

DESTINED
TO ASCEND



ANNUAL REPORT
2017



Meezan
Islamic Income Fund



Meezan
Sovereign Fund



Meezan
Cash Fund



ANNUAL REPORT 2017

CONTENT

Who we are	04
Core Values	08
The Financial Year at Al Meezan FY 2017	12



Meezan
Islamic Income Fund

Fund Information	46
Report of the Fund Manager	47
Report of the Shari'ah Advisor	49
Trustee Report to the Unitholders	50
Statement of Compliance with the Code of Corporate Governance	51
Review Report to the Unitholders' on Statement of Compliance with Best Practices of Code of Corporate Governance	53
Independent Auditors' Report to the Unitholders	54
Statement of Assets and Liabilities	56
Income Statement and Statement of Comprehensive Income	57
Distribution Statement	58
Statement of Movement in Unitholders' Fund	59
Cash Flow Statement	60
Notes to the Financial Statements	61
Pattern of Holdings (Units) as per the Requirement of Code of Corporate Governance	89

Vision Mission	06
Pride of the Year FY 2017	10
Board of Directors	14



Meezan
Sovereign Fund

Fund Information	92
Report of the Fund Manager	93
Report of the Shari'ah Advisor	95
Trustee Report to the Unitholders	96
Statement of Compliance with the Code of Corporate Governance	97
Review Report to the Unitholders' on Statement of Compliance with Best Practices of Code of Corporate Governance	99
Independent Auditors' Report to the Unitholders	100
Statement of Assets and Liabilities	102
Income Statement and Statement of Comprehensive Income	103
Distribution Statement	104
Statement of Movement in Unitholders' Fund	105
Cash Flow Statement	106
Notes to the Financial Statements	107
Pattern of Holdings (Units) as per the Requirement of Code of Corporate Governance	131

CONTENT



Meezan
Cash Fund

134	▶	Fund Information
135	▶	Report of the Fund Manager
137	▶	Report of the Shari'ah Advisor
138	▶	Trustee Report to the Unitholders
139	▶	Statement of Compliance with the Code of Corporate Governance
141	▶	Review Report to the Unitholders' on Statement of Compliance with Best Practices of Code of Corporate Governance
142	▶	Independent Auditors' Report to the Unitholders
144	▶	Statement of Assets and Liabilities
145	▶	Income Statement and Statement of Comprehensive Income
146	▶	Distribution Statement
147	▶	Statement of Movement in Unitholders' Fund
148	▶	Cash Flow Statement
149	▶	Notes to the Financial Statements
175	▶	Pattern of Holdings (Units) as per the Requirement of Code of Corporate Governance



Meezan
Islamic Income Fund

FAISAL MOSQUE – ISLAMABAD, PAKISTAN.

The world's sixth largest mosque.

The background image shows the National Mosque of Pakistan at dusk. The mosque's architecture features a large, illuminated dome and minarets, with a prominent crescent moon on the left. The foreground is a polished, reflective floor that mirrors the mosque's lights. A large, dark, geometric overlay with a triangular pattern covers the upper right portion of the image, containing the text.

MEEZAN ISLAMIC INCOME FUND (MIIF):

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

FOR THE YEAR ENDED JUNE 30, 2017

Type of Fund

Open end mutual fund which falls under the Income Fund category.

Objective

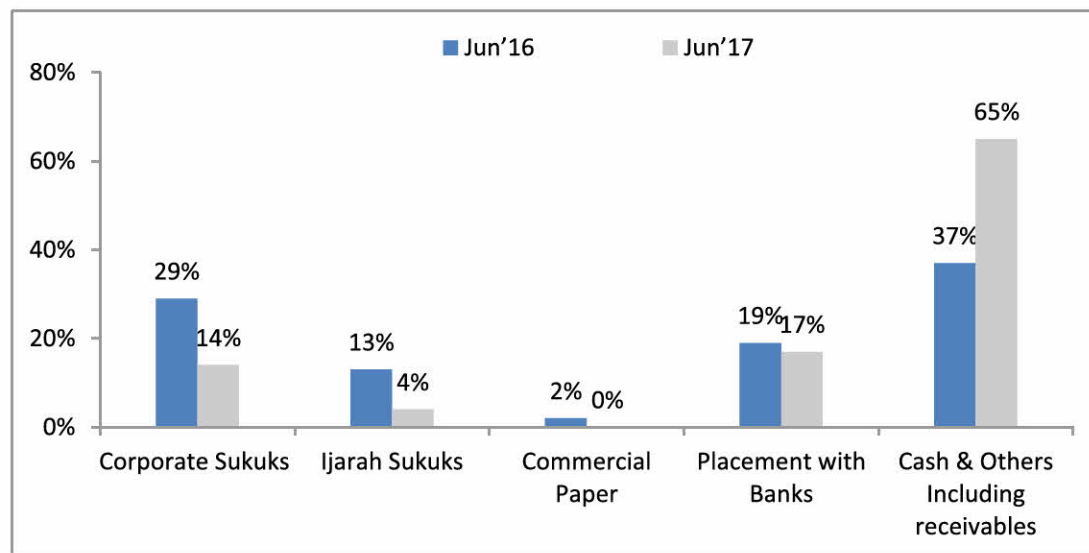
The Fund's primary objective is to provide investors with a competitive and stable rate of current income in a Shariah compliant way. A secondary objective is to take advantage of opportunities to realize capital appreciation. The Fund shall seek to provide investors with a rate of total return consistent with a broadly diversified portfolio of long, medium and short term high quality Islamic Income instruments.

Strategy, Investment policy and asset allocation

MIIF invests in Corporate and Sovereign Sukuks (Islamic Bonds), Musharaka and Murabaha instruments, Shariah Compliant spread transactions, Certificate of Islamic Investments, Islamic bank deposits, and other Islamic Income products.

During the year, the focus was on proactive and continuous reallocation between high yield instruments, so as to maximize fund yield, while maintaining a balance within the risk management constraints. In this connection, the fund's excess liquidity was deployed in government Ijarah Sukuks (to take advantage of price appreciation) as well as corporate Sukuks of high credit quality. Term Deposits were also placed in order to lock in relatively higher rates in a low interest rate market.

Sector Allocation as on June 30, 2016 and 2017



Performance Review

During FY17, Meezan Islamic Income Fund (MIIF) provided a full year return of 5.09% as compared to its benchmark return of 2.78%. The fund manager remained on a continuous look out for deployment opportunities in high quality corporate Sukuks and investments were made in Sukuks issued by companies in the fertilizer and Oil sector during the year. With the SBP continuing on its monetary easing stance, Term placements having tenors of six months or above were also made whenever possible in order to lock in higher profit rates. The fund has three non performing Sukuks currently (Sukuks of Eden Housing Limited, Security Leasing Company Limited and Arzoo Textile Mills Limited) but it is pertinent to note that these stand fully provided for; a case for Arzoo Textile Mills Limited Sukuks is already under contestation in the courts, for Eden Housing Limited, Bank Islami is currently in the process of filing a case against the company since rescheduling terms could not be agreed and for Security Leasing Company Limited, negotiations have not been very fruitful so it appears that the most likely way forward will be procession

of legal proceedings against the company but the Sukuks holders are yet to reach a conclusion on the matter. As at year end, the fund was invested 14% in Islamic Corporate Sukuks, 4% in GoP Ijarah Sukuks, 17% in Islamic Bank Placements and others 65% in Islamic Bank Deposits including other receivables.

The Fund earned a gross income of Rs. 748 million, which was primarily due to profit on Sukuks certificates amounting worth Rs. 249 million. Profit on saving accounts at Islamic banks including profit on term deposit receipts contributed Rs. 374 million, while realized gain on sale of Sukuks certificates was Rs. 7 million. On the other side, the fund incurred unrealized appreciation worth Rs. 50 million while profit on Bai Muajjal and income from reversal of WWF amounted to Rs. 21 million and Rs. 45 million respectively. The fund also incurred expenses totalling to Rs. 225 million and element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 202 million, which brought the net income figure to Rs. 321 million. The net assets of the Fund as at June 30, 2017 were Rs. 11,781 million as compared to Rs. 9,051 million at the end of last year depicting a rise of 30.16%. The net asset value per unit as at June 30, 2017 was Rs. 51.39 as compared to Rs. 51.28 per unit as on June 30, 2016.

	MIIF	Islamic Banks Deposits
Net Asset Value as on June 30, 2016	51.28	
Net Asset Value as on June 30, 2017	51.39	
Return for the year	5.09%	2.78%
Outperformance	2.31%	

Fund Rating

JCR-VIS Credit Rating Company has assigned Stability Rating of A- (f) to Meezan Islamic Income Fund.

Distributions

The interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2017 was Rs. 2.50 per unit (5%). Total distribution made by the fund was Rs. 296 million.

Breakdown of unit holdings by size:

(As on June 30, 2017)

Range (Units)	No. of Investors
1 - 9,999	3,004
10,000 - 49,999	1,167
50,000 - 99,999	231
100,000 - 499,999	182
500,000 and above	62
Total	4,646



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Islamic Income Fund

August 21, 2017 / 13hu Al Q'dah 28, 1438

Alhamdulillah, the period from July 01, 2016 to June 30, 2017 was the eleventh year of operation of Meezan Islamic Income Fund (MIF) under management of Al Meezan Investment Management Limited (AMIL). We Meezan Bank Limited are the *Shari'ah* Advisors of the fund and are issuing the report in accordance with clause 7.3.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

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

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



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

Meezan Bank Ltd.
Meezan House, C-25, E-6, Avenue 8/11, Karachi - Pakistan
Tel: +92 211 6000580 Fax: +92 211 6009000 www.meezankbank.com

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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




TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 year ended June 30, 2017 in accordance with the provisions of the following:

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


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

Karachi, September 14, 2017



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

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

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

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

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



Mohammad Shoaib, CFA
Chief Executive

Dated: August 24, 2017
Karachi.



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

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

**Review Report to the Unitholders of Meezan Islamic Income Fund ("the Fund") on
Statement of Compliance with Best Practices of Code of Corporate Governance**

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

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

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

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

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

Date: 24 August 2017

Karachi

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



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

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

Independent Auditors' Report to the Unitholders

Report on the Financial Statements

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

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



KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

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

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Ameen Malik


STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Assets			
Balances with banks	4	8,138,062	2,505,300
Investments	5	5,116,078	6,098,995
Receivable on issuance and conversion of units		1,202,964	858,248
Deposits, prepayments and other receivables	6	159,081	85,746
Total assets		14,616,185	9,548,289
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	7	14,968	13,725
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	798	734
Payable to Securities and Exchange Commission of Pakistan (SECP)	9	7,979	6,220
Payable to Meezan Bank Limited (MBL)		673	1,234
Payable on redemption and conversion of units		2,712,438	337,862
Accrued expenses and other liabilities	10	97,903	137,097
Total liabilities		2,834,759	496,872
Net assets		11,781,426	9,051,417
Contingencies and commitments	11		
Unitholders' fund (as per statement attached)		11,781,426	9,051,417
		(Number of units)	
Number of units in issue	13	229,249,833	176,505,403
		(Rupees)	
Net assets value per unit		51.39	51.28

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director



INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Income			
Profit on saving accounts with banks		216,448	238,021
Profit on term deposit receipts		157,069	117,108
Profit on sukuk certificates		249,387	214,767
Profit on Bai Muajjal		21,105	-
Net realised gain on sale of sukuk certificates		6,528	51,371
Reversal of provision for Workers' Welfare Fund (WWF)	12	45,462	-
Other income		1,201	2,435
		697,200	623,702
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1.1 & 5.1.3	50,303	24,368
Total income		747,503	648,070
Expenses			
Remuneration to AI Meezan Investment Management Limited (AI Meezan) - Management Company	7.1	159,579	124,733
Sindh Sales Tax and Federal Excise Duty on management fee	7.2 & 10.1	20,745	40,216
Allocated expenses	7.3	10,639	4,937
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	9,047	7,417
Sindh Sales Tax on trustee fee	8.1	1,176	1,038
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	9	7,979	6,220
Auditors' remuneration	14	561	556
Fees and subscription		1,172	747
Legal and professional charges		103	165
Brokerage expense		381	561
Bank and settlement charges		181	192
Provision for Sindh Workers' Welfare Fund (SWWF)	12	12,974	-
Printing expense		446	203
Total expenses		224,983	186,985
Net income from operating activities		522,520	461,085
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(201,657)	(139,817)
Net income for the year before taxation		320,863	321,268
Taxation	19	-	-
Net income for the year after taxation		320,863	321,268
Other comprehensive income for the year		-	-
Total comprehensive income for the year		320,863	321,268

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Mohammad Shoaib, CFA
Chief Executive

Mazhar Sharif
Director

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Undistributed income brought forward			
- Realised		115,433	308,543
- Unrealised		24,368	22,460
		139,801	331,003
Final distribution for the year ended June 30, 2016			
- cash dividend: nil (June 30, 2015: @ 6.80% i.e. Rs. 3.40 per unit)		-	(267,165)
Interim distribution for the period ended June 30, 2017			
- cash dividend: @ 5.00% i.e. Rs. 2.50 per unit (June 30, 2016: @ 5.00% i.e. Rs. 2.50 per unit)		(295,588)	(245,305)
Total distribution		(295,588)	(512,470)
Net income for the year		320,863	321,268
Undistributed income carried forward		165,076	139,801
Undistributed income carried forward			
- Realised		114,773	115,433
- Unrealised	5.1.1 & 5.1.3	50,303	24,368
		165,076	139,801

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director



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

	Note	2017 (Rupees in '000)	2016
Net assets at beginning of the year		9,051,417	4,263,000
Issuance of 707,355,259 units (June 30, 2016: 596,973,698 units)		37,035,087	31,352,710
Redemption of 654,610,829 units (June 30, 2016: 499,046,105 units)		(34,532,010)	(26,512,908)
		2,503,077	4,839,802
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		201,657	139,817
Net realised gain on sale of sukuk certificates		6,528	51,371
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1.1 & 5.1.3	50,303	24,368
Other net income for the year		264,032	245,529
Total comprehensive income for the year		320,863	321,268
Final distribution for the year ended June 30, 2016 - cash dividend: nil (June 30, 2015: @ 6.80% i.e. Rs. 3.40 per unit)		-	(267,165)
Interim distribution for the period ended June 30, 2017 - cash dividend: @ 5.00% i.e. Rs. 2.50 per unit (June 30, 2016: @ 5.00% i.e. Rs. 2.50 per unit)		(295,588)	(245,305)
Total distribution		(295,588)	(512,470)
Net income for the year less distribution		25,275	(191,202)
Net assets at end of the year		11,781,426	9,051,417
		(Rupees)	
Net assets value per unit as at beginning of the year		51.28	54.25
Net assets value per unit as at end of the year		51.39	51.28

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		320,863	321,268
Adjustments for:			
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1.1 & 5.1.3	(50,303)	(24,368)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		201,657	139,817
		472,217	436,717
Decrease / (increase) in assets			
Investments (net)		1,033,220	(2,865,090)
Deposits, prepayments and other receivables		(73,335)	10,335
		959,885	(2,854,755)
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		1,243	(22,172)
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		64	262
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,759	1,459
Payable to Meezan Bank Limited (MBL)		(561)	884
Accrued expenses and other liabilities		(39,194)	86,160
		(36,689)	66,593
Net cash generated from / (used in) operating activities		1,395,413	(2,351,445)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		36,690,371	30,494,462
Payments against redemption and conversion of units		(32,157,434)	(27,684,551)
Dividend paid		(295,588)	(512,470)
Net cash generated from financing activities		4,237,349	2,297,441
Net increase / (decrease) in cash and cash equivalents during the year		5,632,762	(54,004)
Cash and cash equivalents at beginning of the year		2,505,300	2,559,304
Cash and cash equivalents at end of the year	4	8,138,062	2,505,300

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

2.1 Statement of compliance

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

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

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for investments classified as 'at fair value through profit or loss' and 'available for sale' which are measured at their respective fair values.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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

- (a) Classification and valuation of financial instruments (notes 3.1 and 5);
- (b) Impairment of financial instruments (note 3.1.6);
- (c) Recognition of provision for Sindh Workers' Welfare Fund (note 12);
- (d) Taxation (note 3.7 and 19) and
- (e) Provision for Federal Excise Duty and related Sindh Sales Tax on management fee and sales load (note 10)

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

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

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

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

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

summary of significant transactions and events that have affected the financial position and performance during the year; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; management assessment of sufficiency of tax provision including comparisons of tax provision as per accounts with tax assessment for last three years and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Classification

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

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

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

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

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

(b) Loans and receivables

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

(c) Available for sale

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

3.1.2 Regular way contract

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

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 expensed immediately.

