



EXPERTISE THAT
WEATHERS WIND AND CURRENT
HALF-YEARLY REPORT



Half Yearly Report
DECEMBER-2018

Vision

To make Shariah compliant investing a first choice for investors

Mission

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

DIRECTORS' REPORT – **FUNDS UNDER MANAGEMENT COMPANY**

The Board of Directors of Al Meezan Investment Management Limited is pleased to present the audited financial statements of the following open end mutual funds and a voluntary pension scheme for the period ended December 31, 2018.

Equity Funds

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

Sector Specific Fund

- Meezan Energy Fund

Income Funds

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

Money Market Fund

- Meezan Cash Fund
- Meezan Rozana Amdani Fund

Balanced Fund

- Meezan Balanced Fund

Asset Allocation

- Meezan Asset Allocation Fund

Funds of Funds

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

Commodity Fund

- Meezan Gold Fund

Pension Fund

- Meezan Tahaffuz Pension Fund

Economic Review:

The first half of FY19 saw the economy going through a myriad of issues like currency depreciation, rising inflation, twin deficits and depleting forex reserves under the mounting external debts while measures like monetary tightening, implementation of structural reforms and striking international deals with a few friendly countries to bring in foreign investment, borrowing and credit terms to fend off some immediate Balance of Payment concerns, were also witnessed. With the matter of immediate external debt repayments appearing tackled, the government now looks set to direct its focus towards achieving a sustainable resolution of the macro-economic issues that have been growing over the recent years.

Over the first half of FY19, the PKR has undergone a 14% depreciation against the US Dollar which, apart from the lagged impact of higher international oil prices, has also added to the inflationary pressures whereby the CPI has averaged 6.04% in 1HFY19 compared to 3.77% in the same period last year. The core inflation (non-food and non-energy) currently stands at 8.03% compared to 5.47% in 1HFY18, clearly depicting the mounting inflationary pressures on the economy. To combat this, the State bank of Pakistan continued on its monetary tightening stance increasing the policy rate by another 350 bps taking the policy rate to 10%, via three bi-monthly monetary policy statements during the 1HFY19. Subsequent to the half year end, the policy rate has been hiked by another 25bps to 10.25% on January 31, 2019.

Agriculture sector has shown mixed trends. The recent figures for cotton production clocked in at 10.27 million bales versus 11.1 million bales during the last season, a 7.52% fall mainly due to the impending water crisis and reduction in sowing area. On the other hand, sugarcane production witnessed a growth in area under cultivation as well as an increase in the yield per hectare which created a sugar supply glut in the country and the exporters have found it difficult to export due to lower prices of sugar in the international markets. On the Large Scale Manufacturing (LSM) front, data for 4MFY19 depicts a 0.65% reduction in the LSM output. Tax collection for 1QFY19 stood PKR 832 billion, an increase 8.76% compared to same period last year. Although there has been growth in tax collection in absolute terms but it is falling short of the revised tax collection target for FY19, which currently stands at ~Rs 4.4 trillion. In line with the economic slowdown being witnessed on account of austerity measures and structural reforms, the State Bank has forecasted GDP growth to clock in at around 4% in FY19.

On the external front, the current account deficit decreased by 4.4% mainly on the back of increased remittances, with the 1HFY19 deficit clocking in at USD 7.98 billion (5.4% of GDP). Remittances settled at USD 10.72 billion during the first half of FY19, an increase of 10% YoY, attributed to surge in inflows from USA, UK and UAE. Exports remained largely unfazed even after PKR depreciation, whereby exports during 1HFY19 amounted to USD 11.84 billion, a meager 0.1% growth YoY. An almost 30% fall in the international oil prices during the first half of the fiscal year is expected to reduce the oil import bill going forward and subsequently the pressure on the current account deficit.

With external debt repayments amounting in excess of USD 11 billion due in the near term along with the country being a net importer, the foreign exchange reserves are expected to stay under pressure for the remaining part of FY19. During the period, the SBP's forex reserves have declined by a stark 25% to USD 7.2 billion. With the support from friendly countries like Saudi Arabia, UAE and China (in the form of forex deposits, oil supply on credit terms and FDI), it is yet to be seen whether the Government will need to resort to another IMF bailout program or not.

Money Market Review:

The State Bank of Pakistan (SBP), continued on a monetary tightening stance during the first half of FY19 whereby the policy rate was cumulatively raised by 350 bps to 10%, on the back of deteriorating foreign exchange reserves, rising inflation and surging commodity prices. The market had already been anticipating monetary tightening to continue since the start of the fiscal year so the increase was not a surprise for the market participants.

Overall, in line with the increased discount rate, the government paper yields and KIBORs showed an upward adjustment compared to their FY18 levels; T-bills rose by 346-380 bps, PIB yields increased in the range of 386-421 bps while the KIBORs climbed 359-380 bps during the period. With expectations of monetary tightening to continue going forward, further increase in the yields could be witnessed during the next half of the fiscal year.

On the liquidity front, the Money Market faced a mixed scenario during 1HFY19, evidenced by Rs. 15.46 trillion worth of OMO injections by the SBP coupled with Rs. 1.01 trillion worth of discounting availed by various counters in comparison to mop-ups worth Rs. 10.70 trillion and floor placements amounting

to Rs. 190 billion by various counters. Alongside, thirteen T-bill, six PIB fixed rate auctions and two PIB floating rate auctions were conducted.

On the Shariah compliant end of the money market, GoP Ijarah-XVI matured during the month of December against which SBP conducted a Bai-Muajjal for Islamic banks; total participation was witnessed at Rs. 76 billion against which SBP accepted Rs. 71 billion at a yield of 11.47% for three years. Mutual funds carrying Ijarah Sukuk exposures witnessed a decline in returns during this period. However, a gradual increase is being witnessed in the preference of raising debt through sukuk issuance by the corporate sector. Continuance of this trend is expected to bode well for deployment of excess liquidity available with Islamic financial institutions. Also, the government is expected to partially tackle the circular debt issue through an energy sukuk issuance amounting to Rs. 200 billion, which will ease out the issue of lack of Government Sukuks in Islamic market.

Equity Review:

During the 1HFY19, persistent volatility in the equity market owing to uncertainty regarding economic measures and domestic politics continued to take its toll on investor confidence. The KMI-30 Index closed the period down by 13.91% at 61,173 pts while the KSE-100 Index posted a decline of 11.18% to 40,998 pts. The participation improved during the period with both the KMI-30 index and KSE-100 index volumes up by 30% and 32% respectively year on year.

Activity on the bourse was limited versus historical levels and was marked by occasional periods of sharp sell-offs. Market's subdued performance during the first half was attributable to i) unabated foreign portfolio outflows, ii) macroeconomic concerns, iii) tightening of monetary policy, iv) currency depreciation and volatility and v) insipid second quarter earnings season, all of which dampened investor sentiment.

The benchmark started the year on a subdued note because of heightened uncertainty resulting from speculations on the outcome of general elections. After a smooth transition of power, the incumbent government remained in firefighting mode to shore up the rapidly depleting foreign exchange reserves. PM's visit to friendly countries was fruitful and helped Pakistan secure a US\$ 9bn lifeline. The incumbent government undertook rapid changes in its supplementary budget announced in Sep 2018, the general theme of which was to incentivize export sectors, discourage luxury imports and curtail expenditures to reduce the pressure on fiscal and current accounts. SBP also raised policy rate by 350 bps cumulatively in reaction to rising inflation and declining forex reserves. Despite successful election and transition of power, investor sentiment has remained weak due to concerns of fragile health of economy. Thin liquidity combined with weak sentiments dominated the last month of the period, whereby the index retraced most of the gains achieved post the general elections.

Outflows from Emerging Markets continued in the second quarter in the wake of strengthening US dollar and Fed rate tightening. MSCI EM Index posted its yearly lows in the later part of the period as a result of outflows from EM stocks in favor of Developed Market government bonds. US FED continued to hike interest rates during the period under review, leading to further pressure on the regional currencies. MSCI EM Currency Index ended the period down by 0.36%, after registering a decline of 8.69% from its high in January 2018.

Oil prices witnessed a sharp decline after registering a multi-year high due to oversupply conditions affecting the international oil markets. Probable reduction in supply of from Iran due to sanctions, declining Venezuelan production and turmoil in Libya did little to support the rapid decline of oil prices in the last couple of months 1HFY19 whereby prices declined by around 40% from peak registered in October 2018. Overall, Brent crude ended the quarter on a weak note, down by 19.55% to close at \$53.80 per barrel.

Major contributors to the Index:

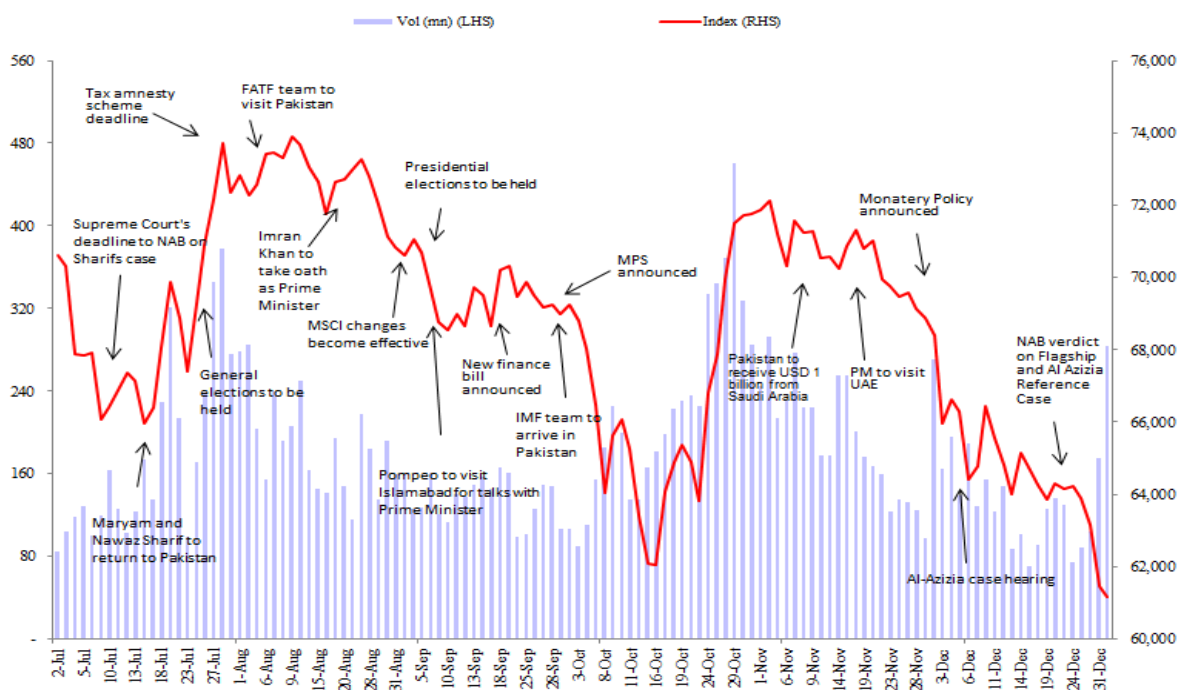
During the quarter, Fertilizer was amongst the top positive contributing sectors. The leading contributors in the KMI-30 index during the period were:

Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Dawood Hercules Corp Ltd	346	+11.89%
Engro Polymer & Chemicals Ltd	95	+21.35%
Engro Fertilizers Ltd	89	+2.05%
K-Electric Ltd	59	+4.58%

On the flip side, Oil and Gas Exploration and Cements were the worst contributing sectors. The laggards in the KMI-30 index during the period were:

Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pakistan Petroleum Ltd	-1,575	-19.34%
Pakistan Oilfields Ltd	-1,178	-21.12%
Oil & Gas Development Co Ltd	-1,135	-14.74%
Lucky Cement Ltd	-665	-13.05%

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



Equity Flows:

Foreign investment continued to remain dismal with liquidation by FI investors to the tune of USD 404 MN. Outflows of USD 166.5 million and USD 98.46 million were recorded in Banking and Oil & Gas exploration sectors. This was followed by Cement and Power sectors with outflows of USD 69.29mn and USD 22.46mn respectively. During the period, Mutual Funds were net sellers of USD 28.43 million while Insurance Companies and Individuals were net buyers of USD 172 million and USD 152 million respectively. Banks, Individuals, NBFCs, Others and Brokers were net buyers of roughly USD 80 million collectively.

Mutual Fund Industry Review:

During the 1HFY19, AUMs of the mutual fund industry decreased by 5.5% to the size of Rs. 570 bn. Shariah Compliant AUMs decreased by 9.1% during the period under review to Rs. 206 bn which brings share of Shariah Compliant funds at 36.1% in the mutual fund industry. Al Meezan's share in the overall Mutual Funds industry stands at 15.4% while among the Shariah Compliant Funds only, it commands a market share of 42.7% as of December 31, 2018.

In terms of net assets, open end sovereign, money market and income funds depicted growth in their sizes during the first half; the combined category showed an increase of 5.5% to reach Rs. 271 bn; while conventional funds in this category rose by 5.1%, the Shariah Compliant funds increased by 6.5%. Open end Equity funds (including index tracker), decreased by 14.9% to Rs. 224 bn as of December 31, 2018 compared to Rs. 264 bn as of June 30, 2018; conventional funds in this category decreased by 12.4% while Shariah Compliant equity based funds decreased by 18.8% in the period under review and stood at Rs. 85 bn.

Net assets of Capital protected, balanced, and asset allocation funds cumulatively decreased by 13.7% to clock in at Rs. 49 bn at period end; while conventional funds in this category declined by 12.7%, Shariah Compliant funds showed a decline of 14.2% during the period under review and stood at Rs. 32 bn. Commodity funds in the industry increased to Rs. 322 MN compared to Rs 242 MN as on June 2018, reflecting an increase of 33.0%.

Voluntary Pension Funds decreased by 1.1% during the period under review with their cumulative fund size clocking in over Rs. 26 bn as on December 31, 2018. Shariah compliant Pension Funds increased by 0.5% in the period under review to clock in at Rs. 17 bn as of December 2018. Meezan Tahaffuz Pension Fund (MTPF) continues to lead the pension fund market with a 36.2% market share in the overall segment while in the Shariah Compliant segment, MTPF's share continued to clock in at 55.4%.

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

The net assets of Meezan Islamic Fund (MIF) as at December 31, 2018 stood at Rs. 32,599 million compared to Rs. 39,115 million at the end of June 2018, a decline of 17%. The net asset value (NAV) per unit as at December 31, 2018 was Rs. 55.48 in comparison to Rs. 63.33 per unit as on June 30, 2018 translating into a negative return of 12.40% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 13.91%.

Al Meezan Mutual Fund

The net assets of Al Meezan Mutual Fund (AMMF) as at December 31, 2018 were Rs. 6,077 million compared to Rs. 6,864 million at the end of June 2018, a decline of 11%. The net asset value per unit as at December 31, 2018 was Rs. 15.42 compared to Rs. 17.66 per unit on June 30, 2018, translating into a negative return of 12.68% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 13.91%.

KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at December 31, 2018 were Rs. 1,552 million compared to Rs. 1,687 million at June 30, 2018, a decline of 8%. The net asset value per unit at December 31, 2018 was Rs. 60.30 as compared to Rs. 70.66 per unit on June 30, 2018 translating into a negative return of 14.65% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) decline of 13.91%.

Meezan Dedicated Equity Fund

The net assets of Meezan Dedicated Equity Fund (MDEF) as at December 31, 2018 were Rs. 1,979 million compared to Rs. 1,857 million at June 30, 2018, an increase of 7%. The net asset value per unit at December 31, 2018 was Rs. 42.04 as compared to Rs. 48.53 per unit on June 30, 2018 translating into a negative return of 13.38% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) decline of 13.91%.

Meezan Energy Fund

The net assets of Meezan Energy Fund (MEF) as at December 31, 2018 were Rs. 787 million compared to Rs. 1,637 million in June 2018, decrease of 52%. The net asset value per unit as at December 31, 2018 was Rs. 39.29 as compared to Rs. 49.78 per unit on June 30, 2018, providing a negative return of 21.09% during the period to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 13.91%.

Meezan Asset Allocation Fund

The net assets of Meezan Asset Allocation Fund (MAAF) as at December 31, 2018 were Rs. 2,362 million compared to Rs. 2,877 million at June 30, 2018, a decline of 18%. The net asset value per unit as at December 31, 2018 was Rs. 39.41 as compared to Rs. 44.53 per unit on June 30, 2018 providing a negative return of 11.50% to its investors compared to its benchmark return of negative 11.49%.

Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) as at December 31, 2018 were Rs. 10,924 million compared to Rs. 10,166 million at June 29, 2018, an increase of 7%. The net asset value per unit as at December 31, 2018 was Rs. 53.10 compared to Rs. 51.38 per unit on June 30, 2018 providing an annualized return of 6.58% compared to the benchmark return of 2.85%. At period end, the fund was invested 44.6% in Islamic Corporate Sukuks, 10% in Certificate of Musharaka and 45% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Sovereign Fund

The net assets of Meezan Sovereign Fund (MSF) as at December 31, 2018 were Rs. 1,500 million compared to Rs. 2,121 million at June 30, 2018, a decline of 29%. The net asset value per unit at December 31, 2018 was Rs. 52.90 as compared to Rs. 51.48 per unit on June 30, 2018, translating into an annualized return of 5.46% to the investors compared to the benchmark return of 8.02%. As at December 31, 2018 the fund was invested 20% in GoP and GoP Guaranteed Ijarah Sukuks and 87.7% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Cash Fund

The net assets of Meezan Cash Fund (MCF) at December 31, 2018 were Rs. 12,747 million compared to Rs. 9,921 million at June 30, 2018, an increase of 28%. The net asset value per unit at December 31, 2018 was Rs. 52.06 as compared to Rs. 50.43 on June 30, 2018 providing an annualized return of 6.40% as compared to the benchmark return of 2.81%.

Meezan Rozana Amdani Fund

MRAF was launched in December 2018 and its net assets clocked in at Rs. 1,032 million at December 31, 2018. The Fund provided a return of 9.53% during the period compared to the benchmark return of 3.19%.

Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at December 31, 2018 were Rs. 6,700 million compared to Rs. 7,843 million at June 30, 2018, a decline of 15%. The net asset value per unit as at December 31, 2018 was Rs. 14.40 compared to Rs. 15.44 per unit on June 30, 2018 translating into a negative return of 6.71% to its investors compared to the benchmark return of negative 7.18%.

Meezan Financial Planning Fund of Funds

Aggressive Allocation Plan

The net assets of the plan were Rs. 451 million as at December 31, 2018 compared to Rs. 497 million at June 30, 2018. The plan provided a negative return of 8.84% during the period.

Moderate Allocation Plan

The net assets of the plan were Rs. 239 million at December 31, 2018 compared to Rs. 309 million at June 30, 2018. The plan provided a negative return of 4.70% during the period compared to the benchmark return of negative 6.21%.

Conservative Allocation Plan

The net assets of the plan as at December 31, 2018 were Rs. 239 million compared to Rs. 290 million at June 30, 2018. The plan provided a negative return of 0.86% during the period compared to the benchmark return of negative 2.43%.

Meezan Asset Allocation Plan-I

The net assets of the plan as at December 31, 2018 were Rs. 715 million compared to Rs. 829 million at June 30, 2018. The plan provided a negative return of 9.06% during the period compared to the benchmark return of negative 9.48%.

Meezan Strategic Allocation Fund

Meezan Strategic Allocation Plan-I

The net assets of the plan as at December 31, 2018 were Rs. 1,542 million compared to Rs. 1,945 million at June 30, 2018. The plan provided a negative return of 8.60% during the period compared to the benchmark return of negative 9.29%.

Meezan Strategic Allocation Plan-II

The net assets of the plan as at December 31, 2018 were Rs. 1,091 million compared to Rs. 1,289 million at June 30, 2018. The plan provided a negative return of 8.29% during the period compared to the benchmark return of negative 9.26%.

Meezan Strategic Allocation Plan-III

The net assets of the plan as at December 31, 2018 were Rs. 1,219 million compared to Rs. 1,423 million at June 30, 2018. The plan provided a negative return of 8.27% during the period compared to the benchmark return of 9.29%.

Meezan Strategic Allocation Plan-IV

The net assets of the plan as at December 31, 2018 were Rs. 1,320 million compared to Rs. 1,666 million at June 30, 2018. The plan provided a negative return of 8.29% during the period compared to the benchmark return of negative 9.25%.

Meezan Strategic Allocation Plan-V

The net assets of the plan as at December 31, 2018 were Rs. 424 million compared to Rs. 521 million at June 30, 2018. The plan provided a negative return of 8.22% during the period compared to the benchmark return of negative 9.32%.

Meezan Capital Preservation Plan III

The net assets of the plan as at December 31, 2018 were Rs. 1,318 million compared to Rs. 1,365 million at June 30, 2018. The plan provided a positive return of 0.48% during the period compared to the benchmark return of negative 0.75%

Meezan Strategic Allocation Fund - II

Meezan Capital Preservation Plan-IV

The net assets of the plan as at December 31, 2018 were Rs. 1,921 million compared to Rs. 2,115 million at June 30, 2018. The plan provided a positive return of 0.78% during the period compared to the benchmark return of negative 0.98%.

Meezan Capital Preservation Plan-V

The net assets of the plan as at December 31, 2018 were Rs. 658 million compared to Rs. 733 million at June 30, 2018. The plan provided a positive return of 0.46% during the period compared to the benchmark return of negative 1.02%.

Meezan Capital Preservation Plan-VI

This plan was launched in July 2018 and its net assets clocked in at Rs. 594 million at December 31, 2018. The plan provided a return of 0.84% during the period compared to the benchmark return of negative 1.41%.

Meezan Capital Preservation Plan-VII

This plan was launched in September 2018 and its net assets clocked in at Rs. 346 million at December 31, 2018. The plan provided a return of 0.74% during the period compared to the benchmark return of negative 0.94%.

Meezan Capital Preservation Plan-VIII

This plan was launched in December 2018 and its net assets clocked in at Rs. 23 million at December 31, 2018. The plan provided a return of 0.11% during the period compared to the benchmark return of 0.15%.

Meezan Gold Fund (MGF)

The net assets of the fund as at December 31, 2018 were 322 million compared to Rs. 243 million at June 30, 2018, an increase of 33%. During the period under review, MGF has provided a positive return of 13.20% as compared to benchmark return of 11.27%.

Meezan Tahaffuz Pension Fund (MTPF)

MTPF comprises of four sub funds namely Equity sub fund, Debt sub fund, Money Market sub fund and Gold sub fund. For the period ended December 31, 2018, the equity sub-fund provided a negative return of 12.64% and gold sub fund provided a return of 11.76%, while the debt and money market sub-funds provided annualized returns of 5.39% and 5.52% respectively. Performance review for each sub fund is given as under:

Equity Sub Fund

The net assets of this sub fund stood at Rs. 4,996 million at December 31, 2018 compared to Rs. 5,432 million at June 30, 2018, decreased by 8%. The net asset value per unit decreased to Rs. 432.30 from Rs. 494.82. For the period under review, the equity sub fund earned a gross loss of Rs. 668 million as compared to gross loss of Rs. 1,074 million in corresponding period last year.

Debt Sub Fund

The net assets of this sub fund stood at Rs. 2,566 million at December 31, 2018 compared to Rs. 2,762 million at June 30, 2018, a decline of 7%. The net asset value increased to Rs. 226.52 from Rs. 220.52. For the period under review, the debt sub fund earned a gross income of Rs. 95 million as compared to Rs. 51 million in corresponding period last year.

Money Market Sub Fund

The net assets of this sub fund stood at Rs. 1,731 million at December 31, 2018 compared to Rs. 1,014 million at June 30, 2018, an increase of 71%. The net asset value increased to Rs. 224.36 from Rs. 218.18. For the period under review, the money market sub fund earned a gross income of Rs. 59 million as compared to Rs. 16 million in corresponding period last year.

Gold Sub Fund

The net assets of this sub fund stood at Rs. 58 million at December 31, 2018 compared to Rs. 50 million at June 30, 2018. The net asset value increased to Rs. 113.53 to Rs. 101.57. For the period under review, the gold sub fund earned a gross income of Rs. 7 million as compared to gross loss of Rs. 2 million in corresponding period last year.

Outlook

The stock market has witnessed a choppy 1HFY19 with KSE100 index fluctuating between a high and low of 43,557 pts and 36,663 pts respectively. Initially the change in government generated a euphoria and led to a rally in the stock market. However, concerns on widening macroeconomic imbalances and SBP's corrective measures in the form of interest rate and exchange rate adjustments negatively impacted the sentiment and market was unable to sustain the rally.

Later, the announcements of bilateral support packages from KSA and UAE and commitment from China helped bring back some lost confidence into the market.

While economic concerns like the twin deficit, foreign debt repayments and depleting reserves are still at play, a host of other factors that shall neutralize the impact include declining international crude oil prices along with slowdown in domestic consumption levels, decline in prices of other commodities and strong FDI flows expected from China, Malaysia, UAE and Saudi Arabia especially in infrastructure related projects. Moreover, market has priced in most of the negatives as its CY19 PE multiple has declined to ~7x.

Going forward, we believe market would perform better than 1HFY19 in light of the aforementioned positive triggers. While some volatility may persist, attractive valuations and expected improvement in twin deficits on account of PKR devaluation, interest rate hikes and decline in oil prices shall pave the way for a healthy 2HFY19 for the stock market.

Acknowledgement

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

Date: February 14, 2019

For and on behalf of the Board.
Mohammad Shoaib, CFA
Chief Executive Officer

فنڈز کی مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 31 دسمبر 2018ء کو ختم ہونے والی پہلی مالی ششماہی کیلئے درج ذیل اوپن اینڈ فنڈز اور والینٹری پنشن اسکیم کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہارِ مسرت کرتا ہے:

ایکویٹی فنڈز

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

سیکرا سپیٹفک فنڈ

- میزان انرجی فنڈ

انکم فنڈز

- میزان اسلامک انکم فنڈ
- میزان سوورن فنڈ

منی مارکیٹ فنڈ

- میزان کیش فنڈ
- میزان روزانہ آمدنی فنڈ

ہیلینڈ فنڈ

- میزان ہیلینڈ فنڈ

ایسیٹ ایلوکیشن فنڈ

- میزان ایسیٹ ایلوکیشن فنڈ

فنڈز آف فنڈز

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

کموڈٹی فنڈ

- میزان گولڈ فنڈ

پنشن فنڈ

- میزان تحفظ پنشن فنڈ

اقتصادی جائزہ:

2019ء کی پہلی مالی ششماہی نے معیشت کو درپیش متعدد مسائل کا سامنا کیا جیسا کہ کرنسی پر دباؤ، بڑھتی ہوئی مہنگائی، جڑواں خسارے اور بیرونی قرضوں کی مناسبت سے بیرونی ذخائر میں کمی جبکہ شاریات جیسے مانیٹری سختی، اسٹریٹجریل ریفرانز کا نفاذ اور کچھ دوست ممالک کے ساتھ بیرونی سرمایہ کاری کے عالمی معاہدے، قرض اور کریڈٹ ٹرمز کی وجہ سے متعلقہ ادائیگیوں میں فوری توازن کا بھی مشاہدہ کیا گیا۔ بیرونی قرض کی فوری ادائیگی کا مسئلہ حل ہوتا دکھائی دے رہا ہے، حکومت اب اپنی توجہ میکرو اکنامک مسائل کے پائیدار حل کی جانب مبذول کرتی نظر آ رہی ہے جن میں موجودہ سال اضافہ ہوتا دکھائی دے رہا ہے۔

2019ء کی پہلی مالی ششماہی میں پاکستانی روپے امریکی ڈالر کے مقابلے میں 14% دباؤ کا شکار رہا جو تیل کی عالمی قیمتوں میں بلند ترین اضافے کے اثرات کی وجہ سے ہے، اسی وجہ سے مہنگائی کا دباؤ بھی رہا جبکہ 2019ء کی پہلی مالی ششماہی میں پچھلے سال کے اسی دورانیے کے 3.77% کے مقابلے میں اوسط سی پی آئی 6.04% رہی۔ بنیادی مہنگائی (غیر غذائی اور غیر توانائی) حال میں 2018ء کی پہلی ششماہی کے 5.47% کے مقابلے میں 8.03% ہے، مہنگائی کا بڑھتا ہوا دباؤ واضح طور پر معیشت کو زیر دباؤ رکھے ہوئے ہے۔ اس کو کنٹرول کرنے کیلئے اسٹیٹ بینک آف پاکستان نے اپنی مانیٹری سختی کے عمل کو برقرار رکھا اور 2019ء کی پہلی ششماہی کے دوران تین دو ماہی مانیٹری اسٹیٹمنٹس کے ذریعے 10% پالیسی ریٹ کے اضافے کے ساتھ پالیسی ریٹ 350bps رہا۔ اسی تسلسل میں سال کے نصف کے اختتام پر، پالیسی ریٹ 31 جنوری 2019ء کے مزید اضافے کے ساتھ 10.25% اضافے کے ساتھ ہو گیا۔

زرعی شعبے نے ملتے جلتے رجحان کو ظاہر کیا۔ کاٹن کی پیداوار پچھلے سیزن کے 11.1 ملین ہالز کے مقابلے میں 10.27 ملین ہالز رہی، 7.52% کی کمی کی نمایاں وجہ پانی کا بحران اور کاشتکاری کے رقبے میں کمی واقع ہونا ہے۔ دوسری جانب گتے کی کاشت کے رقبے میں اضافے کے ساتھ ساتھ فی ایکڑ پیداوار میں بھی اضافہ دیکھا گیا جس کی وجہ سے ملک میں چینی کی فراہمی میں افراط دیکھنے کو ملا اور عالمی مارکیٹ میں چینی کی کم قیمتوں کی وجہ سے برآمد کرنے میں مشکلات رہیں۔ بڑے پیمانے پر مینوفیکچرنگ (LSM) کے محاذ پر، 2019ء کی پہلی مالی ششماہی کے 4 مہینوں میں LSM میں 0.65% کی کمی رہی۔ مالی سال 2019ء کی پہلی سہ ماہی میں ٹیکس کلیکشن 832 بلین روپے رہی یعنی گزشتہ سال کے اسی عرصے کے مقابلے میں 8.75% کا اضافہ ہوا۔ اگرچہ مجموعی طور پر ٹیکس کلیکشن میں اضافہ ہوا لیکن مالی سال 2019ء کیلئے آزر نو مرتب کردہ ہدف کے مقابلے میں یہ کم ہے، جو کہ حال میں 4.4 ٹریلین روپے ہے۔ معاشی سست روی کے ساتھ کفایت شعاری اور اسٹریٹجریل ریفرانز بھی مشاہدے میں آئی، مالی سال 2019ء میں اسٹیٹ بینک نے جی ڈی پی کی نمو میں 4% کی توقع ظاہر کی ہے۔

بیرونی محاذ پر، ریٹیننسز میں اضافے کی وجہ سے کرنٹ اکاؤنٹ خسارہ 4.4% کم ہوا، مالی سال 2019ء کی پہلی ششماہی میں خسارہ 7.98 بلین امریکی ڈالر (جی ڈی پی کا 5.4%) رہا۔ مالی سال 2019ء کی پہلی ششماہی کے دوران ریٹیننسز سال بہ سال 10% اضافے کے ساتھ 10.72 بلین امریکی ڈالر رہے، جسے سعودی عرب، برطانیہ اور دبئی سے ہونے والی ترسیلات زر سے منسوب کیا جاسکتا ہے۔ روپے کی قدر میں کمی کے باوجود برآمدات میں بڑے پیمانے پر ٹھہراؤ رہا اور مالی سال 2019ء کی پہلی ششماہی کے دوران، سال بہ سال 1% کے معمولی اضافے کے ساتھ 11.84 بلین امریکی ڈالر رہے۔ مالی سال کی پہلی ششماہی میں تیل کی عالمی قیمتوں میں تقریباً 30% کمی سے توقع کی جا رہی ہے کہ آئل امپورٹ بل اور اسی طرح کرنٹ اکاؤنٹ خسارہ کم ہو۔

قریب مدتی ہونے اور ملک کا بحیثیت مجموعی درآمد کنندہ بننے کی وجہ سے ایکسٹرنل ڈیبٹ ریٹیننسز 11 بلین امریکی ڈالر سے تجاوز کر رہے ہیں۔ بیرونی ذخائر آکسیجن کے حوالے سے توقع ہے کہ وہ مالی سال 2019ء کے باقی عرصے میں زیر دباؤ رہیں گے۔ اس عرصے کے دوران، اسٹیٹ بینک فارکیس ریزروز 25% کمی کے ساتھ 7.2 بلین امریکی ڈالر ہو گئے۔ دوست ممالک جیسے سعودی عرب، دبئی اور چائنا کی مدد سے (فارکیس ڈپازٹس، قرض پرتیل کی فراہمی اور ایف ڈی آئی کی صورت میں) اب یہ دیکھا جاتا ہے کہ حکومت کو ایک اور آئی ایم ایف ہیل آؤٹ پروگرام میں جانا ہوگا یا نہیں۔

بازار زر کا جائزہ:

اسٹیٹ بینک آف پاکستان (SBP) مالی سال 2019ء کی پہلی ششماہی کے دوران مالیاتی سختی کے طرز عمل پر برقرار رہا جبکہ کم ہوتے ہوئے بیرونی زرمبادلہ کے ذخائر، بڑھتی ہوئی مہنگائی اور زیادہ ہوتی ہوئی کمیوٹیٹی پرائمری کی وجہ سے پالیسی ریٹ 350bps اضافے کے ساتھ 10% ہوا۔ مارکیٹ کو پہلے ہی مالی سال کے

آغاز سے مالیاتی سختی کا سامنا تھا اس لیے یہ اضافہ مارکیٹ کے شرکاء کیلئے حیرت کا باعث نہیں تھا۔

مجموعی طور پر، ڈسکاؤنٹ ریٹ میں اضافے کو مدنظر رکھتے ہوئے، حکومتی کاغذ کے پیداوار میں بہتری اور KIBORs نے وہ رجحان ظاہر کیا جو مالی سال 2018ء کے اُن کے لیوڈ سے زیادہ تھا؛ T-bills میں 346-380bps اضافہ ہوا، PIB اس عرصے کے دوران 386-421bps بڑھا جبکہ KIBORs میں 359-380bps کا اضافہ ہوا۔ مانیٹری سختی کی توقع کے ساتھ آگے بڑھتے ہوئے، مالی سال کی اگلی ششماہی میں مزید اضافے کا مشاہدہ کیا جاسکتا ہے۔

سیالیت (Liquidity) کے محاذ پر، بازار نے مالی سال 2019ء کی پہلی ششماہی کے دوران ملے جُملے منظر نامے کا سامنا کیا ہے، اسٹیٹ بینک کی جانب سے مختلف اوپن مارکیٹ آپریشنز (OMO) کے ذریعے 15.46 ٹریلیون روپے فراہم کیے جس کے ساتھ 1.01 ٹریلیون روپے مالیت کی رعایتیں (Discounts) مختلف کاؤنٹرز کی جانب سے حاصل کی گئیں، مختلف کاؤنٹرز پر mop-ups کی مالیت 10.70 ٹریلیون اور فلور پلیسمنٹ 190 بلین روپے ہے۔ اس کے ساتھ مذکورہ عرصے میں 13 عدد T-Bills، 6 عدد PIB فکسڈ ریٹ اور 2 عدد PIB فلوٹنگ ریٹ کی نیلامی کا بھی اہتمام کیا گیا۔

بازار کا شریعہ سے ہم آہنگ سرے پر، حکومت پاکستان کا اجارہ XVI دسمبر کے مہینے میں پختہ ہو گیا جس کا اہتمام اسٹیٹ بینک آف پاکستان نے اسلامک بینکس کیلئے بیچے ہوئے قرضوں کے طور پر کیا؛ کل شمولیت 76 بلین روپے کے عوض اسٹیٹ بینک آف پاکستان 71 بلین روپے بحساب %11.47 برائے عرصہ تین سال قبول کیا۔ اس عرصے کے دوران اجارہ صکوک پر مشتمل میوچل فنڈ نے ریٹرن میں کمی کا مشاہدہ کیا۔ تاہم، کارپوریٹ سیکٹر کی جانب سے صکوک کے ذریعے قرض بڑھانے کی ترجیحات میں اضافہ ہوا ہے۔ اسلامی مالیاتی اداروں کے ساتھ دستیاب سیالیت کی لچک میں اس رجحان کو جاری رکھنے کی توقع ہے۔ مزید یہ کہ حکومت کو توقع ہے کہ وہ گردش قرضے کے مسئلے کو 200 بلین روپے کی مالیت کے ایک انرجی صکوک کے اجراء کے ذریعے حل کرے، جو اسلامک مارکیٹ میں حکومتی صکوک کی کمی کا مسئلہ بھی حل کر دے گا۔

حصص کا جائزہ:

نصف مالی سال 2019ء کی پہلی سہ ماہی میں بازار حصص میں مستقل غیر یقینی کی وجہ معاشی اقدامات اور ملکی سیاست میں غیر یقینی صورتحال ہے جس کے سبب سرمایہ کاروں کا اعتماد متزلزل ہوا اور دوران عرصہ کے ایم آئی -30 انڈیکس %13.91 سے گر کر 61,173 پوائنٹس پر بند ہوا جبکہ کے ایس ای -100 انڈیکس %11.18 کی کمی ظاہر کرتے ہوئے 40,998 پوائنٹس پر اختتام پذیر ہوا اس عرصے کے دوران کے ایم آئی انڈیکس -30 اور کے ایس ای -100 انڈیکس دونوں کے ساتھ شراکت بہتر ہوتے ہوئے حجم %30 اور %32 سال بہ سال علی الترتیب بڑھ گئے۔

اسٹاک ایکسچینجز پر سرگرمی بمقابلہ تاریخی سطحوں کے محدود تھی اور کچھ عرصے سے کم قیمت فروخت میں تیزی دیکھی گئی۔ پہلے نصف میں مارکیٹ کی کارکردگی ماند رہی جسے درج ذیل سے منسوب کیا جاتا ہے: (i) غیر ملکی پورٹ فولیو کا اخراج، (ii) اقتصادی گلی کے خدشات، (iii) مالیاتی پالیسی کی سختی، (iv) روپے کی قدر میں کمی اور غیر یقینی صورتحال، (v) دوسری سہ ماہی میں کمائی کی خراب صورتحال، ان سب باتوں نے مل کر سرمایہ کار کو مایوس کر دیا۔

بینچ مارک نے سال کا آغاز مایوس کن انداز میں کیا جس کی وجہ عام انتخابات کے نتیجے پر خیالات و تصورات سے جنم لینے والی انتہائی غیر یقینی کیفیت تھی۔ اقتدار کی شفاف تبدیلی کے بعد، موجودہ حکومت تیزی سے کم ہوتے ہوئے غیر ملکی زرمبادلہ کے ذخائر کو بڑھانے میں بھی سرگرم عمل رہی ہے۔ وزیر اعظم کی جانب سے دوست ممالک کا سفر بار آور ثابت ہوا اور پاکستان نے 9 ارب امریکی ڈالر کی امداد حاصل کر لی۔ موجودہ حکومت نے ستمبر 2018 میں اس کے اعلان کردہ ضمنی بجٹ میں تند و تیز تبدیلیاں کیں، جن کا عمومی موضوع برآمدی شعبوں کو ترغیب دینا اور پرعیش برآمدات کی حوصلہ شکنی اور اخراجات کو لگام ڈالنا تھا تاکہ مالیاتی اور جاری حسابات پر دباؤ کو کم کیا جائے۔ بینک دولت پاکستان نے بھی بڑھتے افراط زر اور کم ہوتے غیر ملکی زرمبادلہ رد عمل میں شرح پالیسی میں مجموعی طور پر 350 بی پی ایس کا اضافہ کر دیا۔ کامیاب انتخابات اور منتقلی اقتدار کے باوجود، سرمایہ کاروں کے جذبات کمزور رہے کیونکہ معاشی صحت کی زبوں حالی کے خدشات باقی رہے کمزور زریں مع کمزور جذبات اس انتخابات کے بعد حاصل کردہ زیادہ تر فوائد میں سے اکثر دوبارہ پالیے

اُبھرتی مارکیٹس سے اخراج دوسری سہ ماہی میں بھی جاری رہا جس کی وجہ مستحکم ہونا امریکی ڈالر اور فیڈرل شرح (فیڈریٹ) کی سختی تھی ایم ایس سی آئی ای ایم انڈیکس

نے ڈویلپڈ مارکیٹ گورنمنٹ بانڈز کے حق میں ابھرتی مارکیٹس سے اخراج کے نتیجے کے طور پر اس عرصہ کے بعد والے حصے میں اس کے سالانہ مندرے کو ظاہر کیا۔ زیر جائزہ عرصے میں امریکی فیڈ نے شرح ہائے سود میں مسلسل اضافہ جاری رکھا، جس سے علاقائی کرنسیز پر مزید باؤ بڑھتا رہا۔ ایم ایس سی آئی ایم کرنسی انڈیکس نے سال کا اختتام جنوری 2018ء میں اس کی بلندی سے %8.69 کی کمی ظاہر کرنے کے بعد %0.36 کی کمی پر کر دیا۔

کئی سالوں کی بلندی کے بعد تیل کی قیمتوں نے تیزی سے کمی کا مشاہرہ کیا ہے جس کی وجہ بین الاقوامی تیل کی منڈیوں کو متاثر کرنے والی زائد از ضرورت فراہمی کی صورتحال ہے ایران کی فراہمی میں ممکنہ کے جو پابندیوں کی وجہ سے ہے، ویتیز ویلا کی پیداوار میں کمی اور لیبیا میں خلفشار نے بھی مالی سال 19 کی پہلی سہ ماہی کے آخری چند مہینوں میں تیل کی قیمتوں کی تیزی سے گراؤ میں انتہائی کم مدد کی جس کے ذریعے اکتوبر 2018ء میں درج کردہ بلندی سے لگ بھگ %40 تک قیمتوں میں کمی رہی۔ مجموعی طور پر، برینٹ کروڈ (برینٹ خام تیل) نے سہ ماہی کا اختتام مندی پر کیا اور %19.55 کی کمی سے %53.80 امریکی ڈالر فی بیرل پر بند ہوا۔

ادارہ جاتی منافع اور انڈیکس میں بڑے حصے ڈالنے والے

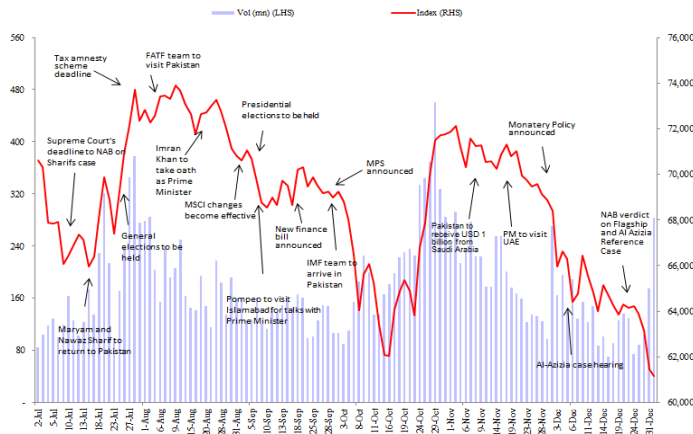
سہ ماہی کے دوران، فریڈلائز بہترین کارکردگی والے شعبہ جات میں سب سے بہتر تھا۔ اس عرصے کے دوران KMI-30 انڈیکس میں بہترین کارکردگی والے شراکت دار یہ تھے:

انڈیکس میں مثبت کارکردگی کے شراکت دار	KMI-30 میں شرکت (پوائنٹس)	کل منافع فیصد
داؤد ہرکولس کا پورٹ پرائیویٹ لمیٹڈ	346	+11.89%
اینگر و پولیمیر اینڈ کیمیکلز لمیٹڈ	95	+21.35%
اینگر فریڈلائز رز لمیٹڈ	89	+2.05%
کے-الیکٹرک لمیٹڈ	59	+4.58%

دوسری طرف آئل اینڈ گیس ایکسپلوریشن اور سیمنٹ بری کارکردگی کا مظاہرہ کرنے والے شعبے رہے۔ اس مدت کے دوران KMI-30 میں بری کارکردگی کے اسٹاک یہ تھے:

انڈیکس میں منفی کارکردگی کے شراکت دار	KMI-30 میں شرکت (پوائنٹس)	کل منافع فیصد
پاکستان پٹرولیم لمیٹڈ	-1,575	-19.34%
پاکستان آئل فیلڈ لمیٹڈ	-1,178	-21.12%
آئل اینڈ گیس ڈیولپمنٹ کولمبیا لمیٹڈ	-1,135	-14.74%
کلی سیمنٹ لمیٹڈ	-665	-13.05%

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



حصص کا بہاؤ:

غیر ملکی سرمایہ کاری غیر ملکی سرمایہ کاروں کی جانب سے زریالیٹ کے ساتھ مسلسل سست رہی جو تقریباً 404 ملین ڈالر تھی۔ 166.5 ملین امریکی ڈالر اور 98.46 ملین امریکی ڈالر کے اخراج، بیہکاری اور تیل و گیس کی تلاش کے شعبہ جات میں دیکھے گئے سیمنٹ اور توانائی کے شعبہ جات بھی اسی کی پیروی کرتے ہوئے 69.29 ملین ڈالر اور 22.46 ملین ڈالر کے اخراج ظاہر کئے۔ اس عرصے کے دوران، میوچل فنڈ 28.43 ملین ڈالر کے خالص فروخت کنندگان تھے جبکہ انشورنس کمپنیز اور عام افراد 172 ملین ڈالر اور 152 ملین ڈالر کے علی الترتیب خریدار تھے۔ بینکس، عام افراد، این جی ایف سیز، دیگر اور بروکرز مجموعی طور پر 80 ملین ڈالر کے لگ بھگ مالیت کے خالص خریدار تھے۔

میوچل فنڈ صنعت کا جائزہ:

مالی سال 19 کی پہلی ششماہی کے دوران، میوچل فنڈ صنعت کے زیر انتظام اثاثہ جات %5.5 سے کم ہو کر 570 ارب روپے کی جسامت کے ہو گئے۔ شریعہ موافق زیر انتظام اثاثہ جات زیر جائزہ عرصے کے دوران %9.1 کی شرح سے کم ہوتے ہوئے 206 ارب روپے ہو گئے جس سے میوچل فنڈ صنعت میں شریعہ موافق فنڈز کا حصہ %36.1 پر آ گیا ہے المیزان کا حصہ میوچل فنڈ صنعت میں من حیث المجموع %15.4 ہے جبکہ صرف شریعہ موافق کے درمیان 31 دسمبر 2018ء کے مطابق اس کا حصہ مارکیٹ کے %42.7 کو ظاہر کرتا ہے۔

خالص اثاثہ جات کے لحاظ سے، اوپن اینڈ سوورن، مینی مارکیٹ اور انکم فنڈز نے پہلے نصف کے دوران ان کی جسامتوں میں اضافے کو ظاہر کیا ہے، مشترکہ کٹیگری نے %5.5 کا اضافہ ظاہر کیا ہے اور 271 ارب روپے پر جا پہنچا ہے، جبکہ اس کٹیگری میں کنوشنل فنڈ نے %5.1 کی نمو دکھائی ہے، شریعہ موافق فنڈز %6.5 سے بڑھا ہے۔ اوپن اینڈ ایکویٹی فنڈز (بشمول انڈیکس ٹریڈر) 30 جون 2018ء کے مطابق 264 ارب روپے کے مقابلے میں 31 دسمبر 2018ء کے مطابق %14.9 کی کمی سے 224 ارب روپے ہو گیا ہے، اس زمرے کنوشنل فنڈ %12.4 کم ہوا جبکہ شریعہ موافق ایکویٹی میڈ فنڈز زیر جائزہ عرصے میں %18.8 سے کم ہوتے ہوئے 85 ارب روپے پر رہے۔ کیپٹل پروڈیکٹیو، بیلسنڈ اور ایسیٹ ایلوکیشن فنڈز کے خالص اثاثہ جات مجموعی طور پر %13.7 سے کم ہو کر اس عرصے کے اختتام پر 49 ارب روپے پر آ گئے، جبکہ اس زمرے میں کنوشنل فنڈ %12.7 سے کم ہوئے، شریعہ موافق فنڈز نے زیر جائزہ عرصے کے دوران %14.2 کی شرح سے متزل ظاہر کیا اور 32 ارب روپے پر آ گئے اس صنعت میں کموڈٹی فنڈز جون 2018ء پر 242 ملین روپے کے مقابلے میں بڑھ کر 322 ملین روپے کا اضافہ دکھایا جو کہ %33.0 کے اضافے کی ترجمانی کرتا ہے۔

زیر جائزہ عرصے کے دوران والینٹری پینشن فنڈز 31 دسمبر 2018ء پر 26 ارب روپے سے زائد کے ان کی مجموعی فنڈ جسامت کے ساتھ %1.1 تنزلی کا شکار رہے۔ شریعہ موافق پینشن فنڈز زیر جائزہ عرصے میں %0.5 سے بڑھ گئے اور دسمبر 2018ء کے مطابق ان کی مالیت 17 ارب روپے رہی، میزان تحفظ پینشن فنڈ (ایم ٹی پی ایف) مجموعی طور پر شعبے بھر میں %36.2 مارکیٹ کے حصے کے ساتھ مسلسل پینشن فنڈ مارکیٹ پر غالب رہا جبکہ شریعہ موافق شعبے میں، ایم ٹی پی ایف کا حصہ تسلسل کے ساتھ %55.4 پر رہا۔

کارکردگی کا جائزہ (فنڈز)

میزان اسلامک فنڈ:

31 دسمبر 2018ء کے مطابق میزان اسلامک فنڈ کے خالص اثاثہ جات %17 تنزلی کے ساتھ جون 2018ء کے 39,115 ملین روپے کے مقابلے میں 32,599 ملین روپے تھے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 63.33 روپے فی یونٹ کے مقابلے میں 55.48 روپے رہی جو کہ زیر جائزہ عرصے کے دوران %12.40 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک میں کمی %13.91 تھی۔

المیزان میوچل فنڈ:

31 دسمبر 2018ء کے مطابق المیزان میوچل فنڈ کے خالص اثاثہ جات %11 تنزلی کے ساتھ جون 2018ء کے 6,864 ملین روپے کے مقابلے میں

6,077 ملین روپے تھے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 17.66 روپے فی یونٹ کے مقابلے میں 15.42 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %12.68 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) ہینچ مارک میں کمی %13.91 تھی۔

کے ایس ای میزان انڈیکس فنڈ:

31 دسمبر 2018ء کے مطابق کے ایس ای میزان انڈیکس فنڈ کے خالص اثاثہ جات %8 متزلی کے ساتھ جون 2018ء کے 1,687 ملین روپے کے مقابلے میں 1,552 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 70.66 روپے فی یونٹ کے مقابلے میں 60.30 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %14.65 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) ہینچ مارک میں %13.91 کم رہا۔

میزان ڈیڈ کیلکٹرا ٹیکوینیٹی فنڈ:

31 دسمبر 2018ء کے مطابق میزان ڈیڈ کیلکٹرا ٹیکوینیٹی فنڈ کے خالص اثاثہ جات %7 کے اضافے کے ساتھ جون 2018ء کے 1,857 ملین روپے کے مقابلے میں 1,979 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 48.53 روپے فی یونٹ کے مقابلے میں 42.04 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %13.38 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) ہینچ مارک میں %13.91 کم رہا۔

میزان انرجی فنڈ:

31 دسمبر 2018ء کے مطابق میزان انرجی فنڈ کے خالص اثاثہ جات %52 متزلی کے ساتھ جون 2018ء کے 1,637 ملین روپے کے مقابلے میں 787 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 49.78 روپے فی یونٹ کے مقابلے میں 39.29 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %21.09 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) ہینچ مارک %13.91 کم رہا۔

میزان ایسیٹ ایلوکیشن فنڈ:

31 دسمبر 2018ء کے مطابق میزان ایسیٹ ایلوکیشن فنڈ کے خالص اثاثہ جات %18 متزلی کے ساتھ جون 2018ء کے 2,877 ملین روپے کے مقابلے میں 2,362 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 44.53 روپے فی یونٹ کے مقابلے میں 39.41 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %11.50 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں ہینچ مارک %11.49 کم رہا۔

میزان اسلامک انکم فنڈ:

31 دسمبر 2018ء کے مطابق میزان اسلامک انکم فنڈ کے خالص اثاثہ جات %7 کے اضافے کے ساتھ جون 2018ء کے 10,166 ملین روپے کے مقابلے میں 10,924 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 51.38 روپے فی یونٹ کے مقابلے میں 53.10 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %6.58 کے سالانہ منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں ہینچ مارک %2.85 رہا۔ عرصے کے اختتام پر اسلامی ادارہ جاتی سلوک میں، فنڈ کا %43، %10 سرٹیفکیٹ آف مشارکہ میں رکھے گئے اور خالص اثاثہ جات کے %44 اسلامی بینکنس یا بینکنس کے اسلامی ونڈوز میں مختص کیے گئے۔

میزان سوورن فنڈ:

31 دسمبر 2018ء کے مطابق میزان سوورن فنڈ کے خالص اثاثہ جات %29 متزلی کے ساتھ جون 2018ء کے 2,121 ملین روپے کے مقابلے میں

1,500 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 51.48 روپے فی یونٹ کے مقابلے میں 52.90 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %5.46 کے سالانہ منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %8.02 رہا۔ عرصے کے اختتام پر حکومت پاکستان اجارہ وصولی اور حکومت پاکستان کے ضمانتی وصولیوں میں %19 کی سرمایہ کاری کی اور جبکہ خالص اثاثہ جات کے %80 اسلامی بینکس یا بینکس کے اسلامی ونڈوز میں رکھے گئے۔

میزان کیش فنڈ:

31 دسمبر 2018ء کے مطابق میزان کیش فنڈ کے خالص اثاثہ جات %28 اضافے کے ساتھ جون 2018ء کے 921,9 ملین روپے کے مقابلے میں 12,747 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 50.43 روپے فی یونٹ کے مقابلے میں 52.06 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %6.40 کے سالانہ منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %2.81 رہا۔

میزان روزانہ آمدنی فنڈ:

میزان روزانہ آمدنی فنڈ کا آغاز دسمبر 2018ء میں کیا گیا اور 31 دسمبر 2018ء کو اس کے خالص اثاثہ جات 1,032 ملین روپے تھے۔ زیر جائزہ عرصہ کے دوران فنڈ نے %9.53 منافع فراہم کیا جبکہ اسی عرصے میں بیچ مارک %3.19 رہا۔

میزان ہیلنسڈ فنڈ:

31 دسمبر 2018ء کے مطابق میزان ہیلنسڈ فنڈ کے خالص اثاثہ جات %15 تنزلی کے ساتھ جون 2018ء کے 7,843 ملین روپے کے مقابلے میں 6,700 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 15.44 روپے فی یونٹ کے مقابلے میں 14.40 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %6.71 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %7.18 کم رہا۔

میزان فنانشل پلاننگ فنڈ آف فنڈز

ایگریسیو ایلوکیشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 497 ملین روپے کے مقابلے میں 451 ملین روپے رہے۔ پلان نے زیر جائزہ عرصے کے دوران %8.84 منفی منافع فراہم کیا۔

موڈریٹ ایلوکیشن فنڈ

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 309 ملین روپے کے مقابلے میں 239 ملین روپے رہے۔ پلان نے زیر جائزہ عرصے کے دوران %4.70 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %6.21 رہا۔

کنزرویٹیو ایلوکیشن فنڈ

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 290 ملین روپے کے مقابلے میں 239 ملین روپے رہے۔ پلان نے زیر جائزہ عرصے کے دوران %0.86 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %2.43 رہا۔

میزان ایسیٹ ایلوکیشن پلان-I

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 829 ملین روپے کے مقابلے میں 715 ملین روپے رہے۔ پلان نے زیر جائزہ عرصے کے دوران %9.06 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %9.48 رہا۔

میزان اسٹریٹجی ایلوکیشن فنڈ

I- میزان اسٹریٹجک ایلوکیشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 1,945 ملین روپے کے مقابلے میں 1,542 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 8.06% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.29% رہا۔

II- میزان اسٹریٹجک ایلوکیشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 1,289 ملین روپے کے مقابلے میں 1,091 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 8.29% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.26% رہا۔

III- میزان اسٹریٹجک ایلوکیشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 1,423 ملین روپے کے مقابلے میں 1,219 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 8.27% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.29% رہا۔

IV- میزان اسٹریٹجک ایلوکیشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 1,666 ملین روپے کے مقابلے میں 1,320 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 8.29% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.25% رہا۔

V- میزان اسٹریٹجک ایلوکیشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 521 ملین روپے کے مقابلے میں 424 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 8.22% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 9.32% رہا۔

I- میزان کیپٹل پریزرویشن پلان II

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 1,365 ملین روپے کے مقابلے میں 1,318 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 0.48% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 0.75% رہا۔

II- میزان اسٹریٹجک ایلوکیشن فنڈ

IV- میزان کیپٹل پریزرویشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 2,115 ملین روپے کے مقابلے میں 1,921 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 0.78% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 0.98% رہا۔

V- میزان کیپٹل پریزرویشن پلان

31 دسمبر 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2018ء کے 733 ملین روپے کے مقابلے میں 658 ملین روپے رہے۔ پلان نے زیرجائزہ عرصے کے دوران 0.46% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 1.02% رہا۔

VI- میزان کیپٹل پریزرویشن پلان

یہ پلان جولائی 2018ء میں شروع کیا گیا اور 31 دسمبر 2018ء پر اس کے خالص اثاثہ جات 594 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 0.84% منفی منافع فراہم کیا جبکہ بیچ مارک منفی 1.41% رہا۔

VII- میزان کیپٹل پریزرویشن پلان

یہ پلان ستمبر 2018ء میں شروع کیا گیا اور 31 دسمبر 2018ء پر اس کے خالص اثاثہ جات 346 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 0.74% منافع فراہم کیا جبکہ بینچ مارک منفی 0.94% رہا۔

میزان کیپٹل پریزرویشن پلان-VIII

یہ پلان دسمبر 2018ء میں شروع کیا گیا اور 31 دسمبر 2018ء پر اس کے خالص اثاثہ جات 23 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 0.11% منافع فراہم کیا جبکہ بینچ مارک 0.15% رہا۔

میزان گولڈ فنڈ

31 دسمبر 2018ء پر میزبان گولڈ فنڈ کے خالص اثاثہ جات 33% اضافے کے ساتھ 30 جون 2018ء کے 243 ملین روپے کے مقابلے میں 322 ملین روپے رہے۔ زیر جائزہ عرصے کے دوران فنڈ نے 11.27% کے بینچ مارک کے مقابلے میں 13.20% کا منافع فراہم کیا۔

