



DISCOVERING NEW OPPORTUNITIES

QUARTERLY REPORT
DECEMBER 31, 2019

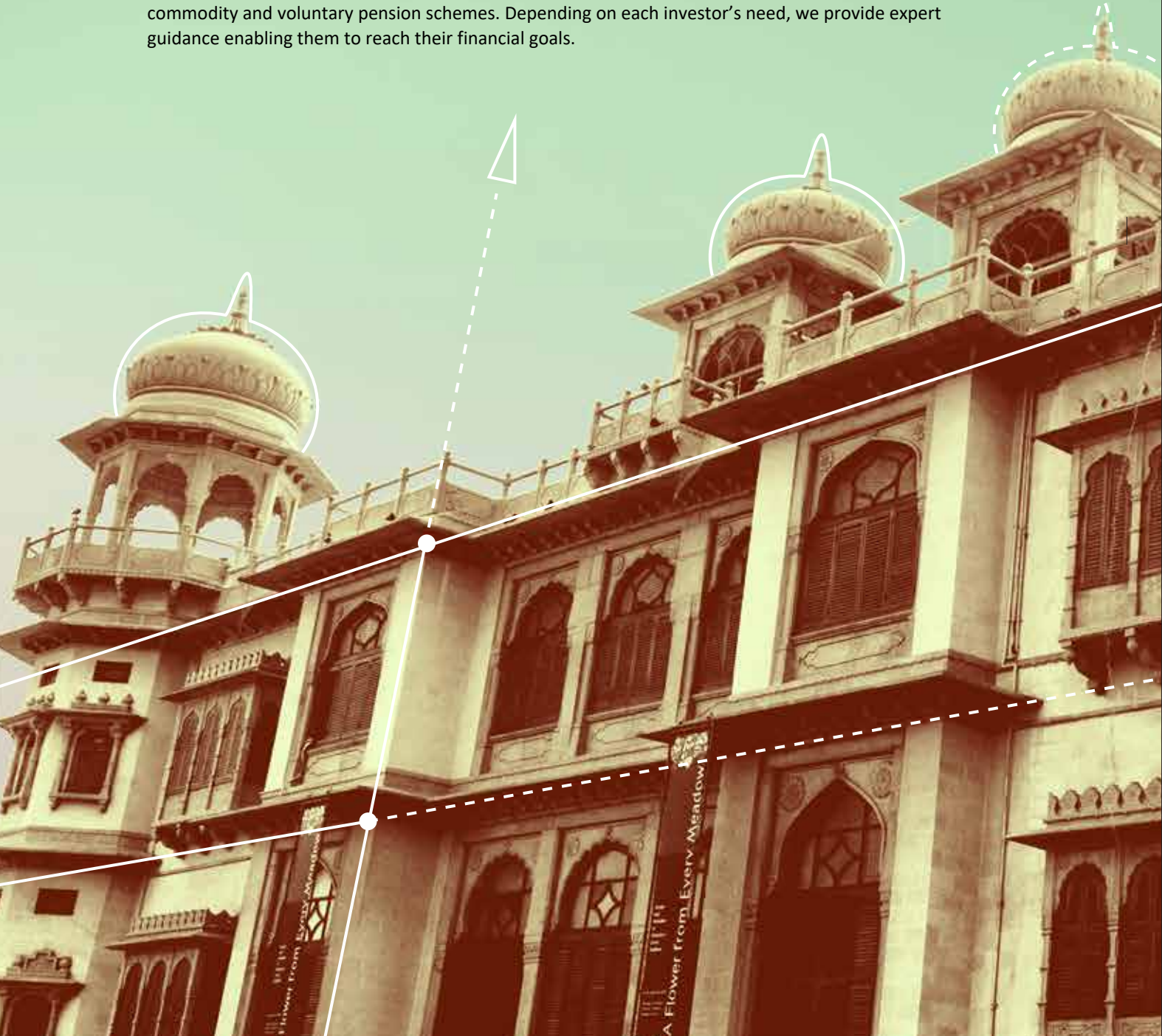


WHO WE ARE

We began our journey in 1995. The objective of the journey was simple, to bring Shariah compliant investment options to the people of Pakistan. In 24 years since then, Al Meezan Investment Management Limited, due to the trust our customers hold in us, has now become the Largest Shariah compliant Asset Manager in Pakistan. With an innate culture of innovation and the purpose of making Shariah compliant investing every Pakistani's first investment avenue of choice, Al Meezan has achieved assets under management base of over Rs. 102 Billion (as on September 30, 2019).

As Pakistan's only full-fledged Shariah compliant Asset Management Company with the sole mandate to provide Shariah compliant investment solutions to our valued clients, we have enabled our customers towards achieving their financial objectives.

Al Meezan offers a full breadth of Shariah compliant investment solutions ranging from equity, sector, balanced, asset allocation, fixed income, money market, capital preservation, fund of funds, commodity and voluntary pension schemes. Depending on each investor's need, we provide expert guidance enabling them to reach their financial goals.



OUR CORE VALUES

Our Core Values are the 5 pillars of our foundation. They reflect and reinforce our character and standing as an organization. These values depict the paradigm of our internal and external expectations: Our dealings with members of the organization, our customers, the shareholders and the communities we serve. Our corporate culture is based on these values and serves as a beacon of guidance for all our employees.

Our values are not about what we do or how we do it infact they are about who we are and why we exist. These values, which fuel our drive to achieve newer milestones at every step of our journey to success are:

SHARIAH COMPLIANCE

We ensure that all business operations and activities are Shariah compliant. As a Shariah compliant entity we are also accountable for ensuring that rulings and decisions made by the regulators, Shariah Board and Shariah Advisors are complied with across the organization.

PROFESSIONAL EXCELLENCE

Professional excellence is about achieving excellence as an employee. It is at the core of being a “professional.” Ensuring our approach to work and the people we work with – supervisors, colleagues and/or customers – is in a professional and respectful manner.

SOCIAL RESPONSIBILITY

We work in an ethical framework, which suggests that as an entity we have an obligation to act for the benefit of our society at large. We want to contribute towards sustainable development not only through our products but also through the way we conduct business.

ETHICAL STANDARDS

We practice high ethical standards at work and in our services. Maintaining high ethical standards in the workplace translates in prioritizing the interest of the client, acting with integrity, competence and diligence, and respecting our dealings with the public, clients, prospective clients and colleagues.

SERVICE EXCELLENCE

Service excellence is an attitude engrained in every department and employee. From support staff to the CEO, we simply go beyond delivering products and helping customers achieve their financial objectives. It is essential that we provide a unique customer experience by proactively anticipating and exceeding customers’ needs every time. Excellence is a consistent, premium service at every point of contact which is set by our service-oriented tone that drives our company’s strategy at every level.





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 unaudited financial statements of the following open end funds and a voluntary pension scheme for the period ended December 31, 2019.

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

Funds of Funds

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

Commodity Fund

- Meezan Gold Fund

Asset Allocation Fund

- Meezan Asset Allocation Fund (MAAF)

Pension Fund

- Meezan Tahaffuz Pension Fund

Economic Review

The first half of fiscal year FY20 marked significant improvement on macroeconomic front on local and especially on foreign front. Finalization of IMF program and macro-economic measures taken by the Government helped to stabilize economy and put country on growth path.

The year began with Government's successful negotiation of USD 6 billion IMF package and the implementation of macro-economic stabilization measures that came with it. Pakistan's entry into an IMF



program also paved way for further inflows from World Bank (WB), Asian Development Bank (ADB) and other lenders. The country received second tranche of payment from IMF worth USD 0.45 billion in December 2019 taking total disbursement to USD 1.44 billion. Further, Government of Pakistan also reached an agreement with ADB for a loan of USD 1.3 billion for budgetary support and power sector reforms; with disbursement of the said amount being received in December 2019.

On the monetary front, after eight consecutive rate hikes since January 2018, SBP decided to maintain the policy rate at 13.25% in September and kept inflation forecast at 11-12% for FY20. CPI inflation for 1HFY20 remained on a higher side and was recorded at 11.11% primarily due to seasonal effect of food prices which are expected to be normalized going forward.

Development in the fiscal sector has gained traction on account of broad based taxation reforms and strict control over non development expenditures. In 1HFY20 FBR tax collection increased by 16.3% YoY to PKR 2,083 billion. Despite the improvement in collection the six month target fell short by PKR 114 billion due to significant decline in imports. On expenditure side, public sector development programs (PSDP) increased to PKR 257 billion during July - Oct FY20 from Rs 105.5 billion last year. On financing side, the government remained firm on its commitment of zero fresh budgetary borrowing from SBP, which helped meet performance criteria under IMF program and also give a promising outlook for inflation.

External sector continued to show steady improvement with sizeable reduction in the current account deficit from USD 6.73 billion in 5MFY19 to USD 1.82 billion in 5MFY20 (down 72.9% YoY). This was mainly due to contraction in the trade deficit which decreased by 30.7% to USD 11.63 billion in 1HFY20 as imports of goods fell by 17.1% to USD 23.16 billion, while exports of goods increased by 3.2% to USD 11.6 billion. As a result current account balance recorded a surplus in October 2019 after a gap of ~3.6 years (last current account surplus was recorded in April-2016). The capital and financial account also improved due to higher FDI and continued portfolio inflows reflecting renewed investor confidence. Furthermore, government's efforts to facilitate foreign investment in Pakistan's PKR denominated debt market also bore fruit and as a result, Pakistan managed to attract USD 1.5 billion inflows into its local debt market (mainly T-Bills-hot money) via special convertible rupee accounts.

Disbursement under the IMF along with inflows of from other multilateral agencies and reduction in current account deficit helped foreign exchange reserves to increase to USD 18.1 billion during the period, an increase of 24.9% since the start of the current fiscal year. Along with improved reserves, adjustment in current account and improved sentiments led to rupee strengthening against US dollar since start of the current fiscal year from a low of PKR 162.4/USD to PKR 154.9/USD. GDP growth for FY20 is expected to be range bound between 2.5- 3%. There remain challenges in the form of fiscal slippages, rising inflation and impending FATF decision.

Money Market Review

State Bank of Pakistan (SBP) decided to maintain the policy rate at 13.25% after raising it by 1% in the month of July 2019. The market was anticipating a reversal in the interest rate cycle, but rising pressures on inflation kept the policy rate in check. Due to softening of oil and commodity prices and slowdown in global economies, money market perceived that inflation may have peaked out in the period under review, triggering sharp inversion in the yield curve which was witnessed by steep decline in secondary market yields of government papers. Hence, increase in demand for longer tenure government bonds pushed the PIB yields down where 10 years bond closed at 11.64% (down by 221 bps), 5 years closed at 10.91% (down by 296 bps) and 3 years closed at 11.00% (down by 272 bps). Part of the reason for the increased demand for government papers can be attributed to the high interest of foreign investors in fixed income securities issued by Pakistan. Foreign investors deployed over USD1.4bn in domestic fixed income instruments



during the first six months, providing much needed support to the foreign reserves maintained by the central bank.

On the liquidity front, money market remained stable due to continuous OMO injections from SBP. During the period, Central bank borrowed additional Rs. 9.99 trillion through T-bills and Rs. 1.25 trillion through PIBs in the primary market. However, in order to support the market, SBP injected PKR 975 billion liquidity through OMO injections.

On the Islamic money market front, Ijarah Sukuks price witnessed an increase due to lack of availability of Shariah compliant government /Ijarah securities. It is pertinent to mention here that out of the four running Ijarah Sukuks issues worth Rs. 385 billion, three Ijarahs worth Rs. 314 billion were matured during FY19 and the last surviving Ijarah is due for maturity in June 2020. The government did not carry out any Ijarah Sukuks auction since June 2017. In the last fiscal year, the Government issued Pakistan Energy Sukuks – I in March 2019 worth PKR 200 billion. The second tranche of Energy Sukuks is expected in the current fiscal year. However, corporate sector continued to raise funds through Sukuks and Islamic Commercial Paper, which played key role in absorbing some portion of excess liquidity available with Islamic institutions.

Equity Review

During the first half of FY20, the KMI-30 made a sharp recovery and posted an impressive return of 22% to close the period at 66,032 while the KSE-100 posted an increase of 20% at 40,735 in the same period. This was after recording a decline of 17% in KMI-30 from June 30th, 2019 levels. The participation of investors improved during the period with both the KMI-30 and KSE 100 index volumes up 29 and 19% respectively. Daily traded value, although still lower by 27% YoY at USD 42.1mn in FY20, bounced sharply from its low of USD 9.1mn in July 19 (levels last seen in December 2011).

The stock market started period on a subdued note because of concerns over macroeconomic outlook and consequently KMI-30 and KSE 100 index went down by 17% and 15% respectively and touched the lowest level of 44,929 and 28,764 as on August 16, 2019. However, subsequently, KMI 30 and KSE 100 index bounced back by a sharp recovery of 47% and 42% from its lowest level and recovery led mainly on account of i) successful entry into USD 6bn IMF program which helped obtain much needed multi-lateral/bilateral aid, ii) After successive rate hikes, State Bank of Pakistan maintained status quo rate in last two monetary policies, sparking expectations monetary easing going forward, iii) marked improvement in current account, iv) hot money flow of USD 1.4bn supporting forex reserves and providing stability to PKR vs USD. The overall political climate also contributed towards better investor sentiments as the government showed a relatively more reconciliatory tone towards its opposition.

Global Markets

Globally trend in investment flows into EM ETF reversed as investors deployed over USD7.26bn in EM markets despite strengthening US dollar. This inflow comes after a dismal 1QFY20 where USD7.5bn worth of securities were liquidated. MSCI EM recorded an increase of 6% compared to S&P 500 rise of 10% and MSCI Developed market Index increase of 9% during the same period. The US markets continued to outperform over the monetary easing by Fed. That said, overall global market sentiment improved towards the end of the period as possibility of a trade deal between China and US and lower uncertainty of Brexit led to positive sentiments across all markets with developed, emerging and frontier markets all witnessing a rally.

Oil prices remained relatively stable, though news regarding US-China trade war brought some volatility at times. Overall, Brent crude ended first half down 1% to close at \$66.55 per barrel.



Major contributors to the Index

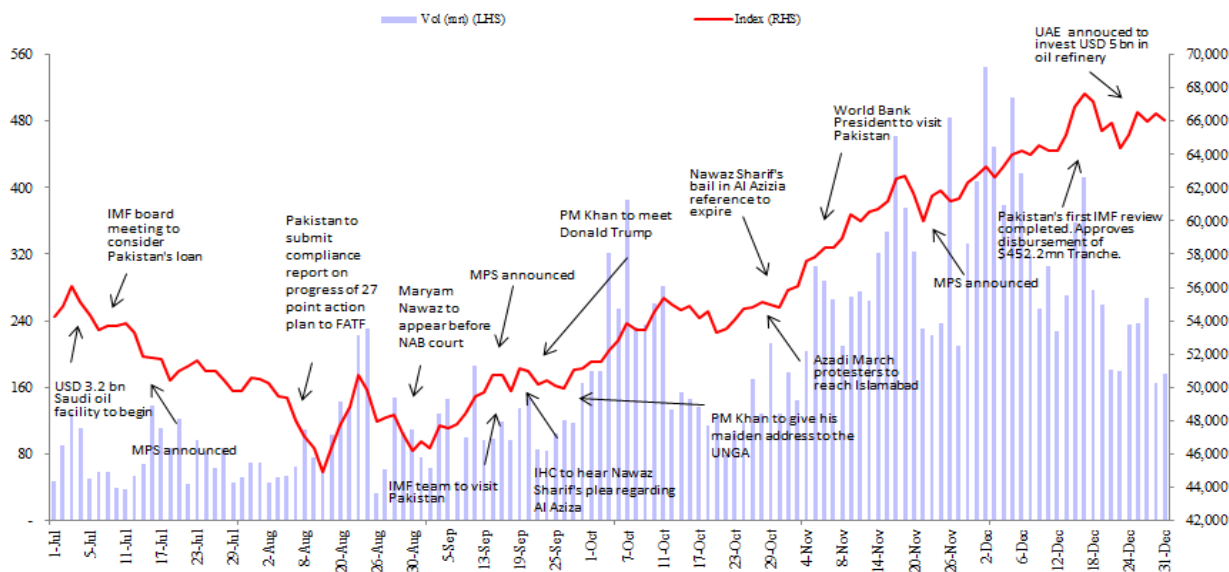
During the period, Fertilizer sector was amongst the top positive contributing sectors. The top contributing stocks in the KMI-30 index in the 1HFY20 were:

Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Engro Corp Ltd/Pakistan	2,271	+37.23%
Dawood Hercules Corp Ltd	1,238	+43.75%
Pakistan Petroleum Ltd	978	+15.64%
Engro Fertilizers Ltd	969	+33.76%
Mari Petroleum Co Ltd	883	+43.02%

On the flip side, stocks in the Refining, Oil Marketing and Engineering sectors were amongst the worst contributors. The key laggards in the KMI-30 index during the period were:

Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
National Refinery Ltd	-20	-8.36%
Byco Petroleum Pakistan Ltd	-15	-5.30%
Thal Ltd	-8	-0.97%
Shell Pakistan Ltd	-5	-1.62%
Millat Tractors Ltd	-2	-0.29%

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



Equity Flows

With respect to flows, banks, mutual funds and insurance companies remained net sellers during first half of FY20, offloading positions worth US\$91mn, US\$53mn and US\$20mn, respectively. The supply was partially absorbed by individuals and foreigners with inflows of US\$140mn and US\$8mn respectively. Foreign inflow was mainly concentrated in fertilizer (US\$35mn) and oil and gas marketing (US\$9.35mn), however, E&P sector witnessed outflow of (US\$28mn).



Mutual Fund Industry Review

During first half of FY20, AUMs of the mutual fund industry size increased by 27.1% to Rs. 674 bn. Shariah Compliant AUMs increased by 27.1% to Rs. 249 bn which brings the share of Shariah Compliant funds at 36.9% in the mutual fund industry. Al Meezan's share in the Mutual Funds industry stood at 18.3% while amongst the Shariah Compliant Funds, it has a share of 49.4% as of December 31, 2019. This marked an increase in market share by 107 basis points with-in the mutual fund AUMs and 290 basis points with-in the Shariah Compliant segment of the industry, for Al Meezan.

The change in AUMs of industry of 1HFY20 over FY19 is as under;

	FY19	1HFY20	Change
	(Rs. In Billion)		(%)
<u>Sovereign, Money Market and Income Funds</u>			
Shariah Compliant Funds	92	136	48.2
Conventional Funds	192	269	39.6
Total Funds	284	404	42.3
<u>Equity Funds (Including Index Tracker Funds)</u>			
Shariah Compliant Funds	64	75	16.3
Conventional Funds	119	133	12.1
Total Funds	183	208	13.6
<u>Capital Protected, balanced, and asset allocation Funds</u>			
Shariah Compliant Funds	23	19	(17.3)
Conventional Funds	14	13	(8.0)
Total Funds	37	32	(13.7)
<u>Commodity Funds</u>			
Shariah Compliant Funds	0.5	0.4	(24.4)
Total Funds	0.5	0.4	(24.4)
<u>Voluntary Pension Funds</u>			
Shariah Compliant Funds	17	19	15.4
Conventional Funds	9	10	13.5
Total Funds	26	30	14.7
<u>Meezan Tahaffuz Pension Fund (MTPF) Market Share</u>			
In Overall Segment (%)	34.85	34.67	(0.2)
In Shariah Compliant Segment (%)	54.05	53.45	(0.6)

Performance Review (Funds)

Meezan Islamic Fund

The net assets of Meezan Islamic Fund (MIF) as at December 31, 2019 stood at Rs. 29,675 million compared to Rs. 25,740 million at the end of June 2019, an increase of 15%. The net asset value (NAV) per unit as at



December 31, 2019 was Rs. 57.6252 in comparison to Rs. 47.9235 per unit as on June 30, 2019 translating into a return of 20.23% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) which increased by 22.01%.

Al Meezan Mutual Fund

The net assets of Al Meezan Mutual Fund (AMMF) as at December 31, 2019 were Rs. 5,037 million compared to Rs. 4,768 million at the end of June 2019, an increase of 6%. The net asset value per unit as at December 31, 2019 was Rs. 16.1162 compared to Rs. 13.3539 per unit on June 30, 2019 translating into a return of 20.67% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) which increased by 22.01%.

KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at December 31, 2019 were Rs. 1,913 million compared to Rs. 1,517 million at June 30, 2019, an increase of 26%. The net asset value per unit at December 31, 2019 was Rs. 64.3831 as compared to Rs. 52.9470 per unit on June 30, 2019 translating into a return of 21.60% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) which increased by 22.01%.

Meezan Dedicated Equity Fund

The net assets of Meezan Dedicated Equity Fund (MDEF) as at December 31, 2019 were Rs. 1,255 million compared to Rs. 1,761 million at June 30, 2019, a decline of 29%. The net asset value per unit at December 31, 2019 was Rs. 42.2756 as compared to Rs. 35.5081 per unit on June 30, 2019 translating into a return of 19.04% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) which increased by 22.01%.

Meezan Energy Fund

The net assets of Meezan Energy Fund (MEF) as at December 31, 2019 were Rs. 608 million compared to Rs. 599 million in June 2019, an increase of 2%. The net asset value per unit as at December 31, 2019 was Rs. 39.5418 as compared to Rs. 33.3649 per unit on June 30, 2019, translating into a return of 18.49% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) which increased by 22.01%.

Meezan Asset Allocation Fund

The net assets of Meezan Asset Allocation Fund (MAAF) as at December 31, 2019 were Rs. 1,644 million compared to Rs. 1,854 million at June 30, 2019, a decline of 11%. The net asset value per unit as at December 31, 2019 was Rs. 42.4834 as compared to Rs. 35.4328 per unit on June 30, 2019 translating into a return of 19.90% during the period compared to the benchmark return which increased by 19.50%.

Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) as at December 31, 2019 were Rs. 21,438 million compared to Rs. 9,471 million at June 30, 2019, an increase of 126%. The net asset value per unit as at December 31, 2019 was Rs. 54.5540 compared to Rs. 51.4367 per unit on June 30, 2019 translating into an annualized return of 12.01% compared to the benchmark annualized return of 6.12%. At period end, the fund was 20% invested in Islamic Corporate Sukuks, 11% in Islamic Commercial Papers, 3% in Certificate of Musharaka and 66% 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, 2019 were Rs. 3,910 million compared to Rs. 5,705 million at June 30, 2019, a decline of 31%. The net asset value per unit at December 31, 2019



was Rs. 54.5952 as compared to Rs. 51.5293 per unit on June 30, 2019 translating into an annualized return of 11.79% compared to the benchmark annualized return of 9.33%. At period end, the fund was 28% invested in GoP guaranteed Sukuks and 72% 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, 2019 were Rs. 10,308 million compared to Rs. 8,851 million at June 30, 2019, an increase of 16%. The net asset value per unit at December 31, 2019 was Rs. 53.3692 as compared to Rs. 50.4731 on June 30, 2019 translating into an annualized return of 11.37% as compared to the benchmark annualized return of 5.49%. At period end 8% of the funds were placed through Bai Muajjal, 13% of the fund was placed in Islamic Commercial Papers, 6% in Islamic Corporate Sukuks and 73% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Rozana Amdani Fund

The net assets of Meezan Rozana Amdani Fund (MRAF) at December 31, 2019 were Rs. 32,040 million compared to Rs. 16,134 million at June 30, 2019, an increase of 99%. The net asset value per unit at December 31, 2019 was Rs. 50.0000. During the period fund provided an annualized return of 12.31% as compared to the benchmark annualized return of 5.49%.

Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at December 31, 2019 were Rs. 4,682 million compared to Rs. 5,350 million at June 30, 2019, a decline of 13%. The net asset value per unit as at December 31, 2019 was Rs. 15.4063 as compared to Rs. 13.4608 per unit on June 30, 2019 translating into a return of 14.47% during the quarter compared to the benchmark return which increased by 13.83%.

Meezan Financial Planning Fund of Funds

Aggressive Allocation Plan

The net assets of the plan were Rs. 327 million as at December 31, 2019 compared to Rs. 365 million at June 30, 2019. The plan provided a return of 16.70% during the period compared to the benchmark return which increased by 17.54%.

Moderate Allocation Plan

The net assets of the plan were Rs. 145 million as at December 31, 2019 compared to Rs. 203 million at June 30, 2019. The plan provided a return of 13.30% during the period compared to the benchmark return which increased by 12.85%.

Conservative Allocation Plan

The net assets of the plan as at December 31, 2019 were Rs. 169 million compared to Rs. 222 million at June 30, 2019. The plan provided a return of 9.69% during the period compared to the benchmark return which increased by 7.98%.

Meezan Asset Allocation Plan-I

The net assets of the plan as at December 31, 2019 were Rs. 326 million compared to Rs. 593 million at June 30, 2019. The plan provided a return of 5.22% during the period compared to the benchmark return which increased by 6.80%.

Meezan Strategic Allocation Fund

Meezan Strategic Allocation Plan-I



The net assets of the plan as at December 31, 2019 were Rs. 929 million compared to Rs. 1,067 million at June 30, 2019. The plan provided a return of 7.90% during the period compared to the benchmark return which increased by 8.46%.

Meezan Strategic Allocation Plan-II

The net assets of the plan as at December 31, 2019 were Rs. 548 million compared to Rs. 728 million at June 30, 2019. The plan provided a return of 15.40% during the period compared to the benchmark return which increased by 16.18%.

Meezan Strategic Allocation Plan-III

The net assets of the plan as at December 31, 2019 were Rs. 877 million compared to Rs. 891 million at June 30, 2019. The plan provided a return of 15.23% during the period compared to the benchmark return which increased by 16.33%.

Meezan Strategic Allocation Plan-IV

The net assets of the plan as at December 31, 2019 were Rs. 967 million compared to Rs. 1,003 million at June 30, 2019. The plan provided a return of 15.30% during the period compared to the benchmark return which increased by 16.38%.

Meezan Strategic Allocation Plan-V

The net assets of the plan as at December 31, 2019 were Rs. 239 million compared to Rs. 316 million at June 30, 2019. The plan provided a return of 14.85% during the period compared to the benchmark return which increased by 15.91%.

Meezan Capital Preservation Plan-III

The net assets of the plan as at December 31, 2019 were Rs. 843 million compared to Rs. 1,099 million at June 30, 2019. The plan provided a return of 7.51% during the period compared to the benchmark return of 4.41%.

Meezan Strategic Allocation Fund -II

Meezan Capital Preservation Plan-IV

The net assets of the plan as at December 31, 2019 were Rs. 1,376 million compared to Rs. 1,553 million at June 30, 2019. The plan provided a return of 9.24% during the period compared to the benchmark return which increased by 7.11%.

Meezan Capital Preservation Plan-V

The net assets of the plan as at December 31, 2019 were Rs. 306 million compared to Rs. 474 million at June 30, 2019. The plan provided a return of 9.64% during the period compared to the benchmark return of 7.60%.

Meezan Capital Preservation Plan-VI

The net assets of the plan as at December 31, 2019 were Rs. 300 million compared to Rs. 384 million at June 30, 2019. The plan provided a return of 9.42% during the period compared to the benchmark return which increased by 7.66%.

Meezan Capital Preservation Plan-VII

The net assets of the plan as at December 31, 2019 were Rs. 169 million compared to Rs. 207 million at June 30, 2019. The plan provided a return of 10.29% during the period compared to the benchmark return which increased by 8.49%.



Meezan Capital Preservation Plan-VIII

The net assets of the plan as at December 31, 2019 were Rs. 99 million compared to Rs. 131 million at June 30, 2019. The plan provided a return of 10.08% during the period compared to the benchmark return of 7.05%.

Meezan Strategic Allocation Fund -III

Meezan Capital Preservation Plan-IX

The net assets of the plan as at December 31, 2019 were Rs. 99 million compared to Rs. 34 million at June 30, 2019. The plan provided a return of 11.17% during the period compared to the benchmark return which increased by 6.46%.

Meezan Gold Fund (MGF)

The net assets of the fund as at December 31, 2019 were 361 million compared to Rs. 478 million at June 30, 2019, a decline of 24%. The Fund provided a return of 6.13% during the period compared to the benchmark return of 6.24%.

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, 2019, the equity sub-fund provided a return of 20.89% and gold sub fund provided a return of 5.66%, while the debt and money market sub-funds provided annualized returns of 11.39% and 10.88% respectively. Performance review for each sub fund is given as under:

Equity Sub Fund

The net assets of this sub fund stood at Rs. 4,666 million at December 31, 2019 compared to Rs. 4,086 million at June 30, 2019, an increase of 14%. The net asset value per unit of the plan was Rs. 456.4783 as at December 31, 2019 as compared to Rs. 377.5765 as at June 30, 2019.

Debt Sub Fund

The net assets of this sub fund stood at Rs. 2,897 million at December 31, 2019 compared to Rs. 2,807 million at June 30, 2019, an increase of 3%. The net asset value per unit of the plan was Rs. 249.6848 as at December 31, 2019 as compared to Rs. 236.1122 as at June 30, 2019.

Money Market Sub Fund

The net assets of this sub fund stood at Rs. 2,628 million at December 31, 2019 compared to Rs. 2,073 million at June 30, 2019, an increase of 27%. The net asset value per unit of the plan was Rs. 247.1034 at the end of December 31, 2019 as compared to Rs. 234.2456 as at June 30, 2019.

Gold Sub Fund

The net assets of this sub fund stood at Rs. 92 million at December 31, 2019 compared to Rs. 84 million at June 30, 2019, an increase of 9%. The net asset value per unit of the plan was Rs. 137.8515 at the end of December 31, 2019 as compared to Rs. 130.4834 as at June 30, 2019.

Outlook

Despite the challenges faced by the Government recently, we have witnessed that some remedial actions have been taken, which will bear fruits ahead, albeit slowly, as for now, it is only reflected in significant reduction in current account deficit.



Going forward, Pakistan is set to slowly but surely meet the IMF's quantitative targets as the program is off to a decent start. However, the inevitable strings attached to any IMF Program may keep the Pakistani economy from witnessing an immediate take-off. We expect that further action on the fiscal front will be essential to achieve any program targets. In line with the economic slowdown being witnessed on account of austerity measures and structural reforms, the SBP has forecasted GDP growth to clock in at around 3.5% for FY20. In contrast, IMF forecasts it to remain around 2.4%. Inflation is expected to average 11-12% in FY20 as utility tariffs have increased. Despite the stability anticipated in the exchange rate, it is expected that the monetary tightening cycle, for the time being, may prolong based on the recent rising inflation

While fundamental analysis of the local equity market proves to be favorable in the long run, slowing economic and business activity indicates that the path to recovery is a tedious and gradual phenomenon. The structural reforms in the country, the re-rating of the market, and the mean reversion of the KSE-100 index have temporarily fueled the positive sentiment in investors. But, political stability in the country, macroeconomic reforms, and geopolitical events will remain catalysts for the performance of 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, the Securities and Exchange Commission of Pakistan and our Trustee, the Central Depository Company of Pakistan for their support. Furthermore, we would like to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued assistance and support on Shariah aspects of fund management.

For and on behalf of the Board

Mohammad Shoaib, CFA

Chief Executive Officer

Date: February 10, 2020

فنڈز کی مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 31 دسمبر 2019ء کو ختم ہونے والے عرصے کیلئے درج ذیل اوپن اینڈ فنڈز اور ایک والنری پنشن اسکیم کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہارِ مسرت کرتا ہے:

ایکویٹی فنڈز

- میزان اسلامک فنڈ (ایم آئی ایف)
- المیزان میوچل فنڈ (اے ایم ایم ایف)
- کے ایس ای - میزان انڈیکس فنڈ (کے ایم آئی ایف)
- میزان ڈیڈ ویلٹیڈ ایکویٹی فنڈ (ایم ڈی ای ایف)

سیکڑ اسپیسفک فنڈ

- میزان انرجی فنڈ (ایم ای ایف)

آگم فنڈز

- میزان اسلامک آگم فنڈ (ایم آئی آئی ایف)
- میزان سوورن فنڈ (ایم ایس ایف)

منی مارکیٹ فنڈ

- میزان کیش فنڈ (ایم سی ایف)
- میزان روزانہ آمدنی فنڈ (ایم آراے ایف)

بیلنسڈ فنڈ

- میزان بیلنسڈ فنڈ (ایم بی ایف)

فنڈ آف فنڈز

- میزان فنانشل پلاننگ فنڈ آف فنڈز (ایم ایف پی ایف)
- میزان اسٹریٹجک ایلوکیشن فنڈ (ایم ایس اے ایف)
- میزان اسٹریٹجک ایلوکیشن فنڈ-II (ایم ایس اے ایف-II)
- میزان اسٹریٹجک ایلوکیشن فنڈ-III (ایم ایس اے ایف-III)

کموڈٹی فنڈ

- میزان گولڈ فنڈ (ایم جی ایف)

ایسیٹ ایلوکیشن فنڈ

- میزان ایسیٹ ایلوکیشن فنڈ (ایم اے اے ایف)

پنشن فنڈ

- میزان تحفظ پنشن فنڈ (ایم ٹی پی ایف)

معاشی جائزہ

مالی سال 20ء کی پہلے نصف نے اقتصادی طور پر بیرونی (غیر ملکی) محاذ پر اچھی خاصی بہتری کا مشاہدہ کیا۔ آئی ایم ایف پروگرام کا حتمی کیا جانا اور اقتصادی کئی اقدامات جو کہ حکومت کی جانب سے سے اٹھائے گئے ہیں، معیشت کے استحکام میں مددگار ثابت ہوئی ہے اور ملک کو ترقی کی راہ پر گامزن کر دیا ہے۔

سال کا آغاز حکومت کے آئی ایم ایف کے ساتھ 6 ارب ڈالر بیکنج کے کامیاب مذاکرات اور اقتصادی کئی استحکام اقدامات کے نفاذ کے ساتھ ہوا جو کہ اس کے ساتھ ہی رونما ہوا۔ پاکستان کی آئی ایم ایف پروگرام میں داخلے نے بھی عالمی بینک (ڈی بی پی)، ایشیائی ترقیاتی بینک (اے ڈی بی) اور دیگر قرض دہندگان سے مزید رقموں کی آمد کیلئے راہ ہموار کر دی ہے۔ ملک نے آئی ایم ایف سے دسمبر 2019ء میں 0.45 ارب ڈالر مالیت کی ادائیگی کی دوسری قسط حاصل کر لی ہے جس سے کل رقم 1.44 ارب ہو گئی ہے۔ مزید یہ کہ حکومت پاکستان بجٹ میں اعانت اور توانائی کے شعبے میں اصلاحات کیلئے ایشیائی ترقیاتی بینک (اے ڈی بی) کے 1.3 ارب ڈالر کے قرضے کیلئے سمجھوتے کو آخری شکل بھی دے دی ہے جس کیلئے دسمبر 2019ء میں مذکورہ رقم کی ادائیگی بھی حاصل کی جا رہی ہے۔

مالیاتی محاذ پر، جنوری 2018ء سے لگاتار 8 برسوں کے اضافہ شرح کے بعد، بینک دولت پاکستان نے ستمبر میں شرح پالیسی %13.25 برقرار رکھنے کا فیصلہ کیا اور مالی سال 20ء کیلئے افراط زر کی شرح 11 سے 12 فیصد تک رہنے کی پیش گوئی کر دی۔ مالی سال 20ء کے پہلے نصف کیلئے صارف قیمت اشاریہ برائے افراط زر (سی پی آئی انفلیشن) بلند سطح پر رہا اور %11.11 ریکارڈ کیا گیا جس کی بنیادی وجہ ایشیائی خورد و نوش کی قیمتوں پر موسمی اثرات تھے جو کہ آگے چل کر معمول پر آ جائیں گی۔

مالیاتی شعبے میں ترقی و وسیع البیادیکس اصلاحات اور غیر ترقیاتی اخراجات پر سخت کنٹرول کی وجہ سے سیکڑ گئی ہے۔ مالی سال 20ء کے پہلے نصف میں ایف بی آر نے سال بہ سال %16.3 کی شرح سے ٹیکس وصولی میں اضافہ کرتے ہوئے اُسے 2,083 ارب روپے تک پہنچا دیا۔ وصولی میں بہتری کے باوجود چھ ماہ کا ہدف 114 ارب روپے کم رہا جس کی وجہ درآمدات میں اچھی خاصی کمی ہے۔ اخراجات کے لحاظ سے، پبلک سیکٹر ڈیولپمنٹ پروگرام (پی ایس ڈی پی) جولائی تا اکتوبر برائے مالی سال 20ء کے دوران پچھلے سال کے 105.5 ارب روپے سے بڑھ کر 257 ارب روپے ہو گیا۔ مالیاتی محاذ پر، حکومت، بینک دولت پاکستان سے بجٹ کے سلسلے میں ادھار کے معمولات پر قائم رہی، جس سے آئی ایم ایف پروگرام کے تحت کارکردگی کی تکمیل میں مدد ملی اور افراط زر کیلئے بھی ایک اُمید افزا توقع فراہم ہوئی۔

بیرونی شعبہ مالی سال 19ء کے پانچوں مہینے میں 6.73 ارب ڈالر کے اخراجات جاریہ کے خسارے میں معقول لمبی کے ساتھ مالی سال 20ء کے پانچوں مہینے میں 1.82 ارب ڈالر کی مستحکم بہتری ظاہر کرتے ہوئے (سال بہ سال %72.9 کمی) تسلسل برقرار رکھا۔ اس کی بڑی وجہ تجارتی خسارے میں سکون تھی جو کہ مالی سال 20ء کے پہلے نصف میں 11.63 ارب ڈالر تک %30.7 سے بھی کم رہا کیونکہ ایشیا کی درآمدات %17.1 سے کم ہو کر 23.16 ارب ڈالر تک ہو گئی، جبکہ برآمدات %3.2 کی شرح سے بڑھ کر 11.6 ارب ڈالر تک پہنچ گئیں۔ اس کے نتیجے میں کرنٹ اکاؤنٹ (بقا یا حسابات جاریہ) میں ساڑھے تین سال سے زائد (3.6~) عرصے کے بعد اکتوبر 2019ء میں سرپلس یعنی بہتات ریکارڈ کی گئی (اپریل 2016ء میں کرنٹ اکاؤنٹ سرپلس آخری بار ریکارڈ کیا گیا تھا)۔ کیپٹل اور فنانشل اکاؤنٹ بھی بلند تر غیر ملکی سرمایہ کاری (ایف ڈی آئی) کی وجہ سے رہے اور پورٹ فولیو انفلووز کے تسلسل کو برقرار رکھے جس سے سرمایہ کاروں کے اعتماد کی تجدید کی عکاسی ہوتی ہے۔ مزید یہ کہ پاکستان کے روپے سے مغلوب بازار قرض میں غیر ملکی سرمایہ کاری میں سہولت بہم پہنچانے کی حکومتی کوشش بھی بار آور ثابت ہوئی اور نتیجتاً پاکستان اسکے مقامی بازار قرض میں 1.5 ارب ڈالر کی رقم لانے میں کامیاب رہا (خصوصی طور پر ٹی۔ بلز۔ ہاٹ منی) بذریعہ اسٹیبل کنورٹبل روپی اکاؤنٹس۔

دیگر کثیر جہتی ایجنسیوں سے رقوم کے ساتھ آئی ایم ایف کے تحت ادائیگی اور حسابات جاریہ خسارے میں کمی نے غیر ملکی زرمبادلہ کے ذخائر میں اس عرصے کے دوران 18.1 ارب ڈالر تک بڑھانے میں مدد کی جو کہ جاری مالی سال کے آغاز سے %24.9 کا اضافہ ہے۔ زرمبادلہ کے ذخائر میں بہتری کے ساتھ، حسابات جاریہ میں سدھار جاری مالی سال کے آغاز سے امریکی ڈالر کے مقابلے میں روپے کی قدر میں استحکام کی طرف گامزن ہوا جو کہ 162.4 روپے فی ڈالر سطح سے کم ہو کر 154.9 روپے فی امریکی ڈالر ہو گیا۔ مالی سال 20ء کیلئے شرح نمو %2.5 سے %3 تک متوقع ہے۔ مالی ناکامیوں، بڑھتے افراط زر اور ایف اے ٹی ایف کے آئندہ فیصلے کی شکل میں چیلنجز موجود رہیں گے۔

بازار زر کا جائزہ

بینک دولت پاکستان نے 2019ء کے جولائی کے مہینے 1 فیصد بڑھانے کے بعد شرح پالیسی کو %13.25 پر برقرار رکھنے کا فیصلہ کیا ہے۔ مارکیٹ شرح سود میں کسی الٹ پلٹ کی توقع رکھتی تھی، لیکن افراط زر پر بڑھتے دباؤ کی وجہ سے شرح پالیسی کو گمرانی میں رکھا۔ عالمی معیشتوں میں تیل اور ایشیا خورد و نوش کی قیمتوں میں کمی اور سٹروئی کے سبب بازار زر نے قیاس کیا کہ زیر جائزہ عرصے میں افراط زر شاید بڑھ بھی سکتا ہے، جس سے خط یافت میں زبردست انحراف ہو جائے جسے حکومتی و تائق (گورنمنٹ پیپر) کی ثانوی بازار کی یافتوں میں تیزا انحطاط سے مشاہدہ کیا گیا۔ چنانچہ طویل تر مدت کے حکومتی بانڈز کیلئے طلب میں اضافے نے پی آئی بی یافتوں کو نیچے دھکیل دیا جبکہ 10 سالہ بانڈز %11.64 (221 پی آئی بی سے کم)، 5 سالہ بانڈز %10.91 (296 پی آئی بی سے کم) اور 3 سالہ بانڈز %11.00 (272 پی آئی بی سے کم) پر بند ہوئے۔ حکومتی و تائق کیلئے بڑھتی طلب کیلئے جزوی وجہ پاکستان کی جانب سے جاری کردہ فکسڈ انکم سیکورٹیز میں غیر ملکی سرمایہ کاروں کی زیادہ دلچسپی سے منسوب کی جاسکتی ہے۔ غیر ملکی

سرمایہ کاروں نے پہلے 6 مہینوں کے دوران 1.4 ارب ڈالر ملکی فکسڈ انکم کی طرف سے برقرار رکھے گئے جس سے غیر ملکی شرمبادلہ کے ذخائر کو بہت زیادہ مطلوب اعانت فراہم ہوئی۔

زریعہ کے محاذ پر، بازار زر مستحکم رہا جس کی وجہ بینک دولت پاکستان کی طرف سے لگاتار ادا ایم او تھے۔ اس عرصے کے دوران، مرکزی بینک نے ٹی-بلز کے ذریعے اضافہ 9.99 کھرب روپے اُدھار لیے اور پرائمری مارکیٹ میں پی آئی بی کے ذریعے 1.25 کھرب روپے اُدھار لیے گئے۔ تاہم، بازار کی مدد کی غرض سے، بینک دولت پاکستان نے ادا ایم او کے ذریعے 975 ارب روپے نقد شامل کئے ہیں۔

اسلامی بازار زر کے محاذ پر، اجارہ صکوک کی قیمتوں نے تیز اضافوں کا مشاہدہ کیا جس کی وجہ موافق شریعہ سرکاری/اجارہ ضمانتوں کی دستیابی کی کمی تھی۔ یہاں یہ بتانا مناسب ہوگا کہ 385 ارب روپے مالیت کے جاری چار اجارہ صکوکات ایٹوز میں سے تین اجارہ صکوک کی مالیت 314 ارب روپے تھی جو مالی سال 19ء کے دوران میعاد پوری کر چکے تھے اور آخری بیچ رہا اجارہ بھی جون 2020ء میں اپنی مدت پوری کر لے گا۔ حکومت نے 2017ء سے اب تک کسی بھی اجارہ صکوک کی نیلامی کا انعقاد نہیں کیا۔ پچھلے مالی سال میں، مارچ 2019ء میں حکومت نے 200 ارب روپے مالیت کے پاکستان انرجی صکوک-اجاری کیا تھا۔ انرجی صکوک کا دوسرا ایٹوز جاری مالی سال میں متوقع ہے۔ تاہم، کارپوریٹ سیکٹر یعنی کاروباری شعبے نے صکوکات اور اسلامی تجارت وثیقہ کے ذریعے رقوم اکٹھا کرنے کے عمل جاری رکھا ہے جس نے اسلامی اداروں کے پاس دستیاب فاصل نقد رقم کے کچھ حصے کو جذب کرنے میں کلیدی کردار ادا کیا ہے۔

بازار حصص کا جائزہ

مالی سال 2020ء کی پہلی نصف کے دوران، کے ایم آئی-30 نے بہت تیز رفتاری سے بحالی کی ہے اور اس عرصے کے اختتام پر 22% کے متاثر کن اضافہ کو ظاہر کیا اور کے ایم آئی-30 انڈیکس نے 66,032 پر اختتام کیا جبکہ ایس ای-100 نے اسی عرصے میں 20% کے اضافے کے ساتھ 40,735 پر اختتام کیا۔ یہ 30 جون 2019ء کی سطحوں سے کے ایم آئی-30 میں 17% کی کمی ریکارڈ کرنے کے بعد تھا۔ اس عرصے میں کے ایم آئی-30 اور کے ایس ای-100 انڈیکس دونوں کے ساتھ حجم میں علی الترتیب 29% اور 19% کے اضافے سے سرمایہ کاروں کی شرکت بہتر ہوئی ہے۔ روزانہ تجارت کردہ قیمت، اگرچہ اب بھی سال بہ سال 27% کی کمی کے ساتھ سال 20ء میں 42.1 ملین ڈالر پر تھی، جولائی 2019ء میں 9.1 ملین ڈالر کے اسکے چلی قیمت سے تیزی کے ساتھ اوپر اٹھی ہے، (دسمبر 2011ء میں دیکھی گئی آخری سطحیں)۔

بازار حصص نے اس عرصے میں مندی کے رجحان سے آغاز کیا جس کی وجہ اقتصادِ گلی تو قعات پر تشویش تھی اور جس کے نتیجے میں کے ایم آئی-30 اور کے ایس ای-100 انڈیکس 17% اور 15% علی الترتیب نتیجے چلے گئے اور 16 اگست 2019ء کے مطابق 44,929 اور 28,764 کی سب سے کم سطحوں کو چھو گئے۔ تاہم، اسکے بعد کے ایم آئی-30 اور کے ایس ای-100 انڈیکس نے اسکی سب سے کم سطحوں سے 47% اور 42% کی تیزی سے بحالی کے ساتھ پھر اوپر کی طرف گامزن ہو گئے اور اس بحالی کی بڑی وجوہات میں شامل ہیں: (i) 6 ارب ڈالر کے آئی ایم ایف پروگرام میں کامیاب داخلہ جس سے بہت زیادہ مطلوب کثیر جہتی/دو طرفہ تعاون کے حصول میں مدد ملی، (ii) قیمتوں کے لگاتار چڑھاؤ کے بعد، بینک دولت پاکستان نے پچھلے دو مالی پالیسیز میں وضع طبعی نرخ/شرح برقرار رکھی، جس سے آگے چل کر مالیاتی آسانی کی تو قعات کو روشن کیا، (iii) حسابات جاریہ میں بہتری دیکھی گئی، (iv) 1.4 ارب ڈالر کی رقم نے غیر ملکی زرمبادلہ کے ذخائر میں مدد کی اور روپے بمقابلہ ڈالر میں استحکام فراہم کیا۔ مجموعی طور پر سیاسی ماحول نے بھی سرمایہ کاروں کے بہتر یقین کی جانب معاونت کی کیونکہ حکومت نے اپنے سیاسی مخالفین کی طرف مصالحتی لہجے کا مظاہرہ کیا۔

عالمی منڈیاں

سرمایہ کاری میں عالمی رجحان جو ای ایم ای ٹی ایف کی طرف چل پڑا تھا واپس ہو گیا کیونکہ سرمایہ کاروں نے مستحکم ہوتے امریکی ڈالر کے باوجود ای ایم منڈیوں میں 7.26 ارب ڈالر سے زائد استعمال کر دیئے۔ یہ رقم مالی سال 20ء کی پہلی سہ ماہی کی سٹ روی کے بعد آئی ہے جہاں 7.5 ارب ڈالر مالیت کی سیکورٹیز لیکویڈیٹ کیا گیا۔ ایم ایس سی آئی ای ایم نے اسی عرصے کے دوران 10% کے ایس اینڈ پی 500 اضافہ کے مقابلے میں 6% اضافے کو ریکارڈ کیا۔ امریکی منڈیوں نے ایف ای ڈی کی جانب سے مالیاتی آسانی پر بہت زبردست کارکردگی کے تسلسل کو جاری رکھا۔ کہا جاتا ہے کہ اس عرصے کے اختتام پر مجموعی عالمی منڈی نے بہتری کا مظاہرہ کیا کیونکہ چین اور امریکہ کے مابین ایک تجارتی سمجھوتے کا امکان تھا اور بریگزٹ کی غیر یقینی میں کمی نے ترقی یافتہ، اُبھرتی اور فرٹیر مارکیٹس/منڈیاں تمام تر منڈیوں میں سب کے سب مثبت جزبات کی طرف گامزن کیا جس سے ایک صف آرائی کا مشاہدہ کیا گیا۔

تیل کی قیمتیں نسبتاً مستحکم رہیں، اگرچہ اُس وقت چین-امریکہ تجارتی جنگ سے متعلق خبروں نے کچھ غیر یقینی کیفیت طاری کر دی تھی۔ مجموعی طور پر برینٹ کروڈ پہلے نصف میں 1% کم ہو کر 66.55 ڈالر فی بیرل پر بند ہوا۔

انڈیکس کے بڑے حصے دار

اس عرصے کے دوران، فریلائزر (کھاد) مثبت حصے داروں میں شامل رہا۔ 1HFY20 میں KMI-30 انڈیکس میں چوٹی کے حصے دار اسٹاکس یہ رہے:

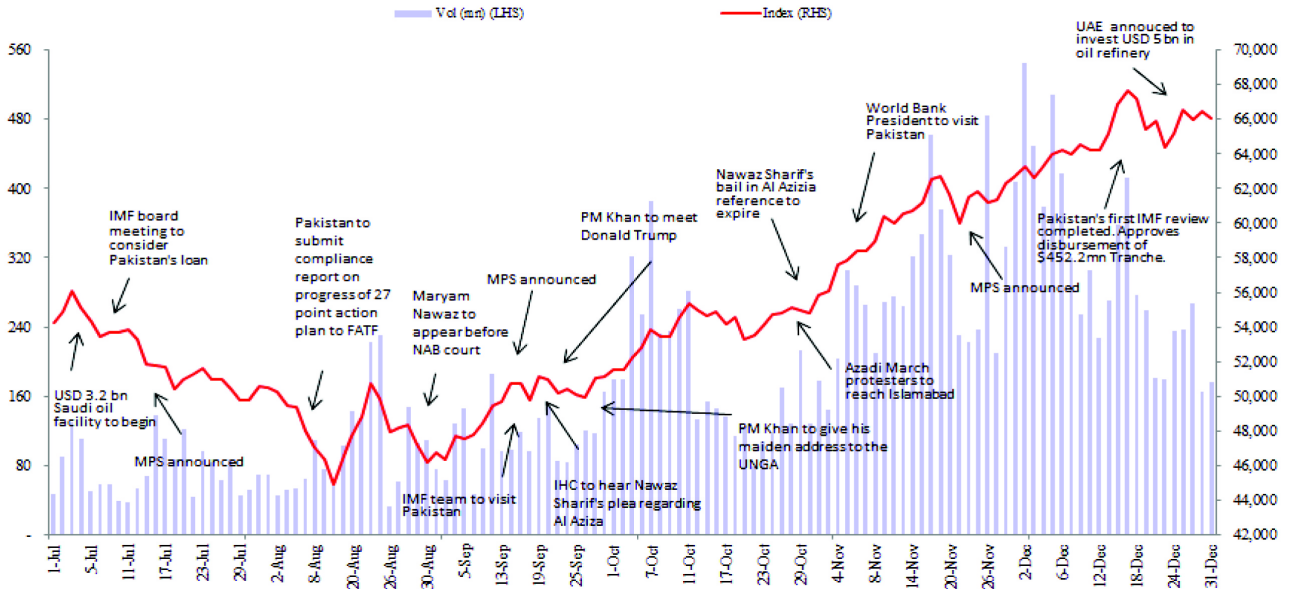
انڈیکس کے مثبت حصے دار	KMI-30 (پوائنٹس) میں حصہ	کل منافع/عائدات (%)
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+37.23%	2,271	اینٹروکارپوریشن لمیٹڈ پاکستان
+43.75%	1,238	داؤد ہرکیولیس کارپوریشن لمیٹڈ
+15.64%	978	پاکستان پیٹرولیم لمیٹڈ
+33.76%	969	اینٹروفزٹیلٹرز لمیٹڈ
+43.02%	883	ماری پیٹرولیم کیمنی لمیٹڈ

دوسری جانب، ریفاٹینگ، آئل مارکیٹنگ اور انجینئرنگ کے شعبے بدترین حصے دار تھے۔ اس عرصے کے دوران KMI-30 انڈیکس میں سب سے سست شعبے یہ رہے:

انڈیکس کے منفی حصے دار	KMI-30 (پوائنٹس) میں حصہ	کل منافع/عائدات (%)
میشنل ریفاٹری لمیٹڈ	-20	-8.36%
بائی کو پیٹرولیم پاکستان لمیٹڈ	-15	-5.30%
تھل لمیٹڈ	-8	-0.97%
شیل پاکستان لمیٹڈ	-5	-1.62%
ملٹ ٹریڈر لمیٹڈ	-2	-0.29%

اس عرصے کے دوران KMI-30 کی مجموعی حرکت و سکنات درج ذیل گراف سے مشاہدہ کی جاسکتی ہے:



حصص کا بہاؤ:

بہاؤ کے لحاظ سے، بینکس، میوچل فنڈز اور بیہ کمپنیز مالی سال 20ء کے پہلے نصف کے دوران خالص فروخت کنندگان تھے، خارج ہونے والے حصص کی مالیت علی الترتیب 91 ملین ڈالر، 53 ملین ڈالر اور 20 ملین ڈالر تھی۔ انفرادی اور غیر ملکی سرمایہ کاروں کی جانب سے 140 ملین ڈالر اور 8 ملین ڈالر کی علی الترتیب رقم سے رسد یعنی سپلائی جزوی طور پر جذب ہوئی ہے۔ غیر ملکی انفلو زیادہ تر کھاد (35 ملین ڈالر) اور تیل و گیس مارکیٹنگ (9.35 ملین ڈالر) پر مرکوز تھا، تاہم، انرجی اینڈ پاور سیکٹر نے 28 ملین ڈالر کے آؤٹ فلو (خراج) کا مشاہدہ کیا۔

میوچل فنڈ انڈسٹری کا جائزہ:

مالی سال 20ء کی پہلی سہ ماہی کے دوران، میوچل فنڈ انڈسٹری کے زیر انتظام اثاثہ جات %27.1 کی شرح سے بڑھ کر 674 ارب روپے ہو گئے۔ شرعیہ موافق زیر انتظام اثاثہ جات %27.1 کی شرح سے بڑھ کر 249 ارب روپے ہو گئے جس سے میوچل فنڈ انڈسٹری میں شرعیہ موافق فنڈز کا حصہ %36.9 پر آ گیا۔ المیزان کا میوچل فنڈ انڈسٹری میں حصہ %18.3 ہے جبکہ شرعیہ موافق فنڈز میں اس کا

حصہ بمطابق 31 دسمبر 2019ء، 49.4% ہے۔ یہ مارکیٹ شیئر میں 107 پیسر پوائنٹس سے میوچل فنڈ کے زیر انتظام اثاثہ جات میں اضافے کو ظاہر کرتا ہے اور المیز ان کیلئے انڈسٹری کے شریعہ موافق شعبے میں 290 میں پوائنٹس کو ظاہر کرتا ہے۔

مالی سال 19ء میں مالی سال 20ء کی پہلی سہ ماہی کے انڈسٹری کے زیر انتظام اثاثہ جات میں تبدیلی ذیل کے مطابق ہے:

فرق (%)	پہلی سہ ماہی مالی سال 20ء	مالی سال 19ء	سوورن، منی مارکیٹ اور انکم فنڈز
48.2	136	92	شریعیہ موافق فنڈز
39.6	269	192	روایتی فنڈز
42.3	404	284	کل فنڈز
			ایکویٹی فنڈز (بشمول انڈیکس ٹریڈنگ فنڈز)
16.3	75	64	شریعیہ موافق فنڈز
12.1	133	119	روایتی فنڈز
13.6	208	183	کل فنڈز
			کیپٹل پروڈیکٹڈ، ہیلمنڈ اور ایسیٹ ایلوکیشن فنڈز
(17.3)	19	23	شریعیہ موافق فنڈز
(8.0)	13	14	روایتی فنڈز
(13.7)	32	37	کل فنڈز
			کموڈٹی فنڈز
(24.4)	0.4	0.5	شریعیہ موافق فنڈز
(24.4)	0.4	0.5	کل فنڈز
			والٹری پنشن فنڈز
15.4	19	17	شریعیہ موافق فنڈز
13.5	10	9	روایتی فنڈز
14.7	30	26	کل فنڈز
			میزان تحفظ پنشن فنڈ (ایم آئی پی ایف) مارکیٹ شیئر
(0.2)	34.67	34.85	مجموعی شعبے میں (%)
(0.6)	53.45	54.05	شریعیہ موافق شعبے میں (%)

جائزہ کارکردگی (فنڈز)

میزان اسلامک فنڈ (ایم آئی ایف)

میزان اسلامک فنڈ (ایم آئی ایف) کے خالص اثاثہ جات جون 2019ء کے اختتام کے 25,740 ملین روپے کے مقابلے میں 15% اضافے کے ساتھ 31 دسمبر 2019ء کو 29,675 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 47.9235 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 57.6252 روپے تھی جو کے ایس ای میز انڈیکس (کے ایم آئی-30) کے اس عرصے کے بیچ مارک منافع %22.01 کے مقابلے میں %20.23 منافع کی ترجمانی کرتی ہے۔

المیز ان میوچل فنڈ (اے ایم ایم ایف)

المیز ان میوچل فنڈ (اے ایم ایم ایف) کے خالص اثاثہ جات جون 2019ء کے اختتام کے 4,768 ملین روپے کے مقابلے میں 6% اضافے کے ساتھ 31 دسمبر 2019ء کو 5,037 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 13.3539 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 16.1162 روپے تھی جو کے ایس ای میز انڈیکس

(کے ایم آئی-30) کے اس عرصے کے بیچ مارک منافع 22.01% کے مقابلے میں 20.67% منافع کی ترجمانی کرتی ہے۔

کے ایس ای-میزان انڈیکس فنڈ (کے ایم آئی ایف)

کے ایس ای-میزان انڈیکس فنڈ (کے ایم آئی ایف) کے خالص اثاثہ جات جون 2019ء کے 1,517 ملین روپے کے مقابلے میں 26% اضافی کے ساتھ 31 دسمبر 2019ء کو 1,913 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 52.9470 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 64.3831 روپے تھی جو کے ایس ای میزبان انڈیکس (کے ایم آئی-30) کے اس عرصے کے بیچ مارک منافع 22.01% کے مقابلے میں 21.60% منافع کی ترجمانی کرتی ہے۔

میزان ڈیڈ بیلنڈ ایکویٹی فنڈ (ایم ڈی ای ایف)

میزان ڈیڈ بیلنڈ ایکویٹی فنڈ (ایم ڈی ای ایف) کے خالص اثاثہ جات جون 2019ء کے 1,761 ملین روپے کے مقابلے میں 29% کمی کے ساتھ 31 دسمبر 2019ء کو 1,255 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 35.5081 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 42.2756 روپے تھی جو کے ایس ای میزبان انڈیکس (کے ایم آئی-30) کے اس عرصے کے بیچ مارک منافع 22.01% کے مقابلے میں 19.04% منافع کی ترجمانی کرتی ہے۔

میزان انرجی فنڈ (ایم ای ایف)

میزان انرجی فنڈ (ایم ای ایف) کے خالص اثاثہ جات جون 2019ء کے 599 ملین روپے کے مقابلے میں 2% اضافے کے ساتھ 31 دسمبر 2019ء کو 608 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 33.3649 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 39.5418 روپے تھی جو کے ایس ای میزبان انڈیکس (کے ایم آئی-30) کے اس عرصے کے بیچ مارک منافع 22.01% کے مقابلے میں 18.49% منافع کی ترجمانی کرتی ہے۔

میزان ایسیٹ ایلوکیٹن فنڈ (ایم اے ای ایف)

میزان ایسیٹ ایلوکیٹن فنڈ (ایم اے ای ایف) کے خالص اثاثہ جات جون 2019ء کے 1,854 ملین روپے کے مقابلے میں 11% متزلی کے ساتھ 31 دسمبر 2019ء کو 1,644 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 35.4328 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 42.4834 روپے تھی جو کے ایس ای میزبان انڈیکس (کے ایم آئی-30) کے اس عرصے کے بیچ مارک منافع 19.50% کے مقابلے میں 19.90% منافع کی ترجمانی کرتی ہے۔

میزان اسلامک آکم فنڈ (ایم آئی آئی ایف)

میزان اسلامک آکم فنڈ (ایم آئی آئی ایف) کے خالص اثاثہ جات جون 2019ء کے 9,471 ملین روپے کے مقابلے میں 126% کے اضافے کے ساتھ 31 دسمبر 2019ء کو 21,438 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 51.4367 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 54.5540 روپے تھی جو 6.12% کے بیچ مارک سالانہ منافع کے مقابلے میں 12.01% کے سالانہ منافع کی ترجمانی کرتی ہے۔ اس عرصے کے اختتام پر اس فنڈ کی 20% سرمایہ کاری اسلامک کارپوریٹ سکوک میں، 11% کمرشل پیپرز میں، 3% مشارکہ سرٹیفکیٹ میں کی گئی اور خالص اثاثہ جات کے 66% کو اسلامی بینکس کے ونڈوز یا اسلامی بینکس میں رکھا گیا۔

میزان سوورن فنڈ (ایم ایس ایف)

میزان سوورن فنڈ (ایم ایس ایف) کے خالص اثاثہ جات جون 2019ء کے 5,705 ملین روپے کے مقابلے میں 31% متزلی کے ساتھ 31 دسمبر 2019ء کو 3,910 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 51.5293 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 54.5952 روپے تھی جو 9.33% کے بیچ مارک سالانہ منافع کے مقابلے میں 11.79% کے سالانہ منافع کی ترجمانی کرتی ہے۔ اس عرصے کے اختتام پر اس فنڈ کی 28% سرمایہ کاری حکومت پاکستان اجارہ سکوک میں اور خالص اثاثہ جات کے 72% کو اسلامی بینکس کے ونڈوز یا اسلامی بینکس میں رکھا گیا۔

میزان کیش فنڈ (ایم سی ایف)

میزان کیش فنڈ (ایم سی ایف) کے خالص اثاثہ جات جون 2019ء کے 8,851 ملین روپے کے مقابلے میں 16% اضافے کے ساتھ 31 دسمبر 2019ء کو 10,308 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 50.4731 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 53.3692 روپے تھی جو 5.49% کے بیچ مارک سالانہ منافع کے مقابلے میں 11.37% کے سالانہ منافع کی ترجمانی کرتی ہے۔ اس عرصے کے اختتام پر اس فنڈ کا 8% بیج معجل کے ذریعے رکھے گئے، 13% اسلامک کمرشل پیپرز میں، 6% اسلامک

کارپوریٹ صکوکس میں اور خالص اثاثہ جات کا %73 اسلامی بینکس یا ونڈوز کے اسلامی بینکس میں رکھا گیا۔

میزان روزانہ آمدنی فنڈ (ایم آر اے ایف)

میزان روزانہ آمدنی فنڈ (ایم آر اے ایف) کے خالص اثاثہ جات 30 جون 2019ء کے 16,134 ملین روپے کے مقابلے میں %99 اضافے کے ساتھ 31 دسمبر 2019ء کو 32,040 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ 31 دسمبر 2019ء کو 50.0000 روپے تھی۔ اس عرصے کے دوران فنڈ نے %5.49 کے نیچے مارک سالانہ منافع کے مقابلے میں %12.31 کا سالانہ منافع فراہم کیا۔

