



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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FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
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Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Shaukat Khan (Kamila)	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

Meezan Financial Planning Fund of Funds (MFPF)

Type of Fund

Open-end Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MFPF has sixteen Allocation Plans which allow investors to invest according to their risk tolerance levels.

The Aggressive Allocation Plan

This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term. It shall invest at least 65% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

The Moderate Allocation Plan

This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to save for medium to long term. It shall invest at least 45% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds

The Conservative Allocation Plan

This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term. It shall invest at least 20% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

Meezan Asset Allocation Plan - I - IV (MAAP I-IV)

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a combination of KSE Meezan Index 30's performance and average 6 month Islamic bank deposits as per the following detail:

Aggressive Allocation Plan	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Moderate Allocation Plan	
Conservative Allocation Plan	
Meezan Asset Allocation Plan - I	

Performance Table with Benchmark

	Returns - FY20
MFPF - Aggressive	6.86%
Benchmark	5.86%
MFPF - Moderate	10.11%
Benchmark	7.83%
MFPF - Conservative	10.96%
Benchmark	7.60%
MFPF - MAAP I	5.62%
Benchmark	5.58%

Aggressive Allocation Plan

The Aggressive Allocation Plan posted a total Income of Rs. 17 million in FY20 as compared to a total loss of Rs. 82 million last year. Total income comprised of realized gain on investments of Rs. 16 million while the unrealized loss on investments of Rs. 11 million. Dividend income and profit on saving account with banks amounted to Rs. 11 million and Rs. 1 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 16 million. The net assets of the Fund as at June 30, 2020 were Rs. 283 million as compared to Rs. 365 million at the end of last year depicting a decline of 22%.

Moderate Allocation Plan

The Moderate Allocation Plan posted a total Income of Rs. 13 million in FY20 as compared to a total loss of Rs. 22 million last year. Total income comprised of realized gain on investments of Rs. 13 million while the unrealized loss on investments of Rs. 3 million. Dividend income amounted to Rs. 4 million. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 13 million. The net assets of the Fund as at June 30, 2020 were Rs. 119 million as compared to Rs. 203 million at the end of last year depicting a decline of 41%.

Conservative Allocation Plan

The Conservative Allocation Plan posted a total Income of Rs. 19 million in FY20 as compared to a total loss of Rs. 2 million last year. Total income comprised of realized gain on investments of Rs. 18 million while the unrealized loss on investments of Rs. 2 million. Dividend income and profit on saving account with banks amounted to Rs. 2 million and Rs. 1 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 18 million. The net assets of the Fund as at June 30, 2020 were Rs. 144 million as compared to Rs. 222 million at the end of last year depicting a decline of 35%.

Meezan Asset Allocation Plan - I (MAAP-I)

Meezan Asset Allocation Plan-I posted a total Income of Rs. 9 million during FY20 as compared to a total loss of Rs. 140 million last year. Total income comprised of realized loss on investments of Rs. 4 million while the unrealized gain on investments of Rs. 5 million. Dividend income and profit on saving account with banks amounted to Rs. 6 million and Rs. 2 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 8 million. The net assets of the Fund as at June 30, 2020 were Rs. 318 million as compared to Rs. 593 million at the end of last year depicting a decline of 46%.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2020 was Rs. 0.50 per unit (1%), Rs. 0.30 per unit (0.60%) and Rs. 0.45 per unit (0.90%) in Aggressive Allocation Plan, Moderate Allocation Plan and MAAP I Allocation Plan respectively. Total distribution made by the fund was Rs. 2 million, Rs, 1 million and Rs, 3 million in Aggressive Allocation Plan, Moderate allocation Plan and MAAP-I Allocation Plan respectively.

Breakdown of unit holdings by size

(As on June 30, 2020)

Breakdown of unit holdings by size				
Range (Units)	Aggressive	Moderate	Conservative	MAAP-I
	No. of investors			
1 - 9,999	546	301	263	111
10,000 - 49,999	34	41	31	42
50,000 - 99,999	4	2	6	5
100,000 - 499,999	2	2	1	5
500,000 and above	2	-	1	2
Total	588	346	302	165

As at June 30, 2020

	Aggressive	Moderate	Conservative	MAAP-I
	----- (Rupees in '000) -----			
Net assets (Rs. '000)	282740.2	118569.3	143878.9	318119
Net assets value / redemption price per unit as at June 30 (Rs.) (Ex Distribution)	61.6837	59.149	60.6014	49.9777
Offer price per unit as at June 30 (Rs.)	63.0777	60.1515	61.2861	0
Highest offer price per unit (Rs.)	72.5543	64.1803	61.6286	0
Lowest offer price per unit (Rs.)	51.4407	50.3956	53.3345	0
Highest redemption price per unit (Rs.)	70.9509	63.1106	60.94	51.4773
Lowest redemption price per unit (Rs.)	50.3039	49.5557	52.7386	41.3334
Distribution (%)	0.01	0.006	-	0.009
Dates of distribution (Interim)	44012	44012	-	44012
Average return (%)	0.0686	0.1011	0.1096	0.0562

As at June 30, 2019

As at July 24, 2018

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV
	----- (Rupees in '000) -----				
Net assets (Rs. '000)	365072.3	203039	221778	592710	471046.8
Net assets value / redemption price per unit as at June 30 (Rs.) (Ex Distribution)	58.1924	53.9707	54.2174	47.7447	46.1818
Offer price per unit as at June 30 (Rs.)	59.50755	54.8855	55.2174	0	0
Highest offer price per unit (Rs.)	73.4891	69.4562	67.5615	0	0
Lowest offer price per unit (Rs.)	57.4911	54.8855	55.2173	0	0
Highest redemption price per unit (Rs.)	71.86501	68.29852	66.80657	59.93474	46.18181
Lowest redemption price per unit (Rs.)	56.22065	53.97065	54.6004	46.80285	46.08615
Distribution (%)	-	0.14 -	0.2 -	-	-
Dates of distribution (Interim)	-	43644	43644	-	-
Average return (%)	-0.172	-0.092	-0.01	-0.185	-0.015



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Financial Planning Fund of Funds

August 4, 2020/ Dhu'l-Hijjah 13, 1441

Alhamdulillah, the period from July 01, 2019 to June 30, 2020 was the Seventh year of operations of Meezan Financial Planning Fund of Funds (MFPPF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shariah* advisors of the Fund and are issuing the report in accordance with clause 6.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MFPPF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MFPPF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MFPPF for the year ended June 30, 2020 have been in compliance with *Shari'ah* principles.

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

Dr. Muhammad Imran Ashraf Usmani
For and on behalf of Meezan Bank
Shariah Advisor

Head Office

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 year ended June 30, 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, September 24, 2020



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Financial Planning Fund of Funds

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Financial Planning Fund of Funds (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 882.827 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Salman Hussain**.


Chartered Accountants

Karachi

Date: September 22, 2020

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**



		As at June 30, 2020				
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
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
Receivable against sale of investments		-	-	-	-	-
Profit receivable on saving accounts with banks		7	15	10	12	44
Total assets		291,177	122,905	151,310	330,800	896,192
Liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	7	23	14	31	27	95
Payable to Central Depository Company of Pakistan Limited - Trustee	8	22	7	18	9	56
Payable to Meezan Bank Limited		3	1	2	-	6
Payable to Securities and Exchange Commission of Pakistan	9	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	10	4,826	3,422	2,312	11,387	21,947
Total liabilities		8,437	4,336	7,431	12,681	32,885
NET ASSETS		282,740	118,569	143,879	318,119	863,307
UNIT HOLDERS' FUND (as per statement attached)		282,740	118,569	143,879	318,119	863,307
CONTINGENCIES AND COMMITMENTS	11	----- (Number of units) -----				
NUMBER OF UNITS IN ISSUE		4,583,711	2,004,577	2,374,185	6,365,222	
NET ASSET VALUE PER UNIT		61.6837	59.1490	60.6014	49.9777	

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**

	Note	As at June 30, 2019				As at July 24, 2018	
		Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP - IV
(Rupees in '000)							
Assets							
Balances with banks	5	5,765	4,366	4,861	725	15,717	4,045
Investments	6	364,165	202,298	219,360	603,752	1,389,575	-
Receivable against conversion of units		6	-	56	-	62	-
Receivable against sale of investments		-	-	-	-	-	473,018
Profit accrued on balances with banks		29	34	17	4	84	196
Total assets		369,965	206,698	224,294	604,481	1,405,438	477,259
Liabilities							
Payable to AI Meezan Investment Management Limited - Management Company	7	60	26	21	52	159	111
Payable to Central Depository Company of Pakistan Limited - Trustee	8	38	18	27	44	127	33
Payable to Meezan Bank Limited		1	-	-	-	1	-
Payable to the Securities and Exchange Commission of Pakistan	9	440	232	237	701	1,610	630
Payable on redemption and conversion of units		192	338	314	-	844	-
Dividend Payable		-	-	-	-	-	-
Accrued expenses and other liabilities	10	4,162	3,045	1,917	10,974	20,098	5,438
Total liabilities		4,893	3,659	2,516	11,771	22,839	6,212
NET ASSETS		365,072	203,039	221,778	592,710	1,382,599	471,047
UNIT HOLDERS' FUND (as per statement attached)		365,072	203,039	221,778	592,710	1,382,599	471,047
CONTINGENCIES AND COMMITMENTS	11						
(Number of units)							
NUMBER OF UNITS IN ISSUE		6,273,536	3,762,017	4,061,839	12,414,152		10,199,830
(Rupees)							
NET ASSET VALUE PER UNIT		58.1924	53.9707	54.6004	47.7447		46.1818

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**



For the year ended June 30, 2020					
	Aggressive	Moderate	Conservative	MAAP-I	Total
Note	(Rupees in '000)				
Income					
Dividend income	11,515	3,391	2,160	6,244	23,310
Profit on saving accounts with banks	599	458	507	1,778	3,342
Net realised gain / (loss) on sale of investments	16,014	12,849	18,080	(3,749)	43,194
	<u>28,128</u>	<u>16,698</u>	<u>20,747</u>	<u>4,273</u>	<u>69,846</u>
Net unrealised (diminution) / appreciation on re-measurement of 'investments classified as financial assets at fair value through profit or loss'	6.1	(11,085)	(3,221)	(1,968)	5,253
		<u>(11,085)</u>	<u>(3,221)</u>	<u>(1,968)</u>	<u>(11,021)</u>
Total income	<u>17,043</u>	<u>13,477</u>	<u>18,779</u>	<u>9,526</u>	<u>58,825</u>
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	62	44	54	119
Sindh Sales Tax on remuneration of the Management Company	7.2	8	6	7	15
Allocated expenses	7.3	312	139	169	370
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	218	97	118	259
Sindh Sales Tax on remuneration of the Trustee	8.2	28	13	15	34
Annual fee to Securities and Exchange Commission of Pakistan	9	62	28	34	74
Auditors' remuneration	12	181	82	100	226
Fees and subscription		92	42	50	111
Bank and settlement charges		4	3	2	3
Provision for Sindh Workers' Welfare Fund	10.1	321	260	365	166
Printing charges		2	-	-	-
Total expenses		<u>1,290</u>	<u>714</u>	<u>914</u>	<u>1,377</u>
Net income for the year before taxation		<u>15,753</u>	<u>12,763</u>	<u>17,865</u>	<u>8,149</u>
Taxation	14	-	-	-	-
Net income for the year after taxation		<u>15,753</u>	<u>12,763</u>	<u>17,865</u>	<u>8,149</u>
Allocation of net income for the year					
Net income for the year after taxation		15,753	12,763	17,865	8,149
Income already paid on units redeemed		(318)	(625)	(4,425)	(24)
		<u>15,435</u>	<u>12,138</u>	<u>13,440</u>	<u>8,125</u>
Accounting income available for distribution					
- Relating to capital gains		4,929	9,628	16,112	1,504
- Excluding capital gains		10,506	2,510	(2,672)	6,621
		<u>15,435</u>	<u>12,138</u>	<u>13,440</u>	<u>8,125</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2019					for the period from July 1, 2018 to July 24, 2018	
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP - IV	
Note ----- (Rupees in '000) -----							
Income							
Dividend income	11,062	12,878	19,388	5,903	49,231	3,569	
Back end load income	-	-	-	128	128	167	
Profit on saving accounts with banks	235	159	235	199	828	152	
Net realised loss on sale of investments	(9,723)	(3,799)	(2,235)	(5,117)	(20,874)	(11,515)	
	1,574	9,238	17,388	1,113	29,313	(7,627)	
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' or loss'	6	(83,876)	(31,489)	(18,974)	(141,046)	(275,385)	-
Total loss		(82,302)	(22,251)	(1,586)	(139,933)	(246,072)	(7,627)
Expenses							
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	72	43	66	61	242	69
Sindh Sales Tax on remuneration of the Management Company	7.2	9	5	9	8	31	9
Allocated expenses	7.3	464	244	250	738	1,696	32
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	415	218	224	661	1,518	27
Sindh Sales Tax on remuneration of the Trustee	8.2	54	28	29	86	197	4
Annual fees to the Securities and Exchange Commission of Pakistan	9	441	232	237	702	1,612	30
Auditors' remuneration	12	151	81	83	245	560	9
Fees and subscription		80	42	43	127	292	4
Bank and settlement charges		11	6	7	7	31	-
Provision for Sindh Worker's Welfare Fund		-	-	-	-	-	-
Printing expenses		63	35	34	101	233	3
Total expenses		1,760	934	982	2,736	6,412	187
Net loss for the year / period before taxation		(84,062)	(23,185)	(2,568)	(142,669)	(252,484)	(7,814)
Taxation	14	-	-	-	-	-	-
Net loss for the year / period after taxation		(84,062)	(23,185)	(2,568)	(142,669)	(252,484)	(7,814)
Allocation of net income for the period							
Net Income for the period / year after taxation		-	-	-	-	-	-
Income already paid on units redeemed		-	-	-	-	-	-
Accounting income available for distribution		-	-	-	-	-	-
- Relating to capital gains		-	-	-	-	-	-
- Excluding capital gains		-	-	-	-	-	-

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**



	For the year ended June 30, 2020				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	----- (Rupees in '000) -----				
Net income for the year after taxation	15,753	12,763	17,865	8,149	54,530
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	15,753	12,763	17,865	8,149	54,530

	For the year ended June 30, 2019					For the period from July 1 2018, to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
	----- (Rupees in '000) -----					
Net loss for the year / period after taxation	(84,062)	(23,185)	(2,568)	(142,669)	(252,484)	(7,814)
Other comprehensive income / (loss) for the year / period	-	-	-	-	-	-
Total comprehensive loss for the year / period	(84,062)	(23,185)	(2,568)	(142,669)	(252,484)	(7,814)

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020			June 30, 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 beginning of the year	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: 1,963,860 units / Moderate: 501,906 units / Conservative: 1,696,158 units / MAAP I: 28,410 units															
- Capital value (at net asset value per unit at the beginning of the year)	114,282	-	114,282	27,088	-	27,088	92,611	-	92,611	1,356	-	1,356	235,337	-	235,337
- Element of income / (loss)	10,170	-	10,170	1,693	-	1,693	6,715	-	6,715	63	-	63	18,641	-	18,641
Total proceeds on issuance of units	124,452	-	124,452	28,781	-	28,781	99,326	-	99,326	1,419	-	1,419	253,978	-	253,978
Redemption of units:															
Aggressive: 3,653,685 units / Moderate: 2,259,346 units Conservative: 3,383,812 units / MAAP I: 6,077,340 units															
- Capital value (at net asset value per unit at the beginning of the year)	212,617	-	212,617	121,938	-	121,938	184,757	-	184,757	290,161	-	290,161	809,473	-	809,473
- Element of loss / (income)	7,326	318	7,644	2,852	625	3,477	5,908	4,425	10,333	(8,898)	24	(8,874)	7,188	5,392	12,580
Total payments on redemption of units	219,943	318	220,261	124,790	625	125,415	190,665	4,425	195,090	281,263	24	281,287	816,661	5,392	822,053
Total comprehensive income for the year	-	15,753	15,753	-	12,763	12,763	-	17,865	17,865	-	8,149	8,149	-	54,530	54,530
Interim distribution from the year / period ended June 30, 2020	-	(2,276)	(2,276)	-	(599)	(599)	-	-	-	-	(2,872)	(2,872)	-	(5,747)	(5,747)
Net Income for the year less distribution	-	13,477	13,477	-	12,164	12,164	-	17,865	17,865	-	5,277	5,277	-	48,783	48,783
Net assets at end of the year	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
Undistributed income brought forward															
- Realised income		101,711			67,539			62,595			196,400			428,245	
- Unrealised loss		(83,876)			(31,489)			(18,974)			(141,046)			(275,385)	
		17,835			36,050			43,621			55,354			152,860	
Accounting income available for distribution															
- Relating to capital gains		4,929			9,628			16,112			1,504			32,173	
- Excluding capital gains		10,506			2,510			(2,672)			6,621			16,965	
		15,435			12,138			13,440			8,125			49,138	
Distribution during the year ended June 30, 2020															
@Re 0.5000 per unit (Aggressive Allocation Plan)		(2,276)													(2,276)
@Re 0.3000 per unit (Moderate Allocation Plan)					(599)			-							(599)
@Re 0.4533 per unit (Meezan Asset Allocation Plan - I)											(2,872)				(2,872)
Undistributed income carried forward		30,994			47,589			57,061			60,607			196,251	
Undistributed income carried 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	
		Rupees			Rupees			Rupees			Rupees			Rupees	
Net asset value per unit as at beginning of the year		58.1924			53.9707			54.6004			47.7447			49.9777	
Net asset value per unit as at end of the year		61.6837			59.1490			60.6014			49.9777				

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE PERIOD / YEAR ENDED JUNE 30, 2020**

	June 30, 2019			June 30, 2019			June 30, 2019			June 30, 2019			June 30, 2019			For the period from July 01, 2018 to July 24, 2018		
	Aggressive (Rupees in '000)			Moderate (Rupees in '000)			Conservative (Rupees in '000)			MAAP-I (Rupees in '000)			Total (Rupees in '000)			MAAP-IV (Rupees in '000)		
	Capital Value	Undistributed income	Total	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	394,890	101,897	496,787	226,557	82,538	309,095	209,956	80,512	290,468	630,891	198,023	828,914	1,462,294	462,970	1,925,264	531,432	(23,695)	507,737
Issuance of units:																		
Aggressive: 1,517,105 units / Moderate: 744,018 units / Conservative: 1,779,148 units / MAAP I: nil units																		
- Capital value (at net asset value per unit at the beginning of the year / period)	119,122	-	119,122	54,673	-	54,673	122,202	-	122,202	-	-	-	295,997	-	295,997	-	-	-
- Element of (loss) / income	(4,437)	-	(4,437)	(934)	-	(934)	735	-	735	-	-	-	(4,636)	-	(4,636)	-	-	-
Total proceeds on issuance of units	114,685	-	114,685	53,739	-	53,739	122,937	-	122,937	-	-	-	291,361	-	291,361	-	-	-
Issue of bonus units, for the year ended June 30, 2019																		
Moderate @ 14%, 432,986 units and Conservative @ 20%, 629,498 Units	-	-	-	23,303	-	23,303	34,323	-	34,323	-	-	-	57,626	-	57,626	-	-	-
Redemption of units:																		
Aggressive: 2,489,499 units / Moderate: 2,089,674 units / Conservative: 2,890,306 units / MAAP I: 1,730,808 units / MAAP IV: 626,419 units																		
- Capital value (at net asset value per unit at the beginning of the year / period)	174,974	-	174,974	140,284	-	140,284	188,646	-	188,646	101,428	-	101,428	605,332	-	605,332	29,378	-	29,378
- Element of (income) / loss	(12,636)	-	(12,636)	(3,674)	-	(3,674)	413	-	413	(7,893)	-	(7,893)	(23,790)	-	(23,790)	(502)	-	(502)
Total payments on redemption of units	162,338	-	162,338	136,610	-	136,610	189,059	-	189,059	93,535	-	93,535	581,542	-	581,542	28,876	-	28,876
Total comprehensive loss for the year / period	-	(84,062)	(84,062)	-	(23,185)	(23,185)	-	(2,568)	(2,568)	-	(142,669)	(142,669)	-	(252,484)	(252,484)	-	(7,814)	(7,814)
Interim distribution from the year / period ended June 30, 2019	-	-	-	-	(23,303)	(23,303)	-	(34,323)	(34,323)	-	-	-	-	(57,626)	(57,626)	-	-	-
Net loss for the year / period less distribution	-	(84,062)	(84,062)	-	(46,488)	(46,488)	-	(36,891)	(36,891)	-	(142,669)	(142,669)	-	(310,110)	(310,110)	-	(7,814)	(7,814)
Net assets at the end of the year / 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	502,556	(31,509)	471,047
Undistributed income brought forward																		
- Realised income		163,797		100,834			83,187			207,736			555,554			25,150		
- Unrealised loss		(61,900)		(18,296)			(2,675)			(9,713)			(92,584)			(48,845)		
Accounting income available for distribution		101,897		82,538			80,512			198,023			462,970			(23,695)		
- Relating to capital gains		-		-			-			-			-			-		
- Excluding capital gains		-		-			-			-			-			-		
Net loss for the period after taxation		(84,062)		(23,185)			(2,568)			(142,669)			(252,484)			(7,814)		
Distribution during the year ended June 30, 2019																		
@Re 10.0000 per unit (Conservative Allocation Plan)					(23,303)													
@Re 7.0000 per unit (Moderate Allocation Plan)					-		(34,323)											
Undistributed income carried forward		17,835		36,050			43,621			55,354			152,860			(31,509)		
Undistributed income / carried forward																		
- Realised income / (loss)		101,711		67,539			62,595			196,400			428,245			(31,509)		
- Unrealised loss		(83,876)		(31,489)			(18,974)			(141,046)			(275,385)			-		
		17,835		36,050			43,621			55,354			152,860			(31,509)		
		Rupees		Rupees			Rupees			Rupees			Rupees			Rupees		
Net asset value per unit as at the beginning of the year / period		70,2849		67,1319			65,2685			58,6014			46,8987			46,8987		
Net asset value per unit as at the end of the year / period		58,1924		53,9707			54,6004			47,7447			46,1818			46,1818		

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

		For the year ended June 30, 2020				
		Aggressive	Moderate	Conservative	MAAP-I	Total
Note		(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES						
	Net income for the year before taxation	15,753	12,763	17,865	8,149	54,530
	Adjustments for					
	Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	11,085	3,221	1,968	(5,253)	11,021
6		26,838	15,984	19,833	2,896	65,551
	Decrease / (increase) in assets					
	Investments	63,871	78,461	73,860	279,535	495,727
	Receivable against investments	-	-	-	-	-
	Profit receivable on saving accounts with banks	22	19	7	(8)	40
		63,893	78,480	73,867	279,527	495,767
	(Decrease) / increase in liabilities					
	Payable to Al Meezan Investment Management Limited - Management Company	(37)	(12)	10	(25)	(64)
	Payable to Central Depository Company of Pakistan Limited - Trustee	(16)	(11)	(9)	(35)	(71)
	Payable to Meezan Bank Limited	2	1	2	-	5
	Payable to Securities and Exchange Commission of Pakistan	(379)	(204)	(203)	(627)	(1,413)
	Accrued expenses and other liabilities	664	377	395	413	1,849
		234	151	195	(274)	306
	Net cash generated from operating activities	90,965	94,615	93,895	282,149	561,624
CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts against issuance and conversion of units	124,355	28,772	99,301	1,419	253,847
	Payments against redemption and conversion of units	(216,991)	(125,001)	(190,370)	(281,287)	(813,649)
	Dividend paid	(2,236)	(487)	-	(1,688)	(4,411)
	Net cash used in financing activities	(94,872)	(96,716)	(91,069)	(281,556)	(564,213)
	Net (decrease) / increase in cash and cash equivalents during the year	(3,907)	(2,101)	2,826	593	(2,589)
	Cash and cash equivalents at beginning of the year	5,765	4,366	4,861	725	15,717
	Cash and cash equivalents at end of the year	1,858	2,265	7,687	1,318	13,128
5						

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**



	For the year ended June 30, 2019					For the period from July 1, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
Note	(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net loss for the year / period before taxation	(84,062)	(23,185)	(2,568)	(142,669)	(252,484)	(7,814)
Adjustments for						
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	6 83,876	31,489	18,974	141,046	275,385	-
	(186)	8,304	16,406	(1,623)	22,901	(7,814)
Decrease / (increase) in assets						
Investments	49,661	75,921	44,547	90,728	260,857	510,146
Receivable against investments	-	-	-	-	-	(468,018)
Profit receivable on saving accounts with banks	(25)	(15)	(3)	8	(35)	(147)
	49,636	75,906	44,544	90,736	260,822	41,981
(Decrease) / increase in liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	(2)	(39)	(28)	(22)	(91)	66
Payable to Central Depository Company of Pakistan Limited - Trustee	(6)	(7)	(4)	(20)	(37)	(10)
Payable to Meezan Bank Limited	(1)	(15)	(1)	-	(17)	-
Payable to Securities and Exchange Commission of Pakistan	(78)	(92)	(79)	(181)	(430)	30
Accrued expenses and other liabilities	153	153	133	166	605	(32)
	66	-	21	(57)	30	54
Net cash generated from operating activities	49,516	84,210	60,971	89,056	283,753	34,221
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	114,680	53,752	122,937	-	291,369	-
Payments against redemption and conversion of units	(162,330)	(136,561)	(188,888)	(93,535)	(581,314)	(33,108)
Net cash used in financing activities	(47,650)	(82,809)	(65,951)	(93,535)	(289,945)	(33,108)
Net increase / (decrease) in cash and cash equivalents during the year / period	1,866	1,401	(4,980)	(4,479)	(6,192)	1,113
Cash and cash equivalents at beginning of the year / period	3,899	2,965	9,841	5,204	21,909	2,932
Cash and cash equivalents at end of the year / period 5	5,765	4,366	4,861	725	15,717	4,045

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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 (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as 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 (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 November 21, 2008. The registered office of the Management Company of the Fund, is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for Meezan Asset Allocation Plan-I (MAAP-I) in which the offer of units is discontinued after the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of 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 a Trustee of the Fund. The fund property of different types of allocation plans shall be accounted for and maintained separately in books of accounts, which shall collectively constitute the Fund property of the Scheme.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 28, 2018) 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 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)	Low risk - High return through asset allocation The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2018, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan had a revised maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017). During the current year, the SECP approved the extension of the plan by one year vide its letter No. SCD / AMCW / MFPFef / 137 / 2019 dated November 13, 2019.

