

DESTINED
TO ASCEND



HALF YEARLY REPORT
DECEMBER 2017



Meezan
Islamic Fund



Al Meezan
Mutual Fund



KSE-Meezan
Index Fund



Meezan
Energy Fund



Meezan
Balanced Fund



Meezan
Asset Allocation Fund



Meezan
Dedicated Equity Fund



Meezan
Gold Fund



Meezan
Islamic Income Fund



Meezan
Sovereign Fund



Meezan
Cash Fund



Meezan
Financial Planning
Fund of Funds



Meezan
Strategic Allocation Fund



Meezan
Tahafuz Pension Fund



HALF YEARLY REPORT
DECEMBER 31, 2017
(UNAUDITED)

Contents

Vision and Mission Statement	04
Report of the Directors of the Management Company of the Funds- English	05
Report of the Directors of the Management Company of the Funds- Urdu	14



Meezan
Islamic Fund

26 Fund Information
27 Trustee Report to the Unit Holders
28 Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
29 Condensed Interim Statement of Assets and Liabilities
30 Condensed Interim Income Statement
31 Condensed Interim Statement of Comprehensive Income
32 Condensed Interim Statement of Movement in Unitholders' Fund
33 Condensed Interim Cash Flow Statement
34 Notes to and forming part of the Condensed Interim Financial Information



Al Meezan
Mutual Fund

50 Fund Information
51 Trustee Report to the Unit Holders
52 Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
53 Condensed Interim Statement of Assets and Liabilities
54 Condensed Interim Income Statement
55 Condensed Interim Statement of Comprehensive Income
56 Condensed Interim Statement of Movement in Unitholders' Fund
57 Condensed Interim Cash Flow Statement
58 Notes to and forming part of the Condensed Interim Financial Information



KSE-Meezan
Index Fund

72 Fund Information
73 Trustee Report to the Unit Holders
74 Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
75 Condensed Interim Statement of Assets and Liabilities
76 Condensed Interim Income Statement
77 Condensed Interim Statement of Comprehensive Income
78 Condensed Interim Statement of Movement in Unitholders' Fund
79 Condensed Interim Cash Flow Statement
80 Notes to and forming part of the Condensed Interim Financial Information



Meezan
Energy Fund

92 Fund Information
93 Trustee Report to the Unit Holders
94 Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
95 Condensed Interim Statement of Assets and Liabilities
96 Condensed Interim Income Statement
97 Condensed Interim Statement of Comprehensive Income
98 Condensed Interim Statement of Movement in Unitholders' Fund
99 Condensed Interim Cash Flow Statement
100 Notes to and forming part of the Condensed Interim Financial Information



Meezan
Balanced Fund

110 Fund Information
111 Trustee Report to the Unit Holders
112 Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
113 Condensed Interim Statement of Assets and Liabilities
114 Condensed Interim Income Statement
115 Condensed Interim Statement of Comprehensive Income
116 Condensed Interim Statement of Movement in Unitholders' Fund
117 Condensed Interim Cash Flow Statement
118 Notes to and forming part of the Condensed Interim Financial Information



Meezan
Asset Allocation Fund

134 Fund Information
135 Trustee Report to the Unit Holders
136 Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
137 Condensed Interim Statement of Assets and Liabilities
138 Condensed Interim Income Statement
139 Condensed Interim Statement of Comprehensive Income
140 Condensed Interim Statement of Movement in Unitholders' Fund
141 Condensed Interim Cash Flow Statement
142 Notes to and forming part of the Condensed Interim Financial Information



Meezan
Dedicated Equity Fund

154	Fund Information
155	Trustee Report to the Unit Holders
156	Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
157	Condensed Interim Statement of Assets and Liabilities
158	Condensed Interim Income Statement
159	Condensed Interim Statement of Comprehensive Income
160	Condensed Interim Statement of Movement in Unitholders' Fund
161	Condensed Interim Cash Flow Statement
162	Notes to and forming part of the Condensed Interim Financial Information



Meezan
Gold Fund

178	Fund Information
179	Trustee Report to the Unit Holders
180	Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
181	Condensed Interim Statement of Assets and Liabilities
182	Condensed Interim Income Statement
183	Condensed Interim Statement of Comprehensive Income
184	Condensed Interim Statement of Movement in Unitholders' Fund
185	Condensed Interim Cash Flow Statement
186	Notes to and forming part of the Condensed Interim Financial Information



Meezan
Islamic Income Fund

196	Fund Information
197	Trustee Report to the Unit Holders
198	Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
199	Condensed Interim Statement of Assets and Liabilities
200	Condensed Interim Income Statement
201	Condensed Interim Statement of Comprehensive Income
202	Condensed Interim Statement of Movement in Unitholders' Fund
203	Condensed Interim Cash Flow Statement
204	Notes to and forming part of the Condensed Interim Financial Information



Meezan
Sovereign Fund

218	Fund Information
219	Trustee Report to the Unit Holders
220	Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
221	Condensed Interim Statement of Assets and Liabilities
222	Condensed Interim Income Statement
223	Condensed Interim Statement of Comprehensive Income
224	Condensed Interim Statement of Movement in Unitholders' Fund
225	Condensed Interim Cash Flow Statement
226	Notes to and forming part of the Condensed Interim Financial Information



Meezan
Cash Fund

238	Fund Information
239	Trustee Report to the Unit Holders
240	Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
241	Condensed Interim Statement of Assets and Liabilities
242	Condensed Interim Income Statement
243	Condensed Interim Statement of Comprehensive Income
244	Condensed Interim Statement of Movement in Unitholders' Fund
245	Condensed Interim Cash Flow Statement
246	Notes to and forming part of the Condensed Interim Financial Information



Meezan
Financial Planning Fund of Funds

258	Fund Information
259	Trustee Report to the Unit Holders
260	Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
261	Condensed Interim Statement of Assets and Liabilities
263	Condensed Interim Income Statement
267	Condensed Interim Statement of Comprehensive Income
269	Condensed Interim Statement of Movement in Unitholders' Fund
273	Condensed Interim Cash Flow Statement
275	Notes to and forming part of the Condensed Interim Financial Information



Meezan
Strategic Allocation Fund

290	Fund Information
291	Trustee Report to the Unit Holders
292	Auditor's Report on Review of Condensed Interim Financial Information to the Unit Holders
293	Condensed Interim Statement of Assets and Liabilities
295	Condensed Interim Income Statement
298	Condensed Interim Statement of Comprehensive Income
300	Condensed Interim Statement of Movement in Unitholders' Fund
303	Condensed Interim Cash Flow Statement
305	Notes to and forming part of the Condensed Interim Financial Information



Meezan
Tahaffuz Pension Fund

320	Fund Information
321	Auditors' Report to the participants on review of Condensed Interim Financial Information
322	Condensed Interim Statement of Assets and Liabilities
323	Condensed Interim Income Statement and Statement of Comprehensive Income
325	Condensed Interim Cash Flow Statement
326	Condensed Interim Statement Of Movement In Participants' Sub Funds
327	Condensed Interim Contribution Table
328	Condensed Interim Number Of Units In Issue
329	Notes to the Condensed Interim Financial Information



Vision

To make Shariah compliant investing a first choice for investors

Mission

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY OF THE FUNDS

The Board of Directors of Al Meezan Investment Management Limited is pleased to present the audited financial statements of the following open end funds and a voluntary pension scheme for the period ended December 31, 2017.

Equity Funds

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

Sector Specific Fund

- Meezan Energy Fund

Income Funds

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

Money Market Fund

- Meezan Cash Fund

Balanced Fund

- Meezan Balanced Fund

Asset Allocation

- Meezan Asset Allocation Fund

Funds of Funds

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

Commodity Fund

- Meezan Gold Fund

Pension Fund

- Meezan Tahaffuz Pension Fund

Economic Review:

The macroeconomic indicators of the country displayed a mixed trend in the 1HFY18. Inflation remained under control with the CPI averaging at 3.77% during 1HFY18 as opposed to 3.88% in the same period last year. It is pertinent to note however that CPI for the month of December 2017 clocked in at 4.57% depicting a rising trend on account of higher oil prices. This rising trend may continue going forward as the government also announced another increase in petroleum prices right at the beginning of 2018.

On the fiscal front, FBR's revenue collection during July-December 2017 was recorded at over Rs 1,722 billion as against Rs 1,466 billion during the same period last year, showing an increase of 17.5 percent. The FBR also managed to expand its tax net whereby the number of income tax return filers increased by 21.5 percent during 1HFY18. However, the current account remained under pressure during the period as Pakistan's trade deficit expanded to USD 14.3 bn in 1HFY18 which is an increase of almost 26% YoY. About 50% of this increase in trade deficit came from infrastructure related spending on account of machinery, petroleum products and transport. However, the recent devaluation of the PKR is likely to bolster exports and imposition of additional regulatory duty on various products is likely to curb imports.

To manage the widening current account deficit and shore up the forex reserves which have been on a continuous decline during the period on account of debt repayments, the government has had to rely on increased external borrowing. During 1HFY18, Pakistan successfully issued a USD 1 bn 5-year Sukuks and a USD 1.5 bn 10-year Eurobond at a yield of 5.625% and 6.875% respectively. It is worth noting that despite the above mentioned additional borrowing, the SBP's reserves have declined by 27.3% from their high of USD 19.4 bn in Oct'16 to USD 14.1 bn in Dec'17. With the increased current account and trade deficits along with significant external debt repayments scheduled in 2018, pressure on the rupee had been continuously mounting thereby leading the State Bank to allow the market forces to determine the value of rupee. Hence, the currency fell by a 4.7% against the greenback and closed the period hovering around Rs. 110.5/USD.

Weak economic data points were overshadowed by upheaval in domestic politics as the first half of the fiscal year turned out to be one of the most challenging periods for the country. Varying events were witnessed ranging from announcement of the Supreme Court's verdict on Panama Case to almost a month long sit-in protest by a certain religious group in the country's capital that dampened investor confidence. However, on the stirred up political front, the dust has finally settled after recent developments including approval of Delimitation of Constituencies by both houses of parliament and a briefing by the Chief of Army Staff to the Senate.

Going forward, economic fundamentals of the country are likely to improve. The commencement of new power plants and LNG imports has increased electricity generation which has pushed LSM growth to 7.19% in 5MFY18 as compared to last year. Further, the government is also on track to meet its major targets of 1) keeping inflation below the target of 6 % and 2) achieving GDP growth target of 6%. Even on the external front, the government anticipates the imbalances to be temporary and revert to normal in the next two years with the help of (i) incentivizing and encouraging exports through export packages, (ii) discouraging non-essential imports through higher regulatory duties, (iii) decline in machinery imports over time with project completion of power plants, and (iv) negotiating free trade agreements with different countries including China, offering favorable terms of trade for Pakistan.

Money Market Review:

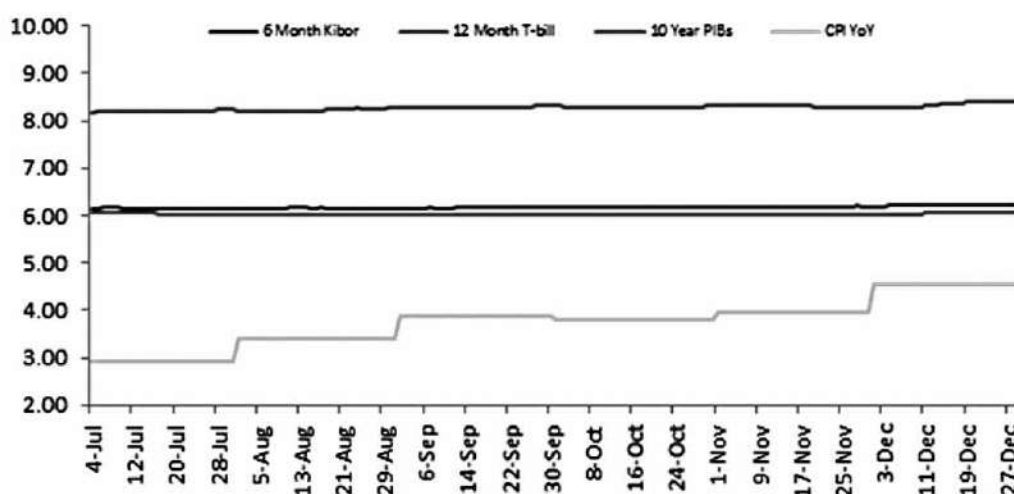
During the six months under review, the State of Pakistan (SBP) stayed firm on its monetary policy stance of low interest rates as it maintained a status quo in the discount rate throughout the first half. However, with surging commodity prices, rising inflation and deteriorating forex reserves, the 20 month stagnancy in the policy rate came to an end and the SBP, in its last bi-monthly MPS announced on Jan 26, 2018, increased the policy rate by 25bps taking its to 6%. With inflation averaging 3.77% during 1HFY18, the trends in international oil and commodity prices are expected to drive the CPI up towards the SBP's target of 6.0% during 2018.

Overall, in line with the increased discount rate, the government paper yields and KIBORs showed an upward trend; T-bills which had remained almost flat up till the first half, rose by 16-25 bps after the MPS, PIBs which had risen in the range of 22-82 bps during the six month period, climbed further by 23-27 bps in January while the KIBORs, after remaining almost flat till December'17, climbed 17-19 bps post the SBP's decision to increase the interest rate. With expectations of monetary tightening to continue going forward, further increase in the yields could be witnessed during the second half of FY18.

On the liquidity front, the Money Market faced a relatively tight liquidity scenario during 1HFY18, evidenced by Rs. 35 trillion worth of OMO injections carried out by the SBP coupled with Rs. 307 billion worth of discounting availed by various counters. Alongside, thirteen T-bill and six PIB auctions were conducted during this period whereby cumulatively, T-bills witnessed a net borrowing of Rs. 89 bn with an acceptance of Rs. 7.75 tn against a participation of Rs. 9.10 tn and a maturity of Rs. 6.86 tn while PIBs witnessed a net debt retirement of Rs. 720.18 bn with an acceptance of Rs. 52.41 bn against a participation of Rs. 104.12 bn and a maturity of Rs. 772.59 bn. It is pertinent to note here that the SBP has rejected the last five PIB auctions during the period and the overall debt profile of the government has effectively shifted from long term to short term borrowing.

The Shariah compliant end of the money market has recently witnessed a sharp decline in Ijarah Sukuks prices due to a lack in demand of fixed rate Ijarah caused by increase in policy rate; it is pertinent to note here that out of the four running Ijarah Sukuks issues, three are fixed rate. Resultantly, mutual funds carrying Ijarah Sukuks exposures witnessed an acute decline in returns during this period. A positive development during the period however was that increased interest from a few corporates was witnessed for raising debt through Sukuks issuance; continuance of this trend is expected to bode well for deployment of excess liquidity available with Islamic financial institutions.

On the forex front, during the period under review, the rupee lost value; in the interbank market it closed Rs. 5.65 weaker at Rs. 110.42/\$ while in the open market it closed Rs. 4.90 weaker at Rs. 110.95/\$.



Equity Review:

During 1HFY18, the stock market showed a dismal performance whereby the KMI-30 Index declined by 12.71% to close at 68,611 pts. while the KSE-100 Index declined by 13.09% to close at 40,471 pts. The participation in the market also remained lower with the KMI-30 index and KSE-100 index volumes down by 50.19% and 49.28% respectively.

The market's catastrophic performance during the first half of FY 18 was mostly attributable to i) corporate earnings growth falling below expectations, ii) political uncertainty, iii) deteriorating macroeconomic indicators, iv) foreign selling, and v) lower than expected funds inflow from EM Funds post MSCI upgrade.

Equities continued to remain under pressure owing to the uncertainty sparked on the political front post the disqualification of Ex-PM. Investor sentiment was also dampened when HBL, an index heavy weight, was fined to the tune of USD 225 mn by DFS USA and lost significant value, aggravating the market's fall further. Benchmark index continued its decline in the 2QFY18 fueled by unabated political turmoil coupled with rising domestic agitation and a prolonged sit-in by religious parties protesting against recent amendments in legislations, which led to resignation of the law minister. The KSE 100 had subsequently touched its lowest level of 37,791 on Dec 19, 2017, with the trend reversing post the approval of the long awaited delimitation bill by the Senate. This marked an end to the continuous deterioration on the political front due to improved clarity on the Elections of 2018, hence, raising confidence amongst local participants. This was reflective in the run-up of the index in late December 2017 where the index rose for seven consecutive sessions.

Inclusion of Pakistan in MSCI Emerging markets failed to attract any significant inflows from foreign investors during this period. Deteriorating forex reserves and persistent current account deficit kept the international fund managers waiting for devaluation of Pak Rupee to occur before them taking any decision to increase exposure to the Pakistani market. Trend in foreign flows appears to have reversed with FIPI inflows observed post the SBP loosened its grip on the Rupee and allowed it to devalue. Sector specific developments affected moods with investors visibly staying clear of the Cement sector owing to a perceived threat of declining margins. Continuous rise in oil prices and news flow of new discoveries kept interest alive in the Oil and Gas Exploration Sector thereby resulting in sector's performance during the period.

Oil prices remained elevated due to multiple events unfolding in a short span of time as well as voluntary extension of production cuts earlier agreed by OPEC. Amongst the events, pipeline closures in Iran due to a terrorist incident and North Sea due to repair and maintenance, fueled suspicions of future supply constraint. Tensions in the Middle East touched a new high as rebels launched cruise missiles targeting the residence of the Saudi King in Riyadh. Unrest in Iran late in the 2QFY18 also fueled a speculative rally in Oil prices as large scale protests threatened to affect the oil supply infrastructure in the country.

Sectors such as Oil & Gas Exploration and Food & Personal Care outperformed the benchmark index whereas sectors such as Cements, Autos and Pharmaceutical underperformed during the period.

Corporate Profitability and major contributors to the Index:

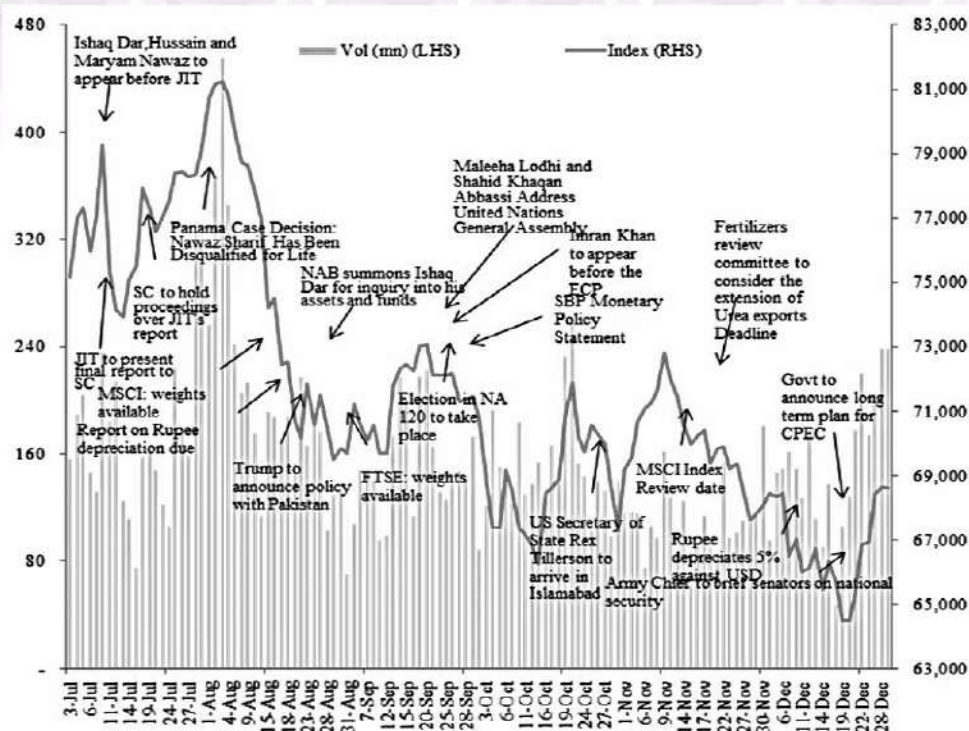
During the quarter, Oil & Gas Exploration was amongst the top positive contributing sectors. The top contributing stocks in the KMI-30 index during the period were:

Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pakistan Petroleum Ltd	2,404	44
Pakistan Oilfields Ltd	1,400	36
Oil & Gas Development Co Ltd	1,391	19
Engro Fertilizers Ltd	990	34

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

Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Lucky Cement Ltd	-2,550	-36
Pak Elektron Ltd	-1,065	-56
DG Khan Cement Co Ltd	-1,036	-34
Hub Power Co Ltd	-1,008	-20

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



Equity Flows:

Pakistan's stock market was unable to attract net foreign investment despite immigrating in to MSCI EM index, with net sell by FI investors during the period under review clocking-in at a massive USD 155 mn. Major foreign outflows of USD 60 million and USD 49 million were recorded in Banking and Oil & Gas exploration sectors which make up 70.5% of the net outflows witnessed in the period. That was followed by Food & Personal Care and Oil Marketing Companies sectors with outflows of USD 9.5 mn and USD 6 mn respectively. During the period, Mutual Funds remained net sellers of USD 51 million while Corporates and Insurance Companies were net buyers worth USD 72 million and USD 63 million respectively. Banks, Individuals, NBFCs, Others and Brokers were net buyers to the tune of USD 71 million collectively.

Mutual Fund Industry Review:

During the 1HFY18, AUMs of mutual funds industry decreased by 5.0% to the size of Rs. 586 bn. Shariah Compliant AUMs decreased by 7.5% during the period under review to Rs. 230 bn which brings share of Shariah Compliant funds at 39.3% in the mutual fund industry. Al Meezan's share in the overall Mutual Funds industry stands at 15.8% while among the Shariah Compliant Funds, it has a share of 40.2% as of December 31, 2017.

In terms of net assets, open end sovereign, money market and income funds depicted growth in their sizes during the six months period; the combined category showed an increase of 15.9% to reach Rs. 248 bn. While conventional funds in this category rose by 13.8%, Shariah Compliant funds grew by 21.3%. Open end Equity funds (including index tracker), decreased by 17.8% to Rs. 257 bn as of December 31, 2017 compared to Rs. 313 bn as on June 30, 2017. Conventional funds in this category went down by 16.1% while Shariah Compliant equity based funds declined by 20.2% in the period under review and stood at Rs. 106 bn.

Net assets of Capital protected, balanced, and asset allocation funds combined decreased by 10.8% to reach Rs. 56 bn at period end. While conventional funds in this category declined by 17.3%, Shariah Compliant funds showed a decline of 7.3% in the period under review and stood at Rs. 38 bn. Commodity funds in the industry decreased to Rs. 400 mn compared to Rs 672 mn as on June 2017, reflecting a decline of 40.6%.

Voluntary Pension Funds decreased by 6.4% during the period under review with their cumulative fund size clocking in over Rs. 24 bn mark as on December 31, 2017. Shariah compliant Pension Funds also decreased by 6.9% in the period

under review to clock in at Rs. 15 bn as of December 2017. Meezan Tahaffuz Pension Fund (MTPF) continues to lead the pension fund market with a 35.2% market share in the overall segment while in the Shariah Compliant segment, MTPF's share decreased to 55.4% compared to 58.1% in the corresponding period last year.

Performance Review (Funds)

Meezan Islamic Fund

The net assets of Meezan Islamic Fund (MIF) as at December 31, 2017 stood at Rs. 40,296 million compared to Rs. 54,853 million at the end of June 2017, a decline of 27%. The net asset value (NAV) per unit as at December 31, 2017 was Rs. 63.03 in comparison to Rs. 76.41 per unit as on June 30, 2017 translating into a negative return of 17.51% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 12.71%.

AI Meezan Mutual Fund

The net assets of AI Meezan Mutual Fund (AMMF) as at December 31, 2017 were Rs. 6,940 million compared to Rs. 9,079 million at the end of June 2017, a decline of 24%. The net asset value per unit as at December 31, 2017 was Rs. 17.49 compared to Rs. 21.14 per unit on June 30, 2017, translating into a negative return of 17.25% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 12.71%.

KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at December 31, 2017 were Rs. 1,593 million compared to Rs. 1,909 million at June 30, 2017, a decline of 17%. The net asset value per unit at December 31, 2017 was Rs. 68.71 as compared to Rs. 79.56 per unit on June 30, 2017 translating into a negative return of 13.64% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) decline of 12.71%.

Meezan Dedicated Equity Fund

This plan was launched in October 2017 and its net assets clocked in at Rs. 1,332 million at December 31, 2017. The plan provided a negative return of 3.16% during the period compared to a benchmark return of 0.05%.

Meezan Energy Fund

The net assets of Meezan Energy Fund (MEF) as at December 31, 2017 were Rs. 1,516 million compared to Rs. 1,139 million in June 2017, an increase of 33%. The net asset value per unit as at December 31, 2017 was Rs. 47.32 as compared to Rs. 50.23 per unit on June 30, 2017, providing a negative return of 5.80% during the period to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 12.71%.

Meezan Asset Allocation Fund

The net assets of Meezan Asset Allocation Fund (MAAF) as at December 31, 2017 were Rs. 2,818 million compared to Rs. 3,251 million at June 30, 2017, a decline of 13%. The net asset value per unit as at December 31, 2017 was Rs. 43.81 as compared to Rs. 50.89 per unit on June 30, 2017 providing a negative return of 13.90% to its investors compared to its benchmark return of negative 9.50%.

Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) as at December 31, 2017 were Rs. 10,994 million compared to Rs. 11,781 million at June 30, 2017, a decline of 7%. The net asset value per unit as at December 31, 2017 was Rs. 52.26 compared to Rs. 51.39 per unit on June 30, 2017 providing an annualized return of 3.35% compared to the benchmark return of 2.46%. At period end, the fund was invested 24% in Islamic Corporate Sukuks, 7% in GoP Ijarah Sukuks while 28% was placed in Term Deposit Receipts, 8% in Certificate of Musharaka and 35% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Sovereign Fund

The net assets of Meezan Sovereign Fund (MSF) as at December 31, 2017 were Rs. 2,364 million compared to Rs. 4,334 million at June 30, 2017, a decline of 45%. The net asset value per unit at December 31, 2017 was Rs. 51.88 as compared to Rs. 51.40 per unit on June 30, 2017, translating into an annualized return of 1.87% to the investors compared to the

benchmark return of 4.72%. The loss was attributable to a sharp decline in Ijarah Sukuks prices during the first month of the period. As at December 31, 2017, the fund was invested 78% in GoP Ijarah Sukuks, 4% was placed in Term Deposit Receipts and 20% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Cash Fund

The net assets of Meezan Cash Fund (MCF) at December 31, 2017 were Rs. 8,345 million compared to Rs. 3,350 million at June 30, 2017 an increase of 149%. The net asset value per unit at December 31, 2017 was Rs. 51.46 as compared to Rs. 50.43 on June 30, 2017 providing an annualized return of 4.04% as compared to the benchmark return of 2.57%. As at December 31, 2017, 17% of the fund was placed in Term Deposit Receipts and 76% of the net assets were placed with Islamic Banks/windows of Islamic banks.

Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at December 31, 2017 were Rs. 7,999 million compared to Rs. 9,516 million at June 30, 2017, a decline of 16%. The net asset value per unit as at December 31, 2017 was Rs. 15.21 compared to Rs. 16.95 per unit on June 30, 2017 translating into a negative return of 10.29% to its investors compared to the benchmark return of negative 6.39%.

Meezan Financial Planning Fund of Funds

Aggressive Allocation Plan

The net assets of the plan were Rs. 518 million as at December 31, 2017 compared to Rs. 622 million at June 30, 2017. The plan provided a negative return of 12.80% during the period compared to the benchmark return of negative 9.50%.

Moderate Allocation Plan

The net assets of the plan were Rs. 293 million at December 31, 2017 compared to Rs. 408 million at June 30, 2017. The plan provided a negative return of 8.22% during the period compared to the benchmark return of negative 5.70%.

Conservative Allocation Plan

The net assets of the plan as at December 31, 2017 were Rs. 309 million compared to Rs. 413 million at June 30, 2017. The plan provided a negative return of 3.41% during the period compared to the benchmark return of negative 2.20%.

Meezan Asset Allocation Plan-I

The net assets of the plan as at December 31, 2017 were Rs. 834 million compared to Rs. 1,251 million at June 30, 2017. The plan provided a negative return of 6.22% during the period compared to the benchmark return of negative 6.90%.

Meezan Asset Allocation Plan-II

The net assets of the plan as at December 31, 2017 were Rs. 720 million compared to Rs. 978 million at June 30, 2017. The plan provided a negative return of 14.35% during the period compared to the benchmark return of negative 10.30%.

Meezan Asset Allocation Plan-III

The net assets of the plan as at December 31, 2017 were Rs. 2,271 million compared to Rs. 2,923 million at June 30, 2017. The plan provided a negative return of 14.75% during the period compared to the benchmark return of negative 10.10%.

Meezan Asset Allocation Plan-IV

The net assets of the plan as at December 31, 2017 were Rs. 594 million compared to Rs. 860 million at June 30, 2017. The plan provided a negative return of 14.65% during the period compared to the benchmark return of negative 9.90%.

Meezan Strategic Allocation Fund

Meezan Strategic Allocation Plan-I

The net assets of the plan as at December 31, 2017 were Rs. 2,095 million compared to Rs. 2,629 million at June 30, 2017. The plan provided a negative return of 13.68% during the period compared to the benchmark return of negative 9.88%.

Meezan Strategic Allocation Plan-II

The net assets of the plan as at December 31, 2017 were Rs. 1,408 million compared to Rs. 1,662 million at June 30, 2017. The plan provided a negative return of 13.77% during the period compared to the benchmark return of negative 9.89%.

Meezan Strategic Allocation Plan-III

The net assets of the plan as at December 31, 2017 were Rs. 1,500 million compared to Rs. 1,766 million at June 30, 2017. The plan provided a negative return of 13.88% during the period compared to the benchmark return of 9.77%.

Meezan Strategic Allocation Plan-IV

The net assets of the plan as at December 31, 2017 were Rs. 1,685 million compared to Rs. 1,973 million at June 30, 2017. The plan provided a negative return of 12.81% during the period compared to the benchmark return of negative 9.24%.

Meezan Strategic Allocation Plan-V

This plan was launched in August 2017 and its net assets clocked in at Rs. 532 million at December 29, 2017. The plan provided a negative return of 3.15% during the period compared to a benchmark return of 0.14%.

Meezan Capital Preservation Plan III

This plan was launched in December 2017 and its net assets clocked in at Rs. 64 million at December 31, 2017. The plan provided a return of 0.06% during the period compared to a benchmark return of 0.07%.

Meezan Gold Fund (MGF)

The net assets of the fund as at December 31, 2017 were 382 million compared to Rs. 457 million at June 30, 2017, a decline of 16%. During the period under review, MGF has provided a positive return of 3.30% as compared to benchmark return of 4.10%.

Meezan Tahaffuz Pension Fund (MTPF)

MTPF comprises of four sub funds namely Equity sub fund, Debt sub fund, Money Market sub fund and Gold sub fund. For the period ended December 31, 2017, the equity sub-fund provided a negative return of 17.86% and gold sub fund provided a return of 3.59%, while the debt and money market sub-funds provided annualized returns of 2.38% and 2.43% respectively. Performance review for each sub fund is given as under:

Equity Sub Fund

The net assets of this sub fund stood at Rs. 5,185 million at December 31, 2017 compared to Rs. 5,806 million at June 30, 2017, a decline of 11%. The net asset value per unit decreased from Rs. 592.32 to Rs. 486.51. For the period under review, the equity sub fund earned a gross loss of Rs. 1,128 million as compared to gross income of Rs. 1,061 million in corresponding period last year.

Debt Sub Fund

The net assets of this sub fund stood at Rs. 2,347 million at December 31, 2017 compared to Rs. 2,511 million at June 30, 2017, a decline of 7%. The net asset value increased from Rs. 214.59 to Rs. 217.16. For the period under review, the debt sub fund earned a gross income of Rs. 28 million as compared to Rs. 67 million in corresponding period last year.

Money Market Sub Fund

The net assets of this sub fund stood at Rs. 752 million at December 31, 2017 compared to Rs. 663 million at June 30, 2017, an increase of 14%. The net asset value increased from Rs. 212.18 to Rs. 214.78. For the period under review, the money market sub fund earned a gross income of Rs. 9 million as compared to Rs. 12 million in corresponding period last year.

Gold Sub Fund

The net assets of this sub fund stood at Rs. 44 million at December 31, 2017 compared to Rs. 43 million at June 30, 2017. The net asset value increased from Rs. 90.59 to Rs. 93.84. For the period under review, the debt sub fund earned a gross income of Rs. 2 million as compared to gross loss of Rs. 6 million in corresponding period last year.

Outlook

After witnessing a seven month long corrective streak, longest in over two decades, the stock market managed to recoup some of the losses during the last few trading sessions of 2017. Despite registering more than 15% negative return during the year, sentiment turned positive right at the end as some clarity emerged on the political and economic fronts that led a sharp recovery of around 4,100 points in KMI-30 and 2,500 pts. in the KSE-100 during the last seven sessions.

The significant correction has further widened the discount of Pakistan's stock market to that of its relative peers which has strengthened the investment case for Pakistan. Furthermore, other market fundamentals have remained intact as strong corporate profitability and lucrative dividend yields will further entice investors.

On the economic front, Pakistan is on the verge to achieve a near 6% GDP growth target with the help of uptick in economic activity and progress pertaining to CPEC projects. The much awaited PKR depreciation has also materialized which will cause foreign investors to revisit our stock market and will also provide some respite to our worsening current account position as our exports will now be more competitive in the international market.

Going forward, we believe that the historical bullish trend in the run up to elections is likely to resurface in 2018. While some volatility may be observed during the first six month of the new calendar year, the direction of the market is expected to remain positive prior to and after upcoming elections. Political situation will be much clearer in the months to come which shall bode well for our stock market as well as for our economy.

Acknowledgement

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

Lastly, we would like to offer a special thanks to our outgoing Directors, Mr. P. Ahmed and Mr. Mazhar Sharif, who rendered their most meticulous and diligent services to the Board of Al Meezan Investments and always ensured decisions in the best interests of the company.

For and on behalf of the Board.

Date: February 8, 2018

Mohammad Shoaib, CFA
Chief Executive Officer

فنڈز کی مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے درج ذیل اوپن اینڈ فنڈز اور ایک والینٹری پنشن اسکیم کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہے:

ایکویٹی فنڈز

- میزان اسلامک فنڈ
- المیزان میوچل فنڈ
- کے ایس ای۔ میزان انڈیکس فنڈ
- میزان ڈیڈ ویلجڈ ایکویٹی فنڈ

سیکٹرا اسپیسفک فنڈ

- میزان انرجی فنڈ

آکم فنڈز

- میزان اسلامک آکم فنڈ
- میزان سوورن فنڈ

منی مارکیٹ فنڈ

- میزان کیش فنڈ

ہیلینڈ فنڈ

- میزان ہیلینڈ فنڈ

ایسیٹ ایلوکیشن فنڈ

- میزان ایسیٹ ایلوکیشن فنڈ

فنڈ آف فنڈز

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

کموڈٹی فنڈ

- میزان گولڈ فنڈ

پنشن فنڈ

- میزان تحفظ پنشن فنڈ

اقتصادی جائزہ:

2018ء کی پہلی مالی ششماہی کے دوران مائیکرو اکنامک اشاریوں میں مخلوط رجحان دیکھنے میں آیا۔ 2018ء کی پہلی مالی ششماہی کے دوران پچھلے سال کے اسی دورانیے کے 3.88% کے مقابلے میں اوسط سی پی آئی 3.77% کے ساتھ مہنگائی کنٹرول میں رہی۔ تاہم یہ نوٹ کرنے کی ضرورت ہے کہ دسمبر 2017ء کے مہینے میں تیل کی بلند ترین قیمتوں کی وجہ سے سی پی آئی 4.57% رہا۔ یہ بڑھتا ہوا رجحان مزید جاری رہ سکتا ہے کیونکہ حکومت نے 2018ء کی شروعات میں ہی پٹرولیم قیمتوں میں مزید اضافے کا اعلان کیا ہے۔

مالی محاذ پر، ایف بی آر کی ریویو پبلیکیشن جولائی تا دسمبر 2017ء 1,722 بلین روپے رہی جو کہ پچھلے سال کے اسی دورانیے میں 1,466 بلین روپے تھی یعنی 17.5% کا اضافہ ہوا۔ ایف بی آر نے مالی سال 2018ء کی پہلی ششماہی میں انکم ٹیکس ریٹرن فائلرز میں 21.5% اضافے کے ساتھ اپنے ٹیکس ٹیٹ ورک کو بھی وسعت دی۔ تاہم، اس مدت کے دوران موجودہ اکاؤنٹس زیر دباؤ رہے کیونکہ پاکستان کا تجارتی خسارہ مالی سال 2018ء کی پہلی ششماہی کے دوران 14.3 بلین امریکی ڈالر تک بڑھا جو سال بہ سال تقریباً 26% اضافہ ہے۔ اس تجارتی خسارے میں اضافے کے تقریباً 50% کا تعلق انفراسٹرکچر کے حوالے سے مشینری، پٹرولیم پروڈکٹس اور ٹرانسپورٹ پر خرچ سے تھا۔ تاہم، روپے کی قدر میں حالیہ کمی درآمدات میں اضافے متعدد درآمد کرنے والی پروڈکٹس پر اضافی ریگولیٹری ڈیولنگ کے امکانات کا ہونا ہے۔

ڈیپٹ پیمنٹس کے عرصے میں کرنٹ اکاؤنٹ کے بڑھتے ہوئے خسارے کو منظم کرنے اور غیر ملکی کرنسی کے ذخائر جو تسلسل سے تنزلی کا شکار ہیں کو بہتر بنانے کیلئے، حکومت کو بیرونی قرضہ جات بڑھانے پر اعتماد کرنا ہوگا۔ مالی سال 2018ء کی پہلی ششماہی کے دوران، پاکستان نے کامیابی کے ساتھ 5 سال کیلئے 1 بلین امریکی ڈالر سلوگ اور 10 سال کیلئے 1.5 بلین یورو بانڈ کا اجرا بالترتیب 5.625% اور 6.875% کے ساتھ کیا۔ یہ بات قابل ذکر ہے کہ درج بالا اضافی قرضہ جات کے علاوہ، SBP کے ذخائر اکتوبر 2016ء میں بلند ترین سطح 19.4 بلین امریکی ڈالر سے دسمبر 2017ء میں 14.1 بلین امریکی ڈالر ہو گئے۔ کرنٹ اکاؤنٹ اور تجارتی خسارے کے ساتھ مخصوص بیرونی ڈیپٹ پیمنٹس 2018ء میں شیڈول ہیں جس کی وجہ سے روپے پر دباؤ مسلسل بڑھ رہا ہے، یہی وجہ ہے کہ اسٹیٹ بینک نے مارکیٹ کی قوتوں کو روپے کی قدر متعین کرنے کی اجازت دے دی ہے۔ لہذا کرنسی میں گرین بیک کے مقابلے میں 4.7% کی کمی ہوئی اور امریکی ڈالر 110.5 روپے رہا۔

کمزور اقتصادی اعداد و شمار ملکی سیاست پر چھائے رہے اور اسی باعث مالی سال کی پہلی ششماہی ملک کیلئے انتہائی مشکلات کا شکار رہی۔ سپریم کورٹ کے بانامہ سے متعلق فیصلے اور دارالحکومت میں مخصوص مذہبی گروپس کے تقریباً مہینے بھر کے دھرنے نے سرمایہ کاروں کے اعتماد کو متاثر کیا۔ تاہم سیاسی محاذ پر حالیہ ترقیاتی امور بشمول پارلیمنٹ کے دونوں ایوانوں سے دستوری حد بندیوں اور سینیٹ میں چیف آف آرمی اسٹاف کی بریفنگ سے حالات معمول پر لانے میں مدد ملی۔

آگے بڑھتے ہوئے، ملک کے اقتصادی مبادیات بہتر بنائے جانے کا امکان ہیں۔ نئے پاور پلانٹس کے آغاز اور ایل این جی کی درآمدات نے بجلی کی پیداوار میں اضافہ کیا۔ جس سے ایل ایس ایم میں پچھلے سال کے مقابلے میں مالی سال 2018ء کے پانچ مہینوں میں 7.19% اضافہ ہوا۔ مزید یہ کہ حکومت اپنے اہم اہداف کے حصول کیلئے بھی اقدامات کر رہی ہے (1) افراط زر کا ہدف 6% سے کم رکھنا، (2) جی ڈی پی کی نمو کا ہدف 6% حاصل کرنا، ختی کے بیرونی محاذ پر، حکومت کو درپیش عدم توازن کو عارضی قرار دیتے ہوئے آئندہ دو سال میں اسے ان اقدامات کے ذریعے معمول پر لانا (iii) ایکسپورٹ پیکیج کے ذریعے ایکسپورٹ کیلئے ترغیبت اور حوصلہ افزائی، (ii) بلند ترین ریگولیٹری ڈیولٹیز کے ذریعے غیر ضروری درآمدات کی حوصلہ شکنی کرنا، (iii) پاور پلانٹس کے پروجیکٹ کی تکمیل کے ساتھ مشینری کی درآمدات کے اضافی اوقات میں کمی، (iv) مختلف ممالک بشمول چائنا جو پاکستان کو تجارت کیلئے موزوں شرائط پیش کر رہا ہے کے ساتھ فری ٹریڈ ایگریمنٹس کیلئے مذاکرات

بازار زر کا جائزہ:

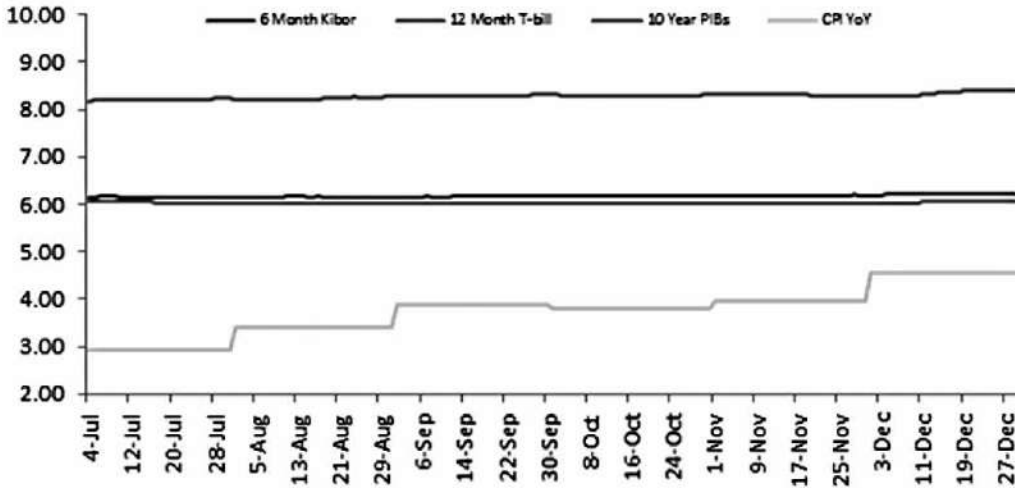
زیر جائزہ 6 مہینوں کے دوران، اسٹیٹ بینک اپنے نرم مالیاتی موقف پر کاربند رہا اور پہلی ششماہی کے دوران اس نے ڈسکونٹ ریٹ میں اسٹیٹس کو قائم کیے رکھا۔ تاہم، کموڈٹی پرائسز میں اضافے، بڑھتی ہوئی مہنگائی اور فارکس ذخائر میں کمی کی وجہ سے بیس مہینوں کی پالیسی ریٹ کی حکمت عملی ختم کر دی گئی اور اسٹیٹ بینک آف پاکستان نے 26 جنوری 2018ء کو اعلان کردہ اپنی دو ماہی ایم بی ایس (MPS) میں پالیسی ریٹ میں 25bps کا اضافہ کیا جو کہ 6% ہے۔ مالی سال 2018ء کی پہلی ششماہی میں 3.77% کے اوسط افراط زر کے ساتھ، انٹرنیشنل آئل اور کموڈٹی پرائسز سے توقع ہے کہ سی پی آئی (CPI) 2018ء کے دوران اسٹیٹ بینک آف پاکستان کے ٹارگٹ 6.0% تک بڑھ جائے۔

مجموعی طور پر، ڈسکاؤنٹ ریٹ میں اضافے کو مد نظر رکھتے ہوئے، گورنمنٹ پیپرز کے پیداوار میں بہتری اور KIBORs نے بڑھتا ہوا رجحان ظاہر کیا؛ T-bills پہلی ششماہی تک تقریباً فلیٹ رہی، ایم پی ایس (MPS) کے بعد 16-25bps بڑھے۔ PIBs جو چھ مہینوں کے دوران 22-82bps رینج تک بڑھے، جنوری میں یہ مزید 23-27bps بڑھے جبکہ KIBORs دسمبر 2017 تک تقریباً فلیٹ رہے اور اسٹیٹ بینک آف پاکستان کے شرح سود میں اضافے کے فیصلے کی اشاعت کے بعد 17-19bps بڑھے۔ مانیٹری سختی کی توقع کے ساتھ آگے بڑھتے ہوئے، مالی سال 2018ء کی دوسری ششماہی مزید اضافے کا مشاہدہ کیا جاسکتا ہے۔

سیالیت (Liquidity) کے محاذ پر، بازار زرنے مالی سال 2018ء کی پہلی ششماہی کے دوران قدرے سخت سیالیتی منظر نامے کا سامنا کیا ہے، اسٹیٹ بینک جانب سے مختلف اوپن مارکیٹ آپریشنز (OMO) کے ذریعے 35 کھرب روپے فراہم کیے جس کے ساتھ 307 بلین روپے مالیت کی رعایتیں (Discounts) مختلف کاؤنٹرز کی جانب سے حاصل کی گئیں۔ اس کے ساتھ مذکورہ عرصے میں 13 عدد T-Bills اور 6 عدد PIB کی نیلامی کا بھی اہتمام کیا گیا؛ T-bills میں، 6.86 کھرب روپے کی چنگلی (میچورٹی) تھی جبکہ 9.10 بلین روپے کی ایک شرکت کے عوض 7.7 بلین روپے قبول کیے گئے۔ اس طرح خالص قرضہ 89 بلین روپے ظاہر کیا جا رہا ہے۔ PIBs میں، 772.59 بلین روپے کی چنگلی (میچورٹی) تھی جبکہ 52.41 بلین روپے 104.12 بلین روپوں کی ایک شرکت کے عوض قبول کیے گئے۔ اس طرح ڈیٹ ریٹائرمنٹ 720.18 بلین روپے ظاہر کیا جا رہا ہے۔ واضح رہے کہ اسٹیٹ بینک آف پاکستان نے اس عرصے کے دوران گزشتہ 5 پی آئی بی نیلامیاں مسترد کر دیں اور حکومت کے مجموعی ڈیٹ پروفاٹل کو طویل مدتی قرضہ جات سے مختصر مدتی میں تبدیل کر دیا۔

بازار زر کا شریعہ سے ہم آہنگ ہرے کو پالیسی ریٹ میں اضافے کی وجہ سے فکسڈ ریٹ اجارہ کی طلب میں کمی کے باعث اجارہ صکوک کی قیمتوں میں شدید کمی کا سامنا ہے۔ واضح رہے کہ حالیہ جاری کردہ چار اجارہ صکوک میں تین فکسڈ ریٹ ہیں۔ نتیجتاً اس عرصے میں اجارہ صکوک پر مبنی میوچل فنڈز کو ریٹرنز کے حوالے سے شدید متزلزل کا سامنا رہا۔ تاہم اس عرصے کے دوران کچھ کارپوریشن کی جانب سے صکوک کے اجراء کے ذریعے ڈیٹ میں اضافہ ایک مثبت عمل یہ رہا؛ اس رجحان کا تسلسل اسلامک مالیاتی اداروں کے لیکوڈیٹی تک رسائی کی دستیابی کی اچھی توقع ہے۔

زرمبادلہ کے محاذ پر، زیر جائزہ مدت کے دوران، روپے کی قدر گھٹی؛ انٹرنیشنل مارکیٹ میں یہ 5.65 روپے کی کمی کے ساتھ 110.42 روپے فی ڈالر پر بند ہوئی، جبکہ اوپن مارکیٹ میں 4.90 روپے کی کمی کے ساتھ 110.95 روپے فی ڈالر پر بند ہوا۔



ایکویٹی جائزہ:

مالی سال 2018ء کی پہلی سہ ماہی کے دوران، اسٹاک مارکیٹ نے ہیٹ ناک کارکردگی کا مظاہرہ کیا، کے ایم آئی-30 انڈیکس %12.71 کمی کے ساتھ 68,611 پوائنٹس پی ہند ہوا جبکہ کے ایس ای-100 انڈیکس %13.09 کمی کے ساتھ 40,471 پوائنٹس پر بند ہوا۔ مارکیٹ میں شراکت کے ایم آئی-30 انڈیکس اور کے ایس ای-100 کے حجم میں کم ہو کر بالترتیب %50.19 اور %49.28 کی مندی کا شکار رہی۔

مالی سال 2018ء کی پہلی سہ ماہی میں مارکیٹ کی خراب صورتحال زیادہ تر ان سے منسوب کیا جاسکتا ہے: (1) ادارہ جاتی منافع کی نمو میں توقع سے زیادہ کمی، (2) سیاسی غیر یقینی، (3) انحطاط پریزیکیروا کناٹک اشاریے، (4) غیر ملکی فروخت، اور، (5) ای ایم فنڈز کا پوسٹ ایم ایس سی آئی کی جانب بڑھنے کا عمل توقع سے زیادہ کم ہونا،

سیاسی محاذ پر غیر یقینی جیسا کہ سابقہ وزیر اعظم کی نااہلیت کی وجہ سے ایکویٹیز زبرد باؤ رہی رہیں۔ سرمایہ کارانہ میلان اُس وقت بھی متاثر ہوا جب HBL کو ڈی ایف ایس امریکہ کی جانب سے 225 ملین امریکی ڈالر جرمانہ کیا گیا اور مخصوص اقدار ختم ہوئیں، نتیجتاً مارکیٹ میں مزید گراؤٹ آئی۔ مالی سال 2018ء کی دوسرے ماہیوں کے دوران سیاسی غیر یقینی اور قانون میں ترمیم کے خلاف سیاسی جماعتوں کے دھڑوں اور احتجاج، جس کا نتیجہ وزیر قانون کو مستعفی ہونا پڑا، کی وجہ سے بیچ مارک انڈیکس کی گراؤٹ بھی جاری رہی۔ 19 دسمبر 2017ء کو کے ایس ای-100 اپنی کم ترین سطح 37,791 پر پہنچی، اس دوران سیٹھ کی جانب سے بل کی منظوری کا طویل انتظار بھی کیا گیا۔ بہر حال 2018ء کے انتخابات میں شفافیت کی وضاحت نے ابتر سیاسی صورتحال کا خاتمہ کیا۔ لہذا مقامی شراکت داروں کا اعتماد بحال ہوا۔ اس کی عکاسی دسمبر کے آخر میں انڈیکس کارن آپ ہے جو کہ مستقل 7 سیشنز تک بڑھتا ہی رہا۔

اس عرصے کے دوران IMSCI بھر جگ مارکیٹس میں پاکستان کی شمولیت بیرونی سرمایہ کاروں کی توجہ کے حصول میں ناکام رہی۔ غیر ملکی ذخائر میں کمی اور کرنٹ اکاؤنٹ خسارے نے انٹرنیشنل فنڈ منیجر کو انتظار میں رکھا کہ وہ روپے کی تیزی کا فیصلہ کرنے سے قبل پاکستانی مارکیٹ میں آئسکار اضافے کے حوالے سے کوئی فیصلہ کریں۔ ایف آئی پی آئی کے ساتھ بیرونی بہاؤ نے رپورس کو ظاہر کیا اور اسٹیٹ بینک آف پاکستان کو اپنی گرفت ہلکی کرنی پڑی اور روپے کی قدر کم کرنے کی اجازت دے دی۔ سیکٹر اسپیسفک ڈیولپمنٹس موڈ ز مع سرمایہ کاروں کے سامنے موجود منظر نامے نے سیمنٹ سیکٹر میں شرح کی کمی کے خطرے سے آگاہ کیا۔ تیل کی قیمتوں میں مسلسل اضافے اور نئی دریافتوں نے آئل اینڈ گیس ایکسپلوریشن سیکٹر میں دلچسپی کو برقرار رکھا۔

تیل کی قیمتیں متعدد ایسے واقعات جنہیں فوری طور پر حل نہیں کیا جاسکتا تھا اور اوپیک کی جانب سے پیداوار میں کمی کے فیصلے میں رضا کارانہ توسیع کی وجہ سے تیل کی قیمتیں زیادہ ہی رہیں۔ واقعات میں، ایران میں دہشت گردی کی کارروائی اور نارٹھ سی (North Sea) میں مرتعی امور کی وجہ سے پائپ لائن کی بندش، مستقبل کے ایندھن کی فراہمی پر پابندی کی بدگمانی ہے۔ وسط ایشیا میں کشیدگی انتہائی حدوں کو چھونے لگی ہے جیسا کہ پانچوں نے ریاض میں کروڑ میزائل کی مدد سے سعودی بادشاہ کی رہائشگاہ کو نشانہ بنایا۔ ایران میں بد امنی سے مالی سال 2018ء کی دوسرے ماہیوں میں تیل کی قیمتوں میں غیر معمولی اضافہ ہوا ہے کیونکہ بڑے پیمانے پر احتجاجات نے ملک میں تیل کی فراہمی کے انفراسٹرکچر کو متاثر کیا۔