Subsequent to initial recognition, instruments classified as financial assets 'at fair value through profit or loss' and 'available for sale' are measured at their 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. 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 and provisions

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Fund Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Security and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Provisions are recognised when there is objective evidence that a financial asset or group of financial assets are non-performing, in accordance with the above mentioned circular and subsequent clarification thereon. Additional provision may be recognised when there is objective evidence of the continuity of non-performance. Further, the reversal of provision is also made in accordance with the said circulars and subsequent clarifications.

3.1.6 Impairment

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

Impairment loss on investment classified as 'available for sale' debt instruments is recognised in the Income Statement whenever the acquisition cost of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed 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 expires 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 distributors 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 assets value per unit as on the close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

An equalisation account called 'element of income / (loss) and capital gains / (losses) included in prices of

units issued less those in units redeemed' is set up in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

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

The element is recognised in the Income Statement to the extent that it is represented by income earned during the year and unrealized appreciation / (diminution) arising during the year on 'available for sale' securities is included in the Distribution Statement.

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 disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at year end.

3.7 Taxation

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

Current

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

Deferred

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

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

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

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

3.8 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in Income Statement currently and are recognised when the transaction takes place.
- (ii) Profit on bank deposits is recognised on time proportion basis using effective yield method.
- (iii) Income on sukuk certificates, term deposit receipts, Bai Muajjal and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits are recorded on cash basis.
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- (v) Unrealised gains / (losses) arising on revaluation of securities classified as 'available for sale' are included in the other comprehensive income in the period in which they arise.

3.9 Expenses

All expenses, including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan's 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 current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.12 Distribution

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

4. BALANCE WITH BANKS

	Note	2017 (Rupees in '000)	2016
On saving accounts	4.1	8,117,991	2,488,524
On current accounts		20,071	16,776
		<u>8,138,062</u>	<u>2,505,300</u>

- 4.1** The balance in saving accounts have an expected profit ranging from 2.00% to 5.70% per annum (2016: 2.50% to 6.10% per annum).

5. INVESTMENTS

	Note	2017 (Rupees in '000)	2016
Investments - 'at fair value through profit or loss'	5.1	2,616,078	3,337,995
Investments - 'loans and receivables'	5.2	2,500,000	2,761,000
		5,116,078	6,098,995
5.1 Investments 'at fair value through profit or loss'			
- Held for trading	5.1.1	590,585	1,278,746
- Investments at fair value upon initial recognition	5.1.3	2,025,493	2,059,249
		2,616,078	3,337,995

5.1.1 Held for trading - Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2016	Purchases during the year	Sales / maturity during the year	As at June 30, 2017	Carrying value as at June 30, 2017	Market value as at June 30, 2017	Unrealised gain as at June 30, 2017	Percentage of market value of investments
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----	
GoP Ijarah Sukuk Certificates - XVI (note 5.1.2)	December 18, 2018	Weighted average 6 months T-Bills	340	3,000	3,340	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XVII (note 5.1.2)	February 15, 2019	Weighted average 6 months T-Bills	12,250	12,000	19,750	4,500	460,767	463,185	2,418	9.05
GoP Ijarah Sukuk Certificates - XVIII (note 5.1.2)	March 29, 2019	Weighted average 6 months T-Bills	-	5,000	3,750	1,250	126,250	127,400	1,150	2.49
Total							587,017	590,585	3,568	

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

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

Name of the security	Maturity date	Profit rate	As at July 01, 2016	Purchases during the year	Sales / redemptions during the year	As at June 30, 2017	*Carrying value as at June 30, 2017	*Market value as at June 30, 2017	Unrealised gain/(loss) as at June 30, 2017	Percentage of market value of investments
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----	
Arzoo Textile Mills Limited (note 5.1.4, 5.1.6 & 5.1.8) *	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	-
Eden Housing Limited (note 5.1.5, 5.1.6 & 5.1.8) *	September 29, 2014	6 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-
Security Leasing Corporation Limited II (note 5.1.4, 5.1.7 & 5.1.8) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-
Engro Fertilizer Limited (note 5.1.4) (AA-, PACRA, non-traded)	July 9, 2019	6 months Kibor plus base rate of 1.75%	78,625	-	10,625	68,000	352,352	351,328	(1,024)	6.87
Fatima Fertilizer Company Limited (note 5.1.4) (AA-, PACRA, traded)	November 28, 2021	6 months Kibor plus base rate of 1.10%	-	37,266	3,727	33,539	167,697	175,231	7,534	3.43
Hascol Petroleum Limited (note 5.1.4) (AA-, JCR-VIS, non-traded)	January 06, 2022	3 months Kibor plus base rate of 1.50%	60,000	-	3,000	57,000	294,191	295,493	1,302	5.78
K-Electric Limited (sukuk 2) (note 5.1.4) (AA, JCR-VIS)	March 19, 2017	3 months Kibor plus base rate of 2.25%	35,600	-	35,600	-	-	-	-	-
K-Electric Limited (sukuk 4) (note 5.1.4) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months Kibor plus base rate of 1.00%	230,000	-	-	230,000	1,164,518	1,203,441	38,923	23.52
Total							1,978,758	2,025,493	46,735	

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

5.1.4 The nominal value of these sukuk certificates is Rs. 5,000 each.

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

5.1.6 On May 6, 2011, Eden Housing Limited and January 02, 2010, Arzoo Textile Mills Limited 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. 58.472 million and Rs. 70 million respectively has also been held as provision against the outstanding principal as at June 30, 2017.

5.1.7 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 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 of the Fund, an amount of Rs. 15.403 million has also been held as provision against the outstanding principal as at June 30, 2017.

5.1.8 The Securities and Exchange Commission of Pakistan vide Circular No. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (Management Company) classified Meezan Islamic Income Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at June 30, 2017, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

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

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

5.2 Investments - loans and receivables	Note	2017 (Rupees in '000)	2016
Term deposit receipts			
- having original maturity of more than 3 months	5.2.1	2,500,000	1,861,000
Sukuk Certificates	5.2.2	-	900,000
		2,500,000	2,761,000

5.2.1

Name of the bank	Maturity date	Profit rate	As at July 01, 2016	Term deposit receipts made during the year	Matured during the year	As at June 30, 2017	Percentage of market value of investments
		%	----- (Rupees in '000) -----				%
BankIslami Pakistan Limited	December 1, 2017	5.9	920,000	800,000	920,000	800,000	15.64
Dubai Islamic Bank Pakistan Limited	September 6, 2017	6.10	506,000	550,000	506,000	550,000	10.75
Dubai Islamic Bank Pakistan Limited	February 1, 2018	5.70	-	450,000	-	450,000	8.80
MCB Bank Limited - Islamic banking	September 6, 2017	6.10	-	700,000	-	700,000	13.68
Dubai Islamic Bank Pakistan Limited	November 21, 2016	6.25 to 6.50	435,000	-	435,000	-	-
Albaraka Bank (Pakistan) Limited	January 31, 2017	6.25	-	500,000	500,000	-	-
Habib Metropolitan Bank Limited							
- Islamic banking	March 22, 2017	6.15	-	510,000	510,000	-	-
			1,861,000	3,510,000	2,871,000	2,500,000	



5.2.2

Name of the security	Maturity date	Profit rate	As at July 01, 2016	Purchases during the year	Matured during the year	As at June 30, 2017	Carrying value as at June 30, 2017	Market value as at June 30, 2017	Unrealised gain/(loss) as at June 30, 2017	Percentage of market value of investments
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----	
Engro Fertilizer Limited CP Sukuk (note 5.2.2.1 & 5.2.2.2) (AA-, PACRA)	November 25, 2016	6 months Kibor plus base rate of 0.40%	750	-	750	-	-	-	-	-
Lalpir Power Limited CP Sukuk (note 5.2.2.1 & 5.2.2.2)	November 04, 2016	6 months Kibor plus base rate of 0.25%	30,000	-	30,000	-	-	-	-	-
Total							-	-	-	-

5.2.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the CP sukuk of Engro Fertilizer Limited having nominal value of Rs. 1,000,000 each.

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

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Security deposits		2,603	2,603
Prepayments		2,971	1,457
Profit receivable on saving accounts with banks and term deposit receipts		119,385	22,577
Profit receivable on sukuk certificates		34,122	59,109
		159,081	85,746
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED (Al Meezan) - Management Company			
Management fee	7.1	12,319	10,990
Sindh Sales Tax on management fee	7.2	1,601	1,539
Sales load		200	405
Sindh Sales Tax on sales load	7.2	26	57
Allocated expenses	7.3	821	733
Certificate charges		1	1
		14,968	13,725

7.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of average annual net assets in case of Income Scheme. The remuneration of the Management Company has been charged at the rate of 1.5 percent per annum for the year ended June 30, 2017 and June 30, 2016.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from July 1, 2011. During the year, SST at the rate of 13 percent (June 30, 2016: 14 percent) was charged on the remuneration of Management Company and sales load (refer note 10.1 for Sindh Sales Tax applied on Federal Excise Duty).

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

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

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

Net assets (Rupees)	Tariff
Up to Rs. 1 billion	0.17% p.a. of net assets subject to a minimum of Rs. 0.6 million
Rs. 1 billion to Rs. 5 billion	Rs. 1.7 million plus 0.085% p.a. of net assets exceeding Rs. 1 billion
Over Rs. 5 billion	Rs. 5.1 million plus 0.07% p.a. of net assets exceeding Rs. 5 billion

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

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

Under the provisions of the amended Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as an income scheme is required to pay an annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Scheme. Provided that for Collective Investment Schemes which on quarterly average basis have at least 1,000 retail investors and more than 50 percent of net assets are held by individual investors, provided that the maximum investment by a single retail investor (considered eligible for calculating the threshold of 1,000) does not exceed 1 percent of the net asset shall pay the annual fee at the rate 0.06% for the next three years from the date of notification of these regulations.

During the year, fees charged at the rate of 0.075 percent (June 30, 2016: 0.075 percent). The fee is payable to the SECP within three months of the close of the financial year.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2017 (Rupees in '000)	2016
Workers' Welfare Fund (WWF) payable	12	-	45,462
Sindh Workers' Welfare Fund (SWWF) payable	12	12,974	-
Withholding tax payable		32,251	38,781
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.1	48,995	48,995
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1	2,371	2,371
Auditors' remuneration		375	375
Printing expenses payable		215	123
Brokerage payable		188	36
Zakat payable		131	63
Shariah advisor fee payable		403	399
Others		-	492
		97,903	137,097

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

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

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

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained a provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating to Rs. 51.37 million (June 30, 2016: Rs. 51.37 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re. 0.22 (June 30, 2016: Re. 0.29) per unit.

11. CONTINGENCIES AND COMMITMENTS

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

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

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

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016, passed in the Civil Appeal may kindly be reviewed in the interest of justice. After deliberating the position, The Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective from January 12, 2017. The provision reversed on January 12, 2017, amounted to Rs. 45.46 million. This has resulted in an increase in NAV per unit of Re. 0.24 on January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles, hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

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

SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 12.44 million. This has resulted in a decrease in NAV per unit of Re. 0.06 on January 12, 2017.

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

The Management Company has recognised SWWF charge for the period from May 21, 2015 to June 30, 2017, amounting to Rs. 12.974 million (June 30, 2016: nil). Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Re. 0.06 (June 30, 2016: nil).

13. NUMBER OF UNITS IN ISSUE

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

Total units in issue at beginning of the year
Units issued during the year
Units redeemed during the year
Total units in issue at end of the year

2017 **2016**
(Number of units)

176,505,403	78,577,810
707,355,259	596,973,698
(654,610,829)	(499,046,105)
229,249,833	176,505,403

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

14. AUDITORS' REMUNERATION

Statutory audit fee
Half yearly review fee
Other certifications
Out of pocket expenses

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

298	297
130	127
100	100
33	32
561	556

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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



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

	2017	2016
	(Rupees in '000)	
AI Meezan Investment Management Limited (AI Meezan) - Management Company		
Remuneration payable	12,319	10,990
Sales load payable	200	405
Allocated expenses	821	733
Certificate charges	1	1
Sindh Sales Tax on management fee	1,601	1,539
Sindh Sales Tax on sales load	26	57
Investment as at June 30, 2017: 20,593,141 units (June 30, 2016: 17,419,761 units)	1,058,282	893,285
Meezan Bank Limited		
Sales load payable	596	1,234
Sindh Sales Tax on sales load	77	-
Balance with bank	88,058	366,815
Profit receivable on saving account	1,201	238
Central Depository Company of Pakistan Limited (CDC) - Trustee		
Trustee fee payable	706	644
Sindh Sales Tax on trustee fee	92	90
Security deposit	100	100
MFPF - Aggressive Allocation Plan		
Investment as at June 30, 2017: 1,833,808 units (June 30, 2016: nil)	94,239	-
MFPF - Moderate Allocation Plan		
Investment as at June 30, 2017: 1,990,147 units (June 30, 2016: nil)	102,274	-
MFPF - Conservative Allocation Plan		
Investment as at June 30, 2017: 2,977,823 units (June 30, 2016: nil)	153,030	-
MFPF - Meezan Asset Allocation Plan - II		
Investment as at June 30, 2017: nil (June 30, 2016: 1,670,003 units)	-	85,638
MFPF - Meezan Asset Allocation Plan - III		
Investment as at June 30, 2017: 7,445,192 units (June 30, 2016: 7,853,062 units)	382,609	402,702
MFPF - Meezan Asset Allocation Plan - IV		
Investment as at June 30, 2017: 452,694 units (June 30, 2016: 2,139,131 units)	23,266	109,695
MSAF - Meezan Strategic Allocation Plan-I		
Investment as at June 30, 2017: 9,918,797 units (June 30, 2016: nil)	509,727	-
MSAF - Meezan Strategic Allocation Plan-II		
Investment as at June 30, 2017: 3,806,559 units (June 30, 2016: nil)	195,619	-
MSAF - Meezan Strategic Allocation Plan-III		
Investment as at June 30, 2017: 7,105,227 units (June 30, 2016: nil)	365,138	-

MSAF - Meezan Strategic Allocation Plan-IV

Investment as at June 30, 2017: 8,988,987 units (June 30, 2016: nil)

**Al Meezan Investment Management Limited - Employees
Gratuity Fund**Investment as at June 30, 2017: 212,599 units
(June 30, 2016: 202,725 units)**Directors and Executives of the Management Company**Investment as at June 30, 2017: 234,831 units
(June 30, 2016: 1,422,459 units)**2017** **2016**
(Rupees in '000)

461,944	-
10,925	10,396
12,068	72,944

**For the year ended
June 30,****2017** **2016**
(Rupees in '000)**Al-Meezan Investment Management Limited (Al Meezan)
- Management Company**Remuneration for the year
Sindh Sales Tax and Federal Excise Duty on
management fee for the year
Allocated expenses
Units issued: 65,179,148 units (2016: 55,809,289 units)
Units redeemed: 62,005,768 units (2016: 48,111,250 units)
Cash dividend paid

159,579	124,733
20,745	40,216
10,639	4,937
3,399,818	2,915,263
3,284,222	2,546,482
-	33,054

Meezan Bank Limited

Profit on saving account

2,423	1,738
--------------	-------

Central Depository Company of Pakistan Limited (CDC) - TrusteeRemuneration for the year
Sindh Sales Tax on trustee fee
CDS charges for the year

9,047	7,417
1,176	1,038
7	23

Meezan Capital Preservation Fund - IIIUnits issued: nil (2016: 63,538,513 units)
Units redeemed: nil (2016: 63,540,504 units)
Cash dividend paid

-	3,316,167
-	3,356,780
-	7

Meezan Capital Preservation Fund - IIUnits issued: 25,503,768 units (2016: 46,688,217 units)
Units redeemed: 25,503,768 units (2016: 47,741,838 units)
Cash dividend paid

1,329,868	2,446,808
1,339,775	2,538,284
-	3,582

MFPF - Aggressive Allocation PlanUnits issued: 2,195,497 units (2016: nil)
Units redeemed: 361,689 units (2016: nil)
Cash dividend paid

117,237	-
18,826	-
4,976	-

MFPF - Moderate Allocation PlanUnits issued: 2,299,085 units (2016: nil)
Units redeemed: 308,938 units (2016: nil)
Cash dividend paid

122,733	-
16,071	-
5,213	-



**For the year ended
June 30,**

2017 2016
(Rupees in '000)

MFPF - Conservative Allocation Plan

Units issued: 3,299,619 units (2016: nil)
Units redeemed: 321,796 units (2016: nil)
Cash dividend paid