Each allocation plan announces separate Net Asset Value which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These 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 Financial Reporting Standards (IFRSs) 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 IFRS Standards, 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.

3.2 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, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of 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 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 financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.5 Accounting convention

These 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.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Classification

4.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.3.3 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.

4.3.3.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

4.3.4 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.

4.3.5 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.

4.3.6 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 year end.

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

4.9 Issuance and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the net assets value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 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 assets value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' Fund. However, to maintain the same ex-dividend net asset value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the date of book closure of the investee Fund declaring the dividend.
- (iii) Profit on bank deposit is recognized on time proportion basis using the effective yield method.
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

4.13 Expenses

All expenses including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 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 from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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. Furthermore, 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 income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5 BALANCES WITH BANKS

		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>

		As at June 30, 2019					As at July 24, 2018
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
	----- (Rupees in '000) -----						
Saving accounts	5.1	5,338	4,356	4,851	715	15,260	3,964
Current accounts		427	10	10	10	457	81
		<u>5,765</u>	<u>4,366</u>	<u>4,861</u>	<u>725</u>	<u>15,717</u>	<u>4,045</u>

5.1 The balances in saving accounts have expected profit rates ranging from 1.50% to 7.50% per annum (2019: 3.32% to 12.50% per annum).

6 INVESTMENTS

		As at June 30, 2020				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
	----- (Rupees in '000) -----					
Investments - 'at fair value through profit or loss'	6.1	289,209	120,616	143,532	329,470	882,827

		As at June 30, 2019					As at July 24, 2018
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
	----- (Rupees in '000) -----						
Investments - 'at fair value through profit or loss'	6.1	364,165	202,298	219,360	603,752	1,389,575	-

6.1 At fair value through profit or loss - Units of mutual Funds

Name of investee Funds	As at July 1, 2019	Purchases during the year	Sale during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised (diminution) / appreciation as at June 30, 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	5,706,434	5,970,312	6,842,744	4,834,002	237,211	226,091	(11,120)	79.96	78.18
Meezan Islamic Income Fund	882,014	2,529,578	2,185,175	1,226,417	63,083	63,118	35	22.32	21.82
Meezan Cash Fund	898,802	-	898,802	-	-	-	-	-	-
					<u>300,294</u>	<u>289,209</u>	<u>(11,085)</u>	<u>102.28</u>	<u>100.00</u>

Name of investee Funds	As at July 1, 2019	Purchases during the year	Sale during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised (diminution)/ appreciation as at June 30, 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)	
Moderate Allocation Plan									
Meezan Islamic Fund	2,116,314	1,789,819	2,493,194	1,412,939	69,335	66,084	(3,251)	55.73	54.79
Meezan Islamic Income Fund	981,320	1,963,666	1,885,388	1,059,598	54,502	54,532	30	45.99	45.21
Meezan Cash Fund	999,999	-	999,999	-	-	-	-	-	-
					<u>123,837</u>	<u>120,616</u>	<u>(3,221)</u>	<u>101.72</u>	<u>100.00</u>
Conservative Allocation Plan									
Meezan Islamic Fund	1,149,027	1,210,084	1,478,778	880,333	43,199	41,174	(2,025)	28.62	28.69
Meezan Islamic Income Fund	1,598,388	3,556,659	3,166,184	1,988,863	102,301	102,358	57	71.14	71.31
Meezan Cash Fund	1,628,812	-	1,628,812	-	-	-	-	-	-
					<u>145,500</u>	<u>143,532</u>	<u>(1,968)</u>	<u>99.76</u>	<u>100.00</u>
Meezan Asset Allocation Plan I									
Al Meezan Mutual Fund	39,791	7,703,700	4,360,492	3,382,999	46,472	45,057	(1,415)	14.16	13.68
Meezan Islamic Fund	171,373	4,194,111	2,380,890	1,984,594	97,387	92,821	(4,566)	29.18	28.17
Meezan Sovereign Fund	3,775,282	5,128,218	8,903,500	-	-	-	-	-	-
Meezan Islamic Income Fund	-	7,160,104	5,420,067	1,740,037	89,501	89,552	51	28.15	27.18
Meezan Cash Fund	8,448	3,821,029	3,829,477	-	-	-	-	-	-
Meezan Dedicated Equity Fund	11,269,149	2,108,051	10,428,442	2,948,758	90,857	102,040	11,183	32.08	30.97
					<u>324,217</u>	<u>329,470</u>	<u>5,253</u>	<u>103.57</u>	<u>100.00</u>
Total investments in units of mutual Funds									
Al Meezan Mutual Fund	39,791	7,703,700	4,360,492	3,382,999	46,472	45,057	(1,415)	5.22	5.10
Meezan Islamic Fund	9,143,148	13,164,326	13,195,606	9,111,868	447,132	426,170	(20,962)	49.36	48.28
Meezan Cash Fund	3,536,061	3,821,029	7,357,090	-	-	-	-	-	-
Meezan Sovereign Fund	3,775,282	5,128,218	8,903,500	-	-	-	-	-	-
Meezan Islamic Income Fund	3,461,722	15,210,007	12,656,814	6,014,915	309,387	309,560	173	35.86	35.06
Meezan Dedicated Equity Fund	11,269,149	2,108,051	10,428,442	2,948,758	90,857	102,040	11,183	11.82	11.56
					<u>893,848</u>	<u>882,827</u>	<u>(11,021)</u>	<u>102.26</u>	<u>100.00</u>

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

		As at June 30, 2020				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
						(Rupees in '000)
Management fee payable	7.1	3	1	4	1	9
Sindh Sales Tax on remuneration of Management Company	7.2	1	-	1	-	2
Sales Load Payable		9	2	-	-	11
Sindh Sales Tax on Sales Load	7.2	1	1	-	-	2
Allocated expenses payable	7.3	9	10	26	26	71
		<u>23</u>	<u>14</u>	<u>31</u>	<u>27</u>	<u>95</u>
		As at June 30, 2019				As at July 24, 2018
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
						(Rupees in '000)
Management fee payable	7.1	5	3	2	2	12
Sindh Sales Tax on remuneration of Management Company	7.2	1	-	-	-	9
Sales Load Payable		19	5	1	-	25
Sindh Sales Tax on Sales Load	7.2	2	1	-	-	3
Allocated expenses payable	7.3	33	17	18	50	118
		<u>60</u>	<u>26</u>	<u>21</u>	<u>52</u>	<u>111</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% (2019: 1%) per annum of the daily bank balance of the Fund during the year ended June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the year, an amount of Rs 0.044 million (2019: Rs 0.040 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2019: 13%) and an amount of Rs. 0.035 million (2019: Rs. 0.034 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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

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

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		As at June 30, 2020				
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Trustee fee payable	8.1	19	6	16	8	49
Sindh Sales Tax payable on trustee fee	8.2	3	1	2	1	7
		<u>22</u>	<u>7</u>	<u>18</u>	<u>9</u>	<u>56</u>

		As at June 30, 2019				As at July 24, 2018
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				MAAP - IV
Trustee fee payable	8.1	33	15	24	36	108
Sindh Sales Tax payable on trustee fee	8.2	5	3	3	8	19
		<u>38</u>	<u>18</u>	<u>27</u>	<u>44</u>	<u>127</u>

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

The remuneration of the Trustee for the year / period ended June 30, 2020 and 2019 has been calculated as per the following applicable tariff:

Previous Tariff		Revised Tariff
Net Assets (Rs.)	Fee	0.070% per annum of Net Assets
Upto 1 Billion	0.10% of Net Assets	
Above 1 Billion	Rs. 1 Million plus 0.075% per annum of Net Assets exceeding Rs. 1 Billion	

- 8.2 During the current year / period, an amount of Rs 0.090 million (2019: Rs. 0.201 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2019: 13%) and an amount of Rs. 0.106 million (2019: Rs. 0.223 million) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		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	10.1	3,701	2,176	1,579	7,052	14,508
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	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>

		As at June 30, 2019					As at July 24, 2018
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
(Rupees in '000)							
Withholding tax payable		-	409	-	91	500	
Capital Gain Tax Payable		115	49	14	318	496	
Provision for Sindh Workers Welfare Fund	10.1	3,380	1,916	1,214	6,886	13,396	
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	72	40	36	16	164	
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	368	497	528	3,295	4,688	
Shariah advisor fee payable		41	21	22	63	147	
Auditors' remuneration payable		96	50	51	151	348	
Printing charges payable		90	63	52	154	359	
		<u>4,162</u>	<u>3,045</u>	<u>1,917</u>	<u>10,974</u>	<u>20,098</u>	
						<u>5,438</u>	

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value (NAV) per unit of the Fund as at June 30, 2020 would have been higher by Re 0.81 / 50%, 0.47 / 13%, 0.34 / 32%, 1.54 / 3%, for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP-I (2019: by Re 0.54 / 1.31%, 1.09 / 1.84%, 0.67 / 1.10%, 1.11 / 2.22% and 0.26 / 0.56% (July 24, 2018) for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP-I, and MAAP-IV, respectively).

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



With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.44 million, Rs 0.537 million, Rs 0.564 million and Rs 3.31 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I respectively is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision of FED not been made, the Net Asset Value of the Fund as at June 30, 2020 would have been higher by Re. 0.10, Re 0.27, Re. 0.24 and Re. 0.52 per unit in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP-I and MAAP-IV (2019: Re 0.07, Re 0.14, Re 0.14, Re 0.27 and Re 0.48 per unit) respectively.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

12 AUDITORS' REMUNERATION

	For the year ended June 30, 2020					Total
	Aggressive	Moderate	Conservative	MAAP-I		
	----- (Rupees in '000) -----					
Statutory audit fee	128	52	70	141		391
Half year review fee	45	25	25	70		165
Out of pocket expense	8	5	5	15		33
	<u>181</u>	<u>82</u>	<u>100</u>	<u>226</u>		<u>589</u>

	For the year ended June 30, 2019					From July 01, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP - IV
	----- (Rupees in '000) -----					
Statutory audit fee	101	53	55	161	370	5
Half year review fee	42	23	23	70	158	4
Out of pocket expense	8	5	5	14	32	-
	<u>151</u>	<u>81</u>	<u>83</u>	<u>245</u>	<u>560</u>	<u>9</u>

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2020 are:

	As at June 30, 2020			
	Aggressive	Moderate	Conservative	MAAP I
Total Expense Ratio (TER)	0.41%	0.51%	0.54%	0.37%
Government levies	0.13%	0.22%	0.25%	0.08%

	As at June 30, 2019			
	Aggressive	Moderate	Conservative	MAAP I
Total Expense Ratio (TER)	0.38%	0.38%	0.39%	0.37%
Government levies	0.11%	0.11%	0.11%	0.11%

The above calculated ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund scheme.

14 TAXATION

The 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, 2008, 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 unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 15.2** 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.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** Detail of transactions with connected persons and balances with them are as follows:

	'As at June 30, 2020				Total
	Aggressive	Moderate	Conservative	MAAP I	
Al Meezan Investment Management Limited - Management Company					
Management Fee 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
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 - 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
Meezan Sovereign Fund					
Investment (Rs in '000)	-	-	-	-	-
Investment (Units)	-	-	-	-	-



	'As at June 30, 2020					
	Aggressive	Moderate	Conservative	MAAP I	Total	
AI Meezan Mutual Fund						
Investment (Rs in '000)	-	-	-	45,057	45,057	
Investment (Units)	-	-	-	3,382,999	3,382,999	
Meezan Cash Fund						
Investment (Rs in '000)	-	-	-	-	-	
Investment (Units)	-	-	-	-	-	
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	
	As at June 30, 2019					As at July 24, 2018
	Aggressive	Moderate	Conservative	MAAP I	Total	MAAP - IV
AI Meezan Investment Management Limited - Management Company						
Management Fee Payable (Rs in '000)	5	3	2	2	12	69
Sindh Sales Tax on management fee payable (Rs in '000)	1	-	-	-	1	10
Sales load payable (Rs in '000)	19	5	1	-	25	-
Sindh Sales Tax on sales load payable (Rs in '000)	2	1	-	-	3	-
Allocated expenses payable (Rs '000)	33	17	18	50	118	32
Investment (Rs in '000)	-	-	6,847	-	6,847	-
Investment (Units)	-	-	125,406	-	125,406	-
Meezan Bank Limited						
Bank balance (Rs in '000)	5,530	4,148	4,666	612	14,956	4,045
Profit receivable (Rs in '000)	19	12	12	4	47	196
Sales load payable (Rs in '000)	1	-	-	-	1	-
Central Depository Company of Pakistan Limited - Trustee						
Trustee Fee payable (Rs in '000)	33	15	24	36	108	28
Sindh Sales Tax on trustee fee payable (Rs in '000)	5	3	3	8	19	5
Directors and Executives of the Management Company						
Investment (Rs in '000)	106	0.17	1,621	-	1,727	-
Investment (Units)	1,818	3	29,687	-	31,508	-
Meezan Islamic Fund						
Investment (Rs in '000)	273,509	101,436	55,073	8,214	438,232	-
Investment (Units)	5,706,434	2,116,314	1,149,027	171,373	9,143,148	-
Meezan Sovereign Fund						
Investment (Rs in '000)	-	-	-	194,373	194,373	-
Investment (Units)	-	-	-	3,775,282	3,775,282	-
AI Meezan Mutual Fund						
Investment (Rs in '000)	-	-	-	531	531	-
Investment (Units)	-	-	-	39,791	39,791	-
Meezan Cash Fund						
Investment (Rs in '000)	45,328	50,431	82,143	426	178,328	-
Investment (Units)	898,802	999,999	1,628,812	8,448	3,536,061	-
Meezan Islamic Income Fund						
Investment (Rs in '000)	45,328	50,431	82,144	-	177,903	-
Investment (Units)	882,014	981,320	1,598,388	-	3,461,722	-
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	-	-	-	400,208	400,208	-
Investment (Units)	-	-	-	11,269,149	11,269,149	-
Unit Holders holding 10% or more units of the Fund						
Investment (Rs in '000)	184,302	49,515	47,703	278,205	559,725	192,410
Investment (Units)	3,167,104	917,442	873,669	5,826,939	10,785,154	4,166,358

	For the year ended June 30, 2020				
	Aggressive	Moderate	Conservative	MAAP I	Total
Al Meezan Investment Management Limited - Management Company					
Remuneration for the year / period (Rs in '000)	62	44	54	119	279
Sindh Sales Tax on management fee (Rs in '000)	8	6	7	15	36
Allocated expense (Rs in '000)	312	139	169	370	990
Meezan Bank Limited					
Profit on saving account (Rs in '000)	590	451	499	1,777	3,317
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee for the year / period (Rs in '000)	218	97	118	259	692
Sindh Sales Tax on trustee fee (Rs in '000)	28	13	15	34	90
Directors and Executives of the Management Company					
Invested during the year / period (Rs in '000)	81,517	6,745	73,226	-	161,489
Invested during the year / period (Units)	1,275,810	117,647	1,245,604	-	2,639,060
Amount redeemed during the year / period (Rs in '000)	79,888	6,730	75,082	-	161,700
Redeemed during the year / period (Units)	1,258,259	117,545	1,274,766	-	2,650,569
Meezan Islamic Fund					
Invested during the year / period (Rs. in '000)	288,357	84,951	56,968	206,887	637,163
Invested during the year / period (Units)	5,970,312	1,789,819	1,210,084	4,194,111	13,164,326
Redeemed during the year / period (Rs. in '000)	332,203	122,363	73,304	117,598	645,468
Redeemed during the year / period (Units)	6,842,744	2,493,194	1,478,778	2,380,890	13,195,606
Dividend received during the year / period (Rs. in '000)	11,471	3,353	2,089	4,709	21,622
Dividend received during the year / period (Units)	245,698	71,816	44,745	100,871	463,129
Meezan Sovereign Fund					
Invested during the year / period (Rs. in '000)	-	-	-	284,149	284,149
Invested during the year / period (Units)	-	-	-	5,128,218	5,128,218
Redeemed during the year / period (Rs. in '000)	-	-	-	489,976	489,976
Redeemed during the year / period (Units)	-	-	-	8,903,500	8,903,500
Meezan Cash Fund					
Invested during the year / period (Rs. in '000)	-	-	-	196,312	196,312
Invested during the year / period (Units)	-	-	-	3,821,029	3,821,029
Redeemed during the year / period (Rs. in '000)	45,839	50,914	83,034	199,399	379,186
Redeemed during the year / period (Units)	898,802	999,999	1,628,812	3,829,477	7,357,090
Al Meezan Mutual Fund					
Invested during the period (Rs. in '000)	-	-	-	112,472	112,472
Invested during the period (Units)	-	-	-	4,360,492	4,360,492
Redeemed during the period (Rs. in '000)	-	-	-	61,000	61,000
Redeemed during the period (Units)	-	-	-	4,360,492	4,360,492
Dividend received during the year / period (Rs. in '000)	-	-	-	1,473	1,473
Dividend received during the year / period (Units)	-	-	-	110,736	110,736
Meezan Islamic Income Fund					
Invested during the year / period (Rs. in '000)	132,159	101,946	184,329	377,008	795,441
Invested during the year / period (Units)	2,529,578	1,963,666	3,556,659	7,160,104	15,210,007
Redeemed during the year / period (Rs. in '000)	122,360	104,931	176,897	291,700	695,888
Redeemed during the year / period (Units)	2,185,175	1,885,388	3,166,184	5,420,067	12,656,814
Dividend received during the year / period (Rs. in '000)	44	38	71	62	215
Dividend received during the year / period (Units)	856	739	1,388	1,214	4,197
Refund of capital during the year / period (Rs. in '000)	6,434	5,559	10,434	9,129	31,554
Refund of capital during the year / period (Units)	125,081	108,068	202,842	177,474	613,465
Meezan Dedicated Equity Fund					
Invested during the year / period (Rs. in '000)	-	-	-	89,630	89,630
Invested during the year / period (Units)	-	-	-	2,108,051	2,108,051
Redeemed during the year / period (Rs. in '000)	-	-	-	382,316	382,316
Redeemed during the year / period (Units)	-	-	-	10,428,442	10,428,442

	For the year ended June 30, 2019					For the period from July 1, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP I	Total	MAAP IV
Al Meezan Investment Management Limited - Management Company						
Management Fee Payable for the year / period (Rs in '000)	72	43	66	61	242	69
Sindh Sales Tax on management fee (Rs in '000)	9	5	9	8	31	9
Allocated expense (Rs in '000)	464	244	250	738	1,696	32
Bonus Issue (Rs in '000)	-	-	1,060	-	1,060	-
Bonus Issue (Units)	-	-	19,435	-	19,435	-



	For the year ended June 30, 2019					For the period from July 1, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP I	Total	MAAP IV
Meezan Bank Limited						
Profit on saving account (Rs in '000)	216	145	221	194	776	152
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee for the year / period (Rs in '000)	415	218	224	661	1,518	27
Sindh Sales Tax on trustee fee (Rs in '000)	54	28	29	86	197	4
Directors and Executives of the Management Company						
Invested during the period (Rs. in '000)	28,713	11,037	29,818	-	69,567	-
Invested during the period (Units)	429,107	164,898	454,413	-	1,048,418	-
Redeemed during the period (Rs. in '000)	29,725	11,026	28,102	-	68,853	-
Redeemed during the period (Units)	441,341	164,897	429,328	-	1,035,566	-
Bonus Issue (Rs. '000)	-	-	251	-	251	-
Bonus Issue (Units)	-	-	4,601	-	4,601	-
Meezan Islamic Fund						
Invested during the year / period (Rs. in '000)	49,654	22,096	22,559	34,250	128,559	-
Invested during the year / period (Units)	897,307	421,442	417,630	660,324	2,396,324	-
Redeemed during the year / period (Rs. in '000)	58,020	43,846	22,528	25,369	149,763	249,454
Redeemed during the year / period (Units)	1,084,575	750,039	385,162	488,951	2,708,727	3,990,160
Meezan Sovereign Fund						
Invested during the period (Rs. in '000)	-	-	-	214,605	214,605	-
Invested during the period (Units)	-	-	-	3,920,221	3,920,221	-
Redeemed during the year / period (Rs. in '000)	-	-	-	8,000	8,000	-
Redeemed during the year / period (Units)	-	-	-	145,324	145,324	-
Dividend received during the period (Rs. in '000)	-	-	-	407	407	-
Dividend received during the period (Units)	-	-	-	7,907	7,907	-
Refund of capital during the period (Rs. in '000)	-	-	-	12,267	12,267	-
Refund of capital during the period (Units)	-	-	-	238,257	238,257	-
Meezan Cash Fund						
Invested during the period (Rs. in '000)	9,188	6,969	20,676	1,254	38,087	371,833
Invested during the period (Units)	180,787	138,048	405,237	24,848	748,920	7,368,899
Redeemed during the year / period (Rs. in '000)	24,645	31,738	41,208	30,010	127,601	421,491
Redeemed during the period (Units)	464,971	610,386	793,586	581,026	2,449,969	8,331,559
Dividend received during the period (Rs. in '000)	5,504	6,398	9,645	886	22,432	1,833
Dividend received during the period (Units)	109,137	126,862	191,254	17,559	444,811	36,347
Refund of capital during the period (Rs. in '000)	328	428	649	368	1,773	251
Refund of capital during the period (Units)	6,497	8,496	12,863	7,289	35,146	4,978
Al Meezan Mutual Fund						
Redeemed during the year / period (Rs. in '000)	-	-	-	-	-	21,964
Redeemed during the year / period (Units)	-	-	-	-	-	1,304,322
Meezan Islamic Income Fund						
Invested during the period (Rs. in '000)	9,272	7,057	20,815	87,139	124,284	1,736
Invested during the period (Units)	179,015	137,123	400,306	1,636,587	2,353,031	63,875
Redeemed during the period (Rs. in '000)	24,759	31,858	41,377	280,151	378,145	80,267
Redeemed during the period (Units)	458,138	600,946	781,822	5,104,519	6,945,425	1,558,092
Dividend received during the period (Rs. in '000)	5,558	6,480	9,743	4,610	26,392	1,736
Dividend received during the period (Units)	108,159	126,104	189,589	89,709	513,561	33,786
Refund of capital during the period (Rs. in '000)	300	373	600	3,003	4,277	1,544
Refund of capital during the period (Units)	5,834	7,272	11,679	58,438	83,223	30,048
Meezan Dedicated Equity Fund						
Invested during the year / period (Rs. in '000)	-	-	-	34,000	34,000	-
Invested during the year / period (Units)	-	-	-	825,518	825,518	-
Redeemed during the year / period (Rs. in '000)	-	-	-	97,691	97,691	99,023
Redeemed during the year / period (Units)	-	-	-	2,315,618	2,315,618	2,136,720

- 15.6 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

16 FINANCIAL INSTRUMENTS BY CATEGORY

2020		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
Financial assets		
Balances with banks	13,128	13,128
Investments	-	882,827
Receivable against conversion of units	193	193
Profit receivable on saving accounts with banks	44	44
	<u>13,365</u>	<u>882,827</u>
	<u>882,827</u>	<u>896,192</u>
Financial liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	95	95
Payable to Central Depository Company of Pakistan Limited - Trustee	56	56
Payable to Meezan Bank Limited	6	6
Payable on redemption and conversion of units	9,248	9,248
Dividend Payable	1,336	1,336
Accrued expenses and other liabilities	876	876
	<u>11,617</u>	<u>-</u>
	<u>-</u>	<u>11,617</u>
2019		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
Financial assets		
Balances with banks	15,717	15,717
Investments	-	1,389,575
Receivable against conversion of units	62	62
Profit accrued on balances with banks	84	84
	<u>15,863</u>	<u>1,389,575</u>
	<u>1,389,575</u>	<u>1,405,438</u>
Financial liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	159	159
Payable to Central Depository Company of Pakistan Limited - Trustee	127	127
Payable to Meezan Bank Limited	1	1
Payable on redemption and conversion of units	844	844
Dividend Payable	-	-
Accrued expenses and other liabilities	854	854
	<u>1,985</u>	<u>-</u>
	<u>-</u>	<u>1,985</u>

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 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.

