Receivable on issuance and conversion of units		-	-	94,376	94,376	
Profit receivable on saving accounts with banks		-	-	397	397	
		118,889	-	11,361,666	11,480,555	
Financial liabilities						
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	2,442	2,442	
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	792	792	
Payable to Meezan Bank Limited (MBL)		-	-	1,038	1,038	
Payable on redemption and conversion of units		-	-	1,672	1,672	
Dividend Payable		-	-	8,229	8,229	
Accrued expenses and other liabilities		-	-	43,636	43,636	
		-	-	57,809	57,809	
On-balance sheet gap		118,889	-	11,303,857	11,422,846	
Off-balance sheet financial instruments		-	-	-	-	
Off-balance sheet gap		-	-	-	-	
Total interest rate sensitivity gap		118,889	-	-	-	
Cumulative interest rate sensitivity gap		118,889	118,889	118,889		

16.3.3 Currency risk

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

17. UNITHOLDERS' FUND RISK MANAGEMENT

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

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

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

The Fund meets the requirement of sub-regulation 54(3a) of NBFC Regulations, 2008, which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all time during the life of the scheme.

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

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



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

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

The following table presents assets that are measured at fair value:

Note	Carrying amount				Total	Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables		Level 1	Level 2	Level 3	Total
June 30, 2017									
Financial assets - measured at fair value									
(Rupees in '000)									
Investments	7,526,048	-	-	-	7,526,048	7,526,048	-	-	7,526,048
Financial assets - not measured at fair value									
Balances with banks	18.1	-	-	5,090,527	-	5,090,527			
Receivable on issuance and conversion of units	18.1	-	2,126	-	-	2,126			
Receivable against sale of investments (net)	18.1	-	88,275	-	-	88,275			
Profit receivable on saving accounts with banks	18.1	-	1,549	-	-	1,549			
		7,526,048	91,950	5,090,527	-	12,708,525			
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	18.1	-	-	-	1,293	1,293			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	18.1	-	-	-	874	874			
Payable to Meezan Bank Limited (MBL)	18.1	-	-	-	3	3			
Payable on redemption and conversion of units	18.1	-	-	-	110,683	110,683			
Dividend Payable	18.1	-	-	-	1,261	1,261			
Accrued expenses and other liabilities	18.1	-	-	-	30,226	30,226			
		-	-	-	144,340	144,340			
June 30, 2016									
Financial assets - measured at fair value									
(Rupees in '000)									
Investments		11,266,893	-	-	-	11,266,893	11,266,893	-	-
Financial assets - not measured at fair value									
Balances with banks	18.1	-	-	118,889	-	118,889			
Receivable on issuance and conversion of units	18.1	-	94,376	-	-	94,376			
Profit receivable on saving accounts with banks	18.1	-	397	-	-	397			
		11,266,893	94,773	118,889	-	11,480,555			
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	18.1	-	-	-	2,442	2,442			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	18.1	-	-	-	792	792			
Payable to Meezan Bank Limited (MBL)	18.1	-	-	-	1,038	1,038			
Payable on redemption and conversion of units	18.1	-	-	-	1,672	1,672			
Dividend Payable	18.1	-	-	-	8,229	8,229			
Accrued expenses and other liabilities	18.1	-	-	-	43,537	43,537			
		-	-	-	57,710	57,710			

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

19. TAXATION

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

20. PERFORMANCE TABLE

	As at June 30, 2017						As at October 27, 2016	As at March 24, 2017	
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II
	(Rupees in '000)								
Net assets (Rs. '000)	622,134	407,809	413,397	1,251,312	977,977	2,922,541	860,244	1,656,710	3,324,132
Net assets value / redemption price per unit									
as at June 30 (Rs.) (Ex Distribution)	79.83	72.04	66.33	62.41	62.40	61.87	54.42	50.00	50.00
Offer price per unit as at June 30 (Rs.)	81.63	73.26	67.08	-	-	-	-	-	-
Highest offer price per unit (Rs.)	95.33	79.84	69.21	-	-	-	53.18	-	-
Lowest offer price per unit (Rs.)	73.79	65.66	61.02	-	-	-	49.33	-	-
Highest redemption price per unit (Rs.)	93.22	78.51	68.44	62.41	71.52	70.83	63.10	60.07	57.20
Lowest redemption price per unit (Rs.)	71.89	64.38	60.22	54.27	53.46	52.73	47.45	50.00	50.00
Distribution (%)	12.00	4.00	0.60	3.60	4.50	3.80	4.40	-	-
Dates of distribution (Interim)	June 29, 2017	June 29, 2017	June 29, 2017	June 29, 2017	June 29, 2017	June 29, 2017	June 29, 2017	-	-
Average return (%)	16.90%	13.30%	9.70%	18.80%	18.10%	18.00%	16.90%	-	-
	As at June 30, 2016								
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II
	(Rupees in '000)								
Net assets (Rs. '000)	442,869	366,601	326,656	1,277,906	925,227	2,851,007	531,933	1,575,646	3,034,634
Net assets value / redemption price per unit									
as at June 30 (Rs.) (Ex Distribution)	73.37	65.32	60.71	54.03	54.75	54.03	48.42	55.64	50.73
Offer price per unit as at June 30 (Rs.)	75.31	66.62	61.51	-	-	-	50.34	-	-
Highest offer price per unit (Rs.)	82.39	73.72	67.71	52.40	52.66	54.06	53.18	-	-
Lowest offer price per unit (Rs.)	69.40	64.90	61.02	50.13	51.98	50.68	49.33	-	-
Highest redemption price per unit (Rs.)	80.27	72.29	66.83	56.50	58.10	57.43	51.15	60.07	53.72
Lowest redemption price per unit (Rs.)	67.61	63.64	60.22	46.30	47.86	48.75	47.45	53.14	49.56
Distribution (%)	12.00	12.50	11.80	3.60	5.30	5.40	3.90	7.80	5.40
Dates of distribution (annual)	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016
Average return (%)	13.30%	11.30%	8.70%	11.70%	14.80%	13.50%	0.70%	10.50%	6.50%
	As at June 30, 2015								
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II
	(Rupees in '000)								
Net assets (Rs. '000)	356,415	320,046	237,421	-	-	-	-	1,590,238	3,081,799
Net assets value / redemption price per unit									
as at June 30 (Rs.) (Ex Distribution)	70.06	64.29	61.27	-	-	-	-	53.89	50.2
Offer price per unit as at June 30 (Rs.)	71.93	65.59	62.09	-	-	-	-	-	-
Highest offer price per unit (Rs.)	72.80	66.02	62.19	-	-	-	-	52.57	52.9
Lowest offer price per unit (Rs.)	59.41	56.32	55.93	-	-	-	-	-	-
Highest redemption price per unit (Rs.)	70.91	64.72	61.37	-	-	-	-	55.89	50.9
Lowest redemption price per unit (Rs.)	57.87	55.22	55.19	-	-	-	-	48.46	47.3
Distribution (%)	-	-	-	-	-	-	-	0.04	0.1
Dates of distribution (annual)	-	-	-	-	-	-	-	July 3, 2015	July 3, 2015
Average return (%)	16.50	13.60	10.1	-	-	-	-	7.80	0.4