میزان ہیلمنڈ فنڈ (ایم بی ایف)

میزان ہیلمنڈ فنڈ (ایم بی ایف) کے خالص اثاثہ جات 30 جون 2019ء کے 5,350 ملین روپے کے مقابلے میں %13 تنزلی کے ساتھ 31 دسمبر 2019ء کو 4,682 ملین روپے تھے۔ خالص مالیت اثاثہ جات فی یونٹ (این اے وی) 30 جون 2019ء کے 13.4608 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019ء کو 15.4063 روپے تھی جو اس سہ ماہی کے دوران نیچے مارک %13.83 منافع کے مقابلے میں %14.47 منافع کی ترجمانی کرتی ہے۔

میزان فنانشل پلاننگ فنڈ آف فنڈز (ایم ایف پی ایف)

ایگریسیو ایلو کیشن پلان

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 365 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 327 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیچے مارک %17.54 منافع کے مقابلے میں %16.70 کا منافع فراہم کیا۔

موڈریٹ ایلو کیشن پلان

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 203 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 145 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیچے مارک %12.85 منافع کے مقابلے میں %13.30 کا منافع فراہم کیا۔

کنزرویٹو ایلو کیشن پلان

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 222 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 169 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیچے مارک %7.98 منافع کے مقابلے میں %9.69 کا منافع فراہم کیا۔

میزان ایسیٹ ایلو کیشن پلان-I

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 593 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 326 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیچے مارک %6.80 منافع کے مقابلے میں %5.22 کا منافع فراہم کیا۔

میزان اسٹریٹجک ایلو کیشن فنڈ (ایم ایس اے ایف)

میزان اسٹریٹجک ایلو کیشن پلان-I

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 1,067 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 929 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیچے مارک %8.46 منافع کے مقابلے میں %7.90 کا منافع فراہم کیا۔

میزان اسٹریٹجک ایلو کیشن پلان-II

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 728 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 548 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیچے مارک %16.18 منافع کے مقابلے میں %15.40 کا منافع فراہم کیا۔

میزان اسٹریٹجک ایلوکیشن پلان-III

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 891 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 877 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %16.33 منافع کے مقابلے میں %15.23 کا منافع فراہم کیا۔

میزان اسٹریٹجک ایلوکیشن پلان-IV

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 1,003 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 967 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %16.38 منافع کے مقابلے میں %15.30 کا منافع فراہم کیا۔

میزان اسٹریٹجک ایلوکیشن پلان-V

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 316 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 239 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %15.91 منافع کے مقابلے میں %14.85 کا منافع فراہم کیا۔

میزان کیپٹل پر یزرویشن پلان-III

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 1,099 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 843 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %4.41 منافع کے مقابلے میں %7.51 کا منافع فراہم کیا۔

میزان اسٹریٹجک ایلوکیشن فنڈ-II (ایم ایس اے ایف-II)

میزان کیپٹل پر یزرویشن پلان-IV

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 1,553 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 1,376 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %7.11 منافع کے مقابلے میں %9.24 کا منافع فراہم کیا۔

میزان کیپٹل پر یزرویشن پلان-V

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 474 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 306 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %7.60 منافع کے مقابلے میں %9.64 کا منافع فراہم کیا۔

میزان کیپٹل پر یزرویشن پلان-VI

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 384 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 300 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %7.66 منافع کے مقابلے میں %9.42 کا منافع فراہم کیا۔

میزان کیپٹل پر یزرویشن پلان-VII

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 207 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 169 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %8.49 منافع کے مقابلے میں %10.29 کا منافع فراہم کیا۔

میزان کیپٹل پر یزرویشن پلان-VIII

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 131 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 99 ملین روپے تھے۔ اس عرصے کے دوران پلان نے نیٹج مارک %7.05 منافع کے مقابلے میں %10.08 کا منافع فراہم کیا۔

میزان اسٹریٹجک ایلوکیشن فنڈ-III (ایم ایس اے ایف-III)

میزان کیپٹل پریزرویشن پلان-IX

پلان کے خالص اثاثہ جات 30 جون 2019ء کے 34 ملین روپے کے مقابلے میں 31 دسمبر 2019ء کو 99 ملین روپے تھے۔ اس عرصے کے دوران پلان نے بیچ مارک %6.46 منافع کے مقابلے میں %11.17 کا منافع فراہم کیا۔

میزان گولڈ فنڈ (ایم جی ایف)

فنڈ کے خالص اثاثہ جات 30 جون 2019ء کے 478 ملین روپے کے مقابلے میں %24 تنزلی کے ساتھ 31 دسمبر 2019ء کو 361 ملین روپے تھے۔ اس عرصے کے دوران فنڈ نے بیچ مارک %6.24 منافع کے مقابلے میں %6.13 کا منافع فراہم کیا۔

میزان تحفظ پنشن فنڈ (ایم ٹی پی ایف)

ایم ٹی پی ایف 4؛ بیلی فنڈز یعنی ایکویٹی سب فنڈ، ڈیٹ سب فنڈ، منی مارکیٹ سب فنڈ اور گولڈ سب فنڈ پر مشتمل ہے۔ 31 دسمبر 2019ء کو اختتام پذیر ہونے والے عرصے کیلئے، ایکویٹی سب فنڈ نے %20.89 کا منافع اور گولڈ سب فنڈ نے %5.66 کا منافع فراہم کیا جبکہ ڈیٹ اور منی مارکیٹ سب فنڈز نے بالترتیب %11.39 اور %10.88 سالانہ منافع فراہم کیا۔ ہر ایک سب فنڈ کی کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

ایکویٹی سب فنڈ

اس سب فنڈ کے خالص اثاثہ جات 30 جون 2019ء کے 4,086 ملین روپے کے مقابلے میں %14 اضافے کے ساتھ 31 دسمبر 2019ء کو 4,666 ملین روپے تھے۔ پلان کی خالص مالیت اثاثہ جات نی یونٹ (این اے وی) 30 جون 2019ء کے 377.5765 روپے نی یونٹ کے مقابلے میں 31 دسمبر 2019ء کے اختتام پر 456.4783 روپے تھی۔

ڈیٹ سب فنڈ

اس سب فنڈ کے خالص اثاثہ جات 30 جون 2019ء کے 2,807 ملین روپے کے مقابلے میں %3 اضافے کے ساتھ 31 دسمبر 2019ء کو 2,897 ملین روپے تھے۔ پلان کی خالص مالیت اثاثہ جات نی یونٹ (این اے وی) 30 جون 2019ء کے 236.1122 روپے نی یونٹ کے مقابلے میں 31 دسمبر 2019ء کے اختتام پر 249.6847 روپے تھی۔

منی مارکیٹ سب فنڈ

اس سب فنڈ کے خالص اثاثہ جات 30 جون 2019ء کے 2,073 ملین روپے کے مقابلے میں %27 اضافے کے ساتھ 31 دسمبر 2019ء کو 2,628 ملین روپے تھے۔ پلان کی خالص مالیت اثاثہ جات نی یونٹ (این اے وی) 30 جون 2019ء کے 234.2456 روپے نی یونٹ کے مقابلے میں 31 دسمبر 2019ء کے اختتام پر 247.1034 روپے تھی۔

گولڈ سب فنڈ

اس سب فنڈ کے خالص اثاثہ جات 30 جون 2019ء کے 84 ملین روپے کے مقابلے میں %9 اضافے کے ساتھ 31 دسمبر 2019ء کو 92 ملین روپے تھے۔ پلان کی خالص مالیت اثاثہ جات نی یونٹ (این اے وی) 30 جون 2019ء کے 130.4834 روپے نی یونٹ کے مقابلے میں 31 دسمبر 2019ء کے اختتام پر 137.8515 روپے تھی۔

توقعات:

حکومت کی جانب سے حالیہ چیلنجز کے سامنے کے باوجود، ہم نے دیکھا کہ کچھ اصلاحی اقدام کئے گئے ہیں، جن کے ثمرات آگے آئیں گے، لیکن رفتہ رفتہ، فی الوقت ایسا لگتا ہے، حسابات جاریہ کے خسارے نمایاں کمی ہی اس کی ترجمانی کیلئے کافی ہے۔

آگے بڑھتے ہوئے، پاکستان رفتہ رفتہ ہی سہی لیکن یقینی طور پر آئی ایم ایف کے مقداری اہداف کی تکمیل کیلئے پوری طرح تیار ہے جیسا کہ پروگرام نے ایک معقول آغاز کر دیا ہے۔ تاہم، کسی بھی آئی ایم ایف پروگرام سے بندھی ناگریز ڈوریاں ایک فوری اڑان کے مشاہدے سے پاکستانی معیشت کو دور رکھ سکتی ہیں۔ ہم توقع کرتے ہیں کہ مالیاتی محاذ پر مزید عمل کسی بھی پروگرام اہداف کے حصول کیلئے لازمی ہوں گے۔ کفایت شعاری اقدامات اور ساختیاتی اصلاحات کی وجہ سے دیکھی جا رہی ہے اقتصادی سست روی سے ہم آہنگ، بینک دولت پاکستان نے مالی سال 20ء شرح نمو لگ بھگ %3.5 رہنے کی پیش گوئی کر دی ہے۔ اس کے برعکس، آئی ایم ایف نے اسے لگ بھگ %2.4 تک رہنے کی پیش گوئی کی ہے۔ مالی سال 20ء میں توقع کی جاتی ہے کہ افراط زر فراہم کرتا ہے، فی الوقت، طویل ہو سکتا ہے جس کی بنیاد

حالیہ بڑھتا افراتفری فراہم کرتا ہے۔

مقامی بازارز حصص کے بنیادی تجزیے سے ثابت ہوتا ہے کہ وہ طویل مدت کیلئے سازگار رہیں گے، معیشت کی سستی روی اور کاروباری سرگرمی ظاہر کرتی ہے کہ بحالی کا راستہ مشکل اور ایک بتدریج عمل ہے، ملک میں ساختہاتی اصلاحات، مارکیٹ کی دوبارہ درجہ بندی اور کے ایس ای-100 انڈیکس کی اوسط ازسرنو ترجمانی نے سرمایہ کاروں میں وقتی طور پر مثبت اعانت فراہم کی ہے، لیکن ملک میں سیاسی حالات و واقعات بازارز حصص کی کارکردگی کیلئے عمل انگیز رہیں گے۔

اعتراف:

ہم اس موقع کو غنیمت جانتے ہوئے ہمارے گرانقدر سرمایہ کاروں سے ان کے المیزان انویسٹمنٹس پر یقین کیلئے شکریہ 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 سپروائزری بورڈ کا بھی اُن کے مسلسل تعاون اور فنڈ مینجمنٹ کے شریعہ سے متعلق پہلوؤں پر اُن کی رہنمائی کیلئے دل کی گہرائیوں سے اظہار تشکر بجالاتے ہیں۔

برائے و بجا جانب بورڈ

محمد شعیب، سی ایف اے

چیف ایگزیکٹو آفیسر

مورخہ 10 فروری 2020ء



Meezan
Islamic Fund


MEEZAN ISLAMIC FUND (MIF)

Meezan Islamic Fund seeks to optimize total investor returns by participating in Shariah compliant equities focusing on both capital gains and dividend income.

Islamabad Branch

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 Islamabad Branch

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(ISLAMABAD)**



FUND INFORMATION

MANAGEMENT COMPANY

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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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Bank Limited
Askari Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Samba Bank Limited
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking
Habib Bank Limited -Islamic Banking	

LEGAL ADVISER

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DISTRIBUTORS

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Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited

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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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**MEEZAN ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



**Meezan
Islamic Fund**

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	2,045,404	1,340,974
Investments	6	28,556,729	25,014,329
Receivable against sale of investments		10,739	152,085
Receivable against conversion of units		51,323	62,891
Dividend receivable		10,390	117,132
Deposits, prepayments and other receivables		<u>27,420</u>	<u>18,566</u>
Total assets		<u>30,702,005</u>	<u>26,705,977</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - the Management Company		87,196	79,964
Payable to Central Depository Company of Pakistan Limited - the Trustee		2,888	2,579
Payable to Meezan Bank Limited		722	135
Payable to the Securities and Exchange Commission of Pakistan	7	2,464	32,360
Payable on redemption and conversion of units		113,964	74,075
Payable against purchase of investments		54,332	122,665
Accrued expenses and other liabilities	8	<u>765,677</u>	<u>653,860</u>
Total liabilities		<u>1,027,243</u>	<u>965,638</u>
Net assets		<u><u>29,674,762</u></u>	<u><u>25,740,339</u></u>
Contingencies and commitments	9		
Unit holders' funds (as per statement attached)		<u><u>29,674,762</u></u>	<u><u>25,740,339</u></u>
		(Number of units)	
Number of units in issue		<u><u>514,961,315</u></u>	<u><u>537,113,594</u></u>
		(Rupees)	
Net asset value per unit		<u><u>57.6252</u></u>	<u><u>47.9235</u></u>

The annexed notes 1 to 17 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 ISLAMIC FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised (loss) / gain on sale of investments		(297,585)	(469,131)	114,930	(379,930)
Dividend income		795,545	941,093	449,158	528,307
Profit on saving accounts with banks		106,506	92,890	59,970	54,132
		<u>604,466</u>	<u>564,852</u>	<u>624,058</u>	<u>202,509</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	4,598,140	(4,793,465)	6,107,419	(3,526,258)
Total income / (loss)		<u>5,202,606</u>	<u>(4,228,613)</u>	<u>6,731,477</u>	<u>(3,323,749)</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company		246,417	373,735	133,279	179,727
Sindh Sales Tax on management fee		32,034	48,586	17,326	23,365
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		12,824	19,191	6,916	9,239
Sindh Sales Tax on remuneration of the Trustee		1,667	2,495	899	1,201
Annual fee to the Securities and Exchange Commission of Pakistan	7	2,464	17,752	1,333	8,537
Auditors' remuneration		462	480	266	263
Charity expense		21,975	13,495	12,610	8,166
Fees and subscription		1,406	2,091	699	1,024
Legal and professional charges		160	-	-	-
Brokerage expense		11,262	8,658	7,359	5,305
Bank and settlement charges		1,512	1,545	897	831
Printing charges		-	503	-	251
Allocated expenses	12	12,321	18,687	6,664	8,987
Selling and marketing expense	14	49,283	74,747	26,655	35,945
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	96,176	-	96,176	-
Total expenses		<u>489,963</u>	<u>581,965</u>	<u>311,079</u>	<u>282,841</u>
Net income / (loss) for the period before taxation		<u>4,712,643</u>	<u>(4,810,578)</u>	<u>6,420,398</u>	<u>(3,606,590)</u>
Taxation	14	-	-	-	-
Net income / (loss) for the period after taxation		<u>4,712,643</u>	<u>(4,810,578)</u>	<u>6,420,398</u>	<u>(3,606,590)</u>
Allocation of net income for the period					
Net income for the period after taxation		4,712,643	-		
Income already paid on units redeemed		(47,607)	-		
		<u>4,665,036</u>	<u>-</u>		
Accounting income available for distribution					
- Relating to capital gains		4,300,555	-		
- Excluding capital gains		364,481	-		
		<u>4,665,036</u>	<u>-</u>		

The annexed notes 1 to 17 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 ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019



Meezan
Islamic Fund

	<u>Six months period ended,</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>		<u>December 31,</u>	
Note	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	4,712,643	(4,810,578)	6,420,398	(3,606,590)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>4,712,643</u>	<u>(4,810,578)</u>	<u>6,420,398</u>	<u>(3,606,590)</u>

The annexed notes 1 to 17 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 ISLAMIC FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	4,712,643	(4,810,578)
Adjustments for:		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(4,598,140)	4,793,465
	114,503	(17,113)
Decrease in assets		
Investments - net	1,055,740	1,366,719
Receivable against sale of investments	141,346	-
Dividend receivable	106,742	74,361
Deposits, prepayments and other receivables	(8,854)	(4,177)
	1,294,974	1,436,903
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	7,232	(51,602)
Payable to Central Depository Company of Pakistan Limited - the Trustee	309	(453)
Payable to Meezan Bank Limited	587	(1,019)
Payable to the Securities and Exchange Commission of Pakistan	(29,896)	(24,261)
Payable against purchase of investments	(68,333)	87,535
Accrued expenses and other liabilities	111,817	12,649
	21,716	22,849
Net cash generated from operating activities	1,431,193	1,442,639
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	12,122,793	11,112,547
Payment against redemption and conversion of units	(12,849,556)	(12,817,213)
Net cash used in financing activities	(726,763)	(1,704,666)
Net increase / (decrease) in cash and cash equivalents during the period	704,430	(262,027)
Cash and cash equivalents at the beginning of the period	1,340,974	2,730,709
Cash and cash equivalents at the end of the period	2,045,404	2,468,682

The annexed notes 1 to 17 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 ISLAMIC FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 (CDC) 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. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited 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 year ended June 30, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In current accounts		7,142	797
In saving accounts	5.1	2,038,262	1,340,177
		<u>2,045,404</u>	<u>1,340,974</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 13.50% per annum (June 30, 2019: 3.32% to 12.50% per annum).

6. INVESTMENTS	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Shares of listed companies - 'ordinary shares'	6.1	28,556,729	25,014,329
		<u>28,556,729</u>	<u>25,014,329</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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											
Automobile Assembler											
Gandhara Industries Limited	777,200	54,000	-	619,500	211,700	17,750	28,215	10,465	0.10	0.10	0.50
Gandhara Nissan Limited	274,372	-	-	274,372	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	80,400	171,500	-	95,400	156,500	34,641	34,264	(377)	0.12	0.12	0.11
Indus Motor Company Limited	-	89,740	-	-	89,740	108,348	104,247	(4,101)	0.35	0.37	0.11
Milat Tractors Limited	81,140	5,000	7,123	29,150	64,113	48,389	45,162	(3,227)	0.15	0.16	0.13
									0.72	0.75	0.85
Automobile Parts & Accessories											
Agriauto Industries Limited (Note 6.2.1)	-	300,400	-	-	300,400	62,821	60,080	(2,741)	0.20	0.21	1.04
Thal Limited (Note 6.2.1)	-	25,000	-	25,000	-	-	-	-	-	-	-
									0.20	0.21	1.04
Cement											
Attock Cement Pakistan Limited	270,200	-	-	-	270,200	19,295	27,931	8,636	0.09	0.10	0.20
Cherat Cement Company Limited	-	2,354,500	80,600	310,000	2,125,100	68,937	112,737	43,800	0.38	0.39	1.09
DG Khan Cement Company Limited	2,368,222	2,130,000	-	3,268,222	1,230,000	69,201	91,352	22,151	0.31	0.32	0.28
Fauji Cement Company Limited	-	2,520,000	-	2,520,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	3,914,350	-	-	344,000	3,570,350	187,550	276,345	88,795	0.93	0.97	1.78
Lucky Cement Limited	4,701,429	644,900	-	881,300	4,465,029	1,704,531	1,912,818	208,287	6.45	6.70	1.38
Maple Leaf Cement Limited	4,782,000	-	-	4,782,000	-	-	-	-	-	-	-
									8.16	8.48	4.73
Chemical											
Engro Polymer & Chemicals Limited	17,640,721	3,849,500	-	5,361,500	16,128,721	447,183	535,635	88,452	1.81	1.88	1.77
ICI Pakistan Limited	1,183,735	25,550	-	10,900	1,198,385	638,225	808,730	170,505	2.73	2.83	1.30
Lotte Chemical Pakistan Limited	2,784,500	1,000,000	-	3,784,500	-	-	-	-	-	-	-
Sitara Chemical Limited	30,500	-	-	-	30,500	9,329	9,103	(226)	0.03	0.03	0.14
									4.57	4.74	3.21
Commercial Banks											
BankIslami Pakistan Limited	-	8,750,000	-	834,500	7,915,500	85,692	87,783	2,091	0.30	0.31	0.71
Mezan Bank Limited (an Associate of the Func	8,040,597	1,273,000	-	194,500	9,119,097	787,790	867,500	79,710	2.92	3.04	0.71
									3.22	3.35	1.42
Engineering											
Amreli Steels Limited	-	1,335,000	-	90,000	1,245,000	37,249	44,969	7,720	0.15	0.16	0.42
International Industries Limited	932,400	430,000	65,240	405,500	1,022,140	77,928	113,294	35,366	0.38	0.40	0.78
International Steel Limited	2,467,800	400,000	-	2,867,500	300	12	17	5	-	-	-
K.S.B. Pumps Company Limited	79,900	-	-	-	79,900	8,070	13,580	5,510	0.05	0.05	0.61
Mughal Iron & Steel Industries Limited	-	2,475,500	-	50,000	2,425,500	78,770	99,373	20,603	0.33	0.35	0.96
									0.91	0.96	2.77
Fertilizer											
Engro Corporation Limited (Note 6.2.3)	9,480,573	410,000	-	1,598,900	8,291,673	2,227,597	2,862,700	635,103	9.65	10.02	1.44
Engro Fertilizers Limited	24,461,700	-	-	1,407,500	23,054,200	1,474,777	1,692,870	218,093	5.70	5.93	1.73
									15.35	15.95	3.17
Food & Personal Care Products											
Al-Shaheer Corporation Limited	60,741	-	-	-	60,741	765	858	93	-	-	0.04
At-Tahur Limited	109,132	-	10,913	-	120,045	2,151	2,515	364	0.01	0.01	0.07
FrieslandCampina Engro Pakistan Limited	17,721	-	-	17,721	-	-	-	-	-	-	-
National Foods Limited (Note 6.2.1)	197,100	-	39,420	-	236,520	36,298	52,510	16,212	0.18	0.18	0.16
									0.19	0.19	0.27
Glass & Ceramics											
Tariq Glass Industries Limited	792,500	175,000	-	659,000	308,500	30,065	33,010	2,945	0.11	0.12	0.42
									0.11	0.12	0.42
Investment Banks / Investment Companies / Securities Companies											
Dawood Hercules Corporation	-	86,900	-	-	86,900	12,387	13,401	1,014	0.05	0.05	0.02
									0.05	0.05	0.02



Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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)		%	
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	2,102,838	2,000	202,969	148,640	2,159,167	1,980,896	2,828,725	847,829	9.53	9.91	1.62
Oil & Gas Development Company Limited	20,325,900	2,488,400	-	1,535,000	21,279,300	2,799,316	3,028,470	229,154	10.21	10.61	0.49
Pakistan Oilfields Limited	3,909,136	50,000	-	573,500	3,385,636	1,373,563	1,512,431	138,868	5.10	5.30	1.19
Pakistan Petroleum Limited	16,807,632	2,147,800	2,536,066	4,394,300	17,097,198	2,074,910	2,344,710	269,800	7.90	8.21	0.63
									32.74	34.03	3.93
Oil & Gas Marketing Companies											
Attock Petroleum Limited	477,734	495,900	-	2,300	971,334	291,556	359,199	67,643	1.21	1.26	0.98
Hascol Petroleum Limited *	2,080,470	13,935,391	-	3,461,000	12,554,861	229,480	337,726	108,246	1.14	1.18	6.31
Pakistan State Oil Company Limited	4,501,752	1,823,700	626,030	2,984,500	3,966,982	575,242	760,232	184,990	2.56	2.66	0.84
Sui Northern Gas Pipelines Limited	14,259,800	1,948,500	-	1,454,000	14,754,300	1,033,704	1,123,835	90,131	3.79	3.94	2.33
Sui Southern Gas Company Limited	755,500	-	-	-	755,500	15,624	16,258	634	0.05	0.06	0.09
									8.75	9.10	10.55
Paper & Board											
Cherat Packaging Limited	732,134	-	21,613	516,000	237,747	17,429	28,870	11,441	0.10	0.10	0.56
Packages Limited	2,474,853	20,200	-	651,000	1,844,053	554,556	735,298	180,742	2.48	2.57	2.06
									2.58	2.67	2.62
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	109,350	-	-	30,300	79,050	37,520	35,318	(2,202)	0.12	0.12	0.08
AGP Limited	4,963,500	168,500	-	238,500	4,893,500	339,179	486,169	146,990	1.64	1.70	1.75
Glaxosmithkline Consumer Healthcare Limited	358,656	149,200	-	-	507,856	110,586	130,224	19,638	0.44	0.46	0.43
Glaxosmithkline Pakistan Limited	5,816	-	-	-	5,816	554	934	380	-	-	-
Highnoon Laboratories Limited	798	-	-	-	798	202	429	227	-	-	-
The Searle Company Limited	3,651,679	199,900	-	1,190,100	2,661,479	392,690	502,328	109,638	1.69	1.76	1.25
									3.89	4.04	3.51
Power Generation & Distribution											
K-Electric Limited (Note 6.2.1)	186,128,500	6,339,000	-	4,234,500	188,233,000	822,940	822,578	(362)	2.77	2.88	0.68
The Hub Power Company Limited	18,904,517	5,205,500	-	2,528,000	21,582,017	1,690,949	2,014,681	323,732	6.79	7.06	1.66
									9.56	9.94	2.34
Refinery											
Attock Refinery Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
National Refinery Limited	-	63,800	-	63,800	-	-	-	-	-	-	-
									-	-	-
Technology & Communication											
Avanceon Limited	2,115,300	105,000	-	1,139,000	1,081,300	52,026	40,603	(11,423)	0.14	0.14	0.56
Netsol Technologies Limited	987,100	152,500	-	-	1,139,600	73,879	75,054	1,175	0.25	0.26	1.27
Pakistan Telecommunication Company Limited	800,000	-	-	-	800,000	6,616	7,488	872	0.03	0.03	0.02
Systems Limited	655,600	754,000	-	100,000	1,309,600	142,262	162,783	20,521	0.55	0.57	1.06
									0.97	1.00	2.91
Textile Composite											
Feroze1888 Mills Limited	1,542,500	105,000	-	-	1,647,500	165,652	151,570	(14,082)	0.51	0.53	0.44
Kohinoor Textile Mills Limited	672,514	-	-	495,500	177,014	4,434	6,916	2,482	0.02	0.02	0.06
Nishat Mills Limited	5,374,700	630,000	-	1,532,600	4,472,100	412,888	474,669	61,781	1.60	1.66	1.27
									2.13	2.21	1.77
Textiles & Apparel											
Interloop Limited	8,335,000	2,222,500	-	867,000	9,690,500	433,877	562,534	128,657	1.90	1.97	1.11
									1.90	1.97	1.11
Vanaspati & Allied Industries											
Unity Foods Limited	11,712,846	1,505,000	-	8,519,000	4,698,846	50,308	75,698	25,390	0.26	0.27	0.86
									0.26	0.27	0.86
Right Certificates											
Oil & Gas Marketing Companies											
Hascol Petroleum Limited *	-	-	9,298,891	9,298,891	-	-	-	-	-	-	-
Total						23,958,589	28,556,729	4,598,140		100	

*The right certificates were exercised during the period and the shares are included in the investment in Hascol Petroleum Limited above.

6.2.1 All shares have a nominal value of Rs 10 each except for the shares of Thal Limited, Agriauto Industries 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 were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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 had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the 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.

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 51.258 million (June 30, 2019: Rs. 40.686 million).

- 6.2.3** Investments include 1,000,000 shares of Engro Corporation Limited, having market value of Rs 345.25 million as at December 31, 2019 (June 30, 2019: Rs. 265.60 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.

7. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to equity funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	436,658	340,482
Charity payable		41,804	30,781
Withholding tax payable		922	922
Capital gain tax payable		7,237	4,237
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	231,867	231,867
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	32,607	32,607
Auditors' remuneration		392	480
Zakat payable		102	399
Printing expenses payable		483	483
Shariah advisory fee payable		2,254	2,245
Brokerage payable		11,351	9,357
		<u>765,677</u>	<u>653,860</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 condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re. 0.85 per unit (June 30, 2019: Re 0.63 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.

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.

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.

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 264.474 million is being retained in the condensed interim 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 0.51 (June 30, 2019: Re 0.49) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	49,670	43,986
Sindh Sales Tax on management fee payable	6,456	5,718
Sales load payable	1,709	221
Sindh Sales Tax and on sales load payable	222	29
Allocated expenses	2,483	2,199
Selling and marketing expense payable	26,656	27,811
Investment of nil units (June 30, 2019: 10,011,729 units)	-	479,797
Meezan Bank Limited		
Balance with bank	252,526	113,831
Profit receivable on saving accounts	3,417	508
Sales load payable	639	119
Sindh Sales Tax on sales load payable	83	16
Investment in 9,119,097 shares (June 30, 2019: 8,040,597 shares)	867,500	700,818
Investment of 12,475,049 units (June 30, 2019: 12,475,049 units)	718,877	597,848
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	2,556	2,282
Sindh Sales Tax on trustee fee payable	332	297
Security deposit	100	100
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 180,189 units (June 30, 2019: 180,189 units)	10,383	8,635
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 4,473,517 units (June 30, 2019: 5,706,435 units)	257,787	273,472
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,464,120 units (June 30, 2019: 2,116,314 units)	84,370	101,421
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 874,473 units (June 30, 2019: 1,149,027 units)	50,392	55,065
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment: 404,447 units (June 30, 2019: 171,373 units)	23,306	8,213
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 3,094,372 units (June 30, 2019: 3,358,170 units)	178,314	160,935
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 2,519,880 units (June 30, 2019: 2,983,781 units)	145,209	142,993
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 10,058,402 units (June 30, 2019: 10,949,083 units)	579,617	524,718
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 9,851,082 units (June 30, 2019: 12,489,103 units)	567,671	598,522
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 2,438,618 units (June 30, 2019: 3,635,008 units)	140,526	174,202
Directors and executives of the Management Company		
Investment of 11,376,434 units (June 30, 2019: 1,016,776 units)	655,569	48,727



Six months period ended

December 31,

2019 2018

(Unaudited)

(Rupees in '000)

Transactions during the period
Al Meezan Investment Management Limited - the Management Company

Remuneration for the period	246,417	373,735
Sindh Sales Tax on management fee	32,034	48,586
Allocated expenses	12,321	18,687
Selling and marketing expense	49,283	74,747
Units issued: 1,805,947 units (December 31, 2018: 2,571,934 units)	79,259	166,000
Units redeemed: 11,817,676 units (December 31, 2018: nil units)	530,178	-

Meezan Bank Limited

Profit on saving accounts	10,099	1,423
Shares purchased: 1,273,000 shares (December 31, 2018: 9,220,000 shares)	103,828	810,575
Shares sold: 194,500 shares (December 31, 2018: 2,838,000 shares)	15,661	252,950
Bonus issue: nil shares (December 31, 2018: 167,557 shares)	-	-
Dividend income	17,081	2,513

Central Depository Company of Pakistan Limited - the Trustee

Trustee fee	12,824	19,191
Sindh Sales Tax on trustee fee	1,667	2,495
CDS charges	364	353

Meezan Financial Planning Fund of Funds
- Aggressive Allocation Plan

Units issued: 214,233 units (December 31, 2018: 495,544 units)	10,519	29,730
Units redeemed: 1,447,151 units (December 31, 2018: 376,529 units)	69,000	22,500

Meezan Financial Planning Fund of Funds
- Moderate Allocation Plan

Units issued: 81,501 units (December 31, 2018: 204,757 units)	3,657	11,768
Units redeemed: 733,695 units (December 31, 2018: 506,703 units)	34,500	30,500

Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan

Units issued: 81,177 units (December 31, 2018: 227,282 units)	3,643	13,344
Units redeemed: 355,731 units (December 31, 2018: 274,400 units)	16,625	16,550

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 710,176 units (December 31, 2018: nil units)	39,000	-
Units redeemed: 477,102 units (December 31, 2018: nil units)	24,170	-

Meezan Financial Planning Fund of Funds - MAAP - IV

Units redeemed: nil units (December 31, 2018: 3,990,160 units)	-	249,454
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Meezan Strategic Allocation Fund - MSAP - I

Units issued: 2,561,573 units (December 31, 2018: 3,444,947 units)	125,000	207,000
Units redeemed: 2,825,371 units (December 31, 2018: 15,390,424 units)	128,060	934,415

Meezan Strategic Allocation Fund - MSAP - II

Units issued: nil units (December 31, 2018: 735,631 units)	-	42,000
Units redeemed: 463,901 units (December 31, 2018: 1,618,999 units)	22,810	99,010

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 1,115,853 units (December 31, 2018: 1,015,919 units)	51,600	58,000
Units redeemed: 2,006,534 units (December 31, 2018: 1,931,954 units)	95,449	117,400

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 808,964 units (December 31, 2018: 1,208,617 units)	45,000	69,000
Units redeemed: 3,446,985 units (December 31, 2018: 3,354,237 units)	156,890	204,500

	Six months period ended	
	December 31,	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: nil units (December 31, 2018: 227,685 units)	-	13,000
Units redeemed: 1,196,390 units (December 31, 2018: 841,167 shares)	<u>52,340</u>	<u>50,941</u>
Directors and executives of the Management Company		
Units issued: 10,535,651 units (December 31, 2018: 435,150 units)	<u>479,978</u>	<u>26,958</u>
Units redeemed: 205,299 units (December 31, 2018: 98,023 units)	<u>9,995</u>	<u>5,809</u>

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. 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, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2019			
	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'	28,556,729	-	-	28,556,729
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	As at June 30, 2019			
	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'	25,014,329	-	-	25,014,329
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12. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the half year ended December 31, 2019 is 3.98% which include 1.09% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

14. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

15. 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 unit holders. 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

16. GENERAL

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

16.2 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.

17. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



**Al Meezan
Mutual Fund**

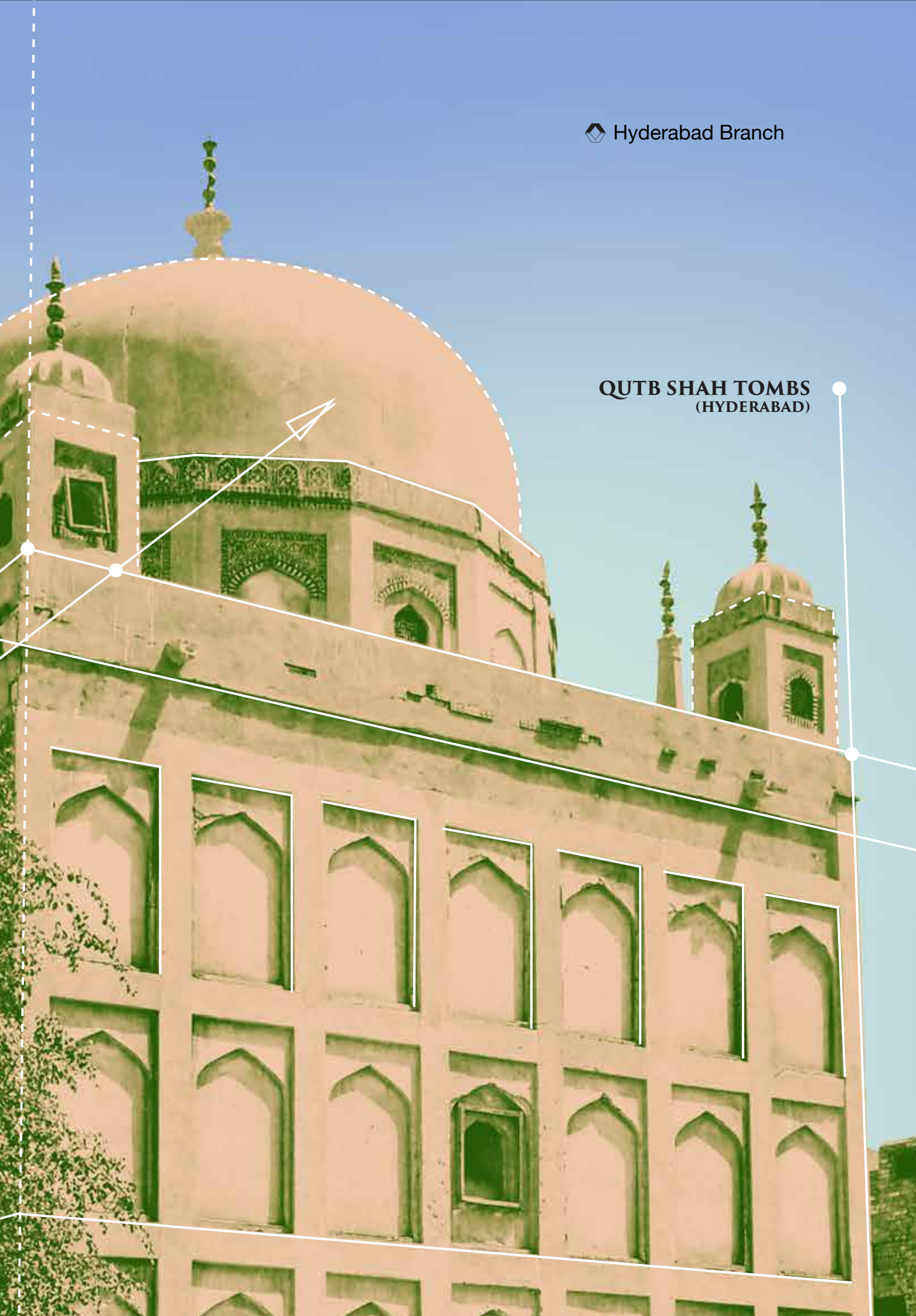
AL-MEEZAN MUTUAL FUND (AMMF)

Al Meezan Mutual Fund aims to optimize the total investment returns in the form of capital gains and dividend income, through prudent investment management.

REACHING NEW MILESTONES IN THE SECOND BIGGEST CITY OF SINDH



**QUTB SHAH TOMBS
(HYDERABAD)**



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Sindh Bank Limited
Bank Islami Pakistan Limited	UBL Ameen - Islamic Banking
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited - Islamic Banking	
Habib Bank Limited -Islamic Banking	

LEGAL ADVISER

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

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

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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, 2019 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 25, 2020



**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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



**Al Meezan
Mutual Fund**

		December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Balances with banks	5	312,969	271,162
Investments	6	4,878,130	4,614,607
Receivable against sale of investments		34,015	20,993
Receivable against conversion of units		3,916	13,534
Dividend receivable		1,293	25,200
Deposits, prepayments, profit accrued and other receivables		7,035	8,444
Total assets		<u>5,237,358</u>	<u>4,953,940</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - the Management Company		14,802	14,897
Payable to Central Depository Company of Pakistan Limited - the Trustee		567	552
Payable to the Securities and Exchange Commission of Pakistan	7	438	5,952
Payable to Meezan Bank Limited		54	23
Payable against purchase of investments		2,145	3,468
Payable against redemption and conversion of units		37,155	45,466
Accrued expenses and other liabilities	9	140,627	110,859
Dividend payable		4,917	4,917
Total liabilities		<u>200,705</u>	<u>186,134</u>
Net assets		<u>5,036,653</u>	<u>4,767,806</u>
Contingencies and commitments	8		
Unit holders' fund (as per statement attached)		<u>5,036,653</u>	<u>4,767,806</u>
		(Number of units)	
Number of units in issue		<u>312,521,435</u>	<u>357,035,000</u>
		(Rupees)	
Net asset value per unit		<u>16.1162</u>	<u>13.3539</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**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, 2019

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised (loss) / gain on sale of investments		(28,755)	(84,949)	56,039	(69,994)
Dividend income		133,398	178,016	75,770	102,149
Profit on saving accounts with banks		13,941	15,452	7,685	8,305
		<u>118,584</u>	<u>108,519</u>	<u>139,495</u>	<u>40,460</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	756,597	(895,753)	1,003,051	(661,197)
Total income / (loss)		<u>875,181</u>	<u>(787,234)</u>	<u>1,142,545</u>	<u>(620,737)</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - the Management Company		42,853	68,169	22,629	33,345
Sindh Sales Tax on remuneration of the Management Company		5,571	8,862	2,942	4,302
Allocated expenses	11	2,143	3,408	1,132	1,667
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		2,646	3,913	1,383	1,920
Sindh Sales Tax on remuneration of the Trustee		344	509	180	250
Annual fee to the Securities and Exchange Commission of Pakistan	7	438	3,238	226	1,584
Auditors' remuneration		492	472	300	198
Charity expense		3,662	2,581	2,066	1,541
Fees and subscription		282	435	121	215
Brokerage expense		3,624	1,984	3,227	1,326
Selling and marketing expenses	13	8,571	13,634	4,526	6,669
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	16,081	-	16,081	-
Bank and settlement charges		509	383	345	177
Total expenses		<u>87,216</u>	<u>107,588</u>	<u>55,157</u>	<u>53,194</u>
Net income / (loss) for the period before taxation		<u>787,965</u>	<u>(894,822)</u>	<u>1,087,388</u>	<u>(673,931)</u>
Taxation	14	-	-	-	-
Net income / (loss) for the period after taxation		<u>787,965</u>	<u>(894,822)</u>	<u>1,087,388</u>	<u>(673,931)</u>
Allocation of net income for the period					
Net income for the period after taxation		787,965	-		
Income already paid on units redeemed		(13,936)	-		
		<u>774,029</u>	<u>-</u>		
Accounting income available for distribution					
- Relating to capital gains		727,842	-		
- Excluding capital gains		46,187	-		
		<u>774,029</u>	<u>-</u>		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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, 2019



Al Meezan
Mutual Fund

	<u>Six months period ended,</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income / (loss) for the period after taxation	787,965	(894,822)	1,087,388	(673,931)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>787,965</u>	<u>(894,822)</u>	<u>1,087,388</u>	<u>(673,931)</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended December 31, 2019				Six months period ended December 31, 2018			
	Capital Value	(Accumulated loss) / Undistributed income	Unrealised appreciation/ (diminution) 'available for sale' investments	Total	Capital Value	Undistributed 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)	4,877,433	(109,627)	-	4,767,806	5,302,941	1,361,518	199,551	6,864,010
Change in accounting policy	-	-	-	-	-	199,551	(199,551)	-
Net assets at the beginning of the period	<u>4,877,433</u>	<u>(109,627)</u>	<u>-</u>	<u>4,767,806</u>	<u>5,302,941</u>	<u>1,561,069</u>	<u>-</u>	<u>6,864,010</u>
Issuance of 130,987,950 units (2018: 53,214,548 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,749,200	-	-	1,749,200	939,678	-	-	939,678
- Element of income / (loss)	115,907	-	-	115,907	(26,731)	-	-	(26,731)
Total proceeds on issuance of units	<u>1,865,107</u>	<u>-</u>	<u>-</u>	<u>1,865,107</u>	<u>912,947</u>	<u>-</u>	<u>-</u>	<u>912,947</u>
Redemption of 175,501,515 units (2018: 47,842,113 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,343,630	-	-	2,343,630	844,810	-	-	844,810
- Element of loss / (income)	26,660	13,936	-	40,596	(39,890)	-	-	(39,890)
Total payments on redemption of units	<u>2,370,289</u>	<u>13,936</u>	<u>-</u>	<u>2,384,225</u>	<u>804,920</u>	<u>-</u>	<u>-</u>	<u>804,920</u>
Total comprehensive income / (loss) for the period	-	787,965	-	787,965	-	(894,822)	-	(894,822)
Distribution during the period	-	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	787,965	-	787,965	-	(894,822)	-	(894,822)
Net assets at the end of the period	<u>4,372,251</u>	<u>664,402</u>	<u>-</u>	<u>5,036,653</u>	<u>5,410,968</u>	<u>666,247</u>	<u>-</u>	<u>6,077,215</u>
(Accumulated loss) / undistributed income brought forward (as previously reported - Audited)								
- Realised income		1,197,928				2,209,183		
- Unrealised loss		(1,307,555)				(847,665)		
Change in accounting policy		-				199,551		
(Accumulated loss) / undistributed income brought forward		<u>(109,627)</u>				<u>1,561,069</u>		
Accounting income available for distribution								
- Relating to capital gains		727,842				-		
- Excluding capital gains		46,187				-		
		<u>774,029</u>				<u>-</u>		
Net loss for the period after taxation		-				(894,822)		
Distribution during the period		-				-		
Undistributed income carried forward		<u>664,402</u>				<u>666,247</u>		
Undistributed income carried forward								
- Realised (loss) / income		(92,195)				1,562,000		
- Unrealised income / (loss)		756,597				(895,753)		
		<u>664,402</u>				<u>666,247</u>		
Net assets value per unit at the beginning of the period				(Rupees) 13.3539				(Rupees) 17.6583
Net assets value per unit at the end of the period				<u>16.1162</u>				<u>15.4211</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended	
	December 31,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	787,965	(894,822)
Adjustments for:		
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(756,597)	895,753
	<u>31,368</u>	<u>931</u>
Decrease / (increase) in assets		
Investments	493,074	(163,587)
Receivable against sale of investments	(13,022)	(8,903)
Dividend receivable	23,907	(11,802)
Deposits, prepayments, profit accrued and other receivables	1,409	(2,701)
	<u>505,368</u>	<u>(186,993)</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	(95)	(6,466)
Payable to Central Depository Company of Pakistan Limited - the Trustee	15	699
Payable to Meezan Bank Limited	31	(138)
Payable to the Securities and Exchange Commission of Pakistan	(5,514)	(3,998)
Payable against purchase of investments	(1,323)	-
Accrued expenses and other liabilities	29,768	4,688
	<u>22,882</u>	<u>(5,215)</u>
Net cash generated from / (used in) operating activities	<u>559,618</u>	<u>(191,277)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	1,874,725	916,480
Payment against redemption and conversion of units	(2,392,536)	(807,703)
Net cash (used in) / generated from financing activities	<u>(517,811)</u>	<u>108,777</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>41,807</u>	<u>(82,500)</u>
Cash and cash equivalents at the beginning of the period	271,162	440,313
Cash and cash equivalents at the end of the period	<u><u>312,969</u></u>	<u><u>357,813</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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 (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 the regulations and any other prevailing rules and regulations. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	300,618	263,605
In current accounts		12,351	7,557
		<u>312,969</u>	<u>271,162</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 13.50% per annum (June 30, 2019: 3.32% to 12.5% per annum).

6. INVESTMENTS	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Shares of listed companies - ordinary shares	6.1	4,878,130	4,614,607
		<u>4,878,130</u>	<u>4,614,607</u>

6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market Value as at December 31, 2019	Unrealised appreciation/ (diminution) as at December 31, 2019	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											
Automobile Assembler											
Ghandhara Industries Limited	168,700	-	-	166,500	2,200	192	293	101	0.01	-	0.01
Honda Atlas Cars (Pakistan) Limited	-	6,300	-	-	6,300	1,405	1,379	(26)	0.03	0.03	-
Indus Motors Company Limited	-	35,640	-	-	35,640	43,211	41,402	(1,809)	0.82	0.85	0.05
Millat Tractors Limited	75,750	5,000	6,075	37,150	49,675	37,924	34,992	(2,932)	0.69	0.72	0.10
									1.55	1.59	0.16
Automobile Parts and Accessories											
Agriauto Industries Limited (Note 6.1.1)	-	75,000	-	-	75,000	15,755	15,000	(755)	0.30	0.31	0.26
Ghandhara Nissan Limited	3,163	-	-	3,163	-	-	-	-	-	-	-
									0.30	0.31	0.26
Cement											
Cherat Cement Company Limited	-	500,000	10,000	275,000	235,000	9,498	12,467	2,969	0.25	0.26	0.12
DG Khan Cement Company Limited	348,405	313,500	-	661,905	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	656,500	-	656,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	730,520	-	-	97,500	633,020	33,253	48,996	15,743	0.97	1.00	0.32
Lucky Cement Company Limited	964,067	230,000	-	335,900	858,167	330,025	367,639	37,614	7.30	7.54	0.27
Maple Leaf Cement Company Limited	425,312	-	-	425,000	312	11	13	2	-	-	-
Pioneer Cement Company Limited	7,800	-	-	7,800	-	-	-	-	-	-	-
									8.52	8.80	0.71
Commercial Banks											
Bank Islami Pakistan Limited	-	1,024,500	-	100,000	924,500	10,860	10,253	(607)	0.20	0.21	0.08
Meezan Bank Limited	898,050	591,000	-	125,000	1,364,050	118,796	129,762	10,966	2.58	2.66	0.11
									2.78	2.87	0.19
Chemicals											
Engro Polymer & Chemicals Limited	1,365,541	1,900,000	-	1,795,500	1,470,041	42,532	48,820	6,288	0.97	1.00	0.16
ICI Pakistan Limited	231,679	2,000	-	350	233,329	124,072	157,462	33,390	3.13	3.23	0.25
Sitara Chemical Limited	57,000	-	-	-	57,000	17,435	17,012	(423)	0.34	0.35	0.27
									4.43	4.58	0.68
Engineering											
Amreli Steels Limited	-	250,000	-	100,000	150,000	4,499	5,418	919	0.11	0.11	0.05
International Industries Limited	-	451,000	-	-	451,000	44,143	49,989	5,846	0.99	1.02	0.34
International Steel Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
Mughal Iron & Steels Industries Limited	-	151,000	-	50,000	101,000	3,328	4,138	810	0.08	0.08	0.04
									1.18	1.22	0.43
Fertilizer											
Dawood Hercules Corporation Limited	-	50,000	-	-	50,000	6,794	7,711	917	0.15	0.16	0.01
Engro Corporation Limited (Note 6.1.2)	1,846,890	256,900	-	524,500	1,579,290	435,808	545,250	109,442	10.83	11.18	0.27
Engro Fertilizers Limited	3,976,000	444,000	-	1,467,000	2,953,000	191,873	216,839	24,966	4.31	4.45	0.22
									15.28	15.78	0.50
Food and Personal Care Products											
Al-Shaheer Corporation Limited (Note 6.1.3)	12,230	-	-	-	12,230	154	173	19	-	-	0.01
National Foods Limited (Note 6.1.1)	4,600	-	820	500	4,920	755	1,092	337	0.02	0.02	0.01
									0.02	0.02	0.02
Glass and Ceramics											
Tariq Glass Industries Limited	279,700	-	-	276,500	3,200	245	342	97	0.01	0.01	-



Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market Value as at December 31, 2019	Unrealised appreciation/ (diminution) as at December 31, 2019	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)			%		
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (Note 6.1.3)	365,310	-	34,631	41,020	358,921	329,336	470,222	140,886	9.34	9.64	0.27
Oil and Gas Development Company Limited	3,879,800	476,500	-	806,200	3,550,100	467,126	505,250	38,124	10.03	10.36	1.25
Pakistan Oilfields Limited	661,629	-	-	65,300	596,329	242,044	266,392	24,348	5.29	5.46	0.21
Pakistan Petroleum Limited	3,127,022	100,000	486,404	1,140,000	2,573,426	310,064	352,920	42,856	7.01	7.23	0.09
									31.66	32.69	1.82
Oil & Gas Marketing Companies											
Attock Petroleum Limited	105,138	55,000	-	6,000	154,138	45,528	57,000	11,472	1.13	1.17	0.15
Hascol Petroleum Limited (Note 6.1.3)	205,757	1,232,000	-	500,000	937,757	47,821	68,605	20,784	1.36	1.41	0.47
Pakistan State Oil Company Limited (Note 6.1.3)	1,436,907	491,500	206,381	1,359,600	775,188	118,445	148,557	30,112	2.95	3.05	0.17
Sui Northern Gas Pipelines Limited	3,411,500	625,000	-	1,080,500	2,956,000	208,273	225,159	16,886	4.47	4.62	0.47
									9.91	10.25	1.26
Paper and Board											
Cherat Packaging Limited	248,846	-	11,334	135,500	124,680	9,140	15,140	6,000	0.30	0.31	0.29
Packages Limited	447,428	-	-	152,500	294,928	88,644	117,600	28,956	2.33	2.41	0.33
									2.64	2.72	0.62
Pharmaceuticals											
Abbott Laboratories Pakistan Limited	5,150	-	-	5,150	-	-	-	-	-	-	-
AGP Limited	1,205,250	50,000	-	56,500	1,198,750	83,424	119,096	35,672	2.36	2.44	0.43
GlaxoSmithKline Consumer Healthcare	208,000	5,800	-	1,600	212,200	41,484	54,412	12,928	1.08	1.12	0.18
GlaxoSmithKline Pakistan Limited	-	10,000	-	-	10,000	1,552	1,606	54	0.03	0.03	-
Hightnoon Laboratories Limited (Note 6.1.3)	1,592	-	-	1,592	403	855	452	452	0.02	0.02	0.01
The Searle Company Limited (Note 6.1.3)	419,248	25,000	-	173,000	271,248	39,679	51,195	11,516	1.02	1.05	0.13
									4.51	4.66	0.75
Power Generation and Distribution											
K-Electric Limited (Note 6.1.1)	30,513,500	6,915,500	-	6,181,500	31,247,500	136,927	136,552	(375)	2.71	2.80	0.11
The Hub Power Company Limited	3,040,816	1,341,500	-	480,000	3,902,316	302,684	364,281	61,597	7.23	7.47	0.30
									9.94	10.27	0.41
Technology and Communication											
Avanceon Limited	208,400	-	-	208,000	400	20	15	(5)	-	-	-
Systems Limited	173,250	100,000	-	175,000	98,250	10,273	12,212	1,939	0.24	0.25	0.01
									0.24	0.25	0.01
Textile Composite											
Nishat Mills Limited	629,400	200,000	-	583,000	246,400	23,594	26,153	2,559	0.52	0.54	0.07
Textile Weaving											
Feroze1888 Mills Limited	443,000	-	-	-	443,000	44,685	40,756	(3,929)	0.81	0.84	0.12
Textiles and Apparel											
Interloop Limited	2,133,000	69,000	-	2,000	2,200,000	97,819	127,710	29,891	2.54	2.62	0.01
Vanaspati and Allied Industries											
Unity Foods Limited	1,159,845	500,000	-	1,659,845	-	-	-	-	-	-	-
Rights Certificates											
Cement											
Maple Leaf Cement Company Limited*	-	-	265	265	-	-	-	-	-	-	-
Oil And Gas Marketing Companies											
Hascol Petroleum Limited*	-	-	1,612,618	1,612,618	-	-	-	-	-	-	-
Total						4,121,533	4,878,130	756,597		100	

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 3.5 each and Agriauto Industries Limited and National Foods Limited which have a nominal value of Rs 5 each.

6.1.2 Investments include 150,000 shares (June 30, 2019: 150,000 shares) of Engro Corporation Limited, having market value of Rs 51.7875 million (June 30, 2019: Rs 39.84 million) as at December 31, 2019, which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of Fund's trades in accordance with Circular 11 dated October 23, 2007 by SECP.

- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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 had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the 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.

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 7.804 million (June 30, 2019: Rs. 7.132 million).

7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to equity funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019	2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
Auditors' remuneration payable		388	565
Withholding tax payable		4,639	7,394
Capital gain tax payable		1,364	695
Provision for Sindh Workers' Welfare Fund payable (SWWF)	9.1	66,149	50,068
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	37,524	37,524
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	3,732	3,732
Charity payable		8,459	5,197
Zakat payable		45	92
Brokerage payable		18,053	4,775
Shariah advisor fee payable		273	817
		<u>140,627</u>	<u>110,859</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 condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund per unit as at December 31, 2019 would have been higher by Re 0.21 (June 30, 2019: Re 0.14 per unit).

- 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.

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.

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.

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 41.256 million (June 30, 2019: Rs 41.256 million) is being retained in the condensed interim 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, 2019 would have been higher by Re 0.13 (June 30, 2019: Re 0.12) per unit.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other 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 unit holders 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	8,396	8,138
Sindh Sales Tax on management fee payable	1,091	1,058
Sales load payable	327	82
Sindh Sales Tax on sales load payable	43	11
Selling and marketing expense payable	4,525	5,201
Allocated expenses payable	420	407
Investment of 31,655,470 units (June 30, 2019: 37,780,110 units)	510,166	504,511
Meezan Bank Limited		
Balances with bank	15,484	33,383
Sales load payable	48	20
Sindh Sales Tax on sales load payable	6	3
Profit receivable on saving accounts	924	548
Investment of 1,364,050 shares (June 30, 2019: 898,050 shares)	129,762	78,274
Investment of 22,232,227 units (June 30, 2019: 22,232,227 units)	358,299	296,887
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 1,425,317 units (June 30, 2019: 39,791) units	22,971	531
Meezan Strategic Allocation Plan - I		
Investment of 8,920,012 units (June 30, 2019: 18,848,469 units)	143,757	251,700
Meezan Strategic Allocation Plan - II		
Investment of 12,928,146 units (June 30, 2019: 22,818,600 units)	208,353	304,717
Meezan Strategic Allocation Plan - IV		
Investment of 4,196,037 units (June 30, 2019: 1,877,734 units)	67,624	25,075
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	502	489
Sindh Sales tax on Trustee fee payable	65	63
Security deposits	238	238
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 units (June 30, 2019: 16,895,690 units)	272,294	225,623
Directors and executives of the Management Company		
Investment of 4,866,989 units (June 30 2019: 32,730,550 units)	78,437	437,080
Unitholders holding 10% or more units of the Fund		
	-	504,511
Six months period ended		
December 31,		
	2019	2018
(Unaudited)		
(Rupees in '000)		
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	42,853	68,169
Sindh Sales Tax on management fee	5,571	8,862
Allocated expenses	2,143	3,408
Selling and marketing expense	8,571	13,634
Units issued: 31,395,677 units (December 31, 2018: 1,653,020)	440,971	30,000
Units redeemed: 37,520,317 units (December 31, 2018: nil)	527,474	-



**Six months period ended
December 31,**

2019	2018
(Unaudited)	
(Rupees in '000)	

Meezan Bank Limited

Profit on saving accounts with banks

Shares purchased : 591,000 shares (December 31, 2018: nil)

Shares sold: 125,000 shares (December 31, 2018: nil)

Dividend income from shares

2,036	257
51,418	-
9,787	-
2,087	-

Central Depository Company of Pakistan Limited - Trustee

Trustee fee

Sindh Sales Tax on trustee fee

CDS charges

2,646	3,913
344	509
96	64

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 2,473,754 (December 31, 2018: nil)

Redemption of 1,088,228 units (December 31, 2018: nil)

36,000	-
16,000	-

MSAF- Meezan Strategic Allocation Plan IV

Units issued: 2,318,303 (December 31, 2018: nil)

30,000	-
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MSAF- Meezan Strategic Allocation Plan - I

Units issued: Nil (December 31, 2018: 5,972,333 units)

Redemption of 9,928,456 units (December 31, 2018: nil)

-	100,000
124,470	-

MSAF -Meezan Strategic Allocation Plan - II

Units redeemed: 9,890,452 (December 31, 2018: nil)

124,760	-
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Meezan Financial Planning Fund of Funds - MAAP - IV

Units redeemed: Nil (December 31, 2018: 1,304,322 units)

-	21,964
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Directors and executives of the Management Company

Units issued: 381,349 units (December 31, 2018: 1,481,423 units)

Units redeemed: 28,244,912 units (December 31, 2018: 220,596 units)

4,953	25,365
356,112	3,534

11. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 4.07% which includes 1.07% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

13. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

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 unit holders. 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 unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

15. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2019			
	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'	4,878,130	-	-	4,878,130
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ASSETS	As at June 30, 2019			
	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'	4,614,607	-	-	4,614,607
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**16. GENERAL**

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

16.2 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.

17. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

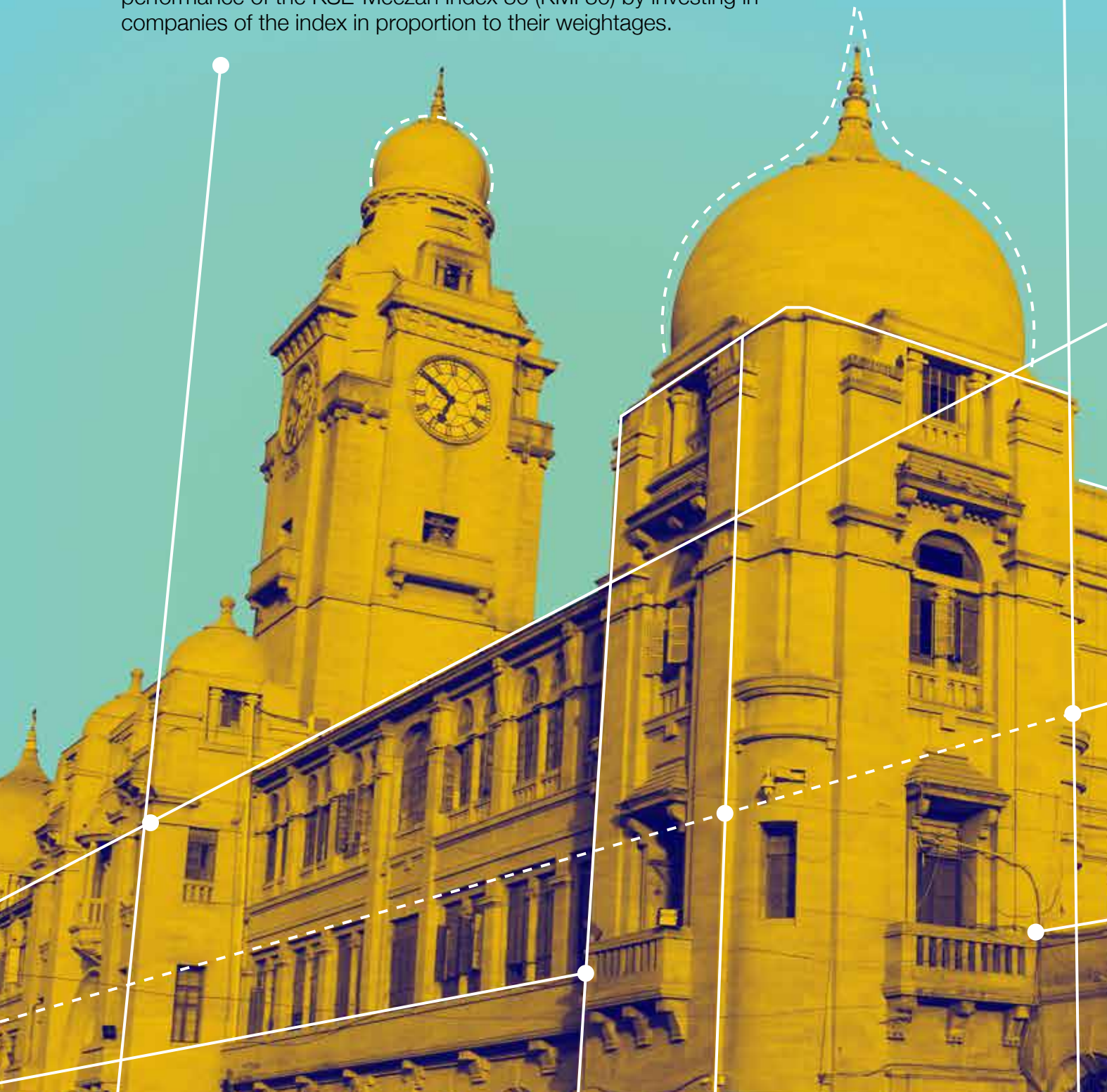
Director



KSE-Meezan Index Fund

KSE-MEEZAN INDEX FUND (KMIF)

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



REDEFINING INVESTMENT IN THE CITY OF LIGHTS

**KMC BUILDING
(KARACHI)**



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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

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:

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

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S.M.C.H.S. Main Shakra-e-Faisal
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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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi



**KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Note	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 16,250	8,935
Investments	6 1,925,709	1,522,876
Receivable against conversion of units	620	40,106
Dividend receivable	4,133	9,994
Receivable against sale of investments	86,301	-
Deposits, prepayments and other receivables	<u>2,653</u>	<u>2,756</u>
Total assets	2,035,666	1,584,667
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	2,080	1,507
Payable to Central Depository Company of Pakistan Limited - the Trustee	271	229
Payable to the Securities and Exchange Commission of Pakistan	8 159	1,564
Payable to Meezan Bank Limited	48	14
Payable on redemption and conversion of units	121	274
Payable against purchase of investments	90,533	44,670
Accrued expenses and other liabilities	9 29,505	19,271
Total liabilities	<u>122,717</u>	<u>67,529</u>
Net assets	<u><u>1,912,949</u></u>	<u><u>1,517,138</u></u>
Contingencies and commitments	7	
Unit holders' fund (as per statement attached)	<u><u>1,912,949</u></u>	<u><u>1,517,138</u></u>
	(Number of units)	
Number of units in issue	<u><u>29,711,971</u></u>	<u><u>28,653,899</u></u>
	(Rupees)	
Net asset value per unit	<u><u>64.3831</u></u>	<u><u>52.9470</u></u>

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

**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, 2019

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
(Rupees in '000)					
Income					
Net realised gain / (loss) on sale of investments		42,317	(39,482)	48,605	(34,890)
Dividend income		66,854	50,376	37,351	26,026
Profit on saving accounts with banks		555	145	144	59
Other income		568	695	215	485
		<u>110,294</u>	<u>11,734</u>	<u>86,315</u>	<u>(8,320)</u>
Net unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss'	6.1	255,369	(256,065)	355,952	(191,303)
Total income / (loss)		<u>365,663</u>	<u>(244,331)</u>	<u>442,267</u>	<u>(199,623)</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company		7,939	8,343	4,320	4,108
Sindh Sales Tax on remuneration of the Management Company		1,032	1,085	562	534
Allocated expenses	11	794	834	432	411
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		1,297	1,337	684	663
Sindh Sales Tax on remuneration of the trustee		169	174	89	86
Annual fee to the Securities and Exchange Commission of Pakistan	8	159	793	87	391
Auditors' remuneration		245	258	152	138
Brokerage fees		2,119	919	1,425	710
Charity expense		1,920	798	1,101	491
Bank and settlement charges		341	323	263	190
Fees and subscription		283	284	142	142
Provision for Sindh Workers' Welfare Fund (SWWF)	9.2	6,987	-	6,987	-
Printing charges		9	20	-	10
Total expenses		<u>23,294</u>	<u>15,168</u>	<u>16,244</u>	<u>7,874</u>
Net income / (loss) for the period before taxation		<u>342,369</u>	<u>(259,499)</u>	<u>426,023</u>	<u>(207,497)</u>
Taxation	13	-	-	-	-
Net income / (loss) for the period after taxation		<u>342,369</u>	<u>(259,499)</u>	<u>426,023</u>	<u>(207,497)</u>
Allocation of net income for the period					
Net income for the period after taxation		342,369	-	-	-
Income already paid on units redeemed		(3,784)	-	-	-
		<u>338,585</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounting income available for distribution					
- Relating to capital gains		297,686	-	-	-
- Excluding capital gains		40,899	-	-	-
		<u>338,585</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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, 2019



KSE-Meezan
Index Fund

	<u>Six months period ended,</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income / (loss) for the period after taxation	342,369	(259,499)	426,023	(207,497)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>342,369</u>	<u>(259,499)</u>	<u>426,023</u>	<u>(207,497)</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	(Accumulated loss) / undistributed income	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	1,779,406	(262,268)	1,517,138	1,469,611	217,869	1,687,480
Issuance of 5,249,132 units (2018: 6,820,850 units)						
- Capital value (at net asset value per unit at the beginning of the period)	277,926		277,926	481,948	-	481,948
- Element of income / (loss)	3,891		3,891	(26,758)	-	(26,758)
Total proceeds on issuance of units	281,817	-	281,817	455,190	-	455,190
Redemption of 4,191,060 units (2018: 4,963,842 units)						
- Capital value (at net asset value per unit at the beginning of the period)	221,904		221,904	350,736	-	350,736
- Element of (loss) / income	2,687	3,784	6,471	(19,596)	-	(19,596)
Total payments on redemption of units	224,591	3,784	228,375	331,140	-	331,140
Total comprehensive income / (loss) for the period		342,369	342,369	-	(259,499)	(259,499)
Distribution during the period		-	-	-	-	-
Net income / (loss) for the period less distribution	-	342,369	342,369	-	(259,499)	(259,499)
Net assets at the end of the period	1,836,632	76,317	1,912,949	1,593,661	(41,630)	1,552,031
(Accumulated loss) / undistributed income brought forward						
- Realised income		184,604			402,733	
- Unrealised loss		(446,872)			(184,864)	
		(262,268)			217,869	
Accounting income available for distribution						
- Relating to capital gains	297,686			-		
- Excluding capital gains	40,899			-		
	338,585			-		
Net loss for the period after taxation		-		(259,499)		
Distribution during the period		-		-		
Undistributed income / (accumulated loss) carried forward		<u>76,317</u>		<u>(41,630)</u>		
Undistributed income / (accumulated loss) carried forward						
- Realised (loss) / income		(179,052)			214,435	
- Unrealised gain / (loss)		255,369			(256,065)	
		<u>76,317</u>			<u>(41,630)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period		<u>52.9470</u>				<u>70.6581</u>
Net assets value per unit at the end of the period		<u>64.3831</u>				<u>60.2980</u>

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

For AI 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, 2019



KSE-Meezan
Index Fund

	Six months period ended	
	December 31,	
	2019	2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	342,369	(259,499)
Adjustments for:		
Net unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss'	(255,369)	256,065
	87,000	(3,434)
Increase in assets		
Investments	(147,464)	(120,407)
Receivable against sale of investments	(86,301)	-
Dividend receivable	5,861	(3,620)
Deposits, prepayments and other receivables	103	4
	(227,801)	(124,023)
Decrease in liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	573	(67)
Payable to Central Depository Company of Pakistan Limited - the Trustee	42	(4)
Payable to the Securities and Exchange Commission of Pakistan	(1,405)	(854)
Payable to Meezan Bank Limited	34	(18)
Payable against purchase of investments	45,863	52,612
Accrued expenses and other liabilities	10,234	788
	55,341	52,457
Net cash used in operating activities	(85,460)	(75,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units	321,303	455,517
Payment against redemption of units	(228,528)	(330,110)
Net cash generated from financing activities	92,775	125,407
Net increase in cash and cash equivalents during the period	7,315	50,407
Cash and cash equivalents at beginning of the period	8,935	19,141
Cash and cash equivalents at the end of the period	16,250	69,548

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

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, 2019

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 Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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.

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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
	In saving accounts	5.1	13,523	7,559
	In current accounts		2,727	1,376
			<u>16,250</u>	<u>8,935</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 3.82% to 11.50% per annum (June 30, 2019: 3.32% to 12.30% per annum).

6	INVESTMENTS	Note	December 31,	June 30,
			2019 (Unaudited)	2019 (Audited)
			(Rupees in '000)	
Investments at 'fair value through profit or loss'				
	Shares of listed companies - 'ordinary shares'	6.1	<u>1,925,709</u>	<u>1,522,876</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2019	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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
						(Rupees in '000)		%			

Sectors / companies

Automobile Assembler

Honda Atlas Cars (Pakistan) Limited	-	76,200	-	13,700	62,500	9,569	13,684	4,115	0.72	0.04	0.71
Millat Tractors Limited	-	56,650	6,662	14,600	48,712	36,542	34,314	(2,228)	1.79	0.10	1.78
Pak Suzuki Motor Company Limited	-	46,900	-	-	46,900	11,227	10,820	(407)	0.57	0.06	0.56
									3.08	0.20	3.05

Automobile Parts & Accessories

Thal Limited (note 6.1.1)	-	82,300	-	82,300	-	-	-	-	-	-	-
									-	-	-

Bank

Meezan Bank Limited	-	762,000	-	62,500	699,500	57,925	66,543	8,618	3.48	0.05	3.46
									3.48	0.05	3.46

Cable And Electrical Goods

Pak Elektron Limited	565,303	84,000	-	108,000	541,303	10,884	14,653	3,769	0.77	0.11	0.76
									0.77	0.11	0.76

Cement

D.G. Khan Cement Company Limited	498,500	72,500	-	95,000	476,000	26,952	35,353	8,401	1.85	0.11	1.84
Fauji Cement Company Limited	1,735,375	299,000	-	383,500	1,650,875	25,753	25,688	(65)	1.34	0.12	1.33
Lucky Cement Limited	292,680	48,900	-	60,600	280,980	107,615	120,372	12,757	6.29	0.09	6.25
Maple Leaf Cement Factory Limited *	604,155	637,681	-	661,000	580,836	10,615	13,440	2,825	0.70	0.10	0.70
									10.18	0.42	10.12

Chemical

Engro Polymer & Chemicals Limited	1,027,271	61,000	-	397,500	690,771	18,660	22,940	4,280	1.20	0.08	1.19
Lotte Chemical Pakistan Limited	857,500	106,000	-	139,000	824,500	12,619	11,559	(1,060)	0.60	0.05	0.60
									1.80	0.13	1.79

Engineering

International Industries Limited	122,500	-	-	122,500	-	-	-	-	-	-	-
International Steels Limited	393,400	50,000	-	159,500	283,900	11,599	16,435	4,836	0.86	0.07	0.85
									0.86	0.07	0.85

Fertilizer

Engro Corporation Limited	716,900	76,000	-	104,400	688,500	184,686	237,705	53,019	12.43	0.12	12.34
Engro Fertilizers Limited	1,357,136	164,500	-	215,500	1,306,136	83,997	95,910	11,913	5.01	0.10	4.98
									17.44	0.22	17.32

Food And Personal Care

Frieslandcampina Engro Pakistan Limited	174,500	166,000	-	174,500	166,000	13,240	13,164	(76)	0.69	0.02	0.68
									0.69	0.02	0.68

Investment Banks / Investment

Companies / Securities Companies

Dawood Hercules Corporation Limited	-	788,000	-	107,500	680,500	77,859	104,940	27,081	5.49	0.14	5.45
									5.49	0.14	5.45

Oil And Gas Exploration Companies

Mari Petroleum Company Limited	55,030	6,940	5,835	8,580	59,225	54,622	77,591	22,969	4.06	0.04	4.03
Oil & Gas Development Company Limited	1,459,618	171,700	-	229,700	1,401,618	183,365	199,478	16,113	10.43	0.03	10.36
Pakistan Oilfields Limited	294,130	42,700	-	54,000	282,830	114,940	126,346	11,406	6.60	0.10	6.56
Pakistan Petroleum Limited	1,254,279	174,800	249,235	231,000	1,447,314	173,803	198,485	24,682	10.38	0.05	10.31
									31.47	0.22	31.26

Name of the investee company	As at July 1, 2019	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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) -----			----- % -----		
Oil And Gas Marketing Companies											
Attock Petroleum Limited	-	63,900	-	63,900	-	-	-	-	-	-	-
Hascol Petroleum Limited *	159,330	629,609	-	180,359	608,580	6,111	16,371	10,260	0.86	0.31	0.85
Pakistan State Oil Company Limited	398,700	538,200	-	477,300	459,600	87,222	88,078	856	4.60	0.10	4.57
Shell Pakistan Limited	48,900	-	-	48,900	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	645,833	101,000	-	128,000	618,833	42,876	47,136	4,260	2.46	0.10	2.45
Sui Southern Gas Company Limited	695,231	160,500	-	150,500	705,231	14,437	15,177	740	0.79	0.08	0.79
									8.71	0.59	8.66
Paper & Board											
Packages Limited	60,812	7,600	-	68,412	-	-	-	-	-	-	-
									-	-	-
Pharmaceuticals											
AGP Limited	-	248,000	-	248,000	-	-	-	-	-	-	-
The Searle Company Limited	191,759	55,400	-	39,800	207,359	30,630	39,137	8,507	2.05	0.10	2.03
									2.05	0.10	2.03
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	6,251,040	950,000	-	1,207,000	5,994,040	25,902	26,194	292	1.37	0.02	1.36
The Hub Power Company Limited	1,703,897	2,113,500	-	1,703,897	2,113,500	187,542	197,295	9,753	10.31	0.16	10.25
									11.68	0.18	11.61
Refinery											
Attock Refinery Ltd	98,091	16,300	-	22,000	92,391	7,327	10,319	2,992	0.54	0.09	0.54
Byco Petroleum Pakistan Limited	1,211,000	-	-	1,211,000	-	-	-	-	-	-	-
National Refinery Limited	59,048	-	-	59,048	-	-	-	-	-	-	-
									0.54	0.09	0.54
Technology & Communication											
Netsol Technologies Limited	-	69,000	-	-	69,000	4,622	4,544	(78)	0.24	0.08	0.24
									0.24	0.08	0.24
Textile Composite											
Nishat Mills Limited	358,300	40,500	-	55,400	343,400	31,632	36,448	4,816	1.91	0.10	1.89
									1.91	0.10	1.89
Transport											
Pakistan International Bulk Terminal Limited	2,228,000	240,000	-	2,468,000	-	-	-	-	-	-	-
									-	-	-
Vanaspati & Allied Industries											
Unity Foods Limited	-	347,000	-	-	347,000	5,567	5,590	23	0.29	0.06	0.29
									0.29	0.06	0.29
Right Certificates											
Cement											
Maple Leaf Cement Factory Limited *	-	-	546,681	546,681	-	-	-	-	-	-	-
Oil And Gas Marketing Companies											
Hascol Petroleum Limited *	-	-	607,320	607,320	-	-	-	-	-	-	-
						1,670,340	1,925,709	255,369			100

*The right certificates were exercised during the period and the shares are included in the investment in Hascol Petroleum Limited and Maple Leaf Cement Factory Limited.

- 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 and Thal Limited having nominal value of Rs. 5 each.
- 6.1.2** Investments include 682,000 shares (June 30, 2019: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 93.529 million as at December 31, 2019 (June 30, 2019: Rs 98.50 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 were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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 had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the 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.

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.161 million (June 30, 2019: Rs. 0.883 million).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to equity funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Auditor's remuneration payable		212	225
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	9.1	5,741	5,741
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.1	497	497
Provision for Sindh Workers' Welfare Fund	9.2	16,257	9,270
Withholding tax and capital gain tax payable		345	245
Charity payable		3,563	1,843
Brokerage payable		2,492	1,071
Shariah advisory fee payable		262	264
Printing charges payable		125	115
Zakat payable		11	-
		29,505	19,271

- 9.1 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.

With effect from July 1, 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.

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.

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 1, 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 6.238 million is being retained in the condensed interim 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 0.21 (June 30, 2019: Re 0.22) per unit.

- 9.2** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, 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 condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re. 0.55 per unit (June 30, 2019: Re 0.32 per unit).

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the 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:

Balances	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	1,588	1,224
Sindh Sales Tax on management fee payable	207	159
Sales load payable	112	1
Sindh Sales Tax on sales load payable	14	1
Allocated expenses payable	159	122
Investment of 9,226,675 units (June 30, 2019: 7,651,969 units)	594,042	405,149

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Meezan Bank Limited		
Sales load payable	42	14
Sindh Sale Tax on sales load payable	6	2
Bank balance	4,201	3,425
Profit receivable on savings account	13	62
Investment of 2,113,224 units (June 30, 2019: 2,113,224 units)	136,056	111,889
Investment in 699,500 shares (June 30, 2019: nil shares)	66,543	-
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	220	183
Sindh Sales Tax on trustee fee payable	51	46
Security deposit	103	103
Directors and their close family members and key management		
Investment of 20,075 units (June 30, 2019: 18,925 units)	1,292	1,002
Unit holders holding 10% or more units of the Fund		
Investment of 9,725,888 units (June 30, 2019: 9,725,888 units)	626,183	514,957
AI Meezan Investment Management Limited (Gratuity Fund)		
Investment as at December 31, 2019: 133,559 units (June 30, 2019: 133,559 units)	8,599	7,072
Meezan Strategic Allocation Fund MSAP-I		
Investment as at December 31, 2019: 4,311 units (June 30, 2019: 201,580 units)	278	10,673
Meezan Strategic Allocation Fund MSAP-II		
Investment as at December 31, 2019: 137,526 units (June 30, 2019: 137,526 units)	8,854	7,282
Meezan Strategic Allocation Fund MSAP-III		
Investment as at December 31, 2019: 374,075 units (June 30, 2019: 167,669 units)	24,084	8,879
Meezan Strategic Allocation Fund MSAP-IV		
Investment as at December 31, 2019: 396,682 units (June 30, 2019: 190,276 units)	25,540	10,075
Meezan Strategic Allocation Fund MSAP-V		
Investment as at December 31, 2019: 56,518 units (June 30, 2019: 56,518 units)	3,639	2,992
	Six months period ended	
	December 31,	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	7,939	8,343
Sindh Sales Tax on remuneration of the Management Company	1,032	1,085
Allocated expenses	794	834
Units issued: 2,236,837 units (December 31, 2018: 1,319,091 units)	109,600	86,100
Units redeemed: 662,131 units (December 31, 2018: nil units)	37,100	-
Meezan Bank Limited		
Profit on savings account	302	22
Dividend income	1,425	-
Shares purchased: 762,000 shares (December 31, 2018: nil shares)	63,071	-
Shares sold: 62,500 shares (December 31, 2018: nil shares)	5,769	-



**Six months period ended
December 31,**

2019	2018
(Unaudited)	
(Rupees in '000)	

Central Depository Company of Pakistan Limited - the Trustee

Trustee fee	1,297	1,337
Sindh Sales Tax on trustee fee for the period	169	174
CDS charges	43	41

Directors and their close family members and key management

Units issued: 1,590 units (December 31, 2018: 611 units)	91	42
Units redeemed: 440 units (December 31, 2018: nil units)	25	-

Meezan Strategic Allocation Fund MSAP-I

Units redeemed: 197,269 units (December 31, 2018: nil units)	10,000	-
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Meezan Strategic Allocation Fund MSAP-III

Units issued: 206,406 units (December 31, 2018: nil units)	10,000	-
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Meezan Strategic Allocation Fund MSAP-IV

Units issued: 206,406 units (December 31, 2018: nil units)	10,000	-
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11 ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 2.94% which include 1.09% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

13 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. 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 unit holders. 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

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.

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, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

As at December 31, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'			
1,925,709	-	-	1,925,709
As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'			
1,522,876	-	-	1,522,876

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

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan Energy Fund

MEEZAN ENERGY FUND (MEF)

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

 Swat Branch

 **WHITE PALACE
MARGHAZAR
(SWAT)**



MAKING OUR MARK IN THE LAND OF MOUNTAINS



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	

LEGAL ADVISER

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

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) 34326021 - 23
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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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020
Karachi



MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		December 31,	June 30,
		2019	2019
		(Unaudited)	(Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	13,164	20,442
Investments	6	599,062	583,850
Receivable against conversion of units		126	557
Dividend receivable		109	2,127
Advances, deposits and other receivables		4,384	1,890
Preliminary expenses and floatation costs		383	483
Total assets		<u>617,228</u>	<u>609,349</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company		1,899	2,039
Payable to Central Depository Company of Pakistan Limited - the Trustee		118	129
Payable to Meezan Bank Limited		112	1
Payable to Securities and Exchange Commission of Pakistan	7	56	933
Payable against conversion and redemption of units		1,011	724
Payable against purchase of investments - net		-	3,424
Accrued expenses and other liabilities	9	5,919	3,396
Total liabilities		<u>9,115</u>	<u>10,646</u>
Net assets		<u>608,113</u>	<u>598,703</u>
Contingencies and commitments	8		
Unit holders' funds (as per statement attached)		<u>608,113</u>	<u>598,703</u>
		(Number of units)	
Number of units in issue		<u>15,379,012</u>	<u>17,944,102</u>
		(Rupees)	
Net asset value per unit		<u>39.5418</u>	<u>33.3649</u>

The annexed notes 1 to 17 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 ENERGY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

		Six months period ended December 31, 2019	Six months period ended December 31, 2018	Quarter ended December 31, 2019	Quarter ended December 31, 2018
	Note	(Rupees in '000)		(Rupees in '000)	
Income					
Net realised (loss) / gain on sale of investments		(39,152)	(56,092)	1,856	(47,636)
Dividend income		11,935	15,791	5,025	9,795
Profit on saving accounts with banks		1,646	1,964	743	625
		<u>(25,571)</u>	<u>(38,337)</u>	<u>7,624</u>	<u>(37,216)</u>
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	6.1	110,689	(188,359)	160,956	(134,297)
Total income / (loss)		<u>85,118</u>	<u>(226,696)</u>	<u>168,580</u>	<u>(171,513)</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company		5,631	12,522	2,823	5,326
Sindh Sales Tax on remuneration of management fee		732	1,628	367	692
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		566	1,121	285	509
Sindh Sales Tax on trustee fee		74	146	37	66
Annual fee to the Securities and Exchange Commission of Pakistan	7	56	595	28	253
Auditors' remuneration		177	183	103	102
Charity expense		400	343	150	257
Fees and subscription		283	286	142	144
Brokerage expense		948	666	619	282
Bank and settlement charges		139	59	93	33
Printing charges		-	15	-	7
Selling and marketing expense	12	1,126	2,504	564	1,065
Amortisation of preliminary expenses and floatation costs		100	100	50	50
Allocated expenses	11	282	626	142	266
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	1,492	-	1,492	-
Total expenses		<u>12,006</u>	<u>20,794</u>	<u>6,895</u>	<u>9,052</u>
Net income / (loss) for the period before taxation		<u>73,112</u>	<u>(247,490)</u>	<u>161,685</u>	<u>(180,565)</u>
Taxation	15	-	-	-	-
Net income / (loss) for the period after taxation		<u>73,112</u>	<u>(247,490)</u>	<u>161,685</u>	<u>(180,565)</u>
Allocation of net income for the period					
Net income for the period after taxation		73,112	-		
Income already paid on units redeemed		-	-		
		<u>73,112</u>	<u>-</u>		
Accounting income available for distribution					
- Relating to capital gains		71,537	-		
- Excluding capital gains		1,575	-		
		<u>73,112</u>	<u>-</u>		

The annexed notes 1 to 17 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 ENERGY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019



Meezan
Energy Fund

	Six months period ended December 31, 2019	Six months period ended December 31, 2018	Quarter ended December 31, 2019	Quarter ended December 31, 2018
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	73,112	(247,490)	161,685	(180,565)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>73,112</u>	<u>(247,490)</u>	<u>161,685</u>	<u>(180,565)</u>

The annexed notes 1 to 17 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 ENERGY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Accumulated Loss	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	967,743	(369,040)	598,703	1,660,781	(24,208)	1,636,573
Issue of 19,834,260 units (December 31, 2018: 8,245,840 units)						
- Capital value (at net asset value per unit at the beginning of the period)	661,768	-	661,768	410,497	-	410,497
- Element of income / (loss)	23,484	-	23,484	(18,424)	-	(18,424)
Total proceeds on issuance of units	685,252	-	685,252	392,073	-	392,073
Redemption of 22,399,350 units (December 31, 2018: 21,079,629 units)						
- Capital value (at net asset value per unit at the beginning of the period)	747,352	-	747,352	1,049,393	-	1,049,393
- Element of loss / (income)	1,602	-	1,602	(55,604)	-	(55,604)
Total payments on redemption of units	748,954	-	748,954	993,789	-	993,789
Total comprehensive income / (loss) for the period	-	73,112	73,112	-	(247,490)	(247,490)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	73,112	73,112	-	(247,490)	(247,490)
Net assets at the end of the period	904,041	(295,928)	608,113	1,059,065	(271,698)	787,367
Accumulated loss brought forward						
- Realised loss		(228,021)			(48,945)	
- Unrealised (loss) / income		(141,019)			24,737	
		(369,040)			(24,208)	
Accounting income available for distribution						
- Relating to capital gains	71,537			-		
- Excluding capital gains	1,575			-		
	73,112			-		
Net loss for the period after taxation		-			(247,490)	
Distribution during the period		-			-	
Accumulated loss carried forward		(295,928)			(271,698)	
Accumulated loss carried forward						
- Realised loss		(406,617)			(83,339)	
- Unrealised income / (loss)		110,689			(188,359)	
		(295,928)			(271,698)	
				(Rupees)		(Rupees)
Net assets value per unit at the beginning of the period				33.3649		49.7823
Net assets value per unit at the end of the period				39.5418		39.2882

The annexed notes 1 to 17 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 ENERGY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**



Meezan
Energy Fund

	Six months period ended December 31, 2019	Six months period ended December 31, 2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	73,112	(247,490)
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	100	100
Net unrealised (appreciation) / diminution on re-measurement of investments - 'at fair value through profit or loss'	(110,689)	188,359
	<u>(37,477)</u>	<u>(59,031)</u>
Increase in assets		
Investments - net	95,477	486,679
Dividend receivable	2,018	515
Advances, deposits and other receivables	(2,494)	351
	95,001	487,545
Decrease in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(140)	(1,321)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	(72)
Payable to Meezan Bank Limited	111	(9)
Payable to Securities and Exchange Commission of Pakistan	(877)	(838)
Payable against purchase of investments - net	(3,424)	(2,314)
Accrued expenses and other liabilities	2,523	368
	<u>(1,818)</u>	<u>(4,186)</u>
Net cash generated from operating activities	55,706	424,328
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	685,683	404,679
Payment against redemption and conversion of units	(748,667)	(990,048)
Net cash used in financing activities	(62,984)	(585,369)
Net decrease in cash and cash equivalents during the period	(7,278)	(161,041)
Cash and cash equivalents at the beginning of the period	20,442	195,027
Cash and cash equivalents at the end of the period	<u>13,164</u>	<u>33,986</u>

The annexed notes 1 to 17 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 ENERGY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Energy Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 9, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 Central Depository Company of Pakistan Limited 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.

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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	12,844	19,835
In current accounts		320	607
		<u>13,164</u>	<u>20,442</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 13.50% per annum (June 30, 2019: 3.32% to 12.35% per annum).

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
6. INVESTMENTS	Note		
Investments - 'at fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	<u>599,062</u>	<u>583,850</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain as at December 31, 2019	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)	105,385	12,000	7,618	52,200	72,803	71,044	95,379	24,335	15.68	15.92	0.05	
Oil and Gas Development Company Limited	676,600	377,000	-	524,800	528,800	70,309	75,260	4,951	12.38	12.56	0.01	
Pakistan Oilfields Limited (note 6.2)	129,180	91,500	-	69,000	151,680	60,620	67,758	7,138	11.14	11.31	0.05	
Pakistan Petroleum Limited (note 6.2)	621,765	253,000	81,953	265,000	691,718	87,349	94,862	7,513	15.60	15.83	0.03	
									54.80	55.62	0.14	
Oil and Gas Marketing Companies												
Attock Petroleum Limited (note 6.2)	29,000	37,800	-	3,000	63,800	20,875	23,593	2,718	3.88	3.94	0.06	
Hascol Petroleum Limited (note 6.2)	616,652	2,691,859	-	1,329,500	1,979,011	21,274	53,235	31,961	8.75	8.89	0.99	
Pakistan State Oil Company Limited (note 6.2)	318,240	212,400	62,248	201,000	391,888	59,042	75,101	16,059	12.35	12.54	0.08	
Sui Northern Gas Pipelines Limited	1,021,300	200,000	-	790,000	431,300	29,441	32,853	3,412	5.40	5.48	0.07	
Sui Southern Gas Pipelines Limited	17,000	-	-	17,000	-	-	-	-	-	-	-	
									30.38	30.85	1.20	
Power Generation and Distribution												
Hub Power Company Limited	562,844	488,600	-	471,000	580,444	42,525	54,185	11,660	8.91	9.04	0.04	
K - Electric Limited (note 6.1.1)	5,916,000	3,000,000	-	2,775,000	6,141,000	25,894	26,836	942	4.41	4.48	0.02	
									13.32	13.52	0.06	
Refinery												
National Refinery Limited	-	25,000	-	25,000	-	-	-	-	-	-	-	
Rights Certificates												
Oil And Gas Marketing Companies												
Hascol Petroleum Limited *	-	-	1,976,859	1,976,859	-	-	-	-	-	-	-	
Total as at December 31, 2019						488,373	599,062	110,689		100		
Total as at June 30, 2019						724,869	583,850	(141,019)				

*The right certificates were exercised during the period and the shares are included in the investment in Hascol Petroleum Limited.

- 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 were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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 had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the 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.

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.931 million (June 30, 2019: Rs. 0.824 million).

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to equity funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Auditors' remuneration payable		148	195
Printing charges payable		38	38
Shariah advisor fee payable		265	265
Charity payable		424	924
Capital gain tax payable		324	211
Provision for Sindh Workers' Welfare Fund	9.1	3,019	1,527
Zakat payable		6	5
Brokerage Payable		1,695	231
		5,919	3,396

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 condensed interim financial statements of the Fund for the period from November 30, 2016 to December 31, 2019, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.20 (June 30, 2019: Re 0.09).

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other 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, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	1,049	1,137
Sindh Sales Tax on management fee payable	136	148
Sales load payable	86	13
Sindh Sales Tax on sales load payable	11	2
Allocated expenses	52	57
Selling and marketing expense payable	565	682
Investment of 5,703,284 units (June 30, 2019: 6,150,459 units)	225,518	205,209
Meezan Bank Limited		
Bank balance	9,997	1,120
Profit receivable on saving accounts	58	162
Sales load payable	99	1
Sindh Sales Tax on sales load payable	13	-
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	104	114
Sindh Sales Tax on trustee fee payable	14	15
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 113,347 units (June 30, 2019: 234,114 units)	4,482	7,811
	Six months period ended December 31, 2019	Six months period ended December 31, 2018
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the period	5,631	12,522
Sindh Sales Tax on management fee	732	1,628
Allocated expenses	282	626
Selling and marketing expense	1,126	2,504
Units issued: 967,230 units (December 31, 2018: nil)	30,000	-
Units redeemed: 1,414,404 units (December 31, 2018: 3,987,713 units)	48,000	196,000



Six months period ended December 31, 2019	Six months period ended December 31, 2018
(Rupees in '000)	

Meezan Bank Limited
 Profit on saving accounts

987	510
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Central Depository Company of Pakistan Limited - the Trustee

Trustee fee
 Sindh Sales Tax on trustee fee
 CDS charges

566	1,121
74	146
35	26

Directors and executives of the Management Company

Units issued: 3,382,144 units (December 31, 2018: 336,155 units)
 Units redeemed: 3,422,099 units (December 31, 2018: 284,833 units)

104,349	15,470
96,881	12,049

11. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

12. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 4.26% which includes 0.88% representing government levies, Sindh Workers' Welfare Fund and SECP Fee.

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.

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, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2019			
	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'	599,062	-	-	599,062

ASSETS	As at June 30, 2019			
	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'	583,850	-	-	583,850

15. 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 unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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.

17. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

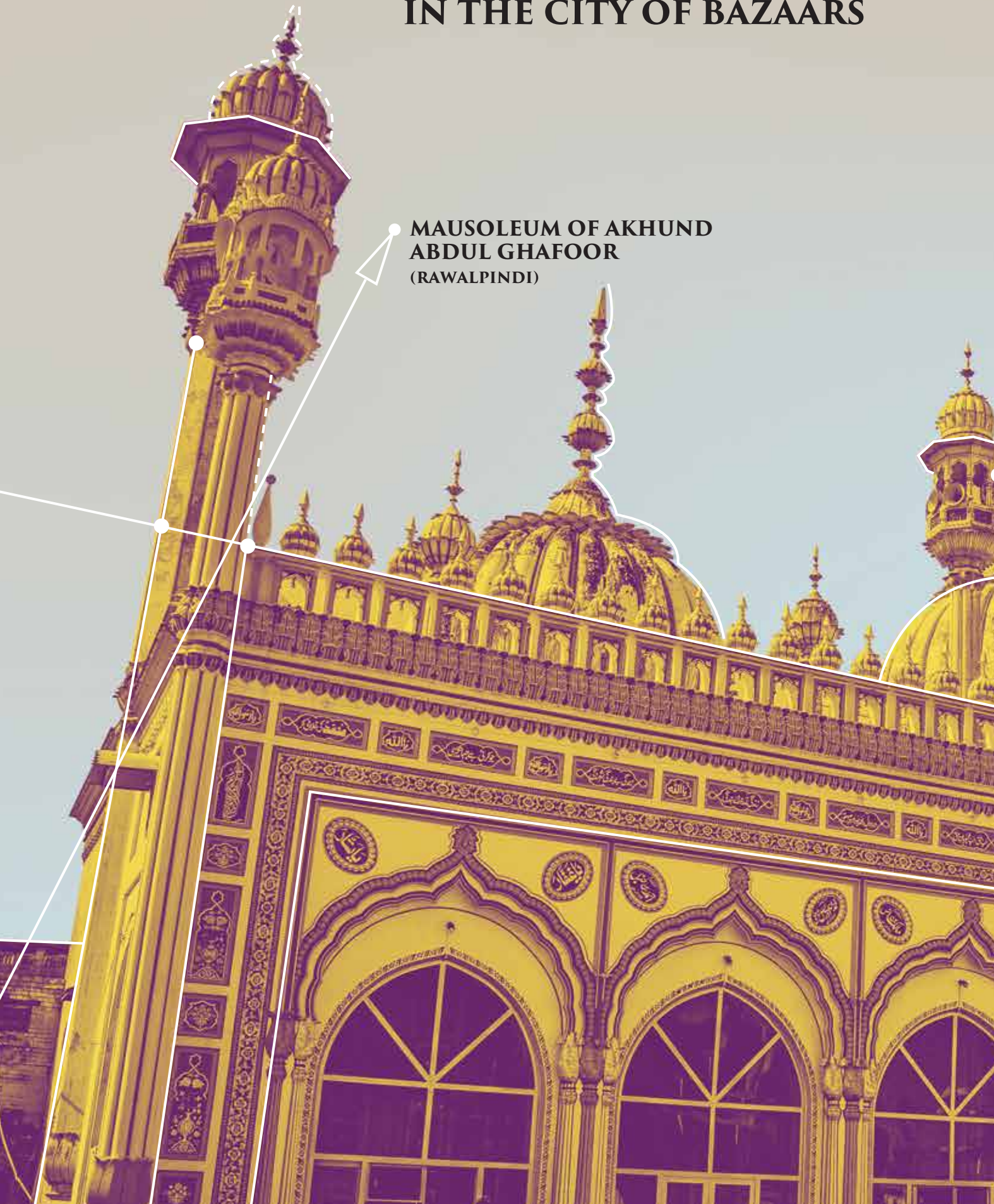
Chief Executive

Chief Financial Officer

Director

PICKING UP SPEED IN THE CITY OF BAZAARS

MAUSOLEUM OF AKHUND
ABDUL GHAFOOR
(RAWALPINDI)




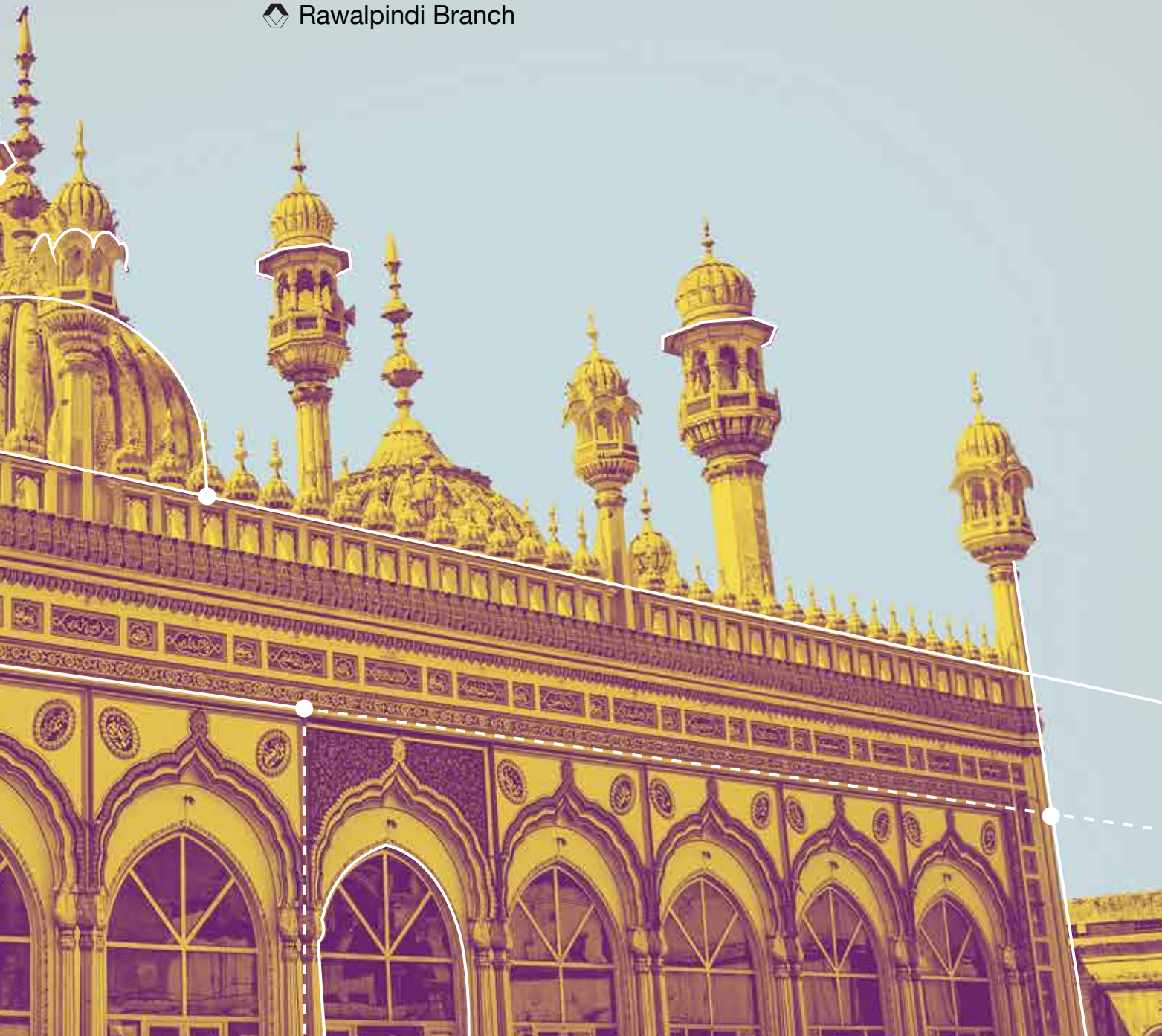


Meezan Balanced Fund

MEEZAN BALANCED FUND (MBF)

Meezan Balanced Fund is Pakistan's first Shariah compliant balanced scheme. It seeks to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high quality Shariah compliant equity securities and income instruments such as TFC's, COI's, Certificates of Musharika, Islamic Sukuks, Ready-future hedges and other Shariah compliant instruments.

 Rawalpindi Branch



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Samba Bank Limited
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal 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:

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) 34326021 - 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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**MEEZAN BALANCED FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



Meezan
Balanced Fund

		December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Balances with banks	5	561,881	357,560
Investments	6	4,155,329	4,945,739
Receivables against conversion of units		4,453	673
Dividend receivable		5,411	14,704
Receivable against sale of investments		13,251	75,910
Deposits and other receivables		<u>69,655</u>	<u>73,510</u>
Total assets		<u>4,809,980</u>	<u>5,468,096</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company		15,015	16,770
Payable to Central Depository Company of Pakistan Limited - the Trustee		566	615
Payable to the Securities and Exchange Commission of Pakistan	8	490	5,831
Payable to Meezan Bank Limited		8	1
Payable against purchase of investments - net		5,500	-
Payable on redemption and conversion of units		499	2,247
Dividend payable		7,498	7,490
Accrued expenses and other liabilities	9	<u>98,860</u>	<u>85,052</u>
Total liabilities		<u>128,436</u>	<u>118,006</u>
Net assets		<u>4,681,544</u>	<u>5,350,090</u>
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		<u>4,681,544</u>	<u>5,350,090</u>
		(Number of units)	
Number of units in issue		<u>303,871,317</u>	<u>397,457,351</u>
		(Rupees)	
Net asset value per unit		<u>15.4063</u>	<u>13.4608</u>

The annexed notes 1 to 17 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 BALANCED FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain / (loss) on sale of investments		32,762	(41,185)	59,954	(34,666)
Dividend income		92,568	116,227	52,487	66,403
Profit on sukuk certificates		100,370	88,898	48,876	47,791
Profit on saving accounts with banks		41,924	39,506	22,372	20,477
Other income		-	1,037	-	750
		267,624	204,483	183,689	100,755
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	442,070	(593,902)	633,355	(417,597)
Total income / (loss)		709,694	(389,419)	817,044	(316,842)
Expenses					
Remuneration of Al Meezan Investment Management Limited - the Management Company		48,028	74,961	24,292	36,208
Sindh Sales Tax on remuneration of the management company		6,244	9,745	3,158	4,707
Allocated expenses	11	2,401	3,748	1,214	1,810
Selling and marketing expenses	14	9,606	9,365	4,859	1,615
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		2,904	4,252	1,466	2,062
Sindh Sales Tax on remuneration of the Trustee		378	553	191	269
Annual fee to the Securities and Exchange Commission of Pakistan	8	490	3,186	243	1,539
Auditors' remuneration		349	339	214	175
Charity expense		2,447	1,705	1,350	1,064
Fees and subscription		213	451	68	212
Brokerage expense		1,728	1,210	1,414	937
Bank and settlement charges		392	310	282	122
Printing expenses		-	27	-	-
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	12,690	-	12,690	-
Total expenses		87,870	109,852	51,441	50,720
Net income/ (loss) for the period before taxation		621,824	(499,271)	765,602	(367,562)
Taxation	13	-	-	-	-
Net income/ (loss) for the period after taxation		621,824	(499,271)	765,602	(367,562)
Allocation of net income for the period					
Net income for the period after taxation		621,824	-		
Income already paid on units redeemed		(35,513)	-		
		586,311	-		
Accounting income available for distribution					
- Relating to capital gains		474,832	-		
- Excluding capital gains		111,479	-		
		586,311	-		

The annexed notes 1 to 17 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 BALANCED FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019



Meezan
 Balanced Fund

	<u>Six months period</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income / (loss) for the period after taxation	621,824	(499,271)	765,602	(367,562)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/ (loss) for the period	<u>621,824</u>	<u>(499,271)</u>	<u>765,602</u>	<u>(367,562)</u>

The annexed notes 1 to 17 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 BALANCED FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2019				Six months period ended December 31, 2018			
	Capital Value	(Accumulated loss) / Undistrib-uted income	Unrealised appreciation/ (diminution) 'available for sale' investments	Total	Capital Value	(Accumulated loss) / 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)	5,405,175	(55,085)	-	5,350,090	7,010,292	770,770	61,943	7,843,005
Change in accounting policy	-	-	-	-	-	61,943	(61,943)	-
Net assets at the beginning of the period	5,405,175	(55,085)	-	5,350,090	7,010,292	832,713	-	7,843,005
Issue of 11,741,729 units (2018: 40,272,181 units)								
- Capital value (at net asset value per unit at the beginning of the period)	158,053	-	-	158,053	621,666	-	-	621,666
- Element of income / (loss)	8,652	-	-	8,652	(18,076)	-	-	(18,076)
Total proceeds on issuance of units	166,705	-	-	166,705	603,590	-	-	603,590
Redemption of 105,327,763 units (2018: 83,106,976 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,417,796	-	-	1,417,796	1,282,889	-	-	1,282,889
- Element of loss / (income)	3,766	35,513	-	39,279	(35,280)	-	-	(35,280)
Total payments on redemption of units	1,421,562	35,513	-	1,457,075	1,247,609	-	-	1,247,609
Total comprehensive income / (loss) for the period	-	621,824	-	621,824	-	(499,271)	-	(499,271)
Distribution during the period	-	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	621,824	-	621,824	-	(499,271)	-	(499,271)
Net assets at the end of the period	4,150,318	531,226	-	4,681,544	6,366,273	333,442	-	6,699,715
Undistributed income brought forward (as previously reported (Audited))								
- Realised income		819,542				1,498,522		
- Unrealised income		(874,627)				(727,752)		
Change in accounting policy		-				61,943		
Undistributed income brought forward		(55,085)				832,713		
Accounting income available for distribution								
- Relating to capital gains		474,832				-		
- Excluding capital gains		111,479				-		
		586,311				-		
Net loss for the period after taxation		-				(499,271)		
Distribution during the period		-				-		
Undistributed income carried forward		531,226				333,442		
Undistributed income carried forward								
- Realised income		89,156				927,344		
- Unrealised gain / (loss)		442,070				(593,902)		
		531,226				333,442		
Net assets value per unit at the beginning of the period				(Rupees) 13.4608				(Rupees) 15.4366
Net assets value per unit at the end of the period				15.4063				14.4004

The annexed notes 1 to 17 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 BALANCED FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended	
	2019	2018
	December 31,	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	621,824	(499,271)
Adjustments for:		
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(442,070)	593,902
	179,754	94,631
Decrease / (Increase) in assets		
Investments - net	1,232,480	(118,453)
Dividend receivable	9,293	990
Receivable against sale of investments - net	62,659	-
Deposits and other receivables	3,855	(13,244)
	1,308,287	(130,707)
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(1,755)	7,821
Payable to Central Depository Company of Pakistan Limited - Trustee	(49)	(72)
Payable to Securities and Exchange Commission of Pakistan	(5,341)	(3,980)
Payable to Meezan Bank Limited	7	(262)
Payable against purchase of investments - net	5,500	2,521
Accrued expenses and other liabilities	13,808	3,383
	12,170	9,411
Net cash generated from / (used in) operating activities	1,500,211	(26,665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	162,925	615,405
Payment against redemption and conversion of units	(1,458,823)	(1,246,632)
Dividend paid	8	(947)
Net cash used in financing activities	(1,295,890)	(632,174)
Net increase / (decrease) in cash and cash equivalents during the period	204,321	(658,839)
Cash and cash equivalents at the beginning of the period	357,560	1,682,989
Cash and cash equivalents at the end of the period	561,881	1,024,150

The annexed notes 1 to 17 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 BALANCED FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

1.3 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as 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 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

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

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the 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 VIII A 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 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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019	June 30, 2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
In saving accounts	5.1	543,456	339,909
In current accounts		18,425	17,651
		<u>561,881</u>	<u>357,560</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.82% to 13.50% per annum (June 30, 2019: 3.20% to 12.50% per annum).

6. INVESTMENTS	Note	December 31, 2019	June 30, 2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
Investments - 'at fair value through profit or loss'	6.1	<u>4,155,329</u>	<u>4,945,739</u>
		<u>4,155,329</u>	<u>4,945,739</u>
6.1 Investments - 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	6.1.1	2,747,036	2,966,177
Sukuk certificates	6.1.2	1,253,134	1,508,261
Commercial papers	6.2.3	155,160	471,301
		<u>4,155,329</u>	<u>4,945,739</u>

6.1.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2019	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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) -----			----- % -----		

Sectors / companies

Commercial Banks

Meezan Bank Limited (note 6.2.1.2)

(an associate company of the Fund)

Meezan Bank Limited (note 6.2.1.2)	1,212,885	-	-	148,000	1,064,885	92,815	101,303	8,487	2.16	0.08	2.44
BankIslami Pakistan Limited	875	950,087	-	75,000	875,962	9,417	9,714	297	0.21	0.08	0.23
									2.37	0.16	2.68

Automobile assemblers

Ghandhara Industries Limited (note 6.2.1.2)

Millat Tractors Company Limited

Indus Motor Company Limited

Honda Atlas Cars (Pakistan) Limited

Ghandhara Industries Limited (note 6.2.1.2)	67,600	-	-	65,500	2,100	183	280	96	0.01	-	0.01
Millat Tractors Company Limited	33,800	-	3,256	7,750	29,306	22,465	20,644	(1,821)	0.44	0.06	0.50
Indus Motor Company Limited	-	13,700	-	-	13,700	16,368	15,915	(453)	0.34	0.02	0.38
Honda Atlas Cars (Pakistan) Limited	800	6,000	-	800	6,000	1,318	1,314	(4)	0.03	-	0.03
									0.82	0.08	0.92

Automobile parts and accessories

Agriauto Industries Limited

Agriauto Industries Limited	-	40,200	-	-	40,200	8,383	8,040	(343)	0.17	0.28	0.19
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Chemicals

Engro Polymer & Chemicals Limited

ICI Pakistan Limited

Lotte Chemical Pakistan Limited

Sitara Chemical Industries Limited

Engro Polymer & Chemicals Limited	2,398,954	-	-	977,000	1,421,954	38,336	47,223	8,887	1.01	0.16	1.14
ICI Pakistan Limited	169,316	-	-	5,700	163,616	87,121	110,416	23,296	2.36	0.18	2.66
Lotte Chemical Pakistan Limited	89,000	-	-	89,000	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	2,100	-	-	-	2,100	642	627	(16)	0.01	0.01	0.02
									3.38	0.35	3.81



Name of the investee company	As at July 1, 2019	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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) -----			----- % -----		
Cement											
Attock Cement Pakistan Limited (note 6.2.1.2)	727	-	-	-	727	52	75	23	-	-	0.00
Cherat Cement Company Limited	-	350,000	10,000	250,000	110,000	4,296	5,836	1,539	0.12	0.06	0.14
Dew an Cement Limited	-	-	-	-	-	-	-	-	-	-	-
DG Khan Cement Company Limited	355,409	250,000	-	605,409	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	752,500	-	752,500	-	-	-	-	-	-	-
Kohat Cement Limited (note 6.2.1.2)	505,520	-	-	-	505,520	26,555	39,127	12,572	0.84	0.25	0.94
Lucky Cement Limited	552,951	18,900	-	188,500	383,351	146,162	164,228	18,066	3.51	0.12	3.96
Maple Leaf Cement Limited	3,125	2,656	-	-	5,781	107	134	27	-	-	0.00
									4.47	0.43	5.05
Fertilizers											
Daw ood Hercules Corporation Limited	-	8,800	-	-	8,800	1,010	1,357	347	0.03	-	0.03
Engro Fertilizers Limited	2,705,000	25,000	-	1,001,000	1,729,000	110,736	126,960	16,224	2.71	0.36	3.06
Engro Corporation Pakistan Limited (note 6.1.1.4)	1,084,490	40,000	-	304,500	819,990	219,955	283,102	63,147	6.05	0.14	6.82
									8.79	0.50	9.92
Technology & Communication											
Avanceon Limited	240,800	-	-	200,000	40,800	2,001	1,532	(469)	0.03	0.02	0.04
Netsol Technologies Limited	3,600	-	-	-	3,600	237	237	(0)	0.01	-	0.01
Systems Limited	187,550	-	-	25,000	162,550	15,600	20,205	4,605	0.43	0.13	0.49
									0.47	0.15	0.53
Paper & Board											
Cherat Packaging Limited	52,400	-	3,540	17,000	38,940	2,855	4,728	1,874	0.10	0.09	0.11
Packages Limited	273,923	-	-	100,000	173,923	52,274	69,350	17,076	1.48	0.19	1.67
									1.58	0.28	1.79
Miscellaneous											
Shifa International Hospitals Limited	84	-	-	-	84	18	28	10	-	-	0.07
Oil & Gas Exploration											
Oil and Gas Development Company Limited	2,453,000	-	-	645,900	1,807,100	237,616	257,186	19,571	3.22	0.04	6.20
Pakistan Oilfields Limited (note 6.2.1.2)	449,010	37,000	-	85,600	400,410	160,662	178,871	18,209	2.11	0.14	4.31
Pakistan Petroleum Limited (note 6.2.1.2)	1,977,835	-	353,167	742,200	1,588,802	191,226	217,888	26,663	1.03	0.06	5.25
Mari Petroleum Company Limited (note 6.2.1.2)	152,461	4,540	15,246	-	172,247	158,532	225,661	67,129	1.63	0.13	5.44
									7.99	0.37	21.20
Oil and Gas Marketing											
Attock Petroleum Limited (note 6.2.1.2)	12,000	-	-	-	12,000	3,462	4,438	975	3.22	0.04	0.11
Pakistan State Oil Company Limited (note 6.2.1.2)	771,492	50,000	111,898	567,000	366,390	52,596	70,215	17,619	2.11	0.14	1.69
Hascol Petroleum Limited (note 6.2.1.2)	282,544	809,180	1,188,176	703,000	1,576,900	27,355	42,419	15,063	1.03	0.06	1.02
Sui Northern Gas Pipeline Limited	2,211,500	-	-	708,500	1,503,000	104,443	114,484	10,040	1.63	0.13	2.76
									7.99	0.37	5.58
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	2,350	-	-	100	2,250	1,068	1,005	(63)	0.02	-	0.02
AGP Limited	626,000	-	-	100,000	526,000	36,047	52,258	16,211	1.12	0.19	1.26
GlaxoSmithKline Consumer Healthcare Limited	153,800	-	-	-	153,800	29,683	39,437	9,754	0.84	0.13	0.95
The Searle Company Limited (note 6.2.1.2)	338,470	-	-	123,000	215,470	31,579	40,668	9,088	0.87	0.10	0.98
Highnoon Laboratories Limited	1,598	-	-	-	1,598	405	859	454	0.02	0.01	0.02
									2.87	0.43	3.24
Food & Personal Care Products											
Engro Foods Limited	3,800	-	-	3,800	-	-	-	-	-	-	-
At-Tahur Limited	64,311	-	6,431	-	70,742	1,268	1,482	214	0.03	0.04	0.04
Al-Shaheer Corporation Limited	7,225	-	-	-	7,225	91	102	11	-	0.01	0.00
									-	0.05	0.04
Power Generation & Distribution											
Hub Power Company Limited	2,432,143	225,000	-	487,000	2,170,143	169,368	202,583	33,213	4.33	0.17	4.88
K-Electric Limited (note 6.2.1)	19,272,000	-	-	530,000	18,742,000	82,277	81,903	(374)	1.75	0.19	1.97
									6.08	0.36	6.86

Name of the investee company	As at July 1, 2019	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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)			%		
Real Estate Investment Trust											
Dolmen City RET	1,909,000	-	-	-	1,909,000	19,415	23,843	4,429	0.51	0.09	0.57
Textile composite											
Nishat Mills Limited	680,800	50,000	-	457,800	273,000	25,614	28,976	3,362	0.62	0.08	0.70
Feroze1888 Mills Limited	250,000	13,000	-	-	263,000	26,366	24,196	(2,170)	0.55	0.07	0.58
									1.17	0.15	1.28
Engineering											
Anreli Steels Limited	-	200,000	-	100,000	100,000	3,000	3,612	612	0.08	0.03	0.09
International Industries Limited	200	71,000	20	-	71,220	6,746	7,894	1,148	0.17	0.05	0.19
International Steel Limited	800	150,000	-	135,000	15,800	654	915	260	0.02	-	0.02
K.S.B. Pumps	5,000	-	-	-	5,000	505	850	345	0.02	0.04	0.02
Mughal Iron & Steels Ind Ltd	-	125,000	-	50,000	75,000	2,472	3,073	600	0.07	0.03	0.07
									0.36	0.15	0.39
Vanaspati & Allied Industries											
Unity Foods Limited	742,838	-	-	242,000	500,838	5,158	8,069	2,911	0.17	0.09	0.19
Glass & Ceramics											
Tariq Glass Industries	5,000	-	-	5,000	-	-	-	-	-	-	-
Textiles and Apparel											
Interloop Limited	1,438,222	-	-	29,500	1,408,722	62,364	81,776	19,412	1.75	0.16	1.97
December 31, 2019						2,298,879	2,747,036	448,155	66.28		
June 30, 2019						3,824,719	2,966,177	(858,542)			

6.1.1.1 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 and Agriauto Industries limited having a nominal value of Rs. 5 each.

6.1.1.2 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 had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the 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.

6.1.1.3 Investments include 150,000 shares of Engro Corporation Limited, having market value of Rs 51.788 million as at December 31, 2019 (June 30, 2019: Rs. 39.84 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.

6.1.2 Sukuk Certificates

6.1.2.1 Corporate Sukuks

Name of the investee company	Maturity	Profit rate	As at July 1, 2019	Purchases during the period	Sales / Redemptions / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019*	Market value as at December 31, 2019*	Unrealised gain / (loss) as at December 31, 2019	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%	2,644	-	2,644	-	-	-	-	-	-	-
K Electric Limited - (7 years) (note 6.2.2.2.1) (AA+, VIS, non-traded)	June 17, 2022	3 months KIBOR plus base rate of 1%	104,704	-	8,725	95,979	210,676	210,494	(182)	4.50	0.01	5.07
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, VIS, non-traded) (note 6.2.2.2.1)	January 7, 2022	3 months KIBOR plus base rate of 1.50%	27,500	-	5,000	22,500	113,344	112,574	(770)	2.40	0.01	2.71
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%	7,356	-	1,471	5,885	29,650	29,654	4	0.63	-	0.71
Dubai Islamic Bank Pakistan Limited - Sukuk (A+, 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	141,141	(2,496)	3.01	-	3.40
International Brands Limited (AA, 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	54,481	54,898	417	1.17	-	1.32
K-Electric Limited (sukuk 5) (AA+, VIS traded) (note 6.2.2.2.1)	December 27, 2026	3 months KIBOR plus base rate of 1.70%	-	40,000	-	40,000	200,000	200,000	-	4.27	-	4.82

Name of the investee company	Maturity	Profit rate	As at July 1, 2019	Purchases during the period	Sales / Redemptions / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019*	Market value as at December 31, 2019*	Unrealised gain / (loss) as at December 31, 2019	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)			%		
Meezan Bank Limited (AA, VIS, traded) (note 6.2.2.2.1)	September 22, 2026	6 months KIBOR plus base rate of 0.5%	200	-	-	200	199,995	198,930	(1,065)	4.25	-	4.79		
Shakarganj Food Products Limited (A, VIS) (note 6.2.2.2.1)	July 10, 2024	3 months KIBOR plus base rate of 1.75%	-	82	-	82	76,214	75,005	(1,209)	1.60	-	1.81		
Javedan Corporation Limited (AA-, VIS) (note 6.2.2.2.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	-	750	-	750	74,651	73,421	(1,230)	1.57	-	1.77		
Agha Steel Industries Limited (A+, 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	-	2.14	-	2.41		
Engro Polymer and Chemicals Limited (AA, PACRA, non-traded)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	-	150	-	150	15,070	15,206	136	0.32	-	0.37		
Hub Power Company Limited (A+, PACRA, non traded)	November 27, 2019	3 months KIBOR plus base rate of 1.0%	20,000	-	20,000	-	-	-	-	-	-	-		
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1)	December 9, 2022	3 months KIBOR plus base rate of 1.3%	498	-	83	415	41,500	41,811	311	0.89	-	1.01		
Total	December 31, 2019						1,259,218	1,253,134	(6,085)			30.19		
Total	June 30, 2019						1,524,346	1,508,261	(16,085)					

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

6.1.2.1.1 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, Meezan Bank Limited, Shakarganj Food Products Limited, AGP Limited, Javedan Corporation Limited, Agha Steel Industries Limited and Engro Polymer and Chemicals Limited having nominal value of Rs 1,000,000, Rs 984,375, Rs 100,000, Rs. 1,000,000, Rs. 1,000,000, Rs. 100,000, Rs. 100,000 Rs. 1,000,000 and Rs. 100,000 respectively.

6.1.2.1.2 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, 2019, 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).

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, 2019	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	-		

6.1.3 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2019	* Carrying value as at December 31, 2019	* Market value as at September 30, 2019	Total market value of investment
			(Number of certificates)			(Rupees in '000)		---- % ----	
Hascol Petroleum Limited CP-3 (note 6.2.3.1)	July 15, 2019	6 months KIBOR plus base rate of 1.50%	300	-	300	-	-	-	-
K-Electric Limited CP-2 (note 6.2.3.1)	September 2, 2019	6 months KIBOR plus base rate of 0.90%	176	-	176	-	-	-	-
K-Electric Limited CP-3 (note 6.2.3.1)	March 19, 2020	6 months KIBOR plus base rate of 1.13%	-	160	-	160	155,160	155,160	3.74%
Total	December 31, 2019						155,160	155,160	
Total	June 30, 2019						471,301	471,301	

6.1.3.1 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, 2019 and June 30, 2019.

8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to balanced fund was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2019	June 30, 2019
		(Unaudited)	(Audited)
(Rupees in '000)			
Withholding tax payable		286	629
Capital gain tax payable		436	-
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	51,346	38,656
Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee	9.2	31,961	31,961
Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load		6,838	6,838
Brokerage expenses payable		2,483	1,578
Charity payable		4,797	4,351
Shariah advisory fee		385	488
Auditors' remuneration payable		296	369
Zakat Payable		32	182
		98,860	85,052

- 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).

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re. 0.17 per unit (June 30, 2019: Re 0.10 per unit).

- 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 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.

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.

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.

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 38.799 million is being retained in the condensed interim 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 0.13 (June 30, 2019: Re 0.10) per unit.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	8,366	9,227
Sales load payable	251	70
Allocated expenses payable	419	462
Sindh Sales Tax on management fee payable	1,088	1,200
Sindh Sales Tax on sales load payable	33	9
Selling and Marketing expenses payable	4,858	5,802
Investment of 900,638 units (June 30, 2019: 900,638 units)	13,876	12,123
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	501	544
Sindh Sales Tax on trustee fee payable	65	71
Security deposit	300	300
Meezan Bank Limited		
Bank balance	26,418	26,870
Sales load payable	7	0,838
Sindh Sales Tax on sales load payable	1	0,109
Investment in 1,064,885 shares (June 30, 2019: 1,212,885 shares)	101,303	105,715
Investment in 200 sukuk certificates (June 30, 2019: 200 sukuk certificates)	198,930	199,995
Investment of 18,886,746 units (June 30, 2019: 18,886,746 units)	290,975	254,231
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 445,734 units (June 30, 2019: 445,734 units)	6,867	6,000
Directors and Executives of the Management Company		
Investment of 6,233,929 units (June 30, 2019: 6,395,216 units)	96,042	86,085
For the six months period ended December 31		
	2019 (Unaudited)	2018
(Rupees in '000)		
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	48,028	74,961
Sindh Sales Tax on management fee	6,244	9,745
Selling and Marketing expenses	9,606	9,365
Allocated expenses	2,401	3,748
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	2,904	4,252
Sindh Sales Tax on trustee fee	378	553
CDS charges	48	57
Meezan Bank Limited		
Profit on saving account	989	857
Shares sold: 148,000 shares (December 31, 2018: 348,500)	13,946	31,531
Shares purchased: nil shares (December 31, 2018: 1,117,500 shares)	-	98,078
Bonus shares: nil shares (December 31, 2018: 20,031)	-	-
Profit on sukuk certificates	13,620	8,092
Dividend income	2,426	300
Directors and Executives of the Management Company		
Units issued: 4,248 units (December 31, 2018: 103,214 units)	58	1,591
Units redeemed: 165,536 units (December 31, 2018: 21,070 units)	2,215	313

11. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 3.66% which include 0.83% representing government levy and SECP fee.

13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

14. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

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.

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.

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).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

As at December 31, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	2,747,036	-	2,747,036
Sukuk certificates	-	1,253,134	1,253,134
Commercial papers*	-	148,707	148,707

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	2,966,177	-	2,966,177
Sukuk certificates	-	1,508,261	1,508,261
Commercial papers	-	471,301	471,301

* 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 are placed with counterparties which have high credit rating.

16. GENERAL

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

16.2 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.

17. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director

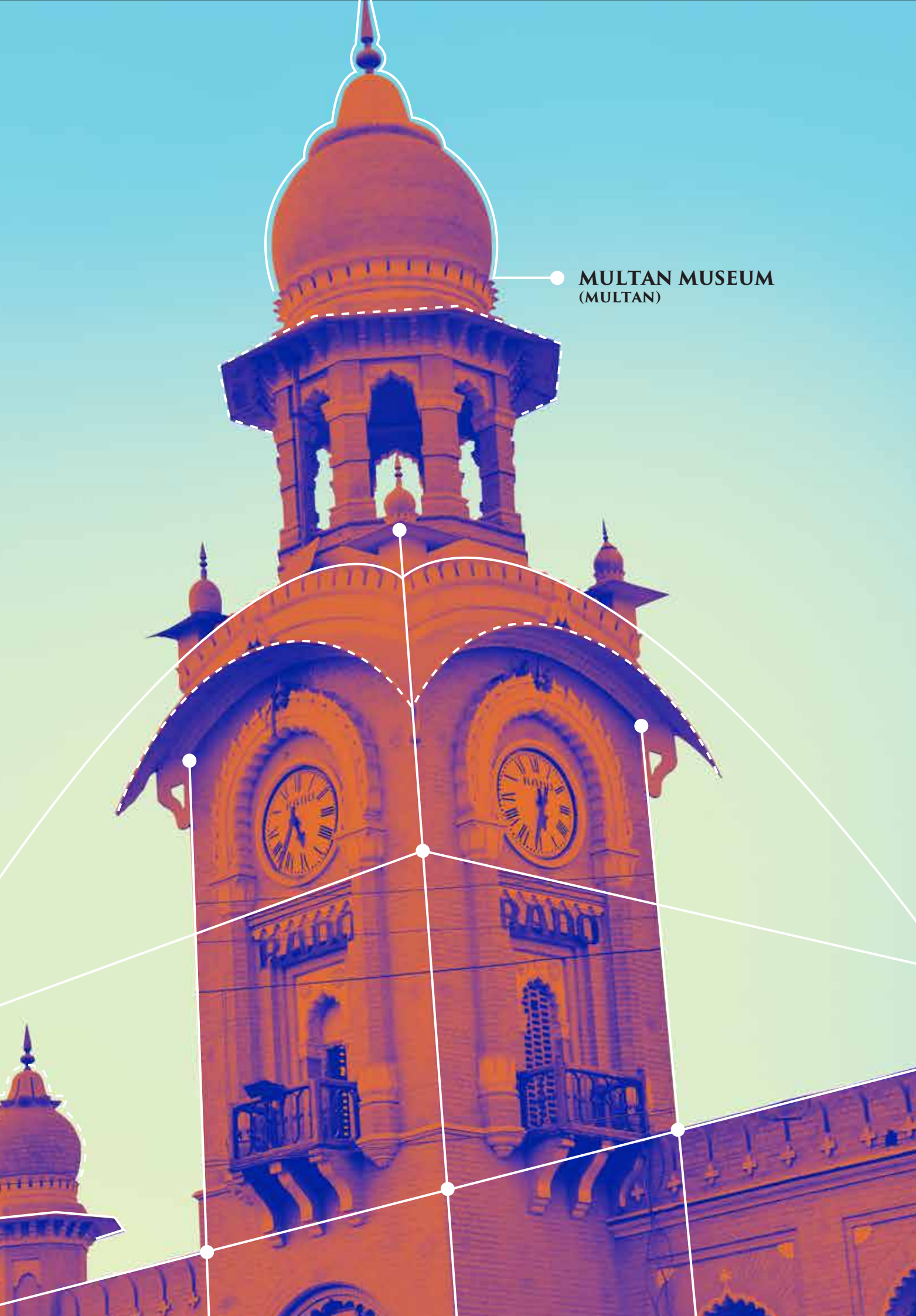


Meezan
Asset Allocation Fund

MEEZAN ASSET ALLOCATION FUND (MAAF)

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

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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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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)	Habib Metropolitan Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Islami Pakistan Limited	UBL Ameen - Islamic Banking
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited - Islamic Banking	

LEGAL ADVISER

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

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) 34326021 - 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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020
Karachi



**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets		
Balances with banks	5 303,446	421,539
Investments	6 1,355,616	1,448,626
Dividend receivable	124	5,288
Receivable against sale of investments	9,292	-
Receivable against conversion of units	807	-
Deposits, profit accrued and other receivable	8,468	9,794
Preliminary expenses and floatation costs	235	326
Total assets	<u>1,677,988</u>	<u>1,885,573</u>
Liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	4,340	4,914
Payable to Central Depository Company of Pakistan Limited - the Trustee	225	533
Payable to the Securities and Exchange Commission of Pakistan	8 170	2,380
Payable to Meezan Bank Limited	30	35
Payable against purchase of investments	92	-
Payable against redemption and conversion of units	5,313	9,113
Accrued expenses and other liabilities	7 24,272	14,587
Total liabilities	<u>34,442</u>	<u>31,562</u>
Net assets	<u>1,643,546</u>	<u>1,854,011</u>
Contingencies and commitments	9	
Unit holders' fund (as per statement attached)	<u>1,643,546</u>	<u>1,854,011</u>
	(Number of units)	
Number of units in issue	<u>38,686,728</u>	<u>52,324,763</u>
	(Rupees)	
Net asset value per unit	<u>42.4834</u>	<u>35.4328</u>

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain / (loss) on sale of investments		17,090	(34,089)	36,486	(33,833)
Dividend income		46,911	60,440	26,482	36,003
Profit on saving accounts with banks		18,287	14,863	7,576	8,281
		<u>82,288</u>	<u>41,214</u>	<u>70,544</u>	<u>10,451</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	242,322	(328,448)	330,318	(231,912)
Total income / (loss)		<u>324,610</u>	<u>(287,234)</u>	<u>400,862</u>	<u>(221,461)</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - the Management Company		12,494	20,820	6,244	10,026
Sindh Sales Tax on remuneration of the Management Company		1,624	2,707	811	1,304
Allocated expenses	11	833	1,388	416	668
Selling and marketing expenses	14	3,332	5,552	1,665	2,674
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		1,336	1,892	668	920
Sindh Sales Tax on remuneration of the Trustee		174	246	87	120
Annual fee to the Securities and Exchange Commission of Pakistan	8	170	1,319	83	635
Auditors' remuneration		201	211	125	114
Brokerage expenses		1,307	515	1,038	385
Charity expense		1,228	932	711	636
Bank and settlement charges		349	260	202	148
Amortisation of preliminary expenses and floatation costs		91	91	45	45
Fees and subscription		281	297	141	135
Provision for Sindh Worker's Welfare Fund (SWWF)	7.1	6,024	-	6,024	-
Printing expenses		-	10	-	10
Total expenses		<u>29,444</u>	<u>36,240</u>	<u>18,260</u>	<u>17,820</u>
Net income / (loss) for the period before taxation		<u>295,166</u>	<u>(323,474)</u>	<u>382,602</u>	<u>(239,281)</u>
Taxation	12		-		-
Net income / (loss) for the period after taxation		<u>295,166</u>	<u>(323,474)</u>	<u>382,602</u>	<u>(239,281)</u>
Allocation of net income for the period					
Net income for the period after taxation		295,166	-		
Income already paid on units redeemed		(26,415)	-		
		<u>268,751</u>	<u>-</u>		
Accounting income available for distribution					
- Relating to capital gains		259,412	-		
- Excluding capital gains		9,339	-		
		<u>268,751</u>	<u>-</u>		

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019



Meezan
 Asset Allocation Fund

	Six months period		Quarter ended,	
	December 31,		December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	295,166	(323,474)	382,602	(239,281)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>295,166</u>	<u>(323,474)</u>	<u>382,602</u>	<u>(239,281)</u>

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
Net assets at the beginning of the period	2,862,681	(1,008,670)	1,854,011	3,339,382	(462,218)	2,877,164
Issuance of 2,024,063 units (2018: 10,453,999 units)						
- Capital value (at net asset value per unit at the beginning of the period)	71,718		71,718	465,518	-	465,518
- Element of income / (loss)	5,411		5,411	(16,721)	-	(16,721)
Total proceeds on issuance of units	77,129	-	77,129	448,797	-	448,797
Redemption of 15,662,098 units (2018: 15,125,480 units)						
- Capital value (at net asset value per unit at the beginning of the period)	554,952		554,952	673,539	-	673,539
- Element of loss / (income)	1,393	26,415	27,808	(33,281)	-	(33,281)
Total payments on redemption of units	556,345	26,415	582,760	640,258	-	640,258
Total comprehensive income / (loss) for the period		295,166	295,166	-	(323,474)	(323,474)
Distribution during the period			-	-	-	-
Net loss for the period less distribution	-	295,166	295,166	-	(323,474)	(323,474)
Net assets at the end of the period	2,383,465	(739,919)	1,643,546	3,147,921	(785,692)	2,362,229
Accumulated loss brought forward						
- Realised loss		(593,083)			(109,140)	
- Unrealised loss		(415,587)			(353,078)	
		<u>(1,008,670)</u>			<u>(462,218)</u>	
Accounting income available for distribution						
- Relating to capital gains	259,412			-		
- Excluding capital gains	9,339			-		
	<u>268,751</u>					
Net loss for the period after taxation		-			(323,474)	
Distribution during the period		-			-	
Accumulated loss carried forward		<u>(739,919)</u>			<u>(785,692)</u>	
Accumulated loss carried forward						
- Realised loss		(982,241)			(457,244)	
- Unrealised gain / (loss)		242,322			(328,448)	
		<u>(739,919)</u>			<u>(785,692)</u>	
Net assets value per unit at the beginning of the period			<u>(Rupees) 35.4328</u>			<u>(Rupees) 44.5301</u>
Net assets value per unit at the end of the period			<u>42.4834</u>			<u>39.4098</u>

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**



Meezan
Asset Allocation Fund

	Six months period ended December 31,	
	2019	2018
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	295,166	(323,474)
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	91	91
Net unrealised (appreciation) / diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1 (242,322)	328,448
	52,935	5,065
Decrease in assets		
Investments	335,332	143,428
Dividend receivable	5,164	422
Receivable against sale of investments	(9,292)	(5,906)
Deposits, profit accrued and other receivable	1,326	(432)
	332,530	137,512
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	(574)	786
Payable to Central Depository Company of Pakistan Limited - the Trustee	(308)	(32)
Payable to the Securities and Exchange Commission of Pakistan	(2,210)	(1,577)
Payable to Meezan Bank Limited	(5)	(12)
Payable against purchase of investments - net	92	(2,190)
Accrued expenses and other liabilities	9,685	1,067
	6,680	(1,958)
Net cash generated from operating activities	392,145	140,619
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	76,322	458,472
Payment against redemption and conversion of units	(586,560)	(639,947)
Net cash used in financing activities	(510,238)	(181,475)
Net decrease in cash and cash equivalents during the period	(118,093)	(40,856)
Cash and cash equivalents at the beginning of the period	421,539	454,128
Cash and cash equivalents at the end of the period	303,446	413,272

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	300,388	419,654
In current accounts		3,058	1,885
		303,446	421,539

- 5.1 The balance in saving accounts have an expected profit ranging from 3.82% to 13.25% per annum (June 30, 2019: 3.32% to 12.35% per annum).

6. INVESTMENTS	Note	December 31,	June 30,
		2019 (Un-audited)	2019 (Audited)
		(Rupees in '000)	
Investments at 'fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	<u>1,355,616</u>	<u>1,448,626</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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	55,000	-	-	55,000	-	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	1,800	12,300	-	1,800	12,300	2,720	2,693	(27)	0.16	0.01	0.20	
Indus Motor Company Limited	-	7,960	-	-	7,960	9,512	9,247	(265)	0.56	0.01	0.68	
Milat Tractors Limited	5,000	-	-	5,000	-	-	-	-	-	-	-	
									0.73	0.02	0.88	

Automobile Parts & Accessories

Agriauto Industries Limited (note 6.1.1)	-	40,000	-	-	40,000	8,355	8,000	(355)	0.49	0.14	0.59
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Chemicals

Engro Polymer & Chemicals Limited	1,110,761	300,000	-	898,000	512,761	14,001	17,029	3,028	1.04	0.06	1.26
ICI Pakistan Limited	80,650	1,000	-	2,750	78,900	41,929	53,246	11,317	3.24	0.09	3.93
									4.28	0.15	5.18

Cement

Cherat Cement Company Limited	-	240,000	6,500	160,000	86,500	3,384	4,589	1,205	0.28	0.05	0.34
D.G. Khan Cement Company Limited	129,000	150,000	-	279,000	-	-	-	-	-	-	-
Fauji Cement	-	187,500	-	187,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	225,000	-	-	-	225,000	11,819	17,415	5,596	1.06	0.11	1.28
Lucky Cement Limited	304,700	-	-	74,000	230,700	87,774	98,832	11,058	6.01	0.07	7.29
Maple Leaf Cement Limited	11,112	95	-	11,000	207	4	5	1	-	-	-
Pioneer Cement Limited	500	-	-	-	500	11	15	4	-	-	-
									7.35	0.23	8.91

Commercial Banks

Meezan Bank Limited	528,446	50,000	-	25,000	553,446	47,824	52,649	4,825	3.20	0.04	3.88
Bank Islami Pakistan Limited	-	550,000	-	50,000	500,000	5,375	5,545	170	0.34	0.05	0.41
									3.54	0.09	4.29

Engineering

Amreli Steels limited	-	150,000	-	75,000	75,000	2,253	2,709	456	0.16	0.03	0.20
International Industries Limited	107,500	25,000	9,600	86,500	55,600	4,193	6,163	1,970	0.37	0.04	0.45
International Steels Limited	105,000	525,000	-	617,500	12,500	471	724	253	0.04	-	0.05
Mughal Iron and Steel Industries Limited	-	125,000	-	25,000	100,000	3,297	4,097	800	0.25	0.04	0.30
									0.83	0.11	1.01

Fertilizer

Engro Corporation Limited (note 6.1.2)	609,400	26,700	-	216,500	419,600	113,075	144,867	31,792	8.81	0.07	10.69
Engro Fertilizers Limited	1,745,000	25,000	-	808,000	962,000	61,663	70,640	8,977	4.30	0.07	5.21
									13.11	0.14	15.90

Food and Personal Care Products

Al-Shaheer Corporation Limited (Note 6.2)	3,750	-	-	-	3,750	47	53	6	-	-	-
Frieslandcampina Engro Foods Limited	700	-	-	700	-	-	-	-	-	-	-
									-	-	-

Glass and Ceramics

Tariq Glass Industries Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
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Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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)			%		
Oil and Gas Exploration Companies														
Attock Petroleum Limited	-	25,000	-	-	25,000	7,625	9,245	1,620	0.56	0.03	0.68			
Oil and Gas Development Company Limited	1,319,800	350,000	-	784,500	885,300	114,476	125,996	11,520	7.67	0.02	9.29			
Mari Petroleum Company Limited	60,720	1,500	6,072	-	68,292	62,906	89,469	26,563	5.44	0.05	6.60			
Pakistan Oilfields Limited	93,950	50,000	-	-	143,950	55,659	64,305	8,646	3.91	0.05	4.74			
Pakistan Petroleum Limited	1,161,390	25,000	193,238	625,200	754,428	90,866	103,462	12,596	6.30	0.03	7.63			
									23.88	0.18	28.95			
Oil and Gas Marketing Companies														
Hascol Petroleum Limited (Note 6.2)	301,675	3,169,435	-	1,080,500	2,390,610	27,583	64,307	36,724	3.91	1.20	4.74			
Pakistan State Oil Company Limited (Note 6.2)	323,348	55,800	55,830	254,500	180,478	25,704	34,587	8,883	2.10	0.04	2.55			
Sui Northern Gas Pipelines Limited	1,317,400	-	-	520,500	796,900	55,377	60,700	5,323	3.69	0.13	4.48			
									9.71	1.36	11.77			
Paper and Board														
Cherat Packaging Limited	21,752	-	825	13,500	9,077	665	1,102	437	0.07	0.02	0.08			
Packages Limited	51,350	-	-	-	51,350	15,434	20,475	5,041	1.25	0.06	1.51			
									1.31	0.08	1.59			
Pharmaceuticals														
Abbott Laboratories (Pakistan) Limited	50	-	-	-	50	24	22	(2)	-	-	-			
AGP Limited	289,000	-	-	101,500	187,500	12,849	18,628	5,779	1.13	0.07	1.37			
GlaxoSmithKline Consumer Healthcare Limited	47,000	7,400	-	-	54,400	11,195	13,949	2,754	0.85	0.05	1.03			
The Searle Company Limited (Note 6.2)	132,849	-	-	35,000	97,849	14,341	18,468	4,127	1.12	0.05	1.36			
									3.11	0.16	3.77			
Power Generation and Distribution														
K-Electric Limited (note 6.1.1)	11,955,000	-	-	730,000	11,225,000	49,278	49,053	(225)	2.98	0.04	3.62			
The Hub Power Company Limited	942,512	471,500	-	313,500	1,100,512	83,493	102,733	19,240	6.25	0.08	7.58			
									9.24	0.13	11.20			
Technology and Communication														
Avanceon Limited	147,000	-	-	147,000	-	-	-	-	-	-	-			
Pakistan Telecommunication Company Limited	100,000	-	-	100,000	-	-	-	-	-	-	-			
Systems Limited	79,200	25,000	-	25,000	79,200	8,027	9,845	1,818	0.60	0.06	0.73			
									0.60	0.06	0.73			
Textile Composite														
Interloop Limited	724,712	-	-	50,000	674,712	29,870	39,167	9,297	2.38	0.08	2.89			
Nishat Mills Limited	398,400	25,000	-	242,400	181,000	16,674	19,211	2,537	1.17	0.05	1.42			
									3.55	0.13	4.31			
Textile Weaving														
Feroze1888 Mills Limited	131,000	3,500	-	-	134,500	13,541	12,374	(1,167)	0.75	0.04	0.91			
Rights Certificates														
Oil And Gas Marketing Companies														
Hascol Petroleum Limited *	-	-	150,000	150,000	-	-	-	-	-	-	-			
Total						1,113,294	1,355,616	242,322			100%			
Total as at June 30, 2019						1,864,213	1,448,626	(415,587)						

*The right certificates were exercised during the period and the shares are included in the investment in Hascol Petroleum Limited.

- 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 3.5 each and Agriauto Industries Limited which have a nominal value of Rs 5 each.
- 6.1.2** Investments include 150,000 shares (June 30, 2019: 150,000 shares) of Engro Corporation Limited, having market value of Rs 36.25 million (June 30, 2019: Rs 27.89 million) as at December 31, 2019, which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of Fund's trades in accordance with Circular 11 dated October 23, 2007 by SECP.
- 6.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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 had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the 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.

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.612 million (June 30, 2019: Rs. 1.209 million).

7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Charity payable		3,162	1,933
Brokerage payable		3,892	1,455
Auditors' remuneration payable		172	195
Withholding tax payable		-	26
Capital gain tax payable		38	1
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	16,104	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		264	266
Zakat payable		13	4
Others			
		24,272	14,587

- 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 condensed interim financial statements, the NAV per unit of the Fund would have been higher by Re 0.42 per unit as at December 31, 2019 (June 30, 2019 : 0.19 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.

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.

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.

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, 2019: Rs 0.627 million) is being retained in the condensed interim 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, 2019 would have been higher by Re 0.02 (June 30, 2019: Re 0.01) per unit.

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to equity funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, 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 Unit holders holding 10 percent or more of the Fund's net assets.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of 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, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	2,067	2,383
Sindh Sales Tax on management fee payable	269	310
Sales load payable	177	16
Sindh sales tax on sales load payable	24	2
Allocated expense payable	138	159
Selling & marketing expense payable	1,665	2,044

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
Meezan Bank Limited		
Sales load payable	27	47
Sindh Sales Tax on sales load payable	3	6
Bank balance	132,237	6,620
Profit receivable on saving account	67	37
Investment in 553,446 shares (June,30 2019: 528,446 shares)	52,649	46,059
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	199	472
Sindh Sales Tax on trustee fee payable	26	61
Security deposit	100	100
Directors and Executives of the Management Company		
Investments as at December 31, 2019: 43,552 units (June 30, 2019: 30,242 units)	1,850	1,072
For the six months period ended December 31,		
	2019	2018
	(Rupees in '000)	
	(Unaudited)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	12,494	20,820
Sindh Sales Tax on management fee for the period	1,624	2,707
Allocated expenses	833	1,388
Selling and marketing expense	3,332	5,552
Meezan Bank Limited		
Shares purchased during the period: 50,000 shares (December 31, 2018: 651,000 shares)	3,925	56,898
Shares disposed off during the period: 25,000 shares (December 31, 2018: 275,000 shares)	2,100	24,873
Bonus shares issued: nil shares (December 31, 2018: 12,541 shares)	-	1,053
Profit on saving account	2,102	661
Dividend income	1,082	188
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	1,336	1,892
Sindh Sales Tax on trustee fee for the period	174	246
CDS charges	45	23
Directors and Executives of the Management Company		
Units issued: 20,696 units (December 31, 2018: 1,626 units)	843	72
Units redeemed: 7,386 units (December 31, 2018: Nil units)	260	-

11. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.



12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 3.54% which include 0.98% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

14. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

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.

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, 2019, the Fund held the following financial instruments measured at fair values:

As at December 31, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Financial assets 'at fair value through profit or loss'

Shares of listed companies 'ordinary shares'	1,355,616	-	-	1,355,616
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As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Financial assets 'at fair value through profit or loss'

Shares of listed companies 'ordinary shares'	1,448,626	-	-	1,448,626
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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

February 10, 2020

17.1 These condensed interim financial statements were authorised for issue on _____ 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

MEEZAN DEDICATED EQUITY FUND (MDEF)

Meezan Dedicated Equity Fund aims to provide Fund of Funds scheme a dedicated platform to seek long term capital appreciation.

 Peshawar Branch



BUILDING ON THE VALUES OF GROWTH IN THE CITY OF FLOWERS



**ISLAMIA
COLLEGE
(PESHAWAR)**

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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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)
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

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) 34326021 - 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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



Meezan
Dedicated Equity Fund

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	5 26,779	110,688
Investments	6 1,226,236	1,658,927
Receivable against sale of investments	4,458	-
Receivable against conversion of units	5,000	-
Dividend receivable	31	1,120
Advances, prepayments and other receivables	4,063	1,886
Total assets	1,266,567	1,772,621
Liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	3,614	5,286
Payable to Central Depository Company of Pakistan Limited - the Trustee	218	263
Payable to the Securities and Exchange Commission of Pakistan	8 124	1,864
Payable against purchase of investments	1,002	-
Payable against redemption and conversion of units	-	1,500
Accrued expenses and other liabilities	9 6,165	2,634
Total liabilities	11,123	11,547
Net assets	1,255,444	1,761,074
Contingencies and commitments	7	
Unit holders' fund (as per statement attached)	1,255,444	1,761,074
	(Number of units)	
Number of units in issue	29,696,644	49,596,421
	(Rupees)	
Net asset value per unit	42.2756	35.5081

The annexed notes 1 to 17 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 DEDICATED EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

Note	Six months period ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
Income				
Net realised (loss) / income on sale of investments	(51,990)	(56,292)	17,906	(49,800)
Dividend income	38,749	42,052	19,852	23,731
Profit on saving accounts with banks	5,330	1,785	1,478	1,188
Other income	500	-	-	-
	<u>(7,411)</u>	<u>(12,455)</u>	<u>39,236</u>	<u>(24,881)</u>
Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'	6.1 169,571	(254,016)	242,026	(179,695)
Total income / (loss)	<u>162,160</u>	<u>(266,471)</u>	<u>281,262</u>	<u>(204,576)</u>
Expenses				
Remuneration of AI Meezan Investment Management Limited - the Management Company	12,057	19,904	5,626	10,273
Sindh Sales Tax on remuneration of the Management Company	1,567	2,587	731	1,335
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	1,109	1,499	536	765
Sindh Sales Tax on remuneration of Trustee	144	195	69	100
Annual fee to the Securities and Exchange Commission of Pakistan	8 124	945	56	488
Auditors' remuneration	304	153	247	83
Fees and subscription	283	281	143	140
Brokerage expenses	1,797	1,539	1,057	1,141
Bank and settlement charges	119	163	81	55
Allocated expenses	11 603	995	281	513
Selling and marketing expenses	12 2,411	3,981	1,125	2,055
Charity expense	1,034	651	502	417
Provision for Sindh Workers' Welfare Fund (SWWF)	2,812	-	2,812	-
Printing expenses	10	20	-	10
Total expenses	<u>24,374</u>	<u>32,913</u>	<u>13,266</u>	<u>17,375</u>
Net income / (loss) for the period before taxation	<u>137,786</u>	<u>(299,384)</u>	<u>267,996</u>	<u>(221,951)</u>
Taxation	14 -	-	-	-
Net income / (loss) for the period after taxation	<u>137,786</u>	<u>(299,384)</u>	<u>267,996</u>	<u>(221,951)</u>
Allocation of net income for the period				
Net income for the period after taxation	137,786	-	-	-
Income already paid on units redeemed	-	-	-	-
	<u>137,786</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounting income available for distribution				
- Relating to capital gains	117,581	-	-	-
- Excluding capital gains	20,205	-	-	-
	<u>137,786</u>	<u>-</u>	<u>-</u>	<u>-</u>

The annexed notes 1 to 17 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 DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Six months period ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	137,786	(299,384)	267,996	(221,951)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>137,786</u>	<u>(299,384)</u>	<u>267,996</u>	<u>(221,951)</u>

The annexed notes 1 to 17 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 DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Accumu- lated loss	Total	Capital Value	Accumu- lated loss	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	2,436,503	(675,429)	1,761,074	1,925,907	(69,075)	1,856,832
Issue of 24,274,232 units (2018: 55,468,396 units)						
- Capital value (at net asset value per unit at the beginning of the period)	861,932		861,932	2,692,142	-	2,692,142
- Element of income / (loss)	9,566		9,566	(122,542)	-	(122,542)
Total proceeds on issuance of units	871,498	-	871,498	2,569,600	-	2,569,600
Redemption of 44,174,009 units (2018: 46,645,906 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,568,535		1,568,535	2,263,945	-	2,263,945
- Element of income	(53,621)		(53,621)	(116,334)	-	(116,334)
Total payments on redemption of units	1,514,914	-	1,514,914	2,147,611	-	2,147,611
Total comprehensive income / (loss) for the period		137,786	137,786	-	(299,384)	(299,384)
Distribution during the period		-	-	-	-	-
Net income / (loss) for the period less distribution	-	137,786	137,786	-	(299,384)	(299,384)
Net assets at the end of the period	1,793,087	(537,643)	1,255,444	2,347,896	(368,459)	1,979,437
Accumulated loss brought forward						
- Realised (loss) / income		(336,679)			14,740	
- Unrealised loss		(338,750)			(83,815)	
		<u>(675,429)</u>			<u>(69,075)</u>	
Accounting income available for distribution						
- Relating to capital gains		117,581			-	
- Excluding capital gains		20,205			-	
		137,786			-	
Net loss for the period after taxation		-			(299,384)	
Distribution during the period		-			-	
Accumulated loss carried forward		<u>(537,643)</u>			<u>(368,459)</u>	
Accumulated loss carried forward						
- Realised loss		(707,214)			(114,443)	
- Unrealised gain / (loss)		169,571			(254,016)	
		<u>(537,643)</u>			<u>(368,459)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			<u>35.5081</u>			<u>48.5347</u>
Net assets value per unit at the end of the period			<u>42.2756</u>			<u>42.0438</u>

The annexed notes 1 to 17 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 DEDICATED EQUITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**



Meezan
Dedicated Equity Fund

	Six months period ended	
	December 31,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	137,786	(299,384)
Adjustments for		
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(169,571)	254,016
	(31,785)	(45,368)
Decrease / (Increase) in assets		
Investments - net	602,262	(293,785)
Dividend receivable	1,089	(1,626)
Receivable against sale of investments	(4,458)	(27,909)
Advances, prepayments and other receivables	(2,177)	946
	596,716	(322,374)
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(1,672)	3,488
Payable to Central Depository Company of Pakistan Limited - Trustee	(45)	326
Payable to Securities and Exchange Commission of Pakistan	(1,740)	23
Payable against purchase of investments	1,002	(2,530)
Accrued expenses and other liabilities	3,531	550
	1,076	1,857
Net cash generated from / (used in) operating activities	566,007	(365,885)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units and conversion of units	866,498	2,569,600
Payments against redemption of units and conversion of units	(1,516,414)	(2,147,611)
Net cash (used in) / generated from financing activities	(649,916)	421,989
Net (decrease) / increase in cash and cash equivalents during the period	(83,909)	56,104
Cash and cash equivalents at the beginning of the period	110,688	122,500
Cash and cash equivalents at the end of the period	26,779	178,604

The annexed notes 1 to 17 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 DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 unit holders 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 Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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. 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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	24,239	109,870
In current accounts		2,540	818
		<u>26,779</u>	<u>110,688</u>

5.1 The balances in saving accounts have an expected profit ranging from 3.82% to 13.40% per annum. (June 30, 2019: 3.32 % to 12.35% per annum).

6. INVESTMENTS	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Investments - 'at fair value through profit or loss'	6.1	1,226,236	1,658,927
		<u>1,226,236</u>	<u>1,658,927</u>

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

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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											
Gandhara Industries Limited	19,300	-	-	19,300	-	-	-	-	-	-	-
Gandhara Nissan Limited	158	-	-	158	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	300	6,300	-	300	6,300	1,405	1,379	(26)	0.11	-	0.11
Indus Motor Company Limited	-	11,560	-	-	11,560	13,957	13,429	(528)	1.07	0.01	1.10
Milat Tractors Limited	800	10,000	-	800	10,000	7,285	7,044	(241)	0.56	0.02	0.57
									1.74	0.03	1.78
Automobile Parts & Accessories											
Agriauto Industries Limited (Note 6.1.1)	-	40,000	-	-	40,000	8,331	8,000	(331)	0.64	0.28	0.65
									0.64	0.28	0.65
Commercial Banks											
BankIslami Pakistan Limited	-	350,000	-	50,000	300,000	3,225	3,327	102	0.27	0.03	0.27
Meezan Bank Limited (an associate)	575,505	-	-	39,500	536,005	46,718	50,990	4,272	4.06	0.04	4.16
									4.33	0.07	4.43
Cement											
Attock Cement Pakistan Limited	15,200	-	-	-	15,200	1,085	1,571	486	0.13	0.01	0.13
Cherat Cement Company Limited	-	195,000	6,500	145,000	56,500	2,195	2,997	802	0.24	0.03	0.24
D.G. Khan Cement Company Limited	206,100	100,000	-	306,100	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	125,000	-	125,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	274,370	50,000	-	153,500	170,870	10,145	13,225	3,080	1.05	0.09	1.08
Lucky Cement Limited	313,650	122,400	-	235,200	200,850	77,895	86,044	8,149	6.85	0.06	7.02
Maple Leaf Cement Factory Limited	400,000	-	-	400,000	-	-	-	-	-	-	-
									8.27	0.19	8.47
Chemical											
Engro Polymer & Chemicals Limited	1,324,644	753,000	-	1,401,000	676,644	20,618	22,471	1,853	1.79	0.07	1.83
ICI Pakistan Limited	51,100	5,000	-	11,800	44,300	24,174	29,896	5,722	2.38	0.05	2.44
Lotte Chemical Pakistan Limited	294,000	800,000	-	1,094,000	-	-	-	-	-	-	-
									4.17	0.12	4.27
Engineering											
Amreli Steels Limited	-	150,000	-	100,000	50,000	1,501	1,806	305	0.14	0.02	0.15
International Industries Limited	38,800	70,000	-	63,800	45,000	4,277	4,988	711	0.40	0.03	0.41
International Steels Limited	255,000	325,000	-	565,000	15,000	663	869	206	0.07	-	0.07
Mughal Iron & Steel Industries Limited	-	145,000	-	25,000	120,000	3,684	4,916	1,232	0.39	0.05	0.40
									1.00	0.10	1.03
Fertilizer											
Engro Corporation Limited	606,830	82,000	-	325,700	363,130	99,868	125,371	25,503	9.99	0.06	10.22
Engro Fertilizers Limited	1,365,000	100,000	-	734,000	731,000	47,458	53,677	6,219	4.28	0.05	4.38
									14.27	0.11	14.60
Food And Personal Care											
At Tahur Limited	83	-	8	-	91	2	2	-	-	-	-
									-	-	-
Glass And Ceramics											
Tariq Glass Industries Limited	142,500	-	-	142,500	-	-	-	-	-	-	-
									-	-	-
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	93,360	10,000	6,688	31,480	78,568	76,285	102,932	26,647	8.20	0.06	8.39
Oil & Gas Development Company Limited	1,430,900	201,000	-	792,300	839,600	110,845	119,492	8,647	9.52	0.02	9.74
Pakistan Oilfields Limited	305,560	15,000	-	180,600	139,960	57,038	62,523	5,485	4.98	0.05	5.10
Pakistan Petroleum Limited	1,107,500	244,020	-	677,400	674,120	81,604	92,449	10,845	7.36	0.02	7.55
									30.06	0.15	30.78
Oil & Gas Marketing Companies											
Attock Petroleum Limited	35,000	30,000	-	-	65,000	21,373	24,037	2,664	1.91	0.07	1.96
Hascol Petroleum Limited	326,230	1,424,218	-	839,500	910,948	12,133	24,505	12,372	1.95	0.46	2.00
Pakistan State Oil Company Limited	438,260	175,000	32,112	423,200	222,172	35,286	42,577	7,291	3.39	0.05	3.47
Sui Northern Gas Pipelines Limited	1,231,100	286,000	-	879,000	638,100	46,150	48,604	2,454	3.87	0.10	3.96
Sui Southern Gas Company Limited	9,500	-	-	9,500	-	-	-	-	-	-	-
									11.12	0.68	11.39

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	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) -----			----- % -----		
Paper & Board											
Cherat Packaging Limited	32,100	-	-	32,100	-	-	-	-	-	-	-
Packages Limited	20,350	-	-	-	20,350	6,116	8,114	1,998	0.65	0.02	0.66
									0.65	0.02	0.66
Pharmaceuticals											
AGP Limited	233,000	3,000	-	88,500	147,500	10,156	14,654	4,498	1.17	0.05	1.20
Glaxosmithkline Consumer Healthcare	15,000	25,200	-	-	40,200	10,129	10,308	179	0.82	0.03	0.84
The Searle Company Limited	218,055	10,000	-	159,000	69,055	10,601	13,034	2,433	1.04	0.03	1.06
									3.03	0.11	3.10
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	10,961,500	400,000	-	3,607,000	7,754,500	33,985	33,887	(98)	2.70	0.03	2.76
The Hub Power Company Limited	1,323,117	131,000	-	525,500	928,617	74,138	86,687	12,549	6.90	0.07	7.07
									9.60	0.10	9.83
Refinery											
Attock Refinery Limited	1,000	-	-	1,000	-	-	-	-	-	-	-
									-	-	-
Technology & Communication											
Avanceon Limited	290,300	50,000	-	340,300	-	-	-	-	-	-	-
Netsol Technologies Limited	206,900	104,000	-	143,500	167,400	11,329	11,025	(304)	0.88	0.19	0.90
Systems Limited	102,500	25,000	-	25,000	102,500	10,263	12,741	2,478	1.01	0.08	1.04
									1.89	0.27	1.94
Textile Composite											
Feroze1888 Mills Limited	236,500	500	-	-	237,000	23,906	21,804	(2,102)	1.74	0.06	1.78
Interloop Limited	883,382	-	-	90,000	793,382	35,123	46,056	10,933	3.67	0.09	3.76
Nishat Mills Limited	384,400	140,000	-	366,200	158,200	14,019	16,791	2,772	1.34	0.04	1.37
									6.75	0.19	6.91
Vanaspati & Allied Industries											
Unity Foods Limited	287,376	250,000	-	412,376	125,000	1,700	2,014	314	0.16	0.02	0.16
									0.16	0.02	0.16
Right Certificates											
Oil And Gas Marketing Companies											
Hascol Petroleum Limited *	-	-	846,920	846,920	-	-	-	-	-	-	-
									-	-	-
Total						1,056,665	1,226,236	169,571			100

*The right certificates were exercised during the period and the shares are included in the investment in Hascol Petroleum Limited.

- 6.1.1** All shares have a nominal value of Rs. 10 each except for the shares of K-Electric Limited and Agriauto Industries Limited which have a nominal value of Rs. 3.50 and Rs. 5 each respectively.
- 6.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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 had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the 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.

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.312 million (June 30, 2019: Rs. 0.23 million).

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to equity funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)			
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		23	5
Printing expenses payable		70	60
Auditors' remuneration payable		225	150
Brokerage payable		722	640
Charity payable		2,050	1,516
Provision for Sindh Worker's Welfare Fund	9.1	2,812	-
Shariah advisor fee payable		263	263
		6,165	2,634

- 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 condensed interim financial statements of the Fund during the period ended December 31, 2019, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.000095 (June 30, 2019: Re nil).

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, 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:

Balances	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	2,103	3,013
Sindh Sales Tax payable on management fee	274	392
Selling and marketing expenses payable	1,125	1,723
Allocated expense payable	112	158
Meezan Bank Limited		
Balances with bank	11,266	32,482
Profit receivable on saving accounts	104	297
Investment in shares: 536,005 shares (June 30, 2019: 575,505 shares)	50,990	50,164
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	195	233
Sindh Sales Tax on trustee fee payable	23	30
Security deposit	103	103
Meezan Financial Planning Fund of Funds MAAP I		
Investment of 1,745,369 units (June 30, 2019: 11,269,149 units)	73,787	400,146
Meezan Strategic Allocation Fund MSAP - I		
Investment of 770,786 units (June 30, 2019: 8,724,481 units)	32,585	309,790
Meezan Strategic Allocation Fund MSAP - II		
Investment of 1,003,881 units (June 30, 2019: 1,238,827 units)	42,440	43,988
Meezan Strategic Allocation Fund MSAP - III		
Investment of 823,461 units (June 30, 2019: 1,980,130 units)	34,812	70,311
Meezan Strategic Allocation Fund MSAP - IV		
Investment of 1,296,968 units (June 30, 2019: 1,740,577 units)	54,830	61,805
Meezan Strategic Allocation Fund MSAP - V		
Investment of 704,094 units (June 30, 2019: 978,486 units)	29,766	34,744
Meezan Strategic Allocation Fund MCPP-III		
Investment of 3,648,043 units (June 30, 2019: 5,644,620 units)	154,223	200,430

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Meezan Strategic Allocation Fund - II MCPP-IV Investment of 11,302,621 units (June 30, 2019: 10,044,192 units)	477,825	356,650
Meezan Strategic Allocation Fund - II MCPP-V Investment of 2,441,386 units (June 30, 2019: 3,081,261 units)	103,211	109,410
Meezan Strategic Allocation Fund - II MCPP-VI Investment of 2,450,132 units (June 30, 2019: 2,745,310 units)	103,581	97,481
Meezan Strategic Allocation Fund - II MCPP-VII Investment of 1,557,977 units (June 30, 2019: 1,477,397 units)	65,864	52,460
Meezan Strategic Allocation Fund - II MCPP-VIII Investment of 969,905 units (June 30, 2019: 518,566 units)	41,003	18,413
Meezan Strategic Allocation Fund - III MCPP-IX Investment of 982,023 units (June 30, 2019: 153,424 units)	41,516	5,448
	Six months period ended December 31,	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the period	12,057	19,904
Sindh Sales Tax on management fee for the period	1,567	2,587
Allocated expenses	603	995
Selling and marketing expense	2,411	3,981
Meezan Bank Limited		
Profit on saving account	3,791	1,182
Shares purchased during the period: nil shares (December 31, 2018: 520,500 shares)	-	45,833
Bonus shares received: nil shares (December 31, 2018: 10,050 shares)	-	-
Shares sold during the period: 39,500 shares (December 31, 2018: 400,500 shares)	3,024	36,456
Dividend income	1,097	151
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	1,109	1,499
Sindh Sales Tax on trustee fee	144	195
CDS charges	63	58
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: nil units (December 31, 2018: 602,460 units)	-	26,000
Units redeemed: 9,523,780 units (December 31, 2018: 971,806 units)	318,940	45,260
Meezan Financial Planning Fund of Funds MAAP - IV		
Units redeemed: nil units (December 31, 2018: 2,136,720 units)	-	99,023
Meezan Strategic Allocation Fund MSAP - I		
Units issued: nil units (December 31, 2018: 14,059,235 units)	-	658,000
Units redeemed: 7,953,695 units (December 31, 2018: 4,253,522 units)	275,200	200,000
Meezan Strategic Allocation Fund MSAP - II		
Units redeemed: 234,946 units (December 31, 2018: nil units)	8,300	-

	Six months period ended	
	December 31,	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Meezan Strategic Allocation Fund MSAP - III		
Units issued: 820,109 units (December 31, 2018: nil units)	32,000	-
Units redeemed: 1,976,778 units (December 31, 2018: nil units)	68,000	-
Meezan Strategic Allocation Fund MSAP - IV		
Units issued: 1,884,785 units (December 31, 2018: nil units)	65,000	-
Units redeemed: 2,328,394 units (December 31, 2018: 131,830 units)	87,430	6,220
Meezan Strategic Allocation Fund MSAP - V		
Units redeemed: 274,392 units (December 31, 2018: nil units)	9,650	-
Meezan Strategic Allocation Fund MCPP-III		
Units issued: 7,554,482 units (December 31, 2018: 10,050,937 units)	258,000	467,200
Units redeemed: 9,551,059 units (December 31, 2018: 9,825,883 units)	316,387	445,872
Meezan Strategic Allocation Fund -II MCPP-IV		
Units issued: 6,154,962 units (December 31, 2018: 16,971,845 units)	235,000	1,130,719
Units redeemed: 4,896,533 units (December 31, 2018: 19,214,570 units)	172,090	1,232,232
Meezan Strategic Allocation Fund -II MCPP-V		
Units issued: 924,174 units (December 31, 2018: 5,325,304 units)	35,000	245,600
Units redeemed: 1,564,049 units (December 31, 2018: 5,481,406 units)	56,470	251,518
Meezan Strategic Allocation Fund-II MCPP-VI		
Units issued: 746,443 units (December 31, 2018: 3,924,601 units)	29,000	184,000
Units redeemed: 1,041,621 units (December 31, 2018: 1,983,046 units)	36,340	92,284
Meezan Strategic Allocation Fund-II MCPP-VII		
Units issued: 562,311 units (December 31, 2018: 2,187,362 units)	21,500	98,000
Units redeemed: 481,731 units (December 31, 2018: 318,471 units)	18,030	15,092
Meezan Strategic Allocation Fund-II MCPP-VIII		
Units issued: 2,612,441 units (December 31, 2018: nil units)	91,000	-
Units redeemed: 2,161,102 units (December 31, 2018: nil units)	72,829	-
Meezan Strategic Allocation Fund-III MCPP-IX		
Units issued: 3,001,530 units (December 31, 2018: nil units)	104,500	-
Units redeemed: 2,172,931 units (December 31, 2018: nil units)	74,750	-

11. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

12. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

13. TOTAL EXPENSE RATIO

The Total Expense Ratio of the Fund for the half year ended December 31, 2019 is 4.05% which includes 0.81% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

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 unit holders. 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 unit holders. 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

15. 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.

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).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	1,226,236	-	-	1,226,236

	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	1,658,927	-	-	1,658,927

16. GENERAL

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

16.2 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.

17. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer


Director



Meezan Gold Fund

MEEZAN GOLD FUND (MGF)

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

 Multan Branch



REACHING NEW HEIGHTS IN THE CITY OF SAINTS

TOMB OF SHAH
RUKN-E-ALAM
(MULTAN)



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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
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:

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) 34326021 - 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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi



MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
Assets		
Balances with banks	5 46,895	86,014
Investment in gold	6 323,293	364,344
Profit receivable on saving accounts	429	227
Receivable against sale of investments - net	875	3,065
Receivable against conversion of units	182	18,716
Deposits and prepayments	14	11,850
Total assets	<u>371,688</u>	<u>484,216</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	870	776
Payable to Central Depository Company of Pakistan Limited - the Trustee	61	131
Payable to the Securities and Exchange Commission of Pakistan	50	224
Payable against conversion and redemption of units	3,438	288
Payable against purchase of investments - net	-	684
Payable to Meezan Bank Limited	11	6
Accrued expenses and other liabilities	10 6,405	4,546
Total liabilities	<u>10,835</u>	<u>6,655</u>
Net assets	<u>360,853</u>	<u>477,561</u>
Contingencies and commitments	8	
Unit holders' fund (as per statement attached)	<u>360,853</u>	<u>477,561</u>
	(Number of units)	
Number of units in issue	<u>4,998,947</u>	<u>7,008,422</u>
	(Rupees)	
Net asset value per unit	<u>72.1858</u>	<u>68.1410</u>

The annexed notes 1 to 18 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 GOLD FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Note	Six months period ended, December 31,		Quarter ended, December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
Income					
Realised gain on sale of investments		6,122	1,812	5,703	2,453
Profit on saving accounts with banks		3,531	772	1,570	395
Price adjustment charges	12	5,183	3,485	2,769	1,838
		14,836	6,069	10,042	4,686
Unrealised appreciation / (diminution) on re-measurement of investment in gold	6	19,331	31,605	(4,991)	36,078
Total income		34,167	37,674	5,051	40,764
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company		2,486	1,340	1,132	691
Sindh Sales Tax on remuneration of Management Company		323	174	147	90
Allocated expenses	9	249	134	114	69
Selling and marketing expenses	15	994	357	452	98
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		423	228	193	118
Sindh Sales Tax on remuneration of the Trustee		55	30	25	16
Annual fee to the Securities and Exchange Commission of Pakistan	7	50	101	22	52
Auditors' remuneration		189	198	117	106
Brokerage expense		43	28	26	20
Fees and subscription		174	175	87	87
Bank and settlement charges		548	439	327	286
Custodian expense		2,194	1,190	1,013	621
Provision for Sindh Workers' Welfare Fund (SWWF)	10	529	666	28	666
Printing expenses		-	1	-	1
Total expenses		8,257	5,061	3,683	2,921
Net income for the period before taxation		25,910	32,613	1,368	37,843
Taxation	14	-	-	-	-
Net income for the period after taxation		25,910	32,613	1,368	37,843
Allocation of net income for the period					
Net income for the period after taxation		25,910	32,613		
Income already paid on units redeemed		(10,883)	(926)		
		15,027	31,687		
Accounting income available for distribution					
- Relating to capital gains		25,453	33,417		
- Excluding capital gains		(10,426)	(1,730)		
		15,027	31,687		

The annexed notes 1 to 18 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 GOLD FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Six months period		Quarter ended,	
	December 31,		December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	25,910	32,613	1,368	37,843
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>25,910</u>	<u>32,613</u>	<u>1,368</u>	<u>37,843</u>

The annexed notes 1 to 18 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 GOLD FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	434,630	42,931	477,561	233,180	9,904	243,084
Issue of 2,646,366 units (2018: 3,339,979 units)						
- Capital value (at net asset value per unit at the beginning of the period)	180,326	-	180,326	189,269	-	189,269
- Element of income	11,788	-	11,788	7,287	-	7,287
Total proceeds on issuance of units	192,114	-	192,114	196,556	-	196,556
Redemption of 4,655,841 units (2018: 2,609,569 units)						
- Capital value (at net asset value per unit at the beginning of the period)	317,254	-	317,254	147,878	-	147,878
- Element of loss	6,595	10,883	17,478	1,417	926	2,343
Total payments on redemption of units	323,849	10,883	334,732	149,295	926	150,221
Total comprehensive income for the period	-	25,910	25,910	-	32,613	32,613
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	25,910	25,910	-	32,613	32,613
Net assets at the end of the period	302,895	57,958	360,853	280,441	41,591	322,032
Undistributed income brought forward						
- Realised (loss)		(23,741)			(19,027)	
- Unrealised income		66,672			28,931	
		42,931			9,904	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		25,453			33,417	
- Excluding capital gains		(10,426)			(1,730)	
		15,027			31,687	
Distribution for the period		-			-	
Undistributed income carried forward		57,958			41,591	
Undistributed income carried forward						
- Realised income		38,627			9,986	
- Unrealised income		19,331			31,605	
		57,958			41,591	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			68.1410			56.6676
Net assets value per unit at the end of the period			72.1858			64.1490

The annexed notes 1 to 18 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 GOLD FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019



Meezan
Gold Fund

	Six months period ended, December 31,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	25,910	32,613
Adjustments for:		
Unrealised appreciation on re-measurement of investment in gold	(19,331)	(31,605)
	6,579	1,008
Decrease / (Increase) in assets		
Investments - net	60,382	(27,272)
Receivable against sale of investments - net	2,190	1,927
Profit receivable on saving accounts	(202)	(44)
Deposits and prepayments	11,836	(14)
	74,206	(25,403)
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	94	438
Payable to Central Depository Company of Pakistan Limited - Trustee	(70)	10
Payable to the Securities and Exchange Commission of Pakistan	(174)	(173)
Payable against purchase of investments - net	(684)	5,304
Payable to Meezan Bank Limited	5	19
Accrued expenses and other liabilities	1,859	626
	1,030	6,224
Net cash generated from / (used in) operating activities	81,815	(18,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	210,648	199,842
Payment against conversion and redemption of units	(331,582)	(150,318)
Net cash (used in) / generated from financing activities	(120,934)	49,524
Net (decrease) / increase in cash and cash equivalents during the period	(39,119)	31,353
Cash and cash equivalents at the beginning of the period	86,014	29,332
Cash and cash equivalents at the end of the period	5 46,895	60,685

The annexed notes 1 to 18 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 GOLD FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 15, 2014 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The Fund commenced its operations from August 18, 2015. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and / or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah advisor. Under the Trust Deed, all the conducts and acts of the fund are based on Shariah. The management company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.

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.

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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
In saving accounts	5.1	46,801	85,920
In current accounts		94	94
		<u>46,895</u>	<u>86,014</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 3.7% to 13.25% per annum (June 30, 2019: 6.30% to 11.85% per annum).

6. INVESTMENTS	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
Investment in gold	6.1	<u>323,293</u>	<u>364,344</u>

6.1 Investment in gold

Commodity	As at July 1, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLAGOLD	4,400	1,254	2,032	3,622	302,724	321,960	19,235	89.22%
MITOLA	15,000	-	-	15,000	1,238	1,333	95	0.37%
Total as at December 31, 2019					<u>303,962</u>	<u>323,293</u>	<u>19,331</u>	
Total as at June 30, 2019					<u>297,672</u>	<u>364,344</u>	<u>66,672</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 323.293 million (June 30, 2019: Rs 364.344 million) has been measured at fair value based on the quoted market price in active markets.

7. **PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to a Commodity Fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

8. **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

9. **ALLOCATED EXPENSES**

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Auditor's remuneration		163	175
Custodian fee payable		-	257
Provision for Sindh Worker's Welfare Fund (SWWF)	10.1	3,695	3,166
Withholding tax payable		10	21
Capital gain tax payable		1,667	51
Shariah advisory fee payable		159	159
Zakat payable		-	6
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	297	297
		6,405	4,546

10.1 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 condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.74 per unit (June 30, 2019: Re 0.45 per unit)

10.2 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.

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.

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.

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 condensed interim 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, 2019 would have been higher by Re 0.14 (June 30, 2019: Re 0.10) per unit.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2019 is 3.32% which includes 0.39% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, annual fee to the SECP, etc. (June 30, 2019: 3.78% and 0.80%). This ratio is within the maximum limit of 3% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a Commodity Scheme.

12. 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.

13. 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 unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	321	297
Sindh Sales Tax on management fee payable	42	39
Sales load payable	20	29
Sindh Sales Tax on sales load payable	3	4
Selling and marketing expenses payable	452	373
Allocated expenses payable	32	30
Meezan Bank Limited		
Bank balance	13,868	38,321
Sales load payable	10	5
Sindh sales tax on sales load payable	1	1
Profit receivable on saving account	106	11
Investment of 1,084,712 units (June 30, 2019: 1,084,712 units)	78,301	75,548
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	54	116
Sindh Sales Tax on trustee fee payable	7	15
Directors and Executives of the Management Company		
Investment of 322,918 units (June 30, 2019: 284,312 units)	23,310	19,374
Unitholders holding 10% or more units of the Fund		
Investment of 1,245,353 units (June 30, 2019: 1,236,347 units)	89,897	84,246



Six months period ended,
 December 31,

2019 2018

(Unaudited)

(Rupees in '000)

AI Meezan Investment Management Limited - the Management Company

Remuneration for the period	2,486	1,340
Sindh Sales Tax on management fee for the period	323	174
Allocated expenses	249	134
Selling and marketing expense	994	357

Meezan Bank Limited

Profit on saving account	977	197
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Central Depository Company of Pakistan Limited - the Trustee

Remuneration for the period	423	228
Sindh Sales Tax on trustee fee for the period	55	30

Directors and Executives of the Management Company

Units issued: 146,550 units (December 31, 2018: 57,616 units)	10,665	3,608
Units redeemed: 107,944 units (December 31, 2018: 27,814 units)	7,698	1,564

14. 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% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. No provision for taxation has been made in these condensed interim financial statements during the period since the net income of the fund only pertains to capital gains (realised and unrealised).

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. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on funds as Section 4B of Income Tax Ordinance, 2001.

15. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

16. 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).

Investments in gold are non-financial assets and the fair value is disclosed in note 6.1 to these financial statements.

As at December 31, 2019, the Fund does not hold any asset which required fair valuation.

17. GENERAL

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

17.2 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.

18. DATE OF AUTHORISATION FOR ISSUE

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Islamic Income Fund

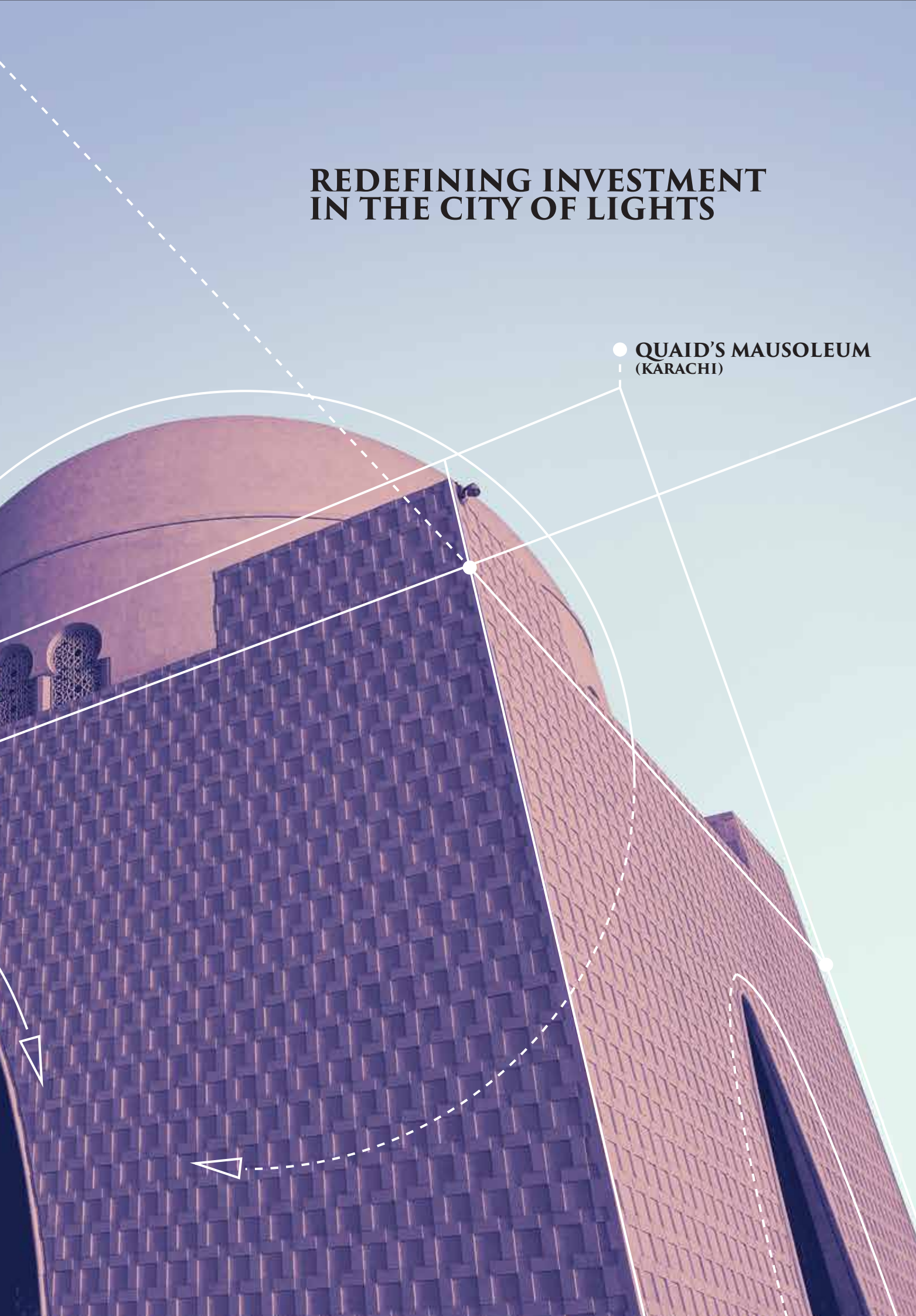
MEEZAN ISLAMIC INCOME FUND (MIIF)

Meezan Islamic Income Fund is Pakistan's first Shariah compliant income fund scheme. The purpose of Meezan Islamic Income Fund is to provide investors with a high and stable rate of current income consistent with long term preservation of capital in a Shariah compliant way.

- ◆ Bahadurabad Branch
- ◆ Clifton Branch
- ◆ DHA Branch
- ◆ DHA Badar Commercial Branch
- ◆ FTC Branch
- ◆ Gulshan-E-Iqbal Branch
- ◆ Gulistan-E-Jauhar Branch
- ◆ North Nazimabad Branch
- ◆ Sales Hub Karachi
- ◆ Site Area Branch

REDEFINING INVESTMENT IN THE CITY OF LIGHTS

● **QUAID'S MAUSOLEUM
(KARACHI)**



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Bank Limited
Askari Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Samba Bank Limited
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking
Habib Bank Limited -Islamic Banking	

LEGAL ADVISER

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

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) 34326021 - 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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



Meezan
Islamic Income Fund

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets		
Balances with banks	5 14,103,145	2,971,017
Investments	6 7,190,083	6,454,219
Receivable against conversion of units	102,645	3,802
Deposits, prepayments, profit accrued and other receivables	<u>294,127</u>	<u>258,982</u>
Total assets	<u>21,690,000</u>	<u>9,688,020</u>
Liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	41,983	19,857
Payable to Central Depository Company of Pakistan Limited - the Trustee	7 1,509	838
Payable to the Securities and Exchange Commission of Pakistan	8 1,678	7,822
Payable to Meezan Bank Limited	710	399
Payable against redemption and conversion of units	86,472	45,063
Accrued expenses and other liabilities	9 119,482	142,719
Total liabilities	<u>251,834</u>	<u>216,698</u>
Net assets	<u>21,438,166</u>	<u>9,471,322</u>
Contingencies and commitments	10	
Unit holders' fund (as per statement attached)	<u>21,438,166</u>	<u>9,471,322</u>
	(Number of units)	
Number of units in issue	<u>392,971,639</u>	<u>184,135,657</u>
	(Rupees)	
Net asset value per unit	<u>54.5540</u>	<u>51.4367</u>

The annexed notes 1 to 18 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 ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on saving accounts with banks		665,454	152,486	396,485	84,520
Profit on term deposit receipts		-	18,424	-	4,683
Profit on certificates of musharakah		45,482	48,902	21,011	32,722
Profit on sukuk certificates		420,992	196,344	232,678	108,944
Net realised gain / (loss) on sale of sukuk certificates		20,841	(15,508)	15,479	(10,040)
Other income		1,129	1,384	54	1,020
		<u>1,153,898</u>	<u>402,032</u>	<u>665,707</u>	<u>221,849</u>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.2	(4,167)	812	2,776	14,504
Total income		<u>1,149,731</u>	<u>402,844</u>	<u>668,483</u>	<u>236,353</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - the Management Company		74,733	40,284	43,452	23,635
Sindh Sales Tax on remuneration of the Management Company		9,715	5,237	5,648	3,073
Allocated expenses	12	12,269	5,152	7,134	2,602
Selling and marketing expense	13	33,565	-	19,024	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	7	6,293	4,413	3,566	2,225
Sindh Sales Tax on remuneration of the trustee		818	574	464	290
Annual fee to the Securities and Exchange Commission of Pakistan	8	1,678	3,864	951	1,952
Auditors' remuneration		399	414	231	215
Fees and subscription		706	713	354	352
Brokerage expense		140	224	74	84
Bank and settlement charges		424	161	295	128
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	20,180	6,831	11,746	4,034
Printing expense		-	277	-	137
Total expenses		<u>160,920</u>	<u>68,144</u>	<u>92,939</u>	<u>38,727</u>
Net income for the period before taxation		<u>988,811</u>	<u>334,700</u>	<u>575,544</u>	<u>197,626</u>
Taxation	15	-	-	-	-
Net income for the period after taxation		<u>988,811</u>	<u>334,700</u>	<u>575,544</u>	<u>197,626</u>
Allocation of net income for the period					
Net income for the period after taxation		988,811	334,700		
Income already paid on units redeemed		(218,195)	(83,446)		
		<u>770,616</u>	<u>251,254</u>		
Accounting income available for distribution					
- Relating to capital gains		16,674	-		
- Excluding capital gains		753,942	251,254		
		<u>770,616</u>	<u>251,254</u>		

The annexed notes 1 to 18 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 ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	<u>Six months period ended</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	988,811	334,700	575,544	197,626
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>988,811</u>	<u>334,700</u>	<u>575,544</u>	<u>197,626</u>

The annexed notes 1 to 18 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 ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	9,297,919	173,403	9,471,322	9,755,035	410,879	10,165,914
Issuance of 489,953,776 units (2018: 183,246,418 units)						
- Capital value (at net asset value per unit at the beginning of the period)	25,201,605	-	25,201,605	9,417,290	-	9,417,290
- Element of income	683,933	-	683,933	160,655	-	160,655
Total proceeds on issuance of units	25,885,538	-	25,885,538	9,577,945	-	9,577,945
Redemption of 281,117,794 units (2018: 167,220,566 units)						
- Capital value (at net asset value per unit at the beginning of the period)	14,459,772	-	14,459,772	8,593,699	-	8,593,699
- Element of loss	229,538	218,195	447,733	60,806	83,446	144,252
Total payments on redemption of units	14,689,310	218,195	14,907,505	8,654,505	83,446	8,737,951
Total comprehensive income for the period	-	988,811	988,811	-	334,700	334,700
Distribution during the period	-	-	-	-	(245,803)	(245,803)
Refund of capital	-	-	-	(170,684)	-	(170,684)
		988,811	988,811	(170,684)	88,897	(81,787)
Net assets at the end of the period	20,494,147	944,019	21,438,166	10,507,791	416,330	10,924,121
Undistributed income brought forward						
- Realised income		192,274			396,375	
- Unrealised (loss) / income		(18,871)			14,504	
		173,403			410,879	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains	16,674			-		
- Excluding capital gains	753,942			251,254		
	770,616			251,254		
Distribution during the period nil [(2018: 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		944,019			416,330	
Undistributed income carried forward						
- Realised income		948,186			415,518	
- Unrealised (loss) / income		(4,167)			812	
		944,019			416,330	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			51.4367			53.5868
Net assets value per unit at the end of the period			54.5540			53.0980

The annexed notes 1 to 18 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 ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended	
	December 31,	
Note	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	988,811	334,700
Adjustments for		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	4,167	(812)
	<u>992,978</u>	<u>333,888</u>
(Increase) / decrease in assets		
Investments - net	(740,031)	64,278
Deposits, prepayments, profit accrued and other receivables	(35,145)	(21,295)
	(775,176)	42,983
(Decrease) / Increase in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	22,126	4,348
Payable to Central Depository Company of Pakistan Limited - the Trustee	671	85
Payable to the Securities and Exchange Commission of Pakistan	(6,144)	(4,344)
Payable to Meezan Bank Limited	311	(1,332)
Accrued expenses and other liabilities	(23,237)	14,476
	(6,273)	13,233
Net cash generated from operating activities	<u>211,529</u>	<u>390,104</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	25,786,695	9,460,503
Payments against redemption and conversion of units	(14,866,096)	(8,752,195)
Dividend paid	-	(245,803)
Net cash generated from financing activities	10,920,599	462,505
Net increase in cash and cash equivalents during the period	<u>11,132,128</u>	<u>852,609</u>
Cash and cash equivalents at the beginning of the period	2,971,017	4,070,871
Cash and cash equivalents at the end of the period	<u>5</u> <u>14,103,145</u>	<u>4,923,480</u>

The annexed notes 1 to 18 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 ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 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.

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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	14,103,101	2,970,973
In current accounts		44	44
		<u>14,103,145</u>	<u>2,971,017</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 13.50% per annum (June 30, 2019: 3.32% to 12.50% per annum).