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 interest rates. As of June 30, 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 year and net assets of the Fund would have been higher / lower by Rs. 0.127 million (2019: Rs. 0.153 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 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, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 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 June 30, 2020 can be determined as follows:

----- As at June 30, 2020 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial assets					
Balance with banks	1.50% to 7.50%	12,671	-	457	13,128
Investments		-	-	882,827	882,827
Receivable against conversion of units		-	-	193	193
Profit receivable on saving accounts with banks		-	-	44	44
		12,671	-	883,521	896,192
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	95	95
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	56	56
Payable to Meezan Bank Limited		-	-	6	6
Payable on redemption and conversion of units		-	-	9,248	9,248
Dividend Payable		-	-	1,336	1,336
Accrued expenses and other liabilities		-	-	876	876
		-	-	11,617	11,617
On-balance sheet gap		12,671	-	871,904	884,575
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total profit rate sensitivity gap		12,671	-	-	-
Cumulative profit rate sensitivity gap		12,671	12,671	12,671	-

----- As at June 30, 2019 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial assets					
Balance with banks	3.32% to 12.30%	15,260	-	457	15,717
Investments		-	-	1,389,575	1,389,575
Receivable against conversion of units		-	-	62	62
Profit receivable on saving accounts with banks		-	-	84	84
		15,260	-	1,390,178	1,405,438
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	159	159
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	127	127
Payable to Meezan Bank Limited		-	-	1	1
Payable on redemption and conversion of units		-	-	844	844
Accrued expenses and other liabilities		-	-	854	854
		-	-	1,985	1,985
On-balance sheet gap		15,260	-	1,388,193	1,403,453
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total profit rate sensitivity gap		15,260	-	-	-
Cumulative profit rate sensitivity gap		15,260	15,260	15,260	15,260

17.1.1 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.

17.1.2 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 the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments 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.

In case of 1% increase / decrease in equity prices as at June 30, 2020 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 8.828 million (2019: Rs. 13.896 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.

17.2 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 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 year.

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:

	Maturity up to					2020	
	One 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	13,128	-	-	-	-	-	13,128
Investments	-	-	-	-	-	882,827	882,827
Receivable against conversion of units	193	-	-	-	-	-	193
Profit receivable on saving accounts with banks	44	-	-	-	-	-	44
	13,365	-	-	-	-	882,827	896,192
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	95	-	-	-	-	-	95
Payable to Central Depository Company of Pakistan Limited - Trustee	56	-	-	-	-	-	56
Payable to Meezan Bank Limited	6	-	-	-	-	-	6
Payable on redemption and conversion of units	9,248	-	-	-	-	-	9,248
Dividend payable	1,336	-	-	-	-	-	1,336
Accrued expenses and other liabilities	362	514	-	-	-	-	876
	11,103	514	-	-	-	-	11,617
	2,262	(514)	-	-	-	882,827	884,575

	Maturity up to					2019	
	One 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	15,717	-	-	-	-	-	15,717
Investments	-	-	-	-	-	1,389,575	1,389,575
Receivable against conversion of units	62	-	-	-	-	-	62
Profit receivable on saving accounts with banks	84	-	-	-	-	-	84
	15,863	-	-	-	-	1,389,575	1,405,438
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	159	-	-	-	-	-	159
Payable to Central Depository Company of Pakistan Limited - Trustee	127	-	-	-	-	-	127
Payable to Meezan Bank Limited	1	-	-	-	-	-	1
Payable on redemption and conversion of units	844	-	-	-	-	-	844
Accrued expenses and other liabilities	359	495	-	-	-	-	854
	1,490	495	-	-	-	-	1,985
	14,373	(495)	-	-	-	1,389,575	1,403,453

17.3 Credit risk

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:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- (Rupees in '000) -----				
Financial assets				
Balances with banks	13,128	13,128	15,717	15,717
Investments	882,827	-	1,389,575	-
Receivable against conversion of units	193	193	62	62
Profit receivable on saving accounts	44	44	84	84
	<u>896,192</u>	<u>13,365</u>	<u>1,405,438</u>	<u>15,863</u>

17.3.1 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 in banks and profit accrued thereon, receivable against sale of units and receivable against sale of investments. The credit rating profile of balances with banks is as follows:

	As at June 30, 2020		As at June 30, 2019	
	(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AA+	12,679	96.58	15,287	97.26
AA	446	3.40	427	2.72
AA-	-	-	-	-
A+	3	0.02	3	0.02
	<u>13,128</u>	<u>100.00</u>	<u>15,717</u>	<u>100.00</u>

None of the financial assets were considered to be past due or impaired as on June 30, 2020.

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

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. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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 17, 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 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 June 30, 2020, the Fund held the following financial instruments measured at fair values:

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)			(Rupees in '000)		
Financial assets						
At fair value through profit or loss	-	882,827	-	-	1,389,575	-
	-	882,827	-	-	1,389,575	-

20 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Four years
Mr. Taha Javed	Head of Equity	CFA / MBA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Thirteen years
Mr. Ali Khan	VP Product Development	CFA / FRM / MBA	Ten years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Thirteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Twelve years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Fifteen years
Mr. Ali Asghar	VP / Head of Research	CFA / MBA (in progress)	Nine years

20.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other Funds being managed by the Fund Manager are as follows:

- KSE-Meezan Index Fund
- Meezan Balanced Fund
- Meezan Asset Allocation Fund
- Meezan Strategic Allocation Fund
- Meezan Strategic Allocation Fund-II
- Meezan Strategic Allocation Fund-III;
- Meezan Dedicated Equity Fund

21 DETAILS OF MEETINGS OF BOARD OF DIRECTORS

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on				
		Aug 19, 2019	Oct 15, 2019	Feb 10, 2020	April 15, 2020	Jun 25, 2020
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes
Ms. Saima Shaukat Khan (Kamila)	Director	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	No	Yes	Yes	No
Mr. Arshad Majeed	Director	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes	Yes
Mr. Naeem Abdul Sattar	Director	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes

22 UNIT HOLDING PATTERN OF THE FUND

	AGGRESSIVE					
	----- As at June 30, 2020 -----			----- As at June 30, 2019 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	583	110,706	39.15	687	131,836	36.11
Retirement Funds	3	50,627	17.91	3	47,376	12.98
Others	2	121,407	42.94	3	185,860	50.91
Total	588	282,740	100.00	693	365,072	100.00

	MODERATE					
	----- As at June 30, 2020 -----			----- As at June 30, 2019 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	339	109,474	92.33	376	133,387	65.70
Retirement Funds	2	2,906	2.45	3	11,474	5.65
Others	5	6,189	5.22	6	58,178	28.65
Total	346	118,569	100.00	385	203,039	100.00

	CONSERVATIVE					
	----- As at June 30, 2020 -----			----- As at June 30, 2019 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	296	76,998	53.52	317	157,658	71.09
Associated company	1	7,600	5.28	1	6,847	3.09
Retirement Funds	4	59,188	41.14	4	53,326	24.04
Others	1	93	0.06	2	3,947	1.78
Total	302	143,879	100.00	324	221,778	100.00

	MAAP-I					
	----- As at June 30, 2020 -----			----- As at June 30, 2019 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individual	156	101,935	32.04	247	194,287	32.78
Retirement Funds	4	131,341	41.29	5	131,859	22.25
Others	5	84,843	26.67	9	266,564	44.97
Total	165	318,119	100.00	261	592,710	100.00



23 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

24 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company on **August 13, 2020**.

25 GENERAL

25.1 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) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

25.2 Operational Risk Management

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.

25.3 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
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. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Shaukat Khan (Kamila)	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

REPORT OF THE FUND MANAGER

Meezan Strategic Allocation Fund (MSAF)

Type of Fund

MSAF is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF has six Allocation Plans which allow investors to invest according to their risk tolerance levels.

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - I	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - II	
Meezan Strategic Allocation Plan - III	
Meezan Strategic Allocation Plan - IV	
Meezan Strategic Allocation Plan - V	
Meezan Strategic Allocation Plan - MCPP-III	

Performance Table with Benchmark

	Returns - FY20
MSAP I	7.93%
Benchmark	5.99%
MSAPII	6.51%
Benchmark	5.37%
MSAP III	6.73%
Benchmark	5.41%
MSAP IV	6.89%
Benchmark	5.45%
MSAP V	6.47%
Benchmark	5.91%
MCPPIII	-0.69%
Benchmark	-2.41%

Meezan Strategic Allocation Plan - I

The Meezan Strategic Allocation Plan – I posted a total income of Rs. 60 million in FY20 as compared to total loss of Rs. 258 million last year. Total income comprised of realized loss and unrealized gains on investments of Rs. 8 million and Rs. 13 million respectively. Dividend income comprised of Rs. 55 million. After accounting for expenses of Rs. 3 million, the Fund posted a net income of Rs. 57 million. The net assets of the Fund as at June 30, 2020 were Rs. 793 million as compared to Rs. 1067 million at the end of last year depicting a decline of 26%.

Meezan Strategic Allocation Plan - II

The Meezan Strategic Allocation Plan – II posted a total income of Rs. 32 million in FY20 as compared to total loss of Rs. 173 million last year. Total income comprised of realized gain and unrealized loss on investments of Rs. 18 million and Rs. 13 million respectively. Dividend income comprised of Rs. 27 million. After accounting for expenses of Rs. 2 million, the Fund posted a net income of Rs. 30 million. The net assets of the Fund as at June 30, 2020 were Rs. 453 million as compared to Rs. 728 million at the end of last year depicting a decline of 38%.

Meezan Strategic Allocation Plan - III

The Meezan Strategic Allocation Plan – III posted a total income of Rs. 58 million in FY20 as compared to total loss of Rs. 199 million last year. Total income comprised of realized gain and unrealized loss on investments of Rs. 23 million and Rs. 8 million respectively. Dividend income comprised of Rs. 43 million. After accounting for expenses of Rs. 3 million, the Fund posted a net income of Rs. 55 million. The net assets of the Fund as at June 30, 2020 were Rs. 746 million as compared to Rs. 891 million at the end of last year depicting a decline of 16%.

Meezan Strategic Allocation Plan - IV

The Meezan Strategic Allocation Plan – IV posted a total income of Rs. 68 million in FY20 as compared to total loss of Rs. 222 million last year. Total profit comprised of realized gain and unrealized loss on investments of Rs. 36 million and Rs. 11 million respectively. Dividend income comprised of Rs. 43

million. After accounting for expenses of Rs. 3 million, the Fund posted a net income of Rs. 65 million. The net assets of the Fund as at June 30, 2020 were Rs. 751 million as compared to Rs. 1,003 million at the end of last year depicting a decline of 25%.

Meezan Strategic Allocation Plan - V

The Meezan Strategic Allocation Plan – V posted a total income of Rs. 12 million in FY20 as compared to total loss of Rs. 71 million last year. Total income comprised of realized gain and unrealized loss on investments of Rs. 5 million and Rs. 5 million respectively. Dividend income comprised of Rs. 12 million. After accounting for expenses of Rs. 1 million, the Fund posted a net income of Rs. 11 million. The net assets of the Fund as at June 30, 2020 were Rs. 196 million as compared to Rs. 316 million at the end of last year depicting a decline of 38%.

Meezan Capital Preservation Plan – III

The Meezan Capital Preservation Plan – III posted a total income of Rs. 22 million in FY20 as compared to total income of Rs. 33 million last year. Total income comprised of realized loss on investments and Rs. 28 million. Dividend income and profit on saving account with banks comprised of Rs. 45 million and 1 million respectively. After accounting for expenses of Rs. 2 million, the Fund posted a net income of Rs. 20 million. The net assets of the Fund as at June 30, 2020 were Rs. 416 million as compared to Rs. 1,099 million at the end of last year depicting a decline of 62%.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2020 was Rs. 2.50 per unit (5%), Rs. 1.75 per unit (3.5%), Rs. 2 per unit (4%), Rs. 2 per unit (4%) and Rs. 1.5 per unit (3%) in MSAP-I, MSAP-II, MSAP-III, MSAP-IV and MSAP-V respectively. Total distribution made by the fund was Rs. 51 million, Rs. 21 million, Rs. 40 million, Rs. 40 million and Rs. 7 million in MSAP-I, MSAP-II, MSAP-III, MSAP-IV and MSAP-V respectively.

Breakdown of unit holdings by size

(As on June 30, 2020)

Range (Units)	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
	No. of investo	No. of investors	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	149	192	94	90	46	232
10,000 - 49,999	145	94	88	94	35	89
50,000 - 99,999	33	20	24	15	9	21
100,000 - 499,999	34	11	32	24	7	13
500,000 and above	6	5	4	4	2	1
Total	367	322	242	227	99	356

PERFORMANCE TABLE

	SAP1	SAP2	June 30, 2020 SAP3	SAP4	SAP5	CPP3
Net assets (Rs. '000) (ex-distribution)	793,346	452,618	746,008	751,178	195,589	416,287
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	36.8722	36.7897	35.6189	36.2977	42.1678	50.8475
Highest redemption price per unit (Rs.)	40.3937	43.6048	42.3907	43.1423	49.1563	55.8649
Lowest redemption price per unit (Rs.)	32.1933	31.7994	30.9811	31.3880	35.9775	49.2492
Distribution (%)						
Interim	2.50	1.75	2.00	2.00	1.50	NIL
Final						
Date of distribution						
Interim	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
Final	N/A	N/A	N/A	N/A	N/A	N/A
Income distribution (Rupees in '000)						
Growth distribution (Rupees in '000)	50,942	20,727	40,041	39,581	6,757	NIL
Total return (%)	7.93%	6.51%	6.73%	6.89%	6.47%	-0.69%



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Strategic Allocation Fund

August 4, 2020/ Dhu'l-Hijjah 13, 1441

Alhamdulillah, the period from July 1, 2019 to June 30, 2020 was the Fourth year of operations of Meezan Strategic Allocation Fund (MSAF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shariah* advisors of the Fund and are issuing the report in accordance with clause 3.7.1 of the Offering Document of the Fund. The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MSAF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF for the year ended June 30, 2020 have been in compliance with *Shari'ah* principles.

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

Dr. Muhammad Imran Ashraf Usmani

For and on behalf of Meezan Bank
Shariah Advisor

Head Office

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 year ended June 30, 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, September 24, 2020

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Strategic Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Strategic Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 3,389.974 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Salman Hussain**.


Chartered Accountants

Karachi

Date: September 22, 2020



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**

		June 30, 2020						
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
Profit receivable on saving account with banks		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 Al Meezan Investment Management Limited - Management Company	7	67	37	63	65	22	36	290
Payable to Central Depository Company of Pakistan Limited - Trustee	8	52	29	49	48	12	27	217
Payable to Securities and Exchange Commission of Pakistan	9	179	104	161	171	46	154	815
Payable against purchase of investments - net		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	10	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
UNIT HOLDERS' FUND (as per statement attached)		793,346	452,618	746,007	751,178	195,589	416,287	3,355,025
CONTINGENCIES AND COMMITMENTS	11	----- (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 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**

		June 30, 2019						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
Assets								
Balances with banks	5	11,970	4,377	13,180	335	13,450	1,148	44,460
Investments	6	1,063,694	725,020	879,495	1,008,046	303,088	1,102,961	5,082,304
Profit receivable on saving account with banks		54	11	13	11	11	9	109
Total assets		<u>1,075,718</u>	<u>729,408</u>	<u>892,688</u>	<u>1,008,392</u>	<u>316,549</u>	<u>1,104,118</u>	<u>5,126,873</u>
Liabilities								
Payable to AI Meezan Investment Management Limited - Management Company	7	104	66	80	91	33	94	468
Payable to Central Depository Company of Pakistan Limited - Trustee	8	84	55	68	76	24	84	391
Payable to Securities and Exchange Commission of Pakistan	9	1,491	1,032	1,164	1,292	414	1,224	6,617
Payable against redemption and conversion of units		1,819	265	50	3,765	-	2,965	8,864
Accrued expenses and other liabilities	10	4,737	192	195	394	82	857	6,457
Total liabilities		<u>8,235</u>	<u>1,610</u>	<u>1,557</u>	<u>5,618</u>	<u>553</u>	<u>5,224</u>	<u>22,797</u>
NET ASSETS		<u>1,067,483</u>	<u>727,798</u>	<u>891,131</u>	<u>1,002,774</u>	<u>315,996</u>	<u>1,098,894</u>	<u>5,104,076</u>
UNIT HOLDERS' FUND (as per statement attached)		<u>1,067,483</u>	<u>727,798</u>	<u>891,131</u>	<u>1,002,774</u>	<u>315,996</u>	<u>1,098,894</u>	<u>5,104,076</u>
CONTINGENCIES AND COMMITMENTS	11	----- (Number of units) -----						
NUMBER OF UNITS IN ISSUE		<u>29,262,088</u>	<u>20,213,719</u>	<u>25,406,240</u>	<u>28,125,336</u>	<u>7,747,051</u>	<u>21,462,301</u>	
		----- (Rupees) -----						
NET ASSET VALUE PER UNIT		<u>36.4801</u>	<u>36.0051</u>	<u>35.0753</u>	<u>35.6538</u>	<u>40.7893</u>	<u>51.2011</u>	

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

		For the year ended June 30, 2020					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
Income							
	(7,933)	17,546	23,124	35,734	5,005	(27,727)	45,749
Net realised (loss) / gain on sale of investments							
Profit on saving accounts with banks	431	226	263	413	296	1,226	2,855
Dividend income	55,360	26,547	43,339	43,133	11,217	44,915	224,511
Other income	-	-	-	-	-	3,222	3,222
	47,858	44,319	66,726	79,280	16,518	21,636	276,337
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	12,668	(12,642)	(8,846)	(10,875)	148	(24,382)
Total income	60,526	31,677	57,880	68,405	11,683	21,784	251,955
Expenses							
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	42	29	26	17	55	239
Sindh Sales Tax on remuneration of the Management Company	7.2	5	3	3	2	7	29
Allocated expenses	7.3	884	511	797	847	229	4,025
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	619	358	558	593	160	2,818
Sindh Sales Tax on remuneration of the Trustee	8.2	80	47	73	77	21	367
Annual fee to Securities and Exchange Commission of Pakistan	9	179	104	161	171	46	815
Auditors' remuneration	12	144	85	126	134	37	641
Fees and subscription		66	38	59	62	17	297
Provision for Sindh Workers' Welfare Fund		1,170	610	1,121	1,330	222	4,852
Bank and settlement charges		6	5	-	-	3	46
Total expenses	3,195	1,790	2,924	3,233	797	2,190	14,129
Net income for the year before taxation	57,331	29,887	54,956	65,172	10,886	19,594	237,826
Taxation	14	-	-	-	-	-	-
Net income for the year after taxation	57,331	29,887	54,956	65,172	10,886	19,594	237,826
Allocation of net income for the year							
Net income for the year after taxation	57,331	29,887	54,956	65,172	10,886	19,594	237,826
Income already paid on units redeemed	(961)	(120)	(956)	(811)	(770)	(23,993)	(27,611)
	56,370	29,767	54,000	64,361	10,116	(4,399)	210,215
Accounting income available for distribution							
- Relating to capital gains	4,735	4,904	14,278	24,859	170	-	48,946
- Excluding capital gains	51,635	24,863	39,722	39,502	9,946	(4,399)	161,269
	56,370	29,767	54,000	64,361	10,116	(4,399)	210,215

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

For the year ended June 30, 2019							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCPP-III	Total
----- (Rupees in '000) -----							
Income							
Net realised (loss) / gain on sale of investments	(75,233)	(41,314)	(42,094)	(43,093)	(15,886)	35,932	(181,688)
Profit on saving accounts with banks	628	375	247	263	242	138	1,893
Dividend income	26,303	18,590	22,099	25,849	7,743	17,961	118,545
Other income	-	-	-	-	336	3,643	3,979
	(48,302)	(22,349)	(19,748)	(16,981)	(7,565)	57,674	(57,271)
Net unrealised diminution on re-measurement of investments - 'at fair value through profit or loss'	6.1 (210,697)	(151,001)	(179,216)	(205,129)	(63,112)	(24,549)	(833,704)
Total (loss) / income	<u>(258,999)</u>	<u>(173,350)</u>	<u>(198,964)</u>	<u>(222,110)</u>	<u>(70,677)</u>	<u>33,125</u>	<u>(890,975)</u>
Expenses							
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1 197	73	67	76	76	48	537
Sindh Sales Tax on remuneration of the Management Company	7.2 26	10	9	10	10	6	71
Allocated expenses	7.3 1,569	1,087	1,225	1,360	436	1,288	6,965
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1 1,233	854	963	1,069	342	1,013	5,474
Sindh Sales Tax on remuneration of the Trustee	8.2 160	111	125	139	45	132	712
Annual fee to Securities and Exchange Commission of Pakistan	9 1,491	1,032	1,164	1,292	414	1,224	6,617
Auditors' remuneration	12 131	89	99	110	32	92	553
Fees and subscription	66	46	51	58	19	55	295
Printing charges	77	55	61	67	22	64	346
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	583	583
Bank and settlement charges	25	3	25	15	8	36	112
Total expenses	<u>4,975</u>	<u>3,360</u>	<u>3,789</u>	<u>4,196</u>	<u>1,404</u>	<u>4,541</u>	<u>22,265</u>
Net (loss) / income for the year before taxation	<u>(263,974)</u>	<u>(176,710)</u>	<u>(202,753)</u>	<u>(226,306)</u>	<u>(72,081)</u>	<u>28,584</u>	<u>(913,240)</u>
Taxation	14 -	-	-	-	-	-	-
Net (loss) / income for the year after taxation	<u>(263,974)</u>	<u>(176,710)</u>	<u>(202,753)</u>	<u>(226,306)</u>	<u>(72,081)</u>	<u>28,584</u>	<u>(913,240)</u>
Allocation of net income for the year							
Net income for the year after taxation	-	-	-	-	-	28,584	28,584
Income already paid on units redeemed	-	-	-	-	-	(5,049)	(5,049)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,535</u>	<u>23,535</u>
Accounting income available for distribution							
- Relating to capital gains	-	-	-	-	-	23,535	23,535
- Excluding capital gains	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,535</u>	<u>23,535</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2020						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Net income for the year after taxation	57,331	29,887	54,956	65,172	10,886	19,594	237,826
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	57,331	29,887	54,956	65,172	10,886	19,594	237,826

	For the year ended June 30, 2019						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Net (loss) / income for the year after taxation	(263,974)	(176,710)	(202,753)	(226,306)	(72,081)	28,584	(913,240)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(263,974)	(176,710)	(202,753)	(226,306)	(72,081)	28,584	(913,240)

The annexed notes 1 to 25 form an integral part of these 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
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020		
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
Net assets at beginning of the year	1,629,216	(561,733)	1,067,483	1,131,721	(403,923)	727,798	1,380,178	(489,047)	891,131	1,521,504	(518,730)	1,002,774
Issuance of units:												
MSAP - I: 1,150,847 units / MSAP - II: 473,961 units												
MSAP - III: 923,727 units / MSAP - IV: 1,040,703 units												
MSAP - V: 141,361 units / MCPPP - III: nil												
- Capital value (at net asset value per unit at the beginning of the period)	41,984	-	41,984	17,065	-	17,065	32,400	-	32,400	37,105	-	37,105
- Element of income	418	-	418	415	-	415	502	-	502	726	-	726
Total proceeds on issuance of units	42,402	-	42,402	17,480	-	17,480	32,902	-	32,902	37,831	-	37,831
Redemption of units:												
MSAP - I: 8,896,851 units / MSAP - II: 8,384,840 units												
MSAP - III: 5,385,837 units / MSAP - IV: 8,471,154 units												
MSAP - V: 3,250,058 units / MCPPP - III: 13,275,322 units												
- Capital value (at net asset value per unit at the beginning of the year)	324,558	-	324,558	301,897	-	301,897	188,910	-	188,910	302,029	-	302,029
- Element of (income) / loss	(2,591)	961	(1,630)	(197)	120	(77)	3,075	956	4,031	12,178	811	12,989
Total payments on redemption of units	321,967	961	322,928	301,700	120	301,820	191,985	956	192,941	314,207	811	315,018
Total comprehensive income for the year	-	57,331	57,331	-	29,887	29,887	-	54,956	54,956	-	65,172	65,172
Distribution during the year	-	(50,942)	(50,942)	-	(20,727)	(20,727)	-	(40,041)	(40,041)	-	(39,581)	(39,581)
Net income for the year less distribution	-	6,389	6,389	-	9,160	9,160	-	14,915	14,915	-	25,591	25,591
Net assets at end of the year	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
(Accumulated loss) / undistributed income brought forward												
- Realised (loss) / income		(351,036)			(252,922)			(309,831)			(313,601)	
- Unrealised loss		(210,697)			(151,001)			(179,216)			(205,129)	
		<u>(561,733)</u>			<u>(403,923)</u>			<u>(489,047)</u>			<u>(518,730)</u>	
Accounting income available for distribution												
- Relating to capital gains		4,735			4,904			14,278			24,859	
- Excluding capital gains		51,635			24,863			39,722			39,502	
		<u>56,370</u>			<u>29,767</u>			<u>54,000</u>			<u>64,361</u>	
Net income for the year after taxation		-			-			-			-	
Distribution during the year		(50,942)			(20,727)			(40,041)			(39,581)	
(Accumulated loss) / undistributed income carried forward		<u>(556,305)</u>			<u>(394,883)</u>			<u>(475,088)</u>			<u>(493,950)</u>	
(Accumulated loss) / undistributed income carried forward												
- Realised (loss) / income		(568,973)			(382,241)			(466,242)			(483,075)	
- Unrealised income / (loss)		12,668			(12,642)			(8,846)			(10,875)	
		<u>(556,305)</u>			<u>(394,883)</u>			<u>(475,088)</u>			<u>(493,950)</u>	
Net asset value per unit as at beginning of the year		<u>36,4801</u>			<u>36,0051</u>			<u>35,0753</u>			<u>35,6538</u>	
Net asset value per unit as at end of the year		<u>36,8722</u>			<u>36,7897</u>			<u>35,6189</u>			<u>36,2977</u>	