آئل اینڈ گیس ایکسپلوریشن اور فوڈ و پوسٹ کیتر جیسے سیکٹرز نے بیچ مارک انڈیکس میں شاندار کارکردگی کا مظاہرہ کیا جبکہ سیمنٹ، آٹوز اور فارما سٹیوٹیکل اس عرصے میں زبرد باؤ رہے۔

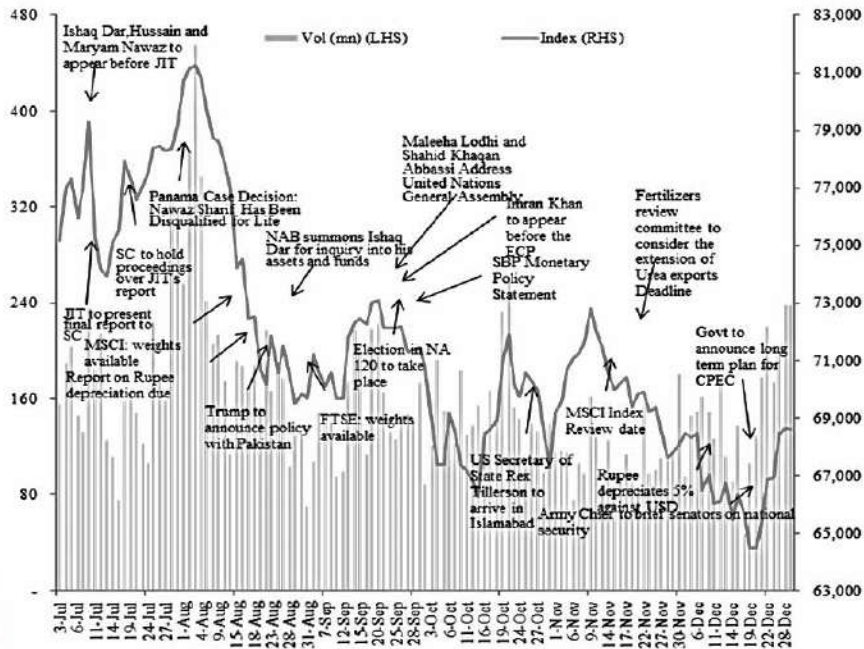
انڈیکس کی طرف ادارہ جاتی منافع جات اور بڑے حصے دار: سہ ماہی کے دوران، بہترین کارکردگی والے شعبہ جات میں آئل اینڈ گیس ایکسپلوریشن سب سے بہتر تھا۔ آٹوز اور تیل و گیس کے ادارے بہترین کارکردگی والے شعبہ جات تھے۔ اس عرصے کے دوران KMI-30 انڈیکس میں بہترین کارکردگی والے شراکت دار یہ تھے:

انڈیکس میں مثبت کارکردگی کے شراکت دار	KMI-30 میں شرکت (پوائنٹس)	محل منافع فیصد
پاکستان پٹرولیم لمیٹڈ	2,404	44
پاکستان آئل فیلڈ لمیٹڈ	1,400	36
آئل اینڈ گیس ڈیولپمنٹ کولمیٹڈ	1,391	19
اینگرفریٹلائزر لمیٹڈ	990	34

دوسری طرف سیمنٹ اور کیبل اینڈ الیکٹریکل بری کارکردگی کا مظاہرہ کرنے والے شعبے رہے۔ اس مدت کے دوران KMI-30 میں بری کارکردگی کے اشاک یہ تھے:

انڈیکس میں مثبت کارکردگی کے شراکت دار	KMI-30 میں شرکت (پوائنٹس)	محل منافع فیصد
کئی سیمنٹ لمیٹڈ	-2,550	-36
پاک الیکٹرون لمیٹڈ	-1,065	-56
ڈی جی خان سیمنٹ کولمیٹڈ	-1,036	-34
حب پاور کولمیٹڈ	-1,008	-20

دوران سہ ماہی کے ایم آئی-30 انڈیکس کی مجموعی حرکت درج ذیل گراف میں معاہدہ کی جاسکتی ہے۔



حصص کا بہاؤ:

پاکستان کی اسٹاک مارکیٹ IMSCI ایم اینڈیکس ایمرجنگ کے باوجود بیرونی سرمایہ کاری کی توجہ حاصل کرنے میں ناکام رہی۔ اور FI انویسٹرز کی جناب سے مجموعی فروخت 155 ملین امریک ڈالر رہی۔ بلند ترین اخراج 60 ملین امریک ڈالر اور 49 ملین امریک ڈالر بینکنگ اور آئل اینڈ گیس ایکسپلوریشن سیکٹرز میں ریکارڈ کیے گئے جو اس عرصے کے دوران مجموعی اخراج کا 70.5% بنتا ہے۔ فوڈ اینڈ پرسنل کیئر اور آئل مارکیٹنگ کمپنیز سیکٹرز میں اخراج بالترتیب 9.5 ملین امریک ڈالر اور 6 ملین امریک ڈالر رہا۔ اس عرصے کے دوران، میوچل فنڈز 51 ملین امریک ڈالر کے ساتھ خالص فروخت کنندہ رہے جبکہ کارپوریٹس اور انشورنس کمپنیز بالترتیب 72 ملین امریک ڈالر اور 63 ملین امریک ڈالر کے ساتھ کے ساتھ خالص خریدار رہے۔ بینکس، افراد NBFCs، دیگر اور بروکرز مجموعی طور پر 71 ملین امریک ڈالر کے ساتھ خالص خریدار رہے۔

میوچل فنڈ انڈسٹری کا جائزہ:

مالی سال 2018ء کی پہلی ششماہی کے دوران، میوچل فنڈ انڈسٹری کے زیر انتظام اثاثہ جات میں 5.0% کمی کے ساتھ اسکی جسامت 586 ارب روپے ہونے کا مشاہدہ کیا۔ اسلامی فنڈز زیر جائزہ عرصے کے دوران 7.5% کمی کے ساتھ 230 ارب روپے ہو گیا جس سے شریعہ کمپلائنس فنڈ کے شیئر میوچل فنڈ انڈسٹری میں 39.3% ہو گئے۔ المیزان کا میوچل فنڈ انڈسٹری میں مجموعی حصہ 15.8% ہے جبکہ 31 دسمبر 2017ء کے اختتام پر شریعہ کمپلائنس فنڈز 40.2% رہا۔

خالص اثاثہ جات کے لحاظ سے، اوپن اینڈ سوورن، بازار اور انکم فنڈز نے چھ ماہ کے دوران جسامت کے لحاظ سے اضافہ دکھایا ہے۔ مشترکہ کیٹیگری نے اس عرصے کے اختتام پر 15.9% کے اضافے کے ساتھ 248 ملین روپے ہوا۔ جبکہ روایتی (کنوشنل) فنڈ نے اس کیٹیگری میں 13.8% اضافہ اور اسلامی فنڈز میں 121.3% اضافہ کیا۔ اوپن اینڈ ایکویٹی فنڈز (شمول انڈیکس ٹریڈر) 31 دسمبر 2017ء کے مطابق 17.8% کمی کے ساتھ 257 ملین روپے ہوا جو 30 جون 2017ء پر 313 ملین روپے تھا۔ اس کیٹیگری میں روایتی فنڈز میں 16.1% کمی رہی جبکہ اسلامک ایکویٹی ہیڈ فنڈز نے زیر جائزہ عرصے میں 20.2% کمی کے ساتھ 106 ملین روپے پر قائم رہا۔

عرصے کے اختتام پر، کیپٹل پروڈیکٹس، ہیلنڈ اور لیبلیٹ ایلوکیشن فنڈز مشترکہ طور پر 10.8% کمی کے ساتھ 56 ملین روپے پر پہنچے جبکہ اس کیٹیگری میں روایتی (کنوشنل) فنڈز 17.3% کمی، اسلامی فنڈز میں 7.3% کمی ہوئی اور زیر جائزہ عرصے میں 38 ملین روپے پر قائم رہے۔ انڈسٹری میں کوڈ بیٹی فنڈز 30 جون 2017ء کے 6.72 ملین روپے سے کم ہو کر 400 ملین روپے ہوئے جو کہ جون 2017ء کے مقابلے میں 40.6% کمی کو ظاہر کرتے ہیں۔

31 دسمبر 2017ء کو وائٹری پینشن فنڈز میں زیر تبصرہ عرصے کے دوران 6.4% کمی کی ہوئی اور اس کی کل جسامت 24 ملین روپے ہوئی، اسلامی پینشن فنڈز بھی زیر تبصرہ عرصے کے دوران دسمبر 2017ء کے اختتام پر 6.9% کم ہو کر 15 ملین روپے ہوا۔ میزان تحفظ پینشن فنڈ (MTPF) نے 35.2% مارکیٹ شیئر کے ساتھ اپنی لیڈ کو برقرار رکھا جبکہ اسلامی میوچل فنڈ انڈسٹری میں، میزان تحفظ پینشن فنڈ (MTPF) کا حصہ کم ہو کر 55.4% ہوا جو گزشتہ سال کے اسی عرصے میں 58.1% تھا۔

کارکردگی کا جائزہ (فنڈز)

میزان اسلامک فنڈ:

31 دسمبر 2017ء کے مطابق میزان اسلامک فنڈ کے خالص اثاثہ جات 27% کی تنزلی کے ساتھ جون 2017ء کے 54,853 ملین روپے کے مقابلے میں 40,296 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 76.41 روپے فی یونٹ کے مقابلے میں 63.03 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران 17.51% کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) شیئر مارک 12.71% کم رہا۔

المیزان میوچل فنڈ:

31 دسمبر 2017ء کے مطابق المیزان میوچل فنڈ کے خالص اثاثہ جات %24 کی تنزلی کے ساتھ جون 2017ء کے 9,079 ملین روپے کے مقابلے میں 6,940 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 21.14 روپے فی یونٹ کے مقابلے میں 17.49 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %17.25 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزبان انڈیکس (کے ایم آئی 30) شیئ مارک %12.71 کم رہا۔

کے ایس ای میزبان انڈیکس فنڈ:

31 دسمبر 2017ء کے مطابق کے ایس ای میزبان انڈیکس فنڈ کے خالص اثاثہ جات %17 کی تنزلی کے ساتھ جون 2017ء کے 1,909 ملین روپے کے مقابلے میں 1,593 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 79.56 روپے فی یونٹ کے مقابلے میں 68.71 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %13.64 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزبان انڈیکس (کے ایم آئی 30) شیئ مارک %12.71 کم رہا۔

میزان ڈیڈ بلیڈ ایکویٹی فنڈ:

میزان ڈیڈ بلیڈ ایکویٹی فنڈ کا آغاز اکتوبر 2017ء میں ہوا اور 31 دسمبر 2017ء کو اس کے مجموعی اثاثہ جات 1,332 ملین روپے تھے۔ فنڈ نے اس عرصے کے دوران شیئ مارک کے ریٹرن %0.05 کے مقابلے میں %3.16 منفی منافع فراہم کیا۔

میزان انرجی فنڈ:

31 دسمبر 2017ء کے مطابق میزبان انرجی فنڈ کے خالص اثاثہ جات %33 کے اضافے کے ساتھ جون 2017ء کے 1,139 ملین روپے کے مقابلے میں 1,516 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.23 روپے فی یونٹ کے مقابلے میں 47.32 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %5.8 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزبان انڈیکس (کے ایم آئی 30) شیئ مارک %12.71 کم رہا۔

میزان الیٹ ایکویٹی فنڈ:

31 دسمبر 2017ء کے مطابق میزبان الیٹ ایکویٹی فنڈ کے خالص اثاثہ جات %13 کی تنزلی کے ساتھ جون 2017ء کے 3,251 ملین روپے کے مقابلے میں 2,818 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.89 روپے فی یونٹ کے مقابلے میں 43.81 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %13.9 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزبان انڈیکس (کے ایم آئی 30) شیئ مارک %9.5 کم رہا۔

میزان اسلامک آف فنڈ:

31 دسمبر 2017ء کے مطابق میزبان اسلامک آف فنڈ کے خالص اثاثہ جات %7 کی تنزلی کے ساتھ جون 2017ء کے 11,781 ملین روپے کے مقابلے میں 10,994 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 51.39 روپے فی یونٹ کے مقابلے میں 52.26 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %3.35 کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں شیئ مارک %2.46 رہا۔ عرصے کے اختتام پر اسلامی ادارہ جاتی صکوک میں %24، حکومت پاکستان اجارہ صکوک میں %7 کی سرمایہ کاری کی گئی جبکہ %28 ٹرم ڈپازٹ ریٹیننس، %8 سرٹیفکیٹ آف مشارقہ میں رکھے گئے اور خالص اثاثہ جات کے %35 اسلامی بینکنگ یا بینکنگ کے اسلامی وینڈوز میں مختص کئے گئے۔

میزان سوورن فنڈ:

31 دسمبر 2017ء کے مطابق میزان سوورن فنڈ کے خالص اثاثہ جات %45 کی تنزلی کے ساتھ جون 2017ء کے 4,334 ملین روپے کے مقابلے میں 2,364 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 51.40 روپے فی یونٹ کے مقابلے میں 51.88 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %1.87 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %4.72 رہا۔ اس نقصان کو عرصے کے پہلے ماہ کے دوران اجارہ سکوک کی تیزی سے گرتی ہوئی قیمتوں سے منسوب کیا جاتا ہے۔ عرصے کے اختتام پر حکومت پاکستان اجارہ سکوک میں %78 کی سرمایہ کاری کی اور جبکہ خالص اثاثہ جات کے %4 ٹرمپ ڈپازٹ ریٹینس اور %20 اسلامی بینکنگ یا بینکنگ کے اسلامی ونڈوز میں رکھے گئے۔

میزان کیش فنڈ:

31 دسمبر 2017ء کے مطابق میزان کیش فنڈ کے خالص اثاثہ جات %14 اضافے کے ساتھ جون 2017ء کے 3,350 ملین روپے کے مقابلے میں 8,345 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.43 روپے فی یونٹ کے مقابلے میں 51.46 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %4.04 کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %2.57 رہا۔ عرصے کے اختتام پر %17 ٹرم ڈپازٹ ریٹینس (TDR) رکھے گئے اور خالص اثاثہ جات کے %76 اسلامی بینکنگ یا بینکنگ کے اسلامی ونڈوز میں رکھے گئے۔

میزان بیلنسڈ فنڈ:

31 دسمبر 2017ء کے میزان بیلنسڈ فنڈ کے خالص اثاثہ جات %16 کی تنزلی کے ساتھ جون 2017ء کے 9,516 ملین روپے کے مقابلے میں 9,997 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 16.95 روپے فی یونٹ کے مقابلے میں 15.21 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %10.29 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %6.39 کم رہا۔

میزان فنانشل پلاننگ فنڈ آف فنڈز:

ایگریگٹ ایلوکیشن پلان:

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 622 ملین روپے کے مقابلے میں 518 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %12.8 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %9.5 رہا۔

موڈیریٹ ایلوکیشن پلان:

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 408 ملین روپے کے مقابلے میں 293 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %8.22 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %5.7 رہا۔

کنزرویٹیو ایلوکیشن پلان:

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 413 ملین روپے کے مقابلے میں 309 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %3.41 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %2.2 رہا۔

میزان ایسیٹ ایلوکیشن پلان-I:

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,251 ملین روپے کے مقابلے میں 834 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %6.22 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %6.90 رہا۔

میزان الیوکیٹن پلان-II

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 978 ملین روپے کے مقابلے میں 720 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 14.35% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 10.3% رہا۔

میزان الیوکیٹن پلان-III

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 2,923 ملین روپے کے مقابلے میں 2,271 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 14.75% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 10.10% رہا۔

میزان الیوکیٹن پلان-IV

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 860 ملین روپے کے مقابلے میں 594 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 14.65% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.9% رہا۔

میزان اسٹریٹجک الیوکیٹن فنڈ:

میزان اسٹریٹجک الیوکیٹن پلان-I

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 2,629 ملین روپے کے مقابلے میں 2,095 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 13.68% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.88% رہا۔

میزان اسٹریٹجک الیوکیٹن پلان-II

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,662 ملین روپے کے مقابلے میں 1,408 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 13.77% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.89% رہا۔

میزان اسٹریٹجک الیوکیٹن پلان-III

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,766 ملین روپے کے مقابلے میں 1,500 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 13.88% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.77% رہا۔

میزان اسٹریٹجک الیوکیٹن پلان-IV

31 دسمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,973 ملین روپے کے مقابلے میں 1,685 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 12.81% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.24% رہا۔

میزان اسٹریٹجک الیوکیٹن پلان-V

یہ پلان اگست 2017ء میں شروع کیا گیا اور 30 ستمبر 2017ء پر اس کے خالص اثاثہ جات 532 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 3.15% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 0.14% رہا۔

میزان کیپٹل پریزرویشن پلان-III

یہ پلان دسمبر 2017ء میں شروع کیا گیا اور 30 ستمبر 2017ء پر اس کے خالص اثاثہ جات 64 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 0.06% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 0.07% رہا۔

میزان گولڈ فنڈ:

31 دسمبر 2017ء پر میزان گولڈ فنڈ کے خالص اثاثہ جات 16% کی تنزیل کے ساتھ 30 جون 2017ء کے 457 ملین روپے کے مقابلے میں 382 ملین روپے رہے۔ زیر جائزہ عرصہ کے دوران فنڈ نے 3.3% کے نیچے مارک کے مقابلے میں 4.1% کا منافع فراہم کیا۔

میزان تحفظ پنشن فنڈ:

ایم ٹی پی ایف 4 ذیلی فنڈز یعنی ایکویٹی سب فنڈ، ڈیٹ سب فنڈ، منی مارکیٹ سب فنڈ اور گولڈ سب فنڈ پر مشتمل ہے۔ 31 دسمبر 2017ء کو اختتام پذیر ہونے والے عرصے کیلئے ایکویٹی سب فنڈ نے 17.86% کا منفی منافع اور گولڈ سب فنڈ نے 3.59% کا منافع فراہم کیا، جبکہ ڈیٹ اور منی مارکیٹ سب فنڈ نے بالترتیب 2.38% اور 2.43% کا سالانہ منافع فراہم کیا۔ ہر ایک سب فنڈ کی کارکردگی کا جائزہ درج ذیل ہے:

ایکویٹی سب فنڈ:

31 دسمبر 2017ء کے مطابق ایکویٹی سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 5,806 ملین روپے کے مقابلے میں 5,185 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 592.32 روپے فی یونٹ کے مقابلے میں 486.51 روپے رہی۔ زیر جائزہ عرصہ کے دوران ایکویٹی سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 1,061 ملین روپے کی مجموعی آمدنی کے مقابلے میں 1,281 ملین روپے کا مجموعی خسارہ کیا۔

ڈیٹ سب فنڈ:

31 دسمبر 2017ء کے مطابق ڈیٹ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 2,511 ملین روپے کے مقابلے میں 2,347 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 214.59 روپے فی یونٹ کے مقابلے میں 217.16 روپے رہی۔ زیر جائزہ عرصہ کے دوران ڈیٹ سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 67 ملین روپے کے مقابلے میں 28 ملین روپے کا مجموعی منافع کمایا۔

منی مارکیٹ سب فنڈ:

31 دسمبر 2017ء کے مطابق منی مارکیٹ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 663 ملین روپے کے مقابلے میں 752 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 212.18 روپے فی یونٹ کے مقابلے میں 214.78 روپے رہی۔ زیر جائزہ عرصہ کے دوران منی مارکیٹ سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 12 ملین روپے کے مقابلے میں 9 ملین روپے کا مجموعی منافع کمایا۔

گولڈ سب فنڈ:

31 دسمبر 2017ء کے مطابق گولڈ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 43 ملین روپے کے مقابلے میں 44 ملین روپے رہے۔ 31 دسمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 90.59 روپے فی یونٹ کے مقابلے میں 93.84 روپے رہی۔ زیر جائزہ عرصہ کے دوران گولڈ سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 6 ملین روپے کے مجموعی خسارے کے مقابلے میں 2 ملین روپے کا مجموعی منافع کمایا۔

توقعات (Outlooks)

7 ماہ کی طویل اصلاحاتی نشستوں کے بعد، جو دو دہائیوں میں طویل تر تھیں، اسٹاک مارکیٹ اس قابل ہوا کہ 2017ء کے آخری کچھ سیشنز کے دوران کچھ نقصانات کا احاطہ کیا۔ باوجود اس کے کہ سال کے دوران 15% تکلیفوں پر بیٹن رہیں، کچھ سیاسی اور اقتصادی حماز پر معاملات کے صلے ہونے کی وجہ سے رجحان مثبت رہا اور گزشتہ 7 سیشنز کے دوران KMI-30 میں 4,100 پوائنٹس اور KSE-100 میں 2,500 پوائنٹس کی ریکوری دیکھی گئی۔

مخصوص اصلاحات نے پاکستان کی اسٹاک مارکیٹ میں ڈسکاؤنٹ کو وسعت دی تاکہ اس کے متعلقہ ساتھی پاکستان کیلئے سرمایہ کاری کے کيس کو مستحکم کریں۔ مزید یہ کہ، دیگر مارکیٹ مبادیات ادارہ جاتی منفعیت برقرار ہیں اور یہ منفعیت سرمایہ کاروں کی شمولیت کا باعث بھی بنے گی۔

اقتصادی محاذ پر، پاکستان اقتصادی سرگرمیوں اور سی پیک منصوبوں پر جاری ترقیاتی عمل کی وجہ سے جی ڈی پی کے نمو کے ہدف %6 کے حصول کے قریب ہے۔ پاکستانی روپے کے عدم استحکام کی وجوہات کا احاطہ کر لیا گیا ہے جو بیرونی سرمایہ کاروں کی ہمارے اسٹاک مارکیٹ میں واپسی کا باعث بنے گی اور ہمارے کرنٹ اکاؤنٹ پوزیشن کی تقویت کا باعث بنے گی کیونکہ ہماری برآمدات اب عالمی مارکیٹ میں مزید مسابقت کی حامل ہوں گی۔

آگے بڑھتے ہوئے، ہمیں یقین ہے کہ روایت کے مطابق 2018ء کے الیکشنز میں دوسرے نمبر پر آنے والا دوبارہ محاذ بنا سکتا ہے۔ جبکہ نئے کلینڈر سال کے ابتدائی چھ مہینوں میں کچھ اتار چڑھاؤ آ سکتا ہے۔ توقع ہے کہ مارکیٹ کاروبار، جہاں الیکشنز سے پہلے اور الیکشنز کے بعد مثبت ہی رہے۔ سیاسی معاملات ان مہینوں میں زیادہ واضح ہو جائیں گے اور یہ ہمارے اسٹاک مارکیٹ اور معیشت کیلئے بھی بہتر ہوگا۔

اعتراف:

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

آخر میں، ہم اپنے ڈائریکٹرز جناب پی احمد اور جناب مظہر شریف کا بھی خصوصی شکر یہ ادا کرتے ہیں جنہوں نے پر جوش اور دانشمندانہ انداز میں المیزان انویسٹمنٹس کیلئے فرائض انجام دیے اور ہمیشہ کمپنی کے مفاد میں فیصلہ کیا۔

محمد شعیب، سی ایف اے
چیف ایگزیکٹو آفیسر

برائے وجہ جانب بورڈ
مورخہ 08 فروری 2018ء



Meezan Islamic Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Anifur Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Anifur Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A·F·FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

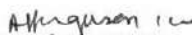
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	2,206,949	4,345,208
Investments	6	38,917,871	50,448,864
Receivable against conversion of units		90,404	1,373,082
Dividend receivable		251,726	252,501
Deposits, prepayments, profit accrued and other receivables		24,110	38,484
Total assets		41,491,060	56,458,139
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		174,443	191,995
Payable to Central Depository Company of Pakistan Limited - Trustee		3,882	5,277
Payable to Meezan Bank Limited		1,045	7,780
Payable to Securities and Exchange Commission of Pakistan		22,317	42,787
Payable on redemption and conversion of units		299,328	109,957
Dividend payable		-	345,340
Payable against purchase of investments - net		69,218	64,953
Accrued expenses and other liabilities	7	624,842	837,341
Total liabilities		1,195,075	1,605,430
Net assets		40,295,985	54,852,709
Contingencies and commitments	8		
Unitholders' funds (as per statement attached)		40,295,985	54,852,709
		(Number of units)	
Number of units in issue		639,341,222	717,906,382
		(Rupees)	
Net assets value per unit		63.03	76.41

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

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
(Rupees in '000)					
Income					
Net realised (loss) / gain on sale of investments		(932,107)	665,386	(805,208)	402,439
Dividend income		1,258,805	827,119	836,714	541,289
Profit on saving accounts with banks		95,704	71,355	35,696	44,013
Other income		-	4,010	-	4,010
		422,402	1,567,870	67,202	991,751
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.5	(8,308,558)	7,170,904	(2,617,569)	5,455,533
Total income		(7,886,156)	8,738,774	(2,550,367)	6,447,284
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		469,838	375,873	215,789	200,821
Sindh Sales Tax on management fee		61,079	48,863	28,053	26,106
Remuneration to Central Depository Company of Pakistan Limited - Trustee		23,996	19,298	11,042	10,293
Sindh Sales Tax on trustee fee		3,119	2,509	1,435	1,338
Annual fee to Securities and Exchange Commission of Pakistan		22,317	17,854	10,250	9,539
Auditors' remuneration		422	415	178	178
Charity expense		16,704	11,703	14,526	8,449
Fees and subscription		3,440	1,790	1,516	1,032
Legal and professional charges		18	138	18	53
Brokerage expense		13,714	19,273	6,535	11,647
Bank and settlement charges		2,150	2,473	942	1,267
Printing charges		500	1,289	251	1,040
Allocated expenses	11	23,492	18,794	10,790	10,041
Selling and marketing expense	13	93,968	-	43,158	-
Total expenses		734,757	520,272	344,483	281,804
Net (loss) / income from operating activities		(8,620,913)	8,218,502	(2,894,850)	6,165,480
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	523,794	-	511,490
Net (loss) / income for the period before taxation		(8,620,913)	8,742,296	(2,894,850)	6,676,970
Taxation	14	-	-	-	-
Net (loss) / income for the period after taxation		(8,620,913)	8,742,296	(2,894,850)	6,676,970
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		(8,620,913)	8,742,296	(2,894,850)	6,676,970
Income already paid on units redeemed		-	-	-	-
		(8,620,913)	8,742,296	(2,894,850)	6,676,970
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

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

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
----- (Rupees in '000) -----					
Net income / (loss) for the period after taxation		(8,620,913)	8,742,296	(2,894,850)	6,676,970
Other comprehensive income for the period					
<i>Item that may be reclassified subsequently to Income Statement</i>					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.2.2	(862,295)	817,813	(483,991)	1,199,258
Total comprehensive income / (loss) for the period		(9,483,208)	9,560,109	(3,378,841)	7,876,228

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

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017 ----- (Rupees in '000) -----				Six Months period ended December 31, 2016 ----- (Rupees in '000) -----			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) available for sale' investments	Total
Net assets at beginning of the period	38,815,070	14,556,642	1,480,997	54,852,709	23,536,931	7,897,863	1,119,612	32,554,406
Issue of 213,199,472 units (2016: 264,419,250 units)								
- Capital value (at net asset value per unit at the beginning of the period)	16,290,572	-	-	16,290,572				
- Element of loss	(1,692,456)	-	-	(1,692,456)				
Total proceeds on issuance of units	14,598,116	-	-	14,598,116	17,698,920	1,747,163	-	19,446,083
Redemption of 291,764,632 units (2016: 192,590,638 units)								
- Capital value (at net asset value per unit at the beginning of the period)	22,293,736	-	-	22,293,736				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	(2,622,104)	-	-	(2,622,104)				
Total payments on redemption of units	19,671,632	-	-	19,671,632	12,889,645	1,223,369	-	14,113,014
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(523,794)	-	(523,794)
Total comprehensive (loss) / income for the period	-	(8,620,913)	(862,295)	(9,483,208)	-	8,742,296	817,813	9,560,109
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(8,620,913)	(862,295)	(9,483,208)	-	8,742,296	817,813	9,560,109
Net assets at end of the period	33,741,554	5,935,729	618,702	40,295,985	28,346,206	16,640,159	1,937,425	46,923,790
Undistributed income brought forward								
- Realised income		9,383,822				4,499,430		
- Unrealised income		5,172,820				3,398,433		
		14,556,642				7,897,863		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
		-						
Net (loss) / income for the period after taxation		(8,620,913)				8,742,296		
Distribution during the period		-				-		
Undistributed loss carried forward		5,935,729				16,640,159		
Undistributed income / (loss) carried forward								
- Realised income		14,244,287				9,469,255		
- Unrealised (loss) / income		(8,308,558)				7,170,904		
		5,935,729				16,640,159		
					(Rupees)			(Rupees)
Net assets value per unit at beginning of the period				76.41				66.21
Net assets value per unit at end of the period				63.03				83.27

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

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period after taxation	(8,620,913)	8,742,296
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	8,308,558	(7,170,904)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(523,794)
	(312,355)	1,047,598
Decrease / (increase) in assets		
Investments - net	2,360,140	(3,967,749)
Receivable against sale of investments - net	-	(21,158)
Dividend receivable	775	(108,336)
Deposits, prepayments, profit accrued and other receivables	14,374	(12,065)
	2,375,289	(4,109,308)
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(17,552)	25,730
Payable to Central Depository Company of Pakistan Limited - Trustee	(1,395)	1,382
Payable to Meezan Bank Limited	(6,735)	1,499
Payable to Securities and Exchange Commission of Pakistan	(20,470)	(8,687)
Payable against purchase of investments (net)	4,265	(529,926)
Accrued expenses and other liabilities	(212,499)	(34,967)
	(254,386)	(544,969)
Net cash generated from / (used in) operating activities	1,808,548	(3,606,679)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	15,880,794	20,501,118
Dividend paid	(345,340)	-
Payment against redemption and conversion of units	(19,482,261)	(14,026,465)
Net cash (used in) / generated from financing activities	(3,946,807)	6,474,653
Net (decrease) / increase in cash and cash equivalents during the period	(2,138,259)	2,867,974
Cash and cash equivalents at beginning of the period	4,345,208	1,928,938
Cash and cash equivalents at end of the period	2,206,949	4,796,912

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

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement. The element was recognised in the Income Statement to the extent that it was represented by income earned during the period and movement in unrealised appreciation / (diminution) arising during the period on 'available for sale' securities was included in the Distribution Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 845.116 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective



During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

5. BALANCES WITH BANKS	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
		(Rupees in '000)	
In current accounts		14,693	170,408
In saving accounts	5.1	2,192,256	4,174,800
		2,206,949	4,345,208

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.00% per annum (June 30, 2017: 2.00% to 5.70% per annum).

6. INVESTMENTS	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
		(Rupees in '000)	
Investments - 'at fair value through profit or loss'	6.1	35,792,874	46,448,966
Investments - 'available for sale'	6.2.1	3,124,997	3,999,898
		38,917,871	50,448,864
6.1 Investments - 'at fair value through profit or loss'			
Held for trading - shares of listed companies	6.1.1	35,617,639	46,147,660
Fair value through profit or loss upon initial recognition	6.1.5	175,235	301,306
		35,792,874	46,448,966

6.1.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)	
	(Number of shares)					(Rupees in '000)			%			
Sectors / companies												
Automobile assembler												
Honda Atlas Cars (Pakistan) Limited	2,763,200	-	-	79,800	2,683,400	2,328,359	1,375,001	(953,358)	3.41	3.53	1.88	
Ghandhara Industries Limited	-	7,550	-	-	7,550	3,949	4,168	219	0.01	0.01	0.04	
Indus Motor Company Limited	203,842	-	-	203,842	-	-	-	-	-	-	-	
Milal Tractors Limited	116,900	-	-	-	116,900	160,672	136,964	(23,708)	0.34	0.35	0.26	
Pak Suzuki Motor Company Limited	-	135,700	-	25,000	110,700	58,905	55,103	(3,802)	0.14	0.14	0.13	
									3.90	4.03	2.31	
Automobile parts and accessories												
The General Tyre and Rubber Company of Pakistan Limited	-	239,900	-	-	239,900	47,173	45,173	(2,000)	0.11	0.12	0.40	
Thal Limited (note 6.1.2)	102,307	-	-	102,300	7	4	4	-	-	-	-	
									0.11	0.12	0.40	
Chemicals												
Engro Polymer & Chemicals Limited	11,019,500	7,683,000	-	2,945,000	15,757,500	553,873	450,034	(103,839)	1.12	1.16	2.38	
IC Pakistan Limited	1,017,700	33,460	-	-	1,051,160	1,146,091	807,238	(338,853)	2.00	2.07	1.14	
Sitara Chemical's Industries Limited	30,500	-	-	-	30,500	13,561	9,180	(4,381)	0.02	0.02	0.14	
									3.14	3.25	3.66	

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
	(Number of shares)				(Rupees in '000)			%			
Cement											
Cherat Cement Company Limited	7,093,212	25,000	-	-	7,118,212	1,270,787	789,481	(481,306)	1.96	2.03	4.03
D.G. Khan Cement Company Limited	8,889,922	1,069,600	-	1,350,100	8,609,422	1,789,903	1,151,252	(638,651)	2.86	2.96	1.97
Fauji Cement Company Limited	20,185,500	1,152,500	-	9,486,000	11,852,000	485,466	296,419	(189,047)	0.74	0.76	0.86
Kohat Cement Company Limited	3,102,500	430,000	-	-	3,532,500	787,609	501,474	(286,135)	1.24	1.29	2.29
Lucky Cement Limited	5,144,329	277,200	-	81,250	5,340,279	4,421,395	2,763,114	(1,658,281)	6.86	7.10	1.65
Maple Leaf Cement Factory Limited	5,455,600	225,000	-	5,680,600	-	-	-	-	-	-	-
Pioneer Cement Limited	10,897,800	270,000	-	-	11,167,800	1,437,552	704,912	(732,640)	1.75	1.81	4.92
									15.41	15.95	15.72
Paper and Board											
Cherat Packaging Limited	303,800	-	41,013	-	344,813	77,364	68,618	(8,746)	0.17	0.18	1.03
Century Paper & Board Mills Packages Limited	-	500	-	-	500	34	31	(3)	-	-	-
	2,163,379	6,900	-	511,600	1,658,679	1,152,505	845,644	(306,861)	2.10	2.17	1.86
									2.27	2.35	2.89
Technology and communication											
Pakistan Telecommunication Company Limited "A"	250,000	2,550,000	-	200,000	2,600,000	33,582	33,930	348	0.08	0.09	0.07
Refinery											
Attock Refinery Limited	1,142,900	232,500	-	1,350,400	25,000	6,000	5,853	(147)	0.01	0.02	0.03
National Refinery Limited	153,955	85,000	-	109,800	129,155	85,181	55,649	(29,532)	0.14	0.14	0.16
									0.15	0.16	0.19
Miscellaneous											
Shifa International Hospital Limited	40,988	-	-	40,900	88	29	26	(3)	-	-	-
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	567,081	585,500	302,410	1,232,500	222,491	12,389	14,929	2,540	0.04	0.04	0.02
Oil and Gas Marketing Companies											
Attock Petroleum Limited	327,579	-	-	-	327,579	205,205	171,350	(33,855)	0.43	0.44	0.39
Hascal Petroleum Limited	379,048	418,700	65,049	135,000	727,797	213,770	179,795	(33,975)	0.45	0.46	0.50
Hi-Tech Lubricants Limited	2,236,700	-	-	42,700	2,194,000	239,168	155,774	(83,394)	0.39	0.40	1.89
Pakistan State Oil Company Limited (note 7)	3,029,723	1,191,800	809,304	175,300	4,855,527	1,606,323	1,423,204	(183,119)	3.53	3.66	1.49
Shel (Pakistan) Limited	20,000	-	-	20,000	11,507	11,507	6,144	(5,363)	0.02	0.02	0.02
Sui Southern Gas Pipelines Limited	4,532,500	3,438,000	-	5,032,500	2,938,000	107,209	89,580	(17,629)	0.22	0.23	0.33
Sui Northern Gas Pipelines Limited	14,986,000	4,400,800	-	3,420,500	15,966,300	2,271,333	1,510,572	(760,761)	3.75	3.88	2.52
									8.79	9.09	7.14
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	25,998,300	2,266,200	-	1,479,800	26,884,700	3,800,773	4,376,560	575,787	10.86	11.25	0.63
Pakistan Oilfields Limited	2,380,497	287,300	-	113,950	2,553,847	1,194,045	1,517,649	323,604	3.77	3.90	1.08
Pakistan Petroleum Limited	3,443,550	3,978,900	-	100,000	7,322,450	1,247,830	1,507,766	259,936	3.74	3.87	0.37
Mari Petroleum Company Limited	2,056,240	15,760	-	-	2,072,000	3,263,641	3,006,203	(257,438)	7.46	7.72	1.88
									25.83	26.74	3.96
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	1,169,850	-	-	-	1,169,850	1,093,342	816,099	(277,243)	2.03	2.10	1.19
Ferozsons Laboratories Limited	19,650	-	-	19,650	-	-	-	-	-	-	-
Glaxo Smithkline Pakistan Limited	816	-	-	-	816	161	137	(24)	-	-	-
Glaxo Smithkline Consumer Healthcare Products Limited	486,556	63,200	-	166,100	383,656	83,839	124,416	40,577	0.31	0.32	0.40
Highnoon Laboratories Limited	649	-	-	-	649	406	277	(129)	-	-	-
The Searle Company Limited (note 7)	2,500,941	161,500	524,388	2,500	3,184,329	1,348,636	1,002,618	(346,018)	2.49	2.58	1.72
									4.83	5.00	3.31
Power Generation and Distribution											
The Hub Power Company Limited	11,989,216	376,500	-	4,343,500	8,022,216	937,570	730,019	(207,551)	1.81	1.88	0.69
K- Electric Limited (6.1.2)	214,723,000	5,617,000	-	22,955,500	197,384,500	1,357,839	1,245,496	(112,343)	3.09	3.20	0.71
Kohinoor Energy Limited	510,000	-	-	150,000	360,000	15,505	14,580	(925)	0.04	0.04	0.21
									4.94	5.12	1.61
Cable & Electrical Goods											
Pak Elektron Limited	14,483,250	4,227,600	-	2,144,000	16,566,850	1,656,682	786,760	(869,922)	1.95	2.02	3.33
Fertilizer											
Dawood Hercules Corporation Limited	5,254,500	112,000	-	20,800	5,345,700	727,651	598,077	(129,574)	1.48	1.54	1.11
Engro Corporation Limited (note 6.1.3)	14,597,900	965,967	-	5,607,100	9,956,767	3,228,453	2,735,622	(492,831)	6.79	7.03	1.90
Engro Fertilizers Limited	32,220,200	1,822,500	-	898,000	33,144,700	1,833,599	2,244,559	410,960	5.57	5.77	2.48
									13.84	14.34	5.49
Engineering											
Amreli Steel Limited	372,500	225,000	-	597,500	-	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	641,900	-	-	-	641,900	153,138	81,720	(71,418)	0.20	0.21	0.83
International Industries Limited	454,700	365,700	-	-	820,400	285,428	196,986	(88,442)	0.49	0.51	0.68
International Steel Limited	3,198,000	1,135,000	-	1,120,000	3,213,000	400,914	341,767	(59,147)	0.85	0.88	0.74
Mughal Iron & Steel Industries Limited	-	225,000	-	-	225,000	13,943	13,073	(870)	0.03	0.03	0.09
K.S.B. Pumps Company Limited	89,900	-	-	10,000	79,900	25,169	24,449	(720)	0.06	0.06	0.61
									1.63	1.69	2.95



Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
					(Number of shares)	(Rupees in '000)			%		
Food and Personal Care Products											
Al-Shaheer Corporation Limited	3,094,241	-	-	-	3,094,241	124,110	68,754	(55,356)	0.17	0.17	2.18
Engro Foods Limited	894,521	270,500	-	725,800	439,221	52,311	35,274	(17,037)	0.09	0.09	0.06
									0.26	0.26	2.24
Textile Composite											
Kohinoor Textile Mills Limited	2,000	-	14	-	2,014	211	133	(78)	-	-	-
Nishat Mills Limited	2,979,700	401,600	-	50,000	3,331,300	522,990	498,029	(24,961)	1.24	1.27	0.95
									1.24	1.27	0.95
Total						43,895,084	35,617,639	(8,277,445)			

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

6.1.3 1,000,000 shares of Engro Corporation Limited having market value of Rs 274.75 million (June 2017: Rs \ 325.91 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

6.1.4 Net assets are as defined in regulation 66 of the NBFC Regulations.

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

Ordinary shares - listed

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised loss as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
					(Number of shares)	(Rupees in '000)			%		
Sectors / companies											
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	3,810,706	-	-	1,202,000	2,608,706	206,088	175,044	(31,044)	0.43	0.45	0.25
Paper and Board											
Packages Limited	374	-	-	-	374	260	191	(69)	-	-	-
Total						206,348	175,235	(31,113)			

6.2 Investments categorised as 'available for sale'

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
					(Number of shares)	(Rupees in '000)			%		
Sectors / companies											
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited	233,700	-	-	-	233,700	80,064	119,750	39,686	0.30	0.31	0.16
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	124,880	-	-	116,000	8,880	110	596	486	-	-	-
Bank Islami Pakistan Limited	875	-	-	-	875	5	8	3	-	-	-
Chemicals											
ICI Pakistan Limited	75	-	-	-	75	10	58	48	-	-	-
Cement											
D.G Khan Cement Company Limited	60,900	-	-	60,900	-	-	-	-	-	-	-
Lucky Cement Limited	279,000	-	-	-	279,000	171,162	144,357	(26,805)	0.36	0.37	0.09
									0.36	0.37	0.09
Power Generation and Distribution											
The Hub Power Company Limited	10,377,900	-	-	-	10,377,900	656,997	944,389	287,392	2.34	2.43	0.90
Paper and Board											
Packages Limited	2,027,850	-	-	-	2,027,850	965,943	1,033,859	67,916	2.57	2.66	2.27
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited (note 7)	1,489,500	-	297,900	-	1,787,400	403,815	523,905	120,090	1.30	1.35	0.55
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	3,800	-	-	-	3,800	3,340	5,513	2,173	0.01	0.01	-
Pakistan Oilfields Limited	415,600	-	-	-	415,600	111,389	246,974	135,585	0.61	0.63	0.18
									0.62	0.64	0.18
Refinery											
National Refinery Limited	151	-	-	-	151	28	65	37	-	-	-
Pharmaceuticals											
The Searle Company Limited (note 7)	234,498	-	46,899	-	281,397	100,765	88,601	(12,164)	0.22	0.23	0.15
Fertilizers											
Engro Corporation Limited	5,000	-	-	-	5,000	1,652	1,374	(278)	-	-	-
Textile Composite											
Nishat Mills Limited	104,000	-	-	-	104,000	11,015	15,548	4,533	0.04	0.04	0.03
Total						2,506,295	3,124,997	618,702			
Total cost of investments						2,506,295					

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

Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)		
Market value of investment	3,124,997	3,999,898
Less: Cost of investments	2,506,295	2,518,901
	618,702	1,480,997
Less: Net unrealised diminution on re-measurement of investments classified as 'available for sale' at beginning of the period	1,480,997	1,073,339
Less: Impairment loss on listed equity securities classified as 'available for sale' - transferred to income statement	-	46,273
	(862,295)	361,385



	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	340,482	340,482
Charity payable		19,259	24,538
Withholding tax and Capital gain tax payable		5,580	211,200
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	224,672	224,672
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	31,217	31,217
Sales load payable		23	1,070
Sindh Sales Tax on sales load payable		3	139
Auditors' remuneration		352	480
Zakat payable		72	193
Printing expenses payable		115	755
Shariah advisory fee payable		2,973	2,501
Others		94	94
		624,842	837,341

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.53 / 0.84% (June 30, 2017: Re 0.47 / 0.62%).

7.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 255.889 million (June 30, 2017: Rs 255.889 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.40 (June 30, 2017: Re 0.36) per unit.

8. CONTINGENCIES AND COMMITMENTS

The status of withholding on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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



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

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- Management Company		
Remuneration payable	<u>67,130</u>	<u>91,878</u>
Sindh Sales Tax on management fee payable	<u>8,727</u>	<u>11,944</u>
Sales load payable	<u>1,116</u>	<u>8,631</u>
Sindh Sales Tax and on sales load payable	<u>145</u>	<u>1,122</u>
Allocated expenses	<u>3,357</u>	<u>4,594</u>
Selling and marketing expense payable	<u>93,968</u>	<u>73,826</u>
Investment of 10,390,905 units (June 30, 2017: 11,769,797 units)	<u>654,939</u>	<u>899,330</u>
Meezan Bank Limited		
Bank balance	<u>255,688</u>	<u>480,022</u>
Profit receivable on saving accounts	<u>1,815</u>	<u>2,366</u>
Sales load payable	<u>925</u>	<u>6,885</u>
Sindh Sales Tax on sales load payable	<u>120</u>	<u>895</u>
Investment in 2,840,077 shares (June 30, 2017: 4,502,667 shares)	<u>190,569</u>	<u>355,711</u>
Investment of 12,475,049 units (June 30, 2017: 12,475,049 units)	<u>786,302</u>	<u>953,218</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>3,435</u>	<u>4,669</u>
Sindh Sales Tax on trustee fee payable	<u>447</u>	<u>608</u>
Security deposit	<u>100</u>	<u>100</u>
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 180,189 units (June 30, 2017: 180,189 units)	<u>11,357</u>	<u>13,768</u>
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Investment of 6,131,809 units (June 30, 2017: 5,755,580 units)	<u>386,488</u>	<u>439,784</u>
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Investment of 2,408,186 units (June 30, 2017: 2,676,971 units)	<u>151,788</u>	<u>204,547</u>
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Investment of 1,193,885 units (June 30, 2017: 1,335,169 units)	<u>75,251</u>	<u>102,020</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment: nil (June 30, 2017: 13,417,797 units)	<u>-</u>	<u>1,025,254</u>
Meezan Financial Planning Fund of Funds - MAAP - II		
Investment: nil (June 30, 2017: 10,859,058 units)	<u>-</u>	<u>829,741</u>
Meezan Financial Planning Fund of Funds - MAAP - III		
Investment of 3,731,344 units (June 30, 2017: 28,489,889 units)	<u>235,187</u>	<u>2,176,912</u>
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investment of 6,183,907 units (June 30, 2017: 9,021,808 units)	<u>389,772</u>	<u>689,356</u>
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 22,088,168 units (June 30, 2017: 24,362,251 units)	<u>1,392,217</u>	<u>1,861,520</u>

	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Meezan Strategic Allocation Fund - MSAP - II Investment of 9,907,681 units (June 30, 2017: 10,307,902 units)	624,481	787,627
Meezan Strategic Allocation Fund - MSAP - III Investment of 18,362,880 units (June 30, 2017: 18,334,830 units)	1,157,412	1,400,963
Meezan Strategic Allocation Fund - MSAP - IV Investment of 19,996,710 units (June 30, 2017: 16,203,703 units)	1,260,393	1,238,125
Meezan Strategic Allocation Fund - MSAP - V Investment of 5,087,588 units (June 30, 2017: nil)	320,671	-
Directors and Executives of the Management Company Investment of 6,993,767 units (June 30, 2017: 5,987,885 units)	440,817	457,534
	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	469,838	375,873
Sindh Sales Tax on management fee	61,079	48,863
Allocated expenses	23,492	18,794
Selling and marketing expense	93,968	-
Units issued: 2,337,684 units (December 31, 2016: 1,034,881 units)	150,116	84,000
Units redeemed: 3,716,576 units (December 31, 2016: 7,183,218 units)	250,000	526,000
Meezan Bank Limited		
Profit on saving accounts	1,567	2,575
Units redeemed: nil (December 31, 2016: 3,200,000 units)	-	225,888
Shares purchased: 585,500 shares (December 31, 2016: 4,000 shares)	42,735	206
Shares sold: 2,550,500 shares (December 31, 2016: 8,223,500 shares)	182,343	488,683
Right issue: 302,410 shares (December 31, 2016: nil)	15,121	-
Dividend income	8,820	21,775
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	23,996	19,298
Sindh Sales Tax on trustee fee	3,119	2,509
CDS charges	624	709
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: 1,048,388 units (December 31, 2016: 2,533,438 units)	72,850	188,230
Units redeemed: 672,159 units (December 31, 2016: 2,990,393 units)	45,720	233,075
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: 380,817 units (December 31, 2016: 3,272,822 units)	24,868	253,200
Units redeemed: 649,602 units (December 31, 2016: 1,484,773 units)	43,150	113,106



**Six Months period ended
December 31,**

**Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan**

Units issued: 315,160 units (December 31, 2016: 1,553,589 units)
Units redeemed: 456,444 units (December 31, 2016: 1,310,568 units)

2017 **2016**
(Rupees in '000)

20,876 **115,725**
30,275 **104,369**

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 5,743,873 units (December 31, 2016: 1,596,790 units)
Units redeemed: 19,161,670 units (December 31, 2016: 4,520,692 units)

396,000 **112,000**
1,358,883 **318,000**

Meezan Financial Planning Fund of Funds - MAAP - II

Units issued: 660,922 units (December 31, 2016: 1,419,440 units)
Units redeemed: 11,519,980 units (December 31, 2016: 2,648,507 units)

44,000 **101,000**
733,000 **185,000**

Meezan Financial Planning Fund of Funds - MAAP - III

Units issued: 5,878,604 units (December 31, 2016: 3,828,389 units)
Units redeemed: 30,637,149 units (December 31, 2016: 8,494,759 units)

373,000 **274,000**
1,961,769 **593,500**

Meezan Financial Planning Fund of Funds - MAAP - IV

Units issued: 245,248 units (December 31, 2016: 4,348,446 units)
Units redeemed: 3,083,149 units (December 31, 2016: 369,559 units)

16,000 **307,000**
217,000 **27,000**

Meezan Strategic Allocation Fund - MSAP - I

Units issued: 1,313,619 units (December 31, 2016: 21,337,446 units)
Units redeemed: 3,587,702 units (December 31, 2016: nil)

88,000 **1,593,000**
245,000 **-**

Meezan Strategic Allocation Fund - MSAP - II

Units issued: 1,171,500 units (December 31, 2016: 3,143,894 units)
Units redeemed: 1,571,721 units (December 31, 2016: nil)

78,000 **260,000**
105,000 **-**

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 1,369,589 units (December 31, 2016: nil)
Units redeemed: 1,341,539 units (December 31, 2016: nil)

91,000 **-**
88,000 **-**

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 5,217,490 units (December 31, 2016: nil)
Units redeemed: 1,424,483 units (December 31, 2016: nil)

363,007 **-**
93,000 **-**

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 5,087,588 units (December 31, 2016: nil)

333,838 **-**

Directors and Executives of the Management Company

Units issued: 1,275,034 units (December 31, 2016: 239,613 units)
Units redeemed: 269,152 units (December 31, 2016: 165,487 units)

79,087 **16,559**
18,308 **11,902**

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total

December 31, 2017

(Rupees in '000)

Financial assets									
- measured at fair value									
Investments	38,917,871	-	-	-	38,917,871	38,917,871	-	-	38,917,871
Financial assets									
- not measured at fair value									
Balance with banks	10.1	-	2,206,949	-	2,206,949				
Receivable against conversion of units	10.1	-	90,404	-	90,404				
Dividend receivable	10.1	-	251,726	-	251,726				
Deposits, profit accrued and other receivables	10.1	-	23,648	-	23,648				
		38,917,871	365,778	2,206,949	-	41,490,598			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	174,443	174,443				
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	3,882	3,882				
Payable to Meezan Bank Limited	10.1	-	-	1,045	1,045				
Payable on redemption and conversion of units	10.1	-	-	299,328	299,328				
Payable against purchase of investments - net	10.1	-	-	69,218	69,218				
Accrued expenses and other liabilities	10.1	-	-	278,705	278,705				
		-	-	826,621	826,621				

	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									
Investments	50,448,864	-	-	-	50,448,864	50,448,864	-	-	50,448,864
Financial assets									
- not measured at fair value									
Balances with banks	10.1	-	4,345,208	-	4,345,208				
Receivable against conversion of units	10.1	-	1,373,082	-	1,373,082				
Dividend receivable	10.1	-	252,501	-	252,501				
Deposits, profit accrued and other receivables	10.1	-	38,407	-	38,407				
		50,448,864	1,663,990	4,345,208	-	56,458,062			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	191,995	191,995				
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	5,277	5,277				
Payable to Meezan Bank Limited	10.1	-	-	7,780	7,780				
Payable on redemption and conversion of units	10.1	-	-	109,957	109,957				
Dividend payable	10.1	-	-	345,340	345,340				
Payable against purchase of investments - net	10.1	-	-	64,953	64,953				
Accrued expenses and other liabilities	10.1	-	-	285,466	285,466				
		-	-	1,010,768	1,010,768				



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

11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 3.13% which includes 0.38% representing government levy and SECP fee.

13. SELLING AND MARKETING EXPENSE

SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of fund or actual expenses whichever lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than actual expenses incurred.

14. 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 NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15. GENERAL

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

15.2 Corresponding figures have been reclassified and rearranged in this condensed interim financial information, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information.