6. INVESTMENTS	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	4,223,218	4,277,722
Certificates of Musharakah	6.2	600,000	750,000
Commercial papers	6.3	2,366,865	1,426,497
		<u>7,190,083</u>	<u>6,454,219</u>
6.1 Sukuk Certificates			
Government securities	6.1.1	-	600,000
Corporate sukus	6.1.2	4,223,218	3,677,722
		<u>4,223,218</u>	<u>4,277,722</u>

6.1.1 Government Securities

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / maturity during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation / (diminution)	Percentage in relation to	
										----- Number of certificates -----	----- (Rupees in '000) -----
Pakistan Energy Sukuk	March 1, 2029	6 months KIBOR plus base rate of 0.8%	120,000	-	120,000	-	-	-	-	-	-
Total as at December 31, 2019							-	-	-	-	-
Total as at June 30, 2019							600,000	600,000	-	6.33	9.30

6.1.2 Corporate Sukus

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions during the period	As at December 31, 2019	* Carrying value as at December 31, 2019	* Market value as at December 31, 2019	Unrealised appreciation / (diminution)	Percentage in relation to		
										---- (Number of certificates) ----	----- (Rupees in '000) -----	----- % -----
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 (AA-, VIS, non-traded) (note 6.1.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.5%	513	-	15	498	507,315	498,498	(8,817)	2.33	12.45	6.93

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions during the period	As at December 31, 2019	* Carrying value as at December 31, 2019	* Market value as at December 31, 2019	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) -----			----- % -----			
Meezan Bank Limited Tier - II (AA, VIS, traded) (note 6.1.2.1)	September 22, 2026	6 months KIBOR plus base rate of 0.50%	368	-	-	368	367,991	366,032	(1,959)	1.71	5.26	5.09
FERTILIZER												
Engro Fertilizer Limited (AA, PACRA, non-traded) (note 6.1.2.1)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	14,875	-	14,875	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited (AA-, PACRA, traded) (note 6.1.2.1)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	29,833	-	5,967	23,866	120,258	120,272	14	0.56	2.84	1.67
OIL & GAS MARKETING COMPANIES												
Hascol Petroleum Limited (BBB+, VIS, traded) (note 6.1.2.1)	January 06, 2022	3 months KIBOR plus base rate of 1.50%	44,000	-	8,000	36,000	181,350	180,118	(1,232)	0.84	9.00	2.51
POWER GENERATION & DISTRIBUTION												
K-Electric Limited (sukuk 4) (AA+, VIS, traded) (note 6.1.2.1)	June 17, 2022	3 months KIBOR plus base rate of 1.00%	15,692	-	15,692	-	-	-	-	-	-	-
K-Electric Limited (sukuk 5) (AA+, VIS, traded) (note 6.1.2.1)	December 27, 2026	3 months KIBOR plus base rate of 1.70%	-	80,000	-	80,000	400,000	400,000	-	1.87	1.60	5.56
Hub Power Company Limited (A1+, PACRA) (note 6.1.2.1)	November 26, 2019	3 months KIBOR plus base rate of 1.00%	120,000	-	120,000	-	-	-	-	-	-	-
Hub Power Company Limited (A1+, PACRA) (note 6.1.2.1)	October 2, 2019	3 months KIBOR plus base rate of 1.00%	70,000	-	70,000	-	-	-	-	-	-	-
Hub Power Company Limited (AA+, PACRA) (note 6.1.2.1)	August 22, 2023	3 months KIBOR plus base rate of 1.90%	-	5,435	150	5,285	528,670	533,257	4,587	2.49	7.55	7.42
Hub Power Company Limited (AA+, PACRA) (note 6.1.2.1)	May 21, 2020	3 months KIBOR plus base rate of 1.50%	-	5,000	-	5,000	500,000	500,000	-	2.33	11.11	6.95
Engro Powergen Thar (Private) Limited (A, PACRA) (note 6.1.2.1)	August 2, 2024	3 months KIBOR plus base rate of 1.10%	-	50,000	-	50,000	250,000	250,000	-	1.17	8.33	3.48
PHARMACEUTICALS												
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1)	June 9, 2022	3 months KIBOR plus base rate of 1.30%	1,712	-	285	1,427	142,650	143,720	1,070	0.67	11.65	2.00
CEMENT & CONSTRUCTION												
Javedan Corporation Limited (AA-, VIS non-traded) (note 6.1.2.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	1,000	-	-	1,000	99,535	97,894	(1,641)	0.46	3.34	1.36

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions during the period	As at December 31, 2019	* Carrying value as at December 31, 2019	* Market value as at December 31, 2019	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) -----			----- % -----		

STEEL & ALLIED PRODUCTS

Agha Steel Industries (A+, VIS) (note 6.1.2.1)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	250	-	-	250	250,000	250,000	-	1.17	5.00	3.48
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CHEMICALS

Engro Polymer and Chemicals Limited (AA, PACRA) (note 6.1.2.1)	July 11, 2026	3 months KIBOR plus base rate of 0.90%	3,000	-	-	3,000	301,406	304,125	2,719	1.42	3.43	4.23
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TEXTILE COMPOSITE

Masood Textile Mills Limited (A, VIS) (note 6.1.2.1)	December 17, 2024	3 months KIBOR plus base rate of 2.00%	-	150	-	150	150,000	150,000	-	0.70	6.00	2.09
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MISCELLANEOUS

International Brands Limited (AA, VIS, non-traded) (note 6.1.2.1)	November 15, 2021	12 months KIBOR plus base rate of 0.50%	4,000	-	-	4,000	335,266	337,833	2,567	1.58	14.13	4.70
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Shakarganj Food Products Limited (A, VIS) (note 6.1.2.1)	July 10, 2024	3 months KIBOR plus base rate of 1.75%	100	-	-	100	92,944	91,469	(1,475)	0.43	13.79	1.27
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Total as at December 31, 2019

4,227,385	4,223,218	(4,167)
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Total as at June 30, 2019

3,696,593	3,677,722	(18,872)
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* 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, Meezan Bank Limited, Shakarganj Food Products Limited, AGP Limited, Javedan Corporation Limited, Agha Steel Industries Limited, Engro Polymer and Chemicals Limited, Hub Power Company Limited and Masood Textile Mills 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, 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, 2019, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuks which are below 'investment grade' securities:

Name of non-compliant investment	Type of investments	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of net assets	Percentage of total assets
		----- (Rupees in '000) -----			----- % -----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,403	15,403	-	-	-
Total - December 31, 2019		143,875	143,875	-	-	-
Total - June 30, 2019		143,875	143,875	-	-	-

- 6.1.2.2.1** On May 6, 2011, Arzoo Textile Mills Limited and Eden Housing Limited sukuk certificates were classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 70 million and Rs. 58.472 million respectively have also been held as provision against the outstanding principal as at December 31, 2019.
- 6.1.2.2.2** The agreement with Security Leasing Corporation Limited (SLCL) had been amended on February 19, 2012. In accordance with the revised terms no mark-up is payable on the said sukuk as per the approval of contributories to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 3, 2012. Therefore, in accordance with the requirement of circular no.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy of the Fund, an amount of Rs 15.403 million has also been held as provision against the outstanding principal as at December 31, 2019.
- 6.1.2.3** Circular No. 33 of 2012 allows the asset manager to apply a mark up / mark down within available limit for valuation of any specific debt security. Exercising the discretionary power, the above mentioned Sukuks of Javedan Corporation, Hascol Petroleum Limited and Shakarganj Food Products Limited has been valued at a discretionary rate of 97.8944, 100.0655 and 96.2836 when the reported market rate on MUFAP valuation sheet as at December 31, 2019 was 95.2419, 100.7500 and 94.6096 respectively.

6.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2019	Placed during the period	Matured during the period	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			----- (Rupees in '000) -----					----- % -----		
Orix Modaraba	September 14, 2019	10.47-12.72	600,000	-	600,000	-	-	-	-	-
Orix Modaraba	September 27, 2019	10.69-12.94	150,000	-	150,000	-	-	-	-	-
Orix Modaraba	September 4, 2020	13.92	-	200,000	-	200,000	200,000	-	0.93	2.78
Orix Modaraba	September 4, 2020	13.92	-	200,000	-	200,000	200,000	-	0.93	2.78
Orix Modaraba	September 16, 2020	13.84	-	200,000	-	200,000	200,000	-	0.93	2.78
Total as at December 31, 2019			750,000	600,000	750,000	600,000	600,000	-	2.80	8.34
Total as at June 30, 2019			900,000	1,662,798	1,812,798	750,000	750,000	-	7.92	11.62

6.3 Commercial Papers

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			----- (Number of certificates) -----			----- (Rupees in '000) -----		----- % -----		
Hascol Petroleum Limited CP - 3 (note 6.3.1)	July 15, 2019	6 months KIBOR plus base rate of 1.50%	400	-	400	-	-	-	-	-
K-Electric Limited CP-2 (note 6.3.1)	September 2, 2019	6 months KIBOR plus base rate of 0.90%	1,001	-	1,001	-	-	-	-	-
TPL Corp Limited CP (note 6.5.1)	January 11, 2020	6 months KIBOR plus base rate of 2.75%	50	-	-	50	49,777	49,777	0.23	0.69
K-Electric Limited CP-A (note 6.3.1)	February 28, 2020	6 months KIBOR plus base rate of 1.30%	-	1,200	-	1,200	1,172,782	1,172,782	5.47	16.31
K-Electric Limited CP-3 (note 6.3.1)	March 19, 2020	6 months KIBOR plus base rate of 1.30%	-	1,180	-	1,180	1,144,306	1,144,306	5.34	15.92
Total as at December 31, 2019							2,366,865	2,366,865	11.04	32.92
Total as at June 30, 2019							1,426,497	1,426,497	15.06	22.10

- 6.3.1** The nominal value of these commercial papers is Rs 1,000,000 each.

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. Effective from July 1, 2019, the trustee has revised its tariff as under:

Net Assets (Rs.)	Previous Tariff		Revised Tariff (Flat Rate)
	Fee		
- up to Rs. 1 billion	Rs 0.6 million or 0.17% per annum of net assets		0.075% p.a. of Net Assets
- Rs 1 billion to Rs. 10 billion	Rs 1.7 million plus 0.085% p.a. of net assets exceeding Rs 1 billion		
- over Rs. 10 billion	Rs 5.1 million plus 0.07% p.a. of net assets exceeding Rs 5 billion		

Accordingly, the Fund has charged Trustee Fee at the rate 0.075% per annum during the current period.

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to income fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	58,934	38,755
Withholding tax payable		-	37,969
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	50,417	50,417
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	2,642	2,642
Capital gain tax payable		5,677	11,065
Auditors' remuneration payable		337	430
Printing expenses payable		566	566
Brokerage payable		132	159
Zakat payable		38	187
Shariah advisor fee payable		663	529
Other payable		76	-
		119,482	142,719

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 condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re. 0.15 per unit (June 30, 2019: Re 0.21 per unit).

- 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 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.

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.

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.

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 December 31, 2019 amounting to Rs 53.059 million (June 30, 2019: 53.059 million) is being retained in these condensed interim 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, 2019 would have been higher by Re 0.14 (June 30, 2019: Re 0.29) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

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 the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	15,824	6,904
Sindh Sales Tax payable on remuneration of the Management Company	2,057	898
Sales load payable	2,115	523
Sindh Sales Tax on sales load	275	68
Allocated expenses payable	2,683	872
Selling and marketing expense payable	19,028	10,591
Certificate charges payable	1	1
Investment of nil (June 30, 2019: 1,287,879 units)	-	66,244
Meezan Bank Limited		
Balances with bank	34,805	44,405
Sales load payable	628	353
Sindh Sales Tax on sales load	82	46
Profit receivable on saving account	1	466
Profit receivable on sukuk certificates	17,931	13,925
Investment of 368 sukuk certificates (June 30, 2019: 368 sukuk certificates)	366,032	367,991

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	1,335	742
Sindh Sales Tax on Trustee Fee payable	174	96
Security deposit	100	100
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Investment of 1,246,081 units (June 30, 2019: 882,014 units)	67,979	45,368
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Investment of 1,230,135 units (June 30, 2019: 981,323 units)	67,109	50,476
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Investment of 2,179,472 units (June 30, 2019: 1,598,392 units)	118,899	82,216
Meezan Strategic Allocation Fund - MSAP - I		
Investments of nil units (June 30, 2019: 4,983,963 units)	-	256,359
Meezan Strategic Allocation Fund - MSAP - II		
Investments of nil units (June 30, 2019: 3,408,091 units)	-	175,301
Meezan Strategic Allocation Fund - MSAP - III		
Investments of nil units (June 30, 2019: 4,056,911 units)	-	208,674
Meezan Strategic Allocation Fund - MSAP - IV		
Investments of nil units (June 30, 2019: 4,583,447 units)	-	235,757
Meezan Strategic Allocation Fund - MSAP - V		
Investments of nil units (June 30, 2019: 4,583,447 units)	-	40,484
Directors and Executives of the Management Company		
Investments of 7,669,904 units (June 30, 2019: 288,053 units)	418,424	14,816
	Six months period ended	
	December 31,	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the period	74,733	40,284
Sindh Sales Tax on remuneration of the Management Company	9,715	5,237
Allocated expenses	12,269	5,152
Selling and marketing expense	33,565	-
Units issued: 61,626 units (December 31, 2018: 7,639,986 units)	3,224	397,114
Units redeemed: 1,349,505 units (December 31, 2018: 20,175,380 units)	69,559	1,049,100
Cash dividend paid	-	17,356
Refund of capital	-	23,214
Meezan Bank Limited		
Profit on saving account	6,070	1,094
Profit on sukuk certificate	25,061	14,242
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	6,293	4,413
Sindh Sales Tax on trustee fee	818	574
CDS Charges	91	17

**Six months period ended
 December 31,**
2019 2018
(Unaudited)
(Rupees in '000)
Meezan Financial Planning Fund of Funds
- Aggressive Allocation Plan

Units issued: 901,952 units (December 31, 2018: 102,478 units)	46,964	5,299
Units redeemed: 537,885 units (December 31, 2018: 216,559 units)	28,644	11,393
Cash dividend paid	-	2,325
Refund of capital	-	224

Meezan Financial Planning Fund of Funds
- Moderate Allocation Plan

Units issued: 738,691 units (December 31, 2018: 61,736 units)	38,414	3,172
Units redeemed: 489,879 units (December 31, 2018: 387,350 units)	25,657	20,164
Cash dividend paid	-	2,809
Refund of capital	-	363

Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan

Units issued: 1,387,613 units (December 31, 2018: 246,147 units)	72,159	12,785
Units redeemed: 806,533 units (December 31, 2018: 549,956 units)	42,643	28,723
Cash dividend paid	-	3,989
Refund of capital	-	358

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 3,782,012 units (December 31, 2018: 730,485 units)	194,649	37,613
Units redeemed: 3,782,012 units (December 31, 2018: 581,864 units)	197,912	30,750
Cash dividend paid	-	4,610
Refund of capital	-	3,003

Meezan Financial Planning Fund of Funds - MAAP - IV

Units issued: nil (December 31, 2018: 63,875 units)	-	3,280
Units redeemed: nil (December 31, 2018: 1,558,092 units)	-	80,267
Cash dividend paid	-	1,736
Refund of capital	-	1,544

Meezan Strategic Allocation Fund - MSAP - I

Units issued: 1,653,461 units (December 31, 2018: 1,495,164 units)	85,606	76,984
Units redeemed: 6,637,424 units (December 31, 2018: 1,396,349 units)	346,444	73,910
Cash dividend paid	-	9,138
Refund of capital	-	7,846

Meezan Strategic Allocation Fund - MSAP - II

Units issued: 1,128,244 units (December 31, 2018: 1,107,934 units)	58,413	57,052
Units redeemed: 4,536,335 units (December 31, 2018: 415,558 units)	236,405	22,000
Cash dividend paid	-	5,875
Refund of capital	-	4,177

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 1,361,671 units (December 31, 2018: 1,213,228 units)	70,498	62,481
Units redeemed: 5,418,582 (December 31, 2018: nil)	282,706	-
Cash dividend paid	-	4,540
Refund of capital	-	3,941

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 1,536,740 units (December 31, 2018: 1,166,844 units)	79,563	60,088
Units redeemed: 6,120,187 (December 31, 2018: nil)	319,197	-
Cash dividend paid	-	5,519
Refund of capital	-	4,569

	Six months period ended	
	December 31,	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 272,284 units (December 31, 2018: 384,345 units)	14,090	19,798
Units redeemed: 1,059,349 (December 31, 2018: nil)	<u>55,177</u>	<u>-</u>
Cash dividend paid	<u>-</u>	<u>363</u>
Refund of capital	<u>-</u>	<u>435</u>
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: nil (December 31, 2018: 9,077 units)	<u>-</u>	<u>466</u>
Cash dividend paid	<u>-</u>	<u>2</u>
Refund of capital	<u>-</u>	<u>465</u>
Directors and Executives of the Management Company		
Units issued: 16,466,545 units (December 31, 2018: 939,642 units)	<u>858,835</u>	<u>49,199</u>
Units redeemed: 9,084,659 units (December 31, 2018: 636,405 units)	<u>475,104</u>	<u>33,297</u>
Cash dividend paid	<u>-</u>	<u>167</u>
Refund of capital	<u>-</u>	<u>476</u>

12. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period from July 1, 2019 to July 21, 2019 and 0.15% for the period from July 22, 2019 to December 31, 2019.

13. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the management company based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

14. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.92% which include 0.39% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

15. 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, 2020 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.

16. 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).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	4,223,218	-	4,223,218
Certificates of Musharakah*	-	600,000	-	600,000
Commercial Papers**	-	2,366,865	-	2,366,865
	<u>-</u>	<u>7,190,083</u>	<u>-</u>	<u>7,190,083</u>
ASSETS	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	4,277,722	-	4,277,722
Certificates of Musharakah*	-	750,000	-	750,000
Commercial Papers**	-	1,426,497	-	1,426,497
	<u>-</u>	<u>6,454,219</u>	<u>-</u>	<u>6,454,219</u>

* 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 face 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.

17. GENERAL

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

17.2 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.

18. **DATE OF AUTHORISATION**

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

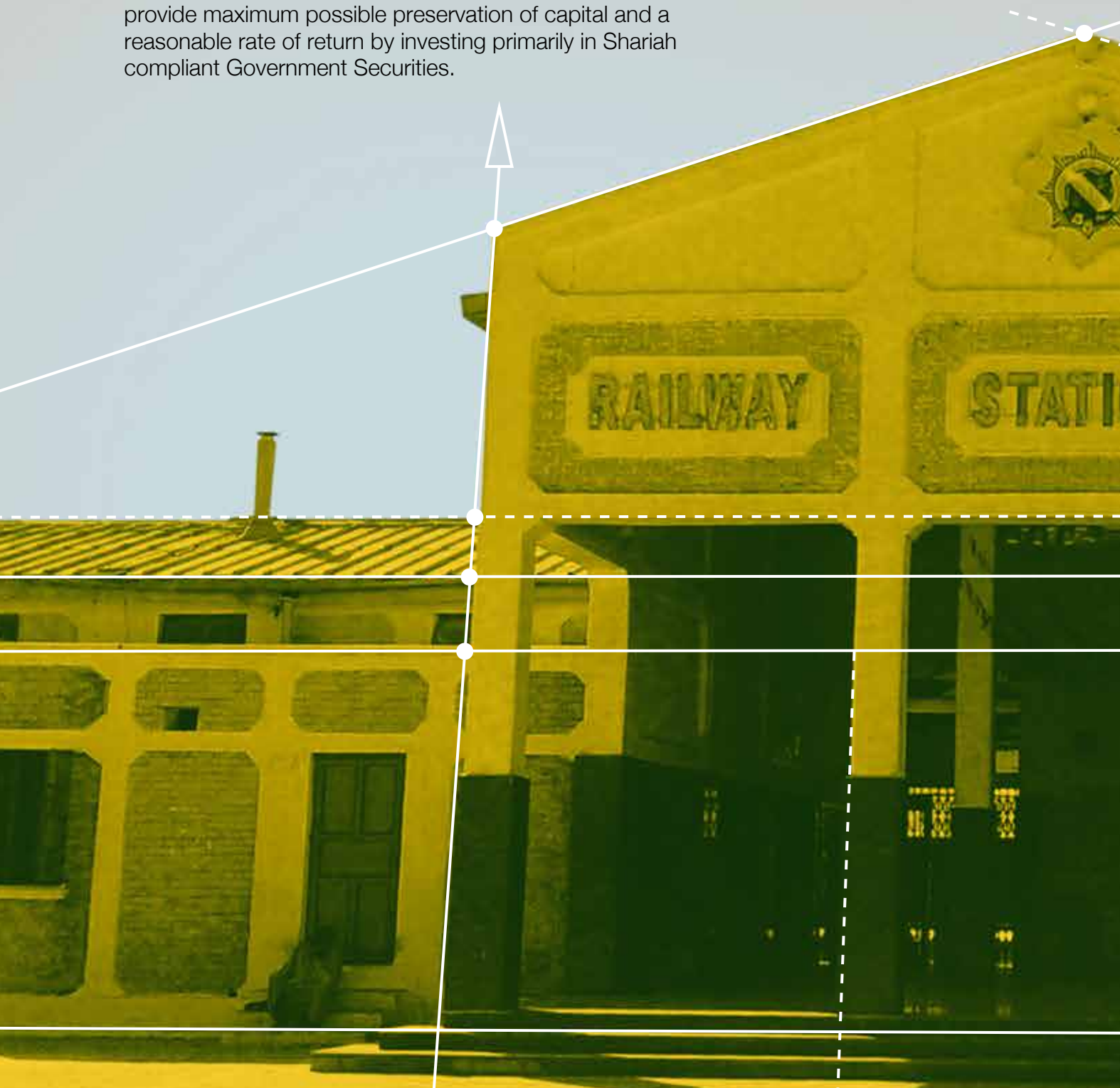
Director




Meezan
Sovereign Fund

MEEZAN SOVEREIGN FUND (MSF)

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



REDEFINING INVESTMENT IN THE FRUIT HUB OF PAKISTAN

 Quetta Branch

**QUETTA RAILWAY STATION
(QUETTA)**



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Sindh Bank Limited
Bank Islami Pakistan Limited	UBL Ameen - Islamic Banking
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited - Islamic Banking	
Habib Bank Limited -Islamic Banking	

LEGAL ADVISER

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

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) 34326021 - 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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT DECEMBER 31, 2019

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	5 2,956,800	5,132,514
Investments	6 1,112,236	1,124,715
Receivable against conversion of units	70,060	59,236
Deposits, prepayments and other receivable	90,329	70,900
Total assets	4,229,425	6,387,365
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	7,041	4,228
Payable to Central Depository Company of Pakistan Limited - the Trustee	7 482	538
Payable to Meezan Bank Limited	35	68
Payable to the Securities and Exchange Commission of Pakistan	8 405	1,400
Payable against redemption and conversion of units	204,472	562,316
Accrued expenses and other liabilities	10 107,159	113,666
Total liabilities	319,594	682,216
Net assets	3,909,831	5,705,149
Contingencies and commitments	9	
Unit holders' fund (as per statement attached)	3,909,831	5,705,149
	(Number of units)	
Number of units in issue	71,614,897	110,716,688
	(Rupees)	
Net asset value per unit	54.5952	51.5293

The annexed notes 1 to 18 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 SOVEREIGN FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on sukuk certificates		78,187	40,407	41,745	18,920
Net realised loss on sale of sukuk certificates		(197)	(12,004)	(292)	(194)
Profit on saving accounts with banks		184,051	21,617	103,916	11,166
		<u>262,041</u>	<u>50,020</u>	<u>145,369</u>	<u>29,892</u>
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1	-	7,508	-	10,580
Total income		<u>262,041</u>	<u>57,528</u>	<u>145,369</u>	<u>40,472</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company		12,710	8,785	6,422	4,000
Sindh Sales Tax on remuneration of the Management Company		1,652	1,142	835	520
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	7	1,293	1,037	696	489
Sindh Sales Tax on remuneration of the Trustee		168	134	90	63
Annual fee to Securities and Exchange Commission of Pakistan	8	405	659	214	300
Auditors' remuneration		340	360	216	181
Fees and subscription		415	334	140	174
Brokerage		-	209	-	2
Bank and settlement charges		272	91	81	38
Allocated expenses	12	2,874	878	1,605	400
Selling and marketing expense	13	7,125	-	4,282	-
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	4,696	878	2,616	686
Total expenses		<u>31,950</u>	<u>14,507</u>	<u>17,197</u>	<u>6,853</u>
Net income for the period before taxation		<u>230,091</u>	<u>43,021</u>	<u>128,172</u>	<u>33,619</u>
Taxation	15	-	-	-	-
Net income for the period after taxation		<u>230,091</u>	<u>43,021</u>	<u>128,172</u>	<u>33,619</u>
Allocation of net income for the period					
Net income for the period after taxation		230,091	43,021		
Income already paid on units redeemed		(62,378)	6,590		
		<u>167,713</u>	<u>36,431</u>		
Accounting income available for distribution					
- Relating to capital gains		-	-		
- Excluding capital gains		167,713	36,431		
		<u>167,713</u>	<u>36,431</u>		

The annexed notes 1 to 18 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 SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	<u>Six months period</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	230,091	43,021	128,172	33,619
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>230,091</u>	<u>43,021</u>	<u>128,172</u>	<u>33,619</u>

The annexed notes 1 to 18 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 SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	5,409,260	295,889	5,705,149	1,792,404	328,112	2,120,516
Issue of 109,502,081 units (2018: 28,988,772 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,642,566	-	5,642,566	1,492,505	-	1,492,505
- Element of income	141,014	-	141,014	13,666	-	13,666
Total proceeds on issuance of units	5,783,580	-	5,783,580	1,506,171	-	1,506,171
Redemption of 148,603,872 units (2018: 40,844,893 units)						
- Capital value (at net asset value per unit at the beginning of the period)	7,657,454	-	7,657,454	2,102,924	-	2,102,924
- Element of loss	89,157	62,378	151,535	9,895	6,590	16,485
Total payments on redemption of units	7,746,611	62,378	7,808,989	2,112,819	6,590	2,119,409
Total comprehensive income for the period	-	230,091	230,091	-	43,021	43,021
Distribution during the period	-	-	-	-	(37,026)	(37,026)
Refund of capital	-	-	-	(12,782)	-	(12,782)
Net income for the period less distribution	-	230,091	230,091	(12,782)	5,995	(6,787)
Net assets at the end of the period	3,446,229	463,602	3,909,831	1,172,974	327,517	1,500,491
Undistributed income brought forward						
- Realised income		297,344			360,148	
- Unrealised (loss)		(1,455)			(32,036)	
		295,889			328,112	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		167,713			36,431	
		167,713			36,431	
Distribution during the period at Rs Nil [2018: 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		463,602			327,517	
Undistributed income carried forward						
- Realised income		463,602			320,009	
- Unrealised income		-			7,508	
		463,602			327,517	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>51.5293</u>			<u>52.7240</u>
Net assets value per unit at end of the period			<u>54.5952</u>			<u>52.9030</u>

The annexed notes 1 to 18 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 SOVEREIGN FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended	
	December 31,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	230,091	43,021
Adjustments for		
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(7,508)
	<u>230,091</u>	<u>35,513</u>
(Increase) / decrease in assets		
Investments - net	12,479	1,192,885
Deposits, prepayments and other receivable	(19,429)	22,061
	<u>(6,950)</u>	<u>1,214,946</u>
Decrease in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	2,813	(554)
Payable to Central Depository Company of Pakistan Limited - Trustee	(56)	138
Payable to Securities and Exchange Commission of Pakistan	(995)	(1,458)
Payable to Meezan Bank Limited	(33)	(299)
Accrued expenses and other liabilities	(6,507)	1,338
	<u>(4,778)</u>	<u>(835)</u>
Net cash generated from operating activities	<u>218,363</u>	<u>1,249,624</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	5,772,756	1,515,440
Payments against redemption and conversion of units	(8,166,833)	(2,084,801)
Dividend paid	-	(37,026)
Net cash generated from / (used in) financing activities	<u>(2,394,077)</u>	<u>(606,387)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(2,175,714)</u>	<u>643,237</u>
Cash and cash equivalents at the beginning of the period	5,132,514	673,082
Cash and cash equivalents at the end of the period	<u><u>2,956,800</u></u>	<u><u>1,316,319</u></u>

The annexed notes 1 to 18 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 SOVEREIGN FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 unit holders 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. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open end Shariah Compliant (Islamic) Income Scheme, listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 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 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 VIII A 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 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 published audited annual financial statements of the Fund for the year ended June 30, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	2,953,956	5,129,670
In current accounts		2,844	2,844
		<u>2,956,800</u>	<u>5,132,514</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 13.50% per annum (June 30, 2019: 3.32% to 12.50% per annum).

6. INVESTMENTS	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Investments - 'at fair value through profit or loss'			
Sukuk Certificates	6.1	1,112,236	1,124,715
		<u>1,112,236</u>	<u>1,124,715</u>
6.1 Sukuk Certificates			
Government securities	6.1.1	950,000	950,000
Corporate sukus	6.1.2	162,236	174,715
		<u>1,112,236</u>	<u>1,124,715</u>

6.1.1 Government Securities

Name of the Security	Maturity date	Profit rate	As at July 1, 2019	Purchased during the period	Sales / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (loss) / gain as at December 31, 2019	Percentage in relation to	
										Number of certificates	(Rs in '000)
										(%)	
Pakistan Energy Sukuk (note 6.1.1.1)	March 1, 2029	6 months KIBOR plus base rate of 0.8%	190,000	-	-	190,000	950,000	950,000	-	24.30%	85.41%
Total							950,000	950,000	-		

6.1.1.1 Pakistan Energy Sukuk Certificates have a nominal value of Rs. 5,000 each. These have been carried at cost as market value was not determined by Mutual Funds Association of Pakistan as at December 31, 2019.

6.1.2 Corporate sukus

Name of the Security	Maturity date	Profit rate	As at July 1, 2019	Purchased during the period	Sales / redemption during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (loss) / gain as at December 31, 2019	Percentage in relation to	
										Number of certificates	(Rs in '000)
										(%)	
Power generation & distribution											
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.1.2.1)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	1,706	-	122	1,584	162,236	162,236	-	4.15%	14.59%
Total							162,236	162,236	-		

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

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. Effective from July 1, 2019, the trustee has revised its tariff as under:

Net Assets (Rs.)	Previous Tariff	Revised Tariff (Flat Rate)
	Fee	
- up to Rs. 1 billion	0.17% per annum of net assets	0.075% p.a. of Net Assets
- Rs 1 billion to Rs. 10 billion	Rs 1.7 million plus 0.085% p.a. of net assets exceeding Rs 1 billion	
- over Rs. 10 billion	Rs 5.1 million plus 0.07% p.a. of net assets exceeding Rs 5 billion	

Accordingly, the Fund has charged Trustee Fee at the rate 0.075% per annum during the current period.

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to income fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
(Rupees in '000)			
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	21,227	16,531
Withholding tax payable		480	12,021
Capital gain tax payable		1,446	968
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	80,077	80,077
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	2,562	2,562
Printing expenses payable		156	156
Zakat payable		147	142
Auditors' remuneration payable		287	348
Brokerage payable		478	501
Shariah advisor fee payable		269	360
Other Payable		30	-
		107,159	113,666

- 10.1** 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 condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re 0.30 (June 30, 2019: Re 0.15).

- 10.2** 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 82.639 million (June 30, 2019 : Rs 82.639 million) is being retained in the condensed interim 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, 2019 would have been higher by Re 1.15 (June 30, 2019 : Rs. 0.75) per unit.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	1,937	2,859
Sindh Sales Tax payable on remuneration of the Management Company	253	372
Sales load payable	78	629
Sindh Sales Tax payable on sales load	10	82
Allocated expense payable	482	286
Selling and marketing expense payable	4,281	-
Meezan Bank Limited		
Balances with bank	38,802	485,689
Profit receivable on saving accounts	540	1,117
Sales load payable	31	60
Sindh Sales Tax on sales load payable	4	8
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	427	476
Sindh Sales Tax on trustee fee payable	55	62
Security deposit	100	100
Meezan Financial Planning Fund of Funds - MAAP I		
Investment of 3,568,128 units (June 30, 2019: 3,775,285 units)	194,803	194,538
Meezan Strategic Allocation Fund - MCPP - III		
Investment of nil units (June 30, 2019: 13,138,233 units)	-	677,003
Meezan Strategic Allocation Fund - II - MCPP - IV		
Investment of nil units (June 30, 2019: 17,633,059 units)	-	908,618
Meezan Strategic Allocation Fund - II - MCPP - V		
Investment of nil units (June 30, 2019: 5,140,342 units)	-	264,878

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Meezan Strategic Allocation Fund - II - MCPP - VI		
Investment of nil units (June 30, 2019: 4,162,469 units)	-	214,489
Meezan Strategic Allocation Fund - II - MCPP - VII		
Investment of nil units (June 30, 2019: 2,218,732 units)	-	114,330
Meezan Strategic Allocation Fund - II - MCPP - VIII		
Investment of nil units (June 30, 2019: 1,692,281 units)	-	87,202
Meezan Strategic Allocation Fund - III - MCPP - IX		
Investment of nil units (June 30, 2019: 198,820 units)	-	10,245
Directors and executives of the Management Company		
Investment of 851,205 units (June 30, 2019: 1,743,755 units)	46,472	89,854
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 145,267 units (June 30, 2019: 145,267 units)	7,931	7,486
	For the six months period ended December 31	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	12,710	8,785
Sindh Sales Tax on remuneration of the Management Company	1,652	1,142
Allocated expenses	2,874	878
Selling and marketing expense	7,125	-
Units issued: 14,292 units (December 31, 2018: nil units)	749	-
Units redeemed: 14,292 units (December 31, 2018: nil units)	766	-
Meezan Bank Limited		
Profit on saving accounts	1,771	476
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	1,293	1,037
Sindh Sales Tax on trustee fee	168	134
CDS charges	176	15
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 5,108,563 units (December 31, 2018: 9 units)	272,138	-
Units redeemed: 5,315,720 units (December 31, 2018: nil units)	277,610	-
Meezan Strategic Allocation Fund - MCPP - III		
Units redeemed: 13,138,233 units (December 31, 2018: nil units)	677,395	-
Meezan Strategic Allocation Fund - II - MCPP - IV		
Units redeemed: 17,633,059 units (December 31, 2018: nil units)	909,145	-
Meezan Strategic Allocation Fund - II - MCPP - V		
Units redeemed: 5,140,342 units (December 31, 2018: nil units)	265,030	-
Meezan Strategic Allocation Fund - II - MCPP - VI		
Units redeemed: 4,162,469 units (December 31, 2018: nil units)	214,613	-

	For the six months period ended December 31	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
Meezan Strategic Allocation Fund - II - MCPP - VII		
Units redeemed: 2,218,732 units (December 31, 2018: nil units)	114,396	-
Meezan Strategic Allocation Fund - II - MCPP - VIII		
Units redeemed: 1,692,281 units (December 31, 2018: nil units)	87,252	-
Meezan Strategic Allocation Fund - III - MCPP - IX		
Units issued: 232,743 units (December 31, 2018: nil units)	12,000	-
Units redeemed: 431,562 units (December 31, 2018: nil units)	22,254	-
Directors and executives of the Management Company		
Units issued: 6,367,448 units (December 31, 2018: 3,976 units)	334,795	200
Units redeemed: 7,259,996 units (December 31, 2018: nil units)	382,789	-

12. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period from July 1, 2019 to July 21, 2019 and 0.15% for the period from July 22, 2019 to December 31, 2019.

13. SELLING AND MARKETING EXPENSES

Effective from July 22, 2019, the Management Company has started charging selling and marketing expenses to the Fund. The Management Company, based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

14. TOTAL EXPENSE RATIO

Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.61% which include 0.35% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

15. 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, 2020 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.

16. 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.

16.1 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, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

As at December 31, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Financial assets 'at fair value through profit or loss'

Sukuk Certificates	-	1,112,236	-	1,112,236
--------------------	---	-----------	---	-----------

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Financial assets 'at fair value through profit or loss'

Sukuk Certificates	-	1,124,715	-	1,124,715
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17. GENERAL

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

17.2 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.

18. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

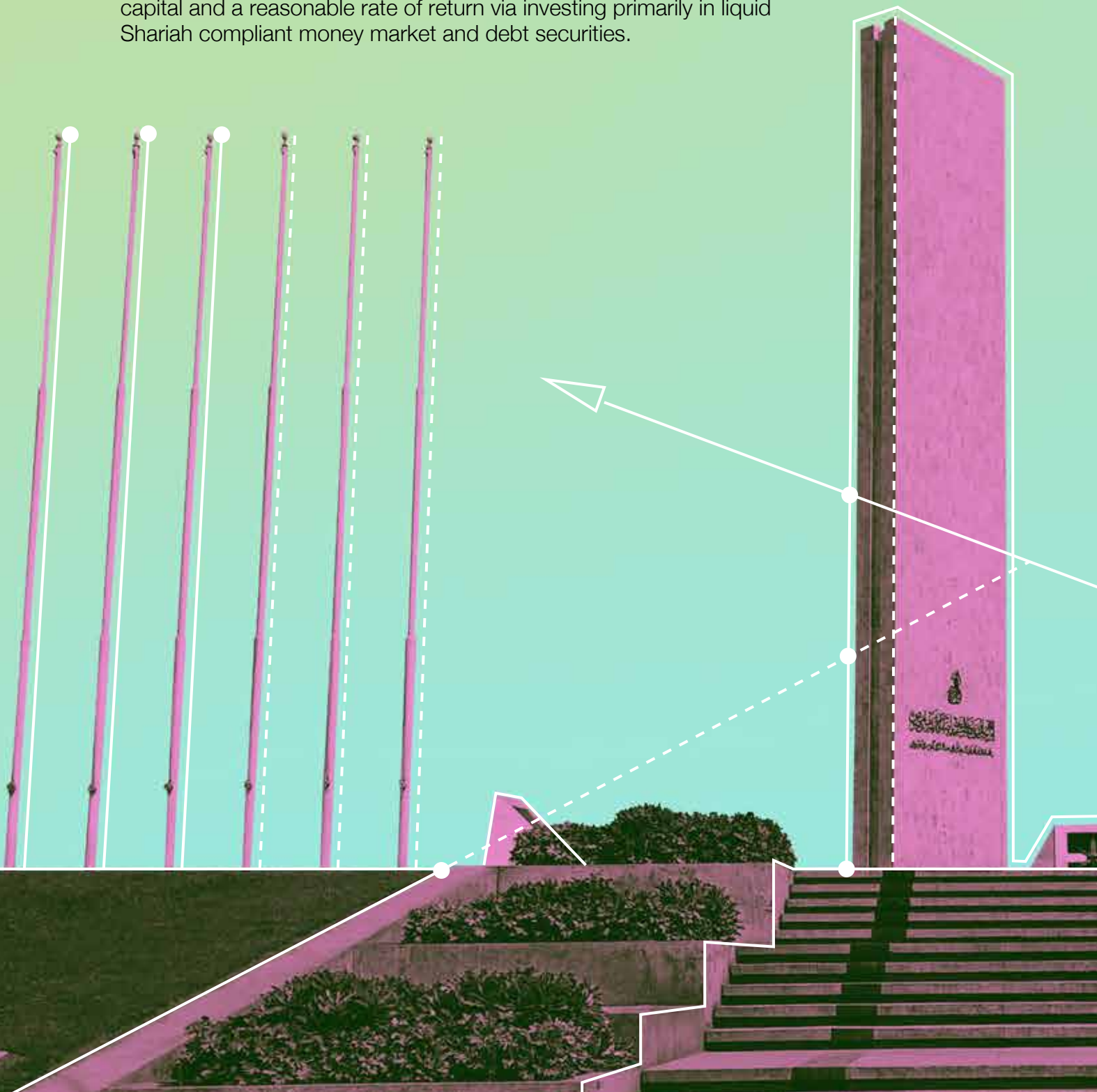
Director




Meezan
Cash Fund

MEEZAN CASH FUND (MCF)

Meezan Cash Fund is Pakistan's first Shariah compliant Money Market Fund. MCF aims to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and debt securities.



CHALLENGING THE MARKET IN THE CITY OF WRESTLERS

 Gujranwala Branch

● NISHAN-E-MANZIL
(GUJRANWALA)



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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	Habib Metropolitan Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking	MCB Bank Limited
Bank Al Habib Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Alfalah Limited	Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited	National Bank of Pakistan - Islamic Banking
Faysal Bank Limited - Islamic Banking	Sindh Bank 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:

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) 34326021 - 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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020
Karachi



MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		December 31, 2019	June 30, 2019
	Note	(Unaudited)	(Audited)
		(Rupees in '000)	
Assets			
Balances with banks	5	7,400,658	2,580,335
Investments	6	2,819,954	6,270,999
Receivable against conversion of units		147,363	130,600
Profit receivable		85,728	92,348
Deposits and prepayments		440	579
Total assets		<u>10,454,143</u>	<u>9,074,861</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company	8	17,240	11,306
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	634	834
Payable to the Securities and Exchange Commission of Pakistan	11	1,058	8,764
Payable against conversion and redemption of units		47,420	98,921
Accrued expenses and other liabilities	9	79,434	103,948
Total liabilities		<u>145,786</u>	<u>223,773</u>
Net assets		<u>10,308,357</u>	<u>8,851,088</u>
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		<u>10,308,357</u>	<u>8,851,088</u>
		(Number of units)	
Number of units in issue		<u>193,151,850</u>	<u>175,362,634</u>
		(Rupees)	
Net asset value per unit		<u>53.3692</u>	<u>50.4731</u>

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2019 (Rupees in '000)	2018 (Rupees in '000)	2019 (Rupees in '000)	2018 (Rupees in '000)
Income					
Net realised (loss) / gain on sale of investments		(158)	3,470	(158)	3,470
Profit on term deposit receipts		131,894	32,831	48,888	19,574
Profit on sukuk certificates		118,987	36,735	60,073	28,239
Profit on Bai Muajjal		21,001	-	5,928	-
Profit on saving accounts with banks		400,363	359,748	216,909	202,527
Total income		672,087	432,784	331,640	253,810
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	8	34,256	54,441	15,174	29,091
Sindh Sales Tax on remuneration of the Management Company		4,453	7,077	1,973	3,782
Selling and marketing expenses	14	18,637	-	10,116	-
Allocated expenses	12	7,619	5,444	3,794	2,909
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10	3,438	4,401	1,644	2,312
Sindh Sales Tax on remuneration of the Trustee		447	572	214	300
Annual fee to the Securities and Exchange Commission of Pakistan	11	1,058	4,083	506	2,182
Auditors' remuneration		327	305	188	159
Fees and subscription		704	646	352	352
Brokerage expense		278	10	278	10
Bank and settlement charges		512	226	502	214
Provision for Sindh Workers' Welfare Fund (SWWF)		12,007	7,110	5,938	4,249
Printing expense		-	90	-	44
Total expenses		83,736	84,405	40,679	45,604
Net income for the period before taxation		588,351	348,379	290,961	208,206
Taxation	16	-	-	-	-
Net income for the period after taxation		588,351	348,379	290,961	208,206
Allocation of net income for the period					
Net income for the period after taxation		588,351	348,379		
Income already paid on units redeemed		(185,610)	(98,501)		
		402,741	249,878		
Accounting income available for distribution					
- Relating to capital gains		-	3,470		
- Excluding capital gains		402,741	246,408		
		402,741	249,878		

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Six months period		Quarter ended,	
	December 31,		December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	588,351	348,379	290,961	208,206
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>588,351</u>	<u>348,379</u>	<u>290,961</u>	<u>208,206</u>

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	8,807,969	43,119	8,851,088	9,707,096	213,856	9,920,952
Issuance of 336,293,743 units (December 31, 2018: 300,538,790 units)						
- Capital value (at net asset value per unit at the beginning of the period)	16,973,788	-	16,973,788	15,156,622	-	15,156,622
- Element of income	388,440	-	388,440	264,923	-	264,923
Total proceeds on issuance of units	17,362,228	-	17,362,228	15,421,545	-	15,421,545
Redemption of 318,504,527 units (December 31, 2018: 244,313,039 units)						
- Capital value (at net asset value per unit at the beginning of the period)	16,075,911	-	16,075,911	12,321,073	-	12,321,073
- Element of loss	231,789	185,610	417,399	116,074	98,501	214,575
Total payments on redemption of units	16,307,700	185,610	16,493,310	12,437,147	98,501	12,535,648
Total comprehensive income for the period	-	588,351	588,351	-	348,379	348,379
Distribution during the period	-	-	-	-	(178,008)	(178,008)
Refund of capital	-	-	-	(230,343)	-	(230,343)
Net income for the period less distribution	-	588,351	588,351	(230,343)	170,371	(59,972)
Net assets at the end of the period	9,862,497	445,860	10,308,357	12,461,151	285,726	12,746,877
Undistributed income brought forward						
- Realised income		43,119			213,856	
- Unrealised income		-			-	
		43,119			213,856	
Accounting income available for distribution						
- Relating to capital gains		-			3,470	
- Excluding capital gains		402,741			246,408	
		402,741			249,878	
Distribution during the period: nil [December 31, 2018: 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		445,860			285,726	
Undistributed income carried forward						
- Realised income		445,860			285,726	
- Unrealised income		-			-	
		445,860			285,726	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			50.4731			52.5964
Net assets value per unit at the end of the period			53.3692			52.0600

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

Note	Six months period ended	
	2019	2018
	December 31,	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	588,351	348,379
Decrease / (Increase) in assets		
Investments - net	601,045	(1,082,183)
Deposits and prepayments	139	136
Profit receivable	6,620	(34,560)
	607,804	(1,116,607)
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	5,934	2,744
Payable to Central Depository Company of Pakistan Limited - Trustee	(200)	173
Payable to Securities and Exchange Commission of Pakistan	(7,706)	(1,453)
Accrued expenses and other liabilities	(24,514)	9,012
	(26,486)	10,476
Net cash generated from / (used in) operating activities	1,169,669	(757,752)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	17,345,465	15,078,060
Payments against redemption and conversion of units	(16,544,811)	(12,682,279)
Dividend paid	-	(178,008)
Net cash generated from financing activities	800,654	2,217,773
Net increase in cash and cash equivalents during the period	1,970,323	1,460,021
Cash and cash equivalents at the beginning of the period	5,430,335	10,127,637
Cash and cash equivalents at the end of the period	7,400,658	11,587,658

The annexed notes 1 to 19 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 CASH FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 unit holders 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 categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 VIS Credit Rating Company Limited.
- 1.5 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited 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 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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	7,399,912	2,579,578
In current accounts		746	757
		<u>7,400,658</u>	<u>2,580,335</u>

5.1 The balances in saving accounts have an expected profit ranging from 3.00 % to 13.50 % per annum (June 30, 2019: 3.32% to 12.50% per annum).

5.2 Cash and cash equivalents	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Balances with banks	5	7,400,658	2,580,335
Term deposit receipts - having original maturity of 3 months or less	6	-	2,850,000
		<u>7,400,658</u>	<u>5,430,335</u>

6. INVESTMENTS

At fair value through profit or loss

Corporate sukuk	6.1	600,000	675,000
Commercial papers	6.2	1,347,954	1,471,289
Term deposit receipts - having original maturity of 3 months or less	6.3	-	2,850,000
Bai muajjal receivable	6.4	872,000	1,274,710
		<u>2,819,954</u>	<u>6,270,999</u>

6.1 Corporate Sukuks

Name of the Security	Maturity date	Profit rate	As at July 1, 2019	Purchased during the period	Sales / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the fund	Total market value of investments
						Number of certificates		(Rs in '000)		-----(%)-----	
Hub Power Company Limited - II (A1+, PACRA) (note 6.1.1)	October 2, 2019	3 month KIBOR plus base rate of 1.00%	135,000	-	135,000	-	-	-	-	-	-
Hub Power Company Limited - V (AA+, PACRA) (note 6.1.2)	May 21, 2020	3 month KIBOR plus base rate of 1.50%	-	6,000	-	6,000	600,000	600,000	-	5.82%	21.28%
Total as at December 31, 2019							<u>600,000</u>	<u>600,000</u>			
Total as at June 30, 2019							<u>675,000</u>	<u>675,000</u>			

6.1.1 The nominal value of the sukuk certificates is Rs 5,000 each.

6.1.2 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, 2019	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	Percentage in relation to		
										Net assets of the fund	Total market value of investments	
						(Number of certificates)		(Rupees in '000)		-----(%)-----		
K-Electric Limited CP II (note 6.2.1)	September 2, 2019	6 month KIBOR plus base rate of 0.90%	1,500	-	1,500	-	-	-	-	-	-	
K-Electric Limited CP III (note 6.2.1)	March 19, 2020	6 month KIBOR plus base rate of 1.30%	-	1,390	-	1,390	1,347,954	1,347,954	-	13.08%	47.80%	
Total as at December 31, 2019							<u>1,390</u>	<u>1,347,954</u>	<u>1,347,954</u>			
Total as at June 30, 2019							<u>1,500</u>	<u>1,471,289</u>	<u>1,471,289</u>			

- 6.2.1** The nominal value of these commercial papers is Rs 1,000,000 each.
- 6.2.2** 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.
- 6.3 Term deposit receipts**

Name of the bank	Maturity	Profit rate	As at July 1, 2019	Term deposit receipts placed during the period	Matured during the period	As at December 31, 2019	Percentage in relation to Total market value of investment
		%	----- (Rupees in '000) -----				----(%)----
Faysal Bank Limited	September 6, 2019	10.75%	450,000	-	450,000	-	-
Askari Bank Limited	September 3, 2019	12.05%	1,200,000	-	1,200,000	-	-
UBL - Ameen	September 12, 2019	12.10%	1,200,000	-	1,200,000	-	-
Meezan Bank Limited	December 2, 2019	13.50%	-	1,000,000	1,000,000	-	-
Askari Bank Limited	December 11, 2019	13.10%	-	1,020,000	1,020,000	-	-
Total as at December 31, 2019						-	-
Total as at June 30, 2019						2,850,000	45.00%

6.4 Bai Muajjal Receivable

The Fund entered in a Bai Muajjal Transaction with Pak Brunei Investment Company Limited on December 13, 2019 against K-Electric Limited Commercial Paper III (issued on September 19, 2019) at an effective interest rate of 13.15%. The final payment is agreed to be received on June 12, 2020. The final transaction price is Rs. 922.860 million which includes deferred profit of Rs. 56.788 million.

- 6.4.1** The carrying amount of the Bai Muajjal receivable includes accrued profit amounting to Rs. 5.928 million.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

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 Money Market Scheme. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2018: 1%) per annum of the average net assets from July 1, 2019 to July 21, 2019. Effective from July 22, 2019, the management company has reduced the rate of remuneration from 1% to 0.6% of average annual net assets of the fund.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2019	June 30, 2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	42,903	30,896
Withholding tax and capital gain tax payable		8,143	44,483
Provision for Federal Excise Duty and related Sindh Sales tax on remuneration of the management company	9.2	27,018	27,018
Shariah advisor fee payable		606	472
Brokerage expense payable		152	85
Auditors' remuneration		279	335
Printing expense payable		112	111
Other expenses		116	-
Zakat payable		105	548
		<u>79,434</u>	<u>103,948</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 these condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.22 (June 30, 2019: Re 0.18).

- 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 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.

With effect from July 1, 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.

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.

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 1, 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 27.018 million is being retained in these condensed interim 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 0.14 (June 30, 2019: Re 0.15) per unit.

10. 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. Effective from July 1, 2019, the trustee has revised its tariff as under:

Net Assets (Rs.)	Previous Tariff	Revised Tariff (Flat Rate)
	Fee	
Upto Rs. 1 billion	0.15% per annum of net assets	0.065% per annum of Net Assets.
From Rs. 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% per annum of net assets exceeding Rs 1 billion.	
Exceeding Rs. 10 billion	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10 billion.	

Accordingly, the Fund has charged Trustee Fee @ 0.065% per annum during the current period.

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to money market fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

12. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period from July 1, 2019 to July 21, 2019 and 0.15% for the period from July 22, 2019 to December 31, 2019.

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.58% which include 0.34% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

14. SELLING AND MARKETING EXPENSES

Effective from July 22, 2019, the Management Company has started charging selling and marketing expenses to the Fund. The Management Company, based on its own discretion has currently determined a capping of 0.4% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

15. 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 unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	5,165	9,192
Sindh Sales Tax payable on management fee	671	1,195
Selling and marketing expenses	10,116	-
Allocated expenses payable	1,288	919
Meezan Bank Limited		
Balance with bank	104,675	131,399
Profit receivable on saving accounts	969	170

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	561	738
Sindh Sales Tax on trustee fee payable	73	96
Security deposit	100	100
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of nil units (June 30, 2019: 898,802 units)	-	45,365
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of nil units (June 30, 2019: 1,628,815 units)	-	82,211
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of nil units (June 30, 2019: 1,000,001 units)	-	50,473
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 221 units (June 30, 2019: 8,448 units)	12	426
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 4 units (June 30, 2019: nil)	-	-
Meezan Strategic Allocation Fund - MSAP - II		
Investment of nil units (June 30, 2019: 1,616 units)	-	82
Meezan Strategic Allocation Fund - MSAP - III		
Investment of nil units (June 30, 2019: 116,450 units)	-	5,878
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of nil units (June 30, 2019: 158,203 units)	-	7,985
Meezan Strategic Allocation Fund - MSAP - V		
Investment of nil units (June 30, 2019: 786,614 units)	-	39,703
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 19 units (June 30, 2019: nil units)	1	-
Meezan Strategic Allocation Fund-II- MCPP - V		
Investment of 44 units (June 30, 2019: nil units)	2	-
Meezan Strategic Allocation Fund II- MCPP - VI		
Investment of 42 units (June 30, 2019: nil units)	2	-
Meezan Strategic Allocation Fund II- MCPP - VII		
Investment of 2 units (June 30, 2019: nil units)	-	-
Meezan Strategic Allocation Fund II- MCPP - VIII		
Investment of 7 units (June 30, 2019: nil units)	-	-
Meezan Strategic Allocation Fund II- MCPP - IX		
Investment of nil units (June 30, 2019: 64,627units)	-	3,262
Directors and executives of the Management Company		
Investment of 407,080 units (June 30, 2019: 485,288 units)	21,726	24,494


**Six months period ended
December 31,**
AI Meezan Investment Management Limited - the Management Company

	2019 (Unaudited)	2018 (Unaudited)
	(Rupees in '000)	
Remuneration for the period	34,256	54,441
Sindh Sales Tax on remuneration of Management Company	4,453	7,077
Selling and marketing expense	18,637	-
Allocated expenses	7,619	5,444
Units issued: 16 units (December 31, 2018: 992 units)	1	-
Units redeemed: 16 units (December 31, 2018: nil units)	1	-

Meezan Bank Limited

Profit on saving accounts	2,995	1,980
Term deposit receipt placed	1,000,000	-
Term deposit matured	1,000,000	-
Profit on term deposit receipt	33,623	-

Central Depository Company of Pakistan Limited - the Trustee

Trustee fee for the period	3,438	4,401
Sindh Sales Tax on remuneration of the trustee	447	572
CDS charges	3	4

Meezan Financial Planning Fund of Funds
- Aggressive Allocation Plan

Units issued: nil units (December 31, 2018: 99,756 units)	-	5,061
Units redeemed: 898,802 units (December 31, 2018: 214,809 units)	45,839	11,088
Dividend paid	-	2,304
Refund of capital	-	257

Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan

Units issued: nil units (December 31, 2018: 251,200 units)	-	12,805
Units redeemed: 1,628,815 units (December 31, 2018: 558,850 units)	83,034	28,646
Dividend paid	-	3,957
Refund of capital	-	410

Meezan Financial Planning Fund of Funds
- Moderate Allocation Plan

Units issued: nil units (December 31, 2018: 63,204 units)	-	3,187
Units redeemed: 1,000,001 units (December 31, 2018: 393,693 units)	50,914	20,104
Dividend paid	-	2,766
Refund of capital	-	421

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 3,821,029 units (December 31, 2018: 24,238 units)	196,322	1,223
Units redeemed: 3,829,256 units (December 31, 2018: 540,004 units)	199,398	27,840
Dividend paid	-	855
Refund of capital	-	368

Meezan Financial Planning Fund of Funds - MAAP - IV

Units issued: nil units (December 31, 2018: 7,368,899 units)	-	372,084
Units redeemed: nil units (December 31, 2018: 8,331,559 units)	-	421,491
Dividend paid	-	1,833
Refund of capital	-	251

	Six months period ended	
	December 31,	
	2019	2018
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 11,301,674 units (December 31, 2018: 78,130 units)	596,752	3,941
Units redeemed: 11,301,670 units (December 31, 2018: 1,898,170 units)	<u>597,678</u>	<u>97,777</u>
Dividend paid	<u>-</u>	<u>3,863</u>
Refund of capital	<u>-</u>	<u>78</u>
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: nil units (December 31, 2018: 70,389 units)	-	3,550
Units redeemed: 1,616 units (December 31, 2018: 1,333,927 units)	<u>83</u>	<u>68,750</u>
Dividend paid	<u>-</u>	<u>3,550</u>
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: nil units (December 31, 2018: 127,316 units)	-	6,421
Units redeemed: 116,450 units (December 31, 2018: 1,865,726 units)	<u>5,926</u>	<u>96,330</u>
Dividend paid	<u>-</u>	<u>6,326</u>
Refund of capital	<u>-</u>	<u>95</u>
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: nil units (December 31, 2018: 151,285 units)	-	7,630
Units redeemed: 158,203 units (December 31, 2018: 2,594,974 units)	<u>8,082</u>	<u>133,600</u>
Dividend paid	<u>-</u>	<u>7,528</u>
Refund of capital	<u>-</u>	<u>102</u>
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: nil units (December 31, 2018: 92,100 units)	-	4,644
Units redeemed: 786,614 units (December 31, 2018: 796,120 units)	<u>40,274</u>	<u>41,090</u>
Dividend paid	<u>-</u>	<u>3,312</u>
Refund of capital	<u>-</u>	<u>1,332</u>
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units Issued: 37,706,480 units (December 31, 2018: 9,595,642 units)	1,920,788	490,577
Units redeemed: 37,706,461 units (December 31, 2018: 10,095,802 units)	<u>1,944,923</u>	<u>517,044</u>
Dividend paid	<u>-</u>	<u>16,480</u>
Refund of capital	<u>-</u>	<u>33,815</u>
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 25,324,885 units (December 31, 2018: 18,231,373 units)	1,281,258	929,605
Units redeemed: 25,324,885 units (December 31, 2018: 19,110,914 units)	<u>1,295,287</u>	<u>977,640</u>
Dividend paid	<u>-</u>	<u>13,834</u>
Refund of capital	<u>-</u>	<u>59,534</u>
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 7,369,902 units (December 31, 2018: 8,681,998 units)	372,855	441,001
Units redeemed: 7,369,858 units (December 31, 2018: 7,275,649 units)	<u>375,734</u>	<u>371,770</u>
Dividend paid	<u>-</u>	<u>1,360</u>
Refund of capital	<u>-</u>	<u>19,413</u>
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 5,855,367 units (December 31, 2018: 14,282,003 units)	296,207	727,000
Units redeemed: 5,855,325 units (December 31, 2018: 4,470,669)	<u>298,555</u>	<u>228,796</u>


Six months period ended
December 31,

	2019	2018
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 3,058,519 units (December 31, 2018: 7,633,163 units)	154,708	393,500
Units redeemed: 3,058,517 units (December 31, 2018: 2,250,089 units)	<u>155,937</u>	<u>116,160</u>
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 4,124,642 units (December 31, 2018: 211,552 units)	209,083	11,000
Units redeemed: 4,124,635 units (December 31, 2018: nil units)	<u>209,717</u>	<u>-</u>
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: 1,474,895 units (December 31, 2018: Nil units)	74,789	-
Units redeemed: 1,539,522 units (December 31, 2018: nil units)	<u>78,256</u>	<u>-</u>
Directors and Executives of the Management Company		
Units issued: 475,083 units (December 31, 2018: 621,671 units)	24,551	31,805
Units redeemed: 552,422 units (December 31, 2018: 464,066 units)	<u>28,532</u>	<u>13,832</u>

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 unit holders. 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 unit holders. 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

17. 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, 2019, the Fund held the following financial instruments measured at fair values:

As at December 31, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Corporate sukuk	600,000	-	600,000
Commercial papers*	1,347,954	-	1,347,954
Bai Muajjal receivable	872,000	-	872,000
	2,819,954	-	2,819,954

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Corporate sukuk	675,000	-	675,000
Commercial papers*	1,471,289	-	1,471,289
Term deposit receipts	2,850,000	-	2,850,000
Bai Muajjal receivable	1,274,710	-	1,274,710
	6,270,999	-	6,270,999

* The valuation of commercial papers has been done based on amortisation of commercial paper to its face 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.

18. GENERAL

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

18.2 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.

19 DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director

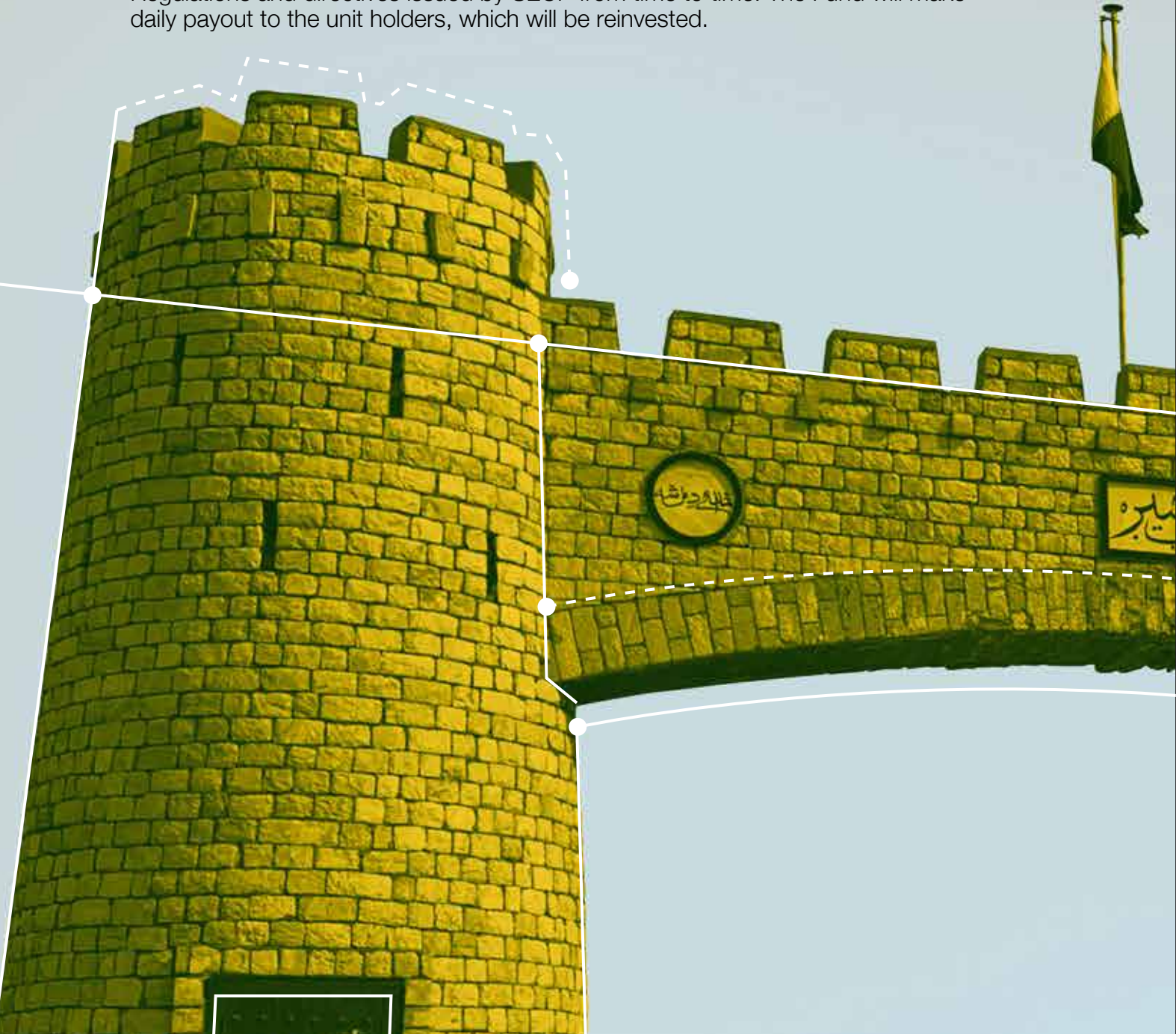


Meezan
Rozana Amdani Fund


MEEZAN ROZANA AMDANI FUND (MRAF)

Meezan Rozana Amdani Fund the 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.