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2020			June 30, 2020			June 30, 2020		
	MSAP-V (Rupees in '000)			MCCP-III (Rupees in '000)			Total (Rupees in '000)		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
Net assets at beginning of the year	395,264	(79,268)	315,996	1,077,850	21,044	1,098,894	7,135,733	(2,031,657)	5,104,076
Issuance of units:									
MSAP - I: 1,150,847 units / MSAP - II: 473,961 units									
MSAP - III: 923,727 units / MSAP - IV: 1,040,703 units									
MSAP - V: 141,361 units / MCCP - III: nil									
- Capital value (at net asset value per unit at the beginning of the period)	5,766	-	5,766		-	-	134,320	-	134,320
- Element of income	153	-	153		-	-	2,214	-	2,214
Total proceeds on issuance of units	5,919	-	5,919	-	-	-	136,534	-	136,534
Redemption of units:									
MSAP - I: 8,896,851 units / MSAP - II: 8,384,840 units									
MSAP - III: 5,385,837 units / MSAP - IV: 8,471,154 units									
MSAP - V: 3,250,058 units / MCCP - III: 13,275,322 units									
- Capital value (at net asset value per unit at the beginning of the year)	132,568	-	132,568	679,711	-	679,711	1,929,673	-	1,929,673
- Element of (income) / loss	(2,883)	770	(2,113)	(1,503)	23,993	22,490	8,079	27,611	35,690
Total payments on redemption of units	129,685	770	130,455	678,208	23,993	702,201	1,937,752	27,611	1,965,363
Total comprehensive income for the year	-	10,886	10,886	-	19,594	19,594	-	237,826	237,826
Distribution during the year	-	(6,757)	(6,757)	-	-	-	-	(158,048)	(158,048)
Net income for the year less distribution	-	4,129	4,129	-	19,594	19,594	-	79,778	79,778
Net assets at end of the year	271,498	(75,909)	195,589	399,642	16,645	416,287	5,334,515	(1,979,490)	3,355,025
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(16,156)			45,593			(1,197,953)	
- Unrealised loss		(63,112)			(24,549)			(833,704)	
		(79,268)			21,044			(2,031,657)	
Accounting income available for distribution									
- Relating to capital gains		170			-			48,946	
- Excluding capital gains		9,946			(4,399)			161,269	
		10,116			(4,399)			210,215	
Net income for the year after taxation		-			-			-	
Distribution during the year		(6,757)			-			(158,048)	
(Accumulated loss) / undistributed income carried forward		(75,909)			16,645			(1,979,490)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(71,074)			16,497			(1,955,108)	
- Unrealised income / (loss)		(4,835)			148			(24,382)	
		(75,909)			16,645			(1,979,490)	
Net asset value per unit as at beginning of the year		40.7893			51.2011				
Net asset value per unit as at end of the year		42.1678			50.8475				

The annexed notes 1 to 25 form an integral part of these 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
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2019			June 30, 2019			June 30, 2019			June 30, 2019		
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
Net assets at beginning of the year	2,243,221	(297,759)	1,945,462	1,516,558	(227,213)	1,289,345	1,709,505	(286,294)	1,423,211	1,957,929	(292,424)	1,665,505
Redemption of units:												
MSAP - I: 14,939,129 units / MSAP - II: 9,738,970 units / MSAP - III: 8,468,859 units / MSAP - IV: 10,860,950 units / MSAP - V: 2,944,390 units / MCPP - III: 5,789,253 units - Capital value (at net asset value per unit at the beginning of the year) - Element of (income) / loss	657,528 (43,523)	- -	657,528 (43,523)	419,225 (34,388)	- -	419,225 (34,388)	355,806 (26,479)	- -	355,806 (26,479)	463,983 (27,558)	- -	463,983 (27,558)
Total payments on redemption of units	614,005	-	614,005	384,837	-	384,837	329,327	-	329,327	436,425	-	436,425
Total comprehensive (loss) / income for the year	-	(263,974)	(263,974)	-	(176,710)	(176,710)	-	(202,753)	(202,753)	-	(226,306)	(226,306)
Distribution during the year	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the year less distribution	-	(263,974)	(263,974)	-	(176,710)	(176,710)	-	(202,753)	(202,753)	-	(226,306)	(226,306)
Net assets at end of the year	1,629,216	(561,733)	1,067,483	1,131,721	(403,923)	727,798	1,380,178	(489,047)	891,131	1,521,504	(518,730)	1,002,774
(Accumulated loss) / undistributed income brought forward												
- Realised (loss) / income		(105,369)			(74,165)			(116,408)			(121,353)	
- Unrealised (loss) / income		(192,390)			(153,048)			(169,886)			(171,071)	
		<u>(297,759)</u>			<u>(227,213)</u>			<u>(286,294)</u>			<u>(292,424)</u>	
Accounting income available for distribution												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		-			-			-			-	
Net (loss) / income for the year after taxation		(263,974)			(176,710)			(202,753)			(226,306)	
Distribution during the year		-			-			-			-	
(Accumulated loss) / undistributed income carried forward		<u>(561,733)</u>			<u>(403,923)</u>			<u>(489,047)</u>			<u>(518,730)</u>	
(Accumulated loss) / undistributed income carried forward												
- Realised (loss) / income		(351,036)			(252,922)			(309,831)			(313,601)	
- Unrealised loss		(210,697)			(151,001)			(179,216)			(205,129)	
		<u>(561,733)</u>			<u>(403,923)</u>			<u>(489,047)</u>			<u>(518,730)</u>	
		Rupees			Rupees			Rupees			Rupees	
Net asset value per unit as at beginning of the year		<u>44.0138</u>			<u>43.0461</u>			<u>42.0135</u>			<u>42.7203</u>	
Net asset value per unit as at end of the year		<u>36.4801</u>			<u>36.0051</u>			<u>35.0753</u>			<u>35.6538</u>	

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2019 MSAP-V (Rupees in '000)			June 30, 2019 MCCP-III (Rupees in '000)			June 30, 2019 Total (Rupees in '000)		
	Capital Value	Accumulated loss	Total	Capital Value	(Accumulated loss) / undistributed income	Total	Capital Value	Accumulated loss	Total
Net assets at beginning of the year	528,299	(7,187)	521,112	1,367,662	(2,491)	1,365,171	9,323,174	(1,113,368)	8,209,806
Redemption of units:									
MSAP - I: 14,939,129 units / MSAP - II: 9,738,970 units / MSAP - III: 8,468,859 units / MSAP - IV: 10,860,950 units / MSAP - V: 2,944,390 units / MCCP - III: 5,789,253 units									
- Capital value (at net asset value per unit at the beginning of the year)	143,513	-	143,513	290,013	-	290,013	2,330,068	-	2,330,068
- Element of (income) / loss	(10,478)	-	(10,478)	(201)	5,049	4,848	(142,627)	5,049	(137,578)
Total payments on redemption of units	133,035	-	133,035	289,812	5,049	294,861	2,187,441	5,049	2,192,490
Total comprehensive (loss) / income for the year	-	(72,081)	(72,081)	-	28,584	28,584	-	(913,240)	(913,240)
Distribution during the year	-	-	-	-	-	-	-	-	-
Net (loss) / income for the year less distribution	-	(72,081)	(72,081)	-	28,584	28,584	-	(913,240)	(913,240)
Net assets at end of the year	395,264	(79,268)	315,996	1,077,850	21,044	1,098,894	7,135,733	(2,031,657)	5,104,076
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		5,171			(14,702)			(426,826)	
- Unrealised (loss) / income		(12,358)			12,211			(686,542)	
		(7,187)			(2,491)			(1,113,368)	
Accounting income available for distribution									
- Relating to capital gains		-			23,535			23,535	
- Excluding capital gains		-			-			-	
		-			23,535			23,535	
Net (loss) / income for the year after taxation		(72,081)			-			(941,824)	
Distribution during the year		-			-			-	
(Accumulated loss) / undistributed income carried forward		(79,268)			21,044			(2,031,657)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(16,156)			45,593			(1,197,953)	
- Unrealised loss		(63,112)			(24,549)			(833,704)	
		(79,268)			21,044			(2,031,657)	
	Rupees			Rupees					
Net asset value per unit as at beginning of the year	<u>48.7410</u>			<u>50.0951</u>					
Net asset value per unit as at end of the year	<u>40.7893</u>			<u>51.2011</u>					

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

For the year ended June 30, 2020							
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPP-III	Total
----- (Rupees in '000) -----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	57,331	29,887	54,956	65,172	10,886	19,594	237,826
Adjustments for:							
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1 (12,668)	12,642	8,846	10,875	4,835	(148)	24,382
	44,663	42,529	63,802	76,047	15,721	19,446	262,208
Decrease / (increase) in assets							
Investments	271,519	254,968	115,892	238,297	101,885	685,387	1,667,948
Receivable against sale of investments	(130)	-	-	-	-	(490)	(620)
Profit receivable on saving account with banks	27	(1)	8	2	10	(47)	(1)
	271,416	254,967	115,900	238,299	101,895	684,850	1,667,327
Increase / (decrease) in liabilities							
Payable to AI Meezan Investment Management Limited - Management Company	(37)	(29)	(17)	(26)	(11)	(58)	(178)
Payable to Central Depository Company of Pakistan Limited - Trustee	(32)	(26)	(19)	(28)	(12)	(57)	(174)
Payable to Securities and Exchange Commission of Pakistan	(1,312)	(928)	(1,003)	(1,121)	(368)	(1,070)	(5,802)
Payable against purchase of investments - net	130	-	-	52	-	-	182
Accrued expenses and other liabilities	8,629	3,086	7,481	7,282	1,193	474	28,145
	7,378	2,103	6,442	6,159	802	(711)	22,173
Net cash generated from operating activities	323,457	299,599	186,144	320,505	118,418	703,585	1,951,708
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	42,402	17,480	32,902	37,831	5,919	-	136,534
Payments against redemption and conversion of units	(324,747)	(302,037)	(192,941)	(318,783)	(130,455)	(703,682)	(1,972,645)
Dividend paid	(49,449)	(19,360)	(39,234)	(38,930)	(6,607)	-	(153,580)
Net cash used in financing activities	(331,794)	(303,917)	(199,273)	(319,882)	(131,143)	(703,682)	(1,989,691)
Net (decrease) / increase in cash and cash equivalents during the year	(8,337)	(4,318)	(13,129)	623	(12,725)	(97)	(37,983)
Cash and cash equivalents at beginning of the year	11,970	4,377	13,180	335	13,450	1,148	44,460
Cash and cash equivalents at end of the year	5 3,633	59	51	958	725	1,051	6,477

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

		For the year ended June 30, 2019						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total	
(Rupees in '000)								
CASH FLOWS FROM OPERATING ACTIVITIES								
	(263,974)	(176,710)	(202,753)	(226,306)	(72,081)	28,584	(913,240)	
Adjustments for:								
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	6.1	210,697	151,001	179,216	205,129	63,112	24,549	833,704
	(53,277)	(25,709)	(23,537)	(21,177)	(8,969)	53,133	(79,536)	
Decrease / (increase) in assets								
Investments	670,042	413,373	364,233	447,525	150,347	235,847	2,281,367	
Receivable against sale of investments	-	-	-	200	-	270	470	
Profit receivable on saving account with banks	(38)	(8)	(10)	4	2	5	(45)	
	670,004	413,365	364,223	447,729	150,349	236,122	2,281,792	
(Decrease) / increase in liabilities								
Payable to AI Meezan Investment Management Limited - Management Company	(73)	(44)	(40)	(55)	(16)	(21)	(249)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(60)	(40)	(37)	(46)	(14)	(15)	(212)	
Payable to Securities and Exchange Commission of Pakistan	(613)	(341)	(328)	(390)	24	657	(991)	
Accrued expenses and other liabilities	11	12	17	194	20	708	962	
	(735)	(413)	(388)	(297)	14	1,329	(490)	
Net cash generated from operating activities	615,992	387,243	340,298	426,255	141,394	290,584	2,201,766	
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance and conversion of units	-	-	-	-	-	-	-	
Payments against redemption and conversion of units	(613,169)	(384,573)	(329,276)	(432,660)	(133,034)	(292,375)	(2,185,087)	
Net cash used in financing activities	(613,169)	(384,573)	(329,276)	(432,660)	(133,034)	(292,375)	(2,185,087)	
Net increase / (decrease) in cash and cash equivalents during the year	2,823	2,670	11,022	(6,405)	8,360	(1,791)	16,679	
Cash and cash equivalents at beginning of the year	9,147	1,707	2,158	6,740	5,090	2,939	27,781	
Cash and cash equivalents at end of the year	5	11,970	4,377	13,180	335	13,450	1,148	44,460

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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 Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on September 08, 2016 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 SECP to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of Equity Schemes and Fixed Income / Money Market Schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 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 dated December 31, 2019 (2019: AM1 dated December 28, 2018) and also AM1 by PACRA dated June 26, 2020 (2019: AM1 dated June 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.

Meezan Strategic Allocation Plan-I (MSAP-I)	Medium to high 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 was two years from the close of the subscription period (i.e. December 2, 2016). 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-I/178/2018 dated November 16, 2018; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-I/142/2019 dated November 19, 2019.
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 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-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)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from February 20, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 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 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.</p>
Meezan Strategic Allocation Plan-IV (MSAP-IV)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 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.</p>
Meezan Strategic Allocation Plan-V (MSAP-V)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 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 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.</p>
Meezan Capital Preservation Plan-III (MCPPIII)	<p>Medium risk - High return through asset allocation</p> <p>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.</p>

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

- International Financial Reporting Standards (IFRSs) 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 IFRSs, 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.

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

There are certain amendments to the standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of 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 financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which is measured at fair value.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial instruments

4.3.1 Classification

4.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

.3 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.

4.3.4 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.

4.3.5 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.

4.3.6 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 year end.

4.8 Unitholders' fund

Unitholders' fund of each sub funds representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

4.9 Issuance and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price of each allocation plan represents the net assets value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 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 assets value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' Fund. However, to maintain the same ex-dividend net asset value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee fund declaring the dividend.
- Profit on bank deposit is recognized on a time proportion basis using the effective yield method.

4.13 Expenses

All expenses including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 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 or tax rates expected to apply to the profits for the period at the enacted rates. The charge for current tax also include adjustments where necessary, relating to prior years which arise from assessment framed / finalised during the year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, 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 income / (loss) for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit 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.

5 BALANCES WITH BANKS

Note	June 30, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	
	----- (Rupees in '000) -----						
Saving accounts	3,622	49	41	948	82	406	5,148
Current accounts	11	10	10	10	643	645	1,329
	<u>3,633</u>	<u>59</u>	<u>51</u>	<u>958</u>	<u>725</u>	<u>1,051</u>	<u>6,477</u>

Note	June 30, 2019						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	
	----- (Rupees in '000) -----						
Saving accounts	11,904	4,180	13,170	97	7,807	503	37,661
Current accounts	66	197	10	238	5,643	645	6,799
	<u>11,970</u>	<u>4,377</u>	<u>13,180</u>	<u>335</u>	<u>13,450</u>	<u>1,148</u>	<u>44,460</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.31% to 3.40% per annum (2019: 6.30% to 11.85% per annum).

6 INVESTMENTS

Note	June 30, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	
	----- (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

Note	June 30, 2019						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	
	----- (Rupees in '000) -----						
Investments - 'at fair value through profit or loss'	1,063,694	725,020	879,495	1,008,046	303,088	1,102,961	5,082,304

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the year	Redemptions during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised (loss) / gain as at June 30, 2020	Percentage in relation to market value as a percentage of total investments
	----- (Number of units) -----				----- (Rupees in '000) -----			(Percentage)
Meezan Strategic Allocation Plan-I								
Al Meezan Mutual Fund	18,848,470	10,488,716	19,471,353	9,865,833	135,527	131,395	(4,132)	16.33
KSE Meezan Index Fund	201,580	-	197,269	4,311	228	230	2	0.03
Meezan Cash Fund	-	11,301,674	11,301,674	-	-	-	-	-
Meezan Dedicated Equity Fund	8,724,481	5,251,784	7,953,695	6,022,570	179,498	208,407	28,909	25.89
Meezan Islamic Fund	3,358,170	10,859,097	8,899,323	5,317,944	260,959	248,726	(12,233)	30.90
Meezan Islamic Income Fund	4,983,963	9,902,983	10,688,322	4,198,624	215,963	216,085	122	26.85
Meezan Rozana Amdani Fund	1,486,486	25,261,350	26,747,836	-	-	-	-	-
					<u>792,175</u>	<u>804,843</u>	<u>12,668</u>	<u>100.00</u>
Meezan Strategic Allocation Plan-II								
Al Meezan Mutual Fund	22,818,599	12,955,442	23,130,041	12,644,000	173,691	168,395	(5,296)	36.82
KSE Meezan Index Fund	137,871	-	345	137,526	7,282	7,346	64	1.61
Meezan Cash Fund	1,615	-	1,615	-	-	-	-	-
Meezan Dedicated Equity Fund	1,238,827	-	918,352	320,475	11,381	11,090	(291)	2.42
Meezan Islamic Fund	2,983,781	4,469,702	4,328,798	3,124,685	153,333	146,144	(7,189)	31.95
Meezan Islamic Income Fund	3,408,091	5,794,550	6,784,865	2,417,776	124,365	124,435	70	27.20
Meezan Rozana Amdani Fund	1,014,332	4,805,998	5,820,330	-	-	-	-	-
					<u>470,052</u>	<u>457,410</u>	<u>(12,642)</u>	<u>100.00</u>



Name of investee funds	As at July 1, 2019	Purchases during the year	Redemptions during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised (loss) / gain as at June 30, 2020	Percentage in relation to market value as a percentage of total investments
	(Number of units)				(Rupees in '000)			(Percentage)
Meezan Strategic Allocation Plan-III								
Al Meezan Mutual Fund	-	1,108,489	545,023	563,466	7,740	7,504	(236)	0.99
KSE Meezan Index Fund	167,669	206,406	-	374,075	18,852	19,980	1,128	2.65
Meezan Cash Fund	116,448	-	116,448	-	-	-	-	-
Meezan Dedicated Equity Fund	1,980,130	3,501,696	2,609,468	2,872,358	88,441	99,396	10,955	13.17
Meezan Islamic Fund	10,949,099	11,868,525	13,771,817	9,045,807	443,890	423,082	(20,808)	56.06
Meezan Islamic Income Fund	4,056,911	9,143,864	9,221,520	3,979,255	204,680	204,795	115	27.13
Meezan Rozana Amdani Fund	1,222,400	7,202,722	8,425,122	-	-	-	-	-
					763,603	754,757	(8,846)	100.00
Meezan Strategic Allocation Plan-IV								
Al Meezan Mutual Fund	1,877,734	13,408,706	7,516,046	7,770,394	106,742	103,488	(3,254)	13.63
KSE Meezan Index Fund	190,276	206,406	-	396,682	20,049	21,188	1,139	2.79
Meezan Cash Fund	158,201	-	158,201	-	-	-	-	-
Meezan Dedicated Equity Fund	1,740,577	4,530,839	3,581,305	2,690,111	85,530	93,090	7,560	12.27
Meezan Islamic Fund	12,489,097	9,640,178	14,984,258	7,145,017	350,616	334,179	(16,437)	44.04
Meezan Islamic Income Fund	4,583,447	9,386,616	9,949,333	4,020,730	206,812	206,929	117	27.27
Meezan Rozana Amdani Fund	1,378,452	7,556,604	8,935,056	-	-	-	-	-
					769,749	758,874	(10,875)	100.00
Meezan Strategic Allocation Plan-V								
Al Meezan Mutual Fund	-	316,711	155,721	160,990	2,212	2,144	(68)	1.09
KSE Meezan Index Fund	56,659	-	142	56,517	2,993	3,019	26	1.54
Meezan Cash Fund	786,420	-	786,420	-	-	-	-	-
Meezan Dedicated Equity Fund	978,486	792,958	769,702	1,001,742	34,415	34,665	250	17.65
Meezan Islamic Fund	3,635,008	2,950,222	4,379,399	2,205,831	108,242	103,169	(5,073)	52.54
Meezan Islamic Income Fund	787,065	2,350,255	2,100,267	1,037,053	53,341	53,371	30	27.18
Meezan Rozana Amdani Fund	220,080	2,309,749	2,529,829	-	-	-	-	-
					201,203	196,368	(4,835)	100.00
Meezan Strategic Allocation Plan - MCPP-III								
Meezan Cash Fund	-	45,907,961	45,907,961	-	-	-	-	-
Meezan Dedicated Equity Fund	5,644,621	12,671,265	18,315,886	-	-	-	-	-
Meezan Rozana Amdani Fund	4,521,293	42,294,146	46,815,439	-	-	-	-	-
Meezan Sovereign Fund	13,138,233	15,605,745	20,640,348	8,103,630	417,574	417,722	148	100.00
					417,574	417,722	148	100.00
Total investments in units of mutual funds								
Al Meezan Mutual Fund	43,544,803	38,278,064	50,818,184	31,004,683	425,912	412,926	(12,986)	12.18
KSE Meezan Index Fund	754,055	412,812	197,756	969,111	49,404	51,763	2,359	1.53
Meezan Cash Fund	1,062,684	57,209,635	58,272,319	-	-	-	-	-
Meezan Dedicated Equity Fund	20,307,122	26,748,542	34,148,408	12,907,256	399,265	446,648	47,383	13.18
Meezan Islamic Fund	33,415,155	39,787,724	46,363,595	26,839,284	1,317,040	1,255,300	(61,740)	37.03
Meezan Islamic Income Fund	17,819,477	36,578,268	38,744,307	15,653,438	805,161	805,615	454	23.76
Meezan Rozana Amdani Fund	9,843,043	89,430,569	99,273,612	-	-	-	-	-
Meezan Sovereign Fund	13,138,233	15,605,745	20,640,348	8,103,630	417,574	417,722	148	12.32
					3,414,356	3,389,974	(24,382)	100.00

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	June 30, 2020							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	7.2	-	-	-	-	1	-	1
Allocated expense payable	7.3	66	37	62	64	16	35	280
		67	37	63	65	22	36	290

		June 30, 2019						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
		(Rupees in '000)						
Management fee payable	7.1	10	4	4	4	5	2	29
Sindh Sales Tax payable on remuneration of the Management company	7.2	1	1	1	1	1	-	5
Allocated expense payable	7.3	93	61	75	86	27	92	434
		104	66	80	91	33	94	468

- 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 year ended June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the year, an amount of Rs 0.029 million (2019: Rs 0.071 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 0.033 million (2019: Rs 0.072 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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

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

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

		June 30, 2020						
Note		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
		(Rupees in '000)						
Trustee fee payable	8.1	46	26	43	43	11	24	193
Sindh Sales Tax payable on trustee fee	8.2	6	3	6	5	1	3	24
		52	29	49	48	12	27	217

		June 30, 2019						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
		(Rupees in '000)						
Trustee fee payable	8.1	74	49	60	68	21	74	346
Sindh Sales Tax payable on trustee fee	8.2	10	6	8	8	3	10	45
		84	55	68	76	24	84	391

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed. Effective from July 1, 2019, the trustee has revised its tariff as under:

Previous tariff		Revised Tariff
Net Assets (Rs.)	Fee	0.070% per annum of Net Assets
Upto 1 Billion	0.10% of Net Assets	
Above 1 Billion	Rs. 1 Million plus 0.075% per annum of Net Assets exceeding Rs. 1 Billion	

Accordingly, the Fund has charged Trustee Fee @ 0.070% p.a. of Net Assets during the year.

- 8.2 During the year, an amount of Rs 0.367 million (2019: Rs. 0.712 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.388 million (2019: Rs. 0.735 million) was paid to the Trustee which acts as a collecting agent.