As at June 30, 2014

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II
	(Rupees in '000)								
Net assets (Rupees in '000)	330,020	255,369	341,276	-	-	-	-	-	-
Net assets value / redemption price per unit as at June 30 (Rupees) (Ex Distribution)	60.16	56.62	55.68	-	-	-	-	-	-
Offer price per unit as at June 30 (Rupees)	61.78	57.76	56.43	-	-	-	-	-	-
Highest offer price per unit (Rupees)	65.66	61.21	58.10	-	-	-	-	-	-
Lowest offer price per unit (Rupees)	53.94	52.80	52.41	-	-	-	-	-	-
Highest redemption price per unit (Rupees)	63.94	60.00	57.33	-	-	-	-	-	-
Lowest redemption price per unit (Rupees)	52.51	51.76	51.71	-	-	-	-	-	-
Distribution (%)	8.50	7.80	4.10	-	-	-	-	-	-
Growth distribution (Rupees in '000)	7,956	4,908	3,301	-	-	-	-	-	-
Dates of distribution (Interim)	May 30, 2014	May 30, 2014	May 30, 2014	-	-	-	-	-	-
Growth distribution (Rupees in '000)	20,628	15,181	12,372	-	-	-	-	-	-
Total return (%)	22.10	17.30	12.60	-	-	-	-	-	-

As at June 30, 2013

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II
	(Rupees in '000)								
Net assets (Rupees in '000)	255,034	158,438	285,393	-	-	-	-	-	-
Net assets value / redemption price per unit as at June 30 (Rupees) (Ex Distribution)	52.79	51.61	51.28	-	-	-	-	-	-
Offer price per unit as at June 30 (Rupees)	54.22	52.65	51.97	-	-	-	-	-	-
Highest offer price per unit (Rupees)	57.88	55.39	53.08	-	-	-	-	-	-
Lowest offer price per unit (Rupees)	50.39	50.84	50.33	-	-	-	-	-	-
Highest redemption price per unit (Rupees)	56.35	54.29	52.38	-	-	-	-	-	-
Lowest redemption price per unit (Rupees)	49.06	49.83	49.67	-	-	-	-	-	-
Distribution (%)	3.40	3.30	1.20	-	-	-	-	-	-
Dates of distribution (annual)	July 08, 2013	July 08, 2013	July 08, 2013	-	-	-	-	-	-
Growth distribution (Rupees in '000)	7,956	4,908	3,301	-	-	-	-	-	-
Total return (%)	9.00	6.50	3.80	-	-	-	-	-	-

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

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

21. 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 period ended June 30, 2017 is 0.86%, 0.65%, 0.72%, 0.80%, 0.85%, 0.82%, and 0.59%, for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV, respectively, which includes 0.64%, 0.38%, 0.49%, 0.60%, 0.65%, 0.62%, and 0.39%, for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV, respectively, representing government levy, Sindh Worker Welfare Fund and SECP fee in each allocation plan.

22. INVESTMENT COMMITTEE MEMBERS

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

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

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

- Al Meezan Mutual Fund
- Meezan Energy Fund
- Meezan Strategic Allocation Fund
- Meezan Asset Allocation Fund

23. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

Name	Designation	Dates of Board of Directors Meetings and Directors' present therein				
		August 31, 2016	October 06, 2016	February 8, 2017	April 13, 2017	June 14, 2017
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive	Yes	Yes	Yes	Yes	Yes
Mr. P. Ahmed	Director	No	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes
Mr. Atif Azim	Director	Yes	Yes	Yes	Yes	Yes
Mr. Tasnimul Haq Farooqui*	Director	No	Yes	Yes	Yes	Resigned
Mr. Mazhar Sharif	Director	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali	Director	Yes	Yes	Yes	No	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes
Mr. Abdullah Ahmed	Director	Yes	Yes	No	Yes	Yes
Mr. Ijaz Farooq*	Director	-	-	-	-	Yes

* Mr. Tasnimul Haq resigned and in his place Mr. Ijaz Farooq was approved as a Director on the Board of Al Meezan Investment Management Limited for the remaining term. SECP vide their letter no. SCD/AMCW/AMIML/09/2017, dated July 13, 2017, issued No Objection on this appointment.

24. PATTERN OF UNIT HOLDING

	AGGRESSIVE					
	As at June 30, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	497	260,415	41.86	335	186,606	42.14
Director	-	-	-	1	871	0.20
Retirement funds	4	105,911	17.02	3	121,452	27.42
Others	5	255,808	41.12	1	133,940	30.24
Total	506	622,134	100.00	340	442,869	100.00



MODERATE

	As at June 30, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	356	278,936	68.40	292	208,683	56.92
Insurance companies	-	-	-	1	41,006	11.19
Associated company	-	-	-	1	783	0.21
Retirement funds	3	39,894	9.78	3	60,825	16.59
Others	9	88,979	21.82	6	55,304	15.09
Total	368	407,809	100.00	303	366,601	100.00

CONSERVATIVE

	As at June 30, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	292	335,229	81.09	250	258,030	78.99
NBFC	-	-	-	1	6,412	1.96
Associated company	1	7,029	1.70	1	693	0.21
Retirement funds	2	71,139	17.21	4	61,239	18.75
Others	-	-	-	2	283	0.09
Total	295	413,397	100.00	258	326,656	100.00

MCPP I

	As at October 27, 2016			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	607	705,573	47.29	609	671,104	47.25
Insurance companies	2	212,946	14.27	2	202,177	14.23
Associated company	-	-	-	1	1,175	0.08
Retirement funds	21	198,875	13.33	21	190,326	13.40
Others	11	374,482	25.10	12	355,544	25.03
Total	643	1,491,876	100.00	646	1,420,326	100.00

MCPP II

	As at March 24, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	1,176	1,883,627	56.67	1,209	1,747,295	57.58
Director	1	17,713	0.53	-	-	-
Insurance companies	3	58,497	1.76	3	52,240	1.72
Associated company / Director	1	226,601	6.82	2	216,912	7.15
Retirement funds	33	507,654	15.27	34	455,782	15.02
Public limited companies	-	-	-	-	-	-
Others	15	630,041	18.95	15	562,404	18.53
Total	1,229	3,324,132	100.00	1,263	3,034,634	100.00

MAAP I

	As at June 30, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	424	548,601	43.84	504	593,658	46.46
Director	1	256	0.02	1	217	0.02
Retirement funds	12	325,426	26.01	14	353,326	27.65
Insurance	2	19,516	1.56	2	16,540	1.29
Others	7	357,512	28.57	8	314,166	24.58
Total	446	1,251,311	100.00	529	1,277,907	100.00

MAAP II

	As at June 30, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	288	391,073	39.99	343	407,266	44.02
Retirement funds	13	320,499	32.77	14	282,733	30.56
Insurance	1	12,940	1.32	2	17,023	1.84
Associated company	1	31,661	3.24	1	27,050	2.92
Others	5	221,804	22.68	5	191,154	20.66
Total	308	977,977	100.00	365	925,226	100.00

MAAP III

	As at June 30, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	605	1,244,300	42.58	670	1,325,209	46.48
Retirement funds	37	1,154,290	39.50	39	1,025,392	35.97
Associated company	1	162,529	5.56	1	138,752	4.87
Insurance	3	58,080	1.99	3	49,583	1.74
Others	12	303,343	10.38	13	312,071	10.94
Total	658	2,922,542	100.00	726	2,851,007	100.00

MAAP IV

	As at June 30, 2017			As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	210	512,337	59.56	168	484,252	91.03
Retirement funds	8	299,127	34.77	2	43,659	8.21
Others	2	48,779	5.67	1	4,021	0.76
Total	220	860,243	100.00	171	531,932	100.00

25. GENERAL**25.1 Reclassification of comparatives**

The Fund reclassified provision for Federal Excise Duty and related Sindh Sales Tax on management fee and sales load, included in "Payable to Al Meezan Investment Management Limited" to "Accrued expenses and other liabilities". This has also been made in the prior year's statement of assets and liabilities for better presentation and disclosure. Details are as follows:



As at June 30, 2016

	As previously reported	Impact (Rupees in '000)	As stated
Aggressive			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	468	(377)	91
Accrued expenses and other liabilities	<u>6,619</u>	<u>377</u>	<u>6,996</u>
Moderate			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	539	(444)	95
Accrued expenses and other liabilities	<u>7,105</u>	<u>444</u>	<u>7,549</u>
Conservative			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	547	(486)	61
Accrued expenses and other liabilities	<u>4,122</u>	<u>486</u>	<u>4,608</u>
MCPP-I			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	4,581	(4,441)	140
Accrued expenses and other liabilities	<u>21,260</u>	<u>4,441</u>	<u>25,701</u>
MCPP-II			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	9,647	(9,390)	257
Accrued expenses and other liabilities	<u>18,970</u>	<u>9,390</u>	<u>28,360</u>
MAAP-I			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	3,386	(3,265)	121
Accrued expenses and other liabilities	<u>4,709</u>	<u>3,265</u>	<u>7,974</u>
MAAP-II			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	1,912	(1,818)	94
Accrued expenses and other liabilities	<u>4,904</u>	<u>1,818</u>	<u>6,722</u>
MAAP-III			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	7,015	(6,766)	249
Accrued expenses and other liabilities	<u>14,541</u>	<u>6,766</u>	<u>21,307</u>
MAAP-IV			
Effects on statement of assets and liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	3,888	(2,554)	1,334
Accrued expenses and other liabilities	<u>14,889</u>	<u>2,554</u>	<u>17,443</u>

There are no effects in the Income Statement and Statement of Comprehensive Income and Cash Flow Statement for the aforementioned reclassification.

- 25.2** The Securities and Exchange Commission of Pakistan (SECP), vide their S.R.O. 756(I)/2017, dated August 03, 2017, changed the definition of accounting income in regulation (63) sub-regulation (I), which now states that accounting income excludes element of income (as defined in the S.R.O.), at the close of the financial year or in case of interim distribution, any interim date at which the financial statements of the fund are drawn up. Moreover, the S.R.O. also deleted 'Distribution Statement' and its contents, along with certain additional break-ups and disclosures, to be included on the face of 'Income Statement' and 'Statement of Movements in Reserves or Unit holders' fund'.

The aforementioned changes will be applied from July 01, 2017, and will affect the charge for Sindh Workers' Welfare Fund (SWWF) and consequently, the Net Asset Value per unit of the fund.

- 25.3** These financial statements were authorised for issue on August 24, 2017 by the Board of Directors of the Management Company.

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



**Mohammad Shoaib, CFA
Chief Executive**



**Mazhar Sharif
Director**



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

AS AT JUNE 30, 2017

Aggressive Allocation Plan

UNITS HELD BY	UNITS HELD	%
Individuals	3,261,920	41.86
Retirement funds	1,326,629	17.02
Others	3,204,216	41.12
Total	7,792,766	100

Moderate Allocation Plan

UNITS HELD BY	UNITS HELD	%
Individuals	3,871,998	68.40
Retirement funds	553,780	9.78
Others	1,235,149	21.82
Total	5,660,927	100

Conservative Allocation Plan

UNITS HELD BY	UNITS HELD	%
UNITS HELD BY	UNITS HELD	%
Associated company Al Meezan Investment Management Limited	105,971	1.70
Individuals	5,053,992	81.09
Retirement funds	1,072,512	17.21
Total	6,232,476	100.00

Meezan Asset Allocation Plan I

UNITS HELD BY	UNITS HELD	%
Director Mr. Mazhar Sharif	4,109	0.02
Individuals	8,789,583	43.84
Retirement funds	5,213,915	26.01
Insurance companies	312,674	1.56
Others	5,727,989	28.57
Total	20,048,269	100.00

Meezan Asset Allocation Plan II

UNITS HELD BY	UNITS HELD	%
Associated company Al Meezan Investment Management Limited	507,341	3.24
Individuals	6,266,696	39.99
Retirement funds	5,135,796	32.77
Insurance companies	207,359	1.32
Others	3,554,271	22.68
Total	15,671,463	100.00

Meezan Asset Allocation Plan III

UNITS HELD BY	UNITS HELD	%
Associated company Al Meezan Investment Management Limited	2,626,733	5.56
Individuals	20,109,900	42.58
Retirement funds	18,655,195	39.50
Insurance companies	938,666	1.99
Others	4,902,515	10.38
Total	47,233,009	100.00



Meezan Asset Allocation Plan IV

UNITS HELD BY	UNITS HELD	%
Individuals	9,413,716	59.56
Retirement funds	5,496,172	34.77
Others	896,275	5.67
Total	15,806,163	100.00



Meezan

Strategic Allocation Fund





MEEZAN STRATEGIC ALLOCATION FUND (MSAF):

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

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Meezan Bank Limited
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



REPORT OF THE FUND MANAGER

FOR THE PERIOD FROM OCTOBER 19, 2016 TO JUNE 30, 2017

Type of Fund

MSAF is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF has four Allocation Plans which allow investors to invest according to their risk tolerance levels.

Meezan Strategic Allocation Plan - I to IV

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

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - I	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - II	
Meezan Strategic Allocation Plan - III	
Meezan Strategic Allocation Plan - IV	

Performance Table with Benchmark

	Returns - FY17
MSAP I#	8.88%
Benchmark	8.09%
MSAP II##	-1.23%
Benchmark	-2.75%
MSAP III###	-3.31%
Benchmark	-5.04%
MSAP IV####	-3.01%
Benchmark	-6.53%

The Fund was launched on October 19, 2016

The Fund was launched on December 21, 2016

The Fund was launched on February 17, 2017

The Fund was launched on April 21, 2017

Meezan Strategic Allocation Plan - I

The Meezan Strategic Allocation Plan - I was launched on October 19, 2016 and posted a total income of Rs. 180 million in FY17. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 152 million, Rs. 17 million and Rs. 9 million respectively while profit on saving accounts with bank and back end load contributed Rs. 1 million and Rs. 1 million respectively to total income. After accounting for expenses of Rs. 10 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 50 million, the Fund posted a net income of Rs. 220 million. The net assets of the Fund as at June 30, 2017 were Rs. 2,629 million.

Meezan Strategic Allocation Plan - II

The Meezan Strategic Allocation Plan - II was launched on December 21, 2016 and posted a total loss of Rs. 52 million in FY17. During the period plan earned dividend income and realized gain on investments of Rs. 89 million and Rs. 2 million respectively while profit on saving account with bank and back end load contributed Rs. 1 million and Rs. 1 million respectively. On the other side, unrealized loss was Rs. 145 million. After accounting for expenses of Rs. 3 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 34 million, the Fund posted a net loss of Rs. 21 million. The net assets of the Fund as at June 30, 2017 were Rs. 1,662 million.

Meezan Strategic Allocation Plan - III

The Meezan Strategic Allocation Plan - III was launched on February 17, 2017 and posted a total loss of Rs. 62 million in FY17. During the period plan earned dividend income and profit on saving account with bank of Rs. 104 million and Rs. 1 million respectively. On the other side, realized and unrealized loss on investments were Rs. 7 million and Rs. 160 million respectively. After accounting for expenses of Rs. 2 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 3 million, the Fund posted a net loss of Rs. 61 million. The net assets of the Fund as at June 30, 2017 were Rs. 1,766 million.

Meezan Strategic Allocation Plan - IV

The Meezan Strategic Allocation Plan - IV was launched on April 21, 2017 and posted a total loss of Rs. 45 million in FY17. During the period plan earned dividend income and profit on saving account with bank of Rs. 102 million and Rs. 1 million respectively. On the other side, realized and unrealized loss on investment were Rs. 5 million and Rs. 143 million respectively. After accounting for expenses of Rs. 1 million and an element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 15 million, the Fund posted a net loss of Rs. 61 million. The net assets of the Fund as at June 30, 2017 were Rs. 1,973 million.

