



CELEBRATING
25
YEARS OF

INNOVATIVE INVESTMENT SOLUTIONS

HALF YEARLY REPORT DECEMBER 31, 2020

- | | | | | | |
|---|-------------------------------------|--|---|---------------------------------|---------------------------------|
| Meezan
Islamic Fund | Al Meezan
Mutual Fund | KSE-Meezan
Index Fund | Meezan
Energy Fund | Meezan
Balanced Fund | Meezan
Asset Allocation Fund |
| Meezan
Dedicated Equity Fund | Meezan
Gold Fund | Meezan
Islamic Income Fund | Meezan
Sovereign Fund | Meezan
Cash Fund | Meezan
Rozana Amdani Fund |
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Financial Planning Fund of Fund | Meezan
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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 over **25 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. 152 Billion (as on June 30, 2020).

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 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 & the communities we serve. Our corporate culture is based on these values and serves as a beacon of guidance for all our employees.

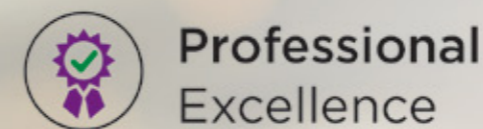
Our values are not about what we do or how we do it infact they are about who we are and why we exist. These values, which fuel our drive to achieve newer milestones at every step of our journey to success are:



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.



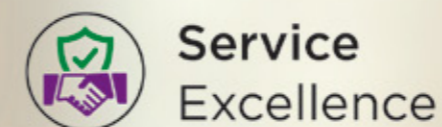
We practice high ethical standards at work and in our services. Maintaining high ethical standards in the workplace translates in prioritizing the interest of the client, acting with integrity, competence and diligence, and respecting our dealings with the public, clients, prospective clients and colleagues.



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 & respectful manner.



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.



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 financial statements of the following open-end funds and a voluntary pension scheme for the period ended December 31, 2020.

Equity Funds

- Meezan Islamic Fund
- Al Meezan Mutual Fund
- KSE-Meezan Index Fund
- Meezan Pakistan Exchange Traded 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

After witnessing negative GDP growth for the first time in decades in FY20 due to the coronavirus pandemic, Pakistan's economy is showing signs of revival with many high-frequency indicators depicting V-Shaped recovery. For FY21, SBP expects GDP to grow by 1.5%-2.5%, a forecast more optimistic than that of other multilateral agencies. In concert with other countries, the government took unprecedented measures on both fiscal and monetary fronts to contain the economic fallout, which enabled a quick recovery in the months following the lockdown. The announcement of a Rs. 1.2 trillion stimulus package (3% of GDP), including incentive package for the construction sector to protect and support the industry, was well-received in the country. At the same time, the SBP drastically cut the policy rate and provided relief to businesses through deferral of principal repayments by a year, concessional loans for employee retention and fixed asset investments. These measures are visibly bearing fruit, as depicted by LSM growth of 7.4% YoY during the first five months of FY21. While many countries are still grappling with the pandemic, Pakistan handled the first wave better than many regional countries and managed to mitigate the second wave's severity. To further curb the spread of the virus, Pakistan plans to import around 1.1 million doses of a Chinese vaccine first to inoculate frontline health professionals.

Average national inflation during the first half of FY21 was recorded at 8.6% YoY compared to 10.7% during FY20. The SBP has not changed its projection for average inflation of 7-9% for FY21. Therefore, it maintained an accommodative monetary policy stance during 1HFY21 by keeping the policy rate at 7.0% despite negative real interest rates. The central bank deems the present stance appropriate to support the nascent recovery, keeping inflation expectations well-anchored and maintaining financial stability. However, the outlook for inflation poses certain upside risks on account of rising international oil prices and the imminent increase in utility tariffs as a precondition for resuming the IMF program. Developments on the fiscal side have gained traction on account of broad-based taxation reforms and strict control over non-development expenditures. During July-November, Pakistan achieved a primary account surplus of 0.5% of GDP despite pandemic-related pressures. FBR has announced an ambitious tax collection target of Rs. 4,963 billion for FY21 to contain the fiscal deficit at 7% of GDP. During 1HFY21, FBR has largely achieved its revenue target of Rs. 2,210 billion (actual collection of Rs. 2,204 billion was 99.7% of the target). On the financing side, central government debt increased by Rs. 716 billion in 5MFY21 to Rs. 35.8 trillion, with a majority of this increase attributed to funds raised through PIBs.

After a considerable reduction in deficit during the past two years, the current account balance turned positive during the first six months of FY21. Pakistan posted a current account surplus for 1HFY21 of USD 1.1 billion versus current account deficit of USD 2.0 billion during 1HFY20. This improvement in the current fiscal year was mainly attributable to a healthy flow of remittances, which rose by 25% YoY against a nominal 8% YoY rise witnessed in Goods & Services deficit. As a result of Pak Rupee depreciation and monetary tightening of the past few years, the trade deficit has seen a meaningful decline during FY19 & FY20. Thanks to the current account surplus and external financial assistance, Pakistan averted another balance-of-payment crisis. As a result, SBP's foreign exchange reserves built up to USD 13.4 billion by the end of 2020 (equivalent to more than three & half months import cover). The Exchange rate during 1HFY21 appreciated by 4.9% against the US dollar and closed at an exchange rate of Rs. 159.83/USD. The improvement in the economic indicators was also reflected in the Government of Pakistan's credit rating by Moody's, the international rating agency, confirming its B3 credit rating with a stable outlook. Moreover, FATF kept Pakistan in the grey list until the next review due in February 2021.

Money Market Review

During the period under review, KIBOR rates witnessed an increase in the range of 3 bps to 11 bps, whereby 6-months and 12-months KIBOR rates were up by 11 bps and 32 bps, clocking in at 7.35% and 7.67%, respectively. On the other hand, in the secondary market, PIB yields rose in the range of 74 bps to 129 bps, whereby 3-year bond yield closed at 8.27% (up by 74 bps), 5-year bond yield closed at 9.25% (up by 114 bps), and 10-year bond yield closed at 9.98% (up by 129 bps). An increasing trend was witnessed in the shorter tenor government paper yields as well, which were up in the range of 2 bps to 23 bps. On the liquidity front, the money market remained stable due to continuous Open Market operations (OMO) injections from SBP, where the Central Bank ensured that the overnight money market remains close to the policy rate. During 1HFY21, SBP borrowed Rs. 4.79 trillion through T-Bills against the maturity of Rs. 5.98 trillion. On the other hand, SBP accepted Rs. 1.45 trillion through long term PIBs (Fixed + Floater) against the maturity of Rs. 101 billion.

GOP Ijarah	Type	Issue Date	Coupon	Pricing	Issue Size (bn)	Maturity	Closing Price	Yield
XX	Floater	30-Apr-25	5.95%	WA6MTB - 125 bps	76.39	30-Apr-25	95.66	7.13%
XXI	Floater	29-May-25	7.10%	WA6MTB - 10 bps	74.62	29-May-25	100.22	7.04%
XXII	Floater	24-Jun-25	7.07%	WA6MTB - 10 bps	47.24	24-Jun-25	100.29	6.99%
XXIII	Floater	29-Jul-25	6.27%	WA6MTB - 20 bps	186.71	29-Jul-25	99.55	7.07%
XXIII	Fixed	29-Jul-25	8.37%	8.35%	44.60	29-Jul-25	99.18	8.59%
XXIV	Floater	9-Dec-25	7.08%	WA6MTB - 10 bps	131.69	9-Dec-25	100.05	7.07%
PES I	Floater	1-Mar-29	8.05%	6MKIBOR + 80bps	200.00	1-Mar-29	107.00	7.00%
PES II	Floater	21-May-30	7.25%	6MKIBOR - 10bps	199.97	21-May-30	100.60	7.16%

During the period under review, the central bank also raised Rs. 363 billion through issuance of a series of floating & fixed rate Ijarah Sukuk. Issuance of these instruments provided much-needed relief to the Islamic money market participants and helped ease out the excess liquidity available in the market. Furthermore, the corporate sector continued to raise funds through Sukuk and Islamic Commercial Papers, which played a crucial role in absorbing some portion of excess liquidity available with Islamic institutions.

Equity Review

During the first half of FY21, the KMI-30 index closed with a handsome increase of 29.4% to reach 71,168 points, while the KSE-100 index posted a similar rise of 27.1% to reach 43,755 points. The market started the fiscal year on a strong note, with the KSE-100 index rallying by 17.9% during the first quarter. It then declined by 1.7% in October triggered by profit-taking after a steep rise. During the last two months of 1HFY21, the index regained its positive momentum, with KSE-100 closing near the peak level of the period. The breakthrough development of effective Covid-19 vaccines during the second quarter cheered global markets and commodity prices have surged ever since. The impressive rally in Pakistan stock market during 1HFY21 was attributed in part to continuous macroeconomic improvement, rising liquidity amid low interest rates, and better than anticipated reduction in Covid-19 cases - while valuations of the overall market remained attractive, around 7.0x forward P/E, below the historical mean level of about 8.5x.

The market remained in positive territory during the period, as the sharp interest rate cuts since March 2020 significantly raised the allure of equities over fixed income asset class; this is depicted by the substantial difference between earnings yield and the yield on benchmark government securities.

Another positive development was the significant reduction in the infection rate of new Covid-19 cases, which resulted in active cases dropping to only 34,773 by the end of December 2020 end compared to 108,273 at June end, despite the start of the second wave. The government allowed industries to operate, which was crucial for maintaining investor optimism at the bourse. Another critical driver of market optimism was the government construction package, which spurred the demand for construction materials and had a trickle-down effect on many allied sectors. The package entailed the extension of the amnesty plan for builders, and the SBP directed commercial banks to ramp up lending for house financing up to 5% of private sector credit. IPPs remained in the limelight as many of them signed an MOU with the Government for settlement of outstanding circular debt in exchange for a reduction in guaranteed return on the project. Note that the power sector had been a leading underperformer in the past few years due to circular debt which inflicted dividend cuts. On the other hand, FATF concluded that Pakistan has successfully complied with 21 out of 27 points of action and decided to keep the country on 'grey list' until February 2021.

Trading activity in the market improved significantly during 1HFY21; total volumes traded in the KMI-30 index stocks rose by 84% to 156 million shares compared to 2HFY20, while volumes in the KSE-100 index stocks increased by 80% to 265 million shares. The macroeconomic outlook improved manifold largely due to resumption of business activity post lockdown. Consumption of petroleum, cement and automobiles had notably improved during the period. After aggressively cutting interest rates from March to June, SBP adopted status quo in monetary policy, keeping the policy rate unchanged at 7.0%. The priority of monetary policy has appropriately shifted towards supporting growth and employment during these challenging times.

On the global front, dollar liquidity remained ample as a consequence of asset purchased by the US Fed under the QE4 program, in response to market turmoil wrecked by the pandemic. The US dollar index, therefore, depreciated by 7.7% against the major currencies in aggregate. In this backdrop, the MSCI EM Index staged a stellar performance during the period, rising by 29.8%, as investors preferred Emerging Market assets amid weak US dollar. International oil prices entered the bullish zone with Brent surging by 26% during 1HFY21 after a bear spell, Triggered by the prospects of a global rollout of Covid-19 vaccines, Brent crude oil traded north of USD 50 per barrel towards the end of December. Prices also rose in response to tight oil supplies by the OPEC+ group to manage waning global demand due to restrictive economic activity resulting from lockdowns.

Major contributors to the Index:

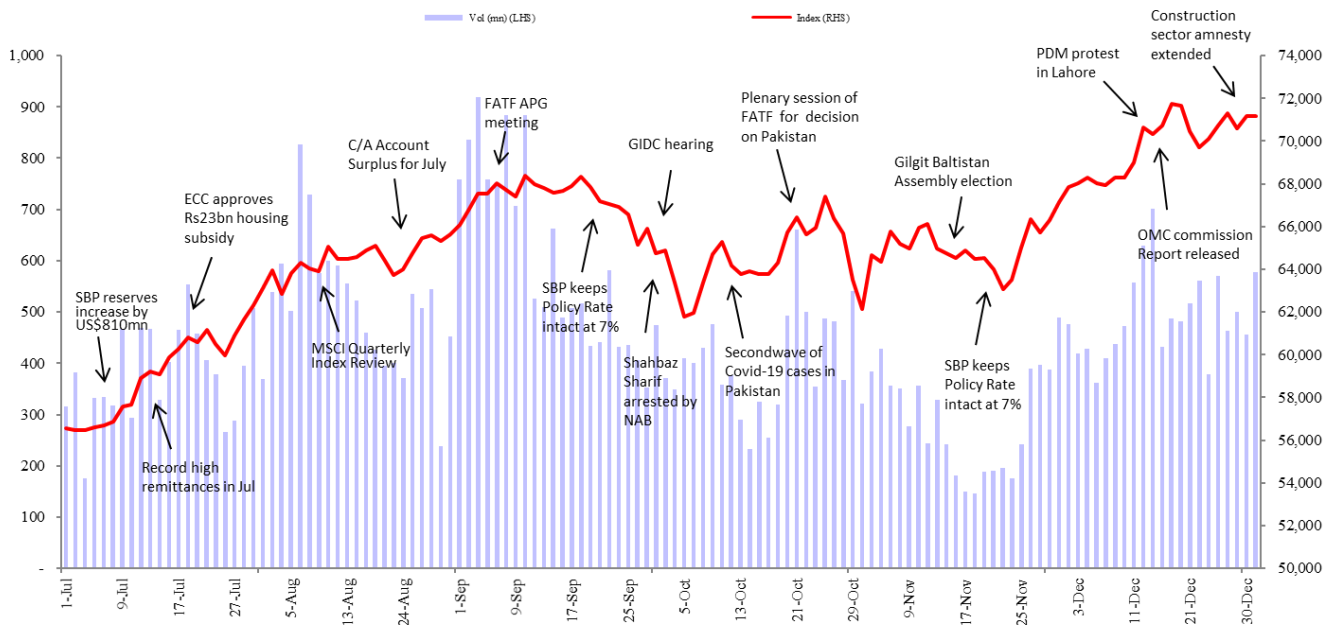
Among the key sectors, Engineering, Refinery, Technology, Paper & Board and Cement sectors were the best performing sectors. The top contributing stocks in the KMI-30 index in 1HFY21 were:

Major Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Lucky Cement Ltd	2,251	40.79
Meezan Bank Ltd	1,312	74.04
Systems Ltd	1,304	102.83
Pakistan State Oil Co Ltd	964	32.73

On the flip side, Oil & Gas Exploration, Fertilizer and Power sectors were amongst the worst performing sectors. The key laggards in the KMI-30 index during the period were:

Major Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Oil & Gas Development Co Ltd	-255	-4.00
Hub Power Co Ltd	-244	-4.55
Sui Northern Gas Pipeline	-233	-16.95
Dawood Hercules Corp Ltd	-160	-4.48

The overall movement of the KMI-30 during the period with various triggers impacting it can be observed in the following graph:



Equity Flows

Foreigners remained net sellers during the first half of FY21, generating a net outflow of around USD 279 million. Sell off was mainly concentrated in the Commercial Banking (USD 88 million), Oil and Gas Exploration (USD 53 million), and other sectors (USD 74 million). In line with last year's trends, individuals were the main source of liquidity with net buying clocking in at USD 159 million. This was followed by strong buying by corporates and insurance firms with overall net inflows of USD 91 million and USD 83 million respectively. Banks were major net sellers amongst local investors offloading USD 69 million worth of securities. Mutual Funds were net buyers of USD 20 million worth of stocks.

Mutual Fund Industry Review

During the first half of FY21, AUMs of the mutual fund industry increased 24% to Rs. 948 billion. Shariah Compliant AUMs grew by 15.9% in FY21 to Rs. 378 billion, which brought the share of Shariah Compliant funds at around 40% in the overall mutual fund industry. Al Meezan's share in the Mutual Funds industry stood at 17.2% while amongst the Shariah Compliant Funds, it held 42.6% of the market share as of December 30, 2020.

Performance Review (Funds)

The table provided below depicts a summary of first half performance of funds under our management:

Funds	Type	Net Assets Rs. in millions	Growth in Net Assets for 1HFY21 (%)	Returns for 1HFY21 (%)	
Equity Funds					
Al Meezan Mutual Fund (AMMF)	Equity	4,777	22.08	24.54	
Meezan Islamic Fund (MIF)	Equity	30,968	28.64	26.47	
KSE Meezan Index Fund (KMIF)	Equity	2,537	36.60	27.56	
Meezan Energy Fund (MEF)	Equity	417	-23.08	9.03	
Meezan Dedicated Equity Fund (MDEF)	Equity	948	53.22	26.55	
Fixed Income Funds					
Meezan Islamic Income Fund (MIIF)	Income	35,141	26.52	7.02	
Meezan Cash Fund (MCF)	Money Market	13,800	-1.61	5.72	
Meezan Sovereign Fund (MSF)	Income	8,841	-9.20	8.70	
Meezan Rozana Amdani Fund (MRAF)	Money Market	46,983	-11.94	6.34	
Balanced Fund					
Meezan Balanced Fund (MBF)	Balanced	4,418	12.84	13.71	
Exchange Traded					
Meezan Pakistan Exchange Traded Fund (MZNP-ETF)*	Exchange Traded	31		7.41	
Fund of Funds					
Meezan Financial Planning Fund of Fund					
Aggressive	Fund of Fund	323	14.19	20.21	
Moderate		137	15.30	14.81	
Conservative		159	10.51	8.89	
MAAP-I		207	-34.93	20.13	
Meezan Strategic Allocation Fund					
MSAP-I	Fund of Fund	858	8.18	19.56	
MSAP-II		453	0.16	19.17	
MSAP-III		552	-26.00	19.76	
MSAP-IV		316	-57.97	19.78	
MSAP-V		83	-57.56	20.39	
MSAP-MCPP-III		378	-9.20	4.20	
Meezan Strategic Allocation Fund - II					
MSAP-II -MCPP-IV		Fund of Fund	839	-24.61	7.15
MSAP-II -MCPP-V			153	-29.16	4.26
MSAP-II -MCPP-VI			156	-26.70	4.16
MSAP-II -MCPP-VII	120		-11.49	4.14	
MSAP-II -MCPP-VIII	52		-18.72	4.15	
Meezan Strategic Allocation Fund - III					
MSAP-II -MCPP-IX	Fund of Fund	97	8.78	12.72	
Commodity Fund					
Meezan Gold Fund (MGF)	Commodity	468	-14.66	5.25	
Asset Allocation Fund					
Meezan Asset Allocation Fund (MAAF)	Asset Allocation	1,574	17.54	24.17	
Pension Fund Scheme					
Meezan Tahaffuz Pension Fund	Pension Fund Scheme				
Equity sub Fund		5,145	24.56	26.44	
Debt sub Fund		3,632	14.26	8.84	
Money Market sub Fund		3,168	2.44	4.81	
Gold Sub Fund		137	14.83	6.12	

* Launched Oct 06, 2020

Meezan Islamic Fund

The net assets of Meezan Islamic Fund (MIF) as at December 31, 2020 stood at Rs. 30,968 million compared to Rs. 24,072 million at the end of June 2020, an increase of 29%. The net asset value (NAV) per unit as at December 31, 2020 was Rs. 59.1492 in comparison to Rs. 46.7710 per unit as on June 30, 2020 translating into a return of 26.47% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) of 29.41%.

Al Meezan Mutual Fund

The net assets of Al Meezan Mutual Fund (AMMF) as at December 31, 2020 were Rs. 4,777 million compared to Rs. 3,913 million at the end of June 2020, an increase of 22%. The net asset value (NAV) per unit as at December 31, 2020 was Rs. 16.5864 compared to Rs. 13.3176 per unit on June 30, 2020 translating into return of 24.54% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) of 29.41%.

KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at December 31, 2020 were Rs. 2,537 million compared to Rs. 1,857 million at June 30, 2020, an increase of 37%. The net asset value (NAV) per unit at December 31, 2020 was Rs. 68.1338 as compared to Rs. 53.4129 per unit on June 30, 2020 translating into a return of 27.56% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) of 29.41%.

Meezan Dedicated Equity Fund

The net assets of Meezan Dedicated Equity Fund (MDEF) as at December 31, 2020 were Rs. 948 million compared to Rs. 619 million at June 30, 2020, an increase of 53%. The net asset value per unit (NAV) at December 31, 2020 was Rs. 43.7932 as compared to Rs. 34.6044 per unit on June 30, 2020 translating into a return of 26.55% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) of 29.41%.

Meezan Energy Fund

The net assets of Meezan Energy Fund (MEF) as at December 31, 2020 were Rs. 417 million compared to Rs. 542 million in June 2020, a decline of 23%. The net asset value (NAV) per unit as at December 31, 2020 was Rs. 32.7304 as compared to Rs. 30.0200 per unit on June 30, 2020, translating into a return of 9.03% during the period compared to the benchmark return of KSE Meezan Index (KMI 30) of 29.41%.

Meezan Pakistan Exchange Traded Fund

The net assets of Meezan Pakistan Exchange Traded Fund (MPETF) was launched in October 2020 and its net assets clocked in at Rs. 31 million as at December 31, 2020. The net asset value (NAV) per unit as at December 31, 2020 was Rs. 10.7405 translating into a return of 7.41% during the period compared to the benchmark return of MZNPI of 8.65%.

Meezan Asset Allocation Fund

The net assets of Meezan Asset Allocation Fund (MAAF) as at December 31, 2020 were Rs. 1,574 million compared to Rs. 1,339 million at June 30, 2020, an increase of 18%. The net asset value (NAV) per unit as at December 31, 2020 was Rs. 45.4385 as compared to Rs. 36.5940 per unit on June 30, 2020 translating into a return of 24.17% during the period compared to the benchmark return of 24.88%.

Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) as at December 31, 2020 were Rs. 35,141 million compared to Rs. 27,776 million at June 30, 2020, an increase of 27%. The net asset value (NAV) per unit as at December 31, 2020 was Rs. 53.2871 compared to Rs. 51.4656 per unit on June 30, 2020 translating into an annualized return of 7.02% compared to the benchmark annualized return of 3.93%. At period end, the fund was 12% invested in Islamic Corporate Sukuks, 4% in Commercial Papers, 26% in GoP Ijarah / Govt. Guaranteed Sukuks, 5% in Certificate of Musharaka, 7% placed in Term Deposit Receipt and 41% 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, 2020 were Rs. 8,841 million compared to Rs. 9,736 million at June 30, 2020, a decline of 9%. The net asset value (NAV) per unit at December 31, 2020 was Rs. 53.8092 as compared to Rs. 51.5476 per unit on June 30, 2020 translating into an annualized return of 8.7% compared to the benchmark annualized return of 4.23%. At period end, the fund was 82% invested in GoP Ijarah/Govt. Guaranteed Sukuks, and 19% 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, 2020 were Rs. 13,800 million compared to Rs. 14,026 million at June 30, 2020, a decline of 2%. The net asset value (NAV) per unit at December 31, 2020 was Rs. 51.9523 as compared to Rs. 50.4952 on June 30, 2020 translating into an annualized return of 5.72% as compared to the benchmark annualized return of 3.71%. At period end 10% of the fund was placed in Term Deposit Receipts, 12% of the fund was placed in Commercial Papers, 8% in Islamic Corporate Sukuks and 68% 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, 2020 were Rs. 46,983 million compared to Rs. 53,351 million at June 30, 2020, a decline of 12%. The net asset value (NAV) per unit at December 31, 2020 was Rs. 50.0000. During the period fund provides an annualized return of 6.34% as compared to the benchmark annualized return of 3.87%. At period end 19% of the fund was placed in Term Deposit Receipts, 6% in Commercial Papers, 3% in Islamic Corporate Sukuks and 60% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at December 31, 2020 were Rs. 4,418 million compared to Rs. 3,916 million at June 30, 2020, an increase of 13%. The net asset value (NAV) per unit as at December 31, 2020 was Rs. 15.5932 as compared to Rs. 13.7136 per unit on June 30, 2020 translating into a return of 13.71% during the period compared to the benchmark return of 14.38%.

Meezan Financial Planning Fund of Funds

Aggressive Allocation Plan

The net assets of the plan were Rs. 323 million as at December 31, 2020 compared to Rs. 283 million at June 30, 2020. The plan provided a return of 20% during the period compared to the benchmark return of 23%.

Moderate Allocation Plan

The net assets of the plan were Rs. 137 million as at December 31, 2020 compared to Rs. 119 million at June 30, 2020. The plan provided a return of 14.81% during the period compared to the benchmark return of 16.21%.

Conservative Allocation Plan

The net assets of the plan as at December 31, 2020 were Rs. 159 million compared to Rs. 144 million at June 30, 2020. The plan provided a return of 8.89% during the period compared to the benchmark return of 8.84%.

Meezan Asset Allocation Plan-I

The net assets of the plan as at December 31, 2020 were Rs. 207 million compared to Rs. 318 million at June 30, 2020. The plan provided a return of 20.13% during the period compared to the benchmark return of 22.70%.

Meezan Strategic Allocation Fund

Meezan Strategic Allocation Plan-I

The net assets of the plan as at December 31, 2020 were Rs. 858 million compared to 793 million at June 30, 2020. The plan provided a return of 19.56% during the period compared to the benchmark return of 22.2%.

Meezan Strategic Allocation Plan-II

The net assets of the plan as at December 31, 2020 were Rs. 453 million compared to Rs. 453 million at June 30, 2020. The plan provided a return of 19.17% during the period compared to the benchmark return of 22.15%.

Meezan Strategic Allocation Plan-III

The net assets of the plan as at December 31, 2020 were Rs. 552 million compared to Rs. 746 million at June 30, 2020. The plan provided a return of 19.76% during the period compared to the benchmark return of 22.06%.

Meezan Strategic Allocation Plan-IV

The net assets of the plan as at December 31, 2020 were Rs. 316 million compared to Rs. 751 million at June 30, 2020. The plan provided a return of 19.78% during the period compared to the benchmark return of 22.14%.

Meezan Strategic Allocation Plan-V

The net assets of the plan as at December 31, 2020 were Rs. 83 million compared to Rs. 196 million at June 30, 2020. The plan provided a return of 20.39% during the period compared to the benchmark return of 22.01%.

Meezan Capital Preservation Plan-III

The net assets of the plan as at December 31, 2020 were Rs. 378 million compared to Rs. 416 million at June 30, 2020. The plan provided a return of 4.2% during the period compared to the benchmark return of 2.14%.

Meezan Strategic Allocation Fund -II

Meezan Capital Preservation Plan-IV

The net assets of the plan as at December 31, 2020 were Rs. 839 million compared to Rs. 1,112 million at June 30, 2020. The plan provided a return of 7.15% during the period compared to the benchmark return of 5.07%.

Meezan Capital Preservation Plan-V

The net assets of the plan as at December 31, 2020 were Rs. 153 million compared to Rs. 216 million at June 30, 2020. The plan provided a return of 4.26% during the period compared to the benchmark return of 2.13%.

Meezan Capital Preservation Plan-VI

The net assets of the plan as at December 31, 2020 were Rs. 156 million compared to Rs. 213 million at June 30, 2020. The plan provided a return of 4.16% during the period compared to the benchmark return of 2.14%.

Meezan Capital Preservation Plan-VII

The net assets of the plan as at December 31, 2020 were Rs. 120 million compared to Rs. 136 million at June 30, 2020. The plan provided a return of 4.14% during the period compared to the benchmark return of 2.14%.

Meezan Capital Preservation Plan-VIII

The net assets of the plan as at December 31, 2020 were Rs. 52 million compared to Rs. 64 million at June 30, 2020. The plan provided a return of 4.15% during the period compared to the benchmark return of 2.14%.

Meezan Strategic Allocation Fund -III

Meezan Capital Preservation Plan-IX

The net assets of the plan as at December 31, 2020 were Rs. 97 million compared to Rs. 89 million at June 30, 2020. The plan provided a return of 12.72% during the period compared to the benchmark return which declined by 12.95%.

Meezan Gold Fund (MGF)

The net assets of the fund as at December 31, 2020 were 468 million compared to Rs. 548 million at June 30, 2020, a decline of 15%. The net asset value (NAV) per unit at December 31, 2020 was Rs. 88.6055 as compared to Rs. 84.1829 per unit on June 30, 2020 translating into a return of 5.25% during the period compared to the benchmark return of 6.61%. Fresh issuance of units of Meezan Gold Fund (MGF) were suspended from May 19, 2020 and remained suspended till December 31, 2020, as Pakistan Mercantile Exchange (PMEX) and the market maker it employed could not assure supply of physical gold through its physical gold contracts listed and traded at PMEX.

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, 2020, the equity sub-fund provided a return of 26.44% and gold sub-fund provided a return of 6.12%, while the debt and money market sub-funds provided annualized returns of 8.84% and 4.81% respectively. Performance review for each sub fund is given as under:

Equity Sub Fund

The net assets of this sub fund stood at Rs. 5,145 million at December 31, 2020 compared to Rs. 4,131 million at June 30, 2020, an increase of 25%. The net asset value (NAV) per unit of the plan was Rs. 505.9604 at the end of December 31, 2020 as compare to Rs. 400.1482 as at June 30, 2020.

Debt Sub Fund

The net assets of this sub fund stood at Rs. 3,632 million at December 31, 2020 compared to Rs. 3,178 million at June 30, 2020, an increase of 14%. The net asset value per (NAV) unit of the plan was Rs. 273.5862 at the end of December 31, 2020 as compare to Rs. 261.9128 as at June 30, 2020.

Money Market Sub Fund

The net assets of this sub fund stood at Rs. 3,168 million at December 31, 2020 compared to Rs. 3,092 million at June 30, 2020, an increase of 2.45%. The net asset value (NAV) per unit of the plan was Rs. 263.5905 at the end of December 31, 2020 as compare to Rs. 257.3454 as at June 30, 2020.

Gold Sub Fund

The net assets of this sub fund stood at Rs. 137 million at December 31, 2020 compared to Rs. 119 million at June 30, 2020, an increase of 15%. The net asset value (NAV) per unit of the plan was Rs. 168.0820 at the end of December 31, 2020 as compare to Rs. 158.3880 as at June 30, 2020.

Outlook

The Government has started taking concrete measures to resolve the circular debt, one of the key structural issues afflicting the economy over the last several years. Apart from this, the Government is working on a road map in coordination with the IMF to improve tax collection to reduce the elevated fiscal deficit. The economic outlook continues to improve as indicators during the 1HFY21 show that the Government will likely achieve its 2.1% growth target. The Central Bank is also cognizant of the need for growth and has loosened the monetary policy and other measures to stimulate growth. As per SBP, the recent rise in inflation is not driven by demand-side pressure, with core inflation for Dec-20 clocking in at only 6.4%. Overall, we expect headline inflation to remain subdued in the near term; however, it is likely to rise in the last quarter of the fiscal year. With the current account balance coming in better than expectations, we have witnessed PKR strengthening versus USD. The successful countrywide management of the COVID-19 crisis, particularly during the second wave, serves as a catalyst for improved investor confidence and economic indicators. Nonetheless, there is no reason to be complacent, and any unusual rise from this pandemic can have negative repercussions for the market and economy in general. With the vaccine inoculation drive set to pick up pace in the coming quarters, the pandemic threat will gradually recede.

Going forward, the Government is likely to issue additional fixed and floating rate Ijarah Sukuk, which will further enhance market participants' ability to deploy funds at attractive yields. The Government is targeting to increase the share of Islamic borrowing to 10% from the current level of around 3%, indicating more regular issuances of Islamic Government securities in the future. Furthermore, we also expect the corporate sector to continue raising funds through Sukuk and Islamic Commercial Papers. The Government's decision to restrict institutional investor from participation in the National Savings Scheme should also bode well for Mutual Funds in the future. The Roshan Digital Account initiative is also bearing fruit as it facilitates overseas Pakistanis to open a bank account and conduct transactions digitally from anywhere outside Pakistan without visiting a branch. The Roshan Digital Account fully integrates the Pakistani diaspora with Pakistan's banking and payment system, currently enabling investment in Pakistan's stock market directly and eventually through mutual funds in the coming months. So far, Roshan Digital Accounts have seen an influx of over USD 300 million under newly opened 75 thousand accounts.

Pakistan is likely to reinstate the IMF program in the near term after a temporary halt due to Covid-19 crisis. For the equity market, we expect a positive sentiment on this development. Historically, the equity market has risen after the finalization of an IMF program; this trend is likely to continue, especially as we anticipate foreign investors to turn optimistic on the market after resumption of IMF program. Our fundamental analysis favors an upward trajectory in the local equity market on the back of structural reforms, the entailing macroeconomic recovery, the re-rating of the market, and the mean reversion of

the index in the near term. Although the equity market has remained volatile in the last few years, it is projected to gather momentum and beat other investment avenues, in line with its long-term trend. The sizable decline in interest rate has made equities a noticeably attractive asset class amongst investors, owing to a substantial drop in the appeal of fixed income alternatives.

Acknowledgement

We take this opportunity to thank our valued investors for reposing their faith in Al Meezan Investments, the largest asset management company 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. Likewise, 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 15, 2021

ڈائریکٹرز رپورٹ مینجمنٹ کمپنی کے زیر انتظام فنڈز

المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والے عرصہ کے لیے درج ذیل اوپن اینڈ فنڈز اور والنٹری پنشن اسکیم کے مالیاتی گوشوارے پیش کرتے ہوئے اظہارِ مسرت کرتا ہے۔

ایکویٹی فنڈز

میزان اسلامک فنڈ

المیزان میوچل فنڈ

کے ایس ای۔ میزان انڈیکس فنڈ

میزان پاکستان ایکس چینج ٹریڈڈ فنڈ

میزان ڈیڈ ویلٹیڈ ایکویٹی فنڈ

سیکٹرا اسپیسیفک فنڈ

میزان انرجی فنڈ

انکم فنڈز

میزان اسلامک انکم فنڈ

میزان سوورن فنڈ

منی مارکیٹ فنڈ

میزان کیش فنڈ

میزان روزانہ آمدنی فنڈ

بیلنسڈ فنڈ

میزان بیلنسڈ فنڈ

فنڈز آف فنڈز

میزان فنانشل پلاننگ فنڈ آف فنڈز

میزان اسٹریٹجک ایلوکیشن فنڈ

میزان اسٹریٹجک ایلوکیشن فنڈ- II

میزان اسٹریٹجک ایلوکیشن فنڈ- III

کموڈٹی فنڈ

میزان گولڈ فنڈ

ایسیٹ ایلوکیشن فنڈ

میزان ایسیٹ ایلوکیشن فنڈ

پنشن فنڈ

میزان تحفظ پنشن فنڈ

اقتصادی جائزہ

کورونا وائرس کے وبائی مرض کی وجہ سے، مالی سال 20' میں، دہائیوں میں پہلی بار جی ڈی پی میں منفی نمو دیکھنے کے بعد، پاکستان کی معیشت کے کئی اہم اشاریے بحالی کی عکاسی کرتے نظر آ رہے ہیں۔ مالی سال 21' کے لیے، اسٹیٹ بینک کو توقع ہے کہ معاشی نمو 1.5 تا 2.5 فیصد رہے گی، جو دیگر کثیر الجہتی اداروں کی نسبت زیادہ پر امید پیش گوئی ہے۔ دیگر ممالک کی طرح، حکومت نے معاشی بحران کو روکنے کے لیے مالی اور زری، دونوں محاذوں پر غیر معمولی اقدامات لیے، جن کی بدولت لاک ڈاؤن کے بعد کے مہینوں میں جلد معاشی بحالی کی راہ ہموار ہوئی۔ 1.2 ٹریلین (جی ڈی پی کا 3 فی صد) کے معاشی بحالی، بشمول صنعتی تحفظ اور معاونت کے لیے تعمیراتی شعبے کے لیے مراعاتی پیکیج کو ملک بھر میں پذیرائی حاصل ہوئی۔ ساتھ ہی، اسٹیٹ بینک نے پالیسی ریٹ میں زبردست کمی کی اور ایک سال تک پرنسپل ادائیگی مؤخر، ملازمین کو برقرار رکھنے اور فکسڈ ایسیٹ سرمایہ کاری کے لیے رعایتی قرضے فراہم کیے۔ ان اقدامات کے نتائج واضح طور پر دیکھے جاسکتے ہیں، جس کی عکاسی مالی سال 21' کے پہلے پانچ مہینوں کے دوران ایل ایس ایم میں 7.4 فیصد سالانہ کی نمو سے ہوتی ہے۔ اگرچہ بہت سارے ممالک ابھی بھی وبائی مرض کے زیر اثر ہیں، پاکستان نے پہلی لہر کا بہت سے علاقائی ممالک کے برعکس بہتر طور پر مقابلہ کیا اور دوسری لہر کی شدت کو کم کرنے میں کامیاب رہا۔ اس وائرس کے پھیلاؤ کو مزید روکنے کے لیے، پاکستان، صف اول پر لڑنے والے طبی پروفیشنلز کو ٹیکہ لگانے کے لیے چین سے ویکسین کی تقریباً 1.1 ملین خوراکیں درآمد کرنے کا منصوبہ رکھتا ہے۔

مالی سال 21' کی پہلی ششماہی کے دوران اوسط قومی افراط زر کی شرح 8.6% فیصد ریکارڈ کی گئی، جو مالی سال 20' کے دوران 10.7 فیصد تھی۔ اسٹیٹ بینک نے مالی سال 21' کے لیے اوسطاً افراط زر کے 7-9 فیصد تخمینے میں کوئی تبدیلی نہیں کی ہے۔ لہذا، اس نے حقیقی شرح سود منفی رہنے کے باوجود پالیسی کی شرح کو 7.0 فیصد پر برقرار رکھتے ہوئے مالی سال 21' کی پہلی ششماہی کے دوران سہولت رساں مالیاتی پالیسی کا موقف برقرار رکھا۔ نازک معاشی بحالی کی حمایت، مہنگائی کی توقعات کو قابو میں رکھنے اور مالیاتی استحکام کو برقرار رکھنے کے لیے، مرکزی بینک موجودہ موقف کو مناسب سمجھتا ہے۔ تاہم، آئی ایم ایف پروگرام کو دوبارہ شروع کرنے کی پیشگی شرط کے طور پر تیل کی بڑھتی ہوئی قیمتوں اور پٹرول کی نرخوں میں ناگزیر اضافے کی وجہ سے مہنگائی اندازوں سے زیادہ رہنے کے خطرات پیدا ہو سکتے ہیں۔ وسیع پیمانے پر ٹیکس اصلاحات اور غیر ترقیاتی اخراجات پر سخت کنٹرول کی وجہ سے زری معاملات میں ہونے والی پیشرفت نے توجہ حاصل کی ہے۔ جولائی تا نومبر، وبائی مرض سے متعلق دباؤ کے باوجود پاکستان نے جی ڈی پی کا 0.5 فیصد فاضل پرائمری اکاؤنٹ حاصل کر لیا۔ ایف بی آر نے مالی خسارہ کو جی ڈی پی کے 7% فیصد تک محدود رکھنے کے لیے 4,963 ارب روپے ٹیکس وصولی کے ایک بلند نظر ہدف کا اعلان کیا ہے۔ مالی سال 21' کی پہلی ششماہی کے دوران، ایف بی آر نے بڑے پیمانے پر محصولات کا ہدف 2,210 ارب روپے (2,204 ارب روپے کی اصل وصولی ہدف کا 99.7% تھی) حاصل کر لیا ہے۔ مالی اعانت کے معاملے میں، مالی سال 21' کے ابتدائی پانچ ماہ کے دوران مرکزی حکومت کے قرضے 716 ارب روپے اضافے کے بعد 35.8 ٹریلین روپے ہو گئے، جن میں سے اکثریتی قرضے پاکستان سرمایہ کاری بانڈز کے ذریعے حاصل کیے گئے۔

گزشتہ دو برسوں کے دوران خسارے میں خاطر خواہ کمی کے بعد، مالی سال 21' کے پہلے چھ ماہ کے دوران کرنٹ اکاؤنٹ میزانیہ مثبت ہو گیا۔ پاکستان نے مالی سال 20' کی پہلی ششماہی کے دوران 2.0 بلین امریکی ڈالر کرنٹ اکاؤنٹ خسارہ کے مقابلے میں مالی سال 21' کی پہلی ششماہی کے دوران 1.1 ارب امریکی ڈالر کا فاضل کرنٹ اکاؤنٹ حاصل کیا۔ رواں مالی سال میں یہ بہتری بنیادی طور پر ترسیلات زر کے صحت مند بہاؤ سے منسوب ہے، جن میں 25 فیصد سالانہ اضافہ ہوا، جبکہ اشیاء اور خدمات کے خسارے میں معمولی 8 فیصد سالانہ اضافہ ہوا۔ گزشتہ کچھ برسوں میں پاکستانی روپے کی قدر میں کمی اور مالیاتی سختی کے نتیجے میں، مالی سال 19' اور مالی سال 20' کے دوران تجارتی خسارے میں قابل ذکر کمی واقع ہوئی ہے۔ فاضل بیرونی کھاتے اور بیرونی مالی امداد کی بدولت، پاکستان نے ادائیگی کے توازن میں ایک اور بحران کو نال دیا۔ نتیجے کے طور پر، مرکزی بینک کے غیر ملکی زرمبادلہ کے ذخائر 2020 کے اختتام تک 13.4 ارب امریکی ڈالر تک پہنچ گئے (جو ساڑھے تین ماہ سے زیادہ درآمدی بل کی ادائیگی کے برابر ہیں)۔ مالی سال 21' کی پہلی ششماہی کے دوران، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی شرح تبادلہ میں 4.9 فیصد اضافہ ہوا اور یہ 159.83 پر بند ہوا۔ معاشی اشاریوں میں بہتری کا شمربین الاقوامی ریٹنگ ایجنسی موڈیز کی جانب سے حکومت پاکستان کی کریڈٹ ریٹنگ سے بھی ظاہر ہوا، جس نے مستحکم آؤٹ لک کے ساتھ B3 کریڈٹ ریٹنگ کی تصدیق کی۔ مزید برآں، ایف اے ٹی ایف نے فروری 2021 میں ہونے والے آئندہ جائزے تک پاکستان کو گریڈ لسٹ میں رکھا۔

بازار زر کا جائزہ

زیر جائزہ عرصہ کے دوران، کابور کی شرح میں 3 پیسے پوائنٹس تا 11 پیسے پوائنٹس اضافہ دیکھا گیا، جبکہ 6 ماہ اور 12 ماہ کے کابور کی شرح بالترتیب 11 پیسے پوائنٹس اور 32 پیسے پوائنٹس اضافے کے ساتھ 7.35 فیصد اور 7.67 فیصد ہوئی۔ دوسری طرف، سیکنڈری مارکیٹ میں پی آئی بی پر منافع کی شرح میں 74 پیسے پوائنٹس تا 129 پیسے پوائنٹس اضافہ ہوا۔ 3 سال کے بانڈ پر منافع کی شرح 8.27 فیصد (74 پیسے پوائنٹس اضافہ)، 5 سال کے بانڈ پر منافع کی شرح 9.25 فیصد (114 پیسے پوائنٹس اضافہ) اور 10 سال کے بانڈ پر منافع کی شرح 9.98 فیصد (129 پیسے پوائنٹس اضافہ) پر بند ہوئی۔ قلیل مدتی سرکاری پیپر پر شرح منافع

میں بھی اضافے کا رجحان دیکھا گیا، جس میں 2 پیس پوائنٹس تا 23 پیس پوائنٹس اضافہ ہوا۔ زریسیال کے لحاظ سے، بینک دولت پاکستان کی جانب سے اوپن مارکیٹ آپریشن کے ذریعے قوم کی مسلسل فراہمی کے باعث بازار زریسیال مستحکم رہا، جہاں مرکزی بینک نے اس بات کو یقینی بنایا کہ قلیل مدتی بازار زریسیال شرح پالیسی کے قریب تر رہے۔ مالی سال 21 کی پہلی شش ماہی کے دوران 5.98 ٹریلین روپے کی پختگی کے مقابلے میں بینک دولت پاکستان نے ٹی بلز کے ذریعے 4.79 ٹریلین روپے مالیت کا قرض لیا۔ دوسری طرف، بینک دولت پاکستان نے طویل مدتی پاکستان انویسٹمنٹ بانڈز (فلڈ اور فلونگ) کی مد میں 101 ارب روپے کی پختگی کے مقابلے میں 1.45 ٹریلین روپے کی بولیاں قبول کی۔

GOP Ijarah	Type	Issue Date	Coupon	Pricing	Issue Size (bn)	Maturity	Closing Price	Yield
XX	Floater	30-Apr-25	5.95%	WA6MTB - 125 bps	76.39	30-Apr-25	95.66	7.13%
XXI	Floater	29-May-25	7.10%	WA6MTB - 10 bps	74.62	29-May-25	100.22	7.04%
XXII	Floater	24-Jun-25	7.07%	WA6MTB - 10 bps	47.24	24-Jun-25	100.29	6.99%
XXIII	Floater	29-Jul-25	6.27%	WA6MTB - 20 bps	186.71	29-Jul-25	99.55	7.07%
XXIII	Fixed	29-Jul-25	8.37%	8.35%	44.60	29-Jul-25	99.18	8.59%
XXIV	Floater	9-Dec-25	7.08%	WA6MTB - 10 bps	131.69	9-Dec-25	100.05	7.07%
PES I	Floater	1-Mar-29	8.05%	6MKIBOR + 80bps	200.00	1-Mar-29	107.00	7.00%
PES II	Floater	21-May-30	7.25%	6MKIBOR - 10bps	199.97	21-May-30	100.60	7.16%

زیر جائزہ عرصہ کے دوران، مرکزی بینک نے فلونگ اور فلڈ ریٹ اجارہ سلوک کے ذریعے 363 ارب روپے بھی حاصل کیے۔ اجارہ سلوک کے اجراء سے اسلامی منی مارکیٹ کے شرکاء کو کافی حد تک تقویت ملی اور مارکیٹ میں دستیاب اضافی زریسیال کو کم کرنے میں مدد ملی، مزید برآں، کارپوریٹ سیکٹر نے سلوک اور اسلامک کمرشل پیپر ز کے ذریعے فنڈز کا حصول جاری رکھا، جس نے اسلامی اداروں کے پاس دستیاب اضافی زریسیال کے کچھ حصے کو جذب کرنے میں اہم کردار ادا کیا۔

بازار حصص کا جائزہ

مالی سال 21 کی پہلی شش ماہی کے دوران، کے ایم آئی 30 انڈیکس 29.4 فیصد کے پُرکشش اضافے کے ساتھ 71,168 پوائنٹس پر بند ہوا جبکہ کے ایس ای 100 انڈیکس میں بھی اسی نوعیت کا رجحان دیکھا گیا اور یہ 27.1 فی صد اضافے کے بعد 43,755 پوائنٹس پر پہنچ گیا۔ مارکیٹ نے مالی سال کا آغاز زبردست انداز میں کیا اور پہلی سہ ماہی کے دوران کے ایس ای 100 انڈیکس میں 17.9 فیصد اضافہ ہوا۔ منافع حاصل کرنے کے رجحان کے باعث، زبردست تیزی کے بعد اکتوبر کے دوران انڈیکس میں 1.7 فی صد کمی دیکھی گئی۔ مالی سال 21 کی پہلی شش ماہی کے آخری دو مہینوں کے دوران، انڈیکس نے پھر سے مثبت رجحان حاصل کر لیا اور کے ایس ای 100 انڈیکس اس عرصے کی بلند ترین سطح کے قریب بند ہوا۔ دوسری سہ ماہی کے دوران کووڈ 19 کے موثر ٹیکوں کی تیاری میں پیشرفت نے عالمی منڈیوں میں خوشی کی لہر دوڑائی اور اس کے بعد سے اجناس کی قیمتوں میں بہت اضافہ ہوا ہے۔ پاکستان اسٹاک مارکیٹ میں مالی سال 21 کی پہلی شش ماہی کے دوران متاثر کن تیزی کی ایک وجہ میکرو اکنامک اشاریوں میں مسلسل بہتری، کم شرح سود کے درمیان بڑھتی ہوئی لیکویڈیٹی اور کووڈ 19 کیسز میں توقعات سے زیادہ کمی رہی، جبکہ تقریباً 8.5x کے تاریخی اوسط تناسب کے مقابلے میں تقریباً 7.0x E/P تناسب پر مارکیٹ کی مجموعی قیمتیں پُرکشش رہیں۔

اس عرصہ کے دوران، مارکیٹ مثبت سمت میں رہی، کیونکہ مارچ-20 سے شرح سود میں زبردست کٹوتی نے فلڈ انکم کے مقابلے میں حصص کی کشش میں قابل ذکر اضافہ کیا، یہ حقیقت بازار حصص سے حاصل ہونے والے منافع اور پینچ مارک حکومتی سیکورٹیز پر حاصل ہونے والے منافع کے درمیان قابل ذکر فرق سے ظاہر ہوتی ہے۔

ایک اور مثبت پیشرفت، کورونا وائرس انفیکشن کی شرح میں قابل ذکر کمی تھی، جس کے نتیجے میں جون کے اختتام پر 108,273 فعال کیسز کے مقابلے میں، دوسری لہر شروع ہوجانے کے باوجود دسمبر 2020 تک فعال کیسز 34,773 رہ گئے۔ حکومت نے صنعتوں کو کام کرنے کی اجازت دی، جو کہ اسٹاک مارکیٹ پر سرمایہ کاروں کی پُر امید کی کو برقرار رکھنے کے لیے اہم جزو تھا۔ مارکیٹ پُر امید کی ایک اور بڑی وجہ حکومت کی جانب سے اعلان کردہ تعمیراتی پیکیج تھا، جس نے تعمیراتی سامان کی طلب کو تیز کیا اور متعدد وابستہ شعبوں پر بھی اس کا مثبت اثر پڑا۔ اس پیکیج میں بلڈرز کے لیے ایسٹیمٹس اسکیم میں توسیع اور اسٹیٹ بینک نے تجارتی بینکوں کو ہدایت کی کہ وہ نجی شعبے کے قرضوں کا 5 فی صد تک ہاؤسنگ فنڈس کے لیے فراہم کریں۔ متعدد آئی پی پیز کی جانب سے منصوبوں پر گارنٹیڈ ریٹن میں کمی کے بدلے قابل وصول گردش قرضوں کے مسئلے کو حل کرنے کے مفاہمت کے معاہدے پر دستخط کرنے کے باعث زبردستی رہے۔ نوٹ کریں کہ گذشتہ کچھ عرصے میں بجلی کا شعبہ گردش قرضوں کی وجہ سے اپنی استعداد سے کم کارکردگی کا مظاہرہ کر رہا تھا، جس کا اثر ان کی جانب سے منافع منقسمہ کی تقسیم میں کٹوتی کی صورت میں دیکھا گیا۔ دوسری طرف، ایف اے ٹی ایف نے نتیجہ اخذ کیا کہ پاکستان نے کامیابی کے ساتھ 27 مئی سے 21 نکات پر عمل کیا ہے اور فیصلہ کیا ہے کہ فروری 2021 تک ملک کو "گرے لسٹ" پر رکھیں گے۔

مالی سال 21 کی پہلی شش ماہی کے دوران، حصص کی لین دین کے کاروبار میں قابل ذکر بہتری دیکھی گئی اور اس عرصے کے دوران کے ایم آئی-30 کا حجم، مالی سال 20 کی پہلی شش ماہی کے مقابلے میں 84 فی صد اضافے کے ساتھ 156 ملین حصص، اور کے ایس ای-100 کا کاروباری حجم 80 فی صد اضافے کے ساتھ 265 ملین حصص تک پہنچ گیا۔ لاک ڈاؤن ختم ہونے کے بعد کاروباری سرگرمیاں بحال ہونے کے باعث میکرو اکنامک منظر نامہ میں کئی گنا بہتری آئی، اس عرصے کے دوران پیٹرولیم مصنوعات، سیمنٹ اور گاڑیوں کی کھپت میں نمایاں اضافہ ہوا۔ مارچ سے جون کے درمیان شرح سود میں زبردست کٹوتی کے بعد اسٹیٹ بینک نے پالیسی ریٹ کو 7 فی صد پر برقرار رکھتے ہوئے زری پالیسی کو مستحکم رکھا۔ ان مشکل وقتوں میں، زری پالیسی کی ترجیح درست طور پر معاشی نمو اور روزگار کی فراہمی بن گئی ہے۔

عالمی محاذ پر، وبائی مرض کی وجہ سے منڈیوں میں افراتفری پر قابو پانے کے لیے QE4 پروگرام کے تحت امریکی مرکزی بینک (فیڈرل ریزرو) کی جانب سے اثاثوں کی خریداری کے باعث ڈالر کی سیالیت وافر مقدار میں رہی۔ لہذا، امریکی ڈالر انڈیکس میں مجموعی طور پر اہم کرنسیوں کے مقابلہ میں 7.7 فیصد کمی ہوئی۔ اس پس منظر میں، ایم ایس سی آئی، ای ایم انڈیکس نے اس عرصے کے دوران 29.8 فیصد اضافہ کے ساتھ عمدہ کارکردگی کا مظاہرہ کیا، کیونکہ سرمایہ کاروں نے کمزور ہوتے امریکی ڈالر کے درمیان ابھرتی ہوئی منڈیوں کے اثاثوں کو ترجیح دی۔ کووڈ 19 ویکسینوں کے عالمی رول آؤٹ کے امکانات کے پیش نظر، مندی کے بعد تیل کی عالمی قیمتوں میں تیزی کا رجحان دیکھا گیا اور مالی سال 21 کی پہلی شش ماہی کے دوران برینٹ کی قیمت 26 فی صد بڑھ گئی، جب کہ برینٹ خام تیل کی لین دین، دسمبر کے آخر میں 50 ڈالر فی بیرل سے اوپر ہو رہی تھی۔ اوپیک + گروپ کی جانب سے تیل کی رسد میں کمی کے باعث بھی قیمتوں میں اضافہ ہوا تا کہ لاک ڈاؤن کے باعث محدود معاشی سرگرمی کی وجہ سے عالمی سطح پر طلب میں کمی کے مسئلے سے نمٹا جاسکے۔

انڈیکس میں بڑے حصہ دار:

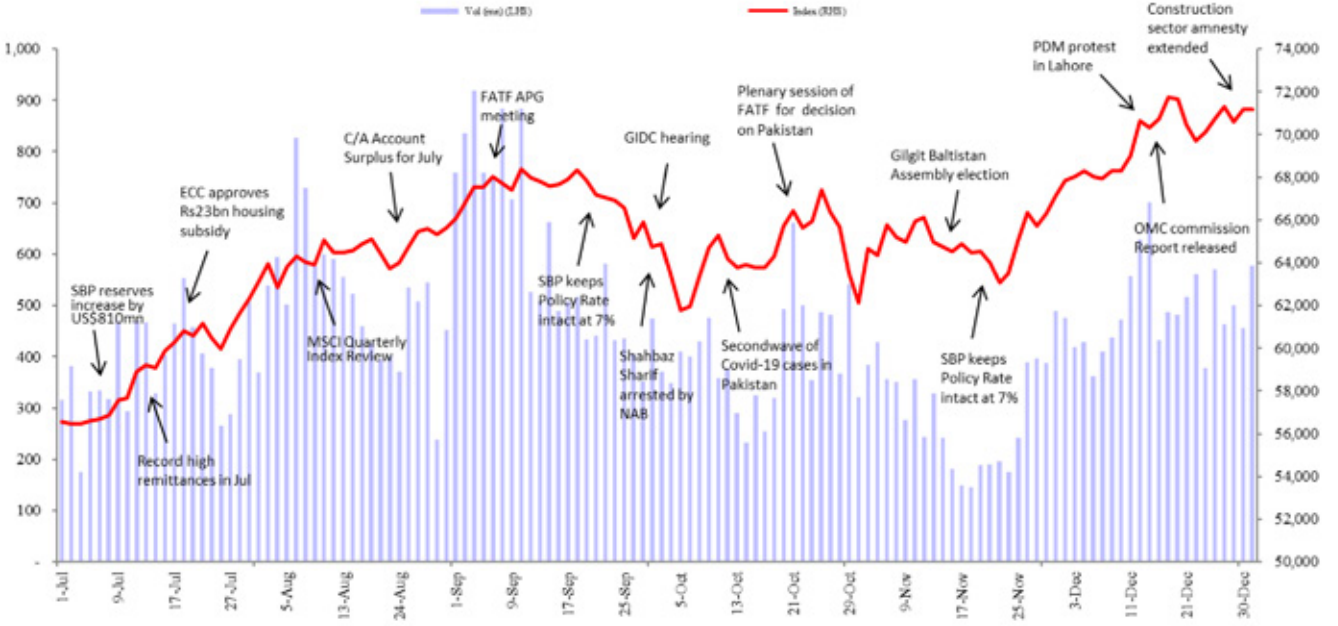
اہم شعبہ جات میں انجینئرنگ، ریفرنسری، ٹیکنالوجی، پیپر اینڈ بورڈ اور سیمنٹ بہترین کارکردگی دکھانے والے سیکٹرز رہے۔ مالی سال 21 کی پہلی شش ماہی کے دوران، کے ایم آئی-30 انڈیکس میں حصہ ڈالنے والے سرفہرست حصص درج ذیل ہیں:

Major Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Lucky Cement Ltd	2,251	40.79
Meezan Bank Ltd	1,312	74.04
Systems Ltd	1,304	102.83
Pakistan State Oil Co Ltd	964	32.73

دوسری طرف، تیل اور گیس کی تلاش، فریٹلائزر اور بجلی کے سیکٹرز کی کارکردگی بدترین رہی۔ اس عرصے کے دوران، درج ذیل نے کے ایم آئی-30 انڈیکس کو سست روی کا شکار کیا:

Major Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Oil & Gas Development Co Ltd	-255	-4.00
Hub Power Co Ltd	-244	-4.55
Sui Northern Gas Pipeline	-233	-16.95
Dawood Hercules Corp Ltd	-160	-4.48

اس عرصے کے دوران، کے ایم آئی-30 انڈیکس کی مجموعی نقل و حرکت کا جائزہ درج ذیل گراف میں لیا جاسکتا ہے:



حصص میں بہاؤ

مالی سال 21 کی پہلی شش ماہی کے دوران، غیر ملکی سرمایہ کار خالص فروخت کنندہ رہتے ہوئے تقریباً 279 ملین ڈالر مارکیٹ سے نکال کر لے گئے۔ زیادہ تر اخراج کمرشل بینکنگ (88 ملین ڈالر)، تیل و گیس کی تلاش (53 ملین ڈالر) اور دیگر مختلف سیکٹرز سے (74 ملین ڈالر) دیکھا گیا۔ گزشتہ سال کے رجحان کی طرح انفرادی سرمایہ کاری سیالیٹ فراہم کرنے کا سب سے بڑا ذریعہ رہے اور انھوں نے 159 ملین ڈالر کی خالص خریداری کی۔ اس کے بعد کارپوریشن اور انشورنس کمپنیوں کی جانب سے اچھی خریداری دیکھی گئی اور انھوں نے 91 ملین ڈالر مالیت کا خالص سرمایہ ڈالا۔ مقامی سرمایہ کاروں میں سے بینک خالص فروخت کنندہ رہے اور انھوں نے 69 ملین ڈالر کی سیکورٹیز فروخت کیں۔ میوچل فنڈ 20 ملین ڈالر مالیت کے حصص کے خالص خریدار رہے۔

میوچل فنڈ انڈسٹری کا جائزہ

مالی سال 21 کی پہلی شش ماہی کے دوران، میوچل فنڈ انڈسٹری کے زیر انتظام اثاثہ جات کا حجم 24 فی صد اضافے کے ساتھ 948 ارب روپے ہو گیا۔ شریعہ موافق زیر انتظام اثاثہ جات 15.9 فیصد بڑھ کر 378 ارب روپے ہو گئے، جس کے بعد میوچل فنڈ انڈسٹری میں شریعہ موافق فنڈز کا حصہ 40 فیصد ہو گیا۔ 31 دسمبر 2020 تک میوچل فنڈ انڈسٹری میں المیز ان کا حصہ 17.2 فیصد، جبکہ شریعہ موافق فنڈز میں حصہ 42.6 فیصد تھا۔

کارکردگی کا جائزہ (فنڈز)

ذیل میں فراہم کردہ جدول میں ہمارے زیر انتظام فنڈز کی پہلی شش ماہی کی کارکردگی کا خلاصہ پیش کیا گیا ہے۔

Funds	Type	Net Assets Rs. in millions	Growth in Net Assets for 1HFY21 (%)	Returns for 1HFY21 (%)
Equity Funds				
Al Meezan Mutual Fund (AMMF)	Equity	4,777	22.08	24.54
Meezan Islamic Fund (MIF)	Equity	30,968	28.64	26.47
KSE Meezan Index Fund (KMIF)	Equity	2,537	36.60	27.56
Meezan Energy Fund (MEF)	Equity	417	-23.08	9.03
Meezan Dedicated Equity Fund (MDEF)	Equity	948	53.22	26.55
Fixed Income Funds				
Meezan Islamic Income Fund (MIIF)	Income	35,141	26.52	7.02
Meezan Cash Fund (MCF)	Money Market	13,800	-1.61	5.72
Meezan Sovereign Fund (MSF)	Income	8,841	-9.20	8.70
Meezan Rozana Amdani Fund (MRAF)	Money Market	46,983	-11.94	6.34
Balanced Fund				
Meezan Balanced Fund (MBF)	Balanced	4,418	12.84	13.71
Exchange Traded				
Meezan Pakistan Exchange Traded Fund (MZNP-ETF)*	Exchange Traded	31		7.41
Fund of Funds				
Meezan Financial Planning Fund of Fund				
Aggressive		323	14.19	20.21
Moderate		137	15.30	14.81
Conservative		159	10.51	8.89
MAAP-I		207	-34.93	20.13
Meezan Strategic Allocation Fund				
MSAP-I		858	8.18	19.56
MSAP-II		453	0.16	19.17
MSAP-III		552	-26.00	19.76
MSAP-IV		316	-57.97	19.78
MSAP-V		83	-57.56	20.39
MSAP-MCPP-III		378	-9.20	4.20
Meezan Strategic Allocation Fund - II				
MSAP-II -MCPPIV		839	-24.61	7.15
MSAP-II -MCPPIV		153	-29.16	4.26
MSAP-II -MCPPIV		156	-26.70	4.16
MSAP-II -MCPPIV		120	-11.49	4.14
MSAP-II -MCPPIV		52	-18.72	4.15
Meezan Strategic Allocation Fund - III				
MSAP-II -MCPPIV		97	8.78	12.72
Commodity Fund				
Meezan Gold Fund (MGF)	Commodity	468	-14.66	5.25
Asset Allocation Fund				
Meezan Asset Allocation Fund (MAAF)	Asset Allocation	1,574	17.54	24.17
Pension Fund Scheme				
Meezan Tahaffuz Pension Fund				
Equity sub Fund	Pension Fund Scheme	5,145	24.56	26.44
Debt sub Fund		3,632	14.26	8.84
Money Market sub Fund		3,168	2.44	4.81
Gold Sub Fund		137	14.83	6.12

* Launched Oct 06, 2020

میزان اسلامک فنڈ

31 دسمبر 2020 کے مطابق، میزان اسلامک فنڈ (MIF) کے خالص اثاثہ جات 30,968 ملین روپے ہو گئے، جو کہ جون 2020 کے اختتام پر 24,072 ملین روپے تھے، اس طرح یہ اضافہ 29 فیصد بنتا ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 59.1492 روپے رہی، جو 30 جون 2020 کو 46.7710 روپے فی یونٹ تھی، جو کہ اس عرصہ کے دوران بیچ مارک کے ایس ای میزان انڈیکس (کے ایم آئی 30) کے 29.41 فی صد شرح منافع کے مقابلے میں 26.47 فی صد شرح منافع بنتی ہے۔

المیزان میوچل فنڈ

31 دسمبر 2020 کو المیزان میوچل فنڈ (AMMF) کے خالص اثاثہ جات 4,777 ملین روپے ہو گئے، جو کہ جون 2020 کے اختتام پر 3,913 ملین روپے تھے، اس طرح یہ اضافہ 22 فیصد بنتا ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 16.5864 روپے رہی، جو 30 جون 2020 کو 13.3176 روپے فی یونٹ تھی، جو کہ سش ماہی کے دوران بیچ مارک کے ایس ای میزان انڈیکس (کے ایم آئی 30) کے 29.41 فی صد شرح منافع کے مقابلے میں 24.54 فی صد شرح منافع بنتی ہے۔

کے ایس ای میزان انڈیکس فنڈ

31 دسمبر 2020 کے مطابق، کے ایس ای میزان انڈیکس فنڈ (KMIF) کے خالص اثاثہ جات 2,537 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 1,857 ملین روپے تھے، اس طرح یہ اضافہ 37 فیصد بنتا ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 68.1338 روپے

