



Meezan
Islamic Income Fund

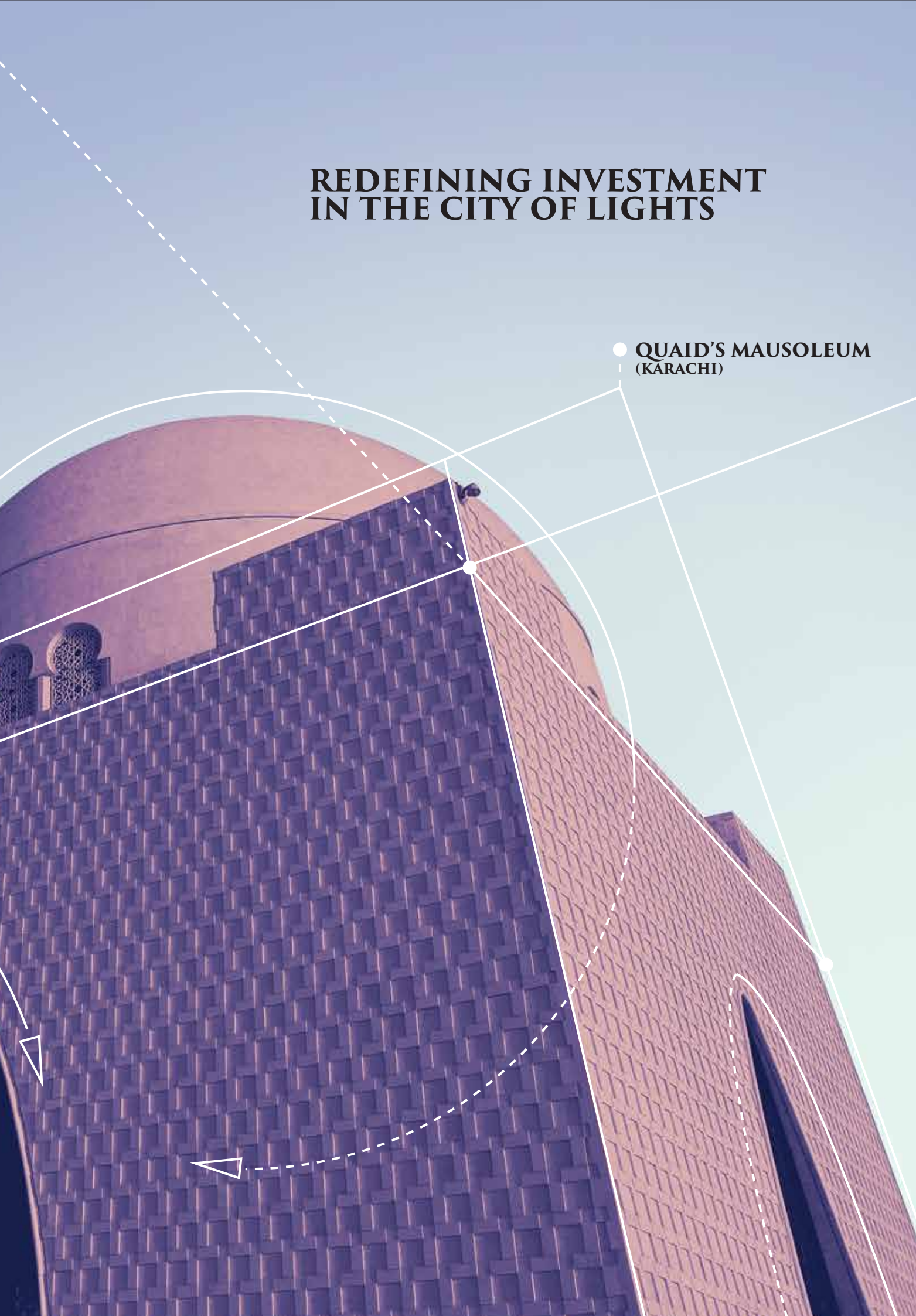
MEEZAN ISLAMIC INCOME FUND (MIIF)

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

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

REDEFINING INVESTMENT IN THE CITY OF LIGHTS

● **QUAID'S MAUSOLEUM
(KARACHI)**



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Income Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Income Fund** (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2019. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