Distributions

The interim distribution in the form of cash dividend by the following plans of the Fund during the fiscal year ended June 30, 2017:

Plan	Cash dividend per unit - Rs.	Cash dividend per unit - %	Total amount of distribution
MSAF - MSAP - I	4.00	8.00	195 Million

Breakdown of unit holdings by size

(As on June 30, 2017)

Range (Units)	Breakdown of unit holdings by size			
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV
	No. of investors			
1 - 9,999	376	435	220	233
10,000 - 49,999	397	251	243	218
50,000 - 99,999	92	60	70	60
100,000 - 499,999	104	38	65	63
500,000 and above	14	14	5	9
Total	983	798	603	583



Meezan
Strategic Allocation Fund



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Strategic Allocation Fund

August 21, 2017/ Dhu Al-Qi'dah 28, 1438

Alhamdulillah, the period from July 1, 2016 to June 30, 2017 was the first year of operations of Meezan Strategic Allocation Fund (MSAF) under management of Al Meezan Investment Management Limited (Al Meezan). We Meezan Bank Limited are the *Shari'ah* Advisor of the Fund and are issuing the report in accordance with clause 3.7.1 of the Offering document of Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MSAF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF for the year ended June 30, 2017 have been in compliance with *Shari'ah* principles.

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

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

Meezan Bank Ltd.
Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
Tel : (92-21) 38103500 Fax : (92-21) 36406049 www.meezanbank.com

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Strategic Allocation Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from October 19, 2016 to June 30, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 14, 2017





STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE PERIOD FROM OCTOBER 19, 2016 TO JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.24 of Listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

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

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

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

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the Board on June 14, 2017 was filled up the directors within 30 days.
5. The Management Company has prepared a "Code of conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman, and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board of Directors of the Management Company meets the requirements of the Directors' Training Program as per proviso to clause 5.19.7 of the Code of Corporate Governance.

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



Mohammad Shoaib, CFA
Chief Executive

Dated: August 24, 2017
Karachi.



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

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

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of Al Meezan Investment Management Limited (“Management Company”) of the Fund for the period ended 30 June 2017 to comply with the requirements contained in Clause No. 5.19 of Rule Book of the Pakistan Stock Exchange Limited (formerly Listing Regulation No. 35 of Karachi Stock Exchange Limited) where the Fund is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund’s compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2017.

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



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

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

Independent Auditors' Report to the Unitholders

Report on the Financial Statements

We have audited the accompanying financial statements of **Meezan Strategic Allocation Fund** ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2017, and the related income statement and statement of comprehensive income, distribution statement, cash flow statement, statement of movement in unitholders' fund for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2017, and of its financial performance, cash flows and transactions for the period then ended in accordance with approved accounting standards as applicable in Pakistan.

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



KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

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

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Malik

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2017

		2017					
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
Note		(Rupees in '000)					
Assets							
	Balances with banks	4	9,497	2,172	278	252,575	264,522
	Investments	5	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	6	85	13	407	628	1,133
	Total assets		2,665,992	1,663,130	1,767,279	2,069,793	8,166,194
Liabilities							
	Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	7	267	142	165	10,234	10,808
	Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	199	124	132	87	542
	Payable to Meezan Bank Limited (MBL)		-	-	-	5,446	5,446
	Payable to Securities and Exchange Commission of Pakistan (SECP)	9	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
	Accrued expenses and other liabilities	10	35,122	78	51	25,677	60,928
	Total liabilities		37,316	1,280	822	96,543	135,961
	Net assets		2,628,676	1,661,850	1,766,457	1,973,250	8,030,233
	Contingencies and commitments	13					
	Unitholders' fund (as per statement attached)		2,628,676	1,661,850	1,766,457	1,973,250	8,030,233
(Number of units)							
	Number of units in issue	14	52,089,276	33,651,995	36,540,221	40,689,606	
(Rupees)							
	Net assets value per unit		50.46	49.38	48.34	48.50	

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

For AI Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director




INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2017

		For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	
	Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
(Rupees in '000)						
Income						
Net realised gain / (loss) on sale of investments		17,204	2,218	(6,517)	(4,833)	8,072
Profit on saving accounts with banks		812	539	560	742	2,653
Dividend income		151,991	88,923	104,019	102,364	447,297
Other income		630	835	170	89	1,724
		170,637	92,515	98,232	98,362	459,746
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' (net)	5.1	9,456	(144,632)	(160,349)	(143,384)	(438,909)
Total income		180,093	(52,117)	(62,117)	(45,022)	20,837
Expenses						
Remuneration to AI Meezan Investment Management Limited (AI Meezan) - Management Company	7.1	406	266	310	353	1,335
Sindh Sales Tax on management fee	7.2	53	35	40	46	174
Allocated expenses	7.4	1,740	794	499	112	3,145
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	1,414	636	393	88	2,531
Sindh Sales Tax on trustee fee	8.1	184	82	51	11	328
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	9	1,653	755	474	106	2,988
Auditors' remuneration	11	178	62	26	5	271
Fees and subscription		155	61	25	4	245
Bank and settlement charges		15	3	9	12	39
Provision for Sindh Workers' Welfare Fund (SWWF)	12	4,481	-	-	-	4,481
Printing expense		12	5	-	-	17
Total expenses		10,291	2,699	1,827	737	15,554
Net income / (loss) from operating activities		169,802	(54,816)	(63,944)	(45,759)	5,283
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)		49,790	34,067	3,390	(15,471)	71,776
Net income / (loss) for the period before taxation		219,592	(20,749)	(60,554)	(61,230)	77,059
Taxation	19	-	-	-	-	-
Net income / (loss) for the period after taxation		219,592	(20,749)	(60,554)	(61,230)	77,059
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		219,592	(20,749)	(60,554)	(61,230)	77,059

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

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


Mohammad Shoab, CFA
Chief Executive


Mazhar Sharif
Director

DISTRIBUTION STATEMENT

FOR THE PERIOD ENDED JUNE 30, 2017

	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Note	(Rupees in '000)				
Interim distribution for the period ended June 30, 2017 - cash dividend: @ 8.00% i.e. Rs. 4.00 per unit	(195,379)	-	-	-	(195,379)
Net income / (loss) for the period	219,592	(20,749)	(60,554)	(61,230)	77,059
Undistributed income / (accumulated loss) carried forward	24,213	(20,749)	(60,554)	(61,230)	(118,320)
Undistributed income / (accumulated loss) carried forward					
- Realised	14,757	123,883	99,795	82,154	320,589
- Unrealised	9,456	(144,632)	(160,349)	(143,384)	(438,909)
5.1	24,213	(20,749)	(60,554)	(61,230)	(118,320)