176,034	-
16,870	-
7,283	-

MFPF - Meezan Asset Allocation Plan - I

Units issued: 6,726,576 units (2016: 13,269,037 units)
Units redeemed: 6,726,576 units (2016: 13,269,037 units)
Cash dividend paid

357,567	691,257
352,937	695,776
5,943	-

MFPF - Meezan Asset Allocation Plan - II

Units issued: 3,583,861 units (2016: 19,291,436 units)
Units redeemed: 5,253,864 units (2016: 17,621,434 units)
Cash dividend paid

190,681	1,016,005
275,419	928,652
4,044	3,981

MFPF - Meezan Asset Allocation Plan - III

Units issued: 20,823,970 units (2016: 53,532,368 units)
Units redeemed: 21,231,840 units (2016: 45,679,302 units)
Cash dividend paid

1,079,303	2,839,372
1,120,962	2,428,825
8,115	19,372

MFPF - Meezan Asset Allocation Plan - IV

Units issued: 11,142,025 units (2016: 7,198,194 units)
Units redeemed: 12,828,462 units (2016: 5,059,063 units)
Cash dividend paid

575,247	381,627
669,488	270,488
1,079	1,627

MSAF - Meezan Strategic Allocation Plan-I

Units issued: 48,935,434 units (2016: nil)
Units redeemed: 39,016,637 units (2016: nil)
Cash dividend paid

2,557,864	-
2,050,316	-
14,295	-

MSAF - Meezan Strategic Allocation Plan-II

Units issued: 24,199,084 units (2016: nil)
Units redeemed: 20,392,525 units (2016: nil)
Cash dividend paid

1,279,074	-
1,080,095	-
9,074	-

MSAF - Meezan Strategic Allocation Plan-III

Units issued: 16,923,712 units (2016: nil)
Units redeemed: 9,818,485 units (2016: nil)
Cash dividend paid

896,018	-
524,081	-
8,495	-

MSAF - Meezan Strategic Allocation Plan-IV

Units issued: 10,195,627 units (2016: nil)
Units redeemed: 1,206,640 units (2016: nil)
Cash dividend paid

541,579	-
63,002	-
17,579	-

**AI Meezan Investment Management Limited - Employees
Gratuity Fund**

Units issued: 9,874 units (2016: 192,349 units)
Units redeemed: nil (2016: 27,954 units)
Cash dividend paid

507	10,060
-	1,500
507	613

Directors and Executives of the Management Company

Units issued: 1,046,162 units (2016: 587,719 units)
 Units redeemed: 2,268,190 units (2016: 402,004 units)
 Cash dividend paid

**For the year ended
June 30,**

2017	2016
(Rupees in '000)	
54,958	30,558
125,230	21,231
401	7,542

16. FINANCIAL RISK MANAGEMENT**Financial risk management objectives and policies**

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

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

Risks managed and measured by the Fund are explained below:

16.1 Market risk**16.1.1 Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of a change in market price (other than currency risk or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market. The Fund is not exposed to price risk as at June 30, 2017.

16.1.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which effects cash flows pertaining to debt instruments and their fair values.

Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in saving accounts and investment in debt securities. At June 30, 2017, if there had been increase / decrease of 100 basis points in interest rates or in rates announced by Financial Market Association of Pakistan, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs. 132.34 million (2016: Rs. 58.27 million) mainly as a result of finance income.

Fair value interest rate risk

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



As at June 30, 2017					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balances with banks	2.00% to 5.70%	8,117,991	-	-	8,138,062
Investment - Held for trading	Weighted average 6 months T - Bills	-	-	590,585	590,585
Investment - at fair value upon initial recognition	KIBOR + 1 % to KIBOR + 2.25%	-	-	2,025,493	2,025,493
Investment - loans and receivables	5.70% to 6.10%	1,250,000	1,250,000	-	2,500,000
Receivable on issuance and conversion of units		-	-	1,202,964	1,202,964
Deposits and other receivables		-	-	156,110	156,110
		9,367,991	1,250,000	2,616,078	14,613,214
Financial liabilities					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	14,968	14,968
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	798	798
Payable to Meezan Bank Limited (MBL)		-	-	673	673
Payable on redemption and conversion of units		-	-	2,712,438	2,712,438
Accrued expenses and other liabilities		-	-	52,547	52,547
		-	-	2,781,424	2,781,424
On-balance sheet gap		9,367,991	1,250,000	(1,402,279)	11,831,790
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		9,367,991	1,250,000	2,616,078	
Cumulative interest rate sensitivity gap		9,367,991	10,617,991	13,234,069	

As at June 30, 2016						
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Balance with banks	2.50% to 6.10%	2,488,524	-	-	16,776	2,505,300
Investment - Held for trading	Weighted average 6 months T - Bills	-	-	1,278,746	-	1,278,746
Investment - at fair value upon initial recognition	KIBOR + 1 % to KIBOR + 2.25%	-	177,649	1,881,600	-	2,059,249
Investment - loans and receivables	6.25% to 6.50% & KIBOR + 0.25% to KIBOR + 0.40%	506,000	2,255,000	-	-	2,761,000
Receivable on issuance and conversion of units		-	-	-	858,248	858,248
Deposits and other receivables		-	-	-	84,289	84,289
		2,994,524	2,432,649	3,160,346	959,313	9,546,832
Financial liabilities						
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	-	13,725	13,725
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	-	734	734
Payable to Meezan Bank Limited (MBL)		-	-	-	1,234	1,234
Payable on redemption and conversion of units		-	-	-	337,862	337,862
Accrued expenses and other liabilities		-	-	-	52,791	52,791
		-	-	-	406,346	406,346
On-balance sheet gap		2,994,524	2,432,649	3,160,346	552,967	9,140,486
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		2,994,524	2,432,649	3,160,346		
Cumulative interest rate sensitivity gap		2,994,524	5,427,173	8,587,518		

16.1.3 Currency risk

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

16.2 Credit Risk

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

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

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. For debt instrument settlement, Delivery versus Payment (DvP) mechanism applied by Trustee of the Fund minimize the credit risk. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

Financial assets exposed to credit risk	2017 (Rupees in '000)	2016 (Rupees in '000)
Balances with banks	8,138,062	2,505,300
Investments	4,525,493	4,820,249
Receivable on issuance and conversion of units	1,202,964	858,248
Deposits and other receivables	156,110	84,289
	14,022,629	8,268,086

Credit rating wise analysis of balances with bank of the Fund are tabulated below:

Rating agency		2017		2016	
		(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AAA	PACRA/ JCR-VIS	2,927,349	35.97	299,140	11.94
AA+	PACRA/ JCR-VIS	20,733	0.25	8,125	0.32
AA	PACRA/ JCR-VIS	89,450	1.10	541,554	21.62
A+	PACRA/ JCR-VIS	4,597,547	56.49	2,666,257	32.14
A	PACRA/ JCR-VIS	502,983	6.19	851,224	33.98
		8,138,062	100.00	4,366,300	100.00



The credit rating wise analysis of investments in debt instruments have been tabulated below:

	Rating agency	2017		2016	
		(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
Government guaranteed		590,585	22.58	1,278,746	30.17
AA+	JCR-VIS	1,203,441	46.00	1,164,518	27.48
AA-	PACRA/ JCR-VIS	822,052	31.42	1,467,082	34.62
AA	JCR-VIS	-	-	177,649	4.19
A+	PACRA	-	-	150,000	3.54
		2,616,078	100.00	4,237,995	100.00

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

The Fund does not have any collateral against any of the aforementioned assets. The issuer of the Sukuks, however, pledge securities with the investment agent in Trust for the benefit of the Sukuk Holder.

Due to the Fund's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Fund except for Arzoo Textiles Limited Sukuk, Security Leasing Corporation Sukuk and Eden Housing Limited Sukuk (refer note 5).

16.3 Liquidity risk

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

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

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

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

In addition to unitholders' fund, analysis of the financial liabilities into relevant maturity grouping as at June 30, 2017, along with comparative is tabulated below:

	2017				
	Maturity upto			More than one year	Total
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	14,968	-	-	-	14,968
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	798	-	-	-	798
Payable to Meezan Bank Limited (MBL)	673	-	-	-	673
Payable on redemption and conversion of units	2,712,438	-	-	-	2,712,438
Accrued expenses and other liabilities	52,547	-	-	-	52,547
	2,781,424	-	-	-	2,781,424
	2016				
	Maturity upto			More than one year	Total
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	13,725	-	-	-	13,725
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	734	-	-	-	734
Payable to Meezan Bank Limited (MBL)	1,234	-	-	-	1,234
Payable on redemption and conversion of units	337,862	-	-	-	337,862
Accrued expenses and other liabilities	52,791	-	-	-	52,791
	406,346	-	-	-	406,346

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

17. UNITHOLDERS' FUND RISK MANAGEMENT

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

The Fund's objectives when managing unitholders funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management. The Fund has no restrictions on the subscription and redemption of units.

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

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

18. FAIR 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.

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

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

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

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

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

Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The following table presents assets that are measured at fair value as at 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
June 30, 2017									
Financial assets - measured at fair value									
(Rupees in '000)									
Investment - Held for trading	590,585	-	-	-	590,585	-	590,585	-	590,585
Investments - at fair value upon initial recognition	2,025,493	-	-	-	2,025,493	-	2,025,493	-	2,025,493
Financial assets - not measured at fair value									
Balances with banks	18.1	-	-	8,138,062	-	8,138,062			
Investments - 'loans and receivables'	18.1	2,500,000	-	-	-	2,500,000			
Receivable on issuance and conversion of units	18.1	-	1,202,964	-	-	1,202,964			
Deposits and other receivables	18.1	-	156,110	-	-	156,110			
		5,116,078	1,359,074	8,138,062	-	14,613,214			
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	18.1	-	-	-	14,968	14,968			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	18.1	-	-	-	798	798			
Payable to Meezan Bank Limited (MBL)	18.1	-	-	-	673	673			
Payable on redemption and conversion of units	18.1	-	-	-	2,712,438	2,712,438			
Accrued expenses and other liabilities	18.1	-	-	-	52,547	52,547			
		-	-	-	2,781,424	2,781,424			

June 30, 2016

**Financial assets -
measured at fair value**

Investment - Held for trading	1,278,746	-	-	-	1,278,746	-	1,278,746	-	1,278,746
Investments - at fair value upon initial recognition	2,059,249	-	-	-	2,059,249	-	2,059,249	-	2,059,249

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

Balances with banks	18.1	-	-	2,505,300	-	2,505,300
Investments - 'loans and receivables'	18.1	2,761,000	-	-	-	2,761,000
Receivable on issuance and conversion of units	18.1	-	858,248	-	-	858,248
Deposits and other receivables	18.1	-	84,289	-	-	84,289
		6,098,995	942,537	2,505,300	-	9,546,832

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

Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	18.1	-	-	-	13,725	13,725
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	18.1	-	-	-	734	734
Payable to Meezan Bank Limited (MBL)	18.1	-	-	-	1,234	1,234
Payable on redemption and conversion of units	18.1	-	-	-	337,862	337,862
Accrued expenses and other liabilities	18.1	-	-	-	52,791	52,791
		-	-	-	406,346	406,346

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

19. TAXATION

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

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

20. PERFORMANCE TABLE

	2017	2016	2015	2014	2013
Net assets (Rs '000) (ex-distribution)	11,781,426	9,051,417	3,995,835	4,918,355	2,639,493
Net assets value / redemption price per unit as at June 30 (Rs) (ex-distribution)	51.39	51.28	50.85	50.17	50.20
Offer price per unit as at June 30 (Rs) (ex-distribution)	51.68	51.62	51.19	50.51	50.49
Distribution (%)					
- Interim					
- Second quarter	-	-	-	4.00	6.00
- Third quarter	-	-	-	3.00	-
- Fourth quarter (i)	5.00	5.00	-	2.56	-
- Fourth quarter (ii)	-	-	-	2.00	-
- Annual	-	-	6.80	-	7.50



PERFORMANCE TABLE

	2017	2016	2015	2014	2013
Dates of distribution (interim)					
- Second quarter	-	-	-	December 24, 2013	December 31, 2012
- Third quarter	-	-	-	March 24, 2014	-
- Fourth quarter (i)	June 21, 2017	June 24, 2016	-	May 30, 2014	-
- Fourth quarter (ii)	-	-	-	June 24, 2014	-
Dates of distribution (annual)	-	-	July 3, 2015	-	July 8, 2013
Income distribution (Rupees in '000)	-	-	267,165	-	5,187
Growth distribution (Rupees in '000)	-	-	-	-	178,638
Highest offer price per unit (Rupees)	54.13	54.13	54.61	54.55	54.22
Lowest offer price per unit (Rupees)	51.50	51.35	50.62	50.35	50.16
Highest redemption price per unit (Rupees)	53.83	53.77	54.25	54.19	53.95
Lowest redemption price per unit (Rupees)	51.21	51.01	50.28	50.01	49.91
Total return (%)	5.09	5.76	8.15	11.90	14.45
Weighted Average Portfolio Duration (years)	2.07	1.60	2.82	2.57	2.05
	One year	Two years	Three years	Four years	Five years
Average annual return (%) as at June 30, 2017	5.09%	5.42%	6.33%	7.69%	9.01%

Investment portfolio composition of the Fund as described in Note 5.

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

21. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide Directive No. SCD/PRDD/Direction/18/2016, dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the Fund. TER of the Fund for the year ended June 30, 2017, is 2.12% which include 0.41% representing government levy, Worker Welfare Fund and SECP fee.

22. INVESTMENT COMMITTEE MEMBERS

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

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

22.2 The Fund manager of the Fund is Mr. Zain Malik. Other Funds being managed by the Fund Manager are as follows:

- Meezan Cash Fund
- Meezan Sovereign Fund

23. BROKERAGE COMMISSION BY PERCENTAGE

	2017 (Percentage)	2016
Name of the brokers		
Paramount Capital (Private) Limited	76.45	15.01
JS Global Capital Limited	13.98	26.82
Invest Capital Management Limited	9.57	44.15
Invest One Markets Limited	-	10.01
Next Capital Limited	-	4.01
	100.00	100.00

24. PATTERN OF UNIT HOLDING

	As at June 30, 2017		
	Number of unitholders	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	4,476	5,504,771	46.72
Associated companies / directors	13	3,367,008	28.58
Insurance companies	17	220,864	1.87
Banks / DFIs	1	10	-
Retirement funds	67	1,037,268	8.81
Private limited companies	26	542,469	4.60
Public limited companies	8	81,412	0.69
Others	38	1,027,624	8.73
Total	4,646	11,781,426	100.00

	As at June 30, 2016		
	Number of unitholders	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	3,511	3,785,305	41.82
Associated companies / directors	8	1,563,711	17.28
Insurance companies	5	80,511	0.89
Banks / DFIs	1	9	0.00
Retirement funds	58	802,172	8.86
Public limited companies	6	1,169,469	12.91
Others	48	1,650,240	18.24
Total	3,637	9,051,417	100.00



25. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

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

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

26. GENERAL

26.1 Reclassification of comparatives

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

	June 30, 2016		
	As previously reported	Impact	As stated
		(Rupees in '000)	
Effects on statement of assets and liabilities			
<i>Liabilities</i>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	65,583	(51,858)	13,725
Accrued expenses and other liabilities	85,239	51,858	137,097