16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director





Al Meezan Mutual Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamilia)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**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

AL MEEZAN MUTUAL FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Al Meezan Mutual Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A·F·FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Al Meezan Mutual Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

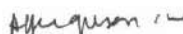
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, J.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	274,022	804,059
Investments	6	6,755,757	8,435,017
Receivable against sale of investments - net		1,667	-
Receivable against conversion of units		2,820	11,750
Dividend receivable		46,994	40,481
Deposits, prepayments, profit accrued and other receivables		7,054	14,896
Total assets		7,088,314	9,306,203
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		29,909	31,425
Payable to Central Depository Company of Pakistan Limited - Trustee		757	961
Payable to Securities and Exchange Commission of Pakistan		3,790	7,353
Payable to Meezan Bank Limited		107	784
Payable on redemption and conversion of units		5,484	6,830
Payable against purchase of investments - net		6,515	15,116
Accrued expenses and other liabilities	8	97,321	122,120
Dividend payable		4,917	42,149
Total liabilities		148,800	226,738
Net assets		6,939,514	9,079,465
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		6,939,514	9,079,465
		(Number of units)	
Number of units in issue		396,663,367	429,471,241
		(Rupees)	
Net assets value per unit		17.49	21.14

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

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six Months period ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Income				
Net realised (loss) / gain on sale of investments	(118,197)	98,734	(123,838)	57,725
Dividend income	218,556	142,514	151,854	95,905
Profit on saving accounts with banks	12,224	9,974	4,529	6,467
	112,583	251,222	32,545	160,097
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	1,058,129	(408,671)	862,228
Total (loss) / income	(1,118,786)	1,309,351	(376,126)	1,022,325
Expenses				
Remuneration to Al Meezan Investment Management Limited – Management Company	79,790	64,269	37,077	34,570
Sindh Sales Tax on management fee	10,373	8,355	4,820	4,494
Allocated expenses	3,990	3,213	1,854	1,729
Remuneration to Central Depository Company of Pakistan Limited - Trustee	4,494	3,718	2,106	1,981
Sindh Sales Tax on trustee fee	584	567	274	341
Annual fee to Securities and Exchange Commission of Pakistan	3,790	3,053	1,761	1,642
Auditors' remuneration	482	464	203	262
Charity expense	2,764	2,000	2,448	1,429
Fees and subscription	515	383	220	244
Legal and professional charges	-	283	-	250
Brokerage expense	1,939	3,290	935	1,850
Printing expense	110	-	110	-
Selling and marketing expenses	15,959	-	7,416	-
Bank and settlement charges	844	1,074	571	754
Total expenses	125,634	90,669	59,795	49,546
Net (loss) / income from operating activities	(1,244,420)	1,218,682	(435,921)	972,779
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	101,939	-	90,968
Net (loss) / income for the period before taxation	(1,244,420)	1,320,621	(435,921)	1,063,747
Taxation	13	-	-	-
Net (loss) / income for the period after taxation	(1,244,420)	1,320,621	(435,921)	1,063,747
Allocation of net (loss) / income for the period				
Net (loss) / income for the period after taxation	(1,244,420)	1,320,621	(435,921)	1,063,747
Income already paid on units redeemed	-	-	-	-
	(1,244,420)	1,320,621	(435,921)	1,063,747
Accounting income available for distribution				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six Months period ended December 31,		Quarter ended December 31,		
	2017	2016	2017	2016	
	----- (Rupees in '000) -----				
Net (loss) / income for the period after taxation	(1,244,420)	1,320,621	(435,921)	1,063,747	
Other comprehensive income for the period					
<i>Item that may be reclassified subsequently to Income Statement</i>					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.1.1	(336,713)	302,559	(125,874)	210,136
Total comprehensive (loss) / income for the period		(1,581,133)	1,623,180	(561,795)	1,273,883

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

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017 ----- (Rupees in '000) -----				Six Months period ended December 31, 2016 ----- (Rupees in '000) -----			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) available for sale investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) available for sale investments	Total
Net assets at beginning of the period	6,094,141	2,436,842	548,482	9,079,465	3,695,830	1,393,764	328,803	5,418,397
Issuance of 46,504,821 units (2016: 118,710,180 units)								
- Capital value (at net asset value per unit at the beginning of the period)	983,112	-	-	983,112				
- Element of loss	(96,556)	-	-	(96,556)				
Total proceeds on issuance of units	886,556	-	-	886,556	2,187,641	189,480	-	2,377,121
Redemption of 79,312,695 units (2016: 57,190,338 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,676,670	-	-	1,676,670				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	(231,296)	-	-	(231,296)				
Total payments on redemption of units	1,445,374	-	-	1,445,374	1,052,905	87,541	-	1,140,446
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(101,939)	-	(101,939)
Total comprehensive (loss) / income for the period	-	(1,244,420)	(336,713)	(1,581,133)	-	1,320,621	302,559	1,623,180
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(1,244,420)	(336,713)	(1,581,133)	-	1,320,621	302,559	1,623,180
Net assets at end of the period	5,535,323	1,192,422	211,769	6,939,514	4,830,566	2,714,385	631,362	8,176,313
Undistributed income brought forward								
- Realised income		3,668,211				898,957		
- Unrealised (loss) / income		(1,231,369)				494,807		
		2,436,842				1,393,764		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
		-						
Net (loss) / income for the period after taxation		(1,244,420)				1,320,621		
Distribution during the period		-				-		
Undistributed income carried forward		1,192,422				2,714,385		
Undistributed income carried forward								
- Realised income		2,423,791				1,656,256		
- Unrealised (loss) / income		(1,231,369)				1,058,129		
		1,192,422				2,714,385		
Net assets value per unit at beginning of the period				(Rupees) 21.14				(Rupees) 17.99
Net assets value per unit at end of the period				17.49				22.54

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

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(1,244,420)	1,320,621
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,231,369	(1,058,129)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(101,939)
	(13,051)	160,553
Decrease / (increase) in assets		
Investments - net	111,178	(852,895)
Receivable against sale of investments - net	(1,667)	-
Dividend receivable	(6,513)	(7,322)
Deposits, prepayments, profit accrued and other receivables	7,842	(3,042)
	110,840	(863,259)
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(1,516)	4,268
Payable to Central Depository Company of Pakistan Limited - Trustee	(204)	315
Payable to Meezan Bank Limited	(677)	465
Payable to Securities and Exchange Commission of Pakistan	(3,563)	(1,192)
Payable against purchase of investments - net	(8,601)	12,426
Accrued expenses and other liabilities	(24,799)	(12,047)
	(39,360)	4,235
Net cash generated from / (used in) operating activities	58,429	(698,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	895,486	2,410,481
Dividend paid	(37,232)	-
Payment against redemption and conversion of units	(1,446,720)	(1,141,305)
Net cash (used in) / generated from financing activities	(588,466)	1,269,176
Net (decrease) / increase in cash and cash equivalents during the period	(530,037)	570,705
Cash and cash equivalents at beginning of the period	804,059	218,236
Cash and cash equivalents at end of the period	274,022	788,941

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

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

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies and Notified Entities Regulations (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. The objective of the Fund is to provide the maximum total return to the unitholders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by prevailing rules and regulations. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title of the assets of the Fund is held in the name of CDC as a Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the



requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting

period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement. The element was recognised in the Income Statement to the extent that it was represented by income earned during the period and movement in unrealised appreciation / (diminution) arising during the period on 'available for sale' securities was included in the Distribution Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 106.046 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- 4.3** During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.
- 4.4** The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.



4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	248,177	783,341
In current accounts		25,845	20,718
		<u>274,022</u>	<u>804,059</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 5.85% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
6. INVESTMENTS			
Investments - 'available for sale'	6.1	826,438	1,164,714
Investments - 'at fair value through profit or loss'	6.2	5,929,319	7,270,303
		<u>6,755,757</u>	<u>8,435,017</u>

6.1 Investments - 'available for sale'

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus shares	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised appreciation as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.2.3)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
						(Rupees in '000)	%				
Sectors / companies											
Commercial Banks											
BankIslami Pakistan Limited	875	-	-	-	875	5	8	3	-	-	-
Cement											
Lucky Cement Company Limited	465,027	-	-	-	465,027	162,848	240,610	77,762	3.47	3.56	0.14
D.G. Khan Cement Company Limited	3,500	-	-	-	3,500	289	468	179	0.01	0.01	-
									<u>3.48</u>	<u>3.57</u>	<u>0.14</u>

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus shares	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised appreciation as at December 31, 2017	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 6.2.3)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)	
						(Rupees in '000)			%			
Power Generation and Distribution												
The Hub Power Company Limited	1,445,600	-	-	-	1,445,600	88,457	131,550	43,093	1.90	1.95	0.12	
Oil and Gas Exploration Companies												
Pakistan Oilfields Limited	31,340	-	-	-	31,340	8,043	18,624	10,581	0.27	0.28	0.01	
Oil and Gas Marketing Companies												
Attock Petroleum Limited	240	-	-	-	240	83	126	43	-	-	-	
Pakistan State Oil Company Limited	371,147	-	74,229	-	445,376	101,078	130,544	29,466	1.88	1.93	0.14	
Automobile Assembler												
Honda Atlas Cars Pakistan Limited	96,000	-	-	-	96,000	32,982	49,191	16,209	0.71	0.73	0.07	
Indus Motor Company Limited	6,200	-	-	5,000	1,200	-	-	-	0.71	0.73	0.07	
Chemical												
ICI Pakistan Limited	91,557	-	-	-	91,557	34,618	70,311	35,693	1.01	1.05	0.10	
Paper and Board												
Packages Limited	362,878	-	-	-	362,878	186,266	185,006	(1,260)	2.67	2.75	0.41	
Total						614,669	826,438	211,769				
Total cost of investments - 'available for sale'							614,669					

December 31, 2017
(Unaudited)
(Rupees in '000)

June 30, 2017
(Audited)

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

Market value of investments	826,438	1,164,714
Less: Cost of investments	614,669	616,232
	211,769	548,482
Less: unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period - net	548,482	328,803
	(336,713)	219,679

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

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised appreciation / (diminution) as at December 31, 2017	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 6.2.3)	Market value of Total investments	Paid-up capital of investee company (with face value of investment)	
						(Rupees in '000)			%			
Sectors / companies												
Cement												
D.G. Khan Cement Company Limited	1,559,905	75,000	-	75,000	1,559,905	328,168	208,590	(119,578)	3.01	3.09	0.36	
Fauji Cement Company Limited	3,646,000	800,000	-	2,300,000	2,146,000	87,591	53,671	(33,920)	0.77	0.79	0.16	
Kohat Cement Company Limited	560,400	50,000	-	-	610,400	138,477	86,652	(51,825)	1.25	1.28	0.40	
Cherat Cement Company Limited	1,585,940	-	-	-	1,585,940	283,534	175,897	(107,637)	2.53	2.60	0.90	
Lucky Cement Company Limited	439,590	-	-	-	439,590	367,611	227,448	(140,163)	3.28	3.37	0.14	
Maple Leaf Cement Company Limited	901,500	3,312	-	901,000	3,812	271	261	(10)	-	-	-	
Pioneer Cement Limited	1,759,300	-	-	-	1,759,300	228,709	111,047	(117,662)	1.60	1.64	0.77	
									12.44	12.77	2.73	
Oil and Gas Exploration Companies												
Pakistan Oilfields Limited	606,951	24,500	-	-	631,451	291,035	375,246	84,211	5.41	5.55	0.27	
Oil and Gas Development Company Limited	3,109,400	723,000	-	150,000	3,682,400	521,792	599,458	77,666	8.64	8.87	0.09	
Pakistan Petroleum Limited	723,233	665,500	-	-	1,388,733	236,736	285,954	49,218	4.12	4.23	0.07	
Mari Petroleum Company Limited	342,100	-	-	-	342,100	539,026	496,343	(42,683)	7.15	7.35	0.31	
									25.32	26.00	0.74	



Al Meezan Mutual Fund

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised appreciation / (diminution) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.2.3)	Market value of Total Investments	Paid-up capital of investee company (with face value of investment)
	(Number of shares)				(Rupees in '000)			%			
Oil & Gas Marketing Companies											
Attock Petroleum Limited	71,500	-	-	-	71,500	44,790	37,400	(7,390)	0.54	0.55	0.09
Pakistan State Oil Company Limited	393,920	78,800	94,544	-	567,264	185,851	166,271	(19,580)	2.40	2.46	0.17
Sui Southern Gas Company Limited	2,025,000	250,000	-	2,275,000	-	-	-	-	-	-	-
Hasco Petroleum Limited	89,460	79,736	-	10,000	159,196	47,580	39,328	(8,252)	0.57	0.58	0.11
Hi-Tech Lubricant Limited	225,000	-	-	30,000	195,000	21,257	13,845	(7,412)	0.20	0.20	0.17
Shell Pakistan Limited	2,000	-	-	-	2,000	1,151	614	(537)	0.01	0.01	-
Sui Northern Gas Pipeline Limited	2,841,500	570,000	-	260,000	3,151,500	453,437	298,163	(155,274)	4.30	4.41	0.50
									8.02	8.21	1.04
Engineering											
Crescent Steel and Allied Product Limited	174,200	51,900	-	-	226,100	48,275	28,785	(19,490)	0.41	0.43	0.29
Amreli Steels Limited	464,000	-	-	450,800	13,200	1,623	1,223	(400)	0.02	0.02	-
K.S.B. Pumps Company Limited	65,400	-	-	64,900	500	157	153	(4)	-	-	-
International Industries Limited	32,700	56,000	-	-	88,700	26,840	21,298	(5,542)	0.31	0.32	0.07
International Steel Limited	223,000	100,000	-	322,900	100	13	11	(2)	0.31	0.32	0.07
									0.74	0.77	0.36
Automobile Assembler											
Indus Motor Company Limited	894	-	-	894	-	-	-	-	-	-	-
Honda Atlas Cars Pakistan Limited	296,800	-	-	-	296,800	257,530	152,083	(105,447)	2.19	2.25	0.21
Milat Tractors Limited	60,750	25,000	-	-	85,750	117,247	100,467	(16,780)	1.45	1.49	0.19
Pak Suzuki Motor Company Limited	-	117,500	-	-	117,500	69,393	58,488	(10,905)	0.84	0.87	0.14
Gandhara Industries Limited	-	16,000	-	-	16,000	8,384	8,833	449	0.13	0.13	0.08
									4.61	4.74	0.62
Automobile Parts and Accessories											
Thal Limited (note 6.2.1)	213	-	-	-	213	129	109	(20)	-	-	-
Technology and Communication											
Pakistan Telecommunication Company Limited 'A'	100,000	500,000	-	-	600,000	8,060	7,830	(230)	0.11	0.12	0.02
Chemicals											
Sitara Chemical Industries Limited	57,000	-	-	-	57,000	25,343	17,156	(8,187)	0.25	0.25	0.27
IG Pakistan Limited	119,122	-	-	-	119,122	130,385	91,480	(38,905)	1.32	1.35	0.13
Dynea Pakistan Limited (note 6.2.1)	1,000	-	-	-	1,000	100	88	(12)	-	-	0.01
Engro Polymer and Chemicals Limited	2,690,500	1,211,500	-	201,000	3,701,000	132,096	105,701	(26,395)	1.52	1.56	0.56
									3.09	3.16	0.97
Fertilizer											
Engro Fertilizers Limited	5,232,000	625,000	-	150,000	5,707,000	315,177	386,478	71,301	5.57	5.72	0.43
Engro Corporation Limited (note 6.2.2)	2,177,900	285,000	-	430,000	2,032,900	650,724	558,539	(92,185)	8.05	8.27	0.39
Dawood Hercules Corporation Limited	1,019,200	-	-	26,000	993,200	135,433	111,119	(24,314)	1.60	1.64	0.21
									15.22	15.63	1.03
Paper and Board											
Packages Limited	309,850	-	-	70,000	239,850	166,835	122,283	(44,552)	1.76	1.81	0.27
Century Paper	-	500	-	-	500	34	31	(3)	-	-	-
Cherat Packaging Limited	128,900	17,401	-	-	146,301	32,825	29,114	(3,711)	0.42	0.43	0.44
									2.18	2.24	0.71
Food and Personal Care Products											
Engro Foods Limited	106,900	125,000	-	231,100	800	91	64	(27)	-	-	-
Al-Shaheer Corporation Limited	231,230	-	-	-	231,230	9,275	5,138	(4,137)	0.07	0.08	0.16
									0.07	0.08	0.16
Power Generation and Distribution											
The Hub Power Company Limited	2,417,000	-	-	850,000	1,567,000	184,013	142,597	(41,416)	2.05	2.11	0.14
K Electric Limited (note 6.2.1)	34,078,000	1,948,500	-	4,165,000	31,861,500	218,822	201,046	(17,776)	2.90	2.98	0.12
									4.95	5.09	0.26
Cable and Electrical Goods											
Pak Elektron Limited	2,598,500	477,600	-	50,000	3,026,100	307,131	143,709	(163,422)	2.07	2.13	0.61
Pharmaceuticals											
Abbott Laboratories Pakistan Limited	184,200	-	-	-	184,200	172,153	128,500	(43,653)	1.85	1.90	0.19
The Searle Company Limited	386,673	10,000	79,334	-	476,007	202,069	149,876	(52,193)	2.16	2.22	0.26
Ferozsons Laboratories Limited	650	-	-	650	-	-	-	-	-	-	-
Highnoon Laboratories Limited	32,493	-	-	-	32,493	20,349	13,867	(6,482)	0.20	0.21	0.13
GlaxoSmithKline Consumer Health Care Limited	285,000	29,300	-	64,400	249,900	54,344	81,040	26,696	1.17	1.20	0.26
									5.38	5.53	0.84
Textile Composite											
Nishat Mills Limited	439,300	135,000	-	-	574,300	88,566	85,858	(2,708)	1.24	1.27	0.16
Refinery											
Attock Refinery Limited	196,600	70,000	-	266,000	600	226	140	(86)	-	-	-
Miscellaneous											
Shifa International Hospitals Limited	6,390	-	-	6,300	90	30	27	(3)	-	-	-
Total						7,160,688	5,929,319	(1,231,369)			

6.2.1 All shares have a nominal value of Rs 10 each except for the shares of Thal Limited and Dynea Pakistan Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

6.2.2 150,000 shares (December 31, 2017: 150,000 shares) of Engro Corporation Limited, having market value of Rs 41.45 million (June 30, 2017: Rs 48.89 million) as at December 31, 2017, have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.

6.2.3 Net assets are as defined in regulation 66 of the NBFC Regulations.

7. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

	Note	(Unaudited) December 31, 2017 (Rupees in '000)	(Audited) June 30, 2017
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		422	585
Withholding tax and capital gain tax payable		555	24,420
Provision for Sindh Workers' Welfare Fund payable (SWWF)	8.1	50,068	50,068
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	35,988	35,988
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	3,458	3,458
Charity payable		3,862	4,598
Zakat payable		8	8
Printing charges payable		-	97
Brokerage payable		2,595	2,481
Shariah advisor fee payable		365	417
		97,321	122,120

8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs



whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.13 / 0.72% (June 30, 2017: Re 0.11 / 0.52%). "

- 8.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 39.45 million (June 30, 2017: Rs 39.45 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.10 (June 30, 2017: Re 0.09) per unit.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other 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 provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed.

Transactions and balances with related parties are as follows:

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	11,695	15,367
Sindh Sales Tax on management fee payable	1,520	1,998
Sales load payable	133	483
Sindh Sales Tax on sales load payable	17	63
Selling and marketing expense payable	15,959	12,746
Allocated expenses payable	585	768
Investment of 49,744,595 units (June 30, 2017: 49,744,595 units)	870,033	1,051,601
Meezan Bank Limited		
Balances with bank	25,264	51,108
Sales load payable	95	694
Sindh Sales Tax on sales load payable	12	90
Profit receivable on saving accounts	385	459
Investment of 22,232,227 units (June 30, 2017: 23,363,301 units)	388,842	493,900
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of nil units (June 30, 2017: 3,416,582 units)	-	72,227
Meezan Financial Planning Fund of Funds - MAAP - III		
Investment of nil units (June 30, 2017: 18,794,560 units)	-	397,317
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investment of 3,941,239 units (June 30, 2017: 3,941,239 units)	68,932	83,318
Meezan Strategic Allocation Plan - I		
Investment of 13,489,277 units (June 30, 2017: 13,489,277 units)	235,927	285,163
Meezan Strategic Allocation Plan - II		
Investment of 26,045,712 units (June 30, 2017: 26,045,712 units)	455,540	550,606
Meezan Strategic Allocation Plan - IV		
Investment of 2,151,219 (June 30, 2017: 2,151,219 units)	37,625	45,477
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	670	851
Sindh Sales tax on Trustee fee payable	87	110
Security deposits	238	238
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 units (June 30, 2017: 16,895,690 units)	295,506	357,175
Directors and executives of the Management Company		
Investment of 18,821,961 units (June 30, 2017: 18,715,854 units)	329,196	395,653



Six Months period ended December 31,

2017 2016
(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration for the period	79,790	64,269
Sindh Sales Tax on management fee	10,373	8,355
Allocated expenses	3,990	3,213
Selling and marketing expense	15,959	-
Units issued: 9,972,262 units (December 31, 2016: nil)	178,927	-
Units redeemed: 9,972,262 units (December 31, 2016: 2,226,081 units)	178,927	42,000

	79,790	64,269
	10,373	8,355
	3,990	3,213
	15,959	-
	178,927	-
	178,927	42,000

Meezan Bank Limited

Profit on saving accounts with banks	193	321
Units redeemed: 1,131,074 units (December 31, 2016: 6,043,089 units)	22,316	115,000

	193	321
	22,316	115,000

Central Depository Company of Pakistan Limited - Trustee

Trustee fee	4,494	3,718
Sindh Sales Tax on trustee fee	584	567
CDS charges	84	89

	4,494	3,718
	584	567
	84	89

Meezan Financial Planning Fund of Funds - Meezan Capital Preservation Plan - I

Units issued: nil units (December 31, 2016: 3,499,470 units)	-	66,000
Units redeemed: nil units (December 31, 2016: 3,499,470 units)	-	67,673

	-	66,000
	-	67,673

Meezan Financial Planning Fund of Funds - MAAP - I

Units redeemed: 3,416,582 units (December 31, 2016: nil)	67,990	-
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	67,990	-
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Meezan Financial Planning Fund of Funds - MAAP - III

Units redeemed: 18,794,560 units (December 31, 2016: nil)	319,507	-
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	319,507	-
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Meezan Financial Planning Fund of Funds - MAAP - IV

Units issued: nil (December 31, 2016: 3,764,581 units)	-	71,000
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	-	71,000
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Meezan Strategic Allocation Plan - I

Units issued: nil (December 31, 2016: 12,884,648 units)	-	264,000
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	-	264,000
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Meezan Strategic Allocation Plan - II

Units issued: nil (December 31, 2016: 9,559,486 units)	-	214,000
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	-	214,000
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Directors and executives of the Management Company

Units issued: 141,483 units (December 31, 2016: 71,099 units)	2,690	1,506
Units redeemed: 35,376 units (December 31, 2016: 132,999 units)	658	2,570

	2,690	1,506
	658	2,570

10. ALLOCATED EXPENSES

During the period, Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC regulations.

11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 3.15% which includes 0.37% representing government levy and SECP fee.

12. SELLING AND MARKETING EXPENSE

SECP vide Circular No. 40 of 2016 dated December 30, 2016 allowed asset management companies to charge selling and marketing expense upto 0.4% per annum of net assets of the fund initially for three years (from January 1, 2017 till December 31, 2019) to open end equity, asset allocation and index funds only. Accordingly such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.

13. 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 NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

Note	Carrying amount					Fair value			
	Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2017									
(Rupees in '000)									
Financial assets									
- measured at fair value									
Investments									
--at fair value through profit or loss'	5,929,319	-	-	-	5,929,319	5,929,319	-	-	5,929,319
Investments --'available for sale'	826,438	-	-	-	826,438	826,438	-	-	826,438
Financial assets									
-not measured at fair value									
Balances with banks	14.1	-	-	274,022	-	274,022			
Dividend receivable	14.1	-	46,994	-	-	46,994			
Receivable against conversion of units	14.1	-	2,820	-	-	2,820			
Receivable against sale of investments - net	14.1	-	1,667	-	-	1,667			
Deposits, profit accrued and other receivables	14.1	-	7,037	-	-	7,037			
		6,755,757	58,518	274,022	-	7,088,297			
Financial liabilities									
-not measured at fair value									
Payable to Al Meezan Investment Management Limited -- Management Company	14.1	-	-	-	29,909	29,909			
Payable to Central Depository Company of Pakistan Limited --Trustee	14.1	-	-	-	757	757			
Payable to Meezan Bank Limited	14.1	-	-	-	107	107			
Payable on redemption and conversion of units	14.1	-	-	-	5,484	5,484			
Payable against purchase of investments - net	14.1	-	-	-	6,515	6,515			
Accrued expenses and other liabilities	14.1	-	-	-	46,690	46,690			
Dividend payable	14.1	-	-	-	4,917	4,917			
		-	-	-	94,379	94,379			



June 30, 2017

Carrying amount					Fair value			
Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

June 30, 2017

Financial assets - measured at fair value								
Investments								
- 'at fair value through profit or loss'	7,270,303	-	-	-	7,270,303	-	-	7,270,303
Investments - 'available for sale'	1,164,714	-	-	-	1,164,714	-	-	1,164,714

Financial assets - not measured at fair value								
Balances with banks	14.1	-	-	804,059	-	-	-	804,059
Receivable against conversion of units	14.1	-	11,750	-	-	-	-	11,750
Dividend receivable	14.1	-	40,481	-	-	-	-	40,481
Deposits, profit accrued and other receivables	14.1	-	14,845	-	-	-	-	14,845
		8,435,017	67,076	804,059	-	-	-	9,306,152

Financial liabilities - not measured at fair value								
Payable to Al Meezan Investment Management Limited - Management Company	14.1	-	-	-	31,425	-	-	31,425
Payable to Central Depository Company of Pakistan Limited - Trustee	14.1	-	-	-	961	-	-	961
Payable to Meezan Bank Limited	14.1	-	-	-	784	-	-	784
Payable on redemption and conversion of units	14.1	-	-	-	6,830	-	-	6,830
Accrued expenses and other liabilities	14.1	-	-	-	47,624	-	-	47,624
Payable against purchase of investments - net	14.1	-	-	-	15,116	-	-	15,116
Dividend payable	14.1	-	-	-	42,149	-	-	42,149
		-	-	-	144,889	-	-	144,889

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

15. GENERAL

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

15.2 Corresponding figures have been reclassified and rearranged in this condensed interim financial information, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information.

16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director





KSE-Meezan Index Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Anful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamilia)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Anful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

KSE MEEZAN INDEX FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of KSE Meezan Index Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A.F.FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **KSE Meezan Index Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

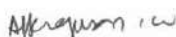
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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KSE-Meezan Index Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	11,935	10,680
Investments	6	1,598,245	1,916,081
Receivable against sale of investments - net		-	155,028
Receivable against conversion of units		1,259	750
Dividend receivable		10,565	6,944
Deposits and other receivables		2,795	2,855
Total assets		1,624,799	2,092,338
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		1,692	2,176
Payable to Central Depository Company of Pakistan Limited - Trustee		245	286
Payable to Securities and Exchange Commission of Pakistan		824	1,092
Payable to Meezan Bank Limited		85	47
Dividend payable		-	146,426
Payable on redemption and conversion of units		5,126	1,725
Payable against purchase of investments - net		4,784	-
Accrued expenses and other liabilities	8	19,098	31,712
Total liabilities		31,854	183,464
Net assets		1,592,945	1,908,874
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		1,592,945	1,908,874
		(Number of units)	
Number of units in issue		23,183,306	23,992,784
		(Rupees)	
Net assets value per unit		68.71	79.56

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
----- (Rupees in '000) -----					
Income					
Net realised (loss) / gain on sale of investments		(60,038)	3,934	(49,441)	2,324
Dividend income		54,607	26,430	40,040	16,166
Profit on saving accounts with banks		186	304	33	122
Other income		481	389	175	288
		<u>(4,764)</u>	<u>31,057</u>	<u>(9,193)</u>	<u>18,900</u>
Net unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss'	6.1	(240,759)	177,693	(62,010)	152,031
Total (loss) / income		(245,523)	208,750	(71,203)	170,931
Remuneration to Al Meezan Investment Management Limited - Management Company		8,676	4,752	4,088	2,436
Sindh Sales Tax on management fee		1,128	618	532	317
Allocated expenses	10	868	475	409	243
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,369	945	660	482
Sindh Sales Tax on trustee fee		178	123	86	63
Annual fee to Securities and Exchange Commission of Pakistan		824	451	388	231
Auditors' remuneration		246	221	108	124
Brokerage		502	199	264	123
Charity expense		797	462	729	334
Bank and settlement charges		452	219	190	102
Amortisation of preliminary expenses and floatation costs		-	202	-	103
Fees and subscription		349	376	160	199
Legal and professional charges		-	33	-	-
Printing charges		20	20	10	10
Total expenses		15,409	9,096	7,624	4,767
Net (loss) / income from operating activities		(260,932)	199,654	(78,827)	166,164
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	476	-	806
Net (loss) / income for the period before taxation		(260,932)	200,130	(78,827)	166,970
Taxation	12	-	-	-	-
Net (loss) / income for the period after taxation		(260,932)	200,130	(78,827)	166,970
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		(260,932)	200,130	(78,827)	166,970
Income already paid on units redeemed		-	-	-	-
		<u>(260,932)</u>	<u>200,130</u>	<u>(78,827)</u>	<u>166,970</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



KSE-Meezan Index Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net (loss) / income for the period after taxation	(260,932)	200,130	(78,827)	166,970
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(260,932)	200,130	(78,827)	166,970

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017 (Rupees in '000)				Six Months period ended December 31, 2016 (Rupees in '000)			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) / available for sale investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) / available for sale investments	Total
Net assets at beginning of the period	1,473,507	435,367	-	1,908,874	461,862	419,767	-	881,629
Issuance of 3,502,591 units (2016: 1,629,445 units)								
- Capital value (at net asset value per unit at the beginning of the period)	278,666	-	-	278,666				
- Element of loss	(38,392)	-	-	(38,392)				
Total proceeds on issuance of units	240,274	-	-	240,274	128,580	9,900	-	138,480
Redemption of 4,312,069 units (2016: 1,437,749 units)								
- Capital value (at net asset value per unit at the beginning of the period)	343,068	-	-	343,068				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	(47,797)	-	-	(47,797)				
Total payments on redemption of units	295,271	-	-	295,271	113,453	9,424	-	122,877
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(476)	-	(476)
Total comprehensive (loss) / income for the period	-	(260,932)	-	(260,932)	-	200,130	-	200,130
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(260,932)	-	(260,932)	-	200,130	-	200,130
Net assets at end of the period	1,418,510	174,435	-	1,592,945	476,989	619,897	-	1,096,886
Undistributed income brought forward								
- Realised income		485,214				326,799		
- Unrealised (loss) / income		(49,847)				92,968		
		<u>435,367</u>				<u>419,767</u>		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
		<u>-</u>						
Net (loss) / income for the period after taxation		(260,932)				200,130		
Distribution during the period		-				-		
Undistributed income carried forward		<u>174,435</u>				<u>619,897</u>		
Undistributed income carried forward								
- Realised income		415,194				442,204		
- Unrealised (loss) / income		(240,759)				177,693		
		<u>174,435</u>				<u>619,897</u>		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				<u>79.56</u>				<u>78.91</u>
Net assets value per unit at end of the period				<u>68.71</u>				<u>96.52</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



KSE-Meezan Index Fund

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(260,932)	200,130
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss'	240,759	(177,693)
Amortisation of preliminary expenses and floatation costs	-	202
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(476)
	(20,173)	22,163
(Increase) / decrease in assets		
Investments - net	77,077	(38,354)
Receivable against sale of investments - net	155,028	5,237
Dividend receivable	(3,621)	(2,780)
Deposits and other receivables	60	(76)
	228,544	(35,973)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(484)	165
Payable to Central Depository Company of Pakistan Limited - Trustee	(41)	35
Payable to Meezan Bank Limited	38	(172)
Payable to Securities and Exchange Commission of Pakistan	(268)	(381)
Payable against purchase of investments - net	4,784	535
Accrued expenses and other liabilities	(12,614)	(934)
	(8,585)	(752)
Net cash generated from / (used in) operating activities	199,786	(14,562)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units	239,765	137,158
Payment against redemption of units	(291,870)	(120,195)
Dividend paid	(146,426)	(45)
Net cash (used in) / generated from financing activities	(198,531)	16,918
Net increase in cash and cash equivalents during the period	1,255	2,356
Cash and cash equivalents at beginning of the period	10,680	12,896
Cash and cash equivalents at end of the period	11,935	15,252

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1,

2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 9.405 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.



KSE-Meezan Index Fund

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	10,944	9,115
In current accounts		991	1,565
		<u>11,935</u>	<u>10,680</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 5.6% per annum (June 30, 2017: 2.00% to 2.40% per annum).

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
6. INVESTMENTS			
Investments at 'fair value through profit or loss'			
Ordinary shares - Held for trading	6.1	<u>1,598,245</u>	<u>1,916,081</u>

6.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the period	Right/Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid up capital of the investee company (with face value of investments)	Total Market value of investments
						(Rupees in '000)			%		
Sectors / companies											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	50,667	5,500	-	36,000	20,167	16,910	10,334	(6,576)	0.65	0.01	0.65
Gandhara Industries Limited	7,509	2,300	-	2,400	7,409	4,650	4,090	(560)	0.26	0.03	0.26
Milal Tractors Limited	39,800	4,100	-	5,000	38,900	52,930	45,576	(7,354)	2.86	0.09	2.85
									<u>3.77</u>	<u>0.13</u>	<u>3.76</u>
Cable & Electrical Goods											
Pak Elektron Limited	443,003	45,000	-	49,600	438,403	46,825	20,820	(26,005)	1.31	0.02	1.30
Cement											
Cherat Cement Company Limited	188,101	18,200	-	135,000	71,301	12,422	7,908	(4,514)	0.50	0.04	0.49
D.G. Khan Cement Company Limited	428,200	42,400	-	46,700	423,900	80,021	56,684	(31,337)	3.56	0.10	3.55
Fauji Cement Company Limited	1,347,375	130,500	-	164,000	1,313,875	52,959	32,860	(20,099)	2.06	0.10	2.06
Lucky Cement Limited	229,730	22,650	-	24,800	227,580	184,989	117,752	(67,237)	7.39	0.07	7.37
Maple Leaf Cement Factory Limited	422,116	37,800	54,439	97,700	416,655	43,416	28,516	(14,900)	1.79	0.08	1.78
Pioneer Cement Limited	221,621	20,800	-	134,700	107,721	13,637	6,799	(6,838)	0.43	0.05	0.43
									<u>15.73</u>	<u>0.44</u>	<u>15.68</u>
Chemical											
Engro Polymer & Chemicals Limited	-	200,000	-	-	200,000	6,179	5,712	(467)	0.36	0.03	0.36
Engineering											
International Industries Limited	-	62,600	-	-	62,600	15,075	15,031	(44)	0.94	0.05	0.94
International Steels Limited	-	100,000	-	-	100,000	10,375	10,637	262	0.67	0.02	0.67
									<u>1.61</u>	<u>0.07</u>	<u>1.61</u>
Fertilizer											
Dawood Hercules Corporation Limited	599,275	60,300	-	75,200	584,375	78,853	65,380	(13,473)	4.10	0.12	4.09
Engro Corporation Limited	511,919	50,600	-	54,800	507,719	163,810	139,496	(24,314)	8.76	0.10	8.73
Engro Fertilizers Limited	1,068,636	106,000	-	134,500	1,040,136	57,951	70,438	12,487	4.42	0.08	4.41
									<u>17.28</u>	<u>0.30</u>	<u>17.23</u>
Food & Personal Care Products											
Engro Foods Limited	135,511	15,300	-	150,600	211	25	17	(8)	0.00	0.00	0.00
Treet Corporation Limited	-	50,000	-	-	50,000	1,840	1,853	13	0.12	0.04	0.12
									<u>0.12</u>	<u>0.04</u>	<u>0.12</u>
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	39,151	4,080	-	4,420	38,811	61,374	56,310	(5,064)	3.53	0.04	3.52
Pakistan Oilfields Limited	192,317	19,200	-	20,700	190,817	88,707	113,395	24,688	7.12	0.08	7.09
Pakistan Petroleum Limited (note 6.1.3)	855,426	83,900	-	91,900	847,426	128,050	174,493	46,443	10.95	0.04	10.92
Oil and Gas Development Company Limited	1,146,218	113,300	-	123,600	1,135,918	160,892	184,916	24,024	11.61	0.03	11.57
									<u>33.21</u>	<u>0.19</u>	<u>33.10</u>

Name of the investee company	As at July 01, 2017	Purchases during the period	Right/Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to			
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments	
					(Number of shares)	(Rupees in '000)			%			
Oil & Gas Marketing Companies												
Hascol Petroleum Limited	107,318	9,900	21,035	32,200	106,053	32,802	26,199	(6,603)	1.64	0.09	1.64	
Attock Petroleum	-	9,000	-	-	9,000	4,606	4,708	102	0.30	0.01	0.29	
Hi - Tech Lubricant Limited	55,600	8,500	-	63,900	200	22	14	(8)	0.00	0.00	0.00	
Sui Northern Gas Pipeline Limited	507,433	48,400	-	61,800	494,033	72,825	46,740	(26,085)	2.93	0.08	2.92	
Sui Southern Gas Company Limited	577,231	51,500	-	95,000	533,731	19,411	16,273	(3,138)	1.02	0.06	1.02	
									5.89	0.24	5.87	
Paper and Board												
Packages Limited	55,662	5,700	-	7,200	54,162	37,141	27,613	(9,528)	1.73	0.06	1.73	
Pharmaceuticals												
GlaxoSmithKline Pakistan Limited	91,534	11,700	-	12,800	90,434	17,610	15,182	(2,428)	0.95	0.03	0.95	
The Searle Company Limited (note 7)	109,563	12,500	21,582	13,650	129,995	54,312	40,930	(13,382)	2.57	0.09	2.56	
									3.52	0.12	3.51	
Power Generation & Distribution												
K-Electric Limited (note 6.1.2)	4,906,040	112,500	-	237,500	4,781,040	32,944	110,577	77,633	6.94	0.05	6.92	
Kot Addu Power Company Limited	-	576,500	-	-	576,500	32,023	31,073	(950)	1.95	0.07	1.94	
The Hub Power Company Limited	1,336,132	133,100	-	254,100	1,215,132	141,825	30,168	(111,657)	1.89	0.14	1.89	
									10.78	0.26	10.75	
Refinery												
Attock Refinery Limited	60,433	7,700	-	8,600	59,533	22,468	13,938	(8,530)	0.87	0.07	0.87	
National Refinery Limited	45,898	5,250	-	5,550	45,598	32,552	19,647	(12,905)	1.23	0.00	1.23	
									2.10	0.07	2.10	
Textile Composite												
Nishat Mills Limited	343,000	31,000	-	65,200	308,800	48,573	46,166	(2,407)	2.90	0.09	2.89	
						1,839,004	1,598,245	(240,759)				

6.1.1 Net assets are as defined in regulation 66 of the NBFC regulations.

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

6.1.3 682,000 shares (June 30, 2017: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 140.43 million as at December 31, 2017 (June 30, 2017: Rs 101.031 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

7. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.



KSE-Meezan Index Fund

There were no other contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditor's remuneration payable		215	226
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.1	5,404	5,404
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.1	429	429
Provision for Sindh Worker's Welfare Fund	8.2	9,270	9,270
Withholding tax payable		379	11,567
Charity payable		1,636	1,339
Brokerage payable		1,054	2,797
Shariah advisory fee payable		268	266
Rating fee payable		350	300
Others		93	114
		19,098	31,712

- 8.1** 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 was 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution the Fund has retained a provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating to Rs 5.83 million (June 30, 2017: Rs 5.83 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re 0.25 (June 30, 2017: Re 0.24) per unit.

- 8.2** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of

SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.40 / 0.58% (June 30, 2017: Re 0.39 / 0.49%).

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AI Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	1,328	1,715
Sindh Sales Tax on management fee payable	173	223
Sales load payable	51	58
Sindh Sales Tax on sales load payable	7	8
Allocated expenses payable	133	172
Investment of 3,959,470 units (June 30, 2017: 3,932,212 units)	272,055	312,847
Meezan Bank Limited		
Sales load payable	75	42
Sindh Sale Tax on sales load payable	10	5
Bank balance	1,734	4,178
Profit receivable on savings account	22	-
Investment of 2,113,224 units (June 30, 2017: 2,113,224 units)	145,200	168,128
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	197	233
Sindh Sales Tax on trustee fee payable	48	53
Security deposit	103	103
Meezan Financial Planning Fund of Funds -MAAP I		
Investment of nil units (June 30, 2017: 348,329 units)	-	27,713
Directors and executives of the Management Company		
Investment of 17,778 units (June 30, 2017: 384,376 units)	1,222	30,581
Unitholders holding 10% or more units of the Fund		
Investment of 9,725,888 units (June 30, 2017: 9,725,888 units)	668,266	773,795



KSE-Meezan Index Fund

Six months period ended December 31,

	2017	2016
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	8,676	4,752
Sindh Sales Tax on management fee	1,128	618
Allocated expenses	868	475
Units issued: 27,258 units(December 31, 2016: nil)	2,000	-
Units redeemed: nil (December 31, 2016: 63,382 units)	-	5,000
Meezan Bank Limited		
Profit on savings account	46	65
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	1,369	945
Sindh Sales Tax on trustee fee for the period	178	123
CDS charges	75	29
Meezan Financial Planning Fund of Funds -MAAP I		
Units issued: 911,030 units (December 31, 2016: nil)	64,736	-
Units redeemed: 1,259,359 units (December 31, 2016: nil)	91,118	-
Directors and executives of the Management Company		
Units issued: 2,821 units (December 31, 2016: 6,435 units)	204	585
Units redeemed: 369,419 units (December 31, 2016: nil)	26,493	-

10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 1.78% which include 0.25% representing government levy and SECP fee.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13. FINANCIAL INSTRUMENTS

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

information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2017									
(Rupees in '000)									
Financial assets									
- measured at fair value									
Investments - Held for trading	1,598,245	-	-	-	1,598,245	1,598,245	-	-	1,598,245
Financial assets									
- not measured at fair value									
Balances with banks	13.1	-	-	11,935	-	11,935			
Receivable against conversion of units	13.1	-	1,259	-	-	1,259			
Dividend receivable	13.1	-	10,565	-	-	10,565			
Deposit and other receivables	13.1	-	2,782	-	-	2,782			
		1,598,245	14,606	11,935	-	1,624,786			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	-	1,692	1,692			
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	-	245	245			
Payable to Meezan Bank Limited		-	-	-	85	85			
Payable on redemption and conversion of units	13.1	-	-	-	5,126	5,126			
Accrued expense and other liabilities	13.1	-	-	-	9,449	9,449			
Payable against purchase of investment	13.1	-	-	-	4,784	4,784			
		-	-	-	21,381	21,381			

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									
Investments - Held for trading	1,916,081	-	-	-	1,916,081	1,916,081	-	-	1,916,081
Financial assets									
- not measured at fair value									
Balances with banks	13.1	-	-	10,680	-	10,680			
Receivable against sale of investment - net		-	155,028	-	-	155,028			
Receivable against conversion of units	13.1	-	750	-	-	750			
Dividend receivable	13.1	-	6,944	-	-	6,944			
Deposit and other receivables	13.1	-	2,855	-	-	2,855			
		1,916,081	165,577	10,680	-	2,092,338			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	-	2,176	2,176			
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	-	286	286			
Payable to Meezan Bank Limited		-	-	-	47	47			
Payable on redemption and conversion of units	13.1	-	-	-	1,725	1,725			
Accrued expense and other liabilities	13.1	-	-	-	10,854	10,854			
Dividend payable	13.1	-	-	-	146,426	146,426			
		-	-	-	161,514	161,514			



KSE-Meezan Index Fund

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

14. GENERAL

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

14.2 Corresponding figures have been reclassified and rearranged in this condensed interim financial information, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information.

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director





Meezan Energy Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaikat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoalb, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoalb, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Faysal Bank Limited - Islamic Banking

Habib Metropolitan Bank - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ENERGY FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Energy Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A·F·FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Energy Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

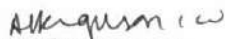
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the period from November 30, 2016 to December 31, 2016 was reviewed and the financial statements of the Fund for the period from November 30, 2016 to June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.



Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 21, 2018

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	182,216	94,172
Investments	6	1,351,395	1,059,994
Receivable against conversion of units		100	2,729
Dividend receivable		12,767	3,192
Deposit, profit accrued and other receivables		2,294	2,022
Preliminary expenses and floatation costs		782	883
Total assets		1,549,554	1,162,992
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		6,058	4,785
Payable to Central Depository Company of Pakistan Limited - Trustee		244	203
Payable to Meezan Bank Limited		74	920
Payable to Securities and Exchange Commission of Pakistan		694	514
Payable on redemption and conversion of units		23,449	2,598
Dividend payable		-	4,028
Payable against purchase of investments - net		155	116
Accrued expenses and other liabilities	8	3,068	10,564
Total liabilities		33,742	23,728
Net assets		1,515,812	1,139,264
Contingencies and commitments	7		
Unitholders' funds (as per statement attached)		1,515,812	1,139,264
		(Number of units)	
Number of units in issue		32,032,963	22,680,163
		(Rupees)	
Net assets value per unit		47.32	50.23

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

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

		Six Months period ended December 31, 2017	For the period from November 30, 2016 to December 31, 2016	Quarter ended December 31, 2017	For the period from November 30, 2016 to December 31, 2016
	Note	(Rupees in '000)		(Rupees in '000)	
Income					
Net realised loss on sale of investments		(42,153)	(757)	(43,706)	(757)
Dividend income		44,702	710	41,145	710
Profit on saving accounts with banks		1,657	488	971	488
		4,206	441	(1,590)	441
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	(82,970)	41,826	(53,855)	41,826
Total (loss) / income		(78,764)	42,267	(55,445)	42,267
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company		14,600	925	8,028	925
Sindh Sales Tax on management fee		1,898	120	1,044	120
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,233	93	652	93
Sindh Sales Tax on trustee fee		160	12	85	12
Annual fee to Securities and Exchange Commission of Pakistan		694	44	382	44
Auditors' remuneration		207	28	89	28
Charity expense		815	47	801	47
Fees and subscription		287	47	142	47
Legal and professional charges		8	-	-	-
Brokerage expense		1,748	659	639	659
Bank and settlement charges		178	152	72	152
Printing charges		34	-	34	-
Selling and marketing expense	13	2,920	-	1,606	-
Amortisation of preliminary expenses and floatation costs		101	17	51	17
Allocated expenses	11	730	46	401	46
Total expenses		25,613	2,190	14,026	2,190
Net (loss) / income from operating activities		(104,377)	40,077	(69,471)	40,077
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	7,067	-	7,067
Net (loss) / income for the period before taxation		(104,377)	47,144	(69,471)	47,144
Taxation	14	-	-	-	-
Net (loss) / income for the period after taxation		(104,377)	47,144	(69,471)	47,144
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		(104,377)	47,144	(69,471)	47,144
Income already paid on units redeemed		-	-	-	-
		(104,377)	47,144	(69,471)	47,144
Accounting income / (loss) available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

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

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

Chief Executive

Director



Meezan
Energy Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017	For the period from November 30, 2016 to December 31, 2016	Quarter ended December 31, 2017	For the period from November 30, 2016 to December 31, 2016
	(Rupees in '000)		(Rupees in '000)	
Net (loss) / income for the period after taxation	(104,377)	47,144	(69,471)	47,144
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(104,377)	47,144	(69,471)	47,144

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017				For the period from November 30, 2016 to December 31, 2016			
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	1,134,009	5,255	-	1,139,264	-	-	-	-
Issue of 32,359,406 units (2016: 13,969,843 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,625,413	-	-	1,625,413				
- Element of loss	(3,706)	-	-	(3,706)				
Total proceeds on issuance of units	1,621,707	-	-	1,621,707	698,492	15,099	-	713,591
Redemption of 23,006,606 units (2016: 2,246,426 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,155,622	-	-	1,155,622				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	(14,840)	-	-	(14,840)				
Total payments on redemption of units	1,140,782	-	-	1,140,782	112,321	8,032	-	120,353
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(7,067)	-	(7,067)
Total comprehensive (loss) / income for the period	-	(104,377)	-	(104,377)	-	47,144	-	47,144
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(104,377)	-	(104,377)	-	47,144	-	47,144
Net assets at end of the period	1,614,934	(99,122)	-	1,515,812	586,171	47,144	-	633,315
Undistributed income brought forward								
- Realised income		21,241				-		
- Unrealised loss		(15,986)				-		
		5,255				-		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
		-						
Net (loss) / income for the period after taxation		(104,377)				47,144		
Distribution during the period		-				-		
Undistributed loss carried forward		(99,122)				47,144		
Undistributed (loss) / income carried forward								
- Realised (loss) / income		(16,152)				5,318		
- Unrealised (loss) / income		(82,970)				41,826		
		(99,122)				47,144		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				50.23				-
Net assets value per unit at end of the period				47.32				54.02

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

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017	For the period from November 30, 2016 to December 31, 2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period after taxation	(104,377)	47,144
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	101	17
Net unrealised diminution / (appreciation) on re-measurement of investments - 'at fair value through profit or loss'	82,970	(41,826)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(7,067)
	(21,306)	(1,732)
Increase in assets		
Investments - net	(374,371)	(517,399)
Dividend receivable	(9,575)	(710)
Deposit, profit accrued and other receivables	(272)	(664)
Preliminary expenses and floatation costs	-	(1,000)
	(384,218)	(519,773)
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	1,273	3,195
Payable to Central Depository Company of Pakistan Limited - Trustee	41	103
Payable to Meezan Bank Limited	(846)	36
Payable to Securities and Exchange Commission of Pakistan	180	44
Payable against purchase of investments - net	39	-
Accrued expenses and other liabilities	(7,496)	615
	(6,809)	3,993
Net cash used in operating activities	(412,333)	(517,512)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	1,624,336	711,817
Dividend paid	(4,028)	-
Payment against redemption and conversion of units	(1,119,931)	(79,107)
Net cash generated from financing activities	500,377	632,710
Net increase in cash and cash equivalents during the period	88,044	115,198
Cash and cash equivalents at beginning of the period	94,172	-
Cash and cash equivalents at end of the period	182,216	115,198

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

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Energy Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 9, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This



condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the period ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been

deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 11.134 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.



	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
5. BALANCES WITH BANKS			
In saving accounts	5.1	179,719	93,384
In current accounts		2,497	788
		182,216	94,172

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 5.75% per annum (June 30, 2017: 2.00% to 2.40% per annum).

	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'			
Ordinary shares - Held for trading	6.1	1,351,395	1,059,994

6.1 Ordinary shares - Held for trading

Name of the investee company	As at July 01, 2017	Purchases during the period	Right/ Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.2)	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
						(Number of shares)	(Rupees in '000)	%			
Sectors / companies											
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	61,550	34,620	-	27,220	68,950	106,466	100,037	(6,429)	6.60	7.40	0.06
Oil and Gas Development Company Limited	1,043,000	726,100	-	310,000	1,459,100	213,326	237,527	24,201	15.67	17.58	0.03
Pakistan Oilfields Limited	155,000	83,400	-	-	238,400	114,055	141,672	27,617	9.35	10.48	0.10
Pakistan Petroleum Limited	277,000	1,066,100	-	-	1,343,100	227,608	276,558	48,950	18.24	20.46	0.07
									49.86	55.92	0.26
Oil and Gas Marketing Companies											
Attock Petroleum Limited	5,000	-	-	-	5,000	3,132	2,615	(517)	0.17	0.19	0.01
Hasco Petroleum Limited	368,600	176,400	66,820	142,900	468,920	138,074	115,842	(22,232)	7.64	8.57	0.32
Hi-Tech Lubricants Limited	600,200	-	-	-	600,200	65,428	42,614	(22,814)	2.81	3.15	0.52
Pakistan State Oil Company Limited	85,000	373,000	81,000	113,000	426,000	150,579	124,865	(25,714)	8.24	9.24	0.13
Shell (Pakistan) Limited	68,000	-	-	-	68,000	39,125	20,888	(18,237)	1.38	1.55	0.06
Sui Northern Gas Pipelines Limited	1,176,000	1,551,400	-	1,089,200	1,638,200	208,810	154,990	(53,820)	10.22	11.47	0.26
Sui Southern Gas Pipelines Limited	1,672,000	2,427,000	-	4,092,000	7,000	199	213	14	0.01	0.02	-
									30.47	34.19	1.30
Power Generation and Distribution											
The Hub Power Company Limited	389,000	-	-	129,000	260,000	30,532	23,660	(6,872)	1.56	1.75	0.02
K - Electric Limited (note 6.1.1)	12,716,500	1,250,000	-	2,248,500	11,718,000	80,139	73,941	(6,198)	4.88	5.47	0.04
									6.44	7.22	0.06
Refinery											
Attock Refinery Limited	122,000	75,000	-	196,100	900	325	211	(114)	0.01	0.02	-
National Refinery Limited	30,000	53,000	-	-	83,000	56,567	35,762	(20,805)	2.36	2.65	0.10
									2.37	2.67	0.10
						1,434,365	1,351,395	(82,970)			

6.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which has face value of Rs 3.5 each.

6.1.2 Net assets are as defined in regulation 66 of the NBFC Regulations.

7. CONTINGENCIES AND COMMITMENTS

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

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

In the current period, Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and stay order.

There were no other contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
Withholding tax payable		15	8,335
Provision for Sindh Workers Welfares' Fund	8.1	1,527	1,527
Charity payable		1,094	280
Shariah advisory fee		271	267
Auditors' remuneration payable		139	155
Others		22	-
		3,068	10,564

8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.05 / 0.10% (June 30, 2017: Re 0.07 / 0.14%).