میزان تحفظ پنشن فنڈ

ایم ٹی پی ایف 4 ذیلی فنڈز یعنی ایکویٹی سب فنڈ، ڈیٹ سب فنڈ، منی مارکیٹ سب فنڈ اور گولڈ سب فنڈ پر مشتمل ہے۔ 31 دسمبر 2018ء کو اختتام پذیر ہونے والے عرصے کیلئے، ایکویٹی سب فنڈ نے 12.64% کا منفی منافع اور گولڈ سب فنڈ نے 11.76% کا منافع فراہم کیا جبکہ ڈیٹ اور منی مارکیٹ سب فنڈ نے بالترتیب 5.39% اور 5.52% سالانہ منافع فراہم کیا۔ ہر فنڈ کی کارکردگی کا جائزہ ذیل میں دیا گیا ہے۔

ایکویٹی سب فنڈ

31 دسمبر 2018ء کے مطابق ایکویٹی سب فنڈ کے خالص اثاثہ جات 8% تنزلی کے ساتھ جون 2018ء کے 5,432 ملین روپے کے مقابلے میں 4,996 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 494.82 روپے فی یونٹ کے مقابلے میں 432.30 روپے رہی۔ زیر جائزہ عرصہ کے دوران ایکویٹی سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 1,074 ملین روپے کے مجموعی خسارے کے مقابلے میں 668 ملین روپے کا مجموعی خسارہ کیا۔

ڈیٹ سب فنڈ

31 دسمبر 2018ء کے مطابق ڈیٹ سب فنڈ کے خالص اثاثہ جات 7% تنزلی کے ساتھ جون 2018ء کے 2,762 ملین روپے کے مقابلے میں 2,566 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 220.52 روپے فی یونٹ کے مقابلے میں 226.52 روپے رہی۔ زیر جائزہ عرصہ کے دوران ڈیٹ سب فنڈ نے گزشتہ سال کے اسی عرصے کے مطابق 51 ملین روپے کے مقابلے میں 95 ملین روپے کا مجموعی منافع کمایا۔

منی مارکیٹ سب فنڈ

31 دسمبر 2018ء کے مطابق منی مارکیٹ سب فنڈ کے خالص اثاثہ جات 71% اضافے کے ساتھ جون 2018ء کے 1,014 ملین روپے کے مقابلے میں 1,731 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 218.18 روپے فی یونٹ کے مقابلے میں 224.36 روپے رہی۔ زیر جائزہ عرصہ کے دوران منی مارکیٹ سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 16 ملین روپے کے مقابلے میں 59 ملین روپے کا مجموعی منافع کمایا۔

گولڈ سب فنڈ

31 دسمبر 2018ء کے مطابق گولڈ سب فنڈ کے خالص اثاثہ جات جون 2018ء کے 50 ملین روپے کے مقابلے میں 58 ملین روپے رہے۔ 31 دسمبر 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2018ء کے 101.57 روپے فی یونٹ کے مقابلے میں 113.53 روپے رہی۔ زیر جائزہ عرصہ کے دوران گولڈ سب فنڈ نے گزشتہ سال کے اسی عرصے کے مطابق 2 ملین روپے کے مجموعی خسارے کے مقابلے میں 7 ملین روپے کا مجموعی منافع کمایا۔

توقعات (Outlooks)

مالی سال 2019ء کی پہلی ششماہی میں اسٹاک مارکیٹ نے کے ایس ای 100 انڈیکس میں اتار چڑھاؤ بالترتیب 36,663pts اور 43,557pts کے ساتھ غیر یقینی کا مشاہدہ کیا۔ ابتدائی طور پر حکومت کی تبدیلی سے بہتری آئی اور اسٹاک مارکیٹ میں اضافہ ہوا، تاہم، میکرو اکنامک عدم توازن اور اسٹیٹ بینک آف پاکستان کے اصلاحاتی اقدامات بحوالہ انٹرسٹ ریٹ اور ایکسیج ریٹ ایڈجسٹمنٹ نے مارکیٹ پر منفی اثرات مرتب کیے اور مارکیٹ مستحکم نہ رہ سکی۔

بعد میں، سعودی عرب اور دبئی کے دو طرفہ معاونتی پیکیجز اور چائنا کی جانب سے مدد کے وعدے نے مارکیٹ کا کھویا ہوا اعتماد کچھ حد تک بحال کیا۔

جبکہ معاشی مسائل جیسے بڑا واں خسارہ، بیرونی قرض کی ادائیگی اور کم ہوتے ہوئے ذخائر تا حال درپیش ہیں۔ دیگر عوامل کا مجموعہ جو اثرات کو معتدل کر سکتا ہے بشمول بین الاقوامی تیل کی قیمتوں میں کمی مع گھریلو استعمال کی سطح میں کمی، دیگر ایشیا کی قیمتوں میں کمی اور چین، ملائیشیا، متحدہ عرب امارات اور سعودی عرب سے ایف ڈی آئی بالخصوص انفراسٹرکچر سے متعلق منصوبوں میں کمی کے مستحکم بہاؤ کی توقع ہے۔ مزید یہ کہ مارکیٹ قیمتیں زیادہ تر منفی ہیں جیسا کہ اس کا CY19 PE کم ہو کر 7x ہے۔

آگے بڑھتے ہوئے، ہمیں یقین ہے اوپر بیان کیے گئے مثبت پیش رفت کے بعد مارکیٹ مالی سال 19 کی پہلی ششماہی کے مقابلے میں بہتر کارکردگی دکھائے گا۔ جبکہ کچھ اتار چڑھاؤ برقرار رہ سکتا ہے، پرکشش قیمتیں اور روپے کے قدر کے از سر نو یقین سے بڑا واں خساروں میں متوقع بہتری، شرح سود میں اضافہ اور تیل کی قیمتوں میں کمی مالی سال 19 کی دوسری ششماہی میں اسٹاک مارکیٹ کیلئے اُمید بخش ہوگی۔

اعتراف و اظہار تشکر:

ہم اس موقع کو غنیمت جانتے ہوئے اپنے گرانقدر سرمایہ کاروں سے ان کے المیزان نوٹسٹمنٹس پر یقین کیلئے شکر یہ ادا کرتے ہیں جس سے یہ پاکستان کے نجی شعبے میں سب سے بڑی ایسیٹ مینجمنٹ کمپنی بن گئی ہے۔ ہم ضابطہ کار، ایس ای سی پی اور ہمارے ٹرسٹی، سینٹرل ڈپازٹری کمپنی آف پاکستان سے بھی ان کی بھرپور اعانت و مدد کیلئے اظہار تشکر کرتے ہیں۔ اس کے علاوہ میزان بینک کے اراکین شریعہ سپروائزرز بورڈ کا بھی ان کے مسلسل تعاون اور فنڈ مینجمنٹ کے شریعہ سے متعلق پہلوؤں پر اعانت کیلئے شکر یہ بھی ادا کرنا چاہیں گے۔

برائے و بجا نب بورڈ

مورخہ 14 فروری 2019ء

محمد شعیب، سی ایف اے

چیف ایگزیکٹو آفیسر

MEEZAN ISLAMIC FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143,35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 25, 2019

Karachi

MEEZAN ISLAMIC FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018 (UNAUDITED)

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Balances with banks	5	2,468,682	2,730,709
Investments	6	31,028,498	37,188,682
Receivable against conversion of units		57,798	98,887
Dividend receivable		76,384	150,745
Deposits, prepayments and other receivables		26,509	22,332
Total assets		<u>33,657,871</u>	<u>40,191,355</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		143,507	195,109
Payable to Central Depository Company of Pakistan Limited - Trustee		3,352	3,805
Payable to Meezan Bank Limited		235	1,254
Payable to Securities and Exchange Commission of Pakistan		17,752	42,013
Payable on redemption and conversion of units		143,301	183,929
Payable against purchase of investments - net		103,965	16,430
Accrued expenses and other liabilities	7	646,810	634,161
Total liabilities		<u>1,058,922</u>	<u>1,076,701</u>
Net assets		<u>32,598,949</u>	<u>39,114,654</u>
Contingencies and commitments	8		
Unitholders' funds (as per statement attached)		<u>32,598,949</u>	<u>39,114,654</u>
		(Number of units)	
Number of units in issue		<u>587,590,486</u>	<u>617,631,854</u>
		(Rupees)	
Net assets value per unit		<u>55.4790</u>	<u>63.3300</u>

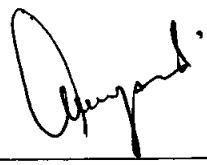
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in

For Al Meezan Investment Management Limited
 (Management Company)


 Chief Executive


 Chief Financial Officer


 Director


MEEZAN ISLAMIC FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018 (Rupees in '000)	2017 (Rupees in '000)	2018 (Rupees in '000)	2017 (Rupees in '000)
Income					
Net realised loss on sale of investments		(469,131)	(932,107)	(379,930)	(805,208)
Dividend income		941,093	1,258,805	528,307	836,714
Profit on saving accounts with banks		92,890	95,704	54,132	35,696
		<u>564,852</u>	<u>422,402</u>	<u>202,509</u>	<u>67,202</u>
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(4,793,465)	(8,308,558)	(3,526,258)	(2,617,569)
Total loss		<u>(4,228,613)</u>	<u>(7,886,156)</u>	<u>(3,323,749)</u>	<u>(2,550,367)</u>
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		373,735	469,838	179,727	215,789
Sindh Sales Tax on management fee		48,586	61,079	23,365	28,053
Remuneration to Central Depository Company of Pakistan Limited - Trustee		19,191	23,996	9,239	11,042
Sindh Sales Tax on trustee fee		2,495	3,119	1,201	1,435
Annual fee to Securities and Exchange Commission of Pakistan		17,752	22,317	8,537	10,250
Auditors' remuneration		480	422	263	178
Charity expense		13,495	16,704	8,166	14,526
Fees and subscription		2,091	3,440	1,024	1,516
Legal and professional charges		-	18	-	18
Brokerage expense		8,658	13,714	5,305	6,535
Bank and settlement charges		1,545	2,150	831	942
Printing charges		503	500	251	251
Allocated expenses	11	18,687	23,492	8,987	10,790
Selling and marketing expense	13	74,747	93,968	35,945	43,158
Total expenses		<u>581,965</u>	<u>734,757</u>	<u>282,841</u>	<u>344,483</u>
Net loss for the period before taxation		<u>(4,810,578)</u>	<u>(8,620,913)</u>	<u>(3,606,590)</u>	<u>(2,894,850)</u>
Taxation	14	-	-	-	-
Net loss for the period after taxation		<u>(4,810,578)</u>	<u>(8,620,913)</u>	<u>(3,606,590)</u>	<u>(2,894,850)</u>
Allocation of net income for the period					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

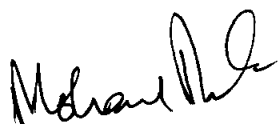
MEEZAN ISLAMIC FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period ended, December 31,		Quarter ended, December 31,	
	2018 (Rupees in '000)	2017 (Rupees in '000)	2018 (Rupees in '000)	2017 (Rupees in '000)
Net loss for the period after taxation	(4,810,578)	(8,620,913)	(3,606,590)	(2,894,850)
Other comprehensive income for the period				
<i>Item that may be reclassified subsequently to Income Statement</i>				
Net unrealised diminution on re-measurement of investments classified as 'available for sale'	-	(862,295)	-	(483,991)
Total comprehensive loss for the period	<u>(4,810,578)</u>	<u>(9,483,208)</u>	<u>(3,606,590)</u>	<u>(3,378,841)</u>

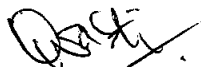
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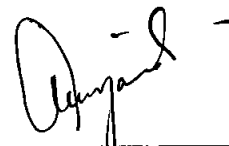
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ISLAMIC FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

2018				2017			
Capital Value	Undistributed income	Unrealised appreciation 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation 'available for sale' investments	Total

Rupees in '000				Rupees in '000				
Net assets at the beginning of the period as previously reported (Audited)	32,024,698	6,467,562	622,394	39,114,654	38,815,070	14,556,642	1,480,997	54,852,709
Change in accounting policy - note 4.3	-	622,394	(622,394)	-	-	-	-	-
Net assets at the beginning of the period	32,024,698	7,089,956	-	39,114,654	38,815,070	14,556,642	1,480,997	54,852,709
Issue of 181,217,662 units (December 31, 2017: 213,199,472 units)								
- Capital value (at net asset value per unit at the beginning of the period)	11,476,515	-	-	11,476,515	16,290,572	-	-	16,290,572
- Element of loss	(405,057)	-	-	(405,057)	(1,692,456)	-	-	(1,692,456)
Total proceeds on issuance of units	11,071,458	-	-	11,071,458	14,598,116	-	-	14,598,116
Redemption of 211,259,030 units (December 31, 2017: 291,764,632 units)								
- Capital value (at net asset value per unit at the beginning of the period)	13,379,034	-	-	13,379,034	22,293,736	-	-	22,293,736
- Element of income	(602,449)	-	-	(602,449)	(2,622,104)	-	-	(2,622,104)
Total payments on redemption of units	12,776,585	-	-	12,776,585	19,671,632	-	-	19,671,632
Total comprehensive loss for the period	-	(4,810,578)	-	(4,810,578)	-	(8,620,913)	(862,295)	(9,483,208)
Distribution of cash dividend	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(4,810,578)	-	(4,810,578)	-	(8,620,913)	(862,295)	(9,483,208)
Net assets at the end of the period	30,319,571	2,279,378	-	32,598,949	33,741,554	5,935,729	618,702	40,295,985

Undistributed income brought forward as previously reported (Audited)

- Realised income	12,814,144	22,865,200
- Unrealised income	(6,346,582)	(8,308,558)
Change in accounting policy - note 4.3	622,394	-
Undistributed income brought forward	7,089,956	14,556,642

Accounting income available for distribution

- Relating to capital gains	-	-
- Excluding capital gains	-	-
Net loss for the period after taxation	(4,810,578)	(8,620,913)
Distribution during the period	-	-
Undistributed income carried forward	2,279,378	5,935,729

Undistributed income carried forward

- Realised income	7,072,843	14,244,287
- Unrealised loss	(4,793,465)	(8,308,558)
	2,279,378	5,935,729

Net assets value per unit at the beginning of the period	(Rupees) 63.3300	(Rupees) 76.4100
Net assets value per unit at the end of the period	55.4790	63.0300

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Mohamud Ali

Chief Executive

Qasim

Chief Financial Officer

Aliyand

Director

For Al Meezan Investment Management Limited
(Management Company)

MEEZAN ISLAMIC FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the period ended June 30, 2018.

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These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the period ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

'Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. Consequently, on adoption of IFRS 9 all investments in equity instruments which were previously classified as "available for sale" have been transferred / redesignated as FVPL.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018	As at December 31, 2018
	-----Rs. In '000-----			
Impact on Statement of Assets and Liabilities				
Investments - 'Available for sale'	3,125,246	(3,125,246)	-	-
Investments - 'At fair value through profit or loss'	34,063,436	3,125,246	37,188,682	31,028,498
Impact on Statement of Unitholders' fund				
Unrealised appreciation / (diminution) on				
'Available-for-sale' investments	622,394	(622,394)	-	-
Undistributed income	6,467,562	622,394	7,089,956	2,279,378

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There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement.

There are no other standards, amendments to standards or interpretations that are effective for annual accounting periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
5. BALANCES WITH BANKS			
In current accounts		22,583	44,150
In saving accounts	5.1	2,446,099	2,686,559
		<u>2,468,682</u>	<u>2,730,709</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum (June 30, 2018: 2.00% to 6.60% per annum).

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.2	31,028,498	34,063,436
Investments - 'available for sale'	6.1	-	3,125,246
		<u>31,028,498</u>	<u>37,188,682</u>

6.1 During the period, the Fund has adopted IFRS-9: "Financial Instruments" which has replaced IAS-39: "Financial Instruments: Recognition and Measurement". As a result of adoption of IFRS-9, investments amounting to Rs. 3,125.246 million have been reclassified from 'Available for sale' category as at June 30, 2018 to 'fair value through profit or loss' category with effect from July 1, 2018 (as disclosed in note 4.3).

6.2 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
											Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
								(Rupees in '000)		%			

Sectors / companies

Automobile assembler													
Honda Atlas Cars (Pakistan) Limited	2,500,200	233,700	2,733,900	39,000	-	606,500	2,166,400	679,956	382,456	(297,500)	1.17	1.23	1.52
Gandhara Industries Limited (note 6.2.2)	364,000	-	364,000	10,000	374,000	-	748,000	264,030	205,513	(58,517)	0.63	0.66	1.76
Milat Tractors Limited	116,900	-	116,900	840	-	36,600	81,140	96,411	67,508	(28,903)	0.21	0.22	0.18
Pak Suzuki Motor Company Limited	110,700	-	110,700	67,000	-	111,000	66,700	15,369	11,615	(3,754)	0.04	0.04	0.08
											2.05	2.15	3.54
Automobile parts and accessories													
Gandhara Nissan Limited	1,742,972	-	1,742,972	-	-	1,433,600	309,372	55,585	29,400	(26,185)	0.09	0.09	0.54
The General Tyre and Rubber Company of Pakistan Limited (note 6.2.2)	109,600	-	109,600	-	27,720	109,600	27,720	2,710	2,241	(469)	0.01	0.01	0.05
That Limited (note 6.2.1)	7	-	7	-	-	-	7	3	3	-	-	-	-
											0.10	0.10	0.59

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Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
											Number of shares	(Rupees in '000)	%
Chemicals													
Engro Polymer & Chemicals Limited (note 6.2.2)	12,403,500	-	12,403,500	3,515,500	4,866,221	1,904,500	18,880,721	561,468	701,230	139,762	2.15	2.26	2.08
ICI Pakistan Limited	1,074,110	75	1,074,185	25,650	-	2,550	1,097,285	674,844	871,650	(3,194)	2.67	2.81	1.19
Sitara Chemicals Industries Limited	30,500	-	30,500	-	-	-	30,500	11,234	9,150	(2,084)	0.03	0.03	0.14
Sitara Peroxide Limited	-	-	-	650,000	-	252,500	397,500	13,474	11,496	(1,978)	0.04	0.04	0.72
											4.89	5.14	4.13
Cement													
Attock Cement Company Limited	-	-	-	270,200	-	-	270,200	34,820	30,587	(4,233)	0.09	0.10	0.20
Cherat Cement Company Limited	6,437,212	-	6,437,212	-	-	1,911,500	4,525,712	440,035	315,216	(124,819)	0.97	1.02	2.56
D.G. Khan Cement Company Limited	6,054,822	-	6,054,822	658,400	-	2,933,000	3,780,222	424,782	302,985	(121,797)	0.93	0.98	0.86
Dewan Cement Company Limited	2,619,000	-	2,619,000	-	-	2,619,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	2,000	-	2,000	29,000	-	31,000	-	-	-	-	-	-	-
Kohat Cement Company Limited (note 6.2.2)	3,352,500	-	3,352,500	-	1,005,750	174,400	4,183,850	396,082	355,376	(40,706)	1.09	1.15	2.08
Lucky Cement Limited	5,077,829	279,000	5,356,829	654,600	-	320,700	5,690,729	2,866,519	2,473,589	(392,930)	7.59	7.97	1.76
Maple Leaf Cement Factory Limited	2,276,500	-	2,276,500	4,545,500	-	2,082,000	4,740,000	244,488	192,681	(51,807)	0.59	0.62	0.72
Pioneer Cement Limited	10,983,300	-	10,983,300	-	-	2,282,500	8,700,800	407,719	364,651	(43,068)	1.12	1.18	3.83
											12.38	13.02	12.01
Paper and Board													
Cherat Packaging Limited (note 6.2.2)	344,813	-	344,813	325,600	51,721	-	722,134	102,939	123,795	20,856	0.38	0.40	1.87
Century Paper & Board Mills	500	-	500	-	-	-	500	32	28	(4)	-	-	-
Packages Limited	1,614,053	2,027,850	3,641,903	16,650	-	914,000	2,744,553	1,342,155	1,061,648	(280,507)	3.26	3.42	3.07
											3.64	3.82	4.94
Technology and communication													
Avanceon Limited	25,000	-	25,000	992,000	-	13,000	1,004,000	73,880	83,011	9,131	0.25	0.27	0.74
Netsol Technologies Limited	-	-	-	1,648,200	-	612,400	1,035,800	88,988	71,916	(17,072)	0.22	0.23	1.15
Pakistan Telecommunication Company Limited "A"	-	-	-	100,000	-	-	100,000	934	961	27	-	-	-
Systems Limited	852,000	-	852,000	164,000	-	420,000	596,000	60,972	65,483	4,511	0.20	0.21	0.53
											0.67	0.71	2.42
Refinery													
Attock Refinery Limited (note 6.2.2)	154,400	-	154,400	1,400	200	155,000	1,000	172	148	(24)	-	-	-
National Refinery Limited	89,155	151	89,306	1,000	-	90,306	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	-	-	3,500	-	-	3,500	146	77	(69)	-	-	-
											-	-	-
Miscellaneous													
Shifa International Hospitals Limited	88	-	88	-	-	-	88	24	18	(6)	-	-	-
Commercial Banks													
Meezan Bank Limited (note 6.2.2) (an associate of the Fund)	-	577	577	9,220,000	167,557	2,838,000	6,550,134	566,826	605,167	38,341	1.86	1.95	0.56
Bank Islami Pakistan Limited	-	875	875	-	-	-	875	10	11	1	-	-	-
											1.86	1.95	0.56
Dil and Gas Marketing Companies													
Attock Petroleum Limited (note 6.2.2)	327,579	-	327,579	27,540	65,515	-	420,634	206,625	181,495	(25,130)	0.56	0.58	0.42
Hascal Petroleum Limited (note 6.2.2)	980,397	-	980,397	189,000	272,349	67,000	1,374,746	340,765	204,012	(136,753)	0.63	0.66	0.76
H-Tech Lubricants Limited	2,035,500	-	2,035,500	-	-	1,827,500	208,000	21,075	13,749	(7,326)	0.04	0.04	0.18
Pakistan State Oil Company Limited (note 6.2.2)	4,183,727	1,787,400	5,971,127	88,500	1,148,725	348,800	6,859,552	1,820,570	1,546,349	(274,221)	4.74	4.98	1.75
Sui Southern Gas Pipelines Limited	1,693,500	-	1,693,500	462,000	-	25,000	2,130,500	68,775	49,215	(19,560)	0.15	0.16	0.24
Sui Northern Gas Pipelines Limited	14,258,300	-	14,258,300	834,500	-	1,500,000	13,592,800	1,345,210	1,047,597	(297,613)	3.21	3.38	2.14
											9.33	9.80	5.49
Oil and Gas Exploration Companies													
Oil and Gas Development													
Company Limited	25,784,700	-	25,784,700	2,794,200	-	2,995,400	25,583,500	3,983,868	3,274,688	(709,180)	10.05	10.55	0.59
Pakistan Offfields Limited (note 6.2.2)	2,620,597	415,600	3,036,197	236,350	595,439	261,050	3,606,936	2,011,285	1,532,299	(478,986)	4.70	4.94	1.27
Pakistan Petroleum Limited (note 6.2.2)	9,530,950	-	9,530,950	346,600	1,449,682	213,000	11,114,232	2,073,817	1,663,356	(410,461)	5.10	5.36	0.49
Mani Petroleum Company Limited (note 6.2.2)	1,975,820	-	1,975,820	27,560	200,338	-	2,203,718	3,017,694	2,723,487	(294,207)	8.35	8.78	1.82
											28.20	29.63	4.17
Pharmaceuticals													
Abbott Laboratories (Pakistan) Limited	562,350	-	562,350	3,250	-	305,650	259,950	177,856	164,041	(13,815)	0.50	0.53	0.27
AGP Limited	5,623,500	-	5,623,500	-	-	140,500	5,483,000	486,836	479,379	(7,457)	1.47	1.54	1.96
Glaxo Smithkline Pakistan Limited	50,816	-	50,816	-	-	45,000	5,816	965	655	(310)	-	-	-
Glaxo Smithkline Consumer Healthcare Products Limited	411,256	-	411,256	42,200	-	144,800	308,656	121,315	82,223	(39,092)	0.25	0.26	0.32
Hignoon Laboratories Limited	726	-	726	-	-	-	726	298	252	(46)	-	-	-
The Searle Company Limited (note 6.2.2)	3,204,329	281,397	3,485,726	172,800	531,154	452,500	3,737,180	1,093,515	917,814	(175,701)	2.82	2.97	1.76
											5.04	5.30	4.31
Power Generation and Distribution													
The Hub Power Company Limited	6,738,716	10,377,900	17,116,616	776,500	-	645,500	17,247,616	1,587,707	1,479,673	(108,034)	4.54	4.77	1.49
K - Electric Limited (6.2.1)	181,109,500	-	181,109,500	8,026,500	-	1,950,000	187,186,000	1,064,319	1,111,885	47,566	3.41	3.58	0.68
											7.95	8.35	2.17
Cable & Electrical Goods													
Pak Elektron Limited	1,850	-	1,850	9,500	-	-	11,350	415	283	(132)	-	-	-

ALL

Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to							
											Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)					
							Number of shares			(Rupees in '000)			%					
Fertilizer																		
Dawood Hercules Corporation Limited	4,503,400	-	4,503,400	438,900	-	1,960,400	2,981,900	333,535	331,438	(2,097)	1.02	1.07	0.62					
Engro Corporation Limited (note 6.2.3)	9,910,267	5,000	9,915,267	240,600	-	1,249,300	8,906,567	2,799,481	2,592,524	(206,957)	7.95	8.37	1.70					
Engro Fertilizers Limited	31,274,200	-	31,274,200	123,000	-	4,162,000	27,235,200	2,040,197	1,880,591	(159,606)	5.77	6.06	2.04					
											14.74	15.50	4.36					
Engineering																		
Amreli Steels Limited	-	-	-	300,000	-	300,000	-	-	-	-	-	-	-					
Crescent Steel & Allied Products Limited	70,600	-	70,600	-	-	70,600	-	-	-	-	-	-	-					
International Industries Limited	737,400	-	737,400	47,100	-	-	784,500	179,382	120,852	(58,530)	0.37	0.39	0.65					
International Steel Limited	2,988,000	-	2,988,000	768,800	-	26,500	3,730,300	367,121	245,342	(121,779)	0.75	0.79	0.86					
Mughal Iron & Steel Industries Limited	566,000	-	566,000	2,000	-	568,000	-	-	-	-	-	-	-					
K.S.B. Pumps Company Limited	79,900	-	79,900	-	-	-	79,900	22,372	14,668	(7,704)	0.04	0.05	0.61					
											1.16	1.23	2.12					
Food and Personal Care Products																		
Al-Shaheer Corporation Limited	60,741	-	60,741	-	-	-	60,741	1,655	1,454	(201)	-	-	0.04					
Al-Tahir Limited	-	-	-	1,019,632	-	872,000	147,632	3,100	2,805	(295)	0.01	0.01	0.10					
Engro Foods Limited	14,221	-	14,221	3,500	-	-	17,721	1,586	1,413	(173)	-	-	-					
National Foods Limited (note 6.2.1)	-	-	-	197,100	-	-	197,100	36,949	38,533	1,584	0.12	0.12	0.16					
											0.13	0.13	0.30					
Vanaspati & Allied Industries																		
Unity Foods Limited	1,159,000	-	1,159,000	4,076,000	-	1,453,500	3,781,500	131,930	97,298	(34,632)	0.30	0.31	2.24					
Glass and Ceramics																		
Tariq Glass Industries Ltd	-	-	-	565,500	-	-	565,500	54,738	49,306	(5,432)	0.15	0.16	0.77					
Textile Composite																		
Feroze 1888 Mills Limited	-	-	-	2,200,000	-	357,500	1,842,500	121,605	227,586	105,981	0.70	0.73	0.49					
Kohinoor Textile Mills Limited	2,014	-	2,014	421,500	-	-	423,514	19,702	19,092	(610)	0.06	0.06	0.14					
Nisbat Mills Limited	3,991,400	104,000	4,095,400	931,300	-	335,800	4,690,900	659,093	593,534	(65,559)	1.82	1.91	1.33					
											2.58	2.70	1.96					
Total								35,821,963	31,028,498	(4,793,465)								

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

6.2.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2018.

6.2.3 Investments include 1,000,000 shares of Engro Corporation Limited, having market value of Rs 291.08 million as at December 31, 2018 (June 30, 2018: Rs. 313.86 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

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	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	340,482	340,482
Charity payable		36,999	29,281
Withholding tax and Capital gain tax payable		4,688	5,213
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	224,672	224,672
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	31,217	31,217
Sales load payable		11	11
Sindh Sales Tax on sales load payable		1	1
Auditors' remuneration		392	630
Zakat payable		290	185
Printing expenses payable		690	321
Shariah advisory fee payable		2,120	2,148
Brokerage payable		5,248	-
		<u>646,810</u>	<u>634,161</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.55 / 1.04% (June 30, 2018: Re 0.55 / 0.87%)

- 7.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 255.889 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.44 (June 30, 2018: Re 0.41) per unit.

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8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	57,614	65,700
Sindh Sales Tax on management fee payable	7,490	8,541
Sales load payable	686	2,636
Sindh Sales Tax and on sales load payable	89	343
Allocated expenses	2,881	3,285
Selling and marketing expense payable	74,747	114,604
Investment of 9,861,941 units (June 30, 2018: 7,290,007 units)	547,131	461,676
Meezan Bank Limited		
Bank balance	106,981	514,696
Profit receivable on saving accounts	1,905	482
Sales load payable	208	1,110
Sindh Sales Tax on sales load payable	27	144
Investment in 6,550,134 shares (June 30, 2018: 577 shares)	605,167	47
Investment of 12,475,049 units (June 30, 2018: 12,475,049 units)	692,103	790,045
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	2,966	3,367
Sindh Sales Tax on trustee fee payable	386	438
Security deposit	100	100
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 180,189 units (June 30, 2018: 180,189 units)	9,997	11,411
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 6,012,717 units (June 30, 2018: 5,893,702 units)	333,579	373,276
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 2,142,965 units (June 30, 2018: 2,444,911 units)	118,889	154,836
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 1,069,441 units (June 30, 2018: 1,116,559 units)	59,332	70,712
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investment: nil (June 30, 2018: 3,990,160 units)	-	252,697

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	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited) (Rupees in '000)
Meezan Strategic Allocation Fund - MSAP - I Investment of 4,209,481 units (June 30, 2018: 16,154,958 units)	<u>233,538</u>	<u>1,023,093</u>
Meezan Strategic Allocation Fund - MSAP - II Investment of 6,380,394 units (June 30, 2018: 7,263,762 units)	<u>353,978</u>	<u>460,014</u>
Meezan Strategic Allocation Fund - MSAP - III Investment of 14,141,805 units (June 30, 2018: 15,057,840 units)	<u>784,574</u>	<u>953,614</u>
Meezan Strategic Allocation Fund - MSAP - IV Investment of 15,221,640 units (June 30, 2018: 17,367,260 units)	<u>844,481</u>	<u>1,099,869</u>
Meezan Strategic Allocation Fund - MSAP - V Investment of 4,355,027 units (June 30, 2018: 4,968,509 units)	<u>241,613</u>	<u>314,656</u>
Directors and executives of the Management Company Investment of 6,948,139 units (June 30, 2018: 6,611,012 units)	<u>385,475</u>	<u>418,675</u>
	Six months period ended December 31,	
	2018	2017
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company Remuneration for the period	<u>373,735</u>	<u>469,838</u>
Sindh Sales Tax on management fee	<u>48,586</u>	<u>61,079</u>
Allocated expenses	<u>18,687</u>	<u>23,492</u>
Selling and marketing expense	<u>74,747</u>	<u>93,968</u>
Units issued: 2,571,934 units (December 31, 2017: 2,337,684 units)	<u>166,000</u>	<u>150,116</u>
Units redeemed: nil (December 31, 2017: 3,716,576 units)	<u>-</u>	<u>250,000</u>
Meezan Bank Limited Profit on saving accounts	<u>1,423</u>	<u>1,567</u>
Shares purchased: 9,220,000 shares (December 31, 2017: 585,500 shares)	<u>810,575</u>	<u>42,735</u>
Shares sold: 2,838,000 shares (December 31, 2017: 2,550,500 shares)	<u>252,950</u>	<u>182,343</u>
Bonus issue: 167,557 shares (December 31, 2017: nil)	<u>-</u>	<u>-</u>
Right issue: nil (December 31, 2017: 302,410 shares)	<u>-</u>	<u>15,121</u>
Dividend income	<u>2,513</u>	<u>8,820</u>
Central Depository Company of Pakistan Limited - Trustee Trustee fee	<u>19,191</u>	<u>23,996</u>
Sindh Sales Tax on trustee fee	<u>2,495</u>	<u>3,119</u>
CDS charges	<u>353</u>	<u>624</u>
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan Units issued: 495,544 units (December 31, 2017: 1,048,388 units) Units redeemed: 376,529 units (December 31, 2017: 672,159 units)	<u>29,730</u> <u>22,500</u>	<u>72,850</u> <u>45,720</u>
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan Units issued: 204,757 units (December 31, 2017: 380,817 units) Units redeemed: 506,703 units (December 31, 2017: 649,602 units)	<u>11,768</u> <u>30,500</u>	<u>24,868</u> <u>43,150</u>
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan Units issued: 227,282 units (December 31, 2017: 315,160 units) Units redeemed: 274,400 units (December 31, 2017: 456,444 units)	<u>13,344</u> <u>16,550</u>	<u>20,876</u> <u>30,275</u>

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	Six months period ended December 31,	
	2018	2017
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: nil (December 31, 2017: 5,743,873 units)	-	396,000
Units redeemed: nil (December 31, 2017: 19,161,670 units)	-	1,358,883
Meezan Financial Planning Fund of Funds - MAAP - IV		
Units issued: nil (December 31, 2017: 245,248 units)	-	16,000
Units redeemed: 3,990,160 units (December 31, 2017: 3,083,149 units)	249,454	217,000
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 3,444,947 units (December 31, 2017: 1,313,619 units)	207,000	88,000
Units redeemed: 15,390,424 units (December 31, 2017: 3,587,702 units)	934,415	245,000
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 735,631 units (December 31, 2017: 1,171,500 units)	42,000	78,000
Units redeemed: 1,618,999 units (December 31, 2017: 1,571,721 units)	99,010	105,000
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 1,015,919 units (December 31, 2017: 1,369,589 units)	58,000	91,000
Units redeemed: 1,931,954 units (December 31, 2017: 1,341,539 units)	117,400	88,000
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 1,208,617 units (December 31, 2017: 5,217,490 units)	69,000	363,007
Units redeemed: 3,354,237 units (December 31, 2017: 1,424,483 units)	204,500	93,000
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 227,685 units (December 31, 2017: 5,087,588 units)	13,000	333,838
Units redeemed: 841,167 units (December 31, 2017: nil)	50,941	-
Directors and executives of the Management Company		
Units issued: 435,150 units (December 31, 2017: 1,275,034 units)	26,958	79,087
Units redeemed: 98,023 units (December 31, 2017: 269,152 units)	5,809	18,308

10. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

10.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	31,028,498	-	-	31,028,498
Financial assets - 'Available for sale'	-	-	-	-
	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	34,063,436	-	-	34,063,436
Financial assets - 'Available for sale'	3,125,246	-	-	3,125,246

11. ALLOCATED EXPENSES

As per regulation 60 of the NBFC Regulations, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the half year ended December 31, 2018 is 3.11% which include 0.38% representing government levy and SECP fee.

13. SELLING AND MARKETING EXPENSES

SECP vide a Circular No.40 of 2016 dated December 30, 2016 (later amended via circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds), initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than actual expenses incurred.

14. TAXATION

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

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

15. GENERAL

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

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

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16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

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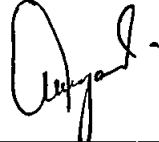
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

AL MEEZAN MUTUAL FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
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Shahrah-e-Faisal, Karachi 74400, Pakistan.
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Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

AL MEEZAN MUTUAL FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Al Meezan Mutual Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi

AL MEEZAN MUTUAL FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Balances with banks	5	357,813	440,313
Investments	6	5,822,882	6,555,048
Receivable against sale of investments - net		8,903	-
Receivable against conversion of units		2,970	6,503
Dividend receivable		30,893	19,091
Deposits, prepayments, profit accrued and other receivables		11,146	8,445
Total assets		<u>6,234,607</u>	<u>7,029,400</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		27,230	33,696
Payable to Central Depository Company of Pakistan Limited - Trustee		1,446	747
Payable to Securities and Exchange Commission of Pakistan		3,238	7,236
Payable to Meezan Bank Limited		61	199
Payable against redemption and conversion of units		16,628	19,411
Accrued expenses and other liabilities	8	103,872	99,184
Dividend payable		4,917	4,917
Total liabilities		<u>157,392</u>	<u>165,390</u>
Net assets		<u>6,077,215</u>	<u>6,864,010</u>
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		<u>6,077,215</u>	<u>6,864,010</u>
		(Number of units)	
Number of units in issue		<u>394,084,315</u>	<u>388,711,880</u>
		(Rupees)	
Net assets value per unit		<u>15.4211</u>	<u>17.6583</u>

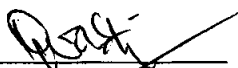
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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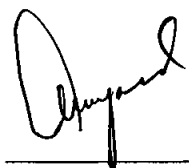
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

AL MEEZAN MUTUAL FUND
 CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018 (Rupees in '000)	2017 (Rupees in '000)	2018 (Rupees in '000)	2017 (Rupees in '000)
Income					
Net realised loss on sale of investments		(84,949)	(118,197)	(69,994)	(123,838)
Dividend income		178,016	218,556	102,149	151,854
Profit on saving accounts with banks		15,452	12,224	8,305	4,529
		108,519	112,583	40,460	32,545
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.3	(895,753)	(1,231,369)	(661,197)	(408,671)
Total loss		(787,234)	(1,118,786)	(620,737)	(376,126)
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		68,169	79,790	33,345	37,077
Sindh Sales Tax on management fee		8,862	10,373	4,302	4,820
Allocated expenses	10	3,408	3,990	1,667	1,854
Remuneration to Central Depository Company of Pakistan Limited - Trustee		3,913	4,494	1,920	2,106
Sindh Sales Tax on trustee fee		509	584	250	274
Annual fee to Securities and Exchange Commission of Pakistan		3,238	3,790	1,584	1,761
Auditors' remuneration		472	482	198	203
Charity expense		2,581	2,764	1,541	2,448
Fees and subscription		435	515	215	220
Brokerage expense		1,984	1,939	1,326	935
Printing expense		-	110	-	110
Selling and marketing expenses	12	13,634	15,959	6,669	7,416
Bank and settlement charges		383	844	177	571
Total expenses		107,588	125,634	53,194	59,795
Net loss for the period before taxation		(894,822)	(1,244,420)	(673,931)	(435,921)
Taxation	13	-	-	-	-
Net loss for the period after taxation		(894,822)	(1,244,420)	(673,931)	(435,921)
Allocation of net income for the period					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

AL MEEZAN MUTUAL FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period ended, December 31,		Quarter ended, December 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
Net loss for the period after taxation	(894,822)	(1,244,420)	(673,931)	(435,921)
Other comprehensive loss for the period				
<i>Item that may be reclassified subsequently to Income Statement</i>				
Net unrealised diminution on re-measurement of investments classified as 'available for sale'	-	(336,713)	-	(125,874)
Total comprehensive loss for the period	<u>(894,822)</u>	<u>(1,581,133)</u>	<u>(673,931)</u>	<u>(561,795)</u>

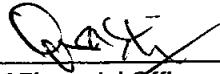
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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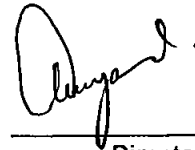
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2018				Six months period ended December 31, 2017			
	Capital Value	Undistrib- uted income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistrib- uted income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
	----- Rupees in 000-----				----- Rupees in 000-----			
Net assets at the beginning of the period as previously reported (Audited)	5,302,941	1,361,518	199,551	6,864,010	6,094,141	2,436,842	548,482	9,079,465
Change in accounting policy - note 4.3	-	199,551	(199,551)	-	-	-	-	-
Net assets at the beginning of the period	5,302,941	1,561,069	-	6,864,010	6,094,141	2,436,842	548,482	9,079,465
Issuance of 53,214,548 units (2017: 46,504,821 units)								
- Capital value (at net asset value per unit at the beginning of the period)	939,678	-	-	939,678	983,112	-	-	983,112
- Element of loss	(26,731)	-	-	(26,731)	(96,556)	-	-	(96,556)
Total proceeds on issuance of units	912,947	-	-	912,947	886,556	-	-	886,556
Redemption of 47,842,113 units (2017: 79,312,695 units)								
- Capital value (at net asset value per unit at the beginning of the period)	844,810	-	-	844,810	1,676,670	-	-	1,676,670
- Element of income	(39,890)	-	-	(39,890)	(231,296)	-	-	(231,296)
Total payments on redemption of units	804,920	-	-	804,920	1,445,374	-	-	1,445,374
Total comprehensive loss for the period	-	(894,822)	-	(894,822)	-	(1,244,420)	(336,713)	(1,581,133)
Distribution during the period	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(894,822)	-	(894,822)	-	(1,244,420)	(336,713)	(1,581,133)
Net assets at the end of the period	<u>5,410,968</u>	<u>666,247</u>	<u>-</u>	<u>6,077,215</u>	<u>5,535,323</u>	<u>1,192,422</u>	<u>211,769</u>	<u>6,939,514</u>
Undistributed income brought forward (as previously reported - Audited)								
- Realised income		2,209,183				3,668,211		
- Unrealised loss		(847,665)				(1,231,369)		
		<u>1,361,518</u>				<u>2,436,842</u>		
Change in accounting policy - note 4.3		199,551				-		
Undistributed income brought forward		<u>1,561,069</u>				<u>2,436,842</u>		
Accounting income available for distribution								
- Relating to capital gains		-				-		
- Excluding capital gains		-				-		
Net loss for the period after taxation		(894,822)				(1,244,420)		
Distribution during the period		-				-		
Undistributed income carried forward		<u>666,247</u>				<u>1,192,422</u>		
Undistributed income carried forward								
- Realised income		1,562,000				2,423,791		
- Unrealised loss		(895,753)				(1,231,369)		
		<u>666,247</u>				<u>1,192,422</u>		
					(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period				<u>17.6583</u>				<u>21.1400</u>
Net assets value per unit at the end of the period				<u>15.4211</u>				<u>17.4900</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
(Management Company)

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Chief Executive

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Chief Financial Officer

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Director

AL MEEZAN MUTUAL FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended	
	December 31,	
	2018	2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(894,822)	(1,244,420)
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	895,753	1,231,369
	931	(13,051)
(Increase) / decrease in assets		
Investments - net	(163,587)	111,178
Receivable against sale of investments - net	(8,903)	(1,667)
Dividend receivable	(11,802)	(6,513)
Deposits, prepayments, profit accrued and other receivables	(2,701)	7,842
	(186,993)	110,840
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(6,466)	(1,516)
Payable to Central Depository Company of Pakistan Limited - Trustee	699	(204)
Payable to Meezan Bank Limited	(138)	(677)
Payable to Securities and Exchange Commission of Pakistan	(3,998)	(3,563)
Payable against purchase of investments - net	-	(8,601)
Accrued expenses and other liabilities	4,688	(24,799)
	(5,215)	(39,360)
Net cash (used in) / generated from operating activities	(191,277)	58,429
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	916,480	895,486
Dividend paid	-	(37,232)
Payment against redemption and conversion of units	(807,703)	(1,446,720)
Net cash generated from / (used in) financing activities	108,777	(588,466)
Net decrease in cash and cash equivalents during the period	(82,500)	(530,037)
Cash and cash equivalents at the beginning of the period	440,313	804,059
Cash and cash equivalents at the end of the period	357,813	274,022

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

AL MEEZAN MUTUAL FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

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These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. Consequently, on adoption of IFRS 9 all investments in equity instruments which were previously classified as "available for sale" have been transferred / redesignated as FVPL.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

The effect of this change in accounting policy is as follows:

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018	As at December 31, 2018
-----Rs. In '000-----				
Impact on Statement of Assets and Liabilities				
Investments - 'available for sale'	814,267	(814,267)	-	-
Investments - 'At fair value through profit or loss'	5,740,781	814,267	6,555,048	5,822,882
Impact on Statement of Unitholders' fund				
Unrealised appreciation on 'available-for-sale' investments	199,551	(199,551)	-	-
Undistributed income	1,361,518	199,551	1,561,069	666,247

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There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement.

There are no other standards, amendments to standards or interpretations that are effective for annual accounting periods beginning on July 1, 2018 that have a material effect on the condensed interim financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31,	June 30,
		2018 (Unaudited)	2018 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	342,380	427,181
In current accounts		15,433	13,132
		<u>357,813</u>	<u>440,313</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum (June 30, 2018: 2.00% to 6.60% per annum).

6. INVESTMENTS	Note	December 31,	June 30,
		2018 (Unaudited)	2018 (Audited)
		(Rupees in '000)	
Investments - 'available for sale'	6.1	-	814,267
Investments - 'at fair value through profit or loss'	6.2 & 6.3	5,822,882	5,740,781
		<u>5,822,882</u>	<u>6,555,048</u>

6.1 During the period, the Fund has adopted IFRS-9: "Financial Instruments" which has replaced IAS-39: "Financial Instruments: Recognition and Measurement". As a result of adoption of IFRS-9, investments amounting to Rs. 814.267 million have been reclassified from 'Available for sale' category as at June 30, 2018 to the 'fair value through profit or loss' category with effect from July 1, 2018 (as disclosed in note 4.3).

6.2 Investments - 'at fair value through profit or loss'	Note	December 31,	June 30,
		2018 (Unaudited)	2018 (Audited)
		(Rupees in '000)	
Listed equity securities	6.3	<u>5,822,882</u>	<u>5,740,781</u>

6.3 Investments in equity securities - listed

Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market Value as at December 31, 2018	Unrealised appreciation / (diminution) as at December 31, 2018	Percentage in relation to					
											Net assets of the fund	Market value of total investment	Paid-up capital of investee company (with face value of investment)			
														%	%	%
(Number of shares)											(Rupees in '000)			%		

Sectors / companies

Cement																
Cherat Cement Company Limited	1,360,940	-	1,360,940	-	-	442,600	918,340	89,290	63,962	(25,328)	1.05	1.10	0.52			
Dewan Cement Limited	928,500	-	928,500	-	-	928,500	-	-	-	-	0.00	0.00	0.00			
D.G. Khan Cement Company Limited	1,309,905	3,500	1,313,405	895,000	-	620,000	1,588,405	170,103	127,311	(42,792)	2.09	2.19	0.36			
Kohat Cement Company Limited (Note 6.3.3)	610,400	-	610,400	-	183,120	-	793,520	75,122	67,402	(7,720)	1.11	1.16	0.40			
Lucky Cement Company Limited	436,640	465,027	901,667	175,000	-	85,000	991,667	503,532	431,048	(72,484)	7.09	7.40	0.31			
Maple Leaf Cement Company Limited	713,812	-	713,812	550,000	-	50,000	1,213,812	62,040	49,341	(12,699)	0.81	0.85	0.18			
Pioneer Cement Limited	1,709,300	-	1,709,300	200,000	-	300,000	1,609,300	76,076	67,446	(8,630)	1.11	1.16	0.71			
											13.26	13.86	2.48			

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Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market Value as at December 31, 2018	Unrealised appreciation / (diminution) as at December 31, 2018	Percentage in relation to		
											Net assets of the fund	Market value of total investment	Paid-up capital of investee company (with face value of investment)
											(Number of shares)	(Rupees in '000)	%
Commercial Banks													
Bank Islami Pakistan Limited	-	875	875	-	-	-	875	10	11	1	0.00	0.00	0.00
Meezan Bank Limited (Note 6.3.3)	-	-	-	1,910,000	30,000	708,500	1,231,500	107,146	113,778	6,632	1.87	1.95	0.11
											1.87	1.95	0.11
Oil and Gas Exploration Companies													
Mañ Petroleum Company Limited (Note 6.3.3)	322,100	-	322,100	10,000	33,210	-	365,310	500,391	451,472	(48,919)	7.43	7.75	0.30
Oil and Gas Development Company Limited	3,627,400	-	3,627,400	750,000	-	200,200	4,177,200	647,615	534,682	(112,933)	8.80	9.18	0.10
Pakistan Oilfields Limited (Note 6.3.3)	600,851	31,340	632,191	95,000	117,438	115,000	729,629	407,863	309,961	(97,902)	5.10	5.32	0.26
Pakistan Petroleum Limited (Note 6.3.3)	1,665,533	-	1,665,533	150,000	265,490	45,600	2,035,423	378,848	304,621	(74,227)	5.01	5.23	0.09
											26.34	27.48	0.75
Oil & Gas Marketing Companies													
Attock Petroleum Limited (Note 6.3.3)	71,500	240	71,740	22,650	14,348	-	108,738	53,198	46,918	(6,280)	0.77	0.81	0.11
Hascol Petroleum Limited (Note 6.3.3)	144,196	-	144,196	59,000	44,774	24,100	223,870	54,732	33,222	(21,510)	0.55	0.57	0.12
Hi-Tech Lubricant Limited	195,000	-	195,000	-	-	191,000	4,000	405	264	(141)	0.00	0.00	0.00
Pakistan State Oil Company Limited (Note 6.3.3)	577,764	445,376	1,023,140	43,200	213,268	-	1,279,608	340,213	288,462	(51,751)	4.75	4.95	0.33
Sui Northern Gas Pipeline Limited	2,936,500	-	2,936,500	700,000	-	250,000	3,386,500	325,674	260,998	(64,676)	4.29	4.48	0.53
Sui Southern Gas Company Limited	-	-	-	50,000	-	-	50,000	1,696	1,155	(541)	0.02	0.02	0.01
											10.38	10.83	1.10
Engineering													
Crescent Steel and Allied Product Limited	121,600	-	121,600	-	-	121,600	-	-	-	-	0.00	0.00	0.00
International Industries Limited	88,700	-	88,700	35,000	-	-	123,700	27,361	19,056	(8,305)	0.31	0.33	0.10
International Steel Limited	25,100	-	25,100	611,000	-	507,500	128,600	10,341	8,458	(1,883)	0.14	0.15	0.03
Amrefi Steels Limited	-	-	-	350,000	-	349,000	1,000	52	48	(4)	0.00	0.00	0.00
K.S.B. Pumps Company Limited	500	-	500	-	-	-	500	140	92	(48)	0.00	0.00	0.00
											0.45	0.48	0.13
Automobile Assembler													
Honda Atlas Cars Pakistan Limited	296,800	96,000	392,800	8,000	-	117,000	283,800	88,684	50,102	(38,582)	0.82	0.86	0.20
Milat Tractors Limited	85,750	-	85,750	-	-	5,000	80,750	95,936	67,183	(28,753)	1.11	1.15	0.18
Pak Suzuki Motor Company Limited	117,500	-	117,500	-	-	117,300	200	79	35	(44)	0.00	0.00	0.00
Ghandhara Industries Limited (Note 6.3.3)	63,850	-	63,850	-	63,850	-	127,700	45,122	35,086	(10,036)	0.58	0.60	0.30
											2.51	2.61	0.68
Automobile Parts and Accessories													
Ghandhara Nissan	297,663	-	297,663	-	-	244,500	53,163	9,552	5,052	(4,500)	0.08	0.09	0.09
Thal Limited (note 6.3.1)	213	-	213	-	-	-	213	102	91	(11)	0.00	0.00	0.00
											0.08	0.09	0.09
Technology and Communication													
Pakistan Telecommunication Company Limited 'A'	-	-	-	200,000	-	-	200,000	2,310	1,922	(388)	0.03	0.03	0.01
Avanceon Limited	65,000	-	65,000	169,000	-	25,000	209,000	15,130	17,280	2,150	0.28	0.30	0.15
Systems Limited	155,500	-	155,500	27,000	-	25,000	157,500	16,071	17,305	1,234	0.28	0.30	0.14
											0.59	0.63	0.30
Chemicals													
Engro Polymer and Chemicals Limited	2,741,000	-	2,741,000	2,018,041	-	1,530,000	3,229,041	98,309	119,927	21,618	1.97	2.06	0.36
Dynea Pakistan Limited (note 6.3.1)	1,000	-	1,000	-	-	-	1,000	127	77	(50)	0.00	0.00	0.01
ICI Pakistan Limited	119,122	91,557	210,679	1,000	-	-	211,679	169,609	168,151	(1,458)	2.77	2.89	0.23
Shabbir Tiles and Ceramics Limited (note 6.3.1)	-	-	-	500	-	-	500	10	7	(3)	0.00	0.00	0.00
Sitara Peroxide Limited	-	-	-	124,000	-	22,500	101,500	3,239	2,935	(304)	0.05	0.05	0.18
Sitara Chemical Industries Limited	57,000	-	57,000	-	-	-	57,000	20,994	17,100	(3,894)	0.28	0.29	0.27
											5.07	5.29	1.05
Fertilizer													
Qawood Hercules Corporation Limited	905,200	-	905,200	94,000	-	250,000	749,200	83,689	83,274	(415)	1.37	1.43	0.16
Engro Fertilizers Limited	5,297,000	-	5,297,000	-	-	251,000	5,046,000	377,996	348,426	(29,570)	5.73	5.98	0.38
Engro Corporation Limited (note 6.3.2)	1,947,900	-	1,947,900	117,000	-	175,000	1,889,900	593,270	550,112	(43,158)	9.05	9.45	0.36
											16.15	16.86	0.90
Paper and Board													
Century Paper	500	-	500	-	-	-	500	32	28	(4)	0.00	0.00	0.00
Cherat Packaging Limited (Note 6.3.3)	146,301	-	146,301	82,100	21,945	-	250,346	34,801	42,917	8,116	0.71	0.74	0.65
Packages Limited	204,850	362,878	567,728	-	-	15,000	552,728	270,682	213,806	(56,876)	3.52	3.67	0.62
											4.23	4.41	1.27
Food and Personal Care Products													
Al-Shaheer Corporation Limited	12,230	-	12,230	-	-	-	12,230	333	293	(40)	0.00	0.01	0.01
At-Tahir Limited	-	-	-	255,042	-	255,000	42	1	1	-	0.00	0.00	0.00
Engro Foods Limited	800	-	800	-	-	-	800	71	64	(7)	0.00	0.00	0.00
National Foods Limited (Note 6.3.1 & 6.3.3)	-	-	-	500	100	-	600	142	117	(25)	0.00	0.00	0.00
											0.00	0.01	0.01
Glass and Ceramics													
Tariq Glass Industries Limited	-	-	-	94,700	-	-	94,700	9,019	8,257	(762)	0.14	0.14	0.13
Power Generation and Distribution													
The Hub Power Company Limited	1,392,000	1,445,600	2,837,600	450,000	-	116,500	3,171,100	290,574	272,047	(18,527)	4.48	4.67	0.27
K-Electric Limited (note 6.3.1)	29,861,500	-	29,861,500	6,515,500	-	3,929,000	32,448,000	184,711	192,741	8,030	3.17	3.31	0.12
											7.65	7.98	0.39

Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market Value as at December 31, 2018	Unrealised appreciation / (diminution) as at December 31, 2018	Percentage in relation to		
											Net assets of the fund	Market value of total investment	Paid-up capital of investee company (with face value of investment)
										-----%			
										----- (Rupees in '000) -----			
										----- (Number of shares) -----			
Pharmaceuticals													
Abbott Laboratories Pakistan Limited	43,200	-	43,200	-	-	39,000	4,200	2,877	2,650	(227)	0.04	0.05	0.00
ACP Limited	1,019,250	-	1,019,250	-	-	-	1,019,250	90,499	89,113	(1,386)	1.47	1.53	0.36
GlaxoSmithKline Consumer Health Care Limited	249,900	-	249,900	-	-	-	249,900	101,222	66,571	(34,651)	1.10	1.15	0.26
GlaxoSmithKline Pakistan Limited	20,000	-	20,000	-	-	20,000	-	-	-	-	0.00	0.00	0.00
Highnoon Laboratories Limited	1,448	-	1,448	-	-	-	1,448	594	503	(91)	0.01	0.01	0.01
The Searle Company Limited (Note 6.3.3)	501,007	-	501,007	35,000	76,741	184,400	428,348	125,207	105,198	(20,009)	1.73	1.81	0.20
											4.35	4.55	0.83
Textile Composite													
Kohinoor Textile Mills Limited	-	-	-	50,000	-	-	50,000	2,401	2,254	(147)	0.04	0.04	0.02
Nishat Mills Limited	624,700	-	624,700	250,000	-	120,000	754,700	106,981	95,492	(11,489)	1.57	1.64	0.21
											1.61	1.68	0.23
Textile Weaving													
Feroze 1888 Mills Limited	-	-	-	425,000	-	-	425,000	28,050	52,496	24,446	0.86	0.90	0.11
Refinery													
Attock Refinery Limited (Note 6.3.3)	600	-	600	-	150	-	750	129	111	(18)	0.00	0.00	0.00
Byco Petroleum Pakistan Limited	-	-	-	1,000	-	-	1,000	12	9	(3)	0.00	0.00	0.00
National Refinery Limited	3,000	-	3,000	-	-	3,000	-	-	-	-	0.00	0.00	0.00
											0.00	0.00	0.00
Vanapati and Allied Industries													
Unity Foods Limited	400,000	-	400,000	322,000	-	161,500	560,500	18,196	14,422	(3,774)	0.24	0.25	0.33
Miscellaneous													
Shifa International Hospitals Limited	90	-	90	-	-	-	90	24	19	(5)	0.00	0.00	0.00
Total							6,718,635	5,822,882	(895,753)				

- 6.3.1 All shares have a nominal value of Rs 10 each except for the shares of Thal Limited, Dynea Pakistan Limited, National Foods Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.
- 6.3.2 150,000 shares (June 30, 2018: 150,000 shares) of Engro Corporation Limited, having market value of Rs 43.66 million (June 30, 2018: Rs 47.08 million) as at December 31, 2018, have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.
- 6.3.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2018.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

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8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2018 (Unaudited)	2018 (Audited)
		(Rupees in '000)	
Auditors' remuneration payable		398	695
Withholding tax payable		2,328	1,237
Capital gain tax payable		647	721
Provision for Sindh Workers' Welfare Fund payable (SWWF)	8.1	50,068	50,068
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	35,988	35,988
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	3,458	3,458
Charity payable		7,009	4,929
Zakat payable		81	22
Brokerage payable		3,088	1,694
Shariah advisor fee payable		807	372
		103,872	99,184

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value of the Fund per unit as at December 31, 2018 would have been higher by Re 0.13 / 0.82% (June 30, 2018: Re 0.13 / 0.73%).

- 8.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 39.446 million (June 30, 2018: Rs 39.446 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2018 would have been higher by Re 0.10 (June 30, 2018: Re 0.10) per unit.