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

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

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

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

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director



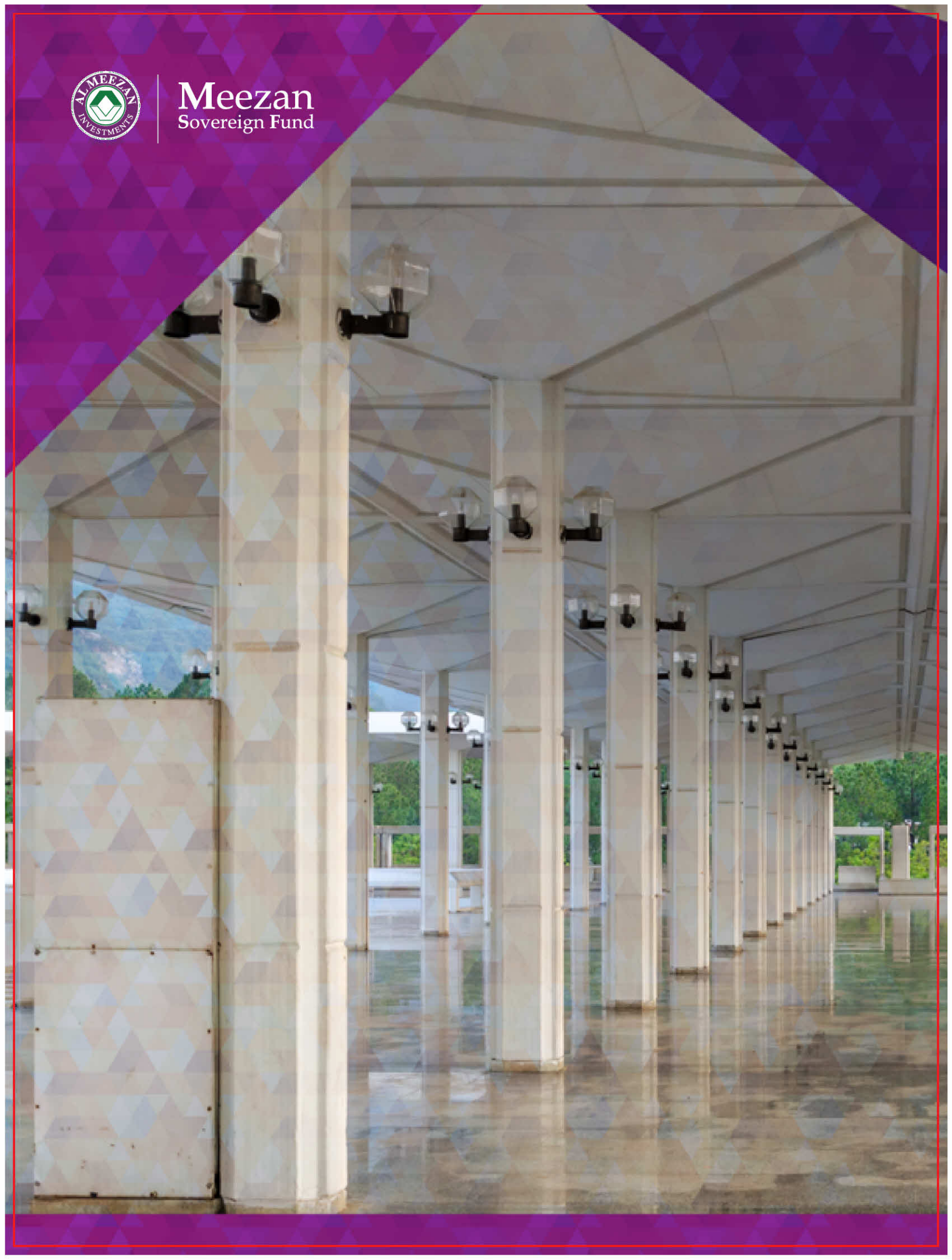
PATTERN OF HOLDINGS (UNITS) AS PER THE REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

AS AT JUNE 30, 2017

UNITS HELD BY	UNITS HELD	%
Associated Companies		
Al Meezan Investment Management Limited	20,593,141	8.98
MFPF - Aggressive Allocation Plan	1,833,808	0.80
MFPF - Moderate Allocation Plan	1,990,147	0.87
MFPF - Conservative Allocation Plan	2,977,823	1.30
MFPF - Meezan Asset Allocation Plan - III	7,445,192	3.25
MFPF - Meezan Asset Allocation Plan - IV	452,694	0.20
MSAF - Meezan Strategic Allocation Plan - I	9,918,797	4.33
MSAF - Meezan Strategic Allocation Plan - II	3,806,559	1.66
MSAF - Meezan Strategic Allocation Plan - III	7,105,227	3.10
MSAF - Meezan Strategic Allocation Plan - IV	8,988,987	3.92
Al Meezan Investment Management Limited - Employees Gratuity Fund	212,599	0.09
Directors		
Syed Amir Ali	133,328	0.06
Syed Amir Ali Zaidi	58,842	0.03
Executives	42,661	0.02
Banks and financial institutions	185	0.00
Individuals	107,072,408	46.70
Retirements funds	20,183,760	8.80
Public limited companies	1,584,181	0.69
Others	34,849,494	15.20
Total	229,249,833	100.00



Meezan
Sovereign Fund





MEEZAN SOVEREIGN FUND (MSF):

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



REPORT OF THE FUND MANAGER

FOR THE YEAR ENDED JUNE 30, 2017

Type of Fund

Open end Sovereign mutual fund which falls under the category of Income Funds.

Objective

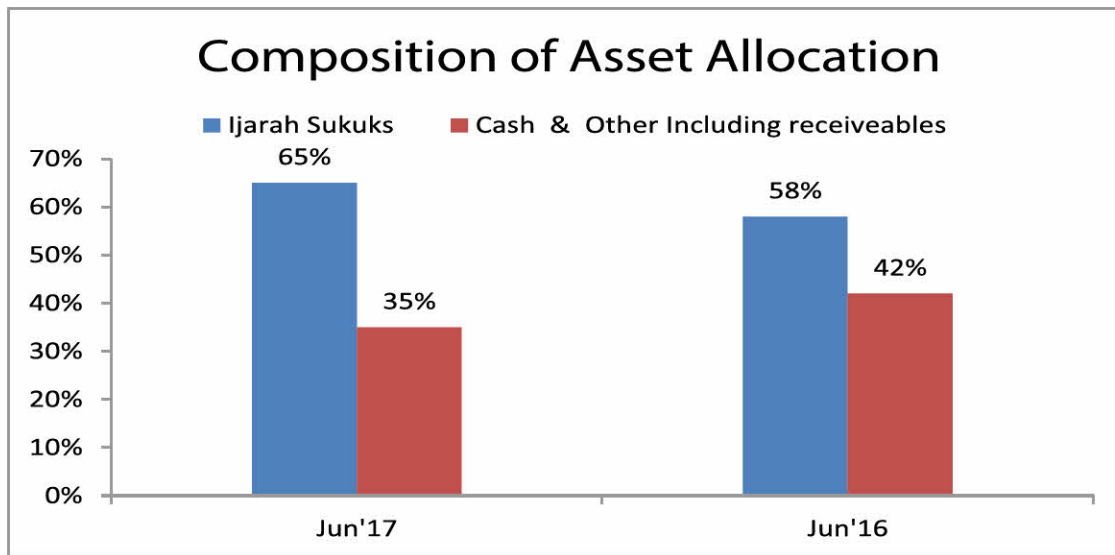
The Fund's primary objective is to provide investors with a low risk and stable rate of current income by primarily investing in Shariah Compliant Sovereign Securities.

Investment Policy and Strategy

The investment policy of the fund demarcates that at least 70% of the net assets of the fund shall be invested in Shariah compliant fixed income government securities on a quarterly average basis while at least 10% of the fund size has to be maintained in cash on a monthly average basis. The remaining allocation can be in other permissible Islamic investment avenues. The instruments in which MSF invests are Sovereign Sukuks (Islamic Bonds), Musharaka and Murabaha instruments, Certificate of Islamic Investments, Islamic bank deposits and other Sovereign Islamic income products.

Sector Allocation for the year ended FY16 and FY17

The asset allocation of the fund on June 30, 2016 and June 30, 2017 is as follows:



Performance Review

Meezan Sovereign Fund (MSF) provided a return of 6.57% to its investors for the year ended June 30, 2017 against a benchmark return of 4.65%.

During the year, the Fund earned a gross income of Rs. 659 million, which was primarily due to profit on Sukuks certificates worth Rs. 383 million. Profit on saving accounts at Islamic banks contributed Rs. 88 million. On the other side, the fund accrued realized and unrealized gain worth Rs. 11 million and Rs. 44 million respectively while income from reversal of WWF was Rs.134 million. The fund also incurred expenses totalling to Rs. 129 million and element of loss and capital losses included in prices of units issued and less those in units redeemed of Rs. 276 million, which brought the net income figure to Rs. 254 million. The net assets of the Fund as at June 30, 2017 were Rs. 4,334 million as compared to Rs. 7,945 million at the end of last year depicting a decrease of 45.45%. The net asset value per unit as at June 30, 2017 was Rs. 51.40 as compared to Rs. 50.80 per unit as on June 30, 2016.

	MSF	Six Month deposits at Islamic Banks
Net Asset Value as on June 30, 2016	50.80	
Net Asset Value as on June 30, 2017	51.40	
Return for the year	6.57%	4.65%
Outperformance	1.92%	

Distributions

The interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2017 was Rs. 2.75 per unit (5.50%). Total distribution made by the fund was Rs. 204.38 million.

Fund Stability Rating

JCR-VIS Credit Rating Company has assigned Stability Rating of AA (f) to Meezan Sovereign Fund.

Unit holder Break down:

(As on June 30, 2017)

Range (Units)	No. of Investors
1 - 9,999	3,275
10,000 - 49,999	795
50,000 - 99,999	116
100,000 - 499,999	73
500,000 and above	15
Total	4,274



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Sovereign Fund

August 21, 2017/ 10th Al-Qi'dah 28, 1438

Allahu**dhilillah**, the period from July 01, 2016 to June 30, 2017 was the eighth year of operations of Meezan Sovereign Fund (MSF) under management of Al Meezan Investment Management Limited (Al Meezan). We Meezan Bank Limited are the *Shari'ah* Advisor of the Fund and are issuing the report in accordance with clause 8.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

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

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



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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN SOVEREIGN FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 year ended June 30, 2017 in accordance with the provisions of the following:

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

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

Karachi, September 14, 2017



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

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

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

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

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



Mohammad Shoaib, CFA
Chief Executive

Dated: August 24, 2017
Karachi.



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

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

Review Report to the Unitholders of Meezan Sovereign Fund ("the Fund") on Statement of Compliance with Best Practices of Code of Corporate Governance

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

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

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

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

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

Date: 24 August 2017

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants

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



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

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

Independent Auditors' Report to the Unitholders

Report on the Financial Statements

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

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



Meezan
Sovereign Fund



KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

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

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Aayn Malik

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Assets			
Balances with banks	4	1,243,261	3,709,604
Investments	5	3,689,101	6,112,385
Receivable on issuance and conversion of units		718,732	641,331
Deposit, prepayments and other receivables	6	61,991	85,882
Total assets		5,713,085	10,549,202
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	7	4,420	10,700
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	371	737
Payable to Securities and Exchange Commission of Pakistan (SECP)	9	6,085	6,797
Payable to Meezan Bank Limited (MBL)		229	232
Payable on redemption and conversion of units		1,189,116	2,354,412
Dividend payable		67,471	-
Accrued expenses and other liabilities	10	111,725	231,578
Total liabilities		1,379,417	2,604,456
Net assets		4,333,668	7,944,746
Contingencies and commitments	11		
Unitholders' fund (as per statement attached)		4,333,668	7,944,746
		(Number of units)	
Number of units in issue	13	84,320,718	156,386,988
		(Rupees)	
Net assets value per unit		51.40	50.80

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director



INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Income			
Profit on saving accounts with banks		87,857	132,549
Profit on sukuk certificates		382,547	442,359
Profit on term deposit receipt		-	1,458
Net realised gain / (loss) on sale of sukuk certificates		10,776	(14,193)
Reversal of provision for Worker's Welfare Fund (WWF)	12	133,886	-
Other income		669	-
		615,735	562,173
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	43,652	47,688
Total income		659,387	609,861
Expenses			
Remuneration to AI Meezan Investment Management Limited (AI Meezan) - Management Company	7.1	81,154	90,623
Sindh Sales Tax and Federal Excise Duty on management fee	7.2 & 10.1	10,548	29,216
Allocated expenses	7.3	8,114	5,286
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	6,830	7,536
Sindh Sales Tax on trustee fee	8.1	888	1,055
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	9	6,085	6,797
Auditors' remuneration	14	447	473
Fees and subscription		946	849
Legal and professional charges		438	660
Brokerage expenses		546	1,067
Bank and settlement charges		156	318
Provision for Sindh Workers' Welfare Fund (SWWF)	12	12,690	-
Printing expenses		-	72
Total expenses		128,842	143,952
Net income from operating activities		530,545	465,909
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(276,272)	(90,854)
Net income for the year before taxation		254,273	375,055
Taxation	20	-	-
Net income for the year after taxation		254,273	375,055
Other comprehensive income for the year			
Items that may be reclassified to income statement in subsequent periods			
Net unrealised diminution on re-measurement of investments classified as 'available for sale'		-	(6,979)
Total comprehensive income for the year		254,273	368,076

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Mohammad Shoaib, CFA
Chief Executive

Mazhar Sharif
Director

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Undistributed income brought forward			
- Realised		193,509	783,971
- Unrealised		47,688	(47,805)
		241,197	736,166
Interim distribution for the year ended June 30, 2017			
- cash dividend @ 5.5% i.e. Rs. 2.75 per unit			
(June 30, 2016: cash dividend @ 4.5% i.e. Rs. 2.25 per unit)		(204,384)	(316,944)
Final distribution for the year ended June 30, 2015			
- cash dividend @ 6.8% i.e. Rs. 3.45 per unit		-	(553,891)
Total distribution		(204,384)	(870,835)
Net income for the year		254,273	375,055
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments		-	811
Undistributed income carried forward		291,086	241,197
Undistributed income carried forward			
- Realised		247,434	193,509
- Unrealised	5.1	43,652	47,688
		291,086	241,197

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director



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

	2017 (Rupees in '000)	2016
Net assets at beginning of the year	7,944,746	8,656,701
Issuance of 396,890,720 units (June 30, 2016: 567,676,699 units)	20,786,983	29,571,965
Redemption of 468,956,990 units (June 30, 2016: 571,837,803 units)	(24,724,222)	(29,872,015)
	(3,937,239)	(300,050)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	276,272	90,854
Net realised gain / (loss) on sale of sukuk certificates	10,776	(14,193)
Unrealised appreciation in the value of investments (net)	43,652	40,709
Other net income for the year	199,845	341,560
Total comprehensive income for the year	254,273	368,076
Interim distribution for the year ended June 30, 2017		
- cash dividend @ 5.5% i.e. Rs. 2.75 per unit		
(June 30, 2016: cash dividend @ 4.5% i.e. Rs. 2.25 per unit)	(204,384)	(316,944)
Final distribution for the year ended June 30, 2015		
- Cash dividend @ 6.8% i.e. Rs 3.45 per unit	-	(553,891)
Total distribution	(204,384)	(870,835)
Net income / (loss) for the year less distribution	49,889	(502,759)
Net assets at end of the year	4,333,668	7,944,746

(Rupees)

Net assets value per unit at beginning of the year	50.80	53.92
Net assets value per unit at end of the year	51.40	50.80

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		254,273	375,055
Adjustments for:			
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	(43,652)	(47,688)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		276,272	90,854
		486,893	418,221
Decrease in assets			
Investments (net)		2,466,936	2,204,120
Deposit, prepayment and other receivables		23,891	106,964
		2,490,827	2,311,084
(Decrease) / increase in liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		(6,280)	60,821
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		(366)	(70)
Payable to Securities and Exchange Commission of Pakistan (SECP)		(712)	(3,416)
Payable to Meezan Bank Limited		(3)	(499)
Accrued expenses and other liabilities		(119,853)	90,268
		(127,214)	25,694
Net cash generated from operating activities		2,850,506	2,754,999
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		20,709,582	29,010,117
Payments against redemption and conversion of units		(25,889,518)	(30,419,202)
Dividend paid		(136,913)	(870,835)
Net cash used in financing activities		(5,316,849)	(2,279,920)
Net (decrease) / increase in cash and cash equivalents during the year		(2,466,343)	475,079
Cash and cash equivalents at beginning of the year		3,709,604	3,234,525
Cash and cash equivalents at end of the year	4	1,243,261	3,709,604

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

2.1 Statement of compliance

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

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

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for investments classified as 'at fair value through profit or loss' and 'available for sale' which are measured at their respective fair values.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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

- (a) Classification and valuation of financial instruments (note 3.1 & 5);
- (b) Impairment of financial instruments (note 3.1.6);
- (c) Recognition of provision for Sindh Workers' Welfare Fund (note 12);
- (d) Taxation (note 3.7 and 20); and
- (e) Provision for Federal Excise Duty and related Sindh Sales Tax on management fee and sales load (note 10)

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

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

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

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

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

to the financial statements of mutual funds. Significant disclosures / requirements, which are relevant to the funds includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and / or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; management assessment of sufficiency of tax provision including comparisons of tax provision as per accounts with tax assessment for last three years and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Classification

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

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

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

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

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

b) Loans and receivables

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

c) Available for sale

These are non-derivative financial assets that are either designated as available for sale or are not classified in any of the other categories mentioned in (a) or (b) above.