رہی، جو 30 جون 2020 کو 53.4129 روپے فی یونٹ تھی، جو کہ شش ماہی کے دوران بیچ مارک کے ایس ای میزان انڈیکس (کے ایم آئی 30) کے 29.41 فیصد شرح منافع کے مقابلے میں 27.56 فی صد شرح منافع بنتی ہے۔

میزان ڈیڈیکٹیو ایکویٹی فنڈ

31 دسمبر 2020 کے مطابق، میزان ڈیڈیکٹیو ایکویٹی فنڈ (MDEF) کے خالص اثاثہ جات 948 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 619 ملین روپے تھے، اس طرح یہ اضافہ 53 فی صد بنتا ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 43.7932 روپے رہی، جو 30 جون 2020 کو 34.6044 روپے فی یونٹ تھی، جو کہ شش ماہی کے دوران بیچ مارک کے ایس ای میزان انڈیکس (کے ایم آئی 30) کے 29.41 فی صد شرح منافع کے مقابلے میں 26.55 فی صد شرح منافع بنتی ہے۔

میزان انرجی فنڈ

31 دسمبر 2020 کے مطابق، میزان انرجی فنڈ (MEF) کے خالص اثاثہ جات 417 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 542 ملین روپے تھے، اس طرح یہ کمی 23 فی صد بنتی ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 32.7304 روپے رہی، جو 30 جون 2020 کو 30.0200 روپے فی یونٹ تھی، جو کہ شش ماہی کے دوران بیچ مارک کے ایس ای میزان انڈیکس (کے ایم آئی 30) کے 29.41 فی صد شرح منافع کے مقابلے میں 9.03 فی صد شرح منافع بنتی ہے۔

میزان پاکستان ایکس چینج ٹریڈ فنڈ

میزان پاکستان ایکس چینج ٹریڈ (MPETF) کو اکتوبر 2020 میں متعارف کروایا گیا تھا اور 31 دسمبر 2020 کو اس کے خالص اثاثہ جات کی مالیت 31 ملین روپے تک پہنچ چکی تھی۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 10.7405 روپے تھی، اس طرح زیر جائزہ عرصہ کے دوران بیچ مارک MZNPFI کے 8.65 فی صد شرح منافع کے مقابلے میں 7.41 فی صد شرح منافع بنتی ہے۔

میزان ایسیٹ ایلویشن فنڈ

31 دسمبر 2020 کے مطابق، میزان ایسیٹ ایلویشن فنڈ (MAAF) کے خالص اثاثہ جات 1,574 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 1,339 ملین روپے تھے، جو کہ 18 فی صد کا اضافہ ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 45.4385 روپے رہی، جو 30 جون 2020 کو 36.5940 روپے فی یونٹ تھی، جو کہ اس عرصہ کے دوران 24.88 فی صد بیچ مارک شرح منافع کے مقابلے میں 24.17 فی صد شرح منافع بنتی ہے۔

میزان اسلامک انکم فنڈ

31 دسمبر 2020 کے مطابق، میزان اسلامک انکم فنڈ (MIIF) کے خالص اثاثہ جات 35,141 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 27,776 ملین روپے تھے، جو کہ 27 فی صد کا اضافہ ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 53.2871 روپے رہی، جو 30 جون 2020 کو 51.4656 روپے فی یونٹ تھی، جو کہ سالانہ بیچ مارک 3.93 فی صد شرح منافع کے مقابلے میں 7.02 فی صد سالانہ شرح منافع بنتی ہے۔ زیر جائزہ عرصہ کے اختتام پر فنڈ نے 12% فنڈ اسلامک کارپوریٹ سکوک، 4% کمرشل پیپر، 26% جی او پی اجارہ/گورنمنٹ گارنٹیڈ سکوک، 5% مشارکہ سرٹیفکیٹ، 7% ٹرم ڈیپازٹ ریسیپٹ اور 41% خالص اثاثہ جات اسلامی بینکوں یا بینکوں کے اسلامک ونڈوز میں سرمایہ کاری کی ہوئی تھی۔

میزان سوورن فنڈ

31 دسمبر 2020 کے مطابق، میزان ساورن فنڈ (MSF) کے خالص اثاثہ جات 8,841 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 9,736 ملین روپے تھے، اس طرح 9 فی صد کمی ریکارڈ کی گئی۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر و قیمت 53.8092 روپے رہی، جو 30 جون 2020 کو 51.5476 روپے فی یونٹ تھی، جو کہ سالانہ بیچ مارک 4.23 فی صد شرح منافع کے مقابلے میں 8.7 فی صد سالانہ شرح منافع بنتی ہے۔ زیر جائزہ عرصہ کے اختتام پر، 82 فی صد فنڈ جی او پی اجارہ/گورنمنٹ گارنٹیڈ سکوک اور 19 فی صد خالص اثاثہ جات اسلامی بینکوں یا بینکوں کے اسلامک ونڈوز میں لگے ہوئے تھے۔

میزان کیش فنڈ

31 دسمبر 2020 کے مطابق، میزان کیش فنڈ (MCF) کے خالص اثاثہ جات 13,800 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 14,026 ملین روپے تھے، اس طرح 2 فیصد کمی ریکارڈ کی گئی۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی نی یونٹ قدر و قیمت 51.9523 روپے رہی، جو 30 جون 2020 کو 50.4952 روپے فی یونٹ تھی، جو کہ سالانہ بیچ مارک 3.71 فی صد شرح منافع کے مقابلے میں 5.72 فی صد سالانہ شرح منافع بنتی ہے۔ زیرِ جائزہ عرصہ کے اختتام پر 10 فی صد فنڈ، ٹرم ڈیپازٹ ری سیپٹس، 12 فی صد کمرشل پیپرز، 8 فی صد اسلاک کارپوریٹس سکوک اور 68 فی صد خالص اثاثہ جات اسلامی بینکوں یا بینکوں کے اسلاک ونڈوز میں لگے ہوئے تھے۔

میزان روزانہ آمدنی فنڈ

31 دسمبر 2020 کے مطابق، میزان روزانہ آمدنی فنڈ (MRAF) کے خالص اثاثہ جات 46,983 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 53,351 ملین روپے تھے، اس طرح 12 فی صد کمی ریکارڈ کی گئی۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی نی یونٹ قدر و قیمت 50.0000 روپے تھی۔ سہ ماہی کے دوران فنڈ نے سالانہ بیچ مارک 3.87% شرح منافع کے مقابلے میں 6.34 فی صد سالانہ شرح منافع سے منافع دیا۔ زیرِ جائزہ عرصہ کے اختتام پر، 19 فی صد فنڈ، ٹرم ڈیپازٹ ری سیپٹس، 6 فی صد کمرشل پیپرز، 3 فی صد اسلاک کارپوریٹ سکوک، اور 60 فی صد خالص اثاثہ جات اسلامی بینکوں یا بینکوں کے اسلاک ونڈوز میں لگے ہوئے تھے۔

میزان بیلنسڈ فنڈ

31 دسمبر 2020 کے مطابق، میزان بیلنسڈ فنڈ (MBF) کے خالص اثاثہ جات 4,418 ملین روپے ہو گئے، جو کہ 30 جون 2020 کو 3,916 ملین روپے تھے، اس طرح 13 فی صد اضافہ ریکارڈ کیا گیا۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی نی یونٹ قدر و قیمت 15.5932 روپے تھی جو کہ 30 جون 2020 کو 13.7136 روپے تھی، جو کہ سالانہ بیچ مارک 14.38 فی صد شرح منافع کے مقابلے میں 13.71 فی صد سالانہ شرح منافع بنتی ہے۔

میزان فنانشل پلاننگ فنڈ آف فنڈز

ایگریسیو ایلوکیشن پلان

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 323 ملین روپے تھے، جو کہ 30 جون 2020 کو 283 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیچ مارک 23 فی صد شرح منافع کے مقابلے میں 20 فی صد شرح منافع دیا۔

موڈریٹ ایلوکیشن پلان

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 137 ملین روپے تھے، جو کہ 30 جون 2020 کو 119 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیچ مارک 16.21 فی صد شرح منافع کے مقابلے میں 14.81 فی صد شرح منافع دیا۔

کنزرویٹو ایلوکیشن پلان

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 159 ملین روپے تھے، جو کہ 30 جون 2020 کو 144 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیچ مارک 8.84 فی صد شرح منافع کے مقابلے میں 8.89 فی صد شرح منافع دیا۔

میزان ایسیٹ ایلوکیشن پلان - I

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 207 ملین روپے تھے، جو کہ 30 جون 2020 کو 318 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیچ مارک 22.7 فی صد شرح منافع کے مقابلے میں 20.13 فی صد شرح منافع دیا۔

میزان اسٹریٹجک ایلوکیشن فنڈ

میزان اسٹریٹجک ایلوکیشن پلان - I

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 858 ملین روپے تھے، جو کہ 30 جون 2020 کو 793 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیچ مارک 22.2 فی صد شرح منافع کے مقابلے میں 19.56 فی صد شرح منافع دیا۔

میزان اسٹریٹجک ایلوکیشن پلان - II

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 453 ملین روپے تھے، جو کہ 30 جون 2020 کو 453 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 22.15 فی صد شرح منافع کے مقابلے میں 19.17 فی صد شرح منافع دیا۔

میزان اسٹریٹجک ایلوکیشن پلان - III

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 552 ملین روپے تھے، جو کہ 30 جون 2020 کو 746 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 22.06 فی صد شرح منافع کے مقابلے میں 19.76 فی صد شرح منافع دیا۔

میزان اسٹریٹجک ایلوکیشن پلان - IV

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 316 ملین روپے تھے، جو کہ 30 جون 2020 کو 751 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 22.14 فی صد شرح منافع کے مقابلے میں 19.78 فی صد شرح منافع دیا۔

میزان اسٹریٹجک ایلوکیشن پلان - V

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 83 ملین روپے تھے، جو کہ 30 جون 2020 کو 196 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 22.01 فی صد شرح منافع کے مقابلے میں 20.39 فی صد شرح منافع دیا۔

میزان کپیٹل پریزرویشن پلان - III

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 378 ملین روپے تھے، جو کہ 30 جون 2020 کو 416 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 2.14 فی صد شرح منافع کے مقابلے میں 4.2 فی صد شرح منافع دیا۔

میزان اسٹریٹجک ایلوکیشن فنڈ - II

میزان کپیٹل پریزرویشن پلان - IV

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 839 ملین روپے تھے، جو کہ 30 جون 2020 کو 1,112 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 5.07 فی صد شرح منافع کے مقابلے میں 7.15 فی صد شرح منافع دیا۔

میزان کپیٹل پریزرویشن پلان - V

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 153 ملین روپے تھے، جو کہ 30 جون 2020 کو 216 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 2.13 فی صد شرح منافع کے مقابلے میں 4.26 فی صد شرح منافع دیا۔

میزان کپیٹل پریزرویشن پلان - VI

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 156 ملین روپے تھے، جو کہ 30 جون 2020 کو 213 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 2.14 فی صد شرح منافع کے مقابلے میں 4.16 فی صد شرح منافع دیا۔

میزان کپیٹل پریزرویشن پلان - VII

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 120 ملین روپے تھے، جو کہ 30 جون 2020 کو 136 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 2.14 فی صد شرح منافع کے مقابلے میں 4.14 فی صد شرح منافع دیا۔

میزان کپیٹل پریزرویشن پلان - VIII

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 52 ملین روپے تھے، جو کہ 30 جون 2020 کو 64 ملین روپے تھے۔ پلان نے زیرِ جائزہ عرصہ کے دوران، بیٹج مارک 2.14 فی صد شرح منافع کے مقابلے میں 4.15 فی صد شرح منافع دیا۔

میزان اسٹریٹجک ایلوکیشن فنڈ- III

میزان کیپیٹل پریزرویشن پلان- IX

31 دسمبر 2020 کو پلان کے خالص اثاثہ جات 97 ملین روپے تھے، جو کہ 30 جون 2020 کو 89 ملین روپے تھے۔ پلان نے زیر جائزہ عرصہ کے دوران، بیسٹ مارک 12.95 فی صد شرح منافع کے مقابلے میں 12.72 فی صد شرح منافع دیا۔

میزان گولڈ فنڈ

31 دسمبر 2020 کو فنڈ کے خالص اثاثہ جات 468 ملین روپے رہے، جو کہ 30 جون 2020 کو 548 ملین روپے تھے، جو کہ 15 فی صد کی کمی ہے۔ 31 دسمبر 2020 کو مجموعی خالص اثاثہ جات کی فی یونٹ قدر قیمت 88.6055 روپے رہی، جبکہ 30 جون 2020 کو فی یونٹ قدر قیمت 84.1829 روپے تھی، اس طرح شش ماہی کے دوران فنڈ نے بیسٹ مارک 6.61 فی صد شرح منافع کے مقابلے میں 5.25 فی صد کی شرح سے منافع دیا۔ 19 مئی 2020 سے میزبان گولڈ فنڈ (MGF) کے مزید نوٹس کا اجراء معطل کر دیا گیا تھا اور یہ 31 دسمبر 2020 تک معطل رہا، جس کی وجہ یہ تھی کہ پاکستان مرکٹنل ایکس چینج (PMEX) اور اس کا مارکیٹ میکر، PMEX پر درج شدہ اور لین دین کیے جانے والے فزیکل گولڈ کنٹریپٹس کے ذریعے فزیکل گولڈ کی رسد کو یقینی بنانے سے قاصر رہا۔

میزان تحفظ پنشن فنڈ

میزبان تحفظ پنشن فنڈ چار ذیلی فنڈز بنام ایکویٹی ذیلی فنڈ، ڈیبٹ ذیلی فنڈ، منی مارکیٹ ذیلی فنڈ اور گولڈ ذیلی فنڈ پر مشتمل ہے۔ 31 دسمبر 2020 کو ختم ہونے والی شش ماہی کے دوران ایکویٹی ذیلی فنڈ نے 26.44 فی صد اور گولڈ ذیلی فنڈ نے 6.12 فی صد منافع دیا، جبکہ ڈیبٹ اور منی مارکیٹ ذیلی فنڈز نے بالترتیب 8.84 فی صد اور 4.81 فی صد سالانہ منافع دیا۔ ہر ذیلی فنڈ کی کارکردگی کا جائزہ درج ذیل ہے:

ایکویٹی ذیلی فنڈ

31 دسمبر 2020 کو اس ذیلی فنڈ کے خالص اثاثہ جات 5,145 ملین روپے رہے، جو کہ 30 جون 2020 کو 4,131 ملین روپے تھے، جو کہ 25 فی صد اضافہ ہے۔ 31 دسمبر 2020 کے اختتام پر پلان کے مجموعی خالص اثاثہ جات کی فی یونٹ قدر قیمت 505 9604 روپے رہی، جبکہ 30 جون 2020 کو 400.1482 روپے تھی۔

ڈیبٹ ذیلی فنڈ

31 دسمبر 2020 کو اس ذیلی فنڈ کے خالص اثاثہ جات 3,632 ملین روپے رہے، جو کہ 30 جون 2020 کو 3,178 ملین روپے تھے، جو کہ 14 فی صد اضافہ ظاہر کرتا ہے۔ 31 دسمبر 2020 کے اختتام پر پلان کے مجموعی خالص اثاثہ جات کی فی یونٹ قدر قیمت 273.5862 روپے رہی، جبکہ 30 جون 2020 کو 261.9128 روپے تھی۔

منی مارکیٹ ذیلی فنڈ

31 دسمبر 2020 کو اس ذیلی فنڈ کے خالص اثاثہ جات 3,168 ملین روپے رہے، جو کہ 30 جون 2020 کو 3,092 ملین روپے تھے، جو کہ 2 فی صد کی کمی کو ظاہر کرتے ہیں۔ 31 دسمبر 2020 کے اختتام پر پلان کے مجموعی خالص اثاثہ جات کی فی یونٹ قدر قیمت 263.5905 روپے رہی، جو کہ 30 جون 2020 کو 257.3454 روپے تھی۔

گولڈ ذیلی فنڈ

31 دسمبر 2020 کو اس ذیلی فنڈ کے خالص اثاثہ جات 137 ملین روپے رہے، جو کہ 30 جون 2020 کو 119 ملین روپے تھے، جو کہ 15 فی صد کا اضافہ ہے۔ 31 دسمبر 2020 کے اختتام پر پلان کے مجموعی خالص اثاثہ جات کی فی یونٹ قدر قیمت 168.0820 روپے رہی، جو کہ 30 جون 2020 کو 158.3880 روپے تھی۔

توقعات

توانائی کے شعبہ میں زیر گردش قرض کے حل کے لئے حکومت نے ٹھوس اقدامات اٹھانا شروع کر دیئے ہیں، یہ ایک بنیادی ڈھانچہ جاتی مسئلہ رہا ہے جو گزشتہ کئی برسوں

سے معیشت کو درپیش ہے۔ اس کے علاوہ، حکومت بلند مالی خسارے کو کم کرنے کے لیے ٹیکس وصولی کو بہتر بنانے کے لیے آئی ایم ایف کے ساتھ ہم آہنگی میں روڈ میپ پر کام کر رہی ہے۔ معاشی نقطہ نظر سے، مالی سال 21 کی پہلی شش ماہی کے دوران سامنے آنے والے اشاریوں سے ظاہر ہوتا ہے کہ حکومت ممکنہ طور پر اپنے 2.1 فیصد معاشی نمو کے ہدف کو حاصل کر لے گی۔ مرکزی بینک بھی نمو کی ضرورت سے واقف ہے اور اس نے معاشی نمو کو بڑھاوا دینے کے لیے زری پالیسی میں نرمی پیدا کی ہے اور دیگر اقدامات لیے ہیں۔ اسٹیٹ بینک کے مطابق، افراط زر میں حالیہ اضافہ طلب کے باوجود باعث نہیں آیا، اور دسمبر کے دوران بنیادی افراط زر 6.4 فیصد پر آ گیا۔ مجموعی طور پر، ہم توقع کرتے ہیں کہ قلیل مدت میں ہیڈ لائن افراط زر کم رہے گا، تاہم، مالی سال کی آخری سہ ماہی میں اس میں اضافے کا امکان ہے۔ کرنٹ اکاؤنٹ بیلنس توقعات سے بہتر آنے کے ساتھ، ہم نے پاکستانی روپے کو امریکی ڈالر کے مقابلے میں مضبوط ہوتے دیکھا ہے۔ خاص طور پر دوسری لہر کے دوران کووڈ-19 بحران کا کامیاب ملک گیر انتظام، سرمایہ کاروں کے اعتماد اور معاشی اشاریوں میں بہتری لانے کے لیے ایک اہم ثابت ہو ہے۔ بہر حال، یہ مطمئن ہونے کی کوئی وجہ نہیں ہے، اور اس وبائی بیماری میں ہونے والے کسی بھی غیر معمولی اضافے کی وجہ سے عمومی طور پر مارکیٹ اور معیشت کو منفی نقصان ہو سکتا ہے۔ آنے والی سہ ماہیوں میں کووڈ سے بچاؤ کے ٹیکے لگانے کی مہم میں تیزی آنے کے بعد، وبائی خطرہ آہستہ آہستہ کم ہوتا جائے گا۔

آنے والے وقت میں، حکومت ممکنہ طور پر اضافی فکسڈ اور فلوئنگ شرح پر اجارہ سکوک جاری کرے گی، جس سے مارکیٹ کے شرکاء کی پرکشش شرح منافع پر اپنی رقوم کی سرمایہ کاری کرنے کی صلاحیت میں مزید اضافہ ہوگا۔ حکومت اسلامی قرضوں کے حصے کو موجودہ سطح جو تقریباً 3 فیصد ہے سے بڑھاتا تک 10 فیصد تک بڑھانے کا ہدف رکھتی ہے، جس سے مستقبل میں اسلامک گورنمنٹ سیکورٹیز کے زیادہ باقاعدگی سے اجراء کی نشاندہی ہوتی ہے۔ مزید برآں، ہم یہ بھی توقع کرتے ہیں کہ کارپوریٹ سیلٹر سکوک اور اسلامک کمرشل پیپرز کے ذریعے سرمایہ حاصل کرنے کا عمل جاری رکھے گا۔ حکومت کی جانب سے ادارہ جاتی سرمایہ کاروں کو قومی بچت اسکیم میں حصہ لینے سے روکنے کا فیصلہ، میوچل فنڈز کے مستقبل کے لیے موافق ثابت ہونا چاہیے۔ روشن ڈیجیٹل اکاؤنٹ کے نتائج بھی برآمد ہونا شروع ہو گئے ہیں، کیونکہ اس سے بیرون ملک مقیم پاکستانیوں کو بغیر کسی براؤنج کا دورہ کیے پاکستان کے باہر سے بھی بینک اکاؤنٹ کھولنے اور ڈیجیٹل طور پر لین دین کرنے کی سہولت حاصل ہو جاتی ہے۔ روشن ڈیجیٹل اکاؤنٹ، باضابطہ طور پر پاکستان کے بینکاری اور ادائیگی کے نظام کے ساتھ مربوط ہے، جو فی الحال براہ راست اور بالآخر آنے والے لمبے وقت میں میوچل فنڈز کے ذریعے پاکستان کی اسٹاک مارکیٹ میں سرمایہ کاری کا اہل بناتا ہے۔ ابھی تک، روشن ڈیجیٹل اکاؤنٹس نے نئے کھلنے والے 75 ہزار اکاؤنٹس کے تحت 300 ملین امریکی ڈالر سے زیادہ کی آمد دیکھی ہے۔

امکان ہے کہ کووڈ-19 کے بحران کی وجہ سے عارضی طور پر تعطل آجانے کے بعد پاکستان جلد ہی آئی ایم ایف پروگرام کو دوبارہ شروع کرے گا۔ بازار حصص کے لیے، ہم سمجھتے ہیں کہ اس پیشرفت کا اثر دیکھا جائے گا۔ تاریخی طور پر، آئی ایم ایف پروگرام کو حتیٰ شکل دینے کے بعد اسٹاک مارکیٹ میں اضافہ ہوتا ہے اور اس رجحان کے جاری رہنے کا امکان ہے، خاص طور پر ہم توقع کرتے ہیں کہ آئی ایم ایف پروگرام دوبارہ شروع ہونے کے بعد غیر ملکی سرمایہ کاروں کی مارکیٹ سے اچھی توقعات وابستہ ہوں گی۔ ہمارا بنیادی تجزیہ، جس میں ساختی اصلاحات، مستحکم معاشی بحالی، مارکیٹ کی دوبارہ درجہ بندی، اور قلیل مدت میں انڈیکس کی اوسط سطح سے متعلق از سر نو تخمینے قائم کرنا شامل ہیں، پاکستان کی بازار حصص میں تیزی کے حق میں جاتا ہے۔ اگرچہ گزشتہ کچھ برسوں میں اسٹاک مارکیٹ غیر مستحکم رہی ہے، لیکن اس کے طویل مدتی رجحان کے عین مطابق، اندازہ ہے کہ یہ اپنی رفتار جاری رکھے گی اور سرمایہ کے دیگر ذرائع کو پیچھے چھوڑ دے گی۔ سود کی شرح میں بڑے پیمانے پر کمی نے، بازار حصص کو سرمایہ کاروں کے لیے سب سے پرکشش اثاثہ جاتی کلاس بنا دیا ہے، جس سے فکسڈ انکم متبادل کی کشش میں قابل ذکر کمی آئی ہے۔

اعتراف

ہم اس موقع کو غنیمت جانتے ہوئے اپنے گرام قدر سرمایہ کاروں سے ان کے المیزان انویسٹمنٹس پر بھروسہ کے لیے تشکر کا اظہار کرتے ہیں، جس کے باعث یہ پاکستان کے نجی شعبے میں سب سے بڑی ایسیٹ مینجمنٹ کمپنی بن گئی ہے۔ ہم ضابطہ کار، سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان اور ہمارے ٹرسٹی، سینٹرل ڈیپازٹری کمپنی آف پاکستان سے بھی ان کی بھرپور اعانت و مدد کے لیے اظہار تشکر کرتے ہیں۔ اسی طرح، میزبان بینک کے اراکین شریعہ سپروائزرز بورڈ کا بھی ان کے مسلسل تعاون اور فنڈ مینجمنٹ کے شریعہ سے متعلق پہلوؤں پر اعانت کے لیے بھی شکریہ ادا کرنا چاہیں گے۔

برائے و بجا نب بورڈ

محمد شعیب، سی ایف اے

چیف ایگزیکٹو آفیسر

بتاریخ 15 فروری 2021



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.

MANAGER OF
LARGEST
EQUITY FUND



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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
Standard Chartered Bank (Pakistan) Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



MEEZAN ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

	December 31,	June 30,
	2020	2020
	(Unaudited)	(Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	5 2,070,866	1,755,340
Investments	6 29,710,355	23,381,047
Receivable against sale of investments	47,207	73,789
Receivable against conversion of units	73,299	82,856
Dividend receivable	89,705	52,314
Deposits, prepayments and other receivables	13,076	13,419
Total assets	<u>32,004,508</u>	<u>25,358,765</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	7 39,574	32,677
Payable to Central Depository Company of Pakistan Limited - the Trustee	2,990	2,349
Payable to Meezan Bank Limited	201	654
Payable to the Securities and Exchange Commission of Pakistan	2,916	5,024
Payable on redemption and conversion of units	52,148	116,155
Payable against purchase of investments	121,477	158,826
Dividend payable	-	152,480
Accrued expenses and other liabilities	8 817,678	818,415
Total liabilities	<u>1,036,984</u>	<u>1,286,580</u>
Net assets	<u>30,967,524</u>	<u>24,072,185</u>
Contingencies and commitments	9	
Unit holders' funds (as per statement attached)	<u>30,967,524</u>	<u>24,072,185</u>
	(Number of units)	
Number of units in issue	<u>523,549,021</u>	<u>514,682,160</u>
	(Rupees)	
Net asset value per unit	<u>59.1492</u>	<u>46.7710</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain / (loss) on sale of investments		595,135	(297,585)	345,343	114,930
Dividend income		645,380	795,545	489,216	449,158
Profit on saving accounts with banks		57,868	106,506	27,623	59,970
		<u>1,298,383</u>	<u>604,466</u>	<u>862,182</u>	<u>624,058</u>
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	5,649,479	4,598,140	1,570,114	6,107,419
Total income		<u>6,947,862</u>	<u>5,202,606</u>	<u>2,432,296</u>	<u>6,731,477</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1	291,590	246,417	147,418	133,279
Sindh Sales Tax on management fee		37,907	32,034	19,165	17,326
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		15,084	12,824	7,623	6,916
Sindh Sales Tax on remuneration of the Trustee		1,961	1,667	991	899
Annual fee to the Securities and Exchange Commission of Pakistan		2,916	2,464	1,474	1,333
Auditors' remuneration		381	462	159	266
Charity expense		19,714	21,975	15,129	12,610
Fees and subscription		1,327	1,406	659	699
Legal and professional charges		-	160	-	-
Brokerage expense		24,972	11,262	15,081	7,359
Bank and settlement charges		1,786	1,512	862	897
Allocated expenses	7.2	14,579	12,321	7,370	6,664
Selling and marketing expense	7.3	58,318	49,283	29,484	26,655
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	129,547	96,176	43,738	96,176
Total expenses		<u>600,082</u>	<u>489,963</u>	<u>289,153</u>	<u>311,079</u>
Net income for the period before taxation		<u>6,347,780</u>	<u>4,712,643</u>	<u>2,143,143</u>	<u>6,420,398</u>
Taxation	13	-	-	-	-
Net income for the period after taxation		<u>6,347,780</u>	<u>4,712,643</u>	<u>2,143,143</u>	<u>6,420,398</u>
Allocation of net income for the period					
Net income for the period after taxation		6,347,780	4,712,643		
Income already paid on units redeemed		(883,172)	(47,607)		
		<u>5,464,608</u>	<u>4,665,036</u>		
Accounting income available for distribution					
- Relating to capital gains		5,464,608	4,300,555		
- Excluding capital gains		-	364,481		
		<u>5,464,608</u>	<u>4,665,036</u>		

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	<u>Six months period ended,</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	6,347,780	4,712,643	2,143,143	6,420,398
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>6,347,780</u>	<u>4,712,643</u>	<u>2,143,143</u>	<u>6,420,398</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	2020			2019			
	Capital value	(Accumulated loss) / Undistributed income	Over distribution	Total	Capital value	(Accumulated loss) / Undistributed income	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----			
Net assets at the beginning of the period	26,641,970	(1,860,387)	(709,398)	24,072,185	27,600,726	(1,860,387)	25,740,339
Issue of 371,496,095 units (December 31, 2019: 243,645,559 units)							
- Capital value (at net asset value per unit at the beginning of the period)	17,375,244	-	-	17,375,244	11,676,348	-	11,676,348
- Element of income	2,943,074	-	-	2,943,074	434,877	-	434,877
Total proceeds on issuance of units	20,318,318	-	-	20,318,318	12,111,225	-	12,111,225
Redemption of 362,629,234 units (December 31, 2019: 265,797,838 units)							
- Capital value (at net asset value per unit at the beginning of the period)	16,960,532	-	-	16,960,532	12,737,963	-	12,737,963
- Element of loss	1,927,055	883,172	-	2,810,227	103,875	47,607	151,482
Total payments on redemption of units	18,887,587	883,172	-	19,770,759	12,841,838	47,607	12,889,445
Total comprehensive income for the period	-	6,347,780	-	6,347,780	-	4,712,643	4,712,643
Distribution during the period	-	-	-	-	-	-	-
Net income for the period less distribution	-	6,347,780	-	6,347,780	-	4,712,643	4,712,643
Net assets at the end of the period	<u>28,072,701</u>	<u>3,604,221</u>	<u>(709,398)</u>	<u>30,967,524</u>	<u>26,870,113</u>	<u>2,804,649</u>	<u>29,674,762</u>
Accumulated loss brought forward							
- Realised income		(1,065,399)				5,520,342	
- Unrealised loss		(794,988)				(7,380,729)	
		<u>(1,860,387)</u>				<u>(1,860,387)</u>	
Accounting income available for distribution							
- Relating to capital gains	5,464,608				4,300,555		
- Excluding capital gains	-				364,481		
	<u>5,464,608</u>				<u>4,665,036</u>		
Undistributed income carried forward		<u>3,604,221</u>				<u>2,804,649</u>	
Undistributed income carried forward							
- Realised loss		(2,045,258)				(1,793,491)	
- Unrealised income		5,649,479				4,598,140	
		<u>3,604,221</u>				<u>2,804,649</u>	
				(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period				<u>46.7710</u>			<u>47.9235</u>
Net assets value per unit at the end of the period				<u>59.1492</u>			<u>57.6252</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Note	Six months period ended December 31,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
	6,347,780	4,712,643
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(5,649,479)	(4,598,140)
	698,301	114,503
(Increase) / decrease in assets		
Investments - net	(679,829)	1,055,740
Receivable against sale of investments	26,582	141,346
Dividend receivable	(37,391)	106,742
Deposits, prepayments and other receivables	343	(8,854)
	(690,295)	1,294,974
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	6,897	7,232
Payable to Central Depository Company of Pakistan Limited - the Trustee	641	309
Payable to Meezan Bank Limited	(453)	587
Payable to the Securities and Exchange Commission of Pakistan	(2,108)	(29,896)
Payable against purchase of investments	(37,349)	(68,333)
Accrued expenses and other liabilities	(737)	111,817
	(33,109)	21,716
Net cash (used in) / generated from operating activities	(25,103)	1,431,193
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	20,327,875	12,122,793
Dividend paid	(152,480)	-
Payment against redemption and conversion of units	(19,834,766)	(12,849,556)
Net cash generated from / (used in) financing activities	340,629	(726,763)
Net increase in cash and cash equivalents during the period	315,526	704,430
Cash and cash equivalents at the beginning of the period	1,755,340	1,340,974
Cash and cash equivalents at the end of the period	5 2,070,866	2,045,404

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 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 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. 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, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
In current accounts		6,564	8,043
In saving accounts	5.1	2,064,302	1,747,297
		<u>2,070,866</u>	<u>1,755,340</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.5% to 7.10% per annum (June 30, 2020: 1.5% to 7.5% per annum).

6. INVESTMENTS	Note	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
At fair value through profit or loss			
Shares of listed companies - 'ordinary shares'	6.1	29,710,355	23,381,047
		<u>29,710,355</u>	<u>23,381,047</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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											
Honda Atlas Cars (Pakistan) Limited	179,000	150,000	-	329,000	-	-	-	-	-	-	-
Indus Motor Company Limited	39,740	83,050	-	27,350	95,440	115,681	114,333	(1,348)	0.37	0.38	0.12
Millat Tractors Limited	100,113	365,950	-	-	466,063	413,283	509,915	96,632	1.65	1.72	0.94
									2.02	2.10	1.06
Automobile Parts & Accessories											
Agriauto Industries Limited (Note 6.2.1)	436,300	-	-	295,600	140,700	25,607	32,959	7,352	0.11	0.11	0.49
Cement											
Attock Cement Pakistan Limited	270,200	165,200	-	-	435,400	62,201	65,332	3,131	0.21	0.22	0.32
Cherat Cement Company Limited	2,724,100	550,000	-	1,438,000	1,836,100	193,796	268,419	74,623	0.87	0.90	0.95
DG Khan Cement Company Limited	3,557,500	500,000	-	1,676,000	2,381,500	207,503	272,872	65,369	0.88	0.92	0.54
Fauji Cement Company Limited	2,550,000	2,500,000	-	4,420,500	629,500	12,323	13,641	1,318	0.04	0.05	0.05
Kohat Cement Company Limited	4,488,850	272,800	-	152,100	4,609,550	647,086	1,010,598	363,512	3.26	3.40	2.29
Lucky Cement Limited	3,798,203	665,380	-	831,437	3,632,146	1,772,779	2,528,301	755,522	8.16	8.51	1.12
Maple Leaf Cement Limited	13,447,000	9,200,000	-	9,611,000	13,036,000	409,657	586,750	177,093	1.89	1.97	1.19
									15.31	15.97	6.46
Chemical											
Dynea Pakistan Limited (Note 6.2.1)	-	178,500	-	-	178,500	37,660	36,746	(914)	0.12	0.12	0.95
Engro Polymer & Chemicals Limited	15,913,721	6,927,000	-	1,200,000	21,640,721	637,326	1,028,151	390,825	3.32	3.46	2.38
Ghani Global Holdings Limited	-	8,310,500	-	-	8,310,500	120,440	135,461	15,021	0.44	0.46	5.42
ICI Pakistan Limited	1,109,985	73,000	-	82,000	1,100,985	768,173	836,848	68,675	2.70	2.82	1.19
Lotte Chemical Pakistan Limited	6,661,000	50,000	-	6,711,000	-	-	-	-	-	-	-
Ittehad Chemicals Limited	117,500	-	-	117,500	-	-	-	-	-	-	-
Sitara Chemicals Industries Limited	30,500	-	-	-	30,500	8,452	9,455	1,003	0.03	0.03	0.14
Sitara Peroxide Limited	157,000	-	-	157,000	-	-	-	-	-	-	-
									6.61	6.89	10.08
Commercial Banks											
BankIslami Pakistan Limited	6,447,500	2,750,000	-	2,000,000	7,197,500	61,591	86,442	24,851	0.28	0.29	0.65
Meezan Bank Limited (an associate of the Fund)	12,075,097	2,212,001	1,258,209	530,000	15,015,307	984,779	1,568,199	583,420	5.06	5.28	1.06
									5.34	5.57	1.71
Cable and Electrical Goods											
Pak Elektron Limited	-	600,000	-	-	600,000	22,699	24,078	1,379	0.08	0.08	0.12
Engineering											
Agha Steels Industries Limited	-	3,097,910	-	609,000	2,488,910	79,645	98,088	18,443	0.32	0.33	0.43
Amreli Steels Limited	121,500	-	-	121,500	-	-	-	-	-	-	-
International Industries Limited	1,713,140	235,000	-	180,000	1,768,140	176,437	312,254	135,817	1.01	1.05	1.34
International Steel Limited	5,537,800	1,294,000	-	2,410,500	4,421,300	266,936	412,198	145,262	1.33	1.39	1.02
Mughal Iron & Steel Industries Limited	2,528,500	527,500	-	-	3,056,000	131,959	231,431	99,472	0.75	0.78	1.21
K.S.B. Pumps Company Limited	73,700	-	-	35,000	38,700	5,573	15,033	9,460	0.05	0.05	0.29
									3.46	3.60	4.29
Fertilizer											
Engro Corporation Limited (Note 6.2.3)	7,873,573	643,869	-	1,679,474	6,837,968	2,014,509	2,101,718	87,209	6.79	7.07	1.19
Engro Fertilizers Limited	16,475,252	1,392,529	-	7,083,909	10,783,872	653,525	681,864	28,339	2.20	2.30	0.81
									8.99	9.37	2.00
Food & Personal Care Products											
Al-Shaheer Corporation Limited (Note 6.2.2)	61,463	-	-	-	61,463	703	955	252	-	-	0.03
At-Tahir Limited	120,045	500,001	12,004	-	632,050	12,038	12,742	704	0.04	0.04	0.36
National Foods Limited (Note 6.2.1)	203,320	-	50,830	-	254,150	50,921	55,504	4,583	0.18	0.19	0.17
									0.22	0.23	0.56

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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)			%		
Glass & Ceramics														
Tariq Glass Industries Limited	527,750	-	-	527,750	-	-	-	-	-	-	-	-		
Shabbir Tiles and Ceramics Limited (Note 6.2.1)	-	2,245,000	-	-	2,245,000	43,368	47,706	4,338	0.15	0.16	0.69			
Ghani Glass Limited	866,000	-	-	122,000	744,000	30,616	53,479	22,863	0.17	0.18	0.14			
									0.32	0.34	0.83			
Oil & Gas Exploration Companies														
Mari Petroleum Company Limited (Note 6.2.2)	2,020,667	-	-	61,200	1,959,467	2,423,175	2,625,333	202,158	8.48	8.84	1.47			
Oil & Gas Development Company Limited	17,271,568	3,313,001	-	4,938,484	15,646,085	1,687,163	1,623,594	(63,569)	5.24	5.46	0.36			
Pakistan Oilfields Limited	2,647,522	259,000	-	392,000	2,514,522	891,383	994,267	102,884	3.21	3.35	0.89			
Pakistan Petroleum Limited	16,327,428	5,617,053	-	6,867,605	15,076,876	1,355,532	1,361,894	6,362	4.40	4.58	0.55			
									21.33	22.23	3.27			
Oil & Gas Marketing Companies														
Attock Petroleum Limited	906,334	10,000	-	-	916,334	279,969	306,633	26,664	0.99	1.03	0.92			
Hascol Petroleum Limited	13,533,361	3,427,500	-	15,070,000	1,890,861	28,645	27,777	(868)	0.09	0.09	0.19			
Pakistan State Oil Company Limited (Note 6.2.2)	4,861,259	1,780,745	-	1,079,270	5,562,734	944,141	1,197,657	253,516	3.87	4.03	1.18			
Hi-Tech Lubricants Limited	305,000	1,669,500	-	104,500	1,870,000	75,734	81,869	6,135	0.26	0.28	1.61			
Sui Northern Gas Pipelines Limited	10,100,300	650,000	-	10,529,500	220,800	12,161	9,808	(2,353)	0.03	0.03	0.03			
Shell Pakistan Limited	-	273,200	-	99,000	174,200	43,914	48,328	4,414	0.16	0.16	0.16			
Sui Southern Gas Company Limited	745,000	-	-	745,000	-	-	-	-	-	-	-			
									5.40	5.62	4.09			
Paper & Board														
Cherat Packaging Limited	276,747	100	-	50,000	226,847	26,575	53,804	27,229	0.17	0.18	0.53			
Century Paper & Board Mills Limited	348,600	2,722,000	391,100	100	3,461,600	282,155	433,219	151,064	1.40	1.46	2.35			
Roshan Packages Limited	200,000	2,748,500	-	109,000	2,839,500	104,270	120,679	16,409	0.39	0.41	2.00			
Packages Limited	1,421,953	123,600	-	25,000	1,520,553	550,947	907,648	356,701	2.93	3.05	1.70			
									4.89	5.10	6.58			
Pharmaceuticals														
Abbott Laboratories (Pakistan) Limited	69,050	-	-	-	69,050	45,780	52,158	6,378	0.17	0.18	0.07			
AGP Limited	5,266,500	424,500	-	75,000	5,616,000	615,724	639,550	23,826	2.07	2.15	2.01			
Ferozsons Laboratories Limited	-	100,000	4,000	80,000	24,000	7,838	7,929	91	0.03	0.03	0.08			
Glaxosmithkline Consumer Healthcare Limited	374,656	-	-	10,000	364,656	99,070	96,681	(2,389)	0.31	0.33	0.31			
Glaxosmithkline Pakistan Limited	5,816	-	-	5,816	-	-	-	-	-	-	-			
Highnoon Laboratories Limited (Note 6.2.2)	49,878	40,000	-	15,550	74,328	41,807	44,582	2,775	0.14	0.15	0.21			
The Searle Company Limited (Note 6.2.2)	2,761,879	556,407	403,244	439,500	3,282,030	675,365	817,980	142,615	2.64	2.75	1.55			
									5.36	5.59	4.23			
Power Generation & Distribution														
K-Electric Limited (Note 6.2.1)	159,270,500	2,000,000	-	10,119,500	151,151,000	457,251	591,000	133,749	1.91	1.99	0.55			
The Hub Power Company Limited	20,884,921	6,275,914	-	13,904,132	13,256,703	1,032,524	1,051,654	19,130	3.40	3.54	1.02			
									5.31	5.53	1.57			
Refinery														
Attock Refinery Limited	-	100,000	-	65,000	35,000	5,459	6,372	913	0.02	0.02	0.03			
Technology & Communication														
Avanceon Limited	739,630	4,001,000	-	1,460,000	3,280,630	207,237	304,606	97,369	0.98	1.03	1.55			
Netsol Technologies Limited	142,600	-	-	142,600	-	-	-	-	-	-	-			
Pakistan Telecommunication Company Limited	800,000	14,112,000	-	3,432,500	11,479,500	123,131	104,463	(18,668)	0.34	0.35	0.30			
TPL Tracker limited	-	3,564,000	-	2,679,000	885,000	10,620	8,983	(1,637)	0.03	0.03	0.47			
Systems Limited	2,384,900	268,300	-	142,600	2,510,600	502,389	1,052,519	550,130	3.40	3.54	2.03			
									4.75	4.95	4.35			
Textile Composite														
Feroze1888 Mills Limited	1,704,600	449,500	-	702,500	1,451,600	125,108	144,260	19,152	0.47	0.49	0.39			
Kohinoor Textile Mills Limited (Note 6.2.2)	244,014	210,500	-	306,500	148,014	8,141	10,098	1,957	0.03	0.03	0.05			
Nishat Mills Limited	3,625,600	1,765,000	-	100,000	5,290,600	454,428	538,426	83,998	1.74	1.81	1.50			
									2.24	2.33	1.94			
Textiles & Apparel														
Interloop Limited	8,917,500	3,805,500	-	774,000	11,949,000	604,285	813,368	209,083	2.63	2.74	1.37			
									2.63	2.74	1.37			

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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			%		
Vanaspati & Allied Industries														
Unity Foods Limited	2,648,846	13,619,500	-	3,148,846	13,119,500	306,197	420,611	114,414	1.36	1.42	2.41	1.36	1.42	2.41
Miscellaneous														
Shifa International Hospital Limited	-	65,000	-	65,000	-	-	-	-	-	-	-	-	-	-
Synthetic Products Limited	-	1,345,000	60,525	-	1,405,525	65,492	61,126	(4,366)	0.20	0.21	1.52	0.20	0.21	1.52
Right Certificates														
Al-Shaheer Corporation Limited	-	-	1,248	-	1,248	-	7	7	-	-	-	-	-	-
Total - December 31, 2020						24,060,876	29,710,355	5,649,479	100					
Total - June 30, 2020						24,176,035	23,381,047	(794,988)						

6.2.1 All shares have a nominal value of Rs 10 each except for the shares of Agriauto Industries Limited, National Foods Limited, Dynea Pakistan Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

6.2.2 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 year ended June 30, 2020, 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 had issued notices to the relevant parties and had 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, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 60.544 million (June 30, 2020: Rs. 40.076 million).

- 6.2.3** Investments include 1,060,000 shares (June 30, 2020: 1,060,000 shares) of Engro Corporation Limited, having market value of Rs 325.802 million as at December 31, 2020 (June 30, 2020: Rs. 310.50 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.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY			
Management fee payable	7.1	5,083	5,286
Sindh Sales Tax payable on remuneration of the Management Company		661	687
Allocated expenses payable	7.2	2,557	2,016
Selling and marketing expenses payable	7.3	29,484	23,914
Sales load payable		1,583	685
Sindh Sales Tax on sales load payable		206	89
		39,574	32,677

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2019: 2%) per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** 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).

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.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at 0.4% of the average annual net assets of the Fund for the period.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	481,250	351,703
Charity payable		43,208	34,497
Withholding tax payable		-	922
Capital gain tax payable		8,772	4,328
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		311	480
Withholding tax payable on dividend		-	142,432
Zakat payable		312	31
Printing expenses payable		483	483
Shariah advisory fee payable		2,061	2,041
Brokerage payable		16,807	17,024
		817,678	818,415

- 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, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.92 per unit (June 30, 2020: Re 0.68 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, 2020: Re 0.51) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

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, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	5,083	5,286
Sindh Sales Tax on management fee payable	661	687
Sales load payable	1,583	685
Sindh Sales Tax and on sales load payable	206	89
Allocated expenses	2,557	2,016
Selling and marketing expense payable	29,484	23,914
Investment of 4,239,393 units (June 30, 2020: 4,997,648 units)	250,757	233,745
Meezan Bank Limited		
Balance with bank	102,922	282,156
Profit receivable on saving accounts	127	87
Sales load payable	178	579
Sindh Sales Tax on sales load payable	23	75
Investment in 15,015,307 shares (June 30, 2020: 12,075,097 shares)	1,568,199	831,370
Investment of 12,475,049 units (June 30, 2020: 12,475,049 units)	737,889	583,471
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	2,646	2,079
Sindh Sales Tax on trustee fee payable	344	270
Security deposit	100	100
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 189,837 units (June 30, 2020: 189,837 units)	11,229	8,879
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 4,112,069 units (June 30, 2020: 4,834,002 units)	243,226	226,091
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,168,632 units (June 30, 2020: 1,412,939 units)	69,124	66,085
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 681,207 units (June 30, 2020: 880,333 units)	40,293	41,174
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 206,899 units (June 30, 2020: 1,984,595 units)	12,238	92,821
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 5,661,433 units (June 30, 2020: 5,317,944 units)	334,869	248,726
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 2,844,220 units (June 30, 2020: 3,124,685 units)	168,233	146,145
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 4,377,565 units (June 30, 2020: 9,045,806 units)	258,929	423,081
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 291,434 units (June 30, 2020: 7,145,017 units)	17,238	334,180
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 246,166 units (June 30, 2020: 2,205,831 units)	14,561	103,169
Directors and executives of the Management Company		
Investment of 11,422,748 units (June 30, 2020: 11,924,793 units)	675,646	557,734

	Six months period ended	
	December 31,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the period	291,590	246,417
Sindh Sales Tax on management fee	37,907	32,034
Allocated expenses	14,579	12,321
Selling and marketing expense	58,318	49,283
Units issued: 5,607,792 units (December 31, 2019: 1,805,947 units)	305,000	79,259
Units redeemed: 6,366,047 units (December 31, 2019: 11,817,676 units)	334,482	530,178
Meezan Bank Limited		
Profit on saving accounts	570	10,099
Shares purchased: 2,212,001 shares (December 31, 2019: 1,273,000 shares)	189,769	103,828
Shares sold: 530,000 shares (December 31, 2019: 194,500 shares)	47,148	15,661
Bonus issue: 1,258,209 (December 31, 2019: nil)	-	-
Dividend income	60,461	17,081
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee	15,084	12,824
Sindh Sales Tax on trustee fee	1,961	1,667
CDS charges	567	364
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: 60,948 units (December 31, 2019: 214,233 units)	3,375	10,519
Units redeemed: 782,881 units (December 31, 2019: 1,447,151 units)	41,746	69,000
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: 162,005 units (December 31, 2019: 81,501 units)	9,000	3,657
Units redeemed: 406,312 units (December 31, 2019: 733,695 units)	21,571	34,500
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units issued: 75,590 units (December 31, 2019: 81,177 units)	4,375	3,643
Units redeemed: 274,716 units (December 31, 2019: 355,731 units)	14,644	16,625
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 206,351 units (December 31, 2019: 710,176 units)	11,000	39,000
Units redeemed: 1,984,047 units (December 31, 2019: 477,102 units)	114,000	24,170
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 1,903,093 units (December 31, 2019: 2,561,573 units)	101,000	125,000
Units redeemed: 1,559,604 units (December 31, 2019: 2,825,371 units)	85,500	128,060
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 769,610 units (December 31, 2019: nil)	41,500	-
Units redeemed: 1,050,075 units (December 31, 2019: 463,901 units)	55,500	22,810
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 288,979 units (December 31, 2019: 1,115,853 units)	15,000	51,600
Units redeemed: 4,957,220 units (December 31, 2019: 2,006,534 units)	264,850	95,449
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 313,061 units (December 31, 2019: 808,964 units)	16,500	45,000
Units redeemed: 7,166,644 units (December 31, 2019: 3,446,985 units)	384,500	156,890



Six months period ended

December 31,

2020 2019

(Unaudited)

(Rupees in '000)

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 66,279 units (December 31, 2019: nil)

Units redeemed: 2,025,944 units (December 31, 2019: 1,196,390 units)

3,500	-
111,090	52,340

Directors and executives of the Management Company

Units issued: 1,252,020 units (December 31, 2019: 10,535,651 units)

Units redeemed: 1,844,787 units (December 31, 2019: 205,299 units)

69,570	479,978
95,664	9,995

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.

11.1 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at December 31, 2020			
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'	29,710,355	-	-	29,710,355
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As at June 30, 2020			
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'	23,381,047	-	-	23,381,047
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12. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 3.68% which includes 0.76% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "equity fund".

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 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, 2021 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. GENERAL

14.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



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.

LARGEST FUND MANAGER
IN PAKISTAN WITH AUMS
OF OVER **150 BILLION**



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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 Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	UBL Ameen - Islamic Banking
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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

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URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AL MEEZAN MUTUAL FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Al Meezan Mutual Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Balances with banks	5	285,458	259,646
Investments	6	4,630,955	3,782,362
Receivable against sale of investments		24,412	16,861
Receivable against conversion of units		10,831	21,337
Dividend receivable		6,064	9,316
Deposits, prepayments and profit receivable		4,400	3,025
Total assets		<u>4,962,120</u>	<u>4,092,547</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - the Management Company	7	6,020	5,351
Payable to Central Depository Company of Pakistan Limited - the Trustee		549	455
Payable to the Securities and Exchange Commission of Pakistan		456	853
Payable to Meezan Bank Limited		49	20
Payable against purchase of investments		15,354	9,988
Payable against redemption and conversion of units		27,711	23,718
Accrued expenses and other liabilities	9	129,713	119,253
Dividend payable		4,917	19,572
Total liabilities		<u>184,769</u>	<u>179,210</u>
Net assets		<u>4,777,351</u>	<u>3,913,337</u>
Contingencies and commitments	8		
Unit holders' fund (as per statement attached)		<u>4,777,351</u>	<u>3,913,337</u>
		(Number of units)	
Number of units in issue		<u>288,028,275</u>	<u>293,846,741</u>
		(Rupees)	
Net asset value per unit		<u>16.5864</u>	<u>13.3176</u>

The annexed notes 1 to 16 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, 2020

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain / (loss) on sale of investments		122,105	(28,755)	48,494	56,039
Dividend income		100,048	133,398	74,304	75,770
Profit on saving accounts with banks		7,749	13,941	3,514	7,685
		<u>229,902</u>	<u>118,584</u>	<u>126,312</u>	<u>139,494</u>
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	817,077	756,597	232,894	1,003,051
Total income		<u>1,046,979</u>	<u>875,181</u>	<u>359,206</u>	<u>1,142,545</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - the Management Company	7.1	45,556	42,853	22,804	22,629
Sindh Sales Tax on remuneration of the Management Company		5,922	5,571	2,964	2,942
Allocated expenses	7.2	2,278	2,143	1,140	1,132
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		2,782	2,646	1,392	1,383
Sindh Sales Tax on remuneration of the Trustee		362	344	181	180
Annual fee to the Securities and Exchange Commission of Pakistan		456	438	228	226
Auditors' remuneration		472	492	219	300
Charity expense		3,107	3,662	2,365	2,066
Fees and subscription		141	282	80	121
Brokerage expense		4,773	3,624	2,787	3,227
Selling and marketing expenses	7.3	9,111	8,571	4,561	4,526
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	19,432	16,081	6,404	16,081
Bank and settlement charges		401	509	252	345
Total expenses		<u>94,793</u>	<u>87,216</u>	<u>45,377</u>	<u>55,158</u>
Net income for the period before taxation		<u>952,186</u>	<u>787,965</u>	<u>313,829</u>	<u>1,087,387</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>952,186</u>	<u>787,965</u>	<u>313,829</u>	<u>1,087,387</u>
Allocation of net income for the period					
Net income for the period after taxation		952,186	787,965		
Income already paid on units redeemed		(78,525)	(13,936)		
		<u>873,661</u>	<u>774,029</u>		
Accounting income available for distribution					
- Relating to capital gains		873,661	727,842		
- Excluding capital gains		-	46,187		
		<u>873,661</u>	<u>774,029</u>		

The annexed notes 1 to 16 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, 2020

	Six months period ended, December 31,		Quarter ended, December 31,	
	2020	2019	2020	2019
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	952,186	787,965	313,829	1,087,387
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income for the period	952,186	787,965	313,829	1,087,387

The annexed notes 1 to 16 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, 2020**

	Six months period ended December 31, 2020				Six months period ended December 31, 2019		
	Capital value	(Accumulated loss) / Undistributed income	Over distribution	Total	Capital value	(Accumulated loss) / Undistributed income	Total
	----- Rupees in 000-----				----- Rupees in 000-----		
Net assets at the beginning of the period	4,045,463	(109,627)	(22,499)	3,913,337	4,877,433	(109,627)	4,767,806
Issuance of 121,714,084 units (2019: 130,987,950 units)							
- Capital value (at net asset value per unit at the beginning of the period)	1,620,939	-	-	1,620,939	1,749,200	-	1,749,200
- Element of income	261,031	-	-	261,031	115,907	-	115,907
Total proceeds on issuance of units	1,881,970	-	-	1,881,970	1,865,107	-	1,865,107
Redemption of 127,532,550 units (2019: 175,501,515 units)							
- Capital value (at net asset value per unit at the beginning of the period)	1,698,427	-	-	1,698,427	2,343,630	-	2,343,630
- Element of loss	193,190	78,525	-	271,715	26,660	13,936	40,596
Total payments on redemption of units	1,891,617	78,525	-	1,970,142	2,370,290	13,936	2,384,226
Total comprehensive income for the period	-	952,186	-	952,186	-	787,965	787,965
Distribution for the period	-	-	-	-	-	-	-
Net income for the period less distribution	-	952,186	-	952,186	-	787,965	787,965
Net assets at the end of the period	<u>4,035,816</u>	<u>764,034</u>	<u>(22,499)</u>	<u>4,777,351</u>	<u>4,372,250</u>	<u>664,402</u>	<u>5,036,652</u>
Accumulated loss brought forward							
- Realised (loss) / income		(77,132)				1,197,928	
- Unrealised loss		(32,495)				(1,307,555)	
		<u>(109,627)</u>				<u>(109,627)</u>	
Accounting income available for distribution(after adjusting income already paid on units redeemed)							
- Relating to capital gains	873,661				727,842		
- Excluding capital gains	-				46,187		
	<u>873,661</u>				<u>774,029</u>		
Net loss for the period after taxation		-				-	
Undistributed income carried forward		<u>764,034</u>				<u>664,402</u>	
Undistributed income carried forward							
- Realised loss		(53,043)				(92,195)	
- Unrealised income		817,077				756,597	
		<u>764,034</u>				<u>664,402</u>	
					(Rupees)		(Rupees)
Net assets value per unit at the beginning of the period					13.3176		13.3539
Net assets value per unit at the end of the period					<u>16.5864</u>		<u>16.1162</u>

The annexed notes 1 to 16 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, 2020**

Note	Six months period ended December 31,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	952,186	787,965
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(817,077)	(756,597)
	135,109	31,368
(Increase) / decrease in assets		
Investments	(31,516)	493,074
Receivable against sale of investments	(7,551)	(13,022)
Dividend receivable	3,252	23,907
Deposits, prepayments and profit receivable	(1,375)	1,409
	(37,190)	505,368
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	669	(95)
Payable to Central Depository Company of Pakistan Limited - the Trustee	94	15
Payable to Meezan Bank Limited	29	31
Payable to the Securities and Exchange Commission of Pakistan	(397)	(5,514)
Payable against purchase of investments	5,366	(1,323)
Accrued expenses and other liabilities	10,460	29,768
	16,221	22,882
Net cash generated from operating activities	114,140	559,618
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	1,892,476	1,874,725
Payment against redemption and conversion of units	(1,966,149)	(2,392,536)
Dividend paid	(14,655)	-
Net cash used in financing activities	(88,328)	(517,811)
Net increase in cash and cash equivalents during the period	25,812	41,807
Cash and cash equivalents at the beginning of the period	259,646	271,162
Cash and cash equivalents at the end of the period	5 <u>285,458</u>	<u>312,969</u>

The annexed notes 1 to 16 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, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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

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

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31,	June 30,
		2020	2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
In saving accounts	5.1	275,306	249,528
In current accounts		10,152	10,118
		<u>285,458</u>	<u>259,646</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 7.00% per annum (June 30, 2020: 2.00% to 7.50% per annum).

6. INVESTMENTS	Note	December 31,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
Shares of listed companies - ordinary shares	6.1	4,630,955	3,782,362
		<u>4,630,955</u>	<u>3,782,362</u>

6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation/ (diminution) as at December 31, 2020	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	2,200	-	-	-	2,200	266	718	452	0.02	0.02	0.01
Honda Atlas Cars (Pakistan) Limited	31,300	31,000	-	62,300	-	-	-	-	-	-	-
Indus Motors Company Limited	35,640	-	-	9,500	26,140	26,009	31,315	5,306	0.66	0.67	0.03
Millat Tractors Limited	9,675	35,700	-	-	45,375	39,073	49,644	10,571	1.04	1.07	0.09
									1.71	1.76	0.13
Automobile Parts and Accessories											
Agriauto Industries Limited (Note 6.1.1)	75,000	-	-	75,000	-	-	-	-	-	-	-
Cable and Electrical Goods											
Pak Elektron Limited	-	650,000	-	-	650,000	24,872	26,085	1,213	0.55	0.56	0.13
Cement											
Attock Cement Pakistan Limited	-	75,000	-	-	75,000	12,600	11,254	(1,346)	0.24	0.24	0.05
Cherat Cement Company Limited	-	215,000	-	100,000	115,000	16,260	16,812	552	0.35	0.36	0.06
DG Khan Cement Company Limited	799,500	400,000	-	502,000	697,500	66,610	79,920	13,310	1.67	1.73	0.16
Fauji Cement Company Limited	45,000	-	-	-	45,000	760	975	215	0.02	0.02	-
Kohat Cement Company Limited	673,020	127,800	-	45,000	755,820	107,976	165,706	57,730	3.47	3.58	0.38
Lucky Cement Company Limited	648,067	5,000	-	75,500	577,567	267,726	402,039	134,313	8.42	8.68	0.18
Maple Leaf Cement Company Limited	1,971,577	1,400,000	-	1,004,000	2,367,577	73,428	106,565	33,137	2.23	2.30	0.22
									16.39	16.91	1.05
Chemicals											
Dynea Pakistan Limited	-	119,500	-	-	119,500	25,210	24,600	(610)	0.51	0.53	1.27
Engro Polymer & Chemicals Limited	2,318,041	1,495,000	-	765,000	3,048,041	99,621	144,812	45,191	3.03	3.13	0.34
Ghani Global Holdings Limited	-	790,000	-	-	790,000	11,396	12,877	1,481	0.27	0.28	0.52
ICI Pakistan Limited	204,679	16,800	-	21,500	199,979	139,668	152,002	12,334	3.18	3.28	0.22
Ittehad Chemicals Limited	216,000	-	-	216,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	65,000	-	-	65,000	-	-	-	-	-	-	-
Sitara Peroxide Limited	400,000	-	-	400,000	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	57,000	-	-	54,200	2,800	776	868	92	0.02	0.02	0.01
									7.02	7.24	2.36
Commercial Banks											
Bank Islami Pakistan Limited	432,000	4,629,000	-	200,000	4,861,000	49,825	58,381	8,556	1.22	1.26	0.44
Meezan Bank Limited	1,349,050	280,000	154,905	55,000	1,728,955	113,263	180,572	67,309	3.78	3.90	0.12
									5.00	5.16	0.56
Engineering											
Agha Steel Industries Limited	-	3,840,000	-	2,727,000	1,113,000	35,616	43,863	8,247	0.92	0.95	0.19
International Industries Limited	221,300	-	-	76,000	145,300	13,328	25,660	12,332	0.54	0.55	0.11
International Steel Limited	726,500	145,000	-	521,000	350,500	21,967	32,677	10,710	0.68	0.71	0.08
Mughal Iron & Steels Industries Limited	1,000	370,000	-	-	371,000	19,929	28,096	8,167	0.59	0.61	0.15
									2.73	2.82	0.53
Fertilizer											
Engro Corporation Limited (Note 6.1.2)	1,283,790	105,000	-	336,000	1,052,790	309,851	323,586	13,735	6.77	6.99	0.18
Engro Fertilizers Limited	2,374,500	410,000	-	1,002,000	1,782,500	108,649	112,707	4,058	2.36	2.43	0.13
Fatima Fertilizer Company Limited	287,000	-	-	287,000	-	-	-	-	-	-	-
									9.13	9.42	0.31



Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation/ (diminution) as at December 31, 2020	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)
Food and Personal Care Products											
At-Tahur Limited	-	75,000	-	75,000	-	-	-	-	-	-	
Al-Shaheer Corporation Limited (Note 6.1.3)	12,511	-	-	-	12,511	143	194	51	-	0.01	
National Foods Limited (Note 6.1.1)	4,920	-	1,230	-	6,150	1,232	1,343	111	0.03	0.01	
									0.03	0.02	
Glass and Ceramics											
Ghani Global Glass Limited	-	400,000	-	-	400,000	6,545	7,296	751	0.15	0.40	
Ghani Glass Limited	227,500	-	-	-	227,500	9,362	16,353	6,991	0.34	0.04	
Shabbir Tiles & Ceramics Limited (Note 6.1.1)	-	400,000	-	-	400,000	7,892	8,500	608	0.18	0.24	
Tariq Glass Industries Limited	29,800	-	-	29,800	-	-	-	-	-	-	
									0.67	0.68	
Miscellaneous											
Shifa International Hospital Limited	-	40,000	-	40,000	-	-	-	-	-	-	
Siddiqsons Tin Plate Limited	-	500,000	-	-	500,000	11,024	10,285	(739)	0.22	0.22	
Synthetic Products Enterprises Limited	-	301,000	13,545	-	314,545	14,963	13,680	(1,283)	0.29	0.34	
									0.50	0.56	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (Note 6.1.3)	320,881	-	-	10,000	310,881	384,451	416,525	32,074	8.72	0.23	
Oil and Gas Development Company Limited	3,029,388	585,000	-	1,119,500	2,494,888	267,808	258,895	(8,913)	5.42	0.06	
Pakistan Oilfields Limited	487,929	34,480	-	182,500	339,909	121,274	134,403	13,129	2.81	0.12	
Pakistan Petroleum Limited	2,587,913	728,000	-	840,550	2,475,363	220,809	223,600	2,791	4.68	0.09	
									21.63	0.50	
Oil & Gas Marketing Companies											
Attock Petroleum Limited	172,338	16,000	-	69,200	119,138	36,511	39,867	3,356	0.83	0.12	
Hascol Petroleum Limited (Note 6.1.3)	2,081,375	450,000	-	2,525,000	6,375	99	94	(5)	0.00	-	
Hi-Tech Lubricants Limited	85,000	450,000	-	50,000	485,000	20,456	21,233	777	0.44	0.42	
Pakistan State Oil Company Limited (Note 6.1.3)	822,688	165,100	-	157,022	830,766	138,288	178,864	40,576	3.74	0.18	
Shell Pakistan Limited	23,700	45,500	-	65,000	4,200	984	1,165	181	0.02	-	
Sui Northern Gas Pipelines Limited	1,879,000	150,000	-	1,981,000	48,000	2,638	2,132	(506)	0.04	0.01	
									5.09	0.73	
Paper and Board											
Cherat Packaging Limited	125,180	-	-	125,000	180	21	43	22	0.00	-	
Century Paper & Board Mills Limited	350,000	319,500	112,100	50,000	731,600	53,388	91,560	38,172	1.92	0.41	
Roshan Packages Limited	200,000	-	-	-	200,000	4,484	8,500	4,016	0.18	0.14	
Security Papers Limited	-	46,800	-	-	46,800	9,251	8,284	(967)	0.17	0.08	
Packages Limited	205,928	16,000	-	-	221,928	79,640	132,473	52,833	2.77	0.25	
									5.04	0.88	
Pharmaceuticals											
AGP Limited	961,750	25,000	-	57,500	929,250	102,007	105,823	3,816	2.22	0.33	
GlaxoSmithKline Consumer Healthcare	150,200	-	-	2,000	148,200	40,263	39,292	(971)	0.82	0.13	
GlaxoSmithKline Pakistan Limited	10,000	-	-	10,000	-	-	-	-	-	-	
Highnoon Laboratories Limited (Note 6.1.3)	1,751	-	-	-	1,751	878	1,050	172	0.02	0.01	
IBL HealthCare Limited	-	188,500	-	-	188,500	22,922	21,730	(1,192)	0.45	0.35	
The Searle Company Limited (Note 6.1.3)	338,248	68,270	51,902	24,000	434,420	89,479	108,270	18,791	2.27	0.20	
									5.78	1.02	
Power Generation and Distribution											
K-Electric Limited (Note 6.1.1)	25,973,500	4,000,000	-	5,779,000	24,194,500	75,717	94,600	18,883	1.98	0.09	
The Hub Power Company Limited	3,392,316	700,000	-	1,879,000	2,213,316	168,056	175,582	7,526	3.68	0.17	
									5.66	0.26	
Technology and Communication											
Avanceon Limited	143,440	550,000	-	225,000	468,440	36,818	43,495	6,677	1.00	0.22	
Pakistan Telecommunication Company Limited	-	1,215,000	-	1,211,000	4,000	41	36	(5)	-	-	
TPL Trakker Limited	-	583,000	-	468,500	114,500	1,374	1,162	(212)	0.02	0.06	
Systems Limited	265,750	95,000	-	45,300	315,450	68,160	132,246	64,086	2.77	0.26	
									3.79	0.54	

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation/ (diminution) as at December 31, 2020	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)-----			------%-----			
Textile Composite												
Nishat Mills Limited	150,100	700,000	-	200,000	650,100	60,764	66,161	5,397	1.38	1.43	0.18	
Interloop Limited	1,802,000	325,000	-	378,500	1,748,500	83,159	119,020	35,861	2.49	2.57	0.20	
									3.88	4.00	0.38	
Textile Weaving												
Feroze1888 Mills Limited	450,700	100,000	-	297,000	253,700	22,073	25,213	3,140	0.53	0.54	0.07	
Vanaspati and Allied Industries												
Unity Foods Limited	300,000	3,315,000	-	800,000	2,815,000	66,225	90,249	24,024	1.89	1.95	0.28	
Rights certificates												
Food and Personal Care Products												
Al-Shaheer Corporation Limited	-	-	486	-	486	-	3	3	-	-	-	
Total as at December 31, 2020						3,813,878	4,630,955	817,077		100.00		
Total as at June 30, 2020						3,814,857	3,782,362	(32,495)				

*The right certificates were exercised during the period and the shares are included in the investment in Synthetic Products Enterprises Limited and The Searle Company Limited.