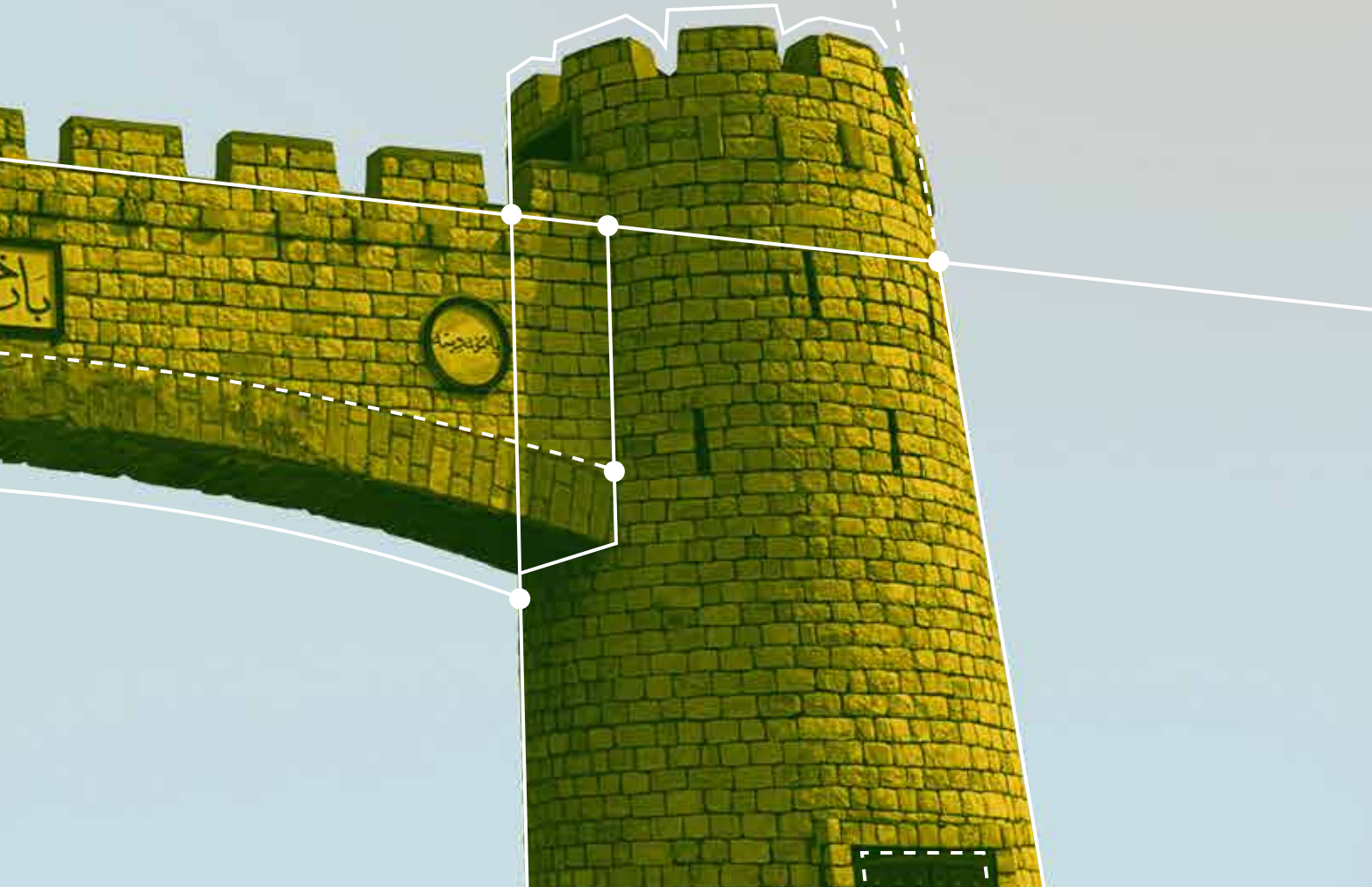
The Fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time. The Fund will make daily payout to the unit holders, which will be reinvested.



BUILDING ON THE VALUES OF GROWTH IN THE CITY OF FLOWERS

 Peshawar Branch

**KHYBER PASS
(PESHAWAR)**



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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 Al Habib Limited - Islamic Banking
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib 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:

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) 34326021 - 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 six months period ended December 31, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020
Karachi

**MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



Meezan
Rozana Amdani Fund

		December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Balances with banks	5	26,295,735	7,673,651
Investments	6	5,572,060	8,359,401
Receivable against conversion of units		93,530	74,205
Profit receivable		251,741	160,695
Preliminary expenses and floatation costs		799	899
Deposits and prepayments		577	266
Total assets		<u>32,214,442</u>	<u>16,269,117</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company	10	31,278	9,360
Payable to Central Depository Company of Pakistan Limited - the Trustee	11	1,778	1,173
Payable to the Securities and Exchange Commission of Pakistan	12	2,565	3,418
Payable against conversion and redemption of units		72,066	96,609
Dividend payable		10,858	9,333
Accrued expenses and other liabilities	8	56,141	14,784
Total liabilities		<u>174,686</u>	<u>134,677</u>
Net assets		<u><u>32,039,756</u></u>	<u><u>16,134,440</u></u>
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		<u><u>32,039,756</u></u>	<u><u>16,134,440</u></u>
		----- (Number of units) -----	
Number of units in issue		<u><u>640,795,143</u></u>	<u><u>322,688,791</u></u>
		----- (Rupees) -----	
Net asset value per unit		<u><u>50.0000</u></u>	<u><u>50.0000</u></u>

The annexed notes 1 to 18 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 ROZANA AMDANI FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018	For the quarter ended December 31, 2019
	Note ----- (Rupees in '000) -----		
Income			
Net realised loss on sale of investment	(1,265)	-	(437)
Profit on sukuk certificates and commercial papers	182,349	-	104,316
Profit on term deposit receipts	277,362	-	120,807
Profit on Bai Muajjal	6.4 138,033	-	67,745
Profit on saving accounts with banks	1,076,514	929	647,300
Total income	1,672,993	929	939,731
Expenses			
Remuneration of AI Meezan Investment Management Limited - the Management Company	10 37,186	46	18,795
Sindh Sales Tax on remuneration of the Management Company	4,834	6	2,443
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	11 8,335	12	4,565
Sindh Sales Tax on remuneration of the trustee	1,084	2	594
Annual fee to the Securities and Exchange Commission of Pakistan	12 2,564	6	1,404
Selling and marketing expenses	13 40,087	-	23,879
Brokerage expense	845	-	457
Auditors' remuneration	290	2	190
Fees and subscription	829	3	510
Amortization of preliminary expenses and floatation costs	101	2	51
Bank and settlement charges	683	-	237
Provision for Sindh Workers' Welfare Fund	8.1 31,523	17	17,732
Total expenses	128,361	96	70,857
Net income for the period before taxation	1,544,632	833	868,874
Taxation	15 -	-	-
Net income for the period after taxation	1,544,632	833	868,874
Allocation of net income for the period			
Net income for the period after taxation	1,544,632	833	
Income already paid on units redeemed	-	-	
	1,544,632	833	
Accounting income available for distribution			
- Relating to capital gains	-	-	
- Excluding capital gains	1,544,632	833	
	1,544,632	833	

The annexed notes 1 to 18 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 ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018	For the quarter ended December 31, 2019
	----- (Rupees in '000) -----		
Net income for the period after taxation	1,544,632	833	868,874
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	<u>1,544,632</u>	<u>833</u>	<u>868,874</u>

The annexed notes 1 to 18 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 ROZANA AMDANI FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,544,632	833
Adjustments for:		
Preliminary expense and flotation costs	100	(1,019)
	<u>1,544,732</u>	<u>(186)</u>
(Increase) in assets		
Investments - net	(1,862,659)	-
Deposits and prepayments	(311)	-
Profit receivable	(91,046)	-
	<u>(1,954,016)</u>	<u>-</u>
	<u>(409,284)</u>	<u>(186)</u>
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	21,918	94
Payable to Central Depository Company of Pakistan Limited - Trustee	605	15
Payable to Securities and Exchange Commission of Pakistan	(853)	6
Accrued expenses and other liabilities	41,357	145
	<u>63,027</u>	<u>260</u>
Net cash (used in) / generated from operating activities	<u>(346,257)</u>	<u>74</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	53,670,167	1,026,799
Payments against redemption and conversion of units	(37,808,719)	-
Dividend paid	(1,543,107)	(833)
Net cash generated from financing activities	<u>14,318,341</u>	<u>1,025,966</u>
Net increase in cash and cash equivalents during the period	<u>13,972,084</u>	<u>1,026,040</u>
Cash and cash equivalents at the beginning of the period	12,323,651	-
Cash and cash equivalents at the end of the period	<u>5.3</u> <u>26,295,735</u>	<u>1,026,040</u>

The annexed notes 1 to 18 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 ROZANA AMDANI FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 unit holders on a daily basis.
 - (b) Daily dividend received by the unit holder 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 listed on the Pakistan Stock Exchange.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 29, 2017) and PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The stability rating of the Fund is AA(f) given by VIS Credit Rating Company Limited.
- 1.6** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the 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 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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	26,295,701	7,673,626
In current accounts		34	25
		<u>26,295,735</u>	<u>7,673,651</u>

5.1 The balances in saving accounts have an expected profit ranging from 3.00% to 14.45% per annum (June 30, 2019: 4.00% to 11.85% per annum)

5.3 Cash And cash equivalents	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Balances with banks	5	26,295,735	7,673,651
Term deposit receipts having original maturity of 3 months or less	6	-	4,650,000
		<u>26,295,735</u>	<u>12,323,651</u>

6. INVESTMENTS

At fair value through profit or loss

Commercial paper	6.1	2,550,297	675,000
Corporate sukuk	6.2	600,000	1,558,584
Term deposit receipts having original maturity of 3 months or less	6.3	-	4,650,000
Bai Muajjal receivable	6.4	2,421,763	1,475,817
		<u>5,572,060</u>	<u>8,359,401</u>

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	As at	Purchases	Sales /	As at	Carrying	Market	Unrealised	As a	As a
			July 1, 2019	during the period	redemp- tions / maturity during the period	December 31, 2019	value as at December 31, 2019	value as at December 31, 2019			
			(Number of certificates)			(Rupees in '000)			--- % ---		
K-Electric Limited CP-1 Sukuk (note 6.1.1)	September 2, 2019	6 months Kibor plus base rate of 0.90%	1,589	-	1,589	-	-	-	-	-	-
K-Electric Limited CP-2 Sukuk (note 6.1.1)	February 28, 2020	6 months Kibor plus base rate of 1.30%	-	1,200	-	1,200	1,173,251	1,173,251	-	3.66%	21.06%
K-Electric Limited CP-3 Sukuk (note 6.1.1)	March 19, 2020	6 months Kibor plus base rate of 1.30%	-	1,420	-	1,420	1,377,046	1,377,046	-	4.30%	24.71%
Total as at December 31, 2019							<u>2,550,297</u>	<u>2,550,297</u>			
Total as at June 30, 2019							<u>1,558,584</u>	<u>1,558,584</u>			

6.1.1 The nominal value of these sukuk certificates is Rs 1,000,000 each.

6.1.2 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 up to six months.

6.2 Corporate sukuk

Name of the security	Maturity date	Profit rate	As at	Purchases	Sales /	As at	Carrying	Market	Unrealised	Percentage in	
			July 1, 2019	during the period	redemp- tions / during the period	December 31, 2019	value as at December 31, 2019	value as at December 31, 2019		appreciation/ (diminution)	Net assets of the Fund
			(Number of certificates)			(Rupees in '000)			% -----		
Hub Power Company Limited V (AA+, PACRA) (note 6.2.2)	May 21, 2020	3 months Kibor plus base rate of 1.50%	6,000	-	-	6,000	600,000	600,000	-	1.87%	10.77%
Hub Power Company Limited II (A1+, PACRA) (note 6.2.1)	October 2, 2019	3 months Kibor plus base rate of 1.00%	135,000	-	135,000	-	-	-	-	-	-
Total as at December 31, 2019							<u>600,000</u>	<u>600,000</u>			
Total as at June 30, 2019							<u>675,000</u>	<u>675,000</u>			

- 6.2.1 The nominal value of the sukuk certificates is Rs 5,000 each.
- 6.2.2 The nominal value of the sukuk certificates is Rs 100,000 each.

6.3 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2019	Term deposit receipts placed during the period	Matured during the period	As at December 31, 2019	Percentage in relation to	
							Net assets of the fund	Total market value of investment
		%	----- (Rupees in '000) -----				-----%-----	
Faysal Bank Limited	September 8, 2019	12.15%	1,550,000	-	1,550,000	-	-	-
Askari Bank Limited	September 17, 2019	12.05%	1,600,000	-	1,600,000	-	-	-
Meezan Bank Limited	September 20, 2019	12.25%	1,500,000	-	1,500,000	-	-	-
Faysal Bank Limited	December 6, 2019	13.53%	-	2,000,000	2,000,000	-	-	-
Meezan Bank Limited	December 2, 2019	13.50%	-	1,200,000	1,200,000	-	-	-
Meezan Bank Limited	December 20, 2019	13.50%	-	1,500,000	1,500,000	-	-	-
Total as at December 31, 2019				4,700,000	9,350,000	-		
Total as at June 30, 2019				7,290,000	2,640,000	4,650,000		

6.4 Bai Muajjal receivable

The Fund entered in a Bai Muajjal Transaction with Pak Brunei Investment Company Limited on December 05, 2019, December 11, 2019 and December 16, 2019 against K-Electric Limited Commercial Paper III (issued on September 19, 2019) at an effective interest rate of 13.15%. The final payment is agreed to be received on June 05, 2020, June 11, 2020 and June 16, 2020 respectively. The final transaction prices are Rs. 1,022.339 million, Rs.1,024.819 million, Rs. 513.597 million respectively which include deferred profit of Rs. 63.234 million, Rs. 63.387 million and Rs. 31.767 million respectively.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Auditors' remuneration		262	200
Brokerage payable		259	85
Shariah advisor fee payable		538	538
Withholding tax payable		13,994	4,649
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	40,822	9,299
Other payables		116	-
Zakat payable		150	13
		<u>56,141</u>	<u>14,784</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 these condensed interim financial statements of the Fund for the period ended December 31, 2019, the dividend paid by the Fund during the period December 31, 2019 would have been higher by Re. 0.06 per unit (June 30, 2019: 0.03 per unit).

9. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.00% which includes 0.31% representing government levy, Sindh Workers' Welfare Fund and SECP fee (December 31, 2018: 0.58% which included 0.19 % representing government levy, Sindh Workers' Welfare Fund and SECP fee).

10. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

During the period, the Management Company has reduced charging of the remuneration from 5% to 2% of gross earnings of the Fund subject to minimum of 0.25% and maximum of 1% of average annual net assets. The reduction in remuneration is effective from July 22, 2019.

11. 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. During the period the trustee has revised its tariff with effect from July 1, 2019 as follows:

Net Assets (Rs.)	Previous Tariff		Revised Tariff (Flat Rate)
	Fee		
Up to Rs. 1 billion	0.15% per annum of net assets		0.065% per annum of Net Assets.
From Rs. 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% per annum of net assets exceeding Rs 1 billion.		
Exceeding Rs. 10 billion	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10 billion.		

Accordingly, the Fund has charged Trustee Fee @ 0.065% per annum during the current period.

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to money market fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

13. SELLING AND MARKETING EXPENSES

Effective from July 22, 2019, the Management Company has started charging selling and marketing expenses to the Fund. The Management Company, based on its own discretion has currently determined a capping of 0.34% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of 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, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	6,548	8,283
Sindh Sales Tax on management fee payable	851	1,077
Selling and marketing expense payable	23,879	-
Investment of 33,961,618 units (June 30, 2019:16,629,842 units)	1,698,081	835,975
Meezan Bank Limited		
Bank balance	79,675	55,616
Profit receivable on saving accounts	349	364
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,573	1,038
Sindh Sales Tax on trustee fee payable	205	135
Security deposit	100	100
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 11,563,338 units (June 30, 2019:1,486,486 units)	578,167	74,324
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 2,897,526 units (June 30, 2019:1,014,332 units)	144,876	50,717
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 4,814,674 units (June 30, 2019:1,222,400 units)	240,734	61,120
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 5,121,934 units (June 30, 2019:1,378,452 units)	256,097	68,923
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 1,235,202 units (June 30, 2019:220,080 units)	61,760	11,004
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 13,671,442 units (June 30, 2019:4,521,293 units)	683,572	226,065
Meezan Strategic Allocation Fund -II - MCPP - IV		
Investment of 18,019,583 units (June 30, 2019:6,081,739 units)	900,979	304,087
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of 4,084,263 units (June 30, 2019:2,000,572 units)	204,213	100,029
Meezan Strategic Allocation Fund II- MCPP - VI		
Investment of 3,915,796 units (June 30, 2019:1,420,406 units)	195,790	71,020
Meezan Strategic Allocation Fund II- MCPP - VII		
Investment of 2,061,675 units (June 30, 2019:760,217 units)	103,084	38,011
Meezan Strategic Allocation Fund II- MCPP - VIII		
Investment of 1,090,559 units (June 30, 2019:460,132 units)	54,528	23,007
Meezan Strategic Allocation Fund III- MCPP - IX		
Investment of 1,140,970 units (June 30, 2019: Nil units)	57,048	-
Unitholders holding 10 percent or more of the Fund		
Investment of 232,497,621 units (June 30, 2019:58,295,559 units)	11,624,881	2,914,778
Directors and Executives of the Management Company		
Investment of 152,484 units (June 30, 2019: 2,291,179 units)	7,624	114,559

	For the six months period ended December 31, 2019	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	37,186	46
Sindh Sales Tax on management fee for the period	4,834	6
Selling and marketing expense	40,087	-
Units issued: 27,371,776 units (December 31, 2018: 6,007,067 units)	1,368,589	300,353
Units redeemed: 10,040,000 units (December 31, 2018: Nil units)	502,000	-
Dividend paid	73,844	313
Meezan Bank Limited		
Profit on saving account	7,792	1,149
Term deposit receipt placed	2,700	-
Term deposit receipt matured	2,700	-
Profit on term deposit receipts	132,910	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration fee for the period	8,335	12
Sindh Sales Tax on trustee fee for the period	1,084	2
CDS charges	438	-
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 24,936,614 units	1,246,831	-
Units redeemed: 14,859,762 units	742,988	-
Dividend paid	22,059	-
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 3,547,664 units	177,383	-
Units redeemed: 1,664,470 units	83,224	-
Dividend paid	7,525	-
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 5,661,695 units	283,085	-
Units redeemed: 2,069,421 units	103,471	-
Dividend paid	11,434	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 5,765,922 units	288,296	-
Units redeemed: 2,022,440 units	101,122	-
Dividend paid	12,257	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 1,795,924 units	89,796	-
Units redeemed: 780,802 units	39,040	-
Dividend paid	3,184	-
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units issued: 37,420,392 units	1,871,020	-
Units redeemed: 28,270,243 units	1,413,512	-
Dividend paid	24,530	-
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 26,506,901 units	1,325,345	-
Units redeemed: 14,569,057 units	728,453	-
Dividend paid	49,568	-

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018
	(Rupees in '000)	
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 7,437,771 units	371,889	-
Units redeemed: 5,354,080 units	267,704	-
Dividend paid	14,525	-
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 6,173,431 units	308,672	-
Units redeemed: 3,678,041 units	183,902	-
Dividend paid	11,996	-
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 3,099,097 units	154,955	-
Units redeemed: 1,797,639 units	89,882	-
Dividend paid	6,488	-
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 4,949,235 units	247,462	-
Units issued: 4,318,808 units	215,940	-
Dividend paid	4,426	-
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: 4,173,849 units	208,692	-
Units issued: 3,032,879 units	151,644	-
Dividend paid	3,787	-
Directors and Executives of the Management Company		
Units issued: 126,604 units	6,330	-
Units redeemed: 2,263,247 units	113,162	-
Dividend paid	1,003	-

15. 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 unit holders. 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, 2020 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.

16. 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: 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, 2019, the Fund held the following financial instruments measured at fair values:

As at December 31, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Corporate sukuks	600,000	-	600,000
Commercial papers *	2,550,297	-	2,550,297
Term deposit receipts - having original maturity of 3 months or less *	-	-	-
Bai Muajjal receivable	2,421,763	-	2,421,763
	<u>5,572,060</u>	<u>-</u>	<u>5,572,060</u>

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Corporate sukuks	675,000	-	675,000
Commercial papers *	1,558,584	-	1,558,584
Term deposit receipts - having original maturity of 3 months or less *	4,650,000	-	4,650,000
Bai Muajjal receivable	1,475,817	-	1,475,817
	<u>8,359,401</u>	<u>-</u>	<u>8,359,401</u>

* 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.

17. GENERAL

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

17.2 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.

18. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Financial Planning
Fund of Funds

MEEZAN FINANCIAL PLANNING FUND OF FUNDS (MFPF)

Meezan Financial Planning Fund of Funds invests in Shariah compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the investor and in doing so, it strives to generate returns on investment aligned with respective allocation plans.



REDEFINING INVESTMENT IN THE CITY OF LIGHTS

● EMPRESS MARKET
| (KARACHI)



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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 Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

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) 34326021 - 23
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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Financial Planning Fund of Funds (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



Meezan
Financial Planning
Fund of Funds

		(Unaudited)					
		As at December 31, 2019					
		Aggressive	Moderate	Conservative	MAAP-I	Total	
Note		(Rupees in '000)					
Assets							
	Balances with banks	5	6,632	7,379	3,594	22,506	40,111
	Investments	6	325,766	151,479	169,290	314,878	961,413
	Receivable against conversion of units		70	6	83	-	159
	Receivable against sale of investments		13,463	8,631	8,069	-	30,163
	Profit receivable on saving accounts with banks		58	69	32	221	380
	Total assets		345,989	167,564	181,068	337,605	1,032,226
Liabilities							
	Payable to AI Meezan Investment Management Limited - Management Company		35	24	34	48	141
	Payable to Central Depository Company of Pakistan Limited - Trustee	8	26	10	20	10	66
	Payable to Meezan Bank Limited		5	4	2	-	11
	Payable to Securities and Exchange Commission of Pakistan	9	32	15	18	43	108
	Payable on redemption and conversion of units		546	10,421	1,720	-	12,687
	Payable against purchase of investments		13,463	8,631	8,069	-	30,163
	Accrued expenses and other liabilities	10	5,223	3,479	2,332	11,243	22,277
	Total liabilities		19,330	22,584	12,195	11,344	65,453
	Net assets		326,659	144,980	168,873	326,261	966,773
	Contingencies and commitments	7					
	Unit holders' fund (as per statement attached)		326,659	144,980	168,873	326,261	966,773
		(Number of units)					
	Number of units in issue		4,810,086	2,370,070	2,818,804	6,494,004	
		(Rupees)					
	Net asset value per unit		67.9113	61.1710	59.9095	50.2403	

The annexed notes 1 to 17 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 STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

(Audited)							
As at June 30, 2019							As at July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
Note ----- (Rupees in '000) -----							
Assets							
Balances with banks	5	5,765	4,366	4,861	725	15,717	4,045
Investments	6	364,165	202,298	219,360	603,752	1,389,575	-
Receivable against conversion of units		6	-	56	-	62	-
Receivable against sale of investments		-	-	-	-	-	473,018
Profit receivable on saving accounts with banks		29	34	17	4	84	196
Total assets		<u>369,965</u>	<u>206,698</u>	<u>224,294</u>	<u>604,481</u>	<u>1,405,438</u>	<u>477,259</u>
Liabilities							
Payable to AI Meezan Investment Management Limited - Management Company		60	26	21	52	159	111
Payable to Central Depository Company of Pakistan Limited - Trustee	8	38	18	27	44	127	33
Payable to Meezan Bank Limited		1	-	-	-	1	-
Payable to Securities and Exchange Commission of Pakistan	9	440	232	237	701	1,610	630
Payable on redemption and conversion of units		192	338	314	-	844	-
Payable against purchase of investments		-	-	-	-	-	-
Accrued expenses and other liabilities	10	4,162	3,045	1,917	10,974	20,098	5,438
Total liabilities		<u>4,893</u>	<u>3,659</u>	<u>2,516</u>	<u>11,771</u>	<u>22,839</u>	<u>6,212</u>
Net assets		<u>365,072</u>	<u>203,039</u>	<u>221,778</u>	<u>592,710</u>	<u>1,382,599</u>	<u>471,047</u>
Contingencies and commitments							
Unit holders' fund (as per statement attached)	7	<u>365,072</u>	<u>203,039</u>	<u>221,778</u>	<u>592,710</u>	<u>1,382,599</u>	<u>471,047</u>
----- (Number of units) -----							
Number of units in issue		<u>6,273,536</u>	<u>3,762,017</u>	<u>4,061,839</u>	<u>12,414,152</u>		<u>10,199,830</u>
----- (Rupees) -----							
Net asset value per unit		<u>58.1924</u>	<u>53.9707</u>	<u>54.6004</u>	<u>47.7447</u>		<u>46.1818</u>

The annexed notes 1 to 17 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, 2019**



Meezan
Financial Planning
Fund of Funds

Six months period ended December 31, 2019					
	Aggressive	Moderate	Conservative	MAAP-I	Total
Note	(Rupees in '000)				
Income					
Net realised gain / (loss) on sale of investments	3,331	1,715	2,904	(12,559)	(4,609)
Dividend income	-	-	-	-	-
Back end load income	-	-	-	-	-
Profit on saving accounts with banks	286	219	185	946	1,636
	<u>3,617</u>	<u>1,934</u>	<u>3,089</u>	<u>(11,613)</u>	<u>(2,973)</u>
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'	6.1	44,270	16,466	13,527	19,605
Total income	<u>47,887</u>	<u>18,400</u>	<u>16,616</u>	<u>7,992</u>	<u>90,895</u>
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company	28	23	19	71	141
Sindh Sales Tax on management fee	4	3	2	9	18
Allocated expenses	12	166	75	93	214
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8	116	53	65	150
Sindh Sales Tax on trustee fee	15	7	8	19	49
Annual fee to Securities and Exchange Commission of Pakistan	9	33	15	19	43
Auditors' remuneration	98	44	55	124	321
Fees and subscription	48	23	27	64	162
Bank and settlement charges	4	3	2	1	10
Provision for Sindh Workers' Welfare Fund	948	363	327	146	1,784
Printing charges	-	-	-	-	-
Total expenses	<u>1,460</u>	<u>609</u>	<u>617</u>	<u>841</u>	<u>3,527</u>
Net income for the period before taxation	<u>46,427</u>	<u>17,791</u>	<u>15,999</u>	<u>7,151</u>	<u>87,368</u>
Taxation	14	-	-	-	-
Net income for the period after taxation	<u>46,427</u>	<u>17,791</u>	<u>15,999</u>	<u>7,151</u>	<u>87,368</u>
Allocation of net income for the period					
Net income for the period after taxation	46,427	17,791	15,999	7,151	87,368
Income already paid on units redeemed	(881)	(1,152)	(1,095)	-	(3,128)
	<u>45,546</u>	<u>16,639</u>	<u>14,904</u>	<u>7,151</u>	<u>84,240</u>
Accounting income available for distribution					
- Relating to capital gains	47,601	18,181	16,431	7,046	89,259
- Excluding capital gains	(2,055)	(1,542)	(1,527)	105	(5,019)
	<u>45,546</u>	<u>16,639</u>	<u>14,904</u>	<u>7,151</u>	<u>84,240</u>

The annexed notes 1 to 17 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 INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

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
	<u>3,109</u>	<u>3,134</u>	<u>6,109</u>	<u>3,792</u>	<u>16,144</u>	<u>(7,627)</u>
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	<u>(42,832)</u>	<u>(12,865)</u>	<u>(1,768)</u>	<u>(71,370)</u>	<u>(128,835)</u>	<u>(7,627)</u>
Expenses						
Remuneration to AI 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	12 245	132	134	402	913	32
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8 217	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	9 233	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	-
Provision for Sindh Workers' Welfare Fund						
Printing charges	36	19	19	59	133	3
Total expenses	<u>947</u>	<u>512</u>	<u>534</u>	<u>1,510</u>	<u>3,503</u>	<u>187</u>
Net loss for the period before taxation	<u>(43,779)</u>	<u>(13,377)</u>	<u>(2,302)</u>	<u>(72,880)</u>	<u>(132,338)</u>	<u>(7,814)</u>
Taxation	14 -	-	-	-	-	-
Net loss for the period after taxation	<u>(43,779)</u>	<u>(13,377)</u>	<u>(2,302)</u>	<u>(72,880)</u>	<u>(132,338)</u>	<u>(7,814)</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	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The annexed notes 1 to 17 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, 2019**



Meezan
Financial Planning
Fund of Funds

		Quarter ended December 31, 2019				
		Aggressive	Moderate	Conservative	MAAP-I	Total
Note		(Rupees in '000)				
Income						
		3,240	2,035	2,637	2,252	10,164
		-	-	-	-	-
		194	139	101	734	1,168
		-	-	-	-	-
		3,434	2,174	2,738	2,986	11,332
		59,414	19,394	13,226	33,717	125,751
		62,848	21,568	15,964	36,703	137,083
Expenses						
		16	13	10	49	88
		2	2	1	6	11
	12	81	37	44	86	248
		57	26	31	60	174
	8	7	4	4	7	22
	9	16	7	9	17	49
		52	24	29	55	160
		22	10	11	24	67
		3	3	2	1	9
		948	363	317	146	1,774
		-	-	-	-	-
		1,204	489	458	451	2,602
		61,644	21,079	15,506	36,252	134,481
		-	-	-	-	-
	14	-	-	-	-	-
		61,644	21,079	15,506	36,252	134,481

The annexed notes 1 to 17 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, 2019**

		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 loss	(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 Paki	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
	Provision for Sindh Workers' Welfare Fund	-	-	-	-	-
	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)

The annexed notes 1 to 17 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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**



Meezan
Financial Planning
Fund of Funds

	Six months period ended December 31, 2019				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net income for the period after taxation	46,427	17,791	15,999	7,151	87,368
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	46,427	17,791	15,999	7,151	87,368

	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)

The annexed notes 1 to 17 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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

	Quarter ended December 31, 2019				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(Rupees in '000)				
Net income for the period after taxation	61,644	21,079	15,506	36,252	134,481
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	61,644	21,079	15,506	36,252	134,481

	Quarter ended December 31, 2018				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(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)

The annexed notes 1 to 17 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2019			Six months period ended December 31, 2019			Six months period ended December 31, 2019			Six months period ended December 31, 2019			Six months period ended December 31, 2019		
	Aggressive (Rupees in '000)			Moderate (Rupees in '000)			Conservative (Rupees in '000)			MAAP-I (Rupees in '000)			Total (Rupees in '000)		
	Capital Value	Undistributed income	Total	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	347,237	17,835	365,072	166,989	36,050	203,039	178,157	43,621	221,778	537,356	55,354	592,710	1,229,739	152,860	1,382,599
Issuance of units:															
Aggressive: 771,658 units / Moderate: 322,759 units /															
Conservative: 634,740 units															
- Capital value (at net asset value per unit at the beginning of the period)	44,905		44,905	17,420		17,420	34,657		34,657	-		-	96,982		96,982
- Element of (loss) / income	1,575		1,575	726		726	1,124		1,124	-		-	3,425		3,425
Total proceeds on issuance of units	46,480	-	46,480	18,146	-	18,146	35,781	-	35,781	-	-	-	100,407	-	100,407
Redemption of units:															
Aggressive: 2,235,108 units / Moderate: 1,714,706 units /															
Conservative: 1,877,775 units / MAAP I: 5,920,148 units /															
- Capital value (at net asset value per unit at the beginning of the period)	130,066		130,066	92,544		92,544	102,527		102,527	282,656		282,656	607,793		607,793
- Element of (income) / loss	373	881	1,254	300	1,152	1,452	1,063	1,095	2,158	(9,056)		(9,056)	(7,320)	3,128	(4,192)
Total payments on redemption of units	130,439	881	131,320	92,844	1,152	93,996	103,590	1,095	104,685	273,600	-	273,600	600,473	3,128	603,601
Total comprehensive income for the period		46,427	46,427		17,791	17,791		15,999	15,999		7,151	7,151		87,368	87,368
Distribution during the period		-	-		-	-		-	-		-	-		-	-
Net income for the period less distribution		46,427	46,427		17,791	17,791		15,999	15,999		7,151	7,151		87,368	87,368
Net assets at the end of the period	263,278	63,381	326,659	92,291	52,689	144,980	110,348	58,525	168,873	263,756	62,505	326,261	729,673	237,100	966,773
Undistributed income brought forward															
- Realised income		101,711			67,539			62,595			196,400			428,245	
- Unrealised loss		(83,876)			(31,489)			(18,974)			(141,046)			(275,385)	
		17,835			36,050			43,621			55,354			152,860	
Accounting income available for distribution															
- Relating to capital gains		47,601			18,181			16,431			7,046			89,259	
- Excluding capital gains		(2,055)			(1,542)			(1,527)			105			(5,019)	
		45,546			16,639			14,904			7,151			84,240	
Net loss for the period after taxation		-			-			-			-			-	
Distribution during the period		-			-			-			-			-	
Undistributed income carried forward		63,381			52,689			58,525			62,505			237,100	
Undistributed income carried forward															
- Realised income		19,111			36,223			44,998			42,900			143,232	
- Unrealised gain		44,270			16,466			13,527			19,605			93,868	
		63,381			52,689			58,525			62,505			237,100	
		Rupees			Rupees			Rupees			Rupees			Rupees	
Net asset value per unit as at the beginning of the period		58,1924			53,9707			54,6004			47,7447			47,7447	
Net asset value per unit as at the end of the period		67,9113			61,1710			59,9095			50,2403			50,2403	

The annexed notes 1 to 17 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	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			For the period from July 01, 2018 to July 24, 2018		
	Aggressive (Rupees in '000)			Moderate (Rupees in '000)			Conservative (Rupees in '000)			MAAP-I (Rupees in '000)			Total (Rupees in '000)			MAAP-IV (Rupees in '000)		
	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total
Net assets at the beginning of the period	394,890	101,897	496,787	226,557	82,538	309,095	209,956	80,512	290,468	630,891	198,023	828,914	1,462,294	462,970	1,925,264	531,432	(23,695)	507,737
Issuance of units:																		
Aggressive: 1,067,535 units / Moderate: 474,284 units /																		
Conservative: 1,171,936 units / MAAP I: nil units																		
- Capital value (at net asset value per unit at the beginning of the period)	75,032	-	75,032	31,840	-	31,840	76,491	-	76,491	-	-	-	183,363	-	183,363	-	-	-
- Element of (loss) / income	(1,470)	-	(1,470)	(411)	-	(411)	268	-	268	-	-	-	(1,613)	-	(1,613)	-	-	-
Total proceeds on issuance of units	73,562	-	73,562	31,429	-	31,429	76,759	-	76,759	-	-	-	181,750	-	181,750	-	-	-
Redemption of units:																		
Aggressive: 1,096,597 units / Moderate: 1,348,501 units /																		
Conservative: 1,921,552 units / MAAP I: 736,000 units /																		
MAAP IV: 626,419 units																		
- Capital value (at net asset value per unit at the beginning of the period)	77,074	-	77,074	90,528	-	90,528	125,417	-	125,417	43,131	-	43,131	336,150	-	336,150	29,378	-	29,378
- Element of (income) / loss	(1,530)	-	(1,530)	(2,028)	-	(2,028)	23	-	23	(1,694)	-	(1,694)	(5,229)	-	(5,229)	(502)	-	(502)
Total payments on redemption of units	75,544	-	75,544	88,500	-	88,500	125,440	-	125,440	41,437	-	41,437	330,921	-	330,921	28,876	-	28,876
Total comprehensive loss for the period	-	(43,779)	(43,779)	-	(13,377)	(13,377)	-	(2,302)	(2,302)	-	(72,880)	(72,880)	-	(132,338)	(132,338)	-	(7,814)	(7,814)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(43,779)	(43,779)	-	(13,377)	(13,377)	-	(2,302)	(2,302)	-	(72,880)	(72,880)	-	(132,338)	(132,338)	-	(7,814)	(7,814)
Net assets at the end of the period	392,908	58,118	451,026	169,486	69,161	238,647	161,275	78,210	239,485	589,454	125,143	714,597	1,313,123	330,632	1,643,755	502,556	(31,509)	471,047
Undistributed income / (accumulated loss) brought forward																		
- Realised income	163,797			100,834			83,187			207,736			555,554			25,150		
- Unrealised loss	(61,900)			(18,296)			(2,675)			(9,713)			(92,584)			(48,845)		
	101,897			82,538			80,512			198,023			462,970			(23,695)		
Accounting income available for distribution																		
- Relating to capital gains	-			-			-			-			-			-		
- Excluding capital gains	-			-			-			-			-			-		
Net loss for the period after taxation	(43,779)			(13,377)			(2,302)			(72,880)			(132,338)			(7,814)		
Distribution during the period																		
Undistributed income / (accumulated loss) carried forward	58,118			69,161			78,210			125,143			330,632			(31,509)		
Undistributed income / (accumulated loss) carried forward																		
- Realised income / (loss)	104,059			85,160			86,087			200,305			475,611			(31,509)		
- Unrealised loss	(45,941)			(15,999)			(7,877)			(75,162)			(144,979)			-		
	58,118			69,161			78,210			125,143			330,632			(31,509)		
	Rupees			Rupees			Rupees			Rupees			Rupees			Rupees		
Net asset value per unit as at the beginning of the period	70.2849			67.1319			65.2685			58.6014			46.8987			46.8987		
Net asset value per unit as at the end of the period	64.0742			63.9793			64.7127			53.2925			46.1818			46.1818		

The annexed notes 1 to 17 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, 2019**



Six months period ended December 31, 2019					
Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	46,427	17,791	15,999	7,151	87,368
Adjustments for					
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	(44,270)	(16,466)	(13,527)	(19,605)	(93,868)
	2,157	1,325	2,472	(12,454)	(6,500)
Decrease in assets					
Investments - net	82,669	67,285	63,597	308,479	522,030
Receivable against sale of investments	(13,463)	(8,631)	(8,069)	-	(30,163)
Profit receivable on saving accounts with banks	(29)	(35)	(15)	(217)	(296)
	69,177	58,619	55,513	308,262	491,571
Increase / (decrease) in liabilities					
Payable to AI Meezan Investment Management Limited - Management Company	(25)	(2)	13	(4)	(18)
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(8)	(7)	(34)	(61)
Payable to Meezan Bank Limited	4	4	2	-	10
Payable to Securities and Exchange Commission of Pakistan	(408)	(217)	(219)	(658)	(1,502)
Payable against purchase of investments	13,463	8,631	8,069	-	30,163
Accrued expenses and other liabilities	1,061	434	415	269	2,179
	14,083	8,842	8,273	(427)	30,771
Net cash generated from operating activities	85,417	68,786	66,258	295,381	515,842
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance and conversion of units	46,416	18,140	35,754	-	100,310
Payments against redemption and conversion of units	(130,966)	(83,913)	(103,279)	(273,600)	(591,758)
Net cash used in financing activities	(84,550)	(65,773)	(67,525)	(273,600)	(491,448)
Net increase / (decrease) in cash and cash equivalents during the period	867	3,013	(1,267)	21,781	24,394
Cash and cash equivalents at the beginning of the period	5,765	4,366	4,861	725	15,717
Cash and cash equivalents at the end of the period	6,632	7,379	3,594	22,506	40,111

The annexed notes 1 to 17 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 CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	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)
Decrease in assets						
Investments - net	6,988	55,930	37,678	44,234	144,830	510,146
Receivable against sale of investments	-	-	-	(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 AI 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
Payable against purchase of investments	-	-	-	-	-	-
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 17 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
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

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 Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and
- 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 year ended June 30, 2018, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan had a revised maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017). During the current period, the SECP approved the extension of the plan by one year vide its letter No. SCD / AMCW / MFPPeF / 137 / 2019 dated November 13, 2019.

Each allocation plan announces separate Net Asset Value which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund 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 VIII A 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 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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. 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, 2019						
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Saving accounts	5.1	6,205	7,369	3,584	22,496	39,654
Current accounts		427	10	10	10	457
		<u>6,632</u>	<u>7,379</u>	<u>3,594</u>	<u>22,506</u>	<u>40,111</u>

----- (Audited) -----							
As at June 30, 2019						As at July 24, 2018	
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
----- (Rupees in '000) -----							
Saving accounts	5.1	5,338	4,356	4,851	715	15,260	3,964
Current accounts		427	10	10	10	457	81
		<u>5,765</u>	<u>4,366</u>	<u>4,861</u>	<u>725</u>	<u>15,717</u>	<u>4,045</u>

- 5.1 The balance in savings accounts have an expected profit ranging from 2.50% to 12.75% (June 30, 2019: 3.32% to 12.30%) per annum.

6 INVESTMENTS

----- (Unaudited) -----						
As at December 31, 2019						
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Investments - 'at fair value through profit or loss'	6.1	<u>325,766</u>	<u>151,479</u>	<u>169,290</u>	<u>314,878</u>	<u>961,413</u>

----- (Audited) -----							
As at June 30, 2019						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	<u>364,165</u>	<u>202,298</u>	<u>219,360</u>	<u>603,752</u>	<u>1,389,575</u>	-

6.1 At fair value through profit or loss - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (diminution)/ appreciation as at December 31, 2019	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	5,706,434	214,233	1,680,778	4,239,889	203,546	244,324	40,778	74.79	75.00
Meezan Islamic Income Fund	882,014	1,148,732	537,885	1,492,861	77,950	81,442	3,492	24.93	25.00
Meezan Cash Fund	898,802	-	898,802	-	-	-	-	-	-
					281,496	325,766	44,270	99.72	100.00
Moderate Allocation Plan									
Meezan Islamic Fund	2,116,314	81,501	883,468	1,314,347	62,788	75,740	12,952	52.24	50.00
Meezan Islamic Income Fund	981,320	896,893	489,880	1,388,333	72,225	75,739	3,514	52.24	50.00
Meezan Cash Fund	999,999	-	999,999	-	-	-	-	-	-
					135,013	151,479	16,466	104.48	100.00
Conservative Allocation Plan									
Meezan Islamic Fund	1,149,027	81,177	495,756	734,448	35,023	42,322	7,299	25.06	25.00
Meezan Islamic Income Fund	1,598,388	1,535,519	806,534	2,327,373	120,740	126,968	6,228	75.19	75.00
Meezan Cash Fund	1,628,812	-	1,628,812	-	-	-	-	-	-
					155,763	169,290	13,527	100.25	100.00
Meezan Asset Allocation Plan I									
Al Meezan Mutual Fund	39,791	2,473,754	1,088,228	1,425,317	20,715	22,971	2,256	7.04	7.30
Meezan Islamic Fund	171,373	710,176	477,102	404,447	22,400	23,306	906	7.14	7.40
Meezan Islamic Income Fund	-	3,782,009	3,782,009	-	-	-	-	-	-
Meezan Cash Fund	8,448	3,820,833	3,829,281	-	-	-	-	-	-
Meezan Sovereign Fund	3,775,282	5,108,777	5,315,716	3,568,343	190,174	194,814	4,640	59.71	61.87
Meezan Dedicated Equity Fund	11,269,149	426,698	9,950,478	1,745,369	61,984	73,787	11,803	22.62	23.43
					295,273	314,878	19,605	96.51	100.00
Total investments in units of mutual funds									
Al Meezan Mutual Fund	39,791	2,473,754	1,088,228	1,425,317	20,715	22,971	2,256	2.38	2.39
Meezan Islamic Fund	9,143,148	1,087,087	3,537,104	6,693,131	323,757	385,692	61,935	39.89	40.12
Meezan Islamic Income Fund	3,461,722	7,363,153	5,616,308	5,208,567	270,915	284,149	13,234	29.39	29.56
Meezan Cash Fund	3,536,061	3,820,833	7,356,894	-	-	-	-	0	-
Meezan Sovereign Fund	3,775,282	5,108,777	5,315,716	3,568,343	190,174	194,814	4,640	20.15	20.26
Meezan Dedicated Equity Fund	11,269,149	426,698	9,950,478	1,745,369	61,984	73,787	11,803	7.63	7.67
					867,545	961,413	93,868	99.44	100.00

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the Trustee has revised its tariff as follows:

Previous Tariff		Revised Tariff
Net Assets (Rs.)	Fee	0.070% per annum of Net Assets
Upto 1 Billion	0.10% of Net Assets	
Above 1 Billion	Rs. 1 Million plus 0.075% per annum of Net Assets exceeding Rs. 1 Billion	

Accordingly, the Fund has charged Trustee fee at the rate of 0.070% per annum, effective from July 1st, 2019.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - SECP

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to fund of funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

----- (Unaudited) -----					
As at December 31, 2019					
Note	Aggressive	Moderate	Conservative	MAAP-I	Total
----- (Rupees in '000) -----					
Withholding tax payable	123	478	49	409	1,059
Provision for Sindh Workers' Welfare Fund	4,328	2,279	1,541	7,032	15,180
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	368	497	528	3,295	4,688
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	72	40	36	16	164
Shariah advisor fee payable	46	20	23	58	147
Auditors' remuneration payable	195	94	106	275	670
Printing charges payable	91	71	49	158	369
	<u>5,223</u>	<u>3,479</u>	<u>2,332</u>	<u>11,243</u>	<u>22,277</u>

----- (Audited) -----						
As at June 30, 2019						As at July 24, 2018
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
----- (Rupees in '000) -----						
Withholding tax payable	115	458	14	409	996	8
Provision for Sindh Workers' Welfare Fund	###	3,380	1,916	1,214	6,886	13,396
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	###	368	497	528	16	1,409
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	###	72	40	36	3,295	3,443
Shariah advisor fee payable	41	21	22	63	147	27
Auditors' remuneration payable	96	50	51	151	348	80
Printing charges payable	90	63	52	154	359	35
	<u>4,162</u>	<u>3,045</u>	<u>1,917</u>	<u>10,974</u>	<u>20,098</u>	<u>5,438</u>

- 10.1** 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 condensed interim financial statements, the NAV per unit would have been higher by Re 0.90, 0.96, 0.55 and 1.08 for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I (June 30, 2019 by 0.54, 0.51, 0.30 and 0.55 for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I) respectively.

- 10.2** 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.

With effect from July 1, 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.

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.

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 0.44 million, Rs 0.537 million, Rs 0.564 million and Rs 3.31 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I respectively is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value of the Fund as at December 31, 2019 would have been higher by Re. 0.09, Re 0.23, Re. 0.20 and Re. 0.51 per unit in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I (June 30, 2019: Re 0.07, Re 0.14, Re 0.14, Re 0.27 and Re 0.48 per unit) respectively.

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 unit holders 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:

Balances	(Unaudited)				
	As at December 31, 2019				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Al Meezan Investment Management Limited - Management Company					
Remuneration Payable (Rs in '000)	6	4	3	19	32
Sindh Sales Tax on management fee payable (Rs in '000)	1	1	1	2	5
Sales load payable (Rs in '000)	14	6	1	-	21
Sindh Sales Tax on sales load payable (Rs in '000)	1	-	-	-	1
Allocated expenses payable (Rs in '000)	13	13	29	27	82
Investment (Rs in '000)	-	-	7,513	-	7,513
Investment (Units)	-	-	125,407	-	125,407
Meezan Bank Limited					
Bank balance (Rs in '000)	6,391	7,156	3,395	22,390	39,332
Profit receivable (Rs in '000)	59	60	31	222	372
Sales load payable (Rs in '000)	5	4	2	-	11
Central Depository Company of Pakistan Limited - Trustee					
Trustee Fee payable (Rs in '000)	22	8	18	9	57
Sindh Sales Tax on trustee fee payable (Rs in '000)	4	2	2	1	9

----- (Unaudited) -----					
----- As at December 31, 2019 -----					
	Aggressive	Moderate	Conservative	MAAP-I	Total
Directors and Executives of the Management Company					
Investment (Rs in '000)	-	-	-	-	-
Investment (Units)	-	-	-	-	-
Meezan Islamic Fund					
Investment (Rs in '000)	244,324	75,740	42,322	23,306	385,692
Investment (Units)	4,239,889	1,314,347	734,448	404,447	6,693,131
Meezan Sovereign Fund					
Investment (Rs in '000)	-	-	-	194,814	194,814
Investment (Units)	-	-	-	3,568,343	3,568,343
AI Meezan Mutual Fund					
Investment (Rs in '000)	-	-	-	22,971	22,971
Investment (Units)	-	-	-	1,425,317	1,425,317
Meezan Cash Fund					
Investment (Rs in '000)	-	-	-	-	-
Investment (Units)	-	-	-	-	-
Meezan Islamic Income Fund					
Investment (Rs in '000)	81,442	75,739	126,968	-	284,149
Investment (Units)	1,492,861	1,388,333	2,327,373	-	5,208,567
Meezan Dedicated Equity Fund					
Investment (Rs in '000)	-	-	-	73,787	73,787
Investment (Units)	-	-	-	1,745,369	1,745,369
Unit Holders holding 10% or more units of the Fund					
Investment (Rs in '000)	171,205	-	52,341	162,361	385,907
Investment (Units)	2,521,012	-	873,669	3,231,695	6,626,376

----- (Audited) -----						
----- As at June 30, 2019 -----						As at July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
AI Meezan Investment Management Limited - Management Company						
Remuneration Payable (Rs in '000)	5	3	2	2	12	69
Sindh Sales Tax on management fee payable (Rs in '000)	1	-	-	-	1	10
Sales load payable (Rs in '000)	19	5	1	-	25	-
Sindh Sales Tax on sales load payable (Rs in '000)	2	1	-	-	3	-
Allocated expenses payable (Rs in '000)	33	17	18	50	118	32
Investment (Rs in '000)	-	-	6,847	-	6,847	-
Investment (Units)	-	-	125,406	-	125,406	-
Meezan Bank Limited						
Bank balance (Rs in '000)	5,530	4,148	4,666	612	14,956	4,045
Profit receivable (Rs in '000)	19	12	12	4	47	196
Sales load payable (Rs in '000)	1	-	-	-	1	-
Central Depository Company of Pakistan Limited - Trustee						
Trustee Fee payable (Rs in '000)	33	15	24	36	108	28
Sindh Sales Tax on trustee fee payable (Rs in '000)	5	3	3	8	19	5
Directors and Executives of the Management Company						
Investment (Rs in '000)	106	0	1,621	-	1,727	-
Investment (Units)	1,818	3	29,687	-	31,508	-

----- (Audited) -----						
----- As at June 30, 2019 -----					As at July 24, 2018	
Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
Meezan Islamic Fund						
Investment (Rs in '000)	273,509	101,436	55,073	8,214	438,232	-
Investment (Units)	5,706,434	2,116,314	1,149,027	171,373	9,143,148	-
Meezan Sovereign Fund						
Investment (Rs in '000)	-	-	-	194,373	194,373	-
Investment (Units)	-	-	-	3,775,282	3,775,282	-
AI Meezan Mutual Fund						
Investment (Rs in '000)	-	-	-	531	531	-
Investment (Units)	-	-	-	39,791	39,791	-
Meezan Cash Fund						
Investment (Rs in '000)	45,328	50,431	82,143	426	178,328	-
Investment (Units)	898,802	999,999	1,628,812	8,448	3,536,061	-
Meezan Islamic Income Fund						
Investment (Rs in '000)	45,328	50,431	82,144	-	177,903	-
Investment (Units)	882,014	981,320	1,598,388	-	3,461,722	-
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	-	-	-	400,208	400,208	-
Investment (Units)	-	-	-	11,269,149	11,269,149	-
Unit Holders holding 10% or more units of the Fund						
Investment (Rs in '000)	184,302	49,515	47,703	278,205	559,725	192,410
Investment (Units)	3,167,104	917,442	873,669	5,826,939	10,785,154	4,166,358

----- (Unaudited) -----					
For the period ended December 31, 2019					
Aggressive	Moderate	Conservative	MAAP-I	Total	
Transactions during the period					
AI Meezan Investment Management Limited - Management Company					
Remuneration for the period (Rs in '000)	28	23	19	71	141
Sindh Sales Tax on management fee (Rs in '000)	4	3	2	9	18
Allocated expense (Rs in '000)	166	75	93	214	548
Meezan Bank Limited					
Profit on saving account (Rs in '000)	279	214	180	945	1,618
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee for the period (Rs in '000)	116	53	65	150	384
Sindh Sales Tax on trustee fee (Rs in '000)	15	7	8	19	49
Directors and Executives of the Management Company					
Invested during the period (Rs. in '000)	27,281	3,642	27,651	-	58,574
Invested during the period (Units)	453,202	65,869	483,459	-	1,002,530
Redeemed during the period (Rs. in '000)	27,840	3,566	24,859	-	56,265
Redeemed during the period (Units)	452,788	64,730	438,717	-	956,235
Meezan Islamic Fund					
Invested during the period (Rs. in '000)	10,519	3,657	3,643	39,000	56,819
Invested during the period (Units)	214,233	81,501	81,177	710,176	1,087,087
Redeemed during the period (Rs. in '000)	82,463	43,131	24,694	24,170	174,458
Redeemed during the period (Units)	1,680,778	883,468	495,756	477,102	3,537,104

----- (Unaudited) -----					
For the period ended December 31, 2019					
Aggressive	Moderate	Conservative	MAAP-I	Total	
Meezan Sovereign Fund					
Invested during the period (Rs. in '000)	-	-	-	272,149	272,149
Invested during the period (Units)	-	-	-	5,108,777	5,108,777
Redeemed during the period (Rs. in '000)	-	-	-	277,610	277,610
Redeemed during the period (Units)	-	-	-	5,315,716	5,315,716
Meezan Cash Fund					
Invested during the period (Rs. in '000)	-	-	-	196,312	196,312
Invested during the period (Units)	-	-	-	3,820,833	3,820,833
Redeemed during the period (Rs. in '000)	45,839	50,914	83,034	199,399	379,186
Redeemed during the period (Units)	898,802	999,999	1,628,812	3,829,281	7,356,894
AI Meezan Mutual Fund					
Invested during the period (Rs. in '000)	-	-	-	36,000	36,000
Invested during the period (Units)	-	-	-	2,473,754	2,473,754
Redeemed during the period (Rs. in '000)	-	-	-	16,000	16,000
Redeemed during the period (Units)	-	-	-	1,088,228	1,088,228
Meezan Islamic Income Fund					
Invested during the period (Rs. in '000)	60,427	47,044	80,228	194,650	382,349
Invested during the period (Units)	1,148,732	896,893	1,535,519	3,782,009	7,363,153
Redeemed during the period (Rs. in '000)	28,644	25,657	42,643	197,912	294,856
Redeemed during the period (Units)	537,885	489,880	806,534	3,782,009	5,616,308
Meezan Dedicated Equity Fund					
Invested during the period (Rs. in '000)	-	-	-	15,048	15,048
Invested during the period (Units)	-	-	-	426,698	426,698
Redeemed during the period (Rs. in '000)	-	-	-	333,733	333,733
Redeemed during the period (Units)	-	-	-	9,950,478	9,950,478

----- (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) -----					
40	22	36	31	129	69
5	3	5	4	17	9
245	132	134	402	913	32

AI 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
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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	-

(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)						
Investment (Units)						
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	
Investment (Units)						
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
AI 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)	11,393	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

12 ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

13 TOTAL EXPENSE RATIO

	As at December 31, 2019			
	Aggressive	Moderate	Conservative	MAAP I
Total Expense Ratio (TER)	0.88%	0.81%	0.66%	0.39%
Government levy, Sindh Workers' Welfare Fund and SECP fee	0.60%	0.51%	0.38%	0.10%

	As at June 30, 2019			
	Aggressive	Moderate	Conservative	MAAP I
Total Expense Ratio (TER)	0.38%	0.38%	0.39%	0.37%
Government levy and SECP fee	0.11%	0.11%	0.11%	0.11%

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 unit holders. 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 unit holders. 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

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.

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.

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).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

	----- (Unaudited) -----			
	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Units of mutual fund	961,413	-	-	961,413

----- (Audited) -----			
As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS**Financial assets 'at fair value through profit or loss'**

Units of mutual fund	1,389,575	-	-	1,389,575
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16 GENERAL

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

16.2 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

17 DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director

**GUMTI WATER
FOUNTAIN
(FAISALABAD)**





Meezan
Strategic Allocation Fund

MEEZAN STRATEGIC ALLOCATION FUND (MSAF)

Meezan Strategic Allocation Fund is a Shariah compliant scheme which will use active asset allocation strategy for providing competitive returns on your investment. It is a unique asset allocation fund for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.