3.1.2 Regular way contracts

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

3.1.3 Recognition

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

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

3.1.4 Measurement

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

Subsequent to initial recognition, instruments classified as financial assets 'at fair value through profit or loss' and 'available for sale' are measured at their 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. 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 and provisions

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Fund Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Security and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Provisions are recognised when there is objective evidence that a financial asset or group of financial assets are non-performing, in accordance with the above mentioned circular and subsequent clarification thereon. Additional provision may be recognised when there is objective evidence of the continuity of non-performance. Further, the reversal of provision is also made in accordance with the said circulars and subsequent clarifications.

3.1.6 Impairment

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

Impairment loss on investment classified as 'available for sale' debt instruments is recognised in the Income Statement whenever the acquisition cost of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed in the Income Statement.

3.1.7 Derecognition

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

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

3.1.8 Offsetting of financial instruments

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

3.2 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 asset value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributors 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 redeemed price represents the net asset value per unit as of the close of the business day less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

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

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

The element is recognised in the Income Statement to the extent that it is represented by income earned during the year and unrealized appreciation / (diminution) arising during the year on 'available for sale' securities is included in the Distribution Statement.

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 disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at year end.

3.7 Taxation

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

Current

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

Deferred

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

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

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

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

3.8 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in Income Statement currently and are recognised on the date at which the transaction takes place.
- (ii) Profit on bank deposit is recognised on time proportion basis using effective yield method.
- (iii) Income on sukuk certificates, term deposit receipts and Government securities is recognised on a time proportionate basis using effective yield method.
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- (v) Unrealised gains / (losses) arising on revaluation of securities classified as 'available for sale' are included in the other comprehensive income in the period in which they arise.

3.9 Expenses

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

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

3.12 Distribution

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

	Note	2017 (Rupees in '000)	2016
4. BALANCES WITH BANKS			
On saving accounts	4.1	1,227,312	3,693,945
On current accounts		15,949	15,659
		1,243,261	3,709,604

- 4.1** The balances in saving accounts have an expected profit ranging from 2.00% to 6.10% per annum (2016: 2.50% to 6.10% per annum).



5. INVESTMENTS

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

Investments - 'at fair value through profit or loss'	5.1	3,689,101	6,112,385
--	-----	------------------	------------------

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

Name of the security	Maturity date	Profit rate	As at July 01, 2016	Purchases during the year	Sales / maturity during the year	As at June 30, 2017	Carrying value as at June 30, 2017	Market value as at June 30, 2017	Unrealised gain as at June 30, 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 5.1.1)	December 18, 2018	Weighted average 6 months T-Bills	33,340	-	17,010	16,330	1,645,901	1,665,497	19,596	38.43	45.15
GoP Ijarah Sukuk Certificates - XVII (note 5.1.1)	February 15, 2019	Weighted average 6 months T-Bills	26,350	13,000	19,690	19,660	1,999,548	2,023,604	24,056	46.69	54.85
GoP Ijarah Sukuk Certificates - XVIII (note 5.1.1)	March 29, 2019	Weighted average 6 months T-Bills	750	-	750	-	-	-	-	-	-
Total							3,645,449	3,689,101	43,652		

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

6. DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES

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

Security deposit	100	100
Prepayment	222	143
Profit receivable on saving accounts with banks	13,388	17,357
Profit receivable on sukuk certificates	47,887	67,888
Others	394	394
	61,991	85,882

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

Management fee	7.1	3,552	7,841
Sindh Sales Tax on management fee	7.2	462	1,098
Sales load		44	855
Sindh Sales Tax on sales load	7.2	6	120
Allocated expenses	7.3	356	786
		4,420	10,700

7.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of average annual net assets in case of Income Scheme. The remuneration of the Management Company has been charged at the rate of one percent per annum for the year ended June 30, 2017 and June 30, 2016.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011. In the current year, Sindh Sales Tax at the rate of 13 percent (June 30, 2016: 14 percent) was charged on the remuneration of Management Company and sales load (refer note 10.1 for Sindh Sales Tax applied on Federal Excise Duty).

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

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

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

The rates have been revised with effect from April 01, 2013. The revised tariff structure is as follows:

Net Assets (Rupees)	Tariff
Up to Rs. 1 billion	0.15% p.a. of net assets
Rs. 1 billion to Rs. 10 billion	Rs. 1.5 million plus 0.075% p.a. of net assets exceeding Rs. 1 billion
Over Rs. 10 billion	Rs. 8.25 million plus 0.06% p.a. of net assets exceeding Rs. 10 billion

- 8.1** In 2015, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. As a result of these amendments, the Fund recognised SST on remuneration of trustee fee at the rate of 13 percent (June 30, 2016: 14 percent).

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

Under the provisions of the amended Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as an income scheme is required to pay an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. Provided that for Collective Investment Schemes which on quarterly average basis have at least 1,000 retail investors and more than 50% of net assets are held by individual investors, provided that the maximum investment by a single retail investor (considered eligible for calculating the threshold of 1,000) does not exceed 1% of the net asset shall pay the annual fee at the rate 0.06% for the next three years from the date of notification of these regulations.

During the year, fees charged at the rate of 0.075% (June 30, 2016: 0.075%). The fee is payable to the SECP within three months of the close of the financial year.

10. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2017 (Rupees in '000)	2016
Provision for Sindh Workers' Welfare Fund (SWWF)	12	12,690	-
Provision for Workers' Welfare Fund (WWF)	12	-	133,886
Withholding tax payable		22,023	19,640
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.1	73,253	73,253
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1	2,391	2,391
Printing expenses payable		356	479
Zakat payable		22	267
Auditors' remuneration		310	310
Brokerage payable		271	814
Shariah advisor fee payable		409	538
		111,725	231,578

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

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

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

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained a provision on FED and 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, 2016: Rs. 75.64 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re. 0.90 (June 30, 2016: Re. 0.48) per unit.

11. CONTINGENCIES AND COMMITMENTS

- 11.1** The Finance Act, 2015, inserted a new section 4B "Super Tax for Rehabilitation of Temporarily Displaced Persons" (Super Tax) for tax year 2015. Super Tax was imposed for Tax Year 2015 on banking companies at the rate of 4 percent of the income and on all other tax payers having income equal to or exceeding Rs. 500 million at 3 percent of the income. Furthermore, the provision of the said section has also been inserted through the Finance Act, 2016.

In 2016, the Management Company received an order under the aforementioned section for recovery of super tax not paid with return of income in respect of the Fund for the tax year 2015. The Assistant Commissioner considered that the Fund was required to pay super tax as the income of the Fund was more than Rs. 500 million and raised a demand of Rs. 36.973 million in this respect.

The Management Company had filed appeal before Commissioner Inland Revenue (Appeals – III) which was decided against the Management Company. Therefore, the Management Company had filed an appeal against the decision in the Appellate Tribunal Inland Revenue (ATIR) which was decided in favour of management company by ATIR.

- 11.2** There were no other contingencies and commitments outstanding as at June 30, 2017 and June 30, 2016.

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

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

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016, passed in the Civil Appeal may kindly be reviewed in the interest of justice. After deliberating the position, The Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective from January 12, 2017. The provision reversed on January 12, 2017, amounted to Rs. 133.886 million. This has resulted in an increase in NAV per unit of Re. 0.78 on January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act 2014. MUFAP wrote to SRB that mutual funds are not establishments and are passed through vehicles, hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds for SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 16.397 million. This has resulted in a decrease in NAV per unit of Re. 0.10 on January 12, 2017.

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

The Management Company has recognised SWWF charge for the period from May 21, 2015 to June 30, 2017, amounting to Rs. 12.69 million (June 30, 2016: nil). Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Re. 0.15 (June 30, 2016: nil).

13. NUMBER OF UNITS IN ISSUE

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

	2017 (Number of units)	2016
Total units in issue at beginning of the year	156,386,988	160,548,092
Units issued during the year	396,890,720	567,676,699
Units redeemed during the year	(468,956,990)	(571,837,803)
Total units in issue at end of the year	84,320,718	156,386,988

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

14. AUDITORS' REMUNERATION

	2017 (Rupees in '000)	2016
Statutory audit fee	230	230
Half yearly review fee	120	120
Other certification fee	90	110
Out of pocket expenses	7	13
	447	473



15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	2017 (Rupees in '000)	2016
Al Meezan Investment Management Limited (Al Meezan)		
- Management Company		
Remuneration payable	3,552	7,841
Sindh Sales Tax on management fee payable	462	1,098
Sales load payable	44	855
Sindh Sales Tax on sales load payable	6	120
Allocated expense payable	356	786
Meezan Bank Limited (MBL)		
Balances with bank	36,625	43,281
Profit receivable on saving accounts	1,032	243
Sales load payable	203	232
Sindh Sales Tax on sales load payable	26	-
Investments of 21,593,102 units (2016: 21,593,102 units)	1,109,885	1,096,930
Central Depository Company of Pakistan Limited (CDC) - Trustee		
Trustee fee payable	328	647
Sindh Sales tax on Trustee fee payable	43	90
Deposit	100	100
Meezan Financial Planning Fund of Funds		
Investment of nil units - Aggressive Allocation Plan (2016: 2,649,023 units)	-	134,570
Investment of nil units - Conservative Allocation Plan (2016: 4,354,238 units)	-	221,195
Investment of nil units - Moderate Allocation Plan (2016: 3,609,944 units)	-	183,385
Investment of nil units - MCPP - I (2016: 12,153,662 units)	-	617,406
Investment of nil units - MCPP - II (2016: 38,471,290 units)	-	1,954,342
Investment of 908,615 units - MAAP - I (2016: 3,011,305)	46,702	152,974
Investment of 1,579,961 units - MAAP - II (2016: 876,557)	81,210	44,529

Meezan Capital Preservation Fund II

Investment of nil units (2016: 4,447,943 units)

Directors and executives of the Management Company

Investment of 31,123 units (2016: 67,068 units)

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

-	225,956
1,600	3,407

For the year ended
June 30,

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

AI Meezan Investment Management Limited (AI Meezan)
- Management Company

Remuneration for the year

Sindh Sales Tax and Federal Excise Duty on management fee

Units issued: 19,610,309 units (2016: 7,649,936 units)

Units redeemed: 19,610,309 units (2016: 7,649,936 units)

Allocated expenses

81,154	90,623
10,548	29,216
1,060,722	393,000
1,063,075	396,512
8,114	5,286

Meezan Bank Limited (MBL)

Profit on saving accounts

Units redeemed: nil (2016: 35,113,662 units)

Dividend paid

1,480	1,158
-	2,036,640
59,381	244,223

Central Depository Company of Pakistan Limited (CDC) - Trustee

Remuneration fee

Sindh Sales Tax on trustee fee

CDS charges

6,830	7,536
888	1,055
2	6

AI Meezan Investment Management Limited - Employees' Gratuity Fund

Units issued: nil (2016: 3,064 units)

Units redeemed: nil (2016: 47,890 units)

-	155
-	2,534

Meezan Financial Planning Fund of Funds

Units issued: 4,865,600 units - Aggressive Allocation Plan

(2016: 1,174,353 units)

Units issued: 9,234,583 units - Conservative Allocation Plan

(2016: 2,877,729 units)

Units issued: 6,442,217 units - Moderate Allocation Plan

(2016: 2,095,501 units)

Units issued: 6,310,639 units - MCPP I (2016: 43,234,158 units)

Units issued: 55,963,747 units - MCPP II (2016: 86,386,512 units)

Units issued: 6,675,654 units - MAAP - I (2016: 22,788,255 units)

Units issued: 5,194,921 units - MAAP - II (2016: 3,716,683 units)

Units redeemed: 7,514,623 units - Aggressive Allocation Plan

(2016: 462,245 units)

Units redeemed: 13,588,821 units - Conservative Allocation Plan

(2016: 3,507,850 units)

Units redeemed: 10,052,162 units - Moderate Allocation Plan

(2016: 1,971,006 units)

Units redeemed: 18,464,301 units - MCPP I (2016: 35,610,458 units)

256,802	60,199
483,620	148,540
338,173	107,935
325,780	2,231,195
2,889,385	4,453,710
341,702	1,170,067
266,210	193,943
400,088	23,993
721,162	178,748
535,078	101,561
952,198	1,842,757



**For the year ended
June 30,**

2017 2016
(Rupees in '000)

Units redeemed: 94,435,037 units - MCPP II (2016: 56,604,781 units)
Units redeemed: 8,778,344 units - MAAP - I (2016: 19,776,950 units)
Units redeemed: 4,491,517 units - MAAP - II (2016: 2,840,126 units)
Dividend paid - Aggressive Allocation Plan
Dividend paid - Conservative Allocation Plan
Dividend paid - Moderate Allocation Plan
Dividend paid - MCPP I
Dividend paid - MCPP II
Dividend paid - MAAP I
Dividend paid - MAAP II

4,934,998	2,927,566
463,264	1,015,624
236,767	149,524
-	53,652
-	26,316
-	18,768
-	41,815
-	115,880
-	6,492
-	1,889
-	-
-	194,889
-	477,647
-	19,090
161,500	2,736,966
390,928	2,819,332
-	19,486
9,991	6,719
9,607	12,343
92	796

Meezan Capital Preservation Fund III

Units issued: nil (2016: 3,836,414 units)
Units redeemed: nil (2016: 9,369,567 units)
Dividend paid

Meezan Capital Preservation Fund II

Units issued: 3,163,923 units (2016: 52,370,874 units)
Units redeemed: 7,611,866 units (2016: 53,570,918 units)
Dividend paid

Directors and executives of the Management Company

Units issued: 190,811 units (2016: 130,096 units)
Units redeemed: 182,368 units (2016: 240,471 units)
Dividend paid

16. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

Risks managed and measured by the Fund are explained below:

16.1 Market risk

16.1.1 Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instrument traded in the market. The Fund is not exposed to any price risk as at June 30, 2017.

16.1.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which effects cash flows pertaining to debt instruments and their fair values.

Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts and investment in debt securities. At June 30, 2017, if there had been increase / decrease of 100 basis points in interest rates or in rates announced by Financial Market Association of Pakistan, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs. 49.30 million (2016: Rs. 98.063 million) mainly as a result of finance income.

Fair value interest rate risk

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

As at 30 June 2017						
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Balances with banks	2.00% to 6.10%	1,227,312	-	-	15,949	1,243,261
Investments	Weighted average 6 months T-Bills	-	-	3,689,101	-	3,689,101
Receivable on issuance and conversion of units		-	-	-	718,732	718,732
Deposit and other receivables		-	-	-	61,769	61,769
		1,227,312	-	3,689,101	796,450	5,712,863
Financial liabilities						
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	-	4,420	4,420
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	-	371	371
Payable to Meezan Bank Limited (MBL)		-	-	-	229	229
Payable on redemption and conversion of units		-	-	-	1,189,116	1,189,116
Dividend payable		-	-	-	67,471	67,471
Accrued expenses and other liabilities		-	-	-	76,990	76,990
		-	-	-	1,338,597	1,338,597
On-balance sheet gap		1,227,312	-	3,689,101	(542,147)	4,374,266
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		1,227,312	-	3,689,101		
Cumulative interest rate sensitivity gap		1,227,312	1,227,312	4,916,413		



As at 30 June 2016					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balances with banks	2.50% to 6.10%	3,693,945	-	15,659	3,709,604
Investments	Weighted average 6 months T-Bills	-	-	-	6,112,385
Receivable on issuance and conversion of units		-	-	641,331	641,331
Deposit and other receivables		-	-	85,739	85,739
		3,693,945	-	742,729	10,549,059
Financial liabilities					
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		-	-	10,700	10,700
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	737	737
Payable to Meezan Bank Limited (MBL)		-	-	232	232
Payable on redemption and conversion of units		-	-	2,354,412	2,354,412
Accrued expenses and other liabilities		-	-	77,785	77,785
		-	-	2,443,866	2,443,866
On-balance sheet gap		3,693,945	-	(1,701,137)	8,105,193
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		3,693,945	-	6,112,385	
Cumulative interest rate sensitivity gap		3,693,945	3,693,945	9,806,330	

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2017 is not necessarily indicative of the effect on the fund's net asset due to future movements in interest rates.

16.1.3 Currency risk

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

16.2 Credit risk

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

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

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of

brokers and other parties. For debt instrument settlement, Delivery versus Payment (DvP) mechanism applied by Trustee of the Fund minimize the credit risk. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

Financial assets exposed to credit risk	2017	2016
	(Rupees in '000)	
Balance with banks	1,243,261	3,709,604
Receivable on issuance and conversion of units	718,732	641,331
Deposit and other receivables	61,769	85,739
	2,023,762	4,436,674

Credit rating wise analysis of balances with bank of the Fund are tabulated below:

Rating agency		2017		2016	
		(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AAA	PACRA/ JCR-VIS	734,426	59.07	1,280,686	34.53
AA+	PACRA/ JCR-VIS	12,936	1.04	5,095	0.14
AA	PACRA/ JCR-VIS	39,388	3.17	681,441	18.37
A+	PACRA/ JCR-VIS	427,847	34.42	1,738,864	46.87
A	PACRA/ JCR-VIS	1,888	0.15	3,518	0.09
A-	PACRA/ JCR-VIS	26,776	2.15	-	-
		1,243,261	100.00	3,709,604	100.00

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

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

16.3 Liquidity risk

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

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the trustee, for a period not exceeding three months to the extent of fifteen per cent of the net assets which amounts to Rs. 650.050 million as on June 30, 2017 (June 30, 2016: Rs. 1,191.712 million). However, no such borrowing has been obtained during the year.