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

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



Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director




STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED JUNE 30, 2017

	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
	(Rupees in '000)				
Net assets at beginning of the period	-	-	-	-	-
Issuance of units:					
MSAP - I: 53,128,441 units					
MSAP - II: 34,517,621 units					
MSAP - III: 45,179,182 units					
MSAP - IV: 40,988,385 units					
	2,715,138	1,761,612	2,264,754	2,056,198	8,797,702
Redemption of units:					
MSAP - I: 1,039,165 units					
MSAP - II: 865,626 units					
MSAP - III: 8,638,961 units					
MSAP - IV: 298,779 units					
	(60,885)	(44,946)	(434,353)	(37,189)	(577,373)
	2,654,253	1,716,666	1,830,401	2,019,009	8,220,329
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(49,790)	(34,067)	(3,390)	15,471	(71,776)
Net realised gain / (loss) on sale of investments	17,204	2,218	(6,517)	(4,833)	8,072
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' (net)	9,456	(144,632)	(160,349)	(143,384)	(438,909)
Other net income for the period	192,932	121,665	106,312	86,987	507,896
Total comprehensive income for the period	219,592	(20,749)	(60,554)	(61,230)	77,059
Interim distribution for the period ended June 30, 2017 - cash dividend: @ 8.00% i.e. Rs. 4.00 per unit	(195,379)	-	-	-	(195,379)
Total distribution	(195,379)	-	-	-	(195,379)
Net income / (loss) for the period	24,213	(20,749)	(60,554)	(61,230)	(118,320)
Net assets at end of the period	2,628,676	1,661,850	1,766,457	1,973,250	8,030,233
Net assets value per unit at beginning of the period	-	-	-	-	-
Net assets value per unit at end of the period	50.46	49.38	48.34	48.50	

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

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


Mohammad Shoab, CFA
Chief Executive


Mazhar Sharif
Director

CASH FLOW STATEMENT

FOR THE PERIOD ENDED JUNE 30, 2017

	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
	(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the period before taxation	219,592	(20,749)	(60,554)	(61,230)	77,059
Adjustments for:					
Unrealised (appreciation) / diminution on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1 (9,456)	144,632	160,349	143,384	438,909
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(49,790)	(34,067)	(3,390)	15,471	(71,776)
	160,346	89,816	96,405	97,625	444,192
Increase in assets					
Investments (net)	(2,646,954)	(1,805,567)	(1,926,943)	(1,949,524)	(8,328,988)
Other receivables	(85)	(13)	(407)	(628)	(1,133)
	(2,647,039)	(1,805,580)	(1,927,350)	(1,950,152)	(8,330,121)
Increase in liabilities					
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
Accrued expenses and other liabilities	35,122	78	51	25,677	60,928
	37,241	1,099	822	96,543	135,705
Net cash used in operating activities	(2,449,452)	(1,714,665)	(1,830,123)	(1,755,984)	(7,750,224)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance and conversion of units	2,715,138	1,761,602	2,264,754	2,045,748	8,787,242
Payments against redemption and conversion of units	(60,885)	(44,765)	(434,353)	(37,189)	(577,192)
Dividend paid	(195,304)	-	-	-	(195,304)
Net cash generated from financing activities	2,458,949	1,716,837	1,830,401	2,008,559	8,014,746
Net increase in cash and cash equivalents during the period	9,497	2,172	278	252,575	264,522
Cash and cash equivalents at beginning of the period	-	-	-	-	-
Cash and cash equivalents at end of the period	4 9,497	2,172	278	252,575	264,522

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

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



Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between AI Meezan Investment Management Limited (AI 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 (formerly Karachi Stock Exchange Limited).
- 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) and Meezan Strategic Allocation Plan-IV (MSAP-IV) 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 period, four plans Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III) and Meezan Strategic Allocation Plan-IV (MSAP-IV) were introduced. The brief description of the plans is as follows:

Meezan Strategic Allocation Plan-I (MSAP-I)	<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.
---	---

Meezan Strategic Allocation Plan-II (MSAP-II)	<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.
Meezan Strategic Allocation Plan-III (MSAP-III)	<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.
Meezan Strategic Allocation Plan-IV (MSAP-IV)	<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.

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.

2.1 Statement of compliance

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

2.1.2 The Companies Act, 2017, was enacted on May 30, 2017 and is applicable with immediate effect. The Securities and Exchange Commission of Pakistan through press release and vide circular no 17 of 2017 dated July 20, 2017 has decided that all the companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after June 30, 2017.



2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for investments classified as 'at fair value through profit or loss' which is measured at fair value.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Recognition of provision for Sindh Workers' Welfare Fund (note 12); and
- c) Taxation (note 3.7 and 19).

2.5 Standard, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards and requirements of Companies Act, 2017, will be effective for accounting periods beginning on or after July 01, 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 01, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 01, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 01, 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Fund's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after January 01, 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of

the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Fund's financial statements.

Annual Improvements to IFRS standards 2014-2016 cycles. The new cycle of improvements contain amendments to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after January 01, 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after January 01, 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after January 01, 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.
- As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017, shall be applicable to the financial statements issued on or after June 30, 2017. The Act included mutual funds in Third Schedule, accordingly certain additional requirements / disclosures in Fifth Schedule are also applicable to the financial statements of mutual funds. Significant disclosures / requirements, which are relevant to the funds includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and / or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; management assessment of sufficiency of tax provision including comparisons of tax provision as per accounts with tax assessment for last three years and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.

The above amendments are not likely to have an impact on Fund's financial statements except for additional disclosures and reclassifications mentioned above.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Classification

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

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

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

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

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

(b) Loans and receivables

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

3.1.2 Regular way contracts

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

3.1.3 Recognition

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

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

3.1.4 Measurement

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

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

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

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

3.1.5 Fair value measurement principles

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

3.1.6 Derecognition

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

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

3.1.7 Offsetting of financial instruments

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

3.1.8 Impairment

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

3.2 Unitholders' fund

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

3.3 Issuance and redemption of units

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

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



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

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

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

3.5 Provisions

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

3.6 Net assets value per Unit

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

3.7 Taxation

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

Current

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

Deferred

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

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

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

3.7.1 The Fund intends to avail the tax exemption by distributing at least ninety percent of its accounting income for the period as reduced by capital gains, whether realised or unrealised, to its unit holders.

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).

Accordingly, no provision for current and deferred tax has been recognised in these financial statements.

3.8 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Unrealised gains / (losses) arising on revaluation of investment classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- (iii) Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the date of book closure of the investee fund declaring the dividend.
- (iv) Profit on bank deposit is recognized on time proportion basis using effective yield method.

3.9 Expenses

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

3.10 Cash and cash equivalents

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

3.11 Segment Reporting

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

3.12 Earnings per unit

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

3.13 Distribution

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



4. BALANCES WITH BANKS

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Note		(Rupees in '000)				
	Saving accounts	9,263	1,115	278	252,575	263,231
	Current accounts	234	1,057	-	-	1,291
		9,497	2,172	278	252,575	264,522