Scope of Review

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

Conclusion

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


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 26, 2020

Karachi

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



Meezan
Islamic Income Fund

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

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

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	9,297,919	173,403	9,471,322	9,755,035	410,879	10,165,914
Issuance of 489,953,776 units (2018: 183,246,418 units)						
- Capital value (at net asset value per unit at the beginning of the period)	25,201,605	-	25,201,605	9,417,290	-	9,417,290
- Element of income	683,933	-	683,933	160,655	-	160,655
Total proceeds on issuance of units	25,885,538	-	25,885,538	9,577,945	-	9,577,945
Redemption of 281,117,794 units (2018: 167,220,566 units)						
- Capital value (at net asset value per unit at the beginning of the period)	14,459,772	-	14,459,772	8,593,699	-	8,593,699
- Element of loss	229,538	218,195	447,733	60,806	83,446	144,252
Total payments on redemption of units	14,689,310	218,195	14,907,505	8,654,505	83,446	8,737,951
Total comprehensive income for the period	-	988,811	988,811	-	334,700	334,700
Distribution during the period	-	-	-	-	(245,803)	(245,803)
Refund of capital	-	-	-	(170,684)	-	(170,684)
		988,811	988,811	(170,684)	88,897	(81,787)
Net assets at the end of the period	20,494,147	944,019	21,438,166	10,507,791	416,330	10,924,121
Undistributed income brought forward						
- Realised income		192,274			396,375	
- Unrealised (loss) / income		(18,871)			14,504	
		173,403			410,879	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		16,674			-	
- Excluding capital gains		753,942			251,254	
		770,616			251,254	
Distribution during the period nil [(2018: at Rs. 2.1954 per unit) i.e. 4.39% of the par value of Rs. 50/- each (July 6, 2018)]		-			(245,803)	
Undistributed income carried forward		944,019			416,330	
Undistributed income carried forward						
- Realised income		948,186			415,518	
- Unrealised (loss) / income		(4,167)			812	
		944,019			416,330	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			51.4367			53.5868
Net assets value per unit at the end of the period			54.5540			53.0980

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) notified through S.R.O. 1203 (I) / 2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A(f) by VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2019.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

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

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

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

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

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

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	14,103,101	2,970,973
In current accounts		44	44
		<u>14,103,145</u>	<u>2,971,017</u>

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

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

6.1.1 Government Securities

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

6.1.2 Corporate Sukus

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions during the period	As at December 31, 2019	* Carrying value as at December 31, 2019	* Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	Percentage in relation to		
										---- (Number of certificates) ----	----- (Rupees in '000) -----	----- % -----
Arzoo Textile Mills Limited (note 6.1.2.1 & 6.1.2.2) *	April 15, 2014	6 months KIBOR plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.2.1 & 6.1.2.2) *	September 29, 2014	6 months KIBOR plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.2.1 & 6.1.2.2) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-	6.67	-
BANKS												
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded) (note 6.1.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.5%	513	-	15	498	507,315	498,498	(8,817)	2.33	12.45	6.93

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

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions during the period	As at December 31, 2019	* Carrying value as at December 31, 2019	* Market value as at December 31, 2019	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
							----- (Number of certificates) -----	----- (Rupees in '000) -----	----- % -----			

STEEL & ALLIED PRODUCTS

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

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

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

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

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

3,696,593	3,677,722	(18,872)
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* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

6.1.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited, Eden Housing Limited, International Brands Limited, Meezan Bank Limited, Shakarganj Food Products Limited, AGP Limited, Javedan Corporation Limited, Agha Steel Industries Limited, Engro Polymer and Chemicals Limited, Hub Power Company Limited and Masood Textile Mills Limited having nominal value of Rs 1,000,000, Rs 984.375, Rs 100,000, Rs 100,000, Rs. 1,000,000, Rs. 1,000,000, Rs. 100,000, Rs. 100,000, Rs. 1,000,000, Rs. 100,000, Rs. 100,000 and Rs. 1,000,000 respectively.

6.1.2.2 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at December 31, 2019, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

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

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

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

6.2 Certificates of Musharakah

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

6.3 Commercial Papers

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

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

7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

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

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

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

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

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

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

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

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

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re. 0.15 per unit (June 30, 2019: Re 0.21 per unit).

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till December 31, 2019 amounting to Rs 53.059 million (June 30, 2019: 53.059 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2019 would have been higher by Re 0.14 (June 30, 2019: Re 0.29) per unit.