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Agriauto Industries Limited, National Foods Limited and Shabbir Tiles & Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.
- 6.1.2** Investments include 202,000 shares (June 30, 2020: 202,000 shares) of Engro Corporation Limited, having market value of Rs 62.087 million (June 30, 2020: Rs 59.170 million) as at December 31, 2020, have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.
- 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 year ended June 30, 2020, 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 had issued notices to the relevant parties and had 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, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 8.884 million (June 30, 2020: Rs. 7.794 million).

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
7.	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY		
	Management fee payable	825	877
	Sindh Sales Tax on Management fee payable	107	114
	Allocated expenses payable	400	325
	Sales load payable	113	192
	Sindh Sales Tax on sales load	15	25
	Selling and marketing expenses payable	4,560	3,818
		<u>6,020</u>	<u>5,351</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. The Management Company has charged the rate of remuneration at 0.2% of average annual net assets of the fund. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the year for the period.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of average annual net assets of the Fund during the period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
9.	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	387	585
	Withholding tax payable	2	9,415
	Capital gain tax payable	1,804	1,469
	Provision for Sindh Workers' Welfare Fund payable (SWWF)	71,740	52,308
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	37,524	37,524
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	3,732	3,732
	Charity payable	8,433	6,827
	Zakat payable	50	42
	Brokerage payable	5,913	7,082
	Shariah advisor fee payable	128	269
		<u>129,713</u>	<u>119,253</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, 2020, the net asset value of the Fund per unit as at December 31, 2020 would have been higher by Re 0.25 (June 30, 2020: Re 0.18 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, 2020: 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, 2020 would have been higher by Re 0.14 (June 30, 2020: Re 0.14) 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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	825	877
Sindh Sales Tax on management fee payable	107	114
Sales load payable	113	192
Sindh Sales Tax on sales load payable	15	25
Selling and marketing expense payable	4,560	3,818
Allocated expenses payable	400	325
Investment of 33,137,055 units (June 30, 2020: 30,854,173 units)	549,624	410,904
Meezan Bank Limited		
Balances with bank	44,209	16,414
Sales load payable	43	18
Sindh Sales Tax on sales load payable	6	2
Profit receivable on saving accounts	100	70
Investment of 1,728,955 shares (June 30, 2020: 1,349,050 shares)	180,572	92,882
Investment of 22,984,581 units (June 30, 2020: 22,984,581 units)	381,231	306,099
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	486	403
Sindh Sales tax on Trustee fee payable	63	52
Security deposits	238	238
MSAF- Meezan Strategic Allocation Plan- I		
Investment of 9,691,855 units (June 30, 2020: 9,865,832 units)	160,753	131,389
MSAF - Meezan Strategic Allocation Plan II		
Investment of 9,619,826 units (June 30, 2020: 12,644,001 units)	159,558	168,388
MSAF - Meezan Strategic Allocation Plan - III		
Investment of 1,386,099 units (June 30,2020: 563,466 units)	22,990	7,504
MSAF- Meezan Strategic Allocation Plan IV		
Investment of 5,231,535 units (June 30, 2020: 7,770,394 units)	86,772	103,483
MSAF - Meezan Strategic Allocation Plan - V		
Investment of 197,165 units (June 30,2020: 160,990 units)	3,270	2,144
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 2,210,150 units (June 30, 2020: 3,382,999 units)	36,658	45,053
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 units (June 30, 2020: 16,895,690 units)	280,239	225,010
Directors and executives of the Management Company		
Investment of 11,796,975 units (June 30 2020: 8,693,977 units)	195,669	115,783
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 438,459 units (June 30 2020: nil units)	7,272	-
Unitholders holding 10% or more units of the Fund	549,624	410,904

	Six months period ended	
	December 31,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	45,556	42,853
Sindh Sales Tax on management fee	5,922	5,571
Allocated expenses	2,278	2,143
Selling and marketing expense	9,111	8,571
Units issued: 2,282,882 units (December 31, 2019: 31,395,677 units)	35,000	440,971
Units redeemed: nil units (December 31, 2019: 37,520,317 units)	-	527,474
Meezan Bank Limited		
Profit on saving accounts with banks	183	2,036
Shares purchased : 280,000 shares (December 31, 2019: 591,000 shares)	24,279	51,418
Shares sold: 55,000 shares (December 31, 2019: 125,000 shares)	4,739	9,787
Bonus share received: 154,905 shares (December 31, 2019: nil shares)	-	-
Dividend income from shares	6,916	2,087
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	2,782	2,646
Sindh Sales Tax on trustee fee	362	344
CDS charges	90	96
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 42,203 units (December 31, 2019: 2,473,754 units)	700	36,000
Redemption of 1,215,052 units (December 31, 2019: 1,088,228 units)	20,000	16,000
Meezan Financial Planning Fund of Funds - MAAP - V		
Units issued: 36,174 units (December 31, 2019: nil units)	600	-
MSAF- Meezan Strategic Allocation Plan - I		
Units issued: 994,191 units (December 31, 2019: nil units)	15,400	-
Redemption of 1,168,168 units (December 31, 2019: 9,928,456 units)	17,000	124,470
MSAF -Meezan Strategic Allocation Plan - II		
Units issued: 156,755 units (December 31, 2019: nil units)	2,600	-
Redemption of 3,180,930 units (December 31, 2019: 9,890,452 units)	49,000	124,760
MSAF - Meezan Strategic Allocation Plan - III		
Units issued: 822,633 units (December 31, 2019: nil units)	13,400	-
MSAF- Meezan Strategic Allocation Plan IV		
Units issued: 96,465 units (December 31, 2019: 2,318,303 units)	1,600	30,000
Redemption of 2,635,324 units (December 31, 2019: nil units)	40,000	-
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Units issued: 438,459 units (December 31, 2019: nil units)	7,000	-
Directors and executives of the Management Company		
Units issued: 4,494,453 units (December 31, 2019: 381,349 units)	66,610	4,953
Units redeemed: 1,391,474 units (December 31, 2019: 28,244,912 units)	21,972	356,112

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 3.74% which includes 0.75% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "equity 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 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, 2021 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. 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.

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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2020			
	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'	4,630,955	-	-	4,630,955

ASSETS	As at June 30, 2020			
	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'	3,782,362	-	-	3,782,362

14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**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.

**FOUNDER OF THE
MEEZAN ISLAMIC INDEX**



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-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

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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



**KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 45,881	46,350
Investments	6 2,543,138	1,857,289
Receivable against conversion of units	1,140	1,130
Dividend receivable	4,034	8,277
Deposits, prepayments and other receivables	2,660	2,632
Total assets	<u>2,596,853</u>	<u>1,915,678</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	8 877	2,088
Payable to Central Depository Company of Pakistan Limited - the Trustee	328	259
Payable to the Securities and Exchange Commission of Pakistan	225	342
Payable to Meezan Bank Limited	18	93
Payable on redemption and conversion of units	865	497
Payable against purchase of investments	22,818	33,760
Accrued expenses and other liabilities	9 34,897	21,466
Total liabilities	<u>60,028</u>	<u>58,505</u>
Net assets	<u>2,536,825</u>	<u>1,857,173</u>
Contingencies and commitments	7	
Unit holders' fund (as per statement attached)	<u>2,536,825</u>	<u>1,857,173</u>
	(Number of units)	
Number of units in issue	<u>37,233,000</u>	<u>34,770,100</u>
	(Rupees)	
Net asset value per unit	<u>68.1338</u>	<u>53.4129</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, 2020

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Net realised gain on sale of investments		113,952	42,317	95,461	48,605
Dividend income		62,570	66,854	48,141	37,351
Profit on saving accounts with banks		296	555	157	144
Other income		1,656	568	949	215
		<u>178,474</u>	<u>110,294</u>	<u>144,708</u>	<u>86,315</u>
Net unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'	6.1	374,788	255,369	71,476	355,952
Total income		<u>553,262</u>	<u>365,663</u>	<u>216,184</u>	<u>442,267</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	8.1	11,278	7,939	5,833	4,320
Sindh Sales Tax on remuneration of the Management Company		1,466	1,032	758	562
Allocated expenses	8.2	1,128	794	584	432
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		1,631	1,297	835	684
Sindh Sales Tax on remuneration of the trustee		212	169	109	89
Annual fee to the Securities and Exchange Commission of Pakistan		225	159	116	87
Auditors' remuneration		239	245	120	152
Brokerage fees		3,494	2,119	1,623	1,425
Charity expense		1,873	1,920	1,469	1,101
Bank and settlement charges		259	341	188	263
Fees and subscription		280	283	144	142
Provision for Sindh Workers' Welfare Fund (SWWF)	9.2	10,624	6,987	4,089	6,987
Printing charges		-	9	-	-
Total expenses		<u>32,709</u>	<u>23,294</u>	<u>15,868</u>	<u>16,244</u>
Net income for the period before taxation		<u>520,553</u>	<u>342,369</u>	<u>200,316</u>	<u>426,023</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>520,553</u>	<u>342,369</u>	<u>200,316</u>	<u>426,023</u>
Allocation of net income for the period					
Net income for the period after taxation		520,553	342,369		
Income already paid on units redeemed		(24,120)	(3,784)		
		<u>496,433</u>	<u>338,585</u>		
Accounting income available for distribution					
- Relating to capital gains		488,740	297,686		
- Excluding capital gains		7,693	40,899		
		<u>496,433</u>	<u>338,585</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, 2020

	<u>Six months period ended,</u>		<u>Quarter ended,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	520,553	342,369	200,316	426,023
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>520,553</u>	<u>342,369</u>	<u>200,316</u>	<u>426,023</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, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	2,094,337	(237,164)	1,857,173	1,779,406	(262,268)	1,517,138
Issuance of 10,537,160 units (2019: 5,249,132 units)						
- Capital value (at net asset value per unit at the beginning of the period)	562,820	-	562,820	277,926	-	277,926
- Element of income	103,205	-	103,205	3,891	-	3,891
Total proceeds on issuance of units	666,025	-	666,025	281,817	-	281,817
Redemption of 8,074,260 units (2019: 4,191,060 units)						
- Capital value (at net asset value per unit at the beginning of the period)	431,270	-	431,270	221,904	-	221,904
- Element of loss	51,536	24,120	75,656	2,687	3,784	6,471
Total payments on redemption of units	482,806	24,120	506,926	224,591	3,784	228,375
Total comprehensive income for the period	-	520,553	520,553	-	342,369	342,369
Distribution during the period	-	-	-	-	-	-
Net income loss for the period less distribution	-	520,553	520,553	-	342,369	342,369
Net assets at the end of the period	2,277,556	259,269	2,536,825	1,836,632	76,317	1,912,949
Accumulated loss brought forward						
- Realised (loss) / income		(138,664)			184,604	
- Unrealised loss		(98,500)			(446,872)	
		(237,164)			(262,268)	
Accounting income available for distribution						
- Relating to capital gains	488,740			297,686		
- Excluding capital gains	7,693			40,899		
	496,433			338,585		
Undistributed income carried forward	259,269			76,317		
Undistributed income carried forward						
- Realised loss		(115,519)			(179,052)	
- Unrealised gain		374,788			255,369	
		259,269			76,317	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period		53.4129			52.9470	
Net assets value per unit at the end of the period		68.1338			64.3831	

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, 2020**

Note	Six months period ended	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	520,553	342,369
Adjustments for:		
Net unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'	(374,788)	(255,369)
	145,765	87,000
Increase in assets		
Investments	(311,061)	(147,464)
Receivable against sale of investments	-	(86,301)
Dividend receivable	4,243	5,861
Deposits, prepayments and other receivables	(28)	103
	(306,846)	(227,801)
Decrease in liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	(1,211)	573
Payable to Central Depository Company of Pakistan Limited - the Trustee	69	42
Payable to the Securities and Exchange Commission of Pakistan	(117)	(1,405)
Payable to Meezan Bank Limited	(75)	34
Payable against purchase of investments	(10,942)	45,863
Accrued expenses and other liabilities	13,431	10,234
	1,155	55,341
Net cash used in operating activities	(159,926)	(85,460)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units	666,015	321,303
Payment against redemption of units	(506,558)	(228,528)
Net cash generated from financing activities	159,457	92,775
Net (decrease) / increase in cash and cash equivalents during the period	(469)	7,315
Cash and cash equivalents at beginning of the period	46,350	8,935
Cash and cash equivalents at the end of the period	5 45,881	16,250

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, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. 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, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
In saving accounts	5.1	41,715	43,559
In current accounts		4,166	2,791
		<u>45,881</u>	<u>46,350</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.32% to 2.5% per annum (June 30, 2020: 1.50% to 3.00% per annum).

6 INVESTMENTS	Note	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Investments at 'fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	6.1	<u>2,543,138</u>	<u>1,857,289</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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											
Honda Atlas Cars (Pakistan) Limited	71,200	32,300	-	16,700	86,800	18,893	28,480	9,587	1.12	0.06	1.12
Indus Motor Company Limited	-	48,300	-	48,300	-	-	-	-	-	-	-
Millat Tractors Limited	50,412	26,050	-	8,300	68,162	50,595	74,575	23,981	2.94	0.09	2.93
Pak Suzuki Motor Company Limited	43,800	-	-	43,800	-	-	-	-	-	-	-
									4.06	0.15	4.05
Bank											
Meezan Bank Limited (an associate of the Fund)	739,701	356,789	93,570	115,391	1,074,669	71,103	112,238	41,135	4.42	0.08	4.41
									4.42	0.08	4.41
Cable And Electrical Goods											
Pak Elektron Limited	580,803	274,000	-	99,500	755,303	19,218	30,310	11,092	1.19	0.14	1.19
									1.19	0.14	1.19
Cement											
Cherat Cement Company Limited	-	400,800	-	76,099	324,701	34,538	47,468	12,930	1.87	0.17	1.87
D.G. Khan Cement Company Limited	518,500	234,418	-	87,698	665,220	60,049	76,221	16,172	3.00	0.15	3.00
Fauji Cement Company Limited	1,793,875	734,000	-	224,000	2,303,875	40,373	49,925	9,552	1.97	0.17	1.96
Kohat Cement Company Limited	-	183,800	-	700	183,100	40,691	40,143	(548)	1.58	0.09	1.58
Lucky Cement Limited	322,180	110,050	-	38,764	393,466	192,806	273,888	81,082	10.80	0.12	10.77
Maple Leaf Cement Factory Limited	453,336	1,211,599	-	163,292	1,501,643	43,888	67,589	23,701	2.66	0.14	2.66
									21.88	0.84	21.84
Chemical											
Engro Polymer & Chemicals Limited	806,271	274,500	-	111,500	969,271	26,872	46,050	19,178	1.82	0.11	1.81
Lotte Chemical Pakistan Limited	933,000	336,500	-	1,269,500	-	-	-	-	-	-	-
ICI Pakistan Limited	-	42,400	-	200	42,200	30,900	32,076	1,175	1.26	-	1.26
									3.08	0.11	3.07
Engineering											
International Industries Limited	-	180,500	-	-	180,500	28,448	31,876	3,428	1.26	0.14	1.25
International Steels Limited	366,901	172,000	-	76,000	462,901	28,010	43,156	15,146	1.70	0.11	1.70
									2.96	0.25	2.95
Fertilizer											
Engro Corporation Limited	882,322	344,142	-	278,476	947,988	283,311	291,374	8,062	11.49	0.16	11.46
Engro Fertilizers Limited	1,773,818	271,994	-	219,312	1,826,500	110,862	115,490	4,627	4.55	0.14	4.54
									16.04	0.30	16.00
Food And Personal Care											
Frieslandcampina Engro Pakistan Limited	219,500	-	-	219,500	-	-	-	-	-	-	-
									-	-	-
Investment Banks / Investment Companies / Securities Companies											
Dawood Hercules Corporation Limited	941,400	-	-	941,400	-	-	-	-	-	-	-
									-	-	-
Oil And Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.2)	65,905	24,140	-	8,860	81,185	101,942	108,773	6,832	4.29	0.06	4.28
Oil & Gas Development Company Limited (note 6.1.2)	1,671,781	510,642	-	220,326	1,962,097	213,633	203,607	(10,026)	8.03	0.05	8.01
Pakistan Oilfields Limited	337,086	104,619	-	47,278	394,427	141,083	155,960	14,878	6.15	0.14	6.13
Pakistan Petroleum Limited (note 6.1.2)	1,633,791	616,639	-	224,366	2,026,064	179,577	183,014	3,438	7.21	0.07	7.20
									25.68	0.32	25.62
Oil And Gas Marketing Companies											
Hascol Petroleum Limited (note 6.2)	471	1,991,385	-	1,991,385	471	7	7	-	-	-	-
Pakistan State Oil Company Limited	542,757	172,335	-	72,725	642,367	106,083	138,302	32,219	5.45	0.14	5.44
Sui Northern Gas Pipelines Limited	704,333	268,133	-	106,077	866,389	47,859	38,485	(9,374)	1.52	0.14	1.51
Sui Southern Gas Company Limited	741,231	-	-	741,231	-	-	-	-	-	-	-
									6.97	0.28	6.95

Name of the investee company	As at July 1, 2020	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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) -----			----- % -----		
Paper & Board											
Packages Limited	-	67,700	-	-	67,700	40,178	40,411	234	1.59	0.08	1.59
									1.59	0.08	1.59
Pharmaceuticals											
Abbott Laboratories Pakistan	-	64,300	-	300	64,000	49,153	48,344	(809)	1.91	0.07	1.90
GlaxoSmithKline Pakistan Limited	-	166,100	-	8,900	157,200	30,019	30,156	136	1.19	0.05	1.19
The Searle Company Limited (note 6.2)	249,959	66,953	38,557	29,401	326,068	66,300	81,266	14,965	3.20	0.15	3.20
									6.30	0.27	6.29
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	6,085,040	3,039,000	-	697,500	8,426,540	26,522	32,948	6,426	1.30	0.03	1.30
The Hub Power Company Limited	2,421,050	-	-	2,421,050	-	-	-	-	-	-	-
									1.30	0.03	1.30
Refinery											
Attock Refinery Ltd	118,992	93,847	-	82,983	129,856	15,413	23,640	8,228	0.93	0.12	0.93
National Refinery Limited	-	96,200	-	96,200	-	-	-	-	-	-	-
									0.93	0.12	0.93
Technology & Communication											
Netsol Technologies Limited	81,900	90,000	-	171,900	-	-	-	-	-	-	-
Systems Limited	-	243,900	-	243,900	-	-	-	-	-	-	-
									-	-	-
Textile Composite											
Nishat Mills Limited	393,900	167,750	-	81,800	479,850	39,682	48,834	9,152	1.93	0.14	1.92
									1.93	0.14	1.92
Vanaspati & Allied Industries											
Unity Foods Limited	384,000	1,209,522	596,752	676,500	1,513,774	30,343	48,532	18,189	1.91	0.15	1.91
									1.91	0.15	1.91
Total as at December 31, 2020						2,168,352	2,543,138	374,788	100		
Total as at June 30, 2020						1,955,789	1,857,289	(98,500)			

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

6.1.2 Investments include 682,000 shares (June 30, 2020: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 61.605 million as at December 31, 2020 (June 30, 2020: Rs 59.184 million) and 80,000 shares (June 30, 2020: nil) of Oil and Gas Development Company Limited having market value of Rs 8.302 million as at December 31, 2020 (June 30, 2020: nil), 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 year ended June 30, 2020, the CISs had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh had issued notices to the relevant parties and had 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, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.367 million (June 30, 2020: Rs. 1.160 million).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Management fee payable	8.1	214	1,511
Sindh Sales Tax on the management fee payable		28	196
Allocated expenses payable	8.2	208	151
Sales load payable		378	204
Sindh Sales Tax payable on sales load		49	26
		877	2,088

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

8.2 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Auditor's remuneration payable		205	224
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	20,406	9,782
Withholding tax and capital gain tax payable		491	266
Charity payable		4,487	3,115
Brokerage payable		2,677	1,437
Shariah advisory fee payable		269	269
Printing charges payable		124	124
Zakat payable		-	11
		34,897	21,466

- 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, 2020: Re 0.18) 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, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.548 per unit (June 30, 2020: Re 0.28 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:

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Balances		
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	214	1,511
Sindh Sales Tax on management fee payable	28	196
Sales load payable	378	204
Sindh Sales Tax on sales load payable	49	26
Allocated expenses payable	208	151
Investment of 14,476,032 units (June 30, 2020: 12,467,051 units)	986,307	665,901
Meezan Bank Limited		
Sales load payable	16	82
Sindh Sales Tax on sales load payable	2	11
Bank balance	7,687	8,068
Profit receivable on savings account	16	16
Shariah advisor fee payable	269	269
Investment of 2,113,224 units (June 30, 2020: 2,113,224 units)	143,982	112,873
Investment in 1,074,269 shares (June 30, 2020: 739,301 shares)	112,238	50,928
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	271	210
Sindh Sales Tax on trustee fee payable	57	49
Security deposit	103	103
Directors and their close family members and key management		
Investment of 927,408 units (June 30, 2020: 626,396 units)	63,188	33,458
Unit holders holding 10% or more units of the Fund		
Investment of 9,725,888 units (June 30, 2020: 9,725,888 units)	662,662	519,488
Al Meezan Investment Management Limited (Gratuity Fund)		
Investment as at December 31, 2020: 133,559 units (June 30, 2020: 133,559 units)	9,100	7,134
Meezan Strategic Allocation Fund MSAP-I		
Investment as at December 31, 2020: 4,311 units (June 30, 2020: 4,311 units)	294	230
Meezan Strategic Allocation Fund MSAP-II		
Investment as at December 31, 2020: 137,526 units (June 30, 2020: 137,526 units)	9,370	7,346
Meezan Strategic Allocation Fund MSAP-III		
Investment as at December 31, 2020: 374,075 units (June 30, 2020: 374,075 units)	25,487	19,980
Meezan Strategic Allocation Fund MSAP-IV		
Investment as at December 31, 2020: 396,682 units (June 30, 2020: 396,682 units)	27,027	21,188
Meezan Strategic Allocation Fund MSAP-V		
Investment as at December 31, 2020: 56,518 units (June 30, 2020: 56,518 units)	3,851	3,019
	Six months period ended	
	December 31,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the period	11,278	7,939
Sindh Sales Tax on remuneration of the Management Company	1,466	1,032
Allocated expenses	1,128	794
Units issued: 2,160,034 units (December 31, 2019: 2,236,837 units)	133,000	109,600
Units redeemed: 151,053 units (December 31, 2019: 662,131 units)	9,200	37,100



**Six months period ended
December 31,**
2020 2019
(Unaudited)
(Rupees in '000)

Transactions during the period

Meezan Bank Limited

Profit on savings account	79	302
Dividend income	4,368	1,425
Shares purchased: 356,789 shares (December 31, 2019: 762,000 shares)	27,816	63,071
Shares sold: 115,391 shares (December 31, 2019: 62,500 shares)	10,617	5,769
Bonus shares received: 93,570 shares (December 31, 2019: nil shares)	-	-

Central Depository Company of Pakistan Limited - the Trustee

Trustee fee	1,631	1,297
Sindh Sales Tax on trustee fee for the period	212	169
CDS charges	87	43

Directors and their close family members and key management

Units issued: 190,657 units (December 31, 2019: 1,590 units)	12,785	91
Units redeemed: 6,775 units (December 31, 2019: 440 units)	395	25

Meezan Strategic Allocation Fund MSAP-I

Units redeemed: nil units (December 31, 2019: 197,269 units)	-	10,000
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Meezan Strategic Allocation Fund MSAP-III

Units issued: nil units (December 31, 2019: 206,406 units)	-	10,000
--	---	--------

Meezan Strategic Allocation Fund MSAP-IV

Units issued: nil units (December 31, 2019: 206,406 units)	-	10,000
--	---	--------

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.43% which includes 0.68% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "index 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 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, 2021 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 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at December 31, 2020			
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'	2,543,138	-	-	2,543,138
--	-----------	---	---	-----------

As at June 30, 2020			
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'	1,857,289	-	-	1,857,289
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14 CORRESPONDING FIGURES

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

15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16 GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.



The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**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).

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FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
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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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited
Al Baraka Islamic Bank B.S.C (E.C)
Bank Al Habib Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
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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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ENERGY FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Energy Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		December 31, 2020	June 30, 2020
		(Unaudited)	(Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	23,546	3,214
Investments	6	397,351	518,105
Receivable against conversion of units		2,886	8,224
Dividend receivable		1,602	109
Receivable against sale of investments		-	30,650
Advances, deposit and other receivables		4,095	4,127
Preliminary expenses and floatation costs		183	283
Total assets		<u>429,663</u>	<u>564,712</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - the Management Company	7	577	1,687
Payable to Central Depository Company of Pakistan Limited - the Trustee		295	104
Payable to Meezan Bank Limited		-	345
Payable to the Securities and Exchange Commission of Pakistan		48	109
Payable against conversion and redemption of units		2,121	13,036
Payable against purchase of investments - net		4,865	2,776
Accrued expenses and other liabilities	9	4,974	4,789
Total liabilities		<u>12,880</u>	<u>22,846</u>
Net assets		<u>416,783</u>	<u>541,866</u>
Contingencies and commitments	8		
Unit holders' funds (as per statement attached)		<u>416,783</u>	<u>541,866</u>
		(Number of units)	
Number of units in issue		<u>12,733,825</u>	<u>18,050,159</u>
		(Rupees)	
Net asset value per unit		<u>32.7304</u>	<u>30.0200</u>

The annexed notes 1 to 16 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 ENERGY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

		Six months period ended December 31, 2020	Six months period ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	Note	(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain / (loss) on sale of investments		28,687	(39,152)	4,969	1,856
Dividend income		12,059	11,935	11,596	5,025
Profit on saving accounts with banks		334	1,646	122	743
		<u>41,080</u>	<u>(25,571)</u>	<u>16,687</u>	<u>7,624</u>
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	6.1	23,320	110,689	(15,041)	160,956
Total income		<u>64,400</u>	<u>85,118</u>	<u>1,646</u>	<u>168,580</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1	4,784	5,631	2,075	2,823
Sindh Sales Tax on remuneration of management fee		622	732	270	367
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		478	566	207	285
Sindh Sales Tax on trustee fee		62	74	27	37
Annual fee to the Securities and Exchange Commission of Pakistan		48	56	21	28
Auditors' remuneration		173	177	74	103
Charity expense		547	400	539	150
Fees and subscription		283	283	141	142
Brokerage expense		1,261	948	557	619
Bank and settlement charges		232	139	118	93
Selling and marketing expense	7.3	957	1,126	415	564
Amortisation of preliminary expenses and floatation costs		100	100	50	50
Allocated expenses	7.2	239	282	104	142
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	1,092	1,492	(59)	1,492
Total expenses		<u>10,878</u>	<u>12,006</u>	<u>4,539</u>	<u>6,895</u>
Net income / (loss) for the period before taxation		<u>53,522</u>	<u>73,112</u>	<u>(2,893)</u>	<u>161,685</u>
Taxation	13	-	-	-	-
Net income / (loss) for the period after taxation		<u>53,522</u>	<u>73,112</u>	<u>(2,893)</u>	<u>161,685</u>
Allocation of net income for the period					
Net income for the period after taxation		53,522	73,112		
Income already paid on units redeemed		(34,675)	-		
		<u>18,847</u>	<u>73,112</u>		
Accounting income available for distribution					
- Relating to capital gains		18,847	71,537		
- Excluding capital (loss) / gains		-	1,575		
		<u>18,847</u>	<u>73,112</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



MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020	Six months period ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	53,522	73,112	(2,893)	161,685
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>53,522</u>	<u>73,112</u>	<u>(2,893)</u>	<u>161,685</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

MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	Accumulated Loss	Total	Capital value	Accumulated loss	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the period	964,237	(422,371)	541,866	967,743	(369,040)	598,703
Issue of 32,897,931 units (December 31, 2019: 19,834,260 units)						
- Capital value (at net asset value per unit at the beginning of the period)	987,596	-	987,596	661,768	-	661,768
- Element of income	91,495	-	91,495	23,484	-	23,484
Total proceeds on issuance of units	1,079,091	-	1,079,091	685,252	-	685,252
Redemption of 38,214,265 units (December 31, 2019: 22,399,350 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,147,192	-	1,147,192	747,352	-	747,352
- Element of loss	75,829	34,675	110,504	1,602	-	1,602
Total payments on redemption of units	1,223,021	34,675	1,257,696	748,954	-	748,954
Total comprehensive income for the period	-	53,522	53,522	-	73,112	73,112
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	53,522	53,522	-	73,112	73,112
Net assets at the end of the period	820,307	(403,524)	416,783	904,041	(295,928)	608,113
Accumulated loss brought forward						
- Realised loss		(422,342)			(228,021)	
- Unrealised (loss)		(29)			(141,019)	
		(422,371)			(369,040)	
Accounting income available for distribution						
- Relating to capital gains	18,847			71,537		
- Excluding capital gains	-			1,575		
	18,847			73,112		
Accumulated loss carried forward		(403,524)			(295,928)	
Accumulated loss carried forward						
- Realised loss		(426,844)			(406,617)	
- Unrealised income		23,320			110,689	
		(403,524)			(295,928)	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			30.0200			33.3649
Net assets value per unit at the end of the period			32.7304			39.5418

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

MEEZAN ENERGY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020



Note	Six months period ended December 31,	Six months period ended December 31,
	2020	2019
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
	53,522	73,112
	Net income for the period before taxation	
	Adjustments for:	
	100	100
	Amortisation of preliminary expenses and floatation costs	
	(23,320)	(110,689)
	Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	
	30,302	(37,477)
	Increase in assets	
	144,074	95,477
	(1,493)	2,018
	30,650	-
	32	(2,494)
	173,263	95,001
	Decrease / (increase) in liabilities	
	(1,110)	(140)
	191	(11)
	(345)	111
	(61)	(877)
	2,089	(3,424)
	185	2,523
	949	(1,818)
	204,514	55,706
	Net cash generated from operating activities	
CASH FLOWS FROM FINANCING ACTIVITIES		
	1,084,429	685,683
	(1,268,611)	(748,667)
	(184,182)	(62,984)
	Net cash used in financing activities	
	20,332	(7,278)
	Net increase / (decrease) in cash and cash equivalents during the period	
	3,214	20,442
	Cash and cash equivalents at the beginning of the period	
	23,546	13,164
5	Cash and cash equivalents at the end of the period	

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

MEEZAN ENERGY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
5. BALANCES WITH BANKS			
In saving accounts	5.1	23,369	2,545
In current accounts		177	669
		23,546	3,214

5.1 The balance in saving accounts have an expected profit ranging from 2.31% to 6.35% per annum (June 30, 2020: 2.31% to 7.40% per annum).

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	397,351	518,105

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain as at December 31, 2020	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)	64,244	13,720	-	25,500	52,464	65,995	70,291	4,296	16.87	17.69	0.39
Oil and Gas Development Company Limited	874,228	499,929	-	728,000	646,157	68,509	67,052	(1,457)	16.09	16.87	0.15
Pakistan Oilfields Limited (note 6.2)	280,680	40,000	-	172,500	148,180	52,885	58,592	5,707	14.06	14.75	0.52
Pakistan Petroleum Limited (note 6.2)	928,718	625,900	-	823,000	731,618	66,295	66,087	(208)	15.86	16.63	0.27
									62.88	65.94	1.33
Oil and Gas Marketing Companies											
Attock Petroleum Limited	51,200	22,000	-	15,400	57,800	18,400	19,342	942	4.64	4.87	0.58
Hascol Petroleum Limited	1,074,011	530,000	-	1,430,000	174,011	2,617	2,556	(61)	0.61	0.64	0.17
Hi-Tech Lubricants Limited	410,000	222,000	-	253,500	378,500	13,732	16,571	2,839	3.98	4.17	3.26
Pakistan State Oil Company Limited (note 6.2)	198,388	98,000	-	85,300	211,088	36,398	45,447	9,049	10.90	11.44	0.45
Shell Pakistan Limited	49,000	122,800	-	134,900	36,900	8,869	10,237	1,368	2.46	2.58	0.34
Sui Northern Gas Pipelines Limited	378,800	190,000	-	566,500	2,300	133	102	(31)	0.02	0.03	-
									22.61	23.73	4.80
Power Generation and Distribution											
Hub Power Company Limited	748,444	301,000	-	591,000	458,444	36,199	36,368	169	8.73	9.15	0.35
K - Electric Limited (note 6.1.1)	2,141,000	600,000	-	1,537,500	1,203,500	3,999	4,706	707	1.13	1.18	0.12
									9.86	10.33	0.47
Refinery											
Attock Refinery Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
National Refinery Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
Total as at December 31, 2020						374,031	397,351	23,320		100	
Total as at June 30, 2020						518,134	518,105	(29)			

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

6.1.2 Investments include 26,500 shares (June 30, 2020: 26,500 shares) of Pakistan Oilfields Limited and 65,000 shares (June 30, 2020: 65,000 shares) of Pakistan Petroleum Limited, having market value of Rs 10.48 million and Rs. 5.87 million respectively as at December 31, 2020 (June 30, 2020: Rs 9.29 million and Rs. 5.64 million respectively), 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 year ended June 30, 2020, the CISs had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh had issued notices to the relevant parties and had 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, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.255 million (June 30, 2020: Rs. 0.922 million).

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note		
Management fee payable	7.1	71	928
Sindh Sales Tax payable on remuneration of the Management Company		9	121
Sales load		40	66
Sindh Sales Tax payable on sales load		5	9
Allocated expense payable	7.2	37	46
Selling and marketing expenses payable	7.3	415	517
		<u>577</u>	<u>1,687</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged during the period selling and marketing expense at 0.4% per annum of average annual net assets of the Fund.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note		
Auditors' remuneration payable		145	195
Printing charges payable		34	34
Shariah advisor fee payable		269	269
Charity payable		701	655
Capital gain tax payable		105	425
Provision for Sindh Workers' Welfare Fund	9.1	2,619	1,527
Brokerage payable		1,086	1,679
Zakat payable		15	5
		<u>4,974</u>	<u>4,789</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 November 30, 2016 to December 31, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.21 (June 30, 2020: Re 0.08).

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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Balances		
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	71	928
Sindh Sales Tax on management fee payable	9	121
Sales load payable	40	66
Sindh Sales Tax on sales load payable	5	9
Allocated expenses	37	46
Selling and marketing expense payable	415	517
Investment of 3,263,145 units (June 30, 2020: 5,379,191 units)	106,804	161,483
Meezan Bank Limited		
Bank balance	4,866	2,651
Profit receivable on saving accounts	25	72
Sales load payable	-	306
Sindh Sales Tax on sales load payable	-	40
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	261	92
Sindh Sales Tax on trustee fee payable	34	12
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 551,431 units (June 30, 2020: 23,930 units)	18,049	718



Six months period ended December 31, 2020	Six months period ended December 31, 2019
--	--

(Rupees in '000)

Transactions during the period

AI Meezan Investment Management Limited - the Management Company

Remuneration for the period	4,784	5,631
Sindh Sales Tax on management fee	622	732
Allocated expenses	239	282
Selling and marketing expense	957	1,126
Units issued: 431,954 units (December 31, 2019: 967,230 Units)	15,000	30,000
Units redeemed: 2,548,000 units (December 31, 2019: 1,414,404 units)	85,000	48,000

Meezan Bank Limited

Profit on saving accounts	162	987
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Central Depository Company of Pakistan Limited - the Trustee

Trustee fee	478	566
Sindh Sales Tax on trustee fee	62	74
CDS charges	39	35

Directors and executives of the Management Company

Units issued: 546,780 units (December 31, 2019: 3,382,144 units)	16,829	104,349
Units redeemed: 19,279 units (December 31, 2019: 3,422,099 units)	617	96,881

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 4.32% which includes 0.54% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "equity fund".

12. 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.

12.1 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2020			
	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'	397,351	-	-	397,351

ASSETS	As at June 30, 2020			
	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'	518,105	-	-	518,105

13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the 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, 2021 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. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.



16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Balanced Fund

**COMPLETE SUITE OF
DIGITAL
SERVICES**

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.



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Samba Bank Limited
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	The Bank Of Khyber - Islamic Banking
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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



MEEZAN BALANCED FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Balances with banks	5	1,065,258	785,606
Investments	6	3,414,914	3,266,840
Receivables against conversion of units		9,155	4,245
Dividend receivable		12,885	605
Receivable against sale of investments		20,723	4,364
Deposits and other receivables		44,055	40,593
Total assets		<u>4,566,990</u>	<u>4,102,253</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company	8	14,076	5,473
Payable to Central Depository Company of Pakistan Limited - the Trustee		516	458
Payable to the Securities and Exchange Commission of Pakistan		433	905
Payable to Meezan Bank Limited		49	76
Payable against purchase of investments - net		13,138	4,740
Payable on redemption and conversion of units		7,402	4,614
Dividend payable		7,498	52,994
Accrued expenses and other liabilities	9	105,748	117,432
Total liabilities		<u>148,860</u>	<u>186,692</u>
Net assets		<u>4,418,130</u>	<u>3,915,561</u>
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		<u>4,418,130</u>	<u>3,915,561</u>
		(Number of units)	
Number of units in issue		<u>283,337,444</u>	<u>285,524,181</u>
		(Rupees)	
Net asset value per unit		<u>15.5932</u>	<u>13.7136</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

MEEZAN BALANCED FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain on sale of investments		55,050	32,762	29,769	59,954
Dividend income		52,469	92,568	39,973	52,487
Profit on sukuk certificates		60,315	100,370	29,025	48,876
Profit on saving accounts with banks		27,086	41,924	13,619	22,372
		194,920	267,624	112,386	183,689
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	421,991	442,070	115,342	633,355
Total income / (loss)		616,911	709,694	227,728	817,044
Expenses					
Remuneration of Al Meezan Investment Management Limited - the Management Company	8.1	43,318	48,028	21,841	24,292
Sindh Sales Tax on remuneration of the management company		5,631	6,244	2,839	3,158
Allocated expenses	8.2	2,166	2,401	1,092	1,214
Selling and marketing expenses	8.3	8,664	9,606	4,369	4,859
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		2,669	2,904	1,345	1,466
Sindh Sales Tax on remuneration of the Trustee		347	378	175	191
Annual fee to the Securities and Exchange Commission of Pakistan		433	490	218	243
Auditors' remuneration		342	349	200	214
Charity expense		1,590	2,447	1,243	1,350
Fees and subscription		215	213	136	68
Brokerage expense		2,010	1,728	1,168	1,414
Bank and settlement charges		223	392	186	282
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	10,986	12,690	3,858	12,690
Total expenses		78,594	87,870	38,670	51,441
Net income / (loss) for the period before taxation		538,317	621,824	189,058	765,603
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		538,317	621,824	189,058	765,603
Allocation of net income for the period					
Net income for the period after taxation		538,317	621,824		
Income already paid on units redeemed		(46,227)	(35,513)		
		492,090	586,311		
Accounting income available for distribution					
- Relating to capital gains		477,041	474,832		
- Excluding capital gains		15,049	111,479		
		492,090	586,311		

The annexed notes 1 to 16 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, 2020

	<u>Six months period</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	538,317	621,824	189,058	765,603
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>538,317</u>	<u>621,824</u>	<u>189,058</u>	<u>765,603</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

**MEEZAN BALANCED FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	(Accumulated loss) / Undistri-buted income	Total	Capital value	(Accumulated loss) / Undistri-buted income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	3,839,430	76,131	3,915,561	5,405,175	(55,085)	5,350,090
Issue of 81,185,221 units (2019: 11,741,729 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,113,342	-	1,113,342	158,053	-	158,053
- Element of income	102,772	-	102,772	8,652	-	8,652
Total proceeds on issuance of units	1,216,114	-	1,216,114	166,705	-	166,705
Redemption of 83,371,958 units (2019: 105,327,763 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,143,330	-	1,143,330	1,417,796	-	1,417,796
- Element of loss	62,305	46,227	108,532	3,766	35,513	39,279
Total payments on redemption of units	1,205,635	46,227	1,251,862	1,421,562	35,513	1,457,075
Total comprehensive income for the period	-	538,317	538,317	-	621,824	621,824
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	538,317	538,317	-	621,824	621,824
Net assets at the end of the period	3,849,909	568,221	4,418,130	4,150,318	531,226	4,681,544
Undistributed income brought forward						
- Realised income		25,518			819,542	
- Unrealised income / (loss)		50,613			(874,627)	
		76,131			(55,085)	
Accounting income available for distribution						
- Relating to capital gains	477,041			474,832		
- Excluding capital gains	15,049			111,479		
	492,090			586,311		
Net loss for the period after taxation	-			-		
Distribution during the period	-			-		
Undistributed income carried forward	568,221			531,226		
Undistributed income carried forward						
- Realised income		146,230			89,156	
- Unrealised gain		421,991			442,070	
		568,221			531,226	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			13.7136			13.4608
Net assets value per unit at the end of the period			15.5932			15.4063

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



MEEZAN BALANCED FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Note	Six months period ended	
	2020	2019
	December 31,	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	538,317	621,824
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(421,991)	(442,070)
	116,326	179,754
Decrease in assets		
Investments - net	273,917	1,232,480
Dividend receivable	(12,280)	9,293
Receivable against sale of investments - net	(16,359)	62,659
Deposits and other receivables	(3,462)	3,855
	241,816	1,308,287
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	8,603	(1,755)
Payable to Central Depository Company of Pakistan Limited - the Trustee	58	(49)
Payable to the Securities and Exchange Commission of Pakistan	(472)	(5,341)
Payable to Meezan Bank Limited	(27)	7
Payable against purchase of investments - net	8,398	5,500
Accrued expenses and other liabilities	(11,684)	13,808
	4,876	12,170
Net cash generated from operating activities	363,018	1,500,211
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	1,211,204	162,925
Payment against redemption and conversion of units	(1,249,074)	(1,458,823)
Dividend paid	(45,496)	8
Net cash used in financing activities	(83,366)	(1,295,890)
Net increase in cash and cash equivalents during the period	279,652	204,321
Cash and cash equivalents at the beginning of the period	785,606	357,560
Cash and cash equivalents at the end of the period	5 1,065,258	561,881

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

MEEZAN BALANCED FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: 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 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, 2020.

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, 2020.

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, 2020.

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 accounting 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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. 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, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
	In saving accounts	5.1	1,044,233	777,690
	In current accounts		21,025	7,916
			<u>1,065,258</u>	<u>785,606</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 2.22% to 7.05% per annum (June 30, 2020: 1.5% to 7.50% per annum).

	Note	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
6 INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	3,414,914	3,266,840
		<u>3,414,914</u>	<u>3,266,840</u>
6.1 Investments - 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	6.1.1	2,173,049	1,897,643
Sukuk certificates	6.1.2.1 & 6.1.2.2	1,241,865	1,369,197
		<u>3,414,914</u>	<u>3,266,840</u>
6.1.1 Shares of listed companies 'ordinary shares'			

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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												
Bank Islami Pakistan Limited	431,462	981,462	-	581,462	831,462	7,783	9,986	2,203	0.23	0.08	0.29	
Meezan Bank Limited (note 6.2.1.2) (an associate company of the Fund)	933,885	60,000	93,388	38,500	1,048,773	66,687	109,534	42,847	2.48	0.08	3.21	
									2.71	0.16	3.50	
Automobile assemblers												
Ghandhara Industries Limited	2,100	4,200	-	4,200	2,100	254	685	431	0.02	0.03	0.02	
Honda Atlas Cars (Pakistan) Limited	6,100	6,100	-	12,200	-	-	-	-	-	-	-	
Indus Motor Company Limited	13,700	13,700	-	27,400	-	-	-	-	-	-	-	
Millat Tractors Company Limited	9,006	24,056	-	9,006	24,056	21,009	26,319	5,310	0.60	0.05	0.77	
									0.61	0.08	0.79	
Automobile parts and accessories												
Agriauto Industries Limited (note 6.1.1.1)	40,200	-	-	40,200	-	-	-	-	-	0.28	-	
Cable and Electrical Goods												
Pak Elektron Limited	-	300,000	-	-	300,000	11,448	12,039	591	0.27	0.06	0.35	
Chemicals												
Engro Polymer and Chemicals Limited	667,954	1,378,454	-	727,954	1,318,454	43,852	62,640	18,788	1.42	0.15	1.83	
Ghani Global holdings Limited	-	900,000	-	-	900,000	13,603	14,670	1,067	0.33	0.59	0.43	
Dynea Pakistan Limited (note 6.1.1.1)	-	25,000	-	-	25,000	5,496	5,147	(349)	0.12	0.13	0.15	
ICI Pakistan Limited	101,416	102,416	-	115,516	88,316	61,349	67,128	5,779	1.52	0.10	1.97	
Ittehad Chemicals Limited	129,000	129,000	-	258,000	-	-	-	-	-	-	-	
Lotte Chemicals Limited	508,500	508,500	-	1,017,000	-	-	-	-	-	-	-	
Sitara Chemical Limited	2,100	2,100	-	2,100	2,100	582	651	69	0.01	0.01	0.02	
Sitara Peroxide Limited	400,000	400,000	-	800,000	-	-	-	-	-	-	-	
									3.40	0.98	4.40	
Cement												
Attock Cement Limited	727	14,527	-	727	14,527	2,399	2,180	(219)	0.05	0.01	0.06	
Cherat Cement Company Limited	110,000	180,000	-	155,000	135,000	16,112	19,736	3,624	0.45	0.08	0.58	
DG Khan Cement Limited	152,000	452,000	-	193,062	410,938	41,358	47,085	5,727	1.07	0.09	1.38	
Fauji Cement Limited	80,000	80,000	-	160,000	-	-	-	-	-	-	-	
Kohat Cement Limited	455,520	465,520	-	455,520	465,520	64,788	102,061	37,273	2.31	0.23	2.99	
Lucky Cement Limited	293,851	293,851	-	322,811	264,891	122,268	184,388	62,120	4.17	0.08	5.40	
Maple Leaf Cement Limited	806,281	1,731,281	-	1,496,281	1,041,281	35,009	46,868	11,859	1.06	0.16	1.37	
									9.11	0.65	11.78	

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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) -----		-----%-----			
Investment Banks											
Dawood Hercules Corporation Limited	8,800	8,800	-	17,600	-	-	-	-	-	-	-
Fertilizers											
Engro Corporation Limited (note 6.1.1.3)	639,722	639,722	-	794,938	484,506	141,922	148,918	6,996	3.37	0.08	4.36
Engro Fertilizer Limited	1,228,143	1,338,643	-	2,084,536	482,250	29,180	30,493	1,313	0.69	0.04	0.89
Fatima Fertilizer Limited	95,000	95,000	-	190,000	-	-	-	-	-	-	-
									4.06	0.12	5.25
Technology & Communication											
Avanceon Limited	155,980	406,480	-	230,980	331,480	19,022	30,778	11,756	0.70	0.17	0.90
Netsol Technologies Limited	-	68,000	-	68,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Systems Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
	162,550	196,650	-	204,550	154,650	32,321	64,834	32,513	1.47	0.13	1.90
									2.16	0.30	2.80
Paper & Board											
Century Paper & Board Mills Limited	95,000	241,000	40,200	95,000	281,200	21,290	35,192	13,902	0.80	0.19	1.03
Cherat Packaging Limited	31,240	31,240	-	62,440	40	5	9	4	-	-	-
Packages Limited	89,023	94,023	-	89,023	94,023	33,193	56,124	22,931	1.27	0.11	1.64
Roshan Packages Limited	-	138,500	-	-	138,500	5,250	5,886	636	0.13	0.10	0.17
Security Paper Limited	-	25,000	-	-	25,000	5,579	4,425	(1,154)	0.10	0.04	0.13
									2.30	0.44	2.98
Miscellaneous											
Shifa International Hospitals Limited	84	20,084	-	20,168	-	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	67,925	-	67,925	-	-	-	-	-	-	-
									-	-	-
Oil & Gas Exploration											
Mari Petroleum Company Limited	149,747	149,747	-	168,907	130,587	161,490	174,963	13,473	3.96	0.11	5.12
Oil and Gas Developed Company Limited	1,415,100	1,460,100	-	1,727,331	1,147,869	124,908	119,114	(5,794)	2.70	0.03	3.49
Pakistan Oilfield Limited	287,710	293,210	-	376,710	204,210	71,882	80,747	8,865	1.83	0.07	2.36
Pakistan Petroleum Limited	1,374,502	1,510,502	-	1,619,502	1,265,502	111,097	114,313	3,216	2.59	0.06	3.35
									11.07	0.27	14.32
Oil and Gas Marketing											
Attock Petroleum Limited	12,000	12,000	-	12,000	12,000	3,662	4,016	354	0.09	0.01	0.12
Hascol Petrol Limited	1,051,400	1,480,400	-	2,529,899	1,901	31	28	(3)	-	-	-
Hi-Tech Lubricants Limited	125,000	125,000	-	125,000	125,000	3,785	5,473	1,688	0.12	0.11	0.16
Pakistan State Oil Company Limited	382,290	396,690	-	503,790	275,190	43,987	59,248	15,261	1.34	0.07	1.73
Shell Pakistan Limited	-	35,000	-	35,000	-	-	-	-	-	-	-
Sui Northern Gas Pipeline Limited	788,000	788,000	-	1,568,000	8,000	437	355	(82)	0.01	-	0.01
									1.56	0.19	2.02
Pharmaceuticals											
Abbott Laboratories Pakistan Limited	2,250	2,250	-	2,250	2,250	1,492	1,700	208	0.04	-	0.05
AGP Limited	440,000	440,000	-	490,000	390,000	42,799	44,413	1,614	1.01	0.14	1.30
GlaxoSmithKline Consumer Healthcare Limited	75,600	75,600	-	91,600	59,600	16,192	15,802	(390)	0.36	0.05	0.46
Highnoon Laboratories Limited	1,757	1,757	-	1,757	1,757	881	1,054	173	0.02	0.01	0.03
IBL Health Care Limited	-	100,000	-	-	100,000	12,354	11,528	(826)	0.26	0.18	0.34
The Searle Company Limited	190,370	236,181	-	190,370	236,181	47,736	58,863	11,127	1.33	0.11	1.72
									3.02	0.49	3.91
Food & Personal Care Products											
Al-Shaheer Corporation Limited	7,709	7,709	-	7,709	7,709	88	120	32	-	0.01	-
Al Tahur Limited	70,742	70,742	7,074	148,558	-	-	-	-	-	-	-
									-	0.01	-
Power Generation & Distribution											
K-Electric Limited (note 6.1.1.1)	11,155,000	11,710,500	-	12,555,000	10,310,500	31,707	40,314	8,607	0.91	0.11	1.18
The Hub Power Company Limited	1,966,713	2,366,713	-	3,502,404	831,022	63,699	65,925	2,226	1.49	0.07	1.93
									2.40	0.18	3.11

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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	-	1,909,000	1,909,000	20,789	20,235	(554)	0.46	-	0.59
Refinery											
Attock Refinery Limited	-	50,000	-	25,000	25,000	3,936	4,551	615	0.10	0.02	0.13
Textile composite											
Nishat Mills Limited	270,600	485,600	-	270,600	485,600	43,236	49,420	6,184	1.12	0.14	1.45
Feroze1888 Mills Limited	263,300	278,300	-	473,800	67,800	5,779	6,738	959	0.15	0.02	0.20
									1.27	0.16	1.64
Engineering											
Agha Steels Industries Limited	-	1,147,968	-	573,984	573,984	18,367	22,621	4,254	0.51	0.19	0.66
International Industries Limited	93,720	153,720	-	93,720	153,720	18,112	27,147	9,035	0.61	0.13	0.79
International Steel Limited	280,000	280,000	-	280,000	280,000	14,461	26,104	11,643	0.59	0.06	0.76
K.S.B. Pumps Company Limited	5,000	5,000	-	5,000	5,000	719	1,942	1,223	0.04	0.04	0.06
Mughal Iron and Steel Industries Limited	75,000	150,000	-	75,000	150,000	7,133	11,360	4,227	0.26	0.06	0.33
									2.02	0.48	2.61
Vanaspati & Allied Industries											
Unity Foods Limited	-	1,588,000	-	200,000	1,388,000	31,832	44,499	12,667	1.01	0.09	1.30
Glass & Ceramics											
Tariq Glass Industries	25,000	25,000	-	50,000	-	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (note 6.1.1.1)	-	100,000	-	-	100,000	1,875	2,125	250	0.05	0.03	0.06
Ghani Global Glass Limited	-	381,500	-	-	381,500	6,296	6,959	663	0.16	0.38	0.20
									0.21	0.41	0.27
Textiles and Apparel											
Interloop Limited	1,109,222	1,109,222	-	1,284,222	934,222	41,031	63,592	22,561	1.44	-	1.86
Right Shares											
Food & Personal Care Products											
Al-Shaheer Corporation Limited	-	-	837	-	837	-	4	4	-	-	-
December 31, 2020						1,753,552	2,173,049	419,497	63.63		
June 30, 2020						1,846,375	1,897,643	51,268			

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, Dynea Pakistan Limited and Shabbir Tiles and Ceramics 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

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 year ended June 30, 2020, 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 had issued notices to the relevant parties and had 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, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 5.989 million (June 30, 2020: Rs. 4.701 million).

6.1.1.3 Investments include 150,000 shares (June 30, 2020: 150,000 shares) of Engro Corporation Limited, having market value of Rs 46.104 million as at December 31, 2020 (June 30, 2020: Rs. 43.938 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 sukuku

Name of the investee company	Maturity	Profit rate	As at July 1, 2020	Purchases during the period	Sales / Redemptions / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020*	Market value as at December 31, 2020*	Unrealised gain / (loss) as at December 31, 2020	Percentage in relation	
										Number of certificates	(Rupees in '000)
Secured											
K Electric Limited - (7 years) (AA+, VIS, non-traded)	June 17, 2022	3 months KIBOR plus base rate of 1%	70,003	-	10,000	60,003	91,129	90,914	(215)	2.06	2.66
Security Leasing Corporation Limited II * (non-traded)	January 19, 2022	N/A	1,540	-	-	1,540	-	-	-	-	-
Eden Housing Limited * (note 6.1.2.1.1) (non-traded)	September 29, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-
Arzoo Textile Mills Limited * (non-traded)	April 15, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-
Hascol Petroleum Limited - Sukuk (BBB-, VIS, non-traded)	January 7, 2022	3 months KIBOR plus base rate of 1.50%	17,500	-	5,000	12,500	61,728	60,597	(1,131)	1.37	1.77
Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded) (note 6.1.2.1.1)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	141	-	-	141	144,699	144,943	244	3.28	4.24
International Brands Limited (AA, VIS, non-traded) (note 6.1.2.1.1)	November 15, 2021	3 months KIBOR plus base rate of 0.50%	650	-	-	650	41,411	42,027	616	0.95	1.23
K-Electric Limited (sukuk 5) (AA+, VIS, non-traded)	December 27, 2026	3 months KIBOR plus base rate of 1.70%	40,000	-	-	40,000	200,000	203,038	3,038	4.60	5.95

Name of the investee company	Maturity	Profit rate	As at	Purchases	Sales /	As at	Carrying	Market	Unrealised	Percentage in relation	
			July 1, 2020	during the period	Redemptions / matured during the period	December 31, 2020	value as at December 31, 2020*	value as at December 31, 2020*	gain / (loss) as at December 31, 2020	Net Assets of the Fund	Total market value of investments
			Number of certificates			(Rupees in '000)			%		
Meezan Bank Limited (AA, VIS, non-traded) (note 6.1.2.1.1)	September 22, 2026	6 months KIBOR plus base rate of 0.5%	80	-	-	80	82,000	81,754	(246)	1.85	2.39
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.1.2.1.1)	July 10, 2024	3 months KIBOR plus base rate of 1.75%	82	-	-	82	69,700	69,750	50	1.58	2.04
Javedan Corporation Limited (AA-, VIS, non-traded) (note 6.1.2.1.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	750	-	-	750	74,998	74,968	(30)	1.70	2.20
Agha Steel Industries Limited (A, VIS, non-traded) (note 6.1.2.1.1)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	100	-	-	100	100,000	99,408	(592)	2.25	2.91
Engro Polymer and Chemicals Limited (AA, PACRA, traded) (note 6.1.2.1.1)	July 11, 2026	3 months KIBOR plus base rate of 0.90%	78	-	78	-	-	-	-	-	-
Hub Power Company Limited (AA+, PACRA, non traded)	March 19, 2024	1 year KIBOR plus base rate of 1.90%	500	-	200	300	30,000	30,660	660	0.69	0.90
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	230	-	-	230	16,216	16,287	71	0.37	0.48
Hub Power Holdings Limited (AA+, PACRA, traded)	November 12, 2025	6 months KIBOR plus base rate of 2.50%	-	2,000	-	2,000	164,917	164,917	-	3.73	4.83
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1.1)	June 9, 2022	3 months KIBOR plus base rate of 1.3%	405	-	-	405	12,168	12,272	104	0.28	0.36
Total	December 31, 2020						1,088,966	1,091,535	2,569		31.96
Total	June 30, 2020						1,032,833	1,037,402	4,569		

* 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 Agha Steel Industries Limited, Dubai Islamic Bank Pakistan Limited, Meezan Bank Limited, Shakarganj Food Products Limited which have nominal value of Rs. 1,000,000, sukuk certificates of AGP Limited, Engro Polymer and Chemicals Limited, Hub Power Company Limited, Hub Power Holdings Limited, International Brands Limited, Javedan Corporation Limited, Neelum Jhelum Hydropower Company (Private) Limited which have nominal value of Rs. 100,000 and sukuk certificates of Eden Housing Limited which have nominal value of Rs 984.375.

6.1.2.1.2 Details of non-compliant investments with the investment criteria of the assigned category

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, 2020, 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. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at December 31, 2020	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	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	60,597	-	60,597	1.37	1.33
Shakarganj Food Products Limited	Non-traded sukuk certificates	69,750	-	69,750	1.58	1.53
		167,970	37,623	130,347		

6.1.2.1.3 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 Agha Steel Industries Limited and Hascol Petroleum Limited have been valued at a discretionary rate of Rs 99.4077 and Rs 96.9547 where as the reported market rate on MUFAP valuation sheet as at December 31, 2020 was Rs 96.7593 and Rs 98.8948 respectively.

6.1.2.2 Government securities - GOP Ijarah Sukuk

Name of the Security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised loss as at December 31, 2020	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)			Net Assets of the Fund	Total market value of investments	
GoP Ijarah Sukuk Certificates - XX (Note 6.1.2.2.2)	April 30, 2025	Weighted Average 6 months T-Bills	1,870	-	1,870	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXI (Note 6.1.2.2.2)	May 29, 2025	Weighted Average 6 months T-Bills	1,500	-	-	1,500	150,405	150,330	(75)	3.40	4.40
GoP Ijarah Sukuk Certificates - XXIII - VRR (Note 6.1.2.2.2)	July 29, 2025	Weighted Average 6 months T-Bills	-	2,000	2,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIII - FRR (Note 6.1.2.2.2)	July 29, 2025	Weighted Average 6 months T-Bills	-	500	500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIV (Note 6.1.2.2.2)	December 9, 2025	Weighted Average 6 months T-Bills	-	1,000	1,000	-	-	-	-	-	-
			Total as at December 31, 2020				150,405	150,330	(75)		4.40
			Total as at June 30, 2020				337,019	331,795	(5,224)		

6.1.2.2.2 The nominal value of GoP Ijarah Sukuk certificates is Rs 100,000 each.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	December 31, 2020	June 30, 2020
			(Unaudited)	(Audited)
			(Rupees in '000)	
	Management fee payable	8.1	7,398	887
	Sindh Sales Tax payable on remuneration of the Management Company		962	116
	Sales load payable		863	206
	SST on sales load payable		113	27
	Selling and marketing expenses payable	8.3	4,367	3,910
	Allocated expenses payable	8.2	373	327
			14,076	5,473

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 2020: 2%) per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

8.2 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).

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.

8.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund during the period.

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
(Rupees in '000)			
Withholding tax payable		244	24,614
Capital gain tax payable		1,011	-
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	57,237	46,251
Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee	9.2	31,967	31,961
Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load		6,838	6,838
Brokerage expenses payable		2,266	2,165
Charity payable		5,749	4,858
Shariah advisory fee		136	218
Auditors' remuneration payable		288	371
Zakat payable		12	156
		105,748	117,432

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, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.20 (June 30, 2020: Re 0.16).