4.1 The balances in savings accounts have an expected profit which ranges from 2.00% to 2.40% per annum.

5. INVESTMENTS

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Note		(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 investee funds	Purchases during the period	Redemptions during the period	As at June 30, 2017	Carrying value as at June 30, 2017	Market value as at June 30, 2017	Unrealised gain / (loss) as at June 30, 2017	Percentage of market value of total investment
	(Number of units)			(Rupees in '000)			%
Meezan Strategic Allocation Plan-I							
Al Meezan Mutual Fund	13,489,277	-	13,489,277	276,885	285,163	8,278	10.73
Meezan Cash Fund	4,033,032	4,033,032	-	-	-	-	-
Meezan Islamic Fund	25,999,486	1,637,235	24,362,251	1,854,053	1,861,520	7,467	70.08
Meezan Islamic Income Fund	48,935,434	39,016,637	9,918,797	516,016	509,727	(6,289)	19.19
				2,646,954	2,656,410	9,456	100.00
Total cost of investments					2,646,954		
Meezan Strategic Allocation Plan-II							
Al Meezan Mutual Fund	26,045,712	-	26,045,712	595,878	550,606	(45,272)	33.15
Meezan Cash Fund	2,523,778	3,793	2,519,985	132,093	127,083	(5,010)	7.65
Meezan Islamic Fund	10,307,902	-	10,307,902	876,399	787,627	(88,772)	47.42
Meezan Islamic Income Fund	24,199,084	20,392,525	3,806,559	201,197	195,619	(5,578)	11.78
				1,805,567	1,660,935	(144,632)	100.00
Total cost of investments					1,805,567		
Meezan Strategic Allocation Plan-III							
Meezan Cash Fund	4,094,901	4,085,153	9,748	512	492	(20)	0.03
Meezan Islamic Fund	18,334,830	-	18,334,830	1,554,610	1,400,964	(153,646)	79.30
Meezan Islamic Income Fund	16,923,712	9,818,485	7,105,227	371,821	365,138	(6,683)	20.67
				1,926,943	1,766,594	(160,349)	100.00
Total cost of investments					1,926,943		
Meezan Strategic Allocation Plan-IV							
Al Meezan Mutual Fund	2,151,219	-	2,151,219	47,055	45,477	(1,578)	2.52
Meezan Cash Fund	6,724,071	5,522,518	1,201,553	63,554	60,594	(2,960)	3.35
Meezan Islamic Fund	16,203,703	-	16,203,703	1,362,088	1,238,125	(123,963)	68.55
Meezan Islamic Income Fund	10,195,627	1,206,640	8,988,987	476,827	461,944	(14,883)	25.58
				1,949,524	1,806,140	(143,384)	100.00
Total cost of investments					1,949,524		
Total investments in units of mutual funds							
Al Meezan Mutual Fund	41,686,208	-	41,686,208	919,818	881,246	(38,572)	11.17
Meezan Cash Fund	17,375,782	13,644,496	3,731,286	196,159	188,169	(7,990)	2.38
Meezan Islamic Fund	70,845,921	1,637,235	69,208,686	5,647,150	5,288,236	(358,914)	67.03
Meezan Islamic Income Fund	100,253,857	70,434,287	29,819,570	1,565,861	1,532,428	(33,433)	19.42
				8,328,988	7,890,079	(438,909)	100.00
Total cost of investments					8,328,988		

6. OTHER RECEIVABLES

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Note		(Rupees in '000)				
	Advance tax	81	-	53	-	134
	Profit receivable on saving accounts with banks	4	2	26	628	660
	Receivable from Al Meezan Investment Management Limited - Management Company	-	11	328	-	339
6.1		85	13	407	628	1,133

6.1 This represents receivable from management company against excess sales load charged during the period.

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

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Note		(Rupees in '000)				
	Management fee	9	2	14	285	310
	Sindh Sales Tax on management fee	1	-	2	37	40
	Sales load payable	29	-	-	8,685	8,714
	Sindh Sales Tax on sales load	4	-	-	1,129	1,133
	Allocated expense	224	140	149	98	611
		267	142	165	10,234	10,808

7.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of average annual net assets in case of Fund of Funds Scheme. The remuneration of the Management Company has been charged at the rate of 1 percent of average annual net assets per annum for the period ended June 30, 2017.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period SST at the rate of 13 percent was charged on the remuneration of Management Company, sales load and trustee fee.

7.3 The mutual funds have been excluded from levy of Federal Excise Duty (FED) vide Finance Act, 2016, hence, no provision of FED has been made in these financial statements.

7.4 A statutory notification no. 1160 (I) / 2015 dated November 25, 2015 was issued by the Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses has been charged at the rate of 0.1% of average annual net assets of the Scheme.

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

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

The remuneration of the Trustee for the year ended June 30, 2017 has been calculated as per the following applicable tariff:

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



- 8.1** A notification (SRB-3-4/TP/01/2015/86554, dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. As a result of these amendments, the Fund recognised SST on remuneration of trustee fee at the rate of 13 percent in the current period.

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

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

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

10. ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Note		(Rupees in '000)				
	Auditors' remuneration payable	101	42	26	5	174
	Withholding tax payable	30,471	-	-	-	30,471
	Sales load payable	-	-	-	22,715	22,715
	Sindh Sales Tax on Sales Load	-	-	-	2,953	2,953
	Shariah advisor fee payable	69	36	25	4	134
	Provision for Sindh Workers' Welfare Fund	4,481	-	-	-	4,481
		35,122	78	51	25,677	60,928

11. AUDITORS' REMUNERATION

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
		(Rupees in '000)				
	Statutory audit fee	74	35	22	4	135
	Half year review	50	7	-	-	57
	Other certification and services	41	17	3	1	62
	Out of pocket expense	13	3	1	-	17
		178	62	26	5	271

12. SINDH WORKERS' WELFARE FUND (SWWF)

The Finance Act, 2008, introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971, whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Khyber Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated November 10, 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution.

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice. After deliberating the position and after obtaining advice from the legal counsel, the Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable

on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has decided to provide for SWWF, while the efforts to exclude mutual funds for SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 6.65 million and Rs. 0.43 million in MSAP-I and MSAP-II respectively for a period from the commencement of plans till January 12, 2017. This has resulted in decrease in NAV per unit of Re. 0.13 and Re. 0.03 in MSAP-I and MSAP-II respectively on January 12, 2017.

On January 12, 2017, the decisions of MUFAP were communicated to Securities and Exchange Commission of Pakistan (SECP). SECP vide their letter no. SCD/AMCW/MUFAP/2017 – 405 dated February 1, 2017, suggested that the matters can be addressed through appropriate disclosure in the financial statements for the information of investors, as the impact of the same is not significant.

The Management Company has recognised SWWF charge for the period from October 19, 2016 to June 30, 2017, amounting to Rs. 4.48 million in MSAP-I. Had the SWWF not been provided, the NAV per unit of the plan would have been higher by Re. 0.09. However, no provision for SWWF have been recorded in MSAP-II, MSAP-III and MSAP-IV because the plan incurred loss during the period.

13. CONTINGENCIES AND COMMITMENTS

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

14. NUMBER OF UNITS IN ISSUE

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

	June 30, 2017				
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
	(Rupees in '000)				
Total units in issue at beginning of the period	-	-	-	-	-
Units issued during the period	53,128,441	34,517,621	45,179,182	40,988,385	173,813,629
Units redeemed during the period	(1,039,165)	(865,626)	(8,638,961)	(298,779)	(10,842,531)
Total units in issue at end of the period	52,089,276	33,651,995	36,540,221	40,689,606	162,971,098

14.2 All units carry equal rights and are entitled to dividend and share in the net asset value of the Fund.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan 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, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.



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

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

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

	June 30, 2017				
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
AI Meezan Investment Management Limited (AI Meezan)					
- Management Company					
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
Meezan Bank Limited					
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
Central Depository Company of Pakistan Limited (CDC)					
- Trustee					
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
Directors and Executives of the management company					
Investment (Rs. in '000)	311	-	17,708	-	18,019
Investment (Units)	6,156	-	366,318	-	372,474
AI Meezan Mutual Fund					
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
Meezan Cash Fund					
Investment (Rs. in '000)	-	127,083	492	60,594	188,169
Investment (Units)	-	2,519,985	9,748	1,201,553	3,731,286
Meezan Islamic Fund					
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
Meezan Islamic Income Fund					
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
Unitholders holding 10% or more units of the Fund					
Investment (Rs. in '000)	-	-	321,259	484,515	805,774
Investment (Units)	-	-	6,645,828	9,990,010	16,635,838