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

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

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2020							
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
Note		(Rupees in '000)							
	Auditors' remuneration payable	85	48	77	81	23	80	394	
	Shariah advisory fee payable	31	24	28	28	6	21	138	
	Zakat Payable	-	11	-	-	-	55	66	
	Printing fee payable	155	106	117	131	45	109	663	
	Capital gain tax	1	2	-	-	-	84	87	
	Withholding tax payable on dividend	7,443	2,477	6,333	6,106	979	-	23,338	
	Provision for Sindh Workers' Welfare Fund	10.1	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>	
		June 30, 2019							
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
		(Rupees in '000)							
	Auditors' remuneration payable	68	47	54	60	20	75	324	
	Shariah advisory fee payable	29	26	24	27	7	26	139	
	Zakat Payable	4	11	-	176	10	27	228	
	Printing fee payable	155	106	117	131	45	109	663	
	Capital gain tax	-	2	-	-	-	37	39	
	Provision for Sindh Workers' Welfare Fund	10.1	4,481	-	-	-	583	5,064	
		<u>4,737</u>	<u>192</u>	<u>195</u>	<u>394</u>	<u>82</u>	<u>857</u>	<u>6,457</u>	

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPP-III as at June 30, 2020 would have been higher by Re. 0.263, Re. 0.050, Re. 0.054, Re. 0.064, Re. 0.048 and Re. 0.120 per unit respectively (2019: Re. 0.153, nil, nil, nil, nil and Re. 0.027 per unit respectively).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

12 AUDITORS' REMUNERATION

		June 30, 2020						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
		(Rupees in '000)						
	Annual audit fee	107	64	92	97	28	82	470
	Half yearly review	35	20	32	35	9	31	162
	Out of pocket expenses	2	1	2	2	-	2	9
		<u>144</u>	<u>85</u>	<u>126</u>	<u>134</u>	<u>37</u>	<u>115</u>	<u>641</u>

June 30, 2019						
MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	M CPP - III	Total
(Rupees in '000)						
Annual audit fee	81	56	63	70	22	359
Half yearly review	50	33	36	40	10	194
	131	89	99	110	92	553

13 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2020 are:

	MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	M CPP - III
Percentage (%)						
Total Expense Ratio (TER)	0.36	0.35	0.37	0.38	0.35	0.29
Government levy and SECP fee	0.16	0.15	0.17	0.19	0.13	0.08

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2019 are:

	MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	M CPP - III
Percentage (%)						
Total Expense Ratio (TER)	0.32	0.31	0.31	0.31	0.32	0.35
Government levy and SECP fee	0.11	0.11	0.11	0.11	0.11	0.15

The above ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund Scheme.

14 TAXATION

The 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, 2008, 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. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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 per Section 4B of the Income Tax Ordinance, 2001.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** 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.
- 15.2** 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.
- 15.3** 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.



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

Balances	June 30, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCPP-III	
Al Meezan Investment Management Limited							
- Management Company							
Management fee payable (Rs in '000)	1	-	1	1	5	1	9
Sindh Sales Tax payable on management fee (Rs in '000)	-	-	-	-	1	-	1
Allocated expenses payable (Rs in '000)	66	37	62	64	16	35	280
Meezan Bank Limited							
Bank balance (Rs in '000)	3,566	59	51	958	725	1,040	6,399
Profit receivable (Rs in '000)	27	12	5	9	1	56	110
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee payable (Rs in '000)	46	26	43	43	11	24	193
Sindh Sales Tax payable on trustee fee (Rs in '000)	6	3	6	5	1	3	24
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	12,561	-	-	-	12,561
Investment (Units)	-	-	352,640	-	-	-	352,640
Al 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 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
Meezan Sovereign Fund							
Investment (Rs in '000)	-	-	-	-	-	417,722	417,722
Investment (Units)	-	-	-	-	-	8,103,630	8,103,630
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
	June 30, 2019						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCPP-III	Total
Al Meezan Investment Management Limited - Management Company							
Management fee payable (Rs in '000)	10	4	4	4	5	2	29
Sindh Sales Tax payable on management fee (Rs in '000)	1	1	1	1	1	-	5
Allocated expenses (Rs in '000)	93	61	75	86	27	92	434
Investment (Rs in '000)	-	71,996	-	-	-	-	71,996
Investment (Units)	-	1,999,600	-	-	-	-	1,999,600
Meezan Bank Limited							
Bank balance (Rs in '000)	11,958	4,377	13,180	335	13,450	1,138	44,438
Profit receivable (Rs in '000)	54	11	13	11	11	9	109
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee payable (Rs in '000)	74	49	60	68	21	74	346
Sindh Sales Tax on trustee fee payable (Rs in '000)	10	6	8	8	3	10	45
Directors and Executives of the management company							
Investment (Rs in '000)	-	-	12,369	-	-	-	12,369
Investment (Units)	-	-	352,640	-	-	-	352,640

	June 30, 2019						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Al Meezan Mutual Fund							
Investment (Rs in '000)	251,742	304,767	-	25,079	-	-	581,588
Investment (Units)	18,848,470	22,818,599	-	1,877,734	-	-	43,544,803
KSE Meezan Index Fund							
Investment (Rs in '000)	10,700	7,300	8,900	10,100	3,000	-	40,000
Investment (Units)	202,085	137,871	168,089	190,753	56,659	-	755,457
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	309,838	43,995	70,322	61,814	34,750	200,459	721,178
Investment (Units)	8,724,482	1,238,827	1,980,130	1,740,577	978,486	5,644,575	20,307,077
Meezan Islamic Fund							
Investment (Rs in '000)	160,957	143,013	524,790	598,602	174,226	-	1,601,588
Investment (Units)	3,358,169	2,983,781	10,949,099	12,489,097	3,635,008	-	33,415,154
Meezan Rozana Amdani Fund							
Investment (Rs in '000)	74,324	50,717	61,120	68,923	11,004	226,065	492,153
Investment (Units)	1,486,485	1,014,332	1,222,400	1,378,452	220,080	4,521,293	9,843,042
Meezan Cash Fund							
Investment (Rs in '000)	-	81	5,873	7,978	39,660	-	53,592
Investment (Units)	-	1,615	116,448	158,201	786,420	-	1,062,684
Meezan Islamic Income Fund							
Investment (Rs in '000)	256,133	175,147	208,490	235,550	40,448	-	915,768
Investment (Units)	4,983,964	3,408,091	4,056,912	4,583,447	787,065	-	17,819,479
Meezan Sovereign Fund							
Investment (Rs in '000)	-	-	-	-	-	676,437	676,437
Investment (Units)	-	-	-	-	-	13,138,372	13,138,372
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	-	95,237	233,104	356,182	76,205	169,673	930,401
Investment (Units)	-	2,645,091	6,645,628	9,990,010	1,868,272	3,313,849	24,463,050
	For the year ended June 30, 2020						
Transactions during the year	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Al Meezan Investment Management Limited - Management Company							
Management fee for the year (Rs in '000)	42	29	26	17	55	70	239
Sindh Sales Tax on management fee (Rs in '000)	5	3	3	2	7	9	29
Allocated expenses (Rs in '000)	884	511	797	847	229	757	4,025
Redeemed during the year (Rs in '000)	-	68,876	-	-	-	-	68,876
Redeemed during the year (Units)	-	1,999,600	-	-	-	-	1,999,600
Meezan Bank Limited							
Profit on saving account (Rs in '000)	428	226	263	413	296	1,226	2,852
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee (Rs in '000)	619	358	558	593	160	530	2,818
Sindh Sales Tax on trustee fee (Rs in '000)	80	47	73	77	21	69	367
Al Meezan Mutual Fund							
Invested during the year (Rs in '000)	143,526	177,691	14,740	188,742	4,212	-	528,911
Invested during the year (Units)	10,488,716	12,955,442	1,108,489	13,408,706	316,711	-	38,278,064
Redeemed during the year (Rs in '000)	255,703	308,947	7,495	103,360	2,141	-	677,646
Redeemed during the year (Units)	19,471,353	23,130,041	545,023	7,516,046	155,721	-	50,818,184
Dividend received during the year (Rs. In '000)	4,294	5,504	245	3,382	70	-	13,495
KSE Meezan Index Fund							
Invested during the year (Rs in '000)	-	-	10,000	10,000	-	-	20,000
Invested during the year (Units)	-	-	206,406	206,406	-	-	412,812
Redeemed during the period (Rs in '000)	10,000	18	-	-	7	-	10,025
Redeemed during the period (Units)	197,269	345	-	-	142	-	197,756
Meezan Cash Fund							
Invested during the year (Rs in '000)	596,752	-	-	-	-	2,375,547	2,972,299
Invested during the year (Units)	11,301,674	-	-	-	-	45,907,961	57,209,635
Redeemed during the year (Rs in '000)	597,678	83	5,962	8,081	40,264	2,399,864	3,051,932
Redeemed during the year (Units)	11,301,674	1,615	116,448	158,201	786,420	45,907,961	58,272,319



For the year ended June 30, 2020

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCPP-III	Total
Meezan Dedicated Equity Fund							
Invested during the year (Rs in '000)	152,000	-	113,000	149,000	27,000	470,400	911,400
Invested during the year (Units)	5,251,784	-	3,501,696	4,530,839	792,958	12,671,265	26,748,542
Redeemed during the year (Rs in '000)	275,200	38,302	93,500	142,433	29,650	614,406	1,193,491
Redeemed during the year (Units)	7,953,695	918,352	2,609,468	3,581,305	769,702	18,315,886	34,148,408
Meezan Islamic Fund							
Invested during the year (Rs in '000)	533,959	223,833	578,390	488,550	146,243	-	1,970,975
Invested during the year (Units)	10,859,097	4,469,702	11,868,525	9,640,178	2,950,222	-	39,787,724
Redeemed during the year (Rs in '000)	429,740	221,048	677,285	752,318	212,949	-	2,293,340
Redeemed during the year (Units)	8,899,323	4,328,798	13,771,817	14,984,258	4,379,399	-	46,363,595
Dividend received during the year (Rs. In '000)	12,619	7,415	21,465	16,955	5,234	-	63,688
Meezan Islamic Income Fund							
Invested during the year (Rs in '000)	531,193	310,249	490,773	503,456	126,444	-	1,962,115
Invested during the year (Units)	9,902,983	5,794,550	9,143,864	9,386,616	2,350,255	-	36,578,268
Redeemed during the year (Rs in '000)	578,346	365,174	500,473	538,456	114,763	-	2,097,212
Redeemed during the year (Units)	10,688,322	6,784,865	9,221,520	9,949,333	2,100,267	-	38,744,307
Dividend received during the year (Rs. In '000)	151	87	143	144	37	-	562
Refund of Capital during the year (Rs. In '000)	22,054	12,684	20,875	21,093	5,440	-	82,146
Meezan Rozana Amdani Fund							
Invested during the year (Rs in '000)	1,263,067	240,300	360,136	377,830	115,487	2,114,707	4,471,527
Invested during the year (Units)	25,261,350	4,805,998	7,202,722	7,556,604	2,309,749	42,294,146	89,430,569
Redeemed during the year (Rs in '000)	1,337,392	291,016	421,256	446,753	126,491	2,340,772	4,963,680
Redeemed during the year (Units)	26,747,836	5,820,330	8,425,122	8,935,056	2,529,829	46,815,439	99,273,612
Dividend received during the year (Rs. In '000)	38,296	13,542	21,485	22,651	5,876	44,688	146,538
Meezan Sovereign Fund							
Invested during the year (Rs in '000)	-	-	-	-	-	843,105	843,105
Invested during the year (Units)	-	-	-	-	-	15,605,745	15,605,745
Redeemed during the year (Rs in '000)	-	-	-	-	-	1,106,373	1,106,373
Redeemed during the year (Units)	-	-	-	-	-	20,640,348	20,640,348
Dividend received during the year (Rs. In '000)	-	-	-	-	-	227	227
Refund of Capital during the year (Rs. In '000)	-	-	-	-	-	41,454	41,454
Directors and Executives of the management company							
Dividend received during the year (Rs. In '000)	-	-	705	-	-	-	705

For the year ended June 30, 2019

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCPP-III	Total
Al Meezan Investment Management Limited - Management Company							
Management fee (Rs in '000)	197	73	67	76	76	48	537
Sindh Sales Tax on management fee (Rs in '000)	26	10	9	10	10	6	71
Allocated expenses (Rs in '000)	1,569	1,087	1,225	1,360	436	1,288	6,965
Meezan Bank Limited							
Profit on saving account (Rs in '000)	628	375	247	263	242	138	1,893
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee (Rs in '000)	1,233	854	963	1,069	342	1,013	5,474
Sindh Sales Tax on trustee fee (Rs in '000)	160	111	125	139	45	132	712
Al Meezan Mutual Fund							
Invested during the year (Rs in '000)	100,000	-	-	-	-	-	100,000
Invested during the year (Units)	5,972,333	-	-	-	-	-	5,972,333
Redeemed during the year (Rs in '000)	1	-	-	-	-	-	1
Redeemed during the year (Units)	57,232	-	-	-	-	-	57,232
KSE Meezan Index Fund							
Invested during the year (Rs in '000)	10,700	7,300	8,900	10,100	3,000	-	40,000
Invested during the year (Units)	202,085	137,871	168,089	190,753	56,659	-	755,457
Meezan Dedicated Equity Fund							
Invested during the year (Rs in '000)	669,000	7	9	10	3	715,130	1,384,159
Invested during the year (Units)	14,365,939	195,176	250,940	278,823	83,647	16,203,722	31,378,247
Redeemed during the year (Rs in '000)	420,970	34,830	19,170	22,580	24,450	601,052	1,123,052
Redeemed during the year (Units)	9,404,418	909,924	461,212	517,621	538,246	13,476,569	25,307,990
Meezan Islamic Fund							
Invested during the year (Rs in '000)	337,500	79,000	102,870	120,000	34,750	-	674,120
Invested during the year (Units)	5,815,081	1,453,481	1,881,112	2,195,916	646,341	-	11,991,931
Redeemed during the year (Rs in '000)	1,103,435	320,470	332,110	247,050	108,280	-	2,111,345
Redeemed during the year (Units)	18,611,870	5,733,462	5,989,870	7,074,073	1,979,842	-	39,389,117

For the year ended June 30, 2019

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
Meezan Rozana Amdani Fund							
Invested during the year (Rs in '000)	85,024	58,017	70,020	79,023	14,004	226,065	532,153
Invested during the year (Units)	1,700,486	1,160,332	1,400,400	1,580,452	280,080	4,521,293	10,643,043
Redeemed during the year (Rs in '000)	10,700	7,300	8,900	10,100	3,000	-	40,000
Redeemed during the year (Units)	214,001	146,000	178,000	202,000	60,000	-	800,001
Dividend received during the year (Rs. In '000)	24	17	20	23	4	65	153
Dividend received during the year (Units)	486	332	400	452	80	1,293	3,043
Meezan Cash Fund							
Invested during the year (Rs in '000)	3,941	3,556	7,424	9,060	7,507	621,617	653,105
Invested during the year (Units)	78,130	70,574	146,768	178,981	148,857	-	623,310
Redeemed during the year (Rs in '000)	97,777	88,430	156,400	162,190	55,810	1,873,725	2,434,332
Redeemed during the year (Units)	1,898,170	1,708,608	2,996,143	3,544,978	1,507,910	-	11,655,809
Dividend received during the year (Rs. In '000)	3,863	3,556	6,750	7,897	6,174	16,480	44,720
Dividend received during the year (Units)	76,590	70,505	133,832	156,579	122,438	326,778	886,722
Refund of Capital during the year (Rs. In '000)	78	-	95	309	1,332	33,815	35,629
Refund of Capital during the year (Units)	1,539	1	1,886	6,121	26,419	670,507	706,473
Meezan Islamic Income Fund							
Invested during the year (Rs in '000)	184,183	128,839	149,303	155,283	51,658	-	669,266
Invested during the year (Units)	3,478,441	2,436,108	2,819,017	2,928,468	970,683	-	12,632,717
Redeemed during the year (Rs in '000)	338,170	196,920	144,610	161,920	30	-	841,650
Redeemed during the year (Units)	6,230,785	3,606,855	2,624,988	2,939,687	547,181	-	15,949,496
Dividend received during the year (Rs. In '000)	22,426	15,018	15,330	17,930	1,564	-	72,268
Dividend received during the year (Units)	436,184	292,221	298,298	348,881	30,437	-	1,406,021
Refund of Capital during the year (Rs. In '000)	13,267	7,821	8,371	9,354	2,187	-	41,000
Refund of Capital during the year (Units)	258,151	152,185	162,889	182,006	42,552	-	797,783
Meezan Sovereign Fund							
Invested during the year (Rs in '000)	-	-	-	-	-	951,779	951,779
Invested during the year (Units)	-	-	-	-	-	17,406,947	17,406,947
Redeemed during the year (Rs in '000)	-	-	-	-	-	235,090	235,090
Redeemed during the year (Units)	-	-	-	-	-	4,268,576	4,268,576
Dividend received during the year (Rs. In '000)	-	-	-	-	-	1,416	1,416
Dividend received during the year (Units)	-	-	-	-	-	27,504	27,504
Refund of Capital during the year (Rs. In '000)	-	-	-	-	-	42,688	42,688
Refund of Capital during the year (Units)	-	-	-	-	-	829,132	829,132

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2020		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	6,477	-	6,477
Investments	-	3,389,974	3,389,974
Receivable against sale of investments - net	620	-	620
Profit receivable on saving account with banks	110	-	110
	<u>7,207</u>	<u>3,389,974</u>	<u>3,397,181</u>
	2020		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	-	290	290
Payable to Central Depository Company of Pakistan Limited - Trustee	-	217	217
Payable against purchase investments - net	-	182	182
Payable against redemption and conversion of units	-	1,582	1,582
Dividend Payable	-	4,468	4,468
Accrued expenses and other liabilities	-	1,195	1,195
	<u>-</u>	<u>7,934</u>	<u>7,934</u>

	2019		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	44,460	-	44,460
Investments	-	5,082,304	5,082,304
Profit receivable on saving account with banks	109	-	109
	<u>44,569</u>	<u>5,082,304</u>	<u>5,126,873</u>

	2019		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	-	468	468
Payable to Central Depository Company of Pakistan Limited - Trustee	-	391	391
Payable against redemption and conversion of units	-	8,864	8,864
Accrued expenses and other liabilities	-	1,126	1,126
	<u>-</u>	<u>10,849</u>	<u>10,849</u>

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 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.

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 June 30, 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 year and net assets of the Fund would have been higher / lower by Rs. 0.051 million (2019: Rs. 0.377 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 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, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 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 June 30, 2020 can be determined as follows:

As at June 30, 2020						
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
On-balance sheet financial instruments						
Financial assets						
Balances with banks	2.31% to 3.40%	5,148	-	-	1,329	6,477
Investments		-	-	-	3,389,974	3,389,974
Receivable against sale of investments - net		-	-	-	620	620
Profit receivable on saving account with banks		-	-	-	110	110
		5,148	-	-	3,392,033	3,397,181
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	290	290
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	217	217
Payable against purchase investments - net		-	-	-	182	182
Payable against redemption and conversion of units		-	-	-	1,582	1,582
Dividend Payable		-	-	-	4,468	4,468
Accrued expenses and other liabilities		-	-	-	1,195	1,195
		-	-	-	7,934	7,934
On-balance sheet gap		5,148	-	-	3,384,099	3,389,247
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		5,148	-	-	-	-
Cumulative profit rate sensitivity gap		5,148	5,148	5,148	-	-

As at June 30, 2019						
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
On-balance sheet financial instruments						
Financial assets						
Balances with banks	6.30% to 11.85%	37,661	-	-	6,799	44,460
Investments		-	-	-	5,082,304	5,082,304
Profit receivable on saving account with banks		-	-	-	109	109
		37,661	-	-	5,089,212	5,126,873
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	468	468
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	391	391
Payable against redemption and conversion of units		-	-	-	8,864	8,864
Accrued expenses and other liabilities		-	-	-	1,126	1,126
		-	-	-	10,849	10,849
On-balance sheet gap		37,661	-	-	5,078,363	5,116,024
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		37,661	-	-	-	-
Cumulative profit rate sensitivity gap		37,661	37,661	37,661	-	-

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 as a result of changes in market prices (other than those arising from interest 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 the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments 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.

In case of 1% increase / decrease in equity prices as at June 30, 2020 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 33.900 million (2019: Rs. 50.823 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.

17.2 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 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 year.

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:

	----- 2020 -----					Financial instruments with no fixed maturity	Total
	Within 1 month	More than one month and upto three	More than three months and upto 1 year	More than one year and upto five years	More than 5 years		
	(Rupees in '000)						
Financial assets							
Balances with banks	6,477	-	-	-	-	-	6,477
Investments	-	-	-	-	-	3,389,974	3,389,974
Receivable against sale of investments - net	620	-	-	-	-	-	620
Profit receivable on saving account with banks	110	-	-	-	-	-	110
	7,207	-	-	-	-	3,389,974	3,397,181
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	290	-	-	-	-	-	290
Payable to Central Depository Company of Pakistan Limited - Trustee	217	-	-	-	-	-	217
Payable against purchase of investments - net	182	-	-	-	-	-	182
Payable against redemption and conversion of units	1,582	-	-	-	-	-	1,582
Dividend payable	4,468	-	-	-	-	-	4,468
Accrued expenses and other liabilities	663	532	-	-	-	-	1,195
	7,402	532	-	-	-	-	7,934
Net assets / (liabilities)	(195)	(532)	-	-	-	3,389,974	3,389,247

	2019					Financial instruments with no fixed maturity	Total
	Within 1 month	More than one month and upto three	More than three month and upto 1 year	More than one year and upto five years	More than 5 years		
	(Rupees in '000)						
Financial assets							
Balances with banks	44,460	-	-	-	-	-	44,460
Investments	-	-	-	-	-	5,082,304	5,082,304
Profit receivable on saving account with banks	109	-	-	-	-	-	109
	44,569	-	-	-	-	5,082,304	5,126,873
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	468	-	-	-	-	-	468
Payable to Central Depository Company of Pakistan Limited - Trustee	391	-	-	-	-	-	391
Payable against redemption and conversion of units	8,864	-	-	-	-	-	8,864
Accrued expenses and other liabilities	663	463	-	-	-	-	1,126
	10,386	463	-	-	-	-	10,849
Net assets / (liabilities)	34,183	(463)	-	-	-	5,082,304	5,116,024

17.3 Credit risk

17.3.1 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:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees in '000)			
Balances with banks	6,477	6,477	44,460	44,460
Investments	3,389,974	-	5,082,304	-
Receivable against sale of investments - net	620	620	-	-
Profit receivable on saving account with banks	110	110	109	109
	<u>3,397,181</u>	<u>7,207</u>	<u>5,126,873</u>	<u>44,569</u>

17.3.2 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 in banks and profit accrued thereon, dividend receivable and receivable against sale of units and against investments. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2020	2019
AA+	100	100
	<u>100</u>	<u>100</u>

18 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 June 30, 2020, the Fund held the following financial instruments measured at fair values:

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)			(Rupees in '000)		
Financial assets						
At fair value through profit or loss	-	3,389,974	-	-	5,082,304	-
	-	3,389,974	-	-	5,082,304	-

19 UNITHOLDERS' 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. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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 17, 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.

20 UNIT HOLDING PATTERN OF THE FUND

	MSAP I			MSAP I		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)	(Percentage)	
Individual	341	373,698	47.11	533	593,169	55.56
Retirement funds	15	150,331	18.95	18	159,865	14.98
Insurance companies	-	-	-	-	-	-
Private limited companies	7	176,062	22.19	7	163,392	15.31
Others	4	93,255	11.75	8	151,057	14.15
Total	367	793,346	100.00	566	1,067,483	100.00

	MSAP II			MSAP II		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)	(Percentage)	
Individual	306	205,347	45.37	445	285,238	39.20
Associated companies	-	-	-	1	71,996	9.89
Retirement funds	5	68,072	15.04	13	165,515	22.74
Private limited companies	4	120,719	26.67	4	113,633	15.61
Others	7	58,480	12.92	9	91,416	12.56
Total	322	452,618	100.00	472	727,798	100.00

	MSAP III			MSAP III		
	2020			2019		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	232	384,975	51.61	347	538,458	60.42
Director	1	13,160	1.76	1	12,369	1.39
Retirement funds	5	48,636	6.52	6	46,939	5.27
Private limited companies	2	47,532	6.37	2	44,674	5.01
Others	2	251,704	33.74	3	248,691	27.91
Total	242	746,007	100.00	359	891,131	100.00

	MSAP IV			MSAP IV		
	2020			2019		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	218	317,462	42.27	360	553,385	55.19
Retirement funds	4	27,900	3.71	5	27,591	2.75
Insurance companies	-	-	-	2	29,296	2.92
Private limited companies	2	5,653	0.75	2	5,304	0.53
Others	3	400,163	53.27	6	387,198	38.61
Total	227	751,178	100.00	375	1,002,774	100.00

	MSAP V			MSAP V		
	2020			2019		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	91	119,214	60.96	187	209,166	66.19
Retirement funds	5	25,096	12.83	6	58,529	18.52
Private limited companies	1	2,193	1.12	1	2,059	0.65
Public limited companies	1	43,837	22.41	1	41,160	13.03
Others	1	5,249	2.68	3	5,082	1.61
Total	99	195,589	100.00	198	315,996	100.00

	MCPPIII			MCPPIII		
	2020			2019		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	333	236,100	56.72	700	711,413	64.75
Retirement funds	17	141,827	34.07	21	155,209	14.12
Private limited companies	-	-	-	1	5,083	0.46
Others	6	38,360	9.21	10	227,189	20.67
Total	356	416,287	100.00	732	1,098,894	100.00

21 INVESTMENT COMMITTEE MEMBERS

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty four years
Mr. Taha Javed	Head of Equities	CFA / MBA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Thirteen years
Mr. Ali Khan	VP Product Development	CFA / FRM / MBA	Ten years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Thirteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Twelve years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Fifteen years
Mr. Ali Asghar	VP / Head of Research	CFA / MBA (in progress)	Nine years

The Fund Manager of this Fund is Mr. Asif Imtiaz. Other Funds being managed by the Fund Manager are:

- KSE Meezan Index Fund
- Meezan Dedicated Equity Fund
- Meezan Strategic Allocation Fund - II
- Meezan Strategic Allocation Fund - III
- Meezan Financial Planning Fund of Funds
- Meezan Balanced Fund
- Meezan Asset Allocation Fund

22 DETAILS OF MEETINGS OF BOARD OF DIRECTORS

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on				
		August 19, 2019	October 15, 2019	February 10, 2020	April 15, 2020	June 25, 2020
Mr. Arif ul Islam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes
Ms. Saima Shaukat Khan (Kamila)	Director	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	No	Yes	Yes	No
Mr. Arshad Majeed	Director	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes	Yes
Mr. Naeem Abdul Sattar	Director	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes

23 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on **August 13, 2020**.