10. CONTINGENCIES AND COMMITMENTS

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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

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

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

Meezan Financial Planning Fund of Funds
- Moderate Allocation Plan

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

Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan

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

Meezan Financial Planning Fund of Funds - MAAP - I

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

Meezan Financial Planning Fund of Funds - MAAP - IV

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

Meezan Strategic Allocation Fund - MSAP - I

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

Meezan Strategic Allocation Fund - MSAP - II

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

Meezan Strategic Allocation Fund - MSAP - III

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

Meezan Strategic Allocation Fund - MSAP - IV

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

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

12. ALLOCATED EXPENSES

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

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

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

13. SELLING AND MARKETING EXPENSES

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

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

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

14. TOTAL EXPENSE RATIO

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

15. TAXATION

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

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

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

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

** The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

17. GENERAL

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

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

18. **DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on 10-Feb-2020 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

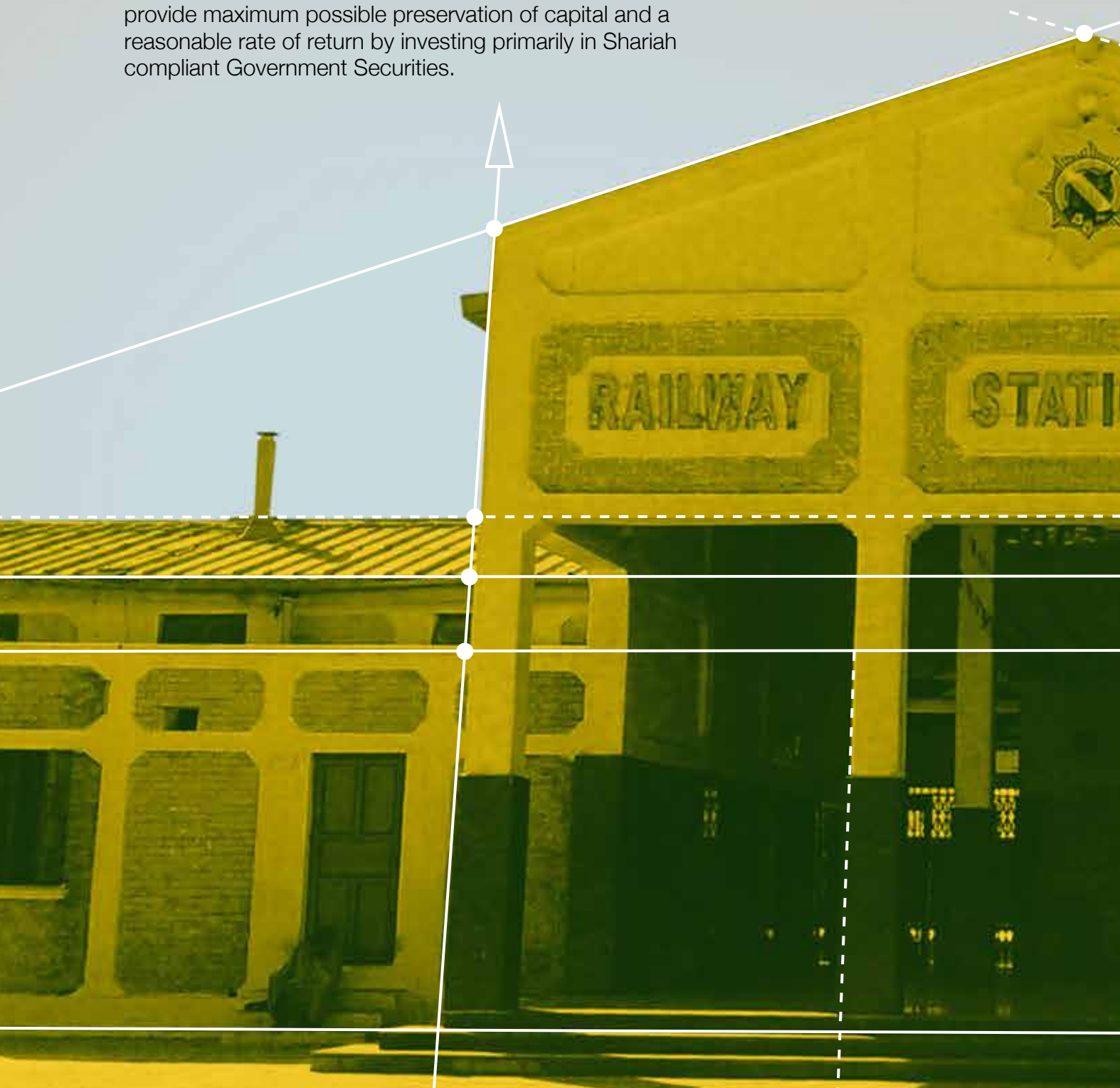
Director




Meezan
Sovereign Fund

MEEZAN SOVEREIGN FUND (MSF)