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 38.799 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, 2020: Re 0.14) per unit.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AI Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and AI 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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	7,398	887
Sales load payable	863	206
Allocated expenses payable	373	327
Sindh Sales Tax on management fee payable	962	116
Sindh Sales Tax on sales load payable	113	27
Selling and Marketing expenses payable	4,367	3,910
Investment of 947,787 units (June 30, 2020: 947,787 units)	14,779	12,998
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	457	405
Sindh Sales Tax on trustee fee payable	59	53
Security deposit	300	300
Meezan Bank Limited		
Bank balance	30,459	28,381
Sales load payable	43	67
Sindh Sales Tax on sales load payable	6	9
Shariah advisory fee payable	136	218
Investment in 1,048,773 shares (June 30, 2020: 933,885 shares)	109,534	64,298
Investment in 80 sukuk certificates (June 30, 2020: 80 sukuk certificates)	81,754	82,000
Investment of 18,886,746 units (June 30, 2020: 18,886,746 units)	294,505	259,005
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 473,186 units (June 30, 2020: 473,186 units)	7,378	6,489
Directors and Executives of the Management Company		
Investment of 6,614,612 units (June 30, 2020: 6,601,536 units)	103,143	90,531

**For the six months period
ended December 31**

2020 2019

(Unaudited)

(Rupees in '000)

Transactions during the period

Al Meezan Investment Management Limited - the Management Company

Remuneration for the period	43,318	48,028
Sindh Sales Tax on management fee	5,631	6,244
Selling and Marketing expenses	8,664	9,606
Allocated expenses	2,166	2,401

Central Depository Company of Pakistan Limited - the Trustee

Remuneration for the period	2,669	2,904
Sindh Sales Tax on trustee fee	347	378
CDS charges	58	48

Meezan Bank Limited

Profit on saving account	229	989
Shares sold: 38,500 shares (December 31, 2019: 148,000)	4,034	13,946
Shares purchased: 60,000 shares (December 31, 2019: nil)	4,837	-
Bonus shares: 93,388 shares (December 31, 2019: nil)	-	-
Profit on sukuk certificates	3,944	13,620
Dividend income	4,349	2,426

Directors and Executives of the Management Company

Units issued: 18,943 units (December 31, 2019: 4,248 units)	276	58
Units redeemed: 5,867 units (December 31, 2019: 165,536 units)	85	2,215

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 3.38% which includes 0.56% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "balanced 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 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, 2021 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 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

Unaudited				
As at December 31, 2020				
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'	2,173,049	-	-	2,173,049
Sukuk certificates	-	1,241,865	-	1,241,865

Audited				
As at June 30, 2020				
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'	1,897,643	-	-	1,897,643
Sukuk certificates	-	1,369,197	-	1,369,197

14 CORRESPONDING FIGURES

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

15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16 GENERAL

16.1 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Asset Allocation Fund

CFA



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.

- **FIRST AMC IN PAKISTAN**
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THE ASSET MANAGER CODE OF PROFESSIONAL CONDUCT
SET FORTH BY **CFA INSTITUTE**



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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S.M.C.H.S., Main Shahra-e-Faisal
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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ASSET ALLOCATION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Asset Allocation Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi

**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**



Meezan
Asset Allocation Fund

	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets		
Balances with banks	5 189,894	245,253
Investments	6 1,399,857	1,127,264
Receivable against conversion of units	3,148	3,313
Receivable against sale of investments	20,949	3,462
Dividend receivable	3,950	2,711
Advances, deposits and other receivables	5,886	6,170
Preliminary expenses and floatation costs	54	145
Total assets	<u>1,623,738</u>	<u>1,388,318</u>
Liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	7 1,955	3,404
Payable to Central Depository Company of Pakistan Limited - the Trustee	217	191
Payable to the Securities and Exchange Commission of Pakistan	150	311
Payable to Meezan Bank Limited	7	36
Payable against redemption and conversion of units	5,415	13,080
Payable against purchase of investments	14,995	3,294
Dividend payable	-	4,236
Accrued expenses and other liabilities	8 26,842	24,464
Total liabilities	<u>49,581</u>	<u>49,016</u>
Net assets	<u>1,574,157</u>	<u>1,339,302</u>
Contingencies and commitments	9	
Unit holders' fund (as per statement attached)	<u>1,574,157</u>	<u>1,339,302</u>
	(Number of units)	
Number of units in issue	<u>34,643,659</u>	<u>36,598,971</u>
	(Rupees)	
Net asset value per unit	<u>45.4385</u>	<u>36.5940</u>

The annexed notes 1 to 16 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, 2020**

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised gain on sale of investments		56,989	17,090	37,474	36,486
Dividend income		28,023	46,911	20,589	26,482
Profit on saving accounts with banks		7,766	18,287	3,122	7,576
		<u>92,778</u>	<u>82,288</u>	<u>61,185</u>	<u>70,544</u>
Net unrealised appreciation on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	251,714	242,322	82,958	330,318
Total income		<u>344,492</u>	<u>324,610</u>	<u>144,143</u>	<u>400,862</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1	11,229	12,494	5,487	6,244
Sindh Sales Tax on remuneration of the Management Company		1,460	1,624	713	811
Allocated expenses	7.2	749	833	366	416
Selling and marketing expenses	7.3	2,994	3,332	1,463	1,665
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		1,253	1,336	618	668
Sindh Sales Tax on remuneration of the Trustee		163	174	80	87
Annual fee to the Securities and Exchange Commission of Pakistan		150	170	73	83
Auditors' remuneration		203	201	94	125
Brokerage expenses		2,622	1,307	1,991	1,038
Charity expense		838	1,228	630	711
Bank and settlement charges		218	349	171	202
Amortisation of preliminary expenses and floatation costs		91	91	46	45
Fees and subscription		300	281	155	141
Provision for Sindh Worker's Welfare Fund (SWWF)	8.1	6,444	6,024	2,645	6,024
Total expenses		<u>28,714</u>	<u>29,444</u>	<u>14,532</u>	<u>18,260</u>
Net income for the period before taxation		<u>315,778</u>	<u>295,166</u>	<u>129,611</u>	<u>382,602</u>
Taxation	11				
Net income for the period after taxation		<u>315,778</u>	<u>295,166</u>	<u>129,611</u>	<u>382,602</u>
Allocation of net income for the period					
Net income for the period after taxation		315,778	295,166		
Income already paid on units redeemed		(27,228)	(26,415)		
		<u>288,550</u>	<u>268,751</u>		
Accounting income available for distribution					
- Relating to capital gains		288,550	259,412		
- Excluding capital gains		-	9,339		
		<u>288,550</u>	<u>268,751</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



MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period		Quarter ended,	
	December 31,		December 31,	
	2020	2019	2020	2019
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	315,778	295,166	129,611	382,602
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>315,778</u>	<u>295,166</u>	<u>129,611</u>	<u>382,602</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

MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
Net assets at the beginning of the period	2,270,614	(931,312)	1,339,302	2,862,681	(1,008,670)	1,854,011
Issuance of 9,319,773 units (2019: 2,024,063 units)						
- Capital value (at net asset value per unit at the beginning of the period)	341,048	-	341,048	71,718	-	71,718
- Element of income	48,126	-	48,126	5,411	-	5,411
Total proceeds on issuance of units	389,174	-	389,174	77,129	-	77,129
Redemption of 11,275,085 units (2019: 15,662,098 units)						
- Capital value (at net asset value per unit at the beginning of the period)	412,600	-	412,600	554,952	-	554,952
- Element of loss	30,269	27,228	57,497	1,393	26,415	27,808
Total payments on redemption of units	442,869	27,228	470,097	556,345	26,415	582,760
Total comprehensive income for the period	-	315,778	315,778	-	295,166	295,166
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	315,778	315,778	-	295,166	295,166
Net assets at the end of the period	2,216,919	(642,762)	1,574,157	2,383,465	(739,919)	1,643,546
Accumulated loss brought forward						
- Realised loss		(982,342)			(593,083)	
- Unrealised loss		51,030			(415,587)	
		<u>(931,312)</u>			<u>(1,008,670)</u>	
Accounting income available for distribution						
- Relating to capital gains	288,550			259,412		
- Excluding capital gains	-			9,339		
	<u>288,550</u>			<u>268,751</u>		
Accumulated loss carried forward		<u>(642,762)</u>			<u>(739,919)</u>	
Accumulated loss carried forward						
- Realised loss		(894,476)			(982,241)	
- Unrealised gain		251,714			242,322	
		<u>(642,762)</u>			<u>(739,919)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			<u>36.5940</u>			<u>35.4328</u>
Net assets value per unit at the end of the period			<u>45.4385</u>			<u>42.4834</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



**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended	
	December 31,	
Note	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	315,778	295,166
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	91	91
Net unrealised appreciation on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1 (251,714)	(242,322)
	<u>64,155</u>	<u>52,935</u>
(Increase) / decrease in assets		
Investments	(20,879)	335,332
Receivable against sale of investments	(17,487)	(9,292)
Dividend receivable	(1,239)	5,164
Advances, deposits and other receivables	284	1,326
	<u>(39,320)</u>	<u>332,530</u>
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	(1,449)	(574)
Payable to Central Depository Company of Pakistan Limited - the Trustee	26	(308)
Payable to the Securities and Exchange Commission of Pakistan	(161)	(2,210)
Payable to Meezan Bank Limited	(29)	(5)
Dividend payable	(4,236)	-
Payable against purchase of investments - net	11,701	92
Accrued expenses and other liabilities	2,378	9,685
	<u>8,230</u>	<u>6,680</u>
Net cash generated from operating activities	<u>33,064</u>	<u>392,145</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	389,339	76,322
Payment against redemption and conversion of units	(477,762)	(586,560)
Net cash used in financing activities	<u>(88,423)</u>	<u>(510,238)</u>
Net decrease in cash and cash equivalents during the period	<u>(55,359)</u>	<u>(118,093)</u>
Cash and cash equivalents at the beginning of the period	245,253	421,539
Cash and cash equivalents at the end of the period	<u>5 189,894</u>	<u>303,446</u>

The annexed notes 1 to 16 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, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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

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

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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. 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, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
5. BALANCES WITH BANKS			
In saving accounts	5.1	185,765	241,399
In current accounts		4,129	3,854
		<u>189,894</u>	<u>245,253</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.32% to 7.00% per annum (June 30, 2020: 1.50% to 7.50% per annum).

	Note	December 31, 2020 (Un-audited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
6. INVESTMENTS			
Investments at 'fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	<u>1,399,857</u>	<u>1,127,264</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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														
Honda Atlas Cars (Pakistan) Limited	100	-	-	100	-	-	-	-	-	-	-	-		
Indus Motor Company Limited	7,960	-	-	7,960	-	-	-	-	-	-	-	-		
Millat Tractors Limited	2,000	25,100	-	-	27,100	26,913	29,650	2,737	1.88	0.05	2.12	1.88	0.05	2.12
Automobile Parts & Accessories														
Agriauto Industries Limited (note 6.1.1)	40,000	-	-	40,000	-	-	-	-	-	-	-	-	-	-
Cable & Electrical Goods														
Pak Elektron Limited	-	630,000	-	-	630,000	23,520	25,282	1,762	1.61	0.13	1.81	1.61	0.13	1.81
Waves Singer Pakistan Limited	-	135,000	-	-	135,000	4,028	3,806	(223)	0.24	0.07	0.27	1.85	0.20	2.08
Cement														
Cherat Cement Company Limited	86,500	45,000	-	42,000	89,500	10,581	13,084	2,503	0.83	0.05	0.93	0.83	0.05	0.93
D.G. Khan Cement Company Limited	152,500	215,500	-	59,000	309,000	31,014	35,405	4,391	2.25	0.07	2.53	2.25	0.07	2.53
Fauji Cement Company Limited	199,500	-	-	199,500	-	-	-	-	-	-	-	-	-	-
Kohat Cement Company Limited	238,000	53,800	-	35,500	256,300	38,803	56,191	17,388	3.57	0.13	4.01	3.57	0.13	4.01
Lucky Cement Limited	184,549	-	-	43,500	141,049	65,105	98,183	33,077	6.24	0.04	7.01	6.24	0.04	7.01
Maple Leaf Cement Limited	375,707	775,000	-	415,000	735,707	25,937	33,114	7,177	2.10	0.07	2.37	2.10	0.07	2.37
Pioneer Cement Limited	500	-	-	-	500	32	52	20	-	-	-	14.99	0.35	16.85
Chemicals														
Dynea Pakistan Limited	-	95,500	-	-	95,500	19,572	19,660	88	1.25	0.51	1.40	1.25	0.51	1.40
Engro Polymer & Chemicals Limited	546,261	480,000	-	60,000	966,261	32,258	45,907	13,649	2.92	0.11	3.28	2.92	0.11	3.28
Ghani Global Holdings Limited	-	1,555,000	-	-	1,555,000	22,746	25,347	2,601	1.61	1.01	1.81	1.61	1.01	1.81
ICI Pakistan Limited	50,400	-	-	2,500	47,900	33,277	36,408	3,132	2.31	0.05	2.60	2.31	0.05	2.60
Ittehad Chemical Limited	100,000	-	-	100,000	-	-	-	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	400,000	-	400,000	-	-	-	-	-	-	-	-	-	-
Sitara Peroxide Limited	149,000	-	-	149,000	-	-	-	-	-	-	-	8.09	1.68	9.09
Commercial Banks														
Meezan Bank Limited (an associate of the Fund)	553,446	7,018	55,344	24,000	591,808	37,247	61,808	24,561	3.93	0.04	4.42	3.93	0.04	4.42
Bank Islami Pakistan Limited	170,000	550,000	-	75,000	645,000	6,372	7,746	1,374	0.49	0.06	0.55	4.42	0.10	4.97
Engineering														
Agha Steel Industries Limited	-	1,082,000	-	441,000	641,000	21,573	25,262	3,689	1.60	0.11	1.80	1.60	0.11	1.80
International Industries Limited	68,200	145,000	-	24,000	189,200	26,994	33,413	6,419	2.12	0.14	2.39	2.12	0.14	2.39
International Steels Limited	125,000	176,000	-	160,000	141,000	9,747	13,145	3,399	0.84	0.03	0.94	0.84	0.03	0.94
Mughal Iron and Steel Industries Limited	-	224,500	-	-	224,500	14,272	17,001	2,729	1.08	0.09	1.21	5.64	0.38	6.34
Fertilizer														
Engro Corporation Limited (note 6.1.2)	400,460	7,871	-	243,769	164,562	48,260	50,580	2,320	3.21	0.03	3.61	3.21	0.03	3.61
Engro Fertilizers Limited	782,000	140,000	-	922,000	-	-	-	-	-	-	-	-	-	-
Fatima Fertilizers Limited	52,500	-	-	52,500	-	-	-	-	-	-	-	3.21	0.03	3.61
Food and Personal Care Products														
Al-Shaheer Corporation Limited (Note 6.2)	5,199	-	2,506	-	7,705	59	95	35	0.01	-	0.01	0.01	-	0.01
At-Tahur Limited	-	370,000	-	370,000	-	-	-	-	-	-	-	-	-	-
Frieslandcampina Engro Foods Limited	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Glass and Ceramics														
Ghani Global Glass Limited	-	750,000	-	-	750,000	11,902	13,680	1,778	0.87	0.14	0.98	0.87	0.14	0.98
Shabbir Tiles and Ceramics Limited	-	965,500	-	-	965,500	19,024	20,517	1,493	1.30	0.30	1.47	0.87	0.14	2.45

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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)			%		
Miscellaneous											
Siddiqsons Tin Plate Limited	-	957,500	-	-	957,500	19,549	19,696	146	1.25	0.42	1.41
Synthetic Products Enterprises Limited	-	90,000	4,050	94,050	-	-	-	-	-	-	-
Shifa International Hospital Limited	-	14,000	-	14,000	-	-	-	-	-	-	-
									1.25	0.42	1.41
Oil and Gas Exploration Companies											
Attock Petroleum Limited	25,000	-	-	24,400	600	183	201	18	0.01	-	0.01
Oil and Gas Development Company Limited (note 6.1.2)	945,300	204,500	-	754,150	395,650	42,338	41,057	(1,281)	2.61	0.01	2.93
Mari Petroleum Company Limited	91,552	-	-	42,640	48,912	60,487	65,533	5,046	4.16	0.04	4.68
Pakistan Oilfields Limited	150,550	34,372	-	62,501	122,421	44,380	48,406	4,027	3.08	0.04	3.46
Pakistan Petroleum Limited	856,428	362,000	-	779,000	439,428	39,519	39,694	174	2.52	0.02	2.84
									12.38	0.11	13.92
Refinery											
Attock Refinery Limited	-	270,000	-	185,000	85,000	13,438	15,474	2,036	0.98	0.08	1.11
									0.98	0.08	1.11
Oil and Gas Marketing Companies											
Hascol Petroleum Limited (Note 6.2)	1,555,610	200,000	-	1,755,610	-	-	-	-	-	-	-
Hi-Tech Lubricants Limited	50,000	380,000	-	-	430,000	17,702	18,825	1,124	1.20	0.37	1.34
Pakistan State Oil Company Limited (Note 6.2)	275,477	-	-	108,616	166,861	26,391	35,925	9,534	2.28	0.04	2.57
Shell Pakistan Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	423,400	25,000	-	447,500	900	49	40	(9)	-	-	-
									3.48	0.41	3.91
Paper and Board											
Century Paper & Board Mills Limited	68,000	305,500	20,600	25,000	369,100	35,423	46,193	10,770	2.93	0.21	3.30
Packages Limited	52,150	4,000	-	-	56,150	19,712	33,517	13,805	2.13	0.06	2.39
Roshan Packages Limited	100,000	301,500	-	-	401,500	13,456	17,064	3,607	1.08	0.28	1.22
Security Paper Limited	-	90,500	-	-	90,500	16,533	16,019	(513)	1.02	0.15	1.14
									7.16	0.71	8.05
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	50	-	-	-	50	33	38	5	-	-	-
AGP Limited	302,500	26,500	-	11,500	317,500	34,878	36,157	1,279	2.30	0.11	2.58
GlaxoSmithKline Consumer Healthcare Limited	31,900	-	-	5,700	26,200	7,118	6,946	(172)	0.44	0.02	0.50
IBL Healthcare Limited	-	377,500	-	-	377,500	40,934	43,518	2,584	2.76	0.70	3.11
The Searle Company Limited (Note 6.2)	95,849	79,632	18,180	26,000	167,661	36,808	41,786	4,978	2.65	0.01	2.99
									8.15	0.85	9.18
Power Generation and Distribution											
K-Electric Limited (note 6.1.1)	4,179,500	500,000	-	900,000	3,779,500	11,931	14,778	2,847	0.94	0.01	1.06
The Hub Power Company Limited	1,178,797	235,000	-	1,183,000	230,797	17,777	18,309	532	1.16	0.02	1.31
									2.10	0.03	2.37
Technology and Communication											
Avanceon Limited	110,000	462,500	-	198,000	374,500	25,301	34,772	9,472	2.21	0.18	2.48
Netsol Technologies Limited	-	65,000	-	65,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	750,000	-	750,000	-	-	-	-	-	-	-
Systems Limited	79,200	12,400	-	-	91,600	18,843	38,401	19,558	2.44	0.07	2.74
									4.65	0.25	5.22
Textile Composite											
Interloop Limited	492,712	50,000	-	30,000	512,712	23,512	34,900	11,388	2.22	0.06	2.49
Nishat Mills Limited	141,000	65,000	-	-	206,000	17,748	20,965	3,216	1.33	0.06	1.50
									3.55	0.12	3.99
Textile Weaving											
Feroze1888 Mills Limited	134,500	-	-	106,000	28,500	2,332	2,832	500	0.18	0.01	0.20
									0.18	0.01	0.20
Vanaspoti & Allied Industries											
Unity Foods Limited	-	1,356,000	-	-	1,356,000	32,530	43,473	10,944	2.76	0.14	3.11
									2.76	0.14	3.11
Total as at December 31, 2020						1,148,144	1,399,857	251,714			100%
Total as at June 30, 2020						1,076,234	1,127,264	51,030			

*The right certificates were exercised during the period and the shares are included in the investment in Synthetic Products Enterprises Limited and The Searle Company 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 and Dynea Pakistan Limited which have a nominal value of Rs 5 each.
- 6.1.2** Investments include 110,000 shares (June 30, 2020: 105,000 shares) of Engro Corporation Limited, having market value of Rs 33.81 million as at December 31, 2020 (June 30, 2020: Rs 30.76 million) and 100,000 shares (June 30, 2020: nil) of Oil and Gas Development Company Limited having market value of Rs 10.377 million as at December 31, 2020 (June 30, 2020: nil), 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 year ended June 30, 2020, the CISs had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh had issued notices to the relevant parties and had 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, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.915 million (June 30, 2020: Rs. 1.453 million).

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY			
Management fee payable	7.1	207	1,667
Sindh Sales Tax on Management fee payable Management Company		27	217
Allocated expenses payable	7.2	129	111
Sales load payable		114	86
Sindh Sales Tax Payable on sales load		15	12
Selling and marketing expenses payable	7.3	1,463	1,311
		<u>1,955</u>	<u>3,403</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.5% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of average annual net assets of the Fund during the period.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Auditors' remuneration payable		173	195
Brokerage payable		3,080	2,416
Shariah advisor fee payable		278	266
Charity payable		3,091	2,753
Provision for Federal Excise Duty and related Sindh			
Sales Tax on management fee	8.1	482	482
Provision for Federal Excise Duty and related			
Sindh Sales Tax on sales load	8.2	145	145
Withholding tax payable		227	5,373
Capital gain tax payable		283	255
Provision for Sindh Workers' Welfare Fund		19,023	12,579
Zakat payable		60	-
		26,842	24,464

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

Had the provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit of the Fund would have been higher by Re 0.55 per unit as at December 31, 2020 (June 30, 2020: Re. 0.34 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 0.627 million (June 30, 2020: 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, 2020 would have been higher by Re 0.02 (June 30, 2020: Re 0.01) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Balances		
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	207	1,667
Sindh Sales Tax on management fee payable	27	217
Sales load payable	114	86
Sindh sales tax on sales load payable	15	12
Allocated expense payable	129	111
Selling & marketing expense payable	1,463	1,311
Meezan Bank Limited		
Sales load payable	6	32
Sindh Sales Tax on sales load payable	1	4
Bank balance	61,908	20,861
Profit receivable on saving account	57	52
Investment in 591,807 shares (June 30, 2020: 553,446 shares)	61,808	38,105
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	192	169
Sindh Sales Tax on trustee fee payable	25	22
Security deposit	100	100
Directors and Executives of the Management Company		
Investments as at December 31, 2020: 497,363 units (June 30, 2020: 329,538 units)	22,599	12,059



**For the six months period
ended December 31,**
2020 **2019**
(Rupees in '000)
(Unaudited)

Transactions during the period

Al Meezan Investment Management Limited - the Management Company

Remuneration for the period	11,229	12,494
Sindh Sales Tax on management fee for the period	1,460	1,624
Allocated expenses	749	833
Selling and marketing expense	2,994	3,332

Meezan Bank Limited

Shares purchased during the period: 7,018 shares (December 31, 2019: 50,000 shares)	653	3,925
Shares disposed off during the period: 24,000 shares (December 31, 2019: 25,000 shares)	2,514	2,100
Bonus shares issued: 55,344 shares (December 31, 2019: nil shares)	-	-
Profit on saving account	251	2,102
Dividend income	2,463	1,082

Central Depository Company of Pakistan Limited - the Trustee

Remuneration for the period	1,253	1,336
Sindh Sales Tax on trustee fee for the period	163	174
CDS charges	31	45

Directors and Executives of the Management Company

Units issued: 755,724 units (December 31, 2019: 20,696 units)	31,953	843
Units redeemed: 537,724 units (December 31, 2019: 7,386 units)	22,275	260

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the 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, 2021 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.

12. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 3.41% which includes 0.69% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "asset allocation fund".

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at December 31, 2020			
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'	1,399,857	-	-	1,399,857
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As at June 30, 2020			
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'	1,127,264	-	-	1,127,264
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14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.



The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**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.

**LARGEST INDUSTRY
CUSTOMER** BASE OF OVER
120,000



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN 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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets		
Balances with banks	5 9,257	22,127
Investments	6 932,268	595,501
Receivable against sale of investments	13,073	5,113
Dividend receivable	6,904	178
Advances, prepayments and other receivables	3,951	3,929
Total assets	965,453	626,848
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	7 1,168	1,818
Payable to Central Depository Company of Pakistan Limited - the Trustee	183	117
Payable to the Securities and Exchange Commission of Pakistan	80	209
Payable against purchase of investments	8,385	2,616
Payable against redemption and conversion of units	-	36
Accrued expenses and other liabilities	9 7,158	3,037
Total liabilities	16,974	7,833
Net assets	948,479	619,015
Contingencies and commitments	8	
Unit holders' fund (as per statement attached)	948,479	619,015
	(Number of units)	
Number of units in issue	21,658,140	17,888,339
	(Rupees)	
Net asset value per unit	43.7932	34.6044

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

MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

Note	Six months period ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	(Rupees in '000)		(Rupees in '000)	
Income				
Net realised income / (loss) on sale of investments	24,892	(51,990)	12,546	17,906
Dividend income	18,505	38,749	14,103	19,852
Profit on saving accounts with banks	297	5,330	168	1,478
Other income	-	500	-	-
	<u>43,694</u>	<u>(7,411)</u>	<u>26,817</u>	<u>39,236</u>
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	6.1	151,154	55,302	242,026
	<u>194,848</u>	<u>162,160</u>	<u>82,119</u>	<u>281,262</u>
Total income				
Expenses				
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1	8,007	12,057	4,240
Sindh Sales Tax on remuneration of the Management Company		1,041	1,567	551
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		802	1,109	322
Sindh Sales Tax on remuneration of the Trustee		104	144	42
Annual fee to the Securities and Exchange Commission of Pakistan		80	124	42
Auditors' remuneration		125	304	72
Fees and subscription		281	283	144
Brokerage expenses		1,449	1,797	884
Bank and settlement charges		95	119	76
Allocated expenses	7.2	400	603	212
Selling and marketing expenses	7.3	1,601	2,411	848
Charity expense		575	1,034	448
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	3,606	2,812	1,485
Printing expenses		-	10	-
		<u>18,166</u>	<u>24,374</u>	<u>9,366</u>
		<u>176,682</u>	<u>137,786</u>	<u>72,753</u>
Net income for the period before taxation				
Taxation	12	-	-	-
		<u>176,682</u>	<u>137,786</u>	<u>72,753</u>
Net income for the period after taxation				
Allocation of net income for the period				
Net income for the period after taxation		176,682	137,786	
Income already paid on units redeemed		(21,109)	-	
		<u>155,573</u>	<u>137,786</u>	
Accounting income available for distribution				
- Relating to capital gains		155,573	117,581	
- Excluding capital gains		-	20,205	
		<u>155,573</u>	<u>137,786</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



MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	(Rupees in '000)		(Rupees in '000)	
Net income for the period after taxation	176,682	137,786	72,753	267,996
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>176,682</u>	<u>137,786</u>	<u>72,753</u>	<u>267,996</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

MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	1,410,246	(791,231)	619,015	2,436,503	(675,429)	1,761,074
Issue of 10,014,718 units (2019: 24,274,232 units)						
- Capital value (at net asset value per unit at the beginning of the period)	346,553	-	346,553	861,932	-	861,932
- Element of income	54,548	-	54,548	9,566	-	9,566
Total proceeds on issuance of units	401,101	-	401,101	871,498	-	871,498
Redemption of 6,244,917 units (2019: 44,174,009 units)						
- Capital value (at net asset value per unit at the beginning of the period)	216,102	-	216,102	1,568,535	-	1,568,535
- Element of loss / (income)	11,108	21,109	32,217	(53,621)	-	(53,621)
Total payments on redemption of units	227,210	21,109	248,319	1,514,914	-	1,514,914
Total comprehensive income for the period	-	176,682	176,682	-	137,786	137,786
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	176,682	176,682	-	137,786	137,786
Net assets at the end of the period	1,584,137	(635,658)	948,479	1,793,087	(537,643)	1,255,444
Accumulated loss brought forward						
- Realised loss		(821,914)			(336,679)	
- Unrealised income		30,683			338,750	
		(791,231)			(675,429)	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains	155,573			117,581		
- Excluding capital gains	-			20,205		
	155,573			137,786		
Accumulated loss carried forward		(635,658)			(537,643)	
Accumulated loss carried forward						
- Realised loss		(786,812)			(707,214)	
- Unrealised gain		151,154			169,571	
		(635,658)			(537,643)	
				(Rupees)		(Rupees)
Net assets value per unit at the beginning of the period			34.6044			35.5081
Net assets value per unit at the end of the period			43.7932			42.2756

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



**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

Note	Six months period ended December 31,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	176,682	137,786
Adjustments for		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(151,154)	(169,571)
	25,528	(31,785)
(Increase) / decrease in assets		
Investments - net	(185,613)	602,262
Dividend receivable	(6,726)	1,089
Receivable against sale of investments	(7,960)	(4,458)
Advances, prepayments and other receivables	(22)	(2,177)
	(200,321)	596,716
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(650)	(1,672)
Payable to Central Depository Company of Pakistan Limited - Trustee	66	(45)
Payable to Securities and Exchange Commission of Pakistan	(129)	(1,740)
Payable against purchase of investments	5,769	1,002
Accrued expenses and other liabilities	4,121	3,531
	9,177	1,076
Net cash (used in) / generated from operating activities	(165,616)	566,007
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units and conversion of units	401,101	866,498
Payments against redemption of units and conversion of units	(248,355)	(1,516,414)
Net cash generated from / (used in) financing activities	152,746	(649,916)
Net decrease in cash and cash equivalents during the period	(12,870)	(83,909)
Cash and cash equivalents at the beginning of the period	22,127	110,688
Cash and cash equivalents at the end of the period	5 9,257	26,779

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

MEEZAN DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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, 2020 (2019: AM1 dated December 29, 2019) and by PACRA dated June 26, 2020. 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
5. BALANCES WITH BANKS	Note		
In saving accounts	5.1	4,076	18,385
In current accounts		5,181	3,742
		9,257	22,127

5.1 The balances in saving accounts have an expected profit ranging from 2.31% to 7.00% per annum. (June 30, 2020: 1.50 % to 7.50% per annum).

		December 31, 2020 (UnAudited) (Rupees in '000)	June 30, 2020 (Audited)
6. INVESTMENTS	Note		
Investments - 'at fair value through profit or loss'	6.1	932,268	595,501
		932,268	595,501

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

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus issue / right shares	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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											
Honda Atlas Cars (Pakistan) Limited	10,100	-	-	10,100	-	-	-	-	-	-	-
Indus Motor Company Limited	4,740	-	-	4,740	-	-	-	-	-	-	-
Millat Tractors Limited	2,000	10,650	-	-	12,650	11,259	13,840	2,581	1.46	0.03	1.48
									1.46	0.03	1.48
Automobile Parts & Accessories											
Agriauto Industries Limited (Note 6.1.1)	20,000	-	-	20,000	-	-	-	-	-	-	-
									-	-	-
Cable & Electrical Goods											
Pak Elektron Limited	-	135,000	-	-	135,000	5,152	5,418	266	0.57	0.03	0.58
									0.57	0.03	0.58
Commercial Banks											
Bank Islami Pakistan Limited	79,990	450,000	-	30,000	499,990	5,105	6,005	900	0.63	0.05	0.64
Meezan Bank Limited (an associate of the Funk	261,005	125,900	33,600	20,000	400,505	27,201	41,829	14,628	4.41	0.03	4.49
									5.04	0.08	5.13
Cement											
Attock Cement Pakistan Limited	15,200	23,800	-	15,200	23,800	3,780	3,571	(209)	0.38	0.02	0.38
Cherat Cement Company Limited	45,000	31,000	-	25,000	51,000	6,362	7,456	1,094	0.79	0.03	0.80
D.G. Khan Cement Company Limited	81,000	247,000	-	71,748	256,252	27,616	29,361	1,745	3.10	0.06	3.15
Fauji Cement Company Limited	191,500	100,000	-	191,500	100,000	2,049	2,167	118	0.23	0.01	0.23
Kohat Cement Company Limited	132,370	38,400	-	26,000	144,770	22,157	31,739	9,582	3.35	0.07	3.40
Lucky Cement Limited (note 6.1.2)	88,650	29,000	-	15,500	102,150	50,965	71,106	20,141	7.50	0.03	7.63
Maple Leaf Cement Factory Limited	130,000	725,000	-	240,000	615,000	22,374	27,681	5,307	2.92	0.06	2.97
									18.27	0.28	18.56
Chemical											
Dynea Pakistan Limited (Note 6.1.1)	-	20,000	-	-	20,000	4,188	4,117	(71)	0.43	0.11	0.44
Engro Polymer & Chemicals Limited	262,644	374,500	-	60,000	577,144	19,124	27,420	8,296	2.89	0.06	2.94
Ghani Global Holdings Limited	-	735,000	-	-	735,000	11,148	11,981	833	1.26	0.48	1.29
ICI Pakistan Limited	25,300	5,000	-	1,850	28,450	19,978	21,625	1,647	2.28	0.03	2.32
Ittehad Chemicals Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	111,500	100,000	-	211,500	-	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited (Note 6.1.1)	-	200,000	-	-	200,000	3,737	4,250	513	0.45	0.06	0.46
Sitara Peroxide Limited	65,000	-	-	65,000	-	-	-	-	-	-	-
									7.31	0.74	7.45
Engineering											
Agha Steel Industries Limited	-	510,000	-	230,000	280,000	9,288	11,035	1,747	1.16	0.05	1.18
International Industries Limited	50,700	55,000	-	22,000	83,700	11,517	14,781	3,264	1.56	0.06	1.59
International Steels Limited	120,000	65,000	-	87,000	98,000	6,224	9,137	2,913	0.96	0.02	0.98
Mughal Iron & Steel Industries Limited	29,500	54,500	-	-	84,000	4,223	6,361	2,138	0.67	0.03	0.68
									4.35	0.16	4.43
Fertilizer											
Dawood Hercules Corporation Limited	8,500	-	-	8,500	-	-	-	-	-	-	-
Engro Corporation Limited (note 6.1.2)	199,316	63,668	-	85,597	177,387	52,733	54,522	1,789	5.75	0.03	5.85
Engro Fertilizers Limited	422,393	132,015	-	353,020	201,388	12,327	12,734	407	1.34	0.02	1.37
Fatima Fertilizer Company Limited	57,000	-	-	57,000	-	-	-	-	-	-	-
									7.09	0.05	7.22
Food And Personal Care											
At Tahur Limited	91	-	9	100	-	-	-	-	-	-	-
									-	-	-
Glass And Ceramics											
Ghani Global Glass Limited	-	456,000	-	-	456,000	7,233	8,317	1,084	0.88	0.46	0.89
Ghani Glass Limited	100,000	-	-	37,000	63,000	2,592	4,528	1,936	0.48	0.01	0.49
									1.36	0.47	1.38

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus issue / right shares	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	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
Miscellaneous											
Shifa International Hospitals Limited	-	7,000	-	7,000	-	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	237,500	-	-	237,500	5,256	4,885	(371)	0.52	0.10	0.52
Synthetic Products Enterprises Limited	-	50,000	2,250	52,250	-	-	-	-	-	-	-
									0.52	0.10	0.52
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	48,108	5,240	-	2,000	51,348	64,368	68,797	4,429	7.25	0.04	7.38
Oil & Gas Development Company Limited (note 6.1.2)	483,200	140,535	-	153,000	470,735	50,607	48,848	(1,759)	5.15	0.01	5.24
Pakistan Oilfields Limited	81,060	22,700	-	22,000	81,760	28,873	32,329	3,456	3.41	0.03	3.47
Pakistan Petroleum Limited	420,404	299,330	-	209,000	510,734	45,924	46,135	211	4.86	0.02	4.96
									20.67	0.10	21.05
Oil & Gas Marketing Companies											
Attock Petroleum Limited (note 6.1.2)	21,200	-	-	8,200	13,000	3,968	4,350	382	0.46	0.01	0.47
Hascol Petroleum Limited	390,948	300,000	-	690,948	-	-	-	-	-	-	-
Hi-Tech Lubricants Limited	100,000	50,000	-	-	150,000	4,827	6,567	1,740	0.69	0.13	0.70
Pakistan State Oil Company Limited	101,772	84,199	-	25,000	160,971	28,014	34,657	6,643	3.65	0.03	3.72
Sui Northern Gas Pipelines Limited	213,600	138,000	-	349,865	1,735	98	77	(21)	0.01	-	0.01
									4.81	0.17	4.90
Paper & Board											
Century Paper & Board Mills Limited	45,000	90,000	19,000	-	154,000	11,856	19,273	7,417	2.03	0.09	2.07
Packages Limited	32,650	14,000	-	-	46,650	18,193	27,846	9,653	2.94	0.05	2.99
Roshan Packages Limited	50,500	75,000	-	-	125,500	3,988	5,334	1,346	0.56	0.09	0.57
Security Papers Limited	-	10,000	-	-	10,000	2,200	1,770	(430)	0.19	0.02	0.19
									5.72	0.25	5.82
Pharmaceuticals											
AGP Limited	147,000	3,000	-	15,000	135,000	14,776	15,374	598	1.62	0.05	1.65
Ferozsons Laboratories Limited	-	100	20	-	120	38	40	2	-	-	-
Glaxosmithkline Consumer Healthcare	12,900	-	-	2,700	10,200	2,771	2,704	(67)	0.29	0.01	0.29
Highnoon Laboratories Limited	5,400	-	-	2,150	3,250	1,629	1,949	320	0.21	0.01	0.21
IBL HealthCare Limited	-	103,000	-	-	103,000	11,760	11,874	114	1.25	0.19	1.27
The Searle Company Limited	55,055	54,000	14,177	18,000	105,232	23,504	26,227	2,723	2.77	0.05	2.81
									6.14	0.31	6.23
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	2,054,500	1,944,000	-	250,000	3,748,500	12,932	14,657	1,725	1.55	0.01	1.57
The Hub Power Company Limited	587,754	255,000	-	552,099	290,655	22,795	23,058	263	2.43	0.02	2.47
									3.98	0.03	4.04
Refinery											
Attock Refinery Limited	-	56,000	-	56,000	-	-	-	-	-	-	-
									-	-	-
Technology & Communication											
Avanceon Limited	147,400	140,000	-	135,000	152,400	9,216	14,150	4,934	1.49	0.07	1.52
Netsol Technologies Limited	-	115,000	-	115,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
Systems Limited	62,800	22,900	-	25,000	60,700	13,251	25,447	12,196	2.68	0.05	2.73
									4.17	0.12	4.25
Textile Composite											
Feroze1888 Mills Limited	91,300	25,500	-	70,500	46,300	4,187	4,601	414	0.49	0.01	0.49
Interloop Limited	207,382	108,500	-	5,000	310,882	15,691	21,162	5,471	2.23	0.04	2.27
Kohinoor Textile Mills Limited	-	9,000	-	-	9,000	487	614	127	0.06	-	0.07
Nishat Mills Limited	56,200	140,000	-	-	196,200	18,585	19,967	1,382	2.11	0.06	2.14
									4.89	0.11	4.97
Vanaspati & Allied Industries											
Unity Foods Limited	100,000	680,000	-	200,000	580,000	12,988	18,595	5,607	1.96	0.06	1.99
									1.96	0.06	1.99
Total as at December 31, 2020						781,114	932,268	151,154			100.00

- 6.1.1** All shares have a nominal value of Rs. 10 each except for the shares of K-Electric Limited which have a nominal value of Rs. 3.50 each and Agriauto Industries limited, Dynea Pakistan and Shabbir Tiles & Ceramics Limited having a nominal value of Rs. 5 each.
- 6.1.2** Investments include 10,000 shares (June 30, 2020: 10,000 shares) of Attock Petroleum Limited, 100,000 shares (June 30, 2020: 100,000 shares) of Engro Corporation Limited, 22,000 shares (June 30, 2020: 22,000 shares) of Lucky Cement Limited and 120,000 shares (June 30, 2020: 120,000 shares) of Oil and Gas Development Company Limited having market value of Rs 3.346 million, Rs. 30.736 million, Rs. 15.314 million and Rs. 12.452 million respectively as at December 31, 2020 (June 30, 2020: Rs 3.052 million, Rs. 29.292 million, Rs. 10.155 million and Rs. 13.08 million respectively), 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 year ended June 30, 2020, the CISs had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh had issued notices to the relevant parties and had 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, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.351 million (June 30, 2020: Rs. 0.257 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	December 31,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
Management fee payable	7.1	166	1,024
Sindh Sales Tax on Management fee payable		22	133
Allocated expenses payable	7.2	132	58
Selling and marketing expenses payable	7.3	848	603
		<u>1,168</u>	<u>1,818</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of average annual net assets of the Fund during the period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		48	-
Printing expenses payable		69	69
Auditors' remuneration payable		146	250
Brokerage payable		1,279	982
Charity payable		1,741	1,467
Provision for Sindh Worker's Welfare Fund	9.1	3,606	-
Shariah advisor fee payable		269	269
		7,158	3,037

- 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, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.16 (June 30, 2020: 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, 2020	June 30, 2020
	(Unaudited)	(Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	166	1,024
Sindh Sales Tax payable on management fee	22	133
Selling and marketing expenses payable	848	603
Allocated expense payable	132	58
Meezan Bank Limited		
Balances with bank	4,167	10,123
Profit receivable on saving accounts	12	12
Investment in shares: 400,505 shares (June 30, 2020: 261,005 shares)	41,829	17,970
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	162	104
Sindh Sales Tax on trustee fee payable	21	13
Security deposit	103	103
Meezan Financial Planning Fund of Funds MAAP I		
Investment of 2,741,081 units (June 30, 2020: 2,948,758 units)	120,041	102,040
Meezan Strategic Allocation Fund MSAP - I		
Investment of 4,113,479 units (June 30, 2020: 6,022,570 units)	180,142	208,407
Meezan Strategic Allocation Fund MSAP - II		
Investment of 416,520 units (June 30, 2020: 320,475 units)	18,241	11,090
Meezan Strategic Allocation Fund MSAP - III		
Investment of 2,872,358 units (June 30, 2020: 2,872,358 units)	125,790	99,396
Meezan Strategic Allocation Fund MSAP - IV		
Investment of 2,690,115 units (June 30, 2020: 2,690,115 units)	117,809	93,090
Meezan Strategic Allocation Fund MSAP - V		
Investment of 1,001,742 units (June 30, 2020: 1,001,742 units)	43,869	34,665
Meezan Strategic Allocation Fund - II MCPP - IV		
Investment of 6,428,589 units (June 30, 2020: 1,007,398 units)	281,528	34,860
Meezan Strategic Allocation Fund - II MCPP - V		
Investment of 352,461 units (June 30, 2020: nil units)	15,435	-
Meezan Strategic Allocation Fund - III MCPP - IX		
Investment of 1,041,794 units (June 30, 2020: 1,024,923 units)	45,623	35,467
	Six months period ended	
	December 31,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	8,007	12,057
Sindh Sales Tax on management fee for the period	1,041	1,567
Allocated expenses	400	603
Selling and marketing expense	1,601	2,411



**Six months period ended
December 31,
2020 2019
(Unaudited)
(Rupees in '000)**

Meezan Bank Limited

Profit on saving account

Shares purchased during the period: 125,900 shares
(December 31, 2019: nil shares)

Bonus shares received: 33,600 shares (December 31, 2019: nil shares)

Shares sold during the period: 20,000 shares (December 31, 2019: 39,500 shares)

Dividend income

	2020	2019
Profit on saving account	76	3,791
Shares purchased during the period: 125,900 shares (December 31, 2019: nil shares)	10,578	-
Bonus shares received: 33,600 shares (December 31, 2019: nil shares)	-	-
Shares sold during the period: 20,000 shares (December 31, 2019: 39,500 shares)	1,987	3,024
Dividend income	1,662	1,097

Central Depository Company of Pakistan Limited - the Trustee

Remuneration for the period

Sindh Sales Tax on trustee fee

CDS charges

	2020	2019
Remuneration for the period	802	1,109
Sindh Sales Tax on trustee fee	104	144
CDS charges	32	63

Meezan Financial Planning Fund of Funds - MAAP - I

Units redeemed: 207,677 units (December 31, 2019: 9,523,780 units)

	2020	2019
Units redeemed: 207,677 units (December 31, 2019: 9,523,780 units)	9,000	318,940

Meezan Strategic Allocation Fund MSAP - I

Units redeemed: 1,909,091 units (December 31, 2019: 7,953,695 units)

	2020	2019
Units redeemed: 1,909,091 units (December 31, 2019: 7,953,695 units)	74,000	275,200

Meezan Strategic Allocation Fund MSAP - II

Units issued: 96,045 units (December 31, 2019: nil units)

Units redeemed: nil units (December 31, 2019: 234,946 units)

	2020	2019
Units issued: 96,045 units (December 31, 2019: nil units)	4,000	-
Units redeemed: nil units (December 31, 2019: 234,946 units)	-	8,300

Meezan Strategic Allocation Fund MSAP - III

Units issued: nil units (December 31, 2019: 820,109 units)

Units redeemed: nil units (December 31, 2019: 1,976,778 units)

	2020	2019
Units issued: nil units (December 31, 2019: 820,109 units)	-	32,000
Units redeemed: nil units (December 31, 2019: 1,976,778 units)	-	68,000

Meezan Strategic Allocation Fund MSAP - IV

Units issued: nil units (December 31, 2019: 1,884,785 units)

Units redeemed: nil units (December 31, 2019: 2,328,394 units)

	2020	2019
Units issued: nil units (December 31, 2019: 1,884,785 units)	-	65,000
Units redeemed: nil units (December 31, 2019: 2,328,394 units)	-	87,430

Meezan Strategic Allocation Fund MSAP - V

Units redeemed: nil units (December 31, 2019: 274,392 units)

	2020	2019
Units redeemed: nil units (December 31, 2019: 274,392 units)	-	9,650

Meezan Strategic Allocation Fund MCPP-III

Units issued: nil units (December 31, 2019: 7,554,482 units)

Units redeemed: nil units (December 31, 2019: 9,551,059 units)

	2020	2019
Units issued: nil units (December 31, 2019: 7,554,482 units)	-	258,000
Units redeemed: nil units (December 31, 2019: 9,551,059 units)	-	316,387

Meezan Strategic Allocation Fund -II MCPP-IV

Units issued: 8,625,952 units (December 31, 2019: 6,154,962 units)

Units redeemed: 3,204,761 units (December 31, 2019: 4,896,533 units)

	2020	2019
Units issued: 8,625,952 units (December 31, 2019: 6,154,962 units)	344,550	235,000
Units redeemed: 3,204,761 units (December 31, 2019: 4,896,533 units)	128,786	172,090

Meezan Strategic Allocation Fund -II MCPP-V

Units issued: 500,654 units (December 31, 2019: 924,174 units)

Units redeemed: 148,193 units (December 31, 2019: 1,564,049 units)

	2020	2019
Units issued: 500,654 units (December 31, 2019: 924,174 units)	21,350	35,000
Units redeemed: 148,193 units (December 31, 2019: 1,564,049 units)	6,035	56,470

Meezan Strategic Allocation Fund-II MCPP-VI

Units issued: nil units (December 31, 2019: 746,443 units)

Units redeemed: nil units (December 31, 2019: 1,041,621 units)

	2020	2019
Units issued: nil units (December 31, 2019: 746,443 units)	-	29,000
Units redeemed: nil units (December 31, 2019: 1,041,621 units)	-	36,340

Meezan Strategic Allocation Fund-II MCPP-VII

Units issued: nil units (December 31, 2019: 562,311 units)

Units redeemed: nil units (December 31, 2019: 481,731 units)

	2020	2019
Units issued: nil units (December 31, 2019: 562,311 units)	-	21,500
Units redeemed: nil units (December 31, 2019: 481,731 units)	-	18,030

	Six months period ended	
	December 31,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Meezan Strategic Allocation Fund-II MCPP-VIII		
Units issued: nil units (December 31, 2019: 2,612,441 units)	-	91,000
Units redeemed: nil units (December 31, 2019: 2,161,102 units)	-	72,829
Meezan Strategic Allocation Fund-III MCPP-IX		
Units issued: 792,067 units (December 31, 2019: 3,001,530 units)	31,200	104,500
Units redeemed: 755,196 units (December 31, 2019: 2,172,931 units)	30,497	74,750

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 4.09% which includes 0.8% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "equity 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 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, 2021 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. FINANCIAL INSTRUMENTS - FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

13.1. Fair value hierarchy

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

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



As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	932,268	-	-	932,268

	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	595,501	-	-	595,501

14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**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).

**ONLY SHARIAH
COMPLIANT
GOLD FUND MANAGER**



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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
Faysal Bank Limited
Sindh Bank Limited
UBL Ameen - Islamic Banking
Dubai Islamic Bank Limited
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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN 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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

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.

Afferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets		
Balances with banks	5 47,178	157,431
Investment in gold	6 423,963	390,225
Receivable against conversion of units	-	397
Advance and other receivables	<u>8,570</u>	<u>9,680</u>
Total assets	<u>479,711</u>	<u>557,733</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	7 1,001	1,431
Payable to Central Depository Company of Pakistan Limited - the Trustee	78	101
Payable to the Securities and Exchange Commission of Pakistan	53	99
Payable against conversion and redemption of units	551	311
Accrued expenses and other liabilities	9 10,397	7,845
Total liabilities	<u>12,080</u>	<u>9,787</u>
Net assets	<u>467,631</u>	<u>547,946</u>
Contingencies and commitments	8	
Unit holders' fund (as per statement attached)	<u>467,631</u>	<u>547,946</u>
	(Number of units)	
Number of units in issue	<u>5,277,672</u>	<u>6,508,989</u>
	(Rupees)	
Net asset value per unit	<u>88.6055</u>	<u>84.1829</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 GOLD FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

Note	Six months period ended, December 31,		Quarter ended, December 31,	
	2020	2019	2020	2019
	(Rupees in '000)		(Rupees in '000)	
Income				
Realised gain on sale of investments	-	6,122	-	5,703
Profit on saving accounts with banks	3,145	3,531	1,218	1,570
Price adjustment charges	1,096	5,183	431	2,769
	4,241	14,836	1,649	10,042
Unrealised appreciation / (diminution) on re-measurement of investment in gold	33,738	19,331	1,665	(4,991)
Total income	37,979	34,167	3,314	5,051
Expenses				
Remuneration of AI Meezan Investment Management Limited - the Management Company	2,634	2,486	1,249	1,132
Sindh Sales Tax on remuneration of the Management Company	342	323	162	147
Allocated expenses	263	249	125	114
Selling and marketing expenses	1,053	994	499	452
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	448	423	213	193
Sindh Sales Tax on remuneration of the Trustee	58	55	27	25
Annual fee to the Securities and Exchange Commission of Pakistan	53	50	25	22
Auditors' remuneration	188	189	89	117
Brokerage expense	-	43	-	26
Fees and subscription	208	174	96	87
Bank and settlement charges	-	548	-	327
Custodian expense	2,144	2,194	1,059	1,013
Provision for Sindh Workers' Welfare Fund (SWWF)	612	529	111	28
Total expenses	8,003	8,257	3,655	3,683
Net income / (loss) for the period before taxation	29,976	25,910	(341)	1,368
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	29,976	25,910	(341)	1,368
Allocation of net income for the period				
Net income for the period after taxation	29,976	25,910		
Income already paid on units redeemed	(6,631)	(10,883)		
	23,345	15,027		
Accounting income available for distribution				
- Relating to capital gains	23,345	15,027		
- Excluding capital gains	-	-		
	23,345	15,027		

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 GOLD FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period December 31,		Quarter ended, December 31,	
	2020 (Rupees in '000)	2019	2020 (Rupees in '000)	2019
Net income / (loss) for the period after taxation	29,976	25,910	(341)	1,368
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	29,976	25,910	(341)	1,368

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 GOLD FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	429,142	118,804	547,946	434,630	42,931	477,561
Issue of nil units (December 31, 2019: 2,646,366 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	180,326	-	180,326
- Element of income	-	-	-	11,788	-	11,788
Total proceeds on issuance of units	-	-	-	192,114	-	192,114
Redemption of 1,231,317 units (December 31, 2019: 4,655,841 units)						
- Capital value (at net asset value per unit at the beginning of the period)	103,656	-	103,656	317,254	-	317,254
- Element of loss	4	6,631	6,635	6,595	10,883	17,478
Total payments on redemption of units	103,660	6,631	110,291	323,849	10,883	334,732
Total comprehensive income for the period	-	29,976	29,976	-	25,910	25,910
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	29,976	29,976	-	25,910	25,910
Net assets at the end of the period	325,482	142,149	467,631	302,895	57,958	360,853
Undistributed income brought forward						
- Realised income / (loss)		40,133			(23,741)	
- Unrealised income		78,671			66,672	
		<u>118,804</u>			<u>42,931</u>	
Accounting income available for distribution						
- Relating to capital gains		23,345			15,027	
- Excluding capital gains		-			-	
		<u>23,345</u>			<u>15,027</u>	
Distribution for the period		-			-	
Undistributed income carried forward		<u>142,149</u>			<u>57,958</u>	
Undistributed income carried forward						
- Realised income		108,411			38,627	
- Unrealised income		33,738			19,331	
		<u>142,149</u>			<u>57,958</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>84.1829</u>			<u>68.1410</u>	
Net assets value per unit at the end of the period		<u>88.6055</u>			<u>72.1858</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 GOLD FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended,	
	December 31,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	29,976	25,910
Adjustments for:		
Unrealised appreciation on re-measurement of investment in gold	(33,738)	(19,331)
	<u>(3,762)</u>	<u>6,579</u>
Decrease in assets		
Investments - net	-	60,382
Advance and other receivables	1,110	13,824
	1,110	74,206
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	(430)	94
Payable to Central Depository Company of Pakistan Limited - the Trustee	(23)	(70)
Payable to the Securities and Exchange Commission of Pakistan	(46)	(174)
Payable against purchase of investments - net	-	(684)
Payable to Meezan Bank Limited	-	5
Accrued expenses and other liabilities	2,552	1,859
	<u>2,053</u>	<u>1,030</u>
Net cash (used in) / generated from operating activities	<u>(599)</u>	<u>81,815</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	397	210,648
Payment against conversion and redemption of units	(110,051)	(331,582)
Net cash used in financing activities	<u>(109,654)</u>	<u>(120,934)</u>
Net decrease in cash and cash equivalents during the period	<u>(110,253)</u>	<u>(39,119)</u>
Cash and cash equivalents at the beginning of the period	157,431	86,014
Cash and cash equivalents at the end of the period	<u>5</u> <u>47,178</u>	<u>46,895</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 GOLD FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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. Due to the on-going pandemic situation created by COVID-19 outbreak, the supply of physical gold through PMEX has been disrupted. Resultantly, the Fund had not been able to invest in physical gold. Therefore, In order to protect the interests of existing unit holders, the Management Company in accordance with clause 4.13.2 of the Offering Document and clause 13.5.1 of the Trust Deed of the Fund, suspended "fresh issuance" of units of the Fund effective from May 19, 2020. However, the Fund continued to honour the redemptions and conversions from the Fund. Effective from January 11, 2021, the Fund has re-commenced fresh issuance of units.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2020 (2019: AM1 dated December 31, 2019) and PACRA dated June 26, 2020. 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
5. BALANCES WITH BANKS	Note		
In saving accounts	5.1	47,084	157,337
In current accounts		94	94
		<u>47,178</u>	<u>157,431</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 6.75% per annum (June 30, 2020: 1.50% to 7.5% per annum).

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
6. INVESTMENTS	Note		
Investment in gold	6.1	<u>423,963</u>	<u>390,225</u>

6.1 Investment in gold

Commodity	As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLAGOLD	3,675	-	-	3,675	388,639	422,240	33,601	90.29%
MITOLA	15,000	-	-	15,000	1,586	1,723	137	0.37%
Total as at December 31, 2020					<u>390,225</u>	<u>423,963</u>	<u>33,738</u>	
Total as at June 30, 2020					<u>311,554</u>	<u>390,225</u>	<u>78,671</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 423.963 million (June 30, 2020: Rs 390.225 million) has been measured at fair value based on the quoted market price in active markets.

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note		
Management fee payable	7.1	408	528
Sindh Sales Tax on remuneration of the Management Company		53	69
Allocated expenses payable	7.2	41	53
Selling and marketing expenses payable	7.3	499	598
Sales load payable		-	162
Sindh Sales Tax on sales load payable		-	21
		<u>1,001</u>	<u>1,431</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% per annum of the average net assets of the Fund during the year period ended December 31, 2020. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund during the period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2020 (Unaudited) (Rupees in '000)	2020 (Audited)
Auditor's remuneration		162	175
Custodian fee payable		2,545	883
Provision for Sindh Worker's Welfare Fund (SWWF)	9.2	5,653	5,041
Withholding tax payable		79	7
Capital gain tax payable		376	184
Shariah advisory fee payable		186	159
Payable against purchase of investments - net		685	685
Zakat payable		-	-
Provision for Federal Excise Duty and related			
Sindh Sales Tax on management fee	9.3	414	414
Provision for Federal Excise Duty and related			
Sindh Sales Tax on sales load	9.3	297	297
		<u>10,397</u>	<u>7,845</u>

- 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, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 1.07 per unit (June 30, 2020: Re 0.77 per unit)

- 9.3** 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 December 31, 2020 would have been higher by Re 0.13 (June 30, 2020: Re 0.11) per unit.

10. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.92% which includes 0.3% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 3% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "commodity fund".

11. PRICE ADJUSTMENT CHARGES

Securities and Exchange Commission of Pakistan (SECP) vide Circular no.40 SCD/AMCW/ MGF/63/2017 dated June 14, 2017, allowed the fund to charge price adjustment charges. Price adjustment charge is a difference between the offer price and the bid price from the closing price of the Gold transactions (contract) available at PMEX, which is added to and deducted from the NAV to determine Offer and Redemption prices respectively. Such charges form part of Fund Property.

Currently, price adjustment charges added / deducted to form NAV of the fund to determine offer / redemption price is 1% of NAV.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and 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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	408	528
Sindh Sales Tax on management fee payable	53	69
Sales load payable	-	162
Sindh Sales Tax on sales load payable	-	21
Selling and marketing expenses payable	499	598
Allocated expenses payable	41	53
Meezan Bank Limited		
Bank balance	2,705	31,954
Profit receivable on saving account	6	106
Investment of 1,084,712 units (June 30, 2020: 1,084,712 units)	96,111	91,314
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	69	89
Sindh Sales Tax on trustee fee payable	9	12



	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
Directors and Executives of the Management Company		
Investment of 331,161 units (June 30, 2020: 331,325 units)	<u>29,343</u>	<u>27,892</u>
Unitholders holding 10% or more units of the Fund		
Investment of 1,272,869 units (June 30, 2020: 1,272,869 units)	<u>112,783</u>	<u>107,154</u>
	Six months period ended, December 31,	
	2020	2019
	(Unaudited) (Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	<u>2,634</u>	<u>2,486</u>
Sindh Sales Tax on management fee for the period	<u>342</u>	<u>323</u>
Allocated expenses	<u>263</u>	<u>249</u>
Selling and marketing expense	<u>1,053</u>	<u>994</u>
Meezan Bank Limited		
Profit on saving account	<u>75</u>	<u>977</u>
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	<u>448</u>	<u>423</u>
Sindh Sales Tax on trustee fee for the period	<u>58</u>	<u>55</u>
Directors and Executives of the Management Company		
Units issued: nil units (December 31, 2019: 146,550 units)	<u>-</u>	<u>10,665</u>
Units redeemed: 164 units (December 31, 2019: 107,944 units)	<u>14</u>	<u>7,698</u>

13. 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.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

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

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

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

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, 2020, the Fund does not hold any asset which required fair valuation.

15. CORRESPONDING FIGURES

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

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

17. GENERAL

17.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

As stated in note 1.3, the Management Company discontinued issuance of fresh units with effect from May 19, 2020 which recommenced from January 11, 2021.

17.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For Al 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.



**HIGHEST MANAGEMENT
QUALITY RATING OF AM1**

– BY PACRA & VIS

AM1
Rating by VIS and PACRA

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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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	MCB Bank Limited
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	Samba Bank Limited
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	Soneri Bank Limited - Islamic Banking
Faysal Bank Limited - Islamic Banking	The Bank Of Punjab - Islamic Banking
Habib Bank Limited -Islamic Banking	The Bank Of Khyber - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking

LEGAL ADVISER

Bawaney & Partners
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TRANSFER AGENT

Meezan Bank Limited
Meezan House
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Phone: 38103538 Fax: 36406017
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DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Income Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

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.

Afferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

		December 31, 2020	June 30, 2020
		(Unaudited)	(Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	14,512,479	6,857,317
Investments	6	20,566,981	20,666,580
Receivable against conversion of units		31,577	425,168
Deposits, prepayments, profit accrued and other receivables		<u>301,014</u>	<u>299,311</u>
Total assets		<u>35,412,051</u>	<u>28,248,376</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - the Management Company	7	44,651	34,512
Payable to Central Depository Company of Pakistan Limited - the Trustee		2,570	1,993
Payable to the Securities and Exchange Commission of Pakistan		3,351	4,264
Payable to Meezan Bank Limited		1,090	2,886
Payable against redemption and conversion of units		45,587	83,924
Accrued expenses and other liabilities	8	<u>173,480</u>	<u>344,432</u>
Total liabilities		<u>270,729</u>	<u>472,011</u>
Net assets		<u>35,141,322</u>	<u>27,776,365</u>
Contingencies and commitments	9		
Unit holders' fund (as per statement attached)		<u>35,141,322</u>	<u>27,776,365</u>
		(Number of units)	
Number of units in issue		<u>659,471,727</u>	<u>539,707,519</u>
		(Rupees)	
Net asset value per unit		<u>53.2871</u>	<u>51.4656</u>

The annexed notes 1 to 16 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, 2020

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on saving accounts with banks		398,403	665,454	236,234	396,485
Profit on term deposit receipts		46,523	-	43,263	-
Profit on certificates of musharakah		59,699	45,482	29,618	21,011
Profit on sukuk certificates		650,788	420,992	307,402	232,678
Profit on Bai Muajjal		156,696	-	54,279	-
Net realised gain on sale of sukuk certificates		7,091	20,841	691	15,479
Other income		201	1,129	113	54
		<u>1,319,401</u>	<u>1,153,898</u>	<u>671,600</u>	<u>665,707</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	65,614	(4,167)	17,341	2,776
Total income		<u>1,385,015</u>	<u>1,149,731</u>	<u>688,941</u>	<u>668,483</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - the Management Company	7.1	83,783	74,733	44,853	43,452
Sindh Sales Tax on remuneration of the Management Company		10,892	9,715	5,831	5,648
Allocated expenses	7.2	25,135	12,269	13,456	7,134
Selling and marketing expense	7.3	67,026	33,565	35,882	19,024
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		12,567	6,293	6,728	3,566
Sindh Sales Tax on remuneration of the trustee		1,634	818	875	464
Annual fee to the Securities and Exchange Commission of Pakistan		3,351	1,678	1,794	951
Auditors' remuneration		398	399	169	231
Fees and subscription		706	706	353	354
Brokerage expense		820	140	266	74
Bank and settlement charges		1,629	424	90	295
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	23,541	20,180	11,573	11,746
Total expenses		<u>231,482</u>	<u>160,920</u>	<u>121,870</u>	<u>92,939</u>
Net income for the period before taxation		<u>1,153,533</u>	<u>988,811</u>	<u>567,071</u>	<u>575,544</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>1,153,533</u>	<u>988,811</u>	<u>567,071</u>	<u>575,544</u>
Allocation of net income for the period					
Net income for the period after taxation		1,153,533	988,811		
Income already paid on units redeemed		(266,162)	(218,195)		
		<u>887,371</u>	<u>770,616</u>		
Accounting income available for distribution					
- Relating to capital gains		72,705	16,674		
- Excluding capital gains		814,666	753,942		
		<u>887,371</u>	<u>770,616</u>		

The annexed notes 1 to 16 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, 2020

	<u>Six months period ended</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	1,153,533	988,811	567,071	575,544
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,153,533</u>	<u>988,811</u>	<u>567,071</u>	<u>575,544</u>

The annexed notes 1 to 16 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, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	27,541,424	234,941	27,776,365	9,297,919	173,403	9,471,322
Issuance of 641,419,040 units (2019: 489,953,776 units)						
- Capital value (at net asset value per unit at the beginning of the period)	33,011,016	-	33,011,016	25,201,605	-	25,201,605
- Element of income	584,126	-	584,126	683,933	-	683,933
Total proceeds on issuance of units	33,595,142	-	33,595,142	25,885,538	-	25,885,538
Redemption of 521,654,832 units (2019: 281,117,794 units)						
- Capital value (at net asset value per unit at the beginning of the period)	26,847,279	-	26,847,279	14,459,772	-	14,459,772
- Element of loss	270,277	266,162	536,439	229,538	218,195	447,733
Total payments on redemption of units	27,117,556	266,162	27,383,718	14,689,310	218,195	14,907,505
Total comprehensive income for the period	-	1,153,533	1,153,533	-	988,811	988,811
Distribution during the period	-	-	-	-	-	-
		1,153,533	1,153,533		988,811	988,811
Net assets at the end of the period	34,019,010	1,122,312	35,141,322	20,494,147	944,019	21,438,166
Undistributed income brought forward						
- Realised income		217,183			192,274	
- Unrealised income / (loss)		17,758			(18,871)	
		234,941			173,403	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		72,705			16,674	
- Excluding capital gains		814,666			753,942	
		887,371			770,616	
Undistributed income carried forward		1,122,312			944,019	
Undistributed income carried forward						
- Realised income		1,056,698			948,186	
- Unrealised income / (loss)		65,614			(4,167)	
		1,122,312			944,019	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			51.4656			51.4367
Net assets value per unit at the end of the period			53.2871			54.5540

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

**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**



	Six months period ended	
	2020	2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,153,533	988,811
Adjustments for		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(65,614)	4,167
	1,087,919	992,978
Decrease / (increase) in assets		
Investments - net	2,665,213	(740,031)
Deposits, prepayments, profit accrued and other receivables	(1,703)	(35,145)
	2,663,510	(775,176)
Decrease in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	10,139	22,126
Payable to Central Depository Company of Pakistan Limited - the Trustee	577	671
Payable to the Securities and Exchange Commission of Pakistan	(913)	(6,144)
Payable to Meezan Bank Limited	(1,796)	311
Accrued expenses and other liabilities	(170,952)	(23,237)
	(162,945)	(6,273)
Net cash generated from operating activities	3,588,484	211,529
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	33,988,733	25,786,695
Payments against redemption and conversion of units	(27,422,055)	(14,866,096)
Net cash generated from financing activities	6,566,678	10,920,599
Net increase in cash and cash equivalents during the period	10,155,162	11,132,128
Cash and cash equivalents at the beginning of the period	6,857,317	2,971,017
Cash and cash equivalents at the end of the period	5.2 17,012,479	14,103,145

The annexed notes 1 to 16 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, 2020

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 unit holders 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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 dated January 12, 2021.
- 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, 2020.