9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AI Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	2,626	1,950
Sindh Sales Tax on management fee payable	341	254
Sales load payable	35	862
Sindh Sales Tax on sales load payable	5	112
Allocated expenses	131	98
Selling and marketing expense payable	2,920	1,509
Investment of 7,103,076 units (June 30, 2017: 4,225,813 units)	336,118	212,263
Meezan Bank Limited		
Bank balance	52,854	65,088
Profit receivable on saving accounts	213	237
Sales load payable	66	814
Sindh Sales Tax on sales load payable	8	106
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	216	180
Sindh Sales Tax on trustee fee payable	28	23
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 237,087 units (June 30, 2017: 13,264 units)	11,219	666
Unitholders holding 10 percent or more of the Fund		
Investment of 3,826,614 units (June 30, 2017: 6,563,534 units)	181,075	329,686

	Six months period ended December 31, 2017	For the period from November 30, 2016 to December 31, 2016
	Unaudited (Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	14,600	925
Sindh Sales Tax on management fee	1,898	120
Allocated expenses	730	46
Selling and marketing expense	2,920	-
Units issued: 3,968,254 units (December 31, 2016: 4,000,000 units)	200,000	200,000
Units redeemed: 1,090,991 units (December 31, 2016: nil)	53,000	-
Meezan Bank Limited		
Profit on saving accounts	1,186	293
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	1,233	93
Sindh Sales Tax on trustee fee	160	12
CDS charges	68	3
Directors and executives of the Management Company		
Units issued: 250,869 units (December 31, 2016: 10,868 units)	11,807	574
Units redeemed: 27,046 units (December 31, 2016: nil)	1,299	-
Unitholders holding 10 percent or more of the Fund		
Units issued: 28,016 units (December 31, 2016: 7,397,852 units)	1,405	369,893

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2017									
(Rupees in '000)									
Financial assets - measured at fair value									
Investments	1,351,395	-	-	-	1,351,395	1,351,395	-	-	1,351,395
Financial assets - not measured at fair value									
Balance with banks	10.1	-	182,216	-	182,216				
Receivable against conversion of units	10.1	-	100	-	100				
Dividend receivable	10.1	-	12,767	-	12,767				
Deposit, profit accrued and other receivables	10.1	-	607	-	607				
	1,351,395	13,474	182,216	-	1,547,085				



Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	-	6,058	6,058			
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	-	244	244			
Payable to Meezan Bank Limited	10.1	-	-	-	74	74			
Payable against purchase of investments - net	10.1	-	-	-	155	155			
Payable on redemption and conversion of units	10.1	-	-	-	23,449	23,449			
Accrued expenses and other liabilities	10.1	-	-	-	1,521	1,521			
		-	-	-	31,501	31,501			

Note	Carrying amount					Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)										
June 30, 2017										
Financial assets - measured at fair value										
Investments		1,059,994	-	-	-	1,059,994	1,059,994	-	-	1,059,994
Financial assets - not measured at fair value										
Balances with banks	10.1	-	-	94,172	-	94,172				
Receivable against conversion of units	10.1	-	2,729	-	-	2,729				
Dividend receivable	10.1	-	3,192	-	-	3,192				
Deposit, profit accrued and other receivables	10.1	-	743	-	-	743				
		1,059,994	6,664	94,172	-	1,160,830				

Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	-	4,785	4,785			
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	-	203	203			
Payable to Meezan Bank Limited	10.1	-	-	-	920	920			
Payable on redemption and conversion of units	10.1	-	-	-	2,598	2,598			
Dividend Payable	10.1	-	-	-	4,028	4,028			
Payable against purchase of investments - net	10.1	-	-	-	116	116			
Accrued expenses and other liabilities	10.1	-	-	-	702	702			
		-	-	-	13,352	13,352			

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

11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 3.51% which includes 0.38% representing government levy and SECP fee.

13. SELLING AND MARKETING EXPENSE

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

14. 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 NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15. GENERAL

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

15.2 Corresponding figures have been reclassified and rearranged in this condensed interim financial information, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information.

16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director



Meezan **Balanced Fund**

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN BALANCED FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Balanced Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A.F.FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Balanced Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

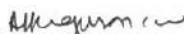
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 21, 2018

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	1,472,862	1,865,383
Investments	6	6,540,731	7,504,175
Receivables against conversion of units		3,720	420,999
Dividend receivable		37,189	19,039
Receivable against sale of investments - net		-	1,851
Deposits, profit accrued and other receivables		64,380	74,354
Total assets		8,118,882	9,885,801
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		16,281	29,352
Payable to Central Depository Company of Pakistan Limited - Trustee		864	993
Payable to Securities and Exchange Commission of Pakistan		3,725	6,210
Payable to Meezan Bank Limited		102	3,050
Payable against purchase of investments - net		3,738	-
Payable on redemption and conversion of units		5,433	87,821
Accrued expenses and other liabilities	8	81,139	154,900
Dividend payable		8,437	87,370
Total liabilities		119,719	369,696
Net assets		7,999,163	9,516,105
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		7,999,163	9,516,105
		(Number of units)	
Number of units in issue		525,940,693	561,280,121
		(Rupees)	
Net assets value per unit		15.21	16.95

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

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
----- (Rupees in '000) -----					
Income					
Net realised (loss) / gain on sale of investments		(72,497)	62,656	(65,321)	43,133
Dividend income		148,789	81,992	102,969	52,389
Profit on term deposit receipts		27,306	2,505	13,079	2,505
Profit on sukuk certificates		51,466	41,912	27,402	19,263
Profit on saving accounts with banks		42,228	37,551	18,241	22,248
Other income		-	68	-	68
		197,292	226,684	96,370	139,606
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	(998,185)	671,343	(359,513)	544,030
Total (loss) / income		(800,893)	898,027	(263,143)	683,636
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company		87,638	58,548	41,736	32,108
Sindh Sales Tax on management fee		11,393	7,611	5,426	4,174
Allocated expenses	11	4,382	2,927	2,087	1,605
Remuneration to Central Depository Company of Pakistan Limited - Trustee		4,886	3,431	2,339	1,857
Sindh Sales Tax on trustee fee		635	446	304	241
Annual fee to Securities and Exchange Commission of Pakistan		3,725	2,488	1,774	1,364
Auditors' remuneration		326	322	149	174
Charity expense		1,976	1,164	1,768	833
Fees and subscription		299	360	136	194
Legal and professional charges		27	33	27	-
Brokerage expense		995	1,711	437	867
Bank and settlement charges		589	636	229	350
Printing expenses		216	153	200	148
Total expenses		117,087	79,830	56,612	43,915
Net (loss) / income from operating activities		(917,980)	818,197	(319,755)	639,721
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	74,932	-	46,650
Net (loss) / income for the period before taxation		(917,980)	893,129	(319,755)	686,371
Taxation	13	-	-	-	-
Net (loss) / income for the period after taxation		(917,980)	893,129	(319,755)	686,371
Allocation of net income for the period					
Net (loss) / income for the period after taxation		(917,980)	893,129	(319,755)	686,371
Income already paid on units redeemed		-	-	-	-
		(917,980)	893,129	(319,755)	686,371
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

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

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

Chief Executive

Director



Meezan
Balanced Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six Months period ended December 31,		Quarter ended December 31,		
	2017	2016	2017	2016	
	----- (Rupees in '000) -----				
Net (loss) / income for the period after taxation	(917,980)	893,129	(319,755)	686,371	
Other comprehensive income for the period					
Item that may be reclassified subsequently to Income Statement					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.2.1	(63,285)	39,138	(37,025)	33,770
Total comprehensive (loss) / income for the period		<u>(981,265)</u>	<u>932,267</u>	<u>(356,780)</u>	<u>720,141</u>

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

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017 (Rupees in '000)				Six months period ended December 31, 2016 (Rupees in '000)			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	7,857,635	1,531,501	126,969	9,516,105	3,646,307	943,477	117,903	4,707,687
Issue of 83,701,073 units (2016: 196,399,589 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,418,733	-	-	1,418,733				
- Element of income	199,230	-	-	199,230				
Total proceeds on issuance of units	1,617,963	-	-	1,617,963	3,121,718	188,118	-	3,309,836
Redemption of 119,040,501 units (2016: 105,022,194 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,017,736	-	-	2,017,736				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	135,904	-	-	135,904				
Total payments on redemption of units	2,153,640	-	-	2,153,640	1,669,246	113,186	-	1,782,432
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(74,932)	-	(74,932)
Total comprehensive (loss) / income for the period	-	(917,980)	(63,285)	(981,265)	-	893,129	39,138	932,267
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(917,980)	(63,285)	(981,265)	-	893,129	39,138	932,267
Net assets at end of the period	7,321,958	613,521	63,684	7,999,163	5,098,779	1,836,606	157,041	7,092,426
Undistributed income brought forward								
- Realised income		1,059,411				607,343		
- Unrealised income		472,090				336,134		
		1,531,501				943,477		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
Net (loss) / income for the period after taxation		(917,980)				893,129		
Distribution during the period		-				-		
Undistributed income carried forward		613,521				1,836,606		
Undistributed income carried forward								
- Realised income		1,611,706				1,165,263		
- Unrealised (loss) / income		(998,185)				671,343		
		613,521				1,836,606		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				16.95				15.84
Net assets value per unit at end of the period				15.21				18.25

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

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period after taxation	(917,980)	893,129
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	998,185	(671,343)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(74,932)
	80,205	146,854
(Increase) / decrease in assets		
Investments - net	(98,026)	(642,461)
Dividend receivable	(18,150)	(7,851)
Receivable against sale of investments - net	1,851	(15,567)
Deposits, profit accrued and other receivables	9,974	(308,208)
	(104,351)	(974,087)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(13,071)	2,400
Payable to Central Depository Company of Pakistan Limited - Trustee	(129)	206
Payable to Securities and Exchange Commission of Pakistan	(2,485)	(1,280)
Payable to Meezan Bank Limited	(2,948)	1,774
Payable against purchase of investments - net	3,738	-
Accrued expenses and other liabilities	(73,761)	(6,511)
	(88,656)	(3,411)
Net cash used in operating activities	(112,802)	(830,644)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	2,035,242	3,323,737
Payment against redemption and conversion of units	(2,236,028)	(1,781,660)
Dividend paid	(78,933)	(11,664)
Net cash (used in) / generated from financing activities	(279,719)	1,530,413
Net (decrease) / increase in cash and cash equivalents during the period	(392,521)	699,769
Cash and cash equivalents at beginning of the period	1,865,383	660,332
Cash and cash equivalents at end of the period	1,472,862	1,360,101

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

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

1.2 The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.

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

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

1.5 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorised as Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.

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

2. BASIS OF PRESENTATION

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



3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

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

and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement. The element was recognised in the Income Statement to the extent that it was represented by income earned during the period and movement in unrealised appreciation / (diminution) arising during the period on 'available for sale' securities was included in the Distribution Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 59.242 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

- 4.3** During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.
- 4.4** The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.



4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
5. BALANCES WITH BANKS			
In saving accounts	5.1	1,465,355	1,848,823
In current accounts		7,507	16,560
		<u>1,472,862</u>	<u>1,865,383</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.00% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	5,806,137	6,505,842
Investments - 'available for sale'	6.2	184,594	248,333
Investments - 'loans and receivables'	6.3	550,000	750,000
		<u>6,540,731</u>	<u>7,504,175</u>

6.1 Investments - 'at fair value through profit or loss'

Held for trading	6.1.1	4,631,822	5,642,673
Investments 'at fair value through profit or loss upon initial recognition	6.1.2	1,174,315	863,169
		<u>5,806,137</u>	<u>6,505,842</u>
6.1.1 Held for trading			
Shares of listed companies 'ordinary shares'	6.1.1.1	4,102,273	5,059,526
Sukuk certificates	6.1.1.5	529,549	583,147
		<u>4,631,822</u>	<u>5,642,673</u>

6.1.1.1 Shares of listed companies 'Ordinary shares'

Name of the investee company	As at July 01, 2017	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
	(Number of shares)				(Rupees in '000)			%			
Sectors / companies											
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	-	75,000	4,518	-	79,518	5,682	5,336	(346)	0.07	0.01	0.08
Automobile assemblers											
Ghandhara Industries Limited	-	20,000	-	-	20,000	10,526	11,042	516	0.14	0.09	0.17
Mill at Tractors Company Limited	800	28,000	-	-	28,800	38,899	33,743	(5,156)	0.42	0.07	0.52
Indus Motors Company Limited	1,100	-	-	1,100	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	60	-	-	-	60	47	30	(17)	-	-	-
Honda Atlas Cars (Pakistan) Limited	218,600	-	-	-	218,600	189,677	112,013	(77,664)	1.40	0.15	1.71
									1.96	0.31	2.40
Automobile parts and accessories											
Thal Limited (note 6.1.1.2)	15,000	-	-	15,000	-	-	-	-	-	-	-
Cable & Electrical Goods											
Pak Elektron Limited	1,885,250	385,000	-	-	2,270,250	236,068	107,814	(128,254)	1.35	0.46	1.65
Chemicals											
Engro Polymer & Chemicals Limited	1,500,000	345,000	-	100,000	1,745,000	63,018	49,837	(13,181)	0.62	0.26	0.76
ICI Pakistan Limited	120,095	-	-	-	120,095	131,450	92,227	(39,223)	1.15	0.13	1.41
Sitara Chemical Industries Limited	2,100	-	-	-	2,100	934	632	(302)	0.01	0.01	0.01
									1.78	0.40	2.18
Cement											
Attock Cement Pakistan Limited	402	-	-	-	402	122	73	(49)	-	-	-
Cherat Cement Company Limited	819,000	-	-	-	819,000	146,421	90,835	(55,586)	1.14	0.46	1.39
DG Khan Cement Company Limited	1,269,760	50,000	-	450,000	869,760	184,476	116,304	(68,172)	1.45	0.20	1.78
Fauji Cement Company Limited	2,236,500	-	-	150,000	2,086,500	85,609	52,183	(33,426)	0.65	0.15	0.80
Kohat Cement Limited	465,400	-	-	-	465,400	106,698	66,068	(40,630)	0.83	0.30	1.01
Lucky Cement Limited	510,400	-	-	-	510,400	426,827	264,086	(162,741)	3.30	0.16	4.04
Maple Leaf Cement Limited	557,000	-	625	557,000	625	41	43	2	-	-	-
Pioneer Cement Limited	1,158,500	-	-	-	1,158,500	150,605	73,125	(77,480)	0.91	0.51	1.12
									8.28	1.78	10.14
Fertilizers											
Dawood Hercules Corporation Limited	518,000	-	-	-	518,000	70,634	57,954	(12,680)	0.72	0.11	0.89
Engro Fertilizers Limited	3,140,000	100,000	-	-	3,240,000	179,270	219,413	40,143	2.74	0.24	3.35
Engro Corporation Pakistan Limited (note 6.1.1.4)	1,490,500	25,000	-	210,000	1,305,500	424,840	358,686	(66,154)	4.48	0.25	5.48
Fatima Fertilizer Company Limited	6,500	-	-	-	6,500	219	201	(18)	-	-	-
									7.94	0.60	9.72
Technology & Communication											
Pakistan Telecommunication Company Limited "A"	10	-	-	-	10	-	-	-	-	0.00	-
Paper & Board											
Packages Limited	230,900	-	-	13,450	217,450	151,254	110,863	(40,391)	1.39	0.24	1.69
Refinery											
Attock Refinery Limited	154,000	35,000	-	160,000	29,000	7,597	6,789	(808)	0.08	0.03	0.10
National Refinery Limited	60,000	15,000	-	15,000	60,000	39,340	25,852	(13,488)	0.32	0.08	0.40
									0.40	0.11	0.50
Miscellaneous											
Shifa International Hospitals Limited	29,584	-	-	29,500	84	28	25	(3)	-	-	-
Oil & Gas Exploration											
Oil and Gas Development Company Limited	2,676,400	420,000	-	50,000	3,046,400	432,505	495,923	63,418	6.20	0.07	7.58
Pakistan Oilfields Limited	380,225	13,200	-	-	393,425	181,183	233,797	52,614	2.92	0.17	3.57
Pakistan Petroleum Limited	489,396	325,000	-	-	814,396	134,425	167,692	33,267	2.10	0.04	2.56
Mari Petroleum Company Limited	84,250	-	-	-	84,250	132,748	122,236	(10,512)	1.53	0.08	1.87
									12.75	0.36	15.58
Oil and Gas Marketing											
Attock Petroleum Limited	10,000	-	-	-	10,000	6,265	5,231	(1,034)	0.07	0.01	0.08
Pakistan State Oil Company Limited	395,204	350,000	149,040	-	894,244	301,574	262,112	(39,462)	3.28	0.27	4.01
Hascal Petroleum Limited	151,473	30,018	-	-	181,491	56,620	44,835	(11,785)	0.56	0.13	0.69
Hi-Tech Lubricants Limited	195,400	-	-	-	195,400	21,300	13,873	(7,427)	0.17	0.17	0.21
Shell Pakistan Limited	300	-	-	-	300	173	92	(81)	-	-	-
Sul Southern Gas Company Limited	720,000	-	-	720,000	-	-	-	-	-	-	-
Sul Northern Gas Pipeline Limited	2,086,000	310,000	-	160,000	2,236,000	324,059	211,548	(112,511)	2.64	0.35	3.23
									6.72	0.93	8.22
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	110,200	-	-	-	110,200	102,993	76,877	(26,116)	0.96	0.11	1.18
Ferozsons Laboratories Limited	45,750	-	-	45,750	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Health care	205,000	41,800	-	43,000	203,800	46,979	66,090	19,111	0.83	0.21	1.01
The Searle Company Limited	349,979	-	69,995	-	419,974	179,182	132,234	(46,949)	1.65	0.23	2.02
Highnoon Laboratories Limited	13,798	-	-	-	13,798	8,641	5,889	(2,752)	0.07	0.05	0.09
									3.51	0.60	4.30



Name of the investee company	As at July 01, 2017	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
					(Number of shares)	(Rupees in '000)			%		
Food & Personal Care Products											
Engro Foods Limited	113,300	50,000	-	75,000	88,300	10,855	7,091	(3,764)	0.09	0.01	0.11
Al-Shaheer Corporation Limited	332,225	100,000	-	-	432,225	16,488	9,604	(6,884)	0.12	0.30	0.15
									0.21	0.31	0.26
Power Generation & Distribution											
The Hub Power Company Limited	1,311,097	-	-	125,000	1,186,097	139,283	107,935	(31,349)	1.35	0.10	1.65
K-Electric Limited (note 6.1.1.2)	27,885,500	50,000	-	3,800,500	24,135,000	166,504	152,292	(14,212)	1.90	0.09	2.33
									3.25	0.19	3.98
Real Estate Investment Trust											
Dolmen City REIT	2,728,000	-	-	-	2,728,000	32,272	30,008	(2,264)	0.38	0.12	0.46
Textile composite											
Nishat Mills Limited	94,000	92,300	-	-	186,300	28,001	27,852	(149)	0.35	0.05	0.43
Engineering											
Crescent Steel & Allied Products Limited	258,950	-	-	-	258,950	61,778	32,967	(28,811)	0.41	0.33	0.50
International Industries Limited	36,500	42,000	-	-	78,500	23,432	18,849	(4,583)	0.24	0.07	0.29
International Steel Limited	249,500	50,000	-	92,000	207,500	24,975	22,072	(2,903)	0.28	0.05	0.34
									0.93	0.45	1.13
						5,082,517	4,102,273	(980,246)			

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

6.1.1.3 Net assets are defined in regulation 66 of the NBFC Regulations.

6.1.1.4 150,000 shares of Engro Corporation Limited, having market value of Rs 41.212 million as at December 31, 2017 (June 30, 2017: Rs 48.889 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark-to-market losses.

6.1.1.5 Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2017	Purchases during the period	Sales / Matures during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised loss as at December 31, 2017	Percentage in relation to	
										Net Assets of the Fund on the basis of investments (note 6.1.1.3)	Total market value of investments
						(Number of certificates)	(Rupees in '000)		(%)		
GoP Ijarah Sukuk Certificates - XVI (Note 6.1.1.6)	February 15, 2019	Weighted Average 6 months T-Bills	3,190	-	450	2,740	282,028	277,699	(4,329)	3.47	4.25
GoP Ijarah Sukuk Certificates - XVII (Note 6.1.1.6)	March 29, 2019	Weighted Average 6 months T-Bills	2,500	-	-	2,500	254,800	251,850	(2,950)	3.15	3.85
Total							536,828	529,549	(7,279)		

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

6.1.2 Investments - 'at fair value through profit or loss upon initial recognition'	Note	December 31, 2017	June 30, 2017
		(Unaudited)	(Audited)
		(Rupees in '000)	
Shares of listed companies 'Ordinary shares'	6.1.2.1	1,261	35,000
Sukuk certificates	6.1.2.2	1,173,054	828,169
		1,174,315	863,169

6.1.2.2 Shares of listed companies' ordinary shares'

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised loss as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
						----- (Rupees in '000) -----			----- % -----		
Sector / Companies											
Automobile and parts											
Indus Motor Company Limited	18,555	-	-	18,555	-	-	-	-	-	-	-
Paper and Board											
Packages Limited	2,473	-	-	-	2,473	1,720	1,261	(459)	0.02	0.00	0.02
Total						1,720	1,261	(459)			

6.1.2.2 Sukuk certificates

Name of the investee company	Maturity	Profit rate	As at July 01, 2017	Purchases during the period	Sale / Redemptions / Matures during the period	As at December 31, 2017	Carrying value as at December 31, 2017*	Market value as at December 31, 2017*	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
										Net assets of the fund on the basis of market value (note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total market value of investments
						----- (Rupees in '000) -----			----- % -----			
Secured												
Engro Fertilizer Pakistan Limited-1 (AA, PACRA, non-traded) (note 6.1.2.3)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	10,880	-	1,360	9,520	49,186	48,744	(442)	0.61	-	0.75
K Electric Limited - (7 years) (note 6.1.2.3) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months KIBOR plus base rate of 1%	87,253	-	8,725	78,528	410,884	401,473	(9,411)	5.02	0.01	6.14
Security Leasing Corporation Limited I* (note 6.1.2.3 & 6.1.2.4)	January 19, 2022	Nil	1,540	-	-	1,540	-	-	-	-	-	-
Eden Housing Limited* (note 6.1.2.3 & 6.1.2.4)*	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	-	-	-	-	-	-
Arzoo Textile Mills Limited* (note 6.1.2.3 & 6.1.2.4)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	-	-
Hascol Petroleum Limited - Sukuk (AA, JCR-VIS, non-traded) (note 6.1.2.3)	January 7, 2022	3 months KIBOR plus base rate of 1.50%	47,500	-	5,000	42,500	220,323	218,897	(1,426)	2.74	0.01	3.35
Fatima Fertilizer Company Limited - Sukuk (AA- PACRA, non-traded) (note 6.1.2.3)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	13,240	-	1,471	11,769	61,487	60,462	(1,025)	0.76	-	0.92
Dubai Islamic Bank Pakistan Limited - Sukuk (A+, JCR-VIS, traded) (note 6.1.2.3)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	-	141	-	141	141,375	143,478	2,103	1.79	-	2.19
International Brands Limited (AA, JCR-VIS) (note 6.1.2.3)	November 15, 2021	12 months KIBOR plus base rate of 0.50%	-	3,000	-	3,000	300,000	300,000	-	3.75	-	4.59
Total							1,183,255	1,173,054	(10,201)			

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

6.1.2.3 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited, Eden Housing Limited and International Brands Limited having nominal value of Rs 1,000,000, Rs 984,375 and Rs 100,000 respectively.

6.1.2.4 The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Management Company classified the Fund as an 'Balanced Scheme' in accordance with the said circular. As at December 31, 2017, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any security in the portfolio shall not be lower than the A- (A Minus).



Following investments of the Fund are in the sukuk certificates which are below A- (A Minus):

Name of the investee company	Type of investments	Value of investment before provision	Provision held as at December 31, 2017	Value of investment after provision	Percentage of net assets	Percentage of total assets
		(Rupees in '000)			%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
		37,623	37,623	-		

6.2 Investments - 'available for sale'

Name of the investee company	As at July 01, 2017	Purchases during the period	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
	(Number of shares)				(Rupees in '000)			Net Assets of the Fund on the basis of investments (note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
								%		
Automobile assemblers										
Indus Motor Company Limited	2,075	-	2,075	-	-	-	-	-	-	-
Commercial Banks										
Meezan Bank Limited (an associate of the Fund)	301	-	-	301	4	20	16	-	-	-
BankIslami Pakistan Limited	875	-	-	875	5	8	3	-	-	-
Chemicals										
ICI Pakistan Limited	21	-	-	21	3	16	13	-	-	-
Cement										
Attock Cement Pakistan Limited	287	-	-	287	11	52	41	-	-	-
DG Khan Cement Company Limited	249	-	-	249	10	33	23	-	-	-
Lucky Cement Limited	7,451	-	-	7,451	887	3,855	2,968	0.05	-	0.06
Power Generation & Distribution										
The Hub Power Company Limited	1,134,050	-	-	1,134,050	41,921	103,199	61,278	1.29	0.10	1.58
Paper and Board										
Packages Limited	150,000	-	-	150,000	77,511	76,475	(1,036)	0.96	0.17	1.17
Oil & Gas Exploration Companies										
Pakistan Petroleum Limited	4,548	-	-	4,548	558	936	378	0.01	-	0.01
Total					120,910	184,594	63,684			
Total cost of investments					120,910					

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

	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
Market value of investments	6.2	184,594	248,333
Less: Cost of investments		120,910	121,364
		63,684	126,969
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period		126,969	117,903
		(63,285)	9,066

6.3 Investment - loans and receivables

Term deposit receipts - having original maturity of more than 3 months	6.3.1	550,000	750,000
		550,000	750,000

6.3.1 Term deposit receipts - having original maturity of more than 3 months

Name of the bank	Maturity date	Profit rate	As at July 01, 2017	Term deposit receipts purchased during the period	Matured during the period	As at December 31, 2017	Percentage in relation to	
							Total value of investments	Total value of net assets
		---	----- (Rupees in '000) -----				--- % ---	
Bank Islami Pakistan Limited	December 1, 2017	5.90	500,000	-	500,000	-	-	
Dubai Islamic Bank Limited	February 1, 2018	5.70	250,000	-	-	250,000	3.82	3.13
Bank Al Habib Limited	February 1, 2018	5.85	-	630,000	330,000	300,000	4.58	3.75
			750,000	630,000	830,000	550,000		

7. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2017 (Unaudited)	2017 (Audited)
		(Rupees in '000)	
Withholding tax payable		233	73,371
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	38,656	38,656
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	30,789	30,789
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	6,838	6,838
Brokerage expenses payable		811	2,143
Charity payable		2,976	1,961
Shariah advisory fee		137	378
Auditors' remuneration payable		298	371
Others		401	393
		81,139	154,900

- 8.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).



Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.07 / 0.48% (June 30, 2017: Re 0.07 / 0.41%).

- 8.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision of FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating to Rs 37.627 million (June 30, 2017: Rs 37.627 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.13 (June 30, 2017: Re 0.07) per unit.

9. SEGMENT REPORTING

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

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

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

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

	For the six months period ended December 31, 2017			For the six months period ended December 31, 2016		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	(Rupees in '000)			(Rupees in '000)		
Profit on sukuk certificates	-	51,466	51,466	-	41,912	41,912
Dividend income	148,789	-	148,789	81,992	-	81,992
Net realised (loss) / gain on sale of investments	(68,259)	(4,238)	(72,497)	62,718	(62)	62,656
Net unrealised (diminution) / appreciation on re-measurement of investments						
- 'at fair value through profit or loss'	(980,705)	(17,480)	(998,185)	660,709	10,634	671,343
Brokerage	(995)	-	(995)	(1,711)	-	(1,711)
Total net segment (loss) / income	(901,170)	29,748	(871,422)	803,708	52,484	856,192
Net unallocated expenses			(46,558)			36,937
Total net (loss) / income			(917,980)			893,129
	As at December 31, 2017			As at June 30, 2017		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	(Rupees in '000)			(Rupees in '000)		
Investments - 'fair value through profit or loss'	4,103,534	1,702,603	5,806,137	5,094,526	1,411,316	6,505,842
Investments - 'available for sale'	184,594	-	184,594	248,333	-	248,333
Investment - loans and receivables	-	550,000	550,000	-	750,000	750,000
Receivable against sale of investments - net	-	-	-	1,851	-	1,851
Dividend receivable	37,189	-	37,189	19,039	-	19,039
Profit receivable on sukuk certificates	-	25,317	25,317	-	18,758	18,758
Total segment assets	4,325,317	2,277,920	6,603,237	5,363,749	2,180,074	7,543,823
Unallocated assets			1,515,645			2,341,978
Total assets			8,118,882			9,885,801
Total segment liabilities	3,868	-	3,868	4,185	-	4,185
Unallocated liabilities	-	-	115,851	-	-	365,511
Total liabilities	3,868	-	119,719	4,185	-	369,696

There were no transactions between reportable segments.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more units of the Fund's net assets.

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



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

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

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	13,582	15,932
Sales load payable	224	9,338
Allocated expenses payable	680	797
Sindh Sales Tax on management fee payable	1,766	2,071
Sindh Sales Tax on sales load payable	29	1,214
Investment of 900,638 units (June 30, 2017: 900,638 units)	13,699	15,266
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	765	879
Sindh Sales Tax on trustee fee payable	99	114
Security deposit	300	300
Meezan Bank Limited		
Bank balance	22,462	152,451
Sales load payable	90	2,699
Sindh Sales Tax on sales load payable	12	351
Investment in 79,819 shares (June 30, 2017: 301 shares)	5,356	24
Investment of 18,886,746 units (June 30, 2017: 18,886,746 units)	287,267	320,130
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 445,734 units (June 30, 2017: 445,734 units)	6,780	7,555
Directors and Executives of the Management Company		
Investment of 6,373,155 units (June 30, 2017: 6,637,501 units)	96,936	112,506
	For the six months period ended December 31	
	2017 (Unaudited)	2016
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	87,638	58,548
Sindh Sales Tax on management fee	11,393	7,611
Cash dividend	-	-
Allocated expenses	4,382	2,927
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	4,886	3,431
Sindh Sales Tax on trustee fee	635	446
CDS charges	82	76
Meezan Bank Limited		
Profit on saving account	268	651
Shares sold: nil (December 31, 2016: 538,499 shares)	-	31,265
Shares purchased: 75,000 shares (December 31, 2016: 5,000 shares)	5,456	258
Right shares: 4,518 shares (December 31, 2016: nil shares)	226	-
Dividend income	131	934
Directors and Executives of the Management Company		
Units issued: 64,283 units (December 31, 2016: 3,728,131 units)	1,017	61,859
Units redeemed: 328,629 units (December 31, 2016: 100,266 units)	5,083	1,651

11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 2.67% which include 0.36% representing government levy and SECP fee.

13. 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 NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Note	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2017									
(Rupees in '000)									
Financial assets									
- measured at fair value									
Investments									
- 'at fair value through profit or loss'	5,806,137	-	-	-	5,806,137	4,103,534	1,702,603	-	5,806,137
Investments - 'available for sale'	184,594	-	-	-	184,594	184,594	-	-	184,594
Financial assets - not measured at fair value									
Investments - 'loans and receivables'	14.1	550,000	-	-	550,000				
Balances with banks	14.1	-	-	1,472,862	1,472,862				
Receivables against conversion of units	14.1	-	3,720	-	3,720				
Dividend receivable	14.1	-	37,189	-	37,189				
Deposits, profit accrued and other receivables	14.1	-	63,418	-	63,418				
		6,540,731	104,327	1,472,862	-				8,117,920
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	14.1	-	-	-	16,281	16,281			
Payable to Central Depository Company of Pakistan Limited - Trustee	14.1	-	-	-	864	864			
Payable to Meezan Bank Limited	14.1	-	-	-	102	102			
Payable on redemption and conversion of units	14.1	-	-	-	5,433	5,433			
Payable against purchase of investments - net	14.1	-	-	-	3,738	3,738			
Accrued expenses and other liabilities	14.1	-	-	-	42,250	42,250			
Dividend payable	14.1	-	-	-	8,437	8,437			
		-	-	-	77,105	77,105			



June 30, 2017

Financial assets

- measured at fair value

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
	6,505,842	-	-	-	6,505,842	5,094,526	1,411,316	-	6,505,842
	248,333	-	-	-	248,333	248,333	-	-	248,333

Financial assets

- not measured at fair value

Investments - 'loans and receivables'	14.1	750,000	-	-	-	750,000			
Balances with banks	14.1	-	-	1,865,383	-	1,865,383			
Receivables against conversion of units	14.1	-	420,999	-	-	420,999			
Dividend receivable	14.1	-	19,039	-	-	19,039			
Receivable against investments	14.1	-	1,851	-	-	1,851			
Deposits and other receivables	14.1	-	74,340	-	-	74,340			
		<u>7,504,175</u>	<u>516,229</u>	<u>1,865,383</u>	<u>-</u>	<u>9,885,787</u>			

Financial liabilities

- not measured at fair value

Payable to Al Meezan Investment Management Limited - Management Company	14.1	-	-	-	29,352	29,352			
Payable to Central Depository Company of Pakistan Limited - Trustee	14.1	-	-	-	993	993			
Payable to Meezan Bank Limited	14.1	-	-	-	3,050	3,050			
Payable on redemption and conversion of units	14.1	-	-	-	87,821	87,821			
Accrued expenses and other liabilities	14.1	-	-	-	42,873	42,873			
Dividend payable	14.1	-	-	-	87,370	87,370			
		-	-	-	<u>251,459</u>	<u>251,459</u>			

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

15. GENERAL

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

15.2 Corresponding figures have been reclassified and rearranged in this condensed interim financial information, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information.

16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director



Meezan

Asset Allocation Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Anifur Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Anifur Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B',
S.M.C.H.S. Main Shakra-e-Faisal,
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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ASSET ALLOCATION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Asset 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 six months period ended December 31, 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, February 21, 2018





A.F.FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Asset Allocation Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review


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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 21, 2018

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	559,968	744,519
Investments	6	2,263,587	2,599,168
Dividend receivable		19,903	10,545
Receivable against conversion of units		52	48,850
Deposits, profit accrued and other receivable		7,289	7,076
Preliminary expenses and floatation costs		596	687
Total assets		2,851,395	3,410,845
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		10,679	10,736
Payable to Central Depository Company of Pakistan Limited - Trustee		338	392
Payable to Securities and Exchange Commission of Pakistan		1,480	1,350
Payable to Meezan Bank Limited		144	2,341
Payable against purchase of investments - net		4,730	-
Payable on redemption and conversion of units		2,533	25,594
Accrued expenses and other liabilities	7	13,450	76,676
Dividend payable		-	42,321
Total liabilities		33,354	159,410
Net assets		2,818,041	3,251,435
Contingencies and commitments	8		
Unitholders' fund (as per statement attached)		2,818,041	3,251,435
		(Number of units)	
Number of units in issue		64,317,408	63,897,322
		(Rupees)	
Net assets value per unit		43.81	50.89

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

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Income					
Net realised (loss) / gain on sale of investments		(66,108)	11,500	(67,958)	11,214
Dividend income		81,222	14,232	56,915	9,160
Profit on saving accounts with banks		13,433	2,921	6,018	1,585
Other income		-	8	-	8
		28,547	28,661	(5,025)	21,967
Net unrealised (diminution) / appreciation on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	(486,184)	123,295	(158,046)	110,813
Total (loss) / income		(457,637)	151,956	(163,071)	132,780
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		23,362	5,417	10,955	3,109
Sindh Sales Tax on management fee		3,037	704	1,424	404
Allocated expenses	10	1,557	361	730	207
Selling and marketing expenses	13	6,230	-	2,922	-
Remuneration to Central Depository Company of Pakistan Limited - Trustee		2,039	722	960	414
Sindh Sales Tax on trustee fee		265	94	125	54
Annual fee to Securities and Exchange Commission of Pakistan		1,480	343	694	197
Auditors' remuneration		202	126	86	57
Brokerage expenses		1,562	836	510	214
Charity expense		1,249	233	1,132	179
Bank and settlement charges		525	256	189	99
Amortisation of preliminary expenses and floatation costs		91	91	46	45
Fees and subscription		337	310	135	247
Legal and professional charges		27	-	27	-
Printing expenses		69	15	69	15
Total expenses		42,032	9,508	20,004	5,241
Net (loss) / income from operating activities		(499,669)	142,448	(183,075)	127,539
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	14,835	-	6,010
Net (loss) / income for the period before taxation		(499,669)	157,283	(183,075)	133,549
Taxation	11	-	-	-	-
Net (loss) / income for the period after taxation		(499,669)	157,283	(183,075)	133,549
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		(499,669)	157,283	(183,075)	133,549
Income already paid on units redeemed		-	-	-	-
		(499,669)	157,283	(183,075)	133,549
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

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

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net (loss) / income for the period after taxation	(499,669)	157,283	(183,075)	133,549
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(499,669)</u>	<u>157,283</u>	<u>(183,075)</u>	<u>133,549</u>

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

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017 (Rupees in '000)				Six Months period ended December 31, 2016 (Rupees in '000)			
	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	3,253,053	(1,618)	-	3,251,435	450,267	9,525	-	459,792
Issuance of 19,479,527 units (2016: 10,575,430 units)								
- Capital value (at net asset value per unit at the beginning of the period)	991,313	-	-	991,313				
- Element of loss	(105,854)	-	-	(105,854)				
Total proceeds on issuance of units	885,459	-	-	885,459	539,981	30,866	-	570,847
Redemption of 19,059,441 units (2016: 4,375,852 units)								
- Capital value (at net asset value per unit at the beginning of the period)	969,935	-	-	969,935				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	(150,751)	-	-	(150,751)				
Total payments on redemption of units	819,184	-	-	819,184	223,430	16,031	-	239,461
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(14,835)	-	(14,835)
Total comprehensive (loss) / income for the period	-	(499,669)	-	(499,669)	-	157,283	-	157,283
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(499,669)	-	(499,669)	-	157,283	-	157,283
Net assets at end of the period	3,319,328	(501,287)	-	2,818,041	766,818	166,808	-	933,626
Undistributed (loss) / income brought forward								
- Realised (loss) / income		71,059				(5)		
- Unrealised (loss) / income		(72,677)				9,530		
		(1,618)				9,525		
Accounting income available for distribution								
- Relating to capital gains	-							
- Excluding capital gains	-							
Net (loss) / income for the period after taxation		(499,669)				157,283		
Distribution during the period		-				-		
Undistributed (loss) / income carried forward		(501,287)				166,808		
Undistributed (loss) / income carried forward								
- Realised (loss) / income		(15,103)				43,513		
- Unrealised (loss) / income		(486,184)				123,295		
		(501,287)				166,808		
Net assets value per unit at beginning of the period				(Rupees) 50.89				(Rupees) 51.06
Net assets value per unit at end of the period				43.81				61.40

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

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(499,669)	157,283
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	91	91
Net unrealised diminution / (appreciation) on re-measurement of investments classified 'as financial assets at fair value through profit or loss' 6.1	486,184	(123,295)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(14,835)
	(13,394)	19,244
Increase in assets		
Investments net	(150,603)	(348,397)
Dividend receivable	(9,358)	(2,892)
Deposits, profit accrued and other receivable	(213)	(1,339)
	(160,174)	(352,628)
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(57)	(620)
Payable to Central Depository Company of Pakistan Limited - Trustee	(54)	95
Payable to Securities and Exchange Commission of Pakistan	130	293
Payable to Meezan Bank Limited	(2,197)	107
Payable against purchase of investments - net	4,730	(5,333)
Accrued expenses and other liabilities	(63,226)	198
	(60,674)	(5,260)
Net cash used in operating activities	(234,242)	(338,644)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	934,257	646,066
Payment against redemption and conversion of units	(842,245)	(240,185)
Dividend paid	(42,321)	(451)
Net cash generated from financing activities	49,691	405,430
Net (decrease) / increase in cash and cash equivalents during the period	(184,551)	66,786
Cash and cash equivalents at beginning of the period	744,519	95,752
Cash and cash equivalents at end of the period	559,968	162,538

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

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1,

2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 44.897 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.



	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	559,123	732,490
In current accounts		845	12,029
		<u>559,968</u>	<u>744,519</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 5.85% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
6. INVESTMENTS			
Investments at 'fair value through profit or loss'			
Held for trading - shares of listed companies	6.1	<u>2,263,587</u>	<u>2,599,168</u>

6.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the period	Right/Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
	(Number of shares)				(Rupees in '000)			%			
Sectors/ Companies											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	74,000	-	-	-	74,000	64,209	37,918	(26,291)	1.35	0.05	1.68
Pak Suzuki Motor Company Limited	-	15,000	-	-	15,000	9,400	7,467	(1,933)	0.26	0.02	0.33
									1.61	0.07	2.01
Automobile Parts & Accessories											
Thal Limited (note 6.1.2)	10,000	-	-	10,000	-	-	-	-	-	-	-
Cable and Electrical Goods											
Pak Elektron Limited	907,000	400,000	-	180,000	1,127,000	113,219	53,521	(59,698)	1.90	0.23	2.36
Chemicals											
Engro Polymer & Chemicals Limited	1,200,000	415,000	-	310,000	1,305,000	46,572	37,271	(9,301)	1.32	0.20	1.65
ICI Pakistan Limited	55,800	10,000	-	-	65,800	71,319	50,531	(20,788)	1.79	0.07	2.23
									3.11	0.27	3.88
Cement											
Cherat Cement Company Limited	256,000	-	-	-	256,000	45,768	28,393	(17,375)	1.01	0.14	1.25
D.G. Khan Cement Company Limited	829,000	25,000	-	415,000	439,000	93,058	58,703	(34,355)	2.08	0.10	2.59
Fauji Cement Company Limited	50,000	100,000	-	-	150,000	5,997	3,752	(2,245)	0.13	0.01	0.17
Kohat Cement Company Limited	50,000	100,000	-	-	150,000	31,597	21,294	(10,303)	0.76	0.10	0.94
Lucky Cement Limited	297,900	30,000	-	-	327,900	269,938	169,659	(100,279)	6.02	0.10	7.50
Maple Leaf Cement Limited	558,500	50,000	-	7,312	34,112	3,108	2,335	(773)	0.08	0.01	0.10
Pioneer Cement Limited	320,500	-	-	-	320,500	41,665	20,230	(21,435)	0.72	0.14	0.89
									10.80	0.60	13.44
Engineering											
Crescent Steel and Allied Products Limited	177,000	-	-	-	177,000	42,227	22,534	(19,693)	0.80	0.23	1.00
International Industries Limited	65,000	155,000	-	100,000	120,000	31,714	28,813	(2,901)	1.02	0.10	1.27
International Steels Limited	194,000	200,000	-	150,000	244,000	30,372	25,954	(4,418)	0.92	0.06	1.15
K.S.B. Pumps Company Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
									2.74	0.39	3.42
Fertilizer											
Dawood Hercules Corporation Limited	195,000	-	-	-	195,000	26,590	21,817	(4,773)	0.77	0.04	0.96
Engro Corporation Limited (note 6.1.3)	1,072,000	55,000	-	480,000	647,000	210,021	177,763	(32,258)	6.31	0.12	7.85
Engro Fertilizers Limited	1,485,000	980,000	-	300,000	2,165,000	122,335	146,614	24,279	5.20	0.16	6.48
									12.28	0.32	15.29
Food and Personal Care Products											
Engro Foods Limited	90,700	-	-	90,000	700	85	56	(29)	0.00	0.00	0.00
Al-Shaheer Corporation Limited	318,750	-	-	-	318,750	12,785	7,083	(5,702)	0.25	0.22	0.31
									12.28	0.32	15.29

Name of the investee company	As at July 01, 2017	Purchases during the period	Right/Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
					(Number of shares)	(Rupees in '000)			%		
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	1,768,300	1,185,000	-	745,000	2,208,300	313,154	359,488	46,334	12.76	0.05	15.88
Mari Petroleum Company Limited	33,980	-	-	-	33,980	53,540	49,301	(4,239)	1.75	0.03	2.18
Pakistan Oilfields Limited	56,000	-	-	-	56,000	25,656	33,279	7,623	1.18	0.02	1.47
Pakistan Petroleum Limited	263,200	486,400	-	-	749,600	129,752	154,350	24,598	5.48	0.04	6.82
									21.17	0.14	26.35
Oil and Gas Marketing Companies											
Hascol Petroleum Limited	187,000	30,500	37,400	-	254,900	78,294	62,970	(15,324)	2.23	0.18	2.78
Hi-Tech Lubricants Limited	242,800	-	-	28,900	213,900	23,317	15,187	(8,130)	0.54	0.18	0.67
Sul Northern Gas Pipelines Limited	1,479,500	431,000	-	145,000	1,765,500	251,233	167,034	(84,199)	5.93	0.28	7.38
Sul Southern Gas Company Limited	806,500	-	-	806,500	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	63,200	326,000	77,840	-	467,040	168,039	136,894	(31,145)	4.86	0.14	6.05
									13.56	0.78	16.88
Paper and Board											
Cherat Packaging Limited	10,000	-	1,350	-	11,350	2,547	2,259	(288)	0.08	0.03	0.10
Packages Limited	102,900	-	-	-	102,900	71,575	52,462	(19,113)	1.86	0.12	2.32
									1.94	0.15	2.42
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	36,050	-	-	-	36,050	33,692	25,149	(8,543)	0.89	0.04	1.11
Ferozsons Laboratories Limited	1,850	-	-	1,850	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Limited	122,000	20,000	-	45,000	97,000	21,473	31,456	9,983	1.12	0.10	1.39
GlaxoSmithKline Pakistan Limited	600	-	-	-	600	118	101	(17)	0.00	0.00	0.00
The Searle Company Limited	176,920	5,000	36,384	-	218,304	92,629	68,735	(23,894)	2.44	0.12	3.04
									4.45	0.26	5.54
Power Generation and Distribution											
K-Electric Limited (note 6.1.2)	14,155,000	700,000	-	1,700,000	13,155,000	90,321	83,007	(7,314)	2.95	0.05	3.67
The Hub Power Company Limited	238,000	250,200	-	-	488,200	56,389	44,426	(11,963)	1.58	0.04	1.96
									4.53	0.09	5.63
Refinery											
Attock Refinery Limited	52,000	5,000	-	55,000	2,000	769	468	(301)	0.02	0.00	0.02
National Refinery Limited	40,000	-	-	10,000	30,000	21,780	12,926	(8,854)	0.46	0.04	0.57
									0.48	0.04	0.59
Textile Composite											
Nishat Mills Limited	167,000	70,000	-	-	237,000	36,681	35,432	(1,249)	1.26	0.07	1.57
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	-	98,500	5,910	98,000	6,410	333	430	97	0.02	0.00	0.02
Technology and Communication											
Pakistan Telecommunication Company	-	500,000	-	-	500,000	6,500	6,525	25	0.23	0.01	0.29
Miscellaneous											
Shifa International Hospital Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
Total						2,749,771	2,263,587	(486,184)			

6.1.1 Net assets are as defined in regulation 66 of the NBFC Regulations.

6.1.2 All shares have a nominal value of Rs 10 each except for the shares of Thal Limited and K - Electric Limited which have a nominal value of Rs 5 and Rs 3.50 each respectively.

6.1.3 105,000 shares (June 30, 2017: 105,000 shares) of Engro Corporation Limited, having market value of Rs 28.85 million as at December 31, 2017 (June 30, 2017: Rs 34.22 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.



	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Charity payable		1,200	551
Brokerage payable		1,025	2,114
Auditors' remuneration payable		164	145
Withholding tax payable		28	62,833
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	10,080	10,080
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	145	145
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	482	482
Shariah advisory fee payable		269	269
Zakat payable		57	57
		13,450	76,676

- 7.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.16 / 0.37% as at December 31, 2017.

- 7.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effectively July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from April 21, 2016 till June 30, 2016, aggregating to Rs 0.627 million (June 30, 2017: Rs 0.627 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re 0.01 (June 30, 2017: Re 0.01) per unit.

8. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited by the Companies with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AI Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, others Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more of the Fund's net assets.

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

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



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

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	3,545	3,967
Sindh Sales Tax on management fee payable	461	516
Sales load payable	183	2,187
Sindh Sales Tax on sales load payable	24	284
Allocated expense payable	236	264
Selling and marketing expense payable	6,230	3,518
Meezan Bank Limited		
Sales load payable	128	2,072
Sindh Sales Tax on sales load payable	16	269
Bank balance	14,448	154,869
Profit receivable on saving account	98	685
Investment in 6,410 shares (June 30, 2017: Nil)	430	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	299	347
Sindh Sales Tax on trustee fee payable	39	45
Security deposit	100	100
Directors and Executives of the Management Company		
Investments of 21,701 units (June 30, 2017: 21,746 units)	951	1,107
For the six months period ended December 31,		
	2017	2016
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	23,362	5,417
Sindh Sales Tax on management fee for the period	3,037	704
Allocated expenses	1,557	361
Selling and marketing expense	6,230	-
Meezan Bank Limited		
Shares purchased during the period: 98,500 shares (December 31, 2016 : Nil)	7,301	-
Right issue: 5,910 shares (December 31, 2016 : Nil)	296	-
Shares disposed off during the period: 98,000 shares (December 31, 2016 : Nil)	6,983	-
Profit on saving account	2,162	508
Dividend income	172	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	2,039	722
Sindh Sales Tax on trustee fee for the period	265	94
CDS charges	77	32
Directors and Executives of the Management Company		
Units issued: Nil units (December 31, 2016: 15,580 units)	-	875
Units redeemed: 45 units (December 31, 2016: 842 units)	2	50

10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 2.70% which include 0.35% representing government levy and SECP fee.

13. SELLING AND MARKETING EXPENSE

SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Note	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2017									
(Rupees in '000)									
Financial assets									
- measured at fair value									
Investments	2,263,587	-	-	-	2,263,587	2,263,587	-	-	2,263,587
Financial assets									
- not measured at fair value									
Balances with banks	14.1	-	559,968	-	559,968				
Dividend receivable	14.1	19,903	-	-	19,903				
Receivable against conversion of units	14.1	52	-	-	52				
Deposits, profit accrued and other receivable	14.1	4,781	-	-	4,781				
		<u>2,263,587</u>	<u>24,736</u>	<u>559,968</u>	<u>-</u>				<u>2,848,291</u>



Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	14.1	-	-	-	10,679	10,679			
Payable to Central Depository Company of Pakistan Limited - Trustee	14.1	-	-	-	338	338			
Payable to Meezan Bank Limited	14.1	-	-	-	144	144			
Payable against purchase of Investments - net	14.1	-	-	-	4,730	4,730			
Payable on redemption and conversion of units	14.1	-	-	-	2,533	2,533			
Accrued expenses and other liabilities	14.1	-	-	-	3,285	3,285			
		-	-	-	21,709	21,709			

June 30, 2017

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets									
- measured at fair value									
Investments	2,599,168	-	-	-	2,599,168	2,599,168	-	-	2,599,168
Financial assets									
- not measured at fair value									
Balances with banks	14.1	-	744,519	-	744,519				
Dividend receivable	14.1	-	10,545	-	10,545				
Receivable against conversion of units	14.1	-	48,850	-	48,850				
Deposits, profit accrued and other receivable	14.1	-	4,880	-	4,880				
		2,599,168	64,275	744,519	-	3,407,962			

Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	14.1	-	-	-	10,736	10,736			
Payable to Central Depository Company of Pakistan Limited - Trustee	14.1	-	-	-	392	392			
Payable to Meezan Bank Limited	14.1	-	-	-	2,341	2,341			
Payable on redemption and conversion of units	14.1	-	-	-	25,594	25,594			
Accrued expenses and other liabilities	14.1	-	-	-	3,706	3,706			
Dividend payable	14.1	-	-	-	42,321	42,321			
		-	-	-	85,090	85,090			

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

15. GENERAL

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

15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

From	To	As at June 30, 2017 (Rupees in '000)
Receivable against issuance and conversion of units	Balances with banks	175,491

16. DATE OF AUTHORISATION FOR ISSUE

16.1 This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director



Meezan

Dedicated Equity Fund

Meezan Dedicated Equity Fund (MDEF) is an open end Shariah compliant equity scheme. The objective of the scheme is to provide fund of funds schemes a dedicated equity platform to seek long-term capital appreciation

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. Anful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Anful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**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 DEDICATED EQUITY FUND

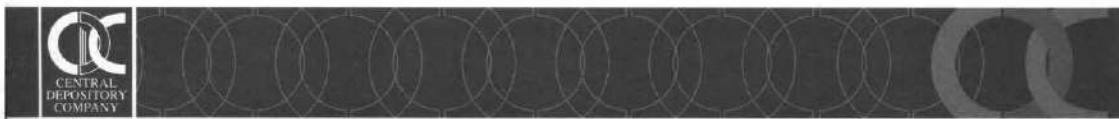
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Dedicated Equity 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 09, 2017 to December 31, 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, February 21, 2018





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AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

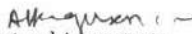
We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Dedicated Equity Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the period from October 9, 2017 to December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2017 (UNAUDITED)

	Note	December 31, 2017 (Unaudited) (Rupees in '000)
Assets		
Balances with banks	4	312,390
Investments	5	1,054,899
Dividend receivable		5,782
Prepayments and other receivables	6	1,555
Total assets		1,374,626
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7	2,886
Payable to Central Depository Company of Pakistan Limited - Trustee	8	186
Payable to Securities and Exchange Commission of Pakistan	9	184
Payable against purchase of investments - net		39,107
Accrued expenses and other liabilities	10	680
Total liabilities		43,043
Net assets		1,331,583
Contingencies and commitments	11	
Unitholders' fund (as per statement attached)		1,331,583
		(Number of units)
Number of units in issue	12	27,503,725
		(Rupees)
Net assets value per unit		48.41

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD FROM OCTOBER 9, 2017 TO DECEMBER 31, 2017 (UNAUDITED)

	Note	For the period from October 9, 2017 to December 31, 2017 (Rupees in '000)
Income		
Net realised loss on sale of investments		(6,419)
Dividend income		9,166
Profit on saving accounts with banks		1,675
		<u>4,422</u>
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	5.1	<u>(5,600)</u>
Total loss		(1,178)
Expenses		
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	3,882
Sindh Sales Tax on management fee	7.2	505
Allocated expenses	7.3	194
Selling and marketing expenses	7.4	776
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8	376
Sindh Sales Tax on trustee fee	8.1	49
Annual fee to Securities and Exchange Commission of Pakistan	9	184
Auditors' remuneration	13	112
Brokerage expenses		1,429
Charity expense		77
Bank and settlement charges		344
Fees and subscription		288
Printing expenses		10
Total expenses		<u>8,226</u>
Net loss for the period before taxation		<u>(9,404)</u>
Taxation	17	-
Net loss for the period after taxation		<u>(9,404)</u>
Allocation of net loss for the period		
Net loss for the period after taxation		(9,404)
Income already paid on units redeemed		-
		<u>(9,404)</u>
Accounting income available for distribution		
- Relating to capital gains		-
- Excluding capital gains		-
		<u>-</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM OCTOBER 9, 2017 TO DECEMBER 31, 2017 (UNAUDITED)

	Note	For the period from October 9, 2017 to December 31, 2017 (Rupees in '000)
Net loss for the period after taxation		(9,404)
Other comprehensive income for the period		-
Total comprehensive loss for the period		<u>(9,404)</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE PERIOD FROM OCTOBER 9, 2017 TO DECEMBER 31, 2017 (UNAUDITED)

For the period from October 9, 2017 to
December 31, 2017

(Rupees in '000)

	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) 'available for sale' investments	Total
(Rupees in '000)				
Issuance of 38,225,529 units				
- Capital value (at par value)	1,911,276	-	-	1,911,276
- Element of loss	(53,276)	-	-	(53,276)
Total proceeds on issuance of units	<u>1,858,000</u>	-	-	<u>1,858,000</u>
Redemption of 10,721,804 units				
- Capital value (at par value)	536,090	-	-	536,090
- Amount paid out of element of income		-	-	
- Relating to 'Net income for the period after taxation'	-	-	-	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-
- Adjustment on units as element of loss	(19,077)	-	-	(19,077)
Total payments on redemption of units	<u>517,013</u>	-	-	<u>517,013</u>
Total comprehensive loss for the period	-	(9,404)	-	(9,404)
Distribution during the period	-	-	-	-
Net loss for the period less distribution	-	(9,404)	-	(9,404)
Net assets at end of the period	<u>1,340,987</u>	<u>(9,404)</u>	-	<u>1,331,583</u>
Accounting income available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		-		
Net loss for the period after taxation		(9,404)		
Undistributed loss carried forward		<u>(9,404)</u>		
Undistributed loss carried forward				
- Realised loss		(3,804)		
- Unrealised loss		<u>(5,600)</u>		
		<u>(9,404)</u>		
				(Rupees)
Net asset value per unit as at the end of the period				<u>48.41</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE PERIOD FROM OCTOBER 9, 2017 TO DECEMBER 31, 2017 (UNAUDITED)

	Note	For the period from October 9, 2017 to December 31, 2017 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation		(9,404)
Adjustments for		
Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss'	5.1	5,600 (3,804)
Increase in assets		
Investments - net		(1,060,499)
Dividend receivable		(5,782)
Deposits and other receivable		(1,555)
		(1,067,836)
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company		2,886
Payable to Central Depository Company of Pakistan Limited - Trustee		186
Payable to Securities and Exchange Commission of Pakistan		184
Payable against purchase of investments - net		39,107
Accrued expenses and other liabilities		680
		43,043
Net cash used in operating activities		(1,028,597)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units and conversion of units		1,858,000
Payment against redemption of units and conversion of units		(517,013)
Net cash generated from financing activities		1,340,987
Net increase in cash and cash equivalents during the period		312,390
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	4	312,390

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD FROM OCTOBER 9, 2017 TO DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited 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 Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is in the process of listing on the Pakistan Stock Exchange.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate



Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared on a historical cost basis except for investments classified as 'at fair value through profit or loss' which are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Taxation (note 3.7 and 17).