25 GENERAL

25.1 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) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

25.2 Operational Risk Management

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.

25.3 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Strategic Allocation Fund-II

Meezan Strategic Allocation Fund II (MSAF II)

Meezan Strategic Allocation Fund-II is a Shariah compliant scheme which will use active asset allocation strategy for providing competitive returns on your investment. It is a unique asset allocation fund for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.

HIGHEST SOCIAL MEDIA FOLLOWING 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. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Shaukat Khan (Kamila)	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

Meezan Strategic Allocation Fund – II (MSAF – II)

Type of Fund

MSAF – II is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF – II has two Allocation Plans which allow investors to invest according to their risk tolerance levels. These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - MCPP-IV	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - MCPP-V	
Meezan Strategic Allocation Plan - MCPP-VI	
Meezan Strategic Allocation Plan - MCPP-VII	
Meezan Strategic Allocation Plan - MCPP-VIII	

Performance Table with Benchmark

	Returns - FY20
M CPP IV	2.30%
Benchmark	-1.43%
M CPP V	3.12%
Benchmark	-0.18%
M CPP VI	0.43%
Benchmark	-1.17%
M CPP VII	0.34%
Benchmark	1.00%
M CPP VIII	0.81%
Benchmark	-1.21%

Meezan Capital Preservation Plan – IV

The Meezan Capital Preservation Plan – IV posted a total gain of Rs. 40 million in FY20. Total gain comprised of realized and unrealized loss on investments of Rs. 42 million. Dividend income and profit on saving account with banks comprised of Rs. 82 million and 0.3 million respectively. After accounting for expenses of Rs. 4 million, the Fund posted a net income of Rs. 36 million. The net assets of the Fund as at June 30, 2020 were Rs. 1,112 million.

Meezan Capital Preservation Plan – V

The Meezan Capital Preservation Plan – V posted total gain of Rs. 16 million in FY20. Total gain comprised of realized loss on investments of Rs. 6 million. Dividend income and profit on saving account with banks comprised of Rs. 22 million and 0.2 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net income of Rs. 15 million. The net assets of the Fund as at June 30, 2020 were Rs. 216 million.

Meezan Capital Preservation Plan – VI

The Meezan Capital Preservation Plan – VI posted total gain of Rs. 8 million in FY20. Total gain comprised of realized loss on investments of Rs. 12 million. Dividend income and profit on saving account with banks comprised of Rs. 20 million and 0.2 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net income of Rs. 7 million. The net assets of the Fund as at June 30, 2020 were Rs. 213 million.

Meezan Capital Preservation Plan – VII

The Meezan Capital Preservation Plan – VII posted total gain of Rs. 3 million in FY20. Total gain comprised of realized loss on investments of Rs. 8 million. Dividend income and profit on saving account with banks comprised of Rs. 11 million and 0.01 million respectively. After accounting for expenses of Rs. 0.5 million, the Fund posted a net income of Rs. 3 million. The net assets of the Fund as at June 30, 2020 were Rs. 136 million.

Meezan Capital Preservation Plan – VIII

The Meezan Capital Preservation Plan – VIII posted total gain of Rs. 3 million in FY20. Total gain comprised of realized loss on investments of Rs. 4 million. Dividend income and profit on saving account with banks comprised of Rs. 7 million and 0.3 million respectively. After accounting for expenses of Rs.

0.3 million, the Fund posted a net income of Rs. 3 million. The net assets of the Fund as at June 30, 2020 were Rs. 64 million.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2020 was Rs. 1.6 per unit (3.2%), Rs. 1.40 per unit (2.8%), Rs. 0.04 per unit (0.08%), Re. 1 per unit (2%) and Rs. 0.33 per unit (0.66%) in MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII and MCPP-VIII respectively. Total distribution made by the fund was Rs. 35 million, Rs. 6 million, Rs. 0.2 million, Rs. 3 million and Rs. 0.4 million in MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII and MCPP-VIII respectively.

Breakdown of unit holdings by size

(As on June 30, 2019)

Range (Units)	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII
	No. of investors	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	391	207	345	313	306
10,000 - 49,999	195	96	69	39	33
50,000 - 99,999	33	11	10	5	2
100,000 - 499,999	34	4	4	2	0
500,000 and above	5	0	0	1	0
Total	658	318	428	360	341

PERFORMANCE TABLE

	June 30, 2020				
	MCPP IV	MCPP V	MCPP VI	MCPP VII	MCPP VIII
Net assets (Rs. '000) (ex-distribution)	1,112,385	216,363	213,480	135,604	63,871
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	49.6737	50.2777	50.1329	49.2089	49.0635
Highest redemption price per unit (Rs.)	56.0150	56.1642	55.9504	56.4559	55.2446
Lowest redemption price per unit (Rs.)	48.8788	48.6429	48.3177	48.2911	47.4841
Distribution (%)					
Interim	3.20	2.80	0.08	2.00	0.66
Final					
Date of distribution					
Interim	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
Final	N/A	N/A	N/A	N/A	N/A
Income distribution (Rupees in '000)					
Growth distribution (Rupees in '000)	34,898	5,894	167	2,726	432
Total return (%)	2.30%	3.12%	0.43%	0.34%	0.81%



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor– Meezan Strategic Allocation Fund-II

August 4, 2020/ Dhu'l-Hijjah 13, 1441

Alhamdulillah, the period from July 1, 2019 to June 30, 2020 was the Second year of operation of Meezan Strategic Allocation Fund-II (MSAF-II) under management of Al Meezan Investment Management Limited (Al Meezan). The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity.

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

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

In light of the above, I hereby certify that:

- i. I have reviewed and approved the modes of investments of MSAF-II in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF-II by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF-II for the year ended June 30, 2020 have been in compliance with *Shari'ah* principles.

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

Dr. Muhammad Imran Ashraf Usmani

For and on behalf of Meezan Bank
Shariah Advisor

Head Office

CDC House, 99-B, Block 'B'
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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND – II

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 year ended June 30, 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, September 24, 2020



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Strategic Allocation Fund II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Strategic Allocation Fund II (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 1,751.582 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Tested the design and operating effectiveness of the key controls for valuation of investments;Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

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



Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Salman Hussain**.


Chartered Accountants

Karachi

Date: September 22, 2020



**MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**

		June 30, 2020						
		MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	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 Al Meezan Investment Management Limited - Management Company	7	95	18	19	12	18	162
	Payable to Central Depository Company of Pakistan Limited - Trustee	8	72	15	14	9	4	114
	Payable to Securities and Exchange Commission of Pakistan	9	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	10	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>
	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>
	CONTINGENCIES AND COMMITMENTS	11						
----- (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 26 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**

		June 30, 2019						
		MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
Note		(Rupees in '000)						
Assets								
	Balances with banks	5	1,876	908	1,845	2,960	2,286	9,875
	Investments	6	1,568,641	474,109	382,823	204,711	128,551	2,758,835
	Advances, deposits and other receivables		52	5	21	12	7	97
	Total assets		<u>1,570,569</u>	<u>475,022</u>	<u>384,689</u>	<u>207,683</u>	<u>130,844</u>	<u>2,768,807</u>
Liabilities								
	Payable to AI Meezan Investment Management Limited - Management Company	7	137	44	45	20	25	271
	Payable to Central Depository Company of Pakistan Limited - Trustee	8	123	40	36	17	10	226
	Payable to Securities and Exchange Commission of Pakistan	9	1,803	626	467	176	56	3,128
	Payable against purchase of investments		-	252	-	35	-	287
	Payable against redemption and conversion of units		14,713	-	50	-	9	14,772
	Accrued expenses and other liabilities	10	745	153	65	23	20	1,006
	Total liabilities		<u>17,521</u>	<u>1,115</u>	<u>663</u>	<u>271</u>	<u>120</u>	<u>19,690</u>
	NET ASSETS		<u>1,553,048</u>	<u>473,907</u>	<u>384,026</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
	UNIT HOLDERS' FUND (as per statement attached)		<u>1,553,048</u>	<u>473,907</u>	<u>384,026</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
	CONTINGENCIES AND COMMITMENTS	11						
			----- (Number of units) -----					
	NUMBER OF UNITS IN ISSUE		<u>30,985,762</u>	<u>9,456,605</u>	<u>7,686,873</u>	<u>4,144,993</u>	<u>2,667,944</u>	
			----- (Rupees) -----					
	NET ASSET VALUE PER UNIT		<u>50.1213</u>	<u>50.1139</u>	<u>49.9586</u>	<u>50.0391</u>	<u>48.9980</u>	

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

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

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - II
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Income						
Net realised loss on sale of investments	(41,360)	(5,843)	(11,860)	(7,827)	(3,732)	(70,622)
Profit on saving accounts with banks	314	170	223	85	306	1,098
Dividend income	81,689	21,816	19,451	11,003	6,616	140,575
	40,643	16,143	7,814	3,261	3,190	71,051
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1 (470)	77	76	49	23	(245)
Total income	40,173	16,220	7,890	3,310	3,213	70,806
Expenses						
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1 19	11	18	12	29	89
Sindh Sales Tax on remuneration of the Management Company	7.2 3	1	2	2	4	12
Allocated expenses	15 1,307	326	283	166	91	2,173
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1 916	228	198	116	64	1,522
Sindh Sales Tax on remuneration of trustee	8.2 119	30	26	15	8	198
Annual fee to Securities and Exchange Commission of Pakistan	265	66	57	34	18	440
Auditors' remuneration	12 330	88	76	45	24	563
Fees and subscription	394	96	75	40	21	626
Provision for Sindh Workers' Welfare Fund	736	307	142	58	59	1,302
Bank and settlement charges	15	4	8	1	1	29
Total expenses	4,104	1,157	885	489	319	6,954
Net income for the year before taxation	36,069	15,063	7,005	2,821	2,894	63,852
Taxation	13 -	-	-	-	-	-
Net income for the year after taxation	36,069	15,063	7,005	2,821	2,894	63,852
Allocation of net income for the year						
Net income for the year after taxation	36,069	15,063	7,005	2,821	2,894	63,852
Income already paid on units redeemed	(1,171)	(9,092)	(6,762)	(46)	(2,440)	(19,511)
	34,898	5,971	243	2,775	454	44,341
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	34,898	5,971	243	2,775	454	44,341
	34,898	5,971	243	2,775	454	44,341

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

	For the year ended June 30, 2019	For the period from July 10, 2018 to June 30, 2019	For the period from September 26, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	Total		
Note	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII		
	(Rupees in '000)						
Income							
Net realised gain / (loss) on sale of investments	41,900	15,852	11,154	4,354	(3,747)	69,513	
Profit on saving accounts with banks	400	260	391	614	241	1,906	
Dividend income	15,819	1,942	469	250	151	18,631	
	58,119	18,054	12,014	5,218	(3,355)	90,050	
Net unrealised diminution on re-measurement of investments - 'at fair value through profit or loss'	6.1	(36,668)	(12,925)	(11,860)	(6,448)	(4)	(67,905)
Total income / (loss)	21,451	5,129	154	(1,230)	(3,359)	22,145	
Expenses							
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	96	79	138	71	56	440
Sindh Sales Tax on remuneration of the Management Company	7.2	13	10	18	9	7	57
Allocated expenses	15	1,898	659	492	185	59	3,293
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	1,568	545	405	152	49	2,719
Sindh Sales Tax on remuneration of trustee	8.2	204	71	53	20	6	354
Annual fee to Securities and Exchange Commission of Pakistan		1,803	626	467	176	56	3,128
Auditors' remuneration	12	184	64	45	19	4	316
Fees and subscription		155	54	39	16	5	269
Printing charges		38	13	8	4	1	64
Provision for Sindh Workers' Welfare Fund		310	60	-	-	-	370
Bank and settlement charges		6	9	18	15	18	66
Total expenses		6,275	2,190	1,683	667	261	11,076
Net income / (loss) for the year / period before taxation		15,176	2,939	(1,529)	(1,897)	(3,620)	11,069
Taxation	13	-	-	-	-	-	-
Net income / (loss) for the year / period after taxation		15,176	2,939	(1,529)	(1,897)	(3,620)	11,069
Allocation of net income for the year / period							
Net income for the year / period after taxation		15,176	2,939	-	-	-	18,115
Income already paid on units redeemed		(5,218)	(1,982)	-	-	-	(7,200)
		9,958	957	-	-	-	10,915
Accounting income available for distribution							
- Relating to capital gains		9,958	957	-	-	-	10,915
- Excluding capital gains		-	-	-	-	-	-
		9,958	957	-	-	-	10,915

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2020					
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
	(Rupees in '000)					
Net income for the year after taxation	36,069	15,063	7,005	2,821	2,894	63,852
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	36,069	15,063	7,005	2,821	2,894	63,852

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2019		For the period from July 10, 2018 to June 30, 2019	For the period from September 26, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	Total
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	
	------(Rupees in '000)-----					
Net income / (loss) for the year / period after taxation	15,176	2,939	(1,529)	(1,897)	(3,620)	11,069
Other comprehensive income for the year / period	-	-	-	-	-	-
Total comprehensive income / (loss) for the year / period	15,176	2,939	(1,529)	(1,897)	(3,620)	11,069

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

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

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2020

	June 30,2020			June 30,2020			June 30,2020			June 30,2020			June 30,2020			June 30,2020		
	MCPPIV			MCPPIV			MCPPIV			MCPPIV			MCPPIV			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Accumulated Loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated Loss	Total	Capital Value	Accumulated Loss	Total	Capital Value	Accumulated Loss	Total	Capital Value	Accumulated Loss	Total
Net assets at the beginning of the year	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
Issuance of units:																		
MCPPIV: 567,866 (2019: nil) MCPPIV: 84,080 (2019: 1,643,879)																		
MCPPIV: 2,284 (2019: 13,205,775) MCPPIV: 24,190 (2019: 7,646,585) MCPPIV: 6,994 (2019: 3,463,481)																		
- Capital value (at net asset value per unit at the beginning of the year)	28,462	-	28,462	4,214	-	4,214	114	-	114	1,210	-	1,210	343	-	343	34,343	-	34,343
- Element of (loss) / income	(254)	-	(254)	14	-	14	-	-	-	(20)	-	(20)	1	-	1	(259)	-	(259)
Total proceeds on issuance of units	28,208	-	28,208	4,228	-	4,228	114	-	114	1,190	-	1,190	344	-	344	34,084	-	34,084
Redemption of units:																		
MCPPIV: 9,159,786 (2019: 11,491,854) / MCPPIV: 5,237,332 (2019: 6,845,896)																		
MCPPIV: 3,430,875 (2019: 5,518,902) MCPPIV: 1,413,495 (2019: 3,501,592) MCPPIV: 1,373,136 (2019: 795,537)																		
- Capital value (at net asset value per unit at the beginning of the year)	459,099	-	459,099	262,462	-	262,462	171,402	-	171,402	70,731	-	70,731	67,281	-	67,281	1,030,975	-	1,030,975
- Element of (loss) / income	9,772	1,171	10,943	(613)	9,092	8,479	(666)	6,762	6,096	2,316	46	2,362	(62)	2,440	2,378	10,747	19,511	30,258
Total payments on redemption of units	468,871	1,171	470,042	261,849	9,092	270,941	170,736	6,762	177,498	73,047	46	73,093	67,219	2,440	69,659	1,041,722	19,511	1,061,233
Total comprehensive income for the year	-	36,069	36,069	-	15,063	15,063	-	7,005	7,005	-	2,821	2,821	-	2,894	2,894	-	63,852	63,852
Distribution during the year	-	(34,898)	(34,898)	-	(5,894)	(5,894)	-	(167)	(167)	-	(2,726)	(2,726)	-	(432)	(432)	-	(44,117)	(44,117)
Net income for the year less distribution	-	1,171	1,171	-	9,169	9,169	-	6,838	6,838	-	95	95	-	2,462	2,462	-	19,735	19,735
Net assets at the end of the year	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
(Accumulated loss) / undistributed 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	-			-			-			-			-			-		
- Excluding capital gains	34,898			5,971			243			2,775			454			44,341		
	34,898			5,971			243			2,775			454			44,341		
Distribution during the year	(34,898)			(5,894)			(167)			(2,726)			(432)			(44,117)		
(Accumulated loss) / undistributed income carried forward	(10,007)			882			(1,453)			(1,848)			(3,598)			(16,024)		
(Accumulated loss) / undistributed income carried 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)		
	Rupees			Rupees			Rupees			Rupees			Rupees			Rupees		
Net asset value per unit as at the beginning of the year	50.1213			50.1139			49.9586			50.0391			48.9980			49.0635		
Net asset value per unit as at the end of the year	49.6737			50.2777			50.1329			49.2089			49.0635			49.0635		

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

For AI-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2019			June 30, 2019			For the period from July 10, 2018 to June 30, 2019			For the period from September 26, 2018 to June 30, 2019			For the period from December 17, 2018 to June 30, 2019			For the year / period ended June 30, 2019		
	MCPPIV (Rupees in '000)			MCPPIV (Rupees in '000)			MCPPIV (Rupees in '000)			MCPPIV (Rupees in '000)			MCPPIV (Rupees in '000)			Total (Rupees in '000)		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
Net assets at the beginning of the year / period	2,135,335	(19,965)	2,115,370	733,520	(152)	733,368	-	-	-	-	-	-	-	-	-	2,868,855	(20,117)	2,848,738
Issuance of units:																		
MCPPIV: nil (2018: 43,678,460) MCPPIV: 1,643,879 (2018: 14,766,103)																		
MCPPIV: 13,205,775 / MCPPIV: 7,646,585 / MCPPIV: 3,463,481																		
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	82,243	-	82,243	660,289	-	660,289	382,378	-	382,378	173,174	-	173,174	1,298,084	-	1,298,084
- Element of (loss) / income	-	-	-	(417)	-	(417)	3,028	-	3,028	4,471	-	4,471	713	-	713	7,795	-	7,795
Total proceeds on issuance of units	-	-	-	81,826	-	81,826	663,317	-	663,317	386,849	-	386,849	173,887	-	173,887	1,305,879	-	1,305,879
Redemption of units:																		
MCPPIV: 11,491,854 (2018: 1,200,844) / MCPPIV: 6,845,896 (2018: 107,481)																		
MCPPIV: 5,518,902 / MCPPIV: 3,501,592 / MCPPIV: 795,537 units																		
- Capital value (at net asset value per unit at the beginning of the year / period)	572,290	-	572,290	342,499	-	342,499	275,945	-	275,945	175,129	-	175,129	39,777	-	39,777	1,405,640	-	1,405,640
- Element of (loss) / income	(10)	5,218	5,208	(255)	1,982	1,727	1,817	-	1,817	2,411	-	2,411	(234)	-	(234)	3,963	7,200	10,929
Total payments on redemption of units	572,280	5,218	577,498	342,244	1,982	344,226	277,762	-	277,762	177,540	-	177,540	39,543	-	39,543	1,409,603	7,200	1,416,569
Total comprehensive income / (loss) for the year / period		15,176	15,176		2,939	2,939		(1,529)	(1,529)		(1,897)	(1,897)		(3,620)	(3,620)		11,069	11,069
Distribution during the year / period																		
Net income / (loss) for the year / period less distribution		15,176	15,176		2,939	2,939		(1,529)	(1,529)		(1,897)	(1,897)		(3,620)	(3,620)		11,069	11,069
Net assets at the end of the year / 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	2,765,131	(16,248)	2,749,117
Accumulated loss brought forward																		
- Realised loss		(24,191)			(857)			-			-			-			(25,048)	
- Unrealised income		4,226			705			-			-			-			4,931	
		(19,965)			(152)			-			-			-			(20,117)	
Accounting income available for distribution																		
- Relating to capital gains		9,958			957			-			-			-			10,915	
- Excluding capital gains		-			-			-			-			-			-	
		9,958			957			-			-			-			10,915	
Net loss for the year / period after taxation		-			-			(1,529)			(1,897)			(3,620)			(7,046)	
Distribution during the year / period																		
(Accumulated losses) / undistributed income carried forward		(10,007)			805			(1,529)			(1,897)			(3,620)			(16,248)	
(Accumulated losses) / undistributed income carried 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)	
		<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 year / period		49,7996			50,0298			-			-			-			48,9980	
Net asset value per unit as at the end of the year / period		50,1213			50,1139			49,9586			50,0391			48,9980				

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

For AI-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - II
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020							
Note	MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total	
------(Rupees in '000)-----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	36,069	15,063	7,005	2,821	2,894	63,852	
Adjustments for:							
Net unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss'	6.1	470	(77)	(76)	(49)	(23)	245
	36,539	14,986	6,929	2,772	2,871	64,097	
Decrease / (increase) in assets							
Investments - net	448,476	256,460	169,683	67,644	64,745	1,007,008	
Receivable against sale of investments - net	(1,190)	(3,120)	-	(100)	-	(4,410)	
Advances, deposits and other receivables	(66)	(41)	(25)	(15)	(13)	(160)	
	447,220	253,299	169,658	67,529	64,732	1,002,438	
Increase / (decrease) in liabilities							
Payable to AI Meezan Investment Management Limited - Management Company	(42)	(26)	(26)	(8)	(7)	(109)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(51)	(25)	(22)	(8)	(6)	(112)	
Payable to Securities and Exchange Commission of Pakistan	(1,538)	(560)	(410)	(142)	(38)	(2,688)	
Payable against purchase of investments - net	-	(252)	-	(35)	-	(287)	
Accrued expenses and other liabilities	5,325	1,224	216	363	131	7,259	
	3,694	361	(242)	170	80	4,063	
Net cash generated from operating activities	487,453	268,646	176,345	70,471	67,683	1,070,598	
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	28,208	4,228	114	1,190	344	34,084	
Payments against redemption and conversion of units	(483,463)	(266,333)	(177,470)	(72,962)	(69,558)	(1,069,786)	
Dividend paid	(32,708)	(5,150)	(142)	(1,484)	(416)	(39,900)	
Net cash used in financing activities	(487,963)	(267,255)	(177,498)	(73,256)	(69,630)	(1,075,602)	
Net (decrease) / increase in cash and cash equivalents during the year	(510)	1,391	(1,153)	(2,785)	(1,947)	(5,004)	
Cash and cash equivalents at the beginning of the year	1,876	908	1,845	2,960	2,286	9,875	
Cash and cash equivalents at the end of the year	5	1,366	2,299	692	175	339	4,871

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - II
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2019	For the period from July 10, 2018 to March 31, 2019	For the period from September 26, 2018 to March 31, 2019	For the period from December 17, 2018 to March 31, 2019	Total	
Note	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	
	------(Rupees in '000)-----					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income / (loss) for the year / period before taxation	15,176	2,939	(1,529)	(1,897)	(3,620)	11,069
Adjustments for:						
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	6.1 36,668	12,925	11,860	6,448	4	67,905
	51,844	15,864	10,331	4,551	(3,616)	78,974
Decrease / (increase) in assets						
Investments - net	516,844	120,559	(394,683)	(211,159)	(128,555)	(96,994)
Advances, deposits and other receivables	(44)	137	(21)	(12)	(7)	53
	516,800	120,696	(394,704)	(211,171)	(128,562)	(96,941)
Increase / (decrease) in liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	(47)	(9,211)	45	20	25	(9,168)
Payable to Central Depository Company of Pakistan Limited - Trustee	(43)	1	36	17	10	21
Payable to Meezan Bank Limited	-	(5,913)	-	-	-	(5,913)
Payable to Securities and Exchange Commission of Pakistan	1,340	575	467	176	56	2,614
Payable against purchase of investments - net	-	252	-	35	-	287
Accrued expenses and other liabilities	(6,823)	(978)	65	23	20	(7,693)
	(5,573)	(15,274)	613	271	111	(19,852)
Net cash generated from / (used in) operating activities	563,071	121,286	(383,760)	(206,349)	(132,067)	(37,819)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	-	84,615	663,317	386,849	173,887	1,308,668
Payments against redemption and conversion of units	(562,938)	(344,231)	(277,712)	(177,540)	(39,534)	(1,401,955)
Net cash (used in) / generated from financing activities	(562,938)	(259,616)	385,605	209,309	134,353	(93,287)
Net increase / (decrease) in cash and cash equivalents during the period						
Cash and cash equivalents at the beginning of the year / period	133	(138,330)	1,845	2,960	2,286	(131,106)
	1,743	139,238	-	-	-	140,981
Cash and cash equivalents at the end of the year / period	1,876	908	1,845	2,960	2,286	9,875

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 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 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 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 rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 28, 2018) and by PACRA dated June 26, 2020 (2019: AM1 dated June 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 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 (MCPPIV), Meezan Capital Preservation Plan-V (MCPPIV), Meezan Capital Preservation Plan-VI (MCPPIV), Meezan Capital Preservation Plan-VII (MCPPIV) and Meezan Capital Preservation Plan-VIII (MCPPIV) by investing in Shariah compliant Fixed Income / Money Market and Equity Mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7** A brief description of the plans is as follows:

Meezan Capital Preservation Plan-IV (MCPPIV)	Low risk - High return through asset allocation This allocation plan commenced its operations from March 06, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-V (MCPPIV)	Low risk - High return through asset allocation This allocation plan commenced its operations from May 04, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VI (MCPPIV)	Low risk - High return through asset allocation This allocation plan commenced its operations from July 10, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.