	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Al Meezan Investment Management Limited (Al Meezan)					
- Management Company					
Remuneration for the period (Rs. in '000)	406	266	310	353	1,335
Sindh Sales Tax on management fee (Rs. in '000)	53	35	40	46	174
Allocated expenses (Rs. in '000)	1,740	794	499	112	3,145
Invested during the period (Rs. in '000)	-	100,000	-	-	100,000
Invested during the period (Units)	-	1,999,600	-	-	1,999,600
Meezan Bank Limited					
Profit on saving account (Rs. in '000)	812	539	560	742	2,653
Central Depository Company of Pakistan Limited (CDC)					
- Trustee					
Trustee fee (Rs. in '000)	1,414	636	393	88	2,531
Sindh Sales Tax on trustee fee (Rs. in '000)	184	82	51	11	328
Directors and Executives of the Management Company					
Invested during the period (Rs. in '000)	323	-	18,413	-	18,736
Invested during the period (Units)	6,156	-	366,318	-	372,474
Dividend paid (Rs. in '000)	2,355	-	-	-	2,355
Al Meezan Mutual Fund					
Invested during the period (Rs. in '000)	276,885	595,878	-	47,055	919,818
Invested during the period (Units)	13,489,277	26,045,712	-	2,151,219	41,686,208
Dividend received (Rs. in '000)	12,885	24,878	-	2,055	39,818
Meezan Cash Fund					
Invested during the period (Rs. in '000)	211,399	132,292	214,936	356,152	914,779
Invested during the period (Units)	4,033,032	2,523,778	4,094,901	6,724,071	17,375,782
Redeemed during the period (Rs. in '000)	203,469	200	207,000	289,514	700,183
Redeemed during the period (Units)	4,033,032	3,793	4,085,153	5,522,518	13,644,496
Dividend received (Rs. in '000)	10,423	6,571	9,436	6,649	33,079
Meezan Islamic Fund					
Invested during the period (Rs. in '000)	1,977,388	876,399	1,554,610	1,362,088	5,770,485
Invested during the period (Units)	25,999,486	10,307,902	18,334,830	16,203,703	70,845,921
Redeemed during the period (Rs. in '000)	140,000	-	-	-	140,000
Redeemed during the period (Units)	1,637,235	-	-	-	1,637,235
Dividend received (Rs. in '000)	114,388	48,399	86,088	76,081	324,956
Meezan Islamic Income Fund					
Invested during the period (Rs. in '000)	2,557,864	1,279,074	894,995	541,579	5,273,512
Invested during the period (Units)	48,935,434	24,199,084	16,923,712	10,195,627	100,253,857
Redeemed during the period (Rs. in '000)	2,050,316	1,080,095	524,082	63,002	3,717,495
Redeemed during the period (Units)	39,016,637	20,392,525	9,818,485	1,206,640	70,434,287
Dividend received (Rs. in '000)	14,295	9,074	8,495	17,579	49,443



16. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies:

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

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

Risks managed and measured by the Fund are explained below:

16.1 Credit risk

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

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

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

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

The maximum exposure to credit risk as at June 30, 2017 is tabulated below:

	June 30, 2017				
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
	(Rupees in '000)				
FINANCIAL ASSETS					
Balances with banks	9,497	2,172	278	252,575	264,522
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	4	13	354	628	999
	2,665,911	1,663,130	1,767,226	2,069,793	8,166,060

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

	Rating agency	June 30, 2017	
		(Rs. in '000)	(Percentage)
AA	PACRA/JCR-VIS	264,512	100
AA+	PACRA/JCR-VIS	10	-
		264,522	100

None of the financial assets were considered to be past due or impaired as on June 30, 2017.

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

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

16.2 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's asset in highly liquid financial assets.

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding three months to the extent of fifteen percent of the net assets of Meezan Strategic Allocation Plan I, Meezan Strategic Allocation Plan II, Meezan Strategic Allocation Plan III and Meezan Strategic Allocation Plan IV. However, no such borrowing has been obtained during the period.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008 to defer redemption requests to the next dealing day, had such requests exceed ten percent of the total number of units in issue. However, no such defer redemption request has been exercised by the Fund during the period.

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



In addition to Unitholders' fund, analysis of the Fund's financial liabilities into relevant maturity grouping as at June 30, 2017 is tabulated below:

	June 30, 2017				Total
	Maturity upto			More than one year	
	Three months	Six months	One year		
	(Rupees in '000)				
MSAP-I					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	267	-	-	-	267
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	199	-	-	-	199
Accrued expenses and other liabilities	170	-	-	-	170
Dividend payable	75	-	-	-	75
	711	-	-	-	711
MSAP-II					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	142	-	-	-	142
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	124	-	-	-	124
Payable against redemption and conversion of units	181	-	-	-	181
Accrued expenses and other liabilities	78	-	-	-	78
	525	-	-	-	525
MSAP-III					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	165	-	-	-	165
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	132	-	-	-	132
Accrued expenses and other liabilities	51	-	-	-	51
	348	-	-	-	348
MSAP-IV					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	10,234	-	-	-	10,234
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	87	-	-	-	87
Payable to Meezan Bank Limited (MBL)	5,446	-	-	-	5,446
Payable against investments (net)	54,993	-	-	-	54,993
Accrued expenses and other liabilities	22,724	-	-	-	22,724
	93,484	-	-	-	93,484

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

16.3 Market Risk

16.3.1 Price risk

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

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the unitholders from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the investment committee in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio.

The market risk is managed by monitoring exposure to marketable securities and by complying with the internal risk management policies and regulations laid down in NBFC Regulations, 2008. The Fund over all market positions are monitored by the Board of Directors of the Management Company on a quarterly basis.

Details of the Fund's investment portfolio exposed to price risk, at the reporting date are disclosed in note 5 to these financial statements. At June 30, 2017, the Fund's overall exposure to price risk is limited to investments in funds.

16.3.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which affect cash flows pertaining to debt instruments and their fair values. The Fund invests in income fund which are exposed to interest rate risk and which indirectly affect the interest rate risk of the Fund.

Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. During the period ended June 30, 2017, the net income would have increased / (decreased) by Rs. 0.093 million in Meezan Strategic Allocation Plan I, Rs. 0.011 million in Meezan Strategic Allocation Plan II, Rs. 0.003 million in Meezan Strategic Allocation Plan III and Rs. 2.526 million in Meezan Strategic Allocation Plan IV respectively, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

Fair value interest rate risk

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

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



As at June 30, 2017

Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial assets					
Balances with banks	2.00% to 2.40%	263,231	-	1,291	264,522
Investments	-	-	-	7,890,079	7,890,079
Receivable against issuance and conversion of units	-	-	-	10,460	10,460
Other receivables	-	-	-	999	999
		263,231	-	7,902,829	8,166,060
Financial liabilities					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	-	-	-	10,808	10,808
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	542	542
Payable to Meezan Bank Limited (MBL)	-	-	-	5,446	5,446
Payable against investments (net)	-	-	-	54,993	54,993
Payable on redemption and conversion of units	-	-	-	181	181
Dividend payable	-	-	-	75	75
Accrued expenses and other liabilities	-	-	-	25,976	25,976
		-	-	98,021	98,021
On-balance sheet gap		263,231	-	7,804,808	8,068,039
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		263,231	-	-	-
Cumulative interest rate sensitivity gap		263,231	263,231	263,231	

16.3.3 Currency risk

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

17. UNITHOLDERS' FUND RISK MANAGEMENT

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

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

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

The Fund meets the requirement of sub-regulation 54(3a) of NBFC Regulations, 2008, which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all time during the life of the scheme.