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9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with related parties are as follows:

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	10,805	11,568
Sindh Sales Tax on management fee payable	1,406	1,504
Sales load payable	749	94
Sindh Sales Tax on sales load payable	97	12
Selling and marketing expense payable	13,633	19,939
Allocated expenses payable	540	579
Investment of 51,397,615 units (June 30, 2018: 49,744,595 units)	792,608	878,407
Meezan Bank Limited		
Balances with bank	29,226	62,131
Sales load payable	54	176
Sindh Sales Tax on sales load payable	7	23
Profit receivable on saving accounts	561	394
Investment in 1,231,500 shares (June 30, 2018: nil)	113,778	-
Investment of 22,232,227 units (June 30, 2018: 22,232,227 units)	342,845	392,583
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 39,791 units (June 30, 2018: 39,791 units)	614	703
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investment of nil (June 30, 2018: 1,304,322 units)	-	23,034
Meezan Strategic Allocation Plan - I		
Investment of 18,905,701 units (June 30, 2018: 12,933,368 units)	291,547	228,381
Meezan Strategic Allocation Plan - II		
Investment of 22,818,600 units (June 30, 2018: 22,818,600 units)	351,888	402,938
Meezan Strategic Allocation Plan - IV		
Investment of 1,877,734 (June 30, 2018: 1,877,734 units)	28,957	33,158
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,280	661
Sindh Sales tax on Trustee fee payable	166	86
Security deposits	238	238
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 units (June 30, 2018: 16,895,690 units)	260,550	298,349
Directors and executives of the Management Company		
Investment of 20,499,481 units (June 30, 2018: 19,238,654 units)	316,125	339,722

All / ~

Six months period ended
December 31,
2018 2017
(Unaudited)
(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration for the period	68,169	79,790
Sindh Sales Tax on management fee	8,862	10,373
Allocated expenses	3,408	3,990
Selling and marketing expense	13,634	15,959
Units issued: 1,653,020 units (December 31, 2017: 9,972,262 units)	30,000	178,927
Units redeemed: nil (December 31, 2017: 9,972,262 units)	-	178,927

Meezan Bank Limited

Profit on saving accounts with banks	257	193
Units redeemed: nil (December 31, 2017: 1,131,074 units)	-	22,316

Central Depository Company of Pakistan Limited - Trustee

Trustee fee	3,913	4,494
Sindh Sales Tax on trustee fee	509	584
CDS charges	64	84

Meezan Financial Planning Fund of Funds - MAAP - I

Units redeemed: nil (December 31, 2017: 3,416,582 units)	-	67,990
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Meezan Financial Planning Fund of Funds - MAAP - III

Units redeemed: nil (December 31, 2017: 18,794,560 units)	-	319,507
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Meezan Financial Planning Fund of Funds - MAAP - IV

Units redeemed: 1,304,322 units (December 31, 2017: nil)	21,964	-
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Meezan Strategic Allocation Plan - I

Units issued: 5,972,333 units (December 31, 2017: nil)	100,000	-
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Directors and executives of the Management Company

Units issued: 1,481,423 units (December 31, 2017: 141,483 units)	25,365	2,690
Units redeemed: 220,596 units (December 31, 2017: 35,376 units)	3,534	658

10. ALLOCATED EXPENSES

The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 3.16% which include 0.38% representing government levy and SECP fee.

12. SELLING AND MARKETING EXPENSES

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

All in

13. TAXATION

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

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

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	5,822,882	-	-	5,822,882
Financial assets - 'Available for sale'	-	-	-	-
	As at June 30, 2018			
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	5,740,781	-	-	5,740,781
Financial assets - 'Available for sale'	814,267	-	-	814,267

All in

15. GENERAL

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

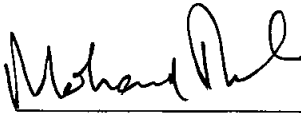
15.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

All r/w


For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

KSE MEEZAN INDEX FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143,35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited Meezan Bank Limited
Meezan bank

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

KSE MEEZAN INDEX FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **KSE Meezan Index Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 25, 2019

Karachi

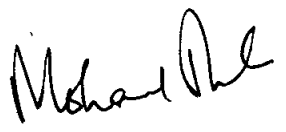
KSE MEEZAN INDEX FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Balances with banks	5	69,548	19,141
Investments	6	1,551,271	1,686,929
Receivable against conversion of units		327	654
Dividend receivable		3,682	62
Deposits, prepayments and other receivables		2,777	2,781
Total assets		<u>1,627,605</u>	<u>1,709,567</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		1,736	1,803
Payable to Central Depository Company of Pakistan Limited - Trustee		249	253
Payable to Securities and Exchange Commission of Pakistan		793	1,647
Payable to Meezan Bank Limited		25	43
Dividend payable		-	-
Payable on redemption and conversion of units		1,099	69
Payable against purchase of investments - net		52,878	266
Accrued expenses and other liabilities	8	18,794	18,006
Total liabilities		<u>75,574</u>	<u>22,087</u>
Net assets		<u>1,552,031</u>	<u>1,687,480</u>
Contingencies and commitments			
Unitholders' fund (as per statement attached)	7	<u>1,552,031</u>	<u>1,687,480</u>
(Number of units)			
Number of units in issue		<u>25,739,332</u>	<u>23,882,324</u>
(Rupees)			
Net assets value per unit		<u>60.2980</u>	<u>70.6581</u>

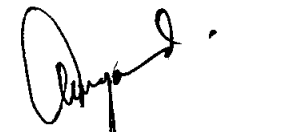
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

AMM

For AI Meezan Investment Management Limited
 (Management Company)


 Chief Executive


 Chief Financial Officer


 Director

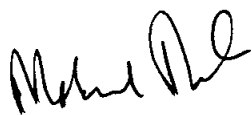
KSE MEEZAN INDEX FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018	2017	2018	2017
(Rupees in '000)					
Income					
Net realised loss on sale of investments		(39,482)	(60,038)	(34,890)	(49,441)
Dividend income		50,376	54,607	26,026	40,040
Profit on saving accounts with banks		145	186	59	33
Other income		695	481	485	175
		11,734	(4,764)	(8,320)	(9,193)
Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss'	6.1	(256,065)	(240,759)	(191,303)	(62,010)
Total loss		(244,331)	(245,523)	(199,623)	(71,203)
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company		8,343	8,676	4,108	4,088
Sindh Sales Tax on management fee		1,085	1,128	534	532
Allocated expenses	10	834	868	411	409
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,337	1,369	663	660
Sindh Sales Tax on trustee fee		174	178	86	86
Annual fee to Securities and Exchange Commission of Pakistan		793	824	391	388
Auditors' remuneration		258	246	138	108
Brokerage		919	502	710	264
Charity expense		798	797	491	729
Bank and settlement charges		323	452	190	190
Fees and subscription		284	349	142	160
Printing charges		20	20	10	10
Total expenses		15,168	15,409	7,874	7,624
Net loss for the period before taxation		(259,499)	(260,932)	(207,497)	(78,827)
Taxation	12	-	-	-	-
Net loss for the period after taxation		(259,499)	(260,932)	(207,497)	(78,827)
Allocation of net income for the period					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

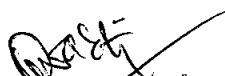
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

ALL

For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

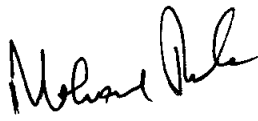
KSE MEEZAN INDEX FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period ended, December 31,		Quarter ended, December 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
Net loss for the period after taxation	(259,499)	(260,932)	(207,497)	(78,827)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(259,499)</u>	<u>(260,932)</u>	<u>(207,497)</u>	<u>(78,827)</u>

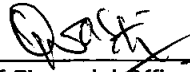
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

AM' 18

For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018			Six months period ended December 31, 2017		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income	Total
Net assets at the beginning of the period	1,469,611	217,869	1,687,480	1,473,507	435,367	1,908,874
Issuance of 6,820,850 units (2017: 3,502,591 units)						
- Capital value (at net asset value per unit at the beginning of the period)	481,948	-	481,948	278,666	-	278,666
- Element of loss	(26,758)	-	(26,758)	(38,392)	-	(38,392)
Total proceeds on issuance of units	455,190	-	455,190	240,274	-	240,274
Redemption of 4,963,842 units (2017: 4,312,069 units)						
- Capital value (at net asset value per unit at the beginning of the period)	350,736	-	350,736	343,068	-	343,068
- Element of income	(19,596)	-	(19,596)	(47,797)	-	(47,797)
Total payments on redemption of units	331,140	-	331,140	295,271	-	295,271
Total comprehensive loss for the period	-	(259,499)	(259,499)	-	(260,932)	(260,932)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(259,499)	(259,499)	-	(260,932)	(260,932)
Net assets at the end of the period	1,593,661	(41,630)	1,552,031	1,418,510	174,435	1,592,945
Undistributed income brought forward						
- Realised income		402,733			485,214	
- Unrealised loss		(184,864)			(49,847)	
		217,869			435,367	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the period after taxation		(259,499)			(260,932)	
Distribution during the period		-			-	
(Accumulated loss) / undistributed income carried forward		(41,630)			174,435	
(Accumulated loss) / undistributed income carried forward						
- Realised income		214,435			415,194	
- Unrealised loss		(256,065)			(240,759)	
		(41,630)			174,435	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			70.6581			79.5600
Net assets value per unit at the end of the period			60.2980			68.7100

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MIL

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director


**KSE MEEZAN INDEX FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31,	
	2018	2017
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(259,499)	(260,932)
Adjustments for:		
Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss'	256,065	240,759
	(3,434)	(20,173)
(Increase) / decrease in assets		
Investments - net	(120,407)	77,077
Receivable against sale of investments - net	-	155,028
Dividend receivable	(3,620)	(3,621)
Deposits and other receivables	4	60
	(124,023)	228,544
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(67)	(484)
Payable to Central Depository Company of Pakistan Limited - Trustee	(4)	(41)
Payable to Meezan Bank Limited	(18)	38
Payable to Securities and Exchange Commission of Pakistan	(854)	(268)
Payable against purchase of investments - net	52,612	4,784
Accrued expenses and other liabilities	788	(12,614)
	52,457	(8,585)
Net cash (used in) / generated from operating activities	(75,000)	199,786
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units	455,517	239,765
Payment against redemption of units	(330,110)	(291,870)
Dividend paid	-	(146,426)
Net cash generated from / (used in) financing activities	125,407	(198,531)
Net increase in cash and cash equivalents during the period	50,407	1,255
Cash and cash equivalents at beginning of the period	19,141	10,680
Cash and cash equivalents at the end of the period	69,548	11,935

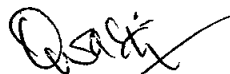
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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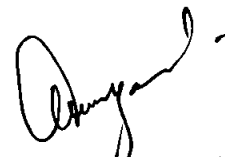
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

KSE MEEZAN INDEX FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

All

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the changes in accounting policies as explained in notes 4.3.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2018. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31, 2018	June 30, 2018
		(Unaudited) (Rupees in '000)	(Audited)
In saving accounts	5.1	68,445	18,559
In current accounts		1,103	582
		<u>69,548</u>	<u>19,141</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.25% per annum (June 30, 2018: 2.00% to 2.40% per annum).

6. INVESTMENTS	Note	December 31, 2018	June 30, 2018
		(Unaudited) (Rupees in '000)	(Audited)
Investments at 'fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	6.1	<u>1,551,271</u>	<u>1,686,929</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2018	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of invest- ments
						(Rupees in '000)		%			
Sectors / companies											
Automobile Assembler											
Millat Tractors Limited	39,920	8,920	-	30,020	18,820	21,821	15,658	(6,163)	1.01	0.04	1.01
Pak Suzuki Motor Company Limited	41,000	11,800	-	52,800	-	-	-	-	-	-	-
									1.01	0.04	1.01
Cable & Electrical Goods											
Pak Elektron Limited	448,803	147,500	-	96,500	499,803	17,029	12,445	(4,584)	0.80	0.10	0.80
Cement											
D.G. Khan Cement Company Limited	400,000	92,900	-	52,900	440,000	49,023	35,266	(13,757)	2.27	0.10	2.27
Fauji Cement Company Limited	1,370,875	323,500	-	171,500	1,522,875	35,019	31,874	(3,145)	2.05	0.11	2.05
Lucky Cement Limited	237,130	56,250	-	33,200	260,180	130,970	113,093	(17,877)	7.29	0.08	7.29
Maple Leaf Cement Limited	491,955	103,700	-	59,500	536,155	26,868	21,795	(5,073)	1.40	0.08	1.40
									13.01	0.37	13.01
Chemical											
Engro Polymer & Chemicals Limited	420,000	663,771	-	204,000	879,771	29,996	32,675	2,679	2.11	0.10	2.11
Lotte Chemical Pakistan Limited	-	760,000	-	-	760,000	13,435	12,836	(599)	0.83	0.05	0.83
									2.94	0.15	2.94
Engineering											
International Industries Limited	97,100	25,300	-	13,700	108,700	24,090	16,745	(7,345)	1.08	0.09	1.08
International Steels Limited	314,000	69,300	-	33,900	349,400	34,617	22,980	(11,637)	1.48	0.08	1.48
Mughal Iron & Steel Industries Limited	113,000	52,000	-	165,000	-	-	-	-	-	-	-
									2.56	0.17	2.56
Fertilizer											
Dawood Hercules Corporation Limited	607,875	136,200	-	744,075	-	-	-	-	-	-	-
Engro Corporation Limited	530,819	106,300	-	57,800	579,319	182,338	168,628	(13,710)	10.86	0.11	10.87
Engro Fertilizers Limited	1,106,636	218,500	-	117,500	1,207,636	90,916	83,387	(7,529)	5.37	0.09	5.38
									16.23	0.20	16.25
Food & Personal Care Products											
Engro Foods Limited	140,500	52,500	-	41,000	152,000	13,305	12,118	(1,187)	0.78	0.02	0.78
DII & Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.2)	39,731	11,140	4,079	7,380	47,570	64,935	58,790	(6,145)	3.79	0.04	3.79
Oil and Gas Development Company Limited	1,188,218	237,200	-	128,300	1,297,118	200,012	166,031	(33,981)	10.70	0.03	10.70
Pakistan Oilfields Limited (Note 6.2)	197,867	111,000	40,113	91,650	257,330	136,901	109,319	(27,582)	7.04	0.09	7.05
Pakistan Petroleum Limited (Note 6.1.2 and Note 6.2)	885,526	285,300	133,353	197,000	1,107,179	201,276	165,700	(35,576)	10.68	0.05	10.68
									32.21	0.21	32.22

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Name of the investee company	As at July 1, 2018	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
								%			
Oil & Gas Marketing Companies											
Hascol Petroleum Limited (Note 6.2)	93,453	41,800	23,838	32,000	127,091	29,229	18,860	(10,369)	1.22	0.07	1.22
Pakistan State Oil Company Limited	-	342,000	-	-	342,000	80,853	77,097	(3,756)	4.97	0.09	4.97
Shell (Pakistan) Limited	-	40,000	-	-	40,000	11,414	12,264	850	0.79	0.04	0.79
Sui Northern Gas Pipelines Limited	513,833	139,000	-	80,000	572,833	55,586	44,148	(11,438)	2.84	0.09	2.85
Sui Southern Gas Company Limited	567,231	123,000	-	71,000	619,231	19,551	14,304	(5,247)	0.92	0.07	0.92
									10.74	0.36	10.75
Paper and Board											
Packages Limited	56,462	13,150	-	15,500	54,112	25,783	20,932	(4,851)	1.35	0.06	1.35
Pharmaceuticals											
The Searle Company Limited (Note 6.2)	135,995	26,800	20,864	26,500	157,159	45,485	38,597	(6,888)	2.49	0.07	2.49
Power Generation & Distribution											
K-Electric Limited (Note 6.1.1)	5,001,540	960,500	-	397,500	5,564,540	31,424	33,053	1,629	2.13	0.02	2.13
Kot Addu Power Company Limited	262,000	-	-	262,000	-	-	-	-	-	-	-
The Hub Power Company Limited	1,256,732	334,500	-	196,000	1,395,232	128,355	119,697	(8,658)	7.71	0.12	7.72
									9.84	0.14	9.85
Refinery											
Attock Refinery Limited (Note 6.2)	62,733	43,700	15,658	36,700	85,391	14,549	12,597	(1,952)	0.81	0.08	0.81
Byco Petroleum Pakistan Limited	-	800,000	-	-	800,000	7,229	6,944	(285)	0.45	0.02	0.45
National Refinery Limited	46,348	14,000	-	8,100	52,248	21,623	14,931	(6,692)	0.96	0.07	0.96
Pakistan Refinery Limited	165,000	54,000	-	219,000	-	-	-	-	-	-	-
									2.22	0.17	2.22
Textile Composite											
Nishat Mills Limited	285,700	70,100	-	37,200	318,600	44,863	40,313	(4,550)	2.60	0.09	2.60
Transport											
Pakistan International Bulk Terminal Limited	-	1,680,000	-	-	1,680,000	18,841	18,194	(647)	1.17	0.09	1.17
						1,807,336	1,551,271	(256,065)			

- 6.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have nominal value of Rs 3.50 each.
- 6.1.2 Investments include 682,000 shares (June 30, 2018: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 102.07 million as at December 31, 2018 (June 30, 2018: Rs 146.56 million), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2018.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

ALL

8.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
	Auditor's remuneration payable		212	325
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.1	5,404	5,404
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.1	429	429
	Provision for Sindh Worker's Welfare Fund	8.2	9,270	9,270
	Withholding tax payable		441	323
	Charity payable		1,415	1,117
	Brokerage payable		1,235	769
	Shariah advisory fee payable		270	269
	Printing charges payable		95	77
	Zakat Payable		23	23
			<u>18,794</u>	<u>18,006</u>

- 8.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 5.833 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2018 would have been higher by Re 0.23 (June 30, 2018: Re 0.24) per unit.

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2018, the net asset value per unit of the Fund as at December 31, 2018 would have been higher by Re. 0.36 / 0.60% (June 30, 2018: Re 0.39 / 0.55%).

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9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,380	1,422
Sindh Sales Tax on management fee payable	179	185
Sales load payable	35	48
Sindh Sales Tax on sales load payable	4	6
Allocated expenses payable	138	142
Investment of 5,560,965 units (June 30, 2018: 4,241,874 units)	335,315	299,723
Meezan Bank Limited		
Sales load payable	22	43
Sindh Sale Tax on sales load payable	3	6
Bank balance	2,771	1,744
Profit receivable on savings account	-	25
Investment of 2,113,224 units (June 30, 2018: 2,113,224 units)	127,423	149,316
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	201	233
Sindh Sales Tax on trustee fee payable	48	53
Security deposit	103	103
Directors and executives of the Management Company		
Investment of 20,501 units (June 30, 2018: 19,890 units)	1,236	1,405
Unitholders holding 10% or more units of the Fund		
Investment of 9,725,888 units (June 30, 2018: 9,725,888 units)	586,452	687,213
	Six months period ended	
	December 31,	
	2018	2017
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	8,343	8,676
Sindh Sales Tax on management fee	1,085	1,128
Allocated expenses	834	868
Units issued: 1,319,091 units (December 31, 2017: 27,258 units)	86,100	2,000
Meezan Bank Limited		
Profit on savings account	22	46
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	1,337	1,369
Sindh Sales Tax on trustee fee for the period	174	178
CDS charges	41	75

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Six months period ended
December 31,
2018 2017
(Rupees in '000)

Meezan Financial Planning Fund of Funds - MAAP I

Units issued: nil (December 31, 2017: 911,030 units)

Units redeemed: nil (December 31, 2017: 1,259,359 units)

-	64,736
-	91,118

Directors and executives of the Management Company

Units issued: 611 units (December 31, 2017: 2,821 units)

Units redeemed: nil (December 31, 2017: 369,419 units)

42	204
-	26,493

10. ALLOCATED EXPENSES

The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 1.76% which include 0.26% representing government levy and SECP fee.

12. TAXATION

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

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

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

13.1 FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	1,551,271	-	-	1,551,271
	----- (Rupees in '000) -----			
	As at June 30, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	1,686,929	-	-	1,686,929

14. GENERAL

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

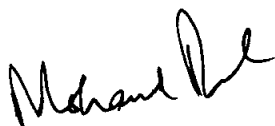
14.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

15. DATE OF AUTHORISATION

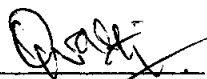
These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

All/L

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ENERGY FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Jaz Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

Habib Metropolitan Bank - Islamic Banking

Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

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 ENERGY FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Energy Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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

A. Ferguson & Co.

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 25, 2019

Karachi

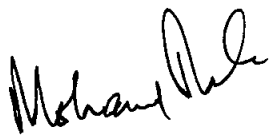
MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	33,986	195,027
Investments	6	766,853	1,441,891
Receivable against conversion of units		130	12,736
Dividend receivable		3,182	3,697
Deposit, profit accrued and other receivables		1,722	2,073
Preliminary expenses and floatation costs		583	683
Total assets		806,456	1,656,107
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		6,695	8,016
Payable to Central Depository Company of Pakistan Limited - Trustee		172	244
Payable to Meezan Bank Limited		43	52
Payable to Securities and Exchange Commission of Pakistan		594	1,432
Payable against conversion and redemption of units		7,626	3,885
Payable against purchase of investments - net		-	2,314
Accrued expenses and other liabilities	8	3,959	3,591
Total liabilities		19,089	19,534
Net assets		787,367	1,636,573
Contingencies and commitments	7		
Unitholders' funds (as per statement attached)		787,367	1,636,573
		(Number of units)	
Number of units in issue		20,040,784	32,874,573
		(Rupees)	
Net assets value per unit		39.2882	49.7823

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in


For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



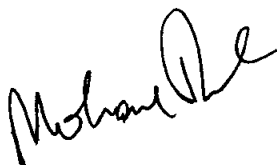
Director

MEEZAN ENERGY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018	Six months period ended December 31, 2017	Quarter ended December 31, 2018	Quarter ended December 31, 2017
	(Rupees in '000)		(Rupees in '000)	
Income				
Profit on saving accounts with banks	1,964	1,657	625	971
Dividend income	15,791	44,702	9,795	41,145
Net realised loss on sale of investments	(56,092)	(42,153)	(47,636)	(43,706)
	(38,337)	4,206	(37,216)	(1,590)
Net unrealised diminution on re-measurement of investments - 'at fair value through profit or loss'	6.1 (188,359)	(82,970)	(134,297)	(53,855)
Total loss	(226,696)	(78,764)	(171,513)	(55,445)
Expenses				
Remuneration to Al Meezan Investment Management Limited - Management Company	12,522	14,600	5,326	8,028
Sindh Sales Tax on management fee	1,628	1,898	692	1,044
Remuneration to Central Depository Company of Pakistan Limited - Trustee	1,121	1,233	509	652
Sindh Sales Tax on trustee fee	146	160	66	85
Annual fee to Securities and Exchange Commission of Pakistan	595	694	253	382
Auditors' remuneration	183	207	102	89
Charity expense	343	815	257	801
Fees and subscription	286	287	144	142
Legal and professional charges	-	8	-	-
Brokerage expense	666	1,748	282	639
Bank and settlement charges	59	178	33	72
Printing charges	15	34	7	34
Selling and marketing expense	13 2,504	2,920	1,065	1,606
Amortisation of preliminary expenses and floatation costs	100	101	50	51
Allocated expenses	11 626	730	266	401
Total expenses	20,794	25,613	9,052	14,026
Net loss for the period before taxation	(247,490)	(104,377)	(180,565)	(69,471)
Taxation	14 -	-	-	-
Net loss for the period after taxation	(247,490)	(104,377)	(180,565)	(69,471)
Allocation of net income for the period				
Net income for the period after taxation	-	-	-	-
Income already paid on units redeemed	-	-	-	-
Accounting income available for distribution				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-

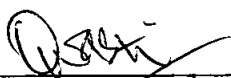
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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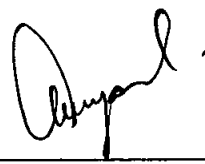


Chief Executive

For Al Meezan Investment Management Limited
(Management Company)



Chief Financial Officer



Director

MEEZAN ENERGY FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018	Six months period ended December 31, 2017	Quarter ended December 31, 2018	Quarter ended December 31, 2017
	(Rupees in '000)		(Rupees in '000)	
Net loss for the period after taxation	(247,490)	(104,377)	(180,565)	(69,471)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(247,490)	(104,377)	(180,565)	(69,471)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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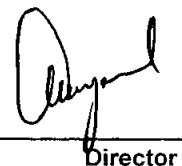
For AI Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018			Six months period ended December 31, 2017		
	Capital Value	Accumulated Loss	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	1,660,781	(24,208)	1,636,573	1,134,009	5,255	1,139,264
Issue of 8,245,840 units (December 31, 2017: 32,359,406 units)						
- Capital value (at net asset value per unit at the beginning of the period)	410,497	-	410,497	1,625,413	-	1,625,413
- Element of loss	(18,424)	-	(18,424)	(3,706)	-	(3,706)
Total proceeds on issuance of units	392,073	-	392,073	1,621,707	-	1,621,707
Redemption of 21,079,629 units (December 31, 2017: 23,006,606 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,049,393	-	1,049,393	1,155,622	-	1,155,622
- Element of income	(55,604)	-	(55,604)	(14,840)	-	(14,840)
Total payments on redemption of units	993,789	-	993,789	1,140,782	-	1,140,782
Total comprehensive loss for the period	-	(247,490)	(247,490)	-	(104,377)	(104,377)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(247,490)	(247,490)	-	(104,377)	(104,377)
Net assets at the end of the period	<u>1,059,065</u>	<u>(271,698)</u>	<u>787,367</u>	<u>1,614,934</u>	<u>(99,122)</u>	<u>1,515,812</u>
(Accumulated loss) / undistributed income brought forward						
- Realised (loss) / income		(48,945)			21,241	
- Unrealised income / (loss)		24,737			(15,986)	
		<u>(24,208)</u>			<u>5,255</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the period after taxation		(247,490)			(104,377)	
Distribution during the period		-			-	
Accumulated loss carried forward		<u>(271,698)</u>			<u>(99,122)</u>	
Accumulated loss carried forward						
- Realised loss		(83,339)			(16,152)	
- Unrealised loss		(188,359)			(82,970)	
		<u>(271,698)</u>			<u>(99,122)</u>	
Net assets value per unit at the beginning of the period			(Rupees) 49.7823			(Rupees) 50.2300
Net assets value per unit at the end of the period			<u>39.2882</u>			<u>47.3200</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Moham Ali

Chief Executive

For AI Meezan Investment Management Limited
(Management Company)

Qasim

Chief Financial Officer

Abdullah

Director

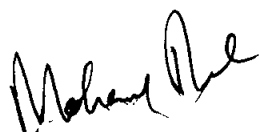
MEEZAN ENERGY FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018	Six months period ended December 31, 2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(247,490)	(104,377)
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	100	101
Net unrealised diminution on re-measurement of investments - 'at fair value through profit or loss'	188,359	82,970
	<u>(59,031)</u>	<u>(21,306)</u>
(Increase) / Decrease in assets		
Investments - net	486,679	(374,371)
Dividend receivable	515	(9,575)
Deposit, profit accrued and other receivables	351	(272)
Preliminary expenses and floatation costs	-	-
	487,545	(384,218)
Increase / (Decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(1,321)	1,273
Payable to Central Depository Company of Pakistan Limited - Trustee	(72)	41
Payable to Meezan Bank Limited	(9)	(846)
Payable to Securities and Exchange Commission of Pakistan	(838)	180
Payable against purchase of investments - net	(2,314)	39
Accrued expenses and other liabilities	368	(7,496)
	<u>(4,186)</u>	<u>(6,809)</u>
Net cash generated from / (used in) operating activities	424,328	(412,333)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	404,679	1,624,336
Dividend paid	-	(4,028)
Payment against redemption and conversion of units	(990,048)	(1,119,931)
Net cash (used in) / generated from financing activities	(585,369)	500,377
Net (decrease) / increase in cash and cash equivalents during the period	(161,041)	88,044
Cash and cash equivalents at the beginning of the period	195,027	94,172
Cash and cash equivalents at the end of the period	<u>33,986</u>	<u>182,216</u>

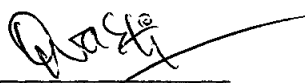
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ENERGY FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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5. BALANCES WITH BANKS	Note	December 31, 2018	June 30, 2018
		(Unaudited) (Rupees in '000)	(Audited)
In saving accounts	5.1	31,276	191,184
In current accounts		2,710	3,843
		<u>33,986</u>	<u>195,027</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum (June 30, 2018: 2.00% to 6.60% per annum).

6. INVESTMENTS	Note	December 31, 2018	June 30, 2018
		(Unaudited) (Rupees in '000)	(Audited)
Investments - 'at fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	<u>766,853</u>	<u>1,441,891</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2018	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
								Number of shares			
								(Rupees in '000)			
								%			
Sectors / companies											
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.2)	80,550	3,000	8,355	-	91,905	125,773	113,582	(12,191)	14.43	14.81	0.08
Oil and Gas Development Company Limited	1,509,100	60,000	-	474,000	1,095,100	170,238	140,173	(30,065)	17.80	18.28	0.03
Pakistan Oilfields Limited (note 6.2)	223,400	5,000	33,880	117,500	144,780	81,031	61,505	(19,526)	7.81	8.02	0.05
Pakistan Petroleum Limited (note 6.2)	1,343,100	40,000	125,265	761,600	746,765	139,345	111,761	(27,584)	14.19	14.57	0.03
									<u>54.23</u>	<u>55.68</u>	<u>0.19</u>
Oil and Gas Marketing Companies											
Attock Petroleum Limited (note 6.2)	10,000	-	2,000	-	12,000	5,900	5,178	(722)	0.66	0.68	0.01
Hascol Petroleum Limited (note 6.2)	423,920	-	105,955	100	529,775	132,978	78,619	(54,359)	9.99	10.25	0.29
Hi-Tech Lubricants Limited	550,200	-	-	550,000	200	20	13	(7)	-	-	-
Pakistan State Oil Company Limited (note 6.2)	369,700	51,000	61,940	148,000	334,640	89,210	75,438	(13,772)	9.58	9.84	0.09
Sui Northern Gas Pipelines Limited	1,740,300	190,500	-	846,000	1,084,800	106,576	83,606	(22,970)	10.62	10.90	0.17
Sui Southern Gas Pipelines Limited	1,557,000	50,000	-	625,000	982,000	31,962	22,684	(9,278)	2.88	2.96	0.11
									<u>33.73</u>	<u>34.63</u>	<u>0.67</u>
Power Generation and Distribution											
Hub Power Company Limited	360,000	419,000	-	450,000	329,000	28,091	28,225	134	3.58	3.68	0.03
K - Electric Limited (note 6.1.1)	7,728,000	-	-	-	7,728,000	43,895	45,904	2,009	5.83	5.99	0.03
									<u>9.41</u>	<u>9.67</u>	<u>0.06</u>
Refinery											
Attock Refinery Limited (note 6.2)	900	-	225	-	1,125	193	165	(28)	0.02	0.02	-
National Refinery Limited	72,000	-	-	72,000	-	-	-	-	-	-	-
									<u>0.02</u>	<u>0.02</u>	<u>-</u>
						<u>955,212</u>	<u>766,853</u>	<u>(188,359)</u>			

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

6.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

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Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2018.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Auditors' remuneration payable		148	245
Printing charges payable		29	21
Shariah advisor fee payable		270	267
Charity payable		1,836	1,492
Capital gain tax payable		6	25
Brokerage payable		125	-
Provision for Sindh Workers' Welfare Fund	8.1	1,527	1,527
Zakat payable		18	14
		<u>3,959</u>	<u>3,591</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from November 30, 2016 to December 31, 2018, the net asset value per unit of the Fund as at December 31, 2018 would have been higher by Re 0.08 / 0.19% (June 30, 2018: Re 0.05 / 0.10%).

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	1,520	2,670
Sindh Sales Tax on management fee payable	198	347
Sales load payable	64	538
Sindh Sales Tax on sales load payable	8	70
Allocated expenses	76	133
Selling and marketing expense payable	4,829	4,258
Investment of 4,102,956 units (June 30, 2018: 8,090,670 units)	161,198	402,772
Meezan Bank Limited		
Bank balance	8,182	128,649
Profit receivable on saving accounts	16	203
Sales load payable	38	46
Sindh Sales Tax on sales load payable	5	6
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	152	216
Sindh Sales Tax on trustee fee payable	20	28
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 936,885 units (June 30, 2018: 885,563 units)	36,809	44,085
Unitholders holding 10 percent or more of the Fund		
Investment of nil (June 30, 2018: 3,826,614 units)	-	190,498
	Six months period ended December	Six months period ended December
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	12,522	14,600
Sindh Sales Tax on management fee	1,628	1,898
Allocated expenses	626	730
Selling and marketing expense	2,504	2,920
Units issued: nil (December 31, 2017: 3,968,254 units)	-	200,000
Units redeemed: 3,987,713 units (December 31, 2017: 1,090,991 units)	196,000	53,000
Meezan Bank Limited		
Profit on saving accounts	510	1,186
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	1,121	1,233
Sindh Sales Tax on trustee fee	146	160
CDS charges	26	68
Directors and executives of the Management Company		
Units issued: 336,155 units (December 31, 2017: 250,869 units)	15,470	11,807
Units redeemed: 284,833 units (December 31, 2017: 27,046 units)	12,049	1,299
Unitholders holding 10 percent or more of the Fund		
Units issued: nil (December 31, 2017: 28,016 units)	-	1,405

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10. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

10.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	766,853	-	-	766,853
	As at June 30, 2018			
ASSETS	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	1,441,891	-	-	1,441,891

11. ALLOCATED EXPENSES

As per regulation 60 of the NBFC Regulations, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 3.32% which include 0.39% representing government levy and SECP fee.

13. SELLING AND MARKETING EXPENSES

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the period ended December 31, 2018 at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

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14. TAXATION

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

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

15. GENERAL

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

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

16. DATE OF AUTHORISATION

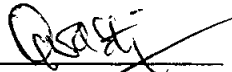
These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

Ali

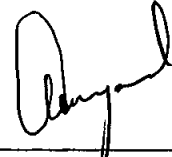
**For Al Meezan Investment Management Limited
(Management Company)**



Chief Executive



Chief Financial Officer



Director

MEEZAN BALANCED FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN BALANCED FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Balanced Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi

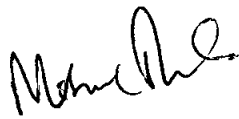
MEEZAN BALANCED FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Balances with banks	5	1,024,150	1,682,989
Investments	6	5,729,518	6,204,967
Receivables against conversion of units		1,496	13,311
Dividend receivable		13,027	14,017
Deposits and other receivables		76,368	63,124
Total assets		6,844,559	7,978,408
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		25,823	18,002
Payable to Central Depository Company of Pakistan Limited - Trustee		759	831
Payable to Securities and Exchange Commission of Pakistan		3,186	7,166
Payable to Meezan Bank Limited		45	307
Payable against purchase of investments - net		18,605	16,084
Payable on redemption and conversion of units		4,357	3,380
Dividend payable		7,490	8,437
Accrued expenses and other liabilities	8	84,579	81,196
Total liabilities		144,844	135,403
Net assets		6,699,715	7,843,005
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		6,699,715	7,843,005
		(Number of units)	
Number of units in issue		465,245,273	508,080,068
		(Rupees)	
Net assets value per unit		14.4004	15.4366

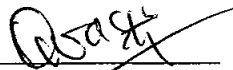
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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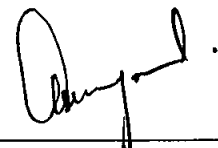
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

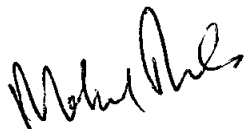
MEEZAN BALANCED FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018	2017	2018	2017
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised loss on sale of investments		(41,185)	(72,497)	(34,666)	(65,321)
Dividend income		116,227	148,789	66,403	102,969
Profit on term deposit receipts		-	27,306	-	13,079
Profit on sukuk certificates		88,898	51,466	47,791	27,402
Profit on saving accounts with banks		39,506	42,228	20,477	18,241
Other income		1,037	-	750	-
		204,483	197,292	100,755	96,370
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	(593,902)	(998,185)	(417,597)	(359,513)
Total loss		(389,419)	(800,893)	(316,842)	(263,143)
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		74,961	87,638	36,208	41,736
Sindh Sales Tax on management fee		9,745	11,393	4,707	5,426
Allocated expenses	10	3,748	4,382	1,810	2,087
Selling and marketing expenses	13	9,365	-	1,615	-
Remuneration to Central Depository Company of Pakistan Limited - Trustee		4,252	4,886	2,062	2,339
Sindh Sales Tax on trustee fee		553	635	269	304
Annual fee to Securities and Exchange Commission of Pakistan		3,186	3,725	1,539	1,774
Auditors' remuneration		339	326	175	149
Charity expense		1,705	1,976	1,064	1,768
Fees and subscription		451	299	212	136
Legal and professional charges		-	27	-	27
Brokerage expense		1,210	995	937	437
Bank and settlement charges		310	589	122	229
Printing expenses		27	216	-	200
Total expenses		109,852	117,087	50,720	56,612
Net loss for the period before taxation		(499,271)	(917,980)	(367,562)	(319,755)
Taxation	12	-	-	-	-
Net loss for the period after taxation		(499,271)	(917,980)	(367,562)	(319,755)
Allocation of net income for the period					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
		-	-	-	-
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

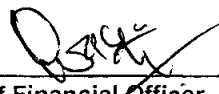
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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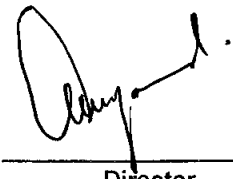
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

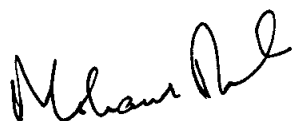
MEEZAN BALANCED FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period December 31,		Quarter ended, December 31,	
	2018	2017	2018	2017
Note	(Rupees in '000)		(Rupees in '000)	
Net loss for the period after taxation	(499,271)	(917,980)	(367,562)	(319,755)
Other comprehensive income for the period				
<i>Item that may be reclassified subsequently to Income Statement</i>				
Net unrealised diminution on re-measurement of investments classified as 'available for sale'	-	(63,285)	-	(37,025)
Total comprehensive loss for the period	<u>(499,271)</u>	<u>(981,265)</u>	<u>(367,562)</u>	<u>(356,780)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in

For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN BALANCED FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2018				Six months period ended December 31, 2017			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistrib- uted income	Unrealised appreciation/ (diminution) 'available for sale' investments	Total	Capital Value	Undistrib- uted income	Unrealised appreciation/ (diminution) 'available for sale' investments	Total
Net assets at the beginning of the period as previously reported (Audited)	7,010,292	770,770	61,943	7,843,005	7,857,635	1,531,501	126,969	9,516,105
Change in accounting policy - note 4.3	-	61,943	(61,943)	-	-	-	-	-
Net assets at the beginning of the period	7,010,292	832,713	-	7,843,005	7,857,635	1,531,501	126,969	9,516,105
Issue of 40,272,181 units (2017: 83,701,073 units)								
- Capital value (at net asset value per unit at the beginning of the period)	621,666	-	-	621,666	1,418,733	-	-	1,418,733
- Element of (loss) / income	(18,076)	-	-	(18,076)	199,230	-	-	199,230
Total proceeds on issuance of units	603,590	-	-	603,590	1,617,963	-	-	1,617,963
Redemption of 83,106,976 units (2017: 119,040,501 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,282,889	-	-	1,282,889	2,017,736	-	-	2,017,736
- Element of (income) / loss	(35,280)	-	-	(35,280)	135,904	-	-	135,904
Total payments on redemption of units	1,247,609	-	-	1,247,609	2,153,640	-	-	2,153,640
Total comprehensive loss for the period	-	(499,271)	-	(499,271)	-	(917,980)	(63,285)	(981,265)
Distribution during the period	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(499,271)	-	(499,271)	-	(917,980)	(63,285)	(981,265)
Net assets at the end of the period	6,366,273	333,442	-	6,699,715	7,321,958	613,521	63,684	7,999,163
Undistributed income brought forward (as previously reported (Audited))								
- Realised income		1,498,522				1,059,411		
- Unrealised income		(727,752)				472,090		
		770,770				1,531,501		
Change in accounting policy - note 4.3		61,943				-		
Undistributed income brought forward		832,713				1,531,501		
Accounting income available for distribution								
- Relating to capital gains		-				-		
- Excluding capital gains		-				-		
Net loss for the period after taxation		(499,271)				(917,980)		
Distribution during the period		-				-		
Undistributed income carried forward		333,442				613,521		
Undistributed income carried forward								
- Realised income		927,344				1,611,706		
- Unrealised loss		(593,902)				(998,185)		
		333,442				613,521		
				(Rupees)				(Rupees)
Net assets value per unit at the beginning of the period				15.4366				16.9500
Net assets value per unit at the end of the period				14.4004				15.2100

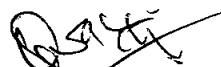
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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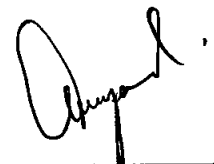
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN BALANCED FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended	
	December 31,	
	2018	2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(499,271)	(917,980)
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	593,902	998,185
	94,631	80,205
(Increase) / decrease in assets		
Investments - net	(118,453)	(98,026)
Dividend receivable	990	(18,150)
Receivable against sale of investments - net	-	1,851
Deposits and other receivables	(13,244)	9,974
	(130,707)	(104,351)
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7,821	(13,071)
Payable to Central Depository Company of Pakistan Limited - Trustee	(72)	(129)
Payable to Securities and Exchange Commission of Pakistan	(3,980)	(2,485)
Payable to Meezan Bank Limited	(262)	(2,948)
Payable against purchase of investments - net	2,521	3,738
Accrued expenses and other liabilities	3,383	(73,761)
	9,411	(88,656)
Net cash used in operating activities	(26,665)	(112,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	615,405	2,035,242
Payment against redemption and conversion of units	(1,246,632)	(2,236,028)
Dividend paid	(947)	(78,933)
Net cash used in financing activities	(632,174)	(279,719)
Net decrease in cash and cash equivalents during the period	(658,839)	(392,521)
Cash and cash equivalents at the beginning of the period	1,682,989	1,865,383
Cash and cash equivalents at the end of the period	1,024,150	1,472,862

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All: u

For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN BALANCED FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

1.4 Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.5 The JCR VIS has maintained the asset manager rating of the Management Company to AM1. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and

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- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

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IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt and equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

The effect of this change in accounting policy is as follows:

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018	As at December 31, 2018
-----Rupees in '000-----				
Impact on Statement of Assets and Liabilities				
Investments - 'Available for sale'	182,853	(182,853)	-	-
Investments - 'At fair value through profit or loss'	6,022,114	182,853	6,204,967	5,729,518
Impact on Statement of Unitholders' fund				
Unrealised appreciation / (diminution) on 'Available-for-sale' investments	61,943	(61,943)	-	-
Undistributed income	770,770	61,943	832,713	333,442

There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5.	BALANCES WITH BANKS	Note	December 31, 2018	June 30, 2018
			(Unaudited)	(Audited)
			(Rupees in '000)	
	In saving accounts	5.1	1,011,353	1,673,837
	In current accounts		12,797	9,152
			1,024,150	1,682,989

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum (June 30, 2018: 2.00% to 6.50% per annum).

6.	INVESTMENTS	Note	December 31, 2018	June 30, 2018
			(Unaudited)	(Audited)
			(Rupees in '000)	
	Investments - 'at fair value through profit or loss'	6.2	5,729,518	6,022,114
	Investments - 'available for sale'	6.1	-	182,853
			5,729,518	6,204,967

6.1 During the period, the Fund has adopted IFRS-9: "Financial Instruments" which has replaced IAS-39: "Financial Instruments: Recognition and Measurement". As a result of adoption of IFRS-9, investments amounting to Rs. 182.853 million have been reclassified from 'Available for sale' as at June 30, 2018 to 'fair value through profit or loss' category with effect from July 1, 2018 (as disclosed in note 4.3).

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December 31, 2018
(Unaudited)
(Rupees in '000)

June 30, 2018
(Audited)

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

Note

Shares of listed companies - 'ordinary shares'
Sukuk certificates
Commercial papers

6.2.1	3,760,646	4,242,544
6.2.2	1,548,514	1,779,570
6.2.3	420,358	-
	<u>5,729,518</u>	<u>6,022,114</u>

6.2.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
											Net Assets of the Fund	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
								(Rupees in '000)		%			
Sectors / companies													
Commercial Banks													
Meezan Bank Limited (note 6.2.1.2) (an associate company of the Fund)	18	301	319	1,117,500	20,031	348,500	789,350	68,164	72,928	4,764	1.09	0.07	1.27
BankIslami Pakistan Limited	-	875	875	-	-	-	875	11	10	(1)	-	-	-
											1.09	0.07	1.27
Automobile assemblers													
Ghandhara Industries Limited (note 6.2.1.2)	76,300	-	76,300	-	76,300	-	152,600	53,921	41,927	(11,994)	0.63	0.36	0.73
Millat Tractors Company Limited	28,800	-	28,800	-	-	-	28,800	34,216	23,961	(10,255)	0.36	0.07	0.42
Pak Suzuki Motor Company Limited	60	-	60	-	-	-	60	24	10	(14)	-	0.00	-
Honda Atlas Cars (Pakistan) Limited	218,600	-	218,600	-	-	56,100	162,500	51,413	28,688	(22,725)	0.43	0.11	0.50
											1.42	0.54	1.65
Automobile parts and accessories													
Ghandhara Nissan Limited	264,096	-	264,096	-	-	205,900	59,096	10,618	5,616	(5,002)	0.08	0.10	0.10
Chemicals													
Engro Polymer & Chemicals Limited	1,496,000	-	1,496,000	1,343,454	-	775,500	2,063,954	64,307	76,655	12,348	1.14	0.23	1.34
ICI Pakistan Limited	148,095	21	148,116	12,650	-	-	160,766	128,445	127,708	(737)	1.91	0.17	2.23
Lotte Chemical Pakistan Limited	1,000	-	1,000	-	-	-	1,000	12	17	5	-	0.00	-
Sitara Chemical Industries Limited	2,100	-	2,100	-	-	-	2,100	773	630	(143)	0.01	0.01	0.01
											3.06	0.41	3.58
Cement													
Attock Cement Pakistan Limited (note 6.2.1.2)	402	287	689	19,900	137	-	20,726	2,739	2,346	(393)	0.04	0.02	0.04
Cherat Cement Company Limited	769,000	-	769,000	-	-	268,000	501,000	48,712	34,894	(13,818)	0.52	0.28	0.61
Dewan Cement Limited	620,500	-	620,500	-	-	620,500	-	-	-	-	-	-	-
DG Khan Cement Company Limited	894,760	249	895,009	59,700	-	409,300	545,409	61,882	43,715	(18,167)	0.65	0.12	0.76
Fauji Cement Company Limited	4,000	-	4,000	-	-	4,000	-	-	-	-	-	-	-
Kohal Cement Limited (note 6.2.1.2)	465,400	-	465,400	-	139,620	55,000	550,020	52,070	46,719	(5,351)	0.70	0.27	0.82
Lucky Cement Limited	535,400	7,451	542,851	125,300	-	38,400	629,751	314,371	273,734	(40,637)	4.09	0.19	4.78
Maple Leaf Cement Limited	550,625	-	550,625	100,000	-	272,500	378,125	19,403	15,371	(4,032)	0.23	0.06	0.27
Pioneer Cement Limited	1,158,500	-	1,158,500	-	-	173,500	985,000	46,157	41,281	(4,876)	0.62	0.43	0.72
											6.85	1.38	8.00
Fertilizers													
Dawood Hercules Corporation Limited	493,000	-	493,000	98,000	-	235,000	356,000	40,160	39,569	(591)	0.59	0.07	0.69
Engro Fertilizers Limited	3,240,000	-	3,240,000	-	-	225,000	3,015,000	225,854	208,186	(17,668)	3.11	0.23	3.63
Engro Corporation Pakistan Limited (note 6.1.1.4)	1,331,500	-	1,331,500	-	-	138,200	1,193,300	374,529	347,346	(27,183)	5.18	0.23	6.06
Falima Fertilizer Limited	6,500	-	6,500	-	-	-	6,500	211	237	26	-	0.00	-
											8.88	0.53	10.38
Technology & Communication													
Avanceon Limited	-	-	-	200,000	-	78,000	122,000	9,488	10,087	599	0.15	0.09	0.18
Netsol Technologies	-	-	-	233,600	-	100,000	133,600	11,962	9,276	(2,686)	0.14	0.15	0.16
Systems Limited	160,000	-	160,000	54,000	-	43,500	170,500	17,785	18,733	948	0.28	0.15	0.33
											0.57	0.39	0.67
Paper & Board													
Cherat Packaging Limited	-	-	-	53,400	-	-	53,400	9,135	9,154	19	0.14	0.14	0.16
Packages Limited	209,923	150,000	359,923	-	-	65,000	294,923	144,430	114,082	(30,348)	1.70	0.33	1.99
											1.84	0.47	2.15
Refinery													
National Refinery Limited	35,000	-	35,000	-	-	35,000	-	-	-	-	-	-	-
Miscellaneous													
Shifa International Hospitals Limited	84	-	84	-	-	-	84	23	17	(6)	-	-	-
Oil & Gas Exploration													
Oil and Gas Development Company Limited	3,421,400	-	3,421,400	50,000	-	583,500	2,887,900	449,238	369,651	(79,587)	3.22	0.07	6.45
Pakistan Oilfields Limited (note 6.2.1.2)	398,425	-	398,425	70,000	74,085	38,600	503,910	280,799	214,071	(66,728)	2.11	0.18	3.74
Pakistan Petroleum Limited (note 6.2.1.2)	984,396	4,548	988,944	138,000	150,591	40,000	1,237,535	230,093	185,209	(44,884)	1.03	0.05	3.23
Mari Petroleum Company Limited (note 6.2.1.2)	84,250	-	84,250	64,060	14,331	-	162,641	222,273	201,002	(21,271)	1.63	0.13	3.51
											7.99	0.43	16.93

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Name of the investee company	As at July 1, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 4.3	As at July 1, 2018 - Adjusted	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
											Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments
	Number of shares						Rupees in '000			%			
Oil and Gas Marketing													
Attock Petroleum Limited (note 6.2.1.2)	10,000	-	10,000	-	2,000	-	12,000	5,900	5,178	(722)	0.08	0.01	0.09
Pakistan State Oil Company Limited (note 6.2.1.2)	894,244	-	894,244	41,700	180,548	75,000	1,041,492	275,775	234,783	(40,992)	3.50	0.27	4.09
Hascal Petroleum Limited (note 6.2.1.2)	163,491	-	163,491	25,000	34,622	50,000	173,113	42,704	25,690	(17,014)	0.38	0.10	0.44
Hi-Tech Lubricants	145,400	-	145,400	-	-	145,400	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	100,000	-	100,000	-	-	-	100,000	3,282	2,310	(972)	0.03	0.01	0.04
Sui Northern Gas Pipeline Limited	2,151,000	-	2,151,000	138,000	-	120,000	2,169,000	214,332	167,165	(47,167)	2.50	0.34	2.91
											6.49	0.73	7.57
Pharmaceuticals													
Abbott Laboratories (Pakistan) Limited	32,200	-	32,200	150	-	30,000	2,350	1,590	1,483	(107)	0.02	0.00	0.03
AGP Limited	705,000	-	705,000	-	-	74,500	630,500	55,982	55,125	(857)	0.82	0.23	0.96
GlaxoSmithKline Consumer Health care	203,800	-	203,800	-	-	-	203,800	82,549	54,290	(28,259)	0.81	0.21	0.95
The Searle Company Limited (note 6.2.1.2)	419,974	-	419,974	-	55,496	100,000	375,470	110,845	92,213	(18,633)	1.38	0.18	1.61
Highnoon Laboratories Limited	1,453	-	1,453	-	-	-	1,453	596	505	(91)	0.01	0.01	0.01
											3.04	0.62	3.56
Food & Personal Care Products													
Engro Foods Limited	3,800	-	3,800	-	-	-	3,800	338	303	(35)	-	0.00	0.01
Al-Tahir Limited	-	-	-	293,311	-	204,000	89,311	1,876	1,697	(179)	0.03	0.06	0.03
Al-Shaheer Corporation Limited	7,225	-	7,225	-	-	-	7,225	197	173	(24)	-	0.01	-
											0.03	0.07	0.04
Power Generation & Distribution													
Hub Power Company Limited	1,136,097	1,134,050	2,270,147	75,000	-	-	2,345,147	215,989	201,190	(14,800)	3.00	0.20	3.51
K-Electric Limited (note 6.2.1)	22,685,000	-	22,685,000	596,000	-	125,000	23,156,000	131,568	137,547	5,979	2.05	0.08	2.40
											5.05	0.29	5.91
Real Estate Investment Trust													
Dolmen City REIT	4,659,000	-	4,659,000	-	-	266,000	4,393,000	56,670	52,672	(3,998)	0.79	0.20	0.92
Textile composite													
Nishat Mills Limited	296,300	-	296,300	635,000	-	225,000	706,300	98,013	89,368	(8,645)	1.33	0.20	1.56
Feroze 1888 Mills Limited	-	-	-	300,000	-	-	300,000	19,800	37,056	17,256	0.55	0.08	0.65
											1.88	0.28	2.21
Engineering													
Crescent Steel & Allied Products Limited	153,450	-	153,450	-	-	153,450	-	-	-	-	-	-	-
International Industries Limited	78,500	-	78,500	-	-	-	78,500	18,235	12,093	(6,142)	0.18	0.07	0.21
International Steel Limited	207,500	-	207,500	25,300	-	10,000	222,800	22,111	14,653	(7,458)	0.22	0.05	0.26
K.S.B. Pumps	-	-	-	5,000	-	-	5,000	1,387	918	(469)	0.01	0.04	0.02
											0.41	0.15	0.49
Vanaspatti & Allied Industries													
Unity Foods Limited	100,000	-	100,000	328,500	-	70,000	358,500	11,862	9,224	(2,638)	0.14	0.08	0.16
Glass & Ceramics													
Tariq Glass Industries	-	-	-	25,000	-	-	25,000	2,300	2,180	(120)	0.03	0.03	0.04
							<u>4,347,119</u>	<u>3,760,646</u>	<u>(586,475)</u>				

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

6.2.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-ending price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

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The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2018.

6.2.1.3 Investments include 150,000 shares of Engro Corporation Limited, having market value of Rs 43.662 million as at December 31, 2018 (June 30, 2018: Rs. 47.079 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.2.2 Sukuk Certificates

6.2.2.1 Government Securities - GoP Ijarah Sukuks

Name of the Security	Maturity date	Profit rate	As at July 1, 2018	Purchases during the period	Sales / Redemptions / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to	
										Net Assets of the Fund on the basis of investments (note 6.2.2)	Total market value of investments
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----		
GoP Ijarah Sukuk Certificates - XVII (Note 6.2.2.1.1)	February 15, 2019	Weighted Average 6 months T-Bills	1,840	-	1,840	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XVIII (Note 6.2.2.1.1)	March 29, 2019	Weighted Average 6 months T-Bills	2,000	-	2,000	-	-	-	-	-	-
Total											

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

6.2.2.2 Corporate Sukuks

Name of the investee company	Maturity	Profit rate	As at July 1, 2018	Purchases during the period	Sales / Redemptions / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018*	Market value as at December 31, 2018*	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
										Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments
			----- Number of certificates -----			----- (Rupees in '000) -----			----- % -----			
Secured												
Engro Fertilizer Pakistan Limited - II (AA, PACRA, traded) (note 6.2.2.2.1)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	7,140	-	2,380	4,760	24,038	23,800	(238)	0.36	-	0.42
K Electric Limited - (7 years) (note 6.2.2.2.1) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months KIBOR plus base rate of 1%	69,802	-	8,725	61,077	309,561	308,960	(601)	4.61	0.01	5.39
Security Leasing Corporation Limited II * (note 6.2.2.2.1 & 6.2.2.2.2)	January 19, 2022	Nil	1,540	-	-	1,540	-	-	-	-	-	-
Eden Housing Limited * (note 6.2.2.2.1 & 6.2.2.2.2)	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	-	-	-	-	-	-
Arzoo Textile Mills Limited * (note 6.2.2.2.1 & 6.2.2.2.2)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	-	-
Hascol Petroleum Limited - Sukuk (AA, JCR-VIS, non-traded) (note 6.2.2.2.1)	January 7, 2022	3 months KIBOR plus base rate of 1.50%	37,500	-	5,000	32,500	166,621	164,629	(1,992)	2.46	0.01	2.87

All in

Name of the investee company	Maturity	Profit rate	As at July 1, 2018	Purchases during the period	Sales / Redemptions / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018*	Market value as at December 31, 2018*	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
										Number of certificates	(Rupees in '000)	%
Fatima Fertilizer Company Limited - Sukuk (AA-, PACRA, traded) (note 6.2.2.2.1)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	10,298	-	1,471	8,827	44,839	44,517	(322)	0.66	-	0.78
Dubai Islamic Bank Pakistan Limited - Sukuk (A+,JCR-VIS, non-traded) (note 6.2.2.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	141	-	-	141	143,637	143,637	-	2.14	-	2.51
International Brands Limited (AA,JCR-VIS, non-traded) (note 6.2.2.2.1)	November 15, 2021	12 months KIBOR plus base rate of 0.50%	3,000	-	-	3,000	300,000	296,164	(3,836)	4.42	-	5.17
Neelum Jhelum Hydropower Company (Private) Limited (AAA,JCR-VIS, non-traded) (note 6.2.2.2.1)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	1,100	-	69	1,031	107,245	109,787	2,542	1.64	-	1.92
Meezan Bank Limited (AA,JCR-VIS, traded) (note 6.2.2.2.1)	September 22, 2026	6 months KIBOR plus base rate of 0.5%	200	-	-	200	203,000	200,020	(2,980)	2.99	-	3.49
Shakarganj Food Products Limited (A,JCR-VIS) (note 6.2.2.2.1)	July 10, 2024	3 months KIBOR plus base rate of 1.75%	-	82	-	82	82,000	82,000	-	1.22	-	1.43
Javedan Corporation Limited (AA-,JCR-VIS) (note 6.2.2.2.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	-	750	-	750	75,000	75,000	-	1.12	-	1.31
Agha Steel Industries Limited (A+,JCR-VIS) (note 6.2.2.2.1)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	-	100	-	100	100,000	100,000	-	1.49	-	1.75
Total							1,555,941	1,548,514	(7,427)			

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

6.2.2.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited, Eden Housing Limited, International Brands Limited, Neelum Jhelum Hydropower Company (Pvt.) Limited, Meezan Bank Limited, Shakarganj Food Products Limited, Javedan Corporation Limited and Agha Steel Industries Limited having nominal value of Rs 1,000,000, Rs 984.375, Rs 100,000, Rs 100,000, Rs. 1,000,000, Rs. 1,000,000, Rs. 100,000 and Rs. 1,000,000 respectively.