UNFOLDING OPPORTUNITIES OF PROGRESS IN THE CITY OF TEXTILE

- ◆ Kotwali Road Branch, Faisalabad
- ◆ Susan Road Branch, Faisalabad

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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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:

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 Shahra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



Meezan
Strategic Allocation Fund

December 31, 2019 (Unaudited)								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
Assets								
Balances with banks	5	5,606	522	583	1,022	3,758	7,946	19,437
Investments	6	933,101	549,731	879,211	971,823	235,681	837,800	4,407,347
Receivable against sale of investments		130	-	-	-	-	-	130
Other receivables		67	18	8	36	31	65	225
Total assets		938,904	550,271	879,802	972,881	239,470	845,811	4,427,139
Liabilities								
Payable to AI Meezan Investment Management Limited - Management Company		85	47	74	83	23	79	391
Payable to Central Depository Company of Pakistan Limited - Trustee	7	62	36	58	64	16	56	292
Payable to Securities and Exchange Commission of Pakistan	8	97	56	84	91	25	97	450
Payable against purchase of investments		765	159	265	333	68	751	2,341
Payable against redemption and conversion of units		3,407	67	50	2,121	-	26	5,671
Accrued expenses and other liabilities	10	5,969	1,618	2,573	2,832	637	2,301	15,930
Total liabilities		10,385	1,983	3,104	5,524	769	3,310	25,075
Net assets		928,519	548,288	876,698	967,357	238,701	842,501	4,402,064
Contingencies and commitments	9							
Unit holders' fund (as per statement attached)		928,519	548,288	876,698	967,357	238,701	842,501	4,402,064
----- (Number of units) -----								
Number of units in issue		23,589,488	13,130,069	21,582,953	23,415,629	5,067,073	15,305,876	
----- (Rupees) -----								
Net asset value per unit		39.3616	41.7582	40.6199	41.3124	47.1083	55.0443	

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**

June 30, 2019 (Audited)								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
Assets								
Balances with banks	5	11,970	4,377	13,180	335	13,450	1,148	44,460
Investments	6	1,063,694	725,020	879,495	1,008,046	303,088	1,102,961	5,082,304
Receivable against sale of investments		-	-	-	-	-	-	-
Other receivables		54	11	13	11	11	9	109
Total assets		1,075,718	729,408	892,688	1,008,392	316,549	1,104,118	5,126,873
Liabilities								
Payable to AI Meezan Investment Management Limited - Management Company		104	66	80	91	33	94	468
Payable to Central Depository Company of Pakistan Limited - Trustee	7	84	55	68	76	24	84	391
Payable to Securities and Exchange Commission of Pakistan	8	1,491	1,032	1,164	1,292	414	1,224	6,617
Payable against purchase of investments		-	-	-	-	-	-	-
Payable against redemption and conversion of units		1,819	265	50	3,765	-	2,965	8,864
Accrued expenses and other liabilities	10	4,737	192	195	394	82	857	6,456
Total liabilities		8,235	1,610	1,557	5,618	553	5,224	22,796
Net assets		1,067,483	727,798	891,131	1,002,774	315,996	1,098,894	5,104,077
Contingencies and commitments	9							
Unit holders' fund (as per statement attached)		1,067,483	727,798	891,131	1,002,774	315,996	1,098,894	5,104,077
----- (Number of units) -----								
Number of units in issue		29,262,088	20,213,719	25,406,240	28,125,336	7,747,051	21,462,301	
----- (Rupees) -----								
Net asset value per unit		36.4801	36.0051	35.0753	35.6538	40.7893	51.2011	

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Six months period ended December 31, 2019								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total	
(Rupees in '000)								
Income								
	(17,876)	(3,960)	572	1,511	(3,855)	14,255	(9,353)	
Net realised (loss) / gain on sale of investments								
Profit on saving accounts with banks	357	179	208	296	213	492	1,745	
Dividend income	22,292	7,584	11,531	12,361	3,209	24,806	81,783	
Other income	-	-	-	-	-	3,185	3,185	
	4,773	3,803	12,311	14,168	(433)	42,738	77,360	
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	57,960	68,475	107,095	117,122	29,050	22,994	402,696
Total income	62,733	72,278	119,406	131,290	28,617	65,732	480,056	
Expenses								
Remuneration of Al Meezan Investment Management Limited - Management Company	34	24	21	12	39	32	162	
Sindh Sales Tax on remuneration to Management Company	4	2	3	2	5	4	20	
Allocated expenses	12	472	274	409	447	123	472	2,197
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7	331	192	286	313	86	331	1,539
Sindh Sales Tax on trustee fee		43	25	37	41	11	43	200
Annual fee to Securities and Exchange Commission of Pakistan	8	97	56	84	91	25	97	450
Auditors' remuneration		94	56	81	88	24	81	424
Fees and subscription		35	21	29	32	10	35	162
Printing charges		-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	1,232	1,432	2,369	2,605	566	1,292	9,496
Bank and settlement charges		6	6	-	-	1	25	38
Total expenses	2,348	2,088	3,319	3,631	890	2,412	14,688	
Net income for the period before taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368	
Taxation	14	-	-	-	-	-	-	
Net income for the period after taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368	
Allocation of net income for the period								
Net income for the period after taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368	
Income already paid on units redeemed	-	-	-	-	-	(4,497)	(4,497)	
	60,385	70,190	116,087	127,659	27,727	58,823	460,871	
Accounting income available for distribution								
- Relating to capital gains	40,084	64,515	107,667	118,633	25,195	37,249	393,343	
- Excluding capital gains	20,301	5,675	8,420	9,026	2,532	21,574	67,528	
	60,385	70,190	116,087	127,659	27,727	58,823	460,871	

The annexed notes 1 to 17 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 INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019**

		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)
	106	166	71	101	66	31	541
	13,001	9,425	10,866	13,046	3,675	16,480	66,493
	-	-	-	-	337	1,072	1,409
	<u>(25,692)</u>	<u>5,052</u>	<u>4,490</u>	<u>2,470</u>	<u>1,500</u>	<u>(1,845)</u>	<u>(14,025)</u>
	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)
	<u>(151,631)</u>	<u>(100,992)</u>	<u>(111,044)</u>	<u>(121,988)</u>	<u>(39,505)</u>	<u>8,709</u>	<u>(516,451)</u>
Total (loss) / income							
Expenses							
	56	50	27	45	28	15	221
	7	7	4	6	4	2	30
12	919	617	678	756	247	680	3,897
7	719	483	530	591	194	532	3,049
	93	63	69	77	25	69	396
8	873	586	644	718	235	646	3,702
	80	54	57	64	21	56	332
	39	25	28	32	11	29	164
	47	32	35	39	13	35	201
10.1	-	-	-	-	-	133	133
	11	2	20	6	1	-	40
	<u>2,844</u>	<u>1,919</u>	<u>2,092</u>	<u>2,334</u>	<u>779</u>	<u>2,197</u>	<u>12,165</u>
Total expenses							
	(154,475)	(102,911)	(113,136)	(124,322)	(40,284)	6,512	(528,616)
Net (loss) / income for the period before taxation							
14	-	-	-	-	-	-	-
	<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>
Net (loss) / income for the period after taxation							
Allocation of net income for the period							
	-	-	-	-	-	6,512	6,512
	-	-	-	-	-	(335)	(335)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,177</u>	<u>6,177</u>
Accounting income available for distribution							
	-	-	-	-	-	-	-
	-	-	-	-	-	6,177	6,177
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,177</u>	<u>6,177</u>

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2019**

For the quarter ended December 31, 2019								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
Income								
	4,281	2,264	1,176	4,219	98	15,636	27,674	
Net realised gain on sale of investments								
Profit on saving accounts with banks	133	73	37	199	114	336	892	
Dividend income	16,688	4,887	7,550	8,103	2,033	17,742	57,003	
Other income	-	-	-	-	-	2,011	2,011	
	21,102	7,224	8,763	12,521	2,245	35,725	87,580	
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	88,335	90,922	142,014	155,236	39,508	13,989	530,004
Total income		109,437	98,146	150,777	167,757	41,753	49,714	617,584
Expenses								
Remuneration of AI Meezan Investment Management Limited - Management Company	12	9	1	4	11	15	52	
Sindh Sales Tax on remuneration to Management Company	1	-	-	1	1	2	5	
Allocated expenses	12	233	134	208	229	58	212	1,074
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7	163	94	145	160	40	149	751
Sindh Sales Tax on trustee fee		21	12	19	21	5	19	97
Annual fee to Securities and Exchange Commission of Pakistan	8	47	26	42	45	11	43	214
Auditors' remuneration		75	45	65	70	19	60	334
Fees and subscription		15	9	12	14	5	13	68
Printing charges		-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	10.1	1,232	1,432	2,369	2,605	566	984	9,188
Bank and settlement charges		6	4	-	-	1	13	24
Total expenses		1,804	1,764	2,861	3,150	717	1,510	11,806
Net income for the quarter before taxation		107,633	96,382	147,916	164,607	41,036	48,204	605,778
Taxation	14	-	-	-	-	-	-	-
Net income for the quarter after taxation		107,633	96,382	147,916	164,607	41,036	48,204	605,778

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2019**

		For the quarter ended December 31, 2018					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
Income							
	(12,317)	(2,271)	(3,402)	(4,520)	(1,839)	(13,543)	(37,892)
Net realised loss on sale of investments							
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 of AI Meezan Investment Management Limited - Management Company	35	17	16	17	15	5	105
Sindh Sales Tax on remuneration to Management Company	4	2	3	2	2	1	14
Allocated expenses 12	441	298	330	354	118	338	1,879
Remuneration to Central Depository Company of Pakistan Limited - Trustee 7	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 8	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 10.1	-	-	-	-	-	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 14	-	-	-	-	-	-	-
Net (loss) / income for the quarter after taxation	(114,970)	(78,456)	(86,612)	(93,676)	(30,735)	92	(404,357)

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

Six months period ended December 31, 2019							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)							
Net income for the period after taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	60,385	70,190	116,087	127,659	27,727	63,320	465,368

Six months period ended December 31, 2018							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(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	(154,475)	(102,911)	(113,136)	(124,322)	(40,284)	6,512	(528,616)

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2019

	For the quarter ended December 31, 2019						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	
	----- (Rupees in '000) -----						
Net income for the period after taxation	107,633	96,382	147,916	164,607	41,036	48,204	605,778
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>107,633</u>	<u>96,382</u>	<u>147,916</u>	<u>164,607</u>	<u>41,036</u>	<u>48,204</u>	<u>605,778</u>

	For the quarter 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	(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>

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2019																				
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV			MSAP-V			MCPPI-III			Total		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			
Net assets at the beginning of the period	1,629,216	(561,733)	1,067,483	1,131,721	(403,923)	727,798	1,380,178	(489,047)	891,131	1,521,504	(518,730)	1,002,774	395,264	(79,268)	315,996	1,077,850	21,044	1,098,894	7,135,734	(2,031,657)	5,104,077
Redemption of units:																					
MSAP - I: 5,672,600 units / MSAP - II: 7,083,650 units /																					
MSAP - III: 3,823,287 units / MSAP - IV: 4,709,707 units / MSAP - V: 2,679,978 units,																					
MCPPI - III: 156,425 units																					
- Capital value (at net asset value per unit at the beginning of the period)	206,937	-	206,937	255,048	-	255,048	134,103	-	134,103	167,919	-	167,919	109,314	-	109,314	315,216	-	315,216	873,321	-	873,321
- Element of (income) / loss	(7,588)	-	(7,588)	(5,348)	-	(5,348)	(3,583)	-	(3,583)	(4,843)	-	(4,843)	(4,292)	-	(4,292)	-	4,497	4,497	(25,654)	4,497	(21,157)
Total payments on redemption of units	199,349	-	199,349	249,700	-	249,700	130,520	-	130,520	163,076	-	163,076	105,022	-	105,022	315,216	4,497	319,713	847,667	4,497	852,164
Total comprehensive income / (loss) for the period	-	60,385	60,385	-	70,190	70,190	-	116,087	116,087	-	127,659	127,659	-	27,727	27,727	-	63,320	63,320	-	402,048	402,048
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	60,385	60,385	-	70,190	70,190	-	116,087	116,087	-	127,659	127,659	-	27,727	27,727	-	63,320	63,320	-	402,048	402,048
Net assets at the end of the period	1,429,867	(501,348)	928,519	882,021	(333,733)	548,288	1,249,658	(372,960)	876,698	1,358,428	(391,071)	967,357	290,242	(51,541)	238,701	762,634	79,867	842,501	6,288,067	(1,634,106)	4,653,961
Accumulated loss brought forward																					
- Realised (loss) / income		(351,036)		(328,595)			(404,214)			(427,554)			(50,077)			(7,886)			(1,569,362)		
- Unrealised (loss) / income		(210,697)		(75,328)			(84,833)			(91,176)			(29,191)			28,930			(462,295)		
		(561,733)		(403,923)			(489,047)			(518,730)			(79,268)			21,044			(2,031,657)		
Accounting income available for distribution																					
- Relating to capital gains	40,084			64,515			107,667			118,633			25,195			37,249			393,343		
- Excluding capital gains	20,301			5,675			8,420			9,026			2,532			21,574			67,528		
	60,385			70,190			116,087			127,659			27,727			58,823			460,871		
Net (loss) / income for the period after taxation																					
Distribution during the period																					
(Accumulated loss) / undistributed income carried forward		(501,348)		(333,733)			(372,960)			(391,071)			(51,541)			79,867			(1,570,786)		
(Accumulated loss) / undistributed income carried forward																					
- Realised loss		(559,308)		(402,208)			(480,055)			(508,193)			(80,591)			56,873			(1,973,482)		
- Unrealised (loss) / income		57,960		68,475			107,095			117,122			29,050			22,994			402,696		
		(501,348)		(333,733)			(372,960)			(391,071)			(51,541)			79,867			(1,570,786)		
Net asset value per unit as at the beginning of the period			Rupees			Rupees			Rupees			Rupees			Rupees			Rupees			
			36.4801			36.0051			35.0753			35.6538			40.7893			51.2011			
Net asset value per unit as at the end of the period			39.3616			41.7582			40.6199			41.3124			47.1083			55.0443			

The annexed notes 1 to 17 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
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2018																				
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV			MSAP-V			MCPP-III			Total		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
(Rupees in '000)																					
Net assets at the beginning of the period	2,243,221	(297,759)	1,945,462	1,516,558	(227,213)	1,289,345	1,709,505	(286,294)	1,423,211	1,957,929	(292,424)	1,665,505	528,299	(7,187)	521,112	1,367,662	(2,491)	1,365,171	9,323,174	(1,113,368)	8,209,806
Redemption of units:																					
MSAP - I: 5,867,793 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, MCPP - III: 1,070,939 units																					
- Capital value (at net asset value per unit at the beginning of the period)	258,264	-	258,264	99,417	-	99,417	93,838	-	93,838	225,962	-	225,962	58,990	-	58,990	53,648	-	53,648	790,119	-	790,119
- Element of (income) / loss	(9,481)	-	(9,481)	(4,289)	-	(4,289)	(3,242)	-	(3,242)	(5,011)	-	(5,011)	(2,310)	-	(2,310)	(148)	335	187	(24,481)	335	(24,146)
Total payments on redemption of units	248,783	-	248,783	95,128	-	95,128	90,596	-	90,596	220,951	-	220,951	56,680	-	56,680	53,500	335	53,835	765,638	335	765,973
Total comprehensive (loss) / income for the period	-	(154,475)	(154,475)	-	(102,911)	(102,911)	-	(113,136)	(113,136)	-	(124,322)	(124,322)	-	(40,284)	(40,284)	-	6,512	6,512	-	(528,616)	(528,616)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(154,475)	(154,475)	-	(102,911)	(102,911)	-	(113,136)	(113,136)	-	(124,322)	(124,322)	-	(40,284)	(40,284)	-	6,512	6,512	-	(528,616)	(528,616)
Net assets at the end of the period	1,994,438	(452,234)	1,542,204	1,421,430	(330,124)	1,091,306	1,618,909	(399,430)	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		(105,369)			(74,165)			(116,408)			(121,353)			5,171			(14,702)			(426,826)	
- Unrealised (loss) / income		(192,390)			(153,048)			(169,886)			(171,071)			(12,358)			12,211			(686,542)	
		(297,759)			(227,213)			(286,294)			(292,424)			(7,187)			(2,491)			(1,113,368)	
Accounting income available for distribution																					
- Relating to capital gains		-			-			-			-			-			-			-	
- Excluding capital gains		-			-			-			-			-			6,177			6,177	
Net (loss) / income for the period after taxation		(154,475)			(102,911)			(113,136)			(124,322)			(40,284)			-			(535,128)	
Distribution during the period		-			-			-			-			-			-			-	
(Accumulated loss) / undistributed income carried forward		(452,234)			(330,124)			(399,430)			(416,746)			(47,471)			3,686			(1,642,319)	
(Accumulated loss) / undistributed income carried forward																					
- Realised loss		(326,295)			(224,080)			(283,896)			(292,288)			(6,466)			(6,868)			(1,139,893)	
- Unrealised (loss) / income		(125,939)			(106,044)			(115,534)			(124,458)			(41,005)			10,554			(502,426)	
		(452,234)			(330,124)			(399,430)			(416,746)			(47,471)			3,686			(1,642,319)	
Net asset value per unit as at the beginning of the period			Rupees		Rupees			Rupees			Rupees			Rupees			Rupees			Rupees	
			44.0138		43.0461			42.0135			42.7203			48.7410			50.0951			50.3368	
Net asset value per unit as at the end of the period			40.2313		39.4784			38.5404			39.1796			44.7359			50.3368			50.3368	

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Six months period ended December 31, 2019							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
----- (Rupees in '000) -----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the period before taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368
Adjustments for:							
Net unrealised (appreciation) on re-measurement of investments 'at fair value through profit or loss'	(57,960)	(68,475)	(107,095)	(117,122)	(29,050)	(22,994)	(402,696)
	2,425	1,715	8,992	10,537	(1,323)	40,326	62,672
Decrease in assets							
Investments - net	188,553	243,764	107,379	153,345	96,457	288,155	1,077,653
Receivable against sale of investments	(130)	-	-	-	-	-	(130)
Other receivables	(13)	(7)	5	(25)	(20)	(56)	(116)
	188,410	243,757	107,384	153,320	96,437	288,099	1,077,407
Increase in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	(19)	(19)	(6)	(8)	(10)	(15)	(77)
Payable to Central Depository Company of Pakistan Limited - Trustee	(22)	(19)	(10)	(12)	(8)	(28)	(99)
Payable to Securities and Exchange Commission of Pakistan	(1,394)	(976)	(1,080)	(1,201)	(389)	(1,127)	(6,167)
Payable against purchase of investments	765	159	265	333	68	751	2,341
Accrued expenses and other liabilities	1,231	1,426	2,378	2,438	555	1,444	9,473
	561	571	1,547	1,550	216	1,025	5,470
Net cash generated from operating activities	191,396	246,043	117,923	165,407	95,330	329,450	1,145,549
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	-	-	-	-	-	-	-
Payments against redemption and conversion of units	(197,760)	(249,898)	(130,520)	(164,720)	(105,022)	(322,652)	(1,170,572)
Net cash used in financing activities	(197,760)	(249,898)	(130,520)	(164,720)	(105,022)	(322,652)	(1,170,572)
Net increase in cash and cash equivalents during the period	(6,364)	(3,855)	(12,597)	687	(9,692)	6,798	(25,023)
Cash and cash equivalents at the beginning of the period	11,970	4,377	13,180	335	13,450	1,148	44,460
Cash and cash equivalents at the end of the period	5,606	522	583	1,022	3,758	7,946	19,437

The annexed notes 1 to 17 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 CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Six months period ended December 31, 2018						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total

------(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	(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	-	-	-	-	-	-	-
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)
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 17 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
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 Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 (MCPPIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of 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. During the year ended June 30, 2019, the SECP approved the extension of the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-1/178/2018 dated November 16, 2018; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-1/142/2019 dated November 19, 2019.
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.
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. The SECP approved the extension for the plan by one year vide its letter no. SCD/AMCW/AMIML/109/2019 dated October 11, 2019.
Meezan Capital Preservation Plan-III (MCCP-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 VIII A 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 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 period ended June 30, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Saving accounts	5,595	512	573	1,012	3,115	7,301	18,108
Current accounts	11	10	10	10	643	645	1,329
	<u>5,606</u>	<u>522</u>	<u>583</u>	<u>1,022</u>	<u>3,758</u>	<u>7,946</u>	<u>19,437</u>
	(Rupees in '000)						
Note	June 30, 2019 (Audited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Saving accounts	11,904	4,180	13,170	97	7,807	503	37,661
Current accounts	66	197	10	238	5,643	645	6,799
	<u>11,970</u>	<u>4,377</u>	<u>13,180</u>	<u>335</u>	<u>13,450</u>	<u>1,148</u>	<u>44,460</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 3.20% to 12.75% per annum (June 30, 2019: 6.30% to 11.85% per annum).

6 INVESTMENTS

Note	December 31, 2019 (Unaudited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Investments - 'at fair value through profit or loss'	933,101	549,731	879,211	971,823	235,681	837,800	4,407,347
	(Rupees in '000)						
Note	June 30, 2019 (Audited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Investments - 'at fair value through profit or loss'	1,063,694	725,020	879,495	1,008,046	303,088	1,102,961	5,082,304

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (loss) / gain as at December 31, 2019	Percentage in relation to	
								Net assets of the Fund on the basis of market value	Total market value of investments
	(Number of units)				(Rupees in '000)			(Percentage)	
Meezan Strategic Allocation Plan-I									
Al Meezan Mutual Fund	18,848,470	-	9,928,458	8,920,012	119,137	143,757	24,620	15.48	15.41
Kse Meezan Index Fund	202,085	-	197,774	4,311	228	278	49	0.03	0.03
Meezan Dedicated Equity Fund	8,724,482	-	7,953,696	770,785	27,373	32,585	5,212	3.51	3.49
Meezan Islamic Fund	3,358,169	2,561,573	2,825,371	3,094,372	150,235	178,314	28,079	19.20	19.11
Meezan Cash Fund	-	11,301,674	11,301,674	-	-	-	-	-	-
Meezan Islamic Income Fund	4,983,964	1,653,461	6,637,425	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,486,485	24,936,618	14,859,762	11,563,341	578,167	578,167	-	62.27	61.96
					<u>875,140</u>	<u>933,101</u>	<u>57,960</u>	<u>100.49</u>	<u>100.00</u>
Meezan Strategic Allocation Plan-II									
Al Meezan Mutual Fund	22,818,599	-	9,890,452	12,928,147	172,670	208,353	35,683	38.00	37.90
Kse Meezan Index Fund	137,871	-	345	137,526	7,282	8,854	1,573	1.61	1.61
Meezan Dedicated Equity Fund	1,238,827	-	234,945	1,003,881	35,651	42,440	6,788	7.74	7.72
Meezan Islamic Fund	2,983,781	-	463,901	2,519,880	120,778	145,209	24,431	26.48	26.41
Meezan Cash Fund	1,615	-	1,615	-	-	-	-	-	-
Meezan Islamic Income Fund	3,408,091	1,128,244	4,536,335	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,014,332	3,565,656	1,682,470	2,897,518	144,876	144,876	-	26.42	26.35
					<u>481,257</u>	<u>549,731</u>	<u>68,475</u>	<u>100.26</u>	<u>100.00</u>
Meezan Strategic Allocation Plan-III									
Kse Meezan Index Fund	168,089	206,923	938	374,075	18,852	24,084	5,232	2.75	2.74
Meezan Dedicated Equity Fund	1,980,130	820,109	1,976,778	823,460	32,119	34,812	2,693	3.97	3.96
Meezan Islamic Fund	10,949,099	1,080,780	1,971,476	10,058,402	480,448	579,617	99,170	66.11	65.92
Meezan Cash Fund	116,448	-	116,448	-	-	-	-	-	-
Meezan Islamic Income Fund	4,056,912	1,361,671	5,418,583	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,222,400	5,550,915	1,959,367	4,813,949	240,697	240,697	-	27.46	27.38
					<u>772,116</u>	<u>879,211</u>	<u>107,095</u>	<u>100.29</u>	<u>100.00</u>

Name of investee funds	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (loss) / gain as at December 31, 2019	Percentage in relation to	
	----- (Number of units) -----				----- (Rupees in '000) -----			Net assets of the Fund on the basis of market value	Total market value of investments
								----- (Percentage) -----	
Meezan Strategic Allocation Plan-IV									
Al Meezan Mutual Fund	1,877,734	2,318,303	-	4,196,037	55,079	67,624	12,545	6.99	6.96
Kse Meezan Index Fund	190,753	206,923	994	396,682	20,049	25,540	5,491	2.64	2.63
Meezan Dedicated Equity Fund	1,740,577	1,884,785	2,328,394	1,296,968	45,025	54,830	9,805	5.67	5.64
Meezan Islamic Fund	12,489,097	808,964	3,446,984	9,851,076	478,388	567,670	89,282	58.68	58.41
Meezan Cash Fund	158,201	-	158,201	-	-	-	-	-	-
Meezan Islamic Income Fund	4,583,447	1,558,582	6,142,029	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,378,452	5,765,768	2,021,040	5,123,180	256,159	256,159	-	26.48	26.36
					854,701	971,823	117,122	100.46	100.00
Meezan Strategic Allocation Plan-V									
Kse Meezan Index Fund	56,659	-	142	56,518	2,993	3,639	646	1.52	1.54
Meezan Dedicated Equity Fund	978,486	-	274,392	704,093	25,005	29,766	4,761	12.47	12.63
Meezan Islamic Fund	3,635,008	-	1,196,390	2,438,618	116,883	140,526	23,643	58.87	59.63
Meezan Cash Fund	786,420	-	786,420	-	-	-	-	-	-
Meezan Islamic Income Fund	787,065	272,288	1,059,353	-	-	-	-	-	-
Meezan Rozana Amdani Fund	220,080	1,795,734	780,807	1,235,008	61,750	61,750	-	25.87	26.20
					206,631	235,681	29,050	98.73	100.00
Meezan Strategic Allocation Plan - MCPP-III									
Meezan Dedicated Equity Fund	5,644,575	7,554,482	9,551,014	3,648,044	131,229	154,223	22,994	18.31	18.41
Meezan Cash Fund	-	37,706,592	37,706,592	-	-	-	-	-	-
Meezan Rozana Amdani Fund	4,521,293	37,336,058	28,185,812	13,671,539	683,577	683,577	-	81.14	81.59
Meezan Sovereign Fund	13,138,372	-	13,138,372	-	-	-	-	-	-
					814,806	837,800	22,994	99.44	100.00
Total investments in units of mutual funds									
Al Meezan Mutual Fund	43,544,803	2,318,303	19,818,910	26,044,196	346,885	419,733	72,848	9.53	9.52
Kse Meezan Index Fund	755,458	413,846	200,192	969,112	49,403	62,394	12,992	1.42	1.42
Meezan Dedicated Equity Fund	20,307,076	10,259,375	22,319,220	8,247,231	296,403	348,657	52,253	7.92	7.91
Meezan Islamic Fund	33,415,155	4,451,317	9,904,123	27,962,349	1,346,732	1,611,336	264,604	36.60	36.56
Meezan Cash Fund	1,062,684	49,008,266	50,070,949	-	-	-	-	-	-
Meezan Islamic Income Fund	17,819,479	5,974,246	23,793,725	-	-	-	-	-	-
Meezan Rozana Amdani Fund	9,843,042	78,950,750	49,489,257	39,304,534	1,965,227	1,965,227	-	44.64	44.59
Meezan Sovereign Fund	13,138,372	-	13,138,372	-	-	-	-	-	-
Total					4,004,650	4,407,347	402,697	100.12	100.00

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. Effective from July 1, 2019, the trustee has revised its tariff as under:

Previous tariff		Revised Tariff
Net Assets (Rs.)	Fee	0.070% per annum of Net Assets
Upto 1 Billion	0.10% of Net Assets	
Above 1 Billion	Rs. 1 Million plus 0.075% per annum of Net Assets exceeding Rs. 1 Billion	

Accordingly Fund has charged Trustee Fee @ 0.070% p.a. of Net Assets during the period.

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to fund of funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

December 31, 2019 (Unaudited)								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
Auditors' remuneration payable	69	40	62	68	18	80	337	
Shariah advisory fee payable	30	23	26	28	6	26	139	
Printing charges payable	155	108	116	131	47	109	666	
Capital gain tax	1	4	-	-	-	126	131	
Zakat payable	-	11	-	-	-	85	96	
Provision for Sindh Workers' Welfare Fund	10.1	5,714	1,432	2,369	2,605	566	1,875	14,561
		<u>5,969</u>	<u>1,618</u>	<u>2,573</u>	<u>2,832</u>	<u>637</u>	<u>2,301</u>	<u>15,930</u>

June 30, 2019 (Audited)								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
Auditors' remuneration payable	68	47	54	60	20	75	324	
Shariah advisor fee payable	29	26	24	27	7	26	139	
Printing charges payable	155	106	117	131	45	109	663	
Capital gain tax	-	2	-	-	-	37	39	
Zakat payable	4	11	-	176	10	26	227	
Provision for Sindh Workers' Welfare Fund	10.1	4,481	-	-	-	-	583	5,064
		<u>4,737</u>	<u>192</u>	<u>195</u>	<u>394</u>	<u>82</u>	<u>857</u>	<u>6,456</u>

- 10.1** 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 for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPPIII as at December 31, 2019 would have been higher by Re 0.24/0.62%, 0.11/0.26%, 0.11/0.27, 0.11/0.27, 0.11/0.24% and 0.12/0.22% respectively, (June 30, 2019: 0.153/0.42% and 0.027/0.05% for MSAP-I & MCPPIII respectively).

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons / 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, 2019 (Unaudited)						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)						
AI Meezan Investment Management Limited - Management Company						
Remuneration payable (Rs in '000)	5	1	-	1	3	16
Sindh Sales Tax on management fee (Rs in '000)	1	-	-	1	-	3
Allocated expenses (Rs in '000)	79	46	74	81	71	371
Meezan Bank Limited						
Bank balance (Rs in '000)	5,539	522	583	1,022	3,758	19,359
Profit receivable (Rs in '000)	68	18	8	36	32	228
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs. in '000)	55	32	51	57	14	259
Sindh Sales Tax on trustee fee payable (Rs. in '000)	7	4	7	7	2	33
AI Meezan Mutual Fund						
Investment (Rs in '000)	143,757	208,353	-	67,624	-	419,733
Investment (Units)	8,920,012	12,928,147	-	4,196,037	-	26,044,196
Kse Meezan Index Fund						
Investment (Rs in '000)	278	8,854	24,084	25,540	3,639	62,394
Investment (Units)	4,311	137,526	374,075	396,682	56,518	969,112
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	32,585	42,440	34,812	54,830	29,766	348,657
Investment (Units)	770,785	1,003,881	823,460	1,296,968	704,093	8,247,231
Meezan Islamic Fund						
Investment (Rs in '000)	178,314	145,209	579,617	567,670	140,526	1,611,336
Investment (Units)	3,094,372	2,519,880	10,058,402	9,851,076	2,438,618	27,962,349
Meezan Rozana Amdani Fund						
Investment (Rs in '000)	578,167	144,876	240,697	256,159	61,750	1,965,227
Investment (Units)	11,563,341	2,897,518	4,813,949	5,123,180	1,235,008	39,304,534
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	102,439	110,454	269,953	-	75,484	558,330
Investment (Units)	2,602,512	2,645,091	6,645,828	-	1,602,342	13,495,773
June 30, 2019 (Audited)						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)						
AI Meezan Investment Management Limited - Management Company						
Remuneration payable (Rs in '000)	10	4	4	4	5	29
Sindh Sales Tax on management fee (Rs in '000)	1	1	1	1	-	5
Allocated expenses (Rs in '000)	93	61	75	86	27	434
Investment (Rs in '000)	-	71,996	-	-	-	71,996
Investment (Units)	-	1,999,600	-	-	-	1,999,600
Meezan Bank Limited						
Bank balance (Rs in '000)	11,958	4,377	13,180	335	13,450	44,438
Profit receivable (Rs in '000)	54	11	13	11	11	109
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs in '000)	74	49	60	68	21	346
Sindh Sales Tax on trustee fee payable (Rs in '000)	10	6	8	8	3	45

June 30, 2019 (Audited)						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
(Rupees in '000)						
Directors and Executives of the management company						
Investment (Rs in '000)	-	-	(12,369)	-	-	(12,369)
Investment (Units)	-	-	(352,640)	-	-	(352,640)
AI Meezan Mutual Fund						
Investment (Rs in '000)	251,742	304,767	-	25,079	-	581,589
Investment (Units)	18,848,470	22,818,599	-	1,877,734	-	43,544,803
Kse Meezan Index Fund						
Investment (Rs in '000)	10,700	7,300	8,900	10,100	3,000	40,000
Investment (Units)	202,085	137,871	168,089	190,753	56,659	755,458
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	309,838	43,995	70,322	61,814	34,750	721,177
Investment (Units)	8,724,482	1,238,827	1,980,130	1,740,577	978,486	20,307,076
Meezan Islamic Fund						
Investment (Rs in '000)	160,957	143,013	524,790	598,602	174,226	1,601,588
Investment (Units)	3,358,169	2,983,781	10,949,099	12,489,097	3,635,008	33,415,155
Meezan Rozana Amdani Fund						
Investment (Rs in '000)	74,324	50,717	61,120	68,923	11,004	492,152
Investment (Units)	1,486,485	1,014,332	1,222,400	1,378,452	220,080	9,843,042
Meezan Cash Fund						
Investment (Rs in '000)	-	81	5,873	7,978	39,660	53,593
Investment (Units)	-	1,615	116,448	158,201	786,420	1,062,684
Meezan Sovereign Fund						
Investment (Rs in '000)	-	-	-	-	-	676,437
Investment (Units)	-	-	-	-	-	13,138,372
Meezan Islamic Income Fund						
Investment (Rs in '000)	256,133	175,147	208,490	235,550	40,448	915,768
Investment (Units)	4,983,964	3,408,091	4,056,912	4,583,447	787,065	17,819,478
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	-	95,237	233,104	356,182	76,205	930,401
Investment (Units)	-	2,645,091	6,645,828	9,990,010	1,868,272	24,463,050
Transactions during the period						
For the period ended December 31, 2019						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
(Unaudited)						
AI Meezan Investment Management Limited - Management Company						
Remuneration for the period (Rs in '000)	34	24	21	12	39	162
Sindh Sales Tax on management fee (Rs in '000)	4	2	3	2	5	20
Allocated expenses (Rs in '000)	472	274	409	447	123	2,197
Redeemed during the period (Rs in '000)	-	68,876	-	-	-	68,876
Redeemed during the period (Units)	-	1,999,600	-	-	-	1,999,600
Meezan Bank Limited						
Profit on saving account (Rs in '000)	357	179	208	296	213	1,745
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee (Rs in '000)	331	192	286	313	86	1,539
Sindh Sales Tax on trustee fee (Rs in '000)	43	25	37	41	11	200
AI Meezan Mutual Fund						
Invested during the period (Rs in '000)	-	-	-	30,000	-	30,000
Invested during the period (Units)	-	-	-	2,318,303	-	2,318,303
Redeemed during the period (Rs in '000)	124,470	124,760	-	-	-	249,230
Redeemed during the period (Units)	9,928,458	9,890,452	-	-	-	19,818,910

For the period ended December 31, 2019							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Unaudited)							
Kse Meezan Index Fund							
Invested during the period (Rs in '000)	-	-	10,000	10,000	-	-	20,000
Invested during the period (Units)	-	-	206,923	206,923	-	-	413,846
Redeemed during the period (Rs in '000)	10,027	18	48	51	7	-	10,152
Redeemed during the period (Units)	197,774	345	938	994	142	-	200,192
Meezan Dedicated Equity Fund							
Invested during the period (Rs in '000)	-	-	32,000	65,000	-	258,000	355,000
Invested during the period (Units)	-	-	820,109	1,884,785	-	7,554,482	10,259,375
Redeemed during the period (Rs in '000)	275,200	8,300	68,000	87,430	9,650	316,385	764,965
Redeemed during the period (Units)	7,953,696	234,945	1,976,778	2,328,394	274,392	9,551,014	22,319,220
Meezan Islamic Fund							
Invested during the period (Rs in '000)	125,000	-	50,000	45,000	-	-	220,000
Invested during the period (Units)	2,561,573	-	1,080,780	808,964	-	-	4,451,317
Redeemed during the period (Rs in '000)	128,060	22,810	93,310	156,890	52,340	-	453,410
Redeemed during the period (Units)	2,825,371	463,901	1,971,476	3,446,984	1,196,390	-	9,904,123
Meezan Cash Fund							
Invested during the period (Rs in '000)	596,752	-	-	-	-	1,920,793	2,517,545
Invested during the period (Units)	11,301,674	-	-	-	-	37,706,592	49,008,266
Redeemed during the period (Rs in '000)	597,678	83	5,962	8,081	40,264	1,944,928	2,596,997
Redeemed during the period (Units)	11,301,674	1,615	116,448	158,201	786,420	37,706,592	50,070,949
Meezan Islamic Income Fund							
Invested during the period (Rs in '000)	85,606	58,413	70,498	80,687	14,090	-	309,295
Invested during the period (Units)	1,653,461	1,128,244	1,361,670	1,558,582	272,289	-	5,974,246
Redeemed during the period (Rs in '000)	346,444	236,405	282,706	320,327	55,178	-	1,241,059
Redeemed during the period (Units)	6,637,425	4,536,335	5,418,583	6,142,029	1,059,353	-	23,793,725
Meezan Rozana Amdani Fund							
Invested during the period (Rs in '000)	1,246,831	178,283	277,546	288,288	89,787	1,866,803	3,947,537
Invested during the period (Units)	24,936,618	3,565,656	5,550,915	5,765,768	1,795,734	37,336,058	78,950,750
Redeemed during the period (Rs in '000)	742,988	84,123	97,968	101,052	39,040	1,409,291	2,474,463
Redeemed during the period (Units)	14,859,762	1,682,470	1,959,367	2,021,040	780,807	28,185,812	49,489,257
Dividend during the period (Rs in '000)	22,292	7,584	11,531	12,361	3,209	24,806	81,783
Dividend during the period (Units)	445,848	151,670	230,627	247,215	64,189	496,118	1,635,667
Meezan Sovereign Fund							
Redeemed during the period (Rs in '000)	-	-	-	-	-	677,403	677,403
Redeemed during the period (Units)	-	-	-	-	-	13,138,372	13,138,372
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

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 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, 2020 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.

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

		As at December 31, 2019			
		Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
ASSETS					
Financial assets 'at fair value through profit or loss'					
Units of mutual funds		-	4,407,347	-	4,407,347
----- (Rupees in '000) -----					
		As at June 30, 2019			
		Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
ASSETS					
Financial assets 'at fair value through profit or loss'					
Units of mutual funds		-	5,082,304	-	5,082,304

16 GENERAL

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

16.2 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.

17 DATE OF AUTHORISATION FOR ISSUE

17.1 These condensed interim financial statements were authorised for issue on February 10, 2020 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director

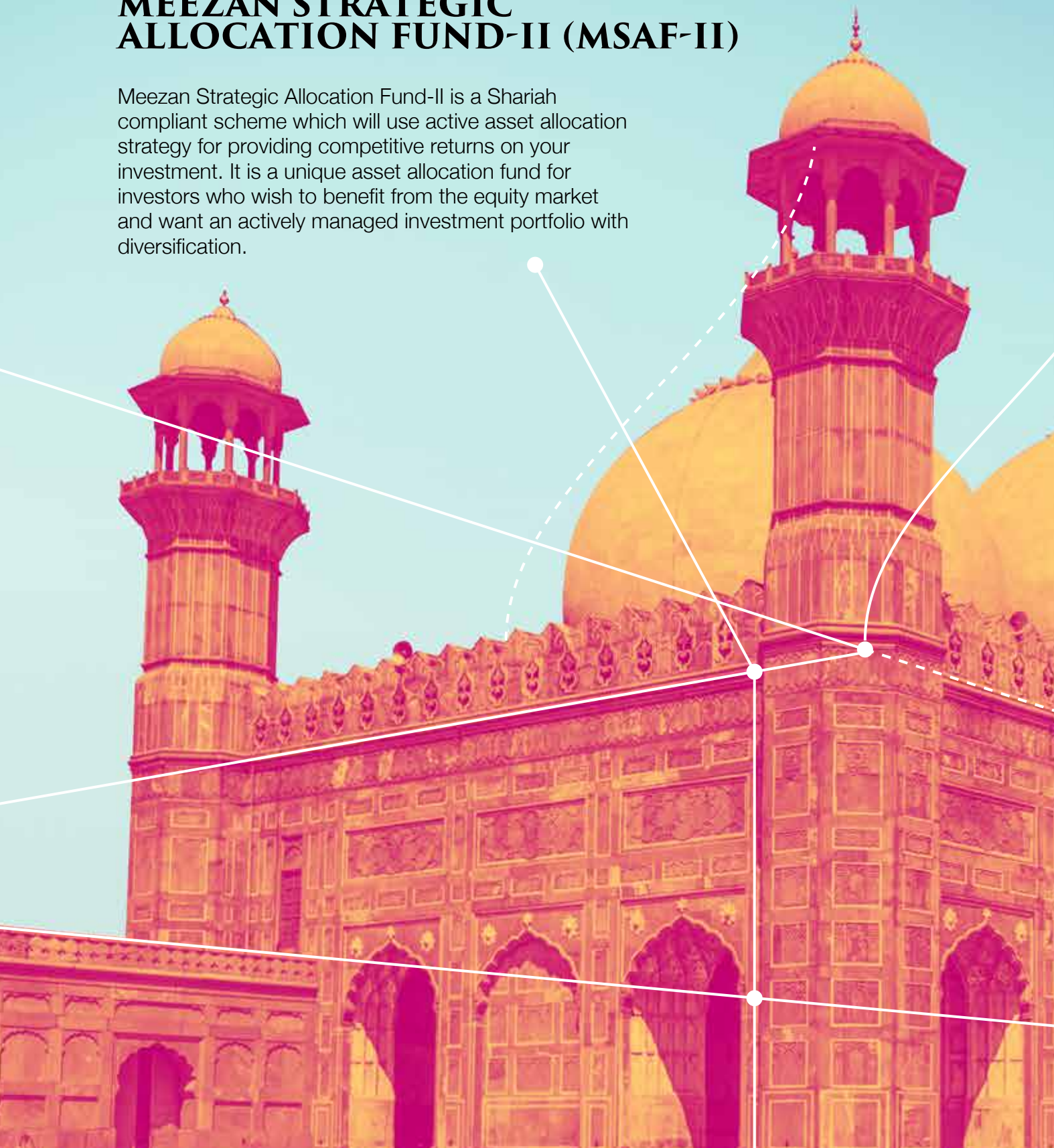


Meezan

Strategic Allocation Fund-II

MEEZAN STRATEGIC ALLOCATION FUND-II (MSAF-II)

Meezan Strategic Allocation Fund-II is a Shariah compliant scheme which will use active asset allocation strategy for providing competitive returns on your investment. It is a unique asset allocation fund for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.



PLANTING PROGRESS IN THE CITY OF GARDENS

- ◆ DHA Lahore Branch
- ◆ Gulberg Branch, Lahore
- ◆ Johar Town Branch

**BADSHAHI MOSQUE
(LAHORE)**



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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:

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.
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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, 2019 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 25, 2020



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, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019



Meezan
 Strategic Allocation Fund-II

December 31, 2019 (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	2,603	2,315	2,098	409	3,964	11,389
Investments	6	1,378,524	305,814	299,270	168,948	95,551	2,248,107
Receivable against sale of investments		280	1,610	110	-	-	2,000
Advances, deposits and other receivables		304	142	99	48	65	658
Total assets		<u>1,381,711</u>	<u>309,881</u>	<u>301,577</u>	<u>169,405</u>	<u>99,580</u>	<u>2,262,154</u>
Liabilities							
Payable to Al Meezan Investment Management Limited - Management Company		122	30	29	18	24	223
Payable to Central Depository Company of Pakistan Limited - Trustee	7	93	24	20	12	7	156
Payable to Securities and Exchange Commission of Pakistan		143	40	34	19	11	247
Payable against purchase of investments		991	477	215	148	60	1,891
Payable against redemption and conversion of units		1,145	1,704	223	-	110	3,182
Accrued expenses and other liabilities	10	3,270	1,651	872	461	223	6,477
Total liabilities		<u>5,764</u>	<u>3,926</u>	<u>1,393</u>	<u>658</u>	<u>435</u>	<u>12,176</u>
NET ASSETS		<u>1,375,947</u>	<u>305,955</u>	<u>300,184</u>	<u>168,747</u>	<u>99,145</u>	<u>2,249,978</u>
CONTINGENCIES AND COMMITMENTS							
9							
Unit holders' fund (as per statement attached)		<u>1,375,947</u>	<u>305,955</u>	<u>300,184</u>	<u>168,747</u>	<u>99,145</u>	<u>2,249,978</u>
----- (Number of units) -----							
Number of units in issue		<u>25,128,898</u>	<u>5,568,541</u>	<u>5,491,155</u>	<u>3,057,729</u>	<u>1,838,201</u>	
----- (Rupees) -----							
Net asset value per unit		<u>54.7556</u>	<u>54.9435</u>	<u>54.6668</u>	<u>55.1872</u>	<u>53.9359</u>	

The annexed notes 1 to 17 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 - II
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		June 30, 2019 (Audited)					
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total
Note		(Rupees in '000)					
Assets							
	5	1,876	908	1,845	2,960	2,286	9,875
	6	1,568,641	474,109	382,823	204,711	128,551	2,758,835
		<u>52</u>	<u>5</u>	<u>21</u>	<u>12</u>	<u>7</u>	<u>97</u>
		1,570,569	475,022	384,689	207,683	130,844	2,768,807
Liabilities							
		137	44	45	20	25	271
	7	123	40	36	17	10	226
		1,803	626	467	176	56	3,128
		-	252	-	35	-	287
		14,713	-	50	-	9	14,772
	10	745	153	65	23	20	1,006
		<u>17,521</u>	<u>1,115</u>	<u>663</u>	<u>271</u>	<u>120</u>	<u>19,690</u>
NET ASSETS		<u>1,553,048</u>	<u>473,907</u>	<u>384,026</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
CONTINGENCIES AND COMMITMENTS							
Unit holders' fund (as per statement attached)		<u>1,553,048</u>	<u>473,907</u>	<u>384,026</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
		----- (Number of units) -----					
Number of units in issue		<u>30,985,762</u>	<u>9,456,605</u>	<u>7,686,873</u>	<u>4,144,993</u>	<u>2,667,944</u>	
		----- (Rupees) -----					
Net asset value per unit		<u>50.1213</u>	<u>50.1139</u>	<u>49.9586</u>	<u>50.0391</u>	<u>48.9980</u>	

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019



Six months period ended December 31, 2019						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
----- (Rupees in '000) -----						
Income						
Net realised gain / (loss) on sale of investments	12,568	3,800	1,805	2,142	(229)	20,086
Profit on saving accounts with banks	209	103	95	60	177	644
Dividend income	49,932	14,607	12,075	6,530	4,448	87,592
	<u>62,709</u>	<u>18,510</u>	<u>13,975</u>	<u>8,732</u>	<u>4,396</u>	<u>108,322</u>
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	60,961	14,711	14,276	9,176	5,404
Total income		<u>123,670</u>	<u>33,221</u>	<u>28,251</u>	<u>17,908</u>	<u>9,800</u>
Expenses						
Remuneration to AI Meezan Investment Management Limited - Management Company		11	6	10	9	18
Sindh Sales Tax on remuneration of the Management Company		1	1	1	1	2
Allocated expenses	12	701	195	165	92	54
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7	491	137	115	65	38
Sindh Sales Tax on remuneration of the Trustee		64	18	15	8	5
Annual fee to Securities and Exchange Commission of Pakistan	8	143	40	34	19	11
Auditors' remuneration		181	55	47	27	15
Fees and subscription		139	37	29	15	9
Provision for Sindh Workers' Welfare Fund	10.1	2,438	655	556	353	193
Bank and settlement charges		13	3	7	1	-
Total expenses		<u>4,182</u>	<u>1,147</u>	<u>979</u>	<u>590</u>	<u>345</u>
Net income for the period before taxation		<u>119,488</u>	<u>32,074</u>	<u>27,272</u>	<u>17,318</u>	<u>9,455</u>
Taxation	14	-	-	-	-	-
Net income for the period after taxation		<u>119,488</u>	<u>32,074</u>	<u>27,272</u>	<u>17,318</u>	<u>9,455</u>
Allocation of net income for the period						
Net income for the period after taxation		119,488	32,074	27,272	17,318	9,455
Income already paid on units redeemed		(3,035)	(5,180)	(1,419)	(1,577)	(378)
		<u>116,453</u>	<u>26,894</u>	<u>25,853</u>	<u>15,741</u>	<u>9,077</u>
Accounting income available for distribution						
- Relating to capital gains		73,529	18,511	16,081	11,318	5,175
- Excluding capital gains		42,924	8,383	9,772	4,423	3,902
		<u>116,453</u>	<u>26,894</u>	<u>25,853</u>	<u>15,741</u>	<u>9,077</u>

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	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	
		MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total
Note		(Rupees in '000)					
Income							
Net realised (loss) / gain on sale of investments	(14,418)	(4,863)	118	886	-	(18,277)	
Profit on balances 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 appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss' (net)	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	12	1,021	368	222	50	-	1,661
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7	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	8	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	10.1	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	14	-	-	-	-	-	-
Net Income / (loss) for the period after 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 17 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 STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019



Meezan
 Strategic Allocation Fund-II

For the quarter ended December 31, 2019						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Income						
	5,417	2,973	1,283	1,346	849	11,868
	75	81	64	17	109	346
	31,299	8,142	6,895	3,757	2,036	52,129
	36,791	11,196	8,242	5,120	2,994	64,343
	Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'					
6.1	78,188	20,559	19,473	12,369	5,404	135,993
	114,979	31,755	27,715	17,489	8,398	200,336
Expenses						
	6	2	6	3	9	26
	-	1	-	-	1	2
12	345	90	79	45	24	583
	241	64	54	32	17	408
	32	9	7	4	2	54
	-	-	-	-	-	-
8	69	18	16	9	5	117
	133	43	37	21	12	246
	100	25	19	10	6	160
10.1	2,280	630	550	347	166	3,973
	13	3	2	1	-	19
	3,219	885	770	472	242	5,588
	111,760	30,870	26,945	17,017	8,156	194,748
	-	-	-	-	-	-
	111,760	30,870	26,945	17,017	8,156	194,748

The annexed notes 1 to 17 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 - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

Note	For the quarter ended December 31, 2018					Total
	MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-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
Dividend income	-	-	-	-	-	-
	2,182	(2,447)	364	1,106	8	1,213
Net unrealised appreciation / (diminution) 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)	12,016	2,432	2,809	(1,210)	21	16,068
Expenses						
Remuneration to AI 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	208	37	55	-	-	300
Bank and settlement charges	4	3	7	14	1	29
Total expenses	1,789	593	553	234	4	3,173
Net income / (loss) for the quarter before taxation	10,227	1,839	2,256	(1,444)	17	12,895
Taxation	-	-	-	-	-	-
Net income / (loss) for the quarter after taxation	10,227	1,839	2,256	(1,444)	17	12,895

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019



Meezan
 Strategic Allocation Fund-II

Six months period ended December 31, 2019						
MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total	
----- (Rupees in '000) -----						
Net income for the period after taxation	119,488	32,074	27,272	17,318	9,455	205,607
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	<u>119,488</u>	<u>32,074</u>	<u>27,272</u>	<u>17,318</u>	<u>9,455</u>	<u>205,607</u>

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	
MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total	
----- (Rupees in '000) -----						
Net income / (loss) for the period after taxation	16,049	4,139	2,675	(1,441)	16	21,438
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive Income / (loss) for the period	<u>16,049</u>	<u>4,139</u>	<u>2,675</u>	<u>(1,441)</u>	<u>16</u>	<u>21,438</u>

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	For the quarter ended December 31, 2019					Total
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	
	(Rupees in '000)					
Net income for the quarter after taxation	111,760	30,870	26,945	17,017	8,156	194,748
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive income for the quarter	<u>111,760</u>	<u>30,870</u>	<u>26,945</u>	<u>17,017</u>	<u>8,156</u>	<u>194,748</u>

	For the quarter ended December 31, 2018				For the period from December 17, 2018 to December 31, 2018	Total
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	
	(Rupees in '000)					
Net income for the quarter after taxation	10,227	1,839	2,256	(1,444)	17	12,895
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive income / (loss) for the quarter	<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 17 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 STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Six months period ended			Six months period ended			Six months period ended			Six months period ended			Six months period ended					
	MCPPIV			MCPPIV			MCPPIV			MCPPIV			Total					
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)					
Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	
Net assets at the beginning of the period	1,563,055	(10,007)	1,553,048	473,102	805	473,907	385,555	(1,529)	384,026	209,309	(1,897)	207,412	134,344	(3,620)	130,724	2,765,365	(16,248)	2,749,117
Redemption of units:																		
MCPPIV: 5,856,864 / MCPPIV: 3,888,064 /																		
MCPPIV: 2,195,718 MCPPIV: 1,087,264 /																		
MCPPIV: 829,743 units																		
- Capital value (at net asset value per unit at the beginning of the period)	293,554	-	293,554	194,846	-	194,846	109,695	-	109,695	54,406	-	54,406	40,656	-	40,656	693,157	-	693,157
- Element of income	-	3,035	3,035	-	5,180	5,180	-	1,419	1,419	-	1,577	1,577	-	378	378	-	11,589	11,589
Total payments on redemption of units	293,554	3,035	296,589	194,846	5,180	200,026	109,695	1,419	111,114	54,406	1,577	55,983	40,656	378	41,034	693,157	11,589	704,746
Total comprehensive income for the period	-	119,488	119,488	-	32,074	32,074	-	27,272	27,272	-	17,318	17,318	-	9,455	9,455	-	205,607	205,607
Net income for the period less distribution	-	119,488	119,488	-	32,074	32,074	-	27,272	27,272	-	17,318	17,318	-	9,455	9,455	-	205,607	205,607
Net assets at the end of the period	<u>1,269,501</u>	<u>106,446</u>	<u>1,375,947</u>	<u>278,204</u>	<u>27,699</u>	<u>305,955</u>	<u>275,860</u>	<u>24,324</u>	<u>300,184</u>	<u>154,952</u>	<u>13,844</u>	<u>168,747</u>	<u>93,693</u>	<u>5,457</u>	<u>99,145</u>	<u>2,072,210</u>	<u>177,770</u>	<u>2,249,978</u>
(Accumulated loss) / income brought forward																		
- Realised income / (loss)		26,661			13,730			10,331			4,551			(3,616)			51,657	
- Unrealised loss		(36,668)			(12,925)			(11,860)			(6,448)			(4)			(67,905)	
		(10,007)			805			(1,529)			(1,897)			(3,620)			(16,248)	
Accounting income available for distribution																		
- Relating to capital gains		73,529			18,511			16,081			11,318			5,175			124,614	
- Excluding capital gains		42,924			8,383			9,772			4,423			3,902			69,404	
		116,453			26,894			25,853			15,741			9,077			194,018	
Distribution during the period		-			-			-			-			-			-	
Undistributed income carried forward		<u>106,446</u>			<u>27,699</u>			<u>24,324</u>			<u>13,844</u>			<u>5,457</u>			<u>177,770</u>	
Undistributed income carried forward																		
- Realised income		45,485			12,988			10,048			4,668			53			73,242	
- Unrealised Income		60,961			14,711			14,276			9,176			5,404			104,528	
		<u>106,446</u>			<u>27,699</u>			<u>24,324</u>			<u>13,844</u>			<u>5,457</u>			<u>177,770</u>	
Net asset value per unit as at the beginning of the period		<u>50.1213</u>			<u>50.1139</u>			<u>49.9586</u>			<u>50.0391</u>			<u>48.9980</u>			<u>53.9359</u>	
Net asset value per unit as at the end of the period		<u>54.7556</u>			<u>54.9435</u>			<u>54.6668</u>			<u>55.1872</u>			<u>53.9359</u>				

The annexed notes 1 to 17 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 - II
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	Six months period ended December			Six months period ended			For the period from July 10, 2018			For the period from September 26,			For the period from December 17,			Six months period ended December		
	MCPV-IV			MCPV-V			MCPV-VI			MCPV-VII			MCPV-VIII			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	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:																		
MCPV-V: 1,643,879 / MCPV-VI: 13,205,775 / MCPV-VII: 7,646,584 units / MCPV-VIII: 465,913 units																		
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	82,243	-	82,243	660,289	-	660,289	382,329	-	382,329	23,296	-	23,296	1,148,157	-	1,148,157
- Element of (loss) / income	-	-	-	(417)	-	(417)	3,028	-	3,028	4,471	-	4,471	9	-	9	7,091	-	7,091
Total proceeds on issuance of units	-	-	-	81,826	-	81,826	663,317	-	663,317	386,800	-	386,800	23,305	-	23,305	1,155,248	-	1,155,248
Redemption of units:																		
MCPV-IV: 4,197,829 / MCPV-V: 3,220,426 / MCPV-VI: 1,430,794 / MCPV-VII: 7,80,277 units																		
- Capital value (at net asset value per unit at the beginning of the period)	209,050	-	209,050	161,117	-	161,117	71,540	-	71,540	39,014	-	39,014	-	-	-	480,721	-	480,721
- Element of loss	(8)	1,188	1,180	(207)	838	631	291	436	72,267	474	-	474	-	-	-	550	2,462	3,012
Total payments on redemption of units	209,042	1,188	210,230	160,910	838	161,748	71,831	436	72,267	39,488	-	39,488	-	-	-	481,271	2,462	483,733
Total comprehensive income / (loss) for the period		16,046	16,046		4,139	4,139		2,674	2,674		(1,442)	(1,442)		17	17		21,434	21,434
Distribution during the period		-	-		-	-		-	-		-	-		-	-		-	-
Net income / (loss) for the period less distribution		16,046	16,046		4,139	4,139		2,674	2,674		(1,442)	(1,442)		17	17		21,434	21,434
Net assets at the end of the period	<u>1,926,293</u>	<u>(5,107)</u>	<u>1,921,186</u>	<u>654,436</u>	<u>3,149</u>	<u>657,585</u>	<u>591,486</u>	<u>2,238</u>	<u>593,724</u>	<u>347,312</u>	<u>(1,442)</u>	<u>345,870</u>	<u>23,305</u>	<u>17</u>	<u>23,322</u>	<u>3,542,832</u>	<u>(1,145)</u>	<u>3,541,687</u>
Accumulated loss brought forward																		
- Realised loss		(24,191)			(857)			-			-			-			(25,048)	
- Unrealised income		4,226			705			-			-			-			4,931	
		<u>(19,965)</u>			<u>(152)</u>			<u>-</u>			<u>-</u>			<u>-</u>			<u>(20,117)</u>	
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	
		<u>14,858</u>			<u>3,301</u>			<u>2,238</u>						<u>17</u>			<u>20,414</u>	
Net loss for the period after taxation		-			-			-			(1,442)			-			(1,442)	
Distribution during the period		-			-			-			-			-			-	
(Accumulated loss) / undistributed income carried forward		<u>(5,107)</u>			<u>3,149</u>			<u>2,238</u>			<u>(1,442)</u>			<u>17</u>			<u>(1,145)</u>	
(Accumulated loss) / undistributed income carried forward																		
- Realised (loss) / income		(25,117)			(5,612)			(889)			874			4			(30,740)	
- Unrealised income / (loss)		20,010			8,761			3,127			(2,316)			13			29,595	
		<u>(5,107)</u>			<u>3,149</u>			<u>2,238</u>			<u>(1,442)</u>			<u>17</u>			<u>(1,145)</u>	
			Rupees		Rupees			Rupees			Rupees			Rupees			Rupees	
Net asset value per unit as at the beginning of the period			<u>49.7996</u>		<u>50.0298</u>			<u>-</u>			<u>-</u>			<u>-</u>			<u>-</u>	
Net asset value per unit as at the end of the period			<u>50.1880</u>		<u>50.2661</u>			<u>50.4225</u>			<u>50.3721</u>			<u>50.0567</u>			<u>50.0567</u>	

The annexed notes 1 to 17 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 - II
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019**



Meezan
Strategic Allocation Fund-II

	Six months period ended December 31, 2019					
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
	(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period before taxation	119,488	32,074	27,272	17,318	9,455	205,607
Adjustments for:						
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	(60,961)	(14,711)	(14,276)	(9,176)	(5,404)	(104,528)
	58,527	17,363	12,996	8,142	4,051	101,079
Decrease in assets						
Investments - net	251,078	183,006	97,829	44,939	38,404	615,256
Receivable against sale of investments	(280)	(1,610)	(110)	-	-	(2,000)
Advances, deposits and other receivables	(252)	(137)	(78)	(36)	(58)	(561)
	250,546	181,259	97,641	44,903	38,346	612,695
Increase in liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	(15)	(14)	(16)	(2)	(1)	(48)
Payable to Central Depository Company of Pakistan Limited - Trustee	(30)	(16)	(16)	(5)	(3)	(70)
Payable to Securities and Exchange Commission of Pakistan	(1,660)	(586)	(433)	(157)	(45)	(2,881)
Payable against purchase of investments	991	225	215	113	60	1,604
Accrued expenses and other liabilities	2,525	1,498	807	438	203	5,471
	1,811	1,107	557	387	214	4,076
Net cash generated from operating activities	310,884	199,729	111,194	53,432	42,611	717,850
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments against redemption and conversion of units	(310,157)	(198,322)	(110,941)	(55,983)	(40,933)	(716,336)
Net cash used in financing activities	(310,157)	(198,322)	(110,941)	(55,983)	(40,933)	(716,336)
Net increase / (decrease) in cash and cash equivalents during the period	727	1,407	253	(2,551)	1,678	1,514
Cash and cash equivalents at the beginning of the period	1,876	908	1,845	2,960	2,286	9,875
Cash and cash equivalents at the end of the period	2,603	2,315	2,098	409	3,964	11,389

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

	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)						
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)
Advances, deposits and 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 AI 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 17 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 STRATEGIC ALLOCATION FUND - II
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 unit holders 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 unit holders. 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 comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. 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 (MCPP-IV), Meezan Capital Preservation Plan-V (MCPP-V), Meezan Capital Preservation Plan-VI (MCPP-VI), Meezan Capital Preservation Plan-VII (MCPP-VII) and Meezan Capital Preservation Plan-VIII (MCPP-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.

Meezan Capital Preservation Plan-IV (MCPP-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 (MCPP-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.
Meezan Capital Preservation Plan-VI (MCPP-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 (MCPP-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 (MCPP-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 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 year ended June 30, 2019.

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, 2019.

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

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited)					Total
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	
		----- (Rupees in '000) -----					
Saving accounts	5.1	2,593	2,305	2,098	409	3,964	11,369
Current accounts		10	10	-	-	-	20
		<u>2,603</u>	<u>2,315</u>	<u>2,098</u>	<u>409</u>	<u>3,964</u>	<u>11,389</u>
		June 30, 2019 (Audited)					
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total
		----- (Rupees in '000) -----					
Saving accounts	5.1	1,866	908	1,845	2,960	2,286	9,865
Current accounts		10	-	-	-	-	10
		<u>1,876</u>	<u>908</u>	<u>1,845</u>	<u>2,960</u>	<u>2,286</u>	<u>9,875</u>

- 5.1 The balances in savings accounts have an expected profit which ranges from 7.22% to 11.50% (June 30, 2019 6.30% to 11.85%) per annum.

6. INVESTMENTS

	Note	December 31, 2019 (Unaudited)					Total
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	
		----- (Rupees in '000) -----					
Investments - 'at fair value through profit or loss'	6.1	<u>1,378,524</u>	<u>305,814</u>	<u>299,270</u>	<u>168,948</u>	<u>95,551</u>	<u>2,248,107</u>
		June 30, 2019 (Audited)					
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total
		----- (Rupees in '000) -----					
Investments - 'at fair value through profit or loss'		<u>1,568,641</u>	<u>474,109</u>	<u>382,823</u>	<u>204,711</u>	<u>128,551</u>	<u>2,758,835</u>

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation as at December 31, 2019	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)	
Meezan Capital Preservation Plan - IV									
Meezan Dedicated Equity Fund	10,044,192	6,154,962	4,896,533	11,302,621	416,864	477,825	60,961	34.73	34.66
Meezan Cash Fund	-	25,330,703	25,330,703	-	-	-	-	-	-
Meezan Sovereign Fund	17,633,059	-	17,633,059	-	-	-	-	-	-
Meezan Rozana Amdani Fund	6,081,739	26,465,360	14,533,116	18,013,982	900,699	900,699	-	65.46	65.34
					1,317,563	1,378,524	60,961	100.19	100
Meezan Capital Preservation Plan - V									
Meezan Dedicated Equity Fund	3,081,261	924,174	1,564,049	2,441,387	88,500	103,211	14,711	33.73	33.75
Meezan Cash Fund	-	7,369,913	7,369,913	-	-	-	-	-	-
Meezan Sovereign Fund	5,140,343	-	5,140,343	-	-	-	-	-	-
Meezan Rozana Amdani Fund	2,000,572	7,424,174	5,372,680	4,052,066	202,603	202,603	-	66.22	66.25
					291,103	305,814	14,711	99.95	100
Meezan Capital Preservation Plan - VI									
Meezan Dedicated Equity Fund	2,745,310	746,443	1,041,621	2,450,132	89,305	103,581	14,276	34.51	34.61
Meezan Cash Fund	-	5,855,373	5,855,373	-	-	-	-	-	-
Meezan Sovereign Fund	4,162,470	-	4,162,470	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,420,406	6,172,672	3,679,302	3,913,777	195,689	195,689	-	65.19	65.39
					284,994	299,270	14,276	99.70	100
Meezan Capital Preservation Plan - VII									
Meezan Dedicated Equity Fund	1,477,397	562,311	481,731	1,557,977	56,688	65,864	9,176	39.03	38.98
Meezan Cash Fund	-	3,058,517	3,058,517	-	-	-	-	-	-
Meezan Sovereign Fund	2,218,732	-	2,218,732	-	-	-	-	-	-
Meezan Rozana Amdani Fund	760,217	3,099,097	1,797,639	2,061,675	103,084	103,084	-	61.09	61.02
					159,772	168,948	9,176	100.12	100
Meezan Capital Preservation Plan - VIII									
Meezan Dedicated Equity Fund	518,566	2,612,441	2,161,102	969,905	35,600	41,003	5,403	41.36	42.91
Meezan Cash Fund	-	4,124,642	4,124,642	-	-	-	-	-	-
Meezan Sovereign Fund	1,692,281	-	1,692,281	-	-	-	-	-	-
Meezan Rozana Amdani Fund	460,132	4,949,641	4,318,808	1,090,965	54,548	54,548	-	55.02	57.09
					90,148	95,551	5,403	96.38	100
Total investments in units of mutual funds									
Meezan Dedicated Equity Fund	17,866,726	11,000,331	10,145,036	18,722,021	686,957	791,484	104,527	35.18	35.21
Meezan Cash Fund	-	45,739,149	45,739,149	-	-	-	-	-	-
Meezan Sovereign Fund	30,846,884	-	30,846,884	-	-	-	-	-	-
Meezan Rozana Amdani Fund	10,723,066	48,110,943	29,701,544	29,132,465	1,456,623	1,456,623	-	64.74	64.79
					2,143,580	2,248,107	104,527	99.92	100

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. Effective from July 1, 2019, the Trustee has revised its remuneration as under:

Net Assets (Rs.)	Previous Tariff	Revised Tariff
Upto 1 billion	0.10% of Net Assets	0.070% per annum of Net Assets
Above 1 billion	Rs. 1 million plus 0.075% P.a of Net Assets exceeding Rs. 1 billion	

Accordingly, the Fund has charged Trustee Fee at the rate of 0.07% per annum during the current period.