Meezan Capital Preservation Plan-VII (MCPV-VII)	Low risk - High return through asset allocation This allocation plan commenced its operations from September 26, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VIII (MCPV-VIII)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 17, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These 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 Financial Reporting Standards (IFRSs) 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 IFRS, 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.

3.2 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, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of 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 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 financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which is measured at fair value.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Funds operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years except for the change in accounting policy as explained in note 3.2 above.

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 Classification

4.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.3.3 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.

4.3.3.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

4.3.4 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.

4.3.5 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.

4.3.6 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 year end.

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

4.9 Issuance and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the net assets value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 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 assets value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' Fund. However, to maintain the same ex-dividend net asset value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- (iii) Profit on bank deposit is recognized on a time proportion basis using the effective yield method.
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

4.13 Expenses

All expenses including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 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 from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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. Furthermore, 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 income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5 BALANCES WITH BANKS

	Note	June 30, 2020					
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	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>
----- (Rupees in '000) -----							
		June 30, 2019					
		M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total
----- (Rupees in '000) -----							
Saving accounts	5.1	1,866	908	1,845	2,960	2,286	9,865
Current accounts		10	-	-	-	-	10
		<u>1,876</u>	<u>908</u>	<u>1,845</u>	<u>2,960</u>	<u>2,286</u>	<u>9,875</u>

5.1 The balances in savings accounts have an expected profit which ranges from 3% to 3.40% (2019 6.30% to 11.85%) per annum.

6 INVESTMENTS

Note	June 30, 2020					Total
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	
	----- (Rupees in '000) -----					
Investments - 'at fair value through profit or loss'						
6.1	1,119,695	217,726	213,216	137,116	63,829	1,751,582
	----- (Rupees in '000) -----					
	June 30, 2019					Total
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	
	----- (Rupees in '000) -----					
Investments - 'at fair value through profit or loss'						
6.1	1,568,641	474,109	382,823	204,711	128,551	2,758,835

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the year	Redemptions during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised (diminution) / appreciation on as at June 30, 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	10,044,192	11,323,232	20,360,026	1,007,398	35,715	34,860	(855)	3.13	3.11
Meezan Cash Fund	-	60,130,394	60,130,394	-	-	-	-	-	-
Meezan Sovereign Fund	17,633,059	40,595,658	37,183,424	21,045,293	1,084,450	1,084,835	385	97.52	96.89
Meezan Rozana Amdani Fund	6,081,739	52,156,846	58,238,585	-	-	-	-	-	-
					1,120,165	1,119,695	(470)	100.65	100.00
Meezan Capital Preservation Plan - V									
Meezan Dedicated Equity Fund	3,081,261	1,989,241	5,070,502	-	-	-	-	-	-
Meezan Cash Fund	-	14,518,639	14,518,639	-	-	-	-	-	-
Meezan Sovereign Fund	5,140,343	8,619,038	9,535,589	4,223,792	217,649	217,726	77	100.63	100.00
Meezan Rozana Amdani Fund	2,000,572	12,706,040	14,706,612	-	-	-	-	-	-
					217,649	217,726	77	100.63	100.00
Meezan Capital Preservation Plan - VI									
Meezan Dedicated Equity Fund	2,745,310	1,458,405	4,203,715	-	-	-	-	-	-
Meezan Cash Fund	-	9,715,078	9,715,078	-	-	-	-	-	-
Meezan Sovereign Fund	4,162,470	7,918,847	7,945,024	4,136,293	213,140	213,216	76	99.88	100.00
Meezan Rozana Amdani Fund	1,420,406	8,126,875	9,547,281	-	-	-	-	-	-
					213,140	213,216	76	99.88	100.00
Meezan Capital Preservation Plan - VII									
Meezan Dedicated Equity Fund	1,477,397	1,197,147	2,674,544	-	-	-	-	-	-
Meezan Cash Fund	-	5,533,525	5,533,525	-	-	-	-	-	-
Meezan Sovereign Fund	2,218,732	5,082,410	4,641,152	2,659,990	137,067	137,116	49	101.11	100.00
Meezan Rozana Amdani Fund	760,217	4,578,896	5,339,113	-	-	-	-	-	-
					137,067	137,116	49	101.11	100.00
Meezan Capital Preservation Plan - VIII									
Meezan Dedicated Equity Fund	518,566	2,929,551	3,448,117	-	-	-	-	-	-
Meezan Cash Fund	-	5,286,147	5,286,147	-	-	-	-	-	-
Meezan Sovereign Fund	1,692,281	2,398,196	2,852,234	1,238,243	63,806	63,829	23	99.93	100.00
Meezan Rozana Amdani Fund	460,132	5,737,533	6,197,665	-	-	-	-	-	-
					63,806	63,829	23	99.93	100.00
Total investments in units of mutual funds (2020)									
Meezan Dedicated Equity Fund	17,866,726	18,897,576	35,756,904	1,007,398	35,715	34,860	(855)	2	1.99
Meezan Cash Fund	-	95,183,783	95,183,783	-	-	-	-	-	-
Meezan Sovereign Fund	30,846,884	64,614,149	62,157,423	33,303,610	1,716,112	1,716,722	610	98.57	98.01
Meezan Rozana Amdani Fund	10,723,066	83,306,190	94,029,256	-	-	-	-	-	-
Total as at June 30, 2020					1,751,827	1,751,582	(245)	100.57	100.00
Total as at June 30, 2019					2,826,740	2,758,835	(67,905)	100.35	100.00

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED

		June 30, 2020					
Note	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total	
(Rupees in '000)							
Management fee payable	7.1	2	-	1	1	11	15
Sindh Sales Tax on management fee payable	7.2	1	-	-	-	2	3
Allocated Expenses	15	92	18	18	11	5	144
		95	18	19	12	18	162
		June 30, 2019					
Note	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total	
(Rupees in '000)							
Management fee payable	7.1	5	1	5	3	12	26
Sindh Sales Tax on management fee payable	7.2	1	-	1	-	2	4
Allocated Expenses	15	131	43	39	17	11	241
		137	44	45	20	25	271

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 year ended June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs 0.012 million (2019: Rs 0.057 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 0.013 million (2019: Rs 0.065 million) has been paid to the Management Company which acts as a collecting agent.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

		June 30, 2020					
Note	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total	
(Rupees in '000)							
Trustee fee payable	8.1	64	13	12	8	3	100
Sindh Sales Tax payable on trustee fee	8.2	8	2	2	1	1	14
		72	15	14	9	4	114
		June 30, 2019					
Note	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total	
(Rupees in '000)							
Trustee fee payable	8.1	109	36	32	15	9	201
Sindh Sales Tax payable on trustee fee	8.2	14	4	4	2	1	25
		123	40	36	17	10	226

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed. Effective from July 1, 2019, the Trustee has revised its remuneration as under:

Net Assets (Rs.)	Previous Tariff	Revised Tariff
Upto 1 billion	0.10% of Net Assets	0.070% per annum of Net Assets
Above 1 billion	Rs. 1 million plus 0.075% p.a. of Net Assets exceeding Rs 1 billion	Assets

Accordingly, the Fund has charged Trustee Fee at the rate of 0.07% per annum during the current period.

8.2 During the current year, an amount of Rs 0.198 million (2019: Rs 0.354 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.210 million (2019 : Rs. 2.719 million) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2020					
		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	1,046	367	142	58	59	1,672
10.1	Capital gain tax payable	9	18	1	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>
		June 30, 2019					
		MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
		(Rupees in '000)					
	Auditors' remuneration payable	115	40	29	12	4	200
	Shariah advisor fee payable	15	-	-	-	-	15
	Sales load payable	88	24	22	11	5	150
	Sindh Sales tax payable on sales load	213	9	7	-	1	230
	Printing charges payable	-	-	-	-	-	-
	Zakat payable	310	60	-	-	-	370
	Provision for Sindh Workers' Welfare Fund	2	5	1	-	-	8
10.1	Other payable	-	-	-	-	10	10
		<u>2</u>	<u>15</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>23</u>
		<u>745</u>	<u>153</u>	<u>65</u>	<u>23</u>	<u>20</u>	<u>1,006</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII, MCPP-VIII as at June 30, 2020 would have been higher by Re. 0.05, Re. 0.09, Re. 0.03, Re.0.02 and Re 0.05 per unit respectively (2019: Re 0.010 and Re. 0.006 per unit respectively).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

12 AUDITORS' REMUNERATION

	June 30, 2020					Total
	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	
	(Rupees in '000)					
Annual audit fee	261	69	60	36	19	445
Half yearly review fee	69	19	16	9	5	118
	<u>330</u>	<u>88</u>	<u>76</u>	<u>45</u>	<u>24</u>	<u>563</u>

	June 30, 2019					Total
	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	
	(Rupees in '000)					
Annual audit fee	116	40	29	12	4	201
Half yearly review fee	68	24	16	7	-	115
	<u>184</u>	<u>64</u>	<u>45</u>	<u>19</u>	<u>4</u>	<u>316</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, 2008, 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 unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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 per Income Tax Ordinance, 2001.

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2020 are;

	June 30, 2020				
	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-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%

	June 30, 2019				
	MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII
Total Expense ratio (including government levies)	0.33%	0.33%	0.33%	0.27%	0.24%
Government levies	0.12%	0.12%	0.11%	0.08%	0.06%

This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund Scheme.

15 ALLOCATED EXPENSES

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

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

The management company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the Fund for allocation of such expenses to the Fund for the year ended June 30, 2020

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

16.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan (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.

16.2 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.

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

16.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

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

	June 30, 2020					
Balances	MCPPIV	MCPPIV	MCPPIVI	MCPPIVII	MCPPIVIII	Total
Al 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
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
June 30, 2019						
Balances	MCPPIV	MCPPIV	MCPPIVI	MCPPIVII	MCPPIVIII	Total
Al Meezan Investment Management Limited						
Remuneration payable (Rs in '000)						
Remuneration payable (Rs in '000)	5	1	5	3	12	26
Sindh Sales Tax on management fee payable (Rs in '000)	1	-	1	-	2	4
Allocated expenses (Rs in '000)	131	43	39	17	11	241
Meezan Bank Limited						
Bank balance (Rs in '000)	1,876	908	1,845	2,960	2,286	9,875
Profit receivable (Rs in '000)	52	5	21	12	7	97

June 30, 2019

	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
Central Depository Company of Pakistan Limited						
Trustee fee payable (Rs in '000)	109	36	32	15	9	201
Sindh Sales Tax on trustee fee payable (Rs in '000)	14	4	4	2	1	25
Directors and Executives of the Management Company						
Investment (Rs in '000)	5,001	-	-	-	-	5,001
Investment (Units)	99,772	-	-	-	-	99,772
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	356,705	109,427	97,496	52,468	18,416	634,512
Investment (Units)	10,044,192	3,081,261	2,745,310	1,477,397	518,566	17,866,726
Meezan Sovereign Fund						
Investment (Rs in '000)	907,849	264,653	214,307	114,233	87,128	1,588,170
Investment (Units)	17,633,059	5,140,343	4,162,470	2,218,732	1,692,281	30,846,885
Meezan Rozana Amdani Fund						
Investment (Rs in '000)	304,087	100,029	71,020	38,010	23,007	536,153
Investment (Units)	6,081,739	2,000,572	1,420,406	760,217	460,132	10,723,066
Unitholders holding 10% or more units of the Fund						
Investment (Rs in '000)	163,938	-	-	29,598	-	193,536
Investment (Units)	3,270,818	-	-	591,506	-	3,862,324

For the year ended June 30, 2020

	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
Transactions during the year						
----- (Rupees in '000) -----						
Al Meezan Investment Management Limited - Management Company						
Remuneration for the year (Rs in '000)	19	11	18	12	29	89
Sindh Sales Tax on management fee (Rs in '000)	3	1	2	2	4	12
Allocated expenses (Rs in '000)	1,307	326	283	166	91	2,173
Meezan Bank Limited						
Profit on saving account (Rs in '000)	314	170	223	85	306	1,098
Central Depository Company of Pakistan Limited - Trustee						
Trustee Fee for the year	916	228	198	116	64	1,522
Sindh Sales Tax on trustee fee (Rs in '000)	119	30	26	15	8	198
Meezan Dedicated Equity Fund						
Invested during the year (Rs. in '000)	438,970	76,882	58,200	47,000	103,750	724,802
Invested during the year (Units)	11,323,232	1,989,241	1,458,405	1,197,147	2,929,551	18,897,576
Redeemed during the year (Rs. in '000)	688,423	174,575	139,351	89,075	117,124	1,208,548
Redeemed during the year (Units)	20,360,026	5,070,502	4,203,715	2,674,544	3,448,117	35,756,904
Meezan Cash Fund						
Invested during the year (Rs. in '000)	3,195,300	766,228	510,222	291,943	273,487	5,037,180
Invested during the year (Units)	60,130,394	14,518,639	9,715,078	5,533,525	5,286,147	95,183,783
Redeemed during the year (Rs. in '000)	3,215,119	770,234	512,660	293,228	274,147	5,065,388
Redeemed during the year (Units)	60,130,394	14,518,639	9,715,078	5,533,525	5,286,147	95,183,783
Meezan Sovereign Fund						
Invested during the year (Rs. in '000)	2,301,132	488,568	448,851	288,077	135,933	3,662,562
Invested during the year (Units)	40,595,658	8,619,038	7,918,847	5,082,410	2,398,196	64,614,149
Redeemed during the year (Rs. in '000)	2,027,369	515,374	430,908	252,929	153,493	3,380,073
Redeemed during the year (Units)	37,183,424	9,535,589	7,945,024	4,641,152	2,852,234	62,157,423
Dividend received during the year (Rs. in '000)	588	121	116	74	35	934
Dividend received during the year (Units)	11,412	2,344	2,246	1,443	681	18,125
Refund of capital during the year (Rs. in '000)	107,522	22,083	21,157	13,595	6,413	170,770
Refund of capital during the year (Units)	2,086,583	428,555	410,589	263,835	124,444	3,314,006

For the year / period ended June 30, 2019

	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
			For the period from July 10, 2018 to June 30, 2019	For the period from September 26, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	
	----- (Rupees in '000) -----					
Transactions during the period						
Meezan Rozana Amdani Fund						
Invested during the year (Rs. in '000)	2,607,842	635,302	406,344	228,945	286,877	4,165,309
Invested during the year (Units)	52,156,846	12,706,040	8,126,875	4,578,896	5,737,533	83,306,190
Redeemed during the year (Rs. in '000)	2,911,929	735,331	477,364	266,956	309,883	4,701,463
Redeemed during the year (Units)	58,238,585	14,706,612	9,547,281	5,339,113	6,197,665	94,029,256
Dividend received during the year (Rs. in '000)	81,101	21,695	19,336	10,928	6,581	139,641
Dividend received during the year (Units)	1,622,012	433,908	386,712	218,569	131,628	2,792,830
Refund of capital during the year (Rs. in '000)	81,101	21,695	19,336	10,928	6,581	139,641
Refund of capital during the year (Units)	1,622,012	433,908	386,712	218,569	131,628	2,792,830
AI Meezan Investment Management Limited - Management Company						
Remuneration for the year / period (Rs in '000)	96	79	138	71	56	440
Sindh Sales Tax on management fee (Rs in '000)	13	10	18	9	7	57
Allocated expenses (Rs in '000)	1,898	659	492	185	59	3,293
Meezan Bank Limited						
Profit on saving account (Rs in '000)	400	260	391	614	241	1,906
Central Depository Company of Pakistan Limited - Trustee						
Sindh Sales Tax on trustee fee (Rs in '000)	204	71	53	20	6	354
Trustee Fee for the year / period	1,568	545	405	152	49	2,719
Meezan Dedicated Equity Fund						
Invested during the year / period (Rs. in '000)	1,824,019	575,586	434,500	230,900	113,000	3,178,005
Invested during the year / period (Units)	33,787,207	10,794,498	9,942,055	5,339,238	2,825,733	62,688,731
Redeemed during the year / period (Rs. in '000)	1,708,242	534,259	305,924	164,842	87,232	2,800,499
Redeemed during the year / period (Units)	30,746,259	9,835,022	7,196,745	3,861,841	2,307,167	53,947,034
Meezan Cash Fund						
Invested during the year / period (Rs. in '000)	3,136,590	1,104,214	896,940	524,917	223,062	5,885,723
Invested during the year / period (Units)	26,242,105	11,674,476	17,489,369	10,117,433	4,224,783	69,748,165
Redeemed during the year / period (Rs. in '000)	4,960,273	1,626,087	926,277	535,927	226,382	8,274,946
Redeemed during the year / period (Units)	60,131,583	21,269,666	17,489,369	10,117,433	4,224,783	113,232,833
Dividend received during the year / period (Rs. in '000)	13,834	1,360	-	-	-	15,194
Dividend received during the year / period (Units)	274,308	26,959	-	-	-	301,267
Refund of capital during the year / period (Rs. in '000)	59,534	19,413	-	-	-	78,947
Refund of capital during the year / period (Units)	1,180,484	384,939	-	-	-	1,565,423
Meezan Sovereign Fund						
Invested during the year / period (Rs. in '000)	1,280,833	417,798	374,904	159,575	125,383	2,358,492
Invested during the year / period (Units)	23,423,819	7,638,157	6,852,698	2,919,954	2,291,535	43,126,163
Redeemed during the year / period (Rs. in '000)	318,930	137,570	148,110	38,620	33,000	676,230
Redeemed during the year / period (Units)	5,790,760	2,497,814	2,690,229	701,222	599,254	12,279,279
Dividend received during the year / period (Rs. in '000)	1,899	554	449	239	145	3,285
Dividend received during the year / period (Units)	36,878	10,761	8,714	4,645	2,811	63,808
Refund of capital during the year / period (Rs. in '000)	57,295	16,702	13,525	7,209	5,536	100,266
Refund of capital during the year / period (Units)	1,112,830	324,398	262,686	140,021	107,529	1,947,463
Meezan Rozana Amdani Fund						
Invested during the year / period (Rs. in '000)	304,087	100,057	71,041	38,022	23,007	536,213
Invested during the year / period (Units)	6,081,739	2,000,572	1,420,406	760,217	460,132	10,723,066
Dividend received during the year / period (Rs. in '000)	87	29	20	11	7	153
Dividend received during the year / period (Units)	1,739	572	406	217	132	3,066
Meezan Islamic Income Fund						
Invested during the year / period (Rs. in '000)	-	6,100	-	-	-	6,100
Invested during the year / period (Units)	-	112,077	-	-	-	112,077
Redeemed during the year / period (Rs. in '000)	-	6,106	-	-	-	6,106
Redeemed during the year / period (Units)	-	112,077	-	-	-	112,077

17 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Balances with banks	4,871	-	4,871
Investments	-	1,751,582	1,751,582
Receivable against sale of investments	4,410	-	4,410
Advances, deposits and other receivables	12	-	12
	<u>9,293</u>	<u>1,751,582</u>	<u>1,760,875</u>

2020		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	162	-	162
Payable to Central Depository Company of Pakistan Limited - Trustee	114	-	114
Payable against redemption and conversion of units	6,219	-	6,219
Dividend payable	4,217	-	4,217
Accrued expenses and other liabilities	686	-	686
	<u>11,398</u>	<u>-</u>	<u>11,398</u>

2020		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		

Financial assets

Balances with banks	9,875	-	9,875
Investments	-	2,758,835	2,758,835
Profit accrued on balances with banks	97	-	97
	<u>9,972</u>	<u>2,758,835</u>	<u>2,768,807</u>

2019		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	271	-	271
Payable to Central Depository Company of Pakistan Limited - Trustee	226	-	226
Payable against purchase of investments	287	-	287
Payable against redemption and conversion of units	14,772	-	14,772
Accrued expenses and other liabilities	590	-	590
	<u>16,146</u>	<u>-</u>	<u>16,146</u>

2019		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 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.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / 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 June 30, 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 year and net assets of the Fund would have been higher/lower by Rs. 0.049 million (2019: Rs 0.099 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 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, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 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 June 30, 2020 can be determined as follows:

As at June 30, 2020					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

Rupees in '000

On-balance sheet financial instruments

Financial assets

Balances with banks	3.00% to 3.40%	4,871	-	-	-	4,871
Investments		-	-	-	1,751,582	1,751,582
Receivable against sale of investments - net		-	-	-	4,410	4,410
Advances, deposits and other receivables		-	-	-	12	12
		4,871	-	-	1,756,004	1,760,875

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	162	162
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	114	114
Payable on redemption and conversion of units		-	-	-	6,219	6,219
Dividend payable		-	-	-	4,217	4,217
Accrued expenses and other liabilities		-	-	-	686	686
		-	-	-	11,398	11,398

On-balance sheet gap

Off-balance sheet financial instruments

Off-balance sheet gap

Total profit rate sensitivity gap

Cumulative profit rate sensitivity gap

As at June 30, 2019					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

----- Rupees in '000 -----

On-balance sheet financial instruments

Financial assets

Balances with banks	5.00% to 11.85%	9,875	-	-	-	9,875
Investments		-	-	-	2,758,835	2,758,835
Profit accrued on balances with banks		-	-	-	97	97
		<u>9,875</u>	<u>-</u>	<u>-</u>	<u>2,758,932</u>	<u>2,768,807</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	271	271
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	226	226
Payable against purchase of investments	-	-	-	287	287
Payable on redemption and conversion of units	-	-	-	14,772	14,772
Accrued expenses and other liabilities	-	-	-	590	590
	-	-	-	<u>16,146</u>	<u>16,146</u>
On-balance sheet gap		<u>9,875</u>	<u>-</u>	<u>2,742,786</u>	<u>2,752,661</u>

Off-balance sheet financial instruments

Off-balance sheet gap	-	-	-	-	-
Total profit rate sensitivity gap		<u>9,875</u>			
Cumulative profit rate sensitivity gap		<u>9,875</u>			

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 the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments 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.

In case of 1% increase / decrease in equity prices as at June 30, 2020 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 17.516 million (2019: Rs. 27.588 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.

18.2 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 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 year for any of the sub-funds.

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:

2020					
Within 1 month	More than one month and upto three months	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	4,871	-	-	-	4,871
Investments	-	-	-	1,751,582	1,751,582
Receivable against sale of investments - net	4,410	-	-	-	4,410
Advances, deposits and other receivables	12	-	-	-	12
	9,293	-	-	1,751,582	1,760,875
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	162	-	-	-	162
Payable to Central Depository Company of Pakistan Limited - Trustee	114	-	-	-	114
Payable against redemption and conversion of units	6,219	-	-	-	6,219
Dividend payable	4,217	-	-	-	4,217
Accrued expenses and other liabilities	-	686	-	-	686
	10,712	686	-	-	11,398
Net assets / (liabilities)	(1,419)	(686)	-	1,751,582	1,749,477
2019					
Within 1 month	More than one month and upto three months	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	9,875	-	-	-	9,875
Investments	-	-	-	2,758,835	2,758,835
Profit accrued on balances with banks	97	-	-	-	97
	9,972	-	-	2,758,835	2,768,807
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	271	-	-	-	271
Payable to Central Depository Company of Pakistan Limited - Trustee	226	-	-	-	226
Payable to Meezan Bank Limited	-	-	-	-	-
Payable against purchase of investments	287	-	-	-	287
Payable against redemption and conversion of units	14,772	-	-	-	14,772
Accrued expenses and other liabilities	-	590	-	-	590
	15,556	590	-	-	16,146
Net assets / (liabilities)	(5,584)	(590)	-	2,758,835	2,752,661

18.3 Credit risk

18.3.1 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:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Balances with banks	4,871	4,871	9,875	9,875
Investments	1,751,582	-	2,758,835	-
Receivable against sale of investments - net	4,410	4,410	-	-
Advances, deposits and other receivables	12	12	97	97
	1,760,875	9,293	2,768,807	9,972

18.3.2 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 in banks and profit accrued thereon, dividend receivable and receivable against sale of units and against investments. The credit rating profile of balances with banks is as follows:

Bank	Amount of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2020	2019	2020	2019
AA+	4,871	9,875	100.00%	100.00%
	4,871	9,875	100.00%	100.00%

19 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

As at June 30, 2020, the Fund held the following financial instruments measured at fair values:

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Financial assets						
At fair value through profit or loss	-	1,751,582	-	-	2,758,835	-
	-	1,751,582	-	-	2,758,835	-

20 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. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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 18, 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.