2.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

2.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed interim financial information are set out below.

3.1 Financial instruments

3.1.1 Classification

The Fund classifies its financial assets in the following categories: at fair value through profit or loss 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.

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

(b) Loans and receivables

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

3.1.2 Regular way contract

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

3.1.3 Recognition

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

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

3.1.4 Measurement

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



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

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

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

3.1.5 Fair value measurement principles

Basis of valuation of equity securities:

The fair value of shares of listed companies is based on their price quoted on the Pakistan Stock Exchange at the reporting date. Financial assets and financial liabilities are priced at their fair value.

3.1.6 Impairment

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

In case of investments classified as 'available for sale' equity instruments, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. Impairment losses recognised on equity securities in the Income Statement are not reversed subsequently in the Income Statement.

3.1.7 Derecognition

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

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

3.1.8 Offsetting of financial instruments

Financial assets and 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 realise the asset and settle the liability simultaneously.

3.2 Unitholders' fund

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

3.3 Issuance and redemption of units

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

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

3.4 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.5 Provisions

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

3.6 Net assets value per unit

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

3.7 Taxation

The income of the Fund is exempt from income tax under 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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.



3.8 Revenue recognition

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

3.9 Expenses

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

3.10 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.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost. Cash comprises of current and saving accounts with banks. Cash equivalents are short-term highly liquid investments with original maturity of three months or less, 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 Distribution

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

	Note	December 31, 2017 (Rupees in '000)
4. BALANCES WITH BANKS		
On saving accounts	4.1	<u>312,390</u>
4.1 The balances in saving accounts have an expected profit ranging from 2.00% to 2.40% per annum.		
	Note	December 31, 2017 (Unaudited) (Rupees in '000)
5. INVESTMENTS		
Investments at 'fair value through profit or loss'		
Ordinary shares - Held for trading	5.1	<u>1,054,899</u>

5.1 Ordinary shares - Held for trading

Name of the investee company	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage in relation to		
								Net assets of the fund on the basis of market value	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
	----- (Number of shares) -----			----- (Rupees in '000) -----			----- % -----			
Sectors / companies										
Automobile Assembler										
Ghandhara Industries Limited	35,000	-	-	35,000	19,204	19,323	119	1.45	0.16	1.83
Pak Suzuki Motors Company Limited	27,100	-	-	27,100	14,190	13,490	(700)	1.01	0.03	1.28
								2.46	0.19	3.11
Automobile Parts & Accessories										
General Tyre & Rubber Company Limited	50,000	-	-	50,000	10,188	9,415	(773)	0.71	0.08	0.89
Commercial Bank										
Meezan Bank Limited	510,000	-	-	510,000	32,875	34,221	1,346	2.57	0.05	3.24
Cable & Electrical Goods										
Pak Elektron Limited	1,401,200	-	272,000	1,129,200	60,767	53,626	(7,141)	4.03	0.08	5.08
Cement										
Lucky Cement Limited	131,000	-	-	131,000	64,094	67,781	3,687	5.09	0.04	6.43
Kohat Cement Company Limited	100,000	-	-	100,000	14,635	14,196	(439)	1.07	0.06	1.35
Poioneer Cement Limited	200,000	-	-	200,000	12,111	12,624	513	0.95	0.09	1.20
								7.11	0.19	8.98
Chemical										
Engro Polymer & Chemicals Limited	907,000	-	125,000	782,000	26,443	22,334	(4,109)	1.68	0.12	2.12
Engineering										
International Industries Limited	28,000	-	-	28,000	6,356	6,723	367	0.50	0.02	0.64
International Steel Limited	250,000	-	-	250,000	23,570	26,593	3,023	2.00	0.06	2.52
Mughal Iron & Steel Industries Limited	317,000	-	500	316,500	19,236	18,389	(847)	1.38	0.13	1.74
								3.88	0.21	4.90
Fertilizer										
Engro Corporation Limited	391,000	-	140,000	251,000	51,849	53,804	1,955	5.18	0.05	5.10
Engro Fertilizers Limited	821,500	-	27,000	794,500	68,954	68,962	8	4.04	0.06	6.54
								9.22	0.11	11.64
Oil and Gas Exploration Companies										
Mari Petroleum Company Limited	42,320	-	-	42,320	61,763	61,401	(362)	4.61	0.04	5.82
Pakistan Oilfields Limited	104,450	-	-	104,450	57,971	62,070	4,099	4.66	0.04	5.88
Pakistan Petroleum Limited	575,000	-	-	575,000	107,451	118,398	10,947	8.89	0.03	11.22
Oil and Gas Development Company Limited	340,000	-	-	340,000	52,871	55,349	2,478	4.16	0.01	5.25
								22.32	0.12	28.17
Oil and Gas Marketing Companies										
Hasco Petroleum Limited	146,000	-	27,100	118,900	32,615	29,373	(3,242)	2.21	0.08	2.78
Pakistan State Oil Company Limited (note 11)	293,000	22,600	50,000	265,600	86,483	77,850	(8,633)	5.85	0.08	7.38
Sui Northern Gas Pipeline Limited	629,700	-	100,000	529,700	56,654	50,115	(6,539)	3.76	0.80	4.75
Sui Southern Gas Company Limited	270,000	-	270,000	-	-	-	-	0.00	0.00	0.00
								11.82	0.96	14.91
Pharmaceuticals										
GlaxoSmithKline Consumer HealthCare	20,000	-	5,000	15,000	4,518	4,864	346	0.37	0.01	0.46
The Searle Company Limited	122,700	-	-	122,700	38,720	38,633	(87)	2.90	0.02	3.66
								3.27	0.03	4.12
Power Generation and Distribution										
K Electric Limited (note 5.1.1)	7,600,000	-	250,000	7,350,000	47,034	46,379	(655)	3.48	0.08	4.40
The Hub Power Company Limited	250,000	-	50,000	200,000	20,998	18,200	(2,798)	1.37	0.01	1.73
								4.85	0.09	6.13
Refinery										
Attock Refinery Limited	125,000	-	75,000	50,000	11,642	11,706	64	0.88	0.06	1.11
Power Generation and Distribution										
Pakistan Telecommunication Company Limited	2,000,000	-	-	2,000,000	25,994	26,100	106	1.96	0.02	2.47
Textile Composite										
Nishat Mills Limited	220,600	-	-	220,600	31,313	32,980	1,667	2.48	0.06	3.13
Total					1,060,499	1,054,899	(5,600)			



5.1.1 All shares have a nominal value of Rs10 each except for the shares of K-Electric Limited which have nominal value of Rs 3.50 each.

	Note	December 31, 2017 (Unaudited) (Rupees in '000)
6. PREPAYMENTS AND OTHER RECEIVABLES		
Profit receivable on saving accounts with banks		694
Advance tax		690
Prepaid listing fee		171
		<u>1,555</u>
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management fee	7.1	1,770
Sindh Sales Tax on management fee	7.2	231
Other payable		20
Allocated expenses payable	7.3	89
Selling and marketing expense payable	7.4	776
		<u>2,886</u>

7.1 As per regulation 61 of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration equal to an amount not exceeding 2 percent of the average annual net assets in case of Equity Scheme. The remuneration of the Management Company has been charged at the rate of 2 percent per annum for the period ended December 31, 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 the Management Company and sales load.

7.3 A statutory notification (S.R.O. No. 1160 (I) / 2015 dated November 25, 2015) was issued by the SECP, which introduced amendments in the NBFC Regulations. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of net assets of the Fund.

7.4 SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expenses shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.

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

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

The remuneration of the trustee for the period ended December 31, 2017 has been calculated as per the following applicable tariff:

Net assets	Tariff
Upto Rs 1 billion	Rs 0.7 million or 0.20% p.a. of net assets, whichever is higher.
Over Rs 1 billion	Rs 2.0 million plus 0.10% p.a. of net assets, on amount exceeding Rs 1 billion.

8.1 The Fund has recognised Sindh Sales Tax on trustee fee at the rate of 13 percent in the current period.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the amended NBFC Regulations, a Collective Investment Scheme categorised as an asset allocation scheme is required to pay an annual fee to the SECP, at an amount equal to 0.095% of the average annual net assets of the Scheme.

During the period, fee has been charged 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

	December 31, 2017 (Unaudited) (Rupees in '000)
Auditors' remuneration payable	112
Withholding tax payable	213
Printing expenses payable	9
Charity payable	77
Shariah advisory fee payable	269
	<u>680</u>

11. CONTINGENCIES AND COMMITMENTS

In the current period, Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order.

There were no other contingencies and commitments outstanding as at December 31, 2017.

12. NUMBER OF UNITS IN ISSUE

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

	For the period from October 9, 2017 to December 31, 2017 (Rupees in '000)
Units issued during the period	38,225,529
Units redeemed during the period	(10,721,804)
Total units in issue at end of the period	<u>27,503,725</u>

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

13. AUDITORS' REMUNERATION

	For the period from October 9, 2017 to December 31, 2017 (Rupees in '000)
Annual audit fee	62
Half year review fee	50
	<u>112</u>



14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2017 (Unaudited) (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Remuneration payable	1,770
Sindh Sales Tax on management fee payable	231
Other payable	20
Selling and marketing expense	776
Allocated expense payable	89
Meezan Bank Limited	
Bank balance	288,186
Profit receivable on saving accounts	545
Investment in 510,000 shares	34,221
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee payable	165
Sindh Sales Tax on trustee fee payable	21
Meezan Financial Planning Fund of Funds MAAP - I	
Investment of 12,248,698 units	592,959
Meezan Financial Planning Fund of Funds MAAP - III	
Investment of 9,710,544 units	470,087
Meezan Financial Planning Fund of Funds MAAP - IV	
Investment of 363,489 units	17,597
Meezan Strategic Allocation Fund MSAP - I	
Investment of 1,191,438 units	57,678
Meezan Strategic Allocation Fund MSAP - II	
Investment of 767,367 units	37,149

	December 31, 2017 (Unaudited) (Rupees in '000)
Meezan Strategic Allocation Fund MSAP - III	
Investment of 868,337 units	<u>42,037</u>
Meezan Strategic Allocation Fund MSAP - IV	
Investment of 949,111 units	<u>45,946</u>
Meezan Strategic Allocation Fund MSAP - V	
Investment of 1,404,741 units	<u>68,004</u>
	For the period from October 9, 2017 to December 31, 2017 (Rupees in '000)
Al Meezan Investment Management Company Limited - Management Company	
Remuneration for the period	<u>3,882</u>
Sindh Sales Tax on management fee for the period	<u>505</u>
Allocated expenses	<u>194</u>
Selling and marketing expense	<u>776</u>
Meezan Bank Limited	
Profit on saving account	<u>1,149</u>
Shares purchased during the period: 510,000 shares	<u>32,875</u>
Central Depository Company of Pakistan Limited - Trustee	
Remuneration fee for the period	<u>376</u>
Sindh Sales Tax on trustee fee for the period	<u>49</u>
CDS charges	<u>36</u>
Meezan Financial Planning Fund of Funds MAAP - I	
Units issued: 16,356,123 units	<u>808,000</u>
Units redeemed: 4,107,425 units	<u>208,000</u>
Meezan Financial Planning Fund of Funds MAAP - II	
Units issued: 444,265 units	<u>22,000</u>
Units redeemed: 444,265 units	<u>21,520</u>
Meezan Financial Planning Fund of Funds MAAP - III	
Units issued: 15,880,658 units	<u>755,000</u>
Units redeemed: 6,170,114 units	<u>287,493</u>
Meezan Financial Planning Fund of Funds MAAP - IV	
Units issued: 363,489 units	<u>18,000</u>
Meezan Strategic Allocation Fund MSAP - I	
Units issued: 1,191,438 units	<u>59,000</u>



**For the period
from October
9, 2017 to
December
31, 2017
(Rupees in '000)**

Meezan Strategic Allocation Fund MSAP - II

Units issued: 767,367 units

38,000

Meezan Strategic Allocation Fund MSAP - III

Units issued: 868,337 units

43,000

Meezan Strategic Allocation Fund MSAP - IV

Units issued: 949,111 units

47,000

Meezan Strategic Allocation Fund MSAP - V

Units issued: 1,404,741 units

68,000

15. 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 on 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 period end date.

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 within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

As at December 31, 2017, the Fund held the following financial instruments:

December 31, 2017	Note	Carrying amount				Fair value				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets - measured at fair value										
		1,054,899	-	-	-	1,054,899	1,054,899	-	-	1,054,899
Financial assets - not measured at fair value										
				312,390		312,390				
	15.1	-	5,782	-	-	5,782				
	15.1	-	694	-	-	694				
		1,054,899	6,476	312,390	-	1,373,765				
Financial liabilities - not measured at fair value										
					2,886	2,886				
	15.1	-	-	-	186	186				
	15.1	-	-	-	39,107	39,107				
	15.1	-	-	-	467	467				
		-	-	-	42,646	42,646				

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

16. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended December 31, 2017 is 0.98% which include 0.09 % representing government levy and SECP fee.

17. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

18. PERFORMANCE TABLE

	2017
Net assets (Rs in '000) (ex-distribution)	1,331,583
Net assets value / redemption price per unit as at December 31 (Rs)	48.41
Offer price per unit as at December 29 (Rs)	50.06
Highest offer price per unit (Rs)	53.24
Lowest offer price per unit (Rs)	47.89
Highest redemption price per unit (Rs)	51.49
Lowest redemption price per unit (Rs)	46.32
Total return (%)	-3.20%

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



19. INVESTMENT COMMITTEE MEMBERS

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

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

19.2 The Fund Manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund Manager are as follows:

- Meezan Financial Planning Fund of Funds
- Meezan Strategic Allocation Fund
- Meezan Balanced Fund
- KSE Meezan Index Fund

20. PATTERN OF UNIT HOLDING

	2017		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Associated companies	8	1,331,583	100

For the period
from October
9, 2017 to
December
31, 2017
Percentage

21. TOP TEN BROKERAGE COMMISSION BY PERCENTAGE

Broker's name	Percentage
1 AKD Securities Limited	26%
2 Arif Habib Limited	10%
3 BMA Capital Management Limited	9%
4 NEXT Capital Limited	9%
5 TopLine Securities (Private) Limited	9%
6 JS Global Capital Limited	8%
7 Alfalah Securities Limited	7%
8 Shajar Capital Pakistan (Private) Limited	6%
9 Invest & Finance Securities Limited	5%
10 Standard Capital Securities (Private) Limited	3%

22. GENERAL

22.1 This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

22.2 There are no corresponding figures as the Fund commenced its operations from October 9, 2017.

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

Chief Executive

Director



Meezan Gold Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaikat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN GOLD FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Gold Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A·F·FERGUSON&Co.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Gold Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

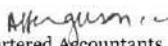
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	50,001	65,003
Investments	6	348,677	394,636
Profit receivable on saving accounts		142	73
Receivable against sale of investments - net		825	-
Receivable against conversion of units		3,696	1,173
Total assets		403,341	460,885
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		417	447
Payable to Central Depository Company of Pakistan Limited - Trustee		63	68
Payable to Securities and Exchange Commission of Pakistan		164	292
Payable on redemption and conversion of units		18,053	1,090
Accrued expenses and other liabilities	9	2,483	1,725
Total liabilities		21,180	3,622
Net assets		382,161	457,263
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		382,161	457,263
		(Number of units)	
Number of units in issue		7,311,303	9,061,225
		(Rupees)	
Net assets value per unit		52.27	50.46

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Income					
Realised gain on sale of investments		2,686	1	1,548	1
Profit on saving accounts with banks		610	707	312	309
Others		443	61	443	61
		3,739	769	2,303	371
Unrealised appreciation / (diminution) on re-measurement of investment in gold	6.1	18,811	(38,572)	8,664	(38,025)
Total income / (loss)		22,550	(37,803)	10,967	(37,654)
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		2,185	1,766	1,031	361
Sindh Sales Tax on management fee		284	255	134	72
Allocated expenses	8	219	192	104	98
Remuneration to Central Depository Company of Pakistan Limited - Trustee		371	326	175	167
Sindh Sales Tax on trustee fee		48	42	23	21
Annual fee to Securities and Exchange Commission of Pakistan		164	144	78	74
Auditors' remuneration		188	120	82	53
Brokerage expense		16	16	9	7
Fees and subscription		188	150	79	86
Bank and settlement charges		54	35	24	28
Custodian expense		1,939	1,483	911	846
Provision for Sindh Workers' Welfare Fund (SWWF)	9	338	-	166	-
Printing expenses		10	11	10	11
Total expenses		6,004	4,540	2,826	1,824
Net income / (loss) from operating activities		16,546	(42,343)	8,141	(39,478)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(123)	-	(435)
Net income / (loss) for the period before taxation		16,546	(42,466)	8,141	(39,913)
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		16,546	(42,466)	8,141	(39,913)
Allocation of net income / (loss) for the period					
Net income / (loss) for the period after taxation		16,546	(42,466)	8,141	(39,913)
Income already paid on units redeemed		(3,710)	-	(1,803)	-
		12,836	(42,466)	6,338	(39,913)
Accounting income available for distribution					
- Relating to capital gains		21,497		10,212	
- Excluding capital gains		(8,661)		(3,874)	
		12,836		6,338	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



**Meezan
Gold Fund**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income / (loss) for the period after taxation	16,546	(42,466)	8,141	(39,913)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	16,546	(42,466)	8,141	(39,913)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017				Six Months period ended December 31, 2016			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	470,991	(13,728)	-	457,263	298,024	23,090	-	321,114
Issue of 2,778,529 units (2016: 5,016,273 units)								
- Capital value (at net asset value per unit at the beginning of the period)	140,205	-	-	140,205				
- Element of income	6,211	-	-	6,211				
Total proceeds on issuance of units	146,416	-	-	146,416	273,537	7,267	-	280,804
Redemption of 4,528,451 units (2016: 3,195,520 units)								
- Capital value (at net asset value per unit at the beginning of the period)	228,506	-	-	228,506				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	3,710	-	3,710				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	5,848	-	-	5,848				
Total payments on redemption of units	234,354	3,710	-	238,064	174,252	7,390	-	181,642
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	123	-	123
Total comprehensive income / (loss) for the period	-	16,546	-	16,546	-	(42,466)	-	(42,466)
Distribution during the period	-	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	16,546	-	16,546	-	(42,466)	-	(42,466)
Net assets at end of the period	383,053	(892)	-	382,161	397,309	(19,376)	-	377,933
Undistributed (loss) / income brought forward								
- Realised income		7,958				224		
- Unrealised (loss) / income		(21,686)				22,866		
		(13,728)				23,090		
Accounting income available for distribution								
- Relating to capital gains	21,497							
- Excluding capital gains	(8,661)							
	12,836							
Net loss for the period after taxation		-				(42,466)		
Distribution during the period		-				-		
Undistributed loss carried forward		(892)				(19,376)		
Undistributed loss carried forward								
- Realised (loss) / income		(19,703)				19,196		
- Unrealised income / (loss)		18,811				(38,572)		
		(892)				(19,376)		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				<u>50.46</u>				<u>54.53</u>
Net assets value per unit at end of the period				<u>52.27</u>				<u>49.02</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	16,546	(42,466)
Adjustments for:		
Unrealised (appreciation) / diminution on re-measurement of investment in gold	(18,811)	38,572
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	123
	(2,265)	(3,771)
Decrease / (increase) in assets		
Investments - net	64,770	(104,869)
Receivable against investments - net	(825)	-
Profit receivable on saving accounts	(69)	(136)
	63,876	(105,005)
(Decrease) / increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(30)	(558)
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	14
Payable to Securities and Exchange Commission of Pakistan	(128)	38
Payable to Meezan Bank Limited	-	27
Accrued expenses and other liabilities	758	(1,020)
	595	(1,499)
Net cash generated from / (used in) operating activities	62,206	(110,275)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	143,893	296,874
Payment against redemption and conversion of units	(221,101)	(282,279)
Dividend paid	-	(912)
Net cash (used in) / generated from financing activities	(77,208)	13,683
Net decrease in cash and cash equivalents during the period	(15,002)	(96,592)
Cash and cash equivalents at beginning of the period	65,003	126,315
Cash and cash equivalents at end of the period	50,001	29,723

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Gold Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on October 15, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on September 23, 2014. The Fund commenced its operations on August 18, 2015. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

1.2 The Fund is an open-ended Shariah Compliant Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on the Pakistan Mercantile Exchange (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah principles as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and/or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by the Shariah Advisor. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as a Shariah Compliant Commodity Scheme.

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

1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards



Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether

gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 3.280 million net off charge for SWWF in respect of element of income. Consequently, the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' would have been higher by Rs 67,000 and Re. 0.01 respectively. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.



4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

5. BALANCES WITH BANKS	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
In saving accounts	5.1	48,299	63,301
In current accounts		1,702	1,702
		50,001	65,003

5.1 The balance in saving accounts have an expected profit ranging from 2.40% to 5.80% per annum (June 30, 2017: 2.00% to 2.40% per annum).

6. INVESTMENTS	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Investment in gold	6.1	348,677	394,636

6.1 Investment in gold

Commodity	As at July 01, 2017	Purchases during the period	Sales during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain	Percentage in relation to Net assets of the Fund on the basis of market value of investments (note 6.1.1)
	(Tola)				(Rupees in '000)			%
TOLAGOLD	7,741	190	1,460	6,471	329,866	348,677	18,811	91.24
Total					329,866	348,677	18,811	

6.1.1 Net assets are defined in regulation 66 of the NBFC Regulations.

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

6.1.3 The investment in gold of Rs 348.677 million (June 30, 2017: Rs 394.636 million) has been measured at fair value based on the quoted market price in active markets.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

8. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Custodian fee payable		538	103
Auditor's remuneration		162	174
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.1	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.1	297	297
Provision for Sindh Worker's Welfare Fund	9.2	871	533
Withholding tax payable		21	21
Capital gain tax payable		12	10
Brokerage payable		-	11
Shariah advisory fee payable		161	162
Other		7	-
		2,483	1,725

9.1 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 was 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and



sales load made with effect from August 18, 2015 till June 30, 2016, aggregating to Rs 0.71 million (June 30, 2017: Rs 0.71 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re 0.1 (June 30, 2017: Re 0.08) per unit.

- 9.2** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.12 / 0.23% (June 30, 2017: Re 0.06 / 0.12%)."

10. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 2.75% which includes 0.39% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	331	364
Sindh Sales Tax on management fee payable	43	47
Sales load payable	9	-
Sindh Sales Tax on sales load payable	1	-
Allocated expenses	33	36
Investment of nil units (June 30, 2017: 702,463 units)	-	35,446
Meezan Bank Limited		
Bank balance	17,799	61,569
Profit receivable on saving account	142	73
Investment of 1,000,000 units (June 30, 2017: 1,000,000 units)	52,270	50,460
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	56	61
Sindh Sales Tax on trustee fee payable	7	7
Directors and Executives of the Management Company		
Investment of 176,412 units (June 30, 2017: 167,781 units)	9,221	8,466
Unitholders holding 10% or more units of the Fund		
Investment of 3,590,387 units (June 30, 2017: 3,590,387 units)	187,670	181,674
	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	2,185	1,766
Sindh Sales Tax on management fee for the period	284	255
Allocated expenses	219	192
Units issued: Nil units (December 31, 2016: 1,040,545 units)	-	58,000
Units redeemed: 702,463 units (December 31, 2016: 722,083 units)	36,507	40,000
Meezan Bank Limited		
Profit on saving account	605	649
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	371	326
Sindh Sales Tax on trustee fee for the period	48	42
Directors and Executives of the Management Company		
Units issued: 24,708 units (December 31, 2016: 68,428 units)	1,281	3,558
Units redeemed: 16,077 units (December 31, 2016: 63,129 units)	815	3,402



12. TAXATION

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts of financial assets and financial liabilities. The Fund has not disclosed the fair values for these financial assets and liabilities because their carrying amounts are a reasonable approximation of their fair values.

Carrying amount				
Investments	Other receivables	Cash and cash equivalents	Other payables	Total
(Rupees in '000)				
December 31, 2017				
Financial assets				
Balances with banks	-	50,001	-	50,001
Profit receivable on saving accounts	142	-	-	142
Receivable against conversion of units	3,696	-	-	3,696
Receivable against investments - net	825	-	-	825
-	4,663	50,001	-	54,664
Financial liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	-	-	417	417
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	63	63
Payable on redemption and conversion of units	-	-	18,053	18,053
Accrued expenses and other liabilities	-	-	1,579	1,579
-	-	-	20,112	20,112

Carrying amount				
Investments	Other receivables	Cash and cash equivalents	Other payables	Total
(Rupees in '000)				
June 30, 2017				
Financial assets				
Balances with banks	-	65,003	-	65,003
Profit receivable on saving accounts	73	-	-	73
Receivable against conversion of units	1,173	-	-	1,173
-	1,246	65,003	-	66,249
Financial liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	-	-	447	447
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	68	68
Payable on redemption and conversion of units	-	-	1,090	1,090
Accrued expenses and other liabilities	-	-	1,161	1,161
-	-	-	2,766	2,766

14. GENERAL

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

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

From	To	As at June 30, 2017 (Rupees in '000)
Receivable against issuance and conversion of units	Balances with banks	3,246

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director



Meezan

Islamic Income Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaikat Khan (Kamilia)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**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
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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Income Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A·F·FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Income Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.

A. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 21, 2018

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	3,820,673	8,557,522
Investments	6	7,453,927	5,116,078
Receivable against conversion of units		113,382	783,504
Deposits, prepayments, profit accrued and other receivables		146,150	159,081
Total assets		11,534,132	14,616,185
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	6,590	14,968
Payable to Central Depository Company of Pakistan Limited - Trustee		900	798
Payable to Securities and Exchange Commission of Pakistan		4,237	7,979
Payable to Meezan Bank Limited		246	673
Payable on redemption and conversion of units		456,524	2,712,438
Accrued expenses and other liabilities	8	71,815	97,903
Total liabilities		540,312	2,834,759
Net assets		10,993,820	11,781,426
Contingencies and commitments	9		
Unitholders' fund (as per statement attached)		10,993,820	11,781,426
(Number of units)			
Number of units in issue		210,368,931	229,249,833
(Rupees)			
Net asset value per unit		52.26	51.39

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

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
(Rupees in '000)					
Income					
Profit on saving accounts with banks		149,357	129,427	66,407	72,399
Profit on term deposit receipts		80,323	75,867	37,962	44,995
Profit on certificates of musharakah		2,811	-	2,811	-
Profit on sukuk certificates		102,941	135,379	54,900	63,598
Net realised (loss) / gain on sale of sukuk certificates		(12,116)	12,113	(4,062)	12,498
Other Income		60	593	44	526
		323,376	353,379	158,062	194,016
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.3	(31,261)	30,359	(19,048)	4,190
Total income		292,115	383,738	139,014	198,206
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company	7	70,937	81,962	26,543	43,605
Sindh Sales Tax on management fee		9,222	10,655	3,451	5,669
Allocated expenses	11	5,650	5,464	2,690	2,907
Remuneration to Central Depository Company of Pakistan Limited - Trustee		4,762	4,631	2,287	2,438
Sindh Sales Tax on trustee fee		619	602	297	317
Annual fee to Securities and Exchange Commission of Pakistan		4,238	4,098	2,018	2,180
Auditors' remuneration		362	357	185	154
Fees and subscription		847	596	360	292
Legal and professional charges		27	33	27	-
Brokerage expense		75	144	-	144
Bank and settlement charges		172	104	82	51
Provision for Sindh Workers' Welfare Fund		3,902	-	2,020	-
Printing expense		119	351	72	302
Total expenses		100,932	108,997	40,032	58,059
Net income from operating activities		191,183	274,741	98,982	140,147
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(37,024)	-	(49,918)
Net income for the period before taxation		191,183	237,717	98,982	90,229
Taxation	13	-	-	-	-
Net income for the period after taxation		191,183	237,717	98,982	90,229
Allocation of net income for the period					
Net income for the period after taxation		191,183	237,717	98,982	90,229
Income already paid on units redeemed		(68,916)	-	(55,595)	-
		122,267	237,717	43,387	90,229
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		122,267	-	43,387	-
		122,267	-	43,387	-

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

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net income for the period after taxation	191,183	237,717	98,982	90,229
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	191,183	237,717	98,982	90,229

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

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017				Six Months period ended December 31, 2016			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	11,616,350	165,076	-	11,781,426	8,911,616	139,801	-	9,051,417
Issuance of 272,573,377 units (2016: 263,157,503 units)								
- Capital value (at net asset value per unit at the beginning of the period)	14,007,546	-	-	14,007,546				
- Element of income	101,893	-	-	101,893				
Total proceeds on issuance of units	14,109,439	-	-	14,109,439	13,494,717	190,698	-	13,685,415
Redemption of 291,454,279 units (2016: 260,288,206 units)								
- Capital value (at net asset value per unit at the beginning of the period)	14,977,835	-	-	14,977,835				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	68,916	-	68,916				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	41,477	-	-	41,477				
Total payments on redemption of units	15,019,312	68,916	-	15,088,228	13,347,580	227,722	-	13,575,302
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	37,024	-	37,024
Total comprehensive income for the period	-	191,183	-	191,183	-	237,717	-	237,717
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	191,183	-	191,183	-	237,717	-	237,717
Net assets at end of the period	10,706,477	287,343	-	10,993,820	9,058,753	377,518	-	9,436,271
Undistributed income brought forward								
- Realised income		114,773				115,433		
- Unrealised income		50,303				24,368		
		165,076				139,801		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		122,267						
		122,267						
Net income for the period after taxation		-				237,717		
Distribution during the period		-				-		
Undistributed income carried forward		287,343				377,518		
Undistributed income carried forward								
- Realised income		318,604				347,159		
- Unrealised (loss) / income		(31,261)				30,359		
		287,343				377,518		
Net assets value per unit at beginning of the period				(Rupees) 51.39				(Rupees) 51.28
Net assets value per unit at end of the period				52.26				52.61

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

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	191,183	237,717
Adjustments for		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	31,261	(30,359)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	37,024
	222,444	244,382
(Increase) / decrease in assets		
Investments - net	(759,110)	456,247
Receivable against Bai Muajjal	-	(743,969)
Deposits, prepayments, profit accrued and other receivables	12,931	(794,257)
	(746,179)	(1,081,979)
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(8,378)	3,854
Payable to Central Depository Company of Pakistan Limited - Trustee	102	216
Payable to Securities and Exchange Commission of Pakistan	(3,742)	(2,123)
Payable to Meezan Bank Limited	(427)	(867)
Accrued expenses and other liabilities	(26,088)	(32,275)
	(38,533)	(31,195)
Net cash used in operating activities	(562,268)	(868,792)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	14,779,561	14,507,377
Payments against redemption and conversion of units	(17,344,142)	(13,783,038)
Net cash (used in) / generated from financing activities	(2,564,581)	724,339
Net decrease in cash and cash equivalents during the period	(3,126,849)	(144,453)
Cash and cash equivalents at beginning of the period	8,557,522	2,505,300
Cash and cash equivalents at end of the period	5.2 5,430,673	2,360,847

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

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been

restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 8.329 million net off charge for SWWF in respect of element of income. Consequently, the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' would have been higher by Rs 170,000 and Re. 0.0008 respectively. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.



	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	3,815,468	8,537,451
In current accounts		5,205	20,071
		3,820,673	8,557,522

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.00% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5.2 Cash and cash equivalents			
Balances with banks	5	3,820,673	8,557,522
Term deposit receipts - having original maturity of 3 months or less	6.2	1,610,000	-
		5,430,673	8,557,522

6. INVESTMENTS

Investments - 'at fair value through profit or loss'	6.1	3,292,307	2,616,078
Investments - 'loans and receivables'	6.2	4,161,620	2,500,000
		7,453,927	5,116,078

6.1 Investments at 'fair value through profit or loss'

- Held for trading	6.1.1	769,586	590,585
- Investments 'at fair value through profit or loss upon initial recognition'	6.1.3	2,522,721	2,025,493
		3,292,307	2,616,078

6.1.1 Held for trading - Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2017	Purchases during the period	Sales / maturity during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised diminution	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value	Total market value of investments	----- (%) -----
GoP Ijarah Sukuk Certificates - XVII (note 6.1.2)	February 15, 2019	Weighted average 6 months T-Bills	4,500	-	2,340	2,160	222,329	218,916	(3,413)	1.99	2.95
GoP Ijarah Sukuk Certificates - XVIII (note 6.1.2)	March 29, 2019	Weighted average 6 months T-Bills	1,250	-	-	1,250	127,400	125,925	(1,475)	1.15	1.69
GoP Ijarah Sukuk Certificates - XIX (note 6.1.2)	June 30, 2020	Weighted average 6 months T-Bills	-	4,250	-	4,250	425,180	424,745	(435)	3.86	5.70
Total							774,909	769,586	(5,323)		

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

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

Name of the security	Maturity date	Profit rate	As at July 1, 2017	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2017	*Carrying value as at December 31, 2017	*Market value as at December 31, 2017	Unrealised appreciation / (diminution)	Percentage in relation to		
			(Number of certificates)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	Net assets of the fund on the basis of market value	Total issue (with face value of investment)	Total market value of investments
Arzoo Textile Mills Limited (note 6.1.4 & 6.1.5) *	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.4 & 6.1.5) *	September 29, 2014	6 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.4 & 6.1.5) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-	6.67	-
Dubai Islamic Bank Pakistan Limited (note 6.1.4) (A+, JCR-VIS, traded)	July 14, 2027	6 months Kibor plus base rate of 0.5%	-	338	-	338	338,000	343,940	5,940	3.13	8.45	4.61
Engro Fertilizer Limited (note 6.1.4) (AA-, PACRA, non-traded)	July 9, 2019	6 months Kibor plus base rate of 1.75%	68,000	-	8,500	59,500	307,412	304,651	(2,761)	2.77	13.28	4.09
Fatima Fertilizer Company Limited (note 6.1.4) (AA-, PACRA, non-traded)	November 28, 2021	6 months Kibor plus base rate of 1.10%	33,539	-	3,726	29,813	155,761	153,163	(2,598)	1.39	1.77	2.05
Hascol Petroleum Limited (note 6.1.4) (AA, JCR-VIS, non-traded)	January 06, 2022	3 months Kibor plus base rate of 1.50%	57,000	-	6,000	51,000	264,388	262,677	(1,711)	2.39	15.00	3.52
K-Electric Limited (sukuk 4) (note 6.1.4) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months Kibor plus base rate of 1.00%	230,000	-	23,000	207,000	1,083,098	1,058,290	(24,808)	9.63	5.23	14.20
International Brands Limited (note 6.1.4) (AA, JCR-VIS)	November 15, 2021	12 months Kibor plus base rate of 0.50%	-	4,000	-	4,000	400,000	400,000	-	3.64	10.00	5.37
Total							2,548,659	2,522,721	(25,938)			

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

6.1.4 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited, Eden Housing Limited and International Brands Limited having nominal value of Rs 1,000,000, Rs 984.375 and Rs 100,000 respectively.

6.1.5 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at December 31, 2017, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuks which are below 'investment grade' securities:

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



	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
6.2 Investments - loans and receivables			
Term deposit receipts			
- having original maturity of 3 months or less	6.2.1	1,610,000	-
- having original maturity of more than 3 months	6.2.1	1,507,000	2,500,000
		3,117,000	2,500,000
Certificates of Musharakah	6.2.2	900,000	-
Commercial Papers	6.2.3	144,620	-
		4,161,620	2,500,000

6.2.1 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2017	Term deposit receipts placed during the period	Matured during the period paid	As at December 31, 2017	Percentage of total market value of investments
Bank Al Habib Limited - Islamic banking	February 1, 2018	5.85	-	1,450,000	850,000	600,000	8.05
BankIslami Pakistan Limited	December 1, 2017	5.90	800,000	-	800,000	-	0.00
Dubai Islamic Bank Pakistan Limited	September 6, 2017	6.10	550,000	-	550,000	-	0.00
Dubai Islamic Bank Pakistan Limited	March 6, 2018	5.85	-	440,000	-	440,000	5.90
Dubai Islamic Bank Pakistan Limited	February 1, 2018	5.70	450,000	-	-	450,000	6.04
Dubai Islamic Bank Pakistan Limited	March 27, 2018	5.95	-	500,000	-	500,000	6.71
MCB Islamic Bank Limited	September 6, 2017	6.10	700,000	-	700,000	-	0.00
Habib Bank Limited - Islamic banking	May 7, 2018	5.90	-	617,000	-	617,000	8.28
Habib Bank Limited - Islamic banking	January 19, 2018	6.20	-	480,000	-	480,000	6.44
Habib Bank Limited - Islamic banking	January 29, 2018	6.20	-	30,000	-	30,000	0.40
			2,500,000	3,517,000	2,900,000	3,117,000	

6.2.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2017	Placed during the period	Matured during the period	As at December 31, 2017	Percentage of total market value of investments
First Habib Modaraba	June 4, 2018	6.10	-	300,000	-	300,000	4.02
Orix Modaraba	June 13, 2018	6.15	-	200,000	-	200,000	2.68
Orix Modaraba	June 18, 2018	6.15	-	100,000	-	100,000	1.34
Orix Modaraba	June 21, 2018	6.15	-	150,000	-	150,000	2.01
Orix Modaraba	June 22, 2018	6.15	-	150,000	-	150,000	2.01
			-	900,000	-	900,000	

6.2.3 This pertains to the Commercial Paper (Salam) issued by Hascol Petroleum Limited which has been purchased during the period, carrying yield of KIBOR + 1.25% per annum maturing on June 29, 2018. As at December 31, 2017, Commercial Paper represented 1.32% of the total net assets of the Fund.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

During the period, the Management Company has reduced charging of the remuneration to 10% of gross earnings of the Fund subject to the minimum of 0.5% of average annual net assets and maximum of 1.5% of average annual net assets. The reduction in remuneration is effective from November 16, 2017.

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	16,875	12,974
Withholding tax payable		2,658	32,251
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	48,995	48,995
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,371	2,371
Auditors' remuneration payable		309	375
Printing expenses payable		-	215
Brokerage payable		68	188
Zakat payable		-	131
Shariah advisor fee payable		539	403
		71,815	97,903

- 8.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.08 / 0.15% (June 30, 2017: Re 0.06 / 0.11%).

- 8.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was 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 results 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 4, 2013.



The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, the Fund has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 51.367 million (June 30, 2017: Rs 51.367 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.24 (June 30, 2017: Re 0.22) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	<u>4,717</u>	<u>12,319</u>
Sales load payable	<u>279</u>	<u>200</u>
Allocated expenses payable	<u>943</u>	<u>821</u>
Certificate charges payable	<u>1</u>	<u>1</u>
Sindh Sales Tax on management fee	<u>614</u>	<u>1,601</u>
Sindh Sales Tax on sales load	<u>36</u>	<u>26</u>
Investment of 9,548,933 units (June 30, 2017: 20,593,141 units)	<u>499,027</u>	<u>1,058,282</u>

	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Meezan Bank Limited		
Balances with bank	156,678	88,058
Sales load payable	218	596
Sindh Sales Tax on sales load	28	77
Profit receivable on saving account	1,321	1,201
Investment of 10,155,202 units (June 30, 2017: nil)	530,711	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	796	706
Sindh Sales Tax on Trustee Fee payable	104	92
Security deposit	100	100
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,233,248 units (June 30, 2017: 1,833,808 units)	64,450	94,239
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,453,024 units (June 30, 2017: 1,990,147 units)	75,935	102,274
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 2,161,060 units (June 30, 2017: 2,977,823 units)	112,937	153,030
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 4,058,880 units (June 30, 2017: nil)	212,117	-
Meezan Financial Planning Fund of Funds - MAAP - II		
Investment of 1,755,366 units (June 30, 2017: nil)	91,735	-
Meezan Financial Planning Fund of Funds - MAAP - III		
Investments of 21,902,698 units (June 30, 2017: 7,445,192 units)	1,144,635	382,609
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investments of 921,490 units (June 30, 2017: 452,695 units)	48,157	23,266
Meezan Strategic Allocation Fund - MSAP - I		
Investments of 4,406,051 units (June 30, 2017: 9,918,797 units)	230,260	509,727
Meezan Strategic Allocation Fund - MSAP - II		
Investments of 2,861,745 units (June 30, 2017: 3,806,559 units)	149,555	195,619
Meezan Strategic Allocation Fund - MSAP - III		
Investments of 2,221,896 units (June 30, 2017: 7,105,227 units)	116,116	365,138
Meezan Strategic Allocation Fund - MSAP - IV		
Investments of 2,705,173 units (June 30, 2017: 8,988,987 units)	141,372	461,944
Meezan Strategic Allocation Fund - MSAP - V		
Investments of 211 units (June 30, 2017: nil)	11	-
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investments of 212,599 units (June 30, 2017: 212,599 units)	11,110	10,925
Directors and Executives of the Management Company		
Investments of 866,555 units (June 30, 2017: 234,831 units)	45,286	12,068



**Six months period ended
December 31,**

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

Remuneration for the period
Sindh Sales Tax on management fee
Allocated expenses
Units issued: 14,177,955 units (December 31, 2016: 16,522,097 units)
Units redeemed: 25,222,163 units (December 31, 2016: 19,301,470 units)

2017	2016
(Unaudited) (Rupees in '000)	
70,937	81,962
9,222	10,655
5,650	5,464
734,000	857,000
1,304,500	1,009,000

Meezan Bank Limited

Profit on saving account
Units issued: 10,155,202 units (December 31, 2016: nil)

1,144	1,102
530,000	-

Central Depository Company of Pakistan Limited - Trustee

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

4,762	4,631
619	602
3	3

Meezan Capital Preservation Fund - II

Units issued: nil (December 31, 2016: 25,503,769 units)
Units redeemed: nil (December 31, 2016: 25,503,769 units)

-	1,329,868
-	1,339,775

**Meezan Financial Planning Fund of Funds
- Aggressive Allocation Plan**

Units issued: 65,414 units (December 31, 2016: nil)
Units redeemed: 665,974 units (December 31, 2016: nil)

3,388	-
34,409	-

**Meezan Financial Planning Fund of Funds
- Moderate Allocation Plan**

Units issued: 57,427 units (December 31, 2016: nil)
Units redeemed: 594,550 units (December 31, 2016: nil)

3,000	-
30,828	-

**Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan**

Units issued: 191,875 units (December 31, 2016: nil)
Units redeemed: 1,008,638 units (December 31, 2016: nil)

9,938	-
52,275	-

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 33,753,210 (December 31, 2016: 437,512 units)
Units redeemed: 29,694,330 units (December 31, 2016: 437,512 units)

1,740,662	23,000
1,535,916	23,013

Meezan Financial Planning Fund of Funds - MAAP - II

Units issued: 4,596,367 units (December 31, 2016: nil)
Units redeemed: 2,841,001 units (December 31, 2016: 1,670,003 units)

237,200	-
146,950	87,842

Meezan Financial Planning Fund of Funds - MAAP - III

Units issued: 32,395,542 units (December 31, 2016: 11,505,524 units)
Units redeemed: 17,938,036 units (December 31, 2016: 7,037,553 units)

1,682,770	593,500
928,240	366,240

Meezan Financial Planning Fund of Funds - MAAP - IV

Units issued: 3,818,368 units (December 31, 2016: 9,248,843 units)
Units redeemed: 3,349,573 units (December 31, 2016: 7,451,184 units)

197,000	475,120
173,000	383,725

	Six months period ended December 31,	
	2017	2016
	(Unaudited) (Rupees in '000)	
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 4,832,930 units (December 31, 2016: 42,088,108 units)	250,000	2,202,000
Units redeemed: 10,345,676 units (December 31, 2016: 28,961,216 units)	533,820	1,517,290
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 2,066,347 units (December 31, 2016: 988,781 units)	107,000	52,000
Units redeemed: 3,011,161 units (December 31, 2016: nil)	155,740	-
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 1,697,327 units (December 31, 2016: nil)	88,000	-
Units redeemed: 6,580,658 units (December 31, 2016: nil)	339,130	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 3,786,225 units (December 31, 2016: nil)	195,500	-
Units redeemed: 10,070,039 units (December 31, 2016: nil)	519,690	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 772,648 units (December 31, 2016: nil)	40,000	-
Units redeemed: 772,437 units (December 31, 2016: nil)	40,020	-
Directors and Executives of the Management Company		
Units issued: 1,951,538 units (December 31, 2016: 230,658 units)	101,618	12,020
Units redeemed: 1,319,814 units (December 31, 2016: 1,415,221 units)	68,698	73,149

11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 1.79% which include 0.32% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

13. 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 NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 as reduced by capital gains (whether realised or unrealised) to its unitholders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.



14. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

December 31, 2017	Note	Carrying amount				Total	Fair value			
		Investments	Other receivables	Cash and cash equivalents	Other payables		Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial assets										
- measured at fair value										
		769,586	-	-	-	769,586	-	769,586	-	769,586
		Investment - Held for trading Investments								
		- at fair value through profit or loss upon initial recognition	2,522,721	-	-	2,522,721	-	2,522,721	-	2,522,721
Financial assets										
- not measured at fair value										
	14.1	-	-	3,820,673	-	3,820,673				
	14.1	2,551,620	-	1,610,000	-	4,161,620				
	14.1	-	113,382	-	-	113,382				
	14.1	-	143,884	-	-	143,884				
		5,843,927	257,266	5,430,673	-	11,531,866				
Financial liabilities										
- not measured at fair value										
	14.1	-	-	-	6,590	6,590				
	14.1	-	-	-	900	900				
	14.1	-	-	-	246	246				
	14.1	-	-	-	456,524	456,524				
	14.1	-	-	-	52,282	52,282				
		-	-	-	516,542	516,542				

June 30, 2017	Note	Carrying amount				Total	Fair value			
		Investments	Other receivables	Cash and cash equivalents	Other payables		Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial assets										
- measured at fair value										
		590,585	-	-	-	590,585	-	590,585	-	590,585
		Investment - Held for trading Investments								
		- at fair value through profit or loss upon initial recognition	2,025,493	-	-	2,025,493	-	2,025,493	-	2,025,493
Financial assets										
- not measured at fair value										
	14.1	-	-	8,557,522	-	8,557,522				
	14.1	2,500,000	-	-	-	2,500,000				
	14.1	-	783,504	-	-	783,504				
	14.1	-	156,110	-	-	156,110				
		5,116,078	939,614	8,557,522	-	14,613,214				
Financial liabilities										
- not measured at fair value										
	14.1	-	-	-	14,968	14,968				
	14.1	-	-	-	798	798				
	14.1	-	-	-	673	673				
	14.1	-	-	-	2,712,438	2,712,438				
	14.1	-	-	-	52,547	52,547				
		-	-	-	2,781,424	2,781,424				

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

15. GENERAL

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

15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

From	To	As at June 30, 2017 (Rupees in '000)
Receivable against issuance and conversion of units	Balances with banks	419,460

16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director



Meezan Sovereign Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaikat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoalb, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoalb, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking
Albaraka Bank (Pakistan) Limited
Askari Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN SOVEREIGN FUND

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

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

A handwritten signature in black ink, appearing to read 'Aftab Ahmed Diwan'.