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



REDEFINING INVESTMENT IN THE FRUIT HUB OF PAKISTAN

 Quetta Branch

**QUETTA RAILWAY STATION
(QUETTA)**



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN SOVEREIGN FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Sovereign Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Sovereign Fund** (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2019. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

Scope of Review

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

Conclusion

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


Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 26, 2020

Karachi



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

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN SOVEREIGN FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

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

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	5,409,260	295,889	5,705,149	1,792,404	328,112	2,120,516
Issue of 109,502,081 units (2018: 28,988,772 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,642,566	-	5,642,566	1,492,505	-	1,492,505
- Element of income	141,014	-	141,014	13,666	-	13,666
Total proceeds on issuance of units	5,783,580	-	5,783,580	1,506,171	-	1,506,171
Redemption of 148,603,872 units (2018: 40,844,893 units)						
- Capital value (at net asset value per unit at the beginning of the period)	7,657,454	-	7,657,454	2,102,924	-	2,102,924
- Element of loss	89,157	62,378	151,535	9,895	6,590	16,485
Total payments on redemption of units	7,746,611	62,378	7,808,989	2,112,819	6,590	2,119,409
Total comprehensive income for the period	-	230,091	230,091	-	43,021	43,021
Distribution during the period	-	-	-	-	(37,026)	(37,026)
Refund of capital	-	-	-	(12,782)	-	(12,782)
Net income for the period less distribution	-	230,091	230,091	(12,782)	5,995	(6,787)
Net assets at the end of the period	3,446,229	463,602	3,909,831	1,172,974	327,517	1,500,491
Undistributed income brought forward						
- Realised income		297,344			360,148	
- Unrealised (loss)		(1,455)			(32,036)	
		295,889			328,112	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		167,713			36,431	
		167,713			36,431	
Distribution during the period at Rs Nil [2018: Rs. 1.2384 per unit i.e. 2.48% of the par value of Rs. 50/- each (July 6, 2018)]		-			(37,026)	
Undistributed income carried forward		463,602			327,517	
Undistributed income carried forward						
- Realised income		463,602			320,009	
- Unrealised income		-			7,508	
		463,602			327,517	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>51.5293</u>			<u>52.7240</u>
Net assets value per unit at end of the period			<u>54.5952</u>			<u>52.9030</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



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

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

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN SOVEREIGN FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Sovereign Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unit holders maximum possible preservation of capital along with reasonable Halal returns by investing primarily in a portfolio of Shariah compliant government securities, thus minimising the credit risk of investments. The Fund also keeps an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open end Shariah Compliant (Islamic) Income Scheme, listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA-(f) by VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited annual financial statements of the Fund for the year ended June 30, 2019.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2019.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2019.

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

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

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

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

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

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	2,953,956	5,129,670
In current accounts		2,844	2,844
		<u>2,956,800</u>	<u>5,132,514</u>

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

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

6.1.1 Government Securities

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

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

6.1.2 Corporate sukus

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

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

7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

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

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

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

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

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

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

9. CONTINGENCIES AND COMMITMENTS

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

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

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

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re 0.30 (June 30, 2019: Re 0.15).

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 82.639 million (June 30, 2019 : Rs 82.639 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2019 would have been higher by Re 1.15 (June 30, 2019 : Rs. 0.75) per unit.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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

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

12. ALLOCATED EXPENSES

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

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

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

13. SELLING AND MARKETING EXPENSES

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

14. TOTAL EXPENSE RATIO

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

15. TAXATION

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

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

16. FINANCIAL INSTRUMENTS - FAIR VALUES

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

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

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

16.1 Fair value hierarchy

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

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

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

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

ASSETS

Financial assets 'at fair value through profit or loss'

Sukuk Certificates	-	1,112,236	-	1,112,236
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As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Financial assets 'at fair value through profit or loss'

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

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

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

18. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on 10-Feb-2020 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