6.2.2.2.2 The Securities and Exchange Commission (SECP), vide its circular no. 16 dated July 7, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund as a 'Balanced Scheme' in accordance with the said circular. As at December 31, 2018, the Fund is compliant with all the requirements of the said circular except clause 2(iv) which requires the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

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The following are the details of the non-compliant investments held by the Fund:

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at December 31, 2018	Value of investments after provision	Percentage of net assets	Percentage of total assets
				(Rupees in '000)		%
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
		37,623	37,623	-	-	-

6.2.3 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2018	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2018	* Carrying value as at December 31, 2018	* Market value as at September 30, 2018	Total market value of investment
			(Number of certificates)			(Rupees in '000)		--- % ---	
Hascol Petroleum Limited CP (note 6.2.3.1)	January 4, 2019	6 months KIBOR plus base rate of 1.25%	-	70,072	-	70,072	350,358	350,358	6.11%
K-Electric Limited CP (note 6.2.3.1)	March 01, 2019	6 months KIBOR plus base rate of 0.90%	-	70	-	70	70,000	70,000	1.22%
							<u>420,358</u>	<u>420,358</u>	

6.2.3.1 The nominal value of these commercial papers is Rs 1,000,000 each.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
(Rupees in '000)			
Withholding tax payable		620	-
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	38,656	38,656
Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee and Sales Load	8.2	37,627	37,627
Brokerage expenses payable		1,460	180
Charity payable		5,452	3,732
Shariah advisory fee		432	429
Auditors' remuneration payable		294	480
Others		38	92
		<u>84,579</u>	<u>81,196</u>

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

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Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.08 per unit (June 30, 2018: Re 0.08 per unit).

- 8.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 37.627 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.08 (June 30, 2018: Re 0.07) per unit.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	11,730	13,044
Sales load payable	237	232
Allocated expenses payable	587	653
Sindh Sales Tax on management fee payable	1,525	1,696
Sindh Sales Tax on sales load payable	31	30
Selling and Marketing expenses payable	11,713	2,347
Investment of 900,638 units (June 30, 2018: 900,638 units)	12,970	13,903

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	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited) (Rupees in '000)
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	672	735
Sindh Sales Tax on trustee fee payable	87	96
Security deposit	300	300
Meezan Bank Limited		
Bank balance	30,038	45,222
Sales load payable	40	272
Sindh Sales Tax on sales load payable	5	35
Investment in 789,350 shares (June 30, 2018: 319 shares)	72,928	25
Investment in 200 sukuk certificates (June 30, 2018: 200 sukuk certificates)	200,020	203,000
Investment of 18,886,746 units (June 30, 2018: 18,886,746 units)	271,977	291,547
For the six months period ended December 31		
	2018	2017
	(Unaudited)	
	(Rupees in '000)	
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 445,734 units (June 30, 2018: 445,734 units)	6,419	6,881
Directors and Executives of the Management Company		
Investment of 6,359,714 units (June 30, 2018: 6,277,570 units)	91,582	96,904
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	74,961	87,638
Sindh Sales Tax on management fee	9,745	11,393
Selling and Marketing expenses	9,365	-
Allocated expenses	3,748	4,382
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	4,252	4,886
Sindh Sales Tax on trustee fee	553	635
CDS charges	57	82
Meezan Bank Limited		
Profit on saving account	857	268
Shares sold: 348,500 shares (December 31, 2017: nil)	31,531	-
Shares purchased: 1,117,500 shares (December 31, 2017: 75,000 shares)	98,078	5,456
Right shares: nil (December 31, 2017: 4,518 shares)	-	226
Bonus shares: 20,031 shares (December 31, 2017: nil)	-	-
Profit on sukuk certificates	8,092	-
Dividend income	300	131
Directors and Executives of the Management Company		
Units issued: 103,214 units (December 31, 2017: 64,283 units)	1,591	1,017
Units redeemed: 21,070 units (December 31, 2017: 328,629 units)	313	5,083

10. ALLOCATED EXPENSES

As per regulation 60 of the NBFC Regulations, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

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11. EXPENSE RATIO

The Total Expense Ratio of the Fund for the period ended December 31, 2018 is 2.93% which includes 0.37% representing government levy and SECP fee.

12. TAXATION

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

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

13. SELLING AND MARKETING EXPENSES

SECP vide a Circular No.40 of 2016 dated December 30, 2016 (later amended via circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds), initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than actual expenses incurred.

14. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

14.1 FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	3,760,646	-	-	3,760,646
Sukuk certificates	-	1,548,514	-	1,548,514
Commercial papers*	-	-	420,358	420,358
Financial assets - 'Available for sale'	-	-	-	-

ASSETS	As at June 30, 2018			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	4,242,544	-	-	4,242,544
Sukuk certificates	-	1,779,570	-	1,779,570
Commercial papers	-	-	-	-
Financial assets - 'Available for sale'	182,853	-	-	182,853

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

15. GENERAL

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

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

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

All

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ASSET ALLOCATION FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Asset Allocation Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi


MEEZAN ASSET ALLOCATION FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	5 413,272	454,128
Investments	6 1,961,209	2,433,085
Dividend receivable	5,387	5,809
Receivable against sale of investments - net	5,906	-
Receivable against conversion of units	4	9,679
Deposits, profit accrued and other receivable	8,466	8,034
Preliminary expenses and floatation costs	416	507
Total assets	<u>2,394,660</u>	<u>2,911,242</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	13,459	12,673
Payable to Central Depository Company of Pakistan Limited - Trustee	308	340
Payable to Securities and Exchange Commission of Pakistan	1,319	2,896
Payable to Meezan Bank Limited	32	44
Payable against purchase of investments - net	-	2,190
Payable against redemption and conversion of units	1,980	1,669
Accrued expenses and other liabilities	7 15,333	14,266
Total liabilities	<u>32,431</u>	<u>34,078</u>
Net assets	<u>2,362,229</u>	<u>2,877,164</u>
Contingencies and commitments	8	
Unitholders' fund (as per statement attached)	<u>2,362,229</u>	<u>2,877,164</u>
	(Number of units)	
Number of units in issue	<u>59,940,124</u>	<u>64,611,605</u>
	(Rupees)	
Net assets value per unit	<u>39.4098</u>	<u>44.5301</u>


The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in

For AI Meezan Investment Management Limited
 (Management Company)


 Chief Executive


 Chief Financial Officer


 Director

**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018	2017	2018	2017
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised loss on sale of investments		(34,089)	(66,108)	(33,833)	(67,958)
Dividend income		60,440	81,222	36,003	56,915
Profit on saving accounts with banks		14,863	13,433	8,281	6,018
		<u>41,214</u>	<u>28,547</u>	<u>10,451</u>	<u>(5,025)</u>
Net unrealised diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	<u>(328,448)</u>	<u>(486,184)</u>	<u>(231,912)</u>	<u>(158,046)</u>
Total loss		<u>(287,234)</u>	<u>(457,637)</u>	<u>(221,461)</u>	<u>(163,071)</u>
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company		20,820	23,362	10,026	10,955
Sindh Sales Tax on management fee		2,707	3,037	1,304	1,424
Allocated expenses	10	1,388	1,557	668	730
Selling and marketing expenses	13	5,552	6,230	2,674	2,922
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,892	2,039	920	960
Sindh Sales Tax on trustee fee		246	265	120	125
Annual fee to Securities and Exchange Commission of Pakistan		1,319	1,480	635	694
Auditors' remuneration		211	202	114	86
Brokerage expenses		515	1,562	385	510
Charity expense		932	1,249	636	1,132
Bank and settlement charges		260	525	148	189
Amortisation of preliminary expenses and floatation costs		91	91	45	46
Fees and subscription		297	337	135	135
Legal and professional charges		-	27	-	27
Printing expenses		10	69	10	69
Total expenses		<u>36,240</u>	<u>42,032</u>	<u>17,820</u>	<u>20,004</u>
Net loss for the period before taxation		<u>(323,474)</u>	<u>(499,669)</u>	<u>(239,281)</u>	<u>(183,075)</u>
Taxation	11	-	-	-	-
Net loss for the period after taxation		<u>(323,474)</u>	<u>(499,669)</u>	<u>(239,281)</u>	<u>(183,075)</u>
Allocation of net income for the period					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution		-	-	-	-
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

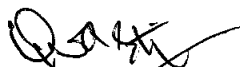
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in

For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ASSET ALLOCATION FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period		Quarter ended,	
	December 31,		December 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
Net loss for the period after taxation	(323,474)	(499,669)	(239,281)	(183,075)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(323,474)</u>	<u>(499,669)</u>	<u>(239,281)</u>	<u>(183,075)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in

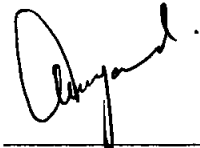
For AI Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2018			Six months period ended December 31, 2017		
	Capital Value	Accumulat ed loss	Total	Capital Value	Accumulat ed loss	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
Net assets at the beginning of the period	3,339,382	(462,218)	2,877,164	3,253,053	(1,618)	3,251,435
Issuance of 10,453,999 units (2017: 19,479,527 units)						
- Capital value (at net asset value per unit at the beginning of the period)	465,518	-	465,518	991,313	-	991,313
- Element of loss	(16,721)	-	(16,721)	(105,854)	-	(105,854)
Total proceeds on issuance of units	448,797	-	448,797	885,459	-	885,459
Redemption of 15,125,480 units (2017: 19,059,441 units)						
- Capital value (at net asset value per unit at the beginning of the period)	673,539	-	673,539	969,935	-	969,935
- Element of income	(33,281)	-	(33,281)	(150,751)	-	(150,751)
Total payments on redemption of units	640,258	-	640,258	819,184	-	819,184
Total comprehensive loss for the period	-	(323,474)	(323,474)	-	(499,669)	(499,669)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(323,474)	(323,474)	-	(499,669)	(499,669)
Net assets at the end of the period	3,147,921	(785,692)	2,362,229	3,319,328	(501,287)	2,818,041
Accumulated loss brought forward						
- Realised (loss) / income		(109,140)			71,059	
- Unrealised loss		(353,078)			(72,677)	
		(462,218)			(1,618)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the period after taxation		(323,474)			(499,669)	
Distribution during the period		-			-	
Accumulated loss carried forward		(785,692)			(501,287)	
Accumulated loss carried forward						
- Realised loss		(457,244)			(15,103)	
- Unrealised loss		(328,448)			(486,184)	
		(785,692)			(501,287)	
Net assets value per unit at the beginning of the period			(Rupees) 44.5301			(Rupees) 50.8900
Net assets value per unit at the end of the period			39.4098			43.8100

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director


**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Note	Six months period ended December 31,	
		2018	2017
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before taxation		(323,474)	(499,669)
Adjustments for:			
Amortisation of preliminary expenses and floatation costs		91	91
Net unrealised diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	328,448	486,184
		<u>5,065</u>	<u>(13,394)</u>
(Increase) / decrease in assets			
Investments - net		143,428	(150,603)
Dividend receivable		422	(9,358)
Receivable against sale of investments - net		(5,906)	-
Deposits, profit accrued and other receivable		(432)	(213)
		<u>137,512</u>	<u>(160,174)</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		786	(57)
Payable to Central Depository Company of Pakistan Limited - Trustee		(32)	(54)
Payable to Securities and Exchange Commission of Pakistan		(1,577)	130
Payable to Meezan Bank Limited		(12)	(2,197)
Payable against purchase of investments - net		(2,190)	4,730
Accrued expenses and other liabilities		1,067	(63,226)
		<u>(1,958)</u>	<u>(60,674)</u>
Net cash generated from / (used in) operating activities		<u>140,619</u>	<u>(234,242)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		458,472	934,257
Payment against redemption and conversion of units		(639,947)	(842,245)
Dividend paid		-	(42,321)
Net cash (used in) / generated from financing activities		<u>(181,475)</u>	<u>49,691</u>
Net decrease in cash and cash equivalents during the period		<u>(40,856)</u>	<u>(184,551)</u>
Cash and cash equivalents at the beginning of the period		454,128	744,519
Cash and cash equivalents at the end of the period		<u><u>413,272</u></u>	<u><u>559,968</u></u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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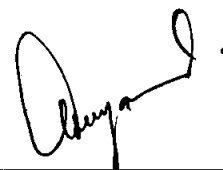
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective. However, the Fund currently does not hold any investment in debt securities.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

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4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
5. BALANCES WITH BANKS	Note	(Rupees in '000)	
In saving accounts	5.1	404,810	449,911
In current accounts		8,462	4,217
		<u>413,272</u>	<u>454,128</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum (June 30, 2018: 2.00% to 6.55% per annum).

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
6. INVESTMENTS	Note	(Rupees in '000)	
Investments at 'fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	<u>1,961,209</u>	<u>2,433,085</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2018	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
								(Number of shares)			
								(Rupees in '000)			
								%			

Sectors/ Companies

Automobile Assembler											
Ghandhara Industries Limited (Note 6.2)	50,000	-	50,000	-	100,000	35,335	27,475	(7,860)	1.16	0.23	1.40
Honda Atlas Cars (Pakistan) Limited	74,000	-	-	-	74,000	23,413	13,064	(10,349)	0.55	0.05	0.67
Pak Suzuki Motor Company Limited	15,000	-	-	14,900	100	39	17	(22)	0.00	0.00	0.00
									1.71	0.28	2.07
Automobile Parts & Accessories											
Ghandhara Nissan	131,098	-	-	125,000	6,098	1,096	579	(517)	0.02	0.01	0.03
Chemicals											
Enoro Polymer & Chemicals Limited	1,113,000	561,761	-	374,000	1,300,761	38,321	48,310	9,989	2.05	0.14	2.46
ICI Pakistan Limited	65,800	2,300	-	-	68,100	54,234	54,097	(137)	2.29	0.07	2.76
Sitara Peroxide Limited	-	100,000	-	-	100,000	3,167	2,892	(275)	0.12	0.18	0.15
									4.46	0.39	5.37
Cement											
Cherat Cement Company Limited	256,000	-	-	30,000	226,000	21,974	15,741	(6,233)	0.67	0.13	0.80
Dewan Cement Limited	450,000	-	-	450,000	-	-	-	-	0.00	0.00	0.00
D.G. Khan Cement Company Limited	489,000	-	-	-	489,000	55,986	39,193	(16,793)	1.66	0.11	2.00
Kohat Cement Company Limited (Note 6.2)	150,000	-	45,000	1,000	194,000	18,366	16,478	(1,888)	0.70	0.10	0.84
Lucky Cement Limited	337,900	85,000	-	20,000	402,900	204,269	175,129	(29,140)	7.41	0.12	8.93
Maple Leaf Cement Limited	384,112	100,000	-	75,000	409,112	21,068	16,630	(4,438)	0.70	0.06	0.85
Pioneer Cement Limited	45,500	-	-	45,000	500	23	21	(2)	0.00	0.00	0.00
									11.14	0.52	13.42
Engineering											
Crescent Steel and Allied Products Limited	70,800	-	-	70,800	-	-	-	-	0.00	0.00	0.00
International Industries Limited	120,000	-	-	-	120,000	27,875	18,486	(9,389)	0.78	0.10	0.94
International Steels Limited	244,000	25,000	-	150,000	119,000	11,895	7,827	(4,068)	0.33	0.03	0.40
Mughal Iron and Steel Industries Limited	35,000	-	-	35,000	-	-	-	-	0.00	0.00	0.00
									1.11	0.13	1.34
Fertilizer											
Dawood Hercules Corporation Limited	180,000	46,000	-	125,000	101,000	11,528	11,226	(302)	0.48	0.02	0.57
Engro Corporation Limited (note 6.1.2)	722,000	-	-	90,000	632,000	198,360	183,963	(14,397)	7.79	0.12	9.38
Engro Fertilizers Limited	2,115,000	-	-	175,000	1,940,000	145,325	133,957	(11,368)	5.67	0.15	6.83
									13.94	0.29	16.78

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Name of the investee company	As at July 1, 2018	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
(Number of shares)								(Rupees in '000)			
Food and Personal Care Products											
Engro Foods Limited	700	-	-	-	700	62	56	(6)	0.00	0.00	0.00
Al-Tahir Limited	-	764,857	-	530,000	234,857	4,932	4,462	(470)	0.19	0.16	0.23
Al-Shaheer Corporation Limited	3,750	-	-	-	3,750	102	90	(12)	0.00	0.00	0.00
									0.19	0.16	0.23
Glass and Ceramics											
Tariq Glass Industries	-	10,000	-	-	10,000	1,000	872	(128)	0.04	0.01	0.04
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	2,083,300	50,000	-	300,000	1,833,300	83,038	75,041	(7,997)	3.18	0.04	3.83
Mari Petroleum Company Limited (Note 6.2)	38,460	16,740	5,520	-	60,720	284,930	234,662	(50,268)	9.93	0.05	11.97
Pakistan Dilfields Limited (Note 6.2)	81,000	10,000	13,800	74,950	29,850	16,702	12,681	(4,021)	0.54	0.01	0.65
Pakistan Petroleum Limited (Note 6.2)	874,600	-	131,190	-	1,005,790	187,952	150,527	(37,425)	6.37	0.04	7.68
									20.02	0.14	24.13
Oil and Gas Marketing Companies											
Hascol Petroleum Limited (Note 6.2)	229,400	10,000	59,850	-	299,250	75,004	44,409	(30,595)	1.88	0.17	2.27
Hi-Tech Lubricants Limited	213,900	-	-	212,900	1,000	101	66	(35)	0.00	0.00	0.00
Sui Northern Gas Pipelines Limited	1,636,400	-	-	120,000	1,516,400	151,974	116,869	(35,105)	4.95	0.24	5.96
Sui Southern Gas Company Limited	780,000	-	-	-	780,000	25,600	18,018	(7,582)	0.76	0.09	0.92
Pakistan State Oil Company Limited (Note 6.2)	412,540	-	82,508	-	495,048	131,316	111,599	(19,717)	4.72	0.13	5.69
									12.31	0.63	14.84
Paper and Board											
Cherat Packaging Limited (Note 6.2)	11,350	8,700	1,703	-	21,753	3,127	3,729	602	0.16	0.06	0.19
Packages Limited	102,900	-	-	7,050	95,850	46,940	37,077	(9,863)	1.57	0.11	1.89
									1.73	0.17	2.08
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	19,050	-	-	19,000	50	34	32	(2)	0.00	0.00	0.00
AGP Limited	422,500	-	-	-	422,500	37,514	36,939	(575)	1.56	0.15	1.88
GlaxoSmithKline Consumer Healthcare Limited	97,000	-	-	-	97,000	39,290	25,840	(13,450)	1.09	0.10	1.32
GlaxoSmithKline Pakistan Limited	10,600	-	-	10,000	600	100	68	(32)	0.00	0.00	0.00
The Searle Company Limited (Note 6.2)	218,304	10,000	32,746	40,000	221,050	64,479	54,287	(10,192)	2.30	0.10	2.77
									4.95	0.35	5.97
Power Generation and Distribution											
K-Electric Limited (note 6.1.1)	12,355,000	-	-	-	12,355,000	70,175	73,389	3,214	3.11	0.04	3.74
The Hub Power Company Limited	738,200	-	-	-	738,200	68,032	63,330	(4,702)	2.68	0.06	3.23
									5.79	0.10	6.97
Refinery											
National Refinery Limited	24,000	-	-	24,000	-	-	-	-	0.00	0.00	0.00
Textile Composite											
Kohinoor Textile	-	100,000	-	-	100,000	4,825	4,508	(317)	0.19	0.03	0.23
Nishat Mills Limited	457,000	90,000	-	143,300	403,700	57,041	51,080	(5,961)	2.16	0.11	2.60
									2.35	0.14	2.83
Textile Weaving											
Feroze 1888 Mills Limited	-	185,000	-	-	185,000	12,210	22,851	10,641	0.97	0.05	1.17
Commercial Banks											
Meezan Bank Limited (an associate of the Fund) (Note 6.2)	410	651,000	12,541	275,000	388,951	33,450	35,935	2,485	1.52	0.03	1.83
Technology and Communication											
Avanceon Limited	30,000	50,000	-	25,000	55,000	4,116	4,547	431	0.19	0.04	0.23
Systems Limited	70,000	16,000	-	14,000	72,000	7,364	7,911	547	0.33	0.06	0.40
									0.52	0.10	0.63
Vanaspoti and Allied Industries											
Unity Foods Limited	250,000	-	-	46,000	204,000	5,973	5,249	(724)	0.22	0.12	0.27
Total						2,289,657	1,961,209	(328,448)			

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

6.1.2 105,000 shares (June 30, 2018: 105,000 shares) of Engro Corporation Limited, having market value of Rs 30.56 million as at December 31, 2018 (June 30, 2018: Rs 32.96 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

6.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

All in

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2018.

7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Charity payable		3,118	2,186
Brokerage payable		1,024	745
Auditors' remuneration payable		173	270
Withholding tax payable		28	28
Capital gain tax payable		1	4
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	10,080	10,080
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	145	145
Shariah advisory fee payable		269	269
Zakat payable		13	57
Others			
		15,333	14,266

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

The Management Company has recognised SWWF charge for the period from April 21, 2016 to December 31, 2018, amounting to Rs. 10.08 million (June 30, 2018: Rs 10.08 million). Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Re 0.17 / 0.43% per unit as at December 31, 2018 (June 30, 2018 : 0.16 / 0.35% per unit).

- 7.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

AM / 6

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.627 million (June 30, 2018: Rs 0.627 million) is being retained in the financial statements as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value per unit of the Fund as at December 31, 2018 would have been higher by Re 0.01 (June 30, 2018: Re 0.01) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	3,156	3,621
Sindh Sales Tax on management fee payable	410	471
Sales load payable	32	212
Sindh Sales Tax on sales load payable	4	28
Allocated expense payable	210	241
Selling and marketing expense payable	9,647	8,100
Meezan Bank Limited		
Sales load payable	28	39
Sindh Sales Tax on sales load payable	4	5
Bank balance	9,969	97,801
Profit receivable on saving account	67	190
Investment in 388,951 shares (June 30, 2018: 410 shares)	35,935	34
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	273	301
Sindh Sales Tax on trustee fee payable	35	39
Security deposit	100	100
Directors and Executives of the Management Company		
Investments of 3,638 units (June 30, 2018: 2,012 units)	143	90

All in

For the six months period
ended December 31,

2018 2017
(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration for the period	20,820	23,362
Sindh Sales Tax on management fee for the period	2,707	3,037
Allocated expenses	1,388	1,557
Selling and marketing expense	5,552	6,230

Meezan Bank Limited

Shares purchased during the period: 651,000 shares (December 31, 2017 : 98,500 shares)	56,898	7,301
Right issue: nil (December 31, 2017 : 5,910 shares)	-	296
Shares disposed off during the period: 275,000 shares (December 31, 2017 : 98,000 shares)	24,873	6,983
Bonus shares issued during the period: 12,541 shares (December 31, 2017: Nil)	1,053	
Profit on saving account	661	2,162
Dividend income	188	172

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	1,892	2,039
Sindh Sales Tax on trustee fee for the period	246	265
CDS charges	23	77

Directors and Executives of the Management Company

Units issued: 1,626 units (December 31, 2017: Nil units)	72	-
Units redeemed: nil (December 31, 2017: 45 units)	-	2

10. ALLOCATED EXPENSES

The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

11. TAXATION

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

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

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 2.61% which include 0.31% representing government levy and SECP fee.

13. SELLING AND MARKETING EXPENSES

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the period ended December 31, 2018 at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

All in

14. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at December 31, 2018, the Fund held the following financial instruments measured at fair values:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	1,961,209	-	-	1,961,209
	As at June 30, 2018			
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	2,433,085	-	-	2,433,085

15. GENERAL

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

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

16. DATE OF AUTHORISATION FOR ISSUE

16.1 These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Jaz Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Faysal Bank Limited - Islamic Banking
Habib Metropolitan Bank - Islamic Banking
Meezan Bank Limited
Al Baraka Islamic bank
Dubai Islamic Bank Pakistan Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan bank

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN DEDICATED EQUITY FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Dedicated Equity Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi

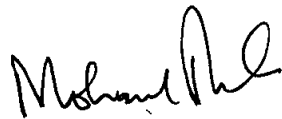
MEEZAN DEDICATED EQUITY FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Balances with banks	5	178,604	122,500
Investments	6	1,781,376	1,741,607
Receivable against sale of investment		27,909	-
Dividend receivable		3,729	2,103
Advances, prepayments and other receivables		1,715	2,661
Total assets		<u>1,993,333</u>	<u>1,868,871</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		10,807	7,319
Payable to Central Depository Company of Pakistan Limited - Trustee		595	269
Payable to Securities and Exchange Commission of Pakistan		945	922
Payable against purchase of investment - net		-	2,530
Accrued expenses and other liabilities	8	1,549	999
Total liabilities		<u>13,896</u>	<u>12,039</u>
Net assets		<u>1,979,437</u>	<u>1,856,832</u>
Contingencies and commitments			
Unitholders' fund (as per statement attached)	7	<u>1,979,437</u>	<u>1,856,832</u>
(Number of units)			
Number of units in issue		<u>47,080,307</u>	<u>38,257,817</u>
(Rupees)			
Net assets value per unit		<u>42.0438</u>	<u>48.5347</u>

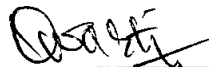
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in

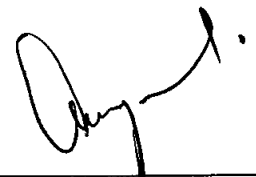
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN DEDICATED EQUITY FUND
 CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Note	Six months period ended December 31, 2018	Quarter ended December 31, 2018	For the period and quarter from October 9 to December 31, 2017
(Rupees in '000)				
Income				
Net realised loss on sale of investments		(56,292)	(49,800)	(6,419)
Dividend income		42,052	23,731	9,166
Profit on saving accounts with banks		1,785	1,188	1,675
		(12,455)	(24,881)	4,422
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	6.1	(254,016)	(179,695)	(5,600)
Total loss		(266,471)	(204,576)	(1,178)
Expenses				
Remuneration to AI Meezan Investment Management Limited - Management Company		19,904	10,273	3,882
Sindh Sales Tax on management fee		2,587	1,335	505
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,499	765	376
Sindh Sales Tax on trustee fee		195	100	49
Annual fee to Securities and Exchange Commission of Pakistan		945	488	184
Auditors' remuneration		153	83	112
Fees and subscription		281	140	288
Brokerage		1,539	1,141	1,429
Bank and settlement charges		163	55	344
Allocated expenses	10	995	513	194
Selling and Marketing Expenses	13	3,981	2,055	776
Charity Expense		651	417	77
Printing Expense		20	10	10
Total expenses		32,913	17,375	8,226
Net loss for the period before taxation		(299,384)	(221,951)	(9,404)
Taxation	12	-	-	-
Net loss for the period after taxation		(299,384)	(221,951)	(9,404)
Allocation of net income for the period				
Net income for the period after taxation		-	-	-
Income already paid on units redeemed		-	-	-
Accounting income available for distribution		-	-	-
- Relating to capital gains		-	-	-
- Excluding capital gains		-	-	-

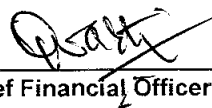
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in

For AI Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018**

Note	Six months period ended December 31, 2018	Quarter ended December 31, 2018	For the period and quarter from October 9 to December 31, 2017
	(Rupees in '000)		
Net loss for the period after taxation	(299,384)	(221,951)	(9,404)
Other comprehensive income / (loss) for the period	-	-	-
Total comprehensive loss for the period	(299,384)	(221,951)	(9,404)

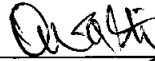
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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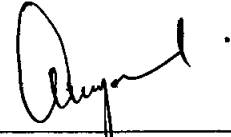
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



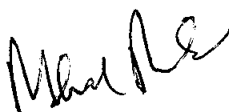
Director

MEEZAN DEDICATED EQUITY FUND
 CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018			For the period from October 9 to December 31, 2017		
	-(Rupees in '000)-			-(Rupees in '000)-		
	Capital Value	Accumu- lated loss	Total	Capital Value	Accumu- lated loss	Total
Net assets at the beginning of the period	1,925,907	(69,075)	1,856,832	-	-	-
Issue of 55,468,396 units (2017: 38,225,529 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,692,142	-	2,692,142	1,911,276	-	1,911,276
- Element of loss	(122,542)	-	(122,542)	(53,276)	-	(53,276)
Total proceeds on issuance of units	2,569,600	-	2,569,600	1,858,000	-	1,858,000
Redemption of 46,645,906 units (2017: 10,721,804 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,263,945	-	2,263,945	536,090	-	536,090
- Element of income	(116,334)	-	(116,334)	(19,077)	-	(19,077)
Total payments on redemption of units	2,147,611	-	2,147,611	517,013	-	517,013
Total comprehensive loss for the period	-	(299,384)	(299,384)	-	(9,404)	(9,404)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(299,384)	(299,384)	-	(9,404)	(9,404)
Net assets at the end of the period	<u>2,347,896</u>	<u>(368,459)</u>	<u>1,979,437</u>	<u>1,340,987</u>	<u>(9,404)</u>	<u>1,331,583</u>
Accumulated loss brought forward						
- Realised income		14,740			-	
- Unrealised loss		(83,815)			-	
		<u>(69,075)</u>			<u>-</u>	
Accounting income available for distribution		-			-	
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the period after taxation		(299,384)			(9,404)	
Distribution during the period		-			-	
Accumulated loss carried forward		<u>(368,459)</u>			<u>(9,404)</u>	
Accumulated loss carried forward						
- Realised loss		(114,443)			(3,804)	
- Unrealised loss		(254,016)			(5,600)	
		<u>(368,459)</u>			<u>(9,404)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			<u>48.5347</u>			<u>-</u>
Net assets value per unit at the end of the period			<u>42.0438</u>			<u>48.4100</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

All in



Chief Executive

For Al Meezan Investment Management Limited
(Management Company)



Chief Financial Officer



Director

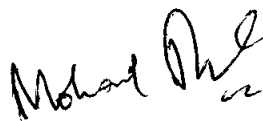
MEEZAN DEDICATED EQUITY FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018 2018	For the period from October 9 to December 31, 2017
----- (Rupees in '000) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(299,384)	(9,404)
Adjustments for		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	254,016 (45,368)	5,600 (3,804)
Decrease / (Increase) in assets		
Investments - net	(293,785)	(1,060,499)
Dividend receivable	(1,626)	(5,782)
Receivable against sale of investment	(27,909)	
Advances, prepayments and other receivables	946	(1,555)
	(322,374)	(1,067,836)
(Decrease) / Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	3,488	2,886
Payable to Central Depository Company of Pakistan Limited - Trustee	326	186
Payable to Securities and Exchange Commission of Pakistan	23	184
Payable against purchase of investments - net	(2,530)	39,107
Accrued expenses and other liabilities	550	680
	1,857	43,043
Net cash used in operating activities	(365,885)	(1,028,597)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units and conversion of units	2,569,600	1,858,000
Payment against redemption of units and conversion of units	(2,147,611)	(517,013)
Net cash generated from financing activities	421,989	1,340,987
Net increase in cash and cash equivalents during the period	56,104	312,390
Cash and cash equivalents at the beginning of the period	122,500	-
Cash and cash equivalents at the end of the period	178,604	312,390

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4 The JCR VIS has maintained the asset manager rating of the Management Company to AM1. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

AAA

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the period from October 9, 2017 to June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the period from October 9, 2017 to June 30, 2018.

4.3 Amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual accounting periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
5. BALANCES WITH BANKS	Note	(Rupees in '000)	
In saving accounts	5.1	178,375	122,326
In current accounts		229	174
		<u>178,604</u>	<u>122,500</u>

- 5.1 The balances in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum. (June 30, 2018: 2.00% to 2.40% per annum).

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	1,781,376	1,741,607
		<u>1,781,376</u>	<u>1,741,607</u>
6.1 Investments - 'at fair value through profit or loss'			

Name of the investee company	As at July 1, 2018	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
	Number of shares				(Rupees in '000)			%			
Sectors / companies											
Automobile Assembler											
Ghandhara Industries Limited (note 6.1.2)	33,000	-	33,000	-	66,000	23,321	18,134	(5,187)	0.92	0.31	1.02
Milfat Tractors Limited	13,000	-	-	-	13,000	15,445	10,816	(4,629)	0.55	0.03	0.61
Pak Suzuki Motors Company Limited	27,100	-	-	27,000	100	39	17	(22)	0.00	0.00	0.00
									1.47	0.34	1.63
Automobile Parts & Accessories											
General Tyre & Rubber Company Limited (note 6.1.2)	25,000	-	9,100	25,000	9,100	890	736	(154)	0.04	0.02	0.04
Ghandhara Nissan Limited	139,458	-	-	119,300	20,158	3,622	1,916	(1,706)	0.10	0.04	0.11
									0.14	0.06	0.15
Commercial Bank											
Meezan Bank Limited (note 6.1.2)	500	520,500	10,050	400,500	130,550	11,263	12,062	799	0.61	0.01	0.68
Cement											
Attock Cement Pakistan Limited	-	124,700	-	-	124,700	13,567	14,116	549	0.71	0.09	0.79
Lucky Cement Limited	263,400	104,700	-	35,950	332,150	166,387	144,376	(22,011)	7.29	0.10	8.10
Cherat Cement limited	96,500	-	-	96,000	500	49	35	(14)	0.00	0.00	0.00
Dewan Cement Limited	369,500	-	-	369,500	-	-	-	-	0.00	0.00	0.00
DG Khan Cement Limited	305,600	535,000	-	515,000	325,600	33,299	26,096	(7,203)	1.32	0.07	1.46
Maple Leaf Cement Company Limited	570,000	295,000	-	448,500	416,500	19,959	16,931	(3,028)	0.86	0.07	0.94
Kohat Cement Company Limited (note 6.1.2)	29,900	-	8,970	-	38,870	3,680	3,302	(378)	0.17	0.03	0.19
Poineer Cement Limited	98,000	127,000	-	98,000	127,000	6,185	5,322	(863)	0.27	0.06	0.30
									10.62	0.42	11.78
Chemical											
Engro Polymer & Chemicals Limited (note 6.1.2)	588,450	1,090,968	273,226	435,000	1,517,644	48,589	56,366	7,777	2.85	0.23	3.16
Sitara Peroxide Limited	-	400,000	-	100,000	300,000	10,064	8,676	(1,388)	0.44	0.54	0.49
ICI Pakistan Limited	73,200	2,500	-	-	75,700	60,255	60,134	(161)	3.04	0.08	3.38
									6.33	0.85	7.03
Engineering											
International Industries Limited	64,800	47,000	-	-	111,800	22,306	17,222	(5,084)	0.87	0.09	0.97
Amreli Steels Limited	139,000	-	-	139,000	-	-	-	-	0.00	0.00	0.00
International Steel Limited	247,500	286,000	-	151,400	382,100	32,447	25,131	(7,316)	1.27	0.09	1.41
Mughal Iron & Steel Industries Limited	382,500	-	-	382,500	-	-	-	-	0.00	0.00	0.00
									2.14	0.18	2.38
Fertilizer											
Engro Corporation Limited	544,900	270,000	-	281,600	533,300	169,398	155,233	(14,165)	7.84	0.10	8.71
Engro Fertilizers Limited	1,403,000	50,000	-	520,000	933,000	70,308	64,424	(5,884)	3.25	0.07	3.62
									11.09	0.17	12.33
Food & Personal Care Product											
At-Tahir Limited	-	510,083	-	310,000	200,083	4,202	3,802	(400)	0.19	0.14	0.21
Glass & Ceramics											
Tariq Glass Industries	-	80,000	-	-	80,000	7,502	6,975	(527)	0.35	0.11	0.39
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.1.2)	42,320	14,040	4,940	-	61,300	84,367	75,758	(8,609)	3.83	0.06	4.25
Pakistan Oilfields Limited (note 6.1.2)	142,800	112,200	28,560	35,000	248,560	136,802	105,593	(31,209)	5.33	0.11	5.93
Pakistan Petroleum Limited (note 6.1.2)	642,000	25,000	96,300	60,000	703,300	131,313	105,256	(26,057)	5.32	0.04	5.91
Oil and Gas Development Company Limited	919,600	773,700	-	343,400	1,349,900	208,331	172,787	(35,544)	8.73	0.03	9.70
									23.21	0.24	25.79
Oil and Gas Marketing Companies											
Hascoo Petroleum Limited (note 6.1.2)	106,400	131,800	55,200	17,400	276,000	65,954	40,959	(24,995)	2.07	0.23	2.30
Attock Petroleum Limited	-	10,000	-	-	10,000	4,850	4,315	(535)	0.22	0.01	0.24
Pakistan State Oil Company Limited (note 6.1.2)	210,300	362,200	39,060	40,000	571,560	150,762	128,847	(21,915)	6.51	0.18	7.23
Sui Northern Gas Pipeline Limited	689,100	708,000	-	303,000	1,094,100	98,150	84,322	(13,828)	4.26	0.17	4.73
Sui Southern Gas Company Limited	1,159,000	162,500	-	200,000	1,121,500	36,819	25,907	(10,912)	1.31	0.13	1.45
									14.37	0.72	15.95

all in

Name of the investee company	As at July 1, 2018	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Percentage in relation to			
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment	
												Number of shares
Paper and Board												
Cheral Pack	-	32,400	-	-	32,400	5,574	5,554	(20)	0.28	0.08	0.31	
Packages Limited	125,550	-	-	125,000	550	269	212	(57)	0.01	0.00	0.01	
									0.29	0.08	0.32	
Pharmaceuticals												
Abbott Laboratories Limited	6,000	-	-	6,000	-	-	-	-	0.00	0.00	0.00	
AGP Limited	462,500	-	-	29,500	433,000	38,446	37,857	(589)	1.91	0.15	2.13	
GlaxoSmithKline Consumer HealthCare	22,000	900	-	-	22,900	9,164	6,100	(3,064)	0.31	0.02	0.34	
GlaxoSmithKline Pakistan Limited	10,000	-	-	-	10,000	1,660	1,127	(533)	0.06	0.00	0.06	
The Searle Company Limited (note 6.1.2)	147,700	55,000	29,655	74,200	158,155	46,136	38,841	(7,295)	1.96	0.10	2.18	
									4.24	0.27	4.71	
Power Generation and Distribution												
K-Electric Limited (note 6.1.1)	7,435,000	650,000	-	-	8,085,000	45,866	48,025	2,159	2.43	0.08	2.70	
The Hub Power Company Limited	621,500	457,500	-	-	1,079,000	97,688	92,567	(5,121)	4.68	0.09	5.20	
									7.11	0.17	7.90	
Refinery												
Attock Refinery Limited (note 6.1.2)	15,800	-	200	15,000	1,000	172	147	(25)	0.01	0.00	0.01	
National Refinery Limited	58,650	-	-	58,650	-	-	-	-	0.00	0.00	0.00	
									0.01	0.00	0.01	
Technology & Communication												
Avancon Limited	50,000	210,000	-	80,000	180,000	13,392	14,883	1,491	0.75	0.14	0.84	
Netsol Technology	-	184,600	-	-	184,800	21,366	12,830	(8,526)	0.65	0.21	0.72	
System limited	120,000	-	-	25,000	95,000	9,616	10,438	822	0.53	0.08	0.59	
									1.93	0.43	2.15	
Textile Composite												
Kohinoor Textile	-	150,000	-	-	150,000	6,960	6,762	(228)	0.34	0.29	0.38	
Nishat Mills Limited	305,600	228,200	-	50,000	483,800	67,194	61,215	(5,979)	3.09	0.14	3.44	
									3.43	0.43	3.82	
Textile Weaving												
Feroze1888 Mills Limited	-	330,000	-	-	330,000	21,781	40,762	18,981	2.06	0.09	2.29	
Vanaspati & Allied Industries												
Unity Foods limited	300,000	50,000	-	20,000	330,000	9,923	8,490	(1,433)	0.43	0.20	0.48	
Total						2,035,392	1,781,376	(254,016)				

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

6.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the period from October 9, 2017 to June 30, 2018.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

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	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
8. ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable	-	23
Printing expenses payable	40	20
Auditors' remuneration payable	125	200
Brokerage payable	479	-
Charity payable	638	487
Shariah advisor fee payable	267	269
	<u>1,549</u>	<u>999</u>

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	3,447	3,129
Sindh Sales Tax payable on management fee	448	407
Selling and marketing expense	6,739	3,627
Allocated expense payable	173	156
Meezan Bank Limited		
Balances with bank	302	110,322
Profit receivable on saving accounts	167	281
Investments of shares: 130,550 (June 30, 2018: 500 units)	12,062	32
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	527	239
Sindh Sales Tax on trustee fee payable	68	30
Security deposit	103	103
Meezan Financial Planning Fund of Funds MAAP I		
Investment of 12,389,903 units (June 30, 2018: 12,759,249)	520,919	619,266
Meezan Financial Planning Fund of Funds MAAP - IV		
Investment of nil units (June 30, 2018: 2,136,721 units)	-	103,705
Meezan Strategic Allocation Fund MSAP - I		
Investment of 13,568,673 units (June 30, 2018: 3,762,961 units)	570,480	182,634
Meezan Strategic Allocation Fund MSAP - II		
Investment of 1,953,575 units (June 30, 2018: 1,953,574 units)	82,136	94,817

All in

	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited) (Rupees in '000)
Meezan Strategic Allocation Fund MSAP - III Investment of 2,190,402 units (June 30, 2018: 2,190,402 units)	92,093	106,311
Meezan Strategic Allocation Fund MSAP - IV Investment of 1,847,545 units (June 30, 2018: 1,979,375 units)	77,678	96,068
Meezan Strategic Allocation Fund MSAP - V Investment of 1,433,085 units (June 30, 2018: 1,433,085 units)	60,252	69,554
Meezan Strategic Allocation Fund MCPP-III Investment of 3,142,476 units (June 30, 2018: 2,917,421 units)	132,122	141,596
Meezan Strategic Allocation Fund -II MCPP-IV Investment of 4,760,519 units (June 30, 2018: 7,003,244 units)	200,151	339,900
Meezan Strategic Allocation Fund -II MCPP-V Investment of 1,965,683 units (June 30, 2018: 2,121,785 units)	82,650	102,980
Meezan Strategic Allocation Fund-II MCPP-VI Investment of 1,959,555 units	82,387	-
Meezan Strategic Allocation Fund-II MCPP-VII Investment of 1,868,891 units	78,577	-
	Six months period ended December 31, 2018 2018	For the period from October 9 to December 31, 2017
	(Unaudited) (Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	19,904	3,882
Sindh Sales Tax on management fee for the period	2,587	505
Allocated expenses	995	194
Selling and marketing expense	3,981	776
Meezan Bank Limited		
Profit on saving account	1,182	1,149
Shares purchased during the period: 520,500 shares (December 31, 2017: 510,000 shares)	45,833	32,875
Bonus shares received: 10,050 units	-	-
Shares sold during the period: 400,500 shares	36,456	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,499	376
Sindh Sales Tax on trustee fee	195	49
CDS charges	58	36
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 602,460 units (December 31, 2017: 16,356,123)	26,000	808,000
Units redeemed: 971,806 units(December 31, 2017: 4,107,425)	45,260	208,000
Meezan Financial Planning Fund of Funds - MAAP - II		
Units issued: nil units (December 31, 2017: 444,265)	-	22,000
Units redeemed: nil units (December 31, 2017: 444,265)	-	21,520

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	Six months period ended December 31, 2018 2018	For the period from October 9 to December 31, 2017
	(Unaudited) (Rupees in '000)	
Meezan Financial Planning Fund of Funds MAAP - III		
Units issued: nil units (December 31, 2017: 15,880,658)	-	755,000
Units redeemed: nil units (December 31, 2017: 6,170,114)	-	287,493
Meezan Financial Planning Fund of Funds MAAP - IV		
Units redeemed: 2,136,720 units (December 31, 2017: 363,489)	99,023	18,000
Meezan Strategic Allocation Fund MSAP - I		
Units issued: 14,059,235 units (December 31, 2017: 1,191,438)	658,000	57,678
Units redeemed: 4,253,522 units (December 31, 2017: nil)	200,000	-
Meezan Strategic Allocation Fund MSAP - II		
Units issued: nil units (December 31, 2017: 767,367)	-	37,149
Meezan Strategic Allocation Fund MSAP - III		
Units issued: nil units (December 31, 2017: 868,337)	-	42,037
Meezan Strategic Allocation Fund MSAP - IV		
Units redeemed: 131,830 units (December 31, 2017: 949,111)	6,220	45,946
Meezan Strategic Allocation Fund MSAP - V		
Units issued: nil units (December 31, 2017: 1,404,741)	-	68,004
Meezan Strategic Allocation Fund MCPP-III		
Units issued: 10,050,937 units (December 31, 2017: 1,404,741)	467,200	-
Units redeemed: 9,825,883 units (December 31, 2017: nil units)	445,872	-
Meezan Strategic Allocation Fund -II MCPP-IV		
Units issued: 16,971,845 units (December 31, 2017: nil units)	1,130,719	-
Units redeemed: 19,214,570 units (December 31, 2017: nil units)	1,232,232	-
Meezan Strategic Allocation Fund -II MCPP-V		
Units issued: 5,325,304 units (December 31, 2017: nil units)	245,600	-
Units redeemed: 5,481,406 units (December 31, 2017: nil units)	251,518	-
Meezan Strategic Allocation Fund-II MCPP-VI		
Units issued: 3,924,601 units (December 31, 2017: nil units)	184,000	-
Units redeemed: 1,983,046 units (December 31, 2017: nil units)	92,284	-
Meezan Strategic Allocation Fund-II MCPP-VII		
Units issued: 2,187,362 units (December 31, 2017: nil units)	98,000	-
Units redeemed: 318,471 units (December 31, 2017: nil units)	15,092	-

10. ALLOCATED EXPENSES

As per regulation 60 of the NBFC Regulations, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

11. EXPENSE RATIO

The Total Expense Ratio of the Fund for the half year ended December 31, 2018 is 3.31% which includes 0.40% representing government levy and SECP fee.

All in

12. TAXATION

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

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

13. SELLING AND MARKETING EXPENSES

SECP vide a Circular No.40 of 2016 dated December 30, 2016 (later amended via circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds), initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than actual expenses incurred.

14. FINANCIAL INSTRUMENTS - FAIR VALUES

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

14.1. Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'	1,781,376	-	-	1,781,376
	As at June 30, 2018			
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'	1,741,607	-	-	1,741,607

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15. GENERAL

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

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

16. DATE OF AUTHORISATION

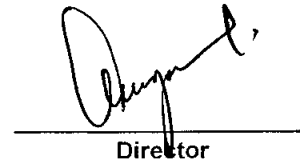
These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

At 16

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive


Chief Financial Officer
Director

MEEZAN GOLD FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Sindh Bank Limited
UBL Ameen - Islamic Banking
Meezan Bank Limited
Bank Al Habib Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN GOLD FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Gold Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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

Al Ferguson

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 25, 2019

Karachi

MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018

		December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Balances with banks	5	60,685	29,332
Investment in gold	6	270,742	211,865
Profit receivable on saving accounts		159	115
Receivable against sale of investments - net		-	1,927
Receivable against conversion of units		230	3,516
Deposits and prepayments		14	-
Total assets		<u>331,830</u>	<u>246,755</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		749	311
Payable to Central Depository Company of Pakistan Limited - Trustee		47	37
Payable to Securities and Exchange Commission of Pakistan		101	274
Payable against conversion and redemption of units		183	280
Payable against purchase of investments - net		5,304	-
Payable to Meezan Bank Limited		28	9
Accrued expenses and other liabilities	9	3,386	2,760
Total liabilities		<u>9,798</u>	<u>3,671</u>
Net assets		<u>322,032</u>	<u>243,084</u>
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		<u>322,032</u>	<u>243,084</u>
		(Number of units)	
Number of units in issue		<u>5,020,061</u>	<u>4,289,651</u>
		(Rupees)	
Net assets value per unit		<u>64.1490</u>	<u>56.6676</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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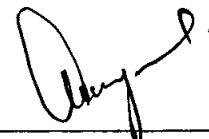
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN GOLD FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Note	Six months period ended, December 31,		Quarter ended, December 31,	
		2018	2017	2018	2017
		(Rupees in '000)		(Rupees in '000)	
Income					
Realised gain on sale of investments		1,812	2,686	2,453	1,548
Profit on saving accounts with banks		772	610	395	312
Price adjustment charges	11	3,485	443	1,838	443
		6,069	3,739	4,686	2,303
Unrealised appreciation / (diminution) on re-measurement of investment in gold	6.1	31,605	18,811	36,078	8,664
Total income		37,674	22,550	40,764	10,967
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company		1,340	2,185	691	1,031
Sindh Sales Tax on management fee		174	284	90	134
Allocated expenses	8	134	219	69	104
Selling and marketing expenses	14	357	-	98	1
Remuneration to Central Depository Company of Pakistan Limited - Trustee		228	371	118	175
Sindh Sales Tax on trustee fee		30	48	16	23
Annual fee to Securities and Exchange Commission of Pakistan		101	164	52	78
Auditors' remuneration		198	188	106	82
Brokerage expense		28	16	20	9
Fees and subscription		175	188	87	79
Bank and settlement charges		439	54	286	24
Custodian expense		1,190	1,939	621	911
Provision for Sindh Workers' Welfare Fund (SWWF)	9	666	338	666	166
Printing expenses		1	10	1	10
Total expenses		5,061	6,004	2,921	2,826
Net income for the period before taxation		32,613	16,546	37,843	8,141
Taxation	13	-	-	-	-
Net income for the period after taxation		32,613	16,546	37,843	8,141
Allocation of net income for the period					
Net income for the period after taxation		32,613	16,546	37,843	8,141
Income already paid on units redeemed		(926)	(3,710)	(926)	(1,803)
		31,687	12,836	36,917	6,338
Accounting income available for distribution					
- Relating to capital gains		33,417	21,497	38,531	10,212
- Excluding capital gains		(1,730)	(8,661)	(1,614)	(3,874)
		31,687	12,836	36,917	6,338

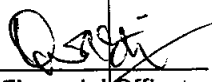
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN GOLD FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period December 31,		Quarter ended, December 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	32,613	16,546	37,843	8,141
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	32,613	16,546	37,843	8,141

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

All in

For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018			Six months period ended December 31, 2017		
	Capital Value	Undistrib- uted income	Total	Capital Value	Accumu- lated loss	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	233,180	9,904	243,084	470,991	(13,728)	457,263
Issue of 3,339,979 units (2017: 2,778,529 units)						
- Capital value (at net asset value per unit at the beginning of the period)	189,269	-	189,269	140,205	-	140,205
- Element of income	7,287	-	7,287	6,211	-	6,211
Total proceeds on issuance of units	196,556	-	196,556	146,416	-	146,416
Redemption of 2,609,569 units (2017: 4,528,451 units)						
- Capital value (at net asset value per unit at the beginning of the period)	147,878	-	147,878	228,506	-	228,506
- Element of loss	1,417	926	2,343	5,848	3,710	9,558
Total payments on redemption of units	149,295	926	150,221	234,354	3,710	238,064
Total comprehensive income for the period	-	32,613	32,613	-	16,546	16,546
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	32,613	32,613	-	16,546	16,546
Net assets at the end of the period	280,441	41,591	322,032	383,053	(892)	382,161
Undistributed income / (accumulated loss) brought forward						
- Realised (loss) / income		(19,027)			7,958	
- Unrealised income / (loss)		28,931			(21,686)	
		9,904			(13,728)	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains	33,417			21,497		
- Excluding capital gains	(1,730)			(8,661)		
	31,687			12,836		
Distribution for the period	-			-		
Undistributed income / (accumulated loss) carried forward	41,591			(892)		
Undistributed income / (accumulated loss) carried forward						
- Realised income / (loss)	9,986			(19,703)		
- Unrealised income	31,605			18,811		
	41,591			(892)		
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			56.6676			50.4600
Net assets value per unit at the end of the period			64.1490			52.2700

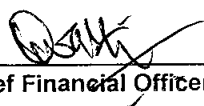
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

AM/c

For Al-Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director


MEEZAN GOLD FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended, December 31,	
	2018	2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	32,613	16,546
Adjustments for:		
Unrealised appreciation on re-measurement of investment in gold	(31,605)	(18,811)
	1,008	(2,265)
(Increase) / decrease in assets		
Investments - net	(27,272)	64,770
Receivable against sale of investments - net	1,927	(825)
Profit receivable on saving accounts	(44)	(69)
Deposits and prepayments	(14)	-
	(25,403)	63,876
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	438	(30)
Payable to Central Depository Company of Pakistan Limited - Trustee	10	(5)
Payable to Securities and Exchange Commission of Pakistan	(173)	(128)
Payable against purchase of investments - net	5,304	-
Payable to Meezan Bank Limited	19	-
Accrued expenses and other liabilities	626	758
	6,224	595
Net cash (used in) / generated from operating activities	(18,171)	62,206
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	199,842	143,893
Payment against conversion and redemption of units	(150,318)	(221,101)
Net cash generated from / (used in) financing activities	49,524	(77,208)
Net increase / (decrease) in cash and cash equivalents during the period	31,353	(15,002)
Cash and cash equivalents at the beginning of the period	29,332	65,003
Cash and cash equivalents at the end of the period	60,685	50,001

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

AMC

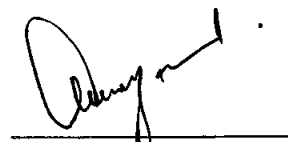
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN GOLD FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Gold Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on October 15, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on September 23, 2014. The Fund commenced its operations on August 18, 2015. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

1.2 The Fund is an open-ended Shariah Compliant Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on the Pakistan Mercantile Exchange (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah principles as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and/or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by the Shariah Advisor. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as a Shariah Compliant Commodity Scheme.

1.4 The JCR - VIS has maintained the asset manager rating of the Management Company to AM1. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

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Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

The Fund is an open-ended Shariah Compliant Commodity Fund and can only invest in gold which is not a financial asset. However, the financial assets of the Fund which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual accounting periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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5.	BALANCES WITH BANKS	Note	December 31,	June 30,
			2018 (Unaudited)	2018 (Audited)
			(Rupees in '000)	
	In saving accounts	5.1	58,273	27,190
	In current accounts		2,412	2,142
			<u>60,685</u>	<u>29,332</u>

5.1 The balance in saving accounts have an expected profit ranging from 4.00% to 10.25% per annum (June 30, 2018: 2.40% to 6.05% per annum).

6.	INVESTMENTS	Note	December 31,	June 30,
			2018 (Unaudited)	2018 (Audited)
			(Rupees in '000)	
	Investment in gold	6.1	<u>270,742</u>	<u>211,865</u>

6.1 Investment in gold

Commodity	As at July 1, 2018	Purchases during the period	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain	Percentage in relation to Net assets of the Fund)
	(Tola)				(Rupees in '000)			-- (%) --
TOLAGOLD	3,541	1,505	1,128	3,918	239,137	270,742	31,605	84.07
Total					<u>239,137</u>	<u>270,742</u>	<u>31,605</u>	

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

6.1.2 The investment in gold of Rs 270.742 million (June 30, 2018: Rs 211.865 million) has been measured at fair value based on the quoted market price in active markets.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

8. ALLOCATED EXPENSES

The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

9.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2018 (Unaudited)	2018 (Audited)
			(Rupees in '000)	
	Auditor's remuneration		163	250
	Custodian fee payable		204	164
	Provision for Sindh Worker's Welfare Fund	9.1	2,101	1,435
	Withholding tax payable		21	21
	Capital gain tax payable		25	8
	Shariah advisory fee payable		161	161
	Zakat payable		-	10
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	414	414
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	297	297
			<u>3,386</u>	<u>2,760</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value per unit of the Fund as at December 31, 2018 would have been higher by Re 0.42 / 0.65% (June 30, 2018: Re 0.33 / 0.59%)

- 9.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.71 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.14 (June 30, 2018: Re 0.17) per unit.

10. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 3.78% which includes 0.73% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

11. PRICE ADJUSTMENT CHARGES

Securities and Exchange Commission of Pakistan (SECP) vide Circular no.40 SCD/AMCW/ MGF/63/2017 dated June 14, 2017, allowed the fund to charge price adjustment charges. Price adjustment charge is a difference between the offer price and the bid price from the closing price of the Gold transactions (Contract) available at PMEX, which is added to and deducted from the NAV to determine Offer and Redemption prices respectively. Such charges form part of Fund Property.

Currently, price adjustment charges added / deducted to form NAV of the fund to determine offer / redemption price is 1% of NAV.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	248	193
Sindh Sales Tax on management fee payable	32	26
Sales load payable	15	3
Sindh Sales Tax on sales load payable	2	-
Selling and marketing expenses payable	426	70
Allocated expenses payable	26	19
Meezan Bank Limited		
Bank balance	49,443	11,650
Sales load payable	25	8
Sindh sales tax on sales load payable	3	1
Profit receivable on saving account	54	24
Investment of 1,000,000 units (June 30, 2018: 1,000,000 units)	64,149	56,668
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	42	33
Sindh Sales Tax on trustee fee payable	5	4
Directors and Executives of the Management Company		
Investment of 227,540 units (June 30, 2018: 197,738 units)	14,596	11,205
Unitholders holding 10% or more units of the Fund		
Investment of 747,473 units (June 30, 2018: 1,363,271 units)	47,950	77,253
Six months period ended, December 31,		
	2018	2017
	(Unaudited)	
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	1,340	2,185
Sindh Sales Tax on management fee for the period	174	284
Allocated expenses	134	219
Selling and marketing expense	357	-
Units redeemed: nil (December 31, 2017: 702,463 units)	-	36,507
Meezan Bank Limited		
Profit on saving account	197	605
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	228	371
Sindh Sales Tax on trustee fee for the period	30	48
Directors and Executives of the Management Company		
Units issued: 57,616 units (December 31, 2017: 24,708 units)	3,608	1,281
Units redeemed: 27,814 units (December 31, 2017: 16,077 units)	1,564	815

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13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2019 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

14. SELLING AND MARKETING EXPENSES

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

15. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Fair value of investments is determined as follows:

- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan.
- Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP).
- Fair value of future contracts are determined on the basis of closing market prices quoted on the respective stock exchange.
- Fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments

15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Investments in gold are non-financial assets, therefore, the fair value is disclosed in note 6.1 to these condensed interim financial statements.

As at December 31, 2018, the Fund does not hold any asset which required fair valuation.

ALL

16. GENERAL

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


16.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements during the period.

17. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

All in

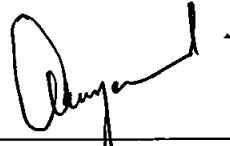
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC INCOME FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Income Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi

MEEZAN ISLAMIC INCOME FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

		December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Balances with banks	5	4,923,480	4,070,871
Investments	6	5,930,481	5,993,947
Receivable against conversion of units		76,021	129,263
Deposits, prepayments, profit accrued and other receivables		137,690	116,395
Total assets		<u>11,067,672</u>	<u>10,310,476</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		12,091	7,743
Payable to Central Depository Company of Pakistan Limited - Trustee		868	783
Payable to Securities and Exchange Commission of Pakistan		3,863	8,207
Payable to Meezan Bank Limited		376	1,708
Payable against redemption and conversion of units		35,215	49,459
Accrued expenses and other liabilities	7	91,138	76,662
Total liabilities		<u>143,551</u>	<u>144,562</u>
Net assets		<u>10,924,121</u>	<u>10,165,914</u>
Contingencies and commitments	8		
Unitholders' fund (as per statement attached)		<u>10,924,121</u>	<u>10,165,914</u>
		(Number of units)	
Number of units in issue		<u>205,734,990</u>	<u>189,709,138</u>
		(Rupees)	
Net asset value per unit		<u>53.0980</u>	<u>53.5868</u>

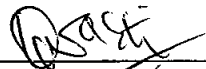
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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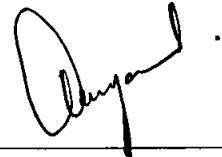
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018	2017	2018	2017
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on saving accounts with banks		152,486	149,357	84,520	66,407
Profit on term deposit receipts		18,424	80,323	4,683	37,962
Profit on certificates of musharakah		48,902	2,811	32,722	2,811
Profit on sukuk certificates		196,344	102,941	108,944	54,900
Net realised loss on sale of sukuk certificates		(15,508)	(12,116)	(10,040)	(4,062)
Other Income		1,384	60	1,020	44
		<u>402,032</u>	<u>323,376</u>	<u>221,849</u>	<u>158,062</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.2	812	(31,261)	14,504	(19,048)
Total income		<u>402,844</u>	<u>292,115</u>	<u>236,353</u>	<u>139,014</u>
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		40,284	70,937	23,635	26,543
Sindh Sales Tax on management fee		5,237	9,222	3,073	3,451
Allocated expenses	10	5,152	5,650	2,602	2,690
Remuneration to Central Depository Company of Pakistan Limited - Trustee		4,413	4,762	2,225	2,287
Sindh Sales Tax on trustee fee		574	619	290	297
Annual fee to Securities and Exchange Commission of Pakistan		3,864	4,238	1,952	2,018
Auditors' remuneration		414	362	215	185
Fees and subscription		713	847	352	360
Legal and professional charges		-	27	-	27
Brokerage expense		224	75	84	-
Bank and settlement charges		161	172	128	82
Provision for Sindh Workers' Welfare Fund		6,831	3,902	4,034	2,020
Printing expense		277	119	137	72
Total expenses		<u>68,144</u>	<u>100,932</u>	<u>38,727</u>	<u>40,032</u>
Net income for the period before taxation		<u>334,700</u>	<u>191,183</u>	<u>197,626</u>	<u>98,982</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>334,700</u>	<u>191,183</u>	<u>197,626</u>	<u>98,982</u>
Allocation of net income for the period					
Net income for the period after taxation		334,700	191,183	197,626	98,982
Income already paid on units redeemed		(83,446)	(68,916)	(64,893)	(55,595)
		<u>251,254</u>	<u>122,267</u>	<u>132,733</u>	<u>43,387</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	4,464	-
- Excluding capital gains		251,254	122,267	128,269	43,387
		<u>251,254</u>	<u>122,267</u>	<u>132,733</u>	<u>43,387</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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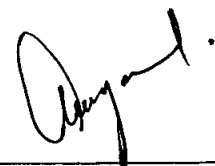
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

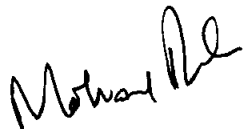
MEEZAN ISLAMIC INCOME FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period ended December 31,		Quarter ended, December 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	334,700	191,183	197,626	98,982
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>334,700</u>	<u>191,183</u>	<u>197,626</u>	<u>98,982</u>

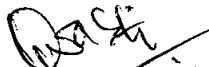
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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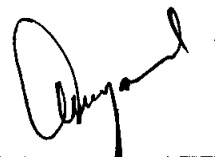
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018			Six months period ended December 31, 2017		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	9,755,035	410,879	10,165,914	11,616,350	165,076	11,781,426
Issuance of 183,246,418 units (2017: 272,573,377 units)						
- Capital value (at net asset value per unit at the beginning of the period)	9,417,290	-	9,417,290	14,007,546	-	14,007,546
- Element of income	160,655	-	160,655	101,893	-	101,893
Total proceeds on issuance of units	9,577,945	-	9,577,945	14,109,439	-	14,109,439
Redemption of 167,220,566 units (2017: 291,454,279 units)						
- Capital value (at net asset value per unit at the beginning of the period)	8,593,699	-	8,593,699	14,977,835	-	14,977,835
- Element of loss	60,806	83,446	144,252	41,477	68,916	110,393
Total payments on redemption of units	8,654,505	83,446	8,737,951	15,019,312	68,916	15,088,228
Total comprehensive income for the period	-	334,700	334,700	-	191,183	191,183
Distribution during the period	-	(245,803)	(245,803)	-	-	-
Refund of capital	(170,684)	-	(170,684)	-	-	-
	(170,684)	88,897	(81,787)	-	191,183	191,183
Net assets at the end of the period	10,507,791	416,330	10,924,121	10,706,477	287,343	10,993,820
Undistributed income brought forward						
- Realised income		396,375			114,773	
- Unrealised income		14,504			50,303	
		410,879			165,076	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		-			-	
- Excluding capital gains		251,254			122,267	
		251,254			122,267	
Distribution during the period at Rs. 2.1954 per unit i.e. 4.39% of the par value of Rs. 50/- each (July 6, 2018)		(245,803)			-	
Undistributed income carried forward		416,330			287,343	
Undistributed income carried forward						
- Realised income		415,518			318,604	
- Unrealised income / (loss)		812			(31,261)	
		416,330			287,343	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			53.5868			51.3900
Net assets value per unit at the end of the period			53.0980			52.2600

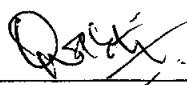
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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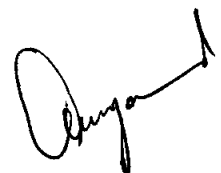
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer

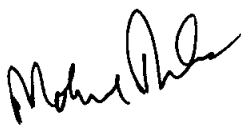


Director

MEEZAN ISLAMIC INCOME FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31,	
	2018	2017
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	334,700	191,183
Adjustments for		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(812)	31,261
	<u>333,888</u>	<u>222,444</u>
(Increase) / decrease in assets		
Investments - net	64,278.00	(759,110)
Deposits, prepayments, profit accrued and other receivables	(21,295)	12,931
	42,983	(746,179)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	4,348	(8,378)
Payable to Central Depository Company of Pakistan Limited - Trustee	85	102
Payable to Securities and Exchange Commission of Pakistan	(4,344)	(3,742)
Payable to Meezan Bank Limited	(1,332)	(427)
Accrued expenses and other liabilities	14,476	(26,088)
	13,233	(38,533)
Net cash generated from / (used in) operating activities	<u>390,104</u>	<u>(562,268)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	9,460,503	14,779,561
Payments against redemption and conversion of units	(8,752,195)	(17,344,142)
Dividend paid	(245,803)	-
Net cash generated from / (used in) financing activities	462,505	(2,564,581)
Net increase / (decrease) in cash and cash equivalents during the period	<u>852,609</u>	<u>(3,126,849)</u>
Cash and cash equivalents at the beginning of the period	4,070,871	8,557,522
Cash and cash equivalents at the end of the period	<u>5.2</u> <u>4,923,480</u>	<u>5,430,673</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Chief Executive

For Al Meezan Investment Management Limited
 (Management Company)



Chief Financial Officer



Director

MEEZAN ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

All / u

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The Fund's investment in Term Deposit Receipts and Certificates of Musharakah which were previously classified as "loans and receivables" and carried at amortised cost under IAS 39 would now be classified as 'at fair value through profit or loss' and carried at fair value under level 3.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

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The effect of this change in accounting policy is as follows:

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018	As at December 31, 2018
-----Rs. in '000-----				
Impact on Statement of Assets and Liabilities				
Investments - 'loans and receivables'	2,030,000	(2,030,000)	-	-
Investments - 'At fair value through profit or loss'	-	2,030,000	2,030,000	5,930,481

There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement.

There are no other standards, amendments to standards or interpretations that are effective for annual accounting periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	4,921,259	4,061,947
In current accounts		2,221	8,924
		<u>4,923,480</u>	<u>4,070,871</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum (June 30, 2018: 2.00% to 6.60% per annum).

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
5.2 Cash and cash equivalents			
Balances with banks	5	4,923,480	4,070,871
Term deposit receipt (with original maturity of three months)	6	-	1,130,000
		<u>4,923,480</u>	<u>5,200,871</u>

6. INVESTMENTS

Investments - 'at fair value through profit or loss'

Sukuk certificates	6.1	3,788,178	3,963,947
Certificates of Musharakah	6.2	1,056,399	900,000
Commercial Papers	6.3	1,085,904	-
Term deposit receipts	6.4	-	1,130,000
- having original maturity of 3 months or less			
		<u>5,930,481</u>	<u>5,993,947</u>

6.1 Sukuk Certificates

Government Securities - GoP Ijara Sukuks	6.1.1	-	541,768
Corporate Sukuks	6.1.2	3,788,178	3,422,179
		<u>3,788,178</u>	<u>3,963,947</u>

All/6

6.1.1 Government Securities - GoP Ijarah Sukuks

Name of the security	Maturity Date	Profit rate	As at July 1, 2018	Purchases during the period	Sales / maturity during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised appreciation / (diminution)	Percentage in relation to	
										Number of certificates	(Rupees in '000)
GoP Ijarah Sukuk Certificates - XVIII (note 6.1.1.1)	March 29, 2019	Weighted average 6 months T-Bills	1,250	-	1,250	-	-	-	-	-	0.00
GoP Ijarah Sukuk Certificates - XIX (note 6.1.1.1)	June 30, 2020	Weighted average 6 months T-Bills	4,250	-	4,250	-	-	-	-	-	0.00
Total											

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

6.1.2 Corporate Sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2018	Purchases during the period	Sales / redemptions during the period	As at December 31, 2018	* Carrying value as at December 31, 2018	* Market value as at December 31, 2018	Unrealised appreciation / (diminution)	Percentage in relation to		
										(Number of certificates)	(Rupees in '000)	Net assets of the Fund
Arzoo Textile Mills Limited (note 6.1.2.1 & 6.1.2.2) *	April 15, 2014	6 months KIBOR plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.2.1 & 6.1.2.2) *	September 29, 2014	6 months KIBOR plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.2.1 & 6.1.2.2) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-	6.67	-
BANKS												
Dubai Islamic Bank Pakistan Limited (A+, JCR-VIS, non-traded) (note 6.1.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.5%	513	-	-	513	522,595	522,595	-	4.78	12.83	8.81
Meezan Bank Limited Tier - II (AA, JCR-VIS, traded) (note 6.1.2.1)	September 22, 2026	6 months KIBOR plus base rate of 0.50%	300	118	-	418	422,482	418,042	(4,440)	3.83	4.29	7.04
FERTILIZER												
Engro Fertilizer Limited (AA, PACRA, traded) (note 6.1.2.1)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	44,625	-	14,875	29,750	150,237	148,750	(1,487)	1.36	13.28	2.50
Fatima Fertilizer Company Limited (AA-, PACRA, traded) (note 6.1.2.1)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	26,086	18,480	6,367	38,199	193,317	192,657	(660)	1.76	2.79	3.25
OIL & GAS MARKETING COMPANIES												
Hascol Petroleum Limited (AA, JCR-VIS, non-traded) (note 6.1.2.1)	January 06, 2022	3 months KIBOR plus base rate of 1.50%	45,000	-	6,000	39,000	199,945	197,555	(2,390)	1.81	15.00	3.33
POWER GENERATION & DISTRIBUTION												
K-Electric Limited (sukuk 4) (AA+, JCR-VIS, traded) (note 6.1.2.1)	June 17, 2022	3 months KIBOR plus base rate of 1.00%	160,000	-	34,000	126,000	638,615	637,374	(1,241)	5.83	4.20	10.75

All in

Name of the security	Maturity date	Profit rate	As at July 1, 2018	Purchases during the period	Sales / redemptions during the period	As at December 31, 2018	* Carrying value as at December 31, 2018	* Market value as at December 31, 2018	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
			(Number of certificates)			(Rupees in '000)			----- % -----			
Neelum Jhelum Hydropower Company (Private) Limited (AAA, JCR-VIS, non-traded) (note 6.1.2.1)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	7,650	-	1,416	6,234	648,345	663,709	15,364	6.08	0.67	11.19
PHARMACEUTICALS												
AGP Limited (A, PACRA, non-traded) (note 6.1.2.1)	June 9, 2022	3 months KIBOR plus base rate of 1.30%	-	1,815	205	1,610	161,830	162,610	780	1.49	9.40	2.74
CEMENT & CONSTRUCTION												
Javedan Corporation Limited (AA-, JCR-VIS) (note 6.1.2.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	-	1,000	-	1,000	100,000	100,000	-	0.92	3.34	1.69
STEEL & ALLIED PRODUCTS												
Agha Steel Industries (A+, JCR-VIS) (note 6.1.2.1)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	-	250	-	250	250,000	250,000	-	2.29	5.00	4.22
MISCELLANEOUS												
International Brands Limited (AA, JCR-VIS, non-traded) (note 6.1.2.1)	November 15, 2021	12 months KIBOR plus base rate of 0.50%	4,000	-	-	4,000	400,000	394,886	(5,114)	4	14	6.66
Shakarganj Food Products Limited (A, JCR-VIS) (note 6.1.2.1)	July 10, 2024	3 months KIBOR plus base rate of 1.75%	-	100	-	100	100,000	100,000	-	1	14	1.69
Total							3,787,366	3,788,178	812			

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

6.1.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited, Eden Housing Limited, International Brands Limited, Neelum Jhelum Hydropower Company (Pvt.) Limited, Meezan Bank Limited, Shakarganj Food Products Limited, AGP Limited, Javedan Corporation Limited and Agha Steel Industries Limited having nominal value of Rs 1,000,000, Rs 984,375, Rs 100,000, Rs 100,000, Rs. 1,000,000, Rs. 1,000,000, Rs. 100,000, Rs. 100,000 and Rs. 1,000,000 respectively.

6.1.2.2 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at December 31, 2018, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in 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	Non-traded sukuk certificates	15,403	15,403	-	-	-
		143,875	143,875			

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6.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2018	Placed during the period	Matured during the period	As at December 31, 2018	Percentage of total market value of investments
		%					%
			(Rupees in '000)				%
First Habib Modaraba	September 5, 2018	6.75	300,000	-	300,000	-	0.00
First Habib Modaraba	March 5, 2019	10.50	-	306,399	-	306,399	5.17
Orix Modaraba *	November 22, 2018	6.40	200,000	-	200,000	-	0.00
Orix Modaraba *	November 22, 2018	6.40	100,000	-	100,000	-	0.00
Orix Modaraba *	November 22, 2018	6.40	150,000	-	150,000	-	0.00
Orix Modaraba *	November 22, 2018	6.40	150,000	-	150,000	-	0.00
Orix Modaraba	September 14, 2019	10.47	-	600,000	-	600,000	10.12
Orix Modaraba	September 27, 2019	10.69	-	150,000	-	150,000	2.53
			<u>900,000</u>	<u>1,056,399</u>	<u>900,000</u>	<u>1,056,399</u>	

* These Certificates of Musharika were encashed on September 14, 2018, prior to the above mentioned maturity date.

6.3 Commercial Papers

Name of the security	Maturity date	Profit rate	As at July 1, 2018	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Total market value of investment
			(Number of certificates)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	--- % ---	
Hascol Petroleum Limited CP (note 6.3.1)	January 4, 2019	6 months KIBOR plus base rate of 1.25%	-	375	-	375	374,755	374,755	6.32
K-Electric Limited CP (note 6.3.1)	March 1, 2019	6 months KIBOR plus base rate of 0.90%	-	721	-	721	711,149	711,149	11.99
Total							<u>1,085,904</u>	<u>1,085,904</u>	

6.3.1 The nominal value of these commercial papers is Rs 1,000,000 each.

6.4 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2018	Term deposit receipts placed during the period	Matured during the period paid	As at December 31, 2018	Percentage of total market value of investments
		%					%
			(Rupees in '000)				%
Dubai Islamic Bank Pakistan Limited	July 5, 2018	6.15	630,000	-	630,000	-	0.00
Dubai Islamic Bank Pakistan Limited	October 5, 2018	6.15	-	630,000	630,000	-	0.00
Dubai Islamic Bank Pakistan Limited	November 15, 2018	8.60	-	650,000	650,000	-	0.00
Bank Islami Pakistan Limited	November 1, 2018	8.10	-	1,000,000	1,000,000	-	0.00
Faysal Bank Limited	August 18, 2018	6.13	500,000	-	500,000	-	0.00
			<u>1,130,000</u>	<u>2,280,000</u>	<u>3,410,000</u>	-	

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	29,166	22,336
Withholding tax payable		8,749	1,103
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	48,995	48,995
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	2,371	2,371
Auditors' remuneration payable		337	550
Printing expenses payable		682	438
Brokerage payable		105	204
Zakat payable		195	127
Shariah advisor fee payable		538	538
		<u>91,138</u>	<u>76,662</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value per unit of the Fund as at December 31, 2018 would have been higher by Re 0.14 / 0.27% (June 30, 2018: Re 0.12 / 0.22%).

- 7.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 51.366 million (June 30, 2018: 51.366 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.25 (June 30, 2018: Re 0.27) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	9,489	5,757
Sales load payable	411	383
Allocated expenses payable	902	803
Certificate charges payable	1	1
Sindh Sales Tax on management fee	1,234	749
Sindh Sales Tax on sales load	54	50
Investment of 5,944,287 units (June 30, 2018: 18,479,681 units)	315,630	990,267
Meezan Bank Limited		
Balances with bank	278,357	141,814
Sales load payable	333	1,512
Sindh Sales Tax on sales load	43	196
Profit receivable on saving account	1,017	371
Profit receivable on sukuk certificates	12,037	7,026
Investment of 418 sukuk certificates (June 30, 2018: 300 sukuk certificates)	418,042	304,500
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	768	693
Sindh Sales Tax on Trustee Fee payable	100	90
Security deposit	100	100
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,047,056 units (June 30, 2018: 1,161,137 units)	55,597	62,222
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,119,529 units (June 30, 2018: 1,445,143 units)	59,445	77,441
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 1,676,095 units (June 30, 2018: 1,979,904 units)	88,997	106,097
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 3,616,553 units (June 30, 2018: 3,467,932 units)	192,032	185,835
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investments of nil (June 30, 2018: 1,494,217 units)	-	80,070
Meezan Strategic Allocation Fund - MSAP - I		
Investments of 7,835,123 units (June 30, 2018: 7,736,308 units)	416,029	414,564
Meezan Strategic Allocation Fund - MSAP - II		
Investments of 5,271,214 units (June 30, 2018: 4,578,838 units)	279,891	245,365
Meezan Strategic Allocation Fund - MSAP - III		
Investments of 5,076,130 units (June 30, 2018: 3,862,902 units)	269,532	207,001
Meezan Strategic Allocation Fund - MSAP - IV		
Investments of 5,761,510 units (June 30, 2018: 4,594,666 units)	305,925	246,213
Meezan Strategic Allocation Fund - MSAP - V		
Investments of 747,907 units (June 30, 2018: 363,562 units)	39,712	19,482

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	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investments of 221,676 units (June 30, 2018: 212,599 units)	11,771	11,393
Directors and Executives of the Management Company		
Investments of 595,912 units (June 30, 2018: 292,675 units)	31,642	15,684
	Six months period ended December 31,	
	2018	2017
	(Unaudited) (Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	40,284	70,937
Sindh Sales Tax on management fee	5,237	9,222
Allocated expenses	5,152	5,650
Units issued: 7,639,986 units (December 31, 2017: 14,177,955 units)	397,114	734,000
Units redeemed: 20,175,380 units (December 31, 2017: 25,222,163 units)	1,049,100	1,304,500
Cash dividend paid	17,356	-
Refund of capital	23,214	-
Meezan Bank Limited		
Profit on saving account	1,094	1,144
Profit on sukuk certificate	14,242	-
Units issued: nil (December 31, 2017: 10,155,202 units)	-	530,000
Sukuk certificates purchased during the period: 118 sukuk certificates (December 31, 2017: nil)	117,982	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	4,413	4,762
Sindh Sales Tax on trustee fee	574	619
CDS Charges	17	3
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: 102,478 units (December 31, 2017: 65,414 units)	5,299	3,388
Units redeemed: 216,559 units (December 31, 2017: 665,974 units)	11,393	34,409
Cash dividend paid	2,325	-
Refund of capital	224	-
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: 61,736 units (December 31, 2017: 57,427 units)	3,172	3,000
Units redeemed: 387,350 units (December 31, 2017: 594,550 units)	20,164	30,828
Cash dividend paid	2,809	-
Refund of capital	363	-
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: 246,147 units (December 31, 2017: 191,875 units)	12,785	9,938
Units redeemed: 549,956 units (December 31, 2017: 1,008,638 units)	28,723	52,275
Cash dividend paid	3,989	-
Refund of capital	358	-

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	Six months period ended	
	December 31,	
	2018	2017
	(Unaudited)	
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 730,485 units (December 31, 2017: 33,753,210 units)	37,613	1,740,662
Units redeemed: 581,864 units (December 31, 2017: 29,694,330 units)	30,750	1,535,916
Cash dividend paid	4,610	-
Refund of capital	3,003	-
Meezan Financial Planning Fund of Funds - MAAP - II		
Units issued: nil (December 31, 2017: 4,596,367 units)	-	237,200
Units redeemed: nil (December 31, 2017: 2,841,001 units)	-	146,950
Meezan Financial Planning Fund of Funds - MAAP - III		
Units issued: nil (December 31, 2017: 32,395,542 units)	-	1,682,770
Units redeemed: nil (December 31, 2017: 17,938,036 units)	-	928,240
Meezan Financial Planning Fund of Funds - MAAP - IV		
Units issued: 63,875 units (December 31, 2017: 3,818,368 units)	3,280	197,000
Units redeemed: 1,558,092 units (December 31, 2017: 3,349,573 units)	80,267	173,000
Cash dividend paid	1,736	-
Refund of capital	1,544	-
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 1,495,164 units (December 31, 2017: 4,832,930 units)	76,984	250,000
Units redeemed: 1,396,349 units (December 31, 2017: 10,345,676 units)	73,910	533,820
Cash dividend paid	9,138	-
Refund of capital	7,846	-
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 1,107,934 units (December 31, 2017: 2,066,347 units)	57,052	107,000
Units redeemed: 415,558 units (December 31, 2017: 3,011,161 units)	22,000	155,740
Cash dividend paid	5,875	-
Refund of capital	4,177	-
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 1,213,228 units (December 31, 2017: 1,697,327 units)	62,481	88,000
Units redeemed: nil (December 31, 2017: 6,580,658 units)	-	339,130
Cash dividend paid	4,540	-
Refund of capital	3,941	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 1,166,844 units (December 31, 2017: 3,786,225 units)	60,088	195,500
Units redeemed: nil (December 31, 2017: 10,070,039 units)	-	519,690
Cash dividend paid	5,519	-
Refund of capital	4,569	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 384,345 units (December 31, 2017: 772,648 units)	19,798	40,000
Units redeemed: nil (December 31, 2017: 772,437 units)	-	40,020
Cash dividend paid	363	-
Refund of capital	435	-
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: 9,077 units (December 31, 2017: nil)	466	-
Cash dividend paid	2	-
Refund of capital	465	-

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**Six months period ended
December 31,**

2018	2017
(Unaudited)	
(Rupees in '000)	

Directors and Executives of the Management Company

Units issued: 939,642 units (December 31, 2017: 1,951,538 units)

Units redeemed: 636,405 units (December 31, 2017: 1,319,814 units)

Cash dividend paid

Refund of capital

49,199	101,618
33,297	68,698
167	-
476	-

10. ALLOCATED EXPENSES

The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 1.31% which include 0.32% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2019 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	3,788,178	-	3,788,178
Certificates of Musharakah*	-	-	1,056,399	1,056,399
Commercial Papers**	-	-	1,085,904	1,085,904

ASSETS	As at June 30, 2018			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	3,963,947	-	3,963,947

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

** The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

14. GENERAL

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

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

15. DATE OF AUTHORISATION

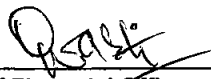
These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

Ali

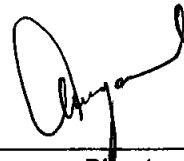
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN SOVEREIGN FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143,35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited
Al Baraka Bank
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

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) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

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

We would like to draw unit holder's attention towards the fact that the exposure of the Fund in shariah compliant government securities as on December 31, 2018 reached 52.71% of the net assets of the Fund; thus the Fund is in non-compliance of clause 2.2.1 of the offering document which states that the Fund should maintain minimum exposure of 70% in shariah compliant government securities on monthly average basis calculated at the end of each month. Upon inquiry, we have been informed by the Management Company that the non-compliance is mainly due to the unavailability of new GOP Ijara Sukuk and they had already approached the Commission seeking waiver against such compliance till new GOP Ijara Sukuk is auctioned. We have also reported this non-compliance to Commission in order to comply with the Regulation 41(m) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Sovereign Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi

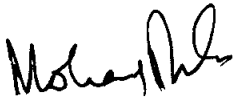
**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT DECEMBER 31, 2018**

		December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
	Note		
Assets			
Balances with banks	5	1,316,319	673,082
Investments	6	304,156	1,489,533
Receivable against conversion of units		9,418	31,469
Deposits, prepayments and other receivable		12,098	34,159
Total assets		<u>1,641,991</u>	<u>2,228,243</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		1,649	2,203
Payable to Central Depository Company of Pakistan Limited - Trustee		358	220
Payable to Meezan Bank Limited		23	322
Payable to Securities and Exchange Commission of Pakistan		659	2,117
Payable on redemption and conversion of units		46,455	11,847
Accrued expenses and other liabilities	8	92,356	91,018
Total liabilities		<u>141,500</u>	<u>107,727</u>
Net assets		<u>1,500,491</u>	<u>2,120,516</u>
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		<u>1,500,491</u>	<u>2,120,516</u>
		(Number of units)	
Number of units in issue		<u>28,363,051</u>	<u>40,219,172</u>
		(Rupees)	
Net assets value per unit		<u>52.9030</u>	<u>52.7240</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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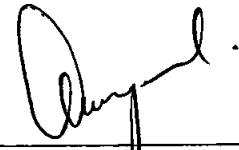
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018 (Rupees in '000)	2017 (Rupees in '000)	2018 (Rupees in '000)	2017 (Rupees in '000)
Income					
Profit on sukuk certificates		40,407	76,880	18,920	31,691
Net realised loss on sale of sukuk certificates		(12,004)	(23,516)	(194)	(9,130)
Profit on saving accounts with banks		21,617	23,740	11,166	9,455
		<u>50,020</u>	<u>77,104</u>	<u>29,892</u>	<u>32,016</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	7,508	(27,122)	10,580	8,752
Total income		<u>57,528</u>	<u>49,982</u>	<u>40,472</u>	<u>40,768</u>
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		8,785	17,165	4,000	6,995
Sindh Sales Tax on management fee		1,142	2,231	520	909
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,037	1,665	489	714
Sindh Sales Tax on trustee fee		134	216	63	92
Annual fee to Securities and Exchange Commission of Pakistan		659	1,287	300	524
Auditors' remuneration		360	306	181	132
Fees and subscription		334	410	174	(109)
Brokerage		209	207	2	80
Bank and settlement charges		91	147	38	58
Allocated expenses	10	878	1,716	400	699
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	878	493	686	493
Total expenses		<u>14,507</u>	<u>25,843</u>	<u>6,853</u>	<u>10,587</u>
Net income for the period before taxation		<u>43,021</u>	<u>24,139</u>	<u>33,619</u>	<u>30,181</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>43,021</u>	<u>24,139</u>	<u>33,619</u>	<u>30,181</u>
Allocation of net income for the period					
Net income for the period after taxation		43,021	24,139	33,619	30,181
Income already paid on units redeemed		6,590	-	6,568	221
		<u>36,431</u>	<u>24,139</u>	<u>27,051</u>	<u>29,960</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	10,386	-
- Excluding capital gains		36,431	24,139	16,665	29,960
		<u>36,431</u>	<u>24,139</u>	<u>27,051</u>	<u>29,960</u>

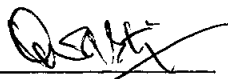
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN SOVEREIGN FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period December 31,		Quarter ended, December 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	43,021	24,139	33,619	30,181
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>43,021</u>	<u>24,139</u>	<u>33,619</u>	<u>30,181</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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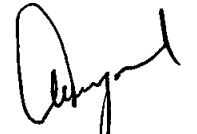
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

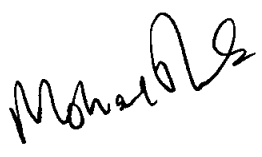
**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2018			Six months period ended December 31, 2017		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistrib- uted income	Total	Capital Value	Undistrib- uted income	Total
Net assets at the beginning of the period	1,792,404	328,112	2,120,516	4,042,582	291,086	4,333,668
Issue of 28,988,772 units (2017: 37,121,969 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,492,505	-	1,492,505	1,908,069	-	1,908,069
- Element of income	13,666	-	13,666	12,332	-	12,332
Total proceeds on issuance of units	1,506,171	-	1,506,171	1,920,401	-	1,920,401
Redemption of 40,844,893 units (2017: 75,880,234 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,102,924	-	2,102,924	3,900,244	-	3,900,244
- Element of loss	9,895	6,590	16,485	14,169	-	14,169
Total payments on redemption of units	2,112,819	6,590	2,119,409	3,914,413	-	3,914,413
Total comprehensive income for the period	-	43,021	43,021	-	24,139	24,139
Distribution during the period	-	(37,026)	(37,026)	-	-	-
Refund of Capital	(12,782)	-	(12,782)	-	-	-
Net income for the period less distribution	(12,782)	5,995	(6,787)	-	24,139	24,139
Net assets at the end of the period	1,172,974	327,517	1,500,491	2,048,570	315,225	2,363,795
Undistributed income brought forward						
- Realised income		360,148			247,434	
- Unrealised (loss) / income		(32,036)			43,652	
		<u>328,112</u>			<u>291,086</u>	
Net income for the period after taxation		36,431			24,139	
Distribution during the period at Rs. 1.2384 per unit i.e. 2.48% of the par value of Rs. 50/- each (July 6, 2018)		(37,026)			-	
Undistributed income carried forward		<u><u>327,517</u></u>			<u><u>315,225</u></u>	
Undistributed income carried forward						
- Realised income		320,009			342,347	
- Unrealised income / (loss)		7,508			(27,122)	
		<u><u>327,517</u></u>			<u><u>315,225</u></u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		36,431			24,139	
		<u><u>36,431</u></u>			<u><u>24,139</u></u>	

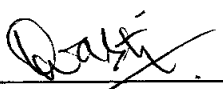
	(Rupees)	(Rupees)
Net assets value per unit at beginning of the period	<u>52.7240</u>	<u>51.4000</u>
Net assets value per unit at end of the period	<u>52.9030</u>	<u>51.8800</u>

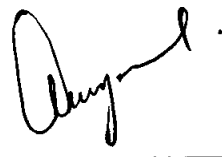
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

14/1 ~


Chief Executive

For Al Meezan Investment Management Limited
(Management Company)


Chief Financial Officer


Director

**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31,	
	2018	2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	43,021	24,139
Adjustments for		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(7,508)	27,122
	35,513	51,261
Decrease / (Increase) in assets		
Investments - net	1,192,885	1,722,634
Receivable against sale of investments - net	-	(302,479)
Deposits, prepayments and other receivable	22,061	17,981
	1,214,946	1,438,136
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(554)	(1,729)
Payable to Central Depository Company of Pakistan Limited - Trustee	138	(116)
Payable to Securities and Exchange Commission of Pakistan	(1,458)	(4,798)
Payable to Meezan Bank Limited	(299)	(132)
Accrued expenses and other liabilities	1,338	(20,960)
	(835)	(27,735)
Net cash generated from operating activities	1,249,624	1,461,662
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	1,515,440	2,564,540
Payments against redemption and conversion of units	(2,084,801)	(5,071,122)
Dividend paid	(37,026)	(67,391)
Net cash used in financing activities	(606,387)	(2,573,973)
Net increase / (decrease) in cash and cash equivalents during the period	643,237	(1,112,311)
Cash and cash equivalents at the beginning of the period	673,082	1,280,046
Cash and cash equivalents at the end of the period	1,316,319	167,735

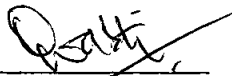
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

41/2

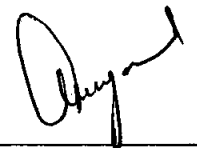
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN SOVEREIGN FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited annual financial statements of the Fund for the year ended June 30, 2018.

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These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	1,315,980	667,641
In current accounts		339	5,441
		<u>1,316,319</u>	<u>673,082</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 10.60% per annum (June 30, 2018: 2.00% to 6.06% per annum).

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	<u>304,156</u>	<u>1,489,533</u>
		<u>304,156</u>	<u>1,489,533</u>

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

Name of the Security	Maturity date	Profit rate	As at July 1, 2018	Purchased during the period	Sales / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised (loss) / gain as at December 31, 2018	Percentage in relation to	
										Number of certificates	(Rs in '000)
GoP Ijarah Sukuk Certificates - XVI (note 6.1.1)	December 18, 2018	Weighted average 6 months T-Bills	4,035	60,500	64,535	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XVII (note 6.1.1)	February 15, 2019	Weighted average 6 months T-Bills	10,058	-	10,010	48	4,820	4,800	(20)	0.32	1.58
GoP Ijarah Sukuk Certificates - XVIII (note 6.1.1)	March 29, 2019	Weighted average 6 months T-Bills	500	-	-	500	49,835	49,840	5	3.32	16.39
GoP Ijarah Sukuk Certificates - XIX (note 6.1.1)	June 30, 2020	Weighted average 6 months T-Bills	250	-	250	-	-	-	-	-	-
POWER GENERATION AND DISTRIBUTION											
Neelum Jhelum Hydropower Company (Private) Limited (note 6.1.1)	June 29, 2026	6 months kibar plus base rate of 1.13%	-	2,500	156	2,344	241,993	249,516	7,523	16.63	82.03
Total							<u>296,648</u>	<u>304,156</u>	<u>7,508</u>		
Total cost of investment							<u>296,648</u>				

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

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

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8.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
	Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	14,780	13,902
	Withholding tax payable		415	136
	Capital gain tax payable		232	155
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	73,253	73,253
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,391	2,391
	Printing expenses payable		178	174
	Zakat payable		152	87
	Auditors' remuneration payable		294	470
	Brokerage payable		498	289
	Shariah advisor fee payable		163	161
			<u>92,356</u>	<u>91,018</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.52 /0.98% (June 30, 2018: Re 0.35 / 0.66%).

- 8.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained the provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 75.644 million (June 30, 2018: Rs 75.644 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs 2.67 (June 30, 2018: Rs 1.88) per unit.

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9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,288	1,775
Sindh Sales Tax payable on management fee	167	231
Sales load payable	58	17
Sindh Sales Tax payable on sales load	8	2
Allocated expense payable	128	178
Meezan Bank Limited		
Balances with bank	100,576	42,023
Profit receivable on saving accounts	1,269	946
Sales load payable	20	285
Sindh Sales Tax on sales load payable	3	37
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	317	195
Sindh Sales Tax on trustee fee payable	41	25
Security deposit	100	100
Meezan Financial Planning Fund of Funds - MAAP I		
Investment of 395 units (June 30, 2018: 386 units)	21	20
Directors and executives of the Management Company		
Investment of 3,981 units (June 30, 2018: 5 units)	211	-
	For the six months period ended December 31	
	2018	2017
	(Unaudited)	
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	8,785	17,165
Sindh Sales Tax on management fee	1,142	2,231
Allocated expenses	878	1,716
Meezan Bank Limited		
Profit on saving accounts	476	315
Units redeemed: nil (December 31, 2017: 21,593,102 units)	-	1,108,590
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,037	1,665
Sindh Sales Tax on trustee fee	134	216
CDS charges	15	3

For the six months period
ended December 31
2018 2017
(Unaudited)
(Rupees in '000)

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 9 units (December 31, 2017: nil units)

Units redeemed: nil (December 31, 2017: 908,207 units)

-	-
-	46,700

Meezan Financial Planning Fund of Funds - MAAP - II

Units redeemed: nil (December 31, 2017: 1,579,152 units)

-	81,200
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Directors and executives of the Management Company

Units issued: 3,976 units (December 31, 2017: 121 units)

Units redeemed: nil (December 31, 2017: 29,999 units)

200	6
-	1,536

10. ALLOCATED EXPENSES

As per regulation 60 of the NBFC Regulations, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been

11. EXPENSE RATIO

Total Expense Ratio of the Fund for the period ended December 31, 2018 is 1.64% which includes 0.32% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2019 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FINANCIAL INSTRUMENTS - FAIR VALUES

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	304,156	-	304,156
	As at June 30, 2018			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	1,489,533	-	1,489,533

14. GENERAL

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

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

15. DATE OF AUTHORISATION

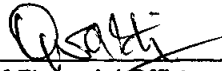
These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

Ali

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN CASH FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited
Askari Bank Limited - Islamic Banking
Bank AlHabib Limited - Islamic Banking
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking

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

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CASH FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Cash Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi

MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018

	Note	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Balances with banks	5	11,587,658	8,470,637
Investments	6	1,082,183	1,657,000
Receivable against conversion of units		199,754	86,612
Profit receivable		108,086	73,526
Deposits and prepayments		436	572
Total assets		<u>12,978,117</u>	<u>10,288,347</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		12,942	10,198
Payable to Central Depository Company of Pakistan Limited - Trustee		936	763
Payable to Securities and Exchange Commission of Pakistan		4,083	5,536
Payable against conversion and redemption of units		162,297	308,928
Accrued expenses and other liabilities	8	50,982	41,970
Total liabilities		<u>231,240</u>	<u>367,395</u>
Net assets		<u>12,746,877</u>	<u>9,920,952</u>
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		<u>12,746,877</u>	<u>9,920,952</u>
		(Number of units)	
Number of units in issue		<u>244,849,769</u>	<u>188,624,016</u>
		(Rupees)	
Net assets value per unit		<u>52.0600</u>	<u>52.5964</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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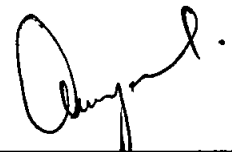
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2018	2017	2018	2017
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain on sale of investments		3,470	-	3,470	-
Profit on term deposit receipts		32,831	18,634	19,574	14,563
Profit on sukuk certificates		36,735	-	28,239	-
Profit on saving accounts with banks		359,748	151,754	202,527	86,617
Total income		432,784	170,388	253,810	101,180
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company		54,441	30,762	29,091	18,182
Sindh Sales Tax on management fee		7,077	3,999	3,782	2,364
Allocated expenses	9	5,444	3,076	2,909	1,818
Remuneration to Central Depository Company of Pakistan Limited - Trustee		4,401	2,685	2,312	1,552
Sindh Sales Tax on trustee fee		572	349	300	202
Annual fee to Securities and Exchange Commission of Pakistan		4,083	2,307	2,182	1,363
Auditors' remuneration		305	277	159	131
Fees and subscription		646	433	352	217
Brokerage expense		10	-	10	-
Legal and professional charges		-	27	-	27
Bank and settlement charges		226	138	214	40
Provision for Sindh Workers' Welfare Fund		7,110	2,526	4,249	1,506
Printing expense		90	59	44	29
Total expenses		84,405	46,638	45,604	27,431
Net income for the period before taxation		348,379	123,750	208,206	73,749
Taxation	12	-	-	-	-
Net income for the period after taxation		348,379	123,750	208,206	73,749
Allocation of net income for the period					
Net income for the period after taxation		348,379	123,750	208,206	73,749
Income already paid on units redeemed		(98,501)	(36,893)	(79,767)	(30,606)
		249,878	86,857	128,439	43,143
Accounting income available for distribution					
- Relating to capital gains		3,470	-	3,470	-
- Excluding capital gains		246,408	86,857	124,969	43,143
		249,878	86,857	128,439	43,143


The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

All in

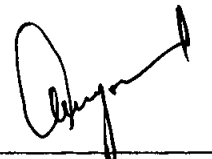
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN CASH FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

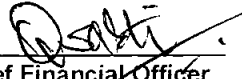
	Six months period December 31,		Quarter ended, December 31,	
	2018 (Rupees in '000)	2017 (Rupees in '000)	2018 (Rupees in '000)	2017 (Rupees in '000)
Net income for the period after taxation	348,379	123,750	208,206	73,749
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	348,379	123,750	208,206	73,749

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.
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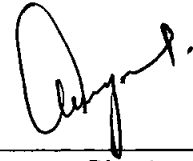
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

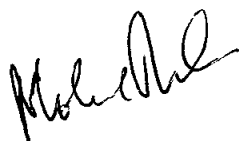
MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018			Six months period ended December 31, 2017		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at the beginning of the period	9,707,096	213,856	9,920,952	3,314,546	35,848	3,350,394
Issuance of 300,538,790 units (December 31, 2017: 293,106,389 units)						
- Capital value (at net asset value per unit at the beginning of the period)	15,156,622	-	15,156,622	14,781,355	-	14,781,355
- Element of income	264,923	-	264,923	173,630	-	173,630
Total proceeds on issuance of units	15,421,545	-	15,421,545	14,954,985	-	14,954,985
Redemption of 244,313,039 units (December 31, 2017: 197,384,549 units)						
- Capital value (at net asset value per unit at the beginning of the period)	12,321,073	-	12,321,073	9,954,103	-	9,954,103
- Element of loss	116,074	98,501	214,575	93,448	36,893	130,341
Total payments on redemption of units	12,437,147	98,501	12,535,648	10,047,551	36,893	10,084,444
Total comprehensive income for the period	-	348,379	348,379	-	123,750	123,750
Distribution during the period	-	(178,008)	(178,008)	-	-	-
Refund of capital	(230,343)	-	(230,343)	-	-	-
Net income for the period less distribution	(230,343)	170,371	(59,972)	-	123,750	123,750
Net assets at the end of the period	12,461,151	285,726	12,746,877	8,221,980	122,705	8,344,685
Undistributed income brought forward						
- Realised income		213,856			35,848	
- Unrealised income		-			-	
		213,856			35,848	
Accounting income available for distribution						
- Relating to capital gains		3,470			-	
- Excluding capital gains		246,408			86,857	
		249,878			86,857	
Distribution during the period at Rs. 2.1649 per unit i.e. 4.33% of the par value of Rs. 50/- each (July 6, 2018)		(178,008)			-	
Undistributed income carried forward		285,726			122,705	
Undistributed income carried forward						
- Realised income		285,726			122,705	
- Unrealised income		-			-	
		285,726			122,705	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			52.5964			50.4300
Net assets value per unit at the end of the period			52.0600			51.4600

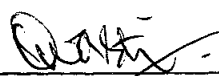
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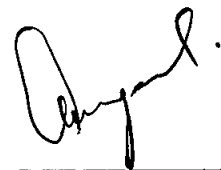
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN CASH FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

Note	Six months period ended December 31,	
	2018	2017
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	348,379	123,750
(Increase) / decrease in assets		
Investments - net	(1,082,183)	(650,000)
Deposits and prepayments	136	132
Profit receivable	(34,560)	(35,346)
	(1,116,607)	(685,214)
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	2,744	3,692
Payable to Central Depository Company of Pakistan Limited - Trustee	173	257
Payable to Securities and Exchange Commission of Pakistan	(1,453)	(596)
Accrued expenses and other liabilities	9,012	(11,213)
	10,476	(7,860)
Net cash used in from operating activities	(757,752)	(569,324)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	15,078,060	14,917,374
Payments against redemption and conversion of units	(12,682,279)	(10,945,454)
Dividend paid	(178,008)	(4,552)
Net cash generated from financing activities	2,217,773	3,967,368
Net increase in cash and cash equivalents during the period	1,460,021	3,398,044
Cash and cash equivalents at the beginning of the period	5.3 10,127,637	3,749,675
Cash and cash equivalents at the end of the period	<u>11,587,658</u>	<u>7,147,719</u>

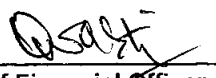
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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For AI Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN CASH FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Cash Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders with safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The JCR - VIS has maintained the asset manager rating of the Management Company to AM1. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating AA(f) given by JCR-VIS Credit Rating Company Limited.
- 1.5 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The Funds investment in Term Deposit Receipts which were previously classified as "loans and receivables" and carried at amortised cost under IAS 39 would now be classified as 'at fair value through profit or loss' and carried at fair value under level 3.

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The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

The effect of this change in accounting policy is as follows:

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018	As at December 31, 2018
-----Rs. In '000-----				
Impact on Statement of Assets and Liabilities				
Investments - 'loans and receivables'	1,657,000	(1,657,000)	-	-
Investments - 'At fair value through profit or loss'	-	1,657,000	1,657,000	1,082,183

There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement,

There are no other standards, amendments to standards or interpretations that are effective for annual accounting periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
(Rupees in '000)			
5. BALANCES WITH BANKS			
In saving accounts	5.1 & 5.2	11,579,076	8,468,137
In current accounts		8,582	2,500
		<u>11,587,658</u>	<u>8,470,637</u>

5.1 The balances in saving accounts have an expected profit ranging from 3.92 % to 10.60 % per annum (June 30, 2018: 2.40% to 6.60% per annum).

5.2 The balances include Rs 445.800 million (June 30, 2018: Rs 133.042 million) with a related party, Meezan Bank Limited, on which average return is earned at 4.00% (June 30, 2018: 2.40%) per annum.

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
(Rupees in '000)			
5.3 Cash and cash equivalents			
Balances with banks	5	11,587,658	8,470,637
Term deposit receipts - having original maturity of 3 months or less	6	-	1,657,000
		<u>11,587,658</u>	<u>10,127,637</u>

6. INVESTMENTS

At fair value through profit or loss

GoP ijarah sukuku	6.1	-	-
Commercial papers	6.2	1,082,183	-
Term deposit receipts	6.3	-	1,657,000
- having original maturity of 3 months or less		-	1,657,000
- having original maturity of more than 3 months		-	-
		<u>1,082,183</u>	<u>1,657,000</u>

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6.1 GoP Ijarah Sukuks

Name of the Security	Maturity date	Profit rate	As at July 1, 2018	Purchased during the period	Sales / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised (loss) / gain as at December 31, 2018	Percentage in relation to	
										Net assets of the fund	Total market value of investments
							(Rs in '000)		(%)		
GoP Ijarah Sukuk Certificates - XVI (note 6.1.1)	December 18, 2018	Weighted average 6 months T-Bills	-	80,800	80,800	-	-	-	-	-	-

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

6.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2018	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2018	* Carrying value as at December 31, 2018	* Market value as at December 31, 2018	Total market value of investment	
										(Number of certificates)
K-Electric Limited CP (note 6.2.1)	March 1, 2019	6 months Kibor plus base rate of 0.90%	-	1,097	-	1,097	1,082,183	1,082,183	100.00%	
Total							1,097	1,082,183	1,082,183	

6.2.1 The nominal value of these commercial papers is Rs 1,000,000 each.

6.3 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2018	Term deposit receipts placed during the period	Matured during the period	As at December 31, 2018	Percentage in relation to		
							Net assets of the fund	Total market value of investment	
							%		
							(Rupees in '000)		
Bank Al Habib Limited	July 30, 2018	6.05%	757,000	-	(757,000)	-	-	-	
Faysal Bank Limited	August 18, 2018	6.13%	900,000	-	(900,000)	-	-	-	
Faysal Bank Limited	October 15, 2018	7.55%	-	1,000,000	(1,000,000)	-	-	-	
Faysal Bank Limited	December 04, 2018	8.25%	-	1,100,000	(1,100,000)	-	-	-	
UBL Ameen	December 03, 2018	8.10%	-	1,000,000	(1,000,000)	-	-	-	
Total							-	-	-

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
(Rupees in '000)			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	19,607	12,497
Withholding tax and capital gain tax payable		5,614	3,659
Provision for Federal Excise Duty and related Sindh Sales tax on management fee	8.2	24,687	24,687
Shariah advisor fee payable		481	403
Brokerage expense payable		10	-
Auditors' remuneration		356	445
Printing expense payable		66	40
Zakat payable		161	239
		<u>50,982</u>	<u>41,970</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value per unit of the Fund as at June 30, 2018 would have been higher by Re 0.08 / 0.15% (June 30, 2018: Re 0.07 / 0.13%).

- 8.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 24.687 million (June 30, 2018: Rs 24.687 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2018 would have been higher by Re 0.10 (June 30, 2018: Re 0.13) per unit.

9. ALLOCATED EXPENSES

The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

10. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2017 is 1.54 % which include 0.34% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	10,522	8,291
Sindh Sales Tax payable on management fee	1,368	1,078
Allocated expenses payable	1,052	829
Investment of 992 units (June 30, 2018: Nil)	52	-
Meezan Bank Limited		
Balance with bank	445,800	133,042
Profit receivable on saving accounts	1,691	1,288
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	828	683
Sindh Sales Tax on trustee fee payable	108	80
Security deposit	100	100
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,067,933 units (June 30, 2018: 1,182,986 units)	55,597	62,221
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 1,709,514 units (June 30, 2018: 2,017,164 units)	88,997	106,096
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,141,851 units (June 30, 2018: 1,472,340 units)	59,445	77,440
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 48,859 units (June 30, 2018: 564,625 units)	2,544	29,697
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investment of nil (June 30, 2018: 962,660 units)	-	50,632
Meezan Strategic Allocation Fund - MSAP - I		
Investment of nil (June 30, 2018: 1,820,040)	-	95,728
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 376,181 units (June 30, 2018: 1,639,719 units)	19,584	86,243
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 1,227,415 units (June 30, 2018: 2,965,825 units)	63,900	155,992
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 1,080,512 units (June 30, 2018: 3,524,201 units)	56,251	185,360
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 1,441,453 units (June 30, 2018: 2,145,473 units)	75,042	112,844
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 22,731,676 units (June 30, 2018: 23,231,836 units)	1,183,411	1,221,911

Al Meezan

	December 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2018 (Audited)
Meezan Strategic Allocation Fund -II - MCPP - IV Investment of 33,010,237 units (June 30, 2018: 33,889,478 units)	<u>1,718,513</u>	<u>1,782,465</u>
Meezan Strategic Allocation Fund-II - MCPP - V Investment of 11,001,539 units (June 30, 2018: 9,595,190 units)	<u>572,741</u>	<u>504,672</u>
Meezan Strategic Allocation Fund II- MCPP - VI Investment of 9,811,334 units (June 30, 2018: Nil)	<u>510,779</u>	<u>-</u>
Meezan Strategic Allocation Fund II- MCPP - VII Investment of 5,383,074 units (June 30, 2018: Nil)	<u>280,243</u>	<u>-</u>
Meezan Strategic Allocation Fund II- MCPP - VIII Investment of 211,552 units (June 30, 2018: Nil)	<u>11,013</u>	<u>-</u>
Directors and Executives of the Management Company Investment of 265,702 units (June 30, 2018: 108,096 units)	<u>13,832</u>	<u>5,685</u>
	Six months period ended December 31,	
	2018	2017
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	<u>54,441</u>	<u>30,762</u>
Sindh Sales Tax on management fee	<u>7,077</u>	<u>3,999</u>
Allocated expenses	<u>5,444</u>	<u>3,076</u>
Meezan Bank Limited		
Profit on saving accounts	<u>1,980</u>	<u>1,173</u>
Units issued: nil (December 31, 2017: 10,303,266 units)	<u>-</u>	<u>530,103</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	<u>4,401</u>	<u>2,685</u>
Sindh Sales Tax on trustee fee for the period	<u>572</u>	<u>349</u>
CDS charges	<u>4</u>	<u>3</u>
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: 99,756 units (December 31, 2017: 66,640 units)	<u>5,061</u>	<u>3,388</u>
Units redeemed: 214,809 units (December 31, 2017: 682,993 units)	<u>11,088</u>	<u>34,696</u>
Dividend paid	<u>2,304</u>	<u>-</u>
Refund of capital	<u>257</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: 251,200 units (December 31, 2017: 194,925 units)	<u>12,805</u>	<u>9,937</u>
Units redeemed: 558,850 units (December 31, 2017: 1,035,193 units)	<u>28,646</u>	<u>52,801</u>
Dividend paid	<u>3,957</u>	<u>-</u>
Refund of capital	<u>410</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: 63,204 units (December 31, 2017: 58,309 units)	<u>3,187</u>	<u>3,000</u>
Units redeemed: 393,693 units (December 31, 2017: 611,006 units)	<u>20,104</u>	<u>31,190</u>
Dividend paid	<u>2,766</u>	<u>-</u>
Refund of capital	<u>421</u>	<u>-</u>

Al Meezan

	Six months period ended	
	December 31,	
	2018	2017
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 24,238 units (December 31, 2017: 3,634,077 units)	1,223	185,030
Units redeemed: 540,004 units (December 31, 2017: 4,855,619 units)	27,840	248,250
Dividend paid	855	-
Refund of capital	368	-
Meezan Financial Planning Fund of Funds - MAAP - II		
Units issued: nil (December 31, 2017: 11,966,935 units)	-	613,521
Units redeemed: nil (December 31, 2017: 1,227,425 units)	-	63,060
Meezan Financial Planning Fund of Funds - MAAP - III		
Units issued: nil (December 31, 2017: 22,165,302 units)	-	1,132,680
Units redeemed: nil (December 31, 2017: 13,507,482 units)	-	693,930
Meezan Financial Planning Fund of Funds - MAAP - IV		
Units issued: 7,368,899 units (December 31, 2017: 391,619 units)	372,084	20,000
Units redeemed: 8,331,559 units (December 31, 2017: 369,487 units)	421,491	18,950
Dividend paid	1,833	-
Refund of capital	251	-
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 78,130 units (December 31, 2017: 3,993,262 units)	3,941	201,500
Units redeemed: 1,898,170 units (December 31, 2017: 504,440 units)	97,777	25,570
Dividend paid	3,863	-
Refund of capital	78	-
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 70,389 units (December 31, 2017: Nil)	3,550	-
Units redeemed: 1,333,927 units (December 31, 2017: 11,875 units)	68,750	610
Dividend paid	3,550	-
Refund of capital	-	-
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 127,316 units (December 31, 2017: 3,606,817 units)	6,421	182,000
Units redeemed: 1,865,726 units (December 31, 2017: 15,549 units)	96,330	800
Dividend paid	6,326	-
Refund of capital	95	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 151,285 units (December 31, 2017: 2,576,298 units)	7,630	130,000
Units redeemed: 2,594,974 units (December 31, 2017: 38,320 units)	133,600	1,970
Dividend paid	7,528	-
Capital refund	102	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 92,100 units (December 31, 2017: 8,654,895 units)	4,644	441,000
Units redeemed: 796,120 units (December 31, 2017: 6,255,495 units)	41,090	319,408
Dividend paid	3,312	-
Refund of capital	1,332	-
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units issued: 9,595,642 units (December 31, 2017: 1,001,499 units)	490,577	51,500
Units redeemed: 10,095,802 units (December 31, 2017: nil)	517,044	-
Dividend paid	16,480	-
Refund of capital	33,815	-

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	Six months period ended December 31,	
	2018 (Unaudited) (Rupees in '000)	2017 (Unaudited)
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 18,231,673 units (December 31, 2017: Nil)	929,605	-
Units redeemed: 19,110,914 units (December 31, 2017: Nil)	977,640	-
Dividend Paid	13,834	-
Refund of Capital	59,534	-
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 8,681,998 units (December 31, 2017: Nil)	441,001	-
Units redeemed: 7,275,649 units (December 31, 2017: Nil)	371,770	-
Dividend Paid	1,360	-
Refund of Capital	19,413	-
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 14,282,003 (December 31, 2017: Nil)	727,000	-
Units redeemed: 4,470,669 units (December 31, 2017: Nil)	228,796	-
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 7,633,163 units (December 31, 2017: Nil)	393,500	-
Units redeemed: 2,250,089 units (December 31, 2017: Nil)	116,160	-
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 211,552 units (December 31, 2017: Nil)	11,000	-
Directors and Executives of the Management Company		
Units issued: 621,671 units (December 31, 2017: 228,856 units)	31,805	11,670
Units redeemed: 464,066 units (December 31, 2017: 131,130 units)	13,832	6,696

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2019 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FINANCIAL INSTRUMENTS

Fair 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

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Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at December 31, 2018, the Fund held the following financial instruments measured at fair values:

	As at December 31, 2018			Total
	Level 1	Level 2	Level 3	
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Commercial papers*	-	-	1,082,183	1,082,183
	As at June 30, 2018			
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'	-	-	-	-

* The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

14. GENERAL

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

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

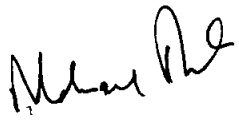
15. DATE OF AUTHORISATION

February 14, 2019

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

All in

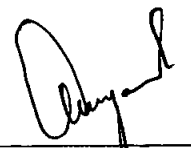
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM DECEMBER 28, 2018 TO
DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143,35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited Meezan Bank Limited

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 ROZANA AMDANI FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Rozana Amdani Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from December 28, 2018 to December 31, 2018 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Rozana Amdani Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the period from December 28, 2018 to December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 25, 2019
Karachi

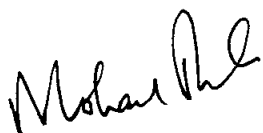
MEEZAN ROZANA AMDANI FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018 (UNAUDITED)

	Note	December 31, 2018 (Rupees in '000)
Assets		
Balances with banks	5	1,026,040
Receivable against conversion of units		5,693
Profit receivable on bank deposits		1,019
Total assets		<u>1,032,752</u>
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	6	94
Payable to Central Depository Company of Pakistan Limited - Trustee	7	15
Payable to Securities and Exchange Commission of Pakistan	8	6
Accrued expenses and other liabilities	9	145
Total liabilities		<u>260</u>
Net assets		<u>1,032,492</u>
Contingencies and commitments	10	
Unitholders' fund (as per statement attached)		<u>1,032,492</u>
		(Number of units)
Number of units in issue	11	<u>20,649,833</u>
		(Rupees)
Net assets value per unit		<u>50.0000</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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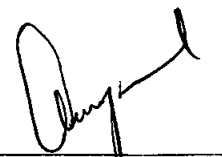
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ROZANA AMDANI FUND
 CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
 FOR THE PERIOD FROM DECEMBER 28, 2018 TO DECEMBER 31, 2018

	Note	For the period from December 28, 2018 to December 31, 2018 (Rupees in '000)
Income		
Profit on saving accounts with banks		929
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company	6.1	46
Sindh Sales Tax on management fee	6.2	6
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7	12
Sindh Sales Tax on trustee fee	7.1	2
Annual fee to Securities and Exchange Commission of Pakistan	8	6
Auditors' remuneration	12	2
Fees and subscription		3
Amortization of preliminary expenses and floatation costs		2
Provision for Sindh Workers' Welfare Fund		17
Total expenses		96
Net income for the period before taxation		833
Taxation	16	-
Net income for the period after taxation		833
Allocation of net income for the period		
Net income for the period after taxation		833
Income already paid on units redeemed		-
		833
Accounting income available for distribution		
- Relating to capital gains		-
- Excluding capital gains		833
		833

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

At

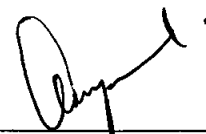
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 28, 2018 TO DECEMBER 31, 2018

For the period
from December
28, 2018 to
December 31,
2018
(Rupees in '000)

Net income for the period after taxation	833
Other comprehensive income for the period	-
Total comprehensive income for the period	833

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

All in

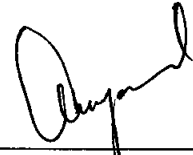
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ROZANA AMDANI FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE PERIOD FROM DECEMBER 28, 2018 TO DECEMBER 31, 2018

	Note	For the period from December 28, 2018 to December 31, 2018 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		833
Increase in assets		
Profit receivable on bank deposits		(1,019)
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company		94
Payable to Central Depository Company of Pakistan Limited - Trustee		15
Payable to Securities and Exchange Commission of Pakistan		6
Accrued expenses and other liabilities		145
		260
Net cash generated from operating activities		<u>74</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units and conversion of units		1,026,799
Dividend paid		(833)
Net cash generated from financing activities		1,025,966
Net increase in cash and cash equivalents during the period		<u>1,026,040</u>
Cash and cash equivalents at the end of the period	5	<u><u>1,026,040</u></u>

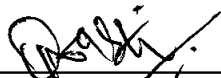
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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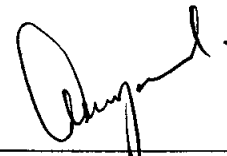
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN ROZANA AMDANI FUND

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 28, 2018 TO DECEMBER 31, 2018**

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Rozana Amdani Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 29, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

1.2 The investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Dr. Imran Ashraf Usmani 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 Money Market Scheme and has the following specific features:

- (a) Dividend will be distributed to the entitled unitholders on a daily basis.
- (b) Daily dividend received by the unitholder shall be reinvested.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is in the process of listing on the Pakistan Stock Exchange.