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

Karachi, February 21, 2018





A·F·FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Sovereign Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

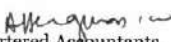
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	167,735	1,280,046
Investments	6	1,939,345	3,689,101
Receivable against conversion of units		37,808	681,947
Receivable against sale of investments - net		302,479	-
Deposits, prepayments, profit accrued and other receivables		44,010	61,991
Total assets		2,491,377	5,713,085
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		2,691	4,420
Payable to Central Depository Company of Pakistan Limited - Trustee		255	371
Payable to Meezan Bank Limited		97	229
Payable to Securities and Exchange Commission of Pakistan		1,287	6,085
Payable on redemption and conversion of units		32,407	1,189,116
Dividend payable		80	67,471
Accrued expenses and other liabilities	8	90,765	111,725
Total liabilities		127,582	1,379,417
Net assets		2,363,795	4,333,668
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		2,363,795	4,333,668
		(Number of units)	
Number of units in issue		45,562,453	84,320,718
		(Rupees)	
Net assets value per unit		51.88	51.40

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
(Rupees in '000)					
Income					
Profit on sukuk certificates		76,880	213,378	31,691	112,109
Net realised loss on sale of sukuk certificates		(23,516)	-	(9,130)	-
Profit on saving accounts with banks		23,740	56,882	9,455	27,183
Other income		-	732	-	732
		77,104	270,992	32,016	140,024
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(27,122)	121,021	8,752	89,189
Total income		49,982	392,013	40,768	229,213
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		17,165	46,613	6,995	24,474
Sindh Sales Tax on management fee		2,231	6,081	909	3,203
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,665	3,870	714	2,021
Sindh Sales Tax on trustee fee		216	504	92	262
Annual fee to Securities and Exchange Commission of Pakistan		1,287	3,496	524	1,836
Auditors' remuneration		306	266	132	133
Fees and subscription		410	543	(109)	203
Legal and professional charges		-	33	-	-
Brokerage		207	165	80	18
Bank and settlement charges		147	102	58	70
Allocated expenses	10	1,716	4,661	699	2,447
Provision for Sindh Workers' Welfare Fund (SWWF)		493	-	493	-
Total expenses		25,843	66,334	10,587	34,667
Net income from operating activities		24,139	325,679	30,181	194,546
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(8,381)	-	(16,759)
Net income for the period before taxation		24,139	317,298	30,181	177,787
Taxation	12	-	-	-	-
Net income for the period after taxation		24,139	317,298	30,181	177,787
Allocation of net income for the period					
Net income for the period after taxation		24,139	317,298	30,181	177,787
Income already paid on units redeemed		-	-	(221)	-
		24,139	317,298	29,960	177,787
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		24,139	-	29,960	-
		24,139	-	29,960	-

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net income for the period after taxation	24,139	317,298	30,181	177,787
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	24,139	317,298	30,181	177,787

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017 ----- (Rupees in '000) -----				Six Months period ended December 31, 2016 ----- (Rupees in '000) -----			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) available for sale investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) available for sale investments	Total
Net assets at beginning of the period	4,042,582	291,086	-	4,333,668	7,703,549	241,197	-	7,944,746
Issue of 37,121,969 units (2016: 261,084,415 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,908,069	-	-	1,908,069				
- Element of income	12,332	-	-	12,332				
Total proceeds on issuance of units	1,920,401	-	-	1,920,401	13,263,047	253,741	-	13,516,788
Redemption of 75,880,234 units (2016: 243,220,430 units)								
- Capital value (at net asset value per unit at the beginning of the period)	3,900,244	-	-	3,900,244				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	14,169	-	-	14,169				
Total payments on redemption of units	3,914,413	-	-	3,914,413	12,355,598	262,122	-	12,617,720
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	8,381	-	8,381
Total comprehensive income for the period	-	24,139	-	24,139	-	317,298	-	317,298
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	24,139	-	24,139	-	317,298	-	317,298
Net assets at end of the period	2,048,570	315,225	-	2,363,795	8,610,998	558,495	-	9,169,493
Undistributed income brought forward								
- Realised income		247,434				193,509		
- Unrealised income		43,652				47,688		
		291,086				241,197		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		24,139						
		24,139						
Net income for the period after taxation		-				317,298		
Distribution during the period		-				-		
Undistributed income carried forward		315,225				558,495		
Undistributed income carried forward								
- Realised income		342,347				437,474		
- Unrealised (loss) / income		(27,122)				121,021		
		315,225				558,495		
Net assets value per unit at beginning of the period				(Rupees) 51.40				(Rupees) 50.80
Net assets value per unit at end of the period				51.88				52.62

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2017	2016
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		24,139	317,298
Adjustments for:			
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		27,122	(121,021)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	8,381
		51,261	204,658
Decrease / (Increase) in assets			
Investments - net		1,722,634	(1,679,101)
Receivable against sale of investments - net		(302,479)	-
Deposits, prepayments and other receivables		17,981	(41,725)
		1,438,136	(1,720,826)
(Decrease) / Increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		(1,729)	(32)
Payable to Central Depository Company of Pakistan Limited - Trustee		(116)	63
Payable to Securities and Exchange Commission of Pakistan		(4,798)	(3,301)
Payable to Meezan Bank Limited		(132)	308
Accrued expenses and other liabilities		(20,960)	(13,392)
		(27,735)	(16,354)
Net cash generated from / (used in) operating activities		1,461,662	(1,532,522)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		2,564,540	13,928,092
Payments against redemption and conversion of units		(5,071,122)	(14,640,746)
Dividend paid		(67,391)	-
Net cash used in financing activities		(2,573,973)	(712,654)
Net decrease in cash and cash equivalents during the period		(1,112,311)	(2,245,176)
Cash and cash equivalents at beginning of the period		1,280,046	3,709,604
Cash and cash equivalents at end of the period	5	167,735	1,464,428

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management

Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund'; prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 1.8 million net off charge for SWWF in respect of element of income. Consequently, the 'net assets attributable to the unit holders' as shown in the 'Statement of Assets and Liabilities' would have been higher by Rs 37,000 with insignificant effect on the NAV per unit of the Fund as shown in the 'Statement of Movement in Unit Holders' Fund'. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective



During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

5. BALANCES WITH BANKS	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
In saving accounts	5.1	150,820	1,264,097
In current accounts		16,915	15,949
		167,735	1,280,046

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.00% per annum (June 30, 2017: 2.00% to 6.10% per annum).

6. INVESTMENTS	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Investments - 'at fair value through profit or loss'	6.1	1,839,345	3,689,101
Investments - 'loans and receivables	6.2	100,000	-
		1,939,345	3,689,101

6.1 Investments - 'at fair value through profit or loss'

Name of the security	Maturity date	Profit rate	As at July 01, 2017	Purchases during the period	Sales / matured during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised diminution as at December 31, 2017	Percentage in relation to	
			(Number of certificates)				(Rupees in '000)			Net assets of the fund on the basis of market value	Total market value of investments
GoP Ijarah Sukuk Certificates - XVI (note 6.1.1)	December 18, 2018	Weighted average 6 months T-Bills	16,330	-	12,200	4,130	421,219	415,932	(5,287)	17.60	21.45
GoP Ijarah Sukuk Certificates - XVII (note 6.1.1)	February 15, 2019	Weighted average 6 months T-Bills	19,660	-	5,862	13,798	1,420,228	1,398,428	(21,800)	59.16	72.11
GoP Ijarah Sukuk Certificates - XIX (note 6.1.1)	June 30, 2020	Weighted average 6 months T-Bills	-	250	-	250	25,020	24,985	(35)	1.06	1.29
Total							1,866,467	1,839,345	(27,122)		
Total cost of investments							<u>1,866,467</u>				

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

6.2 Investments - 'loans and receivables'

Name of the bank	Maturity date	Profit rate	As at July 01, 2017	Term deposit receipts purchased during the period	Matured during the period	As at December 31, 2017	Percentage in relation to	
							Total market value of investments	Net assets of the fund on the basis of market value
Habib Bank Limited - Islamic banking	May 7, 2018	5.9	-	100,000	-	100,000	5.16	4.23

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	13,183	12,690
Withholding tax payable		881	22,023
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	73,253	73,253
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,391	2,391
Printing expenses payable		183	356
Zakat payable		-	22
Auditors' remuneration payable		286	310
Brokerage payable		319	271
Shariah advisor fee payable		269	409
		90,765	111,725

8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.29 /0.56% (June 30, 2017: Re 0.15 / 0.29%).

8.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was 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 results 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 4, 2013.



The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 75.64 million (June 30, 2017: Rs 75.64 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs 1.66 (June 30, 2017: Re 0.90) per unit.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

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

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)		
Al Meezan Investment Management Limited		
- Management Company		
Remuneration payable	2,163	3,552
Sindh Sales Tax payable on management fee	281	462
Sales load payable	27	44
Sindh Sales Tax payable on sales load	4	6
Allocated expense payable	216	356
Meezan Bank Limited		
Balances with bank	45,229	36,625
Profit receivable on saving accounts	973	1,032
Sales load payable	86	203
Sindh Sales Tax on sales load payable	11	26
Investments of units: nil (June 30, 2017: 21,593,102 units)	-	1,109,885

	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	226	328
Sindh Sales Tax on trustee fee payable	29	43
Security deposit	100	100
Meezan Financial Planning Fund of Funds		
Investment of 408 units - MAAP - I (June 30, 2017: 908,615)	20	46,702
Investment of 808 units - MAAP - II (June 30, 2017: 1,579,961)	42	81,210
Directors and executives of the Management Company		
Investment of 31 units (June 30, 2017: 31,123 units)	2	1,600
Six Months period ended December 31,		
	2017	2016
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	17,165	46,613
Sindh Sales Tax on management fee	2,231	6,081
Allocated expenses	1,716	4,661
Meezan Bank Limited		
Profit on saving accounts	315	971
Units redeemed: 21,593,102 (December 31, 2016: nil units)	1,108,590	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,665	3,870
Sindh Sales Tax on trustee fee	216	504
CDS charges	3	3
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: nil (December 31, 2016: 1,974,344 units)	-	103,185
Units redeemed: nil (December 31, 2016: 1,716,576 units)	-	90,240
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: nil (December 31, 2016: 7,019,241 units)	-	365,344
Units redeemed: nil (December 31, 2016: 4,932,207 units)	-	258,600
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: nil (December 31, 2016: 5,300,653 units)	-	277,706
Units redeemed: nil (December 31, 2016: 1,697,115 units)	-	88,600
Meezan Financial Planning Fund of Funds - Meezan Capital Preservation Plan I		
Units issued: nil (December 31, 2016: 6,310,639 units)	-	325,780
Units redeemed: nil (December 31, 2016: 18,464,301 units)	-	952,198



**Six Months period ended
December 31,**

2017 2016
(Rupees in '000)

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

Units issued: nil (December 31, 2016: 55,963,748 units)
Units redeemed: nil (December 31, 2016: 60,590,213 units)

-	2,889,385
-	3,127,680

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: nil (December 31, 2016: 5,767,039 units)
Units redeemed: 908,207 units (December 31, 2016: 3,813,124 units)

-	295,000
46,700	197,820

Meezan Financial Planning Fund of Funds - MAAP - II

Units issued: nil (December 31, 2016: 3,614,960 units)
Units redeemed: 1,579,152 units (December 31, 2016: 1,978,827 units)

-	185,000
81,200	102,470

Meezan Capital Preservation Fund II

Units issued: nil (December 31, 2016: 3,163,924 units)
Units redeemed: nil (December 31, 2016: 7,611,868 units)

-	161,500
-	390,928

Directors and executives of the Management Company

Units issued: 121 units (December 31, 2016: 144,368 units)
Units redeemed: 29,999 units (December 31, 2016: 142,889 units)

6	7,557
1,536	7,483

10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

11. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 1.51% which include 0.25% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

12. TAXATION

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13. FINANCIAL INSTRUMENTS - FAIR VALUES

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

Note	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2017									
(Rupees in '000)									
Financial assets									
- measured at fair value									
Investments	1,839,345	-	-	-	1,839,345	-	1,839,345	-	1,839,345
Financial assets									
- not measured at fair value									
Balances with banks	-	-	167,735	-	167,735	-	-	-	167,735
Investments - loans and receivables	100,000	-	-	-	100,000	-	-	-	100,000
Receivable against conversion of units	-	37,808	-	-	37,808	-	-	-	37,808
Receivable against investments - net	-	302,479	-	-	302,479	-	-	-	302,479
Deposits, profit accrued and other receivables	-	44,010	-	-	44,010	-	-	-	44,010
	<u>1,939,345</u>	<u>384,297</u>	<u>167,735</u>	<u>-</u>	<u>2,491,377</u>				
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	2,691	2,691	-	-	-	2,691
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	255	255	-	-	-	255
Dividend payable	-	-	-	80	80	-	-	-	80
Payable to Meezan Bank Limited	-	-	-	97	97	-	-	-	97
Payable on redemption and conversion of units	-	-	-	32,407	32,407	-	-	-	32,407
Accrued expenses and other liabilities	-	-	-	76,701	76,701	-	-	-	76,701
	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,518</u>	<u>113,518</u>				

Note	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2017									
(Rupees in '000)									
Financial assets									
- measured at fair value									
Investments	3,689,101	-	-	-	3,689,101	-	3,689,101	-	3,689,101
Financial assets									
- not measured at fair value									
Balances with banks	-	-	1,280,046	-	1,280,046	-	-	-	1,280,046
Receivable against conversion of units	-	681,947	-	-	681,947	-	-	-	681,947
Deposits, profit accrued and other receivables	-	61,991	-	-	61,991	-	-	-	61,991
	<u>3,689,101</u>	<u>743,938</u>	<u>1,280,046</u>	<u>-</u>	<u>5,713,085</u>				
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	4,420	4,420	-	-	-	4,420
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	371	371	-	-	-	371
Payable to Meezan Bank Limited	-	-	-	229	229	-	-	-	229
Payable on redemption and conversion of units	-	-	-	1,189,116	1,189,116	-	-	-	1,189,116
Dividend payable	-	-	-	67,471	67,471	-	-	-	67,471
Payable to Securities and Exchange Commission of Pakistan	-	-	-	6,085	6,085	-	-	-	6,085
Accrued expenses and other liabilities	-	-	-	76,990	76,990	-	-	-	76,990
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344,682</u>	<u>1,344,682</u>				



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

14. GENERAL

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

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

From	As at June 30, 2017 (Rupees in '000)
Receivable against issuance and conversion of units	36,785

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director





Meezan Cash Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahran-e-Faisal, Karachi 74400, Pakistan.
Phone: (9221) 35630722-8, 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. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CASH FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Cash Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A·F·FERGUSON&Co.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Cash Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the six months period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 21, 2018

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Assets			
Balances with banks	5	6,367,719	3,749,675
Investments	6	1,430,000	-
Receivable against conversion of units		757,412	719,801
Profit receivable		72,417	37,071
Deposits and prepayments		464	596
Total assets		8,628,012	4,507,143
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		8,242	4,550
Payable to Central Depository Company of Pakistan Limited - Trustee		632	375
Payable to Securities and Exchange Commission of Pakistan		2,307	2,903
Payable on redemption and conversion of units		235,444	1,096,454
Dividend payable		-	4,552
Accrued expenses and other liabilities	8	36,702	47,915
Total liabilities		283,327	1,156,749
Net assets		8,344,685	3,350,394
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		8,344,685	3,350,394
		(Number of units)	
Number of units in issue		162,152,478	66,430,638
		(Rupees)	
Net assets value per unit		51.46	50.43

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
(Rupees in '000)					
Income					
Profit on term deposit receipts		18,634	15,827	14,563	7,751
Profit on sukuk certificates		-	6,845	-	4,604
Profit on saving accounts with banks		151,754	79,328	86,617	40,300
Total income		170,388	102,000	101,180	52,655
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		30,762	16,861	18,182	8,357
Sindh Sales Tax on management fee		3,999	2,192	2,364	1,086
Allocated expenses	9	3,076	1,686	1,818	836
Remuneration to Central Depository Company of Pakistan Limited - Trustee		2,685	1,643	1,552	816
Sindh Sales Tax on trustee fee		349	214	202	107
Annual fee to Securities and Exchange Commission of Pakistan		2,307	1,265	1,363	627
Auditors' remuneration		277	275	131	130
Fees and subscription		433	473	217	201
Legal and professional charges		27	33	27	-
Bank and settlement charges		138	110	40	50
Provision for Sindh Workers' Welfare Fund		2,526	-	1,506	-
Printing expense		59	-	29	-
Total expenses		46,638	24,752	27,431	12,210
Net income from operating activities		123,750	77,248	73,749	40,445
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	5,024	-	4,941
Net income for the period before taxation		123,750	82,272	73,749	45,386
Taxation	12	-	-	-	-
Net income for the period after taxation		123,750	82,272	73,749	45,386
Allocation of net income for the period					
Net income for the period after taxation		123,750	82,272	73,749	45,386
Income already paid on units redeemed		(36,893)	-	(30,606)	-
		86,857	82,272	43,143	45,386
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		86,857	-	43,143	-
		86,857	-	43,143	-

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net income for the period after taxation	123,750	82,272	73,749	45,386
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	123,750	82,272	73,749	45,386

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six Months period ended December 31, 2017 ----- (Rupees in '000) -----				Six Months period ended December 31, 2016 ----- (Rupees in '000) -----			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	3,314,546	35,848	-	3,350,394	3,415,326	16,456	-	3,431,782
Issuance of 293,106,389 units (2016: 170,217,999 units)								
- Capital value (at net asset value per unit at the beginning of the period)	14,781,355	-	-	14,781,355				
- Element of income	173,630	-	-	173,630				
Total proceeds on issuance of units	14,954,985	-	-	14,954,985	8,534,730	130,144	-	8,664,874
Redemption of 197,384,549 units (2016: 168,372,882 units)								
- Capital value (at net asset value per unit at the beginning of the period)	9,954,103	-	-	9,954,103				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	36,893	-	36,893				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	93,448	-	-	93,448				
Total payments on redemption of units	10,047,551	36,893	-	10,084,444	8,442,215	125,120	-	8,567,335
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(5,024)	-	(5,024)
Total comprehensive income for the period	-	123,750	-	123,750	-	82,272	-	82,272
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	123,750	-	123,750	-	82,272	-	82,272
Net assets at end of the period	8,221,980	122,705	-	8,344,685	3,507,841	98,728	-	3,606,569
Undistributed income brought forward								
- Realised income		35,848				16,456		
- Unrealised income		-				-		
Accounting income available for distribution		35,848				16,456		
- Relating to capital gains		-				-		
- Excluding capital gains		86,857				-		
Net income for the period after taxation		-				82,272		
Distribution during the period		-				-		
Undistributed income carried forward		122,705				98,728		
Undistributed income carried forward								
- Realised income		122,705				98,728		
- Unrealised income		-				-		
		122,705				98,728		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				50.43				50.14
Net assets value per unit at end of the period				51.46				51.31

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six Months period ended December 31,	
	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	123,750	82,272
Adjustments for:		
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(5,024)
	123,750	77,248
(Increase) / decrease in assets		
Investments - net	(650,000)	300,000
Deposits and prepayments	132	110
Profit receivable	(35,346)	11,897
	(685,214)	312,007
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	3,692	41
Payable to Central Depository Company of Pakistan Limited - Trustee	257	(46)
Payable to Securities and Exchange Commission of Pakistan	(596)	(2,487)
Accrued expenses and other liabilities	(11,213)	(13,167)
	(7,860)	(15,659)
Net cash (used in) / generated from operating activities	(569,324)	373,596
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	14,917,374	9,483,873
Payments against redemption and conversion of units	(10,945,454)	(9,030,121)
Dividend paid	(4,552)	(25)
Net cash generated from financing activities	3,967,368	453,727
Net increase in cash and cash equivalents during the period	3,398,044	827,323
Cash and cash equivalents at beginning of the period	5.3 3,749,675	2,038,551
Cash and cash equivalents at end of the period	7,147,719	2,865,874

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Cash Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders with safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been given a quality rating of AM1 and the Fund has been given a stability rating AA(f) given by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust



Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs 42.423 million net off charge for SWWF in respect of element of income. Consequently, the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' would have been lower by Rs 866,000 and Re. 0.01 respectively. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective



During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

5. BALANCES WITH BANKS	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
In saving accounts	5.1 & 5.2	6,353,134	3,724,466
In current accounts		14,585	25,209
		6,367,719	3,749,675

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

5.2 The balances include Rs 197.83 million (June 30, 2017: Rs 33.86 million) with a related party, Meezan Bank Limited, on which average return is earned at 2.40% (June 30, 2017: 2.40%) per annum.

5.3 Cash and cash equivalents	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Balances with banks	5	6,367,719	3,749,675
Term deposit receipts			
- having original maturity of 3 months or less	6	780,000	-
		7,147,719	3,749,675

6. INVESTMENTS

Term deposit receipts

- having original maturity of 3 months or less	6.1	780,000	-
- having original maturity of more than 3 months		650,000	-
		1,430,000	-

6.1 Loans and receivables - Term deposit receipts (TDR)

Name of the bank	Maturity date	Profit rate	As at July 01, 2017	Term deposit receipts purchased during the period	Matured during the period	As at December 31, 2017	Percentage in relation to	
							Net assets of the fund on the basis of market value	Total market value of investments
							---	%
(Rupees in '000)							---	%
Bank Al Habib Limited	November 1, 2017	5.80%	-	420,000	(420,000)	-	-	-
Bank Al Habib Limited	February 1, 2018	5.85%	-	670,000	-	670,000	8.03	46.85
Habib Bank Limited	May 7, 2018	5.90%	-	650,000	-	650,000	7.79	45.45
Habib Bank Limited	January 29, 2018	6.20%	-	110,000	-	110,000	1.32	7.70
Total						1,430,000		

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

	Note	December 31, 2017 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	8,617	6,091
Withholding tax payable		2,815	16,450
Provision for Federal Excise Duty and related Sindh Sales tax on management fee	8.2	24,687	24,687
Shariah advisor fee payable		271	268
Auditors' remuneration		258	295
Printing expense payable		9	98
Zakat payable		45	26
		36,702	47,915

8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.05 / 0.10% (June 30, 2017: Re 0.09 / 0.18%). "

8.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.



Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, the Fund has retained the provision on FED and related Sindh Sales Tax on management fee made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 24.69 million (June 30, 2017: Rs 24.69 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.15 (June 30, 2017: Re 0.37) per unit.

9. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

10. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 1.52 % which include 0.30 % representing government levy, Sindh Workers' Welfare Fund and SECP fee.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	<u>6,701</u>	<u>3,700</u>
Sindh Sales Tax payable on management fee	<u>871</u>	<u>481</u>
Allocated expenses payable	<u>670</u>	<u>369</u>
Meezan Bank Limited		
Balance with bank	<u>197,825</u>	<u>33,858</u>
Profit receivable on saving accounts	<u>1,842</u>	<u>1,441</u>
Investment of at 10,303,266 units (June 30, 2017: Nil units)	<u>530,206</u>	<u>-</u>

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>567</u>	<u>340</u>
Sindh Sales Tax on trustee fee payable	<u>65</u>	<u>35</u>
Security deposit	<u>100</u>	<u>100</u>
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,252,184 units (June 30, 2017: 1,868,717 units)	<u>64,437</u>	<u>94,239</u>
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 2,194,242 units (June 30, 2017: 3,034,510 units)	<u>112,916</u>	<u>153,030</u>
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,475,335 units (June 30, 2017: 2,028,032 units)	<u>75,921</u>	<u>102,274</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 655,375 units (June 30, 2017: 1,876,917 units)	<u>33,726</u>	<u>94,653</u>
Meezan Financial Planning Fund of Funds - MAAP - II		
Investment of 12,314,473 units (June 30, 2017: 1,574,963 units)	<u>633,703</u>	<u>79,425</u>
Meezan Financial Planning Fund of Funds - MAAP - III		
Investment of 8,657,820 units (June 30, 2017: Nil)	<u>445,531</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investment of 1,428,267 units (June 30, 2017: 1,406,135 units)	<u>73,499</u>	<u>70,911</u>
	Six Months period ended December 31,	
	2017	2016
	(Unaudited)	
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	<u>30,762</u>	<u>16,861</u>
Sindh Sales Tax on management fee	<u>3,999</u>	<u>2,192</u>
Allocated expenses	<u>3,076</u>	<u>1,686</u>
Meezan Bank Limited		
Profit on saving accounts	<u>1,173</u>	<u>406</u>
Units issued: 10,303,266 units (December 31, 2016: Nil units)	<u>530,103</u>	<u>-</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	<u>2,685</u>	<u>1,643</u>
Sindh Sales Tax on trustee fee for the period	<u>349</u>	<u>214</u>
CDS charges	<u>3</u>	<u>3</u>
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: 66,460 units (December 31, 2016: Nil units)	<u>3,388</u>	<u>-</u>
Units redeemed: 682,993 units (December 31, 2016: Nil units)	<u>34,696</u>	<u>-</u>



	Six Months period ended December 31,	
	2017 (Unaudited) (Rupees in '000)	2016
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: 194,925 units (December 31, 2016: Nil units)	9,937	-
Units redeemed: 1,035,193 units (December 31, 2016: Nil units)	<u>52,801</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: 58,309 units (December 31, 2016: Nil units)	3,000	-
Units redeemed: 611,006 units (December 31, 2016: Nil units)	<u>31,190</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 3,634,077 units (December 31, 2016: 448,512 units)	185,030	23,013
Units redeemed: 4,855,619 units (December 31, 2016: Nil units)	<u>248,250</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - MAAP - II		
Units issued: 11,966,935 units (December 31, 2016: 1,711,988 units)	613,521	87,842
Units redeemed: 1,227,425 units (December 31, 2016: Nil units)	<u>63,060</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - MAAP - III		
Units issued: 22,165,302 units (December 31, 2016: Nil units)	1,132,680	-
Units redeemed: 13,507,482 units (December 31, 2016: Nil units)	<u>693,930</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - MAAP - IV		
Units issued: 391,619 units (December 31, 2016: Nil units)	20,000	-
Units redeemed: 369,487 units (December 31, 2016: Nil units)	<u>18,950</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 3,993,262 units (December 31, 2016: Nil units)	201,500	-
Units redeemed: 504,440 units (December 31, 2016: Nil units)	<u>25,570</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - II		
Units redeemed: 11,875 units (December 31, 2016: Nil units)	610	-
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 3,606,817 units (December 31, 2016: Nil units)	182,000	-
Units redeemed: 15,549 units (December 31, 2016: Nil units)	<u>800</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 2,576,298 units (December 31, 2016: Nil units)	130,000	-
Units redeemed: 38,320 units (December 31, 2016: Nil units)	<u>1,970</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 8,654,895 units (December 31, 2016: Nil units)	441,000	-
Units redeemed: 6,255,495 units (December 31, 2016: Nil units)	<u>319,408</u>	<u>-</u>
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units issued: 1,001,499 units (December 31, 2016: Nil units)	51,500	-
Directors and Executives of the Management Company		
Units issued: 228,856 units (December 31, 2016: 28,474 units)	11,670	1,453
Units redeemed: 131,130 units (December 31, 2016: 93,658 units)	<u>6,696</u>	<u>4,806</u>

12. TAXATION

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13. FINANCIAL INSTRUMENTS

The following table shows the carrying amounts of financial assets and financial liabilities. The Fund has not disclosed the fair values for these financial assets and liabilities because their carrying amounts are a reasonable approximation of their fair values.

		Carrying amount				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total
December 31, 2017		(Rupees in '000)				
Financial assets						
Balances with banks		-	-	6,367,719	-	6,367,719
Investments - 'loans and receivables'						
- Term deposit receipts		1,430,000	-	-	-	1,430,000
Receivable against conversion of units		-	757,412	-	-	757,412
Profit receivable		-	72,417	-	-	72,417
Deposits		-	300	-	-	300
		1,430,000	830,129	6,367,719	-	8,627,848
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	8,242	8,242
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	632	632
Payable on redemption and conversion of units		-	-	-	235,444	235,444
Accrued expenses and other liabilities		-	-	-	583	583
		-	-	-	244,901	244,901
June 30, 2017		(Rupees in '000)				
Financial assets						
Balances with banks		-	-	3,749,675	-	3,749,675
Receivable against conversion of units		-	719,801	-	-	719,801
Profit receivable		-	37,071	-	-	37,071
Deposits		-	300	-	-	300
		-	757,172	3,749,675	-	4,506,847
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	4,550	4,550
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	375	375
Payable on redemption and conversion of units		-	-	-	1,096,454	1,096,454
Dividend payable		-	-	-	4,552	4,552
Accrued expenses and other liabilities		-	-	-	25,348	25,348
		-	-	-	1,131,279	1,131,279



14. GENERAL

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

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

From	To	As at June 30, 2017 (Rupees in '000)
Receivable against issuance and conversion of units	Balances with banks	18,970

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director





Meezan

Financial Planning Fund of Funds

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Alif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Alif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**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.
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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Financial Planning Fund of Funds (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 21, 2018





A.F.FERGUSON & Co.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Financial Planning Fund Of Funds** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 and in respect of Meezan Capital Preservation Plan I for the period from October 1, 2016 to October 27, 2016, have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

Scope of Review

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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the period ended December 31, 2016 was reviewed and the financial statements of the Fund for the year ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2017

		December 31, 2017 (Unaudited)								
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
Note		(Rupees in '000)								
Assets										
	Balances with banks	5	6,749	4,015	6,296	6,550	2,820	1,089	1,895	29,414
	Investments	6	515,399	303,624	301,051	838,858	725,322	2,295,051	598,028	5,577,333
	Preliminary expenses and floatation cost		-	-	57	-	-	-	-	57
	Receivable against conversion of units		73	514	4,447	-	-	-	-	5,034
	Receivable against sale of investments - net		5,000	-	-	-	-	-	-	5,000
	Profit receivable on saving accounts with banks		6	21	8	99	3	75	49	261
	Total assets		527,227	308,174	311,859	845,507	728,145	2,296,215	599,972	5,617,099
Liabilities										
	Payable to AI Meezan Investment Management Limited - Management Company		60	27	42	114	69	197	52	561
	Payable to Central Depository Company of Pakistan Limited - Trustee		43	21	32	61	59	173	45	434
	Payable to Meezan Bank Limited		2	-	-	-	-	-	-	2
	Payable to Securities and Exchange Commission of Pakistan		266	168	174	474	409	1,214	331	3,036
	Payable on redemption and conversion of units		4,901	12,431	572	-	66	262	123	18,355
	Accrued expenses and other liabilities	8	3,906	2,848	1,792	10,710	7,550	23,352	5,404	55,562
	Total liabilities		9,178	15,495	2,612	11,359	8,153	25,198	5,955	77,950
	Net assets		518,049	292,679	309,247	834,148	719,992	2,271,017	594,017	5,539,149
	Contingencies and commitments	7								
	Unitholders' fund (as per statement attached)		518,049	292,679	309,247	834,148	719,992	2,271,017	594,017	5,539,149
----- (Number of units) -----										
	Number of units in issue		7,441,182	4,426,818	4,826,977	14,251,284	13,469,909	43,052,359	12,787,569	
----- (Rupees) -----										
	Net assets value per unit		69.62	66.11	64.07	58.53	53.45	52.75	46.45	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

Note	June 30, 2017 (Audited)								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											
	5	12,939	6,239	2,815	2,009	5,981	12,981	2,670	1,676,547	3,368,527	5,090,708
	6	628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	-	-	7,526,048
		-	-	157	-	-	-	-	-	-	157
		3	-	1,942	-	-	-	-	-	-	1,945
		5,000	33,875	19,000	-	5,700	24,700	-	-	-	88,275
		2	24	24	18	5	90	49	742	595	1,549
		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											
		106	42	165	113	86	264	76	183	258	1,293
		54	32	38	95	73	220	64	107	191	874
		3	-	-	-	-	-	-	-	-	3
		601	477	421	1,330	982	3,003	892	509	2,220	10,435
		12,138	35,568	16,013	300	11,103	35,438	123	-	-	110,683
		298	900	63	-	-	-	-	-	-	1,261
	8	10,872	4,404	1,922	15,425	11,841	33,143	8,169	19,780	42,321	147,877
		24,072	41,423	18,622	17,263	24,085	72,068	9,324	20,579	44,990	272,426
		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											
	7										
		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)											
		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)											
		79.83	72.04	66.33	62.41	62.40	61.87	54.42	50.00	50.00	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

		Six months period ended December 31, 2017								
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
Note		(Rupees in '000)								
Income										
	Net realised loss on sale of investments	(4,912)	(5,581)	(3,165)	(55,844)	(140,211)	(435,754)	(17,290)	(662,757)	
	Back end load income	-	-	-	55	9	-	32	96	
	Profit on saving accounts with banks	126	48	102	407	40	160	25	908	
		(4,786)	(5,533)	(3,063)	(55,382)	(140,162)	(435,594)	(17,233)	(661,753)	
	Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	6.1	(72,752)	(25,590)	(9,265)	(9,255)	4,166	21,457	(93,582)	(184,821)
	Total Loss	(77,538)	(31,123)	(12,328)	(64,637)	(135,996)	(414,137)	(110,815)	(846,574)	
Expenses										
	Remuneration to AI Meezan - Management Company	67	34	57	219	19	82	24	502	
	Sindh Sales Tax on management fee	9	4	7	28	3	11	3	65	
	Allocated expenses	281	177	183	499	431	1,278	349	3,198	
	Remuneration to CDC - Trustee	222	140	145	394	340	1,009	275	2,525	
	Sindh Sales Tax on trustee fee	29	18	19	51	44	131	36	328	
	Annual fee to SECP	266	168	174	474	409	1,214	331	3,036	
	Auditors' remuneration	28	18	18	49	42	126	35	316	
	Fees and subscription	14	9	10	26	22	65	18	164	
	Amortisation of preliminary expenses and floatation costs	-	-	100	-	-	-	-	100	
	Transaction cost	-	-	-	162	-	-	-	162	
	Bank and settlement charges	5	9	12	8	7	13	8	62	
	Printing charges	33	20	21	62	50	149	44	379	
	Total expenses	954	597	746	1,972	1,367	4,078	1,123	10,837	
	Net loss for the period before taxation	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)	
	Taxation	12	-	-	-	-	-	-	-	
	Net loss for the period after taxation	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)	
	Allocation of net income for the period									
	Net loss for the period after taxation	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)	
	Income already paid on units redeemed	-	-	-	-	-	-	-	-	
		(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)	
	Accounting income available for distribution									
	- Relating to capital gains	-	-	-	-	-	-	-	-	
	- Excluding capital gains	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six months period ended December 31, 2016									From July 1, to October 27, 2016
	Aggressive	Moderate	Conservative	MCPP-I	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	Total
	(Rupees in '000)									
Income										
Net realised gain on sale of investments	30,067	11,822	16,645	175,875	21,840	13,206	34,665	3,317	97,417	404,854
Back end load income	-	-	-	3,266	566	135	2,516	132	143	6,758
Profit on saving accounts with banks	117	255	151	78	97	200	105	266	799	2,068
Other income	36	20	-	-	7	-	5	-	81	149
	30,220	12,097	16,796	179,219	22,510	13,541	37,291	3,715	98,440	413,829
Net unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'	63,117	51,354	22,248	151,691	242,829	177,794	547,131	154,203	-	1,410,367
Total income	93,337	63,451	39,044	330,910	265,339	191,335	584,422	157,918	98,440	1,824,196
Expenses										
Remuneration to Al Meezan - Management Company	56	96	62	43	36	76	42	87	83	581
Sindh Sales Tax on management fee	7	12	8	6	5	10	5	11	11	75
Allocated expenses	253	234	223	1,577	680	502	1,531	458	535	5,993
Remuneration to CDC - Trustee	195	181	172	1,216	525	387	1,180	353	413	4,622
Sindh Sales Tax on trustee fee	25	24	22	158	68	50	153	46	54	600
Annual fee to SECP	240	223	212	1,499	647	477	1,455	435	509	5,697
Auditors' remuneration	16	16	12	106	44	30	86	31	28	369
Fees and subscription	8	7	5	48	21	18	46	14	19	186
Amortisation of preliminary expenses and floatation costs	-	-	102	-	-	-	-	-	-	102
Legal and professional charges	1	1	1	9	4	3	8	2	5	34
Bank and settlement charges	1	2	-	-	3	-	-	-	-	6
Printing charges	17	13	12	113	48	31	106	19	60	419
Total expenses	819	809	831	4,775	2,081	1,584	4,612	1,456	1,717	18,684
Net income from operating activities	92,518	62,642	38,213	326,135	263,258	189,751	579,810	156,462	96,723	1,805,512
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	15,895	35,041	(2,082)	(2,291)	(6,959)	(398)	(5,938)	9,540	(27,599)	15,209
Net income for the period before taxation	108,413	97,683	36,131	323,844	256,299	189,353	573,872	166,002	69,124	1,820,721
Taxation	-	-	-	-	-	-	-	-	-	-
Net income for the period after taxation	108,413	97,683	36,131	323,844	256,299	189,353	573,872	166,002	69,124	1,820,721

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Quarter ended December 31, 2017							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
	(Rupees in '000)							
Income								
Net realised (loss) / gain on sale of investments	(3,370)	(4,802)	(2,961)	11,298	(136,069)	(423,292)	(12,927)	(572,123)
Back end load income	-	-	-	55	2	-	-	57
Profit on saving accounts with banks	54	20	41	384	23	65	7	594
	<u>(3,316)</u>	<u>(4,782)</u>	<u>(2,920)</u>	<u>11,737</u>	<u>(136,044)</u>	<u>(423,227)</u>	<u>(12,920)</u>	<u>(571,472)</u>
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value' through profit or loss' (net)	(25,413)	(6,071)	(1,317)	(15,586)	86,368	265,116	(25,498)	277,599
Total loss	<u>(28,729)</u>	<u>(10,853)</u>	<u>(4,237)</u>	<u>(3,849)</u>	<u>(49,676)</u>	<u>(158,111)</u>	<u>(38,418)</u>	<u>(293,873)</u>
Expenses								
Remuneration to AI Meezan - Management Company	24	12	25	191	12	33	4	301
Sindh Sales Tax on management fee	4	1	3	24	2	5	-	39
Allocated expenses	138	81	84	203	202	595	158	1,461
Remuneration to CDC-Trustee	106	65	67	161	160	472	125	1,156
Sindh Sales Tax on trustee fee	14	9	9	21	21	61	16	151
Annual fee to SECP	126	77	80	193	191	565	149	1,381
Auditors' remuneration	14	8	8	20	19	58	16	143
Fees and subscription	6	4	5	10	9	28	8	70
Amortisation of preliminary expenses and floatation costs	-	-	50	-	-	-	-	50
Transaction cost	-	-	-	1	-	-	-	1
Bank and settlement charges	-	3	5	6	3	2	4	23
Printing charges	32	19	20	60	49	145	42	367
Total expenses	<u>464</u>	<u>279</u>	<u>356</u>	<u>890</u>	<u>668</u>	<u>1,964</u>	<u>522</u>	<u>5,143</u>
Net loss for the quarter before taxation	<u>(29,193)</u>	<u>(11,132)</u>	<u>(4,593)</u>	<u>(4,739)</u>	<u>(50,344)</u>	<u>(160,075)</u>	<u>(38,940)</u>	<u>(299,016)</u>
Taxation	-	-	-	-	-	-	-	-
Net loss for the quarter after taxation	<u>(29,193)</u>	<u>(11,132)</u>	<u>(4,593)</u>	<u>(4,739)</u>	<u>(50,344)</u>	<u>(160,075)</u>	<u>(38,940)</u>	<u>(299,016)</u>
Allocation of net loss for the quarter								
Net loss for the quarter after taxation	(29,193)	(11,132)	(4,593)	(4,739)	(50,344)	(160,075)	(38,940)	(299,016)
Income already paid on units redeemed	-	-	-	-	-	-	-	-
	<u>(29,193)</u>	<u>(11,132)</u>	<u>(4,593)</u>	<u>(4,739)</u>	<u>(50,344)</u>	<u>(160,075)</u>	<u>(38,940)</u>	<u>(299,016)</u>
Accounting income available for distribution								
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Quarter ended December 31, 2016									For the period from October 1, 2016 to October 27, 2016
	Aggressive	Moderate	Conservative	MCPPI-I	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	Total
	(Rupees in '000)									
Income										
Realised gain on sale of investments	29,160	10,887	16,326	128,749	11,276	6,090	12,167	2,742	75,790	293,187
Back end load income	-	-	-	932	5	99	1,625	91	-	2,752
Profit on saving accounts with banks	80	162	100	34	66	81	30	18	735	1,306
Other income	36	20	-	-	7	-	5	-	81	149
	29,276	11,069	16,426	129,715	11,354	6,270	13,827	2,851	76,606	297,394
Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss'	40,194	36,444	12,948	92,855	176,862	130,348	401,915	126,533	(56,167)	961,932
Total income	69,470	47,513	29,374	222,570	188,216	136,618	415,742	129,384	20,439	1,259,326
Expenses										
Remuneration to Al Meezan - Management Company	47	75	45	20	21	30	17	7	52	314
Sindh Sales Tax on management fee	6	9	6	3	3	4	2	1	7	41
Allocated expenses	136	135	132	800	345	258	782	242	123	2,953
Remuneration to CDC - Trustee	105	105	102	617	267	199	603	187	96	2,281
Sindh Sales Tax on trustee fee	13	14	13	80	34	26	78	24	13	295
Annual fee to SECP	129	129	125	760	328	245	743	230	117	2,806
Auditors' remuneration	11	12	8	79	31	20	56	22	11	250
Fees and subscription	5	4	2	19	8	10	18	7	3	76
Amortisation of preliminary expenses and floatation costs	-	-	52	-	-	-	-	-	-	52
Legal and professional charges	1	1	1	9	4	3	8	2	5	34
Bank and settlement charges	1	1	-	-	3	-	-	-	-	5
Printing charges	16	12	11	104	44	30	99	18	56	390
Total expenses	470	497	497	2,491	1,088	825	2,406	740	483	9,497
Net income from operating activities	69,000	47,016	28,877	220,079	187,128	135,793	413,336	128,644	19,956	1,249,829
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	15,806	33,534	(3,448)	(924)	(6,053)	(339)	(4,495)	(188)	(27,458)	6,435
Taxation	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the quarter after taxation	84,806	80,550	25,429	219,155	181,075	135,454	408,841	128,456	(7,502)	1,256,264

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six months period ended December 31, 2017							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
	(Rupees in '000)							
Net loss for the period after taxation	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	<u>(78,492)</u>	<u>(31,720)</u>	<u>(13,074)</u>	<u>(66,609)</u>	<u>(137,363)</u>	<u>(418,215)</u>	<u>(111,938)</u>	<u>(857,411)</u>

	Six months period ended December 31, 2016									Total
	Aggressive	Moderate	Conservative	M CPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	M CPP-I	
	(Rupees in '000)									
Net income for the period after taxation	108,413	97,683	36,131	323,844	256,299	189,353	573,872	166,002	69,124	1,820,721
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>108,413</u>	<u>97,683</u>	<u>36,131</u>	<u>323,844</u>	<u>256,299</u>	<u>189,353</u>	<u>573,872</u>	<u>166,002</u>	<u>69,124</u>	<u>1,820,721</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

	Quarter ended December 31, 2017							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
	(Rupees in '000)							
Net loss for the period after taxation	(29,193)	(11,132)	(4,593)	(4,739)	(50,344)	(160,075)	(38,940)	(299,016)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	(29,193)	(11,132)	(4,593)	(4,739)	(50,344)	(160,075)	(38,940)	(299,016)

	Quarter ended December 31, 2016								Total	
	Aggressive	Moderate	Conservative	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV		
	(Rupees in '000)									
Net income / (loss) for the period after taxation	84,806	80,550	25,429	219,155	181,075	135,454	408,841	128,456	(7,502)	1,256,264
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	84,806	80,550	25,429	219,155	181,075	135,454	408,841	128,456	(7,502)	1,256,264

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

Six months period ended December 31, 2017
 Aggressive (Rupees in '000)

Six months period ended December 31, 2017
 Moderate (Rupees in '000)

Six months period ended December 31, 2017
 Conservative (Rupees in '000)

Six months period ended December 31, 2017
 MAAFP I (Rupees in '000)

	Capital Value	Undistributed income	Unrealised (diminution) available for sale investments	Total	Capital Value	Undistributed income	Unrealised (diminution) available for sale investments	Total	Capital Value	Undistributed income	Unrealised (diminution) available for sale investments	Total	Capital Value	Undistributed income	Unrealised (diminution) available for sale investments	Total
Net assets at beginning of the period	447,919	174,215	-	622,134	298,428	109,381	-	407,809	325,714	87,683	-	413,397	987,898	263,414	-	1,251,312
Issuance of units:																
Aggressive: 1,369,540 units / Moderate: 967,967 units / Conservative: 2,701,275 units / MAAFP I: 6,393,960 units																
- Capital value (at net asset value per unit at the beginning of the period)	109,330	-	-	109,330	69,732	-	-	69,732	179,209	-	-	179,209	399,047	-	-	399,047
- Element of loss	(8,655)	-	-	(8,655)	(28,491)	-	-	(28,491)	(3,878)	-	-	(3,878)	(45,538)	-	-	(45,538)
Total proceeds on issuance of units	100,675	-	-	100,675	41,241	-	-	41,241	175,331	-	-	175,331	353,509	-	-	353,509
Redemption of units:																
Aggressive: 1,721,124 units / Moderate: 2,202,076 units / Conservative: 4,107,724 units / MAAFP I: 12,190,945 units / MAAFP II: 2,201,554 units / MAAFP III: 4,180,650 units / MAAFP IV: 3,018,594 units																
- Capital value (at net asset value per unit at the beginning of the period)	137,397	-	-	137,397	158,638	-	-	158,638	272,435	-	-	272,435	760,837	-	-	760,837
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'Net income for the period after taxation'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the period'	(11,129)	-	-	(11,129)	(33,987)	-	-	(33,987)	(6,028)	-	-	(6,028)	(56,773)	-	-	(56,773)
- Adjustment on units as element of income	126,268	-	-	126,268	124,651	-	-	124,651	266,407	-	-	266,407	704,064	-	-	704,064
Total payments on redemption of units	(78,492)	-	-	(78,492)	(31,720)	-	-	(31,720)	(13,074)	-	-	(13,074)	(66,609)	-	-	(66,609)
Total comprehensive loss for the period	(78,492)	-	-	(78,492)	(31,720)	-	-	(31,720)	(13,074)	-	-	(13,074)	(66,609)	-	-	(66,609)
Distribution during the period	(78,492)	-	-	(78,492)	(31,720)	-	-	(31,720)	(13,074)	-	-	(13,074)	(66,609)	-	-	(66,609)
Net loss for the period less distribution	(78,492)	-	-	(78,492)	(31,720)	-	-	(31,720)	(13,074)	-	-	(13,074)	(66,609)	-	-	(66,609)
Net assets at end of the period	422,326	95,723	-	518,049	215,018	77,661	-	292,679	234,638	74,609	-	309,247	637,343	196,805	-	834,148
Undistributed income brought forward	186,768	-	-	186,768	116,539	-	-	116,539	100,829	-	-	100,829	169,904	-	-	169,904
- Realised income	(12,553)	-	-	(12,553)	(7,158)	-	-	(7,158)	(13,146)	-	-	(13,146)	(93,510)	-	-	(93,510)
- Unrealised (loss) / income	174,215	-	-	174,215	109,381	-	-	109,381	87,683	-	-	87,683	263,414	-	-	263,414
Accounting income available for distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period after taxation	(78,492)	-	-	(78,492)	(31,720)	-	-	(31,720)	(13,074)	-	-	(13,074)	(66,609)	-	-	(66,609)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	95,723	-	-	95,723	77,661	-	-	77,661	74,609	-	-	74,609	196,805	-	-	196,805
Undistributed income carried forward	168,475	-	-	168,475	103,251	-	-	103,251	83,874	-	-	83,874	206,060	-	-	206,060
- Realised income	(72,752)	-	-	(72,752)	(25,590)	-	-	(25,590)	(9,255)	-	-	(9,255)	(49,255)	-	-	(49,255)
- Unrealised (loss) / income	95,723	-	-	95,723	77,661	-	-	77,661	74,609	-	-	74,609	196,805	-	-	196,805
Net asset value per unit as at beginning of the period	79.83	-	-	79.83	72.04	-	-	72.04	66.33	-	-	66.33	62.41	-	-	62.41
Net asset value per unit as at end of the period	69.62	-	-	69.62	66.11	-	-	66.11	64.07	-	-	64.07	58.53	-	-	58.53

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director



Meezan
Financial Planning
Fund of Funds

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Aggressive (Rupees in '000)		Moderate (Rupees in '000)		Conservative (Rupees in '000)		MCPPI (Rupees in '000)		MAFPI (Rupees in '000)						
	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016	Six months period ended December 31, 2016					
Net assets at beginning of the period	319,062	123,807	442,869	295,265	71,336	366,601	273,997	52,659	326,656	2,990,942	43,692	3,034,634	1,182,501	95,485	1,277,906
Issuance of units:															
Aggressive: 7,808,958 units	572,943	77,471	650,414	717,656	66,579	784,235	784,235	-	-	-	-	-	-	-	-
Moderate: 10,986,766 units	-	-	-	-	66,579	784,235	-	-	-	-	-	-	-	-	-
Conservative: 9,831,098 units	-	-	-	-	66,579	784,235	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	572,943	77,471	650,414	717,656	66,579	784,235	784,235	29,889	626,734	-	-	-	-	-	-
Redemption of units:															
Aggressive: 5,551,895 units	436,691	61,576	498,267	362,317	31,538	393,855	393,855	-	-	-	-	-	-	-	-
Moderate: 5,546,789 units	-	-	-	-	31,538	393,855	-	-	-	-	-	-	-	-	-
Conservative: 8,276,971 units	-	-	-	-	31,538	393,855	-	-	-	-	-	-	-	-	-
MCPPI: 1,226,133 units	-	-	-	-	-	502,494	31,971	-	534,465	-	-	64,493	-	-	-
MAFPI: 1,141,188 units	-	-	-	-	-	-	-	-	-	-	-	77,868	6,959	-	84,827
Total payments on redemption of units	436,691	61,576	498,267	362,317	31,538	393,855	502,494	31,971	534,465	62,202	2,291	64,493	77,868	6,959	84,827
Element of (income) / loss and capital (gains) / losses included in prices of units issued less: those in units redeemed - net	-	(15,895)	(15,895)	-	(35,041)	(35,041)	-	2,082	2,082	-	2,291	-	2,291	-	6,959
Total comprehensive income for the period	-	108,413	108,413	-	97,683	97,683	-	36,131	36,131	323,844	-	323,844	-	256,299	256,299
Distribution during the period	-	108,413	108,413	-	97,683	97,683	-	36,131	36,131	323,844	-	323,844	-	256,299	256,299
Net income for the period / less distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets at end of the period	455,314	232,220	687,534	650,604	169,019	819,623	363,348	88,790	457,138	2,928,740	367,536	3,296,276	1,106,633	351,704	1,456,337
Undistributed income brought forward	107,345	16,462	123,807	108,413	97,683	97,683	-	36,131	36,131	323,844	-	323,844	-	256,299	256,299
- Realised Income	16,462	4,508	20,970	16,462	4,508	20,970	-	6,106	6,106	18,860	-	18,860	-	74,917	74,917
- Unrealised Income / (loss)	90,883	11,954	92,837	91,952	93,176	91,672	-	29,924	29,924	104,984	-	104,984	-	181,382	181,382
Net income for the period after taxation	108,413	108,413	108,413	97,683	97,683	97,683	-	36,131	36,131	323,844	-	323,844	-	256,299	256,299
Distribution during the period	108,413	108,413	108,413	97,683	97,683	97,683	-	36,131	36,131	323,844	-	323,844	-	256,299	256,299
Undistributed income carried forward	232,220	232,220	232,220	169,019	169,019	169,019	-	88,790	88,790	367,536	-	367,536	-	351,704	351,704
Undistributed income carried forward	169,103	63,117	232,220	169,019	169,019	169,019	-	88,790	88,790	367,536	-	367,536	-	351,704	351,704
- Realised Income	169,103	63,117	232,220	169,019	169,019	169,019	-	88,790	88,790	367,536	-	367,536	-	351,704	351,704
- Unrealised (loss) / income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net asset value per unit as at beginning of the period	73.37	73.37	73.37	73.37	73.37	73.37	-	60.71	60.71	50.73	-	50.73	-	54.03	54.03
Net asset value per unit as at end of the period	87.10	87.10	87.10	87.10	87.10	87.10	-	65.92	65.92	56.25	-	56.25	-	65.57	65.57

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director



Meezan
Financial Planning
Fund of Funds

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	MAAP-I (Rupees in '000)		MAAP-III (Rupees in '000)		MAAP-IV (Rupees in '000)		MCP-I (Rupees in '000)		Total (Rupees in '000)							
	Six months period ended December 31, 2016	Six months period ended December 31, 2017	Six months period ended December 31, 2016	Six months period ended December 31, 2017	Six months period ended December 31, 2016	Six months period ended December 31, 2017	Six months period ended December 31, 2016	Six months period ended December 31, 2017	Six months period ended December 31, 2016	Six months period ended December 31, 2017						
Net assets at beginning of the period	844,960	80,267	925,227	2,638,295	212,712	2,851,007	549,256	(7,223)	531,933	1,411,254	164,392	1,575,646	10,505,532	826,947	-	11,332,479
Issuance of units:																
MAAP IV: 7,507,651 units	-	-	-	-	-	-	382,598	11,221	-	393,819	-	-	270,880	(27,458)	-	243,422
MCP-I: 4,668,448 bonus units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	382,598	11,221	-	393,819	-	-	270,880	(27,458)	-	243,422
Redemption of units:																
MAAP I: 72,293 units	3,958	398	4,356	-	-	84,068	-	-	-	-	-	-	-	-	-	-
MAAP II: 1,446,060 units	-	-	-	78,130	5,938	84,068	-	-	-	-	-	-	-	-	-	-
MAAP IV: 783,457 units	-	-	-	-	-	-	37,935	1,681	-	39,616	-	-	-	-	-	-
MCP-I: 151,250 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	3,958	398	4,356	78,130	5,938	84,068	37,935	1,681	-	39,616	-	-	2,852	141	-	2,993
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	5,938	-	-	(9,540)	(9,540)	-	-	27,599	-	-	(15,209)
Total comprehensive income for the period Distribution on October 26, 2016 @ 18.12% (Rs. 0.06 per unit)	-	189,353	-	189,353	-	573,872	-	573,872	166,002	166,002	-	69,124	-	998,351	-	998,351
Net income for the period less distribution	-	189,353	-	189,353	-	573,872	-	573,872	166,002	166,002	-	(256,088)	-	566,282	-	566,282
Net assets at end of the period	841,002	269,620	1,110,622	2,560,165	786,584	3,346,749	893,919	148,679	1,042,596	1,679,282	(22,572)	1,656,710	11,482,007	2,391,580	-	13,873,587
Undistributed income brought forward	-	16,973	-	41,877	-	5,938	-	(5,726)	-	120,478	-	-	-	440,862	-	440,862
- Realised income	63,294	-	-	170,835	-	170,835	-	(11,597)	-	43,914	-	-	-	377,085	-	377,085
- Unrealised income / (loss)	80,267	-	-	212,712	-	212,712	-	(7,223)	-	164,392	-	-	-	826,947	-	826,947
Net income for the period after taxation Distribution during the period	189,353	-	-	573,872	-	573,872	-	166,002	-	69,124	-	-	-	1,820,721	-	1,820,721
Undistributed income carried forward	269,620	-	-	786,584	-	786,584	-	148,679	-	(22,572)	-	-	-	2,391,580	-	2,391,580
Undistributed income carried forward	-	91,806	-	239,453	-	239,453	-	(5,524)	-	(2,572)	-	-	-	981,213	-	981,213
- Realised income / (loss)	177,794	-	-	547,131	-	547,131	-	154,203	-	148,679	-	-	-	1,410,367	-	1,410,367
- Unrealised (loss) / income	269,620	-	-	786,584	-	786,584	-	148,679	-	(2,572)	-	-	-	2,391,580	-	2,391,580
Net asset value per unit as at beginning of the period																
Net asset value per unit as at end of the period																

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six months period ended December 31, 2017							
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)							
CASH FLOWS FROM OPERATING ACTIVITIES								
Net loss for the period before taxation	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)
Adjustments for:								
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	72,752	25,590	9,265	9,255	(4,166)	(21,457)	93,582	184,821
Amortisation of preliminary expenses and floatation costs	-	-	100	-	-	-	-	100
	(5,740)	(6,130)	(3,709)	(57,354)	(141,529)	(439,672)	(18,356)	(672,490)
Decrease / (increase) in assets								
Investments - net	40,111	79,880	97,765	418,435	269,220	683,244	175,239	1,763,894
Receivable against investments - net	-	33,875	19,000	-	5,700	24,700	-	83,275
Profit receivable on saving accounts with banks	(4)	3	16	(81)	2	15	-	(49)
	40,107	113,758	116,781	418,354	274,922	707,959	175,239	1,847,120
Increase / (decrease) in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	(46)	(15)	(123)	1	(17)	(67)	(24)	(291)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	(11)	(6)	(34)	(14)	(47)	(19)	(142)
Payable to Meezan Bank Limited	(1)	-	-	-	-	-	-	(1)
Payable to Securities and Exchange Commission of Pakistan	(335)	(309)	(247)	(856)	(573)	(1,789)	(561)	(4,670)
Accrued expenses and other liabilities	(6,966)	(1,556)	(130)	(4,715)	(4,291)	(9,791)	(2,765)	(30,214)
	(7,359)	(1,891)	(506)	(5,604)	(4,895)	(11,694)	(3,369)	(35,318)
Net cash generated from operating activities	27,008	105,737	112,566	355,396	128,498	256,593	153,514	1,139,312
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance and conversion of units	100,605	40,727	172,826	353,509	-	-	-	667,667
Payments against redemption and conversion of units	(133,505)	(147,788)	(281,848)	(704,364)	(131,659)	(268,485)	(154,289)	(1,821,938)
Dividend paid	(298)	(900)	(63)	-	-	-	-	(1,261)
Net cash used in financing activities	(33,198)	(107,961)	(109,085)	(350,855)	(131,659)	(268,485)	(154,289)	(1,155,532)
Net (decrease) / increase in cash and cash equivalents during the period	(6,190)	(2,224)	3,481	4,541	(3,161)	(11,892)	(775)	(16,220)
Cash and cash equivalents at beginning of the period	12,939	6,239	2,815	2,009	5,981	12,981	2,670	45,634
Cash and cash equivalents at end of the period	6,749	4,015	6,296	6,550	2,820	1,089	1,895	29,414

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six months period ended December 31, 2016										From July 1, 2016 to October 27, 2016
	Aggressive	Moderate	Conservative	M CPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	M CPP-I	Total	
	(Rupees in '000)										
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income for the period before taxation	108,413	97,683	36,131	323,844	256,299	189,353	573,872	166,002	69,124	1,820,721	
Adjustments for:											
Net unrealised appreciation re-measurement of investments at fair value through profit or loss ¹	(63,117)	(51,354)	(22,248)	(151,691)	(242,829)	(177,794)	(547,131)	(154,203)	-	(1,410,367)	
Amortisation of preliminary expenses and floatation costs	-	-	102	-	-	-	-	-	-	102	
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(15,895)	(35,041)	2,082	2,291	6,959	398	5,938	(9,540)	27,599	(15,209)	
	29,401	11,288	16,067	174,444	20,429	11,957	32,679	2,259	96,723	395,247	
Decrease / (increase) in assets											
Investments - net	1,834	(341,023)	(134,745)	(87,195)	63,980	(11,736)	57,535	(445,597)	1,591,746	694,799	
Receivable against sale of investments - net	-	-	(8,200)	-	-	-	(7,010)	-	-	(15,210)	
Profit receivable on saving accounts with banks	(7)	(105)	(31)	2	(2)	15	8	128	(713)	(705)	
	1,827	(341,128)	(142,976)	(87,193)	63,978	(11,721)	50,533	(445,469)	1,591,033	678,884	
Increase / (decrease) in liabilities											
Payable to Al Meezan Investment Management Limited - Management Company	(3)	183	30	28	5	8	32	(1,132)	42	(807)	
Payable to Central Depository Company of Pakistan Limited - Trustee	10	25	24	22	11	13	36	54	(5)	190	
Payable to Meezan Bank Limited	21	-	19	-	-	-	-	(1,035)	-	(995)	
Payable to Securities and Exchange Commission of Pakistan	(126)	(82)	(21)	(1,413)	(304)	58	551	413	(979)	(1,903)	
Payable against purchase of investments - net	5,800	-	-	-	-	-	-	-	-	5,800	
Accrued expenses and other liabilities	(3,453)	(4,481)	(850)	(18,532)	(3,510)	(4,829)	(13,989)	(14,689)	(5,920)	(70,253)	
	2,249	(4,355)	(796)	(19,895)	(3,796)	(4,750)	(13,370)	(16,389)	(6,862)	(67,968)	
Net cash generated from / (used in) operating activities	33,477	(334,195)	(127,707)	67,356	80,609	(4,514)	69,842	(459,599)	1,680,894	1,006,163	
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts against issuance and conversion of units	543,755	784,536	656,425	-	-	-	-	453,034	-	2,437,750	
Payments against redemption and conversion of units	(496,723)	(392,376)	(525,535)	(64,368)	(84,825)	(4,351)	(77,416)	(39,616)	(15,659)	(1,700,859)	
Dividend paid	(25)	(165)	(53)	(802)	(3,788)	(2,629)	(356)	(269)	(142)	(8,229)	
Net cash generated from / (used in) financing activities	47,007	391,995	130,837	(65,170)	(88,613)	(6,980)	(77,772)	413,149	(15,801)	728,652	
Net increase / (decrease) in cash and cash equivalents during the period											
	80,484	57,800	3,130	2,186	(8,004)	(11,494)	(7,930)	(46,450)	1,665,093	1,734,815	
Cash and cash equivalents at beginning of the period	1,250	8,622	2,701	5,398	8,009	21,477	11,225	48,753	11,454	118,889	
Cash and cash equivalents at end of the period	81,734	66,422	5,831	7,584	5	9,983	3,295	2,303	1,676,547	1,853,704	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the 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 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for four plans Meezan Asset Allocation Plan-I (MAAP-I), Meezan Asset Allocation Plan-II (MAAP-II), Meezan Asset Allocation Plan-III (MAAP-III) and Meezan Asset Allocation Plan-IV (MAAP-IV) in which the offer of units is discontinued after the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property of different types of allocation plans is accounted for and maintained separately in the books of accounts, which shall collectively constitute the Fund's property of the Scheme.
- 1.5** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Plan, Moderate Plan, Conservative Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV by investing in Shariah compliant income, money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP. A brief description of the plans are 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 and at least 25 percent in Shariah Compliant Fixed Income Funds.
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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 and at least 45 percent in 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 and at least 70 percent in Shariah Compliant Fixed Income Funds.
Meezan Asset Allocation Plan I (MAAP-I)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan II (MAAP-II)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 11, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan III (MAAP-III)	<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. 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 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.