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, 2020.

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, 2020.

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 accounting 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, 2020. 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, 2020.

4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31,	June 30,
		2020	2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
In saving accounts	5.1	14,512,435	6,857,273
In current accounts		44	44
		<u>14,512,479</u>	<u>6,857,317</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.51% to 7.05% per annum (June 30, 2020: 1.50% to 7.50% per annum).

			December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
5.2	Cash and cash equivalents	Note		
	Balances with banks		14,512,479	6,857,317
	Term deposit receipts - having original maturity of 3 months or less		2,500,000	-
			<u>17,012,479</u>	<u>6,857,317</u>
6.	INVESTMENTS			
	Investments - 'at fair value through profit or loss'			
	Sukuk certificates	6.1	13,037,720	13,586,435
	Certificates of musharakah	6.2	1,652,830	1,600,000
	Commercial papers	6.3	1,480,739	1,522,415
	Term deposit receipts - having original maturity of 3 months or less	6.4	2,500,000	-
	Bai Muajjal receivable	6.5	1,895,692	3,957,730
			<u>20,566,981</u>	<u>20,666,580</u>
6.1	Sukuk certificates			
	Government securities	6.1.1	8,981,555	9,081,390
	Corporate sukuks	6.1.2	4,056,165	4,505,045
			<u>13,037,720</u>	<u>13,586,435</u>

6.1.1 Government securities

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / maturity during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
----- Number of certificates -----						----- (Rupees in '000) -----			----- % -----		
GoP Ijarah Sukuk Certificates - XX (note 6.1.1.1)	April 30, 2025	Weighted average 6 months T-Bills	1,870	-	1,870	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXII (note 6.1.1.1)	June 24, 2025	Weighted average 6 months T-Bills	-	4,500	2,160	2,340	236,621	234,655	(1,966)	0.67	1.14
GoP Ijarah Sukuk Certificates - XXIII - VRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	1,000	1,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIII - FRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	1,000	1,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIV - FRR (note 6.1.1.1)	December 9, 2025	Weighted average 6 months T-Bills	-	6,500	6,000	500	50,000	50,030	30	0.14	0.24
Pakistan Energy Sukuk II (note 6.1.1.1)	May 20, 2030	6 months KIBOR plus base rate of (0.10%)	1,780,000	1,539,000	1,590,000	1,729,000	8,645,576	8,696,870	51,294	24.75	42.29
Total as at December 31, 2020							<u>8,645,576</u>	<u>8,981,555</u>	<u>49,358</u>	<u>25.56</u>	<u>43.67</u>
Total as at June 30, 2020							<u>9,087,000</u>	<u>9,081,390</u>	<u>(5,610)</u>		

6.1.1.1 The nominal value of these sukuk certificates is Rs 100,000 each except for Pakistan Energy Sukuk Certificates having nominal value of Rs. 5,000 each.

6.1.2 Corporate sukus

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	* Carrying value as at December 31, 2020	* Market value as at December 31, 2020	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue value of investment	Total market value of investment
---- (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%	538	-	-	538	552,114	553,046	932	0.00	13.45	0.03
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%	298	-	-	298	305,450	304,535	(915)	1.71	4.26	5.09
FERTILIZER												
Fatima Fertilizer Company Limited (AA-, PACRA, traded) (note 6.1.2.1)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	60,200	-	20,067	40,133	201,836	202,034	198	0.57	9.56	0.98
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%	28,000	-	8,000	20,000	98,764	96,955	(1,809)	0.28	5.00	0.47
POWER GENERATION & DISTRIBUTION												
K-Electric Limited (sukuk 5) (AA+, VIS, non-traded) (note 6.1.2.1)	August 03, 2027	3 months KIBOR plus base rate of 1.70%	80,000	80,000	106,200	53,800	269,000	273,086	4,086	0.78	1.08	1.33
Hub Power Company Limited (AA+, PACRA), traded (note 6.1.2.1)	August 22, 2023	3 months KIBOR plus base rate of 1.90%	5,560	20	3,125	2,455	250,765	251,020	255	0.71	3.51	1.22
Hub Power Company Limited (AA+, PACRA, non-traded) (note 6.1.2.1)	March 19, 2024	1 year KIBOR plus base rate of 1.900%	6,850	200	500	6,550	655,440	669,410	13,970	1.90	13.10	3.25
Engro Powergen Thar (Private) Limited (A, PACRA, non-traded) (note 6.1.2.1)	August 2, 2024	3 months KIBOR plus base rate of 1.10%	50,000	-	-	50,000	250,750	248,153	(2,597)	0.71	8.33	1.21
Hub Power Holdings Limited (AA+, PACRA) (note 6.1.2.1)	November 12, 2025	6 months KIBOR plus base rate of 2.5%	-	6,000	-	6,000	502,060	502,060	-	1.43	10.00	2.44
PHARMACEUTICALS												
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1)	June 9, 2022	3 months KIBOR plus base rate of 1.30%	1,311	-	646	665	66,577	67,148	571	0.19	9.05	0.33
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	99,998	99,957	(41)	0.28	3.34	0.49
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	248,519	(1,481)	0.71	5.00	1.21

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at December 31, 2020	* Carrying value as at December 31, 2020	* Market value as at December 31, 2020	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) -----			----- % -----			

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	-	2,522	478	48,540	48,828	288	0.14	0.55	0.24
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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	148,776	147,720	(1,056)	0.42	6.00	0.72
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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%	2,859	-	285	2,574	254,839	258,632	3,793	0.74	14.13	1.26
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Shakarganj Food Products Limited (BBB+, VIS) (note 6.1.2.1)	July 10, 2025	3 months KIBOR plus base rate of 1.75%	85	-	-	85	85,000	85,062	62	0.24	13.79	0.41
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Total as at December 31, 2020

4,039,909 4,056,165 16,256

Total as at June 30, 2020

4,481,677 4,505,045 23,368

* 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 Eden Housing Limited having nominal value of Rs 984,375, International Brands Limited, AGP Limited, Javedan Corporation Limited, Engro Fertilizer Limited, Engro Polymer and Chemicals Limited, Hub Power Holdings Limited and Hub Power Company Limited having nominal value of Rs. 100,000 each and Dubai Islamic Bank Pakistan Limited, Meezan Bank Limited, Shakarganj Food Products Limited, Agha Steel Industries Limited and Masood Textile Mills Limited having nominal value of Rs 1,000,000 each 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, 2020, 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. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

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	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	96,955	-	96,955	0.3	0.3
Shakarganj Food Products Limited	Non-traded sukuk certificates	85,062	-	85,062	0.2	0.2
Total - December 31, 2020		325,892	143,875	182,017	0.5	0.5
Total - June 30, 2020		282,145	143,875	138,270	0.5	0.5

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 Agha Steel Industries Limited and Hascol Petroleum Limited has been valued at a discretionary rate of Rs 99.4077 and Rs 96.9547 whereas the reported market rate on MUFAP valuation sheet as at December 31, 2020 was Rs 96.7593 and Rs 98.8948 respectively.

6.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2020	Placed during the period	Matured during the period	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation/ (diminution)	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			----- (Rupees in '000) -----					----- % -----		
Orix Modaraba	April 29, 2021	7.24	200,000	-	-	200,000	200,000	-	0.57	0.97
Orix Modaraba	April 29, 2021	7.24	200,000	-	-	200,000	200,000	-	0.57	0.97
Orix Modaraba	April 29, 2021	7.25	200,000	-	-	200,000	200,000	-	0.57	0.97
First Habib Mod	January 14, 2021	7.05	300,000	316,180	300,000	316,180	316,180	-	0.90	1.54
First Habib Mod	January 18, 2021	7.05	200,000	210,682	200,000	210,682	210,682	-	0.60	1.02
First Habib Mod	January 22, 2021	7.05	250,000	263,093	250,000	263,093	263,093	-	0.75	1.28
First Habib Mod	January 28, 2021	7.05	250,000	262,875	250,000	262,875	262,875	-	0.75	1.28
Total as at December 31, 2020			1,600,000	1,052,830	1,000,000	1,652,830	1,652,830	-	4.70	8.04
Total as at June 30, 2020			750,000	2,200,000	1,350,000	1,600,000	1,600,000	-	5.76	7.74

6.3 Commercial Papers

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			----- (Number of certificates) -----			----- (Rupees in '000) -----		----- % -----		
K-Electric Limited CP-6 (note 6.3.1)	August 26, 2020	6 months KIBOR plus base rate of 1.15%	600	-	600	-	-	-	-	-
K-Electric Limited CP-7 (note 6.3.1)	September 10, 2020	6 months KIBOR plus base rate of 1.15%	750	-	750	-	-	-	-	-
K-Electric Limited CP-8 (note 6.3.1)	October 6, 2020	6 months KIBOR plus base rate of 1.15%	210	-	210	-	-	-	-	-
K-Electric Limited CP-9 (note 6.3.1)	February 12, 2021	6 months KIBOR plus base rate of 1.00%	-	603	-	603	597,530	597,530	1.70	2.91
K-Electric Limited CP-10 (note 6.3.1)	February 26, 2021	6 months KIBOR plus base rate of 0.95%	-	450	-	450	444,608	444,608	1.27	2.16
K-Electric Limited CP-11 (note 6.3.1)	March 9, 2021	6 months KIBOR plus base rate of 0.85%	-	445	-	445	438,601	438,601	1.25	2.13
Total as at December 31, 2020							1,480,739	1,480,739	4.22	7.20
Total as at June 30, 2020							1,522,415	1,522,415	5.47	7.37

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

6.4 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2020	Term deposit receipts placed during the period	Matured during the period paid	As at December 31, 2020	Percentage of total market value of investments
		%	----- (Rupees in '000) -----				%

Having original maturity of 3 months or less

Bank Islami Pakistan Limited	January 26, 2021	7.00	-	7,500,000	5,000,000	2,500,000	12.16
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Total - December 31, 2020

-	7,500,000	5,000,000	2,500,000	12.16
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Total - June 30, 2020

-	-	5,000,000	-	-
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6.5 Bai Muajjal Receivable

Name of the counterparty	Maturity date	Profit rate	Total Transaction Price	Total Deferred Income	Accrued Profit for the period	Carrying value as at December 31, 2020
			(Rupees in '000)			

Pak Kuwait Investment Company Limited (AAA, PACRA) (note 6.5.1)	January 28, 2021	12.55%	1,103,660	123,064	113,960	1,094,556
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Pak Oman Investment Company Limited (AA+, VIS) (note 6.5.1)	January 5, 2021	13.00%	802,147	92,282	91,271	801,136
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Total as at December 31, 2020

1,905,807	215,346	205,231	1,895,692
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Total as at June 30, 2020

4,124,745	360,992	193,977	3,957,730
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6.5.1 This Bai Muajjal transaction is carried out against K-Electric Limited Commercial Paper A which was issued on August 27, 2019.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	December 31, 2020	June 30, 2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
Management fee payable	7.1	1,435	1,038
Sindh Sales Tax on Management fee payable		187	135
Allocated expenses payable	7.2	4,533	3,548
Selling and marketing expenses payable	7.3	35,887	28,001
Sales load payable		2,308	1,583
Sindh Sales Tax on sales load payable		300	206
Certificate charges payable		1	1
		<u>44,651</u>	<u>34,512</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.5% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund during the period.

8.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2020 (Unaudited)	2020 (Audited)
			(Rupees in '000)	
	Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	108,669	85,128
	Withholding tax payable		-	163,288
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	50,417	50,417
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,642	2,642
	Capital gain tax payable		9,082	39,898
	Auditors' remuneration payable		337	431
	Printing expenses payable		566	566
	Brokerage payable		393	1,005
	Zakat payable		332	172
	Shariah advisor fee payable		538	538
	Other payable		504	347
			173,480	344,432

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

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.16 per unit (June 30, 2020: Re 0.16 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 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 53.059 million (June 30, 2020: 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, 2020 would have been higher by Re 0.08 (June 30, 2020: Re 0.10) per unit.

9. CONTINGENCIES AND COMMITMENTS

During the current period, the Fund has received a notice of tax demand for the tax year 2018 from the Additional Commissioner (Inland) Revenue (ACIR), whereby the ACIR contended that “income already paid on units redeemed” cannot be claimed as part of distribution and has thereby challenged the distribution of 90 percent of income and the Fund’s eligibility for exemption from tax. The ACIR is of the view that only “Cash Dividend” can be treated as distribution and “income paid on units redeemed” is not part of “Cash Dividend”. The ACIR has raised a tax demand of Rs 135.486 million on the Fund in respect of the tax year 2018. The Management Company has filed an appeal with the Commissioner (Inland) Revenue Appeals against the demand raised by ACIR and has also obtained a stay order against the demand from the Honorable High Court of Sindh till the date of next hearing which has not been scheduled so far. Moreover, the Fund has received a show cause notice from ACIR on the similar matter in respect of tax year 2019. The Management Company has submitted its response against the show cause notice.

The Management Company contends that the practise being followed by the Fund is as per the applicable regulations and in line with the industry practise. Based on the advice of the tax advisor and merits of the case, the Management Company believes that the matter will be decided in the favour of the Fund and accordingly, no provision has been recognised in these condensed interim financial statements in this respect.

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 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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	1,435	1,038
Sindh Sales Tax payable on remuneration of the Management Company	187	135
Sales load payable	2,308	1,583
Sindh Sales Tax on sales load	300	206
Allocated expenses payable	4,533	3,548
Selling and marketing expense payable	35,887	28,001
Certificate charges payable	1	1
Investment of 968,849 units (June 30, 2020: nil units)	51,627	-
Meezan Bank Limited		
Balances with bank	80,209	267,669
Sales load payable	965	2,554
Sindh Sales Tax on sales load	125	332
Profit receivable on saving account	149	300
Profit receivable on sukuk certificates	7,421	11,986
Investment of 298 sukuk certificates (June 30, 2020: 298 sukuk certificates)	304,535	305,450
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	2,274	1,764
Sindh Sales Tax on Trustee Fee payable	296	229
Security deposit	100	100



	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Meezan Strategic Allocation Fund - MSAP - I		
Investments of 3,718,836 units (June 30, 2020: 4,198,624 units)	198,166	216,085
Meezan Strategic Allocation Fund - MSAP - II		
Investments of 1,930,833 units (June 30, 2020: 2,417,775 units)	102,888	124,432
Meezan Strategic Allocation Fund - MSAP - III		
Investments of 2,432,068 units (June 30, 2020: 3,979,255 units)	129,598	204,795
Meezan Strategic Allocation Fund - MSAP - IV		
Investments of 1,348,242 units (June 30, 2020: 4,020,730 units)	71,844	206,929
Meezan Strategic Allocation Fund - MSAP - V		
Investments of 339,597 units (June 30, 2020: 1,037,053 units)	18,096	53,373
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,522,034 units (June 30, 2020: 1,226,417 units)	81,105	63,118
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,278,894 units (June 30, 2020: 1,059,604 units)	68,149	54,533
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 2,163,666 units (June 30, 2020: 1,988,870 units)	115,295	102,358
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 907,126 units (June 30, 2020: 1,740,132 units)	48,338	89,557
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 187,694 units (June 30, 2020: nil units)	10,002	-
Directors and Executives of the Management Company		
Investments of 1,019,742 units (June 30, 2020: 704,165 units)	54,339	36,240
	Six months period ended	
	December 31,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	83,783	74,733
Sindh Sales Tax on remuneration of the Management Company	10,892	9,715
Allocated expenses	25,135	12,269
Selling and marketing expense	67,026	33,565
Units issued: 1,157,861 units (December 31, 2019: 61,626 units)	60,000	3,224
Units redeemed: 189,012 units (December 31, 2019: 1,349,505 units)	10,000	69,559

	Six months period ended December 31,	
	2020	2019
	(Unaudited) (Rupees in '000)	
Meezan Bank Limited		
Profit on saving account	1,283	6,070
Profit on sukuk certificate	<u>14,690</u>	<u>25,061</u>
Pakistan Energy Sukuk II certificates sold during the period: 1,540,000 sukuk certificates (December 31, 2019: nil)	<u>7,702,310</u>	<u>-</u>
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	<u>12,567</u>	<u>6,293</u>
Sindh Sales Tax on trustee fee	<u>1,634</u>	<u>818</u>
CDS Charges	<u>1,420</u>	<u>91</u>
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 924,876 units (December 31, 2019: 1,653,461 units)	<u>48,000</u>	<u>85,606</u>
Units redeemed: 1,404,664 units (December 31, 2019: 6,637,424 units)	<u>73,700</u>	<u>346,444</u>
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 500,875 units (December 31, 2019: 1,128,244 units)	<u>26,000</u>	<u>58,413</u>
Units redeemed: 987,817 units (December 31, 2019: 4,536,335 units)	<u>51,657</u>	<u>236,405</u>
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 838,091 units (December 31, 2019: 1,361,671 units)	<u>43,500</u>	<u>70,498</u>
Units redeemed: 2,385,278 (December 31, 2019: 5,418,582 units)	<u>124,400</u>	<u>282,706</u>
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 866,998 units (December 31, 2019: 1,536,740 units)	<u>45,000</u>	<u>79,563</u>
Units redeemed: 3,539,486 (December 31, 2019: 6,120,187 units)	<u>184,456</u>	<u>319,197</u>
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 245,593 units (December 31, 2019: 272,284 units)	<u>12,770</u>	<u>14,090</u>
Units redeemed: 943,049 units (December 31, 2019: 1,059,349 units)	<u>49,290</u>	<u>55,177</u>
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: 427,374 units (December 31, 2019: 901,952 units)	<u>22,246</u>	<u>46,964</u>
Units redeemed: 131,757 units (December 31, 2019: 537,885 units)	<u>6,875</u>	<u>28,644</u>
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: 392,980 units (December 31, 2019: 738,691 units)	<u>20,471</u>	<u>38,414</u>
Units redeemed: 173,690 units (December 31, 2019: 489,879 units)	<u>9,100</u>	<u>25,657</u>
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units issued: 360,519 units (December 31, 2019: 1,387,613 units)	<u>18,894</u>	<u>72,159</u>
Units redeemed: 185,723 units (December 31, 2019: 806,533 units)	<u>9,750</u>	<u>42,643</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 2,239,297 units (December 31, 2019: 3,782,012 units)	<u>117,676</u>	<u>194,649</u>
Units redeemed: 3,072,303 units (December 31, 2019: 3,782,012 units)	<u>161,465</u>	<u>197,912</u>
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: 187,694 units (December 31, 2019: nil)	<u>10,000</u>	<u>-</u>
Directors and Executives of the Management Company		
Units issued: 1,724,491 units (December 31, 2019: 16,466,545 units)	<u>90,735</u>	<u>858,835</u>
Units redeemed: 1,235,647 units (December 31, 2019: 9,084,659 units)	<u>65,241</u>	<u>475,104</u>

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.38% which includes 0.24% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "income 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 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, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

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

As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	13,037,720	-	13,037,720
Certificates of Musharakah*	-	1,652,830	-	1,652,830
Commercial Papers**	-	1,480,739	-	1,480,739
Term deposit receipts - having original maturity of 3 months or less *	-	2,500,000	-	2,500,000
Bai Muajjal receivable	-	1,895,692	-	1,895,692
	-	20,566,981	-	20,566,981

ASSETS	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	13,586,435	-	13,586,435
Certificates of musharakah*	-	1,600,000	-	1,600,000
Commercial papers**	-	1,522,415	-	1,522,415
Bai Muajjal receivable**	-	3,957,730	-	3,957,730
	-	20,666,580	-	20,666,580

* 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.

14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**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.

ALL NEW STATE
OF THE ART
**MOBILE
APPLICATION**



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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	Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited	The Bank Of Punjab 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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT DECEMBER 31, 2020

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
	Note		
Assets			
Balances with banks	5	1,659,318	2,580,042
Investments	6	7,232,968	7,182,290
Receivable against conversion of units		143,017	149,747
Deposits, prepayments and other receivable		79,604	105,238
Total assets		<u>9,114,907</u>	<u>10,017,317</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company	7	10,694	8,724
Payable to Central Depository Company of Pakistan Limited - the Trustee		556	536
Payable to Meezan Bank Limited		84	412
Payable to the Securities and Exchange Commission of Pakistan		888	967
Payable against redemption and conversion of units		140,556	106,266
Accrued expenses and other liabilities	9	121,410	164,081
Total liabilities		<u>274,188</u>	<u>280,986</u>
Net assets		<u>8,840,719</u>	<u>9,736,331</u>
Contingencies and commitments	8		
Unit holders' fund (as per statement attached)		<u>8,840,719</u>	<u>9,736,331</u>
		(Number of units)	
Number of units in issue		<u>164,297,436</u>	<u>188,880,283</u>
		(Rupees)	
Net asset value per unit		<u>53.8092</u>	<u>51.5476</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

MEEZAN SOVEREIGN FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on sukuk certificates		301,863	78,187	140,359	41,745
Net realised income / (loss) on sale of sukuk certificates		2,835	(197)	100	(292)
Profit on saving accounts with banks		43,565	184,051	24,559	103,916
		<u>348,263</u>	<u>262,041</u>	<u>165,018</u>	<u>145,369</u>
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	94,183	-	436	-
Total income		<u>442,446</u>	<u>262,041</u>	<u>165,454</u>	<u>145,369</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1	22,203	12,710	11,131	6,422
Sindh Sales Tax on remuneration of the Management Company		2,886	1,652	1,447	835
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		2,886	1,293	1,447	696
Sindh Sales Tax on remuneration of the Trustee		375	168	188	90
Annual fee to Securities and Exchange Commission of Pakistan		888	405	445	214
Auditors' remuneration		337	340	159	216
Fees and subscription		512	415	238	140
Brokerage		421	-	37	-
Bank and settlement charges		620	272	44	81
Allocated expenses	7.2	6,661	2,874	3,340	1,605
Selling and marketing expense	7.3	17,762	7,125	8,905	4,282
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	7,738	4,696	2,762	2,616
Total expenses		<u>63,289</u>	<u>31,950</u>	<u>30,143</u>	<u>17,197</u>
Net income for the period before taxation		<u>379,157</u>	<u>230,091</u>	<u>135,311</u>	<u>128,172</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>379,157</u>	<u>230,091</u>	<u>135,311</u>	<u>128,172</u>
Allocation of net income for the period					
Net income for the period after taxation		379,157	230,091		
Income already paid on units redeemed		(110,854)	(62,378)		
		<u>268,303</u>	<u>167,713</u>		
Accounting income available for distribution					
- Relating to capital gains		97,018	-		
- Excluding capital gains		171,285	167,713		
		<u>268,303</u>	<u>167,713</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



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	<u>Six months period</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	379,157	230,091	135,311	128,172
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>379,157</u>	<u>230,091</u>	<u>135,311</u>	<u>128,172</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

**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	Undistrib- uted income	Total	Capital value	Undistrib- uted income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	9,438,622	297,709	9,736,331	5,409,260	295,889	5,705,149
Issue of 180,108,035 units (2019: 109,502,081 units)						
- Capital value (at net asset value per unit at the beginning of the period)	9,284,137	-	9,284,137	5,642,566	-	5,642,566
- Element of income	229,437	-	229,437	141,014	-	141,014
Total proceeds on issuance of units	9,513,574	-	9,513,574	5,783,580	-	5,783,580
Redemption of 204,690,882 units (2019: 148,603,872 units)						
- Capital value (at net asset value per unit at the beginning of the period)	10,551,324	-	10,551,324	7,657,454	-	7,657,454
- Element of loss	126,165	110,854	237,019	89,157	62,378	151,535
Total payments on redemption of units	10,677,489	110,854	10,788,343	7,746,611	62,378	7,808,989
Total comprehensive income for the period	-	379,157	379,157	-	230,091	230,091
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	379,157	379,157	-	230,091	230,091
Net assets at the end of the period	8,274,707	566,012	8,840,719	3,446,229	463,602	3,909,831
Undistributed income brought forward						
- Realised income		297,512			297,344	
- Unrealised income / (loss)		197			(1,455)	
Accounting income available for distribution		297,709			295,889	
- Relating to capital gains		97,018			-	
- Excluding capital gains		171,285			167,713	
Undistributed income carried forward		566,012			463,602	
Undistributed income carried forward						
- Realised income		471,829			463,602	
- Unrealised income		94,183			-	
		566,012			463,602	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>51.5476</u>			<u>51.5293</u>
Net assets value per unit at end of the period			<u>53.8092</u>			<u>54.5952</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



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Note	Six months period ended	
	2020	2019
	December 31,	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	379,157	230,091
Adjustments for		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(94,183)	-
	284,974	230,091
Decrease / (increase) in assets		
Investments - net	43,505	12,479
Deposits, prepayments and other receivable	25,634	(19,429)
	69,139	(6,950)
Decrease in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	1,970	2,813
Payable to Central Depository Company of Pakistan Limited - Trustee	20	(56)
Payable to Securities and Exchange Commission of Pakistan	(79)	(995)
Payable to Meezan Bank Limited	(328)	(33)
Accrued expenses and other liabilities	(42,671)	(6,507)
	(41,088)	(4,778)
Net cash generated from operating activities	313,025	218,363
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	9,520,304	5,772,756
Payments against redemption and conversion of units	(10,754,053)	(8,166,833)
Net cash used in financing activities	(1,233,749)	(2,394,077)
Net decrease in cash and cash equivalents during the period	(920,724)	(2,175,714)
Cash and cash equivalents at the beginning of the period	2,580,042	5,132,514
Cash and cash equivalents at the end of the period	5 1,659,318	2,956,800

The annexed notes 1 to 16 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, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 dated January 12, 2021.
- 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 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 published audited annual financial statements of the Fund for the year ended June 30, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. 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, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	1,656,698	2,577,198
In current accounts		2,620	2,844
		<u>1,659,318</u>	<u>2,580,042</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 6.75% per annum (June 30, 2020: 3.00% to 7.50% per annum).

6. INVESTMENTS	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	7,232,968	7,182,290
		<u>7,232,968</u>	<u>7,182,290</u>
6.1 Sukuk certificates			
Government securities	6.1.1	7,111,170	7,050,000
Corporate sukuks	6.1.2	121,798	132,290
		<u>7,232,968</u>	<u>7,182,290</u>

6.1.1 Government securities

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchased during the period	Sales / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (loss) / gain as at December 31, 2020	Percentage in relation to	
										Net assets of the fund	Total market value of investments
							(Rs in '000)		(%)		
Pakistan Energy Sukuk (note 6.1.1.1)	March 1, 2029	6 months KIBOR plus base rate of 0.8%	170,000	-	-	170,000	850,000	909,500	59,500	10.29%	12.57%
Pakistan Energy Sukuk II (note 6.1.1.1)	May 20, 2030	6 months KIBOR minus base rate of (0.10%)	1,240,000	1,280,000	1,307,000	1,213,000	6,066,400	6,101,390	34,990	69.01%	84.36%
GoP Ijarah Sukuk Certificates - XXII (note 6.1.1.1)	June 24, 2025	Weighted average 6 months T-Bills	-	1,000	-	1,000	101,120	100,280	(840)	1.13%	1.39%
GoP Ijarah Sukuk Certificates - XXIII - VRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	1,500	1,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIII - FRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	3,500	3,500	-	-	-	-	-	-
Total - December 31, 2020							<u>7,017,520</u>	<u>7,111,170</u>	<u>93,650</u>	<u>80.44%</u>	<u>98.32%</u>
Total as at June 30, 2020							<u>7,050,000</u>	<u>7,050,000</u>	<u>-</u>	<u>72.41%</u>	<u>98.16%</u>

6.1.1.1 The nominal value of these sukuk certificates is Rs 100,000 each except for Pakistan Energy Sukuk Certificates I and II having nominal value of Rs. 5,000 each.

6.1.2 Corporate sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchased during the period	Sales / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (loss) / gain as at December 31, 2020	Percentage in relation to	
										Net assets of the fund	Total market value of investments
							(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%	1,290	-	108	1,182	121,265	121,798	533	1.38%	1.68%
Total - December 31, 2020							<u>121,265</u>	<u>121,798</u>	<u>533</u>	<u>1.38%</u>	<u>1.68%</u>
Total as at June 30, 2020							<u>132,093</u>	<u>132,290</u>	<u>197</u>	<u>1.36%</u>	<u>1.84%</u>

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



7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	December 31, 2020	June 30, 2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
Management fee payable	7.1	380	336
Sindh Sales Tax payable on remuneration of the Management Company		49	44
Allocated expenses payable	7.2	1,120	1,089
Selling and marketing expenses payable	7.3	8,905	6,964
Sales load payable		212	258
Sindh sales tax on sales load payable		28	33
		10,694	8,724

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Effective from July 01, 2020, the management company has reduced the rate of remuneration upto 0.5% of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

The management company based on its own discretion has currently fixed a maximum capping of 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund during the period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2020	June 30, 2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	34,144	26,406
Withholding tax payable		420	46,089
Capital gain tax payable		1,789	7,163
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	80,077	80,077
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	2,562	2,562
Printing expenses payable		156	156
Zakat payable		642	130
Auditors' remuneration payable		285	350
Brokerage payable		589	581
Shariah advisor fee payable		381	467
CDS Charges Payable		365	100
		121,410	164,081

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, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re 0.21 (June 30, 2020: Re 0.14).

- 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.

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, 2020 : 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, 2020 would have been higher by Re 0.50 (June 30, 2020 : Re. 0.44) 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 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, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	380	336
Sindh Sales Tax payable on remuneration of the Management Company	49	44
Sales load payable	212	258
Sindh Sales Tax payable on sales load	28	33
Allocated expense payable	1,120	1,089
Selling and marketing expense payable	8,905	6,964
Meezan Bank Limited		
Balances with bank	35,261	56,816
Profit receivable on saving accounts	54	163
Sales load payable	74	365
Sindh Sales Tax on sales load payable	10	47



	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	492	474
Sindh Sales Tax on trustee fee payable	64	62
Security deposit	100	100
Meezan Financial Planning Fund of Funds - MAAP I		
Investment of 1 unit (June 30, 2020: 4 units)	-	-
Meezan Strategic Allocation Fund - MCPP - III		
Investment of 6,294,979 units (June 30, 2020: 8,103,630 units)	338,728	417,723
Meezan Strategic Allocation Fund - II - MCPP - IV		
Investment of 7,810,404 units (June 30, 2020: 21,045,293 units)	420,272	1,084,834
Meezan Strategic Allocation Fund - II - MCPP - V		
Investment of 7,085 units (June 30, 2020: 4,223,802 units)	381	217,726
Meezan Strategic Allocation Fund - II - MCPP - VI		
Investment of 2,442,388 units (June 30, 2020: 4,136,298 units)	131,423	213,216
Meezan Strategic Allocation Fund - II - MCPP - VII		
Investment of 1,858,207 units (June 30, 2020: 2,659,988 units)	99,989	137,116
Meezan Strategic Allocation Fund - II - MCPP - VIII		
Investment of 777,988 units (June 30, 2020: 1,238,243 units)	41,863	63,828
Meezan Strategic Allocation Fund - III - MCPP - IX		
Investment of 676,055 units (June 30, 2020: 1,048,981 units)	36,378	54,072
Directors and executives of the Management Company		
Investment of 190,919 units (June 30, 2020: 314,469 units)	10,273	16,210
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 161,333 units (June 30, 2020: 161,333 units)	8,681	8,316
	For the six months period ended December 31	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	22,203	12,710
Sindh Sales Tax on remuneration of the Management Company	2,886	1,652
Allocated expenses	6,661	2,874
Selling and marketing expense	17,762	7,125
Units issued: 4,526,209 units (December 31, 2019: 14,292 units)	234,482	749
Units redeemed: 4,526,209 units (December 31, 2019: 14,292 units)	237,409	766
Meezan Bank Limited		
Profit on saving accounts	218	1,771
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	2,886	1,293
Sindh Sales Tax on trustee fee	375	168
CDS charges	567	176

	For the six months period ended December 31	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 1,925,443 units (December 31, 2019: 5,108,563 units)	101,785	272,138
Units redeemed: 1,925,446 units (December 31, 2019: 5,315,720 units)	<u>102,346</u>	<u>277,610</u>
Meezan Strategic Allocation Fund - MCPP - III		
Units redeemed: 1,808,651 units (December 31, 2019: 13,138,233 units)	95,620	677,395
Meezan Strategic Allocation Fund - II - MCPP - IV		
Units issued: 3,863,698 units (December 31, 2019: nil units)	203,868	-
Units redeemed: 17,098,587 units (December 31, 2019: 17,633,059 units)	<u>905,632</u>	<u>909,145</u>
Meezan Strategic Allocation Fund - II - MCPP - V		
Units issued: 584,858 units (December 31, 2019: nil units)	30,781	-
Units redeemed: 4,801,575 units (December 31, 2019: 5,140,342 units)	<u>252,664</u>	<u>265,030</u>
Meezan Strategic Allocation Fund - II - MCPP - VI		
Units issued: 37,345 units (December 31, 2019: nil units)	2,000	-
Units redeemed: 1,731,255 units (December 31, 2019: 4,162,469 units)	<u>91,840</u>	<u>214,613</u>
Meezan Strategic Allocation Fund - II - MCPP - VII		
Units redeemed: 801,781 units (December 31, 2019: 2,218,732 units)	42,464	114,396
Meezan Strategic Allocation Fund - II - MCPP - VIII		
Units redeemed: 460,255 units (December 31, 2019: 1,692,281 units)	24,500	87,252
Meezan Strategic Allocation Fund - III - MCPP - IX		
Units issued: 462,505 units (December 31, 2019: 232,743 units)	24,080	12,000
Units redeemed: 835,432 units (December 31, 2019: 431,562 units)	<u>43,908</u>	<u>22,254</u>
Directors and executives of the Management Company		
Units issued: 1,098,010 units (December 31, 2019: 6,367,448 units)	56,992	334,795
Units redeemed: 1,222,912 units (December 31, 2019: 7,259,996 units)	<u>63,814</u>	<u>382,789</u>

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.43% which includes 0.27% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "income 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 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, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FINANCIAL INSTRUMENTS - FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

13.1 Fair value hierarchy

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

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

As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at December 31, 2020			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Sukuk certificates	-	7,232,968	-
			7,232,968
----- (Rupees in '000) -----			
As at June 30, 2020			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Sukuk certificates	-	7,182,290	-
			7,182,290

14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**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.

MEEZAN FUNDS ONLINE



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – MBL
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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	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
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	The Bank of Punjab
Habib Bank Limited -Islamic Banking	UBL Ameen - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN 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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		December 31, 2020	June 30, 2020
	Note	(Unaudited)	(Audited)
		(Rupees in '000)	
Assets			
Balances with banks	5	9,575,313	10,054,710
Investments	6	4,229,544	4,172,191
Receivable against conversion of units		157,537	184,956
Profit receivable		53,706	60,289
Deposits and prepayments		441	583
Total assets		<u>14,016,541</u>	<u>14,472,729</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company	8	18,344	18,036
Payable to Central Depository Company of Pakistan Limited - the Trustee		932	972
Payable to the Securities and Exchange Commission of Pakistan		1,560	2,400
Payable against conversion and redemption of units		90,712	200,168
Accrued expenses and other liabilities	9	104,846	224,714
Total liabilities		<u>216,394</u>	<u>446,290</u>
Net assets		<u>13,800,147</u>	<u>14,026,439</u>
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		<u>13,800,147</u>	<u>14,026,439</u>
		(Number of units)	
Number of units in issue		<u>265,630,998</u>	<u>277,777,662</u>
		(Rupees)	
Net asset value per unit		<u>51.9523</u>	<u>50.4952</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

MEEZAN CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2020 (Rupees in '000)	2019 (Rupees in '000)	2020 (Rupees in '000)	2019 (Rupees in '000)
Income					
Net realised loss on sale of investments		(193)	(158)	-	(158)
Profit on term deposit receipts		33,771	131,894	23,201	48,888
Profit on sukuk certificates		109,196	118,987	51,170	60,073
Profit on Bai Muajjal		43,693	21,001	15,107	5,928
Profit on saving accounts with banks		359,476	400,363	177,034	216,909
Total income		545,943	672,087	266,512	331,640
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	8	38,999	34,256	19,753	15,174
Sindh Sales Tax on remuneration of the Management Company		5,070	4,453	2,568	1,973
Selling and marketing expenses	8.3	31,199	18,637	15,802	10,116
Allocated expenses	8.2	11,700	7,619	5,926	3,794
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		5,070	3,438	2,568	1,644
Sindh Sales Tax on remuneration of the Trustee		659	447	334	214
Annual fee to the Securities and Exchange Commission of Pakistan		1,560	1,058	790	506
Auditors' remuneration		319	327	139	188
Fees and subscription		730	704	366	352
Brokerage expense		30	278	-	278
Bank and settlement charges		721	512	222	502
Provision for Sindh Workers' Welfare Fund (SWWF)		8,998	12,007	4,361	5,938
Total expenses		105,055	83,736	52,829	40,679
Net income for the period before taxation		440,888	588,351	213,683	290,961
Taxation	12	-	-	-	-
Net income for the period after taxation		440,888	588,351	213,683	290,961
Allocation of net income for the period					
Net income for the period after taxation		440,888	588,351		
Income already paid on units redeemed		(151,241)	(185,610)		
		289,647	402,741		
Accounting income available for distribution					
- Relating to capital gains		-	-		
- Excluding capital gains		289,647	402,741		
		289,647	402,741		

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



MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period December 31,		Quarter ended, December 31,	
	2020 (Rupees in '000)	2019 (Rupees in '000)	2020 (Rupees in '000)	2019 (Rupees in '000)
Net income for the period after taxation	440,888	588,351	213,683	290,961
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>440,888</u>	<u>588,351</u>	<u>213,683</u>	<u>290,961</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

MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	13,928,564	97,875	14,026,439	8,807,969	43,119	8,851,088
Issuance of 386,355,109 units (December 31, 2019: 336,293,743 units)						
- Capital value (at net asset value per unit at the beginning of the period)	19,509,079	-	19,509,079	16,973,788	-	16,973,788
- Element of income	268,335	-	268,335	388,440	-	388,440
Total proceeds on issuance of units	19,777,414	-	19,777,414	17,362,228	-	17,362,228
Redemption of 398,501,773 units (December 31, 2019: 318,504,527 units)						
- Capital value (at net asset value per unit at the beginning of the period)	20,122,427	-	20,122,427	16,075,911	-	16,075,911
- Element of loss	170,926	151,241	322,167	231,789	185,610	417,399
Total payments on redemption of units	20,293,353	151,241	20,444,594	16,307,700	185,610	16,493,310
Total comprehensive income for the period	-	440,888	440,888	-	588,351	588,351
Net assets at the end of the period	13,412,625	387,522	13,800,147	9,862,497	445,860	10,308,357
Undistributed income brought forward						
- Realised income		97,875			43,119	
- Unrealised income		-			-	
		<u>97,875</u>			<u>43,119</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		289,647			402,741	
		<u>289,647</u>			<u>402,741</u>	
Undistributed income carried forward		<u>387,522</u>			<u>445,860</u>	
Undistributed income carried forward						
- Realised income		387,522			445,860	
- Unrealised income		-			-	
		<u>387,522</u>			<u>445,860</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			<u>50.4952</u>			<u>50.4731</u>
Net assets value per unit at the end of the period			<u>51.9523</u>			<u>53.3692</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



MEEZAN CASH FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Note	Six months period ended December 31,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	440,888	588,351
Decrease in assets		
Investments - net	1,042,647	601,045
Deposits and prepayments	142	139
Profit receivable	6,583	6,620
	1,049,372	607,804
Decrease in liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	308	5,934
Payable to Central Depository Company of Pakistan Limited - the Trustee	(40)	(200)
Payable to the Securities and Exchange Commission of Pakistan	(840)	(7,706)
Accrued expenses and other liabilities	(119,868)	(24,514)
	(120,440)	(26,486)
Net cash generated from operating activities	1,369,820	1,169,669
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	19,804,833	17,345,465
Payments against redemption and conversion of units	(20,554,050)	(16,544,811)
Net cash (used in) / generated from financing activities	(749,217)	800,654
Net increase in cash and cash equivalents during the period	620,603	1,970,323
Cash and cash equivalents at the beginning of the period	10,404,710	5,430,335
Cash and cash equivalents at the end of the period	11,025,313	7,400,658

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

MEEZAN CASH FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 dated January 12, 2021.
- 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
5. BALANCES WITH BANKS	Note		
In saving accounts	5.1	9,575,132	10,054,064
In current accounts		181	646
		9,575,313	10,054,710

5.1 The balances in saving accounts have an expected profit ranging from 1.50 % to 6.75 % per annum (June 30, 2020: 1.50% to 7.50% per annum).

		December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
5.2 Cash and cash equivalents	Note		
Balances with banks	5	9,575,313	10,054,064
Term deposit receipts - having original maturity of 3 months or less	6	1,450,000	350,000
		11,025,313	10,404,064

6. INVESTMENTS	Note	December 31,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
At fair value through profit or loss			
Corporate sukuks	6.1	1,104,000	675,000
Commercial papers	6.2	1,675,544	1,080,275
Term deposit receipts - having original maturity of 3 months or less	6.3	1,450,000	350,000
Bai muajjal receivable		-	2,066,916
		<u>4,229,544</u>	<u>4,172,191</u>

6.1 Corporate Sukuks

Name of the Security	Maturity date	Profit rate	As at July 1, 2020	Purchased during the period	Sales / redeemed during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation/ (diminution)	Percentage in relation to	
			Number of certificates			(Rs in '000)		Net assets of the fund		Total market value of investments	
Hub Power Company Limited - VII (AA+, PACRA) (note 6.1.1)	November 19, 2020	6 month KIBOR plus base rate of 1.50%	6,750	-	6,750	-	-	-	-	-	-
Hub Power Company Limited - VIII (AA+, PACRA) (note 6.1.1)	May 17, 2021	6 month KIBOR plus base rate of 1.30%	-	4,190	-	4,190	419,000	419,000	-	3.04%	9.91%
Kot Addu Power Company limited - V (A1+ VIS) (note 6.1.1)	June, 8 2021	3 month KIBOR plus base rate of 0.70%	-	6,850	-	6,850	685,000	685,000	-	4.96%	16.20%
Total as at December 31, 2020							<u>1,104,000</u>	<u>1,104,000</u>			
Total as at June 30, 2020							<u>675,000</u>	<u>675,000</u>			

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

6.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation/ (diminution)	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)		Net assets of the fund		Total market value of investments	
K-Electric Limited CP V (note 6.2.1)	August 14, 2020	6 month KIBOR plus base rate of 1.15%	109	-	109	-	-	-	-	-	-
K-Electric Limited CP VI (note 6.2.1)	August 26, 2020	6 month KIBOR plus base rate of 1.15%	225	-	225	-	-	-	-	-	-
K-Electric Limited CP VII (note 6.2.1)	September 10, 2020	6 month KIBOR plus base rate of 1.15%	250	-	250	-	-	-	-	-	-
K-Electric Limited CP VIII (note 6.2.1)	October 6, 2020	6 month KIBOR plus base rate of 1.15%	525	-	525	-	-	-	-	-	-
K-Electric Limited CP IX (note 6.2.1)	February 12, 2021	6 month KIBOR plus base rate of 1.00%	-	675	-	675	668,877	668,877	-	4.85%	15.81%
K-Electric Limited CP X (note 6.2.1)	February 26, 2021	6 month KIBOR plus base rate of 0.95%	-	675	-	675	666,912	666,912	-	4.83%	15.77%
K-Electric Limited CP XI (note 6.2.1)	March 9, 2021	6 month KIBOR plus base rate of 0.85%	-	250	-	250	246,405	246,405	-	1.79%	5.83%
K-Electric Limited CP XII (note 6.2.1)	March 24, 2021	6 month KIBOR plus base rate of 0.75%	-	95	-	95	93,350	93,350	-	0.68%	2.21%
Total as at December 31, 2020							<u>1,675,544</u>	<u>1,675,544</u>			
Total as at June 30, 2020							<u>1,080,275</u>	<u>1,080,275</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, 2020	Term deposit receipts placed during the period	Matured during the period	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (loss) / gain as at December 31, 2020	Percentage in relation to	
									Net assets of the fund	Total market value of investment
		%		----- (Rupees in '000) -----						----(%)----
UBL - Ameen	July 8, 2020	7.35%	350,000	-	350,000	-	-	-	-	-
UBL - Ameen	August 8, 2020	6.45%	-	350,000	350,000	-	-	-	-	-
UBL - Ameen	September 8, 2020	6.45%	-	350,000	350,000	-	-	-	-	-
UBL - Ameen	October 8, 2020	6.50%	-	350,000	350,000	-	-	-	-	-
UBL - Ameen	October 5, 2020	6.50%	-	1,000,000	1,000,000	-	-	-	-	-
UBL - Ameen	November 5, 2020	6.50%	-	1,000,000	1,000,000	-	-	-	-	-
UBL - Ameen	November 9, 2020	6.50%	-	350,000	350,000	-	-	-	-	-
UBL - Ameen	December 5, 2020	6.60%	-	1,100,000	1,100,000	-	-	-	-	-
UBL - Ameen	December 9, 2020	6.60%	-	350,000	350,000	-	-	-	-	-
UBL - Ameen	January 7, 2021	6.85%	-	1,100,000	-	1,100,000	1,100,000	-	7.97%	26.01%
UBL - Ameen	January 9, 2021	6.85%	-	350,000	-	350,000	350,000	-	2.54%	8.28%
Total as at December 31, 2020						6,300,000	5,200,000	1,450,000	1,450,000	-
Total as at June 30, 2020						5,170,000	7,670,000	350,000	350,000	-

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

	Note	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Management fee payable	8.1	583	942
Sindh Sales Tax payable on remuneration of the Management Company		76	122
Selling and marketing expenses payable	8.3	15,800	14,990
Allocated expenses payable	8.2	1,885	1,982
		<u>18,344</u>	<u>18,036</u>

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Effective from July 01, 2020, the management company has reduced the rate of remuneration upto 0.5% of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

8.2 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).

The management company based on its own discretion has currently fixed a maximum capping of 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the year for the period.

8.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of average annual net assets of the Fund during the period.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	64,731	55,733
Withholding tax and capital gain tax payable		10,708	139,535
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		632	606
Brokerage expense payable		53	511
Auditors' remuneration		271	336
Printing expense payable		111	111
Other expenses		664	389
Zakat payable		658	475
		104,846	224,714

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, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.24 (June 30, 2020: Re 0.20).

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 0.10 (June 30, 2020: Re 0.10) per unit.

10. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.35% which includes 0.21% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "money market fund".

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AI Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited - Employees' Gratuity Fund and 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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Balances		
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	583	942
Sindh Sales Tax payable on management fee	76	122
Selling and marketing expenses	15,800	14,990
Allocated expenses payable	1,885	1,982
Meezan Bank Limited		
Balance with bank	38,419	245,644
Profit receivable on saving accounts	165	318
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	825	860
Sindh Sales Tax on trustee fee payable	107	112
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 7,360,336 units (June 30, 2020: 8,292,346 units)	382,386	418,724
	Six months period ended	
	December 31,	
	2020	2019
Transactions during the period	(Unaudited)	(Unaudited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	38,999	34,256
Sindh Sales Tax on remuneration of Management Company	5,070	4,453
Selling and marketing expense	31,199	18,637
Allocated expenses	11,700	7,619
Units issued: nil units (December 31, 2019: 16 units)	-	1
Units redeemed: nil units (December 31, 2019: 16 units)	-	1
Meezan Bank Limited		
Profit on saving accounts	1,489	2,995
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	5,070	3,438
Sindh Sales Tax on remuneration of the trustee	659	447
CDS charges	367	3

	Six months period ended December 31,	
	2020	2019
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units redeemed: nil units (December 31, 2019: 898,802 units)	-	45,839
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units redeemed: nil units (December 31, 2019: 1,628,815 units)	-	83,034
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units redeemed: nil units (December 31, 2019: 1,000,001 units)	-	50,914
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: nil units (December 31, 2019: 3,821,029 units)	-	196,322
Units redeemed: nil units (December 31, 2019: 3,829,256 units)	-	199,398
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: nil units (December 31, 2019: 11,301,674 units)	-	596,752
Units redeemed: nil units (December 31, 2019: 11,301,670 units)	-	597,678
Meezan Strategic Allocation Fund - MSAP - II		
Units redeemed: nil units (December 31, 2019: 1,616 units)	-	83
Meezan Strategic Allocation Fund - MSAP - III		
Units redeemed: nil units (December 31, 2019: 116,450 units)	-	5,926
Meezan Strategic Allocation Fund - MSAP - IV		
Units redeemed: nil units (December 31, 2019: 158,203 units)	-	8,082
Meezan Strategic Allocation Fund - MSAP - V		
Units redeemed: nil units (December 31, 2019: 786,614 units)	-	40,274
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units Issued: nil units (December 31, 2019: 37,706,480 units)	-	1,920,788
Units redeemed: nil units (December 31, 2019: 37,706,461 units)	-	1,944,923
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 3,239,124 units (December 31, 2019: 25,324,885 units)	165,000	1,281,258
Units redeemed: 3,239,124 units (December 31, 2019: 25,324,885 units)	165,077	1,295,287
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 569,301 units (December 31, 2019: 7,369,902 units)	29,000	372,855
Units redeemed: 569,301 units (December 31, 2019: 7,369,858 units)	29,014	375,734
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: nil units (December 31, 2019: 5,855,367 units)	-	296,207
Units redeemed: nil units (December 31, 2019: 5,855,325 units)	-	298,555
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: nil units (December 31, 2019: 3,058,519 units)	-	154,708
Units redeemed: nil units (December 31, 2019: 3,058,517 units)	-	155,937
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: nil units (December 31, 2019: 4,124,642 units)	-	209,083
Units redeemed: nil units (December 31, 2019: 4,124,635 units)	-	209,717



Six months period ended
December 31,

	2020 (Unaudited)	2019 (Unaudited)
	(Rupees in '000)	
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: nil units (December 31, 2019: 1,474,895 units)	-	74,789
Units redeemed: nil units (December 31, 2019: 1,539,522 units)	-	78,256
Directors and Executives of the Management Company		
Units issued: 1,460,399 units (December 31, 2019: 475,083 units)	74,641	24,551
Units redeemed: 2,394,610 units (December 31, 2019: 552,422 units)	122,431	28,532

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 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, 2021 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. 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 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Financial assets 'at fair value through profit or loss'				
Corporate sukuks	-	1,104,000	-	1,104,000
Commercial papers*	-	1,675,544	-	1,675,544
Term deposit receipts	-	1,450,000	-	1,450,000
	-	4,229,544	-	4,229,544

As at June 30, 2020			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Corporate sukuk	-	675,000	-
Commercial papers*	-	1,080,275	-
Term deposit receipts	-	350,000	-
Bai Muajjal receivable	-	2,066,916	-
	-	4,172,191	-
	-	-	4,172,191

* 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.

14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For AI 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.

MANAGER OF
LARGEST
MONEY MARKET FUND



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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 - Islamic Banking	Dubai Islamic Bank Pakistan Limited
Askari Bank Limited - Islamic Banking	Faysal Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking	Habib Bank Limited -Islamic Banking
Bank Of Punjab – Islamic Banking	Meezan Bank Limited
Bank Alfalah 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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

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**

Date: February 25, 2021

Karachi

**MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**



		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	28,216,551	38,829,879
Investments	6	18,824,796	14,938,606
Receivable against conversion of units		39,270	95,551
Profit receivable		119,360	184,297
Preliminary expenses and floatation costs		599	699
Deposits and prepayments		192	278
Total assets		<u>47,200,768</u>	<u>54,049,310</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - the Management Company	7	27,246	36,196
Payable to Central Depository Company of Pakistan Limited - the Trustee		2,654	3,213
Payable to the Securities and Exchange Commission of Pakistan		4,500	6,657
Payable against conversion and redemption of units		35,032	524,590
Dividend payable		15,592	13,279
Accrued expenses and other liabilities	8	132,502	114,428
Total liabilities		<u>217,526</u>	<u>698,363</u>
Net assets		<u>46,983,242</u>	<u>53,350,947</u>
Contingencies and commitments	9		
Unit holders' fund (as per statement attached)		<u>46,983,242</u>	<u>53,350,947</u>
		----- (Number of units) -----	
Number of units in issue		<u>939,664,819</u>	<u>1,067,018,923</u>
		----- (Rupees) -----	
Net asset value per unit		<u>50.0000</u>	<u>50.0000</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

MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

		For the six months period ended December 31, 2020	For the six months period ended December 31, 2019	For the quarter ended December 31, 2020	For the quarter ended December 31, 2019
	Note	----- (Rupees in '000) -----			
Income					
Net realised loss on sale of investment		(1,277)	(1,265)	(183)	(437)
Profit on sukuk certificates and commercial papers		161,712	182,349	72,448	104,316
Profit on term deposit receipts		128,516	277,362	83,608	120,807
Profit on Bai Muajjal	6.4	360,576	138,033	174,575	67,745
Profit on saving accounts with banks		929,317	1,076,514	431,527	647,300
Total income		1,578,844	1,672,993	761,975	939,731
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1	44,996	37,186	22,169	18,795
Sindh Sales Tax on remuneration of the Management Company		5,849	4,834	2,882	2,443
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		14,624	8,335	7,205	4,565
Sindh Sales Tax on remuneration of the trustee		1,901	1,084	937	594
Annual fee to the Securities and Exchange Commission of Pakistan		4,500	2,564	2,217	1,404
Selling and marketing expenses	7.2	68,284	40,087	26,423	23,879
Brokerage expense		288	845	52	457
Auditors' remuneration		240	290	101	190
Fees and subscription		657	829	327	510
Amortization of preliminary expenses and floatation costs		101	101	51	51
Bank and settlement charges		2,827	683	1,036	237
Provision for Sindh Workers' Welfare Fund	8.1	28,692	31,523	13,972	17,732
Total expenses		172,959	128,361	77,372	70,857
Net income for the period before taxation		1,405,885	1,544,632	684,603	868,874
Taxation	12	-	-	-	-
Net income for the period after taxation		1,405,885	1,544,632	684,603	868,874
Allocation of net income for the period					
Net income for the period after taxation		1,405,885	1,544,632		
Income already paid on units redeemed		-	-		
		1,405,885	1,544,632		
Accounting income available for distribution					
- Relating to capital gains		-	-		
- Excluding capital gains		1,405,885	1,544,632		
		1,405,885	1,544,632		

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

MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020



	For the six months period ended December 31, 2020	For the six months period ended December 31, 2019	For the quarter ended December 31, 2020	For the quarter ended December 31, 2019
----- (Rupees in '000) -----				
Net income for the period after taxation	1,405,885	1,544,632	684,603	868,874
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,405,885</u>	<u>1,544,632</u>	<u>684,603</u>	<u>868,874</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

MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	For the six months period ended December 31, 2020			For the six months period ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the period	53,350,947	-	53,350,947	16,134,440	-	16,134,440
Issuance of 1,065,279,703 units (December 31, 2019: 1,073,789,840 units)						
- Capital value (at par value)	53,263,985	-	53,263,985	53,689,492	-	53,689,492
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	53,263,985	-	53,263,985	53,689,492	-	53,689,492
Redemption of 1,192,633,807 units (December 31, 2019: 755,683,529 units)						
- Capital value (at par value)	59,631,690	-	59,631,690	37,784,176	-	37,784,176
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	59,631,690	-	59,631,690	37,784,176	-	37,784,176
Total comprehensive income for the period	-	1,405,885	1,405,885	-	1,544,632	1,544,632
Distribution during the period *	-	(1,405,885)	(1,405,885)	-	(1,544,632)	(1,544,632)
Net income for the period less distribution	-	-	-	-	-	-
Net assets at the end of the period	46,983,242	-	46,983,242	32,039,756	-	32,039,756
Undistributed income brought forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	1,405,885		1,405,885	1,544,632		1,544,632
Distribution during the period *	(1,405,885)		(1,405,885)	(1,544,632)		(1,544,632)
Undistributed income carried forward	-	-	-	-	-	-
Undistributed income carried forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			<u>50.0000</u>			<u>50.0000</u>
Net asset value per unit at the end of the period			<u>50.0000</u>			<u>50.0000</u>

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

* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day.

For AI 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, 2020



	For the six months period ended December 31, 2020	For the six months period ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,405,885	1,544,632
Adjustments for:		
Preliminary expense and flotation costs	100	100
	1,405,985	1,544,732
Decrease / (increase) in assets		
Investments - net	4,357,956	(1,862,659)
Deposits and prepayments	86	(311)
Profit receivable	64,937	(91,046)
	4,422,979	(1,954,016)
	5,828,964	(409,284)
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(8,950)	21,918
Payable to Central Depository Company of Pakistan Limited - Trustee	(559)	605
Payable to Securities and Exchange Commission of Pakistan	(2,157)	(853)
Accrued expenses and other liabilities	18,074	41,357
	6,408	63,027
Net cash generated from / (used in) operating activities	5,835,372	(346,257)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	53,320,266	53,670,167
Payments against redemption and conversion of units	(60,121,248)	(37,808,719)
Dividend paid	(1,403,572)	(1,543,107)
Net cash (used in) / generated from financing activities	(8,204,554)	14,318,341
Net (decrease) / increase in cash and cash equivalents during the period	(2,369,182)	13,972,084
Cash and cash equivalents at the beginning of the period	38,829,879	12,323,651
Cash and cash equivalents at the end of the period	5.3 <u>36,460,697</u>	<u>26,295,735</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

MEEZAN ROZANA AMDANI FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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 Limited.
- 1.5 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and PACRA dated June 26, 2020. 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 dated January 12, 2021.
- 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, 2020.

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, 2020.

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, 2020.

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 accounting 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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
5. BALANCES WITH BANKS			
In saving accounts	5.1	28,216,517	38,829,845
In current accounts		34	34
		28,216,551	38,829,879

5.1 The balances in saving accounts have an expected profit ranging from 2.22% to 7.10% per annum (June 30, 2020: 1.50% to 14.25% per annum).

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
5.3 Cash and cash equivalents	Note		
Balances with banks	5	28,216,551	38,829,879
Term deposit receipts having original maturity of 3 months or less	6	6,441,056	2,516,438
Receivable against Bai Muajjal	6.4	1,803,090	-
		<u>36,460,697</u>	<u>41,346,317</u>

6. INVESTMENTS

At fair value through profit or loss

Commercial paper	6.1	2,681,240	2,466,695
Corporate sukuk	6.2	1,425,000	675,000
Term deposit receipts having original maturity of 3 months or less	6.3	8,941,056	2,516,438
Bai Muajjal receivable	6.4	5,777,500	9,280,473
		<u>18,824,796</u>	<u>14,938,606</u>

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation/ (diminution)	As a percentage of net assets of the Fund	As a percentage of total market value of investment
			(Number of certificates)			(Rupees in '000)			--- % ---		
K-Electric Limited CP-5 Sukuk (note 6.1.1)	August 14, 2020	6 months Kibor plus base rate of 1.15%	600	-	600	-	-	-	-	-	-
K-Electric Limited CP-6 Sukuk (note 6.1.1)	August 26, 2020	6 months Kibor plus base rate of 1.15%	600	-	600	-	-	-	-	-	-
K-Electric Limited CP-7 Sukuk (note 6.1.1)	September 10, 2020	6 months Kibor plus base rate of 1.15%	800	-	800	-	-	-	-	-	-
K-Electric Limited CP-8 Sukuk (note 6.1.1)	October 06, 2020	6 months Kibor plus base rate of 1.15%	525	-	525	-	-	-	-	-	-
K-Electric Limited CP-9 Sukuk (note 6.1.1)	February 12, 2020	6 months Kibor plus base rate of 1.00%	-	675	-	675	668,876	668,876	-	1.42%	3.55%
K-Electric Limited CP-10 Sukuk (note 6.1.1)	February 26, 2020	6 months Kibor plus base rate of 0.95%	-	675	-	675	666,911	666,911	-	1.42%	3.54%
K-Electric Limited CP-11 Sukuk (note 6.1.1)	March 09, 2021	6 months Kibor plus base rate of 0.95%	-	480	-	480	473,098	473,098	-	1.01%	2.51%
K-Electric Limited CP-12 Sukuk (note 6.1.1)	March 24, 2021	6 months Kibor plus base rate of 0.75%	-	960	480	480	471,593	471,593	-	1.00%	2.51%
K-Electric Limited CP-13 Sukuk (note 6.1.1)	April 20, 2021	6 months Kibor plus base rate of 0.50%	-	410	-	410	400,762	400,762	-	0.85%	2.13%
Total as at December 31, 2020							<u>2,681,240</u>	<u>2,681,240</u>	-		<u>14.24%</u>
Total as at June 30, 2020							<u>2,466,695</u>	<u>2,466,695</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 July 1, 2020	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation/ (diminution)	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)				Net assets of the Fund	Total market value of investment
Hub Power Company Limited II (AA+, PACRA) (note 6.2.1)	November 19, 2020	3 months Kibor plus base rate of 1.50%	6,750	-	6,750	-	-	-	-	-	-
Hub Power Company Limited IV (A1+, PACRA) (note 6.2.1)	May 17, 2021	3 months Kibor plus base rate of 1.50%	-	6,750	-	6,750	675,000	675,000	-	1.44%	3.59%
Kot Addu Power Company Limited (A1+, VIS) (note 6.2.1)	June 08, 2021	3 months Kibor plus base rate of 0.7%	-	7,500	-	7,500	750,000	750,000	-	1.60%	3.98%
Total as at December 31, 2020							1,425,000	1,425,000	-	7.57%	
Total as at June 30, 2020							675,000	675,000	-		

- 6.2.1 The nominal value of these sukuk certificates is Rs 1,000,000 each.