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

1.6 As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from December 28, 2018.

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

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

3.4 Critical accounting estimates and judgements

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

- a) Classification and valuation of financial instruments (note 4.2.1);
- b) Recognition of provision for Sindh Workers' Welfare Fund (note 9); and
- c) Taxation (notes 4.8 and 16).

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

There are certain new standards and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Financial instruments

4.2.1 Classification

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of investments is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss as per IFRS-9.

4.2.2 Regular way contract

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

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4.2.3 Recognition

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

4.2.4 Measurement

Financial instruments are measured initially at fair value (transaction price). 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' 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 in the period in which they arise.

4.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

For financial assets other than 'at fair value through profit or loss', a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision for impairment loss is determined based on the provisioning criteria specified by the SECP for debt securities. Further, IFRS-9 states an Expected Credit Loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes.

4.2.6 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 IFRS-9.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.2.7 Offsetting of financial instruments

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

4.3 Issuance and redemption of units

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

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

4.4 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.5 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.

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4.6 Net assets value per unit

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

4.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders.

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

4.8 Revenue recognition

(i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.

(ii) Profit on bank deposits is recognised on time proportion basis using the effective yield method.

4.9 Expenses

All expenses, including Management fee, Trustee fee and SECP fee are recognised in the Income Statement as and when incurred.

4.10 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.

4.11 Cash and cash equivalents

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

4.12 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

	Note	December 31, 2018 (Rupees in '000)
5. BALANCES WITH BANKS		
On saving accounts	5.1	<u>1,026,040</u>
5.1 The balances in saving accounts have an expected profit ranging from 4.00% to 10.60% per annum.		
6. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management fee	6.1	46
Sindh Sales Tax on management fee	6.2	6
Preliminary expenses and flotation cost payable		2
Other payable		<u>40</u>
		<u>94</u>

6.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of a Money Market scheme. During the period, the Management Company has charged its remuneration at the rate of 5% of gross earnings of the Fund subject to the minimum of 0.25% of average annual net assets and maximum of 1% of average annual net assets.

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

7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

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

The remuneration of the trustee for the period from December 29, 2018 to December 31, 2018 has been calculated as per the following applicable tariff:

Net assets	Tariff
Upto Rs 1 billion	0.15% per annum of net assets
Rs 1 billion to Rs 10 billion	Rs 1.5 million plus 0.075% per annum of net assets exceeding Rs 1 billion
Over Rs 10 billion	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10 billion

7.1 The Fund has recognised Sindh Sales Tax on trustee fee at the rate of 13 percent in the current period.

8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a collective investment scheme classified as a Money Market scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

During the period, fee has been charged at the rate of 0.075%. The fee is payable to the SECP within three months of the close of the financial year.

	Note	December 31, 2018 (Unaudited) (Rupees in '000)
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable		2
Shariah advisory fee payable		3
Withholding tax payable on dividend		123
Provision for Sindh Workers' Welfare Fund	9.1	17
		<u>145</u>

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). Since the Fund has started operations with effect from December 28, 2018 therefore, the provision has been recognised from December 28, 2018.

Had the SWWF not been provided, the NAV per unit / Fund return would have been higher by Re 0.00084.

10. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at December 31, 2018.

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11. NUMBER OF UNITS IN ISSUE

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

For the period
from December
28, 2018 to
December 31,
2018
(Number of
units)

Units issued during the period	20,649,833
Units redeemed during the period	-
Total units in issue at end of the period	20,649,833

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

For the period
from December
28, 2018 to
December 31,
2018

12. AUDITORS' REMUNERATION

(Rupees in '000)

Annual audit fee	2
	2

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited) (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Remuneration payable	46
Sindh Sales Tax on management fee payable	6
Preliminary expenses and floatation cost payable	2
Other payable	40
Investment of 6,007,067 units	300,353
Meezan Bank Limited	
Bank balance	226,010
Profit receivable on saving accounts	3
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee payable	13
Sindh Sales Tax on trustee fee payable	2
Unitholders holding 10 percent or more of the Fund	
Investment of 14,026,215 units	701,311

Al Meezan

For the period
from December
28, 2018 to
December 31,
2018
(Rupees in '000)

Al Meezan Investment Management Company Limited - Management Company

Remuneration for the period	46
Sindh Sales Tax on management fee for the period	6
Units issued: 6,007,067 units	300,353
Dividend paid	313

Meezan Bank Limited

Profit on saving account	1,149
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Central Depository Company of Pakistan Limited - Trustee

Remuneration fee for the period	12
Sindh Sales Tax on trustee fee for the period	2

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

As at December 31, 2018, the Fund does not hold any asset which required fair valuation.

15. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended December 31, 2018 is 0.58% which include 0.19 % representing government levy and SECP fee.

16. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund intends to distribute the required level of profit during the period to avail tax exemption.

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

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17. GENERAL

17.1 These condensed interim financial statements was authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

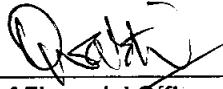
17.2 There are no corresponding figures as the Fund commenced its operations from December 28, 2018.

All in

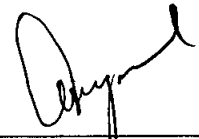
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Financial Planning Fund of Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 25, 2019

Karachi

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT JULY 24, 2018 AND DECEMBER 31, 2018

----- (Unaudited) -----							
December 31, 2018						As at July 24, 2018	
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
----- (Rupees in '000) -----							
Assets							
Balances with banks	5	10,783	3,900	5,784	9,404	29,871	4,045
Investments	6	444,773	237,779	237,326	716,130	1,636,008	-
Receivable against conversion of units		169	500	556	-	1,225	-
Receivable against sale of investments - net		-	-	-	560	560	473,018
Profit receivable on saving accounts with banks		15	21	13	28	77	196
Total assets		<u>455,740</u>	<u>242,200</u>	<u>243,679</u>	<u>726,122</u>	<u>1,667,741</u>	<u>477,259</u>
Liabilities							
Payable to Al Meezan Investment Management Limited - Management Company		66	27	27	72	192	111
Payable to Central Depository Company of Pakistan Limited - Trustee		44	21	29	62	156	38
Payable to Meezan Bank Limited		2	-	-	-	2	-
Payable to Securities and Exchange Commission of Pakistan		233	125	127	382	867	630
Payable on redemption and conversion of units		305	458	2,171	-	2,934	-
Accrued expenses and other liabilities	8	4,064	2,922	1,840	11,009	19,835	5,438
Total liabilities		<u>4,714</u>	<u>3,553</u>	<u>4,194</u>	<u>11,525</u>	<u>23,986</u>	<u>6,212</u>
Net assets		<u>451,026</u>	<u>238,647</u>	<u>239,485</u>	<u>714,597</u>	<u>1,643,755</u>	<u>471,047</u>
Contingencies and commitments	7						
Unitholders' fund (as per statement attached)		<u>451,026</u>	<u>238,647</u>	<u>239,485</u>	<u>714,597</u>	<u>1,643,755</u>	<u>471,047</u>
----- (Number of units) -----							
Number of units in issue		<u>7,039,124</u>	<u>3,730,073</u>	<u>3,700,736</u>	<u>13,408,960</u>		<u>10,199,830</u>
----- (Rupees) -----							
Net assets value per unit		<u>64.0742</u>	<u>63.9793</u>	<u>64.7127</u>	<u>53.2925</u>		<u>46.1818</u>

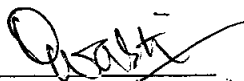
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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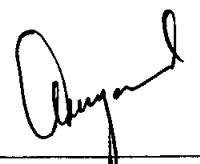
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT JULY 24, 2018 AND DECEMBER 31, 2018

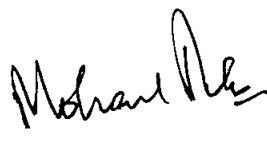
(Audited)

	Note	As at June 30, 2018					As at	As at	
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	Total	January 11, 2018	March 30, 2018
(Rupees in '000)									
Assets									
Balances with banks	5	3,899	2,965	9,841	5,204	2,932	24,841	3,037	8,715
Investments	6	497,702	309,708	282,881	835,526	510,146	2,435,963	-	-
Receivable against conversion of units		1	13	56	-	-	70	-	-
Receivable against sale of investments - net		-	-	-	-	5,000	5,000	707,643	2,223,711
Profit accrued on balances with banks		4	19	14	12	49	98	136	607
Total assets		501,606	312,705	292,792	840,742	518,127	2,465,972	710,816	2,233,033
Liabilities									
Payable to Al Meezan Investment Management Limited - Management Company		62	65	49	74	45	295	23	190
Payable to Central Depository Company of Pakistan Limited - Trustee		44	25	31	64	43	207	19	166
Payable to Meezan Bank Limited		2	15	1	-	-	18	-	-
Payable to the Securities and Exchange Commission of Pakistan		518	324	316	882	600	2,640	430	1,739
Payable on redemption and conversion of units		184	289	143	-	4,232	4,848	11,097	10,698
Accrued expenses and other liabilities	8	4,009	2,892	1,784	10,808	5,470	24,963	9,247	30,089
Total liabilities		4,819	3,610	2,324	11,828	10,390	32,971	20,816	42,882
Net assets		496,787	309,095	290,468	828,914	507,737	2,433,001	690,000	2,190,151
Unitholders' fund (as per statement attached)		496,787	309,095	290,468	828,914	507,737	2,433,001	690,000	2,190,151
Contingencies and commitments	7								
(Number of units)									
Number of units in issue		7,068,186	4,604,291	4,450,352	14,144,960	10,826,249		13,799,997	43,803,025
(Rupees)									
Net assets value per unit		70.2849	67.1319	65.2685	58.6014	46.8987		50.0000	50.0000

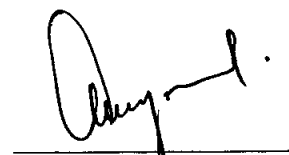
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Ali

For Al Meezan Investment Management Limited
(Management Company)


Chief Executive


Chief Financial Officer


Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED JULY 24, 2018 AND SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018					For the period from July 01, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
Note: (Rupees in '000)						
Income						
Net realised loss on sale of investments	(1,617)	(2,505)	(1,924)	(1,849)	(7,895)	(11,515)
Dividend income	4,629	5,576	7,946	5,465	23,616	3,569
Back end load income	-	-	-	128	128	167
Profit on saving accounts with banks	97	63	87	48	295	152
	3,109	3,134	6,109	3,792	16,144	(7,627)
Unrealised diminution on re-measurement of investments at 'fair value through profit or loss'	6.1 (45,941)	(15,999)	(7,877)	(75,162)	(144,979)	-
Total Loss	(42,832)	(12,865)	(1,768)	(71,370)	(128,835)	(7,627)
Expenses						
Remuneration to Al Meezan Investment Management Limited - Management Company	40	22	36	31	129	69
Sindh Sales Tax on management fee	5	3	5	4	17	9
Allocated expenses	10 245	132	134	402	913	32
Remuneration to Central Depository Company of Pakistan Limited - Trustee	217	117	118	356	808	27
Sindh Sales Tax on trustee fee	28	15	15	46	104	4
Annual fee to Securities and Exchange Commission of Pakistan	233	125	127	382	867	30
Auditors' remuneration	96	53	53	158	360	9
Fees and subscription	42	23	23	70	158	4
Bank and settlement charges	5	3	4	2	14	-
Printing charges	36	19	19	59	133	3
Total expenses	947	512	534	1,510	3,503	187
Net loss for the period before taxation	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
Taxation	12 -	-	-	-	-	-
Net loss for the period after taxation	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
Allocation of net income for the period						
Net income for the period after taxation	-	-	-	-	-	-
Income already paid on units redeemed	-	-	-	-	-	-
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-

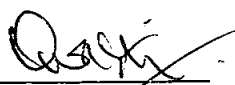
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

AM/12

For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED JULY 24, 2018 AND SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

Six months period ended December 31, 2017

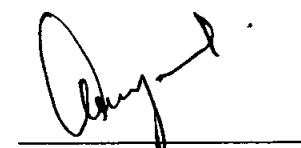
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
Note ----- (Rupees in '000) -----									
Income									
Net realised loss on sale of investments	(4,912)	(5,581)	(3,165)	(55,844)	(140,211)	(435,754)	(17,290)	(662,757)	
Back end load income	-	-	-	55	9	-	32	96	
Profit on saving accounts with banks	126	48	102	407	40	160	25	908	
	<u>(4,786)</u>	<u>(5,533)</u>	<u>(3,063)</u>	<u>(55,382)</u>	<u>(140,162)</u>	<u>(435,594)</u>	<u>(17,233)</u>	<u>(661,753)</u>	
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss'	6.1	(72,752)	(25,590)	(9,265)	(9,255)	4,166	21,457	(93,582)	(184,821)
Total Loss		<u>(77,538)</u>	<u>(31,123)</u>	<u>(12,328)</u>	<u>(64,637)</u>	<u>(135,996)</u>	<u>(414,137)</u>	<u>(110,815)</u>	<u>(846,574)</u>
Expenses									
Remuneration to AI Meezan Investment Management Limited - Management Company	67	34	57	219	19	82	24	502	
Sindh Sales Tax on management fee	9	4	7	28	3	11	3	65	
Allocated expenses	10	281	177	183	499	431	1,278	3,198	
Remuneration to Central Depository Company of Pakistan Limited - Trustee	222	140	145	394	340	1,009	275	2,525	
Sindh Sales Tax on trustee fee	29	18	19	51	44	131	36	328	
Annual fee to Securities and Exchange Commission of Pakistan	266	168	174	474	409	1,214	331	3,036	
Auditors' remuneration	28	18	18	49	42	126	35	316	
Fees and subscription	14	9	10	26	22	65	18	164	
Amortisation of preliminary expenses and floatation costs	-	-	100	-	-	-	-	100	
Transaction cost	-	-	-	162	-	-	-	162	
Bank and settlement charges	5	9	12	8	7	13	8	62	
Printing charges	33	20	21	62	50	149	44	379	
Total expenses	<u>954</u>	<u>597</u>	<u>746</u>	<u>1,972</u>	<u>1,367</u>	<u>4,078</u>	<u>1,123</u>	<u>10,837</u>	
Net loss for the period before taxation	<u>(78,492)</u>	<u>(31,720)</u>	<u>(13,074)</u>	<u>(66,609)</u>	<u>(137,363)</u>	<u>(418,215)</u>	<u>(111,938)</u>	<u>(857,411)</u>	
Taxation	12	-	-	-	-	-	-	-	
Net loss for the period after taxation	<u>(78,492)</u>	<u>(31,720)</u>	<u>(13,074)</u>	<u>(66,609)</u>	<u>(137,363)</u>	<u>(418,215)</u>	<u>(111,938)</u>	<u>(857,411)</u>	
Allocation of net income for the period									
Net income for the period after taxation	-	-	-	-	-	-	-	-	
Income already paid on units redeemed	-	-	-	-	-	-	-	-	
Accounting income available for distribution	-	-	-	-	-	-	-	-	
- Relating to capital gains	-	-	-	-	-	-	-	-	
- Excluding capital gains	-	-	-	-	-	-	-	-	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)


Chief Executive


Chief Financial Officer


Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

	Quarter ended December 31, 2018				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	Note ----- (Rupees in '000) -----				
Income					
Net realised loss on sale of investments	(1,240)	(798)	(1,450)	(1,018)	(4,506)
Back end load income	-	-	-	65	65
Profit on saving accounts with banks	58	30	44	36	168
Reversal of provision of Sindh Workers' Welfare Fund	-	-	14	-	14
	(1,182)	(768)	(1,392)	(917)	(4,259)
Unrealised diminution on re-measurement of investments at 'fair value' through profit or loss'	(32,313)	(9,343)	(1,358)	(52,693)	(95,707)
Total income	(33,495)	(10,111)	(2,750)	(53,610)	(99,966)
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company	15	11	16	19	61
Sindh Sales Tax on management fee	2	2	2	2	8
Allocated expenses	119	64	64	195	442
Remuneration to Central Depository Company of Pakistan Limited - Trustee	107	57	56	175	395
Sindh Sales Tax on trustee fee	14	7	7	22	50
Annual fee to Securities and Exchange Commission of Pakistan	114	60	60	185	419
Auditors' remuneration	51	29	28	84	192
Fees and subscription	18	10	9	31	68
Bank and settlement charges	1	-	2	-	3
Printing charges	19	9	10	32	70
Total expenses	460	249	254	745	1,708
Net loss for the quarter before taxation	(33,955)	(10,360)	(3,004)	(54,355)	(101,674)
Taxation	-	-	-	-	-
Net loss for the quarter after taxation	(33,955)	(10,360)	(3,004)	(54,355)	(101,674)
Allocation of net income for the quarter					
Net income for the quarter after taxation	-	-	-	-	-
Income already paid on units redeemed	-	-	-	-	-
	-	-	-	-	-
Accounting income available for distribution					
- Relating to capital gains	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-

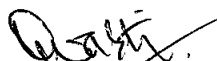
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

AM/16

For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

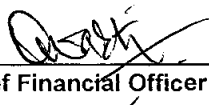
		Quarter ended December 31, 2017							Total
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
Note		(Rupees in '000)							
Income									
	Net realised (loss) / gain on sale of investments	(3,370)	(4,802)	(2,961)	11,298	(136,069)	(423,292)	(12,927)	(572,123)
	Back end load income	-	-	-	55	2	-	-	57
	Profit on saving accounts with banks	54	20	41	384	23	65	7	594
		<u>(3,316)</u>	<u>(4,782)</u>	<u>(2,920)</u>	<u>11,737</u>	<u>(136,044)</u>	<u>(423,227)</u>	<u>(12,920)</u>	<u>(571,472)</u>
	Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss'	(25,413)	(6,071)	(1,317)	(15,586)	86,368	265,116	(25,498)	277,599
	Total income	<u>(28,729)</u>	<u>(10,853)</u>	<u>(4,237)</u>	<u>(3,849)</u>	<u>(49,676)</u>	<u>(158,111)</u>	<u>(38,418)</u>	<u>(293,873)</u>
Expenses									
	Remuneration to Al Meezan Investment Management Limited - Management Company	24	12	25	191	12	33	4	301
	Sindh Sales Tax on management fee	4	1	3	24	2	5	-	39
10	Allocated expenses	138	81	84	203	202	595	158	1,461
	Remuneration to Central Depository Company of Pakistan Limited - Trustee	106	65	67	161	160	472	125	1,156
	Sindh Sales Tax on trustee fee	14	9	9	21	21	61	16	151
	Annual fee to Securities and Exchange Commission of Pakistan	126	77	80	193	191	565	149	1,381
	Auditors' remuneration	14	8	8	20	19	58	16	143
	Fees and subscription	6	4	5	10	9	28	8	70
	Amortisation of preliminary expenses and flotation costs	-	-	50	-	-	-	-	50
	Transaction cost	-	-	-	1	-	-	-	1
	Bank and settlement charges	-	3	5	6	3	2	4	23
	Printing charges	32	19	20	60	49	145	42	367
	Total expenses	<u>464</u>	<u>279</u>	<u>356</u>	<u>890</u>	<u>668</u>	<u>1,964</u>	<u>522</u>	<u>5,143</u>
	Net loss for the quarter before taxation	<u>(29,193)</u>	<u>(11,132)</u>	<u>(4,593)</u>	<u>(4,739)</u>	<u>(50,344)</u>	<u>(160,075)</u>	<u>(38,940)</u>	<u>(299,016)</u>
	Taxation	-	-	-	-	-	-	-	-
	Net loss for the quarter after taxation	<u>(29,193)</u>	<u>(11,132)</u>	<u>(4,593)</u>	<u>(4,739)</u>	<u>(50,344)</u>	<u>(160,075)</u>	<u>(38,940)</u>	<u>(299,016)</u>
Allocation of net income for the quarter									
	Net income for the quarter after taxation	-	-	-	-	-	-	-	-
	Income already paid on units redeemed	-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Accounting income available for distribution	-	-	-	-	-	-	-	-
	- Relating to capital gains	-	-	-	-	-	-	-	-
	- Excluding capital gains	-	-	-	-	-	-	-	-

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

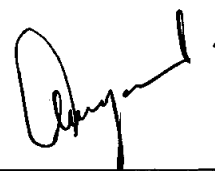
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

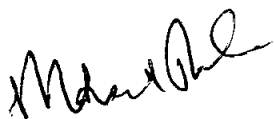
	Six months period ended December 31, 2018					For the period from July 01, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
	(Rupees in '000)					
Net loss for the period after taxation	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)

	Six months period ended December 31, 2017							
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)							
Net loss for the period after taxation	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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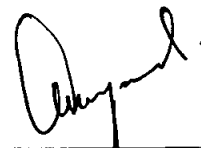
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018

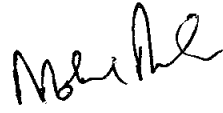
	Quarter ended December 31, 2018				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net loss for the period after taxation	(33,955)	(10,360)	(3,004)	(54,355)	(101,674)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	(33,955)	(10,360)	(3,004)	(54,355)	(101,674)

	Quarter ended December 31, 2017							
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)							
Net loss for the period after taxation	(29,193)	(11,132)	(4,593)	(4,739)	(50,344)	(160,075)	(38,940)	(299,016)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	(29,193)	(11,132)	(4,593)	(4,739)	(50,344)	(160,075)	(38,940)	(299,016)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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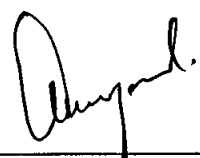
For Al Meezan Investment Management Limited
 (Management Company)



 Chief Executive



 Chief Financial Officer



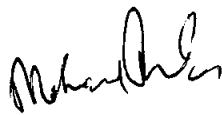
 Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2017			Six months period ended December 31, 2017			Six months period ended December 31, 2017			Six months period ended December 31, 2017		
	Aggressive			Moderate			Conservative			MAAP-I		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at the beginning of the period	447,919	174,215	622,134	298,428	109,381	407,809	325,714	87,683	413,397	987,898	263,414	1,251,312
Issuance of units:												
Aggressive: 1,369,540 units / Moderate: 967,967 units /												
Conservative: 2,701,775 units / MAAP I: 6,393,960 units												
- Capital value (at net asset value per unit at the beginning of the period)	109,330	-	109,330	69,732	-	69,732	179,209	-	179,209	399,047	-	399,047
- Element of loss	(8,655)	-	(8,655)	(28,491)	-	(28,491)	(3,878)	-	(3,878)	(45,538)	-	(45,538)
Total proceeds on issuance of units	100,675	-	100,675	41,241	-	41,241	175,331	-	175,331	353,509	-	353,509
Redemption of units:												
Aggressive: 1,721,124 units / Moderate: 2,202,076 units /												
Conservative: 4,107,274 units / MAAP I: 12,190,945 units /												
MAAP II: 2,201,554 units / MAAP III: 4,180,650 units /												
MAAP IV: 3,018,594 units												
- Capital value (at net asset value per unit at the beginning of the period)	137,397	-	137,397	158,638	-	158,638	272,435	-	272,435	760,837	-	760,837
- Element of income	(11,129)	-	(11,129)	(33,987)	-	(33,987)	(6,028)	-	(6,028)	(56,773)	-	(56,773)
Total payments on redemption of units	126,268	-	126,268	124,651	-	124,651	266,407	-	266,407	704,064	-	704,064
Total comprehensive loss for the period	-	(78,492)	(78,492)	-	(31,720)	(31,720)	-	(13,074)	(13,074)	-	(66,609)	(66,609)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(78,492)	(78,492)	-	(31,720)	(31,720)	-	(13,074)	(13,074)	-	(66,609)	(66,609)
Net assets at the end of the period	422,326	95,723	518,049	215,018	77,661	292,679	234,638	74,609	309,247	637,343	196,805	834,148
Undistributed income brought forward												
- Realised income		186,768			116,539			100,829			169,904	
- Unrealised (loss) / income		(12,553)			(7,158)			(13,146)			93,510	
Accounting income available for distribution		174,215			109,381			87,683			263,414	
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		-			-			-			-	
Net loss for the period after taxation		(78,492)			(31,720)			(13,074)			(66,609)	
Distribution during the period		-			-			-			-	
Undistributed income carried forward		95,723			77,661			74,609			196,805	
Undistributed income carried forward												
- Realised income		168,475			103,251			83,874			206,060	
- Unrealised (loss) / income		(72,752)			(25,590)			(9,265)			(9,255)	
		95,723			77,661			74,609			196,805	
			Rupees			Rupees			Rupees			Rupees
Net asset value per unit as at the beginning of the period			79.8300			72.0400			66.3300			62.4100
Net asset value per unit as at the end of the period			69.6200			66.1100			64.0700			58.5300

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

All!


Chief Executive

For Al-Meezan Investment Management Limited
(Management Company)


Chief Financial Officer


Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2017 MAAP-II (Rupees in '000)			Six months period ended December 31, 2017 MAAP-III (Rupees in '000)			Six months period ended December 31, 2017 MAAP-IV (Rupees in '000)			Six months period ended December 31, 2017 Total (Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at the beginning of the period	777,741	200,236	977,977	2,339,353	583,188	2,922,541	782,692	77,552	860,244	5,959,745	1,495,669	7,455,414
Issuance of units:												
Aggressive: 1,369,540 units / Moderate: 967,967 units /												
Conservative: 2,701,775 units / MAAP I: 6,393,960 units												
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-	757,318	-	757,318
- Element of loss	-	-	-	-	-	-	-	-	-	(86,562)	-	(86,562)
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	670,756	-	670,756
Redemption of units:												
Aggressive: 1,721,124 units / Moderate: 2,202,076 units /												
Conservative: 4,107,274 units / MAAP I: 12,190,945 units /												
MAAP II: 2,201,554 units / MAAP III: 4,180,650 units /												
MAAP IV: 3,018,594 units												
- Capital value (at net asset value per unit at the beginning of the period)	137,377	-	137,377	258,657	-	258,657	164,272	-	164,272	1,889,613	-	1,889,613
- Element of income	(16,755)	-	(16,755)	(25,348)	-	(25,348)	(9,983)	-	(9,983)	(160,003)	-	(160,003)
Total payments on redemption of units	120,622	-	120,622	233,309	-	233,309	154,289	-	154,289	1,729,610	-	1,729,610
Total comprehensive loss for the period	-	(137,363)	(137,363)	-	(418,215)	(418,215)	-	(111,938)	(111,938)	-	(857,411)	(857,411)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(137,363)	(137,363)	-	(418,215)	(418,215)	-	(111,938)	(111,938)	-	(857,411)	(857,411)
Net assets at the end of the period	657,119	62,873	719,992	2,106,044	164,973	2,271,017	628,403	(34,386)	594,017	4,900,891	638,258	5,539,149
Undistributed income brought forward												
- Realised income		117,251			311,690			13,129			1,016,110	
- Unrealised (loss) / income		82,985			271,498			64,423			479,559	
		200,236			583,188			77,552			1,495,669	
Accounting income available for distribution												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		-			-			-			-	
Net loss for the period after taxation		(137,363)			(418,215)			(111,938)			(857,411)	
Distribution during the period		-			-			-			-	
Undistributed income carried forward		62,873			164,973			(34,386)			638,258	
Undistributed income carried forward												
- Realised income		58,707			143,516			59,196			823,079	
- Unrealised (loss) / income		4,166			21,457			(93,582)			(184,821)	
		62,873			164,973			(34,386)			638,258	
Net asset value per unit as at the beginning of the period			Rupees 62,4000									Rupees 54,4200
Net asset value per unit as at the end of the period			53,4500									46,4500

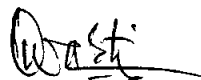
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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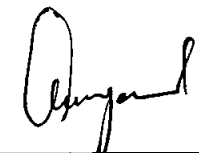


Chief Executive

For Al-Meezan Investment Management Limited
(Management Company)



Chief Financial Officer



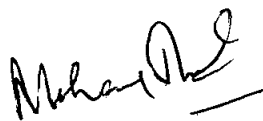
Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018					For the period from July 01, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
----- (Rupees in '000) -----						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net loss for the period before taxation	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
Adjustments for						
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	45,941	15,999	7,877	75,162	144,979	-
	2,162	2,622	5,575	2,282	12,641	(7,814)
(Increase) / decrease in assets						
Investments - net	6,988	55,930	37,678	44,234	144,830	510,146
Receivable against investments - net	-	-	-	(560)	(560)	(468,018)
Profit receivable on saving accounts with banks	(11)	(2)	1	(16)	(28)	(147)
	6,977	55,928	37,679	43,658	144,242	41,981
Increase / (decrease) in liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	4	(38)	(22)	(2)	(58)	66
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(4)	(2)	(2)	(8)	(10)
Payable to Meezan Bank Limited	-	(15)	(1)	-	(16)	-
Payable to Securities and Exchange Commission of Pakistan	(285)	(199)	(189)	(500)	(1,173)	30
Accrued expenses and other liabilities	55	30	56	201	342	(32)
	(226)	(226)	(158)	(303)	(913)	54
Net cash generated from operating activities	8,913	58,324	43,096	45,637	155,970	34,221
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	73,394	30,942	76,259	-	180,595	-
Payments against redemption and conversion of units	(75,423)	(88,331)	(123,412)	(41,437)	(328,603)	(33,108)
Net cash used in financing activities	(2,029)	(57,389)	(47,153)	(41,437)	(148,008)	(33,108)
Net increase / (decrease) in cash and cash equivalents during the period	6,884	935	(4,057)	4,200	7,962	1,113
Cash and cash equivalents at the beginning of the period	3,899	2,965	9,841	5,204	21,909	2,932
Cash and cash equivalents at the end of the period	10,783	3,900	5,784	9,404	29,871	4,045

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

Six months period ended December 31, 2017

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
(Rupees in '000)								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net loss for the period before taxation	(78,492)	(31,720)	(13,074)	(66,609)	(137,363)	(418,215)	(111,938)	(857,411)
Adjustments for								
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	72,752	25,590	9,265	9,255	(4,166)	(21,457)	93,582	184,821
Amortisation of preliminary expenses and floatation costs	-	-	100	-	-	-	-	100
	(5,740)	(6,130)	(3,709)	(57,354)	(141,529)	(439,672)	(18,356)	(672,490)
(Increase) / decrease in assets								
Investments - net	40,111	79,880	97,765	418,435	269,220	683,244	175,239	1,763,894
Receivable against investments - net	-	33,875	19,000	-	5,700	24,700	-	83,275
Profit receivable on saving accounts with banks	(4)	3	16	(81)	2	15	-	(49)
	40,107	113,758	116,781	418,354	274,922	707,959	175,239	1,847,120
Increase / (decrease) in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	(46)	(15)	(123)	1	(17)	(67)	(24)	(291)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	(11)	(6)	(34)	(14)	(47)	(19)	(142)
Payable to Meezan Bank Limited	(1)	-	-	-	-	-	-	(1)
Payable to Securities and Exchange Commission of Pakistan	(335)	(309)	(247)	(856)	(573)	(1,789)	(561)	(4,670)
Accrued expenses and other liabilities	(6,966)	(1,556)	(130)	(4,715)	(4,291)	(9,791)	(2,765)	(30,214)
	(7,359)	(1,891)	(506)	(5,604)	(4,895)	(11,694)	(3,369)	(35,318)
Net cash generated from operating activities	27,008	105,737	112,566	355,396	128,498	256,593	153,514	1,139,312
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance and conversion of units	100,605	40,727	172,826	353,509	-	-	-	667,667
Payments against redemption and conversion of units	(133,505)	(147,788)	(281,848)	(704,364)	(131,659)	(268,485)	(154,289)	(1,821,938)
Dividend paid	(298)	(900)	(63)	-	-	-	-	(1,261)
Net cash used in financing activities	(33,198)	(107,961)	(109,085)	(350,855)	(131,659)	(268,485)	(154,289)	(1,155,532)
Net (decrease) / increase in cash and cash equivalents during the period	(6,190)	(2,224)	3,481	4,541	(3,161)	(11,892)	(775)	(16,220)
Cash and cash equivalents at the beginning of the period	12,939	6,239	2,815	2,009	5,981	12,981	2,670	45,634
Cash and cash equivalents at the end of the period	6,749	4,015	6,296	6,550	2,820	1,089	1,895	29,414

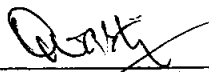
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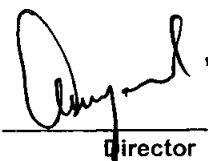
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED JULY 24, 2018 AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on July 27, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for Meezan Asset Allocation Plan-I (MAAP-I) in which the offer of units is discontinued after the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property of different types of allocation plans is accounted for and maintained separately in the books of accounts, which shall collectively constitute the Fund's property of the Scheme.
- 1.5 The JCR - VIS has maintained the asset manager rating of the Management Company to AM1. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and Meezan Asset Allocation Plan - I by investing in Shariah compliant income, money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP. A brief description of the plans are as follows:

Aggressive Allocation Plan (Aggressive)	High risk - Long term investor This plan invests at least 65 percent of its net assets in Shariah Compliant Equity Funds and at least 25 percent in Shariah Compliant Fixed Income Funds.
Moderate Allocation Plan (Moderate)	Moderate risk - Medium and long term investor This plan invests at least 45 percent of its net assets in Shariah Compliant Equity Funds and at least 45 percent in Shariah Compliant Fixed Income Funds.
Conservative Allocation Plan (Conservative)	Low risk - Medium and short term investor This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds and at least 70 percent in Shariah Compliant Fixed Income Funds.
Meezan Asset Allocation Plan I (MAAP-I)	Low risk - High return through asset allocation The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

During the prior period, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan has a new maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017).

Each allocation plan announces separate Net Asset Value which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

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- 1.7 During the period, Meezan Asset Allocation Plan-IV (MAAP-IV) matured on July 24, 2018. The following are the remaining assets and liabilities as at December 31, 2018:

	(Rupees in '000)
Assets	
Balances with banks	5,288
Liabilities	
Provision for Sindh Workers' Welfare Fund	2,621
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	2,662
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	5
	5,288
Net assets	<u><u>-</u></u>

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan for comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the changes in accounting policies as explained in note 4.3.

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4.2 The preparation of the condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2018.

4.3 **Standards and amendments to published approved accounting standards that are effective in the current period**

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The investment of an entity in a mutual fund is required to be classified as "at fair value through profit or loss" based on criteria mentioned in IFRS-9. The Fund has all its investments in mutual funds which were previously also classified under "fair value through profit or loss" category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

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

There are certain new standards and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5 **BALANCES WITH BANKS**

		(Unaudited)					
		As at December 31, 2018					As at July 24, 2018
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
(Rupees in '000)							
Saving accounts	9,851	3,483	4,589	8,795	26,718	3,964	
Current accounts	932	417	1,195	609	3,153	81	
	<u>10,783</u>	<u>3,900</u>	<u>5,784</u>	<u>9,404</u>	<u>29,871</u>	<u>4,045</u>	

		(Audited)						As at January 11, 2018	As at March 30, 2018
		As at June 30, 2018					MAAP-II	MAAP-III	
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	Total	MAAP-II	MAAP-III	
(Rupees in '000)									
Saving accounts	1,444	1,047	5,408	1,864	2,851	12,614	3,037	7,574	
Current accounts	2,455	1,918	4,433	3,340	81	12,227	-	1,141	
	<u>3,899</u>	<u>2,965</u>	<u>9,841</u>	<u>5,204</u>	<u>2,932</u>	<u>24,841</u>	<u>3,037</u>	<u>8,715</u>	

All in

- 5.1 The balance in savings accounts have an expected profit ranging from 3.92% to 10.25% (June 30, 2018: 2.00% to 5.60%) per annum.

6 INVESTMENTS

		(Unaudited)							
		As at December 31, 2018					As at July 24, 2018		
Note		Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV		
		(Rupees in '000)							
Investments - 'at fair value through profit or loss'	6.1	444,773	237,779	237,326	716,130	1,636,008	-		
		(Audited)							
		As at June 30, 2018					As at March 30, 2018		
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	Total	MAAP-II	MAAP-III
		(Rupees in '000)							
Investments - 'at fair value through profit or loss'		497,702	309,708	282,881	835,526	510,146	2,435,963	-	-

6.1 At fair value through profit or loss - Units of mutual funds

Name of investee funds	As at July 1, 2018	Purchases during the period	Sale during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised (diminution)/a ppreciation as at December 31, 2018	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of investments
		(Number of units)			(Rupees in '000)			(Percentage)	
Aggressive Allocation Plan									
Meezan Islamic Fund	5,893,702	495,544	376,529	6,012,717	379,162	333,579	(45,583)	73.96	75.00
Meezan Cash Fund	1,161,137	102,478	216,559	1,047,056	55,759	55,597	(162)	12.33	12.50
Meezan Cash Fund	1,182,986	99,756	214,809	1,067,933	55,793	55,597	(196)	12.33	12.50
					490,714	444,773	(45,941)	98.62	100.00
Moderate Allocation Plan									
Meezan Islamic Fund	2,444,911	204,757	506,703	2,142,965	134,530	118,889	(15,641)	49.82	50.00
Meezan Cash Fund	1,472,340	63,204	393,693	1,141,851	59,635	59,445	(190)	24.91	25.00
Meezan Islamic Income Fund	1,445,143	61,736	387,350	1,119,529	59,613	59,445	(168)	24.91	25.00
					253,778	237,779	(15,999)	99.64	100.00
Conservative Allocation Plan									
Meezan Islamic Fund	1,116,559	227,282	274,400	1,069,441	66,713	59,332	(7,381)	24.77	25.00
Meezan Cash Fund	2,017,164	251,200	558,850	1,709,514	89,274	88,997	(277)	37.16	37.50
Meezan Islamic Income Fund	1,979,904	246,147	549,956	1,676,095	89,216	88,997	(219)	37.16	37.50
					245,203	237,326	(7,877)	99.09	100.00
Meezan Asset Allocation Plan I									
AI Meezan Mutual Fund	39,791	-	-	39,791	703	614	(89)	0.09	0.09
Meezan Sovereign Fund	386	9	-	395	21	21	-	-	-
Meezan Islamic Income Fund	3,467,932	730,485	581,864	3,616,553	189,870	192,032	2,162	26.87	26.82
Meezan Cash Fund	564,625	24,238	540,004	48,859	2,535	2,544	9	0.36	0.35
Meezan Dedicated Equity Fund	12,759,249	602,460	971,806	12,389,903	598,163	520,919	(77,244)	72.90	72.74
					791,292	716,130	(75,162)	100.22	100.00
Meezan Asset Allocation Plan IV									
AI Meezan Mutual Fund	1,304,322	-	1,304,322	-	-	-	-	-	-
Meezan Islamic Fund	3,990,160	-	3,990,160	-	-	-	-	-	-
Meezan Islamic Income Fund	1,494,217	63,875	1,558,092	-	-	-	-	-	-
Meezan Cash Fund	962,660	7,368,899	8,331,559	-	-	-	-	-	-
Meezan Dedicated Equity Fund	2,136,720	-	2,136,720	-	-	-	-	-	-
					-	-	-	-	-
Total investments in units of mutual funds									
AI Meezan Mutual Fund	1,344,113	-	1,304,322	39,791	703	614	(89)	0.04	0.04
Meezan Islamic Fund	13,445,332	927,583	5,147,792	9,225,123	580,405	511,800	(68,605)	31.14	31.28
Meezan Cash Fund	6,199,775	7,807,297	10,038,915	3,968,157	207,237	206,583	(654)	12.57	12.63
Meezan Sovereign Fund	386	9	-	395	21	21	-	-	-
Meezan Islamic Income Fund	9,548,333	1,204,721	3,293,821	7,459,233	394,458	396,071	1,613	24.10	24.21
Meezan Dedicated Equity Fund	14,895,969	602,460	3,108,526	12,389,903	598,163	520,919	(77,244)	31.69	31.84
					1,780,987	1,636,008	(144,979)	99.54	100.00

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

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8 ACCRUED EXPENSES AND OTHER LIABILITIES

		(Unaudited)					As at July 24, 2018
		As at December 31, 2018					
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
(Rupees in '000)							
Withholding tax payable		116	458	39	508	1,121	8
Provision for Sindh Workers' Welfare Fund	8.1	3,380	1,916	1,214	6,886	13,396	2,621
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	364	394	454	3,294	4,506	2,662
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	19	39	31	17	106	5
Shariah advisor fee payable		39	21	21	64	145	27
Auditors' remuneration payable		84	44	45	135	308	80
Printing charges payable		62	50	36	105	253	35
		<u>4,064</u>	<u>2,922</u>	<u>1,840</u>	<u>11,009</u>	<u>19,835</u>	<u>5,438</u>

		(Audited)					As at January 11, 2018	As at March 30, 2018	
		As at June 30, 2018							
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	Total	MAAP-II	MAAP-III	
(Rupees in '000)									
Withholding tax payable		127	458	14	417	52	1,068	1,734	6,636
Provision for Sindh Workers' Welfare Fund	8.1	3,380	1,916	1,214	6,886	2,621	16,017	5,615	16,339
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	364	394	454	3,294	2,662	7,168	1,787	6,735
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	19	39	31	17	5	111	30	28
Shariah advisor fee payable		22	14	13	37	24	110	22	91
Auditors' remuneration payable		62	39	38	105	71	315	39	145
Printing charges payable		35	32	20	52	35	174	20	87
Zakat payable		-	-	-	-	-	-	-	28
		<u>4,009</u>	<u>2,892</u>	<u>1,784</u>	<u>10,808</u>	<u>5,470</u>	<u>24,963</u>	<u>9,247</u>	<u>30,089</u>

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.48/0.75%, 0.51/0.80%, 0.33/0.51%, 0.51/0.96% and 0.26/0.56% for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP-I and MAAP-IV (July 24, 2018) (June 30, 2018 by 0.48/0.68%, 0.42/0.62%, 0.27/0.42%, 0.49/0.83% and 0.24/0.52% for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP-I and MAAP-IV) respectively.

8.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.38 million, Rs 0.43 million, Rs 0.49 million Rs 3.31 million and Rs 2.67 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP- I and MAAP-IV (July 24, 2018) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. The impact of this provision on the Net Assets Value per unit as at June 30, 2018 in each specified plan is not significant.

TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	(Unaudited)					
	As at December 31, 2018					As at July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
(Rupees in '000)						
Al Meezan Investment Management Limited - Management Company						
Remuneration Payable (Rs in '000)	6	1	5	8	20	69
Sindh Sales Tax on management fee payable (Rs in '000)	1	-	1	1	3	9
Sales load payable (Rs in '000)	18	4	-	-	22	-
Sindh Sales Tax on sales load payable (Rs in '000)	2	1	-	-	3	-
Allocated expenses payable (Rs in '000)	39	21	21	63	144	33
Investment (Rs in '000)	-	-	6,858	-	6,858	-
Investment (Units)	-	-	105,971	-	105,971	-
Meezan Bank Limited						
Bank balance (Rs in '000)	10,555	3,661	5,593	9,293	29,102	4,045
Profit receivable (Rs in '000)	9	2	10	28	49	196
Sales load payable (Rs in '000)	2	-	-	-	2	-
Central Depository Company of Pakistan Limited - Trustee						
Trustee Fee payable (Rs in '000)	38	18	26	53	135	28
Sindh Sales Tax on trustee fee payable (Rs in '000)	6	3	3	9	21	5
Directors and Executives of the Management Company						
Investment (Rs in '000)	445	-	-	-	445	-
Investment (Units)	6,946	2	2	-	6,950	-
Meezan Islamic Fund						
Investment (Rs in '000)	333,579	118,889	59,332	-	511,800	-
Investment (Units)	6,012,717	2,142,965	1,069,441	-	9,225,123	-
Meezan Sovereign Fund						
Investment (Rs in '000)	-	-	-	21	21	-
Investment (Units)	-	-	-	395	395	-
Al Meezan Mutual Fund						
Investment (Rs in '000)	-	-	-	614	614	-
Investment (Units)	-	-	-	39,791	39,791	-

Al Meezan

(Unaudited)								
As at December 31, 2018						As at July 24, 2018		
Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	Total			
(Rupees in '000)								
Meezan Cash Fund								
Investment (Rs in '000)	55,597	59,445	88,997	2,544	206,583			
Investment (Units)	1,067,933	1,141,851	1,709,514	48,859	3,968,157			
Meezan Islamic Income Fund								
Investment (Rs in '000)	55,597	59,445	88,997	192,032	396,071			
Investment (Units)	1,047,056	1,119,529	1,676,095	3,616,553	7,459,233			
Meezan Dedicated Equity Fund								
Investment (Rs in '000)	-	-	-	520,919	520,919			
Investment (Units)	-	-	-	12,389,903	12,389,903			
Unit Holders holding 10% or more units of the Fund								
Investment (Rs in '000)	202,930	52,070	47,775	310,532	613,307	192,410		
Investment (Units)	3,167,104	813,850	738,269	5,826,939	10,546,162	4,166,358		
(Audited)								
As at June 30, 2018						As at January 11, 2018	As at March 30, 2018	
Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	Total	MAAP-II	MAAP-III	
(Rupees in '000)								
AI Meezan Investment Management Limited - Management Company								
Remuneration Payable (Rs in '000)	4	1	10	4	2	21	1	4
Sindh Sales Tax on management fee payable (Rs in '000)	1	-	1	1	-	3	-	1
Sales load payable (Rs in '000)	13	34	12	-	-	59	-	1
Sindh Sales Tax on sales load payable (Rs in '000)	2	4	2	-	-	8	-	-
Allocated expenses payable (Rs in '000)	42	26	24	69	43	204	22	184
Investment (Rs in '000)	-	-	6,917	-	-	6,917	-	-
Investment (Units)	-	-	105,971	-	-	105,971	-	-
Meezan Bank Limited								
Bank balance (Rs in '000)	3,676	2,730	9,653	5,094	2,932	24,085	3,037	8,715
Profit receivable (Rs in '000)	1	2	13	13	49	78	136	607
Sales load payable (Rs in '000)	2	15	1	-	-	18	-	-
Central Depository Company of Pakistan Limited - Trustee								
Trustee Fee payable (Rs in '000)	39	22	28	56	38	183	17	147
Sindh Sales Tax on trustee fee payable (Rs in '000)	5	3	3	8	5	24	2	19
Directors and Executives of the Management Company								
Investment (Rs in '000)	499	-	-	-	-	499	-	-
Investment (Units)	7,100	2	2	-	-	7,104	-	-
Meezan Islamic Fund								
Investment (Rs in '000)	373,276	154,848	70,717	-	252,716	851,557	-	-
Investment (Units)	5,893,702	2,444,911	1,116,559	-	3,990,160	13,445,332	-	-
Meezan Sovereign Fund								
Investment (Rs in '000)	-	-	-	20	-	20	-	-
Investment (Units)	-	-	-	386	-	386	-	-
AI Meezan Mutual Fund								
Investment (Rs in '000)	-	-	-	703	23,034	23,737	-	-
Investment (Units)	-	-	-	39,791	1,304,322	1,344,113	-	-
Meezan Cash Fund								
Investment (Rs in '000)	62,213	77,430	106,082	29,693	50,626	326,044	-	-
Investment (Units)	1,182,986	1,472,340	2,017,164	564,625	962,660	6,199,770	-	-
Meezan Islamic Income Fund								
Investment (Rs in '000)	62,213	77,430	106,082	185,809	80,059	511,593	-	-
Investment (Units)	1,161,137	1,445,143	1,979,904	3,467,932	1,494,217	9,548,333	-	-
Meezan Dedicated Equity Fund								
Investment (Rs in '000)	-	-	-	619,301	103,711	723,012	-	-
Investment (Units)	-	-	-	12,759,249	2,136,720	14,895,969	-	-
Unit Holders holding 10% or more units of the Fund								
Investment (Rs in '000)	222,600	54,635	48,186	341,467	195,397	862,285	-	-
Investment (Units)	3,167,104	813,850	738,269	5,826,939	4,166,358	14,712,520	-	-

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(Unaudited)						
For the period ended December 31, 2018						For the period from July 1, 2018 to July 24, 2018
Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP IV	
(Rupees in '000)						
Al Meezan Investment Management Limited - Management Company						
Remuneration for the period (Rs in '000)	40	22	36	31	129	69
Sindh Sales Tax on management fee (Rs in '000)	5	3	5	4	17	9
Allocated expense (Rs in '000)	245	132	134	402	913	32
Meezan Bank Limited						
Profit on saving account (Rs in '000)	88	56	80	45	269	152
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee for the period (Rs in '000)	217	117	118	356	808	27
Sindh Sales Tax on trustee fee (Rs in '000)	28	15	15	46	104	4
Directors and Executives of the Management Company						
Invested during the period (Rs. in '000)	-	70	8	-	78	-
Invested during the period (Units)	1	1,063	116	-	1,180	-
Redeemed during the period (Rs. in '000)	11	69	8	-	87	-
Redeemed during the period (Units)	155	1,062	116	-	1,334	-
Meezan Islamic Fund						
Invested during the period (Rs. in '000)	29,730	11,768	13,344	-	54,842	-
Invested during the period (Units)	495,544	204,757	227,282	-	927,583	-
Redeemed during the period (Rs. in '000)	22,500	30,500	16,550	-	69,550	249,454
Redeemed during the period (Units)	376,529	506,703	274,400	-	1,157,632	3,990,160
Meezan Sovereign Fund						
Invested during the period (Rs. in '000)	-	-	-	-	-	-
Invested during the period (Units)	-	-	-	9	9	-
Dividend received during the period (Rs. in '000)	-	-	-	-	-	-
Dividend received during the period (Units)	-	-	-	4	4	-
Refund of capital during the period (Rs. in '000)	-	-	-	-	-	-
Refund of capital during the period (Units)	-	-	-	5	5	-
Meezan Cash Fund						
Invested during the period (Rs. in '000)	5,061	3,187	12,805	1,223	22,276	372,084
Invested during the period (Units)	99,756	63,204	251,200	24,238	438,398	7,368,899
Redeemed during the period (Rs. in '000)	11,088	20,104	28,646	27,840	87,678	421,491
Redeemed during the period (Units)	214,809	393,693	558,850	540,004	1,707,356	8,331,559
Dividend received during the period (Rs. in '000)	2,304	2,766	3,957	855	9,882	1,833
Dividend received during the period (Units)	45,686	54,852	78,471	16,949	195,959	36,347
Refund of capital during the period (Rs. in '000)	257	421	410	368	1,455	251
Refund of capital during the period (Units)	5,096	8,352	8,121	7,289	28,858	4,978
Al Meezan Mutual Fund						
Redeemed during the period (Rs. in '000)	-	-	-	-	-	21,964
Redeemed during the period (Units)	-	-	-	-	-	1,304,322
Meezan Islamic Income Fund						
Invested during the period (Rs. in '000)	5,299	3,172	12,785	37,613	58,869	3,280
Invested during the period (Units)	102,478	61,736	246,147	730,485	1,140,846	63,875
Redeemed during the period (Rs. in '000)	11,353	20,164	28,723	30,750	91,030	80,267
Redeemed during the period (Units)	216,559	387,350	549,956	581,864	1,735,729	1,558,092
Dividend received during the period (Rs. in '000)	2,325	2,809	3,989	4,610	13,734	1,736
Dividend received during the period (Units)	45,244	54,664	77,620	89,709	267,237	33,786
Refund of capital during the period (Rs. in '000)	224	363	358	3,003	3,948	1,544
Refund of capital during the period (Units)	4,359	7,072	6,960	58,438	76,829	30,048
Meezan Dedicated Equity Fund						
Invested during the period (Rs. in '000)	-	-	-	26,000	26,000	-
Invested during the period (Units)	-	-	-	602,460	602,460	-
Redeemed during the period (Rs. in '000)	-	-	-	45,260	45,260	99,023
Redeemed during the period (Units)	-	-	-	971,806	971,806	2,136,720

(Unaudited)							
For the period ended December 31, 2017							
Aggressive	Moderate	Conservative	MAAP I	MAAP II	MAAP III	MAAP IV	Total
(Rupees in '000)							
Al Meezan Investment Management Limited - Management Company							
Remuneration for the period (Rs in '000)	67	34	57	219	19	82	502
Sindh Sales Tax on management fee (Rs in '000)	9	4	7	28	3	11	65
Allocated expense (Rs in '000)	281	177	183	499	431	1,278	3,198
Meezan Bank Limited							
Profit on saving account (Rs in '000)	115	44	99	407	40	160	890

(Unaudited)							
For the period ended December 31, 2017							
Aggressive	Moderate	Conservative	MAAP I	MAAP II	MAAP III	MAAP IV	Total
(Rupees in '000)							
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee for the period (Rs. in '000)	222	140	145	394	340	1,009	2,525
Sindh Sales Tax on trustee fee (Rs. in '000)	29	18	19	51	44	131	328
Directors and Executives of the Management Company							
Invested during the period (Rs. in '000)	233	28	188	-	-	-	449
Invested during the period (Units)	3,357	417	2,970	-	-	-	6,744
Redeemed during the period (Rs. in '000)	251	29	189	-	-	-	469
Redeemed during the period (Units)	3,623	434	2,970	-	-	-	7,027
Meezan Islamic Fund							
Invested during the period (Rs. in '000)	72,850	24,868	20,876	396,000	44,000	373,000	947,594
Invested during the period (Units)	1,048,388	380,817	315,160	5,743,873	660,922	5,878,604	14,273,011
Redeemed during the period (Rs. in '000)	45,720	43,150	30,275	1,358,884	733,000	1,961,769	4,389,796
Redeemed during the period (Units)	672,159	649,602	456,444	19,161,670	11,519,980	30,637,149	66,180,152
Meezan Sovereign Fund							
Redeemed during the period (Rs. in '000)	-	-	-	46,700	81,200	-	127,900
Redeemed during the period (Units)	-	-	-	908,207	1,579,152	-	2,487,359
Meezan Cash Fund							
Invested during the period (Rs. in '000)	3,387	3,000	9,937	185,030	613,521	1,132,680	1,967,555
Invested during the period (Units)	66,460	58,309	194,925	3,634,077	11,966,935	22,165,302	38,477,627
Redeemed during the period (Rs. in '000)	34,696	31,190	52,801	248,250	63,060	693,930	1,142,877
Redeemed during the period (Units)	682,993	611,006	1,035,193	4,855,619	1,227,425	13,507,482	22,289,205
AJ Meezan Mutual Fund							
Redeemed during the period (Rs. in '000)	-	-	-	67,990	-	319,508	387,498
Redeemed during the period (Units)	-	-	-	3,416,582	-	18,794,560	22,211,142
Meezan Islamic Income Fund							
Invested during the period (Rs. in '000)	3,387	3,000	9,938	1,740,662	237,200	1,682,770	3,873,957
Invested during the period (Units)	65,414	57,427	191,875	33,753,210	4,596,367	32,395,542	74,878,203
Redeemed during the period (Rs. in '000)	34,409	30,828	52,275	1,535,916	146,950	928,240	2,901,618
Redeemed during the period (Units)	665,974	594,550	1,008,638	29,694,330	2,841,001	17,938,036	56,092,102
KSE Meezan Index Fund							
Invested during the period (Rs. in '000)	-	-	-	64,736	-	-	64,736
Invested during the period (Units)	-	-	-	911,030	-	-	911,030
Redeemed during the period (Rs. in '000)	-	-	-	91,118	-	-	91,118
Redeemed during the period (Units)	-	-	-	1,259,359	-	-	1,259,359
Meezan Dedicated Equity Fund							
Invested during the period (Rs. in '000)	-	-	-	808,000	22,000	755,000	1,603,000
Invested during the period (Units)	-	-	-	16,356,123	444,265	15,880,658	33,044,535
Redeemed during the period (Rs. in '000)	-	-	-	208,000	21,520	287,493	517,013
Redeemed during the period (Units)	-	-	-	4,107,425	444,265	6,170,114	10,721,804

10 ALLOCATED EXPENSES

The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 0.39%, 0.40%, 0.39%, and 0.38% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan and MAAP-I, respectively, which includes 0.11%, 0.11%, 0.11%, and 0.11% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, and MAAP-I, respectively, representing government levy and SECP fee in each plan.

12 TAXATION

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

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

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	----- (Unaudited) -----				----- (Audited) -----			
	As at December 31, 2018				As at June 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
ASSETS								
Financial assets 'at fair value through profit or loss'								
Units of mutual fund	1,636,008			1,636,008	2,435,963			2,435,963

14 GENERAL

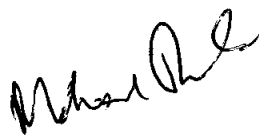
14.1 Figures have been rounded off to the nearest thousand rupees.