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

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

The following table presents assets that are measured at fair value as at 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
June 30, 2017									
(Rupees in '000)									
Financial assets - measured at fair value									
	7,890,079	-	-	-	7,890,079	7,890,079	-	-	7,890,079
Financial assets - not measured at fair value									
Balances with banks	18.1	-	264,522	-	264,522				
Receivable against issuance and conversion of units	18.1	10,460	-	-	10,460				
Other receivables	18.1	999	-	-	999				
		7,890,079	11,459	264,522	-				8,166,060
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	18.1	-	-	10,808	10,808				
Payable to Central Depository Company Pakistan Limited (CDC) - Trustee	18.1	-	-	542	542				
Payable to Meezan Bank Limited (MBL)	18.1	-	-	5,446	5,446				
Payable against investments (net)	18.1	-	-	54,993	54,993				
Payable against redemption and conversion of units	18.1	-	-	181	181				
Dividend payable	18.1	-	-	75	75				
Accrued expenses and other liabilities	18.1	-	-	25,976	25,976				
		-	-	98,021	98,021				



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

19. TAXATION

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

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

20. PERFORMANCE TABLE

	June 30, 2017			
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV
Net assets (Rs. '000) (ex-distribution)	2,628,676	1,661,850	1,766,457	1,973,250
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	50.46	49.38	48.34	48.5
Offer price per unit as at June 30 (Rs.)	-	-	-	50.14
Highest offer price per unit (Rs.)	54.03	54.21	52.35	53.25
Lowest offer price per unit (Rs.)	51.68	51.70	51.41	49.33
Highest redemption price per unit (Rs.)	60.07	54.46	53.26	51.50
Lowest redemption price per unit (Rs.)	49.99	48.34	47.35	47.71
Distribution (%)	8.00	-	-	-
Dates of distribution (Interim)	June 29, 2017			
Total return (%)	8.90	(1.20)	(3.30)	(3.00)
Average annual return as at June 30, 2017 (%)	8.90	(1.20)	(3.30)	(3.00)

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

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

21. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/ Direction / 18/2016 dated July 20, 2016 which require that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of the Fund. TER of the Fund for the period ended June 30, 2017 is 0.41%, 0.18%, 0.13% and 0.14% which include 0.26%, 0.06%, 0.04% and 0.03% representing government levy, Worker Welfare Fund and SECP fee for MSAP-I, MSAP-II, MSAP-III and MSAP-IV respectively.

22. INVESTMENT COMMITTEE MEMBERS

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

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

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

- Al Meezan Mutual Fund
- Meezan Energy Fund
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Funds

23. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

Name	Designation	Dates of Board of Directors Meetings and Directors' present therein				
		August 31, 2016	October 06, 2016	February 8, 2017	April 13, 2017	June 14, 2017
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive	Yes	Yes	Yes	Yes	Yes
Mr. P. Ahmed	Director	No	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes
Mr. Atif Azim	Director	Yes	Yes	Yes	Yes	Yes
Mr. Tasnimul Haq Farooqui*	Director	No	Yes	Yes	Yes	Resigned
Mr. Mazhar Sharif	Director	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali	Director	Yes	Yes	Yes	No	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes
Mr. Abdullah Ahmed	Director	Yes	Yes	No	Yes	Yes
Mr. Ijaz Farooq*	Director	-	-	-	-	Yes

* Mr. Tasnimul Haq resigned and in his place Mr. Ijaz Farooq was approved as a Director on the Board of Al Meezan Investment Management Limited for the remaining term. SECP vide their letter no. SCD/AMCW/AMIML/09/2017, dated July 13, 2017, issued No Objection on this appointment.



24. PATTERN OF UNIT HOLDING

MSAP I			
2017			
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individual	937	1,659,717	63.15
Director	1	311	0.01
Retirement funds	21	288,232	10.96
Insurance companies	1	32,437	1.23
Private limited companies	4	25,831	0.98
Public limited companies	2	147,815	5.62
Others	17	474,333	18.05
Total	983	2,628,676	100.00

MSAP II			
2017			
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individual	759	801,234	48.22
Retirement funds	18	305,663	18.39
Associated	1	98,747	5.94
Private limited companies	2	24,982	1.50
Public limited companies	2	150,144	9.03
Others	16	281,080	16.92
Total	798	1,661,850	100.00

MSAP III			
2017			
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individual	585	1,229,767	69.62
Director	2	17,709	1.00
Retirement funds	9	83,548	4.73
Private limited companies	2	19,041	1.08
Public limited companies	1	51,930	2.94
Others	4	364,462	20.63
Total	603	1,766,457	100.00

MSAP IV			
2017			
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individual	561	1,300,968	65.94
Retirement funds	8	56,312	2.85
Insurance companies	2	39,848	2.02
Private Limited Companies	2	5,762	0.29
Public Companies	1	2,408	0.12
Others	11	567,952	28.78
Total	585	1,973,250	100.00

25. GENERAL

25.1 There are no corresponding figures in Meezan Strategic Allocation Plan I, Meezan Strategic Allocation Plan II, Meezan Strategic Allocation Plan III and Meezan Strategic Allocation Plan IV as these plans commenced its operations from October 19, 2016, December 22, 2016, February 20, 2017 and April 24, 2017 respectively.

25.2 The Securities and Exchange Commission of Pakistan (SECP), vide their S.R.O. 756(I)/2017, dated August 03, 2017, changed the definition of accounting income in regulation (63) sub-regulation (I), which now states that accounting income excludes element of income (as defined in the S.R.O.), at the close of the financial year or in case of interim distribution, any interim date at which the financial statements of the fund are drawn up. Moreover, the S.R.O. also deleted 'Distribution Statement' and its contents, along with certain additional break-ups and disclosures, to be included on the face of 'Income Statement' and 'Statement of Movements in Reserves or Unit holders' fund'.

The aforementioned changes will be applied from July 01, 2017, and will affect the charge for Sindh Workers' Welfare Fund (SWWF) and consequently, the Net Asset Value per unit of the fund.

25.3 These financial statements were authorised for issue on August 24, 2017 by the Board of Directors of the Management Company.

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



**Mohammad Shoaib, CFA
Chief Executive**



**Mazhar Sharif
Director**



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

AS AT JUNE 30, 2017

Meezan Strategic Allocation Plan - I

UNITS HELD BY	UNITS HELD	%
Directors		
Mr. Mazhar Sharif	6,156	0.01
Individuals	32,888,599	63.14
Retirements funds	5,711,547	10.96
Insurance companies	642,765	1.23
Other corporate sector entities	12,840,209	24.65
Total	52,089,276	100.00

Meezan Strategic Allocation Plan - II

UNITS HELD BY	UNITS HELD	%
Associated Companies		
AI Meezan Investment Management Limited	1,999,600	5.94
Individuals	16,224,767	48.21
Retirements funds	6,189,585	18.39
Other corporate sector entities	9,238,043	27.45
Total	33,651,995	100.00

Meezan Strategic Allocation Plan - III

UNITS HELD BY	UNITS HELD	%
Directors		
Mr. Ariful Islam	352,640	0.97
Mr. Mazhar Sharif	13,677	0.04
Individuals	25,438,484	69.62
Retirements funds	1,728,235	4.73
Other corporate sector entities	9,007,185	24.65
Total	36,540,221	100.00

Meezan Strategic Allocation Plan - IV

UNITS HELD BY	UNITS HELD	%
Individuals	26,826,756	65.93
Retirements funds	1,161,183	2.85
Insurance companies	821,693	2.02
Other corporate sector entities	11,879,974	29.20
Total	40,689,606	100.00



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



(AM1 rating by JCR-VIS)

Al Meezan Investment Management Ltd.

A subsidiary of Meezan Bank

Find your *solutions* with faith at
0800 - HALAL (42525)



A Subsidiary of

Meezan Bank
The Premier Islamic Bank

Ground Floor, Block B, Finance and Trade Centre (FTC), Sharah-e-Faisal, Karachi, 74400
UAN: 111-633-926 (Meezan) | info@almeezangroup.com | Fax: (92-21) 35676143



www.facebook.com/almeezangroup



www.twitter.com/almeezangroup