6.3 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2020	Term deposit receipts placed during the period	Matured during the period	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (loss) / gain as at December 31, 2020	Percentage in relation to	
		%	(Rupees in '000)			(Rupees in '000)			Net assets of the fund	Total market value of investment
United Bank Limited - Ameen	July 2, 2020	7.35%	2,516,438	-	2,516,438	-	-	-	-	-
United Bank Limited - Ameen	August 3, 2020	6.45%	-	2,532,147	2,532,147	-	-	-	-	-
United Bank Limited - Ameen	September 3, 2020	6.45%	-	2,546,466	2,546,466	-	-	-	-	-
United Bank Limited - Ameen	October 5, 2020	6.50%	-	2,560,423	2,560,423	-	-	-	-	-
United Bank Limited - Ameen	October 5, 2020	6.50%	-	700,000	700,000	-	-	-	-	-
United Bank Limited - Ameen	November 5, 2020	6.50%	-	3,278,878	3,278,878	-	-	-	-	-
United Bank Limited - Ameen	December 7, 2020	6.50%	-	3,296,979	3,296,979	-	-	-	-	-
Askari Bank Limited	April 9, 2021	6.85%	-	2,500,000	-	2,500,000	2,500,000	-	5.32%	13.28%
United Bank Limited - Ameen	January 7, 2021	6.85%	-	4,041,056	-	4,041,056	4,041,056	-	8.60%	21.47%
Meezan Bank Limited	February 1, 2021	7.20%	-	1,400,000	-	1,400,000	1,400,000	-	2.98%	7.44%
Meezan Bank Limited	February 1, 2021	7.20%	-	1,000,000	-	1,000,000	1,000,000	-	2.13%	5.31%
Total as at December 31, 2020			23,855,949	17,431,331	8,941,056	8,941,056	-	47.50%		
Total as at June 30, 2020			11,716,438	13,850,000	2,516,438	2,516,438	-			

6.4 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total Transaction Price	Total Deferred Income	Accrued Profit for the period	Carrying value as at December 31, 2020
Pak Kuw ait Investment Company (AAA, PACRA)	July 22, 2020	12.70%	977,878	62,606	7,145	-
United Bank Limited (AAA, VIS)	August 18, 2020	12.45%	395,339	24,542	6,473	-
United Bank Limited (AAA, VIS)	August 17, 2020	12.45%	987,969	61,333	15,839	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 9, 2020	7.85%	666,470	26,231	23,077	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 10, 2020	7.85%	242,893	9,560	8,463	-
Pak Kuw ait Investment Company (AAA, PACRA)	July 23, 2020	12.70%	978,266	61,950	7,488	-
Pak Kuw ait Investment Company (AAA, PACRA)	July 24, 2020	12.70%	543,153	34,396	4,347	-
Samba Bank Limited (AA, VIS)	November 13, 2020	7.00%	660,234	23,172	17,094	-
Samba Bank Limited (AA, VIS)	November 20, 2020	7.00%	661,888	23,230	18,025	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 11, 2020	7.85%	721,160	28,383	25,281	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 15, 2020	7.85%	436,230	17,169	15,668	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 16, 2020	7.85%	436,388	17,175	15,767	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 18, 2020	7.85%	436,646	17,185	15,965	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 22, 2020	7.85%	242,963	9,562	9,092	-
Samba Bank Limited (AA, VIS)	November 19, 2020	7.00%	661,440	23,341	17,886	-
Pak Kuw ait Investment Company (AAA, PACRA)	January 22, 2021	6.15%	442,215	13,635	12,071	454,286
Pak Kuw ait Investment Company (AAA, PACRA)	January 22, 2021	6.15%	292,941	8,983	7,947	300,888
Pak Kuw ait Investment Company (AAA, PACRA)	January 27, 2021	6.15%	194,847	5,975	5,187	200,034
Pak Kuw ait Investment Company (AAA, PACRA)	January 28, 2021	6.15%	442,991	13,734	11,719	454,710
Pak Kuw ait Investment Company (AAA, PACRA)	January 29, 2021	6.15%	293,463	9,098	7,714	301,177
Pak Kuw ait Investment Company (AAA, PACRA)	January 29, 2021	6.15%	225,594	6,956	5,892	231,485
Samba Bank Limited (AA, VIS)	February 10, 2021	6.75%	445,039	15,144	11,851	456,890
Samba Bank Limited (AA, VIS)	February 12, 2021	6.75%	445,343	15,154	11,695	457,037
Samba Bank Limited (AA, VIS)	February 12, 2021	6.75%	445,500	15,077	11,617	457,117
Samba Bank Limited (AA, VIS)	February 16, 2021	6.75%	446,130	15,098	11,303	457,433
Samba Bank Limited (AA, VIS)	February 18, 2021	6.75%	198,350	6,749	4,989	203,339
Pak China Investment Company (AAA, VIS)	November 24, 2020	6.65%	447,244	7,497	7,497	-
Pak China Investment Company (AAA, VIS)	December 10, 2020	6.65%	249,200	4,132	4,132	-
Pak China Investment Company (AAA, VIS)	December 11, 2020	6.65%	249,264	4,133	4,133	-
Pak China Investment Company (AAA, VIS)	December 14, 2020	6.65%	249,454	4,136	4,136	-
Pak China Investment Company (AAA, VIS)	December 15, 2020	6.65%	249,518	4,137	4,137	-
Pak China Investment Company (AAA, VIS)	December 16, 2020	6.65%	249,582	4,138	4,138	-
Pak China Investment Company (AAA, VIS)	December 17, 2020	6.65%	249,645	4,139	4,139	-
Pak Kuw ait Investment Company (AAA, PACRA)	February 5, 2021	6.93%	282,629	4,937	3,059	285,687
Pak Kuw ait Investment Company (AAA, PACRA)	February 5, 2021	6.93%	256,583	4,482	2,777	259,374
Pak Kuw ait Investment Company (AAA, PACRA)	February 8, 2021	6.93%	256,647	4,580	2,724	259,376
Pak Kuw ait Investment Company (AAA, PACRA)	February 8, 2021	6.93%	282,700	5,045	3,006	285,705
Pak Kuw ait Investment Company (AAA, PACRA)	February 9, 2021	6.93%	705,859	12,330	7,103	712,962
Total as at December 31, 2020			16,649,655	629,124	360,576	5,777,500
Total as at June 30, 2020			9,488,070	439,152	505,583	231,555

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	December 31, 2020	June 30, 2020
		(Unaudited)	(Audited)
Management fee payable	7.1	727	1,440
Sindh Sales Tax payable on remuneration of the Management Company		95	187
Selling and marketing expenses payable	7.2	26,424	34,569
		<u>27,246</u>	<u>36,196</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Effective from July 1, 2020, the Management Company has charged the remuneration at the rate of 0.2% of net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expense at the following rates of the average annual net assets of the Fund for the following period. Further, selling and marketing expenses were discontinued from December 12, 2020 to December 31, 2020.

Rate	Period
0.40%	July 1, 2020 - August 31, 2020
0.30%	September 1, 2020 - December 11, 2020

	Note	December 31, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		200	282
Brokerage payable		41	1,341
Shariah advisor fee payable		546	540
Withholding tax payable		19,967	29,570
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	110,188	81,496
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		835	77
Other payables		606	367
Zakat payable		119	755
		<u>132,502</u>	<u>114,428</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, 2020, the net asset value of the Fund and accordingly, dividend payout as at December 31, 2020 would have been higher by Re. 0.12 per unit (June 30, 2020: 0.08 per unit).

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

10. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.77% which includes 0.18% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "money market fund".

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 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, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Management fee payable	727	1,440
Sindh Sales Tax on management fee payable	95	187
Selling and marketing expense payable	26,424	34,569
Investment of 31,493,467 units (June 30, 2020: 33,990,446 units)	1,574,673	1,699,522
Meezan Bank Limited		
Bank balance	70,020	175,445
Profit receivable on saving accounts	239	1,864
Term deposit receipt placed	2,400,000	-
Profit on term deposit receipts	750	-
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	2,348	2,843
Sindh Sales Tax on trustee fee payable	306	370
Security deposit	100	100
CDS charges Payable	835	77
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 793,405 units (June 30, 2020: nil units)	39,670	-
Meezan Strategic Allocation Fund -II - MCPP - IV		
Investment of 2,798,756 units (June 30, 2020: nil units)	139,938	-
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of 2,649,616 units (June 30, 2020: nil units)	132,481	-
Meezan Strategic Allocation Fund II- MCPP - VI		
Investment of 505,549 units (June 30, 2020: nil units)	25,277	-
Meezan Strategic Allocation Fund II- MCPP - VII		
Investment of 404,439 units (June 30, 2020: nil units)	20,222	-
Meezan Strategic Allocation Fund II- MCPP - VIII		
Investment of 202,219 units (June 30, 2020: nil units)	10,111	-
Meezan Strategic Allocation Fund III- MCPP - IX		
Investment of 305,475 units (June 30, 2020: nil units)	15,274	-
Unit holders holding 10 percent or more of the Fund		
Investment of 239,242,685 units (June 30, 2020: 228,629,749 units)	11,962,134	11,431,488



	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 412,787 units (June 30, 2020: nil units)	20,639	-
Directors and Executives of the Management Company		
Investment of 266,434 units (June 30, 2020: 163,605 units)	13,322	8,180
	For the six months period ended December 31, 2020	For the six months period ended December 31, 2019
Transactions during the period	(Unaudited)	
	(Rupees in '000)	
Al Meezan Investment Management Company Limited - Management Company		
Remuneration for the period	44,996	37,186
Sindh Sales Tax on management fee for the period	5,849	4,834
Selling and marketing expense	68,284	40,087
Units issued: 21,593,021 units (December 31, 2019: 27,371,776 units)	1,079,651	1,368,589
Units redeemed: 24,090,000 units (December 31, 2019: 10,040,000 units)	1,204,500	502,000
Dividend paid	53,543	73,844
Meezan Bank Limited		
Profit on saving account	4,636	7,792
Term deposit receipt placed	2,400	2,700
Term deposit receipt matured	-	2,700
Profit on term deposit receipts	750	132,910
Central Depository Company of Pakistan Limited - The Trustee		
Remuneration fee for the period	14,624	8,335
Sindh Sales Tax on trustee fee for the period	1,901	1,084
CDS charges	2,473	438
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: nil units (December 31, 2019: 24,936,614 units)	-	1,246,831
Units redeemed: nil units (December 31, 2019: 14,859,762 units)	-	742,988
Dividend paid	-	22,059
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: nil units (December 31, 2019: 3,547,664 units)	-	177,383
Units redeemed: nil units (December 31, 2019: 1,664,470 units)	-	83,224
Dividend paid	-	7,525
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: nil units (December 31, 2019: 5,661,695 units)	-	283,085
Units redeemed: nil units (December 31, 2019: 2,069,421 units)	-	103,471
Dividend paid	-	11,434
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: nil units (December 31, 2019: 5,765,922 units)	-	288,296
Units redeemed: nil units (December 31, 2019: 2,022,440 units)	-	101,122
Dividend paid	-	12,257
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: nil units (December 31, 2019: 1,795,924 units)	-	89,796
Units redeemed: nil units (December 31, 2019: 780,802 units)	-	39,040
Dividend paid	-	3,184

	For the six months period ended December 31, 2020	For the six months period ended December 31, 2019
	(Unaudited) (Rupees in '000)	
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units issued: 808,805 units (December 31, 2019: 37,420,392 units)	40,440	1,871,020
Units redeemed: 15,400 units (December 31, 2019: 28,270,243 units)	770	1,413,512
Dividend paid	440	24,530
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 6,256,116 units (December 31, 2019: 26,506,901 units)	312,806	1,325,345
Units redeemed: 3,457,360 units (December 31, 2019: 14,569,057 units)	172,868	728,453
Dividend paid	2,329	49,568
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 3,926,356 units (December 31, 2019: 7,437,771 units)	196,318	371,889
Units redeemed: 1,276,740 units (December 31, 2019: 5,354,080 units)	63,837	267,704
Dividend paid	3,565	14,525
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 505,549 units (December 31, 2019: 6,173,431 units)	25,277	308,672
Units redeemed: nil units (December 31, 2019: 3,678,041 units)	-	183,902
Dividend paid	277	11,996
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 404,439 units (December 31, 2019: 3,099,097 units)	20,222	154,955
Units redeemed: nil units (December 31, 2019: 1,797,639 units)	-	89,882
Dividend paid	222	6,488
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 202,219 units (December 31, 2019: 4,949,235 units)	10,111	247,462
Units redeemed: nil units (December 31, 2019: 4,318,808 units)	-	215,940
Dividend paid	111	4,426
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: 365,584 units (December 31, 2019: 4,173,849 units)	18,279	208,692
Units redeemed: 60,109 units (December 31, 2019: 3,032,879 units)	3,005	151,644
Dividend paid	179	3,787
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: 412,787 units (December 31, 2019: nil units)	20,639	-
Dividend paid	439	-
Directors and Executives of the Management Company		
Units issued: 324,588 units (December 31, 2019: 126,604 units)	16,229	6,330
Units redeemed: 221,759 units (December 31, 2019: 2,263,247 units)	11,088	113,162
Dividend paid	270	1,003

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 at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Corporate sukuks	-	1,425,000	-	1,425,000
Commercial papers *	-	2,681,240	-	2,681,240
Term deposit receipts - having original maturity of 3 months or less *		8,941,056	-	8,941,056
Bai Muajjal receivable	-	5,777,500	-	5,777,500
	-	<u>18,824,796</u>	-	<u>18,824,796</u>

ASSETS	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Corporate sukuks	-	675,000	-	675,000
Commercial papers *	-	2,466,695	-	2,466,695
Term deposit receipts - having original maturity of 3 months or less *		2,516,438	-	2,516,438
Bai Muajjal receivable	-	9,280,473	-	9,280,473
	-	<u>14,938,606</u>	-	<u>14,938,606</u>

* The valuation of commercial papers and Bai Muajjal receivable have been carried out based on amortisation to their face values / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit rating.

14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For Al 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)

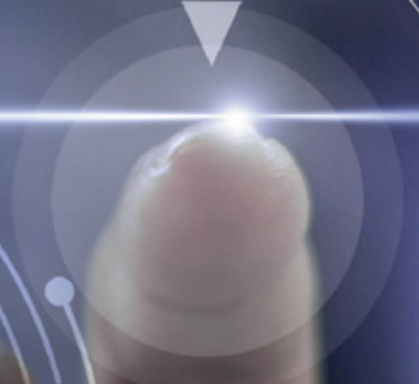
Meezan Financial Planning Fund of Funds invests in Shariah compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the investor and in doing so, it strives to generate returns on investment aligned with respective allocation plans.

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START 

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- Data
- Security
- Analysis
- Innovation
- Technology
- Network

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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Financial Planning Fund of Funds (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F.Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

(Unaudited)						
As at December 31, 2020						
	Aggressive	Moderate	Conservative	MAAP-I	Total	
Note (Rupees in '000)						
Assets						
Balances with banks	5	4,380	4,531	9,272	2,868	21,051
Investments	6	324,331	138,270	161,213	216,570	840,384
Receivable against conversion of units		1,078	61	81	-	1,220
Receivable against sale of investments		-	-	-	699	699
Profit receivable on saving accounts with banks		2	12	13	10	37
Total assets		329,791	142,874	170,579	220,147	863,391
Liabilities						
Payable to AI Meezan Investment Management Limited - the Management Company	8	33	22	58	30	143
Payable to Central Depository Company of Pakistan Limited - the Trustee		26	9	19	12	66
Payable to Meezan Bank Limited		5	4	2	-	11
Payable to the Securities and Exchange Commission of Pakistan		31	13	15	35	94
Payable on redemption and conversion of units		1,142	455	1,436	-	3,033
Payable against purchase of investments		-	2,000	7,500	702	10,202
Dividend payable		-	-	-	-	-
Accrued expenses and other liabilities	9	5,686	3,661	2,552	12,363	24,262
Total liabilities		6,923	6,164	11,582	13,142	37,811
Net assets		322,868	136,710	158,997	207,005	825,580
Contingencies and commitments	7					
Unit holders' fund (as per statement attached)		322,868	136,710	158,997	207,005	825,580
(Number of units)						
Number of units in issue		4,354,405	2,013,196	2,409,498	3,447,935	
(Rupees)						
Net asset value per unit		74.1474	67.9068	65.9876	60.0374	

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

(Audited)						
As at June 30, 2020						
	Aggressive	Moderate	Conservative	MAAP-I	Total	
Assets						
Balances with banks	5	1,858	2,265	7,687	1,318	13,128
Investments	6	289,209	120,616	143,532	329,470	882,827
Receivable against conversion of units		103	9	81	-	193
Profit receivable on saving accounts with banks		7	15	10	12	44
Total assets		<u>291,177</u>	<u>122,905</u>	<u>151,310</u>	<u>330,800</u>	<u>896,192</u>
Liabilities						
Payable to AI Meezan Investment Management Limited - the Management Company	8	23	14	31	27	95
Payable to Central Depository Company of Pakistan Limited - the Trustee		22	7	18	9	56
Payable to Meezan Bank Limited		3	1	2	-	6
Payable to the Securities and Exchange Commission of Pakistan		61	28	34	74	197
Payable on redemption and conversion of units		3,462	752	5,034	-	9,248
Dividend payable		40	112	-	1,184	1,336
Accrued expenses and other liabilities	9	4,826	3,422	2,312	11,387	21,947
Total liabilities		<u>8,437</u>	<u>4,336</u>	<u>7,431</u>	<u>12,681</u>	<u>32,885</u>
Net assets		<u>282,740</u>	<u>118,569</u>	<u>143,879</u>	<u>318,119</u>	<u>863,307</u>
Contingencies and commitments	7					
Unit holders' fund (as per statement attached)		<u>282,740</u>	<u>118,569</u>	<u>143,879</u>	<u>318,119</u>	<u>863,307</u>
----- (Number of units) -----						
Number of units in issue		<u>4,583,711</u>	<u>2,004,577</u>	<u>2,374,185</u>	<u>6,365,222</u>	
----- (Rupees) -----						
Net asset value per unit		<u>61.6837</u>	<u>59.1490</u>	<u>60.6014</u>	<u>49.9777</u>	

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

Six months period ended December 31, 2020					
	Aggressive	Moderate	Conservative	MAAP-I	Total
Note (Rupees in '000)					
Income					
Net realised gain on sale of investments	5,177	2,603	1,964	28,236	37,980
Profit on saving accounts with banks	65	68	77	20	230
	<u>5,242</u>	<u>2,671</u>	<u>2,041</u>	<u>28,256</u>	<u>38,210</u>
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'	6.1 52,945	15,334	11,217	35,215	114,711
Total income	<u>58,187</u>	<u>18,005</u>	<u>13,258</u>	<u>63,471</u>	<u>152,921</u>
Expenses					
Remuneration to AI Meezan Investment Management Limited - the Management Company	8 24	21	33	6	84
Sindh Sales Tax on management fee	3	3	4	1	11
Allocated expenses	157	67	76	175	475
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	110	47	53	122	332
Sindh Sales Tax on trustee fee	14	6	7	16	43
Annual fee to the Securities and Exchange Commission of Pakistan	31	13	15	35	94
Auditors' remuneration	120	52	59	137	368
Fees and subscription	53	23	27	61	164
Bank and settlement charges	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	1,154	355	260	1,258	3,027
Total expenses	<u>1,666</u>	<u>587</u>	<u>534</u>	<u>1,811</u>	<u>4,598</u>
Net income for the period before taxation	<u>56,521</u>	<u>17,418</u>	<u>12,724</u>	<u>61,660</u>	<u>148,323</u>
Taxation	12 -	-	-	-	-
Net income for the period after taxation	<u>56,521</u>	<u>17,418</u>	<u>12,724</u>	<u>61,660</u>	<u>148,323</u>
Allocation of net income for the period					
Net income for the period after taxation	56,521	17,418	12,724	61,660	148,323
Income already paid on units redeemed	(4,977)	(1,894)	(1,394)	(26,975)	(35,240)
	<u>51,544</u>	<u>15,524</u>	<u>11,330</u>	<u>34,685</u>	<u>113,083</u>
Accounting income available for distribution					
- Relating to capital gains	51,544	15,524	11,330	34,685	113,083
- Excluding capital gains	-	-	-	-	-
	<u>51,544</u>	<u>15,524</u>	<u>11,330</u>	<u>34,685</u>	<u>113,083</u>

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

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020**

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)
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	93,868
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 AI Meezan Investment Management Limited - the Management Company	8 28	23	19	71	141
Sindh Sales Tax on management fee	4	3	2	9	18
Allocated expenses	166	75	93	214	548
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	116	53	65	150	384
Sindh Sales Tax on trustee fee	15	7	8	19	49
Annual fee to the Securities and Exchange Commission of Pakistan	33	15	19	43	110
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
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	12 -	-	-	-	-
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	45,546	16,639	14,904	7,046	84,240
- Excluding capital gains	-	-	-	105	-
	<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 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020**

Quarter ended December 31, 2020					
	Aggressive	Moderate	Conservative	MAAP-I	Total
Note ----- (Rupees in '000) -----					
Income					
Net realised gain on sale of investments	1,446	1,441	839	24,136	27,862
Profit on saving accounts with banks	39	21	52	17	129
	<u>1,485</u>	<u>1,462</u>	<u>891</u>	<u>24,153</u>	<u>27,991</u>
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value ' through profit or loss'	17,357	4,494	3,657	(2,075)	23,433
Total income	<u>18,842</u>	<u>5,956</u>	<u>4,548</u>	<u>22,078</u>	<u>51,424</u>
Expenses					
Remuneration to AI Meezan Investment Management Limited - the Management Company	8 12	9	24	5	50
Sindh Sales Tax on management fee	2	1	3	1	7
Allocated expenses	78	33	38	86	235
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	55	23	26	61	165
Sindh Sales Tax on trustee fee	7	3	3	8	21
Annual fee to the Securities and Exchange Commission of Pakistan	15	6	7	17	45
Auditors' remuneration	65	28	31	73	197
Fees and subscription	22	10	12	26	70
Bank and settlement charges	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	372	117	88	436	1,013
Total expenses	<u>628</u>	<u>230</u>	<u>232</u>	<u>713</u>	<u>1,803</u>
Net income for the quarter before taxation	<u>18,214</u>	<u>5,726</u>	<u>4,316</u>	<u>21,365</u>	<u>49,621</u>
Taxation	12 -	-	-	-	-
Net income for the quarter after taxation	<u>18,214</u>	<u>5,726</u>	<u>4,316</u>	<u>21,365</u>	<u>49,621</u>

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020**

Quarter ended December 31, 2019					
	Aggressive	Moderate	Conservative	MAAP-I	Total
Note ----- (Rupees in '000) -----					
Income					
Net realised gain on sale of investments	3,240	2,035	2,637	2,252	10,164
Profit on saving accounts with banks	194	139	101	734	1,168
	<u>3,434</u>	<u>2,174</u>	<u>2,738</u>	<u>2,986</u>	<u>11,332</u>
Unrealised appreciation on re-measurement of investments at 'fair value ' through profit or loss'	59,414	19,394	13,226	33,717	125,751
Total income	<u>62,848</u>	<u>21,568</u>	<u>15,964</u>	<u>36,703</u>	<u>137,083</u>
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company	8 16	13	10	49	88
Sindh Sales Tax on management fee	2	2	1	6	11
Allocated expenses	81	37	44	86	248
Remuneration to Central Depository Company of Pakistan Limited - Trustee	57	26	31	60	174
Sindh Sales Tax on trustee fee	7	4	4	7	22
Annual fee to Securities and Exchange Commission of Pakistan	16	7	9	17	49
Auditors' remuneration	52	24	29	55	160
Fees and subscription	22	10	11	24	67
Bank and settlement charges	3	3	2	1	9
Provision for Sindh Workers' Welfare Fund	948	363	317	146	1,774
Total expenses	<u>1,204</u>	<u>489</u>	<u>458</u>	<u>451</u>	<u>2,602</u>
Net Income for the quarter before taxation	<u>61,644</u>	<u>21,079</u>	<u>15,506</u>	<u>36,252</u>	<u>134,481</u>
Taxation	12 -	-	-	-	-
Net Income for the quarter after taxation	<u>61,644</u>	<u>21,079</u>	<u>15,506</u>	<u>36,252</u>	<u>134,481</u>

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020**

Six months period ended December 31, 2020					
Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)					
Net income for the period after taxation	56,521	17,418	12,724	61,660	148,323
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	56,521	17,418	12,724	61,660	148,323

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

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020**

	Quarter ended December 31, 2020				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(Rupees in '000)				
Net income for the quarter after taxation	18,214	5,726	4,316	21,365	49,621
Other comprehensive income for the quarter	-	-	-	-	-
Total comprehensive income for the quarter	<u>18,214</u>	<u>5,726</u>	<u>4,316</u>	<u>21,365</u>	<u>49,621</u>

	Quarter ended December 31, 2019				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(Rupees in '000)				
Net income for the quarter after taxation	61,644	21,079	15,506	36,252	134,481
Other comprehensive income for the quarter	-	-	-	-	-
Total comprehensive income for the quarter	<u>61,644</u>	<u>21,079</u>	<u>15,506</u>	<u>36,252</u>	<u>134,481</u>

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31, 2020			Six months period ended December 31, 2020			Six months period ended December 31, 2020			Six months period ended December 31, 2020			Six months period ended December 31, 2020		
	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	251,746	30,994	282,740	70,980	47,589	118,569	86,818	57,061	143,879	257,512	60,607	318,119	667,056	196,251	863,307
Issuance of units:															
Aggressive: 886,123 units / Moderate: 529,187 units /															
Conservative: 1,062,782 units															
- Capital value (at net asset value per unit at the beginning of the period)	54,659		54,659	31,301		31,301	64,406		64,406	-		-	150,366		150,366
- Element of income	6,585		6,585	3,149		3,149	3,867		3,867	-		-	13,601		13,601
Total proceeds on issuance of units	61,244	-	61,244	34,450	-	34,450	68,273	-	68,273	-	-	-	163,967	-	163,967
Redemption of units:															
Aggressive: 1,115,429 units / Moderate: 520,569 units /															
Conservative: 1,027,469 units / MAAP I: 2,917,287 units /															
- Capital value (at net asset value per unit at the beginning of the period)	68,804	-	68,804	30,791	-	30,791	62,266	-	62,266	145,799	-	145,799	307,660	-	307,660
- Element of income	3,856	4,977	8,833	1,042	1,894	2,936	2,219	1,394	3,613	-	26,975	26,975	7,117	35,240	42,357
Total payments on redemption of units	72,660	4,977	77,637	31,833	1,894	33,727	64,485	1,394	65,879	145,799	26,975	172,774	314,777	35,240	350,017
Total comprehensive income for the period	-	56,521	56,521	-	17,418	17,418	-	12,724	12,724	-	61,660	61,660	-	148,323	148,323
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	56,521	56,521	-	17,418	17,418	-	12,724	12,724	-	61,660	61,660	-	148,323	148,323
Net assets at the end of the period	240,330	82,538	322,868	73,597	63,113	136,710	90,606	68,391	158,997	111,713	95,292	207,005	516,246	309,334	825,580
Undistributed income brought forward															
- Realised income		42,079			50,810			59,029			55,354			207,272	
- Unrealised (loss) / income		(11,085)			(3,221)			(1,968)			5,253			(11,021)	
		30,994			47,589			57,061			60,607			196,251	
Accounting income available for distribution															
- Relating to capital gains		51,544			15,524			11,330			34,685			113,083	
- Excluding capital gains		-			-			-			-			-	
		51,544			15,524			11,330			34,685			113,083	
		82,538													
Distribution during the period		-			-			-			-			-	
Undistributed income carried forward		82,538			63,113			68,391			95,292			309,334	
Undistributed income carried forward															
- Realised income		29,593			47,779			57,174			60,077			194,623	
- Unrealised gain		52,945			15,334			11,217			35,215			114,711	
		82,538			63,113			68,391			95,292			309,334	
		Rupees			Rupees			Rupees			Rupees			Rupees	
Net asset value per unit as at the beginning of the period		61.6837			59.1490			60.6014			49.9777			60.0374	
Net asset value per unit as at the end of the period		74.1474			67.9068			65.9876			60.0374				

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31, 2019			Six months period ended December 31, 2020			Six months period ended December 31, 2019			Six months period ended December 31, 2019			Six months period ended December 31, 2019		
	Aggressive			Moderate			Conservative			MAAP-I			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	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)	
Accounting income available for distribution		17,835			36,050			43,621			55,354			152,860	
- 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				
Net asset value per unit as at the end of the period		67,9113			61,1710			59,9095			50,2403				

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

Note	Six months period ended December 31, 2020				
	Aggressive	Moderate	Conservative	MAAP-I	Total
(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	56,521	17,418	12,724	61,660	148,323
Adjustments for					
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	(52,945)	(15,334)	(11,217)	(35,215)	(114,711)
	3,576	2,084	1,507	26,445	33,612
Decrease / (increase) in assets					
Investments - net	17,823	(2,320)	(6,464)	148,115	157,154
Receivable against sale of investments	-	-	-	(699)	(699)
Profit receivable on saving accounts with banks	5	3	(3)	2	7
	17,828	(2,317)	(6,467)	147,418	156,462
Increase in liabilities					
Payable to Al Meezan Investment Management Limited - the Management Company	10	8	27	3	48
Payable to Central Depository Company of Pakistan Limited - the Trustee	4	2	1	3	10
Payable to Meezan Bank Limited	2	3	-	-	5
Payable to the Securities and Exchange Commission of Pakistan	(30)	(15)	(19)	(39)	(103)
Payable against purchase of investments	-	2,000	7,500	702	10,202
Accrued expenses and other liabilities	860	239	240	976	2,315
	846	2,237	7,749	1,645	12,477
Net cash generated from operating activities	22,250	2,004	2,789	175,508	202,551
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance and conversion of units	60,269	34,398	68,273	-	162,940
Payments against redemption and conversion of units	(79,957)	(34,024)	(69,477)	(172,774)	(356,232)
Dividend paid	(40)	(112)	-	(1,184)	(1,336)
Net cash (used in) / generated from financing activities	(19,728)	262	(1,204)	(173,958)	(194,628)
Net increase in cash and cash equivalents during the period	2,522	2,266	1,585	1,550	7,923
Cash and cash equivalents at the beginning of the period	1,858	2,265	7,687	1,318	13,128
Cash and cash equivalents at the end of the period	5 4,380	4,531	9,272	2,868	21,051

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

Note	Six months period ended December 31, 2019				
	Aggressive	Moderate	Conservative	MAAP-I	Total
(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss 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 - the Management Company	(25)	(2)	13	(4)	(18)
Payable to Central Depository Company of Pakistan Limited - the Trustee	(12)	(8)	(7)	(34)	(61)
Payable to Meezan Bank Limited	4	4	2	-	10
Payable to the 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	5 <u>6,632</u>	<u>7,379</u>	<u>3,594</u>	<u>22,506</u>	<u>40,111</u>

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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 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 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 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 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.
- 1.6** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.7** 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 the remaining portion 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 the remaining portion 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 the remaining portion in Shariah Compliant Fixed Income Funds.

Meezan Asset Allocation Plan I (MAAP-I)	<p>Low risk - High return through asset allocation</p> <p>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 year ended June 2020, the SECP approved the extension of the plan by one year vide its letter dated November 13, 2020. Further, after the expiry of first extension, during the current period, the SECP again approved the extension of the plan further by one year vide its letter dated November 24, 2020.</p>
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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 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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

4.3 Standards, interpretations 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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. 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, 2020				
Note		Aggressive	Moderate	Conservative	MAAP-I	Total
		----- (Rupees in '000) -----				
Saving accounts	5.1	3,953	4,521	9,262	2,858	20,594
Current accounts		427	10	10	10	457
		<u>4,380</u>	<u>4,531</u>	<u>9,272</u>	<u>2,868</u>	<u>21,051</u>

		----- (Audited) -----				
		As at June 30, 2020				
Note		Aggressive	Moderate	Conservative	MAAP-I	Total
		----- (Rupees in '000) -----				
Saving accounts	5.1	1,431	2,255	7,677	1,308	12,671
Current accounts		427	10	10	10	457
		<u>1,858</u>	<u>2,265</u>	<u>7,687</u>	<u>1,318</u>	<u>13,128</u>

5.1 The balance in savings accounts have an expected profit ranging from 2.31% to 6.5% (June 30, 2020: 1.50% to 7.50%) per annum.

6 INVESTMENTS

		----- (Unaudited) -----				
		As at December 31, 2020				
Note		Aggressive	Moderate	Conservative	MAAP-I	Total
		----- (Rupees in '000) -----				
Investments - 'at fair value through profit or loss'	6.1	<u>324,331</u>	<u>138,270</u>	<u>161,213</u>	<u>216,570</u>	<u>840,384</u>

(Audited)				
As at June 30, 2020				
Aggressive	Moderate	Conservative	MAAP-I	Total

Investments - 'at fair value through profit or loss' 6.1 289,209 120,616 143,532 329,470 882,827
(Rupees in '000)

6.1 At fair value through profit or loss - Units of mutual funds

Name of investee funds	As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (diminution)/ appreciation as at December 31, 2020	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	4,834,002	60,968	782,886	4,112,084	192,810	243,226	50,416	75.33	74.99
Meezan Islamic Income Fund	1,226,417	427,379	131,757	1,522,039	78,576	81,105	2,529	25.12	25.01
					271,386	324,331	52,945	100.45	100.00
Moderate Allocation Plan									
Meezan Islamic Fund	1,412,939	237,826	482,131	1,168,634	55,893	69,124	13,231	50.56	49.99
Meezan Islamic Income Fund	1,059,598	1,731,296	1,493,275	1,297,619	67,043	69,146	2,103	50.58	50.01
					122,936	138,270	15,334	101.14	100.00
Conservative Allocation Plan									
Meezan Islamic Fund	880,333	75,590	274,718	681,205	32,682	40,293	7,611	25.34	24.99
Meezan Islamic Income Fund	1,988,863	466,081	185,722	2,269,222	117,314	120,920	3,606	76.05	75.01
					149,996	161,213	11,217	101.39	100.00
Meezan Asset Allocation Plan I									
Almeezan Mutual Fund	3,382,999	42,203	1,215,052	2,210,150	29,573	36,658	7,085	17.71	16.93
Meezan Dedicated Equity Fund	2,948,758	-	207,677	2,741,081	94,854	120,041	25,187	57.99	55.43
Meezan Islamic Fund	1,984,594	206,351	1,984,047	206,898	9,830	12,238	2,408	5.91	5.65
Meezan Islamic Income Fund	1,740,037	2,239,200	3,085,345	893,892	47,098	47,633	535	23.01	21.99
Meezan Sovereign Fund	-	1,925,349	1,925,349	-	-	-	-	-	-
					181,355	216,570	35,215	104.62	100.00
Total investments in units of mutual funds									
Al Meezan Mutual Fund	3,382,999	42,203	1,215,052	2,210,150	29,573	36,658	7,085	4.44	4.36
Meezan Islamic Fund	9,111,868	580,735	3,523,782	6,168,820	291,215	364,881	73,666	44.2	43.42
Meezan Islamic Income Fund	6,014,915	4,863,956	4,896,099	5,982,772	310,032	318,804	8,772	38.62	37.94
Meezan Sovereign Fund	-	1,925,349	1,925,349	-	-	-	-	-	-
Meezan Dedicated Equity Fund	2,948,758	-	207,677	2,741,081	94,853	120,041	25,188	14.54	14.28
					725,673	840,384	114,711	101.80	100.00

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED -THE MANAGEMENT COMPANY

(Unaudited)					
As at December 31, 2020					
Note	Aggressive	Moderate	Conservative	MAAP-I	Total

(Rupees in '000)

Management fee payable	8.1	3	2	6	13
Sindh Sales Tax payable on remuneration of the Management company		-	-	1	1
Sales load payable		15	8	20	43
Sindh Sales Tax on sales load		2	1	3	6
Allocated expense payable	8.2	13	11	28	80
		33	22	58	143

		----- (Audited) -----				
		As at June 30, 2020				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Management fee payable	8.1	3	1	4	1	9
Sindh Sales Tax payable on remuneration of the Management company		1	-	1	-	2
Sales load payable		9	2	-	-	11
Sindh Sales Tax on sales load		1	1	-	-	2
Allocated expense payable	8.2	9	10	26	26	71
		<u>23</u>	<u>14</u>	<u>31</u>	<u>27</u>	<u>95</u>

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2019: 1%) per annum of the daily bank balance of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

8.2 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).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the year for the period.

9 ACCRUED EXPENSES AND OTHER LIABILITIES

		----- (Unaudited) -----				
		As at December 31, 2020				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Withholding tax payable		143	463	25	412	1,043
Provision for Sindh Workers' Welfare Fund	9.1	4,855	2,531	1,839	8,310	17,535
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	368	497	528	3,295	4,688
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	72	40	36	16	164
Shariah advisor fee payable		50	21	22	55	148
Auditors' remuneration payable		106	46	51	119	322
Printing charges payable		92	63	51	156	362
		<u>5,686</u>	<u>3,661</u>	<u>2,552</u>	<u>12,363</u>	<u>24,262</u>

		----- (Audited) -----				
		As at June 30, 2020				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Withholding tax payable		310	505	-	359	1,174
Capital gain tax payable		115	69	35	318	537
Provision for Sindh Workers' Welfare Fund	9.1	3,701	2,176	1,579	7,052	14,508
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	368	497	528	3,295	4,688
Shariah advisor fee payable		50	21	24	53	148
Auditors' remuneration payable		117	51	63	135	366
Printing charges payable		93	63	47	159	362
		<u>4,826</u>	<u>3,422</u>	<u>2,312</u>	<u>11,387</u>	<u>21,947</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 provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit would have been higher by Rs 1.11, Rs 1.26, Re 0.76 and Rs 2.41 for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I (June 30, 2020 by Re. 0.81, Re. 0.47, Re. 0.34 and Rs. 1.54 for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I) respectively.

- 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 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, 2020 would have been higher by Re. 0.10, Re 0.27, Re. 0.23 and Re. 0.96 per unit in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I (June 30, 2020: Re 0.10, Re 0.27, Re 0.24 and Re 0.52 per unit) respectively.

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, 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, 2020 -----				
Aggressive	Moderate	Conservative	MAAP-I	Total

AI Meezan Investment Management Limited -
the Management Company

Remuneration payable (Rs in '000)	3	2	6	2	13
Sindh Sales Tax on management fee payable (Rs in '000)	-	-	1	-	1
Sales load payable (Rs in '000)	15	8	20	-	43
Sindh Sales Tax on sales load payable (Rs in '000)	2	1	3	-	6
Allocated expenses payable (Rs in '000)	13	11	28	28	80
Investment (Rs in '000)	-	-	8,275	-	8,275
Investment (Units)	-	-	125,407	-	125,407

Meezan Bank Limited

Bank balance (Rs in '000)	4,128	4,298	9,065	2,748	20,239
Profit receivable (Rs in '000)	8	6	16	15	45
Sales load payable (Rs in '000)	5	4	2	-	11

Central Depository Company of Pakistan
Limited - the Trustee

Trustee fee payable (Rs in '000)	22	7	17	11	57
Sindh Sales Tax on trustee fee payable (Rs in '000)	4	2	2	1	9

Directors and Executives of the Management Company

Investment (Rs in '000)	-	-	-	-	-
Investment (Units)	-	-	-	-	-

Meezan Islamic Fund

Investment (Rs in '000)	243,226	69,124	40,293	12,238	364,881
Investment (Units)	4,112,084	1,168,634	681,205	206,898	6,168,821

AI Meezan Mutual Fund

Investment (Rs in '000)	-	-	-	36,658	36,658
Investment (Units)	-	-	-	2,210,150	2,210,150

Meezan Islamic Income Fund

Investment (Rs in '000)	81,105	69,146	120,920	47,633	318,804
Investment (Units)	1,522,039	1,297,619	2,269,222	893,892	5,982,772

Meezan Dedicated Equity Fund

Investment (Rs in '000)	-	-	-	120,041	120,041
Investment (Units)	-	-	-	2,741,081	2,741,081

Unit Holders holding 10% or more units of the Fund

Investment (Rs in '000)	187,285	18,823	57,651	130,572	394,331
Investment (Units)	2,525,841	277,189	873,669	2,174,837	5,851,536

----- (Audited) -----				
----- As at June 30, 2020 -----				
Aggressive	Moderate	Conservative	MAAP-I	Total

AI Meezan Investment Management Limited - the Management Company

Remuneration Payable (Rs in '000)	3	1	4	1	9
Sindh Sales Tax on management fee payable (Rs in '000)	1	-	1	-	2
Sales load payable (Rs in '000)	9	2	-	-	11
Sindh Sales Tax on sales load payable (Rs in '000)	1	1	-	-	2
Allocated expenses payable (Rs in '000)	9	10	26	26	71
Investment (Rs in '000)	-	-	7,600	-	7,600
Investment (Units)	-	-	125,407	-	125,407

	(Audited)				
	As at June 30, 2020				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Meezan Bank Limited					
Bank balance (Rs in '000)	1,611	2,037	7,484	1,201	12,333
Profit receivable (Rs in '000)	10	7	11	15	43
Sales load payable (Rs in '000)	3	1	2	-	6
Central Depository Company of Pakistan Limited - the Trustee					
Trustee Fee payable (Rs in '000)	19	6	16	8	49
Sindh Sales Tax on trustee fee payable (Rs in '000)	3	1	2	1	7
Directors and Executives of the Management Company					
Investment (Rs in '000)	1,194,752	6,211	31,876	-	1,232,839
Investment (Units)	19,369	105	526	-	20,000
Meezan Islamic Fund					
Investment (Rs in '000)	226,091	66,084	41,174	92,821	426,170
Investment (Units)	4,834,002	1,412,939	880,333	1,984,594	9,111,868
Al Meezan Mutual Fund					
Investment (Rs in '000)	-	-	-	45,057	45,057
Investment (Units)	-	-	-	3,382,999	3,382,999
Meezan Islamic Income Fund					
Investment (Rs in '000)	63,118	54,532	102,358	89,552	309,560
Investment (Units)	1,226,417	1,059,598	1,988,863	1,740,037	6,014,915
Meezan Dedicated Equity Fund					
Investment (Rs in '000)	-	-	-	102,040	102,040
Investment (Units)	-	-	-	2,948,758	2,948,758
Unit Holders holding 10% or more units of the Fund					
Investment (Rs in '000)	156,621	12,713	52,946	161,801	384,081
Investment (Units)	2,539,103	214,928	873,679	3,237,467	6,865,177
Transactions during the period					
	(Unaudited)				
	For the period ended December 31, 2020				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Al Meezan Investment Management Limited - the Management Company					
Remuneration for the period (Rs in '000)	24	21	33	6	84
Sindh Sales Tax on management fee (Rs in '000)	3	3	4	1	11
Allocated expense (Rs in '000)	157	67	76	175	475
Meezan Bank Limited					
Profit on saving account (Rs in '000)	63	66	75	20	224
Central Depository Company of Pakistan Limited - the Trustee					
Trustee fee for the period (Rs in '000)	110	47	53	122	332
Sindh Sales Tax on trustee fee (Rs in '000)	14	6	7	16	43

----- (Unaudited) -----					
For the period ended December 31, 2020					
Aggressive	Moderate	Conservative	MAAP-I	Total	
Directors and Executives of the Management Company					
Invested during the period (Rs. in '000)	29,932	81	26,360	-	56,373
Invested during the period (Units)	437,535	1,248	413,614	-	852,397
Redeemed during the period (Rs. in '000)	25,896	89	26,232	-	52,217
Redeemed during the period (Units)	375,573	1,351	411,424	-	788,348
Meezan Islamic Fund					
Invested during the period (Rs. in '000)	3,375	9,000	4,375	11,000	27,750
Invested during the period (Units)	60,968	237,826	75,590	206,351	580,735
Redeemed during the period (Rs. in '000)	41,746	21,571	14,644	114,000	191,961
Redeemed during the period (Units)	782,886	482,131	274,718	1,984,047	3,523,782
Meezan Sovereign Fund					
Invested during the period (Rs. in '000)	-	-	-	101,785	101,785
Invested during the period (Units)	-	-	-	1,925,349	1,925,349
Redeemed during the period (Rs. in '000)	-	-	-	102,346	102,346
Redeemed during the period (Units)	-	-	-	1,925,349	1,925,349
AI Meezan Mutual Fund					
Invested during the period (Rs. in '000)	-	-	-	700	700
Invested during the period (Units)	-	-	-	42,203	42,203
Redeemed during the period (Rs. in '000)	-	-	-	20,000	20,000
Redeemed during the period (Units)	-	-	-	1,215,052	1,215,052
Meezan Islamic Income Fund					
Invested during the period (Rs. in '000)	22,246	21,471	24,519	117,676	185,912
Invested during the period (Units)	427,379	1,731,296	466,081	2,239,200	4,863,956
Redeemed during the period (Rs. in '000)	6,875	9,100	9,750	162,165	187,890
Redeemed during the period (Units)	131,757	1,493,275	185,722	3,085,345	4,896,099
Meezan Dedicated Equity Fund					
Redeemed during the period (Rs. in '000)	-	-	-	9,000	9,000
Redeemed during the period (Units)	-	-	-	207,677	207,677
----- (Unaudited) -----					
For the period ended December 31, 2019					
Aggressive	Moderate	Conservative	MAAP-I	Total	
AI Meezan Investment Management Limited - the 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 - the 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

(Unaudited)					
For the period ended December 31, 2019					
	Aggressive	Moderate	Conservative	MAAP-I	Total
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
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
Al 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

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is as follows

	As at December 31, 2020			
	Aggressive	Moderate	Conservative	MAAP I
Total Expense Ratio (TER)	0.70%	0.61%	0.53%	0.68%
Government levy, Sindh Workers' Welfare Fund and SECP fee	0.40%	0.30%	0.21%	0.39%
	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%

The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "fund of fund scheme".

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 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, 2021 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 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

----- (Unaudited) -----				
As at December 31, 2020				
ASSETS	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Units of mutual fund	-	840,384	-	840,384

----- (Audited) -----				
As at June 30, 2020				
ASSETS	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Units of mutual fund	-	882,827	-	882,827

14 GENERAL

14.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

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

15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



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.

LARGEST INDUSTRY BRANCH NETWORK
27 BRANCHES
IN 13 MAJOR CITIES



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
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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, 2020 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 23, 2021



**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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

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.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

		December 31, 2020 (Unaudited)							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total		
(Rupees in '000)									
Assets									
	Balances with banks	5	670	335	746	646	889	1,373	4,659
	Investments	6	866,824	455,693	555,394	319,095	83,046	378,385	2,658,437
	Receivable against sale of investments - net		7,530	2,600	7,400	1,600	600	-	19,730
	Other receivables		21	18	3	6	2	13	63
	Total assets		875,045	458,646	563,543	321,347	84,537	379,771	2,682,889
Liabilities									
	Payable to AI Meezan Investment Management Limited - the Management Company	7	74	38	47	29	8	35	231
	Payable to Central Depository Company of Pakistan Limited - the Trustee		58	30	37	21	6	26	178
	Payable to the Securities and Exchange Commission of Pakistan		86	46	61	45	14	40	292
	Payable against purchase of investments		7,530	2,600	7,400	1,652	600	7	19,789
	Payable against redemption and conversion of units		-	148	150	100	-	15	413
	Dividend payable		-	-	-	-	-	-	-
	Accrued expenses and other liabilities	8	9,028	2,455	3,826	3,787	900	1,671	21,667
	Total liabilities		16,776	5,317	11,521	5,634	1,528	1,794	42,570
	Net assets		858,269	453,329	552,022	315,713	83,009	377,977	2,640,319
Contingencies and commitments									
	Unit holders' fund (as per statement attached)	9	858,269	453,329	552,022	315,713	83,009	377,977	2,640,319
(Number of units)									
	Number of units in issue		19,469,411	10,339,920	12,940,734	7,261,373	1,635,092	7,134,031	
(Rupees)									
	Net asset value per unit		44.0830	43.8426	42.6577	43.4784	50.7669	52.9823	

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**

		June 30, 2020 (Audited)							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total		
(Rupees in '000)									
Assets									
	Balances with banks	5	3,633	59	51	958	725	1,051	6,477
	Investments	6	804,843	457,410	754,757	758,874	196,368	417,722	3,389,974
	Receivable against sale of investments - net		130	-	-	-	-	490	620
	Other receivables		27	12	5	9	1	56	110
	Total assets		808,633	457,481	754,813	759,841	197,094	419,319	3,397,181
Liabilities									
	Payable to AI Meezan Investment Management Limited - the Management Company	7	67	37	63	65	22	36	290
	Payable to Central Depository Company of Pakistan Limited - the Trustee		52	29	49	48	12	27	217
	Payable to the Securities and Exchange Commission of Pakistan		179	104	161	171	46	154	815
	Payable against purchase of investments		130	-	-	52	-	-	182
	Payable against redemption and conversion of units		-	48	50	-	-	1,484	1,582
	Dividend payable		1,493	1,367	807	651	150	-	4,468
	Accrued expenses and other liabilities	8	13,366	3,278	7,676	7,676	1,275	1,331	34,602
	Total liabilities		15,287	4,863	8,806	8,663	1,505	3,032	42,156
	Net assets		793,346	452,618	746,007	751,178	195,589	416,287	3,355,025
Contingencies and commitments									
	Unit holders' fund (as per statement attached)	9	793,346	452,618	746,007	751,178	195,589	416,287	3,355,025
(Number of units)									
	Number of units in issue		21,516,084	12,302,840	20,944,130	20,694,885	4,638,354	8,186,979	
(Rupees)									
	Net asset value per unit		36.8722	36.7897	35.6189	36.2977	42.1678	50.8475	

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

Six months period ended December 31, 2020							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)							
Income							
	23,076	13,763	34,285	55,229	16,719	2,388	145,460
	50	35	92	41	16	72	306
	-	-	-	-	-	440	440
	-	-	-	-	-	-	-
	23,126	13,798	34,377	55,270	16,735	2,900	146,206
	Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'						
6.1	132,106	69,177	91,102	52,447	14,069	14,237	373,138
	155,232	82,975	125,479	107,717	30,804	17,137	519,344
Expenses							
	28	6	9	16	9	9	77
	4	1	1	2	1	1	10
	429	228	307	227	68	199	1,458
	300	159	215	159	48	139	1,020
	39	21	28	21	6	18	133
	86	46	61	45	14	40	292
	108	57	78	53	17	46	359
	47	24	34	26	8	22	161
8.1	3,084	1,649	2,495	2,143	613	333	10,317
	-	-	-	-	-	-	-
	4,125	2,191	3,228	2,692	784	807	13,827
Net income for the period before taxation							
	151,107	80,784	122,251	105,025	30,020	16,330	505,517
12	-	-	-	-	-	-	-
Net income for the period after taxation							
	151,107	80,784	122,251	105,025	30,020	16,330	505,517
Allocation of net income for the period							
	151,107	80,784	122,251	105,025	30,020	16,330	505,517
	(10,718)	(7,901)	(31,369)	(52,893)	(15,959)	(1,123)	(119,963)
	140,389	72,883	90,882	52,132	14,061	15,207	385,554
Accounting income available for distribution							
	140,389	72,883	90,882	52,132	14,061	15,207	385,554
	-	-	-	-	-	-	-
	140,389	72,883	90,882	52,132	14,061	15,207	385,554

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

		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'	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 AI Meezan Investment Management Limited - the Management Company	34	24	21	12	39	32	162	
Sindh Sales Tax on remuneration to the Management Company	4	2	3	2	5	4	20	
Allocated expenses	472	274	409	447	123	472	2,197	
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	331	192	286	313	86	331	1,539	
Sindh Sales Tax on trustee fee	43	25	37	41	11	43	200	
Annual fee to the Securities and Exchange Commission of Pakistan	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	
Provision for Sindh Workers' Welfare Fund (SWWF)	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	-	-	-	-	-	-	-	
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 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2020**

For the quarter ended December 31, 2020								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
Income								
Net realised gain on sale of investments	10,725	4,662	1,548	2,365	5,121	1,969	26,390	
Profit on saving accounts with banks	26	21	4	14	4	23	92	
Dividend income	-	-	-	-	-	440	440	
Other income	-	-	-	-	-	-	-	
	<u>10,751</u>	<u>4,683</u>	<u>1,552</u>	<u>2,379</u>	<u>5,125</u>	<u>2,432</u>	<u>26,922</u>	
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	42,321	22,137	32,420	17,615	1,258	3,478	119,229	
Total income	<u>53,072</u>	<u>26,820</u>	<u>33,972</u>	<u>19,994</u>	<u>6,383</u>	<u>5,910</u>	<u>146,151</u>	
Expenses								
Remuneration of AI Meezan Investment Management Limited - the Management Company	7	6	-	1	2	3	4	16
Sindh Sales Tax on remuneration to Management Company		1	-	-	-	-	-	1
Allocated expenses		211	111	134	78	25	97	656
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		148	77	94	55	18	68	460
Sindh Sales Tax on trustee fee		19	10	12	7	2	9	59
Annual fee to the Securities and Exchange Commission of Pakistan		42	23	26	15	5	20	131
Auditors' remuneration		63	33	40	23	8	29	196
Fees and subscription		22	11	13	8	5	11	70
Provision for Sindh Workers' Welfare Fund	8.1	1,051	531	673	396	127	113	2,891
Bank and settlement charges		-	-	-	-	-	-	-
Total expenses		<u>1,563</u>	<u>796</u>	<u>993</u>	<u>584</u>	<u>193</u>	<u>351</u>	<u>4,480</u>
Net income for the quarter before taxation		<u>51,509</u>	<u>26,024</u>	<u>32,979</u>	<u>19,410</u>	<u>6,190</u>	<u>5,559</u>	<u>141,671</u>
Taxation	12	-	-	-	-	-	-	-
Net income for the quarter after taxation		<u>51,509</u>	<u>26,024</u>	<u>32,979</u>	<u>19,410</u>	<u>6,190</u>	<u>5,559</u>	<u>141,671</u>
Allocation of net income for the quarter								
Net income for the quarter after taxation		51,509	26,024	32,979	19,410	6,190	5,559	141,671
Income already paid on units redeemed		-	-	-	-	-	(4,490)	(4,490)
		<u>51,509</u>	<u>26,024</u>	<u>32,979</u>	<u>19,410</u>	<u>6,190</u>	<u>1,069</u>	<u>137,181</u>

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2020**

		For the quarter ended December 31, 2019					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	Total
(Rupees in '000)							
Income							
	4,281	2,264	1,176	4,219	98	15,636	27,674
Net realised income 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'	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 - the Management Company	12	9	1	4	11	15	52
Sindh Sales Tax on remuneration to Management Company	1	-	-	1	1	2	5
Allocated expenses	233	134	208	229	58	212	1,074
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	163	94	145	160	40	149	751
Sindh Sales Tax on trustee fee	21	12	19	21	5	19	97
Annual fee to the Securities and Exchange Commission of Pakistan	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
Provision for Sindh Workers' Welfare Fund	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	-	-	-	-	-	-	-
Net income for the quarter after taxation	107,633	96,382	147,916	164,607	41,036	48,204	605,778
Allocation of net income for the quarter							
Net income for the quarter after taxation	107,633	96,382	147,916	164,607	41,036	48,204	605,778
Income already paid on units redeemed	-	-	-	-	-	(4,490)	(4,490)
	107,633	96,382	147,916	164,607	41,036	43,714	601,288

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

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

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(Rupees in '000)						
Net income for the period after taxation	151,107	80,784	122,251	105,025	30,020	16,330	505,517
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	151,107	80,784	122,251	105,025	30,020	16,330	505,517

	Six months period ended December 31, 2019						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(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

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2020

	For the quarter ended December 31, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	
	----- (Rupees in '000) -----						
Net income for the period after taxation	51,509	26,024	32,979	19,410	6,190	5,559	141,671
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>51,509</u>	<u>26,024</u>	<u>32,979</u>	<u>19,410</u>	<u>6,190</u>	<u>5,559</u>	<u>141,671</u>

	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>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31, 2020																				
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV			MSAP-V			MCPPIII			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	Undistributed income	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	1,349,651	(556,305)	793,346	847,501	(394,883)	452,618	1,221,095	(475,088)	746,007	1,245,128	(493,950)	751,178	271,498	(75,909)	195,589	399,642	16,645	416,287	5,334,515	(1,979,490)	3,355,025
Redemption of units:																					
MSAP - I: 2,046,673 units / MSAP - II: 1,962,920 units /																					
MSAP - III: 8,003,396 units / MSAP - IV: 13,433,512 units /																					
MSAP - V: 3,003,262 units, MCPPIII - III: 1,052,948 units																					
- Capital value (at net asset value per unit at the beginning of the period)	75,466	-	75,466	72,215	-	72,215	285,072	-	285,072	487,606	-	487,606	126,641	-	126,641	53,540	-	53,540	1,100,539	-	1,100,539
- Element of (income) / loss	-	10,718	10,718	(43)	7,901	7,858	(205)	31,369	31,164	(9)	52,893	52,884	-	15,959	15,959	(23)	1,123	1,100	(280)	119,963	119,683
Total payments on redemption of units	75,466	10,718	86,184	72,172	7,901	80,073	284,867	31,369	316,236	487,597	52,893	540,490	126,641	15,959	142,600	53,517	1,123	54,640	1,100,259	119,963	1,220,222
Total comprehensive income for the period	-	151,107	151,107	-	80,784	80,784	-	122,251	122,251	-	105,025	105,025	-	30,020	30,020	-	16,330	16,330	-	505,517	505,517
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	151,107	151,107	-	80,784	80,784	-	122,251	122,251	-	105,025	105,025	-	30,020	30,020	-	16,330	16,330	-	505,517	505,517
Net assets at the end of the period	1,274,185	(415,916)	858,269	775,329	(322,000)	453,329	936,228	(384,206)	552,022	757,531	(441,818)	315,713	144,857	(61,848)	83,009	346,125	31,852	377,977	4,234,256	(1,593,936)	2,640,319
Accumulated loss brought forward																					
- Realised (loss) / income		(568,973)		(382,241)		(466,242)		(483,075)		(71,074)		(1,955,108)		16,497							
- Unrealised (loss) / income		12,668		(12,642)		(8,846)		(10,875)		(4,835)		(24,382)		148							
		(556,305)		(394,883)		(475,088)		(493,950)		(75,909)		(1,979,490)		16,645							
Accounting income available for distribution																					
- Relating to capital gains	140,389			72,883		90,882		52,132		14,061		385,554									
- Excluding capital gains	-			-		-		-		-		-									
	140,389			72,883		90,882		52,132		14,061		385,554									
Net (loss) / income for the period after taxation																					
Distribution during the period																					
(Accumulated loss) / undistributed income carried forward		(415,916)		(322,000)		(384,206)		(441,818)		(61,848)		(1,593,936)									
(Accumulated loss) / undistributed income carried forward																					
- Realised (loss) income		(548,022)		(391,177)		(475,308)		(494,265)		(75,917)		(1,967,074)									
- Unrealised income		132,106		69,177		91,102		52,447		14,069		373,138									
		(415,916)		(322,000)		(384,206)		(441,818)		(61,848)		(1,593,936)									
Net asset value per unit as at the beginning of the period			Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees
			36.8722		36.7897		35.6189		36.2977		42.1678		50.8475								
Net asset value per unit as at the end of the period			44.0830		43.8426		42.6577		43.4784		50.7669		52.9823								

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31, 2019																				
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV			MSAP-V			MCPPIII			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	1,131,720	(403,923)	727,798	1,380,178	(489,047)	891,131	1,521,505	(518,730)	1,002,774	395,264	(79,268)	315,996	1,072,801	21,044	1,098,894	7,135,733	(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, MCPPIII - 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 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	-	465,368	402,048
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net 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	-	465,368	402,048
Net assets at the end of the period	1,429,867	(501,348)	928,519	882,020	(333,733)	548,288	1,249,658	(372,960)	876,698	1,358,429	(391,071)	967,357	290,242	(51,541)	238,701	757,585	79,867	842,501	6,288,066	(1,570,786)	4,653,961
Accumulated loss brought forward																					
- Realised loss		(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) / income		(559,308)		(402,208)			(480,055)			(508,193)			(80,591)			56,873			(1,973,482)		
- Unrealised 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 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

Six months period ended December 31, 2020							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total	
------(Rupees in '000)-----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the period before taxation	151,107	80,784	122,251	105,025	30,020	16,330	505,517
Adjustments for:							
Net unrealised (appreciation) on re-measurement of investments 'at fair value through profit or loss'	(132,106)	(69,177)	(91,102)	(52,447)	(14,069)	(14,237)	(373,138)
	19,001	11,607	31,149	52,578	15,951	2,093	132,379
Decrease in assets							
Investments - net	70,125	70,894	290,465	492,226	127,391	53,574	1,104,675
Receivable against sale of investments - net	(7,400)	(2,600)	(7,400)	(1,600)	(600)	490	(19,110)
Other receivables	6	(6)	2	3	(1)	43	47
	62,731	68,288	283,067	490,629	126,790	54,107	1,085,612
Increase in liabilities							
Payable to Al Meezan Investment Management Limited - the Management Company	7	1	(16)	(36)	(14)	(1)	(59)
Payable to Central Depository Company of Pakistan Limited - the Trustee	6	1	(12)	(27)	(6)	(1)	(39)
Payable to the Securities and Exchange Commission of Pakistan	(93)	(58)	(100)	(126)	(32)	(114)	(523)
Payable against purchase of investments - net	7,400	2,600	7,400	1,600	600	7	19,607
Accrued expenses and other liabilities	(4,338)	(823)	(3,850)	(3,889)	(375)	340	(12,935)
	2,982	1,721	3,422	(2,478)	173	231	6,051
Net cash generated from operating activities	84,714	81,616	317,638	540,729	142,914	56,431	1,224,042
CASH FLOWS FROM FINANCING ACTIVITIES							
Dividend paid	(1,493)	(1,367)	(807)	(651)	(150)	-	(4,468)
Payments against redemption and conversion of units	(86,184)	(79,973)	(316,136)	(540,390)	(142,600)	(56,109)	(1,221,392)
Net cash used in financing activities	(87,677)	(81,340)	(316,943)	(541,041)	(142,750)	(56,109)	(1,225,860)
Net increase in cash and cash equivalents during the period	(2,963)	276	695	(312)	164	322	(1,818)
Cash and cash equivalents at the beginning of the period	3,633	59	51	958	725	1,051	6,477
Cash and cash equivalents at the end of the period	670	335	746	646	889	1,373	4,659

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31, 2019						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
------(Rupees in '000)-----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net (loss) / income for the period before taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368
Adjustments for:							
Net unrealised diminution / (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 / (increase) in assets							
Investments - net	188,553	243,764	107,379	153,345	96,457	288,155	1,077,653
Receivable against sale of investments - net	(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
(Decrease) / 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 - net	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							
Dividend paid	-	-	-	-	-	-	-
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 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

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 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 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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 (MCCP-III) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP.
- 1.7 A brief description of the plans is as follows:

Meezan Strategic Allocation Plan-I (MSAP-I)	Low risk - High return through asset allocation The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 2, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. 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 17, 2020.
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Meezan Strategic Allocation Plan-II (MSAP-II)	Medium to high 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 was two years from the close of the subscription period (i.e. January 31, 2017). Units are subject to front end load. An early exit fee shall have also been 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-II/250/2019 dated January 14, 2019; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-I/206/2020 dated January 24, 2020.
Meezan Strategic Allocation Plan-III (MSAP-III)	Medium to high 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 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. April 3, 2017). Units are subject to front end load. An early exit fee shall have also been 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-III/337/2019 dated March 19, 2019; and a further extension of one year was approved on March 30, 2020.
Meezan Strategic Allocation Plan-IV (MSAP-IV)	Medium to high 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 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. June 30, 2017). Units are subject to front end load. An early exit fee has also been 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-IV/431/2019 dated May 30, 2019; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-IV/322/2020 dated June 16, 2020.
Meezan Strategic Allocation Plan-V (MSAP-V)	Medium to high 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 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. October 19, 2017). Units are subject to front end load. An early exit fee shall have also been charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2020, the SECP approved the extension for the plan by one year vide its letter no. SCD/AMCW/AMIML/109/2019 dated October 11, 2019 and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-IV/322/2020 dated October 12, 2020.
Meezan Capital Preservation Plan-III (MCPP-III)	Medium 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 50 percent in equity schemes and up to 100 percent in money market schemes. The initial maturity of this plan was two years from the close of the subscription period (i.e. February 16, 2018). Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2020, the SECP approved the extension for the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-I/205/2020 dated January 24, 2020.

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, 2020.

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, 2020.

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these will 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

		December 31, 2020 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
Saving accounts	5.1	659	325	736	636	246	728	3,330
Current accounts		11	10	10	10	643	645	1,329
		670	335	746	646	889	1,373	4,659

		June 30, 2020 (Audited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
Saving accounts	5.1	3,622	49	41	948	82	406	5,148
Current accounts		11	10	10	10	643	645	1,329
		3,633	59	51	958	725	1,051	6,477

5.1 The balance in saving accounts have an expected profit ranging from 2.31% to 3.41% per annum (June 30, 2020: 2.31% to 3.4% per annum).