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

15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

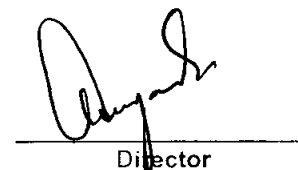
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Strategic Allocation Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 25, 2019

Karachi

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018**

		December 31, 2018 (Unaudited)						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
----- (Rupees in '000) -----								
Assets								
Balances with banks	5	36,601	5,108	11,468	9,410	8,037	3,490	74,114
Investments	6	1,511,594	1,087,477	1,210,099	1,313,291	416,619	1,315,533	6,854,613
Receivable against sale of investments - net		820	630	-	-	360	-	1,810
Other receivables		50	13	19	6	8	12	108
Total assets		1,549,065	1,093,228	1,221,586	1,322,707	425,024	1,319,035	6,930,645
Liabilities								
Payable to Al Meezan Investment Management Limited - Management Company		169	102	117	126	45	115	674
Payable to Central Depository Company of Pakistan Limited - Trustee		121	86	95	102	33	101	538
Payable to Securities and Exchange Commission of Pakistan		873	586	644	718	235	646	3,702
Payable against redemption and conversion of units		1,002	1,002	1,096	1,349	502	4	4,955
Accrued expenses and other liabilities	8	4,696	146	155	180	61	321	5,559
Total liabilities		6,861	1,922	2,107	2,475	876	1,187	15,428
Net assets		1,542,204	1,091,306	1,219,479	1,320,232	424,148	1,317,848	6,915,217
Contingencies and commitments	7							
Unitholders' fund (as per statement attached)		1,542,204	1,091,306	1,219,479	1,320,232	424,148	1,317,848	6,915,217
----- (Number of units) -----								
Number of units in issue		38,333,423	27,643,135	31,641,570	33,696,953	9,481,156	26,180,616	
----- (Rupees) -----								
Net assets value per unit		40.2313	39.4784	38.5404	39.1796	44.7359	50.3368	

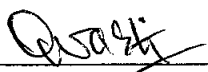
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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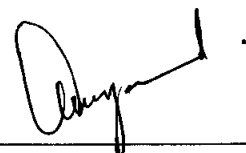
**For Al Meezan Investment Management Limited
(Management Company)**



Chief Executive



Chief Financial Officer



Director

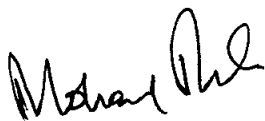
**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018**

		June 30, 2018 (Audited)						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total	
----- (Rupees in '000) -----								
Assets								
Balances with banks	5	9,147	1,707	2,158	6,740	5,090	27,781	
Investments	6	1,944,433	1,289,394	1,422,944	1,660,700	516,547	8,197,375	
Receivable against sale of investments - net		-	-	-	200	-	470	
Profit receivable		16	3	3	15	14	64	
Total assets		1,953,596	1,291,104	1,425,105	1,667,655	521,650	8,225,690	
Liabilities								
Payable to AI Meezan Investment Management Limited - Management Company		177	110	120	146	49	717	
Payable to Central Depository Company of Pakistan Limited - Trustee		144	95	105	122	38	603	
Payable to Securities and Exchange Commission of Pakistan		2,104	1,373	1,492	1,682	390	7,608	
Payable against redemption and conversion of units		983	-	-	-	-	1,461	
Accrued expenses and other liabilities	8	4,726	181	177	200	61	5,495	
Total liabilities		8,134	1,759	1,894	2,150	538	15,884	
Net assets		1,945,462	1,289,345	1,423,211	1,665,505	521,112	8,209,806	
Contingencies and commitments	7							
Unitholders' fund (as per statement attached)		1,945,462	1,289,345	1,423,211	1,665,505	521,112	8,209,806	
----- (Number of units) -----								
Number of units in issue		44,201,217	29,952,689	33,875,099	38,986,286	10,691,441	27,251,554	
----- (Rupees) -----								
Net assets value per unit		44.0138	43.0461	42.0135	42.7203	48.7410	50.0952	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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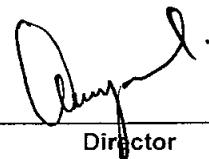
**For AI Meezan Investment Management Limited
(Management Company)**



Chief Executive



Chief Financial Officer



Director

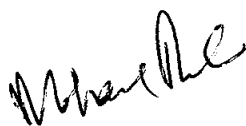
**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

		Six months period ended December 31, 2018						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
Income								
	(38,799)	(4,539)	(6,447)	(10,677)	(2,578)	(19,428)	(82,468)	
Net realised loss on sale of investments	106	166	71	101	66	31	541	
Profit on saving accounts with banks	13,001	9,425	10,866	13,046	3,675	16,480	66,493	
Dividend income	-	-	-	-	337	1,072	1,409	
Other income	(25,692)	5,052	4,490	2,470	1,500	(1,845)	(14,025)	
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	(125,939)	(106,044)	(115,534)	(124,458)	(41,005)	10,554	(502,426)
Total (loss) / income		(151,631)	(100,992)	(111,044)	(121,988)	(39,505)	8,709	(516,451)
Expenses								
Remuneration to AI Meezan Investment Management Limited - Management Company	56	50	27	45	28	15	221	
Sindh Sales Tax on management fee	7	7	4	6	4	2	30	
Allocated expenses	10	919	617	678	756	247	680	3,897
Remuneration to Central Depository Company of Pakistan Limited - Trustee	719	483	530	591	194	532	3,049	
Sindh Sales Tax on trustee fee	93	63	69	77	25	69	396	
Annual fee to Securities and Exchange Commission of Pakistan	873	586	644	718	235	646	3,702	
Auditors' remuneration	80	54	57	64	21	56	332	
Fees and subscription	39	25	28	32	11	29	164	
Printing charges	47	32	35	39	13	35	201	
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	-	-	-	133	133	
Bank and settlement charges	11	2	20	6	1	-	40	
Total expenses		2,844	1,919	2,092	2,334	779	2,197	12,165
Net (loss) / income for the period before taxation		(154,475)	(102,911)	(113,136)	(124,322)	(40,284)	6,512	(528,616)
Taxation	12	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation		(154,475)	(102,911)	(113,136)	(124,322)	(40,284)	6,512	(528,616)
Allocation of net income for the period								
Net income for the period after taxation	-	-	-	-	-	6,512	6,512	
Income already paid on units redeemed	-	-	-	-	-	(335)	(335)	
	-	-	-	-	-	6,177	6,177	
Accounting income available for distribution								
- Relating to capital gains	-	-	-	-	-	-	-	
- Excluding capital gains	-	-	-	-	-	6,177	6,177	
	-	-	-	-	-	6,177	6,177	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

AUIC

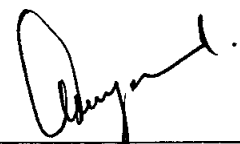
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer

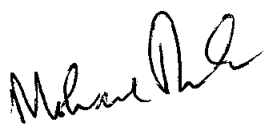


Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**


	Six months period ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
(Rupees in '000)								
Income								
Net realised (loss) / gain on sale of investments		(26,136)	(12,936)	(12,694)	(11,375)	803	-	(62,338)
Profit on saving accounts with banks		158	45	3	247	352	23	828
Other income		5,400	770	687	1,109	119	-	8,085
		(20,578)	(12,121)	(12,004)	(10,019)	1,274	23	(53,425)
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	(328,522)	(213,573)	(228,985)	(237,700)	(12,014)	27	(1,020,767)
Total (loss) / income		(349,100)	(225,694)	(240,989)	(247,719)	(10,740)	50	(1,074,192)
Expenses								
Remuneration to Al Meezan Investment Management Limited - Management Company		52	35	2	130	156	12	387
Sindh Sales Tax on management fee		7	5	-	17	20	2	51
Allocated expenses	10	1,147	756	800	902	137	1	3,743
Remuneration to Central Depository Company of Pakistan Limited - Trustee		910	592	629	708	108	1	2,948
Sindh Sales Tax on trustee fee		118	77	82	92	14	-	383
Annual fee to Securities and Exchange Commission of Pakistan		1,104	718	763	859	131	1	3,576
Auditors' remuneration		41	36	50	45	5	-	177
Fees and subscription		41	35	39	47	5	-	167
Printing charges		85	54	60	64	1	-	264
Legal and professional charges		3	2	2	2	-	-	9
Bank and settlement charges		7	2	9	2	2	1	23
Total expenses		3,515	2,312	2,436	2,868	579	18	11,728
Net (loss) / income for the period before taxation		(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)
Taxation	12	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation		(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)
Allocation of net income for the period								
Net income for the period after taxation		-	-	-	-	-	32	32
Income already paid on units redeemed		-	-	-	-	-	-	-
		-	-	-	-	-	32	32
Accounting income available for distribution								
- Relating to capital gains		-	-	-	-	-	27	27
- Excluding capital gains		-	-	-	-	-	5	5
		-	-	-	-	-	32	32

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

M. I. U.

Chief Executive

For Al Meezan Investment Management Limited
(Management Company)


Chief Financial Officer


Director

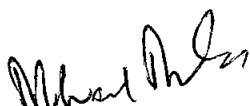
**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2018**

Note	For the quarter ended December 31, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	(Rupees in '000)						
Income							
Net realised loss on sale of investments	(12,317)	(2,271)	(3,402)	(4,520)	(1,839)	(13,543)	(37,892)
Profit on saving accounts with banks	69	88	42	39	35	8	281
Dividend income	-	-	-	-	-	-	-
Other income	-	-	-	-	151	587	738
	(12,248)	(2,183)	(3,360)	(4,481)	(1,653)	(12,948)	(36,873)
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	(101,354)	(75,356)	(82,242)	(88,109)	(28,707)	14,066	(361,702)
Total (loss) / income	(113,602)	(77,539)	(85,602)	(92,590)	(30,360)	1,118	(398,575)
Expenses							
Remuneration to AI Meezan Investment Management Limited - Management Company	35	17	16	17	15	5	105
Sindh Sales Tax on management fee	4	2	3	2	2	1	14
Allocated expenses	441	298	330	354	118	338	1,879
Remuneration to Central Depository Company of Pakistan Limited - Trustee	345	234	258	277	93	265	1,472
Sindh Sales Tax on trustee fee	44	31	34	36	12	34	191
Annual fee to Securities and Exchange Commission of Pakistan	419	283	313	336	112	321	1,784
Auditors' remuneration	38	26	28	30	11	29	162
Fees and subscription	17	10	10	13	5	13	68
Printing charges	23	16	18	19	7	18	101
Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	-	2	2
Bank and settlement charges	2	-	-	2	-	-	4
Total expenses	1,368	917	1,010	1,086	375	1,026	5,782
Net (loss) / income for the quarter before taxation	(114,970)	(78,456)	(86,612)	(93,676)	(30,735)	92	(404,357)
Taxation	-	-	-	-	-	-	-
Net (loss) / income for the quarter after taxation	(114,970)	(78,456)	(86,612)	(93,676)	(30,735)	92	(404,357)
Allocation of net income for the quarter							
Net income for the quarter after taxation	-	-	-	-	-	92	92
Income already paid on units redeemed	-	-	-	-	-	(92)	(92)
Accounting income available for distribution							
- Relating to capital gains	-	-	-	-	-	523	523
- Excluding capital gains	-	-	-	-	-	(523)	(523)

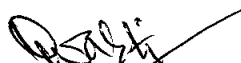
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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



Chief Executive



Chief Financial Officer




Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2018**

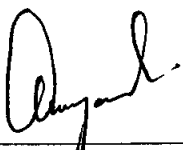
	For the quarter ended December 31, 2017				For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total	
	Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V		MCPPIII
Income								
Net realised (loss) / gain on sale of investments		(19,493)	(11,448)	(12,257)	(11,731)	751	-	(54,178)
Profit on saving accounts with banks		61	23	2	25	246	23	380
Other income		2,282	413	315	529	119	-	3,658
		(17,150)	(11,012)	(11,940)	(11,177)	1,116	23	(50,140)
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'		(107,869)	(70,925)	(77,341)	(84,426)	(11,032)	27	(351,566)
Total (loss) / income		(125,019)	(81,937)	(89,281)	(95,603)	(9,916)	50	(401,706)
Expenses								
Remuneration to Al Meezan Investment Management Limited - Management Company		26	24	1	12	113	12	188
Sindh Sales Tax on management fee		4	4	-	2	14	2	26
Allocated expenses	10	527	361	380	430	127	1	1,826
Remuneration to Central Depository Company of Pakistan Limited - Trustee		425	283	300	339	100	1	1,448
Sindh Sales Tax on trustee fee		55	37	39	44	13	-	188
Annual fee to Securities and Exchange Commission of Pakistan		515	343	364	411	122	1	1,756
Auditors' remuneration		9	16	29	26	5	-	85
Fees and subscription		11	14	18	24	5	-	72
Printing charges		85	54	60	64	1	-	264
Bank and settlement charges		2	1	1	1	1	1	7
Total expenses		1,659	1,137	1,192	1,353	501	18	5,860
Net (loss) / income for the quarter / period before taxation		(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Taxation	12	-	-	-	-	-	-	-
Net (loss) / income for the quarter / period after taxation		(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Allocation of net income for the quarter / period								
Net income for the quarter / period after taxation		-	-	-	-	-	32	32
Income already paid on units redeemed		-	-	-	-	-	32	32
Accounting income available for distribution								
- Relating to capital gains		-	-	-	-	-	27	27
- Excluding capital gains		-	-	-	-	-	5	5
		-	-	-	-	-	32	32

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Chief Executive


Chief Financial Officer


Director

MEEZAN STRATEGIC ALLOCATION FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE PERIOD ENDED DECEMBER 31, 2018

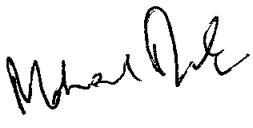
	Six months period ended December 31, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	
	(Rupees in '000)						
Net (loss) / income for the period after taxation	(154,475)	(102,911)	(113,136)	(124,322)	(40,284)	6,512	(528,616)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(154,475)</u>	<u>(102,911)</u>	<u>(113,136)</u>	<u>(124,322)</u>	<u>(40,284)</u>	<u>6,512</u>	<u>(528,616)</u>

	Six months period ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V			
	(Rupees in '000)							
Net (loss) / income for the period after taxation	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive (loss) / income for the period	<u>(352,615)</u>	<u>(228,006)</u>	<u>(243,425)</u>	<u>(250,587)</u>	<u>(11,319)</u>	<u>32</u>	<u>(1,085,920)</u>	

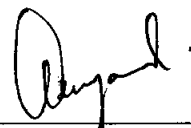
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
 (Management Company)


 Chief Executive


 Chief Financial Officer


 Director

MEEZAN STRATEGIC ALLOCATION FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE QUARTER ENDED DECEMBER 31, 2018

	For the quarter ended December 31, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	----- (Rupees in '000) -----						
Net (loss) / income for the period after taxation	(114,970)	(78,456)	(86,612)	(93,676)	(30,735)	92	(404,357)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(114,970)</u>	<u>(78,456)</u>	<u>(86,612)</u>	<u>(93,676)</u>	<u>(30,735)</u>	<u>92</u>	<u>(404,357)</u>

	For the quarter ended December 31, 2017					Total	
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V		
	----- (Rupees in '000) -----						
					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	
Net (loss) / income for the period after taxation	(126,678)	(83,074)	(90,473)	(96,956)	(10,417)	32	(407,566)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(126,678)</u>	<u>(83,074)</u>	<u>(90,473)</u>	<u>(96,956)</u>	<u>(10,417)</u>	<u>32</u>	<u>(407,566)</u>

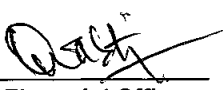
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Al / U

For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2018		Six months period ended December 31, 2018		Six months period ended December 31, 2018		Six months period ended December 31, 2018		Six months period ended December 31, 2018		Six months period ended December 31, 2018										
	MSAP-I (Rupees in '000)	Total	MSAP-II (Rupees in '000)	Total	MSAP-III (Rupees in '000)	Total	MSAP-IV (Rupees in '000)	Total	MSAP-V (Rupees in '000)	Total	MCP-III (Rupees in '000)	Total									
Net assets at the beginning of the period	2,243,221	(297,759)	1,945,462	1,518,558	(227,213)	1,289,345	1,705,505	(286,294)	1,423,211	1,957,929	(282,424)	1,665,505	528,299	(7,187)	521,112	1,387,662	(2,491)	1,385,171	9,323,174	(1,113,368)	8,209,806
Issuance of units:																					
MSAP - I: Nil units / MSAP - II: Nil units / MSAP - III: Nil units / MSAP - IV: Nil units / MSAP - V: Nil units, MCP-III: Nil units																					
- Capital value (at net asset value per unit at the beginning of the period)																					
- Element of income																					
Total proceeds on issuance of units																					
Redemption of units:																					
MSAP - I: 5,867,783 units / MSAP - II: 2,309,554 units / MSAP - III: 2,233,530 units / MSAP - IV: 5,289,332 units / MSAP - V: 1,210,286 units, MCP-III: 1,070,939 units																					
- Capital value (at net asset value per unit at the beginning of the period)																					
- Element of (income) / loss																					
Total payments on redemption of units																					
Total comprehensive (loss) / income for the period																					
Distribution during the period																					
Net (loss) / income for the period less distribution																					
Net assets at the end of the period	1,994,438	(462,234)	1,542,204	1,421,430	(330,124)	1,091,306	1,618,909	(398,430)	1,219,479	1,736,978	(416,746)	1,320,232	471,619	(47,471)	424,148	1,314,162	3,686	1,317,848	8,557,536	(1,642,319)	6,915,217
Accumulated loss brought forward																					
- Realised (loss) / income																					
- Unrealised (loss) / income																					
Accounting income available for distribution																					
- Relating to capital gains																					
- Excluding capital gains																					
Net (loss) / income for the period after taxation																					
Distribution during the period																					
(Accumulated loss) / undistributed income carried forward																					
(Accumulated loss) / undistributed income carried forward																					
- Realised loss																					
- Unrealised (loss) / income																					
Net asset value per unit as at the beginning of the period																					
Net asset value per unit as at the end of the period																					

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

AM 15

(Signature)

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

(Signature)

Chief Financial Officer

(Signature)

Director

	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net asset value per unit as at the beginning of the period	44,0138	43,0461	42,0135	42,7203	48,7410	50,0951	50,3968
Net asset value per unit as at the end of the period	40,2313	39,4784	38,5404	39,1796	44,7359	50,3968	50,3968

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2017			Six months period ended December 31, 2017			Six months period ended December 31, 2017			Six months period ended December 31, 2017			Six months period ended December 31, 2017		
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MSAP-VI	MCP-III	MSAP-VII	MSAP-VIII	MSAP-IX	MSAP-X	MSAP-XI	MSAP-XII	MSAP-XIII	MSAP-XIV
	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)
Capital Value	201,979	28,977	24,643	24,643	24,643	41,125	8,000	8,000	556,988	63,653	63,653	620,641	304,724	620,641	620,641
Accumulated loss	(20,555)	(3,228)	(1,721)	(1,721)	(1,721)	(3,089)	(5,905)	(5,905)	(5,905)	10	10	(5,895)	(28,636)	(5,895)	(5,895)
Total	181,324	25,749	22,922	22,922	22,922	38,036	8,057	8,057	551,083	63,663	63,663	614,746	276,088	614,746	614,746
Undistrib. income / (accumulated loss)	(352,615)	(228,006)	(243,425)	(243,425)	(243,425)	(250,587)	(11,319)	(11,319)	(5,905)	(11,319)	(11,319)	(1,085,920)	(1,085,920)	(1,085,920)	(1,085,920)
Total	2,423,139	1,656,850	1,804,089	1,804,089	1,804,089	1,996,444	543,026	543,026	551,083	63,663	63,663	8,487,211	8,487,211	8,487,211	8,487,211
Net assets at the beginning of the period	14,757	123,833	99,795	99,795	99,795	82,154	-	-	-	-	-	320,589	320,589	320,589	320,589
Undistributed income / (accumulated loss) brought forward	9,456	(144,632)	(160,349)	(160,349)	(160,349)	(143,384)	-	-	-	-	-	(438,909)	(438,909)	(438,909)	(438,909)
Net assets at the end of the period	24,213	(20,799)	(60,554)	(60,554)	(60,554)	(61,230)	-	-	-	-	-	(118,320)	(118,320)	(118,320)	(118,320)
Accounting income available for distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(328,402)	(228,006)	(243,425)	(243,425)	(243,425)	(250,587)	(11,319)	(11,319)	(5,905)	(11,319)	(11,319)	(1,085,920)	(1,085,920)	(1,085,920)	(1,085,920)
Distribution during the period	120	(35,182)	(74,994)	(74,994)	(74,994)	(74,117)	685	685	(5,905)	5	5	(183,473)	(183,473)	(183,473)	(183,473)
(Accumulated loss) / undistributed income carried forward	(328,402)	(248,755)	(303,979)	(303,979)	(303,979)	(311,817)	(11,319)	(11,319)	(5,905)	(11,319)	(11,319)	(1,020,757)	(1,020,757)	(1,020,757)	(1,020,757)
Net (loss) / income for the period	(328,402)	(248,755)	(303,979)	(303,979)	(303,979)	(311,817)	(11,319)	(11,319)	(5,905)	(11,319)	(11,319)	(1,204,240)	(1,204,240)	(1,204,240)	(1,204,240)
Net asset value per unit as at the beginning of the period	50,460	49,380	48,340	48,340	48,340	48,500	-	-	-	-	-	50,300	50,300	50,300	50,300
Net asset value per unit as at the end of the period	43,500	42,560	41,530	41,530	41,530	42,280	-	-	-	-	-	48,730	48,730	48,730	48,730

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Muhammad Akmal

For Al-Meezan Investment Management Limited
(Management Company)

Muhammad Akmal

Chief Executive

Muhammad Akmal

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

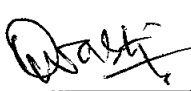
	Six months period ended December 31, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
------(Rupees in '000)-----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net (loss) / income for the period before taxation	(154,475)	(102,911)	(113,136)	(124,322)	(40,284)	6,512	(528,616)
Adjustments for:							
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	125,939	106,044	115,534	124,458	41,005	(10,554)	502,426
	(28,536)	3,133	2,398	136	721	(4,042)	(26,190)
Decrease / (increase) in assets							
Investments - net	306,900	95,873	97,311	222,951	58,923	58,378	840,336
Receivable against sale of investments - net	(820)	(630)	-	200	(360)	270	(1,340)
Other receivables	(34)	(10)	(16)	9	5	2	(44)
	306,046	95,233	97,295	223,160	58,568	58,650	838,952
(Decrease) / increase in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	(8)	(8)	(3)	(20)	(4)	-	(43)
Payable to Central Depository Company of Pakistan Limited - Trustee	(23)	(9)	(10)	(20)	(5)	2	(65)
Payable to Securities and Exchange Commission of Pakistan	(1,231)	(787)	(848)	(964)	(155)	79	(3,906)
Payable against purchase of investments - net	-	-	-	-	-	-	-
Accrued expenses and other liabilities	(30)	(35)	(22)	(20)	-	171	64
	(1,292)	(839)	(883)	(1,024)	(164)	252	(3,950)
Net cash generated from operating activities	276,218	97,527	98,810	222,272	59,125	54,860	808,812
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	-	-	-	-	-	-	-
Payments against redemption and conversion of units	(248,764)	(94,126)	(89,500)	(219,602)	(56,178)	(54,309)	(762,479)
Dividend paid	-	-	-	-	-	-	-
Net cash used in financing activities	(248,764)	(94,126)	(89,500)	(219,602)	(56,178)	(54,309)	(762,479)
Net increase in cash and cash equivalents during the period	27,454	3,401	9,310	2,670	2,947	551	46,333
Cash and cash equivalents at the beginning of the period	9,147	1,707	2,158	6,740	5,090	2,939	27,781
Cash and cash equivalents at the end of the period	36,601	5,108	11,468	9,410	8,037	3,490	74,114

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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


Chief Executive


Chief Financial Officer


Director

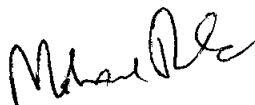
**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V			
------(Rupees in '000)-----								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the period before taxation	(352,615)	(228,006)	(243,425)	(250,587)	(11,319)	32	(1,085,920)	
Adjustments for:								
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	328,522	213,573	228,985	237,700	12,014	(27)	1,020,767	
	(24,093)	(14,433)	(14,440)	(12,887)	695	5	(65,153)	
Decrease / (increase) in assets								
Investments - net	232,026	51,286	36,624	(109,472)	(524,213)	(51,500)	(365,249)	
Receivable against sale of investments - net	-	-	-	(30)	-	-	(30)	
Other receivables	(29)	3	351	619	(46)	(24)	874	
	231,997	51,289	36,975	(108,883)	(524,259)	(51,524)	(364,405)	
(Decrease) / increase in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	(81)	(14)	(40)	(10,087)	65	830	(9,327)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(43)	(19)	(21)	38	39	1	(5)	
Payable to Meezan Bank Limited	-	-	-	(5,446)	-	84	(5,362)	
Payable to Securities and Exchange Commission of Pakistan	(549)	(37)	289	753	131	1	588	
Payable against purchase of investments - net	-	-	-	(54,993)	-	6,000	(48,993)	
Accrued expenses and other liabilities	(30,558)	(19)	7	(25,612)	10	-	(56,172)	
	(31,231)	(89)	235	(95,347)	245	6,916	(119,271)	
Net cash generated from / (used in) operating activities	176,673	36,767	22,770	(217,117)	(523,319)	(44,603)	(548,829)	
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance and conversion of units	-	10	-	2,140	551,083	61,886	615,119	
Payments against redemption and conversion of units	(180,839)	(25,930)	(22,131)	(37,207)	(7,940)	-	(274,047)	
Dividend paid	(75)	-	-	-	-	-	(75)	
Net cash (used in) / generated from financing activities	(180,914)	(25,920)	(22,131)	(35,067)	543,143	61,886	340,997	
Net (decrease) / increase in cash and cash equivalents during the period	(4,241)	10,847	639	(252,184)	19,824	17,283	(207,832)	
Cash and cash equivalents at the beginning of the period	9,497	2,172	278	260,885	-	-	272,832	
Cash and cash equivalents at the end of the period	5,256	13,019	917	8,701	19,824	17,283	65,000	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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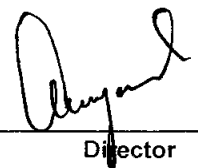
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN STRATEGIC ALLOCATION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 8, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5 The JCR VIS has maintained the asset manager rating of the Management Company to AM1. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPI-III) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP.
- 1.7 A brief description of the plans is as follows:

Meezan Strategic Allocation Plan-I (MSAP-I)	Low risk - High return through asset allocation The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 2, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-II (MSAP-II)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 31, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-III (MSAP-III)	Low risk - High return through asset allocation This allocation plan commenced its operations from February 20, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. April 3, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

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Meezan Strategic Allocation Plan-IV (MSAP-IV)	Low risk - High return through asset allocation This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. June 30, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-V (MSAP-V)	Low risk - High return through asset allocation This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 19, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Capital Preservation Plan-III (MCPP-III)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 19, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 31, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 'International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the period ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

ALL

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the period ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The investment of an entity in a mutual fund is required to be classified as "at fair value through profit or loss" based on criteria mentioned in IFRS-9. The Fund has all its investments in mutual funds which were previously also classified under "fair value through profit or loss" category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS

	Note	December 31, 2018 (Unaudited)						Total
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
(Rupees in '000)								
Saving accounts	5.1	36,601	4,329	11,007	8,311	6,020	2,823	69,091
Current accounts		-	779	461	1,099	2,017	667	5,023
		<u>36,601</u>	<u>5,108</u>	<u>11,468</u>	<u>9,410</u>	<u>8,037</u>	<u>3,490</u>	<u>74,114</u>
June 30, 2018 (Audited)								
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)								
Saving accounts	5.1	5625	632	2,148	6,569	5,027	2,939	22,940
Current accounts		3522	1075	10	171	63	-	4,841
		<u>9,147</u>	<u>1,707</u>	<u>2,158</u>	<u>6,740</u>	<u>5,090</u>	<u>2,939</u>	<u>27,781</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.92% to 4.00% per annum (June 30, 2018: 2.00% to 2.40% per annum).

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6. INVESTMENTS

Note	December 31, 2018 (Unaudited)						Total	
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII		
	----- (Rupees in '000) -----							
Investments - 'at fair value through profit or loss'	6.1	1,511,594	1,087,477	1,210,099	1,313,291	416,619	1,315,533	6,854,613
		----- (Rupees in '000) -----						
		June 30, 2018 (Audited)						Total
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
		----- (Rupees in '000) -----						
Investments - 'at fair value through profit or loss'		1,944,433	1,289,394	1,422,944	1,660,700	516,547	1,363,357	8,197,375

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2018	Purchases during the period	Redemptions during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised (loss) / gain as at December 31, 2018	Percentage in relation to	
								Net assets of the Fund	Total market value of investments
	----- (Number of units) -----				----- (Rupees in '000) -----			----- (Percentage) -----	
Meezan Strategic Allocation Plan-I									
Al Meezan Mutual Fund	12,933,368	5,972,333	-	18,905,701	328,397	291,547	(36,850)	18.90	19.29
Meezan Dedicated Equity Fund	3,762,960	14,059,235	4,253,522	13,568,673	639,562	570,480	(69,082)	36.99	37.74
Meezan Islamic Fund	16,154,958	3,444,947	15,390,424	4,209,481	259,086	233,538	(25,548)	15.14	15.45
Meezan Cash Fund	1,820,040	78,130	1,898,170	-	-	-	-	-	-
Meezan Islamic Income Fund	7,736,308	1,495,164	1,396,349	7,835,123	410,488	416,029	5,541	26.98	27.52
					1,637,533	1,511,594	(125,939)	98.01	100.00
Meezan Strategic Allocation Plan-II									
Al Meezan Mutual Fund	22,818,600	-	-	22,818,600	402,965	351,888	(51,077)	32.24	32.36
Meezan Dedicated Equity Fund	1,953,575	-	-	1,953,575	94,822	82,136	(12,686)	7.53	7.55
Meezan Islamic Fund	7,263,762	735,631	1,618,999	6,380,394	399,571	353,978	(45,593)	32.44	32.55
Meezan Cash Fund	1,639,719	70,389	1,333,927	376,181	19,749	19,584	(165)	1.79	1.80
Meezan Islamic Income Fund	4,578,838	1,107,934	415,558	5,271,214	276,414	279,891	3,477	25.65	25.74
					1,193,521	1,087,477	(106,044)	99.65	100.00
Meezan Strategic Allocation Plan-III									
Meezan Dedicated Equity Fund	2,190,402	-	-	2,190,402	106,317	92,093	(14,224)	7.55	7.61
Meezan Islamic Fund	15,057,840	1,015,919	1,931,954	14,141,805	889,404	784,574	(104,830)	64.34	64.84
Meezan Cash Fund	2,965,825	127,316	1,865,726	1,227,415	64,402	63,900	(502)	5.24	5.28
Meezan Islamic Income Fund	3,862,902	1,213,228	-	5,076,130	265,510	269,532	4,022	22.10	22.27
					1,325,633	1,210,099	(115,534)	99.23	100.00
Meezan Strategic Allocation Plan-IV									
Al Meezan Mutual Fund	1,877,734	-	-	1,877,734	33,159	28,956	(4,203)	2.19	2.21
Meezan Dedicated Equity Fund	1,979,375	-	131,830	1,847,545	89,675	77,678	(11,997)	5.88	5.91
Meezan Islamic Fund	17,367,260	1,208,617	3,354,237	15,221,640	956,520	844,481	(112,039)	63.96	64.31
Meezan Cash Fund	3,524,201	151,285	2,594,974	1,080,512	56,698	56,251	(447)	4.26	4.28
Meezan Islamic Income Fund	4,594,666	1,166,844	-	5,761,510	301,697	305,925	4,228	23.17	23.29
					1,437,749	1,313,291	(124,458)	99.46	100.00
Meezan Strategic Allocation Plan-V									
Meezan Dedicated Equity Fund	1,433,085	-	-	1,433,085	69,558	60,252	(9,306)	14.21	14.47
Meezan Islamic Fund	4,968,509	227,685	841,167	4,355,027	274,405	241,613	(32,792)	56.96	57.99
Meezan Cash Fund	2,145,473	92,100	796,120	1,441,453	74,819	75,042	223	17.69	18.01
Meezan Islamic Income Fund	363,562	384,345	-	747,907	38,842	39,712	870	9.36	9.53
					457,624	416,619	(41,005)	98.22	100.00
Meezan Strategic Allocation Plan - MCPPIII									
Meezan Dedicated Equity Fund	2,917,422	10,050,937	9,825,883	3,142,476	142,220	132,122	(10,098)	10.03	10.0
Meezan Cash Fund	23,231,836	9,595,642	10,096,802	22,731,676	1,162,759	1,183,411	20,652	89.80	90.0
					1,304,979	1,315,533	10,554	99.83	100.00
Total investments in units of mutual funds									
Al Meezan Mutual Fund	37,629,702	5,972,333	-	43,602,035	764,521	672,391	(92,130)	-	9.81
Meezan Dedicated Equity Fund	14,236,819	24,110,172	14,211,235	24,135,756	1,142,154	1,014,761	(127,393)	-	14.80
Meezan Islamic Fund	60,812,329	6,632,799	23,136,781	44,308,347	2,778,986	2,458,184	(320,802)	-	35.86
Meezan Cash Fund	35,327,094	10,114,862	18,584,719	26,857,237	1,378,427	1,398,188	19,761	-	20.40
Meezan Islamic Income Fund	21,136,276	5,367,515	1,811,907	24,691,884	1,292,951	1,311,089	18,138	-	19.13
					7,357,039	6,854,613	(502,426)	-	100.00

All

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

		December 31, 2018 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
	Auditors' remuneration payable	55	37	40	45	18	67	262
	Shariah advisory fee payable	32	27	24	27	7	23	140
	Printing charges payable	124	82	91	102	36	81	516
	Zakat payable	4	-	-	6	-	17	27
	Provision for Sindh Workers' Welfare Fund	4,481	-	-	-	-	133	4,614
		<u>4,696</u>	<u>146</u>	<u>155</u>	<u>180</u>	<u>61</u>	<u>321</u>	<u>5,559</u>
		June 30, 2018 (Audited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
	Auditors' remuneration payable	129	84	92	103	27	65	500
	Shariah advisor fee payable	34	27	25	28	7	18	139
	Printing charges payable	82	56	60	69	27	51	345
	Zakat payable	-	14	-	-	-	16	30
	Provision for Sindh Workers' Welfare Fund	4,481	-	-	-	-	-	4,481
		<u>4,726</u>	<u>181</u>	<u>177</u>	<u>200</u>	<u>61</u>	<u>150</u>	<u>5,495</u>

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

Had the SWWF not been provided, the NAV per unit / Fund return would have been higher by Re 0.12/0.29% (June 30, 2018: Re 0.10 / 0.22%) in MSAP-I and Rs.0.005/0.01% in MCPPIII.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2018 (Unaudited)						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	(Rupees in '000)						
Al Meezan Investment Management Limited							
- Management Company							
Remuneration payable (Rs in '000)	28	4	8	8	7	2	57
Sindh Sales Tax on management fee (Rs in '000)	4	2	1	2	1	-	10
Sales load payable (Rs in '000)	137	96	108	116	37	113	607
Investment (Rs in '000)	-	78,941	-	-	-	-	78,941
Investment (Units)	-	1,999,600	-	-	-	-	1,999,600
Meezan Bank Limited							
Bank balance (Rs in '000)	36,537	5,108	11,468	9,410	8,037	3,490	74,050
Profit receivable (Rs in '000)	50	13	19	6	8	12	108
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee payable (Rs. in '000)	107	76	84	91	29	89	476
Sindh Sales Tax on trustee fee payable (Rs. in '000)	14	10	11	11	4	12	62
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	13,591	-	-	-	13,591
Investment (Units)	-	-	352,640	-	-	-	352,640
Al Meezan Mutual Fund							
Investment (Rs in '000)	291,547	351,888	-	28,956	-	-	672,391
Investment (Units)	18,905,701	22,818,600	-	1,877,734	-	-	43,602,035
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	570,480	82,136	92,093	77,678	60,252	132,122	1,014,761
Investment (Units)	13,568,673	1,953,575	2,190,402	1,847,545	1,433,085	3,142,476	24,135,756
Meezan Islamic Fund							
Investment (Rs in '000)	233,538	353,978	784,574	844,481	241,613	-	2,458,184
Investment (Units)	4,209,481	6,380,394	14,141,805	15,221,640	4,355,027	-	44,308,347
Meezan Cash Fund							
Investment (Rs in '000)	-	19,584	63,900	56,251	75,042	1,183,411	1,398,188
Investment (Units)	-	376,181	1,227,415	1,080,512	1,441,453	22,731,676	26,857,237
Meezan Islamic Income Fund							
Investment (Rs in '000)	416,029	279,891	269,532	305,925	39,712	-	1,311,089
Investment (Units)	7,835,123	5,271,214	5,076,130	5,761,510	747,907	-	24,691,884
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	-	-	256,133	391,405	45,142	166,809	859,489
Investment (Units)	-	-	6,645,828	9,990,010	1,009,082	3,313,849	20,958,769
June 30, 2018 (Audited)							
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Al Meezan Investment Management Limited - Management Company							
Remuneration payable (Rs in '000)	12	1	1	5	4	2	25
Sindh Sales Tax on management fee (Rs in '000)	2	1	-	2	1	-	6
Allocated expenses (Rs in '000)	163	108	119	139	44	113	686
Investment (Rs in '000)	-	86,075	-	-	-	-	86,075
Investment (Units)	-	1,999,600	-	-	-	-	1,999,600

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June 30, 2018 (Audited)

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Meezan Bank Limited							
Bank balance (Rs in '000)	9,037	1,707	2,158	6,740	5,090	2,939	27,671
Profit receivable (Rs in '000)	16	3	3	15	13	14	64
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee payable (Rs in '000)	127	84	93	109	34	88	535
Sindh Sales Tax on trustee fee payable (Rs in '000)	17	11	12	13	4	11	68
Directors and Executives of the management company							
Investment (Rs in '000)	-	-	14,816	-	-	-	14,816
Investment (Units)	-	-	352,640	-	-	-	352,640
AI Meezan Mutual Fund							
Investment (Rs in '000)	228,398	402,965	-	33,160	-	-	664,523
Investment (Units)	12,933,368	22,818,600	-	1,877,734	-	-	37,829,702
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	182,644	94,821	106,316	96,074	69,558	141,604	691,017
Investment (Units)	3,762,960	1,953,575	2,190,402	1,979,375	1,433,085	2,917,422	14,236,819
Meezan Islamic Fund							
Investment (Rs in '000)	1,023,171	460,049	953,686	1,099,952	314,680	-	3,851,538
Investment (Units)	16,154,958	7,263,762	15,057,840	17,367,260	4,968,509	-	60,812,329
Meezan Cash Fund							
Investment (Rs in '000)	95,715	86,229	155,971	185,336	112,830	1,221,753	1,857,834
Investment (Units)	1,820,040	1,639,719	2,965,825	3,524,201	2,145,473	23,231,836	35,327,094
Meezan Islamic Income Fund							
Investment (Rs in '000)	414,505	245,330	206,971	246,178	19,479	-	1,132,463
Investment (Units)	7,736,308	4,578,838	3,862,902	4,594,666	363,562	-	21,136,276
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	-	-	279,214	426,776	-	166,008	871,998
Investment (Units)	-	-	6,645,828	9,990,010	-	3,313,849	19,949,687
For the period ended December 31, 2018							
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Unaudited)						
AI Meezan Investment Management Limited - Management Company							
Remuneration for the period (Rs in '000)	56	50	27	45	28	15	221
Sindh Sales Tax on management fee (Rs in '000)	7	7	4	6	4	2	30
Allocated expenses (Rs in '000)	919	617	678	756	247	680	3,897
Meezan Bank Limited							
Profit on saving account (Rs in '000)	106	166	71	101	66	31	541
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee (Rs in '000)	719	483	530	591	194	532	3,049
Sindh Sales Tax on trustee fee (Rs in '000)	93	63	69	77	25	69	396
AI Meezan Mutual Fund							
Invested during the period (Rs in '000)	100,000	-	-	-	-	-	100,000
Invested during the period (Units)	5,972,333	-	-	-	-	-	5,972,333
Meezan Dedicated Equity Fund							
Invested during the period (Rs in '000)	658,000	-	-	-	-	467,200	1,125,200
Invested during the period (Units)	14,059,235	-	-	-	-	10,050,937	24,110,172
Redeemed during the period (Rs in '000)	200,000	-	-	6,220	-	445,872	652,092
Redeemed during the period (Units)	4,253,522	-	-	131,830	-	9,825,883	14,211,235

All in

For the period ended December 31, 2018

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPP-III	Total
	(Unaudited)						
Meezan Islamic Fund							
Invested during the period (Rs in '000)	207,000	42,000	58,000	69,000	13,000	-	389,000
Invested during the period (Units)	3,444,947	735,631	1,015,919	1,208,617	227,685	-	6,632,799
Redeemed during the period (Rs in '000)	934,415	99,010	117,400	204,500	50,941	-	1,406,266
Redeemed during the period (Units)	15,390,424	1,618,999	1,931,954	3,354,237	841,167	-	23,136,781
Meezan Cash Fund							
Invested during the period (Rs in '000)	3,941	3,550	6,421	7,630	4,644	490,577	516,763
Invested during the period (Units)	78,130	70,389	127,316	151,285	92,100	9,595,642	10,114,862
Redeemed during the period (Rs in '000)	97,777	68,750	96,330	133,600	41,090	517,044	954,591
Redeemed during the period (Units)	1,898,170	1,333,927	1,865,726	2,594,974	796,120	10,095,802	18,584,719
Dividend received during the period (Rs. In '000)	3,863	3,550	6,326	7,528	3,312	16,480	41,059
Dividend received during the period (Units)	76,590	70,388	125,430	149,265	65,681	326,778	814,132
Refund of Capital during the period (Rs. In '000)	78	-	95	102	1,332	33,815	35,422
Refund of Capital during the period (Units)	1,539	1	1,886	2,020	26,419	670,507	702,372
Meezan Islamic Income Fund							
Invested during the period (Rs in '000)	76,984	57,052	62,481	60,088	19,798	-	276,403
Invested during the period (Units)	1,495,164	1,107,934	1,213,228	1,166,844	384,345	-	5,367,515
Redeemed during the period (Rs in '000)	73,910	22,000	-	-	-	-	95,910
Redeemed during the period (Units)	1,396,349	415,558	-	-	-	-	1,811,907
Dividend received during the period (Rs. In '000)	9,138	5,875	4,540	5,519	363	-	25,435
Dividend received during the period (Units)	177,821	114,319	88,340	107,383	7,061	-	494,924
Refund of Capital during the period (Rs. In '000)	7,846	4,177	3,941	4,569	435	-	20,968
Refund of Capital during the period (Units)	152,668	81,285	76,679	88,898	8,470	-	408,000
	For the period ended December 31, 2017				For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPP-III	
Al Meezan Investment Management Limited - Management Company							
Remuneration for the period (Rs in '000)	52	35	2	130	156	12	387
Sindh Sales Tax on management fee (Rs in '000)	7	5	-	17	20	2	51
Allocated expenses (Rs in '000)	1,147	756	800	902	137	1	3,743
Meezan Bank Limited							
Profit on saving account (Rs in '000)	158	45	3	247	352	23	828
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee (Rs in '000)	910	592	629	708	108	1	2,948
Sindh Sales Tax on trustee fee (Rs in '000)	118	77	82	92	14	-	383
Meezan Islamic Fund							
Invested during the period (Rs in '000)	88,000	78,000	91,000	363,007	333,838	-	953,845
Invested during the period (Units)	1,313,619	1,171,500	1,369,589	5,217,490	5,087,588	-	14,159,786
Redeemed during the period (Rs in '000)	245,000	105,000	88,000	93,000	-	-	531,000
Redeemed during the period (Units)	3,587,702	1,571,721	1,341,539	1,424,483	-	-	7,925,445
Meezan Islamic Income Fund							
Invested during the period (Rs in '000)	250,000	107,000	88,000	195,500	40,000	-	680,500
Invested during the period (Units)	4,832,930	2,066,347	1,697,327	3,786,225	772,648	-	13,155,477
Redeemed during the period (Rs in '000)	533,820	155,740	339,130	519,690	40,020	-	1,588,400
Redeemed during the period (Units)	10,345,676	3,011,161	6,580,658	10,070,039	772,437	-	30,779,971

All in

	For the period ended December 31, 2017					For the period from August 15, 2017 to December 31, 2017	For the period from December 19, 2017 to December 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII		
Meezan Cash Fund								
Invested during the period (Rs in '000)	201,500	-	182,000	130,000	441,000	51,500	1,006,000	
Invested during the period (Units)	3,993,262	-	3,606,817	2,576,298	8,654,895	1,001,499	19,832,771	
Redeemed during the period (Rs in '000)	25,570	610	800	1,940	319,408	-	348,328	
Redeemed during the period (Units)	504,440	11,875	15,549	38,320	6,255,495	-	6,825,679	
Meezan Dedicated Equity Fund								
Invested during the period (Rs in '000)	59,000	38,000	43,000	47,000	68,000	-	255,000	
Invested during the period (Units)	1,191,438	767,367	868,337	949,111	1,404,741	-	5,180,994	
Unitholders holding 10% or more units of the Fund								
Invested during the period (Rs in '000)	-	-	-	-	-	13,500	13,500	
Invested during the period (Units)	-	-	-	-	-	270,000	270,000	

10. ALLOCATED EXPENSES

As per regulation 60 of the NBFC Regulations, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

11. EXPENSE RATIO

The Total Expense Ratio of the Fund for the period ended December 31, 2018 is 0.31%, 0.31%, 0.31%, 0.31%, 0.31% and 0.32% which include 0.11%, 0.11%, 0.11%, 0.11%, 0.11% and 0.12% representing government levy and SECP fee for MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPPIII respectively.

12. TAXATION

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

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Units of mutual funds	6,854,613	-	-	6,854,613
	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Units of mutual funds	8,197,375	-	-	8,197,375

14. GENERAL

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

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

15. DATE OF AUTHORISATION FOR ISSUE

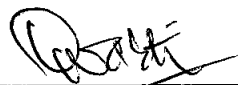
15.1 These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

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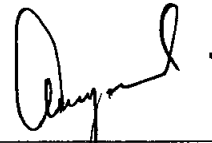
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN STRATEGIC ALLOCATION FUND-II
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone (9221) 35630722-6111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Atif Azim	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Main M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Main M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Sattar	Member

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND - II

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Strategic Allocation Fund - II** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

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

Conclusion

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

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 25, 2019

Karachi

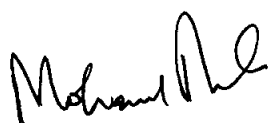
MEEZAN STRATEGIC ALLOCATION FUND - II
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

		December 31, 2018 (Unaudited)					
Note	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total	
----- (Rupees in '000) -----							
Assets							
Balances with banks	5	7,215	2,808	2,032	2,577	20,937	35,569
Investments	6	1,918,664	655,391	593,166	358,820	11,013	3,537,054
Receivable against conversion of units		-	5	-	-	1	6
Receivable against sale of investments - net		3,126	-	-	-	-	3,126
Other receivables		31	6	6	69	8	120
Total assets		1,929,036	658,210	595,204	361,466	31,959	3,575,875
Liabilities							
Payable to Al Meezan Investment Management Limited - Management Company		179	58	54	54	627	972
Payable to Central Depository Company of Pakistan Limited - Trustee		153	52	47	27	-	279
Payable to Meezan Bank Limited		-	-	-	1,833	-	1,833
Payable to Securities and Exchange Commission of Pakistan		970	350	211	47	-	1,578
Payable against purchase of investments - net		2,601	-	-	-	8,000	10,601
Payable against redemption and conversion of units		3,191	5	1,065	13,297	-	17,558
Accrued expenses and other liabilities	8	756	160	103	338	10	1,367
Total liabilities		7,850	625	1,480	15,596	8,637	34,188
Net assets		1,921,186	657,585	593,724	345,870	23,322	3,541,687
Contingencies and commitments	7						
Unitholders' fund (as per statement attached)		1,921,186	657,585	593,724	345,870	23,322	3,541,687
----- (Number of units) -----							
Number of units in issue		38,279,787	13,082,075	11,774,981	6,866,307	465,913	
----- (Rupees) -----							
Net assets value per unit		50.1880	50.2661	50.4225	50.3721	50.0567	

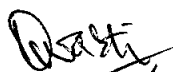
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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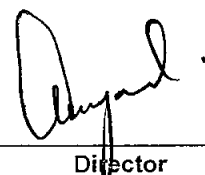
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN STRATEGIC ALLOCATION FUND - II
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2018

	Note	June 30, 2018 (Audited)		
		MCCP-IV	MCCP-V	Total
				(Rupees in '000)
Assets				
Balances with banks	5	1,743	139,238	140,981
Investments	6	2,122,153	607,593	2,729,746
Receivable against conversion of units		-	2,789	2,789
Receivable against sale of investments - net		-	-	-
Profit receivable		8	142	150
Total assets		2,123,904	749,762	2,873,666
Liabilities				
Payable to Al Meezan Investment Management Limited - Management Company		184	9,255	9,439
Payable to Central Depository Company of Pakistan Limited - Trustee		166	39	205
Payable to Meezan Bank Limited		-	5,913	5,913
Payable to Securities and Exchange Commission of Pakistan		463	51	514
Payable against purchase of investments - net		-	-	-
Payable against redemption and conversion of units		153	5	158
Accrued expenses and other liabilities	8	7,568	1,131	8,699
Total liabilities		8,534	16,394	24,928
Net assets		2,115,370	733,368	2,848,738
Contingencies and commitments	7			
Unitholders' fund (as per statement attached)		2,115,370	733,368	2,848,738
				----- (Number of units) -----
Number of units in issue		42,477,616	14,658,622	
				----- (Rupees) -----
Net assets value per unit		49.7996	50.0298	

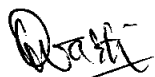
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

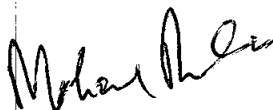
**MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2018	For the period from July 10, 2018 to December 31, 2018	For the period from September 26, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total		
Note	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII		
	(Rupees in '000)						
Income							
Net realised (loss) / gain on sale of investments	(14,418)	(4,863)	118	886	-	(18,277)	
Profit on saving accounts with banks	190	186	329	223	8	936	
Dividend income	13,834	1,360	-	-	-	15,194	
	(394)	(3,317)	447	1,109	8	(2,147)	
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	20,010	8,761	3,127	(2,316)	13	29,595
Total income / (loss)	19,616	5,444	3,574	(1,207)	21	27,448	
Expenses							
Remuneration to AI Meezan Investment Management Limited - Management Company	58	65	126	60	3	312	
Sindh Sales Tax on management fee	8	9	16	8	-	41	
Allocated expenses	10	1,021	368	222	50	-	1,661
Remuneration to Central Depository Company of Pakistan Limited - Trustee	844	304	183	41	-	-	1,372
Sindh Sales Tax on trustee fee	110	40	24	5	-	-	179
Annual fee to Securities and Exchange Commission of Pakistan	970	350	211	47	-	-	1,578
Auditors' remuneration	79	28	16	3	-	-	126
Fees and subscription	84	30	17	4	-	-	135
Printing charges	63	23	13	3	-	-	102
Provision for Sindh Workers' Welfare Fund (SWWF)	327	84	55	-	-	-	466
Bank and settlement charges	6	4	17	14	1	-	42
Total expenses	3,570	1,305	900	235	4	6,014	
Net income / (loss) for the period before taxation	16,046	4,139	2,674	(1,442)	17	21,434	
Taxation	12	-	-	-	-	-	-
Net income / (loss) for the period before taxation	16,046	4,139	2,674	(1,442)	17	21,434	
Allocation of net income for the period							
Net income for the period after taxation	16,046	4,139	2,674	-	17	22,876	
Income already paid on units redeemed	(1,188)	(838)	(436)	-	-	(2,462)	
	14,858	3,301	2,238	-	17	20,414	
Accounting income available for distribution							
- Relating to capital gains	5,592	3,898	3,245	-	13	12,748	
- Excluding capital gains	9,266	(597)	(1,007)	-	4	7,666	
	14,858	3,301	2,238	-	17	20,414	

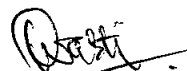
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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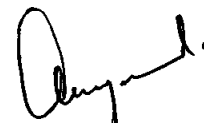
For AI Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

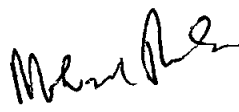
MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2018

	For the quarter ended December 31, 2018				For the period from December 17, 2018 to December 31, 2018	Total
Note	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	
	(Rupees in '000)					
Income						
Net realised gain / (loss) on sale of investments	2,093	(2,473)	320	886	-	826
Profit on saving accounts with banks	89	26	44	220	8	387
Other income	-	-	-	-	-	-
	<u>2,182</u>	<u>(2,447)</u>	<u>364</u>	<u>1,106</u>	<u>8</u>	<u>1,213</u>
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	9,834	4,879	2,445	(2,316)	13	14,855
Total income / (loss)	<u>12,016</u>	<u>2,432</u>	<u>2,809</u>	<u>(1,210)</u>	<u>21</u>	<u>16,068</u>
Expenses						
Remuneration to Al Meezan Investment Management Limited - Management Company	28	5	10	59	3	105
Sindh Sales Tax on management fee	4	1	1	8	-	14
Allocated expenses	500	177	155	50	-	882
Remuneration to Central Depository Company of Pakistan Limited - Trustee	411	145	127	41	-	724
Sindh Sales Tax on trustee fee	54	19	17	5	-	95
Annual fee to Securities and Exchange Commission of Pakistan	475	169	147	47	-	838
Auditors' remuneration	37	13	11	3	-	64
Fees and subscription	39	13	14	4	-	70
Printing charges	29	11	9	3	-	52
Provision for Sindh Workers' Welfare Fund (SWWF)	208	37	55	-	-	300
Bank and settlement charges	4	3	7	14	1	29
Total expenses	<u>1,789</u>	<u>593</u>	<u>553</u>	<u>234</u>	<u>4</u>	<u>3,173</u>
Net income / (loss) for the quarter before taxation	<u>10,227</u>	<u>1,839</u>	<u>2,256</u>	<u>(1,444)</u>	<u>17</u>	<u>12,895</u>
Taxation	-	-	-	-	-	-
Net income / (loss) for the quarter before taxation	<u>10,227</u>	<u>1,839</u>	<u>2,256</u>	<u>(1,444)</u>	<u>17</u>	<u>12,895</u>
Allocation of net (loss) / income for the quarter						
Net income for the quarter after taxation	10,230	1,841	2,258	-	17	14,346
Income already paid on units redeemed	(1,160)	(838)	(395)	-	-	(2,393)
	<u>9,070</u>	<u>1,003</u>	<u>1,863</u>	<u>-</u>	<u>17</u>	<u>11,953</u>
Accounting income available for distribution						
- Relating to capital gains	11,927	2,406	2,765	-	13	17,111
- Excluding capital gains	(2,857)	(1,403)	(902)	-	4	(5,158)
	<u>9,070</u>	<u>1,003</u>	<u>1,863</u>	<u>-</u>	<u>17</u>	<u>11,953</u>

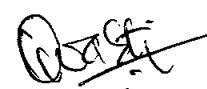
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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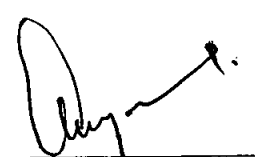
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN STRATEGIC ALLOCATION FUND - II
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE PERIOD ENDED DECEMBER 31, 2018

	Six months period ended December 31, 2018		For the period from July 10, 2018 to December 31, 2018	For the period from September 26, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	
	(Rupees in '000)					
Net income / (loss) for the period after taxation	16,046	4,139	2,674	(1,442)	17	21,434
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	16,046	4,139	2,674	(1,442)	17	21,434

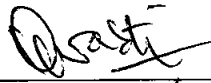
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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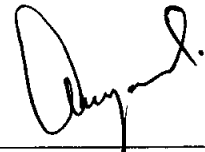
For AI Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director


MEEZAN STRATEGIC ALLOCATION FUND - II
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE QUARTER ENDED DECEMBER 31, 2018

	For the quarter ended December 31, 2018				For the period from December 17, 2018 to December 31, 2018	Total
	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	
	(Rupees in '000)					
Net income / (loss) for the period after taxation	10,227	1,839	2,256	(1,444)	17	12,895
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	<u>10,227</u>	<u>1,839</u>	<u>2,256</u>	<u>(1,444)</u>	<u>17</u>	<u>12,895</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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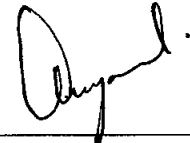
For Al Meezan Investment Management Limited
 (Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

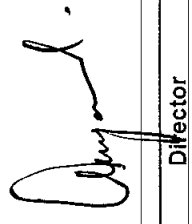
Six months period ended December 31, 2018
Six months period ended December 31, 2018
For the period from July 10, 2018 to December 31, 2018
For the period from September 26, 2018 to December 31, 2018
For the period from December 17, 2018 to December 31, 2018

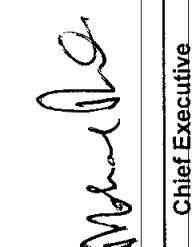
	MCP-IV (Rupees in '000)		MCP-V (Rupees in '000)		MCP-VI (Rupees in '000)		MCP-VII (Rupees in '000)		MCP-VIII (Rupees in '000)		Total (Rupees in '000)			
	Capital Value	Accumulated loss	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
Net assets at the beginning of the period	2,135,335	(19,965)	2,115,370	733,520	(152)	733,368						2,868,855	(20,117)	2,848,738
Issuance of units:														
MCP-V: 1,643,879 / MCP-VI: 13,205,775 / MCP-VII: 7,646,584 units														
MCP-VIII: 485,915 units														
- Capital value (at net asset value per unit at the beginning of the period)			82,243			82,243	660,289		382,529		382,529	23,296		23,296
- Element of (loss) / income			(417)			(417)	3,028		4,471		4,471	9		9
Total proceeds on issuance of units			81,826			81,826	663,317		386,900		386,900	23,305		23,305
Redemption of units:														
MCP-IV: 4,187,829 / MCP-V: 3,220,426 / MCP-VI: 1,430,794														
MCP-VII: 7,89,277 units														
- Capital value (at net asset value per unit at the beginning of the period)	209,050		181,117			181,117	71,540		39,014		39,014	480,721		480,721
- Element of loss	(8)	1,188	(207)	838	631	831	291	474	474		474	590	2,462	3,012
Total payments on redemption of units	209,042	1,188	180,910	838	181,748	71,831	72,267	39,488	39,488		39,488	481,271	2,462	483,733
Total comprehensive income / (loss) for the period		16,048	16,048	4,139	4,139	4,139	2,674	2,674	(1,442)		(1,442)		17	17
Distribution during the period														
Net income / (loss) for the period less distribution		16,048	16,048	4,139	4,139	4,139	2,674	2,674	(1,442)		(1,442)		17	17
Net assets at the end of the period	1,926,293	(5,107)	1,921,186	654,436	3,149	657,585	651,486	2,238	347,312	(1,442)	345,870	23,305	17	23,322
Accumulated loss brought forward		(24,191)		(657)										(25,048)
- Realised loss		4,225		705										4,931
- Unrealised income		(19,965)		(152)										(20,117)
Accounting income available for distribution		5,892		3,898										13
- Relating to capital gains		9,286		(1,087)										4
- Excluding capital gains		14,858		3,301										17
Net loss for the period after taxation														
Distribution during the period														
(Accumulated loss) / undistributed income carried forward		(5,107)		3,149										17
(Accumulated loss) / undistributed income carried forward		(25,117)		(5,612)										4
- Realised (loss) / income		20,010		8,761										13
- Unrealised income / (loss)		(5,107)		3,149										17
Net asset value per unit as at the beginning of the period														
Net asset value per unit as at the end of the period														

	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Accumulated loss brought forward	(25,048)					
- Realised loss	4,931					
- Unrealised income	(20,117)					
Accounting income available for distribution						
- Relating to capital gains						
- Excluding capital gains						
Net loss for the period after taxation						
Distribution during the period						
(Accumulated loss) / undistributed income carried forward						
(Accumulated loss) / undistributed income carried forward						
- Realised (loss) / income						
- Unrealised income / (loss)						
Net asset value per unit as at the beginning of the period						
Net asset value per unit as at the end of the period						

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al-Meezan Investment Management Limited
(Management Company)


Director


Chief Executive


**MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31, 2018	For the period from July 10, 2018 to December 31, 2018	For the period from September 26, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total	
	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	
------(Rupees in '000)-----						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income / (loss) for the period before taxation	16,046	4,139	2,674	(1,442)	17	21,434
Adjustments for:						
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	(20,010)	(8,761)	(3,127)	2,316	(13)	(29,595)
	(3,964)	(4,622)	(453)	874	4	(8,161)
Decrease / (increase) in assets						
Investments - net	223,499	(39,037)	(590,039)	(361,136)	(11,000)	(777,713)
Receivable against sale of investments - net	(3,126)	-	-	-	-	(3,126)
Other receivables	(23)	136	(6)	(69)	(8)	30
	220,350	(38,901)	(590,045)	(361,205)	(11,008)	(780,809)
(Decrease) / increase in liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	(5)	(9,197)	54	54	627	(8,467)
Payable to Central Depository Company of Pakistan Limited - Trustee	(13)	13	47	27	-	74
Payable to Meezan Bank Limited	-	(5,913)	-	1,833	-	(4,080)
Payable to Securities and Exchange Commission of Pakistan	507	299	211	47	-	1,064
Payable against purchase of investments - net	2,601	-	-	-	8,000	10,601
Accrued expenses and other liabilities	(6,812)	(971)	103	338	10	(7,332)
	(3,722)	(15,769)	415	2,299	8,637	(8,140)
Net cash generated from / (used in) operating activities	212,664	(59,292)	(590,083)	(358,032)	(2,367)	(797,110)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	-	84,610	663,317	386,800	23,304	1,158,031
Payments against redemption and conversion of units	(207,192)	(161,748)	(71,202)	(26,191)	-	(466,333)
Dividend paid	-	-	-	-	-	-
Net cash (used in) / generated from financing activities	(207,192)	(77,138)	592,115	360,609	23,304	691,698
Net increase / (decrease) in cash and cash equivalents during the period	5,472	(136,430)	2,032	2,577	20,937	(105,412)
Cash and cash equivalents at the beginning of the period	1,743	139,238	-	-	-	140,981
Cash and cash equivalents at the end of the period	7,215	2,808	2,032	2,577	20,937	35,569

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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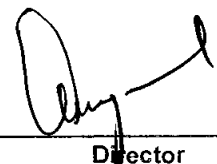
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

MEEZAN STRATEGIC ALLOCATION FUND - II
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Strategic Allocation Fund - II (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 15, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5 The JCR VIS has maintained the asset manager rating of the Management Company to AM1. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Capital Preservation Plan-IV (M CPP-IV), Meezan Capital Preservation Plan-V (M CPP-V), Meezan Capital Preservation Plan-VI (M CPP-VI), Meezan Capital Preservation Plan-VII (M CPP-VII) and Meezan Capital Preservation Plan-VIII (M CPP-VIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7 In the current period, three plans Meezan Capital Preservation Plan - VI (M CPP-VI), Meezan Capital Preservation Plan-VII (M CPP-VII) and Meezan Capital Preservation Plan - VIII (M CPP-VIII) were introduced. A brief description of the plans is as follows:

Meezan Capital Preservation Plan-IV (M CPP-IV)	Low risk - High return through asset allocation This allocation plan commenced its operations from March 06, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-V (M CPP-V)	Low risk - High return through asset allocation This allocation plan commenced its operations from May 04, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.