Further, the Fund is also allowed, as per regulation 57(10) of the NBFC Regulations, 2008, to defer redemption requests to next dealing day, had such requests exceed ten percent of the total number of units in issue.

In accordance with the risk management policy of the Fund, the investment committee monitors the liquidity position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.



An analysis of the Fund's financial liabilities into relevant maturity grouping as at June 30, 2017 along with comparative is tabulated below:

	2017				Total
	Maturity upto			More than one year	
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	4,420	-	-	-	4,420
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	371	-	-	-	371
Payable to Meezan Bank Limited (MBL)	229	-	-	-	229
Payable on redemption and conversion of units	1,189,116	-	-	-	1,189,116
Dividend payable	67,471	-	-	-	67,471
Accrued expenses and other liabilities	76,990	-	-	-	76,990
	1,338,597	-	-	-	1,338,597
2016					
	Maturity upto			More than one year	Total
	Three months	Six months	One year		
	(Rupees in '000)				
	Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	10,700	-	-	-
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	737	-	-	-	737
Payable to Meezan Bank Limited (MBL)	232	-	-	-	232
Payable on redemption and conversion of units	2,354,412	-	-	-	2,354,412
Accrued expenses and other liabilities	77,785	-	-	-	77,785
	2,443,866	-	-	-	2,443,866

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

17. UNITHOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

18. FAIR 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.

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

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

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

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

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

Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

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

June 30, 2017

Financial assets - measured at fair value

(Rupees in '000)

Investments	18.1	3,689,101	-	-	-	3,689,101	-	3,689,101	-	3,689,101
-------------	------	-----------	---	---	---	-----------	---	-----------	---	-----------

Financial assets - not measured at fair value

Balances with banks	18.1	-	-	1,243,261	-	1,243,261				
Receivable on issuance and conversion of units	18.1	-	718,732	-	-	718,732				
Deposit and other receivables	18.1	-	61,769	-	-	61,769				
		3,689,101	780,501	1,243,261	-	5,712,863				

Financial liabilities - not measured at fair value

Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	18.1	-	-	-	4,420	4,420				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	18.1	-	-	-	371	371				
Payable to Meezan Bank Limited (MBL)	18.1	-	-	-	229	229				
Payable on redemption and conversion of units	18.1	-	-	-	1,189,116	1,189,116				
Dividend payable	18.1	-	-	-	67,471	67,471				
Accrued expenses and other liabilities	18.1	-	-	-	76,990	76,990				
		-	-	-	1,338,597	1,338,597				



June 30, 2016

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**

Investments	6,112,385	-	-	-	6,112,385	-	6,112,385	-	6,112,385
-------------	-----------	---	---	---	-----------	---	-----------	---	-----------

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

Balances with banks	18.1	-	-	3,709,604	-	3,709,604			
---------------------	------	---	---	-----------	---	-----------	--	--	--

Receivable on issuance and conversion of units	18.1	-	641,331	-	-	641,331			
--	------	---	---------	---	---	---------	--	--	--

Deposit and other receivables	18.1	-	85,739	-	-	85,739			
-------------------------------	------	---	--------	---	---	--------	--	--	--

		6,112,385	727,070	3,709,604	-	10,549,059			
--	--	-----------	---------	-----------	---	------------	--	--	--

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

Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	18.1	-	-	-	10,700	10,700			
---	------	---	---	---	--------	--------	--	--	--

Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	18.1	-	-	-	737	737			
---	------	---	---	---	-----	-----	--	--	--

Payable to Meezan Bank Limited (MBL)	18.1	-	-	-	232	232			
--------------------------------------	------	---	---	---	-----	-----	--	--	--

Payable on redemption and conversion of units	18.1	-	-	-	2,354,412	2,354,412			
---	------	---	---	---	-----------	-----------	--	--	--

Accrued expenses and other liabilities	18.1	-	-	-	77,785	77,785			
--	------	---	---	---	--------	--------	--	--	--

		-	-	-	2,443,866	2,443,866			
--	--	---	---	---	-----------	-----------	--	--	--

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

19. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the fund. TER of the fund for the year ended June 30, 2017 is 1.60% which include 0.38% representing government levy, Worker Welfare Fund and SECP fee.

20. TAXATION

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

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

21. PERFORMANCE TABLE

	2017	2016	2015	2014	2013
Net assets (Rs. in '000) (ex-distribution)	4,333,668	7,944,746	8,656,701	20,280,685	19,654,233
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	51.40	50.80	50.47	50.48	50.04
Offer price per unit as at June 30 (Rs.) (ex-distribution)	51.69	51.14	54.28	50.82	50.38
Distribution (%)					
Interim					
- First quarter	-	-	-	1.80	2.38
- Second quarter	-	-	-	1.68	2.36
- Third quarter	-	-	-	1.80	2.00
- Fourth quarter	5.50	4.50	-	2.10	-
Annual	-	6.80	-	-	2.06
Dates of distribution (interim)					
- First quarter	-	-	-	September 23, 2013	September 21, 2012
- Second quarter	-	-	-	December 24, 2013	December 31, 2012
- Third quarter	-	-	-	March 24, 2014	March 22, 2013
- Fourth quarter	June 23, 2017	June 29, 2016	-	May 29, 2014	-
Dates of distribution (annual)	-	July 3, 2015	-	-	July 8, 2013
Income distribution (Rs. in '000)	204,384	870,835	-	586	449
Growth distribution (Rs. in '000)	-	-	-	1,875,183	1,300,190
Highest offer price per unit (Rs.)	54.56	54.28	54.28	51.86	51.50
Lowest offer price per unit (Rs.)	51.13	50.86	50.88	50.36	50.31
Highest redemption price per unit (Rs.)	54.25	53.92	53.92	51.51	51.20
Lowest redemption price per unit (Rs.)	50.84	50.93	50.54	50.02	50.02
Total return (%)	6.57	5.12	6.81	8.50	9.11
Weighted Average Portfolio Duration (years)	1.55	0.03	0.40	0.78	1.43
	One Year	Two Years	Three Years	Four Years	Five Years
Average annual return (%) as at June 30, 2017	6.57	5.85	6.17	6.75	7.22

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

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

22. INVESTMENT COMMITTEE MEMBERS**22.1** Details of members of investment committee of the Fund are as follow:

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



21.2 The Fund Manager of the Fund is Mr. Zain Malik. Other Funds being managed by the Fund Manager are as follows:

- Meezan Cash Fund
- Meezan Islamic Income Fund

23. BROKERAGE COMMISSION BY PERCENTAGE

	2017	2016
Name of the broker	(Percentage)	
Paramount Capital (Private) Limited	45	15
Invest Capital Markets Limited	31	28
Vector Capital (Private) Limited	18	19
JS Global Capital Limited	3	17
Arif Habib Securities Limited	3	2
Jahangir Siddique Securities Service Limited	-	19
	100	100

24. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

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

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

25. PATTERN OF UNIT HOLDING

	As at June 30, 2017		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individuals	4,122	2,011,526	46.43
Associated companies / directors	6	1,239,468	28.60
Insurance companies	11	226,417	5.22
Retirement funds	45	615,504	14.20
Public limited companies	4	577	0.01
Others	86	240,176	5.54
Total	4,274	4,333,668	100.00

	As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individuals	3,799	2,226,516	28.03
Associated companies / directors	13	4,632,301	58.31
Insurance companies	5	148,368	1.87
Retirement funds	41	428,689	5.40
Public limited companies	5	134,297	1.69
Others	95	374,575	4.70
Total	3,958	7,944,746	100.00

26. GENERAL

26.1 Reclassification of comparatives

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

	June 30, 2016		
	As previously reported	Impact (Rupees in '000)	As stated
Effects on statement of assets and liabilities			
<i>Liabilities</i>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	86,166	(75,466)	10,700
Accrued expenses and other liabilities	156,112	75,466	231,578

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

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

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

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

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director



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

AS AT JUNE 30, 2017

UNITS HELD BY	UNITS HELD	%
Associated Companies		
Meezan Bank Limited	21,593,102	25.61
MFPP - Meezan Asset Allocation Plan - I	908,615	1.08
MFPP - Meezan Asset Allocation Plan - II	1,579,961	1.87
Directors		
Syed Amir Ali	15	0.00
Mr. Mazhar Sharif	1,216	0.00
Executives	29,892	0.04
Individuals	39,144,240	46.42
Retirements funds	11,974,793	14.20
Public limited companies	11,233	0.01
Others	9,077,651	10.77
Total	84,320,718	100.00



Meezan Cash Fund





MEEZAN CASH FUND (MCF):

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Askari Bank Limited - Islamic Banking
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



REPORT OF THE FUND MANAGER

FOR THE YEAR ENDED JUNE 30, 2017

Type of Fund

Open end cash fund investing primarily in Shariah compliant money market and Islamic bonds (Sukuks).

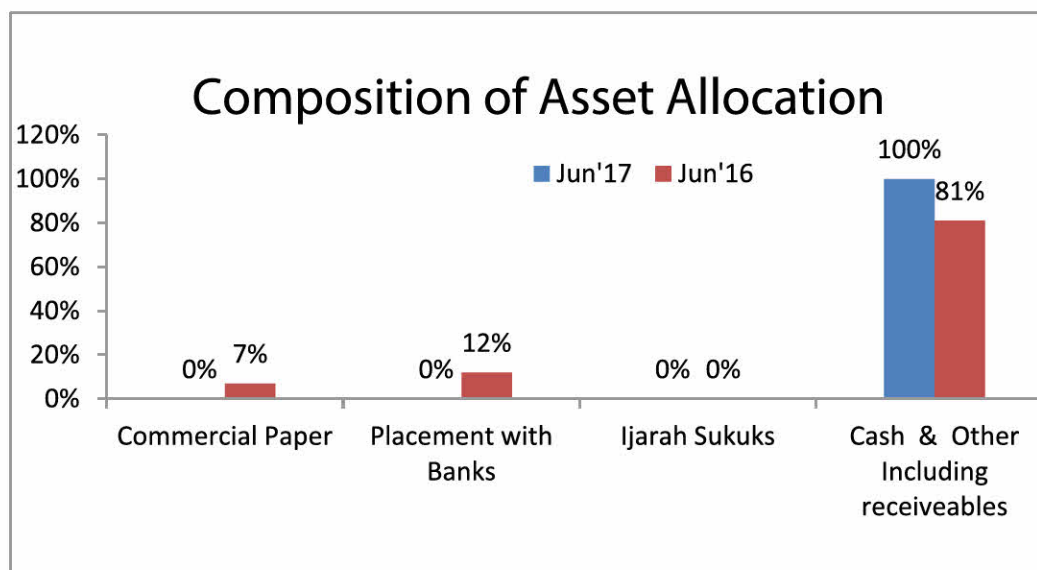
Objective

Its objective is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market & debt securities.

Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high quality instruments. To minimize the impact of interest rate volatility, the investment policy limits the investment avenues to short term tenors. As per its investment policy, MCF can invest or place funds in instruments/avenues with a credit rating of at least 'double A' (AA). Moreover, the investment policy limits interest rate risk by capping the maturity of instruments up to a maximum of six months, along with maximum portfolio duration of three months.

Sector Allocation for the year ended FY16 and FY17



Performance Review

Meezan Cash Fund (MCF) provided a competitive return of 6.07% to its investors for the year ended June 30, 2017 as compared to its benchmark return of 2.90%.

The Fund earned a gross income of Rs. 285 million, which was primarily due to profit on bank deposits and placements amounting to Rs. 219 million and profit on Sukuks certificates amounting to Rs. 7 million while income from reversal of WWF was Rs. 59 million. The fund also incurred expenses totalling to Rs. 63 million and element of loss and capital losses of Rs. 23 million, which brought the net income figure to Rs. 199 million. The net assets of the Fund as at June 30, 2017 were Rs. 3,350 million as compared to Rs. 3,432 million at the end of last year depicting a decrease of 2.37%. The net asset value per unit as at June 30, 2017 was Rs. 50.43 as compared to Rs. 50.14 per unit as on June 30, 2016.

Performance Table with Benchmark

	MCF	Six Month deposits at Islamic Banks
Net Asset Value as on June 30, 2016	50.14	
Net Asset Value as on June 30, 2017	50.43	
Return During the Period - Net	6.07%	2.90%
Outperformance - Net	3.17%	

Distributions

The interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2017 was Rs. 2.75 per unit (5.50%). Total distribution made by the fund was Rs. 179 million.

Fund Stability Rating

JCR-VIS Credit Rating Company has assigned Stability Rating of AA (f) to Meezan Cash Fund.

Breakdown of unit holdings by size

(As on June 30, 2017)

Range (Units)	No. of Investors
1 - 9,999	2,629
10,000 - 49,999	640
50,000 - 99,999	106
100,000 - 499,999	71
500,000 and above	16
Total	3,462



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Cash Fund

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

Alhamdulillah, the period from July 1, 2016 to June 30, 2017 was the ninth year of operations of Meezan Cash Fund (MCF) under management of Al Meezan Investment Management Limited (Al Meezan). We Meezan Bank Limited are the *Shari'ah* Advisor of the Fund and are issuing the report in accordance with clause 8.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

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

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

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CASH FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 year ended June 30, 2017 in accordance with the provisions of the following:

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

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

Karachi, September 14, 2017



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

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

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

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

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



Mohammad Shoaib, CFA
Chief Executive

Dated: August 24, 2017
Karachi.



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

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

Review Report to the Unitholders of Meezan Cash Fund ("the Fund") on Statement of Compliance with Best Practices of Code of Corporate Governance

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

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

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

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

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

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

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



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

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

Independent Auditors' Report to the Unitholders

Report on the Financial Statements

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

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



KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

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

Date: 24 August 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Malik

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Assets			
Balances with banks	4	3,730,705	2,038,551
Investments	5	-	800,000
Receivable on issuance and conversion of units		738,771	1,143,931
Profit receivable	6	37,071	42,088
Deposits and prepayments	7	596	564
Total assets		4,507,143	4,025,134
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan)			
- Management Company	8	4,550	3,437
Payable to Central Depository Company of Pakistan Limited (CDC)			
- Trustee	9	375	616
Payable to Securities and Exchange Commission of Pakistan (SECP)	10	2,903	3,752
Payable on redemption and conversion of units		1,096,454	485,498
Dividend payable		4,552	25
Accrued expenses and other liabilities	11	47,915	100,024
Total liabilities		1,156,749	593,352
Net assets		3,350,394	3,431,782
Contingencies and commitments	12		
Unitholders' fund (as per statement attached)		3,350,394	3,431,782
		Number of units	
Number of units in issue	13	66,430,638	68,440,635
		Rupees	
Net assets value per unit		50.43	50.14

The annexed notes 1 to 27 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director



INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
Income			
Profit on saving accounts with banks		196,722	244,941
Profit on term deposit receipts		22,566	37,818
Profit on sukuk certificates		6,845	12,130
Profit on Government of Pakistan (GoP) Ijarah Sukuks		-	9,965
Realised loss on sale of sukuk certificates (net)		-	(3,575)
Reversal of provision for Worker's Welfare Fund (WWF)	15	58,585	-
Other income		-	5
Total income		284,718	301,284
Expenses			
Remuneration to AI Meezan Investment Management Limited (AI Meezan) - Management Company	8.1	38,809	50,012
Sindh Sales Tax and Federal Excise Duty on Management Fee	8.2 & 11.1	5,034	16,126
Allocated expenses	8.3	3,844	1,996
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	9	3,661	4,501
Sindh Sales Tax on trustee fee	9.1	476	630
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	10	2,903	3,752
Auditors' remuneration	14	435	433
Fees and subscription		734	687
Legal and professional charges		104	65
Brokerage expense		-	74
Bank and settlement charges		198	260
Printing charges		223	-
Provision for Sindh Workers' Welfare Fund (SWWF)	15	6,091	-
Total expenses		62,512	78,536
Net income from operating activities		222,206	222,748
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(23,468)	(120,972)
Net income for the year before taxation		198,738	101,776
Taxation	20	-	-
Net income for the year after taxation		198,738	101,776
Other comprehensive income for the year		-	-
Total comprehensive income for the year		198,738	101,776