6 INVESTMENTS

		December 31, 2020 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
Investments - 'at fair value through profit or loss'	6.1	866,824	455,693	555,394	319,095	83,046	378,385	2,658,437

		June 30, 2020 (Audited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
Investments - 'at fair value through profit or loss'		804,843	457,410	754,757	758,874	196,368	417,722	3,389,974

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2020	Purchases during the period	Redemptions during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (loss) / gain as at December 31, 2020	Percentage in relation to total market value of investments as percentage of total investments
	(Number of units)				(Rupees in '000)			(Percentage)
Meezan Strategic Allocation Plan-I								
Al Meezan Mutual Fund	9,865,833	994,191	1,168,168	9,691,856	131,237	160,753	29,516	18.55
KSE Meezan Index Fund	4,311	-	-	4,311	230	294	64	0.03
Meezan Dedicated Equity Fund	6,022,570	-	1,909,091	4,113,479	142,344	180,142	37,798	20.78
Meezan Islamic Fund	5,317,944	1,903,093	1,559,604	5,661,433	276,370	334,869	58,499	38.63
Meezan Islamic Income Fund	4,198,624	924,876	1,543,534	3,579,966	184,537	190,766	6,229	22.01
					734,718	866,824	132,106	100.00
Meezan Strategic Allocation Plan-II								
Al Meezan Mutual Fund	12,644,000	156,755	3,180,930	9,619,825	128,631	159,558	30,927	35.01
KSE Meezan Index Fund	137,526	-	-	137,526	7,346	9,370	2,024	2.06
Meezan Dedicated Equity Fund	320,475	96,045	-	416,520	15,090	18,241	3,151	4.00
Meezan Islamic Fund	3,124,685	769,610	1,050,075	2,844,219	138,432	168,233	29,801	36.92
Meezan Islamic Income Fund	2,417,827	500,875	1,036,610	1,882,093	97,017	100,291	3,274	22.01
					386,516	455,693	69,177	100.00



Name of investee funds	As at July 1, 2020	Purchases during the period	Redemptions during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (loss) / gain as at December 31, 2020	Percentage in relation to total market value of investments as percentage of total investments
	----- (Number of units) -----				----- (Rupees in '000) -----			(Percentage)
Meezan Strategic Allocation Plan-III								
Al Meezan Mutual Fund	563,466	822,633	-	1,386,099	20,904	22,990	2,086	2.29
KSE Meezan Index Fund	374,075	-	-	374,075	19,980	25,487	5,507	6.04
Meezan Dedicated Equity Fund	2,872,358	-	-	2,872,358	99,396	125,790	26,394	28.97
Meezan Islamic Fund	9,045,806	288,979	4,957,220	4,377,565	205,807	258,929	53,122	58.31
Meezan Islamic Income Fund	3,979,256	838,091	2,524,149	2,293,198	118,205	122,198	3,993	4.38
					464,292	555,394	91,102	100.00
Meezan Strategic Allocation Plan-IV								
Al Meezan Mutual Fund	7,770,394	96,465	2,635,324	5,231,535	69,990	86,772	16,782	27.19
KSE Meezan Index Fund	396,682	-	-	396,682	21,188	27,027	5,839	8.47
Meezan Dedicated Equity Fund	2,690,112	-	-	2,690,112	93,090	117,809	24,719	36.92
Meezan Islamic Fund	7,145,017	313,061	7,166,644	291,434	14,422	17,238	2,816	5.40
Meezan Islamic Income Fund	4,020,730	866,998	3,569,425	1,318,304	67,958	70,249	2,291	22.02
					266,648	319,095	52,447	100.00
Meezan Strategic Allocation Plan-V								
Al Meezan Mutual Fund	160,990	36,174	-	197,164	2,744	3,270	526	1.54
KSE Meezan Index Fund	56,518	-	-	56,518	3,019	3,851	832	12.63
Meezan Dedicated Equity Fund	1,001,742	-	-	1,001,742	34,664	43,869	9,205	59.63
Meezan Islamic Fund	2,205,831	66,279	2,025,945	246,166	11,631	14,561	2,930	-
Meezan Islamic Income Fund	1,037,053	173,568	882,283	328,338	16,919	17,495	576	26.20
					68,977	83,046	14,069	100.00
Meezan Capital Protected Plan - MCPP-III								
Meezan Rozana Amdani Fund	-	808,549	15,400	793,149	39,657	39,657	-	10.48
Meezan Sovereign Fund	8,103,630	-	1,808,650	6,294,979	324,491	338,728	14,237	89.52
					364,148	378,385	14,237	100.00
Total investments in units of mutual funds								
Al Meezan Mutual Fund	31,004,684	2,106,218	6,984,422	26,126,480	353,506	433,343	79,837	16.30
KSE Meezan Index Fund	969,112	-	-	969,112	51,763	66,029	14,266	2.48
Meezan Dedicated Equity Fund	12,907,257	96,045	1,909,091	11,094,211	384,584	485,851	101,267	18.28
Meezan Islamic Fund	26,839,283	3,341,023	16,759,488	13,420,818	646,662	793,830	147,168	29.86
Meezan Islamic Income Fund	15,653,490	3,304,408	9,556,000	9,401,899	484,636	500,999	16,363	18.85
Meezan Rozana Amdani Fund	-	808,549	15,400	793,149	39,657	39,657	-	1.49
Meezan Sovereign Fund	8,103,630	-	1,808,650	6,294,979	324,491	338,728	14,237	12.74
Total					2,285,299	2,658,437	373,138	100.00

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

Note	December 31, 2020 (unaudited)							Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III		
	----- (Rupees in '000) -----							
Management fee payable	7.1	1	-	-	1	1	2	5
Sindh Sales Tax payable on remuneration of the Management company		-	-	-	1	-	-	1
Allocated expense payable	7.2	73	38	47	27	7	33	225
		74	38	47	29	8	35	231
Note	June 30, 2020 (audited)							Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III		
	----- (Rupees in '000) -----							
Management fee payable	7.1	1	-	1	1	5	1	9
Sindh Sales Tax payable on remuneration of the Management company		-	-	-	-	1	-	1
Allocated expense payable	7.2	66	37	62	64	16	35	280
		67	37	63	65	22	36	290

- 7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2019: 1%) per annum of the daily bank balance of the Fund during the current period. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 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).

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 during the period.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

		December 31, 2020 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
	Auditors' remuneration payable	99	52	66	44	14	60	335
	Shariah advisory fee payable	38	26	26	17	4	22	133
	Printing charges payable	155	105	118	132	47	110	667
	Capital gain tax	1	2	-	-	-	113	116
	Zakat payable	-	12	-	121	-	51	184
8.1	Provision for Sindh Workers' Welfare Fund	8,735	2,258	3,616	3,473	835	1,315	20,232
		<u>9,028</u>	<u>2,455</u>	<u>3,826</u>	<u>3,787</u>	<u>900</u>	<u>1,671</u>	<u>21,667</u>

		June 30, 2020 (Audited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
	Auditors' remuneration payable	85	48	77	81	23	80	394
	Shariah advisor fee payable	31	24	28	28	6	21	138
	Zakat Payable	-	11	-	-	-	55	66
	Printing charges payable	155	106	117	131	45	109	663
	Capital gain tax	1	11	-	-	-	84	87
	Withholding tax payable on dividend	7,443	2,477	6,333	6,106	979	-	23,338
8.1	Provision for Sindh Workers' Welfare Fund	5,651	610	1,121	1,330	222	982	9,916
		<u>13,366</u>	<u>3,278</u>	<u>7,676</u>	<u>7,676</u>	<u>1,275</u>	<u>1,331</u>	<u>34,602</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 for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2020, 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 0.45, Re 0.22, Re 0.28, Re 0.48, Re 0.51, and 0.18 per unit respectively, (June 30, 2020: Re. 0.263, Re. 0.050, Re. 0.054, Re. 0.064, Re. 0.048 and Re. 0.120 per unit respectively).

- 8.2 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.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons / 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, 2020 (Unaudited)						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
(Rupees in '000)							
AI Meezan Investment Management Limited							
- the Management Company							
Remuneration payable (Rs in '000)	1	-	-	1	1	2	5
Sindh Sales Tax on management fee (Rs in '000)	-	-	-	1	-	-	1
Allocated expenses (Rs in '000)	73	38	47	27	7	33	225
Meezan Bank Limited							
Bank balance (Rs in '000)	601	335	746	646	889	1,362	4,579
Profit receivable (Rs in '000)	21	18	3	6	2	13	61
Central Depository Company of Pakistan Limited - the Trustee							
Trustee fee payable (Rs. in '000)	51	27	33	19	5	23	158
Sindh Sales Tax on trustee fee payable (Rs. in '000)	7	3	4	2	1	3	20
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	15,761	-	-	-	-
Investment (Units)	-	-	369,471	-	-	-	-
AI Meezan Mutual Fund							
Investment (Rs in '000)	160,753	159,558	22,990	86,772	3,270	-	433,343
Investment (Units)	9,691,856	9,619,825	1,386,099	5,231,535	197,164	-	26,126,480
KSE Meezan Index Fund							
Investment (Rs in '000)	294	9,370	25,487	27,027	3,851	-	66,029
Investment (Units)	4,311	137,526	374,075	396,682	56,518	-	969,112
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	180,142	18,241	125,790	117,809	43,869	-	485,851
Investment (Units)	4,113,479	416,520	2,872,358	2,690,112	1,001,742	-	11,094,211
Meezan Islamic Fund							
Investment (Rs in '000)	334,869	168,233	258,929	17,238	14,561	-	793,830
Investment (Units)	5,661,433	2,844,219	4,377,565	291,434	246,166	-	13,420,818
Meezan Rozana Amdani Fund							
Investment (Rs in '000)	-	-	-	-	-	39,657	39,657
Investment (Units)	-	-	-	-	-	793,149	793,149
Meezan Sovereign Fund							
Investment (Rs in '000)	-	-	-	-	-	338,728	338,728
Investment (Units)	-	-	-	-	-	6,294,979	6,294,979

December 31, 2020 (Unaudited)						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)						
Meezan Islamic Income Fund						
Investment (Rs in '000)	190,766	100,291	122,198	70,249	17,495	500,999
Investment (Units)	3,579,966	1,882,093	2,293,198	1,318,304	328,338	9,401,899
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	217,220	169,974	-	-	20,617	449,961
Investment (Units)	4,927,521	3,876,917	-	-	406,117	10,006,111
June 30, 2020 (Audited)						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)						
AI Meezan Investment Management Limited - the Management Company						
Remuneration payable (Rs in '000)	1	-	1	1	5	9
Sindh Sales Tax on management fee (Rs in '000)	-	-	-	-	1	1
Allocated expenses (Rs in '000)	66	37	62	64	16	280
Meezan Bank Limited						
Bank balance (Rs in '000)	3,566	59	51	958	725	6,399
Profit receivable (Rs in '000)	27	12	5	9	1	110
Central Depository Company of Pakistan Limited - the Trustee						
Trustee fee payable (Rs in '000)	46	26	43	43	11	193
Sindh Sales Tax on trustee fee payable (Rs in '000)	6	3	6	5	1	24
Directors and Executives of the management company						
Investment (Rs in '000)	-	-	12,561	-	-	12,561
Investment (Units)	-	-	352,640	-	-	352,640
AI Meezan Mutual Fund						
Investment (Rs in '000)	131,395	168,395	7,504	103,488	2,144	412,926
Investment (Units)	9,865,833	12,644,000	563,466	7,770,394	160,990	31,004,683
KSE Meezan Index Fund						
Investment (Rs in '000)	230	7,346	19,980	21,188	3,019	51,763
Investment (Units)	4,311	137,526	374,075	396,682	56,517	969,111
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	208,407	11,090	99,396	93,090	34,665	446,648
Investment (Units)	6,022,570	320,475	2,872,358	2,690,111	1,001,742	12,907,256
Meezan Islamic Fund						
Investment (Rs in '000)	248,726	146,144	423,082	334,179	103,169	1,255,300
Investment (Units)	5,317,944	3,124,685	9,045,807	7,145,017	2,205,831	26,839,284
Meezan Sovereign Fund						
Investment (Rs in '000)	-	-	-	-	417,722	417,722
Investment (Units)	-	-	-	-	8,103,630	8,103,630
Meezan Islamic Income Fund						
Investment (Rs in '000)	216,085	124,435	204,795	206,929	53,371	805,615
Investment (Units)	4,198,624	2,417,776	3,979,255	4,020,730	1,037,053	15,653,438
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	182,460	101,247	248,015	379,597	69,610	980,929
Investment (Units)	4,948,436	2,752,039	6,963,017	10,457,891	1,650,791	26,772,174



For the period ended December 31, 2020						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
(Unaudited)						
Transactions during the period						
AI Meezan Investment Management Limited - the Management Company						
Remuneration for the period (Rs in '000)	28	6	9	16	9	77
Sindh Sales Tax on management fee (Rs in '000)	4	1	1	2	1	10
Allocated expenses (Rs in '000)	429	228	307	227	68	1,458
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)	50	35	92	41	16	306
Central Depository Company of Pakistan Limited - the Trustee						
Trustee fee (Rs in '000)	300	159	215	159	48	1,020
Sindh Sales Tax on trustee fee (Rs in '000)	39	21	28	21	6	133
AI Meezan Mutual Fund						
Invested during the period (Rs in '000)	15,400	2,600	14,000	1,600	600	34,200
Invested during the period (Units)	994,191	156,755	822,633	96,465	36,174	2,106,218
Redeemed during the period (Rs in '000)	17,000	49,000	-	40,000	-	106,000
Redeemed during the period (Units)	1,168,168	3,180,930	-	2,635,324	-	6,984,422
Meezan Dedicated Equity Fund						
Invested during the period (Rs in '000)	-	4,000	-	-	-	4,000
Invested during the period (Units)	-	96,045	-	-	-	96,045
Redeemed during the period (Rs in '000)	74,000	-	-	-	-	74,000
Redeemed during the period (Units)	1,909,091	-	-	-	-	1,909,091
Meezan Islamic Fund						
Invested during the period (Rs in '000)	101,000	41,500	15,000	11,000	3,500	172,000
Invested during the period (Units)	1,903,093	769,610	288,979	313,061	66,279	3,341,023
Redeemed during the period (Rs in '000)	85,500	55,500	264,850	384,500	111,090	901,440
Redeemed during the period (Units)	1,559,604	1,050,075	4,957,220	7,166,644	2,025,945	16,759,488
Meezan Islamic Income Fund						
Invested during the period (Rs in '000)	48,000	26,000	43,500	45,000	9,000	171,500
Invested during the period (Units)	924,876	500,875	838,091	866,998	173,568	3,304,408
Redeemed during the period (Rs in '000)	81,100	54,257	131,800	186,056	46,120	499,333
Redeemed during the period (Units)	1,543,534	1,036,610	2,524,149	3,569,425	882,283	9,556,000
Meezan Rozana Amdani Fund						
Invested during the period (Rs in '000)	-	-	-	-	40,427	40,427
Invested during the period (Units)	-	-	-	-	808,549	808,549
Redeemed during the period (Rs in '000)	-	-	-	-	770	770
Redeemed during the period (Units)	-	-	-	-	15,400	15,400
Dividend during the period (Rs in '000)	-	-	-	-	440	440
Dividend during the period (Units)	-	-	-	-	-	-
Meezan Sovereign Fund						
Redeemed during the period (Rs in '000)	-	-	-	-	95,620	95,620
Redeemed during the period (Units)	-	-	-	-	1,808,650	1,808,650

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 - the 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

For the period ended December 31, 2019						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
(Unaudited)						
Meezan Bank Limited						
Profit on saving account (Rs in '000)	357	179	208	296	492	1,745
Central Depository Company of Pakistan Limited - the 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
Al 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
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
For the period ended December 31, 2019						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
(Unaudited)						
Meezan Dedicated Equity Fund						
Invested during the period (Rs in '000)	-	-	32,000	65,000	-	355,000
Invested during the period (Units)	-	-	820,109	1,884,785	-	10,259,375
Redeemed during the period (Rs in '000)	275,200	8,300	68,000	87,430	9,650	764,965
Redeemed during the period (Units)	7,953,696	234,945	1,976,778	2,328,394	274,392	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
Invested during the period (Units)	11,301,674	-	-	-	-	37,706,592
Redeemed during the period (Rs in '000)	597,678	83	5,962	8,081	40,264	1,944,928
Redeemed during the period (Units)	11,301,674	1,615	116,448	158,201	786,420	37,706,592
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
Invested during the period (Units)	24,936,618	3,565,656	5,550,915	5,765,768	1,795,734	37,336,058
Redeemed during the period (Rs in '000)	742,988	84,123	97,968	101,052	39,040	1,409,291
Redeemed during the period (Units)	14,859,762	1,682,470	1,959,367	2,021,040	780,807	49,489,257
Dividend during the period (Rs in '000)	22,292	7,584	11,531	12,361	3,209	24,806
Dividend during the period (Units)	445,848	151,670	230,627	247,215	64,189	496,118
Meezan Sovereign Fund						
Redeemed during the period (Rs in '000)	-	-	-	-	-	677,403
Redeemed during the period (Units)	-	-	-	-	-	13,138,372

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is as follows

As at December 31, 2020						
MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	MCP - III	
Percentage (%)						
Total Expense Ratio (TER)	0.61	0.60	0.65	0.72	0.7	0.32
Government levy and SECP fee	0.39	0.39	0.44	0.51	0.48	0.11

As at December 31, 2019						
MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	MCP - III	
Percentage (%)						
Total Expense Ratio (TER)	0.50	0.76	0.81	0.81	0.72	0.51
Government levy and SECP fee	0.29	0.55	0.61	0.61	0.49	0.3

The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "fund of fund scheme".

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at December 31, 2020 (unaudited)			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Units of mutual funds			
-	2,658,437	-	2,658,437
ASSETS			
Financial assets 'at fair value through profit or loss'			
Units of mutual funds			
-	3,389,974	-	3,389,974

14 GENERAL

Regulatory reliefs due to COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

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

15 DATE OF AUTHORISATION FOR ISSUE

15.1 These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

**For AI 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.

HIGHEST SOCIAL MEDIA FOLLOWING IN THE INDUSTRY



FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
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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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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.
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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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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S.M.C.H.S., Main Shahra-e-Faisal
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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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

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.

Afferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020



December 31, 2020 (Unaudited)							
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
Note----- (Rupees in '000) -----							
Assets							
Balances with banks	5	303	5,980	249	75	234	6,841
Investments	6	841,714	148,021	156,701	120,204	51,971	1,318,611
Receivable against sale of investments		-	-	1,010	-	250	1,260
Advances, deposits and other receivables		17	6	18	14	13	68
Total assets		<u>842,034</u>	<u>154,007</u>	<u>157,978</u>	<u>120,293</u>	<u>52,468</u>	<u>1,326,780</u>
Liabilities							
Payable to AI Meezan Investment Management Limited - the Management Company	7	78	34	15	11	18	156
Payable to Central Depository Company of Pakistan Limited - the Trustee		57	10	10	8	4	89
Payable to the Securities and Exchange Commission of Pakistan		102	18	19	13	6	158
Payable against purchase of investments		25	25	5	4	2	61
Payable against redemption and conversion of units		127	18	1,080	36	399	1,660
Accrued expenses and other liabilities	9	2,983	641	374	199	127	4,324
Total liabilities		<u>3,372</u>	<u>746</u>	<u>1,503</u>	<u>271</u>	<u>556</u>	<u>6,448</u>
NET ASSETS		<u>838,662</u>	<u>153,261</u>	<u>156,475</u>	<u>120,022</u>	<u>51,912</u>	<u>1,320,332</u>
CONTINGENCIES AND COMMITMENTS							
Unit holders' fund (as per statement attached)		<u>838,662</u>	<u>153,261</u>	<u>156,475</u>	<u>120,022</u>	<u>51,912</u>	<u>1,320,332</u>
----- (Number of units) -----							
Number of units in issue		<u>15,757,513</u>	<u>2,923,599</u>	<u>2,996,659</u>	<u>2,341,964</u>	<u>1,015,873</u>	
----- (Rupees) -----							
Net asset value per unit		<u>53.2230</u>	<u>52.4219</u>	<u>52.2164</u>	<u>51.2486</u>	<u>51.1010</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

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		June 30, 2020 (Audited)					
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total
		Note ----- (Rupees in '000) -----					
Assets							
Balances with banks	5	1,366	2,299	692	175	339	4,871
Investments	6	1,119,695	217,726	213,216	137,116	63,829	1,751,582
Receivable against sale of investments		1,190	3,120	-	100	-	4,410
Advances, deposits and other receivables		118	46	46	27	20	257
Total assets		<u>1,122,369</u>	<u>223,191</u>	<u>213,954</u>	<u>137,418</u>	<u>64,188</u>	<u>1,761,120</u>
Liabilities							
Payable to AI Meezan Investment Management Limited - the Management Company	7	95	18	19	12	18	162
Payable to Central Depository Company of Pakistan Limited - the Trustee		72	15	14	9	4	114
Payable to the Securities and Exchange Commission of Pakistan		265	66	57	34	18	440
Payable against redemption and conversion of units		1,292	4,608	78	131	110	6,219
Dividend payable		2,190	744	25	1,242	16	4,217
Accrued expenses and other liabilities	9	6,070	1,377	281	386	151	8,265
Total liabilities		<u>9,984</u>	<u>6,828</u>	<u>474</u>	<u>1,814</u>	<u>317</u>	<u>19,417</u>
NET ASSETS		<u>1,112,385</u>	<u>216,363</u>	<u>213,480</u>	<u>135,604</u>	<u>63,871</u>	<u>1,741,703</u>
CONTINGENCIES AND COMMITMENTS 8							
Unit holders' fund (as per statement attached)		<u>1,112,385</u>	<u>216,363</u>	<u>213,480</u>	<u>135,604</u>	<u>63,871</u>	<u>1,741,703</u>
----- (Number of units) -----							
Number of units in issue		<u>22,393,842</u>	<u>4,303,353</u>	<u>4,258,282</u>	<u>2,755,688</u>	<u>1,301,802</u>	
----- (Rupees) -----							
Net asset value per unit		<u>49.6737</u>	<u>50.2777</u>	<u>50.1329</u>	<u>49.2089</u>	<u>49.0635</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



MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

Six months period ended December 31, 2020						
	MCPPIV-IV	MCPPIV-V	MCPPIV-VI	MCPPIV-VII	MCPPIV-VIII	Total
Note ----- (Rupees in '000) -----						
Income						
Net realised gain on sale of investments	26,504	4,486	2,531	1,134	775	35,430
Profit on saving accounts with banks	31	57	19	8	4	119
Dividend income	2,329	3,565	277	222	111	6,504
	<u>28,864</u>	<u>8,108</u>	<u>2,827</u>	<u>1,364</u>	<u>890</u>	<u>42,053</u>
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1 41,288	42	5,524	4,202	1,759	52,815
Total income	<u>70,152</u>	<u>8,150</u>	<u>8,351</u>	<u>5,566</u>	<u>2,649</u>	<u>94,868</u>
Expenses						
Remuneration to AI Meezan Investment Management Limited - the Management Company	7.1 12	5	4	4	1	26
Sindh Sales Tax on remuneration of the Management Company	2	1	1	1	-	5
Allocated expenses	7.2 509	91	95	64	31	790
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	356	64	66	45	22	553
Sindh Sales Tax on remuneration of the Trustee	46	8	9	6	3	72
Annual fee to the Securities and Exchange Commission of Pakistan	102	18	19	13	6	158
Auditors' remuneration	178	37	36	23	12	286
Fees and subscription	209	60	47	26	14	356
Provision for Sindh Workers' Welfare Fund	9.1 1,375	157	161	108	51	1,852
Bank and settlement charges	1	-	-	-	-	1
Total expenses	<u>2,790</u>	<u>441</u>	<u>438</u>	<u>290</u>	<u>140</u>	<u>4,099</u>
Net income for the period before taxation	<u>67,362</u>	<u>7,709</u>	<u>7,913</u>	<u>5,276</u>	<u>2,509</u>	<u>90,769</u>
Taxation	12 -	-	-	-	-	-
Net income for the period after taxation	<u>67,362</u>	<u>7,709</u>	<u>7,913</u>	<u>5,276</u>	<u>2,509</u>	<u>90,769</u>
Allocation of net income for the period						
Net income for the period after taxation	67,362	7,709	7,913	5,276	2,509	90,769
Income already paid on units redeemed	(11,434)	(1,440)	(1,669)	(499)	(440)	(15,482)
	<u>55,928</u>	<u>6,269</u>	<u>6,244</u>	<u>4,777</u>	<u>2,069</u>	<u>75,287</u>
Accounting income available for distribution						
- Relating to capital gains	55,928	4,528	6,244	4,777	2,069	73,546
- Excluding capital gains	-	1,741	-	-	-	1,741
	<u>55,928</u>	<u>6,269</u>	<u>6,244</u>	<u>4,777</u>	<u>2,069</u>	<u>75,287</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

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

Six months period ended December 31, 2019							
	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total	
Note	(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 balances 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' (net)	6.1	60,961	14,711	14,276	9,176	5,404	104,528
Total Income	<u>123,670</u>	<u>33,221</u>	<u>28,251</u>	<u>17,908</u>	<u>9,800</u>	<u>212,850</u>	
Expenses							
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	11	6	10	9	18	54
Sindh Sales Tax on management fee		1	1	1	1	2	6
Allocated expenses	7.2	701	195	165	92	54	1,207
Remuneration to Central Depository Company of Pakistan Limited - Trustee		491	137	115	65	38	846
Sindh Sales Tax on trustee fee		64	18	15	8	5	110
Annual fee to Securities and Exchange Commission of Pakistan		143	40	34	19	11	247
Auditors' remuneration		181	55	47	27	15	325
Fees and subscription		139	37	29	15	9	229
Provision for Sindh Workers' Welfare Fund	9.1	2,438	655	556	353	193	4,195
Bank and settlement charges		13	3	7	1	-	24
Total expenses		<u>4,182</u>	<u>1,147</u>	<u>979</u>	<u>590</u>	<u>345</u>	<u>7,243</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>	<u>205,607</u>
Taxation	12	-	-	-	-	-	-
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>	<u>205,607</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	205,607
Income already paid on units redeemed		(3,035)	(5,180)	(1,419)	(1,577)	(378)	(11,589)
		<u>116,453</u>	<u>26,894</u>	<u>25,853</u>	<u>15,741</u>	<u>9,077</u>	<u>194,018</u>
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
		<u>116,453</u>	<u>26,894</u>	<u>25,853</u>	<u>15,741</u>	<u>9,077</u>	<u>194,018</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

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

For the quarter ended December 31, 2020							
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total	
Note ----- (Rupees in '000) -----							
Income							
Net realised gain on sale of investments	17,996	1	2,307	719	734	21,757	
Profit on saving accounts with banks	20	24	10	5	1	60	
Dividend income	1,632	2,470	277	222	111	4,712	
	19,648	2,495	2,594	946	846	26,529	
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	6.1	14,792	(6)	(52)	891	60	15,685
Total income	34,440	2,489	2,542	1,837	906	42,214	
Expenses							
Remuneration to AI Meezan Investment Management Limited - the Management Company	7.1	5	2	1	3	-	11
Sindh Sales Tax on management fee		1	-	-	-	-	1
Allocated expenses	7.2	231	42	42	30	15	360
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		161	29	29	21	11	251
Sindh Sales Tax on trustee fee		21	4	4	3	2	34
Annual fee to the Securities and Exchange Commission of Pakistan		46	8	8	6	3	71
Auditors' remuneration		80	15	14	10	5	124
Fees and subscription		76	31	25	15	7	154
Provision for Sindh Workers' Welfare Fund	9.1	676	47	48	35	17	823
Total expenses		1,297	178	171	123	60	1,829
Net income for the quarter before taxation		33,143	2,311	2,371	1,714	846	40,385
Taxation	12	-	-	-	-	-	-
Net income for the quarter after taxation		33,143	2,311	2,371	1,714	846	40,385

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

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

For the quarter ended December 31, 2019						
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
Note	(Rupees in '000)					
Income						
Net realised gain on sale of investments	5,417	2,973	1,283	1,346	849	11,868
Profit on saving accounts with banks	75	81	64	17	109	346
Other income	31,299	8,142	6,895	3,757	2,036	52,129
	<u>36,791</u>	<u>11,196</u>	<u>8,242</u>	<u>5,120</u>	<u>2,994</u>	<u>64,343</u>
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	78,188	20,559	19,473	12,369	5,404	135,993
Total income	<u>114,979</u>	<u>31,755</u>	<u>27,715</u>	<u>17,489</u>	<u>8,398</u>	<u>200,336</u>
Expenses						
Remuneration to AI Meezan Investment Management Limited - the Management Company	7.1	6	2	6	3	26
Sindh Sales Tax on management fee		-	1	-	-	2
Allocated expenses	7.2	345	90	79	45	583
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		241	64	54	32	408
Sindh Sales Tax on trustee fee		32	9	7	4	54
Annual fee to the Securities and Exchange Commission of Pakistan		69	18	16	9	117
Auditors' remuneration		133	43	37	21	246
Fees and subscription		100	25	19	10	160
Provision for Sindh Workers' Welfare Fund	9.1	2,280	630	550	347	3,973
Bank and settlement charges		13	3	2	1	19
Total expenses		<u>3,219</u>	<u>885</u>	<u>770</u>	<u>472</u>	<u>5,588</u>
Net income for the quarter before taxation		<u>111,760</u>	<u>30,870</u>	<u>26,945</u>	<u>17,017</u>	<u>194,748</u>
Taxation	12	-	-	-	-	-
Net income for the quarter before taxation		<u>111,760</u>	<u>30,870</u>	<u>26,945</u>	<u>17,017</u>	<u>194,748</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



MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

Six months period ended December 31, 2020						
MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
----- (Rupees in '000) -----						
Net income for the period after taxation	67,362	7,709	7,913	5,276	2,509	90,769
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	<u>67,362</u>	<u>7,709</u>	<u>7,913</u>	<u>5,276</u>	<u>2,509</u>	<u>90,769</u>

Six months period ended December 31, 2019						
MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	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>

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

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	For the quarter ended December 31, 2020					
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
	----- (Rupees in '000) -----					
Net income for the quarter after taxation	33,143	2,311	2,371	1,714	846	40,385
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive income for the quarter	<u>33,143</u>	<u>2,311</u>	<u>2,371</u>	<u>1,714</u>	<u>846</u>	<u>40,385</u>

	For the quarter ended December 31, 2019					
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
	----- (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>

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



MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020																	
	MCPPIV			MCPPIV			MCPPIV			MCPPIV			MCPPIV			Total		
	Capital value	(Accumulate d loss) /undistribute d income	Total	Capital value	Undistributed income	Total	Capital value	(Accumulate d loss) /undistribute d income	Total	Capital value	(Accumulate d loss) /undistribute d income	Total	Capital value	(Accumulate d loss) /undistribute d income	Total	Capital value	(Accumulate d loss) /undistribute d income	Total
(Rupees in '000)																		
Net assets at the beginning of the period	1,122,392	(10,007)	1,112,385	215,481	882	216,363	214,933	(1,453)	213,480	137,452	(1,848)	135,604	67,469	(3,598)	63,871	1,757,727	(16,024)	1,741,703
Redemption of units:	MCPPIV: 6,636,329 / MCPPIV: 1,379,754 / MCPPIV: 1,261,623 MCPPIV: 413,724 / MCPPIV: 285,929 units - Capital value (at net asset value per unit at the beginning of the period) - Element of income																	
	329,651	-	329,651	69,371	-	69,371	63,249	-	63,249	20,359	-	20,359	14,028	-	14,028	496,658	-	496,658
	-	11,434	11,434	-	1,440	1,440	-	1,669	1,669	-	499	499	-	440	440	-	15,482	15,482
Total payments on redemption of units	329,651	11,434	341,085	69,371	1,440	70,811	63,249	1,669	64,918	20,359	499	20,858	14,028	440	14,468	496,658	15,482	512,140
Total comprehensive income for the period	-	67,362	67,362	-	7,709	7,709	-	7,913	7,913	-	5,276	5,276	-	2,509	2,509	-	90,769	90,769
Net income for the period less distribution	-	67,362	67,362	-	7,709	7,709	-	7,913	7,913	-	5,276	5,276	-	2,509	2,509	-	90,769	90,769
Net assets at the end of the period	792,741	45,921	838,662	146,110	7,151	153,261	151,684	4,791	156,475	117,093	2,929	120,022	53,441	(1,529)	51,912	1,261,069	59,263	1,320,332
(Accumulated loss) / income brought forward																		
- Realised (loss) / income	(9,537)			805			(1,529)			(1,897)			(3,621)			(15,779)		
- Unrealised (loss) / income	(470)			77			76			49			23			(245)		
	(10,007)			882			(1,453)			(1,848)			(3,598)			(16,024)		
Accounting income available for distribution																		
- Relating to capital gains	55,928			4,528			6,244			4,777			2,069			73,546		
- Excluding capital gains	-			1,741			-			-			-			1,741		
	55,928			6,269			6,244			4,777			2,069			75,287		
Distribution during the period																		
Undistributed income carried forward	45,921			7,151			4,791			2,929			(1,529)			59,263		
Undistributed income carried forward																		
- Realised income / (loss)	4,633			7,109			(733)			(1,273)			(3,288)			6,448		
- Unrealised Income	41,288			42			5,524			4,202			1,759			52,815		
	45,921			7,151			4,791			2,929			(1,529)			59,263		
	<u>Rupees</u>			<u>Rupees</u>			<u>Rupees</u>			<u>Rupees</u>			<u>Rupees</u>			<u>Rupees</u>		
Net asset value per unit as at the beginning of the period	49.6737			50.2777			50.1329			49.2089			49.0635					
Net asset value per unit as at the end of the period	53.2230			52.4219			52.2164			51.2486			51.1010					

The annexed notes 1 to 16 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 UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2019																	
	MCCP-IV			MCCP-V			MCCP-VI			MCCP-VII			MCCP-VIII			Total		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Undistributed Income	Total	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total
(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	1,563,055	(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:																		
MCCP-IV: 5,856,864 / MCCP-V: 3,888,064 /																		
MCCP-VI: 2,195,718 MCCP-VII: 1,087,264 /																		
MCCP-VIII: 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
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	1,269,501	106,446	1,375,947	278,256	27,699	305,955	275,860	24,324	300,184	154,903	13,844	168,747	93,688	5,457	99,145	2,072,208	177,770	2,249,978
(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		106,446			27,699			24,324			13,844			5,457			177,770	
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	
		106,446			27,699			24,324			13,844			5,457			177,770	
Net asset value per unit as at the beginning of the period			Rupees 50.1213			Rupees 50.1139			Rupees 49.9586			Rupees 50.0391			Rupees 48.9980			
Net asset value per unit as at the end of the period			54.7556			54.9435			54.6668			55.1872			53.9359			

The annexed notes 1 to 16 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, 2020

	Six months period ended December 31, 2020					
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
Note	(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period before taxation	67,362	7,709	7,913	5,276	2,509	90,769
Adjustments for:						
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' 6.1	(41,288)	(42)	(5,524)	(4,202)	(1,759)	(52,815)
	26,074	7,667	2,389	1,074	750	37,954
Decrease in assets						
Investments - net	319,269	69,747	62,039	21,114	13,617	485,786
Receivable against sale of investments	1,190	3,120	(1,010)	100	(250)	3,150
Advances, deposits and other receivables	101	40	28	13	7	189
	320,560	72,907	61,057	21,227	13,374	489,125
(Decrease) / increase in liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	(17)	16	(4)	(1)	-	(6)
Payable to Central Depository Company of Pakistan Limited - Trustee	(15)	(5)	(4)	(1)	-	(25)
Payable to Securities and Exchange Commission of Pakistan	(163)	(48)	(38)	(21)	(12)	(282)
Payable against purchase of investments	25	25	5	4	2	61
Accrued expenses and other liabilities	(3,087)	(736)	93	(187)	(24)	(3,941)
	(3,257)	(748)	52	(206)	(34)	(4,193)
Net cash generated from operating activities	343,377	79,826	63,498	22,095	14,090	522,886
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments against redemption and conversion of units	(342,250)	(75,401)	(63,916)	(20,953)	(14,179)	(516,699)
Dividend paid	(2,190)	(744)	(25)	(1,242)	(16)	(4,217)
Net cash used in financing activities	(344,440)	(76,145)	(63,941)	(22,195)	(14,195)	(520,916)
Net (decrease) / increase in cash and cash equivalents during the period	(1,063)	3,681	(443)	(100)	(105)	1,970
Cash and cash equivalents at the beginning of the period	1,366	2,299	692	175	339	4,871
Cash and cash equivalents at the end of the period	303	5,980	249	75	234	6,841

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

**MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

		Six months period ended December 31, 2019					
		MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
Note		(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'	6.1 (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 - net	(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
(Decrease) / increase in liabilities							
	Payable to Al 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 - net	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) / generated from 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 16 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
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Capital Preservation Plan-IV (M CPP-IV), Meezan Capital Preservation Plan-V (M CPP-V), Meezan Capital Preservation Plan-VI (M CPP-VI), Meezan Capital Preservation Plan-VII (M CPP-VII) and Meezan Capital Preservation Plan-VIII (M CPP-VIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.

Meezan Capital Preservation Plan-IV (M CPP-IV)	<p>Low risk - High return through asset allocation</p> <p>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 was two and a half years from the close of the subscription period. During the current period, SECP approved the extension of the plan by one year vide its letter dated October 24, 2020. Units shall be subject to front end load.</p>
Meezan Capital Preservation Plan-V (M CPP-V)	<p>Low risk - High return through asset allocation</p> <p>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 i.e July 6, 2018. Period has been extended by the Management Company for one year which shall now expire on January 5, 2022. Units shall be subject to front end load.</p>

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, 2020.

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, 2020.

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

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, 2020.

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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. 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

December 31, 2020 (Unaudited)							
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
(Rupees in '000)							
Saving accounts	5.1	293	5,980	249	75	234	6,831
Current accounts		10	-	-	-	-	10
		<u>303</u>	<u>5,980</u>	<u>249</u>	<u>75</u>	<u>234</u>	<u>6,841</u>

June 30, 2020 (Audited)							
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
(Rupees in '000)							
Saving accounts	5.1	1,356	2,299	692	175	339	4,861
Current accounts		10	-	-	-	-	10
		<u>1,366</u>	<u>2,299</u>	<u>692</u>	<u>175</u>	<u>339</u>	<u>4,871</u>

5.1 The balances in savings accounts have an expected profit which ranges from 2.51% to 3.40% (June 30, 2020 3.00% to 3.40%) per annum.

6. INVESTMENTS

December 31, 2020 (Unaudited)							
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
(Rupees in '000)							
Investments - 'at fair value through profit or loss'	6.1	841,714	148,021	156,701	120,204	51,971	1,318,611

June 30, 2020 (Audited)							
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
(Rupees in '000)							
Investments - 'at fair value through profit or loss'		<u>1,119,695</u>	<u>217,726</u>	<u>213,216</u>	<u>137,116</u>	<u>63,829</u>	<u>1,751,582</u>

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2020	Purchases during the period	Redemptions during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation as at December 31, 2020	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	1,007,398	8,631,553	3,210,362	6,428,589	255,905	281,529	25,624	33.57	33.45
Meezan Cash Fund	-	3,239,124	3,239,124	-	-	-	-	-	-
Meezan Sovereign Fund	21,045,293	3,862,692	17,098,170	7,809,815	404,575	420,239	15,664	50.11	49.93
Meezan Rozana Amdani Fund	-	6,255,214	3,456,297	2,798,917	139,946	139,946	-	16.69	16.63
					800,426	841,714	41,288	100.36	100.01
Meezan Capital Preservation Plan - V									
Meezan Dedicated Equity Fund	-	500,654	148,193	352,461	15,400	15,435	35	10.07	10.43
Meezan Cash Fund	-	569,301	569,301	-	-	-	-	-	-
Meezan Sovereign Fund	4,223,792	488,350	4,705,066	7,076	374	381	7	0.25	0.26
Meezan Rozana Amdani Fund	-	3,920,835	1,276,740	2,644,095	132,205	132,205	-	86.26	89.32
					147,979	148,021	42	96.58	100.01
Meezan Capital Preservation Plan - VI									
Meezan Sovereign Fund	4,136,293	-	1,693,748	2,442,545	125,908	131,432	5,524	84.00	83.87
Meezan Rozana Amdani Fund	-	505,386	-	505,386	25,269	25,269	-	16.15	16.13
					151,177	156,701	5,524	100.15	100
Meezan Capital Preservation Plan - VII									
Meezan Sovereign Fund	2,659,990	-	801,781	1,858,209	95,787	99,989	4,202	83.31	83.18
Meezan Rozana Amdani Fund	-	404,309	-	404,309	20,215	20,215	-	16.84	16.82
					116,002	120,204	4,202	100.15	100
Meezan Capital Preservation Plan - VIII									
Meezan Sovereign Fund	1,238,243	-	460,255	777,988	40,104	41,863	1,759	80.64	80.55
Meezan Rozana Amdani Fund	-	202,154	-	202,154	10,108	10,108	-	19.47	19.45
					50,212	51,971	1,759	100.11	100
Total investments in units of mutual funds									
Meezan Dedicated Equity Fund	1,007,398	9,132,208	3,358,555	6,781,050	271,305	296,964	25,659	22.49	22.52
Meezan Cash Fund	-	3,808,424	3,808,425	-	-	-	-	-	-
Meezan Sovereign Fund	33,303,611	4,351,042	24,759,020	12,895,633	666,748	693,904	27,156	52.56	52.62
Meezan Rozana Amdani Fund	-	11,287,898	4,733,037	6,554,862	327,743	327,743	-	24.82	24.86
					1,265,796	1,318,611	52,815	99.87	100
Total as at December 31, 2020									
Total as at June 30, 2020					1,751,827	1,751,582	(245)	100.57	100.00

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

December 31, 2020 (Unaudited)						
	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total
Note ----- (Rupees in '000) -----						
Management fee payable	7.1	4	2	1	1	11
Sindh Sales Tax on management fee payable		1	-	-	-	1
Allocated Expenses	7.2	73	32	14	10	6
		78	34	15	11	18
						156
June 30, 2020 (Audited)						
	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total
Note ----- (Rupees in '000) -----						
Management fee payable	7.1	2	-	1	1	11
Sindh Sales Tax on management fee payable		1	-	-	-	2
Allocated Expenses	7.2	92	18	18	11	5
		95	18	19	12	18
						162

7.1 As per regulation 61 of the NBFC Regulations 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% per annum of the daily bank balance of the Fund during the period ended December 31, 2020. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

The management company based on its own discretion has currently fixed a maximum capping of 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

As at December 31, 2020 (Unaudited)							
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total	
Note	----- (Rupees in '000) -----						
Auditors' remuneration payable	160	29	30	20	10	249	
Withholding tax payable	16	-	-	-	-	16	
Shariah advisory fee payable	102	16	17	11	4	150	
Printing charges payable	212	9	8	-	2	231	
Provision for Sindh Workers' Welfare Fund	9.1	2,421	524	303	166	110	3,524
Capital gain tax payable		72	8	13	2	1	96
Other payable		-	-	-	-	-	-
Zakat payable		-	55	3	-	-	58
		<u>2,983</u>	<u>641</u>	<u>374</u>	<u>199</u>	<u>127</u>	<u>4,324</u>

As at June 30, 2020 (Audited)							
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total	
Note	----- (Rupees in '000) -----						
Auditors' remuneration payable	188	43	39	23	12	305	
Withholding tax payable	4,514	922	27	294	73	5,830	
Shariah advisory fee payable	101	18	16	10	5	150	
Printing charges payable	212	9	8	-	2	231	
Provision for Sindh Workers' Welfare Fund	9.1	1,046	367	142	58	59	1,672
Capital gain tax payable		9	18	1	-	-	29
Other payable		-	-	-	-	-	-
Zakat payable		-	-	48	-	-	48
		<u>6,070</u>	<u>1,377</u>	<u>281</u>	<u>386</u>	<u>151</u>	<u>8,265</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). 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 0.15, Re 0.18, Re 0.10, Re 0.07 and 0.11 in MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII and MCPP-VIII (June 30, 2020: Re. 0.05, Re. 0.09, Re. 0.03, Re.0.02 and Re 0.05 per unit respectively).

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 / 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, 2020 (Unaudited)					Total
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	
Al Meezan Investment Management Limited - Management Company						
Management fee payable (Rs in '000)	4	2	1	1	11	19
Sindh Sales Tax on management fee (Rs in '000)	1	-	-	-	1	2
Allocated expenses (Rs in '000)	73	32	14	10	6	135
Meezan Bank Limited						
Bank balance (Rs in '000)	293	5,970	249	75	234	6,821
Profit receivable (Rs in '000)	7	3	4	1	2	17
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs. in '000)	51	9	9	7	3	79
Sindh Sales Tax on trustee fee payable (Rs. in '000)	6	1	1	1	1	10
Directors and Executives of the Management Company						
Investment (Rs in '000)	5,455	-	-	-	-	5,455
Investment (Units)	102,501	-	-	-	-	102,501
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	281,529	15,435	-	-	-	296,964
Investment (Units)	6,428,589	352,461	-	-	-	6,781,050
Meezan Sovereign Fund						
Investment (Rs in '000)	420,239	381	131,432	99,989	41,863	693,904
Investment (Units)	7,809,815	7,076	2,442,545	1,858,209	777,988	12,895,633
Meezan Rozana Amdani Fund						
Investment (Rs in '000)	139,946	132,205	25,269	20,215	10,108	327,743
Investment (Units)	2,798,917	2,644,095	505,386	404,309	202,154	6,554,862
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	179,686	-	-	50,588	-	230,274
Investment (Units)	3,376,099	-	-	987,119	-	4,363,218



As at June 30, 2020 (Audited)						
MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total	
AI Meezan Investment Management Limited						
- Management Company						
Remuneration payable (Rs in '000)	2	-	1	1	11	15
Sindh Sales Tax on management fee (Rs in '000)	1	-	-	-	2	3
Allocated expenses (Rs in '000)	92	18	18	11	5	144
Meezan Bank Limited						
Bank balance (Rs in '000)	1,356	2,289	692	175	339	4,851
Profit receivable (Rs in '000)	3	2	4	1	2	12
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs in '000)	64	13	12	8	3	100
Sindh Sales Tax on trustee fee payable (Rs in '000)	8	2	2	1	1	14
Directors and Executives of the Management Company						
Investment (Rs in '000)	5,092	-	-	-	-	5,092
Investment (Units)	102,501	-	-	-	-	102,501
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	34,860	-	-	-	-	34,860
Investment (Units)	1,007,398	-	-	-	-	1,007,398
Meezan Sovereign Fund						
Investment (Rs in '000)	1,084,835	217,726	213,216	137,116	63,829	1,716,722
Investment (Units)	21,045,293	4,223,792	4,136,293	2,659,990	1,238,243	33,303,611

Balances						
As at June 30, 2020 (Audited)						
MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total	
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	167,703	-	24,728	48,575	-	241,007
Investment (Units)	3,376,099	-	493,254	987,119	-	4,856,472

Transactions during the period						
For the six month period ended December 31, 2020						
MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total	
------(Unaudited)-----						
AI Meezan Investment Management Limited						
- Management Company						
Remuneration for the period (Rs in '000)	12	5	4	4	1	26
Sindh Sales Tax on management fee (Rs in '000)	2	1	1	1	-	5
Allocated expenses (Rs in '000)	509	91	95	64	31	790
Meezan Bank Limited						
Profit on saving account (Rs in '000)	31	57	19	8	4	119
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee (Rs in '000)	356	64	66	45	22	553
Sindh Sales Tax on trustee fee (Rs in '000)	46	8	9	6	3	72
Meezan Dedicated Equity Fund						
Invested during the period (Rs. in '000)	344,782	21,350	-	-	-	366,132
Invested during the period (Units)	8,631,553	500,654	-	-	-	9,132,208
Redeemed during the period (Rs. in '000)	128,636	5,966	-	-	-	134,602
Redeemed during the period (Units)	3,210,362	148,193	-	-	-	3,358,555

For the six month period ended December 31, 2020						
MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total	
------(Unaudited)-----						
Meezan Cash Fund						
Invested during the period (Rs. in '000)	165,000	29,000	-	-	-	194,000
Invested during the period (Units)	3,239,124	569,301	-	-	-	3,808,424
Redeemed during the period (Rs. in '000)	165,077	29,014	-	-	-	194,091
Redeemed during the period (Units)	3,239,124	569,301	-	-	-	3,808,425
Meezan Sovereign Fund						
Invested during the period (Rs. in '000)	203,815	25,791	-	-	-	229,606
Invested during the period (Units)	3,862,692	488,350	-	-	-	4,351,042
Redeemed during the period (Rs. in '000)	905,602	247,600	89,840	42,464	24,500	1,310,006
Redeemed during the period (Units)	17,098,170	4,705,066	1,693,748	801,781	460,255	24,759,020
Meezan Rozana Amdani Fund						
Invested during the period (Rs. in '000)	312,761	196,042	25,269	20,215	10,108	564,395
Invested during the period (Units)	6,255,214	3,920,835	505,386	404,309	202,154	11,287,898
Redeemed during the period (Rs. in '000)	172,815	63,837	-	-	-	236,652
Redeemed during the period (Units)	3,456,297	1,276,740	-	-	-	4,733,037
Dividend received during the period (Rs. in '000)	2,329	3,565	277	222	111	6,504
Dividend received during the period (Units)	46,574	71,305	5,549	4,439	2,219	130,087
Six month period ended December 31, 2019						
MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total	
------(Unaudited)-----						
AI Meezan Investment Management Limited - Management Company						
Remuneration for the quarter / period	11	6	10	9	18	54
Sindh Sales Tax on management fee	1	1	1	1	2	6
Allocated expenses	701	195	165	92	54	1,207
Meezan Bank Limited						
Profit on saving account	209	103	95	60	177	644
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

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is as follows:

	As at December 31, 2020				
	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII
Total Expense ratio (including government levies)	0.41%	0.40%	0.38%	0.37%	0.37%
Government levies, Sindh Workers' Fund and SECP Fee	0.17%	0.12%	0.12%	0.11%	0.11%

	As at June 30, 2020				
	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII
Total Expense ratio (including government levies)	0.31%	0.36%	0.31%	0.29%	0.35%
Government levies	0.09%	0.12%	0.08%	0.06%	0.10%

The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "fund of fund scheme".

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 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, 2021 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).

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

- 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2020 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Units of mutual funds	-	1,318,611	-	1,318,611

ASSETS	As at June 30, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Units of mutual funds	-	1,751,582	-	1,751,582

14. CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

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

Chief Executive

Chief Financial Officer

Director



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.

HIGHEST
website traffic
IN THE INDUSTRY



FUND INFORMATION

MANAGEMENT COMPANY

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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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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
Dubai Islamic Bank Pakistan Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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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, 2020 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 23, 2021



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, 2020 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, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

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**

Date: February 25, 2021

Karachi



**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	MCCPP-IX	
Note	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 99	447
Investments	6 97,270	89,540
Advance, deposits and other receivable	20	2
Total assets	97,389	89,989
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	7 8	7
Payable to Central Depository Company of Pakistan Limited - the Trustee	6	6
Payable to the Securities and Exchange Commission of Pakistan	10	18
Payable against investments	3	-
Accrued expenses and other liabilities	8 551	963
Total liabilities	578	994
Net assets	96,811	88,995
Unit holders' fund (as per statement attached)	96,811	88,995
Contingencies and commitments	9	
	----- (Number of units) -----	
Number of units in issue	1,767,216	1,831,230
	----- (Rupees) -----	
Net asset value per unit	54.7815	48.5984

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

MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
MCPPI-IX				
Note	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Income				
Realised gain on sale of investments	3,480	1,623	751	2,796
Profit on balance with banks	3	201	2	103
Dividend income	179	3,810	172	1,951
	<u>3,662</u>	<u>5,634</u>	<u>925</u>	<u>4,850</u>
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	8,107	4,919	3,235
Total income		<u>11,769</u>	<u>10,553</u>	<u>4,160</u>
Expenses				
Remuneration to AI Meezan Investment Management Limited - the Management Company	1	23	-	4
Sindh Sales Tax on remuneration to Management Company	-	3	-	1
Allocated expenses	48	46	24	25
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	33	33	16	17
Sindh Sales Tax on remuneration of the Trustee	4	4	2	2
Annual fee to the Securities and Exchange Commission of Pakistan	10	9	5	5
Auditors' remuneration	102	59	54	44
Bank and settlement charges	-	6	-	6
Fees and subscription	144	149	76	81
Provision for Sindh Workers' Welfare Fund	229	204	80	191
Total expenses	<u>571</u>	<u>536</u>	<u>257</u>	<u>376</u>
Net income for the period before taxation		<u>11,198</u>	<u>10,017</u>	<u>3,903</u>
Taxation	12	-	-	-
Net income for the period after taxation		<u>11,198</u>	<u>10,017</u>	<u>3,903</u>
Allocation of net income for the period				
Net income for the period after taxation		11,198	10,017	
Income already paid on units redeemed		(270)	(411)	
		<u>10,928</u>	<u>9,606</u>	
Accounting income available for distribution				
- Relating to capital gains		10,928	6,542	
- Excluding capital gains		-	3,064	
		<u>10,928</u>	<u>9,606</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



MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020

	Six months period ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	MCPPI-IX			
Note	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income for the period after taxation	11,198	10,017	3,903	9,393
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>11,198</u>	<u>10,017</u>	<u>3,903</u>	<u>9,393</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

MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
MCPPI-IX						
	Capital value	Undistributed income	Total	Capital value	(Accumulated loss) / Undistributed Income	Total
----- (Rupees in '000) -----						
Net assets at the beginning of the period	88,323	672	88,995	34,246	(316)	33,930
Issuance of units:						
Issuance of nil units (2019 : 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 64,104 units (2019: 680,453 units)						
- Capital value (at net asset value per unit at the beginning of the period)	3,112	-	3,112	32,824	-	32,824
- Element of loss	-	270	270	10	411	421
Total payments on redemption of units	3,112	270	3,382	32,834	411	33,245
Total comprehensive income for the period	-	11,198	11,198	-	10,017	10,017
Net assets at the end of the period	<u>85,211</u>	<u>11,600</u>	<u>96,811</u>	<u>89,296</u>	<u>9,290</u>	<u>98,586</u>
Accumulated loss brought forward						
- Realised loss		(316)			(105)	
- Unrealised income / (loss)		988			(211)	
		<u>672</u>			<u>(316)</u>	
Accounting income available for distribution						
- Relating to capital gains		10,928			6,542	
- Excluding capital gains		-			3,064	
		<u>10,928</u>			<u>9,606</u>	
Undistributed income carried forward		<u>11,600</u>			<u>9,290</u>	
Undistributed income carried forward						
- Realised income		3,493			4,371	
- Unrealised income		8,107			4,919	
		<u>11,600</u>			<u>9,290</u>	
				Rupees		Rupees
Net asset value per unit as at the beginning of the period				<u>48.5984</u>		<u>48.2374</u>
Net asset value per unit as at the end of the period				<u>54.7815</u>		<u>53.6070</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

**MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**



	Six months period ended	
	2020	2019
	MCPPI-IX	
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	11,198	10,017
Adjustments for:		
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	(8,107)	(4,919)
	<u>3,091</u>	<u>5,098</u>
Decrease / (Increase) in assets		
Investments - net	377	(73,961)
Advance, deposits and other receivable	(18)	(77)
Receivable against sale of investments	-	(12,740)
	<u>359</u>	<u>(86,778)</u>
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	1	(857)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	6
Payable to Securities and Exchange Commission of Pakistan	(8)	8
Payable against purchase of investments	3	12,063
Accrued expenses and other liabilities	(412)	350
	<u>(416)</u>	<u>11,570</u>
Net cash generated from / (used in) operating activities	<u>3,034</u>	<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	(3,382)	(32,505)
Net cash (used in) / generated from financing activities	<u>(3,382)</u>	<u>55,379</u>
Net decrease in cash and cash equivalents	<u>(348)</u>	<u>(14,731)</u>
Cash and cash equivalents at the beginning of the period	447	15,908
Cash and cash equivalents at the end of the period	<u>5</u> <u>99</u>	<u>1,177</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

MEEZAN STRATEGIC ALLOCATION FUND - III
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

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. The Fund is listed on Pakistan Stock Exchange Limited.
- 1.4** 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. 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 dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020. 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 SECP.
- 1.7** A brief description of the plan is as follows:

Meezan Capital Preservation Plan-IX (MCPPI-IX)	Low risk - High return through asset allocation: 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.
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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, 2020.

These condensed interim financial statements are unaudited. 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, 2020.

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, 2020.

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 accounting 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, 2020. 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, 2020.

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, 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.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.



		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		MCCP-IX	
		----(Rupees in '000)----	
5. BALANCES WITH BANKS	Note		
Saving accounts	5.1	99	447

5.1 The balances in savings accounts have an expected profit which ranges from 2.51% to 6.50% per annum. (June 30, 2020: 3.00% to 7.50% per annum).

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		MCCP-IX	
		----(Rupees in '000)----	
6. INVESTMENTS	Note		
Investments - 'at fair value through profit or loss' - units of mutual funds	6.1	97,270	89,540

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 01, 2020	Purchases during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain as at December 31, 2020	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 - IX

Meezan Dedicated Equity Fund	1,024,922	792,068	775,197	1,041,793	38,898	45,623	6,725	47	47
Meezan Sovereign Fund	1,048,980	462,505	835,433	676,052	34,996	36,378	1,382	38	37
Meezan Rozana Amdani Fund	-	365,486	60,109	305,377	15,269	15,269	-	16	16
					89,163	97,270	8,107	101	100

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		MCCP-IX	
		(Rupees in '000)	
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note		
Management fee payable	7.1	-	-
Sindh Sales Tax payable on remuneration of the Management Company		-	-
Allocated expenses payable	7.2	8	7
		<u>8</u>	<u>7</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% per annum of the daily bank balances of the Fund during the period ended. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

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 year for the period.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	MCCP-IX	
		----(Rupees in '000)----	
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		72	50
Shariah advisory fee payable		148	147
Capital gain tax payable		-	1
Provision for Sindh Workers' Welfare Fund	8.1	331	102
Withholding tax payable		-	604
Dividend Payable		-	59
		<u>551</u>	<u>963</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 SWWF not been recorded the NAV per unit of the plan (MCCP IX) as at December 31, 2020 would have been higher by Re.0.19 per unit (June 30,2020 : Re. 0.06 per unit).

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 10.1** 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.
- 10.2** 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.
- 10.3** 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.
- 10.4** Detail of transactions with connected persons and balances with them are as follows:

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	MCCP-IX	
	----(Rupees in '000)----	
Balances		
Al Meezan Investment Management Limited - the Management Company		
Allocated expenses (Rs in '000)	8	7
Investment (Rs in '000)	80,979	71,839
Investment (Units)	1,478,213	1,478,213



December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
MCCP-IX	
-----(Rupees in '000)----	

Meezan Bank Limited

Bank balance (Rs in '000)	79	427
Profit receivable (Rs in '000)	2	2

Central Depository Company of Pakistan Limited - the Trustee

Trustee fee payable (Rs. in '000)	5	5
Sindh Sales Tax on trustee fee payable (Rs. in '000)	1	1

Meezan Dedicated Equity Fund

Investment (Rs in '000)	45,623	35,468
Investment (Units)	1,041,793	1,024,922

Meezan Sovereign Fund

Investment (Rs in '000)	36,378	54,072
Investment (Units)	676,052	1,048,980

Meezan Rozana Amdani Fund

Investment (Rs in '000)	15,269	-
Investment (Units)	305,377	-

**For the six months period
ended December 31,**

2020 2019

(Unaudited)

MCCP IX

(Rupees in '000)

Transactions during the period

Al Meezan Investment Management Limited - the Management Company

Remuneration for the period (Rs in '000)	1	23
Sindh Sales Tax on management fee (Rs in '000)	-	3
Allocated expenses (Rs in '000)	48	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)	3	201
---------------------------------------	---	-----

Central Depository Company of Pakistan Limited - the Trustee

Trustee fee for the period (Rs in '000)	33	33
Sindh Sales Tax on trustee fee (Rs in '000)	4	4

Meezan Dedicated Equity Fund

Invested during the period (Rs in '000)	31,200	104,000
Invested during the period (Units)	792,068	2,985,403
Redeemed during the period (Rs in '000)	30,497	74,250
Redeemed during the period (Units)	775,197	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,**

2020 2019

(Unaudited)

MCPP IX

(Rupees in '000)

Meezan Sovereign Fund

Invested during the period (Rs in '000)

24,080 12,000

Invested during the period (Units)

462,505 232,743

Redeemed during the period (Rs in '000)

43,908 22,255

Redeemed during the period (Units)

835,433 431,562

Meezan Rozana Amdani Fund

Invested during the period (Rs in '000)

18,274 206,922

Invested during the period (Units)

365,486 4,138,449

Redeemed during the period (Rs in '000)

3,005 150,614

Redeemed during the period (Units)

60,109 3,012,279

Dividend received during the period (Units)

3,584 76,208

Dividend received during the period (Rs. In '000')

179 3,810

11 EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.96% which includes 0.27% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "fund of fund scheme".

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 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, 2021 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 FAIR VALUE 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2020 (Unaudited)		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets 'at fair value through profit or loss'			
Units of mutual funds	-	97,270	-

	As at June 30, 2020 (Audited)		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets 'at fair value through profit or loss'			
Units of mutual funds	-	89,540	-

14 CORRESPONDING FIGURES

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

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

16. GENERAL

16.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

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

Chief Executive

Chief Financial Officer

Director



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.

**LARGEST
PENSION FUND
MANAGER
IN THE INDUSTRY**



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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 Bank Limited -Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	Habib Metropolitan 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	Sindh Bank Limited
The Bank of Punjab	Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited	UBL Ameen - Islamic Banking
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
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

Review Report on Review of Interim Financial Statements

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 2020 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 statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Pension Fund Manager is responsible for the preparation and presentation of these 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 interim financial statements 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 statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

Other Matter

The figures for the quarter ended 31 December 2020 and 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.

The engagement partner on the engagement resulting in this independent auditor's review report is Aryn Malik.

Date: 25 February 2021

Karachi

A handwritten signature in blue ink, appearing to read 'KPMG Taseer Hadi & Co.', written over a horizontal line.