During the period, Meezan Asset Allocation Plan-I (MAAP-1) has been reopened for investment, after completion of two years. This plan has a new maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017).

- 1.7 During the prior period, Meezan Capital Preservation Plan I (MCPPI) and Meezan Capital Preservation Plan II (MCPPII) had matured on October 27, 2016 and March 24, 2017 respectively. The following are the remaining assets and liabilities as at December 31, 2017:



	MCPP-I	MCPP-II
	(Rupees in '000)	
Assets		
Balances with banks	6,793	23,072
Liabilities		
Provision for Sindh Workers' Welfare Fund	2,353	13,681
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	4,406	9,341
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	34	50
	6,793	23,072
Net assets	-	-

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 73.441 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.



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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

		As at December 31, 2017							
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
(Rupees in '000)									
Saving accounts	5.1	4,527	1,879	1,875	3,210	2,820	156	1,820	16,287
Current accounts		2,222	2,136	4,421	3,340	-	933	75	13,127
		6,749	4,015	6,296	6,550	2,820	1,089	1,895	29,414

		As at June 30, 2017									
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II	Total	
(Rupees in '000)											
Saving accounts	5.1	10,519	4,817	2,320	1,974	5,687	10,767	2,563	1,676,547	3,368,527	5,083,721
Current accounts		2,420	1,422	495	35	294	2,214	107	-	-	6,987
		12,939	6,239	2,815	2,009	5,981	12,981	2,670	1,676,547	3,368,527	5,090,708

5.1 The balance in savings accounts have an expected profit ranging from 2.00% to 5.60% (June 30, 2017: 2.00% to 2.40%) per annum.

		As at December 31, 2017							
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
(Rupees in '000)									
Investments - 'at fair value through profit or loss' - held for trading	6.1	515,399	303,624	301,051	838,858	725,322	2,295,051	598,028	5,577,333

		As at June 30, 2017									
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II	Total	
(Rupees in '000)											
Investments - 'at fair value through profit or loss' - held for trading		628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	-	-	7,526,048

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

Name of Investee Funds	As at July 01, 2017	Purchases during the period	Sale during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised (diminution)/ appreciation as at December 31, 2017	Percentage in relation to	
	(Number of units)			(Rupees in '000)			(Percentage)		
								Net assets of the Fund on the basis of market value	Total market value of investments
Aggressive Allocation Plan									
Meezan Islamic Fund	5,755,580	1,048,388	672,159	6,131,809	461,573	386,549	(75,024)	74.62	75.00
Meezan Islamic Income Fund	1,833,808	65,414	665,974	1,233,248	63,399	64,425	1,026	12.44	12.50
Meezan Cash Fund	1,868,717	66,460	682,993	1,252,184	63,179	64,425	1,246	12.44	12.50
					588,151	515,399	(72,752)	99.50	100.00
Moderate Allocation Plan									
Meezan Islamic Fund	2,676,971	380,817	649,602	2,408,186	180,038	151,812	(28,226)	51.87	50.00
Meezan Cash Fund	2,028,032	58,309	611,006	1,475,335	74,458	75,906	1,448	25.93	25.00
Meezan Islamic Income Fund	1,990,147	57,427	594,550	1,453,024	74,718	75,906	1,188	25.93	25.00
					329,214	303,624	(25,590)	103.73	100.00
Conservative Allocation Plan									
Meezan Islamic Fund	1,335,169	315,160	456,444	1,193,885	88,457	75,263	(13,194)	24.34	25.00
Meezan Cash Fund	3,034,510	194,925	1,035,193	2,194,242	110,741	112,894	2,153	36.51	37.50
Meezan Islamic Income Fund	2,977,823	191,875	1,008,638	2,161,060	111,118	112,894	1,776	36.51	37.50
					310,316	301,051	(9,265)	97.36	100.00
Meezan Asset Allocation Plan I									
AI Meezan Mutual Fund	3,416,582	-	3,416,582	-	-	-	-	-	-
Meezan Islamic Fund	13,417,797	5,743,872	19,161,669	-	-	-	-	-	-
Meezan Sovereign Fund	908,615	-	908,207	408	21	21	-	-	-
Meezan Islamic Income Fund	-	33,753,210	29,694,330	4,058,880	211,161	212,036	875	25.42	25.28
Meezan Cash Fund	1,876,917	3,634,077	4,855,619	655,375	33,312	33,719	407	4.04	4.02
KSE Meezan Index Fund	348,329	911,030	1,259,359	-	-	-	-	-	-
Meezan Dedicated Equity Fund	-	16,356,123	4,107,425	12,248,698	603,619	593,082	(10,537)	71.10	70.70
					848,113	838,858	(9,255)	100.56	100.00
Meezan Asset Allocation Plan II									
Meezan Islamic Fund	10,859,058	660,922	11,519,980	-	-	-	-	-	-
Meezan Sovereign Fund	1,579,961	-	1,579,152	809	42	42	-	-	0.01
Meezan Islamic Income Fund	-	4,596,367	2,841,001	1,755,366	90,913	91,700	787	13.00	12.64
Meezan Cash Fund	1,574,963	11,966,935	1,227,425	12,314,473	630,201	633,580	3,379	88.00	87.35
Meezan Dedicated Equity Fund	-	444,265	444,265	-	-	-	-	-	-
					721,156	725,322	4,166	101.00	100.00
Meezan Asset Allocation Plan III									
AI Meezan Mutual Fund	18,794,560	-	18,794,560	-	-	-	-	-	-
Meezan Islamic Fund	28,489,889	5,878,604	30,637,149	3,731,344	230,000	235,224	5,224	10.36	10.25
Meezan Islamic Income Fund	7,445,192	32,395,542	17,938,036	21,902,698	1,139,991	1,144,197	4,206	50.38	49.85
Meezan Cash Fund	-	22,165,302	13,507,482	8,657,820	442,440	445,445	3,005	19.61	19.41
Meezan Dedicated Equity Fund	-	15,880,658	6,170,114	9,710,544	461,163	470,185	9,022	20.70	20.49
					2,273,594	2,295,051	21,457	101.05	100.00
Meezan Asset Allocation Plan IV									
AI Meezan Mutual Fund	3,941,239	-	-	3,941,239	83,318	68,972	(14,346)	11.61	11.53
Meezan Islamic Fund	9,021,808	245,248	3,083,149	6,183,907	470,199	389,833	(80,366)	65.63	65.19
Meezan Islamic Income Fund	452,694	3,818,368	3,349,573	921,489	47,866	48,139	273	8.10	8.05
Meezan Cash Fund	1,406,135	391,619	369,487	1,428,267	72,227	73,484	1,257	12.37	12.29
Meezan Dedicated Equity Fund	-	363,489	-	363,489	18,000	17,600	(400)	2.96	2.94
					691,610	598,028	(93,582)	100.67	100.00
Total investments in units of mutual funds									
AI Meezan Mutual Fund	26,152,381	-	22,211,142	3,941,239	83,318	68,972	(14,346)	0.55	1.24
Meezan Islamic Fund	71,556,272	14,273,011	66,180,152	19,649,131	1,430,267	1,238,681	(191,586)	9.96	22.21
Meezan Cash Fund	11,789,274	38,477,627	22,289,205	27,977,696	1,426,558	1,439,453	12,895	11.57	25.81
Meezan Sovereign Fund	2,488,576	-	2,487,359	1,217	63	63	-	0	-
Meezan Islamic Income Fund	14,699,664	74,878,203	56,092,102	33,485,765	1,739,166	1,749,297	10,131	14.07	31.36
KSE Meezan Index Fund	348,329	911,030	1,259,359	-	-	-	-	0	-
Meezan Dedicated Equity Fund	-	33,044,535	10,721,804	22,322,731	1,082,782	1,080,867	(1,915)	8.69	19.38
					5,762,154	5,577,333	(184,821)	44.84	100.00



7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

		As at December 31, 2017							
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
Note		(Rupees in '000)							
	Withholding tax payable	91	458	58	424	40	17	52	1,140
	Provision for Sindh Workers' Welfare Fund	3,380	1,916	1,214	6,886	5,615	16,339	2,621	37,971
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	364	394	454	3,294	1,787	6,735	2,662	15,690
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	19	39	31	7	30	31	5	162
	Shariah advisor fee payable	15	8	9	24	21	61	17	155
	Auditors' remuneration payable	25	16	16	43	38	112	31	281
	Printing charges payable	12	17	10	32	19	57	16	163
		3,906	2,848	1,792	10,710	7,550	23,352	5,404	55,562

		As at June 30, 2017									
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI	MCPPII	Total
Note		(Rupees in '000)									
	Withholding tax payable	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	3,380	1,916	1,214	6,886	5,615	16,339	2,621	2,353	13,681	54,005
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	364	394	454	3,294	1,787	6,735	2,662	4,406	9,341	29,437
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	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 payable	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

- 8.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.45/0.65%, 0.25/0.39%, 0.43/0.65%, 0.48/0.83%, 0.42/0.78%, 0.38/0.72% and 0.20/0.44% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively (June 30, 2017 by Re 0.43/0.54%, 0.19/0.29%, 0.34/0.47%, 0.34/0.55%, 0.36/0.57%, 0.35/0.56, 0.17/0.30% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively).

- 8.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load has 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 results 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 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision of FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating to Rs 0.38 million, Rs 0.44 million, Rs 0.49 million, Rs 3.31 million, Rs 1.82 million, Rs 6.77 million and Rs 2.67 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV (June 30, 2017 Rs 0.38 million, Rs 0.43 million, Rs 0.49 million, Rs 3.31 million, Rs 1.82 million, Rs 6.77 million, Rs 2.67 million, Rs 4.44 million and Rs 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). The impact of this provision on the Net Assets Value per unit as at December 31, 2017 in each specified plan is not significant.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AI Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other 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 provisions of the NBFC Rules, NBFC Regulations and the Trust Deed respectively.



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

	As at December 31, 2017							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
Al Meezan Investment Management Limited								
- Management Company								
Remuneration Payable (Rs in '000)	6	2	8	39	3	3	2	63
Sindh Sales Tax on management fee payable (Rs in '000)	0.78	0.26	1.04	5.07	0.39	0.39	0.26	8
Sales load payable (Rs in '000)	9	-	5	-	-	1	-	15
Sindh Sales Tax on sales load payable (Rs in '000)	1.17	-	0.65	-	-	0.13	-	2
Allocated expenses payable (Rs in '000)	43	25	27	70	66	192	50	473
Investment amount (Rs in '000)	-	-	6,790	-	27,119	138,559	-	172,468
Investment units	-	-	105,971	-	507,341	2,626,733	-	3,240,045
Meezan Bank Limited								
Bank balance (Rs in '000)	6,533	3,784	6,112	6,540	2,820	1,089	1,895	28,773
Profit receivable (Rs in '000)	4	3	6	99	3	75	49	239
Sales load payable (Rs in '000)	2	-	-	-	-	-	-	2
Central Depository Company of Pakistan Limited - Trustee								
Trustee Fee payable (Rs in '000)	38	19	29	54	52	153	40	385
Sindh Sales Tax on trustee fee payable (Rs in '000)	5	2	3	7	7	20	5	49
Directors and Executives of the Management Company								
Investment amount (Rs in '000)	506	1	-	-	-	-	-	507
Investment units	7,268	14	-	-	-	-	-	7,282
Meezan Islamic Fund								
Investment amount (Rs in '000)	386,549	151,812	75,263	-	-	235,224	389,833	1,238,681
Investment units	6,131,809	2,408,186	1,193,885	-	-	3,731,344	6,183,907	19,649,131
Meezan Sovereign Fund								
Investment amount (Rs in '000)	-	-	-	21	42	-	-	63
Investment units	-	-	-	408	809	-	-	1,217
Al Meezan Mutual Fund								
Investment amount (Rs in '000)	-	-	-	-	-	-	68,972	68,972
Investment units	-	-	-	-	-	-	3,941,239	3,941,239
Meezan Cash Fund								
Investment amount (Rs in '000)	64,425	75,906	112,894	33,719	633,580	445,445	73,484	1,439,453
Investment units	1,252,184	1,475,335	2,194,242	655,375	12,314,473	8,657,820	1,428,267	27,977,696
Meezan Islamic Income Fund								
Investment amount (Rs in '000)	64,425	75,906	112,894	212,036	91,700	1,144,197	48,139	1,749,297
Investment units	1,233,248	1,453,024	2,161,060	4,058,880	1,755,366	21,902,698	921,489	33,485,765
Meezan Dedicated Equity Fund								
Investment amount (Rs in '000)	-	-	-	593,082	-	470,185	17,600	1,080,867
Investment units	-	-	-	12,248,698	-	9,710,544	363,489	22,322,731
Unit Holders holding 10% or more units of the Fund								
Investment amount (Rs in '000)	220,491	53,808	47,298	341,059	235,455	-	193,539	1,091,650
Investment units	3,167,104	813,850	738,269	5,826,939	4,404,998	-	4,166,358	19,117,518

June 30, 2017 (Audited)

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total
All Meezan Investment Management Limited										
- Management Company										
Remuneration payable (Rs in '000)	10	4	12	2	2	12	3	53	34	132
Sindh Sales Tax Management fee payable (Rs in '000)	1	1	2	-	-	2	-	7	4	17
Sales load payable (Rs in '000)	34	-	103	-	-	-	-	-	-	137
Sindh Sales load payable (Rs in '000)	4	-	13	-	-	-	-	-	-	17
Allocated expenses payable (Rs '000)	57	37	35	111	84	250	73	123	220	990
Investment amount (Rs in '000)	-	-	7,029	-	31,658	162,516	-	-	-	201,203
Investment units	-	-	105,971	-	507,341	2,626,733	-	-	-	3,240,045
Meezan Bank Limited										
Bank balance (Rs 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 (Rs in '000)	-	5	22	18	5	90	49	742	595	1,526
Central Depository Company of Pakistan Limited - Trustee										
Trustee fee payable (Rs in '000)	48	28	35	84	65	195	57	95	169	776
Sindh Sales Tax on trustee fee payable (Rs in '000)	6	4	3	11	8	25	7	12	22	98
Directors and Executives of the Management Company										
Investment amount (Rs in '000)	601	2	-	256	-	-	-	-	-	859
Investment units	7,534	31	-	4,109	-	-	-	-	-	11,674
Meezan Islamic Fund										
Investment amount (Rs in '000)	439,784	204,546	102,020	1,025,254	829,741	2,176,912	689,356	-	-	5,467,613
Investment 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										
Investment amount (Rs in '000)	-	-	-	46,703	81,210	-	-	-	-	127,913
Investment units	-	-	-	908,615	1,579,961	-	-	-	-	2,488,576
All Meezan Mutual fund										
Investment amount (Rs in '000)	-	-	-	72,227	-	397,317	83,318	-	-	552,862
Investment units	-	-	-	3,416,582	-	18,794,560	3,941,239	-	-	26,152,381
Meezan Cash Fund										
Investment amount (Rs in '000)	94,239	102,274	153,030	94,653	79,425	-	70,911	-	-	594,532
Investment 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										
Investment amount (Rs in '000)	94,239	102,274	153,031	-	-	382,609	23,264	-	-	755,417
Investment units	1,833,808	1,990,147	2,977,823	-	-	7,445,192	452,694	-	-	14,699,664
KSE Meezan Index Fund										
Investment amount (Rs in '000)	-	-	-	27,711	-	-	-	-	-	27,711
Investment units	-	-	-	348,329	-	-	-	-	-	348,329
Unit Holders holding 10% or more units of the Fund										
Investment amount (Rs in '000)	252,830	58,630	48,969	379,617	194,088	-	226,733	155,788	-	1,316,655
Investment units	3,167,104	813,850	738,269	6,082,632	3,110,385	-	4,166,358	3,115,760	-	21,194,358



For the period ended December 31, 2017 (Unaudited)

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
AI Meezan Investment Management Limited								
- Management Company								
Remuneration for the period (Rs in '000)	67	34	57	219	19	82	24	502
Sindh Sales Tax on management fee (Rs in '000)	9	4	7	28	3	11	3	65
Allocated expense (Rs in '000)	281	177	183	499	431	1,278	349	3,198
Meezan Bank Limited								
Profit on saving account (Rs in '000)	115	44	99	407	40	160	25	890
Central Depository Company of Pakistan Limited								
- Trustee								
Trustee fee for the period (Rs in '000)	222	140	145	394	340	1,009	275	2,525
Sindh Sales Tax on trustee fee (Rs in '000)	29	18	19	51	44	131	36	328
Directors and Executives of the Management Company								
Amount invested during the period (Rs in '000)	233	28	188	-	-	-	-	449
Units issued during the period	3,357	417	2,970	-	-	-	-	6,744
Amount redeemed during the period (Rs in '000)	251	29	189	-	-	-	-	469
Units redeemed during the period	3,623	434	2,970	-	-	-	-	7,027
Meezan Islamic Fund								
Amount invested during the period (Rs in '000)	72,850	24,868	20,876	396,000	44,000	373,000	16,000	947,594
Units issued during the period	1,048,388	380,817	315,160	5,743,872	660,922	5,878,604	245,248	14,273,011
Amount redeemed during the period (Rs in '000)	45,720	43,150	30,275	1,358,884	733,000	1,961,769	217,000	4,389,798
Units redeemed during the period	672,159	649,602	456,444	19,161,669	11,519,980	30,637,149	3,083,149	66,180,152
Meezan Sovereign Fund								
Amount redeemed during the period (Rs in '000)	-	-	-	46,700	81,200	-	-	127,900
Units redeemed during the period	-	-	-	908,207	1,579,152	-	-	2,487,359
Meezan Cash Fund								
Amount invested during the period (Rs in '000)	3,387	3,000	9,937	185,030	613,521	1,132,680	20,000	1,967,555
Units issued during the period	66,460	58,309	194,925	3,634,077	11,966,935	22,165,302	391,619	38,477,627
Amount redeemed during the period (Rs in '000)	34,696	31,190	52,801	248,250	63,060	693,930	18,950	1,142,877
Units redeemed during the period	682,993	611,006	1,035,193	4,855,619	1,227,425	13,507,482	369,487	22,289,205
AI Meezan Mutual Fund								
Amount redeemed during the period (Rs in '000)	-	-	-	67,990	-	319,508	-	387,498
Units redeemed during the period	-	-	-	3,416,582	-	18,794,560	-	22,211,142
Meezan Islamic Income Fund								
Amount invested during the period (Rs in '000)	3,387	3,000	9,938	1,740,662	237,200	1,682,770	197,000	3,873,957
Units issued during the period	65,414	57,427	191,875	33,753,210	4,596,367	32,395,542	3,818,368	74,878,203
Amount redeemed during the period (Rs in '000)	34,409	30,828	52,275	1,535,916	146,950	928,240	173,000	2,901,618
Units redeemed during the period	665,974	594,550	1,008,638	29,694,330	2,841,001	17,938,036	3,349,573	56,092,102
KSE Meezan Index Fund								
Amount invested during the period (Rs in '000)	-	-	-	64,736	-	-	-	64,736
Units issued during the period	-	-	-	911,030	-	-	-	911,030
Amount redeemed during the period (Rs in '000)	-	-	-	91,118	-	-	-	91,118
Units redeemed during the period	-	-	-	1,259,359	-	-	-	1,259,359
Meezan Dedicated Equity Fund								
Amount invested during the period (Rs in '000)	-	-	-	808,000	22,000	755,000	18,000	1,603,000
Units issued during the period	-	-	-	16,356,123	444,265	15,880,658	363,489	33,044,535
Amount redeemed during the period (Rs in '000)	-	-	-	208,000	21,520	287,493	-	517,013
Units redeemed during the period	-	-	-	4,107,425	444,265	6,170,114	-	10,721,804

	June 30, 2017 (Audited)									For the period from October 27, 2016
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total
Al Meezan Investment Management Limited - Management Company										
Remuneration for the period (Rs in '000)	56	96	62	36	76	42	87	43	83	581
Sindh Sales Tax on management fee (Rs in '000)	7	12	8	5	10	5	11	6	11	75
Allocated expense (Rs in '000)	253	234	223	680	502	1,531	458	1,577	535	5,993
Amount invested during the period (Rs in '000)	-	-	-	-	-	-	-	-	25,290	25,290
Units issued during the period	-	-	-	-	-	-	-	-	480,509	480,509
Amount Redeemed during the period (Rs in '000)	-	-	-	-	-	-	-	-	163,595	163,595
Units Redeemed during the period	-	-	-	-	-	-	-	-	3,271,894	3,271,894
Meezan Bank Limited										
Profit on saving account (Rs in '000)	115	224	149	97	200	105	266	79	799	2,034
Central Depository Company of Pakistan Limited - Trustee										
Trustee fee for the period (Rs in '000)	195	181	172	525	387	1,180	353	1,216	413	4,622
Sindh Sales Tax on Trustee Fee (Rs in '000)	25	24	22	68	50	153	46	158	54	600
Directors and Executives of the Management Company										
Amount invested during the period (Rs in '000)	-	-	-	-	-	-	-	-	205	205
Units issued during the period	-	-	-	-	-	-	-	-	3,902	3,902
Amount redeemed during the period (Rs in '000)	1,414	-	-	-	-	-	-	-	1,328	2,742
Units redeemed during the period	18,217	-	-	-	-	-	-	-	26,569	44,786
Meezan Islamic Fund										
Amount invested during the period (Rs in '000)	188,230	253,200	115,725	112,000	101,000	274,000	307,000	530,000	109,000	1,990,155
Units issued during the period	2,533,438	3,272,822	1,553,589	1,596,790	1,419,440	3,828,389	4,348,446	7,515,588	1,605,687	27,674,189
Amount redeemed during the period (Rs in '000)	233,075	113,106	104,369	318,000	185,000	593,500	27,000	1,289,000	1,164,107	4,027,157
Units redeemed during the period	2,990,393	1,484,773	1,310,568	4,520,692	2,648,507	8,494,759	369,559	17,004,362	16,286,137	55,109,750
Meezan Sovereign Fund										
Amount invested during the period (Rs in '000)	103,185	277,706	365,344	295,000	185,000	-	-	2,889,385	325,780	4,441,400
Units issued during the period	1,974,344	5,300,653	7,019,241	5,767,039	3,614,960	-	-	55,963,748	6,310,639	85,950,624
Amount redeemed during the period (Rs in '000)	90,240	88,600	258,600	197,820	102,470	-	-	3,127,680	952,456	4,817,866
Units redeemed during the period	1,716,576	1,697,115	4,932,207	3,813,124	1,978,827	-	-	60,590,213	18,464,301	93,192,363
Meezan Cash Fund										
Amount invested during the period (Rs in '000)	-	-	-	23,013	87,842	-	-	2,798,000	1,661,298	4,570,153
Units issued during the period	-	-	-	448,512	1,711,988	-	-	55,029,854	32,808,833	89,999,187
Amount redeemed during the period (Rs in '000)	-	-	-	-	-	-	-	1,949,385	-	1,949,385
Units redeemed during the period	-	-	-	-	-	-	-	38,464,575	-	38,464,575
Al Meezan Mutual Fund										
Amount invested during the period (Rs in '000)	-	-	-	-	-	-	71,000	60,000	66,000	197,000
Units issued during the period	-	-	-	-	-	-	3,764,581	2,991,027	3,499,470	10,255,078
Amount redeemed during the period (Rs in '000)	-	-	-	-	-	-	-	-	67,673	67,673
Units redeemed during the period	-	-	-	-	-	-	-	-	3,499,470	3,499,470
Meezan Islamic Income Fund										
Amount invested during the period (Rs in '000)	-	-	-	23,000	-	593,500	475,005	-	-	1,091,505
Units issued during the period	-	-	-	437,512	-	11,505,524	9,248,843	-	-	21,191,879
Amount redeemed during the period (Rs in '000)	-	-	-	23,013	87,842	366,200	383,725	-	-	860,780
Units redeemed during the period	-	-	-	437,512	1,670,003	7,037,553	7,451,184	-	-	16,596,252



10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 0.34%, 0.41%, 0.34%, 0.40%, 0.32%, 0.32% and 0.32% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV, respectively, which includes 0.11%, 0.11%, 0.11%, 0.12%, 0.11%, 0.11% and 0.10% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV, respectively, representing government levy and SECP fee in each plan.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2017	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments	5,577,333	-	-	-	5,577,333	5,577,333	-	-	5,577,333
Financial assets									
- not measured at fair value									
Balances with banks	13.1	-	29,414	-	29,414				
Receivable against conversion of units	13.1	5,034	-	-	5,034				
Receivable against sale of investments - net	13.1	5,000	-	-	5,000				
Profit receivable on saving accounts with banks	13.1	261	-	-	261				
		<u>5,577,333</u>	<u>10,295</u>	<u>29,414</u>	<u>-</u>				<u>5,617,042</u>
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	561	561				
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	434	434				
Payable to Meezan Bank Limited	13.1	-	-	2	2				
Payable on redemption and conversion of units	13.1	-	-	18,355	18,355				
Accrued expenses and other liabilities	13.1	-	-	16,451	16,451				
		-	-	<u>35,803</u>	<u>35,803</u>				

June 30, 2017

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial assets

- measured at fair value

Investments 7,526,048 - - - 7,526,048 7,526,048 - - 7,526,048

Financial assets

- not measured at fair value

Balances with banks 13.1 - - 5,090,708 - 5,090,708

Receivable against conversion of units 13.1 - 1,945 - - 1,945

Receivable against sale of investment - net 13.1 - 88,275 - - 88,275

Profit receivable on saving accounts with banks 13.1 - 1,549 - - 1,549

7,526,048 91,769 5,090,708 - 12,708,525

Financial liabilities

- not measured at fair value

Payable to Al Meezan Investment Management Limited - Management Company 13.1 - - - 1,293 1,293

Payable to Central Depository Company of Pakistan Limited - Trustee 13.1 - - - 874 874

Payable to Meezan Bank Limited 13.1 - - - 3 3

Payable on redemption and conversion of units 13.1 - - - 110,683 110,683

Dividend payable 13.1 - - - 1,261 1,261

Accrued expenses and other liabilities 13.1 - - - 30,226 30,226

- - - 144,340 144,340

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

14. GENERAL

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

14.2 Corresponding figures have been reclassified and rearranged in this condensed interim financial information, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information.

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director



Meezan

Strategic Allocation Fund

Meezan Strategic Allocation Plan is a Shariah Compliant scheme which will use active asset allocation strategy for providing competitive returns on your investment. It is a unique asset allocation plan for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Meezan Bank Limited
Habib Metropolitan Bank Limited - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 38406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND

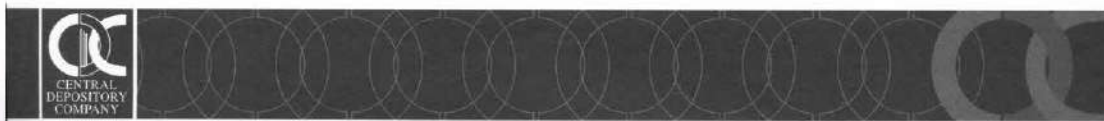
**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 six months period ended December 31, 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, February 21, 2018





A·F·FERGUSON&CO.

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Strategic Allocation Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the period ended December 31, 2017. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the period ended December 31, 2017.

Scope of Review

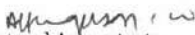
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

Other matter

The condensed interim financial information of the Fund for the period ended December 31, 2016 was reviewed and the financial statements of the Fund for the period ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 8, 2017 and August 24, 2017 respectively.


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 21, 2018
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

		December 31, 2017 (Unaudited)							
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPII	Total	
Note		(Rupees in '000)							
Assets									
	Balances with banks	5	5,256	13,019	917	8,701	19,824	17,283	65,000
	Investments	6	2,095,862	1,396,076	1,500,985	1,677,912	512,199	51,527	7,234,561
	Receivable against conversion of units		-	-	-	-	-	1,777	1,777
	Receivable against sale of investments - net		-	-	-	30	-	-	30
	Other receivables		114	10	56	9	46	24	259
	Total assets		2,101,232	1,409,105	1,501,958	1,686,652	532,069	70,611	7,301,627
Liabilities									
	Payable to AI Meezan Investment Management Limited - Management Company		186	128	125	147	65	830	1,481
	Payable to Central Depository Company of Pakistan Limited - Trustee		156	105	111	125	39	1	537
	Payable to Meezan Bank Limited		-	-	-	-	-	84	84
	Payable to Securities and Exchange Commission of Pakistan		1,104	718	763	859	131	1	3,576
	Payable against purchase of investments - net		-	-	-	-	-	6,000	6,000
	Payable against redemption and conversion of units		485	-	791	829	117	-	2,222
	Accrued expenses and other liabilities	8	4,564	59	58	65	10	-	4,756
	Total liabilities		6,495	1,010	1,848	2,025	362	6,916	18,656
	Net assets		2,094,737	1,408,095	1,500,110	1,684,627	531,707	63,695	7,282,971
	Contingencies and commitments	7							
	Unitholders' fund (as per statement attached)		2,094,737	1,408,095	1,500,110	1,684,627	531,707	63,695	7,282,971
----- (Number of units) -----									
	Number of units in issue		48,086,517	33,065,179	36,030,437	39,841,672	10,979,760	1,273,059	
----- (Rupees) -----									
	Net assets value per unit		43.56	42.59	41.63	42.28	48.43	50.03	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

June 30, 2017 (Audited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
Note	(Rupees in '000)					
Assets						
Balances with banks	5	9,497	2,172	278	260,885	272,832
Investments	6	2,656,410	1,660,935	1,766,594	1,806,140	7,890,079
Receivable against conversion of units		-	10	-	2,140	2,150
Other receivables		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 Al Meezan Investment Management Limited - Management Company		267	142	165	10,234	10,808
Payable to Central Depository Company of Pakistan Limited - Trustee		199	124	132	87	542
Payable to Meezan Bank Limited		-	-	-	5,446	5,446
Payable to Securities and Exchange Commission of Pakistan		1,653	755	474	106	2,988
Payable against purchase investments - net		-	-	-	54,993	54,993
Payable against redemption and conversion of units		-	181	-	-	181
Dividend payable		75	-	-	-	75
Accrued expenses and other liabilities	8	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	7					
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		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 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	Six months period ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPII		
	(Rupees in '000)							
Income								
	(26,136)	(12,936)	(12,694)	(11,375)	803	-	(62,338)	
	158	45	3	247	352	23	828	
	5,400	770	687	1,109	119	-	8,085	
	(20,578)	(12,121)	(12,004)	(10,019)	1,274	23	(53,425)	
	Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'							
6.1	(328,522)	(213,573)	(228,985)	(237,700)	(12,014)	27	(1,020,767)	
	Total (loss) / income	(349,100)	(225,694)	(240,989)	(247,719)	(10,740)	50	(1,074,192)
Expenses								
	52	35	2	130	156	12	387	
	7	5	-	17	20	2	51	
10	1,147	756	800	902	137	1	3,743	
	910	592	629	708	108	1	2,948	
	118	77	82	92	14	-	383	
	1,104	718	763	859	131	1	3,576	
	41	36	50	45	5	-	177	
	41	35	39	47	5	-	167	
	85	54	60	64	1	-	264	
	3	2	2	2	-	-	9	
	7	2	9	2	2	1	23	
	Total expenses	3,515	2,312	2,436	2,868	18	11,728	
	Net (loss) / income for the period before taxation	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)
	Taxation							
12	-	-	-	-	-	-	-	
	Net (loss) / income for the period after taxation	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)
Allocation of net income for the period								
	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)	
	-	-	-	-	-	-	-	
	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)	
Accounting income available for distribution								
	-	-	-	-	-	27	27	
	-	-	-	-	-	5	5	
	-	-	-	-	-	32	32	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	For the period from October 19, 2016 to December 31, 2016	For the period from December 22, 2016 to December 31, 2016	Total
	MSAP-I	MSAP-II	
(Rupees in '000)			
Income			
	3,028	-	3,028
	872	40	912
	39	-	39
	3,939	40	3,979
	213,267	3,400	216,667
	217,206	3,440	220,646
Expenses			
	311	32	343
	61	4	65
10	350	6	356
	306	5	311
	40	1	41
	333	6	339
	58	1	59
	72	1	73
	2	1	3
	1,533	57	1,590
	215,673	3,383	219,056
	53,886	152	54,038
	269,559	3,535	273,094
12	-	-	-
	269,559	3,535	273,094

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	For the quarter ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
	(Rupees in '000)						
Income							
Net realised (loss) / gain on sale of investments	(19,493)	(11,448)	(12,257)	(11,731)	751	-	(54,178)
Profit on saving accounts with banks	61	23	2	25	246	23	380
Other income	2,282	413	315	529	119	-	3,658
	(17,150)	(11,012)	(11,940)	(11,177)	1,116	23	(50,140)
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	(107,869)	(70,925)	(77,341)	(84,426)	(11,032)	27	(351,566)
Total (loss) / income	(125,019)	(81,937)	(89,281)	(95,603)	(9,916)	50	(401,706)
Expenses							
Remuneration to Al Meezan Investment Management Limited - Management Company	26	24	1	12	113	12	188
Sindh Sales Tax on management fee	4	4	-	2	14	2	26
Allocated expenses	527	361	380	430	127	1	1,826
Remuneration to Central Depository Company of Pakistan Limited - Trustee	425	283	300	339	100	1	1,448
Sindh Sales Tax on trustee fee	55	37	39	44	13	-	188
Annual fee to Securities and Exchange Commission of Pakistan	515	343	364	411	122	1	1,756
Auditors' remuneration	9	16	29	26	5	-	85
Fees and subscription	11	14	18	24	5	-	72
Printing charges	85	54	60	64	1	-	264
Bank and settlement charges	2	1	1	1	1	1	7
Total expenses	1,659	1,137	1,192	1,353	501	18	5,860
Net (loss) / income for the quarter / period before taxation	(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Taxation	-	-	-	-	-	-	-
Net (loss) / income for the quarter / period after taxation	(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Allocation of net (loss) / income for the quarter / period							
Net (loss) / income for the quarter / period after taxation	(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Income already paid on units redeemed	-	-	-	-	-	-	-
	(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Accounting income available for distribution							
- Relating to capital gains	-	-	-	-	-	27	27
- Excluding capital gains	-	-	-	-	-	5	5
	-	-	-	-	-	32	32

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six months period ended December 31, 2017						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	(Rupees in '000)						
Net (loss) / income for the period after taxation	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)

	For the period from October 19, 2016 to December 31, 2016		Total
	MSAP-I	MSAP-II	
	(Rupees in '000)		
Net income for the period after taxation	269,559	3,535	273,094
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	269,559	3,535	273,094

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	For the quarter ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Net (loss) / income for the period after taxation	(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(126,678)</u>	<u>(83,074)</u>	<u>(90,473)</u>	<u>(96,956)</u>	<u>(10,417)</u>	<u>32</u>	<u>(407,566)</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

For the period from August 15, 2017 to December 31, 2017
 For the period from December 19, 2017 to December 31, 2017
 Six months period ended December 31, 2017

	MSAP - V (Rupees in '000)			MCPPI-II (Rupees in '000)			Total (Rupees in '000)		
	Capital Value	Accumulated loss	Unrealised appreciation/(diminution) 'available for sale' investments	Capital Value	Undistributed income	Unrealised appreciation/(diminution) 'available for sale' investments	Capital Value	Undistributed income/ (accumulated loss)	Unrealised appreciation/(diminution) 'available for sale' investments
Net assets at beginning of the period	-	-	-	-	-	-	8,148,553	(118,320)	-
issuance of units:									
MSAP - V: 11,139,765 units / MSAP - MCPPI - II: 1,273,059 units	556,988	-	556,988	63,653	-	-	620,641	-	-
- Capital value (at net asset value per unit at the beginning of the period)	(5,905)	-	(5,905)	10	-	-	(5,895)	-	-
- Element of (loss) / income	551,083	-	551,083	63,663	-	-	614,746	-	-
Total proceeds on issuance of units	8,000	-	8,000	-	-	-	304,724	-	-
Redemption of units:									
MSAP - V: 4,002,750 units / MSAP - II: 586,816 units / MSAP - V: 509,764 units / MSAP - II: 847,934 units / MSAP - V: 1,60,005 units	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-
- Amount paid out of element of income	57	-	57	-	-	-	(28,636)	-	(28,636)
- Relating to 'Net income for the period after taxation'	8,057	-	8,057	-	-	-	276,088	-	276,088
- (Adjustment) / refund on units as element of income	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	(11,319)	(11,319)	(11,319)	-	32	-	(1,085,920)	-	(1,085,920)
Total comprehensive (loss) / income for the period	-	(11,319)	(11,319)	-	32	-	(1,085,920)	-	(1,085,920)
Distribution during the period	-	(11,319)	(11,319)	-	32	-	(1,085,920)	-	(1,085,920)
Net (loss) / income for the period less distribution	543,026	(11,319)	531,707	63,663	32	-	8,487,211	(1,204,240)	-
Net assets at end of the period	-	-	-	-	-	-	320,589	(438,909)	-
Undistributed income / (loss) brought forward	-	-	-	-	-	-	(118,320)	-	-
- Realised income	-	-	-	-	-	-	27	5	32
- Unrealised income / (loss)	-	-	-	-	-	-	-	-	-
Accounting income available for distribution	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-
Net loss for the period after taxation	(11,319)	(11,319)	(11,319)	-	-	-	(1,085,952)	-	-
Distribution during the period	-	-	-	-	-	-	-	-	-
Undistributed (loss) / income carried forward	(11,319)	(11,319)	(11,319)	-	32	-	(1,204,240)	-	-
Undistributed (loss) / income carried forward	695	(12,014)	(11,319)	-	5	-	(183,473)	(1,020,767)	-
- Realised income / (loss)	-	-	-	-	-	-	-	-	-
- Unrealised (loss) / income	-	-	-	-	-	-	-	-	-
Net asset value per unit as at beginning of the period	-	-	-	-	-	-	-	-	-
Net asset value per unit as at end of the period	-	48.43	-	-	-	-	-	-	-

	(Rupees)
Net asset value per unit as at beginning of the period	-
Net asset value per unit as at end of the period	50.03

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director



Meezan
Strategic Allocation Fund



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	Six months period ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III		
	(Rupees in '000)							
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the period before taxation	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)	
Adjustments for:								
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	328,522	213,573	228,985	237,700	12,014	(27)	1,020,767	
	(24,093)	(14,433)	(14,440)	(12,887)	695	5	(65,153)	
Decrease / (increase) in assets								
Investments - net	232,026	51,286	36,624	(109,472)	(524,213)	(51,500)	(365,249)	
Receivable against sale of investments - net	-	-	-	(30)	-	-	(30)	
Other receivables	(29)	3	351	619	(46)	(24)	874	
	231,997	51,289	36,975	(108,883)	(524,259)	(51,524)	(364,405)	
(Decrease) / increase in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	(81)	(14)	(40)	(10,087)	65	830	(9,327)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(43)	(19)	(21)	38	39	1	(5)	
Payable to Meezan Bank Limited	-	-	-	(5,446)	-	84	(5,362)	
Payable to Securities and Exchange Commission of Pakistan	(549)	(37)	289	753	131	1	588	
Payable against purchase of investments - net	-	-	-	(54,993)	-	6,000	(48,993)	
Accrued expenses and other liabilities	(30,558)	(19)	7	(25,612)	10	-	(56,172)	
	(31,231)	(89)	235	(95,347)	245	6,916	(119,271)	
Net cash generated from / (used in) operating activities	176,673	36,767	22,770	(217,117)	(523,319)	(44,603)	(548,829)	
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance and conversion of units	-	10	-	2,140	551,083	61,886	615,119	
Payments against redemption and conversion of units	(180,839)	(25,930)	(22,131)	(37,207)	(7,940)	-	(274,047)	
Dividend paid	(75)	-	-	-	-	-	(75)	
Net cash (used in) / generated from financing activities	(180,914)	(25,920)	(22,131)	(35,067)	543,143	61,886	340,997	
Net (decrease) / increase in cash and cash equivalents during the period	(4,241)	10,847	639	(252,184)	19,824	17,283	(207,832)	
Cash and cash equivalents at beginning of the period	9,497	2,172	278	260,885	-	-	272,832	
Cash and cash equivalents at end of the period	5,256	13,019	917	8,701	19,824	17,283	65,000	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

	For the period from October 19, 2016 to December 31, 2016	For the period from December 22, 2016 to December 31, 2016	
	MSAP-I	MSAP-II	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period	269,559	3,535	273,094
Adjustments for:			
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	(213,267)	(3,400)	(216,667)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(53,886)	(152)	(54,038)
	2,406	(17)	2,389
Increase in assets			
Investments (net)	(2,544,739)	(526,000)	(3,070,739)
Other receivables	(568)	(39)	(607)
	(2,545,307)	(526,039)	(3,071,346)
Increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	341	2,499	2,840
Payable to Central Depository Company of Pakistan Limited - Trustee	213	6	219
Payable to Securities and Exchange Commission of Pakistan	333	6	339
Accrued expenses and other liabilities	26,751	2	26,753
	27,638	2,513	30,151
Net cash used in operating activities	(2,515,263)	(523,543)	(3,038,806)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units	2,549,910	541,209	3,091,119
Payments against redemption and conversion of units	(8,599)	(3,159)	(11,758)
Net cash generated from financing activities	2,541,311	538,050	3,079,361
Net increase in cash and cash equivalents during the period	26,048	14,507	40,555
Cash and cash equivalents at beginning of the period	-	-	-
Cash and cash equivalents at end of the period	26,048	14,507	40,555

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the 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 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the 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 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 the Pakistan Stock Exchange.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) 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, two plans Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) were introduced. A brief description of the plans is as follows:

Meezan Strategic Allocation Plan-I (MSAP-I)	<p><i>Low risk - High return through asset allocation</i></p> <p>The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 2, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
Meezan Strategic Allocation Plan-II (MSAP-II)	<p><i>Low risk - High return through asset allocation</i></p> <p>This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 31, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
Meezan Strategic Allocation Plan-III (MSAP-III)	<p><i>Low risk - High return through asset allocation</i></p> <p>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 3, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
Meezan Strategic Allocation Plan-IV (MSAP-IV)	<p><i>Low risk - High return through asset allocation</i></p> <p>This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. June 30, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
Meezan Strategic Allocation Plan-V (MSAP-V)	<p><i>Low risk - High return through asset allocation</i></p> <p>This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 19, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>



<p>Meezan Capital Preservation Plan-III (MCPPIII)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from December 19, 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. December 31, 2017). The units are still being offered for public subscription till December 31, 2017. Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
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Each allocation plan announces separate Net Asset Values 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 are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the approved accounting standards as applicable in Pakistan.

3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the period ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

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

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund.