The annexed notes 1 to 27 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	2017 (Rupees in '000)	2016
Undistributed income brought forward		
- Realised	16,456	11,339
- Unrealised	-	1,796
	16,456	13,135
Interim distribution for the year ended June 30, 2017		
- cash dividend @ 5.50% (Rs. 2.75 per unit)	(179,346)	(98,455)
(2016: @ 4.50% (Rs. 2.25 per unit))		-
Total distribution	(179,346)	(98,455)
Net income for the year	198,738	101,776
Undistributed income carried forward	35,848	16,456
Undistributed income carried forward		
- Realised	35,848	16,456
- Unrealised	-	-
	35,848	16,456

The annexed notes 1 to 27 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)



Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2017

	2017 (Rupees in '000)	2016 (Rupees in '000)
Net assets at beginning of the year	3,431,782	7,617,739
Issuance of 425,700,524 units (2016: 390,234,132 units)	22,077,080	19,944,424
Redemption of 427,710,521 units (2016: 473,852,407 units)	(22,201,328)	(24,254,674)
	(124,248)	(4,310,250)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	23,468	120,972
Realised loss on sale of sukuk certificates (net)	-	(3,575)
Other net income for the year	198,738	105,351
Total comprehensive income for the year	198,738	101,776
Interim distribution for the year ended June 30, 2017		
- cash dividend @ 5.50% (Rs. 2.75 per unit)		
(2016: @ 4.50% (Rs. 2.25 per unit))	(179,346)	(98,455)
Total distribution for the year	(179,346)	(98,455)
Net income for the year less distribution	19,392	3,321
Net assets at end of the year	3,350,394	3,431,782

(Rupees)

Net assets value per unit at beginning of the year	50.14	50.10
Net assets value per unit at end of the year	50.43	50.14

The annexed notes 1 to 27 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director


CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in '000)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		198,738	101,776
Adjustments for:			
Element of loss and capital losses included in in prices of units issued less those in units redeemed (net)		23,468	120,972
		222,206	222,748
Decrease / (increase) in assets			
Investments (net)		800,000	491,766
Deposits and prepayments		(32)	(43)
Profit receivable		5,017	17,832
		804,985	509,555
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		1,113	(16,368)
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		(241)	278
Payable to Securities and Exchange Commission of Pakistan - (SECP)		(849)	777
Accrued expenses and other liabilities		(52,109)	24,684
		(52,086)	9,371
Net cash generated from operating activities		975,105	741,674
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		22,482,240	22,305,608
Payment against redemption and conversion of units		(21,590,372)	(24,083,739)
Dividend paid		(174,819)	(102,250)
Net cash generated from / (used in) financing activities		717,049	(1,880,381)
Net increase / (decrease) in cash and cash equivalents during the year		1,692,154	(1,138,707)
Cash and cash equivalents at beginning of the year		2,038,551	3,177,258
Cash and cash equivalents at end of the year	4	3,730,705	2,038,551

The annexed notes 1 to 27 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

2.1 Statement of compliance

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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

- (a) Classification and valuation of financial instruments (notes 3.1 and 5);
- (b) Impairment of financial instruments (note 3.1.6);
- (c) Recognition of provision for Sindh Workers' Welfare Fund (SWWF) (note 15);
- (d) Taxation (note 3.7 and 20); and
- (e) Provision for Federal Excise Duty and related Sindh Sales on management fee (note 11)

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

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

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



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

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

to the financial statements of mutual funds. Significant disclosures / requirements, which are relevant to the funds includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and / or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; management assessment of sufficiency of tax provision including comparisons of tax provision as per accounts with tax assessment for last three years and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Classification

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

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

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

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

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

b) Loans and receivables

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

c) Available for sale

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



3.1.2 Regular way contracts

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

3.1.3 Recognition

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

The Fund follows trade date accounting for purchase and sale of investments. 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. 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 included in 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 and provisions

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities

- The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities

- The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Fund Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Security and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

- Provisions are recognised when there is objective evidence that a financial asset or group of financial assets are non-performing, in accordance with the above mentioned circular and subsequent clarification thereon. Additional provision may be recognised when there is objective evidence of the continuity of non-performance. Further, the reversal of provision is also made in accordance with the said circulars and subsequent clarifications.

3.1.6 Impairment

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

Impairment loss on investment classified as 'available for sale' debt instruments is recognised in the Income Statement whenever the acquisition cost of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed 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 for duties and charges and provision for transaction costs, if applicable.

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 redeemed price represents the net assets value per unit less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

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

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

The element is recognised in the Income Statement to the extent that it is represented by income earned during the year and unrealized appreciation / (diminution) arising during the year on 'available for sale' securities is included in the Distribution Statement.

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 disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at year end.

3.7 Taxation

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

Current

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

Deferred

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

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

- 3.7.1** 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. Provided that, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

3.8 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement currently on the date when the transaction takes place.
- (ii) Profit on bank deposits is recognised on time proportion basis using effective yield method.
- (iii) Income on sukuk certificates, placements and government securities is recognised on a time proportionate basis using effective yield method.

3.9 Expenses

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

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

3.12 Distribution

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

4. BALANCES WITH BANKS

	Note	2017 (Rupees in '000)	2016
On saving accounts	4.1 & 4.2	3,705,496	2,025,730
On current accounts		25,209	12,821
		<u>3,730,705</u>	<u>2,038,551</u>

- 4.1** The balances in saving accounts have an expected profit ranging from 2.40% to 6.10% per annum (2016: 2.50% to 6.20% per annum).

- 4.2** The balances include Rs. 33.86 million (2016: Rs. 36.06 million) with related party, Meezan Bank Limited, on which average return is earned at 2.40% (2016: 2.50%) per annum.

5. INVESTMENTS

	Note	2017 (Rupees in '000)	2016
Investments - 'loans and receivables' - Term Deposit Receipts	5.1	-	500,000
Investments - 'loans and receivables' - Sukuk Certificates	5.2	-	300,000
		<u>-</u>	<u>800,000</u>



5.1 Loans and receivables - Term deposit receipts (TDR)

Name of the bank	Maturity	Profit rate	As at July 01, 2016	Placed during the year	Matured during the year	As at June 30, 2017	Percentage of total value of investments
		----- % -----					----- % -----
						(Rupees in '000)	
Bank Al Falah Limited	September 23, 2016	6.20	500,000	-	(500,000)	-	-
Habib Metropolitan Bank Limited	March 22, 2017	6.15	-	500,000	(500,000)	-	-
						-	-
						-	-

5.2 Loans and receivables - Sukuk Certificates

Name of the Issuer	Maturity	Profit rate	As at July 01, 2016	Purchases during the year	Matured during the year	As at June 30, 2017	Carrying value as at June 30, 2017	Market value as at June 30, 2017	Unrealised gain / (loss) as at June 30, 2017	Percentage of total value of investments
										(Rupees in '000)
										----- % -----
Lalpur Power Limited - CP Sukuk (Note 5.2.1 and 5.2.2)	November 04, 2016	6 months KIBOR plus base rate of 0.25%	60,000	-	60,000	-	-	-	-	-
Total							-	-	-	
Total cost of investment							-			

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

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

6. PROFIT RECEIVABLE

	Note	2017 (Rupees in '000)	2016
Profit receivable on saving accounts with banks		37,071	38,367
Profit receivable on term deposit receipts		-	679
Profit receivable on sukuk certificates		-	3,042
		37,071	42,088

7. DEPOSITS AND PREPAYMENTS

Deposits	300	300
Prepayments	296	264
	596	564

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

	Note	2017 (Rupees in '000)	2016
Management fee	8.1	3,700	2,772
Sindh Sales Tax on management fee	8.2	481	388
Allocated expenses	8.3	369	277
		4,550	3,437

- 8.1** As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 3 percent of average annual net assets in case of Money Market Scheme. The remuneration of the Management Company has been charged at the rate of 1 percent per annum of average net assets for the year ended June 30, 2017 and June 30, 2016.
- 8.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company, sales load and trustee fee through Sindh Sales Tax on Services Act, 2011. In the current period, Sindh Sales Tax at the rate of 13 percent (June 30, 2016: 14 percent) was charged on the remuneration of Management Company, sales load and Trustee fee (refer note 11.1 for Sindh Sales Tax applied on Federal Excise Duty).
- 8.3** A statutory notification no. 1160 (I) / 2015 dated November 25, 2015 was issued by the Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses has been charged at the rate of 0.1% of average annual net assets of the Scheme.

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

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

Net Assets (Rupees)	Tariff
Up to Rs. 1 billion	0.15% p.a. of net assets
Rs. 1 billion to Rs. 10 billion	Rs. 1.5 million plus 0.075% p.a. of net assets exceeding Rs. 1 billion
Over Rs. 10 billion	Rs. 8.25 million plus 0.06% p.a. of net assets exceeding Rs. 10 billion

- 9.1** In 2015, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 13 percent (June 30, 2016: 14 percent).

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

Under the provisions of the amended Non-Banking Finance Companies and Notified Entities Regulations 2008, a collective investment scheme categorised as a money market scheme is required to pay an annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Scheme. Provided that for Collective Investment Schemes which on quarterly average basis have at least 1,000 retail investors and more than 50 percent of Net Assets are held by individual investors, provided that the maximum investment by a single retail investor (considered eligible for calculating the threshold of 1,000) does not exceed 1 percent of the Net Asset shall pay the annual fee at the rate 0.075 percent for the next three years from the date of notification of these regulations.

During the year, fees charged at the rate of 0.075 percent (June 30, 2016: 0.075 percent). The fee is payable to the SECP within three months of the close of the financial year.



11. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2017 (Rupees in '000)	2016
Provision for Sindh Workers' Welfare Fund (SWWF)	15	6,091	-
Provision for Workers' Welfare Fund (WWF)	15	-	58,585
Withholding tax payable		16,450	16,034
Provision for Federal Excise Duty and related Sindh Sales			
Tax on management fee	11.1	24,687	24,687
Shariah advisor fee payable		268	389
Auditors' remuneration		295	295
Printing expense payable		98	23
Zakat payable		26	11
		47,915	100,024

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

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

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

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained a provision on FED and related Sindh Sales Tax on management fee with effect from June 13, 2013, till June 30, 2016, aggregating to Rs. 24.69 million (June 30, 2016: Rs. 24.69 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re. 0.37 (June 30, 2016: Re. 0.36) per unit.

12. CONTINGENCIES AND COMMITMENTS

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

13. NUMBER OF UNITS IN ISSUE

- 13.1** The movement in number of units in issue during the year is as follows:

	2017 (Number of units)	2016
Total units in issue at beginning of the year	68,440,635	152,058,910
Units issued during the year	425,700,524	390,234,132
Units redeemed during the year	(427,710,521)	(473,852,407)
Total units in issue at end of the year	66,430,638	68,440,635

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

14. AUDITORS' REMUNERATION

	Note	2017 (Rupees in '000)	2016
Statutory audit fee		175	175
Half yearly review		110	110
Other certifications and services		120	120
Out of pocket expenses		30	28
		435	433

15. SINDH WORKERS' WELFARE FUND AND WORKERS' WELFARE FUND

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

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016, passed in the Civil Appeal may kindly be reviewed in the interest of justice. After deliberating the position, The Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective from January 12, 2017. The provision reversed on January 12, 2017, amounted to Rs. 58.59 million. This has resulted in an increase in NAV per unit of Re. 0.85 on January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles, hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds for SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 4.88 million. This has resulted in a decrease in NAV per unit of Re. 0.07 on January 12, 2017.

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

The Management Company has recognised SWWF charge for the period from May 21, 2015 to June 30, 2017, amounting to Rs. 6.091 million (June 30, 2016: nil). Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Re. 0.09 (June 30, 2016: nil).



16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	2017 (Rupees in '000)	2016
Al Meezan Investment Management Limited (Al Meezan)		
- Management Company		
Remuneration payable	3,700	2,772
Sindh Sales Tax on management fee payable	481	388
Allocated expenses	369	277
Meezan Bank Limited (MBL)		
Balance with bank	33,858	36,056
Profit receivable on saving account	1,441	414
Central Depository Company of Pakistan Limited (CDC) - Trustee		
Trustee fee payable	340	540
Sindh Sales Tax on trustee fee payable	35	76
Deposit	100	100
MFPF - Meezan Capital Preservation Plan - I		
Investment of Nil units (June 30, 2016: 46,815 units)	-	2,347
MFPF - Meezan Conservative Allocation Plan		
Investment of 3,034,510 units (June 30, 2016: Nil)	153,030	-
Meezan Capital Preservation Fund - II		
Investment of Nil units (June 30, 2016: 2,531,020 units)	-	126,905
MFPF - Meezan Moderate Allocation Plan		
Investment of 2,028,032 units (June 30, 2016: Nil)	102,274	-
MFPF - Meezan Aggressive Allocation Plan		
Investment of 1,868,717 units (June 30, 2016: Nil)	94,239	-

	2017 (Rupees in '000)	2016
MFPF - Meezan Asset Allocation Plan-I Investment of 1,876,917 units (June 30, 2016: Nil)	94,653	-
MFPF - Meezan Asset Allocation Plan-II Investment of 1,574,963 units (June 30, 2016: Nil)	79,425	-
MFPF - Meezan Asset Allocation Plan-IV Investment of 1,406,135 units (June 30, 2016: Nil)	70,911	-
Meezan Strategic Asset Allocation Fund - MSAP-II Investment of 2,519,985 units (June 30, 2016: Nil)	127,083	-
Meezan Strategic Asset Allocation Fund - MSAP-III Investment of 9,748 units (June 30, 2016: Nil)	492	-
Meezan Strategic Asset Allocation Fund - MSAP-IV Investment of 1,201,553 units (June 30, 2016: Nil)	60,594	-
Directors and executives of the Management Company Investment of 86,239 units (June 30, 2016: 184,356 units)	4,349	9,244

	For the year ended June 30,	
	2017 (Rupees in '000)	2016
AI Meezan Investment Management Limited (AI Meezan) - Management Company		
Remuneration for the year	38,809	50,012
Sindh Sales Tax and Federal Excise Duty on management fee	5,034	16,126
Allocated expenses	3,844	1,996
Units issued: nil units (June 30, 2016: 4,935,429 units)	-	70,000
Units redeemed: nil units (June 30, 2016: 13,121,021 units)	-	668,976
Meezan Bank Limited (MBL)		
Profit on saving account	1,623	11,065
Profit on term deposit receipts	-	15,728
Central Depository Company of Pakistan Limited (CDC) - Trustee		
Trustee fee	3,661	4,501
CDS charges	7	7
Sindh Sales Tax on Trustee Fee	476	630
AI Meezan Investment Management Limited - Employees'		
Gratuity Fund		
Units redeemed: Nil (June 30, 2016: 47,160 units)	-	2,365
Meezan Capital Preservation Fund II		
Units issued: 26,128,080 units (June 30, 2016: 50,358,626 units)	1,339,325	2,606,422
Units redeemed: 28,659,100 units (June 30, 2016: 53,397,892 units)	1,468,196	2,762,448



For the year ended
June 30,

2017 2016
(Rupees in '000)

Meezan Capital Preservation Fund III

Units issued: Nil (June 30, 2016: 64,902,849 units)

Units redeemed: Nil (June 30, 2016: 67,919,504 units)

MFPF - Meezan Aggressive Allocation Plan

Units issued: 2,228,076 units (June 30, 2016: Nil)

Units redeemed: 359,359 units (June 30, 2016: Nil)

Dividend paid

MFPF - Meezan Conservative Allocation Plan

Units issued: 3,362,999 units (June 30, 2016: Nil)

Units redeemed: 328,489 units (June 30, 2016: Nil)

Dividend paid

MFPF - Meezan Moderate Allocation Plan

Units issued: 2,343,328 units (June 30, 2016: Nil)

Units redeemed: 315,296 units (June 30, 2016: Nil)

Dividend paid

MFPF - Meezan Capital Preservation Plan I

Units issued: 32,708,833 units (June 30, 2016: 30,088,533 units)

Units redeemed: 32,755,648 units (June 30, 2016: 31,633,148 units)

Dividend paid

MFPF - Meezan Capital Preservation Plan II

Units issued: 105,603,792 units (June 30, 2016: 49,329,322 units)

Units redeemed: 105,603,792 units (June 30, 2016: 70,402,296 units)

MFPF - Meezan Asset Allocation Plan - I

Units issued: 2,340,409 units (June 30, 2016: 17,878,903 units)

Units redeemed: 463,492 units (June 30, 2016: 17,878,903 units)