KPMG Taseer Hadi & Co.
Chartered Accountants



Meezan Tahaffuz Pension Fund
Condensed Interim Statement of Assets And Liabilities
As at December 31, 2020

Note	As at December 31, 2020 (Un-Audited)					As at June 30, 2020 (Audited)	
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund	Total	Total	
----- (Rupees in '000) -----							
ASSETS							
Bank balances	4	192,127	1,284,345	1,274,778	32,607	2,783,857	3,004,797
Investments	5	5,030,666	2,341,029	1,910,792	-	9,282,487	7,527,701
Investment in gold	5.5	-	-	-	106,393	106,393	97,926
Dividend receivable		6,095	-	-	-	6,095	8,284
Deposits and other receivables	6	9,265	45,240	14,354	55	68,914	79,369
Receivable against change of plan / change of fund manager / issuance of units		-	845	-	-	845	-
Receivable against sale of investments		26,671	-	-	-	26,671	9,999
Total assets		5,264,824	3,671,459	3,199,924	139,055	12,275,262	10,728,076
LIABILITIES							
Payable to AI Meezan Investment Management Limited - Pension Fund Manager	7	739	528	455	194	1,916	2,005
Payable to Central Depository Company of Pakistan Limited - Trustee	8	386	278	240	10	914	788
Payable to auditors		104	103	103	103	413	253
Payable to Securities and Exchange Commission of Pakistan	9	813	580	509	22	1,924	3,218
Payable against purchase of investments		17,581	-	-	-	17,581	9,989
Payable against withdrawal / change of plan		2,417	1,531	10,463	-	14,411	18,594
Accrued expenses and other liabilities	10	97,871	36,700	20,491	1,572	156,634	172,531
Total liabilities		119,911	39,720	32,261	1,901	193,793	207,378
NET ASSETS		5,144,913	3,631,739	3,167,663	137,154	12,081,469	10,520,698
Contingencies and commitments	12						
PARTICIPANTS' SUB - FUNDS (as per statement attached)		5,144,913	3,631,739	3,167,663	137,154	12,081,469	10,520,698
----- (Number of units) -----							
Number of units in issue (as per statement attached)		10,168,609	13,274,568	12,017,364	815,991		
----- (Rupees) -----							
Net assets value per unit		505.9604	273.5862	263.5905	168.0820		

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial 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, 2020

Note	December 31, 2020				Total	December 31,	
	Equity sub Fund	Debt sub Fund	Money Market Sub Fund	Gold Sub Fund		2019	
						Total	
(Rupees in '000)							
INCOME							
		-	92,401	17,579	-	109,980	98,357
Profit from sukuk certificates		-	92,401	17,579	-	109,980	98,357
Profit on saving accounts with banks	4.1	4,167	30,026	57,653	458	92,304	207,666
Profit on term deposit receipts		-	12,376	27,376	-	39,752	43,205
Dividend income		115,812	-	-	-	115,812	128,789
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1 & 5.2	937,228	47,808	(1,114)	-	983,922	706,556
Unrealised appreciation on investment in gold	5.5	-	-	-	8,466	8,466	5,041
Net realised gain / (loss) on sale of investments		118,676	(6)	1,131	-	119,801	(16,412)
Other income		-	-	-	305	305	235
Total income		1,175,883	182,605	102,625	9,229	1,470,342	1,173,437
EXPENSES							
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager		36,674	26,156	22,986	990	86,806	69,040
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager		4,768	3,400	2,988	129	11,285	8,976
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,956	1,395	1,226	53	4,630	3,919
Sindh Sales Tax on remuneration of the Trustee		254	181	159	7	601	510
Annual fee to Securities and Exchange Commission of Pakistan		814	580	510	22	1,926	1,533
Auditors' remuneration		133	133	133	132	531	388
Brokerage charges and custodian fee		3,622	183	75	532	4,412	2,487
Bank and settlement charges		363	13	9	3	388	713
Charity expense		3,861	-	-	-	3,861	3,495
Provision for Sindh Workers' Welfare Fund	11	21,958	3,162	1,532	161	26,813	22,567
Total expenses		74,403	35,203	29,618	2,029	141,253	113,628
Net income from operating activities		1,101,480	147,402	73,007	7,200	1,329,089	1,059,809
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(25,517)	7,560	2,045	710	(15,202)	45,915
Net income for the period before taxation		1,075,963	154,962	75,052	7,910	1,313,887	1,105,724
Taxation	15	-	-	-	-	-	-
Net income for the period after taxation		1,075,963	154,962	75,052	7,910	1,313,887	1,105,724
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		1,075,963	154,962	75,052	7,910	1,313,887	1,105,724

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



Meezan Tahaffuz Pension Fund

Condensed Interim Income Statement And Statement Of Comprehensive Income (Un-Audited)

For The Three Months Period December 31, 2020

December 31, 2020				Total	December 31,
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund		2019
					Total

(Rupees in '000)

INCOME

Profit from sukuk certificates and commercial paper	-	41,221	7,659	-	48,880	51,717
Profit on saving accounts with banks	1,345	15,892	25,465	274	42,976	106,306
Profit on term deposit receipts	-	8,465	18,106	-	26,571	25,967
Dividend income	86,874	-	-	-	86,874	70,453
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	257,304	(10,652)	329	-	246,981	942,396
Unrealised appreciation on investment in gold	-	-	-	417	417	593
Net realised gain / (loss) on sale of investments	42,696	(2,308)	(1,395)	-	38,993	40,749
Other income	-	-	-	171	171	107
Total income	388,219	52,618	50,164	862	491,863	1,238,288

EXPENSES

Remuneration to AI Meezan Investment Management Limited - Pension Fund Manager	18,411	13,640	11,535	503	44,089	36,172
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	2,394	1,773	1,499	66	5,732	4,703
Remuneration of Central Depository Company of Pakistan Limited - Trustee	979	725	613	27	2,344	2,026
Sindh Sales Tax on remuneration of the Trustee	127	94	79	4	304	265
Annual fee to Securities and Exchange Commission of Pakistan	409	302	256	11	978	798
Auditors' remuneration	74	73	73	72	292	275
Brokerage charges and custodian fee	2,134	31	7	260	2,432	1,773
Bank and settlement charges	197	10	5	3	215	551
Charity expense	3,072	-	-	-	3,072	1,804
Provision for Sindh Workers' Welfare Fund	6,810	811	773	5	8,399	19,728
Total expenses	34,607	17,459	14,840	951	67,857	68,095

Net income / (loss) from operating activities 353,612 35,159 35,324 (89) 424,006 1,170,193

Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net) (19,903) 4,584 2,536 377 (12,406) 14,436

Net income for the period before taxation 333,709 39,743 37,860 288 411,600 1,184,629

Taxation - - - - - -

Net income for the period after taxation 333,709 39,743 37,860 288 411,600 1,184,629

Other comprehensive income - - - - - -

Total comprehensive income for the period 333,709 39,743 37,860 288 411,600 1,184,629

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For The Six Months Period Ended December 31, 2020

Note	December 31, 2020				Total	December 31,
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund		2019
(Rupees in '000)						
CASH FLOW FROM OPERATING ACTIVITIES						
Net income for the period taxation	1,075,963	154,962	75,052	7,910	1,313,887	1,105,724
Adjustments:						
Unrealised (appreciation) /diminution on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1 & 5.2 (937,228)	(47,808)	1,114	-	(983,922)	(706,556)
Unrealised appreciation on investment in gold	5.5 -	-	-	(8,466)	(8,466)	(5,041)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	25,517	(7,560)	(2,045)	(710)	15,202	(45,915)
	164,252	99,594	74,121	(1,266)	336,701	348,212
Decrease / (increase) in assets						
Investments (net)	(64,269)	47,381	(753,976)	(1)	(770,865)	251,504
Receivable against sale of investments (net)	(16,672)	-	-	-	(16,672)	(14,752)
Dividend receivable	2,189	-	-	-	2,189	14,051
Deposits and other receivables	595	9,363	542	(45)	10,455	(26,151)
	(78,157)	56,744	(753,434)	(46)	(774,893)	224,652
Increase / (Decrease) in liabilities						
Payable to Al Meezan Investment Management Limited - Pension fund Manager	(49)	(81)	(130)	171	(89)	2,092
Payable to Central Depository Company of Pakistan Limited - Trustee	73	42	9	2	126	85
Payable to Securities and Exchange Commission of Pakistan	(528)	(385)	(370)	(11)	(1,294)	(1,567)
Payable to auditors	41	40	40	39	160	4
Payable against purchase of investments	7,592	-	-	-	7,592	1,351
Accrued expenses and other liabilities	10,903	(9,629)	(17,074)	(97)	(15,897)	26,356
	18,032	(10,013)	(17,525)	104	(9,402)	28,321
Net cash generated from / (used in) operating activities	104,127	146,325	(696,838)	(1,208)	(447,594)	601,185
CASH FLOW FROM FINANCING ACTIVITIES						
Receipts of contribution / change of plan / change of fund manager / issuance of units	609,194	1,016,773	1,061,346	20,378	2,707,691	3,762,871
Payments on withdrawal / change of plan	(700,467)	(715,635)	(1,055,073)	(9,862)	(2,481,037)	(3,588,013)
Net cash (used in) / generated from financing activities	(91,273)	301,138	6,273	10,516	226,654	174,858
Net increase / (decrease) in cash and cash equivalents during the period	12,854	447,463	(690,565)	9,308	(220,940)	776,043
Cash and cash equivalents at beginning of the period	179,273	836,882	1,965,343	23,299	3,004,797	3,306,722
Cash and cash equivalents at end of the period	4 192,127	1,284,345	1,274,778	32,607	2,783,857	4,082,765

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial 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, 2020

	December 31, 2020					December 31,
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	2019
						Total
	(Rupees in '000)					
Net assets at beginning of the period	4,130,564	3,178,358	3,092,338	119,438	10,520,698	9,050,319
Amount received on issuance of units (2020: Equity sub fund: 1,325,544 units; Debt sub fund: 3,775,276 units; Money market sub fund: 4,067,322 units; and Gold sub fund: 121,252 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)	609,194	1,017,618	1,061,346	20,378	2,708,536	3,748,336
Amount paid on withdrawal of units (2020: Equity sub fund: 1,479,521 units; Debt sub fund: 2,635,884 units; Money market sub fund: 4,066,252 units; and Gold sub fund: 59,346 units) (2019: Equity sub fund: 3,020,705 units; Debt sub fund: 5,258,088 units; Money market sub fund: 5,078,003 units; and Gold sub fund: 72,997 units)	(696,325)	(711,639)	(1,059,028)	(9,862)	(2,476,854)	(3,575,048)
	(87,131)	305,979	2,318	10,516	231,682	173,288
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	25,517	(7,560)	(2,045)	(710)	15,202	(45,915)
Net realised gain / (loss) on sale of investments	118,676	(6)	1,131	-	119,801	(16,412)
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	937,228	47,808	(1,114)	-	983,922	706,556
Unrealised appreciation on investment in gold	-	-	-	8,466	8,466	5,041
Other net income for the period	20,059	107,160	75,035	(556)	201,698	410,539
Total comprehensive income for the period	1,075,963	154,962	75,052	7,910	1,313,887	1,105,724
Net assets at end of the period	5,144,913	3,631,739	3,167,663	137,154	12,081,469	10,283,416

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
 Condensed Interim Contribution Table (Un-Audited)
 For the six months period ended December 31, 2020

	December 31, 2020									December 31, 2019
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Gold Sub Fund		Total	Total
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)
Contribution net of front end fee for the period										
Individuals										
- issuance / conversion / reallocation of units	<u>1,325,544</u>	<u>609,194</u>	<u>3,775,276</u>	<u>1,017,618</u>	<u>4,067,322</u>	<u>1,061,346</u>	<u>121,252</u>	<u>20,378</u>	<u>2,708,536</u>	<u>3,748,336</u>

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

For Al Meezan Investment Management Limited
 (Pension Fund Manager)

 Chief Executive

 Chief Financial Officer

 Director



Meezan Tahaffuz Pension Fund Condensed Interim Number of Units in Issue (Un-Audited)

For the six months period ended December 31, 2020

	December 31, 2020			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund
	----- (Number of units) -----			
Total units in issue at beginning of the period	10,322,586	12,135,176	12,016,294	754,085
Add: Units issued / converted / reallocated during the period	1,325,544	3,775,276	4,067,322	121,252
Less: Units redeemed / converted / reallocated during the period	(1,479,521)	(2,635,884)	(4,066,252)	(59,346)
Total units in issue at the end of the period	<u>10,168,609</u>	<u>13,274,568</u>	<u>12,017,364</u>	<u>815,991</u>

	December 31, 2019			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund
	----- (Number of units) -----			
Total units in issue at beginning of the period	10,821,954	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 the end of the period	<u>10,222,593</u>	<u>11,602,437</u>	<u>10,634,850</u>	<u>668,595</u>

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

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sarah-e-Faisal, Karachi 74400, Pakistan.

The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund, 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 at least 90% of net assets in listed equity securities based on quarterly average investment calculated on daily basis. Investment in single company shall not exceed 10% of net assets or paid-up capital of the investee company, whichever is lower. Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A".

Debt Sub Fund

The Debt Sub-Fund shall consist of debt securities with maturity of not more than 5 years. At least 25 % of net assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25 % of net assets of Debt Sub-Fund may be deposited with Banks having not less than "AA Plus" rating. However, if such debt securities issued by Federal Government are not available, the assets of Debt Sub-Fund may be deposited in Islamic Commercial Banks, having not less than "A+" rating or Islamic windows of conventional commercial Banks, having not less than "AA" rating or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.

Money Market Sub Fund

The Money Market Sub-Fund consists of 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 aim to provide opportunities of capital appreciation and maximum exposure to price of gold in a Shariah Compliant manner, by investing a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX).

- 1.3 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah.

- 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, 2020 and AM1 by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.8 On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many governments are still taking stringent steps to help contain the spread of the virus, including requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities / regions or even entire countries. The Pension Fund Manager took all necessary measures during this COVID-19 pandemic for smooth execution of fund operations. Management of the Fund based on its assessment considers that there would be no significant impact that will adversely affect the operations and financial position of the Fund in future periods.
- 1.9 In the current year, the Trust Act, 1882 was repealed and provincial Trust Acts were introduced. These provincial Trust Acts have various requirements in respect to registration, renewal, creator, trustee and the beneficiary. The Pension Fund Manager in consultation with MUFAP and Trustee is currently deliberating upon the requirements of the provincial Trust Acts and their implications on the Fund.

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 statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules) and 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 VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

2.2.2 This condensed interim financial statements 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, 2020. 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 statements are 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 statements 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 statements is presented in Pakistani Rupees which is the Fund's functional and presentation currency and rounded off 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 01 January 2021:

- Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Annual Improvements to IFRS standards 2018-2020

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

- IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the Board issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 1 January 2023, aligned with the effective date of IFRS 17.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) - The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments are effective from annual periods beginning on or after 1 January 2021 and are not likely to have an impact on Fund's condensed interim financial information.

Standards effective during the year:

- 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 Board 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 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.
- 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 Board has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the Board 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 Board 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 crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 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. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.

3 SUMMARY OF 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 statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 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, 2020.

December 31, 2020 (Un-Audited)					June 30, 2020 (Audited)	
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund	Total	Total	
----- (Rupees in '000) -----						
Current accounts	4,936	-	-	-	4,936	66,449
Savings accounts	187,191	1,284,345	1,274,778	32,607	2,778,921	2,938,348
	<u>192,127</u>	<u>1,284,345</u>	<u>1,274,778</u>	<u>32,607</u>	<u>2,783,857</u>	<u>3,004,797</u>

4. BANK BALANCES

4.1 The balance in savings accounts carry expected profit which ranges from 1.50% to 7.00% (June 30, 2020: 3.00% to 13.75%) per annum.

5. INVESTMENTS

December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)		
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total		
----- (Rupees in '000) -----						
Investments by category						
At fair value through profit or loss						
Listed equity securities	5.1	5,030,666	-	-	5,030,666	4,029,169
Sukuk certificates	5.2	-	1,763,490	484,717	2,248,207	2,547,886
		<u>5,030,666</u>	<u>1,763,490</u>	<u>484,717</u>	<u>7,278,873</u>	<u>6,577,055</u>
At amortised cost						
Term deposit receipts	5.3	-	480,000	1,290,000	1,770,000	720,000
Commercial papers	5.4	-	98,802	136,846	235,648	232,680
Less: Provision for impairment losses	5.2.6	-	(1,263)	(771)	(2,034)	(2,034)
		<u>5,030,666</u>	<u>2,341,029</u>	<u>1,910,792</u>	<u>9,282,487</u>	<u>7,527,701</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, 2020	Purchased during the period	Bonus / Rights issue during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----				----- (Rupees in '000) -----			----- % -----		
Automobile Assembler										
Honda Atlas Cars	25,000	20,000	-	45,000	-	-	-	-	-	-
Millat Tractors Limited	30,893	27,150	-	-	58,043	45,792	63,504	17,712	1.23	0.12
Gandhara Industries Limited	12,700	-	-	-	12,700	1,537	4,146	2,609	0.08	0.03
Indus Motor Company Limited	36,420	-	-	9,250	27,170	27,034	32,549	5,515	0.63	0.03
									1.94	0.18
Automobile Parts & Accessories										
Agriauto Industries Limited (Face value of Rs.5)	63,000	-	-	63,000	-	-	-	-	-	-
Commercial Bank										
Bank Islami Pakistan Limited	524,500	6,930,500	-	200,000	7,255,000	74,471	87,133	12,662	1.69	0.65
Cable & Electrical Goods										
Pak Elektron	-	650,000	-	-	650,000	24,866	26,085	1,219	0.51	0.13
Cement										
D.G Khan Cement Company Limited	630,500	340,000	-	250,000	720,500	68,151	82,555	14,404	1.60	0.16
Lucky Cement Limited	645,356	5,000	-	60,000	590,356	273,604	410,941	137,337	7.99	0.18
Maple Leaf Cement Factory Limited	1,146,114	1,550,000	-	485,000	2,211,114	71,221	99,522	28,301	1.93	0.20
Kohat Cement Company Limited	718,820	103,000	-	65,000	756,820	107,163	165,925	58,762	3.23	0.38
Attock Cement Pakistan Limited	500	11,000	-	-	11,500	1,847	1,726	(121)	0.03	0.01
Cherat Cement Company Limited	510,500	-	-	191,000	319,500	27,851	46,708	18,857	0.91	0.16
Fauji Cement Company Limited	1,730,000	-	-	500,000	1,230,000	20,762	26,654	5,892	0.52	0.09
									16.21	1.18

Name of the investee company	As at July 01, 2020	Purchased during the period	Bonus / Rights issue during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----				----- (Rupees in '000) -----				----- % -----	
Chemical										
Dynea Pakistan Limited (Face value of Rs. 5 each)	-	120,500	-	-	120,500	24,057	24,806	749	0.48	0.64
Engro Polymer & Chemicals Limited	3,380,709	576,000	-	493,000	3,463,709	96,439	164,561	68,122	3.20	0.38
ICI Pakistan Limited	212,520	4,000	-	10,000	206,520	143,544	156,974	13,430	3.05	0.22
Sitara Chemical Industries Limited	36,600	-	-	-	36,600	10,142	11,346	1,204	0.22	0.17
Lotte Chemical Pakistan Limited	320,000	-	-	320,000	-	-	-	-	-	-
Sitara Peroxide Limited	816,500	-	-	816,500	-	-	-	-	-	-
Ittehad Chemical Limited	279,500	-	-	279,500	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (Face value of Rs. 5 each)		979,500	-	-	979,500	18,472	20,814	2,342	0.40	0.58
Ghani Global Holdings (formerly Ghani Gases Limited)	250,000	289,500	165,000	-	704,500	10,016	11,483	1,467	0.22	0.46
									7.57	2.45
Engineering										
K.S.B Pumps Company Limited	800	-	-	-	800	115	311	196	0.01	0.01
International Steels Limited	495,000	-	-	100,000	395,000	20,402	36,826	16,424	0.72	0.09
International Industries Limited	222,550	-	-	40,000	182,550	16,745	32,238	15,493	0.63	0.14
Agha Steel Industries Limited	-	2,820,000	-	1,611,000	1,209,000	38,688	47,647	8,959	0.93	0.21
Mughal Iron & Steel Industries	157,500	250,000	-	-	407,500	20,568	30,860	10,292	0.60	0.16
									2.89	0.61
Fertilizer										
Engro Corporation Limited (note 5.1.1)	1,251,420	65,000	-	140,000	1,176,420	345,765	361,584	15,819	7.03	0.20
Engro Fertilizers Limited	2,922,000	200,000	-	1,101,525	2,020,475	122,447	127,755	5,308	2.48	0.15
Dawood Hercules Corporation Limited	4,000	-	-	4,000	-	-	-	-	-	-
Fatima Fertilizer Company Limited	25,000	-	-	25,000	-	-	-	-	-	-
									9.51	0.35
Food and Personal Care Products										
National Foods Limited (Face value of Rs. 5)	2,080	100,000	25,520	-	127,600	29,845	27,867	(1,978)	0.54	0.17
Al-Shaheer Corporation Limited	33,160	-	-	-	33,160	379	515	136	0.01	0.02
At- Tahur Limited	9,149	75,000	914	75,000	10,063	194	203	9	-	0.01
									0.55	0.20
Glass & Ceramics										
Ghani Glass Limited	613,000	-	-	-	613,000	25,225	44,062	18,837	0.86	0.11
Tariq Glass Industries	242,900	-	-	242,900	-	-	-	-	-	-
									0.86	0.11
Leather & Tanneries										
Bata Pakistan	8,740	-	-	8,280	460	618	705	87	0.01	0.01
Oil and Gas Exploration Companies										

Name of the investee company	As at July 01, 2020	Purchased during the period	Bonus / Rights issue during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----				----- (Rupees in '000) -----				----- % -----	
Oil and Gas Development Company Limited	2,856,200	440,000	-	627,500	2,668,700	287,675	276,931	(10,744)	5.38	0.06
Pakistan Oilfields Limited (note 5.1.2)	702,520	12,000	-	116,000	598,520	210,541	236,661	26,120	4.60	0.21
Pakistan Petroleum Limited	2,687,038	415,000	-	505,000	2,597,038	228,832	234,590	5,758	4.56	0.10
Mari Petroleum Company Limited	277,584	-	-	-	277,584	343,274	371,913	28,639	7.23	0.21
									21.77	0.58
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	1,029,740	70,000	-	22,000	1,077,740	173,145	232,037	58,892	4.51	0.23
Attock Petroleum Limited	150,144	-	-	3,300	146,844	44,817	49,138	4,321	0.96	0.15
Sui Northern Gas Pipelines Limited	2,570,600	50,000	-	2,535,000	85,600	4,682	3,802	(880)	0.07	0.01
Sui Southern Gas Company Limited	142,500	-	-	142,500	-	-	-	-	-	-
Hascol Petroleum Limited	2,588	-	-	-	2,588	35	38	3	-	-
Shell Pakistan Limited	-	10,000	-	10,000	-	-	-	-	-	-
Hi-Tech Lubricants	355,000	375,000	-	-	730,000	26,818	31,959	5,141	0.62	0.63
									6.16	1.02
Paper and Board										
Packages Limited	216,701	15,000	-	10,000	221,701	79,423	132,338	52,915	2.57	0.25
Cherat Packaging Limited	295,094	-	-	193,000	102,094	11,960	24,215	12,255	0.47	0.24
Century Paper	350,500	233,000	113,000	-	696,500	47,105	87,167	40,062	1.69	0.47
Roshan Packages Limited	200,000	167,000	-	-	367,000	9,836	15,598	5,762	0.30	0.26
Security Paper Limited	-	51,900	-	-	51,900	11,689	9,187	(2,502)	0.18	0.09
									5.21	1.31
Pharmaceuticals										
AGP Limited	938,500	50,000	-	-	988,500	108,541	112,570	4,029	2.19	0.35
GlaxoSmithKline Consumer Healthcare	112,500	-	-	-	112,500	30,565	29,824	(741)	0.58	0.10
The Searle Company Limited	321,325	153,541	59,322	20,000	514,188	110,619	128,151	17,532	2.49	0.24
Highnoon Laboratories Limited	29,986	10,000	-	-	39,986	21,181	23,984	2,803	0.47	0.12
IBL HealthCare Limited	-	107,000	-	-	107,000	12,808	12,335	(473)	0.24	0.20
Ferozsons (Lab)	-	25,000	5,000	-	30,000	7,696	9,912	2,216	0.19	0.10
									6.16	1.11

Name of the investee company	As at July 01, 2020	Purchased during the period	Bonus / Rights issue during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----				----- (Rupees in '000) -----			----- % -----		
Power Generation & Distribution										
The Hub Power Company Limited	3,871,807	1,000,000	-	2,084,264	2,787,543	209,888	221,136	11,248	4.30	0.21
K-Electric Limited (Face value Rs. 3.5)	25,580,500	-	-	1,300,000	24,280,500	73,084	94,937	21,853	1.85	0.09
									6.15	0.30
Textile Composite										
Nishat Mills Limited	347,700	430,000	-	40,000	737,700	67,718	75,076	7,358	1.46	0.21
Interloop Limited	2,318,500	111,500	-	383,000	2,047,000	92,441	139,339	46,898	2.71	0.24
									4.17	0.45
Textile Weaving										
Feroze1888 Mills Limited	295,000	50,000	-	90,000	255,000	21,519	25,342	3,823	0.49	0.07
Technology & Communication										
Pakistan Telecommunication Company	208,000	1,000,000	-	1,208,000	-	-	-	-	-	-
Avanceon Limited	143,550	575,000	-	250,000	468,550	36,098	43,505	7,407	0.85	0.22
Systems Limited	563,550	15,000	-	213,500	365,050	70,141	153,040	82,899	2.97	0.30
Netsol Technologies Limited	55,500	-	-	55,500	-	-	-	-	-	-
									3.82	0.52
Vanaspati & Allied Industries										
Unity Foods Limited	13,169	3,245,000	-	413,169	2,845,000	66,348	91,211	24,863	1.77	0.52
Miscellaneous										
Shifa International Hospital Limited	-	47,800	-	47,800	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	368,000	16,560	-	384,560	16,999	16,725	(274)	0.33	0.43
									0.33	0.43
Total						4,093,438	5,030,666	937,228		

- 5.1.1** 145,000 shares (June 30, 2020 : 145,000 shares) of Engro Corporation Limited having market value of Rs. 44.57 million as at December 31, 2020 (June 30, 2020: Rs. 42.47 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** 25,000 shares (June 30, 2020 : 25,000 shares) of Pakistan Oilfields Limited having market value of Rs. 9.885 million as at December 31, 2020 (June 30, 2020: Rs. 8.765 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.
- 5.1.3** 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, 2020.

5.2 Sukuk certificates - At fair value through profit or loss

5.2.1 Held by Debt Sub-Fund

Name of the Security	Note	As at July 01, 2020	Purchases during the period	Sales / Matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Market value as a percentage of Net Assets
		-----Number of certificates-----				----- (Rupees in '000) -----			-----%-----
Property & Real Estate									
Eden Housing Limited	5.2.1.1	500	-	-	500	-	-	-	-
Leasing Companies									
Security Leasing Corporation Limited II	5.2.1.1	154	-	-	154	-	-	-	-
Fertilizer									
Fatima Fertilizer Company Limited	5.2.1.1	24,492	-	3,182	21,310	31,824	31,856	32	0.88
Banks									
Dubai Islamic Bank Pakistan Limited	5.2.1.1	57	-	-	57	58,495	58,594	99	1.61
Pharmaceuticals									
AGP Limited	5.2.1.1	425	-	50	375	15,022	15,151	129	0.42
Power Generation & Distribution									
K-electric Limited	5.2.1.1	8,000	-	8,000	-	-	-	-	-
Engro Powergen Thar (Private) Limited	5.2.1.1	12,000	-	-	12,000	60,181	59,557	(624)	1.64
Pakistan Energy Sukuk I	5.2.1.1 & 5.2.5	130,000	-	-	130,000	650,000	695,500	45,500	19.15
Pakistan Energy Sukuk II	5.2.1.1 & 5.2.5	80,000	12,000	-	92,000	460,240	462,760	2,520	12.74
The Hub Power Holding Limited	5.2.1.1 & 5.2.3	-	2,000	-	2,000	164,917	164,917	-	4.54
Cement & Construction									
Javedan Corporation Limited	5.2.1.1	250	-	-	250	24,999	24,989	(10)	0.69
Steel & Allied Products									
Agha Steels Industries Limited	5.2.1.1 & 5.2.4	50	-	-	50	50,000	49,704	(296)	1.37
Chemicals									
Engro Polymer & Chemicals Limited	5.2.1.1	250	-	250	-	-	-	-	-
Miscellaneous									
Shakarganj Foods Product Limited	5.2.1.1	15	-	-	15	15,300	15,311	11	0.42
International Brand Limited	5.2.1.1	393	-	39	354	35,041	35,562	521	0.98

Name of the Security	Note	As at July 01, 2020	Purchases during the period	Sales / Matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Market value as a percentage of Net Assets
		-----Number of certificates-----				----- (Rupees in '000) -----			-----%-----
Government Securities									
GOP-Ijarah sukuk XX	5.2.1.1	1,870	-	1,870	-	-	-	-	-
GOP-Ijarah sukuk XXI	5.2.1.1	4,500	-	3,020	1,480	148,400	148,326	(74)	4.08
GOP-Ijarah sukuk XXIII VRR	5.2.1.1	-	1,000	1,000	-	-	-	-	-
GOP-Ijarah sukuk XXIII - FRR	5.2.1.1	-	1,500	1,500	-	-	-	-	-
GOP-Ijarah sukuk XXIV VRR	5.2.1.1	-	2,500	2,500	-	-	-	-	-
Non-Performing Investments						<u>1,263</u>	<u>1,263</u>	<u>-</u>	
Total						<u><u>1,715,682</u></u>	<u><u>1,763,490</u></u>	<u><u>47,808</u></u>	

5.2.1.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2020 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Eden Housing Limited	984	-	31-Dec-07	31-Dec-12
Security Leasing Corporation Limited II	5,000	-	19-Sep-07	19-Sep-12
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
AGP Limited	100,000	3 months KIBOR + 1.30%	09-Jun-17	09-Jun-22
K-electric Limited	5,000	3 months KIBOR + 1.70%	03-Aug-20	03-Aug-27
Engro Powergen Thar (Private) Limited	5,000	3 months KIBOR + 1.10%	01-Jul-19	01-Jul-24
The Hub Power Holding Limited	100,000	6 months KIBOR + 2.50%	12-Nov-20	12-Nov-25
Pakistan Energy Sukuk I	5,000	6 months KIBOR + 0.80%	01-Mar-19	01-Mar-29
Pakistan Energy Sukuk II	5,000	6 months KIBOR Less base rate of 0.1%	20-May-19	20-May-29
Javedan Corporation Limited	100,000	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	1,000,000	3 months KIBOR + 0.90%	11-Jan-19	11-Jul-26
Shakarganj Foods Product Limited	1,000,000	3 months KIBOR + 1.75%	10-Jul-18	10-Jul-25
International Brand Limited	100,000	3 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
GOP-Ijarah sukuk XX	100,000	Weighted average yield of 6 months T-Bills	30-Apr-20	30-Apr-25
GOP-Ijarah sukuk XXI	100,000	Weighted average yield of 6 months T-Bills	29-May-20	29-May-25
GOP-Ijarah sukuk XXIII - VRR	100,000	Weighted average yield of 6 months T-Bills	29-Jul-20	29-Jul-25
GOP-Ijarah sukuk XXIII - FRR	100,000	Weighted average yield of 6 months T-Bills	29-Jul-20	29-Jul-25
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Dec-20	09-Dec-25

5.2.2 Held by Money Market Sub-Fund

Name of the Security	Note	As at July 01, 2020	Purchases during the period	Sales / Matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Market value as a percentage of Net Assets
		----- Number of certificates -----				----- (Rupees in '000) -----			---%---
Leasing Companies									
Security Leasing Corporation Limited II	5.2.2.1	154	-	-	154	-	-	-	-
Power Generation & Distribution									
Kot Addu Power Company Limited	5.2.2.1 & 5.2.3	-	1,400	-	1,400	140,000	140,000	-	1.16
Government Securities									
GOP-Ijarah sukuk XX	5.2.2.1	1,870	-	890	980	95,060	93,796	(1,264)	0.78
GOP-Ijarah sukuk XXI	5.2.2.1	3,000	-	3,000	-	-	-	-	-
GOP-Ijarah sukuk XXIII - VRR	5.2.2.1	-	500	500.00	-	-	-	-	-
GOP-Ijarah sukuk XXIV VRR			2,500	-	2,500	250,000	250,150	150	-
Non-Performing Investments						771	771	-	
Total						485,831	484,717	(1,114)	

5.2.2.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2020 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Security Leasing Corporation Limited II	5,000	-	19-Sep-07	19-Sep-12
Kot Addu Power Company Limited	100,000	3 months KIBOR + 0.70%	08-Dec-20	08-May-21
GOP-Ijarah sukuk XX	100,000	Weighted average yield of 6 months T-Bills	30-Apr-20	30-Apr-25
GOP-Ijarah sukuk XXI	100,000	Weighted average yield of 6 months T-Bills	29-May-20	29-May-25
GOP-Ijarah sukuk XXIII - VRR	100,000	Weighted average yield of 6 months T-Bills	29-Jul-20	29-Jul-25
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Dec-20	09-Dec-25

- 5.2.3** These are measured at their initial investment value, as their market values are not available at MUFAP or PSX.
- 5.2.4** The Fund has applied discretionary mark-down on December 28, 2020 to the fair value of the security. Post to discretionary mark-down the price of Agha Steel Industries Limited increased from Rs. 96.7593 (MUFAP Price) to Rs. 99.4077 per unit.
- 5.2.5** The market value of these sukuk are not available at MUFAP therefore the Fund has applied the market value determined by Pakistan Stock Exchange (PSX).
- 5.2.6** 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 certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 1.542 million in both debt and money market sub fund has also been held as a provision against principal as at December 31, 2020.

On May 6, 2011, Eden Housing sukuk certificates have been classified as non-performing by MUFAP therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 0.492 million has also been held as provision against the outstanding principal as at December 31, 2020.

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

	Non-performing investment	Type of Investment	Cost	Provision held	Net carrying value
			----- (Rupees in '000) -----		
Debt Sub Fund	Eden Housing Limited	Non-traded sukuk	492	492	-
	Security Leasing Corporation Limited II	Non-traded sukuk	771	771	-
			<u>1,263</u>	<u>-</u>	<u>-</u>
Money Market Sub Fund	Security Leasing Corporation Limited II	Non-traded sukuk	<u>771</u>	<u>771</u>	<u>-</u>

5.3 Term deposit receipts - at amortised cost

5.3.1 Held by Debt Sub-Fund

Name	Rating	Maturity date	Profit rate per annum	As at July 01, 2020	TDR's placed during the period	Matured during the period	As at December 31, 2020	Market Value as a Percentage of Net Assets
----- (Rupees in '000) -----								----- % -----
Bank Islami Limited	A+	October 26, 2020	6.80%	-	300,000	300,000	-	-
Bank Islami Limited	A+	November 26, 2020	6.80%	-	300,000	300,000	-	-
Bank Islami Limited	A+	January 26, 2021	7.00%	-	300,000	-	300,000	8.26
Orix Modaraba	AA+	April 29, 2021	7.25%	180,000	-	-	180,000	4.96
				<u>180,000</u>	<u>900,000</u>	<u>600,000</u>	<u>480,000</u>	

5.3.2 Held by Money Market Sub-Fund

Name	Rating	Maturity date	Profit rate per annum	As at July 01, 2020	TDR's placed during the period	Matured during the period	As at December 31, 2020	Market Value as a Percentage of Net Assets
----- (Rupees in '000) -----								-----%-----
United Bank Limited	AAA	July 02, 2020	7.35%	500,000	-	500,000	-	-
United Bank Limited	AAA	August 03, 2020	6.45%	-	500,000	500,000	-	-
United Bank Limited	AAA	September 03, 2020	6.45%	-	500,000	500,000	-	-
United Bank Limited	AAA	October 05, 2020	6.50%	-	500,000	500,000	-	-
Bank Islami Limited	A+	October 26, 2020	6.80%	-	250,000	250,000	-	-
Orix Modaraba	AA+	Oct 29, 2020	7.21%	40,000	-	40,000	-	-
United Bank Limited	AAA	November 05, 2020	6.50%	-	500,000	500,000	-	-
Bank Islami Limited	A+	November 26, 2020	6.80%	-	250,000	250,000	-	-
United Bank Limited	AAA	December 05, 2020	6.60%	-	500,000	500,000	-	-
United Bank Limited	AAA	January 07, 2021	6.85%	-	500,000	-	500,000	15.78
Bank Islami Limited	A+	January 26, 2021	7.00%	-	250,000	-	250,000	7.89
Orix Modaraba	AA+	Apr 29, 2021	7.25%	-	40,000	-	40,000	1.26
Askari Bank Limited	AA+	April 09, 2021	6.85%	-	500,000	-	500,000	15.78
				540,000	4,290,000	3,540,000	1,290,000	

5.4 Commercial Papers - at amortised cost

5.4.1 Held by Debt Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2020	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2020	Market Value as a Percentage of Net Assets
----- (Rupees in '000) -----								-----%-----
K-electric Limited CP	5.4.1.1	Oct 06, 2020	96,950	-	3,050	100,000	-	-
K-electric Limited CP	5.4.1.2	Feb 26, 2021	-	96,063	2,739	-	98,802	2.72
			96,950	96,063	5,789	100,000	98,802	

5.4.1.1 This commercial paper has been placed at discount at a rate of 12.18% (6 months kibar plus 1.15%)% and is being amortised over a period of 184 days.

5.4.1.2 This commercial paper has been placed at discount at a rate of 8.13% (6 months kibar plus 0.95%)% and is being amortised over a period of 184 days.

5.4.2 Held by Money Market Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2020	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2020	Market Value as a percentage of Net Assets
						----- (Rupees in '000) -----		-----%-----
K-electric Limited CP	5.4.2.1	Oct 06, 2020	135,730	-	4,270	140,000	-	-
K-electric Limited CP	5.4.2.2	April 20, 2021	-	134,733	2,113	-	136,846	4.32
			135,730	134,733	6,383	140,000	136,846	

5.4.2.1 This commercial paper has been placed at discount at a rate of 12.18% (6 months kibar plus 1.15%) and is being amortised over a period of 184 days.

5.4.2.2 This commercial paper has been placed at discount at a rate of 7.84% (6 months kibar plus 0.05%) and is being amortised over a period of 182 days.

5.5 Investment in gold

	As at July 01, 2020	Purchases during the period	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain as at December 31, 2020	Market Value as a Percentage of Net Assets
				----- (Quantity in Tola) -----		----- (Rupees in '000) -----		-----%-----
Tola Gold	926	-	-	926	97,927	106,393	8,466	77.57
Total	926	-	-	926	97,927	106,393	8,466	

5.5.1 The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX.

5.5.2 The investment in gold of Rs. 106.393 million has been measured at fair value based on the quoted market price in active markets.

6. DEPOSITS AND OTHER RECEIVABLES

	December 31, 2020 (Un-Audited)					June 30, 2020 (Audited)
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
	(Rupees in '000)					
Security deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks and Term Deposits	1,918	15,407	11,396	55	28,776	19,281
Profit receivable on sukus certificates	-	29,733	2,858	-	32,591	52,541
Advance tax	4,747	-	-	-	4,747	4,747
	<u>9,265</u>	<u>45,240</u>	<u>14,354</u>	<u>55</u>	<u>68,914</u>	<u>79,369</u>

**7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED
(AI Meezan) - PENSION FUND MANAGER**

	Note	December 31, 2020 (Un-Audited)					June 30, 2020 (Audited)
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
		(Rupees in '000)					
Management remuneration	7.1	654	467	403	172	1,696	1,774
Sindh Sales Tax on management fee	7.2	85	61	52	22	220	231
		<u>739</u>	<u>528</u>	<u>455</u>	<u>194</u>	<u>1,916</u>	<u>2,005</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, 2020: 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, 2020: 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

	Note	December 31, 2020 (Un-Audited)					June 30, 2020 (Audited)
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
		(Rupees in '000)					
Trustee fee		341	246	212	9	808	697
Sindh Sales Tax on Remuneration of the Trustee	8.1	45	32	28	1	106	91
		<u>386</u>	<u>278</u>	<u>240</u>	<u>10</u>	<u>914</u>	<u>788</u>

8.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 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

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, 2020 (Un-Audited)					June 30, 2020 (Audited)
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
		(Rupees in '000)					
Provision for Sindh Workers' Welfare Fund	11	64,856	19,328	11,635	1,083	96,902	70,088
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		7,992	-	-	-	7,992	5,630
Brokerage payable		3,972	99	6	-	4,077	4,159
Custodian Charges Payable		-	-	-	268	268	238
Amount received against units to be issued		3,815	7,495	6,159	221	17,690	62,711
		<u>97,871</u>	<u>36,700</u>	<u>20,491</u>	<u>1,572</u>	<u>156,634</u>	<u>172,531</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

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, 2020 would have been higher by Rs. 1.52 (June 30, 2020: Rs. 1.50) per unit, Re. 0.66 (June 30, 2020: Re. 0.73) per unit and Re. 0.20 (June 30, 2020: Re. 0.20) 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, 2020 : 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 consultants 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 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).

Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at December 31, 2020 would have been higher by Rs. 6.38, Rs. 1.46, Re. 0.97 and Rs. 1.33 per unit (June 30, 2020: Rs. 4.16, Rs. 1.33, Re. 0.84 and Rs. 1.22 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, 2020 other than as disclosed in the annual financials statements for the year ended June 30, 2020.

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

13.1 Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

13.2 The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

13.3 Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed.

13.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

13.5 Amount outstanding as at period end are as follows:

December 31, 2020 (Un-Audited)					June 30, 2020 (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	654	467	403	172	1,696	1,774
Sindh Sales Tax on management fee	85	61	52	22	220	231
Investments as at December 31, 2020: (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000) as at June 30, 2020 (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000 units)	131,589	-	-	50,425	182,014	151,585

Meezan Bank Limited (MBL)

Bank balance	81,150	1,515	267	25,878	108,810	132,052
Profit receivable on saving account	253	14	28	19	314	210

Central Depository Company of Pakistan Limited (CDC) - Trustee

Trustee fee payable	341	246	212	9	808	697
Sindh Sales Tax on trustee fee payable	45	32	28	1	106	91
Deposits	100	100	100	-	300	300

Directors and Executives of the Pension Fund Manager

Investments as at December 31, 2020: (Equity sub fund: 1,134,131 units; Debt Sub Fund: 558,332 units; Money Market Sub Fund: 194,991 units; Gold Sub Fund: 220,455 Units) as at June 30, 2020: (Equity sub fund: 1,083,499 units; Debt sub fund: 591,502 units; Money Market sub fund: 198,447 units; Gold Sub Fund : 209,972 units)	573,825	152,752	51,398	37,055	815,030	672,808
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13.6 Transactions during the period (Un-Audited)

December 31, 2020					December 31, 2019
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	36,674	26,156	22,986	990	86,806	69,040
Sindh Sales Tax on management fee	4,768	3,400	2,988	129	11,285	8,976

Meezan Bank Limited (MBL)

Profit on savings account	925	25	18	294	1,262	3,594
Term deposit receipt placed	-	-	-	-	-	800,000
Profit on term deposit receipt	-	-	-	-	-	27,813

Central Depository Company of Pakistan Limited (CDC) - Trustee

Remuneration for the period	1,956	1,395	1,226	53	4,630	3,919
Sindh Sales Tax on trustee fee	254	181	159	7	601	510
CDS Charges for the period	78	9	3	-	90	137

Directors and Executives of the Pension Fund Manager

Units issued (Equity Sub Fund: 64,685 units; Debt Sub Fund: 46,554 units; Money Market Sub Fund: 11,371 units; Gold sub fund: 10,590 units)	29,136	12,653	2,979	1,779	46,547	758,054
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Units redeemed / reallocated (Equity Sub Fund 14,053 units; Debt Sub Fund: 79,724 units; Money Market Sub Fund: 14,827 units; Gold sub fund: 107 units)

	6,869	21,510	3,873	18	32,270	782,387
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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 prices (unadjusted) 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, 2020 (Rupees in'000)								
Financial assets - measured at fair value								
- Listed equity securities	-	5,030,666	-	5,030,666	5,030,666	-	-	5,030,666
- Sukuk certificates	-	2,246,173	-	2,246,173	-	2,246,173	-	2,246,173
	-	7,276,839	-	7,276,839				
Financial assets - not measured at fair value								
14.1	2,783,857	-	-	2,783,857				
Bank balances								
Investments								
- Commercial papers	235,648	-	-	235,648				
- Term deposit	1,770,000	-	-	1,770,000				
Dividend receivable	6,095	-	-	6,095				
Deposits and other receivables	64,167	-	-	64,167				
Receivable against sale of investments	26,671	-	-	26,671				
Receivable against change of plan / change of fund manager / issuance of units	845	-	-	845				
	4,887,283	-	-	4,887,283				
	4,887,283	7,276,839	-	12,164,122				
Financial liabilities not measured at fair value								
14.1	-	-	1,696	1,696				
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	-	-	1,696	1,696				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	808	808				
Payable to auditors	-	-	413	413				
Payable against purchase of investments	-	-	17,581	17,581				
Payable against withdrawal / change of plan	-	-	14,411	14,411				
Accrued expenses and other liabilities	-	-	12,337	12,337				
	-	-	47,246	47,246				
June 30, 2020 (Rupees in'000)								
Financial assets - measured at fair value								
- Listed equity securities	-	4,029,169	-	4,029,169	4,029,169	-	-	4,029,169
- Sukuk certificates	-	2,545,852	-	2,545,852	-	2,545,852	-	2,545,852
	-	6,575,021	-	6,575,021				
Financial assets - not measured at fair value								
14.1	3,004,797	-	-	3,004,797				
Bank balances								
Investments								
- Commercial papers	232,680	-	-	232,680				
- Term deposit	720,000	-	-	720,000				
Dividend receivable	8,284	-	-	8,284				
Deposits and other receivables	74,622	-	-	74,622				
Receivable against sale of investments	9,999	-	-	9,999				
Receivable against change of plan / change of fund manager / issuance of units	-	-	-	-				
	4,050,382	-	-	4,050,382				
	4,050,382	6,575,021	-	10,625,403				
Financial liabilities not measured at fair value								
14.1	-	-	1,774	1,774				
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	-	-	1,774	1,774				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	697	697				
Payable to auditors	-	-	253	253				
Payable against purchase of investments	-	-	9,989	9,989				
Payable against withdrawal / change of plan	-	-	18,594	18,594				
Accrued expenses and other liabilities	-	-	10,027	10,027				
	-	-	41,334	41,334				

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

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 the Fund.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 15, 2021** by the Board of Directors of the Pension Fund Manager.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Chief Financial Officer

Director



Meezan
Pakistan Exchange Traded Fund

Meezan Pakistan Exchange Traded Fund (MPETF)

Meezan Pakistan Exchange Traded Fund is Pakistan's first Shariah Compliant ETF

Meezan Pakistan Exchange Traded Fund is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Meezan Pakistan Index that has been constituted and is maintained by the Management Company, and comprises of Shariah compliant equity securities selected with high consideration towards market capitalization and traded Value.



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN PAKISTAN EXCHANGE TRADED 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 Pakistan Exchange Traded Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from October 06, 2020 to December 31, 2020 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 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 23, 2021



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 Pakistan Exchange Traded Fund** (the Fund) as at December 31, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the period from October 6, 2020 to December 31, 2020. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Salman Hussain**

Date: February 25, 2021

Karachi



**MEEZAN PAKISTAN EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

	Note	December 31, 2020 (Unaudited) (Rupees in '000)
Assets		
Balances with banks	5	2,257
Investments	6	28,396
Dividend receivable		46
Advances and other receivables		34
Total assets		<u>30,733</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	7	24
Payable to Central Depository Company of Pakistan Limited - the Trustee	8	8
Payable to the Securities and Exchange Commission of Pakistan	9	1
Accrued expenses and other liabilities	10	90
Total liabilities		<u>123</u>
Net assets		<u>30,610</u>
Contingencies and commitments	11	
Unit holders' fund (as per statement attached)		<u>30,610</u>
		(Number of units)
Number of units in issue		<u>2,850,000</u>
		(Rupees)
Net asset value per unit		<u>10.7405</u>

The annexed notes 1 to 20 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 PAKISTAN EXCHANGE TRADED FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 6, 2020 TO DECEMBER 31, 2020**

	Note	For the period from October 6, 2020 to December 31, 2020 (Rupees in '000)
Income		
Net realised gain on sale of investments		11
Dividend income		449
Profit on balances with banks		9
		<u>469</u>
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.2	1,201
Total income		<u>1,670</u>
Expenses		
Remuneration to AI Meezan Investment Management Limited - the Management Company	7.1	27
Sindh Sales Tax on remuneration of the Management Company	7.2	3
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	8.1	11
Sindh Sales Tax on Remuneration of the Trustee fee	8.2	1
Annual fee to the Securities and Exchange Commission of Pakistan	9	1
Auditors' remuneration		32
Charity expense	10.1	14
Bank and settlement charges		3
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	43
Total expenses		<u>135</u>
Net income from operating activities during the period		<u>1,535</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		575
Net income for the period before taxation		2,110
Taxation	13	-
Net income for the period after taxation		<u>2,110</u>
Accounting income available for distribution		
- Relating to capital gains		1,212
- Excluding capital gains		898
		<u>2,110</u>

The annexed notes 1 to 20 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 PAKISTAN EXCHANGE TRADED FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE PERIOD FROM OCTOBER 6, 2020 TO DECEMBER 31, 2020**

	For the period from October 6, 2020 to December 31, 2020 (Rupees in '000)
Net income for the period after taxation	2,110
Other comprehensive income	-
Total comprehensive income for the period	<u><u>2,110</u></u>

The annexed notes 1 to 20 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 PAKISTAN EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 6, 2020 TO DECEMBER 31, 2020

	For the period from October 6, 2020 to December 31, 2020		
	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----		
Issue of 2,880,000 units			
- Capital value (at par value)	28,800	-	28,800
- Element of income	596	-	596
Total proceeds on issuance of units	29,396	-	29,396
Redemption of 30,000 units			
- Capital value (at par value)	300	-	300
- Element of loss	21	-	21
Total payments on redemption of units	321	-	321
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(575)	-	(575)
Total comprehensive income for the period	-	2,110	2,110
Net assets at end of the period	<u>28,500</u>	<u>2,110</u>	<u>30,610</u>
Accounting income available for distribution			
- Realised income		1,212	
- Unrealised income		898	
		2,110	
Net income for the period after taxation		-	
Undistributed income carried forward		<u>2,110</u>	
Undistributed income carried forward			
- Realised income		909	
- Unrealised income		1,201	
		<u>2,110</u>	
		(Rupees)	
Net assets value per unit at the end of the period		<u>10.7405</u>	

The annexed notes 1 to 20 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 PAKISTAN EXCHANGE TRADED FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE PERIOD FROM OCTOBER 6, 2020 TO DECEMBER 31, 2020**

	Note	For the period from October 6, 2020 to December 31, 2020 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		2,110
Adjustments for:		
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.2	(1,201)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(575)
		334
Increase in assets		
Investments		(27,195)
Dividend receivable		(46)
Advances and other receivables		(34)
		(27,275)
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company		24
Payable to Central Depository Company of Pakistan Limited - the Trustee		8
Payable to the Securities and Exchange Commission of Pakistan		1
Accrued expenses and other liabilities		90
		123
Net cash used in operating activities		(26,818)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units		29,396
Payment against redemption of units		(321)
Net cash generated from financing activities		29,075
Net increase in cash and cash equivalents during the period		2,257
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	2,257

The annexed notes 1 to 20 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 PAKISTAN EXCHANGE TRADED FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 6, 2020 TO DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Pakistan Exchange Traded 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 January 9, 2020 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, (the NBFC Regulations), 2008. 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 is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Meezan Pakistan Index (MZNPI) that has been constituted and is maintained by the Management Company, and comprises of 12 shariah compliant equity securities selected with high consideration towards market capitalization and traded value. 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 a hybrid type of fund having features of both open and closed end funds. A new concept of "Authorised Participants "APs" has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.
- 1.4 The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on Pakistan Stock Exchange (PSX) Limited.
- 1.5 The Management Company has been assigned a rating of AM1 by VIS dated December 31, 2020 and by PACRA dated June 26, 2020. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from October 6, 2020. Hence, there are no corresponding figures for the period.
- 1.7 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 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 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.

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 declared that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2020.

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

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, 2021. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.3 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the condensed interim financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6), recognition of provision of Sindh Worker's Welfare Fund (note 10.2) and provision for taxation (notes 4.13 and 13).

3.4 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values.

3.5 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These condensed interim financial statements are presented in Pakistani Rupee, which is the Funds' functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at Fair Value through Other Comprehensive Income (FVOCI). The management considers its investment in equity securities being managed as a group of assets and hence has classified them as Fair Value through Profit or Loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

4.3.2 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.3.7 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Provisions

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

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

4.8 Issue and redemption of units

Authorized Participant can purchase the units at the offer price and redeemed at the redemption price at any of the authorized distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing);
- Such amount as the Management Company may consider an appropriate provision for duties and charges

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the offering document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

4.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that element of income in case of Exchange Traded Funds shall be taken to income statement both at the time of issuance and redemption of units to the extent it pertains to income statement.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement currently, on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend.
- Profit on balances with banks is recognised on a time proportion basis using the effective yield method.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

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

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

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

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

4.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / loss of the period after taxation of the Fund by the weighted average number of units outstanding during the period.

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

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement



**December 31,
2020
(Unaudited)
(Rupees in '000)**

5 BALANCES WITH BANKS

Balances with banks in:
Savings account

Note

5.1 2,257

5.1 The balance in savings account has an expected profit rate of 2.51% per annum.

6 INVESTMENTS

Investment at 'fair value through profit or loss'

Shares of listed companies - ordinary 'shares'

6.1 28,396

6.1 Investment at 'fair value through profit or loss'

All shares have a nominal value of Rs.10 each.

Name of the investee company	----- Unaudited -----							Percentage in relation to		
	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) as at December 31, 2020	Net Assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total Market Value of Investment
-----Number of shares-----				----- (Rupees in '000) -----			-----%-----			
Sectors / companies										
Cement										
DG Khan Cement Company Limited	14,976	-	156	14,820	1,584	1,698	114	5.55	-	5.98
Lucky Cement Limited	6,624	-	69	6,555	4,255	4,563	308	14.91	-	16.07
Maple Leaf Cement Factory Limited	35,136	-	366	34,770	1,329	1,565	236	5.11	-	5.51
								25.57	-	27.56
Fertilizer										
Engro Corporation Limited	14,400	-	150	14,250	4,260	4,380	120	14.31	-	15.42
Engro Fertilizers Limited	42,912	-	447	42,465	2,581	2,685	104	8.77	-	9.46
								23.08	-	24.88
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited	23,904	-	249	23,655	2,352	2,455	103	8.02	-	8.64
Pakistan Oilfields Limited	4,608	-	48	4,560	1,770	1,803	33	5.89	-	6.35
Pakistan Petroleum Limited	24,768	-	258	24,510	2,132	2,214	82	7.23	-	7.80
								21.14	-	22.79
Oil and Gas Marketing Companies										
Hascol Petroleum Limited	77,760	-	810	76,950	1,190	1,130	(60)	3.69	0.01	3.98
Pakistan State Oil Company Limited	14,976	-	156	14,820	2,942	3,191	249	10.42	-	11.24
Sui Northern Gas Pipelines Limited	21,024	-	219	20,805	1,101	924	(177)	3.02	-	3.25
								17.13	0.01	18.47
Pharmaceuticals										
The Searle Company Limited	6,624	621	69	7,176	1,699	1,788	89	5.84	0.03	6.30
Total as at December 31, 2020					27,195	28,396	1,201	92.76		100.00

6.2 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss

Note

**December 31,
2020
(Unaudited)
(Rupees in '000)**

Market value of investments
Carrying value of investments

6.1 28,396

6.1 27,195

1,201

		December 31, 2020 (Unaudited)
		(Rupees in '000)
7	PAYABLE TO AI MEEZAN MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note
	Management fee payable	7.1 12
	Sindh Sales Tax payable on remuneration of the Management Company	7.2 2
	Other payable	10
		24

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.50% per annum of the average net assets of the Fund during the period from October 6, 2020 to December 31, 2020. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the period from October 6, 2020 to December 31, 2020, an amount of Rs. 0.002 million was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.002 million has been paid to the Management Company which acts as a collecting agent.

		December 31, 2020 (Unaudited)
		(Rupees in '000)
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note
	Trustee fee payable	8.1 7
	Sindh Sales Tax payable on remuneration of the Trustee	8.2 1
		8

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:	Tariff
- Up to Rs 1,000 million	0.20% per annum of net assets.
- Over Rs. 1,000 million	Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

8.2 Sales tax on the trustee remuneration has been charged at the rate of 13%.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with SRO 685(I)/2019 dated June 28, 2019, a collective investment scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.02% of average annual net assets of the Fund as annual fee. Accordingly, the Fund has charged the SECP fee at 0.02% of the average annual net assets for the period from October 6, 2020 to December 31, 2020.

		December 31, 2020 (Unaudited)
		(Rupees in '000)
10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note
	Auditors' remuneration payable	33
	Charity payable	10.1 14
	Provision for Sindh Workers' Welfare Fund	10.2 43
		90

10.1 According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated towards charitable purposes.

During the period from October 6, 2020 to December 31, 2020, non-Shariah compliant income amounting to Rs 0.014 million was charged as an expense in the books of the Fund. This will be distributed as charity after the approval of the Shariah Advisor.

- 10.2** 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 to 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 October 6, 2020 to December 31, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.02 per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020.

12 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.45% which includes 0.27% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "index tracker fund".

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 at least 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 period from October 6, 2020 to December 31, 2020 as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the period ending June 30, 2021 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. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other collective investment schemes managed by 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 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 to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions carried out by the Fund with connected persons during the period from October 6, 2020 to December 31, 2020 and balances with them as at period end are as follows:

	December 31, 2020 (unaudited) (Rupees in '000)
Balances	
AI Meezan Investment Management Limited - the Management Company	
Remuneration payable	12
Sindh Sales Tax on management fee payable	2
Other payable	10
Investment of 1,000,000 units	10,741
Meezan Bank Limited	
Bank balance	2,257
Profit receivable on saving accounts	5
Central Depository Company of Pakistan Limited - the Trustee	
Trustee fee payable	6
Sindh Sales Tax on trustee fee payable	1
	For the period from October 6, 2020 to December 31, 2020 (Unaudited) (Rupees in '000)
Transactions during the period	
AI Meezan Investment Management Limited - the Management Company	
Remuneration for the period	27
Sindh Sales Tax on remuneration of the Management Company	3
Units issued: 1,000,000 units	10,015
Meezan Bank Limited	
Profit on saving accounts	9
Central Depository Company of Pakistan Limited - the Trustee	
Remuneration of the Trustee	11
Sindh Sales Tax on Remuneration of the Trustee	1
CDS charges	2

Other balances due to / from related parties / connected persons are included in the respective notes to the condensed interim financial statements.

15 FINANCIAL INSTRUMENTS BY CATEGORY

	December 31, 2020		
	(Unaudited)		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	2,257	-	2,257
Investments	-	28,396	28,396
Dividend receivable	46	-	46
Advances and other receivables	16	-	16
	<u>2,319</u>	<u>28,396</u>	<u>30,715</u>

December 31, 2020		
(Unaudited)		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees in '000) -----		

Financial liabilities

Payable to Al Meezan Investment Management Limited - the Management Company	-	24	24
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	8	8
Accrued expenses and other liabilities	-	47	47
	-	79	79

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies:

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

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

16.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of December 31, 2020, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the period from October 6, 2020 to December 31, 2020 and net assets of the Fund would have been higher / lower by Rs. 0.023 million.

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2020, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at December 31, 2020 can be determined as follows:

December 31, 2020					
(Unaudited)					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)					
Financial assets					
Balances with banks	2.50%	2,257	-	-	2,257
Investment		-	-	28,396	28,396
Dividend receivable		-	-	46	46
Advances and other receivables		-	-	16	16
		2,257	-	28,458	30,715
Financial liabilities					
Payable to Al Meezan Investment Management Limited - the Management Company		-	-	24	24
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	8	8
Accrued expenses and other liabilities		-	-	47	47
		-	-	79	79
On-balance sheet gap (a)		2,257	-	28,379	30,636
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		2,257	-	-	-
Cumulative profit rate sensitivity gap		2,257	2,257	2,257	-

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the period end are concentrated in the sectors given in note 6.1.

In case of 1% increase / decrease in MZNPI on December 31, 2020, with all other variables held constant, the total comprehensive income of the Fund for the period from October 6, 2020 to December 31, 2020 would increase / decrease by Rs. 0.2840 million and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the MZNPI, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the MZNPI, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2020 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the MZNPI.

16.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period from October 6, 2020 to December 31, 2020.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

December 31, 2020						
(Unaudited)						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees in '000) -----						
Financial assets						
Balances with banks	2,257	-	-	-	-	2,257
Investments	-	-	-	-	28,396	28,396
Dividend receivable	46	-	-	-	-	46
Advances and other receivables	16	-	-	-	-	16
	2,319	-	-	-	28,396	30,715
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	24	-	-	-	-	24
Payable to Central Depository Company of Pakistan Limited - Trustee	8	-	-	-	-	8
Accrued expenses and other liabilities	-	-	47	-	-	47
	32	-	47	-	-	79
Net assets / (liabilities)	2,287	-	-	-	28,396	30,636

16.3 Credit risk

16.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

December 31, 2020	
(Unaudited)	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- (Rupees in '000) ----	
Balances with banks	2,257
Investments	28,396
Dividend receivable	46
Advances and other receivables	34
	<u>30,733</u>
	<u>2,762</u>

The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in equity securities of Rs 28.396 million is not exposed to credit risk.

16.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements with banks and profit accrued on bank balances and dividend receivable. The credit rating profile of balances with banks is as follows:

Rating	(Unaudited) % of financial assets exposed to credit risk December 31, 2020
AA+	<u>100</u>

16.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

17 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.

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, 2020, the Fund held the following financial instruments measured at fair values:

	December 31, 2020		
	(Unaudited)		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets			
At fair value through profit or loss	28,396	-	-

18 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

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

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 16, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on **February 15, 2021** by the Board of Directors of the Management Company.

20 GENERAL

20.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

20.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

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

Chief Executive

Chief Financial Officer

Director

BRANCH NETWORK

- FTC Branch, Karachi:**
Ground Floor, Finance and Trade Centre, Shahrah-e-Faisal, Karachi
Tel: (92-21) 111-633-926, 35630722-26
- Sales Hub, Karachi:**
Banglow # 43-5-E/2, Shah Abdul Latif Road, PECHS Block 6, Karachi.
Tel: (92-21) 34559262-5
- North Nazimabad Branch, Karachi:**
Shop # G-1, G-2, Ground Floor, Ajwa Residency, B-1, Block-L, North Nazimabad, Karachi
Tel: (92-21) 36641491-4
- Bahadurabad Branch, Karachi:**
Shop # 4, Ground floor, Adam Arcade, B.M.C.H Society, Shaheed-e-Millat Road, Block #3, Karachi
Tel: (92-21) 34923112-6
- DHA Branch, Karachi:**
Shop # 01 Ground Floor, Sunset Commercial St-02, Khayaban e Jami, Near Baitussalam Masjid, Phase IV, D.H.A Karachi.
Tel: (92-21) 35802411-4
- Gulshan-e-Iqbal Branch, Karachi:**
Shop # 02, Ground Floor, Shelozon Center, Block 15, Gulshan-e-Iqbal Karachi.
Tel: (92-21) 34990491-4
- Site Area Branch, Karachi:**
Shop # 05, plot # B/9-D, Main Estate Avenue, Site Area Karachi.
Tel: (92-21) 32570051-4
- DHA, Badar Commercial Branch, Karachi:**
Plot # 8C, Shop # 03, Street # 10, Badar Commercial, DHA phase V, Karachi.
Tel: (92-21) 35171381-4, 021-37131680-1, 021-37131683-4
- Gulistan-e-Jauhar Branch, Karachi:**
Plot # B11, Shop # 06, Ground Floor, Alam Shah Bukhari Apartment (Right Opposite Hilltop Banquet Hall), Block -19, Gulistan-e-Jauhar, Karachi.
Tel: (92-21) 34187181-84

- Clifton Branch, Karachi:**
Shop # 3, ground Floor, Plot # D-39, Tabba Tower Gizri Road, Karachi
Tel: (92-21) 35155219, 021-35155220, 021-35155221
- Hyderabad Branch:**
Shop # A-1, 1 & 2, Mezzanine Floor Shifa Heaven, Main Auto Bhan Road Hyderabad
Tel: (92-22) 3821277-80
- Gulberg Branch, Lahore:**
Ground Floor, Leeds Centre, Gulberg III, Main Boulevard, Lahore
Tel: (92-42) 111-633-926, 042-35783608-12, 042-32560548
- DHA Branch, Lahore:**
1st Floor, Meezan Bank T Block Branch, Plot No. 7, CCA-2, T Block, Phase II, DHA Lahore.
Tel: (92-42) 35747060-3, 042-32560125
- Johar Town Branch, Lahore:**
Plot No.39, Block-L, M.A. Johar Town Scheme, Abdul Haq Road, Lahore.
Tel: (92-42) 35290585-6, 042-35290588
- Islamabad Branch:**
Office No 7 Ground Floor, Buland Markaz Jinnah Avenue Blue Area, Islamabad.
Tel: (92-51) 2801471-73
- Rawalpindi Branch:**
Plot # 17, Zubair Plaza, 1st Floor, Chaklala Scheme III, Main Commercial Area Rawalpindi Cantt, Rawalpindi.
Tel: (92-51) 5766364-6
- Faisalabad Branch:**
First Floor, Taj Plaza, Kotwali Road, Faisalabad
Tel: (92-41) 32412371-4
- Faisalabad Branch (Susan Road) :**
Shop # 27, First Floor Plot # 27, Susan Road Near Chenab Market Faisalabad
Tel: 041-8503267, 041-8503268, 041-8503269, (92-41)5250001

BRANCH NETWORK

- Peshawar Branch:**
Office No 6-D, Ground Floor, 6 Saddar Road, Peshawar Cantt, Peshawar.
Tel: (92-91) 5271911-14
- Multan Branch:**
1st Floor, Meezan Bank Rasheedabad Chowk Branch, Aneesa Plaza Rasheedabad Chowk, Khanewal Road Multan.
Tel: (92- 61) 6305911-5
- Abbottabad Branch:**
Office No 2, 3rd Floor Zaman Plaza, Near Ayub Medical Complex, Mansehra Road, Abbottabad.
Tel: (0992)-414123-24
- Gujranwala Branch:**
Ground Floor, 387-A, Model Town, Gujranwala
Tel: (92-55) 842205-8
- Swat Branch:**
Mezzanine Floor, Sultan e Room Plaza, Main G.T Road, Mingora Swat
Tel: (92-946) 714023-6
- Sialkot Branch:**
Second floor Meezan Bank, Qayum plaza, Aziz Shaheed Road, Sialkot Cant, Sialkot
Tel: (92-52) 4290460-2
- Gujrat Branch:**
P-1037, Ground Floor, G.T Road, IX Block, Gujrat
Tel: (92-53) 3724766-67
- Bahawalpur Branch:**
Shop # 27, Ground Floor Liberty Square, Fuji Basti Chowk, Airport Road, Bahawalpur Cantt
Tel: (92-301) 1121912
- Quetta Branch:**
1st floor Mega Trade Center, Ward No.18, Tappa Urban No.1, Shahrah-e-iqbal, Manan Chowk, Tehsil & District Quetta
Tel: (92-81) 2824156-58





Available on Social Media



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