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Meezan Capital Preservation Plan-VI (MCPV-VI)	Low risk - High return through asset allocation This allocation plan commenced its operations from July 10, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VII (MCPV-VII)	Low risk - High return through asset allocation This allocation plan commenced its operations from September 26, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VIII (MCPV-VIII)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 17, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 'International Accounting Standard (IAS) 34, Interim Financial Reporting', the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 4.3.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the period ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The investment of an entity in a mutual fund is required to be classified as "at fair value through profit or loss" based on criteria mentioned in IFRS-9. The Fund has all its investments in mutual funds which were previously also classified under "fair value through profit or loss" category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS

	Note	December 31, 2018 (Unaudited)					Total
		MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	
----- (Rupees in '000) -----							
Saving accounts	5.1	7,168	2,808	2,032	2,577	20,937	35,522
Current accounts		47	-	-	-	-	47
		<u>7,215</u>	<u>2,808</u>	<u>2,032</u>	<u>2,577</u>	<u>20,937</u>	<u>35,569</u>
June 30, 2018 (Audited)							
----- (Rupees in '000) -----							
Saving accounts	5.1	1,742	139,238	-	-	-	140,980
Current accounts		1	-	-	-	-	1
		<u>1,743</u>	<u>139,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,981</u>

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- 5.1 The balances in savings accounts have an expected profit which ranges from 4.00% to 10.25% (June 30, 2018 2.00% to 2.40%) per annum.

6. INVESTMENTS

	Note	December 31, 2018 (Unaudited)					Total
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	
----- (Rupees in '000) -----							
Investments - 'at fair value through profit or loss'	6.1	1,918,664	655,391	593,166	358,820	11,013	3,537,054

		June 30, 2018 (Audited)					Total
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	
----- (Rupees in '000) -----							
Investments - 'at fair value through profit or loss'		2,122,153	607,593	-	-	-	2,729,746

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2018	Purchases during the period	Redemptions during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised (loss) / gain as at December 31, 2018	Percentage in relation to	
								Net assets of the Fund	Total market value of investments
----- (Number of units) -----					----- (Rupees in '000) -----			----- (Percentage) -----	
Meezan Capital Preservation Plan - IV									
Meezan Dedicated Equity Fund	7,003,244	16,971,845	19,214,570	4,760,519	217,860	200,151	(17,709)	10.42	10.43
Meezan Cash Fund	33,889,478	18,231,673	19,110,914	33,010,237	1,680,794	1,718,513	37,719	89.45	89.57
					1,898,654	1,918,664	20,010	99.87	100.00
Meezan Capital Preservation Plan - V									
Meezan Dedicated Equity Fund	2,121,785	5,325,304	5,481,406	1,965,683	88,678	82,650	(6,028)	12.57	12.61
Meezan Cash Fund	9,595,190	8,681,998	7,275,649	11,001,539	557,952	572,741	14,789	87.10	87.39
					646,630	655,391	8,761	99.67	100.00
Meezan Capital Preservation Plan - VI									
Meezan Dedicated Equity Fund	-	3,942,601	1,983,046	1,959,555	90,258	82,387	(7,871)	13.88	13.89
Meezan Cash Fund	-	14,282,003	4,470,669	9,811,334	499,780	510,779	10,999	86.03	86.11
					590,038	593,166	3,128	99.91	100.00
Meezan Capital Preservation Plan - VII									
Meezan Dedicated Equity Fund	-	2,187,362	318,471	1,868,891	83,377	78,577	(4,800)	22.72	21.90
Meezan Cash Fund	-	7,633,163	2,250,089	5,383,074	277,760	280,243	2,483	81.03	78.10
					361,137	358,820	(2,317)	103.75	100.00
Meezan Capital Preservation Plan - VIII									
Meezan Cash Fund	-	211,552	-	211,552	11,000	11,013	13	47.22	100.00
					11,000	11,013	13	47.22	100.00
Total investments in units of mutual funds									
Meezan Dedicated Equity Fund	9,125,029	28,427,112	26,997,493	10,554,648	480,173	443,765	(36,408)	13	12.55
Meezan Cash Fund	43,484,668	49,040,389	33,107,321	59,417,736	3,027,286	3,093,289	66,003	87	87.45
					3,507,459	3,537,054	29,595	100	100.00

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2018 (Unaudited)					Total
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	
----- (Rupees in '000) -----							
Auditors' remuneration payable		78	28	16	3	-	125
Withholding tax payable		15	-	-	-	-	15
Sales load payable		-	-	-	290	-	290
Sindh Sales tax payable on sales load		-	-	-	38	-	38
Shariah advisory fee payable		96	14	17	4	-	131
Printing charges payable		238	33	13	3	-	287
Provision for Sindh Workers' Welfare Fund	8.1	327	84	55	-	-	466
Capital gain tax payable		2	1	2	-	-	5
Other payable		-	-	-	-	10	10
		756	160	103	338	10	1,367

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		June 30, 2018 (Audited)					
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total
Note		(Rupees in '000)					
Auditors' remuneration payable		123	27	-	-	-	150
Shariah advisor fee payable		122	9	-	-	-	131
Sales load payable		6,315	949	-	-	-	7,264
Sindh Sales tax payable on sales load		821	123	-	-	-	944
Printing charges payable		182	13	-	-	-	195
Zakat payable		2	-	-	-	-	2
Provision for Sindh Workers' Welfare Fund	8.1	3	-	-	-	-	3
Other payable		-	10	-	-	-	10
		<u>7,568</u>	<u>1,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,699</u>

- 8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). The Fund has made provision in respect of SWWF starting from March 6, 2018 (i.e. the date of commencement of operations of the Fund).

Had the SWWF not been provided, the NAV per unit / Fund return would have been higher by Re 0.008/0.0161%, Re 0.006/0.0129% and Re 0.004/0.0092% in MCPP-IV, MCPP-V and MCPP-VI respectively.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

		December 31, 2018 (Unaudited)					
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total
Al Meezan Investment Management Limited							
- Management Company							
Remuneration payable (Rs in '000)		12	2	3	21	3	41
Sindh Sales Tax on management fee (Rs in '000)		2	-	-	3	-	5
Sales load payable (Rs in '000)		-	-	-	-	552	552
Sindh Sales Tax on sales load payable (Rs in '000)		-	-	-	-	72	72
Allocated expenses (Rs in '000)		165	56	51	30	-	302
Meezan Bank Limited							
Bank balance (Rs in '000)		7,215	2,808	2,032	2,577	20,937	35,569
Profit receivable (Rs in '000)		31	6	6	69	8	120
Sales load payable (Rs in '000)		-	-	-	1,622	-	1,622
Sindh Sales Tax on sales load payable (Rs in '000)		-	-	-	211	-	211

All in

For the period ended December 31, 2018

	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
(Unaudited)						
Meezan Dedicated Equity Fund						
Invested during the period (Rs. in '000)	790,800	245,600	184,000	98,000	-	1,318,400
Invested during the period (Units)	16,971,845	5,325,304	3,942,601	2,187,362	-	28,427,112
Redeemed during the period (Rs. in '000)	892,312	251,518	92,284	15,092	-	1,251,206
Redeemed during the period (Units)	19,214,570	5,481,406	1,983,046	318,471	-	26,997,493
Meezan Cash Fund						
Invested during the period (Rs. in '000)	929,605	441,001	727,000	393,500	11,000	2,502,106
Invested during the period (Units)	18,231,673	8,681,998	14,282,003	7,633,163	211,552	49,040,390
Redeemed during the period (Rs. in '000)	977,640	371,770	228,796	116,160	-	1,694,366
Redeemed during the period (Units)	19,110,914	7,275,649	4,470,669	2,250,089	-	33,107,321
Dividend Received during the Period (Rs. in '000)	13,834	1,360	-	-	-	15,194
Dividend Received during the Period (Units)	274,308	26,959	-	-	-	301,267
Refund of Capital during the Period (Rs. in '000)	59,534	19,413	-	-	-	78,947
Refund of Capital during the Period (Units)	1,180,484	384,939	-	-	-	1,565,423

10. ALLOCATED EXPENSES

As per regulation 60 of the NBFC Regulations, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

11. EXPENSE RATIO

The Total Expense Ratio of the Fund for the period ended December 31, 2018 is 0.35%, 0.35%, 0.40%, 0.35% & 1.03% which include 0.14%, 0.13%, 0.13%, 0.11% & 0.18% representing government levy, Worker Welfare Fund and SECP fee for MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII and MCPP-VIII respectively.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund intends to distribute the required level of profit to avail the exemption.

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values. International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'				
Units of mutual funds	3,537,054	-	-	3,537,054
As at June 30, 2018				
ASSETS	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'				
Units of mutual funds	2,729,746	-	-	2,729,746

All

14. GENERAL

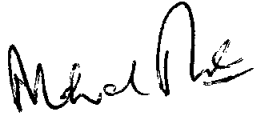
- 14.1 Figures have been rounded off to the nearest thousand rupees.
- 14.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.
- 14.3 The sub-funds commenced their operations after December 31, 2017, hence no corresponding figures have been presented in the 'Condensed Interim Income Statement', 'Condensed Interim Statement of Comprehensive Income', 'Condensed Interim Statement of Movement in Unitholders' Fund' and 'Condensed Interim Cash flow Statement' and condensed interim statement of Assets and Liabilities for MCPP-VI, MCPP-VII and MCPP-VIII.

15. DATE OF AUTHORISATION FOR ISSUE

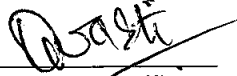
- 15.1 These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Management Company.

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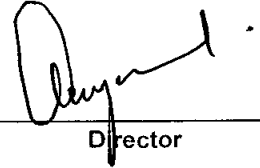
For Al Meezan Investment Management Limited
(Management Company)



Chief Executive



Chief Financial Officer



Director

**MEEZAN TAHAFFUZ
PENSION FUND**

(The Fund)

**Condensed Interim
Financial Information**

for the six months ended
December 31, 2018

FUND INFORMATION

PENSION FUND MANAGER

Al Meezan Investment Management Limited Ground Floor,
Block "B", Finance & Trade Centre, Shahrah-43-Faisal ,
Karachi 74400, Pakistan.
Phone: (9221) 35630722-6, 111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com E-
mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE PENSION FUND MANAGER

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

CFO & COMPANY SECRETARY OF THE PENSION FUND MANAGER

Syed Owais Wasli

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. Jaz Farooq	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7&8,
KCHSU, Shahrah-e-Faisal, Karachi-75350, Pakistan

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House,
C-25, Estate Avenue, S.I.T.E., Karachi
Phone: (9221) 33810538 Fax: (9221) 96406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

AUDITORS' REPORT TO THE PARTICIPANTS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Tahaffuz Pension Fund** ("the Fund") as at December 31, 2018 and the related condensed interim income statement and statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds, condensed interim contribution table, condensed interim number of units in issue and notes to the accounts for the six months ended December 31, 2018 (here-in-after referred to as the "condensed interim financial information"). **Al Meezan Investment Management Limited** ("Pension Fund Manager") is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and statement of comprehensive income for the three months ended December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2018.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months period ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner
Naresh Kumar

Date:

Place: Karachi

MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018

December 31, 2018 (Unaudited)					June 30, 2018 (Audited) Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	

Note ----- (Rupees in '000) -----

ASSETS

Bank balances	4	276,985	1,160,245	1,598,286	7,425	3,042,941	1,450,885
Investments	5	4,791,413	1,394,389	128,695	51,412	6,365,909	7,854,015
Dividend receivable		9,523	-	-	-	9,523	15,610
Deposits and other receivables	6	9,859	37,975	12,117	10	59,961	46,853
Receivable against change of plan / change of fund manager / issuance of units		-	-	-	-	-	401
Total assets		5,087,780	2,592,609	1,739,098	58,847	9,478,334	9,367,764

LIABILITIES

Payable to Al Meezan Investment Management Limited - Pension Fund Manager	7	7,522	3,750	2,206	82	13,560	12,785
Payable to Central Depository Company of Pakistan Limited - Trustee		424	211	124	5	764	725
Payable to auditors		67	67	67	67	268	240
Payable to Securities and Exchange Commission of Pakistan		915	460	193	9	1,577	2,908
Payable against purchase of investments - net		11,848	-	-	-	11,848	6,499
Payable against withdrawal / change of plan		8,192	4,723	719	-	13,634	8,060
Accrued expenses and other liabilities	8	63,172	16,956	5,066	272	85,466	79,534
Total liabilities		92,140	26,167	8,375	435	127,117	110,751
NET ASSETS		4,995,640	2,566,442	1,730,723	58,412	9,351,217	9,257,013

Contingencies and commitments

9

PARTICIPANTS' SUB - FUNDS
(as per statement attached)

	<u>4,995,640</u>	<u>2,566,442</u>	<u>1,730,723</u>	<u>58,412</u>	<u>9,351,217</u>	<u>9,257,013</u>
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(Number of units)

Number of units in issue
(as per statement attached)


	<u>11,556,088</u>	<u>11,329,673</u>	<u>7,714,049</u>	<u>514,521</u>
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(Rupees)

Net assets value per unit

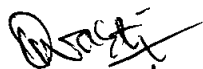
	<u>432.2951</u>	<u>226.5239</u>	<u>224.3598</u>	<u>113.5271</u>
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The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

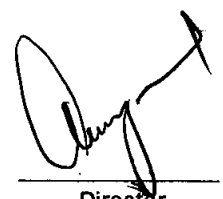


Chief Executive

For Al Meezan Investment Management Limited
(Pension Fund Manager)



Chief Financial Officer



Director

MEEZAN TAHAFUZ PENSION FUND
CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 (UNAUDITED)

For the six months ended December 31, 2018					Total	For the six months ended December 31, 2017 Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund			

Note ----- (Rupees in '000) -----

INCOME

Profit from sukuk certificates	-	41,403	5,960	-	47,363	49,333
Profit on saving accounts with banks	7,462	35,502	28,447	87	71,498	14,665
Profit on term deposit receipts	-	24,214	10,389	-	34,603	25,755
Dividend income	134,464	-	-	-	134,464	153,194
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' - net	5.1 & 5.2 (716,337)	1,817	-	-	(714,520)	(1,086,524)
Unrealised appreciation on investment in gold	5.3 -	-	-	6,915	6,915	2,131
Net realised (loss) / gain on sale of investments	(73,356)	(3,817)	122	-	(77,051)	(118,378)
Other income	-	313	-	41	354	-
Total (loss) / income	(647,767)	99,432	44,918	7,043	(496,374)	(959,824)

EXPENSES

Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager	41,174	20,708	8,702	394	70,978	64,379
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	5,353	2,692	1,131	51	9,227	8,369
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,319	1,167	490	22	3,998	3,733
Sindh Sales Tax on remuneration of the Trustee	302	152	64	3	521	486
Annual fee to Securities and Exchange Commission of Pakistan	915	460	193	9	1,577	1,430
Auditors' remuneration	88	88	88	77	341	276
Legal and professional charges	-	-	-	-	-	28
Brokerage charges	2,193	10	-	227	2,430	2,640
Bank and settlement charges	460	86	65	6	617	349
Charity expense	1,985	-	-	-	1,985	1,939
Provision for Sindh Workers' Welfare Fund	-	1,388	958	126	2,472	784
Total expenses	54,789	26,751	11,691	915	94,146	84,413
Net (loss) / income from operating activities	(702,556)	72,681	33,227	6,128	(590,520)	(1,044,237)
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(19,993)	(4,665)	13,692	22	(10,944)	(44,974)
Net (loss) / income for the period before taxation	(722,549)	68,016	46,919	6,150	(601,464)	(1,089,211)
Taxation	12 -	-	-	-	-	-
Net (loss) / income for the period after taxation	(722,549)	68,016	46,919	6,150	(601,464)	(1,089,211)
Total comprehensive income for the period	(722,549)	68,016	46,919	6,150	(601,464)	(1,089,211)
Earnings per unit	3.4					

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



Chief Executive

For Al Meezan Investment Management Limited
(Pension Fund Manager)



Chief Financial Officer



Director

MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2018 (UNAUDITED)

For the quarter ended December 31, 2018				Total	For the quarter ended December 31, 2017 Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		

Note ----- (Rupees in '000) -----

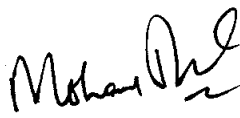
INCOME

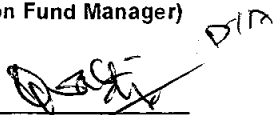
Profit from sukuk certificates	-	23,794	3,236	-	27,030	24,806	
Profit on saving accounts with banks	5,205	20,822	18,748	47	44,822	4,904	
Profit on term deposit receipts	-	9,584	5,753	-	15,337	14,382	
Dividend income	77,249	-	-	-	77,249	110,108	
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' - net	-	-	-	-	-	-	
	5.1 & 5.2	(533,041)	9,436	945	-	(522,660)	(367,217)
Unrealised appreciation on investment in gold	5.3	-	-	-	7,833	7,833	1,117
Net realised (loss) / gain on sale of investments		(63,918)	(3,579)	122	-	(67,375)	(116,848)
Other income		-	250	-	22	272	-
Total (loss) / income		(514,505)	60,307	28,804	7,902	(417,492)	(328,748)

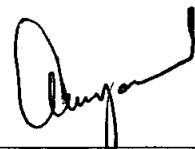
EXPENSES

Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager	20,518	10,213	4,877	207	35,815	31,330
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	2,668	1,328	634	27	4,657	4,073
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,152	574	274	11	2,011	1,832
Sindh Sales Tax on remuneration of the Trustee	150	75	36	2	263	240
Annual fee to Securities and Exchange Commission of Pakistan	456	227	108	5	796	695
Auditors' remuneration	55	55	55	43	208	128
Legal & professional charges	-	-	-	-	-	28
Brokerage charges	1,382	4	-	122	1,508	1,394
Bank and settlement charges	366	64	37	-	467	200
Charity expense	1,209	-	-	-	1,209	1,737
Provision for Sindh Workers' Welfare Fund	-	852	715	126	1,693	623
Total expenses	27,956	13,392	6,736	543	48,627	42,280
Net (loss) / income from operating activities	(542,461)	46,915	22,068	7,359	(466,119)	(371,028)
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(20,481)	(5,142)	12,927	24	(12,672)	(30,439)
Net (loss) / income for the quarter before taxation	(562,942)	41,773	34,995	7,383	(478,791)	(401,467)
Taxation	12	-	-	-	-	-
Net (loss) / income for the quarter after taxation	(562,942)	41,773	34,995	7,383	(478,791)	(401,467)
Total comprehensive income for the quarter	(562,942)	41,773	34,995	7,383	(478,791)	(401,467)
Earnings per unit	3.4					

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


 Chief Executive

For Al Meezan Investment Management Limited
 (Pension Fund Manager)

 Chief Financial Officer


 Director

MEEZAN TAHAFUZ PENSION FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 (UNAUDITED)

For the six months ended December 31, 2018				Total	For the six months ended December 31, 2017 Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		

Note ----- (Rupees in '000) -----

CASH FLOW FROM OPERATING ACTIVITIES

Net (loss) / income for the period before taxation (722,549) 68,016 46,919 6,150 (601,464) (1,089,211)

Adjustments :

Unrealised diminution / (appreciation) on 're-measurement of investments at 'fair value through profit or loss' - net 5.1 & 5.2 716,337 (1,817) - - 714,520 1,086,524

Unrealised appreciation on investment in gold 5.3 - - - (6,915) (6,915) (2,131)

Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net 19,993 4,665 (13,692) (22) 10,944 44,974

13,781 70,864 33,227 (787) 117,085 40,156

(Increase) / decrease in assets

Investments - net	(241,958)	695,098	328,958	(1,597)	780,501	(1,214,898)
Dividend receivable	6,087	-	-	-	6,087	(6,103)
Deposits and other receivables	676	(9,185)	(4,601)	2	(13,108)	4,572
	(235,195)	685,913	324,357	(1,595)	773,480	(1,216,429)

(Decrease) / increase in liabilities

Payable to Al Meezan Investment Management Limited - Pension Fund Manager	(147)	42	866	14	775	(939)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	1	48	1	39	(30)
Payable to Securities and Exchange Commission of Pakistan	(916)	(353)	(56)	(6)	(1,331)	(1,245)
Payable to auditors	10	10	10	(2)	28	19
Payable against purchase of investments - net	5,349	-	-	-	5,349	14,373
Accrued expenses and other liabilities	3,456	1,395	956	125	5,932	1,488
	7,741	1,095	1,824	132	10,792	13,666

Net cash (used in) / generated from operating activities (213,673) 757,872 359,408 (2,250) 901,357 (1,162,607)

CASH FLOW FROM FINANCING ACTIVITIES

Receipts of contribution / change of plan / change of fund manager / issuance of units	880,936	620,894	1,546,031	3,654	3,051,515	2,443,110
Payments on withdrawal / change of plan	(612,080)	(885,655)	(861,751)	(1,330)	(2,360,816)	(2,093,561)


Net cash generated from / (used in) financing activities 268,856 (264,761) 684,280 2,324 690,699 349,549

Net increase / (decrease) in cash and cash equivalents during the period 55,183 493,111 1,043,688 74 1,592,056 (813,058)

Cash and cash equivalents at beginning of the period 221,802 667,134 554,598 7,351 1,450,885 1,484,202

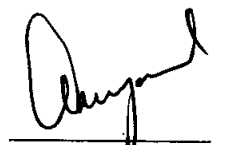
Cash and cash equivalents at end of the period 4 276,985 1,160,245 1,598,286 7,425 3,042,941 671,144

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


 Chief Executive

For Al Meezan Investment Management Limited
 (Pension Fund Manager)


 Chief Financial Officer



 Director

MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS SUB FUNDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 (UNAUDITED)

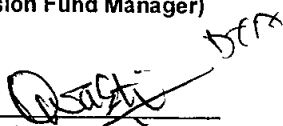
	For the six months ended December 31, 2018				Total	For the six months ended December 31, 2017 Total
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
	----- (Rupees in '000) -----					
Net assets at beginning of the period	5,431,850	2,761,605	1,013,598	49,960	9,257,013	9,023,252
Amount received on issuance of units (2018: Equity sub fund: 1,898,913 units Debt sub fund: 2,782,934 units; Money market sub fund: 6,969,061 units ; Gold sub fund: 35,495 units) (2017: Equity sub fund: 1,927,883 units Debt sub fund: 2,789,198 units; Money market sub fund: 2,543,995 units ; Gold sub fund: 15,830 units)	880,936	620,577	1,545,947	3,654	3,051,114	2,358,985
Amount paid on withdrawal of units (2018: Equity sub fund: 1,320,239 units Debt sub fund: 3,976,379 units; Money market sub fund: 3,898,634 units ; Gold sub fund: 12,847 units) (2017: Equity sub fund: 1,073,245 units; Debt sub fund: 3,681,754 units; Money market sub fund: 2,164,598 units ; Gold sub fund: 26,021 units)	(614,590)	(888,421)	(862,049)	(1,330)	(2,366,390)	(2,009,698)
	266,346	(267,844)	683,898	2,324	684,724	349,287
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	19,993	4,665	(13,692)	(22)	10,944	44,974
Net realised (loss) / gain on sale of investments	(73,356)	(3,817)	122	-	(77,051)	(118,378)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' - net	(716,337)	1,817	-	-	(714,520)	(1,086,524)
Unrealised appreciation on investment in gold	-	-	-	6,915	6,915	2,131
Other net income for the period	67,144	70,016	46,797	(765)	183,192	113,560
	(722,549)	68,016	46,919	6,150	(601,464)	(1,089,211)
Net assets at end of the period	4,995,640	2,566,442	1,730,723	58,412	9,351,217	8,328,302

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

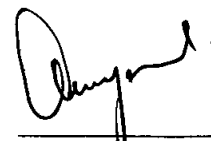
For Al Meezan Investment Management Limited
(Pension Fund Manager)



Chief Executive



Chief Financial Officer



Director

**MEEZAN TAHAFFUZ PENSION FUND
 CONDENSED INTERIM CONTRIBUTION TABLE
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 (UNAUDITED)**

For the six months ended December 31, 2018								Total (Rupees in '000)	For the six months ended December 31, 2017 Total (Rupees in '000)
Equity sub fund		Debt sub fund		Money Market sub fund		Gold sub fund			
Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)		

Contribution net of front end fee for the period

Individuals
 - issuance of units

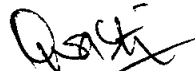
<u>1,898,913</u>	<u>880,936</u>	<u>2,782,934</u>	<u>620,577</u>	<u>6,969,061</u>	<u>1,545,947</u>	<u>35,495</u>	<u>3,654</u>	<u>3,051,114</u>	<u>2,358,985</u>
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The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

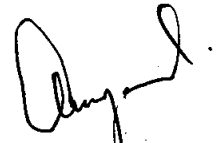
For Al Meezan Investment Management Limited
 (Pension Fund Manager)



Chief Executive



Chief Financial Officer



Director

MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM NUMBER OF UNITS IN ISSUE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 (UNAUDITED)

For the six months ended December 31, 2018			
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund

----- (Number of units) -----

Total units in issue at beginning of the period	10,977,414	12,523,118	4,643,622	491,873
Add: Units issued / converted / reallocated during the period	1,898,913	2,782,934	6,969,061	35,495
Less: Units redeemed / converted / reallocated during the period	(1,320,239)	(3,976,379)	(3,898,634)	(12,847)
Total units in issue at the end of the period	11,556,088	11,329,673	7,714,049	514,521

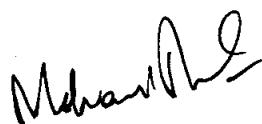
For the six months ended December 31, 2017			
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund

----- (Number of units) -----

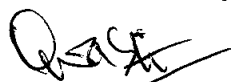
Total units in issue at beginning of the period	9,802,505	11,701,249	3,123,860	477,358
Add: Units issued / converted / reallocated during the period	1,927,883	2,789,198	2,543,995	15,830
Less: Units redeemed / converted / reallocated during the period	(1,073,245)	(3,681,754)	(2,164,598)	(26,021)
Total units in issue at the end of the period	10,657,143	10,808,693	3,503,257	467,167

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)



Chief Executive



Chief Financial Officer



Director

MEEZAN TAHAFFUZ PENSION FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sarah-e-Faisal, Karachi 74400, Pakistan.

The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund and Gold Sub-Fund (collectively the "Sub-Funds"). Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and any unique circumstances. The Fund offers six types of allocation schemes to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility, Variable Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. Allocation scheme can be selected initially at the time of opening of account and subsequently the allocation and percentages may change twice in a financial year. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimization through diversification.

- 1.2 Summary of significant investment policy for each of the Sub-Fund is as follows:

- The Equity Sub-Fund shall invest atleast 90% of net assets in listed equity securities based on quarterly average investment calculated on daily basis. Investment in single company shall not exceed 10% of net assets or paid-up capital of the investee company, whichever is lower. Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A".
- The Debt Sub-Fund shall consist of debt securities with maturity of not more than 5 years. At least 25 % of net assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25 % of net assets of Debt Sub-Fund may be deposited with Banks having not less than "AA Plus" rating. However, if such debt securities issued by Federal Government are not available, the assets of Debt Sub-Fund may be deposited in Islamic Commercial Banks, having not less than "A+" rating or Islamic windows of conventional commercial Banks, having not less than "AA" rating or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.
- The Money Market Sub-Fund consists of short term debt instruments with weighted average maturity upto one year. Shariah Compliant Money Market Sub Fund can invest in shariah compliant government securities where the time to maturity may be upto three years.
- The Gold Sub Fund consist of physical gold and aim to provide opportunities of capital appreciation and maximum exposure to price of gold in a Shariah Compliant manner, by investing a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX).

- 1.3 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The pension fund manager has appointed Meezan Bank Limited (MBL) as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

- 1.4 The Fund is an unlisted pension scheme. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the participants.

- 1.5 Title to the assets of the Sub Funds are held in the name of CDC as a Trustee of the Fund.

- 1.6 JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM1' to the Pension Fund Manager.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and

Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2018 except for the changes in accounting policies as explained in note 3.2.

3.2 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
- 2) Impairment of financial assets, and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

3.2.1 Classification and measurement of financial assets

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

Business Model Assessment

Under IFRS 9, a necessary condition for classifying a loan or receivable at amortized cost or FVOCI is whether the asset is part of a group or portfolio that is being managed within a business model whose objective is to collect contractual cash flows (Amortized Cost), or to both collect contractual cash flow and to sell (FVOCI). Otherwise, the asset is classified and measured at FVTPL.

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Hold to collect business model

If an entity's objective is to hold the asset (or portfolio of assets) to collect the contractual cash flows, the assets (or the portfolio) will be classified under the 'hold to collect' business model, subjective to meeting the Sole Payment of Principle and Interests (SPPI) requirements.

Hold to collect and sell business model

An entity can hold financial assets to achieve a particular objective by both collecting contractual cash flow and selling financial assets; this will qualify for the "hold to collect and sell business model" (also known as the FVOCI business model). The objective of this business model is achieved by collecting contractual cash flows and selling financial assets, unlike the 'hold to collect' business model discussed above.

FVTPL business model

If a financial asset or group of financial assets is not held within the 'hold to collect' or the 'hold to collect and sell' business model, then it is measured at FVTPL, the default category.

3.2.2 Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

December 31, 2018 (Unaudited)					June 30, 2018 (Audited) Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	

Note ----- (Rupees in '000) -----

4. BANK BALANCES

Current accounts	2,827	-	-	-	2,827	1,477
Savings accounts	274,158	1,160,245	1,598,286	7,425	3,040,114	1,449,408
	276,985	1,160,245	1,598,286	7,425	3,042,941	1,450,885

4.1 The balance in savings accounts carry expected profit which ranges from 3.92% to 10.70% (2018: 2.00% to 6.60%) per annum.

December 31, 2018 (Unaudited)					June 30, 2018 (Audited) Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	

Note ----- (Rupees in '000) -----

5. INVESTMENTS

At fair value through profit and loss

Shares of listed companies	5.1	4,791,413	-	-	4,791,413	5,265,792	
Sukuk certificates	5.2	-	956,106	-	956,106	953,323	
Investment in gold	5.3	-	-	51,412	51,412	42,900	
		4,791,413	956,106	-	51,412	5,798,931	6,262,015

At amortised cost

Term deposits	5.4	-	180,000	40,000	-	220,000	1,592,000
Commercial papers		-	258,283	88,695	-	346,978	-

		4,791,413	1,394,389	128,695	51,412	6,365,909	7,854,015
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5.1 At fair value through profit and loss - shares of listed companies

Name of the investee company	As at July 01, 2018	Purchases during the period	Cost of purchase during the period	Bonus / Rights issue during the period	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised (loss) / gain as at December 31, 2018	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2 below)	Percentage of paid-up capital of investee company
	(Number of shares)	(Rupees in '000)	(Number of shares)	(Rupees in '000)	(Number of shares)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	---	---	
Equity Sub Fund											
Sector / companies											
Automobile Assembler											
Pak Suzuki Motor Company Limited	92,600	-	-	-	91,700	900	354	157	(197)	-	-
Honda Atlas Cars Pakistan Limited	273,500	5,000	888	-	90,000	188,500	58,945	33,278	(25,667)	0.67	0.13
Milfat Tractors Limited	25,000	-	-	-	-	25,000	29,702	20,800	(8,902)	0.42	0.06
Ghandhara Industries Limited	84,650	-	-	84,650	-	169,300	59,821	46,515	(13,306)	0.93	0.40
										2.02	0.59
Automobile parts and Accessories											
General Tyre & Rubber Company	62,500	-	-	21,350	62,500	21,350	2,087	1,726	(361)	0.03	0.02
Ghandhara Nissan Limited	271,316	-	-	-	214,100	57,216	10,280	5,437	(4,843)	0.11	0.10
										0.14	0.12
Cement											
D.G Khan Cement Company Limited	637,900	1,157,400	120,925	-	450,000	1,345,300	145,132	107,826	(37,306)	2.16	0.31
Dewan Cement Limited	2,362,500	-	-	-	2,362,500	-	-	-	-	-	-
Lucky Cement Limited	653,456	225,000	114,440	-	65,000	813,456	413,197	353,585	(59,612)	7.08	0.25
Fauji Cement Company Limited	7,000	-	-	-	7,000	-	-	-	-	-	-
Cherat Cement Company Limited	741,000	-	-	-	100,000	641,000	62,324	44,646	(17,678)	0.89	0.36
Pioneer Cement Company Limited	545,100	675,000	35,445	-	300,000	920,100	46,930	38,561	(8,369)	0.77	0.41
Maple Leaf Cement Factory Limited	559,062	650,000	32,047	-	200,000	1,009,062	50,421	41,018	(9,403)	0.82	0.15
Kohat Cement Company Limited	586,400	-	-	175,920	3,500	758,820	71,837	64,454	(7,383)	1.29	0.38
Attock Cement Pakistan Limited	-	20,500	2,059	-	-	20,500	2,059	2,321	262	0.05	0.01
										13.08	1.87
Chemical											
Engropolymer & Chemicals Limited	2,782,000	2,419,209	70,522	-	2,024,500	3,176,709	97,308	117,983	20,675	2.36	0.35
ICI Pakistan Limited	185,920	-	-	-	-	185,920	149,015	147,689	(1,326)	2.96	0.20
Sitara Chemical Industries Limited	36,600	-	-	-	-	36,600	13,481	10,980	(2,501)	0.22	0.17
Sitara Peroxide Limited	-	300,000	9,621	-	200,000	100,000	3,491	2,892	(599)	0.06	0.18
										5.80	0.90
Engineering											
K.S.B Pumps Company Limited	99,200	-	-	-	1,000	98,200	27,496	18,028	(9,468)	0.36	0.74
Amreli Steels Limited	-	350,000	18,339	-	349,500	500	26	24	(2)	-	-
Crescent Steel & Allied Products Limited	77,300	-	-	-	77,300	-	-	-	-	-	-
International Steels Limited	269,200	596,000	49,009	-	530,100	335,100	29,315	22,040	(7,275)	0.44	0.08
International Industries Limited	227,500	20,000	3,601	-	-	247,500	56,447	38,127	(18,320)	0.76	0.21
Mughal Iron & Steel Industries	573,000	-	-	-	573,000	-	-	-	-	-	-
										1.56	1.03
Fertilizer											
Engro Corporation Limited (note 6.1.3)	1,412,200	222,000	74,127	-	100,000	1,534,200	485,702	446,575	(39,127)	8.94	0.29
Engro Fertilizers Limited	4,163,000	-	-	-	900,000	3,263,000	244,431	225,310	(19,121)	4.51	0.24
Dawood Hercules Corporation Limited	585,200	42,000	4,961	-	170,000	457,200	50,957	50,818	(139)	1.02	0.09
										14.47	0.62
Food and Personal Care Products											
Engro Foods Limited	100	-	-	-	-	100	9	8	(1)	-	-
National Foods Limited	-	100,000	18,800	-	-	100,000	18,800	19,550	750	0.39	0.16
Al-Shaheer Corporation Limited	33,160	975,000	30,086	-	975,000	33,160	904	794	(110)	0.02	0.02
Al-Tahur Limited	-	688,318	14,455	-	505,000	183,318	3,850	3,483	(367)	0.07	0.12
										0.48	0.30
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	2,953,900	595,000	90,466	-	200,000	3,348,900	519,114	428,659	(90,455)	8.58	0.08
Pakistan Oilfields Limited	493,350	188,750	109,209	90,820	127,000	645,920	358,586	274,400	(84,186)	5.49	0.23
Pakistan Petroleum Limited	1,792,057	160,000	31,240	276,308	60,000	2,168,365	403,500	324,518	(78,982)	6.50	0.10
Mari Petroleum Company Limited	205,400	5,000	7,550	21,040	-	231,440	316,919	286,027	(30,892)	5.73	0.19
										26.30	0.60

Name of the investee company	As at July 31, 2018	Purchases during the period	Cost of purchase during the period	Bonus / Rights Issue during the period	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2019	Market value as at December 31, 2018	Unrealised (loss) / gain as at December 31, 2018	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2 below)	Percentage of paid-up capital of investee company
	(Number of shares)		(Rupees in '000)		(Number of shares)			(Rupees in '000)		---	---
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	924,559	241,200	57,959	186,591	-	1,352,350	352,255	304,860	(47,395)	6.10	0.35
Attock Petroleum Limited	42,370	20,000	9,650	8,474	-	70,844	34,648	30,568	(4,080)	0.61	0.07
Sui Northern Gas Pipelines Limited	2,169,600	751,000	55,704	-	60,000	2,860,600	267,128	220,466	(46,662)	4.41	0.45
Sheil Pakistan Limited	-	30,300	9,803	-	30,000	300	97	92	(5)	-	-
Hascol Petroleum Limited	151,683	71,700	20,862	49,170	26,700	245,853	60,160	36,485	(23,675)	0.73	0.14
Hi-tech Lubricants	320,000	-	-	-	314,500	5,500	557	364	(193)	0.01	-
										11.86	1.01
Paper and Board											
Packages Limited	408,501	-	-	-	215,000	193,501	94,761	74,850	(19,911)	1.50	0.22
Cherat Packaging Limited	160,035	119,700	19,860	24,005	-	303,740	42,855	52,070	9,215	1.04	0.79
										2.54	1.01
Glass & Chemical											
Tariq Glass Industries	-	332,600	31,899	-	-	332,600	31,899	28,999	(2,900)	0.58	0.45
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	45,550	50	28	-	10,000	35,600	24,381	22,465	(1,916)	0.45	0.04
AGP Limited	806,000	-	-	-	-	806,000	71,566	70,469	(1,097)	1.41	0.29
GlaxoSmithKline Consumer Healthcare	17,500	-	-	-	-	17,500	7,088	4,662	(2,426)	0.09	0.02
GlaxoSmithKline Pakistan Limited	10,000	-	-	-	10,000	-	-	-	-	-	-
The Searle Company Limited	380,935	30,000	8,370	57,890	65,000	403,825	117,665	99,175	(18,490)	1.99	0.19
Hightnoon Laboratories Limited	1,600	-	-	-	-	1,600	657	556	(101)	0.01	0.01
										3.95	0.55
Power Generation & Distribution											
The Hub Power Company Limited	2,158,145	1,023,000	89,109	-	150,000	3,031,145	274,179	260,042	(14,137)	5.21	0.26
K-Electric Limited (note 6.1.1)	23,742,500	3,068,500	17,080	-	-	26,811,000	151,938	159,257	7,319	3.19	0.28
										8.40	0.54
Refinery											
Attock Refinery Limited	69,200	-	-	550	67,000	2,750	474	406	(68)	0.01	-
National Refinery Limited	76,200	-	-	-	76,200	-	-	-	-	-	-
										0.01	-
Textile Composite											
Nishat Mills Limited	654,800	370,000	52,244	-	125,600	899,200	126,821	113,776	(13,045)	2.28	0.26
Kohinoor Textile	-	150,000	6,967	-	-	150,000	6,967	6,762	(205)	0.14	0.05
										2.42	0.31
Textile Weaving											
Feroze 1888 Mills Limited	-	350,000	23,100	-	-	350,000	23,100	43,232	20,132	0.87	0.09
Technology & Communication											
Pakistan Telecommunication Company Limited "A"	-	108,000	1,253	-	-	108,000	1,254	1,038	(216)	0.02	-
Avanceon Limited	155,000	495,000	37,511	-	292,500	357,500	26,278	29,558	3,280	0.59	0.26
Systems Limited	385,500	25,000	2,425	-	180,000	230,500	23,273	25,324	2,051	0.51	0.21
Netsoj Technologies Limited	-	115,000	14,082	-	50,000	65,000	7,959	4,513	(3,446)	0.09	0.07
										1.21	0.54
Miscellaneous											
Shifa International Hospitals Limited	60	-	-	-	-	60	16	12	(4)	-	-
Vanaspati & Allied Industries											
Unity Foods Limited	922,500	320,000	10,472	-	341,500	901,000	27,334	23,183	(4,151)	0.46	0.53
Total			1,306,168			61,652,604	5,507,750	4,791,413	(716,337)		

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

5.1.2 Net assets are as defined in Rule 2(1)(m) of VPS Rules.

5.1.3 145,000 shares of Engro Corporation Limited having market value of Rs. 42.21 million as at December 31, 2018, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

- 5.2.1 The nominal value of the sukuk certificates is Rs.100,000 each.
- 5.2.2 The principal buy out reduces the face value per certificate instead of number of certificates. The face value of the sukuk certificates is Rs. 984.38 each.
- 5.2.3 The nominal value of these sukuk certificates is Rs.5,000 each.
- 5.2.4 The nominal value of these sukuk certificates is Rs.1,000,000 each.
- 5.2.5 The nominal value of these sukuk certificates is Rs.100,000 each.
- 5.3 **At fair value through profit and loss - Investment in gold**

Commodity	As at July 01, 2018	Purchases during the period	Cost of purchase during the period	Sales during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain as at December 31, 2018	Net Assets of the Fund on the basis of investments (note 6.1.2)
	----- (Quantity in Tola) -----				----- (Rupees in '000) -----			----- % -----	
Tola Gold	717	27	1,597	-	744	44,497	51,412	6,915	88.016
Total						<u>44,497</u>	<u>51,412</u>	<u>6,915</u>	

- 5.3.1 The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.
- 5.3.2 The investment in gold of Rs. 51.412 million has been measured at fair value based on the quoted market price in active markets.

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	(Rupees in '000)	
5.4 At amortised cost			
Debt Sub Fund			
Term deposits	5.4.1	180,000	1,239,000
Commercial papers	5.4.2	258,283	-
		<u>438,283</u>	<u>1,239,000</u>
Money Market Sub Fund			
Term deposits	5.4.1	40,000	353,000
Commercial papers	5.4.2	88,695	-
		<u>128,695</u>	<u>353,000</u>

5.4.1 At amortised cost - Term deposits

Name of the Bank	Maturity date	Profit rate per annum	Face value				Rating	Percentage of net assets on the basis of total value of investments of the respective sub fund (see note 6.1.2)
			As at July 01, 2018	TDR's placed during the period	Matured during the period	As at December 31, 2018		
(Rupees in '000)								
Debt Sub Fund								
Dubai Islamic Bank Pakistan Limited	July 05, 2018	6.15%	400,000	-	400,000	-	AA-	-
Meezan Bank Limited	June 22, 2016	5.55% - 6.71%	-	-	-	-	AA	-
Bank Al Habib Limited	July 30, 2018	6.05%	469,000	-	469,000	-	AA+	-
Orix Modarba	May 22, 2019	10.40%	180,000	-	-	180,000	AA+	7.01
Faysal Bank Limited	August 09, 2018	6.13%	190,000	-	190,000	-	AA	-
Dubai Islamic Bank Pakistan Limited	October 06, 2018	6.65%	-	400,000	400,000	-	AA-	-
Faysal Bank Limited	October 13, 2018	7.55%	-	350,000	350,000	-	AA	-
Bank Islami Pakistan Limited	October 29, 2018	8.10%	-	300,000	300,000	-	A+	-
Dubai Islamic Bank Pakistan Limited	November 15, 2018	8.60%	-	350,000	350,000	-	AA-	-
Total						180,000		
Money Market Sub Fund								
Bank Al Habib Limited	July 30, 2018	6.05%	153,000	-	153,000	-	AA+	-
Orix Modarba	November 22, 2018	6.90%	40,000	-	40,000	-	AA+	-
Faysal Bank Limited	August 09, 2018	6.13%	160,000	-	160,000	-	AA	-
Orix Modarba	May 22, 2019	10.40%	40,000	-	-	40,000	AA+	2.31
Dubai Islamic Bank Pakistan Limited	October 06, 2018	6.65%	-	100,000	100,000	-	AA-	-
Faysal Bank Limited	October 13, 2018	7.55%	-	150,000	150,000	-	AA	-
Faysal Bank Limited	December 04, 2018	8.25%	-	200,000	200,000	-	AA	-
Dubai Islamic Bank Pakistan Limited	November 15, 2018	8.60%	-	150,000	150,000	-	AA-	-
Bank Islami Pakistan Limited	November 01, 2018	8.10%	-	200,000	200,000	-	A+	-
Total						40,000		

5.4.2 At amortised cost - Commercial papers

Name of the investee company	Maturity date	Profit rate per annum	As at July 01, 2018	Purchases during the period	Cost of purchase during the period	Matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Percentage of net assets on the basis of market value (see note 6.1.2)
Debt Sub Fund										
Hascol Petroleum Limited	January 03, 2019	6 months Kibor plus base rate of 1.25 %	-	62,459	62,459	-	62,459	62,459	62,459	2.43
K-electric Limited	March 01, 2019	6 months Kibor plus base rate of 0.90 %	-	195,824	195,824	-	195,824	195,824	195,824	7.63
								258,283		
Money Market Sub Fund										
Hascol Petroleum Limited	January 03, 2019	6 months Kibor plus base rate of 1.25 %	-	47,469	47,469	-	47,469	47,469	47,469	2.74
K-electric Limited	March 01, 2019	6 months Kibor plus base rate of 0.90 %	-	41,226	41,226	-	41,226	41,226	41,226	2.38
								88,695		

5.4.2.1 The securities are valued on the basis of amortization to its 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. DEPOSITS AND OTHER RECEIVABLES

	December 31, 2018 (Unaudited)					June 30, 2018 (Audited) Total
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
----- (Rupees in '000) -----						
Security deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks and Term Deposits	2,512	20,576	12,017	10	35,115	24,424
Profit receivable on sukuks certificates	-	17,299	-	-	17,299	14,382
Advance tax	4,747	-	-	-	4,747	4,747
Advance against investments	-	-	-	-	-	500
	9,859	37,975	12,117	10	59,961	46,853

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED (Al Meezan) - PENSION FUND MANAGER

	December 31, 2018 (Unaudited)					June 30, 2018 (Audited) Total
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
----- (Rupees in '000) -----						
Management remuneration	6,657	3,319	1,952	73	12,001	11,314
Sindh Sales Tax and Federal Excise Duty on management fee	865	431	254	9	1,559	1,471
	7,522	3,750	2,206	82	13,560	12,785

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2018 (Unaudited)					June 30, 2018 (Audited) Total	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total		
Note	(Rupees in '000)						
Provision for Sindh Workers' Welfare Fund	8.1	38,142	7,381	2,512	236	48,271	45,799
Federal Excise Duty on remuneration of the Pension Fund Manager	8.2	15,068	8,535	2,312	-	25,915	25,915
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager	8.3	1,800	962	242	-	3,004	3,004
Charity payable		5,195	-	-	-	5,195	3,710
Brokerage payable		2,967	78	-	3	3,048	1,047
Custodian Charges Payable		-	-	-	33	33	37
Sindh Sales Tax withheld on brokerage		-	-	-	-	-	22
		63,172	16,956	5,066	272	85,466	79,534

- 8.1 Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at December 31, 2018 would have been higher by Rs. 3.30, Re. 0.65, Re. 0.33 and Re. 0.46 per unit (June 30, 2018: Rs. 3.47, Rs. 0.48, Rs. 0.33 and Rs. 0.22 per unit) for Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively. The status of Sindh Workers' Welfare Fund is the same as disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.
- 8.2 Had the provision of Federal Excise Duty not being made, the net asset value per unit as at December 31, 2018 would have been higher by Rs. 1.30 (June 30, 2018: Rs. 1.37) per unit, Rs. 0.75 (June 30, 2018: Rs. 0.68) per unit and Rs. 0.30 (June 30, 2018: Rs. 0.74) per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. The status of Federal Excise Duty is the same as disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.
- 8.3 It represents amount payable in respect of Sindh Sales Tax at the rate of 13 percent (2018: 13 percent) on remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011, being Sindh Sales Tax accrued on Federal Excise Duty (FED) on remuneration of the Pension Fund Manager as fully explained in note 8.2 above.

9. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at December 31, 2018 other than as disclosed in the annual financials statements for the year ended June 30, 2018.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 10.1 Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.
- 10.2 The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 10.3 Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed respectively.
- 10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

10.5 Amount outstanding as at period end are as follows:

December 31, 2018 (Unaudited)					June 30, 2018 (Audited) Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	

(Rupees in '000)

Al Meezan Investment Management Limited

Investment by:

(Al Meezan) - Pension Fund Manager

Remuneration payable	6,657	3,319	1,952	73	12,001	11,314
Sindh Sales Tax and Federal Excise Duty on management fee	865	431	254	9	1,559	1,471
Investments as at June 30, 2018: (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000) as at June 30, 2017 (Equity sub fund: 260,077 units ; Gold Sub Fund : 300,000 units)	112,430	-	-	34,058	146,488	159,163

Meezan Bank Limited (MBL)

Bank balance	18,168	4,606	2,468	7,406	32,648	51,488
Profit receivable on saving account	328	67	31	10	436	736

**Central Depository Company of Pakistan
Limited (CDC) - Trustee**

Trustee fee payable	375	187	110	4	676	641
Sindh Sales Tax on trustee fee payable	49	243	14	1	307	84
Deposits	100	100	100	-	300	300

**Directors and Executives of the
Pension Fund Manager**

Investments as at December 31, 2018: (Equity sub fund: 1,130,415 units; Debt Sub Fund: 381,792 units; Money Market Sub Fund: 29,839 units; Gold Sub Fund: 173,125 Units) as at June 30, 2018: (Equity sub fund: 961,580 units; Debt sub fund: 376,620 units; Money Market sub fund: 9,173 units ; Gold Sub Fund : 155,053 units)	488,673	86,485	6,695	19,654	601,507	576,612
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10.6 Detail of transactions with connected person and related parties are as follow:

Six months ended December 31, 2018 (Unaudited)					For the six months ended December 31 2017 (Unaudited) Total
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	

(Rupees in '000)

AI Meezan Investment Management Limited

(AI Meezan) - Pension Fund Manager

Remuneration for the period	41,174	20,708	8,702	394	70,978	64,379
Sindh Sales Tax and Federal Excise Duty on management fee	5,353	2,692	1,131	51	9,227	8,369

Meezan Bank Limited (MBL)

Profit on savings account	1,010	54	31	87	1,182	898
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Central Depository Company of Pakistan Limited (CDC) - Trustee

Remuneration for the period	2,319	1,167	490	22	3,998	3,733
Sindh Sales Tax on trustee fee	302	152	64	3	521	466
CDS Charges for the period	102	3	3	-	108	99

Directors and Executives of the Pension Fund Manager

Units issued (Equity Sub Fund: 174,294 units; Debt Sub Fund: 65,136 units; Money Market Sub Fund: 27,143 units; Gold sub fund: 18,072 units)	80,776	14,463	5,949	1,853	103,041	91,793
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Units redeemed / reallocated (Equity Sub Fund 5,459 units; Debt Sub Fund: 59,964 units; Money Market Sub Fund: 6,477 units; Gold sub fund: nil units)	2,531	13,366	1,434	-	17,331	17,002
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11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
Note:	(Rupees in '000)								
December 31, 2018									
Financial assets - measured at fair value	11.3								
Investments									
- Investments designated at fair value through profit or loss									
- shares of listed companies	4,791,413	-	-	-	4,791,413	4,791,413	-	-	4,791,413
- sukuk certificates	956,106	-	-	-	956,106	-	956,106	-	956,106
	5,747,519	-	-	-	5,747,519	4,791,413	956,106	-	5,747,519
Financial assets - not measured at fair value	11.3								
Bank balances	-	-	3,042,941	-	3,042,941	-	-	-	-
Investments - Loans and receivables	566,978	-	-	-	566,978	-	-	-	-
Dividend receivable	-	9,523	-	-	9,523	-	-	-	-
Deposits and other receivables	-	55,214	-	-	55,214	-	-	-	-
Receivable against change of plan / change of fund manager / issuance of units	-	-	-	-	-	-	-	-	-
	566,978	64,737	3,042,941	-	3,674,656	-	-	-	-
Total	6,314,497	64,737	3,042,941	-	9,422,175	4,791,413	956,106	-	5,747,519
Financial liabilities - not measured at fair value	11.3								
Payable to Al Meezan Investment Management Limited									
- Pension Fund Manager	-	-	-	13,560	13,560	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	764	764	-	-	-	-
Payable to auditors	-	-	-	268	268	-	-	-	-
Payable against purchase of investments (net)	-	-	-	11,848	11,848	-	-	-	-
Payable against withdrawal / change of plan	-	-	-	13,634	13,634	-	-	-	-
Accrued expenses and other liabilities	-	-	-	3,081	3,081	-	-	-	-
	-	-	-	43,155	43,155	-	-	-	-

June 30, 2018

	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)								
Financial assets - measured at fair value	11.3								
Investments									
- Held-for-trading									
- shares of listed companies	5,265,792	-	-	-	5,265,792	5,265,792	-	-	5,265,792
- sukuk certificates	760,095	-	-	-	760,095	-	760,095	-	760,095
- Investments designated at fair value through profit or loss upon initial recognition	193,228	-	-	-	193,228	-	193,228	-	193,228
	6,219,115	-	-	-	6,219,115	5,265,792	953,323	-	6,219,115
Financial assets - not measured at fair value	11.3								
Bank balances	-	-	1,450,885	-	1,450,885	-	-	-	-
Investments - Loans and receivables	1,592,000	-	-	-	1,592,000	-	-	-	-
Dividend receivable	-	15,610	-	-	15,610	-	-	-	-
Deposits and other receivables	-	42,106	-	-	42,106	-	-	-	-
Receivable against change of plan / change of fund manager / issuance of units	-	401	-	-	401	-	-	-	-
	1,592,000	58,117	1,450,885	-	3,101,002	-	-	-	-
Total	7,811,115	58,117	1,450,885	-	9,320,117	5,265,792	953,323	-	6,219,115
Financial liabilities - not measured at fair value	11.3								
Payable to Al Meezan Investment Management Limited									
- Pension Fund Manager	-	-	-	12,785	12,785	-	-	-	-
Payable to Central Depository Pakistan Limited - Trustee	-	-	-	725	725	-	-	-	-
Payable to auditors	-	-	-	240	240	-	-	-	-
Payable against purchase of investments (net)	-	-	-	6,499	6,499	-	-	-	-
Payable against withdrawal / change of plan	-	-	-	8,060	8,060	-	-	-	-
Accrued expenses and other liabilities	-	-	-	1,084	1,084	-	-	-	-
	-	-	-	29,393	29,393	-	-	-	-

11.1 There were no transfers between above levels during the period.

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

11.3 The Fund has not disclosed fair value for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

12. TAXATION

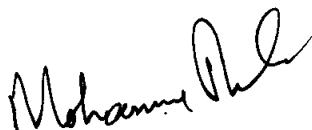
The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these condensed interim financial statements.

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

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on February 14, 2019 by the Board of Directors of the Pension Fund Manager.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**



Chief Executive

DFA



Chief Financial Officer



Director



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(AM1 rating by JCR-VIS)

Al Meezan Investment Management Ltd.

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