Dividend paid

MFPF - Meezan Asset Allocation Plan - II

Units issued: 2,823,075 units (June 30, 2016: Nil)

Units redeemed: 1,248,112 units (June 30, 2016: Nil)

Dividend paid

MFPF - Meezan Asset Allocation Plan - III

Units issued: 5,397,053 units (June 30, 2016: Nil)

Units redeemed: 5,397,053 units (June 30, 2016: Nil)

Dividend paid

MFPF - Meezan Asset Allocation Plan - IV

Units issued: 1,406,135 units (June 30, 2016: Nil)

Units redeemed: Nil units (June 30, 2016: Nil)

Dividend paid

-	3,340,390
-	3,497,909
117,329	-
18,858	-
5,067	-
177,125	-
16,941	-
5,872	-
123,391	-
16,119	-
8,374	-
1,661,298	1,536,930
1,667,263	1,623,991
-	101
5,450,921	2,504,395
5,477,099	3,594,445
122,107	906,714
24,218	909,257
4,894	-
145,949	-
65,394	-
4,107	-
283,032	-
273,898	-
12,032	-
73,667	-
-	-
3,667	-

		For the year ended June 30,	
		2017	2016
		(Rupees in '000)	
Meezan Strategic Asset Allocation Fund - MSAP-I			
Units issued: 4,033,032 units (June 30, 2016: Nil)		211,399	-
Units redeemed: 4,033,032 units (June 30, 2016: Nil)		203,469	-
Dividend paid		10,423	-
Meezan Strategic Asset Allocation Fund - MSAP-II			
Units issued: 2,523,778 units (June 30, 2016: Nil)		132,292	-
Units redeemed: 3,793 units (June 30, 2016: Nil)		200	-
Dividend paid		6,571	-
Meezan Strategic Asset Allocation Fund - MSAP-III			
Units issued: 4,094,901 units (June 30, 2016: Nil)		214,936	-
Units redeemed: 4,085,153 units (June 30, 2016: Nil)		207,000	-
Dividend paid		9,436	-
Meezan Strategic Asset Allocation Fund - MSAP-IV			
Units issued: 6,724,071 units (June 30, 2016: Nil)		356,152	-
Units redeemed: 5,522,518 units (June 30, 2016: Nil)		289,514	-
Dividend paid		6,649	-
Directors and executives of the Management Company			
Units issued: 270,865 units (June 30, 2016: 444,641 units)		14,186	22,413
Units redeemed: 294,804 units (June 30, 2016: 313,352 units)		15,352	16,102
Dividend paid		226	86

17. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies:

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

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

Risks managed and measured by the Fund are explained below:

17.1 Market risk

17.1.1 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of a change in market price (other than Currency risk or Interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instrument traded in the market. The Fund, at present is not exposed to price risk as at June 30, 2017 as it does not invest in equity securities.



17.1.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which effects cash flows pertaining to debt instruments and their fair values.

Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts and investment in debt securities. At June 30, 2017, if there had been increase / decrease of 100 basis points in interest rates or in rates announced by Financial Market Association, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs. 37.055 million (2016: Rs. 28.256 million) mainly as a result of finance income.

Fair value interest rate risk

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

As at June 30, 2017						
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Balances with banks	2.4% to 6.1%	3,705,496	-	-	25,209	3,730,705
Receivable on issuance and conversion of units		-	-	-	738,771	738,771
Profit receivable		-	-	-	37,071	37,071
Deposits		-	-	-	300	300
		3,705,496	-	-	801,351	4,506,847
Financial liabilities						
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		-	-	-	4,550	4,550
Payable to Central Depository Company of Pakistan Limited (CDC) - 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
On-balance sheet gap		3,705,496	-	-	(329,928)	3,375,568
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap						
		-	-	-	-	-
Total interest rate sensitivity gap		3,705,496	-	-		
Cumulative interest rate sensitivity gap		3,705,496	3,705,496	3,705,496		

As at June 30, 2016						
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Balances with banks	2.5% to 6.2%	2,025,730	-	-	12,821	2,038,551
Investments - 'loans and receivables'						
- Term Deposit Receipts	6.05% to 6.25%	500,000	-	-	-	500,000
Investments - 'loans and receivables'	6 months KIBOR plus					
- Sukuk Certificates	base rate of 0.25%	-	300,000	-	-	300,000
Investments - 'fair value through profit or loss'		-	-	-	-	-
Receivable on issuance and conversion of units		-	-	-	1,143,931	1,143,931
Profit receivable		-	-	-	42,088	42,088
Deposits		-	-	-	300	300
		2,525,730	300,000	-	1,199,140	4,024,870
Financial liabilities						
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	-	3,437	3,437
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	-	616	616
Payable on redemption and conversion of units		-	-	-	485,498	485,498
Dividend payable		-	-	-	25	25
Accrued expenses and other liabilities		-	-	-	25,394	25,394
		-	-	-	514,970	514,970
On-balance sheet gap		2,525,730	300,000	-	684,170	3,509,900
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		2,525,730	300,000	-		
Cumulative interest rate sensitivity gap		2,525,730	2,825,730	2,825,730		

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2017 is not necessary indicative of the effect on the fund's net asset due to future movements in interest rates.

17.1.3 Currency risk

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

17.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arises from deposits with banks and financial instruments, profit receivable on bank deposits, receivable against issuance and conversion of units and credit exposure arising as a result of receivable against sale of investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. For debt instrument settlement, Delivery versus Payment (DvP) mechanism applied by the Trustee of the fund minimises the credit risk. In accordance with the risk management policy of the Fund, the investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.



Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio mainly comprises of commercial paper, term deposit receipt and balances with banks. As transactions are entered with credit worthy parties thereby any significant concentration of credit risk is mitigated.

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

Financial assets exposed to credit risk	2017	2016
	(Rupees in '000)	
Balances with banks	3,730,705	2,038,551
Investments	-	800,000
Receivable on issuance and conversion of units	738,771	1,143,931
Profit receivable	37,071	42,088
Deposits	300	300
	4,506,847	4,024,870

Credit rating wise analysis of balances with banks and term deposit receipts of the Fund are tabulated below:

Rating agency		2017		2016	
		(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AAA	PACRA/ JCR-VIS	2,673,476	71.66	569,962	27.96
AA+	PACRA/ JCR-VIS	10,145	0.27	418,280	20.52
AA	PACRA/ JCR-VIS	1,045,241	28.02	1,006	0.05
AA-	PACRA/ JCR-VIS	1,656	0.04		
A+	PACRA/ JCR-VIS	187	0.01	1,049,303	51.47
		3,730,705	100.00	2,038,551	100.00

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

The Fund does not have any collateral against any of the aforementioned assets. The issuer of the sukuk, however, pledges security with the investment agent in trust for the benefit of sukuk holders.

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

17.3 Liquidity risk

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

In accordance with the regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the trustee, for a period not exceeding three months to the extent of 15 percent of the net assets. However, no such borrowing has been obtained during the year.

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

In accordance with the risk management policy of the Fund, the investment committee monitors the liquidity position on a daily basis, which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

In addition to unitholders' fund, analysis of the financial liabilities into relevant maturity grouping as at June 30, 2017, along with comparative is tabulated below:

	2017				
	Maturity upto			More than one year	Total
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan Investment Management Limited - Management Company	4,550	-	-	-	4,550
Payable to Central Depository Company - 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
	2016				
	Maturity upto			More than one year	Total
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan Investment Management Limited - Management Company	3,437	-	-	-	3,437
Payable to Central Depository Company - Trustee	616	-	-	-	616
Payable on redemption and conversion of units	485,498	-	-	-	485,498
Dividend payable	25	-	-	-	25
Accrued expenses and other liabilities	25,394	-	-	-	25,394
	514,970	-	-	-	514,970

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

18. UNITHOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

19. 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.

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

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

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

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

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

Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The following table presents assets that are measured at fair value as at June 30, 2017:

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		-	-	-	-	-				
Financial assets - not measured at fair value										
Balances with banks	19.1	-	-	3,730,705	-	3,730,705				
Receivable on issuance and conversion of units	19.1	-	738,771	-	-	738,771				
Profit receivable	19.1	-	37,071	-	-	37,071				
Deposits	19.1	-	300	-	-	300				
		-	776,142	3,730,705	-	4,506,847				
Financial liabilities - not measured at fair value										
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	19.1	-	-	-	4,550	4,550				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	19.1	-	-	-	375	375				
Payable on redemption and conversion of units	19.1	-	-	-	1,096,454	1,096,454				
Dividend payable	19.1	-	-	-	4,552	4,552				
Accrued expenses and other liabilities	19.1	-	-	-	25,348	25,348				
		-	-	-	1,131,279	1,131,279				

June 30, 2016

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

Financial assets

- not measured at fair value

Investments - 'loans and receivables'

- Term Deposit Receipts

Investments - 'loans and receivables'

- Sukuk Certificates

Balances with banks

Receivable on issuance and

conversion of units

Profit receivable

Deposits

19.1	500,000	-	-	-	500,000
19.1	300,000	-	-	-	300,000
19.1	-	-	2,038,551	-	2,038,551
19.1	-	1,143,931	-	-	1,143,931
19.1	-	42,088	-	-	42,088
19.1	-	300	-	-	300
	800,000	1,186,319	2,038,551	-	4,024,870

Financial liabilities - not

measured at fair value

Payable to Al Meezan Investment

Management Limited (Al Meezan)

- Management Company

Payable to Central Depository Company

of Pakistan Limited (CDC) - Trustee

Payable on redemption and

conversion of units

Dividend payable

Accrued expenses and other liabilities

19.1	-	-	-	3,437	3,437
19.1	-	-	-	616	616
19.1	-	-	-	485,498	485,498
19.1	-	-	-	25	25
19.1	-	-	-	25,394	25,394
	-	-	-	514,970	514,970

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

20. TAXATION

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

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

21. PERFORMANCE TABLE

	2017	2016	2015	2014	2013
Net assets (Rs '000) (ex-distribution)	3,350,394	3,431,782	7,617,739	3,049,366	6,510,774
Net assets value / redemption price per unit as at June 30 (Rs) (ex-distribution) *	50.43	50.14	50.10	50.07	50.06
Offer price per unit as at June 30 (Rs) (ex-distribution) *	50.43	50.14	50.10	50.07	50.06
Distribution (%)					
- First interim distribution	5.50	4.50	7.40	0.54	0.60
- Second interim distribution	-	-	-	0.60	1.00
- Third interim distribution	-	-	-	0.60	0.76
- Fourth interim distribution	-	-	-	0.64	0.84
- Fifth interim distribution	-	-	-	0.54	0.72



PERFORMANCE TABLE

	2017	2016	2015	2014	2013
- Sixth interim distribution	-	-	-	0.60	0.64
- Seventh interim distribution	-	-	-	0.60	0.72
- Eighth interim distribution	-	-	-	0.60	0.64
- Ninth interim distribution	-	-	-	0.60	0.62
- Tenth interim distribution	-	-	-	0.52	0.68
- Eleventh interim distribution	-	-	-	0.48	0.60
- Final distribution	-	-	-	0.52	0.66
Dates of distribution					
- First interim distribution	Jun 23, 2017	Jun 24, 2016	Jun 26, 2015	Jul 23, 2013	Jul 22, 2012
- Second interim distribution	-	-	-	Aug 22, 2013	Aug 22, 2012
- Third interim distribution	-	-	-	Sep 20, 2013	Sep 20, 2012
- Fourth interim distribution	-	-	-	Oct 23, 2013	Oct 22, 2012
- Fifth interim distribution	-	-	-	Nov 21, 2013	Nov 22, 2012
- Sixth interim distribution	-	-	-	Dec 24, 2013	Dec 20, 2012
- Seventh interim distribution	-	-	-	Jan 24, 2014	Jan 22, 2013
- Eighth interim distribution	-	-	-	Feb 24, 2014	Feb 21, 2013
- Ninth interim distribution	-	-	-	Mar 24, 2014	Mar 22, 2013
- Tenth interim distribution	-	-	-	Apr 24, 2014	Apr 23, 2013
- Eleventh interim distribution	-	-	-	May 23, 2014	May 23, 2013
- Final distribution	-	-	-	Jun 24, 2014	Jun 24, 2013
Income distribution (Rupees in '000)	179,346	98,455	231,767	133	127
Growth distribution (Rupees in '000)	-	-	-	379,647	570,545
Highest offer price per unit (Rs.)	53.12	52.32	53.72	50.35	50.51
Lowest offer price per unit (Rs.)	50.21	50.09	50.04	50.00	50.00
Highest redemption price per unit (Rs.)	53.12	52.32	53.72	50.35	50.51
Lowest redemption price per unit (Rs.) *	50.21	50.09	50.04	50.00	50.00
Total return (%)	6.07	4.59	7.46	7.08	8.78
	One Year	Two Years	Three Years	Four Years	Five Years
Average annual return (%) as at June 30, 2017	6.07	5.29	5.94	6.21	6.66

* Back end load will apply as per the requirements of the offering document of the Fund.

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

Past performance is not necessarily indicative of future performance and unit prices and investment returns may fluctuate as described in note 17.

22. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the fund. TER of the fund for the year ended June 30, 2017 is 1.62% which include 0.38% representing government levy, Worker Welfare Fund and SECP fee.

23. INVESTMENT COMMITTEE MEMBERS

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

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

23.2 The Fund manager of the Fund is Mr. Zain Malik. Other Funds being managed by the Fund manager are:

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

24. BROKERAGE COMMISSION BY PERCENTAGE

Broker's Name	2017 (Percentage)	2016
Invest Capital Limited	-	1.36
JS Global Capital Limited	-	98.64
	-	100

25. PATTERN OF UNIT HOLDING

	As at June 30, 2017		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individuals	3,366	1,763,410	52.63
Associated companies / directors	10	786,987	23.49
Insurance companies	10	85,851	2.56
Banks / DFIs	1	9	-
Retirement Funds	29	99,768	2.98
Private limited companies	20	256,837	7.67
Others	26	357,532	10.66
Total	3,462	3,350,394	100.00



As at June 30, 2016

	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individuals	3,355	2,249,296	65.54
Associated companies / directors	4	136,339	3.97
Insurance companies	10	218,565	6.37
Banks / DFIs	1	9	0.00
Retirement Funds	34	151,755	4.42
Private limited companies	24	561,325	16.36
Others	23	114,493	3.34
Total	3,451	3,431,782	100.00

26. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

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

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

27. GENERAL

27.1 Reclassification of comparatives

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

Details are as follows:

	June 30, 2016		
	As previously reported	Impact	As stated
	(Rupees in '000)		
Effects on statement of assets and liabilities			
<i>Liabilities</i>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	28,124	(24,687)	3,437
Accrued expenses and other liabilities	75,337	24,687	100,024

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

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

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

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

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



**Mohammad Shoaib, CFA
Chief Executive**



**Mazhar Sharif
Director**



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

AS AT JUNE 30, 2017

UNITS HELD BY	UNITS HELD	%
Associated Companies		
MFPF - Meezan Conservative Allocation Plan	3,034,510	4.57
MSAF-Meezan Strategic Allocation Plan -II	2,519,985	3.79
MFPF - Meezan Moderate Allocation Plan	2,028,032	3.05
MFPF-Meezan Asset Allocation Plan -I	1,876,917	2.83
MFPF - Meezan Aggressive Allocation Plan	1,868,717	2.81
MFPF-Meezan Asset Allocation Plan -II	1,574,963	2.37
MFPF-Meezan Asset Allocation Plan -IV	1,406,135	2.12
MSAF-Meezan Strategic Allocation Plan IV	1,201,489	1.81
MSAF-Meezan Strategic Allocation Plan III	9,748	0.01
Directors		
Mr. Syed Amir Ali	81,967	0.12
Executives	4,272	0.01
Banks and financial institutions	185	0.00
Individuals	34,963,178	52.63
Retirements funds	1,977,963	2.98
Public limited companies	6,373,216	9.59
Other corporate sector entities	7,509,361	11.30
Total	66,430,638	100.00



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

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

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



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

 [jamapunji.pk](https://www.facebook.com/jamapunji.pk)

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

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



(AM1 rating by JCR-VIS)

Al Meezan Investment Management Ltd.

A subsidiary of Meezan Bank

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



A Subsidiary of

Meezan Bank

The Premier Islamic Bank

Ground Floor, Block B, Finance and Trade Centre (FTC), Sharah-e-Faisal, Karachi, 74400

UAN: 111-633-926 (Meezan) | info@almeezangroup.com | Fax: (92-21) 35676143



www.facebook.com/almeezangroup



www.twitter.com/almeezangroup