However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 22.741 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income



Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

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

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

5. BALANCES WITH BANKS

		December 31, 2017 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPII	Total
Note		(Rupees in '000)						
	Saving accounts	2,231	6,854	907	8,558	19,824	17,283	55,657
	Current accounts	3,025	6,165	10	143	-	-	9,343
		<u>5,256</u>	<u>13,019</u>	<u>917</u>	<u>8,701</u>	<u>19,824</u>	<u>17,283</u>	<u>65,000</u>

		June 30, 2017 (Audited)					
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
		(Rupees in '000)					
	Saving accounts		9,263	1,115	278	252,575	263,231
	Current accounts		234	1,057	-	8,310	1,291
			<u>9,497</u>	<u>2,172</u>	<u>278</u>	<u>260,885</u>	<u>264,522</u>

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

6. INVESTMENTS

		December 31, 2017 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
Note		(Rupees in '000)						
Investments - 'at fair value through profit or loss'								
- Held for trading								
6.1		2,095,862	1,396,076	1,500,985	1,677,912	512,199	51,527	7,234,561
		June 30, 2017 (Audited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total		
		(Rupees in '000)						
Investments - 'at fair value through profit or loss'								
- Held for trading								
		2,656,410	1,660,935	1,766,594	1,806,140	7,890,079		

6.1 Held for Trading - Units of mutual funds

Name of Investee Funds	As at July 01, 2017	Purchases during the period	Redemptions during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised (loss) / gain as at December 31, 2017	Percentage in relation to	
								Net assets of the Fund on the basis of market value	Total market value of investments
				(Number of units)	(Rupees in '000)		(Percentage)		
Meezan Strategic Allocation Plan-I									
Al Meezan Mutual Fund	13,489,277	-	-	13,489,277	285,163	236,062	(49,101)	11.27	11.26
Meezan Dedicated Equity Fund	-	1,191,438	-	1,191,438	59,000	57,689	(1,311)	2.75	2.75
Meezan Islamic Fund	24,362,251	1,313,619	3,587,702	22,088,168	1,676,519	1,392,438	(284,081)	66.47	66.44
Meezan Cash Fund	-	3,993,262	504,440	3,488,822	176,047	179,501	3,454	8.57	8.56
Meezan Islamic Income Fund	9,918,797	4,832,930	10,345,676	4,406,051	227,655	230,172	2,517	10.99	10.98
					2,424,384	2,095,862	(328,522)	100.05	100.00
Meezan Strategic Allocation Plan-II									
Al Meezan Mutual Fund	26,045,712	-	-	26,045,712	550,606	455,800	(94,806)	32.37	32.65
Meezan Dedicated Equity Fund	-	767,367	-	767,367	38,000	37,156	(844)	2.64	2.66
Meezan Islamic Fund	10,307,902	1,171,500	1,571,721	9,907,681	746,785	624,580	(122,205)	44.36	44.74
Meezan Cash Fund	2,519,985	-	11,875	2,508,110	126,484	129,042	2,558	9.16	9.24
Meezan Islamic Income Fund	3,806,559	2,066,347	3,011,161	2,861,745	147,774	149,498	1,724	10.62	10.71
					1,609,649	1,396,076	(213,573)	99.15	100.00
Meezan Strategic Allocation Plan-III									
Meezan Dedicated Equity Fund	-	868,337	-	868,337	43,000	42,045	(955)	2.80	2.80
Meezan Islamic Fund	18,334,830	1,369,589	1,341,539	18,362,880	1,390,322	1,157,596	(232,726)	77.17	77.12
Meezan Cash Fund	9,748	3,606,817	15,549	3,601,016	181,707	185,272	3,565	12.35	12.34
Meezan Islamic Income Fund	7,105,227	1,697,327	6,580,658	2,221,896	114,941	116,072	1,131	7.74	7.73
					1,729,970	1,500,985	(228,985)	100.06	100.00
Meezan Strategic Allocation Plan-IV									
Al Meezan Mutual Fund	2,151,219	-	-	2,151,219	45,477	37,646	(7,831)	2.23	2.24
Meezan Dedicated Equity Fund	-	949,111	-	949,111	47,000	45,956	(1,044)	2.73	2.74
Meezan Islamic Fund	16,203,703	5,217,490	1,424,483	19,996,710	1,494,659	1,260,593	(234,066)	74.83	75.13
Meezan Cash Fund	1,201,553	2,576,298	38,320	3,739,531	188,661	192,399	3,738	11.42	11.47
Meezan Islamic Income Fund	8,988,987	3,786,225	10,070,039	2,705,173	139,815	141,318	1,503	8.39	8.42
					1,915,612	1,677,912	(237,700)	99.60	100.00
Meezan Strategic Allocation Plan-V									
Meezan Dedicated Equity Fund	-	1,404,741	-	1,404,741	68,000	68,018	18	12.79	13.28
Meezan Islamic Fund	-	5,087,588	-	5,087,588	333,838	320,721	(13,117)	60.32	62.62
Meezan Cash Fund	-	8,654,895	6,255,495	2,399,400	122,364	123,449	1,085	23.22	24.10
Meezan Islamic Income Fund	-	772,648	772,437	211	11	11	-	0.00	0.00
					524,213	512,199	(12,014)	96.33	100.00



Name of Investee Funds	As at July 01, 2017	Purchases during the period	Redemptions during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised (loss) / gain as at December 31, 2017	Percentage in relation to	
	(Number of units)			(Rupees in '000)			(Percentage)		
Meezan Strategic Allocation Plan - MCPP-III									
Meezan Cash Fund	-	1,001,499	-	1,001,499	51,500	51,527	27	80.90	100.00
					51,500	51,527	27	80.90	100
Total investments in units of mutual funds									
Al Meezan Mutual Fund	41,686,208	-	-	41,686,208	881,246	729,508	(151,738)	-	10.08
Meezan Dedicated Equity Fund	-	5,180,994	-	5,180,994	255,000	250,864	(4,136)	-	3.47
Meezan Islamic Fund	69,208,686	14,159,786	7,925,445	75,443,027	5,642,123	4,755,928	(886,195)	-	65.74
Meezan Cash Fund	3,731,286	19,832,771	6,825,679	16,738,378	846,763	861,190	14,427	-	11.90
Meezan Islamic Income Fund	29,819,570	13,155,477	30,779,971	12,195,076	630,196	637,071	6,875	-	8.81
					8,255,328	7,234,561	(1,020,767)	-	100.00

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	December 31, 2017 (Unaudited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
	(Rupees in '000)						
Auditors' remuneration payable	42	28	29	33	5	-	137
Shariah advisory fee payable	41	31	29	32	5	-	138
Provision for Sindh Workers' Welfare Fund	4,481	-	-	-	-	-	4,481
	4,564	59	58	65	10	-	4,756
	June 30, 2017 (Audited)						
	(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 payable on sales load	-	-	-	2,953	-	-	2,953
Shariah advisory 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

- 8.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds

excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISS/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit / Fund return would have been higher by Re 0.09/0.21% (June 30, 2017: Re 0.09 / 0.17%) in MSAP-I.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other 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 provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

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

	December 31, 2017 (Unaudited)						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	
Al Meezan Investment Management Limited							
- Management Company							
Remuneration payable (Rs in '000)	9	9	-	5	18	12	53
Sindh Sales Tax on management fee (Rs in '000)	1	1	-	1	2	2	7
Sales load payable (Rs in '000)	-	-	-	-	-	721	721
Sindh Sales Tax on sales load payable (Rs in '000)	-	-	-	-	-	93	93
Allocated expenses (Rs in '000)	176	118	125	141	45	2	607
Investment (Rs in '000)	-	85,163	-	-	-	-	85,163
Investment (Units)	-	1,999,600	-	-	-	-	1,999,600
Meezan Bank Limited							
Bank balance (Rs in '000)	5,246	13,019	917	8,701	19,824	17,283	64,990
Profit receivable (Rs in '000)	19	10	1	9	46	24	109
Sales load payable (Rs in '000)	-	-	-	-	-	74	74
Sindh Sales Tax on sales load payable (Rs in '000)	-	-	-	-	-	10	10
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee payable (Rs in '000)	138	93	98	111	35	1	476
Sindh Sales Tax on trustee fee payable (Rs in '000)	18	12	13	14	4	-	61



December 31, 2017 (Unaudited)

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPII	Total
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	14,680	-	-	-	14,680
Investment (Units)	-	-	352,640	-	-	-	352,640
AI Meezan Mutual Fund							
Investment (Rs in '000)	236,062	455,800	-	37,646	-	-	729,508
Investment (Units)	13,489,277	26,045,712	-	2,151,219	-	-	41,686,208
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	57,689	37,156	42,045	45,956	68,018	-	250,864
Investment (Units)	1,191,438	767,367	868,337	949,111	1,404,741	-	5,180,994
Meezan Islamic Fund							
Investment (Rs in '000)	1,392,438	624,580	1,157,596	1,260,593	320,721	-	4,755,928
Investment (Units)	22,088,168	9,907,681	18,362,880	19,996,710	5,087,588	-	75,443,027
Meezan Cash Fund							
Investment (Rs in '000)	179,501	129,042	185,272	192,399	123,449	51,527	861,190
Investment (Units)	3,488,822	2,508,110	3,601,016	3,739,531	2,399,400	1,001,499	16,738,378
Meezan Islamic Income Fund							
Investment (Rs in '000)	230,172	149,498	116,072	141,318	11	-	637,071
Investment (Units)	4,406,051	2,861,745	2,221,896	2,705,173	211	-	12,195,076
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	-	-	276,666	422,378	-	13,508	712,552
Investment (Units)	-	-	6,645,828	9,990,010	-	270,000	16,905,838

June 30, 2017 (Audited)

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
AI Meezan Investment Management Limited - 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 - 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

		June 30, 2017 (Audited)				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
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 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 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 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 ended December 31, 2017				For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
AI Meezan Investment Management Limited - Management Company								
Remuneration for the period (Rs in '000)		52	35	2	130	156	12	387
Sindh Sales Tax on management fee (Rs in '000)		7	5	-	17	20	2	51
Allocated expenses (Rs in '000)		1,147	756	800	902	137	1	3,743
Meezan Bank Limited								
Profit on saving account (Rs in '000)		158	45	3	247	352	23	828
Central Depository Company of Pakistan Limited - Trustee								
Trustee fee (Rs in '000)		910	592	629	708	108	1	2,948
Sindh Sales Tax on trustee fee (Rs in '000)		118	77	82	92	14	-	383
Meezan Dedicated Equity Fund								
Invested during the period (Rs in '000)		59,000	38,000	43,000	47,000	68,000	-	255,000
Invested during the period (Units)		1,191,438	767,367	868,337	949,111	1,404,741	-	5,180,994
Meezan Islamic Fund								
Invested during the period (Rs in '000)		88,000	78,000	91,000	363,007	333,838	-	953,845
Invested during the period (Units)		1,313,619	1,171,500	1,369,589	5,217,490	5,087,588	-	14,159,786
Redeemed during the period (Rs in '000)		245,000	105,000	88,000	93,000	-	-	531,000
Redeemed during the period (Units)		3,587,702	1,571,721	1,341,539	1,424,483	-	-	7,925,445
Meezan Cash Fund								
Invested during the period (Rs in '000)		201,500	-	182,000	130,000	441,000	51,500	1,006,000
Invested during the period (Units)		3,993,262	-	3,606,817	2,576,298	8,654,895	1,001,499	19,832,771
Redeemed during the period (Rs in '000)		25,570	610	800	1,940	319,408	-	348,328
Redeemed during the period (Units)		504,440	11,875	15,549	38,320	6,255,495	-	6,825,679



	For the period ended December 31, 2017				For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPII	
Meezan Islamic Income Fund							
Invested during the period (Rs in '000)	250,000	107,000	88,000	195,500	40,000	-	680,500
Invested during the period (Units)	4,832,930	2,066,347	1,697,327	3,786,225	772,648	-	13,155,477
Redeemed during the period (Rs in '000)	533,820	155,740	339,130	519,690	40,020	-	1,588,400
Redeemed during the period (Units)	10,345,676	3,011,161	6,580,658	10,070,039	772,437	-	30,779,971
Unitholders holding 10% or more units of the Fund							
Invested during the period (Rs in '000)	-	-	-	-	-	13,500	13,500
Invested during the period (Units)	-	-	-	-	-	270,000	270,000

	For the period from October 19, 2016 to December 31, 2016		For the period from December 22, 2016 to December 31, 2016		Total
	MSAP-I	MSAP-II	MSAP-I	MSAP-II	
Al Meezan Investment Management Limited - Management Company					
Remuneration for the period (Rs in '000)	311	32	311	32	343
Sindh Sales Tax on management fee (Rs in '000)	61	4	61	4	65
Allocated expenses (Rs in '000)	350	6	350	6	356
Invested during the period (Rs in '000)	-	100,000	-	100,000	100,000
Invested during the period (Units)	-	1,999,600	-	1,999,600	1,999,600
Meezan Bank Limited					
Profit on saving account (Rs in '000)	872	39	872	39	911
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee (Rs in '000)	306	5	306	5	311
Sindh Sales Tax on trustee fee (Rs in '000)	40	1	40	1	41
Directors and Executives of the Management Company					
Invested during the period (Rs in '000)	300	-	300	-	300
Invested during the period (Units)	5,770	-	5,770	-	5,770
Al Meezan Mutual Fund					
Invested during the period (Rs in '000)	264,000	214,000	264,000	214,000	478,000
Invested during the period (Units)	12,884,648	9,559,486	12,884,648	9,559,486	22,444,134
Meezan Islamic Fund					
Invested during the period (Rs in '000)	1,593,000	260,000	1,593,000	260,000	1,853,000
Invested during the period (Units)	21,337,446	3,143,894	21,337,446	3,143,894	24,481,340
Meezan Islamic Income Fund					
Invested during the period (Rs in '000)	2,202,000	52,000	2,202,000	52,000	2,254,000
Invested during the period (Units)	42,088,108	988,781	42,088,108	988,781	43,076,889
Redeemed during the period (Rs in '000)	1,517,290	-	1,517,290	-	1,517,290
Redeemed during the period (Units)	28,961,216	-	28,961,216	-	28,961,216

10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

11. EXPENSE RATIO

The Total Expense Ratio of the Fund for the period ended December 31, 2017 is 0.30%, 0.31%, 0.29%, 0.32%, 0.42% and 1.27% which include 0.11%, 0.11%, 0.10%, 0.11%, 0.20% and 1.2% representing government levy and SECP fee for MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPP-III respectively.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, 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 as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

December 31, 2017	Note	Carrying amount				Fair value				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets										
- measured at fair value										
		7,234,561	-	-	-	7,234,561	7,234,561	-	-	7,234,561
Financial assets										
- not measured at fair value										
	13.1	-	-	65,000	-	65,000				
	13.1	-	1,777	-	-	1,777				
	13.1	-	30	-	-	30				
	13.1	-	109	-	-	109				
		<u>7,234,561</u>	<u>1,916</u>	<u>65,000</u>	<u>-</u>	<u>7,301,477</u>				



Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial liabilities

- not measured at fair value

Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	-	1,481	1,481			
Payable to Central Depository Company Pakistan Limited - Trustee	13.1	-	-	-	537	537			
Payable to Meezan Bank Limited	13.1	-	-	-	84	84			
Payable against purchase of investments - net	13.1	-	-	-	6,000	6,000			
Payable against redemption and conversion of units	13.1	-	-	-	2,222	2,222			
Accrued expenses and other liabilities	13.1	-	-	-	275	275			
		-	-	-	10,599	10,599			

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

June 30, 2017

Financial assets

- measured at fair value

Investments	7,890,079	-	-	-	7,890,079	7,890,079	-	-	7,890,079
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Financial assets

- not measured at fair value

Balances with banks	13.1	-	-	272,832	-	272,832			
Receivable against conversion of units	13.1	-	2,150	-	-	2,150			
Other receivables	13.1	-	999	-	-	999			
		7,890,079	3,149	272,832	-	8,166,060			

Financial liabilities

- not measured at fair value

Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	-	10,808	10,808			
Payable to Central Depository Company Pakistan Limited - Trustee	13.1	-	-	-	542	542			
Payable to Meezan Bank Limited	13.1	-	-	-	5,446	5,446			
Payable against investments - net	13.1	-	-	-	54,993	54,993			
Payable against redemption and conversion of units	13.1	-	-	-	181	181			
Dividend payable	13.1	-	-	-	75	75			
Accrued expenses and other liabilities	13.1	-	-	-	25,976	25,976			
		-	-	-	98,021	98,021			

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

14. GENERAL

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

14.2 Corresponding figures have been reclassified and rearranged in this condensed interim financial information, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information.

14.3 Corresponding figures for MCPP-III and MSAP-V have not been presented as these plans commenced their operations from December 19, 2017 and August 15, 2017 respectively. Further, since MSAP-III and MSAP-IV have commenced their operations from February 20, 2017 and April 24, 2017 respectively, hence no corresponding figures have been presented in the 'Condensed Interim Income Statement', 'Condensed Interim Statement of Comprehensive Income', 'Condensed Interim Statement of Movement in Unitholders' Fund' and 'Condensed Interim Cash flow Statement'.

15. DATE OF AUTHORISATION FOR ISSUE

15.1 This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Management Company.

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

Chief Executive

Director



Meezan

Tahaffuz Pension Fund

Meezan Tahaffuz Pension Fund is Pakistan's first and the largest Shariah Compliant Voluntary Pension Scheme. MTPF is the best way to save and invest for your post-retirement needs and it has the potential to deliver superior returns with the added advantage of providing immense Tax Benefits which significantly enhances the yield on your investment.

FUND INFORMATION

PENSION FUND MANAGER

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

BOARD OF DIRECTORS OF THE PENSION FUND MANAGER

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaikat Khan (Kamila)	Independent	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

CFO & COMPANY SECRETARY OF THE PENSION FUND MANAGER

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Syed Amir Ali	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

Syed Amir Ali	Chairman
Mr. Muhammad Abdullah Ahmed	Member
Mr. Naeem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7&8,
KCHSU, Shahrah-e-Faisal, Karachi-75350, Pakistan

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House,
C-25, Estate Avenue, S.I.T.E., Karachi
Phone: (9221) 33810538 Fax: (9221) 96406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Deloitte.

Deloitte Yousof Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
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AUDITORS' REPORT TO THE PARTICIPANTS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

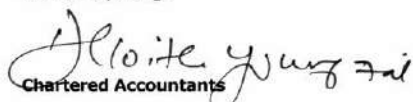
We have reviewed the accompanying condensed interim balance sheet of **Meezan Tahaffuz Pension Fund** ("the Fund") as at December 31, 2017 and the related condensed interim income statement and statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds, condensed interim contribution table, condensed interim number of units in issue and notes to the accounts for the six months ended December 31, 2017 (here-in-after referred to as the "condensed interim financial information"). **Al Meezan Investment Management Limited** ("Pension Fund Manager") is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and statement of comprehensive income for the three months ended December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2017.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.


Chartered Accountants

Engagement Partner:
Naresh Kumar

Date: February 13, 2018
Place: Karachi

Member of
Deloitte Touche Tohmatsu Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2017

Note	December 31, 2017 (Unaudited)					June 30, 2017 (Audited) Total	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total		
(Rupees in '000)							
ASSETS							

Bank balances	4	349,638	85,543	231,471	4,492	671,144	1,484,202
Investments	5	4,878,769	2,247,525	516,826	39,550	7,682,670	7,552,165
Dividend receivable		30,709	-	-	-	30,709	24,606
Deposits and other receivables	6	11,417	39,612	7,242	12	58,283	62,855
Receivable against change of plan / change of fund manager		1,221	476	5,308	-	7,005	91,130
Total assets		5,271,754	2,373,156	760,847	44,054	8,449,811	9,214,958
LIABILITIES							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	7	7,261	3,366	1,043	62	11,732	12,671
Payable to Central Depository Company of Pakistan Limited - Trustee		427	198	61	4	690	720
Payable to auditors		58	58	58	69	243	224
Payable to the Securities and Exchange Commission of Pakistan		902	407	114	7	1,430	2,675
Payable against purchase of investments (net)		14,396	-	-	-	14,396	23
Payable against withdrawal / change of plan		3,318	7,324	3,429	-	14,071	97,934
Accrued expenses and other liabilities	8	60,570	14,580	3,723	74	78,947	77,459
Total liabilities		86,932	25,933	8,428	216	121,509	191,706
NET ASSETS		5,184,822	2,347,223	752,419	43,838	8,328,302	9,023,252
Contingencies and commitments	9						
PARTICIPANTS' SUB - FUNDS (as per statement attached)		5,184,822	2,347,223	752,419	43,838	8,328,302	9,023,252
----- (Number of units) -----							
Number of units in issue (as per statement attached)		10,657,143	10,808,693	3,503,257	467,167		
----- (Rupees) -----							
Net assets value per unit		486.51	217.16	214.78	93.84		

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

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director



CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	For the six months ended December 31, 2017				Total	For the six months ended
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		December 31, 2016
						Total
	(Rupees in '000)					
INCOME						
Profit from sukuk certificates	-	41,533	7,800	-	49,333	40,548
Profit on saving accounts with banks	2,124	6,352	6,121	68	14,665	14,872
Profit on term deposits	-	21,340	4,415	-	25,755	23,340
Dividend income	153,194	-	-	-	153,194	97,569
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1,5.2 & 5.3	(1,066,678)	(16,912)	(2,934)	-	(1,086,524)
Unrealised appreciation / (diminution) on investment in gold	5.5	-	-	-	2,131	(4,876)
Net realised (loss) / gain on sale of investments		(116,837)	(1,037)	(504)	-	115,020
Total (loss) / income		(1,028,197)	51,276	14,898	2,199	(959,824)
EXPENSES						
Remuneration of AI Meezan Investment Management Limited - Pension Fund Manager		40,581	18,315	5,149	334	64,379
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager		5,276	2,381	669	43	8,369
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,354	1,063	297	19	3,733
Sindh Sales Tax on remuneration of the Trustee		306	138	39	3	486
Annual fee to the Securities and Exchange Commission of Pakistan		902	407	114	7	1,430
Auditors' remuneration		69	69	69	69	276
Legal and professional charges		-	14	14	-	28
Brokerage charges		2,443	2	4	191	2,640
Bank and settlement charges		211	65	73	-	349
Charity expense		1,939	-	-	-	1,939
Provision for Workers' Welfare Fund		-	-	-	-	23,239
Provision for Sindh Workers' Welfare Fund		-	567	186	31	784
Total expenses		54,081	23,021	6,614	697	84,413
Net (loss) / income from operating activities		(1,082,278)	28,255	8,284	1,502	(1,044,237)
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(45,347)	(460)	815	18	(44,974)
Net (loss) / income for the period before taxation		(1,127,625)	27,795	9,099	1,520	(1,089,211)
Taxation	12	-	-	-	-	-
Net (loss) / income for the period after taxation		(1,127,625)	27,795	9,099	1,520	(1,089,211)
Other comprehensive income for the period						
Items that can be reclassified to income statement in subsequent periods						
Unrealised diminution on re-measurement of investment classified as "available for sale" (net)		-	-	-	-	-
Total comprehensive income for the period		(1,127,625)	27,795	9,099	1,520	(1,089,211)
Earnings per unit	3.1					

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

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	For the quarter ended December 31, 2017				Total	For the six months ended December 31, 2016
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
	(Rupees in '000)					
INCOME						
Profit from sukuk certificates	-	20,917	3,889	-	24,806	21,116
Profit on saving accounts with banks	806	1,811	2,254	33	4,904	6,789
Profit on term deposits	-	11,227	3,155	-	14,382	12,671
Dividend income	110,108	-	-	-	110,108	68,059
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	5.1, 5.2 & 5.3	(369,671)	1,937	517	(367,217)	731,753
Unrealised appreciation / (diminution) on investment in gold	5.5	-	-	-	1,117	(3,888)
Net realised (loss) / gain on sale of investments		(115,307)	(1,037)	(504)	(116,848)	93,409
Total (loss) / income		(374,064)	34,855	9,311	(328,748)	929,909
EXPENSES						
Remuneration of AI Meezan Investment Management Limited - Pension Fund Manager	19,655	8,883	2,626	166	31,330	28,442
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	2,552	1,155	345	21	4,073	3,696
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,150	520	153	9	1,832	1,716
Sindh Sales Tax on remuneration of the Trustee	149	68	21	2	240	223
Annual fee to the Securities and Exchange Commission of Pakistan	436	197	59	3	695	634
Auditors' remuneration	32	32	32	32	128	146
Legal and professional charges	-	14	14	-	28	-
Brokerage charges	1,289	2	4	99	1,394	2,089
Bank and settlement charges	103	38	59	-	200	156
Charity expense	1,737	-	-	-	1,737	1,159
Provision for Workers' Welfare Fund	-	-	-	-	-	17,957
Provision for Sindh Workers' Welfare Fund	-	471	136	16	623	-
Total expenses	27,103	11,380	3,449	348	42,280	56,218
Net (loss) / income from operating activities	(401,167)	23,475	5,862	802	(371,028)	873,691
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed (net)	(30,863)	(384)	801	7	(30,439)	1,759
Net (loss) / income for the quarter before taxation	(432,030)	23,091	6,663	809	(401,467)	875,450
Taxation	12	-	-	-	-	-
Net (loss) / income for the quarter after taxation	(432,030)	23,091	6,663	809	(401,467)	875,450
Other comprehensive income for the quarter						
Items that can be reclassified to income statement in subsequent periods						
Unrealised diminution on re-measurement of investment classified as "available for sale" (net)	-	-	-	-	-	-
Total comprehensive income for the quarter	(432,030)	23,091	6,663	809	(401,467)	875,450
Earnings per unit	3.1					

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

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED DECEMBER 31, 2017 (UNAUDITED)

Note	For the six months ended December 31, 2017				Total	For the six months ended December 31, 2016
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
(Rupees in '000)						
CASH FLOW FROM OPERATING ACTIVITIES						
	(1,127,625)	27,795	9,099	1,520	(1,089,211)	1,132,938
Adjustments:						
Unrealised diminution / (appreciation) on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1,5.2 & 5.3	1,066,678	16,912	2,934	-	1,086,524 (931,517)
Unrealised (appreciation) / diminution on investment in gold	5.5	-	-	-	(2,131)	(2,131) 4,876
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)		45,347	460	(815)	(18)	44,974 (10,406)
		(15,600)	45,167	11,218	(629)	40,156 195,891
(Increase) / decrease in assets						
Investments (net)		(517,044)	(460,718)	(237,136)	-	(1,214,898) (732,406)
Receivable against sale of investments (net)		-	-	-	-	- (16,319)
Dividend receivable		(6,103)	-	-	-	(6,103) (1,285)
Deposits and other receivables		1,765	4,457	(1,650)	-	4,572 (137,805)
		(521,382)	(456,261)	(238,786)	-	(1,216,429) (887,815)
Increase / (decrease) in liabilities						
Payable to AI Meezan Investment Management Limited - Pension Fund Manager		(952)	(132)	144	1	(939) 2,722
Payable to Central Depository Company of Pakistan Limited - Trustee		(40)	(1)	10	1	(30) 111
Payable to the Securities and Exchange Commission of Pakistan		(835)	(341)	(63)	(6)	(1,245) (520)
Payable to auditors		5	5	5	4	19 61
Payable against purchase of investments (net)		14,373	-	-	-	14,373 (12,724)
Accrued expenses and other liabilities		696	569	190	33	1,488 27,822
		13,247	100	286	33	13,666 17,472
Net cash used in operating activities		(523,735)	(410,994)	(227,282)	(596)	(1,162,607) (674,452)
CASH FLOW FROM FINANCING ACTIVITIES						
Receipts of contribution / change of plan / change of fund manager / issuance of units		1,287,445	606,457	547,724	1,484	2,443,110 1,567,660
Payments on withdrawal / change of plan		(769,426)	(854,110)	(467,634)	(2,391)	(2,093,561) (813,249)
Net cash generated / (used) from financing activities		518,019	(247,653)	80,090	(907)	349,549 754,411
Net (decrease) / increase in cash and cash equivalents during the period		(5,716)	(658,647)	(147,192)	(1,503)	(813,058) 79,959
Cash and cash equivalents at beginning of the period.		355,354	744,190	378,663	5,995	1,484,202 543,527
Cash and cash equivalents at end of the period	4	349,638	85,543	231,471	4,492	671,144 623,486

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

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2017 (UNAUDITED)

	For the six months ended December 31, 2017				Total	For the six months ended December 31, 2016
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
	(Rupees in '000)					
Net assets at beginning of the period	5,806,229	2,510,961	662,819	43,243	9,023,252	6,550,023
Amount on issuance of units (2017: Equity sub fund: 1,927,883 units; Debt sub fund: 2,789,198 units; Money market sub fund: 2,543,995 units; Gold sub fund: 15,830 units) (2016: Equity sub fund: 1,425,818 units Debt sub fund: 2,180,526 units; Money market sub fund: 587,902 units; Gold sub fund: 503,737 units)	1,213,068	601,317	543,116	1,484	2,358,985	1,396,069
Amount on withdrawal of units (2017: Equity sub fund: 1,073,245 units Debt sub fund: 3,681,754 units; Money market sub fund: 2,164,598 units; Gold sub fund: 26,021 units) (2016: Equity sub fund: 922,618 units; Debt sub fund: 997,635 units; Money market sub fund: 421,072 units; Gold sub fund: 21,873 units)	(752,197)	(793,310)	(461,800)	(2,391)	(2,009,698)	(814,141)
	460,871	(191,993)	81,316	(907)	349,287	581,928
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	45,347	460	(815)	(18)	44,974	(10,406)
Net realised (loss) / gain on sale of investments	(116,837)	(1,037)	(504)	-	(118,378)	115,020
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss' (net)	(1,066,678)	(16,912)	(2,934)	-	(1,086,524)	931,517
Unrealised appreciation / (diminution) on investment in gold	-	-	-	2,131	2,131	(4,876)
Other net income / (loss) for the period	55,890	45,744	12,537	(611)	113,560	91,277
	(1,127,625)	27,795	9,099	1,520	(1,089,211)	1,132,938
Net assets at end of the period	5,184,822	2,347,223	752,419	43,838	8,328,302	8,254,483

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

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director



CONDENSED INTERIM CONTRIBUTION TABLE FOR THE SIX MONTHS ENDED DECEMBER 31, 2017 (UNAUDITED)

	For the six months ended December 31, 2017								Total	For the six months ended December 31, 2016
	Equity sub fund		Debt sub fund		Money market sub fund		Gold sub fund			
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)
Contribution net of front end fee for the period										
Individuals										
- Issuance of units	1,927,883	1,213,068	2,789,198	601,317	2,543,995	543,116	15,830	1,484	2,358,985	1,396,069

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

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

CONDENSED INTERIM NUMBER OF UNITS IN ISSUE

FOR THE SIX MONTHS ENDED DECEMBER 31, 2017 (UNAUDITED)

For the six months ended December 31, 2017				
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	
(Number of units)				
Total units in issue at beginning of the period	9,802,505	11,701,249	3,123,860	477,358
Add: Units issued / converted / reallocated during the period	1,927,883	2,789,198	2,543,995	15,830
Less: Units redeemed / converted / reallocated during the period	(1,073,245)	(3,681,754)	(2,164,598)	(26,021)
Total units in issue at the end of the period	<u>10,657,143</u>	<u>10,808,693</u>	<u>3,503,257</u>	<u>467,167</u>

For the six months ended December 31, 2016				
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	
(Number of units)				
Total units in issue at beginning of the period	8,332,830	9,768,041	2,230,504	-
Add: Units issued / converted / reallocated during the period	1,425,818	2,180,526	587,902	503,737
Less: Units redeemed / converted / reallocated during the period	(922,618)	(997,635)	(421,072)	(21,873)
Total units in issue at the end of the period	<u>8,836,030</u>	<u>10,950,932</u>	<u>2,397,334</u>	<u>481,864</u>

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

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED DECEMBER 31, 2017 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sarah-e-Faisal, Karachi 74400, Pakistan.

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

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

- The Equity Sub-Fund shall invest at least 90% of net assets in listed equity securities based on quarterly average investment calculated on daily basis. Investment in single company shall not exceed 10% of net assets or paid-up capital of the investee company, whichever is lower. Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A".
- The Debt Sub-Fund shall consist of debt securities with maturity of not more than 5 years. At least 25 % of net assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25 % of net assets of Debt Sub-Fund may be deposited with Banks having not less than "AA Plus" rating. However, if such debt securities issued by Federal Government are not available, the assets of Debt Sub-Fund may be deposited in Islamic Commercial Banks, having not less than "A+" rating or Islamic windows of conventional commercial Banks, having not less than "AA" rating or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.
- The Money Market Sub-Fund consists of short term debt instruments with weighted average maturity upto one year. Shariah Compliant Money Market Sub Fund can invest in shariah compliant government securities where the time to maturity may be upto three years.
- The Gold Sub Fund consist of physical gold and aim to provide opportunities of capital appreciation and maximum exposure to price of gold in a Shariah Compliant manner, by investing a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX).

- 1.3 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Meezan Bank Limited (MBL) as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4 The Fund is an unlisted pension scheme. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the participants.
- 1.5 Title to the assets of the Sub Funds are held in the name of CDC as a trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM1' to the Pension Fund Manager.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirement of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosure required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2017. The accounting policies followed in preparation of condensed interim financial information are same which were disclosed in annual financial statements.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2017.

3.1 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.



Note	December 31, 2017 (Unaudited)				Total	June 30, 2017 (Audited)	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total	
(Rupees in '000)							
4.	BANK BALANCES						
	Current account	530	-	-	-	530	818
	Savings accounts	349,108	85,543	231,471	4,492	670,614	1,483,384
4.1		349,638	85,543	231,471	4,492	671,144	1,484,202

4.1 The balance in savings accounts carry expected profit which ranges from 2.00% to 6.00% (June 30, 2017: 2.00% to 6.10%) per annum.

Note	December 31, 2017 (Unaudited)				Total	June 30, 2017 (Audited)	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total	
(Rupees in '000)							
5.	INVESTMENTS						
	- At fair value through profit or loss held for trading						
	- shares of listed companies	4,878,769	-	-	-	4,878,769	5,428,403
	- sukuk certificates	-	1,253,116	233,826	-	1,486,942	1,629,823
		4,878,769	1,253,116	233,826	-	6,365,711	7,058,226
	Investments designated at 'fair value through profit or loss upon initial recognition'						
	- sukuk certificates	-	141,269	-	-	141,269	26,520
	Loans and receivables						
	- term deposits	-	830,000	283,000	-	1,113,000	430,000
	- Commercial paper	-	23,140	-	-	23,140	-
	Investment in gold						
		-	-	-	39,550	39,550	37,419
		4,878,769	2,247,525	516,826	39,550	7,682,670	7,552,165

5.1 Held for trading' - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Bonus / Rights issue during the period	Sold during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) at December 31, 2017	Percentage of net assets on the basis of market value of the respective sub fund (see note 5.1.2)	Percentage of paid-up capital of investee company
	(Number of shares)		(Rupees in '000)		(Number of shares)		(Rupees in '000)			%	
Equity Sub Fund											
Sector / companies											
Automobile Assembler											
Indus Motor Company Limited	15,605	-	-	-	15,605	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	-	92,600	49,928	-	-	92,600	49,928	46,094	(3,834)	0.89	0.11
Honda Atlas Cars Pakistan Limited	273,500	-	-	-	-	273,500	237,313	140,144	(97,169)	2.70	0.19
Millat Tractors Limited	-	25,000	33,749	-	-	25,000	33,749	29,291	(4,458)	0.56	0.06
Ghandhara Industries Limited	-	74,800	39,186	-	5,450	69,350	36,397	38,287	1,890	0.74	0.33
										4.89	0.69
Automobile parts and Accessories											
General Tyre and Rubber Company of Pakistan Limited	-	202,700	40,809	-	-	202,700	40,809	38,168	(2,641)	0.74	0.34
Cable & Electrical Goods											
Pak Elektron Limited	1,329,000	425,000	29,211	-	25,000	1,729,000	173,162	82,110	(91,052)	1.58	0.35
Cement											
D.G Khan Cement Company Limited	942,900	50,000	9,753	-	225,000	767,900	162,986	102,684	(60,302)	1.98	0.18
Lucky Cement Limited	510,106	10,000	7,050	-	-	520,106	433,631	269,108	(164,523)	5.19	0.16
Fauji Cement Company Limited	1,653,500	550,000	21,758	-	516,500	1,687,000	68,599	42,192	(26,407)	0.81	0.12
Cherat Cement Company Limited	786,000	-	-	-	-	786,000	140,521	87,175	(53,346)	1.68	0.44
Pioneer Cement Company Limited	1,570,100	-	-	-	-	1,570,100	204,113	99,105	(105,008)	1.91	0.69
Maple Leaf Cement Factory Limited	467,500	56,562	5,176	-	465,000	59,062	5,455	4,042	(1,413)	0.08	0.01
Kohat Cement Company Limited	436,400	150,000	30,000	-	-	586,400	130,049	83,245	(46,804)	1.61	0.38
										13.26	1.98
Chemical											
Engropolymer & Chemicals Limited	1,150,000	1,973,000	66,355	-	300,000	2,823,000	97,759	80,625	(17,134)	1.56	0.43
ICI Pakistan Limited	153,470	8,600	7,669	-	-	162,070	175,650	124,462	(51,188)	2.40	0.18
Sitara Chemical Industries Limited	36,600	-	-	-	-	36,600	16,273	11,016	(5,257)	0.21	0.17
										4.17	0.78

Name of the investee company	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Bonus / Rights issue during the period	Sold during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) at December 31, 2017	Percentage of net assets on the basis of market value of the respective sub fund (see note 5.1.2)	Percentage of paid up capital of investee company
	(Number of shares)		(Rupees in '000)		(Number of shares)		(Rupees in '000)			%	
Engineering											
K.S.B Pumps Company Limited	131,500	-	-	-	35,000	96,500	30,398	29,529	(869)	0.57	0.73
Amreli Steels Limited	225,000	-	-	-	150,300	74,700	9,184	6,922	(2,262)	0.13	0.03
Crescent Steel & Allied Products Limited	312,400	50,000	6,350	-	-	362,400	80,879	46,137	(34,742)	0.89	0.47
International Steels Limited	225,000	130,000	15,930	-	25,000	330,000	41,508	35,102	(6,406)	0.68	0.08
International Industries Limited	222,500	170,000	45,672	-	165,000	227,500	67,595	54,625	(12,970)	1.05	0.19
										3.32	1.50
Fertilizer											
Engro Corporation Limited (note 5.1.3)	1,464,700	522,300	138,615	-	875,500	1,111,500	339,005	305,385	(33,620)	5.89	0.21
Engro Fertilizers Limited	3,312,000	450,000	25,571	-	-	3,762,000	208,526	254,763	46,237	4.91	0.28
Dawood Hercules Corporation Limited	603,900	7,300	876	-	-	611,200	83,224	68,381	(14,843)	1.32	0.13
										12.12	0.62
Food and Personal Care Products											
Engro Foods Limited	302,100	40,000	4,511	-	285,000	57,100	6,879	4,586	(2,293)	0.09	0.01
National Foods Limited	47,000	-	-	-	47,000	-	-	-	-	-	-
Al-Shaheer Corporation Limited	33,160	975,000	30,086	-	-	1,008,160	31,417	22,401	(9,016)	0.43	0.01
										0.52	0.72
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	2,094,900	909,000	141,106	-	50,000	2,953,900	428,808	480,865	52,057	9.27	0.07
Pakistan Oilfields Limited	369,050	118,900	63,983	-	40,000	447,950	213,958	266,199	52,241	5.13	0.19
Pakistan Petroleum Limited	636,657	759,100	140,334	-	-	1,395,757	234,648	287,400	52,752	5.54	0.07
Mari Petroleum Company Limited	205,400	-	-	-	-	205,400	323,636	298,009	(25,627)	5.75	0.19
										25.69	0.52
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	433,133	321,500	137,558	150,926	-	905,559	305,332	265,428	(39,904)	5.12	0.28
Attock Petroleum Limited	34,120	3,250	1,950	-	-	37,370	23,324	19,547	(3,777)	0.38	0.05
Sui Northern Gas Pipelines Limited	1,800,000	544,500	64,281	-	90,000	2,254,500	319,328	213,298	(106,030)	4.11	0.36
Shell Pakistan Limited	10,000	-	-	-	-	10,000	5,754	3,072	(2,682)	0.06	0.01
Hasco Petroleum Limited	4,300	123,483	35,292	-	10,000	117,783	33,404	29,097	(4,307)	0.56	0.08
Hi-tech Lubricants Limited	295,000	-	-	-	-	295,000	32,158	20,945	(11,211)	0.40	0.25
										10.63	1.03
Paper and Board											
Packages Limited	430,801	-	-	-	51,000	379,801	264,182	193,634	(70,548)	3.73	0.42
Cherat Packaging Limited	141,000	19,035	2,379	-	-	160,035	35,906	31,847	(4,059)	0.61	0.48
										4.34	0.90
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	134,550	-	-	-	-	134,550	125,750	93,863	(31,887)	1.81	0.14
GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	41,500	8,706	-	24,000	17,500	3,671	5,675	2,004	0.11	0.02
The Searle Company Limited	302,446	15,000	6,599	63,489	-	380,935	161,445	119,941	(41,504)	2.31	0.21
Highnoon Laboratories Limited	5,929	-	-	-	-	5,929	3,713	2,530	(1,183)	0.05	0.02
										4.28	0.39
Power Generation & Distribution											
The Hub Power Company Limited	1,921,745	308,400	32,685	-	325,000	1,905,145	220,671	173,368	(47,303)	3.34	0.16
K-Electric Limited (note 5.1.1)	24,768,500	852,000	5,209	-	2,000,000	23,620,500	162,319	149,045	(13,274)	2.87	0.24
										6.21	0.40
Refinery											
Attock Refinery Limited	153,000	212,500	74,018	-	340,400	25,100	6,156	5,876	(280)	0.11	0.03
National Refinery Limited	95,000	33,000	19,357	-	40,000	88,000	59,483	37,917	(21,566)	0.73	0.11
										0.84	0.14
Textile Composite											
Nishat Mills Limited	168,500	250,000	37,101	-	-	418,500	63,839	62,566	(1,274)	1.21	0.12
Technology & Communication											
Pakistan Telecommunication Company Limited	-	1,000,000	12,933	-	-	1,000,000	12,933	13,050	116	0.25	0.03
Miscellaneous											
Shifa International Hospitals Limited	10,960	-	-	-	10,900	60	20	18	(2)	-	-
Total			1,391,746			55,790,722	5,945,447	4,878,769	(1,066,678)		

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

5.1.2 Net assets are as defined in Rule 2(1)(m) of VPS Rules.

5.1.3 145,000 shares of Engro Corporation Limited having market value of Rs. 39.84 million as at December 31, 2017, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.



5.2 'Held for trading' - sukuk certificates

Name of the security	Maturity date	Profit rate per annum	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Sold during the period	Matured during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain / (loss) as at December 31, 2017	Percentage of net assets on the basis of market value of the respective sub fund (see note 5.1.2)
			Number of certificates	(Rupees in '000)	-----	Number of certificates	-----	(Rupees in '000)	-----	(%)		
Debt Sub Fund												
GoP - Ijarah sukuk XVI (note 5.2.1)	December 18, 2018	Expected profit rate is 5.51%	3,780	-	-	500	-	3,280	334,527	330,329	(4,198)	14.07
GoP - Ijarah sukuk XVII (note 5.2.1)	February 15, 2019	Expected profit rate is 6.1%	6,620	-	-	-	-	6,620	681,397	670,937	(10,460)	28.58
GoP - Ijarah sukuk XVIII (note 5.2.1)	March 29, 2019	Expected profit rate is 5.59%	2,750	-	-	250	-	2,500	254,800	251,850	(2,950)	10.73
Total									1,270,724	1,253,116	(17,608)	
Money Market Sub Fund												
GoP - Ijarah sukuk XVI (note 5.2.1)	December 18, 2018	Expected profit rate is 5.51%	1,040	-	-	-	-	1,040	106,070	104,738	(1,332)	13.92
GoP - Ijarah sukuk XVII (note 5.2.1)	February 15, 2019	Expected profit rate is 6.1%	230	-	-	-	-	230	23,674	23,311	(363)	3.10
GoP - Ijarah sukuk XVIII (note 5.2.1)	March 29, 2019	Expected profit rate is 5.59%	1,500	-	-	450	-	1,050	107,016	105,777	(1,239)	14.06
Total									236,760	233,826	(2,934)	

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

5.3 Investments 'at fair value through profit or loss upon initial recognition' - Sukuk Certificates

Name of the investee company	Maturity date	Profit rate per annum	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Sold during the period	Redemptions / matured during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised (loss) / gain as at December 31, 2017	Percentage of net assets on the basis of market value (see note 5.1.2)
			Number of certificates	(Rupees in '000)	-----	Number of certificates	-----	(Rupees in '000)	-----	(%)		
Debt Sub Fund												
Eden Housing Limited (note 5.3.1) and (note 5.3.6)	September 29, 2014	3 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	-	-	-	-
Security Leasing Corporation Limited II (note 5.3.2) and (note 5.3.5)	January 19, 2022	-	154	-	-	-	-	154	-	-	-	-
Fatima Fertilizer Company Limited (note 5.3.2)	November 28, 2021	6 months Kibor plus base rate of 1.10%	5,640	-	-	-	1,128	4,512	23,573	23,180	(393)	0.99
Dubai Islamic Bank Pakistan Limited (note 5.3.3)	July 14, 2027	6 months Kibor plus base rate of 0.5%	-	62	62,000	-	-	62	62,000	63,089	1,089	2.69
International Brand Limited (note 5.3.4)	November 15, 2021	12 months Kibor plus base rate of 0.5%	-	550	55,000	-	-	550	55,000	55,000	-	2.34
Total					117,000				140,573	141,269	696	
Money Market Sub Fund												
Security Leasing Corporation Limited II (note 5.3.1) and (note 5.3.5)	January 19, 2022	-	154	-	-	-	-	154	-	-	-	-

- 5.3.1** The principal buy out reduces the face value per certificate instead of number of certificates. The face value of the sukuk certificates is Rs.984.38 each.
- 5.3.2** The nominal value of these sukuk certificates is Rs.5,000 each.
- 5.3.3** The nominal value of these sukuk certificates is Rs.1,000,000 each.
- 5.3.4** The nominal value of these certificates is Rs. 100,000 each. As at December 31, 2017, trade rates of these sukuk were not quoted on MUFAP.
- 5.3.5** The agreement with Security Leasing Corporation Limited (SLCL) had been amended on February 19, 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of contributories to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 3, 2012. Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 77 million in both debt sub fund and money market sub Fund has also been held as provision against the outstanding principal as at December 31, 2017.
- 5.3.6** On May 6, 2011, Eden Housing sukuk certificates have been classified as non-performing by MUFAP. Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 0.492 million has also been held as provision against the outstanding principal as at December 31, 2017.

5.4 Loans and receivables

	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
Debt Sub Fund			
Term deposits	5.4.1	830,000	430,000
Commercial paper	5.4.2	23,140	-
		<u>853,140</u>	<u>430,000</u>
Money Market Sub Fund			
Term deposits	5.4.1	<u>283,000</u>	-

5.4.1 Term deposit

Name of the Bank	Maturity date	Profit rate per annum	Face Value				Rating	Percentage of net assets value on the basis of total value of investments of the respective sub fund (see note 5.1.2)
			As at July 01, 2017	TDR's placed during the period	Matured during the period	As at December 31, 2017		
			(Rupees in '000)				(%)	
Debt Sub Fund								
Dubai Islamic Bank Pakistan Limited	September 05, 2017	6.10%	330,000	-	330,000	-	AA-	-
Dubai Islamic Bank Pakistan Limited	March 06, 2018	5.80%	-	330,000	-	330,000	AA-	14.06
Dubai Islamic Bank Pakistan Limited	February 01, 2018	5.70%	100,000	-	-	100,000	AA-	4.26
Bank Al Habib Limited	November 01, 2017	5.80%	-	400,000	400,000	-	AA+	-
Bank Al Habib Limited	February 01, 2018	5.85%	-	300,000	-	300,000	AA+	12.78
Habib Bank Limited	January 28, 2018	6.20%	-	100,000	-	100,000	AAA	4.26
Total						<u>830,000</u>		
Money Market Sub Fund								
Bank Al Habib Limited	November 01, 2017	5.80%	-	130,000	130,000	-	AA+	-
Bank Al Habib Limited	February 01, 2018	5.80%	-	133,000	-	133,000	AA+	17.68
Habib Bank Limited	May 07, 2018	5.90%	-	133,000	-	133,000	AAA	17.68
Habib Bank Limited	January 28, 2018	6.20%	-	17,000	-	17,000	AAA	2.26
Total						<u>283,000</u>		



5.4.2 Commercial paper

Name of the security	Maturity date	Profit rate per annum	As at July 01, 2016	Placed during the period	Cost of Purchase (Rs. In 000)	Matured during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised (loss) / gain as at December 31, 2017	Percentage of net assets on the basis of market value (see note 5.1.2)
			Face Value			(Rupees in '000)					(%)
Hascol Petroleum Limited	June 29, 2018	6 months Kibor plus base rate of 1.25%	-	23,140	23,140	-	23,140	23,140	23,140	-	0.99

5.5 Investment in gold

Commodity	As at July 01, 2017	Purchased during the period	Sold during the period	As at December 31, 2017	Carrying value as at December 31, 2017	Market value as at December 31, 2017	Unrealised gain as at December 31, 2017	Net Assets of the Fund on the basis of investments (note 5.1.2)
	Quantity in Tola			(Rupees in '000)			(%)	
Tola Gold	734	-	-	734	37,419	39,550	2,131	90.22
Total					37,419	39,550	2,131	

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

5.5.2 The investment in gold of Rs.39.550 million has been measured at fair value based on the quoted market price in active markets.

6. DEPOSITS AND OTHER RECEIVABLES

	December 31, 2017 (Unaudited)					June 30, 2017 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
	(Rupees in '000)					
Security Deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks and term deposit	4,070	17,154	4,879	12	26,115	32,503
Profit receivable on sukuk certificates	-	22,358	2,263	-	24,621	22,805
Advance tax	4,747	-	-	-	4,747	4,747
	11,417	39,612	7,242	12	58,283	62,855

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - PENSION FUND MANAGER

	December 31, 2017 (Unaudited)					June 30, 2017 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
	(Rupees in '000)					
Remuneration of the Pension Fund Manager	6,426	2,979	923	55	10,383	11,214
Sindh Sales Tax on remuneration of the Pension Fund Manager	835	387	120	7	1,349	1,457
	7,261	3,366	1,043	62	11,732	12,671

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2017 (Unaudited)					June 30, 2017 (Audited) Total
		Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
(Rupees in '000)							
Provision for Sindh Workers' Welfare Fund	8.1	38,142	5,044	1,162	31	44,379	43,595
Federal Excise Duty on remuneration of the Pension Fund Manager	8.2	15,068	8,535	2,312	-	25,915	25,915
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager	8.3	1,800	962	242	-	3,004	3,004
Charity payable		3,423	-	-	-	3,423	2,484
Brokerage payable		2,115	39	7	-	2,161	2,398
Custodian charges payable		-	-	-	43	43	41
Sindh Sales Tax withheld on brokerage		22	-	-	-	22	22
		60,570	14,580	3,723	74	78,947	77,459

- 8.1** Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at December 31, 2017 would have been higher by Rs. 3.58, Rs. 0.47, Rs. 0.33 and Rs. 0.07 per unit (June 30, 2017: Rs. 3.89, Rs. 0.38, Rs. 0.31 and Rs. 0.31 per unit) for Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively. The status of Sindh Workers' Welfare Fund is the same as disclosed in the annual financial statements of the Fund for the year ended June 30, 2017.
- 8.2** Had the provision of Federal Excise Duty not being made, the net asset value per unit as at December 31, 2017 would have been higher by Rs. 1.41 (June 30, 2017: Rs. 1.54) per unit, Rs. 0.79 (June 30, 2017: Rs. 0.73) per unit and Rs. 0.66 (June 30, 2017: Rs. 0.74) per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. The status of Federal Excise Duty is the same as disclosed in the annual financial statements of the Fund for the year ended June 30, 2017.
- 8.3** It represents amount payable in respect of Sindh Sales Tax at the rate of 13 percent (June 30, 2017: 13 percent) on remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011, being Sindh Sales Tax accrued on Federal Excise Duty (FED) on remuneration of the Pension Fund Manager as fully explained in note 8.2 above.
- 8.4** The amount of FED and SST accrued on FED on remuneration of the Pension Fund Manager will be paid via Pension Fund Manager to the taxation authorities, if required.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 other than as disclosed in the annual financial statements for the year ended June 30, 2017.

10. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 10.1** Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and Executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.



- 10.2** The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 10.3** Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed respectively.
- 10.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 10.5 Amount outstanding as at period end are as follows**

	December 31, 2017 (Unaudited)					June 30, 2017 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
	(Rupees in '000)					
Al Meezan Investment Management Limited - Pension Fund Manager						
Remuneration of the Pension Fund Manager	6,426	2,979	923	55	10,383	11,214
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	835	387	120	7	1,349	1,457
Investments as at December 31, 2017: (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000) as at June 30, 2017 (Equity sub fund: 260,077 units; Gold Sub Fund : 300,000 units)	126,530	-	-	28,152	154,682	181,225
Meezan Bank Limited - Holding company of the Pension Fund Manager						
Bank balance	74,628	538	58	4,474	79,698	55,310
Profit receivable on savings account	796	11	29	12	848	1,528
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of the Trustee	378	175	54	3	610	637
Sindh Sales Tax on the remuneration of the Trustee	49	23	7	1	80	484
Deposits	100	100	100	-	300	300
Directors and Executives of the Pension Fund Manager						
Investments as at December 31, 2017: (Equity sub fund: 988,412 units; Debt Sub Fund: 385,208 units; Money Market Sub Fund: 11,189 units; Gold Sub Fund: 150,199 Units) as at June 30, 2017: (Equity sub fund: 839,300 units; Debt sub fund: 407,292 units; Money Market sub fund: 10,158 units; Gold Sub Fund : 160,905 units)	480,872	83,652	2,402	14,095	581,021	624,927

10.6 Details of Transactions with connecte perison and related parties are as follows:

	Six months ended December 31, 2017 (Unaudited)					For the six months ended December 31, 2016 (Unaudited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
(Rupees in '000)						
Al Meezan Investment Management Limited - Pension Fund Manager						
Remuneration of the Pension Fund Manager	40,581	18,315	5,149	334	64,379	54,482
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	5,276	2,381	669	43	8,369	7,082
Units Issued	-	-	-	-	-	30,000
Meezan Bank Limited - Holding company of the Pension Fund Manager						
Profit on savings account	796	21	13	68	898	227
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of the Trustee	2,354	1,063	297	19	3,733	3,338
Sindh Sales Tax on remuneration of the Trustee	306	138	19	3	466	434
CDS Charges for the period	93	3	3	-	99	106
Directors and Executives of the Pension Fund Manager						
Units issued (Equity Sub Fund: 152,014 units; Debt Sub Fund: 38,340 units; Money Market Sub Fund: 2,911 units; Gold sub fund: 12,775 units)	81,722	8,252	621	1,198	91,793	94,183
Units redeemed / reallocated (Equity Sub Fund 2,902 units; Debt Sub Fund: 60,424 units; Money Market Sub Fund: 1,880 units; Gold sub fund: 23,481 units)	1,424	13,025	401	2,152	17,002	38,197

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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										
Investments										
- Held-for-trading										
- shares of listed companies	11.1	5,428,403	-	-	-	5,428,403	-	-	5,428,403	
- sukuk certificates	11.1	1,629,823	-	-	-	-	1,629,823	-	1,629,823	
- Investments designated at fair value through profit or loss upon initial recognition'										
- sukuk certificates	11.1	26,520	-	-	-	-	26,520	-	26,520	
		<u>7,084,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,084,746</u>	<u>5,428,403</u>	<u>1,656,343</u>	<u>-</u>	<u>7,084,746</u>
Financial assets - not measured at fair value										
Bank balances	11.1	-	-	1,484,202	-	1,484,202	-	-	-	
Investments - Loans and receivables	11.1	430,000	-	-	-	430,000	-	-	-	
Dividend receivable	11.1	-	24,606	-	-	24,606	-	-	-	
Deposits and other receivables	11.1	-	58,108	-	-	58,108	-	-	-	
Receivable against change of plan / change of fund manager / issuance of units	11.1	-	91,130	-	-	91,130	-	-	-	
		<u>430,000</u>	<u>173,844</u>	<u>1,484,202</u>	<u>-</u>	<u>2,088,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total		<u>7,514,746</u>	<u>173,844</u>	<u>1,484,202</u>	<u>-</u>	<u>9,172,792</u>	<u>5,428,403</u>	<u>1,656,343</u>	<u>-</u>	<u>7,084,746</u>
Financial liabilities										
- not measured at fair value										
Payable to Al Meezan Investment Management Limited										
- Pension Fund Manager	11.1	-	-	-	12,671	12,671	-	-	-	
Payable to Central Depository Company of Pakistan Limited										
- Trustee	11.1	-	-	-	720	720	-	-	-	
Payable to auditors	11.1	-	-	-	224	224	-	-	-	
Payable against purchase of investments (net)	11.1	-	-	-	23	23	-	-	-	
Payable against withdrawal / change of plan	11.1	-	-	-	97,934	97,934	-	-	-	
Accrued expenses and other liabilities	11.1	-	-	-	2,439	2,439	-	-	-	
		<u>-</u>	<u>-</u>	<u>-</u>	<u>114,011</u>	<u>114,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	

11.1 The Fund has not disclosed fair value for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

11.2 There were no transfers between above levels during the period.

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



12. TAXATION

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in this condensed interim financial information.

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

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 08, 2018 by the Board of Directors of the Pension Fund Manager.

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director





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