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

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to fund of funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

As at December 31, 2019 (Unaudited)							
Note	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total	
(Rupees in '000)							
Auditors' remuneration payable	106	29	25	14	8	182	
Withholding tax payable	15	-	-	-	-	15	
Shariah advisory fee payable	95	22	18	10	6	151	
Printing charges payable	213	8	7	1	1	230	
Provision for Sindh Workers' Welfare Fund	10.1	2,748	715	556	353	193	4,565
Capital gain tax payable	91	855	109	83	4	1,142	
Other payable	-	-	-	-	-	-	
Zakat payable	2	22	157	-	11	192	
	<u>3,270</u>	<u>1,651</u>	<u>872</u>	<u>461</u>	<u>223</u>	<u>6,477</u>	

As at June 30, 2019 (Audited)						
Note	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total
(Rupees in '000)						
Auditors' remuneration payable	115	40	29	12	4	200
Withholding tax payable	15	-	-	-	-	15
Shariah advisory fee payable	88	24	22	11	5	150
Printing charges payable	213	9	7	-	1	230
Provision for Sindh Workers' Welfare Fund	10.1	310	60	-	-	370
Capital gain tax payable	2	5	1	-	-	8
Other payable	-	-	-	-	10	10
Zakat payable	2	15	6	-	-	23
	<u>745</u>	<u>153</u>	<u>65</u>	<u>23</u>	<u>20</u>	<u>1,006</u>

- 10.1** 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 provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit would have been higher by Re 0.11, Re 0.13, Re 0.10, Re 0.12 and 0.10 in MCP-IV, MCP-V, MCP-VI, MCP-VII and MCP-VIII (June 30, 2019: Re. 0.010 and Re. 0.006 per unit for MCP-IV and MCP-V) respectively.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons / 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:

Balances	As at December 31, 2019 (Unaudited)					
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
AI Meezan Investment Management Limited - Management Company						
Remuneration payable (Rs in '000)	4	1	3	4	14	26
Sindh Sales Tax on management fee (Rs in '000)	1	-	-	-	2	3
Allocated expenses (Rs in '000)	117	29	26	14	8	194
Meezan Bank Limited						
Bank balance (Rs in '000)	2,593	2,305	2,098	409	3,964	11,369
Profit receivable (Rs in '000)	17	57	27	8	39	148
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs. in '000)	82	21	18	11	6	138
Sindh Sales Tax on trustee fee payable (Rs. in '000)	11	3	2	1	1	18
Directors and Executives of the Management Company						
Investment (Rs in '000)	5,463	-	-	-	-	5,463
Investment (Units)	99,772	-	-	-	-	99,772
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	477,825	103,211	103,581	65,864	41,003	791,484
Investment (Units)	11,302,621	2,441,387	2,450,132	1,557,977	969,905	18,722,021
Meezan Rozana Amdani Fund						
Investment (Rs in '000)	900,699	202,603	195,689	103,084	54,548	1,456,623
Investment (Units)	18,013,982	4,052,066	3,913,777	2,061,675	1,090,965	29,132,465
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	179,095	-	-	54,476	-	233,572
Investment (Units)	3,270,818	-	-	987,119	-	4,257,936
Balances	As at June 30, 2019 (Audited)					
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
AI Meezan Investment Management Limited - Management Company						
Remuneration payable (Rs in '000)	5	1	5	3	12	26
Sindh Sales Tax on management fee (Rs in '000)	1	-	1	-	2	4
Allocated expenses (Rs in '000)	131	43	39	17	11	241
Meezan Bank Limited						
Bank balance (Rs in '000)	1876	908	1,845	2,960	2,286	9,875
Profit receivable (Rs in '000)	52	5	21	12	7	97
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs in '000)	109	36	32	15	9	201
Sindh Sales Tax on trustee fee payable (Rs in '000)	14	4	4	2	1	25
Directors and Executives of the Management Company						
Investment (Rs in '000)	5,001	-	-	-	-	5,001
Investment (Units)	99,772	-	-	-	-	99,772
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	356,705	109,427	97,496	52,468	18,416	634,512
Investment (Units)	10,044,192	3,081,261	2,745,310	1,477,397	518,566	17,866,726
Meezan Sovereign Fund						
Investment (Rs in '000)	907,849	264,653	214,307	114,233	87,128	1,588,170
Investment (Units)	17,633,059	5,140,343	4,162,470	2,218,732	1,692,281	30,846,884

Balances

As at June 30, 2019 (Audited)

	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
Meezan Rozana Amdani Fund						
Investment (Rs in '000)	304,087	100,029	71,020	38,010	23,007	536,153
Investment (Units)	6,081,739	2,000,572	1,420,406	760,217	460,132	10,723,066

Unitholders holding 10% or more units of the Fund

Investment (Rs in '000)	163,938	-	-	29,598	-	193,536
Investment (Units)	3,270,818	-	-	591,506	-	3,862,324

For the six month period ended December 31, 2019 (Unaudited)

	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
------(Unaudited)-----						
AI Meezan Investment Management Limited - Management Company						
Remuneration for the period (Rs in '000)	11	6	10	9	18	54
Sindh Sales Tax on management fee (Rs in '000)	1	1	1	1	2	6
Allocated expenses (Rs in '000)	701	195	165	92	54	1,207

Meezan Bank Limited

Profit on saving account (Rs in '000)	209	103	95	60	177	644
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Central Depository Company of Pakistan Limited - Trustee

Trustee fee (Rs in '000)	491	137	115	65	38	846
Sindh Sales Tax on trustee fee (Rs in '000)	64	18	15	8	5	110

Meezan Dedicated Equity Fund

Invested during the period (Rs. in '000)	235,000	-	-	-	43,000	278,000
Invested during the period (Units)	6,154,962	924,174	746,443	562,311	2,612,441	11,000,331
Redeemed during the period (Rs. in '000)	172,090	24,510	22,060	6,830	59,579	285,069
Redeemed during the period (Units)	4,896,533	1,564,049	1,041,621	481,731	2,161,102	10,145,036

Meezan Cash Fund

Invested during the period (Rs. in '000)	1,281,552	372,855	296,207	154,708	209,083	2,314,406
Invested during the period (Units)	25,330,703	7,369,913	5,855,373	3,058,517	4,124,642	45,739,149
Redeemed during the period (Rs. in '000)	1,295,575	375,734	298,558	155,937	209,717	2,335,520
Redeemed during the period (Units)	25,330,703	7,369,913	5,855,373	3,058,517	4,124,642	45,739,149

Meezan Sovereign Fund

Invested during the period (Rs. in '000)	-	-	-	-	-	-
Invested during the period (Units)	-	-	-	-	-	-
Redeemed during the period (Rs. in '000)	909,145	265,031	214,613	114,396	87,252	1,590,438
Redeemed during the period (Units)	17,633,059	5,140,343	4,162,470	2,218,732	1,692,281	30,846,884

Meezan Rozana Amdani Fund

Invested during the period (Rs. in '000)	1,323,268	371,209	308,634	154,955	247,482	2,405,547
Invested during the period (Units)	26,465,360	7,424,174	6,172,672	3,099,097	4,949,641	48,110,943
Redeemed during the period (Rs. in '000)	726,656	268,634	183,965	89,882	215,940	1,485,077
Redeemed during the period (Units)	14,533,116	5,372,680	3,679,302	1,797,639	4,318,808	29,701,544
Dividend received during the period (Rs. in '000)	49,932	14,607	12,075	6,530	4,448	87,592
Dividend received during the period (Units)	998,649	292,150	241,504	130,598	88,956	1,751,857

	For the 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	Total
------(Unaudited)-----						

AI Meezan Investment Management Limited - Management Company

Remuneration for the quarter / period	58	65	126	60	3	312
Sindh Sales Tax on management fee	8	9	16	8	-	41
Allocated expenses	1,021	368	222	50	-	1,661

	For the 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	
------(Unaudited)-----						
Meezan Bank Limited						
Profit on saving account	190	186	329	223	9	937
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee (Rs in '000)	844	304	183	41	-	1,372
Sindh Sales Tax on trustee fee (Rs in '000)	110	40	24	5	-	179
Meezan Dedicated Equity Fund						
Invested during the period / quarter (Rs. in '000)	790,800	245,600	184,000	98,000	-	1,318,400
Invested during the period / quarter (Units)	16,971,845	5,325,304	3,942,601	2,187,362	-	28,427,112
Redeemed during the period / quarter (Rs. in '000)	892,312	251,518	92,284	15,092	-	1,251,206
Redeemed during the period / quarter (Units)	19,214,570	5,481,406	1,983,046	318,471	-	26,997,493
Meezan Cash Fund						
Invested during the quarter / period (Rs. in '000)	929,605	441,001	727,000	393,500	11,000	2,502,106
Invested during the quarter / period (Units)	18,231,673	8,681,998	14,282,003	7,633,163	211,552	49,040,390
Redeemed during the quarter / period (Rs. in '000)	977,640	371,770	228,796	116,160	-	1,694,366
Redeemed during the quarter / period (Units)	19,110,914	7,275,649	4,470,669	2,250,089	-	33,107,321
Dividend Received during the quarter / period (Rs. in '000)	13,834	1,360	-	-	-	15,194
Dividend Received during the quarter / period (Units)	274,308	26,959	-	-	-	301,267
Refund of Capital during the quarter / period (Rs. in '000)	59,534	19,413	-	-	-	78,947
Refund of Capital during the quarter / period (Units)	1,180,484	384,939	-	-	-	1,565,423

12. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 are;

	As at December 31, 2019				
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII
Total Expense ratio (including government levies)	0.60%	0.59%	0.60%	0.64%	0.64%
Government levies, Sindh Workers' Fund and SECP Fee	0.38%	0.37%	0.37%	0.41%	0.39%
	As at June 30, 2019				
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII
Total Expense ratio (including government levies)	0.33%	0.33%	0.33%	0.27%	0.24%
Government levies	0.12%	0.12%	0.11%	0.08%	0.06%

This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund Scheme.

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 unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

15. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

- 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, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	(Rupees in '000)			
Units of mutual funds	-	2,248,107	-	2,248,107
ASSETS	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	(Rupees in '000)			
Units of mutual funds	-	2,758,835	-	2,758,835

16. GENERAL

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

16.2 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

17. DATE OF AUTHORISATION FOR ISSUE

February 10, 2020

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



THE CITY OF ANCIENT HISTORY AND RICH CULTURE



Meezan

Strategic Allocation Fund-III

MEEZAN STRATEGIC ALLOCATION FUND-III (MSAF-III)

Meezan Strategic Allocation Fund-III is a Shariah compliant scheme which aims to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income/Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.

**IQBAL MANZIL
(SIALKOT)**

FUND INFORMATION

MANAGEMENT COMPANY

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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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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
Dubai Islamic Bank
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:

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) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND – III

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 – III (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, 2019 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 25, 2020



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 - III** (the Fund) as at December 31, 2019 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, 2019. 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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 26, 2020

Karachi

**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**



Meezan
Strategic Allocation Fund-III

	Note	December 31, 2019 (Unaudited) ----- (Rupees in '000) -----	June 30, 2019 (Audited) MCPPI-IX ----- (Rupees in '000) -----
Assets			
Balances with banks	5	1,177	15,908
Investments	6	97,824	18,944
Profit accrued on balances with banks		19	26
Receivable against investments		12,740	-
Deposits and prepayments		84	-
Total assets		111,844	34,878
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		9	866
Payable to Central Depository Company of Pakistan Limited - Trustee	12	7	1
Payable to Securities and Exchange Commission of Pakistan	7	9	1
Payable against investments		12,063	-
Payable against redemption and conversions		740	-
Accrued expenses and other liabilities	9	430	80
Total liabilities		13,258	948
Net assets		98,586	33,930
Unit holders' fund (as per statement attached)		98,586	33,930
Contingencies and commitments	8		
		----- (Number of units) -----	
Number of units in issue		1,839,059	703,396
		----- (Rupees) -----	
Net asset value per unit		53.6070	48.2374

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2019**

	Note	For the six months period ended December 31, 2019	For the quarter ended December 31, 2019
		MCPPI-IX	MCPPI-IX
----- (Rupees in '000) -----			
Income			
Realised gain on sale of investments - net		1,623	2,796
Profit on balance with banks		201	103
Dividend income		3,810	1,951
		5,634	4,850
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'		4,919	4,919
Total income		10,553	9,769
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		23	4
Sindh Sales Tax on remuneration to Management Company		3	1
Allocated expenses	11	46	25
Remuneration to Central Depository Company of Pakistan Limited - Trustee	12	33	17
Sindh Sales Tax on remuneration of the Trustee		4	2
Annual fee to Securities and Exchange Commission of Pakistan	7	9	5
Auditors' remuneration		59	44
Bank and settlement charges		6	6
Fees and subscription		149	81
Provision for Sindh Workers' Welfare Fund (SWWF)		204	191
Total expenses		536	376
Net income for the period before taxation		10,017	9,393
Taxation	14	-	-
Net income for the period after taxation		10,017	9,393
Allocation of net income for the period			
Net income for the period after taxation		10,017	
Income already paid on units redeemed		(411)	
		9,606	
Accounting income available for distribution			
- Relating to capital gains		6,542	
- Excluding capital gains		3,064	
		9,606	

The annexed notes 1 to 17 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 - III
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2019



	For the six months period ended December 31, 2019	For the quarter ended December 31, 2019
	MCPPI-IX	MCPPI-IX
	----- (Rupees in '000) -----	
Net income for the period after taxation	10,017	9,393
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>10,017</u>	<u>9,393</u>

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

For the six months period ended December 31, 2019			
MCP-IX			
Capital Value	(Accumulated loss) / Undistributed income	Total	
----- (Rupees in '000) -----			
Net assets at the beginning of the period	34,246	(316)	33,930
Issuance of units:			
Issuance of 1,816,116 units			
- Capital value (at net asset value per unit at the beginning of the period)	87,605	-	87,605
- Element of income	279	-	279
Total proceeds on issuance of units	87,884	-	87,884
Redemption of units:			
Redemption of 680,453 units			
- Capital value (at net asset value per unit at the beginning of the period)	32,824	-	32,824
- Element of loss	10	411	421
Total payments on redemption of units	32,834	411	33,245
Total comprehensive income for the period	-	10,017	10,017
Net assets at the end of the period	<u>89,296</u>	<u>9,290</u>	<u>98,586</u>
Accumulated loss brought forward			
- Realised loss		(105)	
- Unrealised income		(211)	
		<u>(316)</u>	
Accounting income available for distribution			
- Relating to capital gains		6,542	
- Excluding capital gains		3,064	
		<u>9,606</u>	
Undistributed income carried forward		<u>9,290</u>	
Undistributed income carried forward			
- Realised income		4,371	
- Unrealised income		4,919	
		<u>9,290</u>	
			Rupees
Net asset value per unit as at the beginning of the period			<u>48.2374</u>
Net asset value per unit as at the end of the period			<u>53.6070</u>

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**



Meezan
Strategic Allocation Fund-III

**For the six
months
period ended
December 31,
2019
MCPPI-IX
Rupees in '000**

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation	10,017
Adjustments for:	
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	(4,919)
	<u>5,098</u>
Decrease in assets	
Investments - net	(73,961)
Profit accrued on balances with banks	7
Receivable against investments	(12,740)
Deposits and prepayments	(84)
	<u>(86,778)</u>
Increase in liabilities	
Payable to AI Meezan Investment Management Limited - Management Company	(857)
Payable to Central Depository Company of Pakistan Limited - Trustee	6
Payable to Securities and Exchange Commission of Pakistan	8
Payable against investments	12,063
Accrued expenses and other liabilities	350
	<u>11,570</u>
Net cash used in operating activities	<u>(70,110)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts against issuance and conversion of units	87,884
Payments against redemption and conversion of units	(32,505)
Net cash generated from financing activities	<u>55,379</u>
Net decrease in cash and cash equivalents	<u>(14,731)</u>
Cash and cash equivalents at the beginning of the period	15,908
Cash and cash equivalents at the end of the period	<u><u>1,177</u></u>

The annexed notes 1 to 17 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 STRATEGIC ALLOCATION FUND - III
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund - III (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 24, 2019 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.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The fund generates returns on investment as per allocation plan (sub fund) namely Meezan Capital Preservation Plan-IX (MCPPI-IX) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. 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 plan is as follows:

Meezan Capital Preservation Plan-IX (MCPPI-IX)	<p>Low risk - High return through asset allocation:</p> <p>This allocation plan commenced its operations from May 14, 2019 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.</p>
--	---

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.

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, 2019.

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, 2019.

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, 2019.

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, 2019. 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, 2019.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 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.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

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 July 1, 2020. 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, 2019 (Unaudited)	June 30, 2019 (Audited)
MCCP-IX				
----(Rupees in '000)----				
5. BALANCES WITH BANKS				
Saving accounts		5.1	1,177	15,908
5.1	The balances in savings accounts have an expected profit which ranges from 7.22% to 13.25% per annum. (June 30, 2019: 6.30% to 11.85% per annum).			

		Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
MCCP-IX				
----(Rupees in '000)----				
6. INVESTMENTS				
Investments - 'at fair value through profit or loss' - units of mutual funds		6.1	97,824	18,944
6.1	Investments - 'at fair value through profit or loss' - Units of mutual funds			

Name of investee funds	As at July 01, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain as at December 31, 2019	Percentage in relation to	
								Total market value of investments	Market value on the basis of net assets of the Fund
		----- (Number of units) -----			----- (Rupees in '000) -----			(Percentage)	

Meezan Capital Preservation Plan - IX

Meezan Dedicated Equity Fund	153,424	2,985,403	2,156,804	982,023	36,597	41,516	4,919	42.00%	42.11%
Meezan Cash Fund	64,627	1,474,895	1,539,522	-	-	-	-	-	-
Meezan Sovereign Fund	198,820	232,743	431,562	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	4,138,449	3,012,279	1,126,170	56,308	56,308	-	58.00%	57.12%
					92,905	97,824	4,919	100%	99%

7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to fund of funds was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.



	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
MCCP-IX		
-----(Rupees in '000)----		
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	52	50
Shariah advisory fee payable	148	30
Capital gain tax payable	26	-
Provision for Sindh Workers' Welfare Fund	204	-
	<u>430</u>	<u>80</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).

Had the SWWF not been recorded the NAV per unit of the plan (MCCP IX) would have been higher by Re.0.11.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, 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 executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at 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, 2019 (Unaudited)	June 30, 2019 (Audited)
MCCP IX		
-----(Rupees in '000)----		
Al Meezan Investment Management Limited - Management Company		
Remuneration payable (Rs in '000)	1	4
Sindh Sales Tax on management fee (Rs in '000)	-	1
Allocated expenses (Rs in '000)	8	1
Sales load payable (Rs in '000)	-	761
Sindh Sales Tax on sales load payable (Rs in '000)	-	99
Investment (Rs in '000)	76,248	-
Investment (Units)	1,422,356	-
Meezan Bank Limited		
Bank balance (Rs in '000)	1,157	15,898
Profit receivable (Rs in '000)	19	26

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
MCPPIX		
-----(Rupees in '000)----		
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable (Rs. in '000)	6	1
Sindh Sales Tax on trustee fee payable (Rs. in '000)	1	-
Meezan Dedicated Equity Fund		
Investment (Rs in '000)	41,516	5,449
Investment (Units)	982,023	153,424
Meezan Cash Fund		
Investment (Rs in '000)	-	3,259
Investment (Units)	-	64,627
Meezan Sovereign Fund		
Investment (Rs in '000)	-	10,236
Investment (Units)	-	198,820
Meezan Rozana Amdani Fund		
Investment (Rs in '000)	56,308	-
Investment (Units)	1,126,170	-
Unitholders holding 10% or more units of the Fund		
Investment (Rs in '000)	-	4,802
Investment (Units)	-	99,555
		For the six months period ended December 31, 2019 (Unaudited) MCPPIX (Rupees in '000)
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period (Rs in '000)		23
Sindh Sales Tax on management fee (Rs in '000)		3
Allocated expenses (Rs in '000)		46
Invested during the period (Rs in '000)		68,876
Invested during the period (Units)		1,422,356
Meezan Bank Limited		
Profit on saving account (Rs in '000)		201
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period (Rs in '000)		33
Sindh Sales Tax on trustee fee (Rs in '000)		4
Meezan Dedicated Equity Fund		
Invested during the period (Rs in '000)		104,000
Invested during the period (Units)		2,985,403
Redeemed during the period (Rs in '000)		74,250
Redeemed during the period (Units)		2,156,804
Meezan Cash Fund		
Invested during the period (Rs in '000)		74,789
Invested during the period (Units)		1,474,895
Redeemed during the period (Rs in '000)		78,255
Redeemed during the period (Units)		1,539,522

**For the six
months
period ended
December 31,
2019
(Unaudited)**

**MCPPI IX
(Rupees in '000)**

Meezan Sovereign Fund

Invested during the period (Rs in '000)	12,000
Invested during the period (Units)	232,743
Redeemed during the period (Rs in '000)	22,255
Redeemed during the period (Units)	431,562

Meezan Rozana Amdani Fund

Invested during the period (Rs in '000)	206,922
Invested during the period (Units)	4,138,449
Redeemed during the period (Rs in '000)	150,614
Redeemed during the period (Units)	3,012,279
Dividend received during the period (Units)	76,208
Dividend received during the period (Rs. In '000')	3,810

11. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

12. 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. Effective from July 1, 2019, the Trustee has revised its remuneration as under:

Previous Tariff		Revised Tariff (Flat Rate)
Net Assets (Rs.)	Fee	
Upto Rs. 1 billion	0.1% per annum of net assets	0.07% per annum of Net Assets.
Above Rs. 1 billion	Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1 billion.	

Accordingly, the Fund has charged Trustee Fee @ 0.07% per annum during the current period.

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is;

**December 31,
2019
MCPPI IX
(Rupees in '000)**

Total Expense ratio (including government levies)	1.18%
Government levies	0.48%

This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund Scheme.

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 unit holders. 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 unit holders. 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, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

15 FAIR VALUE MEASUREMENT

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.

- 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, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2019		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets 'at fair value through profit or loss'			
Units of mutual funds	-	97,824	-

	As at June 30, 2019		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets 'at fair value through profit or loss'			
Units of mutual funds	-	18,944	-

16 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 10, 2020 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



ILYASI MOSQUE
(ABBOTTABAD)




Meezan
Tahaffuz Pension Fund

MEEZAN TAHAFFUZ PENSION FUND (MTPF)

Meezan Tahaffuz Pension Fund is Pakistan's first and the largest Shariah compliant Voluntary Pension Scheme. MTPF is the best way to save and invest for your post-retirement needs and it has the potential to deliver superior returns with the added advantage of providing Tax Benefits which significantly enhances the yield on your investment.

STRENGTHENING OUR VALUES IN THE CITY OF HILLS

 Abbottabad Branch



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. Mohammad Furquan R Kidwai	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. Moin M. Fudda	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

KPMG Taseer Hadi & Co
Chartered Accountants
Sheikh Sultan Trust Buildings, Ground No 2 Beaumont Rd, Civil Lines, Karachi-75530 Pakistan

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

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



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Independent Auditors' Review Report to the Participants of Meezan Tahaffuz Pension Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Tahaffuz Pension Fund** ("the Fund") as at 31 December 2019 and the related condensed interim income statement and statement of comprehensive income, condensed interim cashflow 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 condensed interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

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 interim financial statement 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 interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended 31 December 2019 in the condensed interim income statement and statement of comprehensive income have not been reviewed and we do not express a conclusion on them.




KPMG Taseer Hadi & Co.

The interim financial information and financial statements of the fund for the six months period ended 31 December 2018 and for the year ended 30 June 2019 were reviewed and audited by another firm of chartered accountants who have expressed an unmodified conclusion and unmodified opinion vide their review report and audit report issued on 14 February 2019 and 18 September 2019 respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is Aryn Malik.

Date: 20 February 2020

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants



Meezan Tahaffuz Pension Fund
Condensed Interim Statement of Assets and Liabilities
As at December 31, 2019

Note	As at December 31, 2019 (Un-Audited)					As at June 30, 2019 (Audited)	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total	
----- (Rupees in '000) -----							
ASSETS							
Bank balances	4	198,488	1,500,071	2,373,419	10,787	4,082,765	3,306,722
Investments	5	4,533,386	1,353,602	243,764	-	6,130,752	5,681,753
Investment in gold	5.5	-	-	-	82,312	82,312	71,218
Dividend receivable		1,209	-	-	-	1,209	15,260
Deposits and other receivables	6	12,211	74,647	27,073	62	113,993	87,842
Receivable against sale of investments		18,450	-	-	-	18,450	3,698
Receivable against change of plan / change of fund manager / issuance of units		-	-	224	-	224	14,759
Total assets		4,763,744	2,928,320	2,644,480	93,161	10,429,705	9,181,252
LIABILITIES							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	7	6,627	4,120	3,694	131	14,572	12,480
Payable to Central Depository Company of Pakistan Limited - Trustee (CDC)	8	364	226	203	7	800	715
Payable to Securities and Exchange Commission of Pakistan (SECP)	9	652	465	400	16	1,533	3,100
Payable to auditors		64	64	64	64	256	252
Payable against purchase of investments		1,368	-	-	-	1,368	17
Payable against withdrawal / change of plan		5,449	3,639	2,292	-	11,380	24,345
Accrued expenses and other liabilities	10	82,829	22,855	9,920	776	116,380	90,024
Total liabilities		97,353	31,369	16,573	994	146,289	130,933
NET ASSETS		4,666,391	2,896,951	2,627,907	92,167	10,283,416	9,050,319
Contingencies and commitments	12						
Participants' sub funds (as per statement attached)		4,666,391	2,896,951	2,627,907	92,167		
----- (Number of units) -----							
Number of units in issue (as per statement attached)		10,222,593	11,602,437	10,634,850	668,595		
----- (Rupees) -----							
Net assets value per unit		456.4782	249.6847	247.1033	137.8518		

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director

Meezan Tahaffuz Pension Fund

Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)

For the six months period ended December 31, 2019

Note	December 31, 2019					December 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
(Rupees in '000)						
INCOME						
	-	87,901	10,456	-	98,357	47,363
Profit from sukuk certificates	-	87,901	10,456	-	98,357	47,363
Profit on saving accounts with banks	4.1	11,388	68,679	127,079	520	207,666
Profit on term deposit receipts	-	28,014	15,191	-	43,205	34,603
Dividend income	-	-	-	-	128,789	134,464
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1, 5.2.1	707,511	(955)	-	706,556	(714,520)
Unrealised appreciation on investment in gold	5.5	-	-	5,041	5,041	6,915
Net realised (loss) / gain on sale of investments	-	(16,804)	131	261	(16,412)	(77,051)
Other income	-	-	-	235	235	354
Total income / (loss)		830,884	183,770	152,726	6,057	1,173,437
EXPENSES						
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager		29,381	20,929	18,016	714	69,040
Sindh Sales Tax on remuneration of the Pension Fund Manager		3,820	2,721	2,342	93	8,976
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,666	1,189	1,023	41	3,919
Sindh Sales Tax on remuneration of the Trustee		217	155	133	5	510
Annual fee to Securities and Exchange Commission of Pakistan		652	465	400	16	1,533
Auditors' remuneration		97	97	97	97	388
Brokerage charges and custodian fee		2,053	14	-	420	2,487
Bank and settlement charges		380	181	121	31	713
Charity expense		3,495	-	-	-	3,495
Provision for Sindh Workers' Welfare Fund	11	16,461	3,214	2,791	101	22,567
Total expenses		58,222	28,965	24,923	1,518	113,628
Net income/ (loss) from operating activities		772,662	154,805	127,803	4,539	1,059,809
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)		33,918	2,670	8,939	388	45,915
Net income / (loss) for the period before taxation		806,580	157,475	136,742	4,927	1,105,724
Taxation		-	-	-	-	-
Net income / (loss) for the period after taxation		806,580	157,475	136,742	4,927	1,105,724
Total comprehensive income / (loss) for the period		806,580	157,475	136,742	4,927	1,105,724

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director



Meezan Tahaffuz Pension Fund

Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)

For the three months period ended December 31, 2019

	December 31, 2019				December 31, 2018	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
----- (Rupees in '000) -----						
INCOME						
Profit from sukuk certificates	-	46,171	5,546	-	51,717	27,030
Profit on saving accounts with banks	5,924	33,696	66,375	311	106,306	44,822
Profit on term deposit receipts	-	16,580	9,387	-	25,967	15,337
Dividend income	70,453	-	-	-	70,453	77,249
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	942,319	77	-	-	942,396	(522,660)
Unrealised appreciation on investment in gold	-	-	-	593	593	7,833
Net realised gain / (loss) on sale of investments	40,413	75	-	261	40,749	(67,375)
Other income	-	-	-	107	107	272
Total income / (loss)	1,059,109	96,599	81,308	1,272	1,238,288	(417,492)
EXPENSES						
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager	15,882	10,514	9,422	354	36,172	35,815
Sindh Sales Tax on remuneration of the Pension Fund Manager	2,065	1,367	1,225	46	4,703	4,657
Remuneration of Central Depository Company of Pakistan Limited - Trustee	889	589	528	20	2,026	2,011
Sindh Sales Tax on remuneration of the Trustee	116	77	69	3	265	263
Annual fee to Securities and Exchange Commission of Pakistan	353	233	209	3	798	796
Auditors' remuneration	69	68	69	69	275	208
Brokerage charges and custodian fee	1,547	15	-	211	1,773	1,508
Bank and settlement charges	308	114	119	10	551	467
Charity expense	1,804	-	-	-	1,804	1,209
Provision for Sindh Workers' Welfare Fund	16,461	1,755	1,509	3	19,728	1,693
	39,494	14,732	13,150	719	68,095	48,627
Net income/ (loss) from operating activities	1,019,615	81,867	68,158	553	1,170,193	(466,119)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	4,952	4,121	5,768	(405)	14,436	(12,672)
Net income / (loss) for the period before taxation	1,024,567	85,988	73,926	148	1,184,629	(478,791)
Taxation	-	-	-	-	-	-
Net income / (loss) for the period after taxation	1,024,567	85,988	73,926	148	1,184,629	(478,791)
Other comprehensive income						
Total comprehensive income for the period	1,024,567	85,988	73,926	148	1,184,629	(478,791)

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director

Meezan Tahaffuz Pension Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the six months period ended December 31, 2019

December
31, 2018

Note	December 31, 2019					Total
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	
	(Rupees in '000)					
CASH FLOW FROM OPERATING ACTIVITIES						
Net income / (loss) for the period	806,580	157,475	136,742	4,927	1,105,724	(601,464)
Adjustments						
Unrealised (appreciation)/diminution on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1, 5.2.1 (707,511)	955	-	-	(706,556)	714,520
Unrealised appreciation on investment in gold	5.5 -	-	-	(5,041)	(5,041)	(6,915)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(33,918)	(2,670)	(8,939)	(388)	(45,915)	10,944
	65,151	155,760	127,803	(502)	348,212	117,085
Decrease / (increase) in assets						
Investments - net	95,179	142,742	19,636	(6,053)	251,504	780,501
Dividend receivable	14,051	-	-	-	14,051	6,087
Receivable against sale of investments (net)	(14,752)	-	-	-	(14,752)	-
Deposits and other receivables	(3,593)	(21,365)	(1,187)	(6)	(26,151)	(13,108)
	90,885	121,377	18,449	(6,059)	224,652	773,480
Increase in liabilities						
Payable to AI Meezan Investment Management Limited - Pension Fund Manager	783	355	931	23	2,092	775
Payable to Central Depository Company of Pakistan Limited - Trustee	29	10	45	1	85	39
Payable to Securities and Exchange Commission of Pakistan	(1,045)	(428)	(90)	(4)	(1,567)	(1,331)
Payable to auditors	1	1	1	1	4	28
Payable against purchase of investments (net)	1,368	-	-	(17)	1,351	5,349
Accrued expenses and other liabilities	20,199	3,196	2,791	170	26,356	5,932
	21,335	3,134	3,678	174	28,321	10,792
Net cash generated from / (used in) operating activities	177,371	280,271	149,930	(6,387)	601,185	901,357
CASH FLOW FROM FINANCING ACTIVITIES						
Receipts of contribution / change of plan / change of fund manager / issuance of units	884,421	1,214,483	1,648,762	15,205	3,762,871	3,051,515
Payments on withdrawal / change of plan	(1,086,264)	(1,264,889)	(1,226,844)	(10,016)	(3,588,013)	(2,360,816)
Net cash generated from / (used in) financing activities	(201,843)	(50,406)	421,918	5,189	174,858	690,699
Net increase / (decrease) in cash and cash equivalents	(24,472)	229,865	571,848	(1,198)	776,043	1,592,056
Cash and cash equivalents at beginning of the period	222,960	1,270,206	1,801,571	11,985	3,306,722	1,450,885
Cash and cash equivalents at end of the period	198,488	1,500,071	2,373,419	10,787	4,082,765	3,042,941

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director



Meezan Tahaffuz Pension Fund

Condensed Interim Statement of Movement in Participants' Sub-Funds (Un-Audited)

For the six months period ended December 31, 2019

	December 31, 2019				December 31, 2018	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
	(Rupees in '000)					
Net assets at beginning of the period	4,086,115	2,807,052	2,072,836	84,316	9,050,319	9,257,013
Amount received on issuance of units (2019: Equity sub fund: 2,421,344 units; Debt sub fund: 4,971,890 units; Money market sub fund: 6,863,867 units; and Gold sub fund: 95,408 units) (2018: Equity sub fund: 1,898,913 units; Debt sub fund: 2,782,934 units; Money market sub fund: 6,969,061 units; and Gold sub fund: 35,495 units)	884,421	1,201,601	1,648,986	13,328	3,748,336	3,051,114
Amount paid on withdrawal of units (2019: Equity sub fund: 3,020,705 units Debt sub fund: 5,258,088 units; Money market sub fund: 5,078,003 units ; Gold sub fund: 72,997 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)	(1,076,807)	(1,266,507)	(1,221,718)	(10,016)	(3,575,048)	(2,366,390)
	(192,386)	(64,906)	427,268	3,312	173,288	684,724
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(33,918)	(2,670)	(8,939)	(388)	(45,915)	10,944
Net realised (loss) / gain on sale of investments	(16,804)	131	-	261	(16,412)	(77,051)
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	707,511	(955)	-	-	706,556	(714,520)
Unrealised appreciation on investment in gold	-	-	-	5,041	5,041	6,915
Other net income for the period	115,873	158,299	136,742	(375)	410,539	183,192
Total comprehensive income / (loss) for the period	806,580	157,475	136,742	4,927	1,105,724	(601,464)
Net assets at end of the period	4,666,391	2,896,951	2,627,907	92,167	10,283,416	9,351,217
Net assets value per unit at end of the period	456.4782	249.6847	247.1033	137.8518		

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Financial Officer

Chief Executive officer

Director

Meezan Tahaffuz Pension Fund
 Condensed Interim Contribution Table (Un-Audited)
 For the six months period ended December 31, 2019

	December 31, 2019								December
	Equity sub-fund		Debt sub-fund		Money Market sub-fund		Gold sub-fund		Total
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)
Contribution net of front end fee for the period									
Individuals									
- issuance of units	<u>2,421,344</u>	<u>884,421</u>	<u>4,971,890</u>	<u>1,201,601</u>	<u>6,863,867</u>	<u>1,648,986</u>	<u>95,408</u>	<u>13,328</u>	<u>3,748,336</u>
									<u>3,051,114</u>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited
 (Pension Fund Manager)

 Chief Financial Officer

 Chief Executive officer

 Director



Meezan Tahaffuz Pension Fund
Condensed Interim Number Of Units In Issue (Un-Audited)
For the six months period ended December 31, 2019

	December 31, 2019			
	Equity sub - fund	Debt sub - fund	Money market sub -fund	Gold sub - fund
	----- (Number) -----			
Total units in issue at beginning of the period	10,821,954	11,888,635	8,848,986	646,184
Add: Units issued / converted / reallocated during the period	2,421,344	4,971,890	6,863,867	95,408
Less: Units redeemed / converted / reallocated during the period	(3,020,705)	(5,258,088)	(5,078,003)	(72,997)
Total units in issue at end of the period	<u>10,222,593</u>	<u>11,602,437</u>	<u>10,634,850</u>	<u>668,595</u>

	December 31, 2018			
	Equity sub - fund	Debt sub - fund	Money market sub -fund	Gold sub - fund
	----- (Number) -----			
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 end of the period	<u>11,556,088</u>	<u>11,329,673</u>	<u>7,714,049</u>	<u>514,521</u>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director

Meezan Tahaffuz Pension Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

For the six months period ended December 31, 2019

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 (SECP) 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 Sharah-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, 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:

Equity Sub-Fund

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".

Debt Sub-Fund

The Debt Sub-Fund shall invest in 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.

Money Market Sub-Fund

The Money Market Sub-Fund shall invest in short term debt instruments with weighted average maturity up to one year. Shariah Compliant Money Market Sub Fund can invest in shariah compliant government securities where the time to maturity may be up to three years.

Gold Sub-Fund

The Gold Sub-Fund consist of physical gold and aims 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 Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.7 The Pension Fund Manager has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2018: AM1 dated December 28, 2018) and AM1 by PACRA dated December 28, 2019 (2019: AM1 dated June 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2 BASIS OF PREPARATION

2.1 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.

2.2 Statement of Compliance

- 2.2.1 The 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 the Voluntary Pension System Rules, 2005 (the VPS Rules); and
- Provisions of and or directives issued by the Securities Exchange Commission of Pakistan (SECP).

In case where requirements differ, the VPS Rules and the provisions of and or directives issued by SECP shall prevail.

2.2.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.2.3 This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

2.3 Basis of Measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain investments which are stated at fair value.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency and rounded to nearest thousand rupees.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The entities may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. An entity shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Fund.
- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Fund's financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT FRAMEWORK

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 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, 2019.

4	BANK BALANCES	Note	December 31, 2019 (Un-Audited)				June 30, 2019	
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	(Audited) Total
----- (Rupees in '000) -----								
	In current accounts		4,257	-	-	-	4,257	1,295
	In savings accounts	4.1	194,231	1,500,071	2,373,419	10,787	4,078,508	3,305,427
			<u>198,488</u>	<u>1,500,071</u>	<u>2,373,419</u>	<u>10,787</u>	<u>4,082,765</u>	<u>3,306,722</u>

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 3.00% to 13.75% per annum (Year ended June 30, 2019: 3.0% - 12.50% per annum).

5	INVESTMENTS	Note	December 31, 2019 (Un-Audited)				June 30, 2019
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	(Audited) Total
----- (Rupees in '000) -----							
Investments by category							
At fair value through profit or loss							
	Listed equity securities	5.1	4,533,386	-	-	4,533,386	3,921,054
	Sukuk certificates	5.2	-	1,019,705	100,771	1,120,476	1,171,834
			<u>4,533,386</u>	<u>1,019,705</u>	<u>100,771</u>	<u>5,653,862</u>	<u>5,092,888</u>
At amortised Cost							
	Commercial papers	5.3	-	155,160	103,764	258,924	370,899
	Term deposit receipts	5.4	-	180,000	40,000	220,000	220,000
			-	335,160	143,764	478,924	590,899
	Less: Provision for impairment losses	5.2.3	-	(1,263)	(771)	(2,034)	(2,034)
			<u>4,533,386</u>	<u>1,353,602</u>	<u>243,764</u>	<u>6,130,752</u>	<u>5,681,753</u>

5.1 Listed equity securities - at fair value through profit or loss
Held by Equity Sub-Fund
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Carrying Value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----			-----%-----	
Automobile Assembler										
Atlas Honda Limited	24,360	-	-	24,360	-	-	-	-	-	-
Millat Tractors Limited	50,550	5,000	6,093	6,800	54,843	41,871	38,633	(3,238)	0.83	0.11
Ghandhara Industries Limited	200,800	-	-	188,100	12,700	1,110	1,693	583	0.04	0.03
Indus Motor Company Limited	-	36,420	-	-	36,420	44,227	42,308	(1,919)	0.91	0.05
						87,208	82,634	(4,574)	1.78	
Automobile Parts & Accessories										
Agriauto Industries Limited (Face value Rs. 5)	-	63,000	-	-	63,000	13,212	12,600	(612)	0.27	0.22
Thal Limited (Face value Rs. 5)	-	137,400	-	137,400	-	-	-	-	-	-
						13,212	12,600	(612)	0.27	
Bank										
Bank Islami Pakistan Limited	-	4,034,500	-	175,000	3,859,500	41,594	42,802	1,208	0.92	0.35
						41,594	42,802	1,208	0.92	
Cement										
D.G Khan Cement Company Limited	477,800	300,000	-	652,800	125,000	7,249	9,284	2,035	0.20	0.03
Lucky Cement Limited	792,456	155,000	-	93,000	854,456	327,370	366,049	38,679	7.84	0.26
Pioneer Cement Company Limited	2,600	-	-	2,600	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	354,062	52	-	354,000	114	2	3	1	-	-
Kohat Cement Company Limited	658,820	-	-	90,000	568,820	29,879	44,026	14,147	0.94	0.28
Attock Cement Pakistan Limited	20,500	-	-	20,000	500	36	52	16	-	-
Cherat Cement Company Limited	-	475,000	10,000	275,000	210,000	8,635	11,141	2,506	0.24	0.11
Fauji Cement Company Limited	-	595,000	-	595,000	-	-	-	-	-	-
						373,171	430,555	57,384	9.22	
Chemical										
Engropolymer & Chemicals Limited	1,976,709	2,020,000	-	2,068,500	1,928,209	53,211	64,036	10,825	1.37	0.21
ICI Pakistan Limited	205,820	7,000	-	300	212,520	112,786	143,419	30,633	3.07	0.23
Sitara Chemical Industries Limited	36,600	-	-	-	36,600	11,195	10,924	(271)	0.23	0.17
						177,192	218,379	41,187	4.67	

Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Carrying Value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----			-----%-----	
Engineering										
K.S.B Pumps Company Limited	67,500	-	-	7,600	59,900	6,050	10,181	4,131	0.22	0.45
International Steels Limited	359,100	250,000	-	609,100	-	-	-	-	-	-
International Industries Limited	209,500	447,000	50	209,000	447,550	43,813	49,605	5,792	1.06	0.34
Amreli Steels Limited	-	250,000	-	100,000	150,000	4,516	5,418	902	0.12	0.05
Mughal Iron & Steel Industries	-	282,500	-	50,000	232,500	7,286	9,526	2,240	0.20	0.09
						61,665	74,730	13,065	1.60	
Fertilizer										
Engro Corporation Limited (note 5.1.1)	1,473,120	-	-	176,700	1,296,420	344,329	447,589	103,260	9.59	0.23
Engro Fertilizers Limited	3,063,000	519,000	-	225,000	3,357,000	216,570	246,504	29,934	5.28	0.25
Dawood Hercules Corporation Limited	-	50,000	-	-	50,000	6,794	7,711	917	0.17	0.01
						567,693	701,804	134,111	15.04	
Food and Personal Care Products										
National Foods Limited (Face value Rs. 5)	100,000	-	3,680	81,600	22,080	3,389	4,902	1,513	0.11	0.01
Al-Shaheer Corporation Limited	33,160	-	-	-	33,160	417	468	51	0.01	0.02
At- Tahur Limited	8,318	-	831	-	9,149	164	192	28	-	0.01
						3,970	5,562	1,592	0.12	
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited	2,965,300	300,000	-	439,100	2,826,200	371,603	402,225	30,622	8.62	0.07
Pakistan Oilfields Limited	802,520	20,000	-	1,200	821,320	333,170	366,900	33,730	7.86	0.29
Pakistan Petroleum Limited	2,303,765	100,000	413,673	435,400	2,382,038	287,025	326,673	39,648	7.00	0.09
Mari Petroleum Company Limited	251,440	1,000	24,844	3,000	274,284	252,083	359,339	107,256	7.70	0.21
						1,243,881	1,455,137	211,256	31.18	
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	1,335,450	101,200	251,090	730,000	957,740	140,360	183,541	43,181	3.93	0.20
Attock Petroleum Limited	68,144	82,000	-	-	150,144	44,802	55,523	10,721	1.19	0.15
Sui Northern Gas Pipelines Limited	2,860,600	-	-	65,000	2,795,600	194,266	212,941	18,675	4.56	0.44
Sui Southern Gas Company Limited	142,500	-	-	-	142,500	2,947	3,067	120	0.07	0.02
Hascol Petroleum Limited	228,638	-	-	226,050	2,588	178	70	(108)	-	-
						382,553	455,142	72,589	9.75	
Paper and Board										
Packages Limited	209,601	3,000	-	15,000	197,601	59,337	78,791	19,454	1.69	0.22
Cherat Packaging Limited	328,540	-	26,554	63,000	292,094	21,413	35,469	14,056	0.76	0.69
						80,750	114,260	33,510	2.45	
Glass & Chemical										
Tariq Glass Industries Limited	382,600	50,000	-	304,000	128,600	11,748	13,760	2,012	0.29	0.18
						11,748	13,760	2,012	0.29	



Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Carrying Value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----			-----%-----	
Pharmaceuticals										
AGP Limited	830,000	53,500	-	25,000	858,500	60,132	85,292	25,160	1.83	0.31
GlaxoSmithKline Consumer Healthcare	17,500	95,000	-	-	112,500	30,702	28,847	(1,855)	0.62	0.10
The Searle Company Limited	530,825	25,000	-	240,000	315,825	46,215	59,609	13,394	1.28	0.15
Highnoon Laboratories Limited	1,760	500	-	-	2,260	726	1,214	488	0.03	0.01
						137,775	174,962	37,187	3.76	
Power Generation and Distribution										
The Hub Power Company Limited	3,249,307	924,500	-	222,000	3,951,807	309,813	368,901	59,088	7.91	0.30
K-Electric Limited (Face value Rs. 3.5)	26,611,000	500,000	-	615,500	26,495,500	116,247	115,785	(462)	2.48	0.10
						426,060	484,686	58,626	10.39	
Textile Composite										
Nishat Mills Limited	532,700	215,000	-	385,000	362,700	32,276	38,497	6,221	0.82	0.10
						32,276	38,497	6,221	0.82	
Textile Weaving										
Feroze1888 Mills Limited	295,000	-	-	-	295,000	29,757	27,140	(2,617)	0.58	0.08
						29,757	27,140	(2,617)	0.58	
Technology & Communication										
Pakistan Telecommunication Company Limited "A"	208,000	-	-	-	208,000	1,720	1,947	227	0.04	0.01
Avanceon Limited	370,500	-	-	370,000	500	25	19	(6)	-	-
Systems Limited	253,550	100,000	-	25,000	328,550	33,234	40,837	7,603	0.88	0.27
Netsol Technologies Limited	15,000	-	-	15,000	-	-	-	-	-	-
						34,979	42,803	7,824	0.92	
Vanaspati & Allied Industries										
Unity Foods Limited	2,025,669	-	-	2,000,000	25,669	264	414	150	0.01	-
						264	414	150	0.01	
Textile & Apparel										
Interloop Limited	2,713,500	-	-	-	2,713,500	120,127	157,519	37,392	3.38	0.31
						120,127	157,519	37,392	3.38	
						3,825,875	4,533,386	707,511		

5.1.1 145,000 shares (2019 : 145,000 shares) of Engro Corporation Limited having market value of Rs. 50.06 million as at December 31, 2019 (2019: 38.51 million) , have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

5.1.2 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, 2019.

5.2 Sukuk certificates - At fair value through profit or loss

5.2.1 Held by Debt Sub-Fund

Name of the Investee Company	Note	As at July 01, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of	
									Total Investments	Net Assets
-----Number of certificates-----						------(Rupees in '000)-----			------%-----	
Chemicals										
Engro Polymer & Chemicals Limited		250	-	-	250	25,117	25,344	227	1.87	0.87
						25,117	25,344	227	1.87	0.87
Electricity										
K-electric Limited		1,200	-	1,200	-	-	-	-	-	-
K-electric Limited	5.2.2.2	-	8,000	-	8,000	40,000	40,000	-	2.96	1.38
Pakistan Energy Sukuk I	5.2.2.2	13,000	-	-	13,000	650,000	650,000	-	48.02	22.44
Shakarganj Foods Product Limited	5.2.2.3	18	-	-	18	16,730	16,464	(266)	1.22	0.57
						706,730	706,464	(266)	52.20	24.39
Engineering										
Agha Steels Industries Limited	5.2.2.2	50	-	-	50	50,000	50,000	-	3.69	1.73
						50,000	50,000	-	3.69	1.73
Fertilizer										
Fatima Fertilizer Company Limited		2,820	6,000	1,164	7,656	23,475	23,463	(12)	1.73	0.81
						23,475	23,463	(12)	1.73	0.81
Power Generation and Distribution										
Engro Powergen Thar (Private) Limited	5.2.2.2	-	12,000	-	12,000	60,000	60,000	-	4.43	2.07
The Hub Power Company Limited		380,000	-	380,000	-	-	-	-	-	-
						60,000	60,000	-	4.43	2.07
Property & Real Estate										
Eden Housing Limited		500	-	-	500	-	-	-	-	-
						-	-	-	-	-
Leasing Companies										
Security Leasing Corporation Limited II		154	-	-	154	-	-	-	-	-
						-	-	-	-	-
Bank										
Dubai Islamic Bank Pakistan Limited		57	-	-	57	58,066	57,057	(1,009)	4.22	1.97
						58,066	57,057	(1,009)	4.22	1.97
Pharmaceuticals										
International Brand Limited		550	-	78	472	46,099	46,452	353	3.43	1.60
AGP Limited		-	500	25	475	25,026	25,188	162	1.86	0.87
						71,125	71,640	515	5.29	2.47
Cement										
Javedan Corporation Limited	5.2.2.3	250	-	-	250	24,884	24,474	(410)	1.81	0.84
						24,884	24,474	(410)	1.81	0.84
Non-Performing Investments										
Total	5.2.3					1,263	1,263	-		
						1,020,660	1,019,705	(955)		

5.2.1.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2019 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Fatima Fertilizer Company Limited	5,000	6 months KIBOR + 1.10%	28-Nov-16	28-Nov-21
Dubai Islamic Bank Pakistan Limited	1,000,000	6 months KIBOR + 0.50%	14-Jul-17	14-Jul-27
International Brand Limited	1,00,000	12 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
Shakarganj Foods Product Limited	1,000,000	3 months KIBOR + 1.75%	10-Jul-18	10-Jul-24
Javedan Corporation Limited	1,00,000	6 months KIBOR + 1.75%	04-Oct-18	04-Oct-26
Agha Steels Industries Limited	1,000,000	3 months KIBOR + 0.80%	09-Oct-18	09-Oct-24
Engro Polymer & Chemicals Limited	1,00,000	3 months KIBOR + 0.90%	11-Jan-19	11-Jul-26
Pakistan Energy Sukuk I	10,000	6 months KIBOR + 0.80%	01-Mar-19	01-Mar-29
Engro Powergen Thar (Private) Limited	5,000	3 months KIBOR + 1.10%	01-Jul-18	01-Jul-24
K-electric Limited	5,000	3 months KIBOR + 1.70%	17-Dec-19	17-Dec-24
AGP Limited	100,000	3 months KIBOR + 1.30%	09-Jun-17	09-Jun-22
Eden Housing Limited	984.38	3 months KIBOR + 2.50%	31-Dec-07	31-Dec-12
Security Leasing Corporation Limited II	5,000	3 months KIBOR + 1.30%	19-Sep-07	19-Sep-12



5.2.2 Held by Money Market Sub-Fund

Name of the Investee Company	Note	As at July 01, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of	
									Total Investments	Net Assets
						(Rupees in '000)		%		
Leasing Companies										
Security Leasing Corporation Limited II		154	-	-	154	-	-	-	-	-
Power Generation and Distribution										
The Hub Power Company Limited		-	16,000	16,000	-	-	-	-	-	-
The Hub Power Company Limited	5.2.2.2		1,000	-	1,000	100,000	100,000	-	7.39	3.45
						100,000	100,000	-	7.39	3.45
Non-Performing Investments										
Total	5.2.3					771	771	-		
						100,771	100,771	-		

5.2.2.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2019 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
The Hub Power Company Limited	100,000	3 months KIBOR + 1.50%	01-Nov-19	21-May-20

5.2.2.2 These are measured at their initial investment value, as their market values are not available at MUFAP.

5.2.2.3 The Fund has applied discretionary mark-up on December 30, 2019 to the fair value of these securities. Post to discretionary mark-up the price of Shakarganj Foods Product Limited is increased from Rs. 94.6096 (MUFAP Price) to Rs. 96.2836 and price of Javedan Corporation is increased from Rs. 95.2419 (MUFAP Price) to Rs. 97.8944 per certificate.

5.2.3 The agreement with the Securities Leasing Corporation Limited (SLCL) had been amended on 19 February 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of the contributors to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 03, 2012. Therefore, in accordance with the requirement of SECP's circular No. 33 of 2012, the sukuk has been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 1.542 million in both debt and money market sub fund has also been held as provision against principal as at 31 December 2019.

On 06 May 2011, Eden Housing sukuk certificate has been classified as non-performing by MUFAP, therefore, in accordance with the requirements of SECP's circular No. 33 of 2012, the sukuk certificate has been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said circular, an amount of Rs. 0.492 million has also been held as a provision against the outstanding principal as at 31 December 2019.

Non-performing investment	Type of Investment	Cost	Provision held	Net carrying value
		(Rupees in '000)		
Debt sub fund				
Eden Housing Limited	Sukuk certificate	492	492	-
Security Leasing Corporation Limited II	Sukuk certificate	771	771	-
		1,263	1,263	-
Money Market sub fund				
Security Leasing Corporation Limited II	Sukuk certificate	771	771	-
		771	771	-

5.3 Commercial Papers - at amortised cost

5.3.1 Held by Debt Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2019	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2019	Market Value as a	
								Percentage of total value of investments	Percentage of Net Assets
								(Rupees in '000)	
Hascol Petroleum Limited	5.3.1.1	July 15, 2019	63,716	-	284	(64,000)	-	-	-
K-electric Limited CP	5.3.1.2	Sep 02, 2019	163,803	-	3,197	(167,000)	-	-	-
K-electric Limited CP	5.3.1.3	Mar 19, 2020	-	148,707	6,453	-	155,160	11.46	5.36
			227,519	148,707	9,934	(231,000)	155,160	11.46	5.36

5.3.1.1 This commercial paper has been placed at discount at a rate of 12.26% (6months kibar plus 1.5%) and is being amortised over a period of 181 days.

5.3.1.2 This commercial paper has been placed at discount at a rate of 11.75% (6months kibar plus 0.9%) and is being amortised over a period of 185 days.

5.3.1.3 This commercial paper has been placed at discount at a rate of 15.23 (6months kibar plus 1.3%) and is being amortised over a period of 182 days.

5.3.2 Held by Money Market Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2019	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2019	Market Value as a	
								Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) -----									
Hascol Petroleum Limited	5.3.2.1	July 15, 2019	79,645	-	355	(80,000)	-	-	-
K-electric Limited CP	5.3.2.2	Sep 02, 2019	63,756	-	1,244	(65,000)	-	-	-
K-electric Limited CP	5.3.2.3	Mar 19, 2020	-	99,448	4,316	-	103,764	42.57	3.95
			143,401	99,448	5,915	(145,000)	103,764	42.57	3.95

5.3.2.1 This commercial paper has been placed at discount at a rate of 12.26% (6months kibar plus 1.5%) and is being amortised over a period of 181 days.

5.3.2.2 This commercial paper has been placed at discount at a rate of 11.75% (6months kibar plus 0.9%) and is being amortised over a period of 185 days.

5.3.2.3 This commercial paper has been placed at discount at a rate of 15.23% (6months kibar plus 1.3%) and is being amortised over a period of 182 days.

5.4 Term deposit receipts - at amortised cost

5.4.1 Held by Debt Sub-Fund

Name of the Bank	Rating	Maturity date	Profit rate per annum	As at July 01, 2019	TDR's placed during the period	Matured during the period	As at December 31, 2019	Market Value as a	
								Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) -----									
Orix Modarba	AA+	May 08, 2020	13.80%	180,000	-	-	180,000	13	6
Meezan Bank Limited	AA+	Dec 02, 2019	13.50%	-	450,000	450,000	-	-	-
				180,000	450,000	450,000	180,000	13	6

5.4.2 Held by Money Market Sub-Fund

Orix Modarba	AA+	May 08, 2020	13.35%	-	40,000	-	40,000	16	2
Meezan Bank Limited	AA+	Dec 02, 2019	13.50%	-	350,000	350,000	-	-	-
Orix Modarba	AA+	Nov 08, 2019	13.70%	40,000	-	40,000	-	-	-
Bank Islami Pakistan Limited	A+	Jul 04, 2019	11.25%	340,000	-	340,000	-	-	-
				380,000	390,000	730,000	40,000	16	2

5.5 Investment in gold

Commodity	As at July 01, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain as at December 31, 2019	Market Value as a Percentage of Net Assets
Tola Gold	863	120	57	926	77,271	82,312	5,041	0.89
					77,271	82,312	5,041	0.89

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

5.5.2 The investment in gold of Rs. 82.312 million has been measured at fair value based on the quoted market price in active markets.



June 30, 2019
(Audited)

6 DEPOSITS AND OTHER RECEIVABLES

	December 31, 2019 (Unaudited)					June 30, 2019 (Audited)
	Equity	Debt	Money Market	Gold	Total	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
	----- (Rupees in '000) -----					
Security Deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks	4,864	16,209	24,500	62	45,635	26,362
Profit accrued on sukuk certificates	-	42,564	1,683	-	44,247	40,606
Profit accrued on term deposit receipts	-	15,774	790	-	16,564	13,327
Advance tax	4,747	-	-	-	4,747	4,747
	<u>12,211</u>	<u>74,647</u>	<u>27,073</u>	<u>62</u>	<u>113,993</u>	<u>87,842</u>

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - PENSION FUND MANAGER

	Note	December 31, 2019 (Unaudited)					June 30, 2019 (Audited)
		Equity	Debt	Money Market	Gold	Total	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
		----- (Rupees in '000) -----					
Management remuneration	7.1	5,865	3,646	3,269	116	12,896	11,045
Sindh Sales Tax and Federal Excise duty on management fee	7.2	762	474	425	15	1,676	1,435
		<u>6,627</u>	<u>4,120</u>	<u>3,694</u>	<u>131</u>	<u>14,572</u>	<u>12,480</u>

7.1 As per rule 11 of the Voluntary Pension System Rules, 2005, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of 1.5% (June 30, 2019: 1.5%) of the average of the values of the net assets of each of the Sub-Fund calculated for determining the prices of the units of the Sub-Funds. Accordingly, the management fee has been accrued at 1.5% per annum of the average daily net assets of the Sub-Funds.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

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

	Note	December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)
		Equity	Debt	Money Market	Gold	Total	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
		----- (Rupees in '000) -----					
Trustee fee		322	200	180	6	708	633
Sindh Sales Tax on Remuneration of the Trustee	8.1	42	26	23	1	92	82
		<u>364</u>	<u>226</u>	<u>203</u>	<u>7</u>	<u>800</u>	<u>715</u>

8.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

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

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of average annual net asset value of the Fund.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)
		Equity	Debt	Money Market	Gold	Total	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
		----- (Rupees in '000) -----					
Provision for Sindh Workers' Welfare Fund	11	54,603	12,990	7,229	592	75,414	52,848
Federal Excise Duty on remuneration of the Pension Fund Manager	10.1	15,436	8,816	2,449	-	26,701	26,701
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager	10.2	1,800	962	242	-	3,004	3,004
Charity payable		7,220	-	-	-	7,220	4,225
Brokerage payable		3,770	87	-	-	3,857	3,139
Custodian charges payable		-	-	-	184	184	107
		<u>82,829</u>	<u>22,855</u>	<u>9,920</u>	<u>776</u>	<u>116,380</u>	<u>90,024</u>

10.1 Federal Excise Duty on remuneration of the Pension Fund Manager

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

While disposing the above petition, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are for already subject to provisional sales tax.

However, since the appeal is pending in Supreme Court of Pakistan, the Pension Fund Manager, as a matter of abundant caution, is carrying provision for FED, aggregating to Rs. 15.436 million, Rs. 8.816 million and Rs. 2.449 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

Had the provision not being made, the Net Asset Value per unit as at December 31, 2019 would have been higher by Rs. 1.51 (June 30, 2019: Rs. 1.42) per unit, Re. 0.76 (June 30, 2019: Re. 0.74) per unit and Re. 0.23 (June 30, 2019: Re. 0.27) per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

10.2 Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager

It represents amount payable in respect of Sindh Sales Tax at the rate of 13 percent (June 30, 2019: 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 10.1 above.

11 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgment on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgment of the SCP.

Furthermore, 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 Sindh was required to register and pay SWWF under 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. However, it may be stated that under Companies Act, 2017, mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In the view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP has recommended that as a matter of abundant caution provision in respect of SWWF should be made on prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

In the current period, SWWF recognized in all funds. Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 December 2019 would have been higher by Rs. 5.34 per unit (June 30, 2019: Rs. 3.52 per unit), Rs. 1.12 per unit (June 30, 2019: Re. 0.82 per unit) and Re. 0.68 per unit (June 30, 2019: Re. 0.50 per unit) and Re. 0.89 per unit (June 30, 2019: Re. 0.76 per unit) for Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively.

12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at December 31, 2019 other than as disclosed in the annual financial statements for the year ended June 30, 2019.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

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.

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.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.



Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

13.1 Balances outstanding as at period end

	December 31, 2019 (Un-Audited)				June 30, 2019 (Audited)	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
----- (Rupees in '000) -----						
AI Meezan Investment Management Limited (AI Meezan) - Pension Fund Manager						
Remuneration payable	5,865	3,646	3,269	116	12,896	11,045
Sindh Sales Tax and Federal Excise Duty on management fee	762	474	425	15	1,676	1,435
Investments as at December 31, 2019: (Equity sub fund: 260,077 units and Gold Sub Fund: 300,000 units) as at June 30, 2019 (Equity sub fund: 260,077 units and Gold Sub Fund: 300,000 units)	118,719	-	-	41,356	160,075	137,344
Meezan Bank Limited (MBL)						
Bank balance	64,168	408	9,154	10,692	84,422	41,165
Profit receivable on saving account	382	7	30	57	476	504
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Trustee fee payable	322	200	180	6	708	632
Sindh Sales Tax on trustee fee payable	42	26	23	1	92	83
Deposits	100	100	100	-	300	300
Directors and Executives of the Pension Fund Manager						
Investments as at December 31, 2019: (Equity sub fund: 1,009,425 units; Debt Sub Fund: 582,830 units; Money Market Sub Fund: 181,573 units; and Gold Sub Fund: 200,653 Units) as at June 30, 2019: (Equity sub fund: 1,221,616 units; Debt sub fund: 459,033 units; Money Market sub fund: 93,032 units; and Gold Sub Fund : 226,401 units)	460,781	145,524	44,867	27,660	678,832	620,970

13.2 Transactions during the period (Un-Audited)

	December 31, 2019				December 31, 2018	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
----- (Rupees in '000) -----						
AI Meezan Investment Management Limited (AI Meezan) - Pension Fund Manager						
Remuneration for the period	29,381	20,929	18,016	714	69,040	70,978
Sindh Sales Tax on management fee	3,820	2,721	2,342	93	8,976	56
Meezan Bank Limited (MBL)						
Profit on savings account	2,552	187	340	515	3,594	1,182
Term Deposit Receipt placed	-	450,000	350,000	-	800,000	-
Profit on term deposit receipt	-	15,645	12,168	-	27,813	-
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Remuneration for the period	1,666	1,189	1,023	41	3,919	3,998
Sindh Sales Tax on trustee fee	217	155	133	5	510	521
CDS Charges for the period	64	70	3	-	137	108
Directors and Executives of the Pension Fund Manager						
Units issued (Equity Sub Fund: 908,975 units; Debt Sub Fund: 1,158,187 units; Money Market Sub Fund: 675,117 units; and Gold sub fund: 22,977 units)	318,133	276,678	159,971	3,272	758,054	103,041
Units redeemed / reallocated (Equity Sub Fund 1,121,166 units; Debt Sub Fund: 1,034,360 units; Money Market Sub Fund: 586,576 units; Gold sub fund: 48,725 units)	391,858	246,091	138,715	5,723	782,387	17,331

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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that 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. The quoted market prices used for financial assets held by the Fund is current bid price.

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

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management 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 (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 5.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Note	Carrying Amounts				Fair Values			
	Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2019								
(Rupees in'000)								
Financial assets - measured at fair value								
- Listed equity securities	-	4,533,386	-	4,533,386	4,533,386	-	-	4,533,386
- Sukuk certificates	-	1,120,476	-	1,120,476	-	1,120,476	-	1,120,476
Financial assets not measured at fair value								
14.1	4,082,765	-	-	4,082,765				
Bank balances								
Investments								
- Commercial papers	258,924	-	-	258,924				
- Term deposit	220,000	-	-	220,000				
Dividend receivable	1,209	-	-	1,209				
Deposits and other receivables	109,246	-	-	109,246				
Receivable against sale of investments	18,450	-	-	18,450				
Receivable against change of plan / change of fund manager / issuance of units	224	-	-	224				
	4,690,818	-	-	4,690,818				
	4,690,818	5,653,862	-	10,344,680				
Financial liabilities not measured at fair value								
14.1								
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	-	-	12,896	12,896				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	708	708				
Payable to auditors	-	-	256	256				
Payable against purchase of investments	-	-	1,368	1,368				
Payable against withdrawal / change of plan	-	-	11,380	11,380				
Accrued expenses and other liabilities	-	-	11,261	11,261				
	-	-	37,869	37,869				

Note	Carrying Amounts				Fair Values				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2019									
(Rupees in'000)									
Financial assets - measured at fair value									
- Listed equity securities	3,921,054	-	-	-	3,921,054	3,921,054	-	-	3,921,054
- Sukuk certificates	1,171,834	-	-	-	1,171,834	-	1,171,834	-	1,171,834
	5,092,888	-	-	-	5,092,888				
Financial assets not measured at fair value									
14.1	-	-	3,306,722	-	3,306,722				
Bank balances									
Investments									
- Commercial papers	370,899	-	-	-	370,899				
- Term deposit	220,000	-	-	-	220,000				
Dividend receivable	-	15,260	-	-	15,260				
Deposits and other receivables	-	83,095	-	-	83,095				
Receivable against sale of investments	-	3,698	-	-	3,698				
Receivable against change of plan / change of fund manager / issuance of units	-	14,759	-	-	14,759				
	590,899	116,812	3,306,722	-	4,014,433				
	5,683,787	116,812	3,306,722	-	9,107,321				
Financial liabilities not measured at fair value									
14.1									
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	-	-	-	11,045	11,045				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	633	633				
Payable to auditors	-	-	-	252	252				
Payable against purchase of investments	-	-	-	17	17				
Payable against withdrawal / change of plan	-	-	-	24,345	24,345				
Accrued expenses and other liabilities	-	-	-	7,471	7,471				
	-	-	-	43,763	43,763				

14.1 The Fund has not disclosed the fair values 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.

15 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 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 fund.



16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorised for issue on February 10, 2020 by the Board of Directors of the Pension Fund Manager.

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Financial Officer

Chief Executive officer

Director



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