21 UNIT HOLDING PATTERN OF THE FUND

	MCPP IV			MCPP IV		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Rupees in '000)	(Percentage)
Individual	613	612,725	55.08	986	1,006,281	64.79
Director	1	5,092	0.46	1	5,001	0.32
Retirement funds	27	424,370	38.15	34	482,642	31.08
Others	8	70,198	6.31	6	59,125	3.81
Total	649	1,112,385	100.00	1,027	1,553,048	100.00

	MCPP V			MCPP V		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Rupees in '000)	(Percentage)
Individual	303	190,355	87.98	507	411,953	86.93
Director	-	-	-	-	-	-
Retirement funds	5	17,194	7.95	7	41,068	8.67
Others	5	8,814	4.07	2	20,887	4.41
Total	313	216,363	100.00	516	473,907	100.00

	MCPP VI			MCPP VI		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Rupees in '000)	(Percentage)
Individual	416	168,731	79.04	602	314,487	81.89
Director	-	-	-	-	-	-
Retirement funds	4	43,351	20.31	6	67,556	17.59
Others	3	1,398	0.65	1	1,982	0.52
Total	423	213,480	100.00	609	384,026	100.00

	MCPPII			MCPPII		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	353	133,768	98.65	488	202,384	97.58
Director	-	-	-	-	-	-
Retirement funds	1	1,826	1.35	2	5,028	2.42
Others	2	10	-	-	-	-
Total	356	135,604	100.00	490	207,412	100.00

	MCPPIII			MCPPIII		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	335	58,574	91.71	455	120,381	92.09
Director	-	-	-	-	-	-
Retirement funds	1	4,916	7.70	2	8,503	6.50
Others	1	381	0.60	2	1,840	1.41
Total	337	63,871	100.00	459	130,724	100.00

22 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty four years
Mr. Taha Javed	Head of Equities	CFA / MBA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Thirteen years
Mr. Ali Khan	VP Product Development	CFA / FRM / MBA	Ten years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Thirteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Twelve years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Fifteen years
Mr. Ali Asghar	VP / Head of Research	CFA / MBA (in progress)	Nine years

22.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund manager are as follows :

- Meezan Balanced Fund
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Fund
- Meezan Strategic Allocation Fund
- KSE Meezan Index Fund
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund

23 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on				
		August 19, 2019	October 15, 2019	February 10, 2020	April 15, 2020	June 25, 2020
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes
Ms. Saima Shaukat Khan (Kamila)	Director	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	No	Yes	Yes	No
Mr. Arshad Majeed	Director	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes	Yes
Mr. Naeem Abdul Sattar	Director	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes

24 CORRESPONDING FIGURES

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

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on **August 13, 2020**.

26 GENERAL

26.1 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) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

26.2 Operational Risk Management

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.

26.3 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
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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Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35630722-6, 111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Ijaz Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Shaukat Khan (Kamila)	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Sattar	Nominee Director - PKIC
Syed Amir Ali Zaidi	Nominee Director - PKIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking Dubai Islamic Bank Pakistan 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

REPORT OF THE FUND MANAGER Meezan Strategic Allocation Fund – III (MSAF – III)

Type of Fund

MSAF – III is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF – III has one Allocation Plans which allow investors to invest according to their risk tolerance levels.

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan – III (MCPPIX)	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual Allocation.
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Performance Table with Benchmark

	Returns - FY20
MCPPIX	5.45%
Benchmark	-1.17%

The Meezan Capital Preservation Plan – IX posted total gain of Rs. 5.77 million FY 20. Total gain comprised of realized loss on investments of Rs. 1.611 million while the unrealized gain on investments of Rs. 0.98 million. Dividend income and profit on saving account with banks amounted to Rs. 6.16 million and Rs. 0.24 million respectively. After accounting for expenses of Rs. 0.78 million, the Fund posted a net income of Rs. 5 million. The net assets of the Plan as at June 30, 2020 were Rs. 89 million. The net asset value per unit as at June 30, 2020 was Rs. 48.60

Distributions

The interim Pay out by the Plan during the fiscal year ended June 30, 2020 was Rs. 2.25 per unit (4.50%). Total distribution made by the fund was Rs. 4 million.

Breakdown of unit holdings by size

(As on June 30, 2020)

Range (Units)	MSAF- III- MCPP-IX
	No. of investors
1 - 9,999	194
10,000 - 49,999	8
50,000 - 99,999	1
100,000 - 499,999	0
500,000 and above	1
Total	204

PERFORMANCE TABLE

	June 30, 2020	June 30, 2019
Net assets (Rs. '000) (ex-distribution)	88,995	33,930
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	48.5984	48.2374
Offer price per unit as at June 30 (Rs.)	-	49.8726
Distribution (%)		
Interim		
-First quarter	-	-
-Second quarter	-	-
-Third quarter	-	-
-Fourth quarter	4.50%	-
Annual	-	-
Dates of distribution (interim)		
- First quarter	-	-
- Second quarter	-	-
- Third quarter	-	-
- Fourth quarter	30-Jun-20	-
Annual	-	-
Income distribution (Rs. in '000)	3,959	-
Highest offer price per unit (Rs.)	50.1602	51.7103
Lowest offer price per unit (Rs.)	49.7876	49.7845
Highest redemption price per unit (Rs.)	54.8414	50.0148
Lowest redemption price per unit (Rs.)	46.5731	48.1522
Total return (%)	5.45%	-3.55%
Weighted Average Portfolio Duration (years)		
	One Year	Two Year
Average annual return (%) as at June 30, 2020	5.45%	0.85%



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor– Meezan Strategic Allocation Fund-III

August 4, 2020/ Dhu'l-Hijjah 13, 1441

Alhamdulillah, the period from July 01, 2019 to June 30, 2020 was the Second year of operations of Meezan Strategic Allocation Fund-III (MSAF-III) under management of Al Meezan Investment Management Limited (Al Meezan). The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity.

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

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

In light of the above, I hereby certify that:

- i. I have reviewed and approved the modes of investments of MSAF-III in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF-III by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF-III for the year ended June 30, 2020 have been in compliance with *Shari'ah* principles.

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

Dr. Muhammad Imran Ashraf Usmani

For and on behalf of Meezan Bank

Shariah Advisor

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) and Clause 9 of Schedule V of the
Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan 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 year ended June 30, 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, September 24, 2020



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Strategic Allocation Fund III

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Strategic Allocation Fund - III (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 89.54 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Tested the design and operating effectiveness of the key controls for valuation of investments;Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

AMW



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Salman Hussain**.


Chartered Accountants

Karachi

Date: September 22, 2020

**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020**



Meezan
Strategic Allocation Fund-III

	June 30, 2020	June 30, 2019
Note	MCCP-IX	
	(Rupees in '000)	
Assets		
Balances with banks	5 447	15,908
Investments	6 89,540	18,944
Profit accrued on balances with banks	2	26
Total assets	89,989	34,878
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7 7	866
Payable to Central Depository Company of Pakistan Limited - Trustee	8 6	1
Payable to Securities and Exchange Commission of Pakistan	9 18	1
Accrued expenses and other liabilities	10 963	80
Total liabilities	994	948
NET ASSETS	88,995	33,930
CONTINGENCIES AND COMMITMENTS	11	
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	88,995	33,930
	(Number of units)	
NUMBER OF UNITS IN ISSUE	1,831,230	703,396
	(Rupees)	
NET ASSET VALUE PER UNIT	48.5984	48.2374

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2020	For the period from May 20, 2019 to June 30,
	MCPP-IX (Rupees in '000)	
	Note	
Income		
Dividend income	6,159	-
Loss on sale of investments	(1,611)	(45)
Profit on balance with banks	240	32
	4,788	(13)
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	6.1 988	(211)
Total income / (loss)	<u>5,776</u>	<u>(224)</u>
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company	7.1 26	4
Sindh Sales Tax on remuneration to Management Company	7.2 3	1
Allocated expenses	14 92	1
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1 65	1
Sindh Sales Tax on remuneration of the Trustee	8.2 8	-
Annual fee to Securities and Exchange Commission of Pakistan	18	1
Auditors' remuneration	12 92	50
Fees and subscription	368	30
Bank and settlement charges	7	4
Provision for Sindh Workers' Welfare Fund	102	-
Total expenses	<u>781</u>	<u>92</u>
Net income / (loss) for the year / period before taxation	<u>4,995</u>	<u>(316)</u>
Taxation	15 -	-
Net income / (loss) for the year / period after taxation	<u><u>4,995</u></u>	<u><u>(316)</u></u>
Allocation of net income for the year / period		
Net income for the year / period after taxation	4,995	-
Income already paid on units redeemed	(48)	-
	<u><u>4,947</u></u>	<u><u>-</u></u>
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	4,947	-
	<u><u>4,947</u></u>	<u><u>-</u></u>

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2020	For the period from May 20, 2019 to June 30, MCPPI-IX (Rupees in '000)
Net income / (loss) for the year / period after taxation	4,995	(316)
Other comprehensive income for the year / period	-	-
Total comprehensive income / (loss) for the year / period	<u>4,995</u>	<u>(316)</u>

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - III
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**



	For the year ended June 30, 2020	For the period from May 20, 2019 to June 30, MCCP-IX (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year / period before taxation	4,995	(316)
Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'	6.1 (988)	211
	<u>4,007</u>	<u>(105)</u>
Increase in assets		
Investments - net	(69,608)	(19,155)
Profit accrued on balances with banks	24	(26)
	<u>(69,584)</u>	<u>(19,181)</u>
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(859)	866
Payable to Central Depository Company of Pakistan Limited - Trustee	5	1
Payable to Securities and Exchange Commission of Pakistan	17	1
Accrued expenses and other liabilities	883	80
	<u>46</u>	<u>948</u>
Net cash used in operating activities	<u>(65,531)</u>	<u>(18,338)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	91,185	34,262
Payments against redemption and conversion of units	(37,156)	(16)
Dividend paid	(3,959)	-
Net cash generated from financing activities	<u>50,070</u>	<u>34,246</u>
Net (decrease) / increase in cash and cash equivalents	<u>(15,461)</u>	<u>15,908</u>
Cash and cash equivalents at the beginning of the year / period	15,908	-
Cash and cash equivalents at the end of the year / period	5 <u><u>447</u></u>	<u><u>15,908</u></u>

The annexed notes 1 to 26 form an integral part of these 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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 the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 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 dated December 31, 2019 (2019: AM1 dated December 28, 2018) 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 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 Financial Reporting Standards (IFRSs) 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 IFRS Standards, 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.

3.2 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, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of 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 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 financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which is measured at fair value.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these 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 instruments

4.3.1 Classification

4.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.3.3 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.

4.3.3.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

4.3.4 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.

4.3.5 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.

4.3.6 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 Unitholders' Fund

Unitholders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

4.9 Issue and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price of each allocation plan represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 Element of income

Element of income represents the difference between net assets value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' Fund. However, to maintain the same ex-dividend net asset value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee fund declaring the dividend.
- Profit on balances with banks is recognized on a time proportion basis using the effective yield method.

4.13 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.

4.14 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 from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I to 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. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule 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 income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2020	2019
MCCPP-IX			
Rupees in '000			
5 BALANCES WITH BANKS			
Saving accounts	5.1	447	15,908

5.1 The balances in savings accounts have an expected profit which ranges from 3.00% to 7.50% per annum. (June 30, 2019: 6.30% to 11.85% per annum).

	Note	2020	2019
MCCPP-IX			
Rupees in '000			
6 INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	89,540	18,944

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the year	Sales during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain as at June 30, 2020	Percentage in relation to total market value of investments
	(Number of units)				(Rupees in '000)			(Percentage)
Meezan Capital Preservation Plan - IX								
Meezan Dedicated Equity Fund	153,424	3,967,681	3,096,183	1,024,922	34,498	35,468	970	39.61
Meezan Cash Fund	64,627	2,417,601	2,482,228	-	-	-	-	-
Meezan Sovereign Fund	198,820	2,241,976	1,391,816	1,048,980	54,054	54,072	18	60.39
Meezan Rozana Amdani Fund	-	4,765,329	4,765,329	-	-	-	-	-
Total as at June 30, 2020					88,552	89,540	988	100
Total as at June 30, 2019					19,155	18,944	(211)	100

	Note	2020	2019
MCCPP-IX			
Rupees in '000			
7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - Management Company			
Management fee payable	7.1	-	4
Sindh Sales Tax payable on remuneration of the Management Company	7.2	-	1
Allocated expenses	14	7	1
Sales load payable		-	761
Sindh Sales Tax on sales load		-	99
		<u>7</u>	<u>866</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% (2019: 1%) per annum of the daily bank balances of the Fund during the year ended June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through the Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the year SST at the rate of 13% (2019: 13%) was charged on the remuneration of Management Company, sales load and trustee fee.

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	MCCP-IX	
			2020	2019
			Rupees in '000	
	Trustee fee payable	8.1	5	1
	Sindh Sales Tax payable on trustee fee	8.2	1	-
			6	1

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Effective from July 1, 2019, the Trustee has revised its remuneration as under:

Previous Tariff		Revised Tariff (Flat Rate)
Net assets (Rs)	Fee	
Up to 1,000 million	0.10% per annum	0.07% per annum of Net Assets
Over 1,000 million	Rs. 1 million plus 0.075% p.a. of Net Assets exceeding Rs. 1,000 million	

Accordingly, the Fund has charged Trustee Fee @ 0.07% per annum during the current year.

- 8.2 During the current year an amount of Rs. 0.008 million (2019: Rs.167) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011
- 8.3 During the year, Sindh Sales Tax at the rate of 13% (2019: 13%) was charged on the remuneration of the trustee.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	MCCP-IX	
			2020	2019
			Rupees in '000	
	Auditors' remuneration payable		50	50
	Shariah advisory fee payable		147	30
	Capital gain tax payable		1	-
	Provision for Sindh Workers' Welfare Fund	10.1	102	-
	Withholding tax payable		604	-
	Dividend payable		59	-
			963	80

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

Had the provision for SWWF not been recorded for the period from May 21, 2015 to June 30, 2020, the net asset value of the plan (MCCP IX) as at June 30, 2020 would have been higher by Re. 0.06 per unit (2019: Rs nil per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.



	For the year ended June 30, 2020	For the period from May 20, 2019 to June 30, 2019
MCCP-IX		
Rupees in '000		
12 AUDITORS' REMUNERATION		
Annual audit fee	58	50
Half yearly review	32	-
Out of pocket expenses	2	-
	<u>92</u>	<u>50</u>

13 EXPENSE RATIO

The Total Expense Ratio of the Fund for the year ended June 30, 2020 is 0.85% which include 0.25% representing government levy, Sindh Worker Welfare Fund and SECP fee for MCCP - IX. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds Scheme.

14 ALLOCATED EXPENSES

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

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

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

15 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 unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 16.1** 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.
- 16.2** 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.
- 16.3** 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.

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

	2020	2019
Balances		
AI Meezan Investment Management Limited - Management Company		
Management fee payable	-	4
Sindh Sales Tax on management fee payable	-	1
Allocated expenses payable	7	1
Sales load payable	-	761
Sindh Sales Tax on sales load payable	-	99
Investment	71,839	-
Investment (Units)	1,478,213	-
Meezan Bank Limited		
Bank balance	427	15,898
Profit receivable	2	26
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	5	1
Sindh Sales Tax on trustee fee payable	1	-
Meezan Dedicated Equity Fund		
Investment	35,468	5,449
Investment (Units)	1,024,922	153,424
Meezan Cash Fund		
Investment	-	3,259
Investment (Units)	-	64,627
Meezan Sovereign Fund		
Investment	54,072	10,236
Investment (Units)	1,048,980	198,820
Unitholders holding 10% or more units of the Fund		
Investment (Rs in '000)	-	4,802
Investment (Units)	-	99,555
Transactions during the year		
AI Meezan Investment Management Limited - Management Company		
Management fee for the year / period	26	4
Sindh Sales Tax on management fee	3	1
Allocated expenses	92	1
Invested during the year/ period	68,876	-
Invested during the year / period (Units)	1,422,356	-
Dividend paid during the year	125	-
Dividend paid during the year (Units)	55,857	-
Meezan Bank Limited		
Profit on saving account	240	32
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	65	1
Sindh Sales Tax on trustee fee	8	-



For the year ended June 30, 2020

For the period from May 20, 2019 to June 30, 2019

MCCP-IX
Rupees in '000

Meezan Dedicated Equity Fund

Invested during the year / period	136,800	7,250
Invested during the year / period (Units)	3,967,681	195,852
Redeemed during the year / period	105,450	1,500
Redeemed during the year / period (Units)	3,096,183	42,428

Meezan Cash Fund

Invested during the year / period	127,049	16,200
Invested during the year / period (Units)	2,417,601	304,134
Redeemed during the year / period	130,549	12,974
Redeemed during the year / period (Units)	2,482,228	239,507

Meezan Sovereign Fund

Invested during the year / period (Rs in '000)	120,546	10,224
Invested during the year / period (Units)	2,241,976	198,820
Redeemed during the year (Rs in '000)	77,179	-
Redeemed during the year (Units)	1,391,816	-

Meezan Rozana Amdani Fund

Invested during the year	238,271	-
Invested during the year (Units)	4,765,329	-
Redeemed during the year	238,271	-
Redeemed during the year (Units)	4,765,329	-
Dividend received during the year (Units)	122,591	-
Dividend received during the year	6,130	-

17 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

2020		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
Balances with banks	447	447
Investments	- 89,540	89,540
Profit accrued on balances with banks	2	2
	449	89,989

Financial liabilities

2020		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
Payable to Al Meezan Investment Management Limited - Management Company	- 7	7
Payable to Central Depository Company of Pakistan Limited - Trustee	- 6	6
Accrued expenses and other liabilities	- 256	256
	- 269	269

Financial assets

Balances with banks
Investments
Profit accrued on balances with banks

2019		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
15,908	-	15,908
-	18,944	18,944
26	-	26
<u>15,934</u>	<u>18,944</u>	<u>34,878</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

2019		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
-	866	866
-	1	1
-	80	80
-	<u>947</u>	<u>947</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 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.

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 June 30, 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 year and net assets of the Fund would have been higher / lower by Rs. 0.004 million (2019: 0.159 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 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, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 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 June 30, 2020 can be determined as follows:

As at June 30, 2020					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

----- Rupees in '000 -----

On-balance sheet financial instruments

Financial assets

Balances with banks	3.00% to 7.50%	447	-	-	-	447
Investments		-	-	-	89,540	89,540
Profit accrued on balances with banks		-	-	-	2	2
		<u>447</u>	<u>-</u>	<u>-</u>	<u>89,542</u>	<u>89,989</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	7	7
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	6	6
Accrued expenses and other liabilities		-	-	-	256	256
					<u>269</u>	<u>269</u>

On-balance sheet gap

	<u>447</u>	<u>-</u>	<u>-</u>	<u>89,273</u>	<u>89,720</u>
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Off-balance sheet financial instruments

	-	-	-	-	-
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Off-balance sheet gap

	-	-	-	-	-
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Total profit rate sensitivity gap

	<u>447</u>	<u>-</u>	<u>-</u>		
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Cumulative profit rate sensitivity gap

	<u>447</u>	<u>447</u>	<u>447</u>		
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As at June 30, 2019					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

----- Rupees in '000 -----

On-balance sheet financial instruments

Financial assets

Balances with banks	5.00% to 11.85%	15,908	-	-	-	15,908
Investments		-	-	-	18,944	18,944
Profit accrued on balances with banks		-	-	-	26	26
		<u>15,908</u>	<u>-</u>	<u>-</u>	<u>18,970</u>	<u>34,878</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	866	866
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1	1
Accrued expenses and other liabilities		-	-	-	80	80
					<u>947</u>	<u>947</u>

On-balance sheet gap

	<u>15,908</u>	<u>-</u>	<u>-</u>	<u>18,023</u>	<u>33,931</u>
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Off-balance sheet financial instruments

	-	-	-	-	-
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Off-balance sheet gap

	-	-	-	-	-
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Total profit rate sensitivity gap

	<u>15,908</u>	<u>-</u>	<u>-</u>		
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Cumulative profit rate sensitivity gap

	<u>15,908</u>	<u>15,908</u>	<u>15,908</u>		
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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 the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments 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.

In case of 1% increase / decrease in equity prices as at June 30, 2020 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 0.895 million (2019: Rs. 0.189 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.

18.2 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 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 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:

	2020					Total
	Within 1 month	More than one month and upto three months	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
	----- Rupees in '000 -----					
Financial assets						
Balances with banks	447	-	-	-	-	447
Investments	-	-	-	-	89,540	89,540
Profit accrued on balances with banks	2	-	-	-	-	2
	449	-	-	-	89,540	89,989
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	7	-	-	-	-	7
Payable to Central Depository Company of Pakistan Limited - Trustee	6	-	-	-	-	6
Accrued expenses and other liabilities	-	256	-	-	-	256
	13	256	-	-	-	269
Net assets / (liabilities)	436	(256)	-	-	89,540	89,720



2019					
Within 1 month	More than one month and upto three months	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	15,908	-	-	-	15,908
Investments	-	-	-	18,944	18,944
Profit accrued on balances with banks	26	-	-	-	26
	15,934	-	-	18,944	34,878
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	866	-	-	-	866
Payable to Central Depository Company of Pakistan Limited - Trustee	1	-	-	-	1
Accrued expenses and other liabilities	-	80	-	-	80
	867	80	-	-	947
Net assets / (liabilities)	15,067	(80)	-	18,944	33,931

18.3 Credit risk

18.3.1 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:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees in '000				
Balances with banks	447	447	15,908	15,908
Investments	89,540	-	18,944	-
Profit accrued on balances with banks	2	2	26	26
	89,989	449	34,878	15,934

18.3.2 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 in banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Rating	2020		2019	
	Amount of financial assets exposed to credit risk	% of financial assets exposed to credit risk	Amount of financial assets exposed to credit risk	% of financial assets exposed to credit risk
Rupees in '000				
AA+	437	97.76%	15,908	100.00%
AA	10	2.24%	-	-
	447	100%	15,908	100%

19 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. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. However, during the year on certain days and since January 23, 2020, the Fund is below the minimum requirement of Rs 100 million. As per the SECP Circular 16 of 2020 dated April 21, 2020, the Fund has been granted 180 days from the date of non compliance, to comply with the minimum requirement of the fund size.

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 18, 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.

20 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 June 30, 2020, the Fund held the following financial instruments measured at fair values:

		2020		
		Level 1	Level 2	Level 3
		Rupees in '000		
Financial assets				
At fair value through profit or loss		-	89,540	-
		-	89,540	-
		2019		
		Level 1	Level 2	Level 3
		Rupees in '000		
Financial assets				
At fair value through profit or loss		-	18,944	-
		-	18,944	-

21 UNIT HOLDING PATTERN OF THE FUND

	MCPP IX			MCPP IX		
	2020			2019		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	Rupees in '000	Percentage	Rupees in '000	Percentage		
Individuals	203	17,156	19.28	235	32,101	94.61
Retirement fund	-	-	-	1	1,829	5.39
Associated Companies	1	71,839	80.72	-	-	-
Total	204	88,995	100	236	33,930	100

22 INVESTMENT COMMITTEE MEMBERS

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

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty four years
Mr. Taha Javed	Head of Equity	CFA / MBA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Thirteen years
Mr. Ali Khan	VP Product Development	CFA / FRM / MBA	Ten years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Thirteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Twelve years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Fifteen years
Mr. Ali Asghar	VP/ Head of Research	CFA / MBA (in progress)	Nine years

The Fund Manager of this Fund is Mr. Asif Imtiaz. Other Funds being managed by the Fund Manager are:

- Meezan Balanced Fund
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Fund
- Meezan Strategic Allocation Fund
- KSE Meezan Index Fund
- Meezan Strategic Allocation Fund-II; and
- Meezan Dedicated Equity Fund

23 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

23.1 The date of the meeting of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on				
		August 19, 2019	October 15, 2019	February 10, 2020	April 15, 2020	June 25, 2020
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes
Ms. Saima Kamila Khan	Director	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	No	Yes	Yes	No
Mr. Arshad Majeed	Director	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes	Yes
Mr. Naeem Abdul Sattar	Director	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes

24 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on **August 13, 2020**.

26 GENERAL

26.1 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) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

26.2 Operational Risk Management

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.

26.3 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