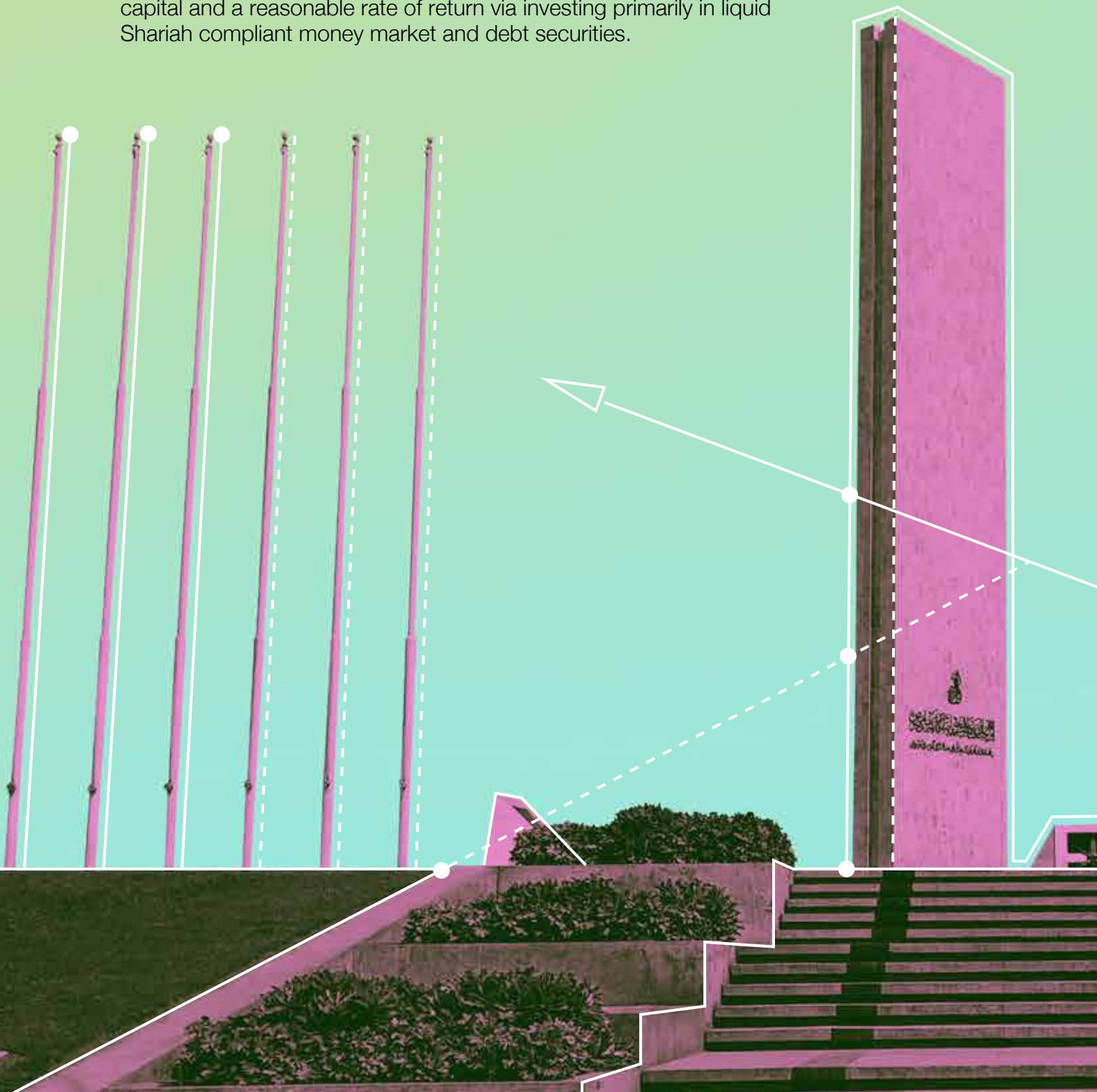
Director



Meezan
Cash Fund

MEEZAN CASH FUND (MCF)

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



CHALLENGING THE MARKET IN THE CITY OF WRESTLERS

 Gujranwala Branch

● NISHAN-E-MANZIL
(GUJRANWALA)



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CASH FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Cash Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Cash Fund** (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2019. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 26, 2020
Karachi



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

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

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

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

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

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

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

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

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	8,807,969	43,119	8,851,088	9,707,096	213,856	9,920,952
Issuance of 336,293,743 units (December 31, 2018: 300,538,790 units)						
- Capital value (at net asset value per unit at the beginning of the period)	16,973,788	-	16,973,788	15,156,622	-	15,156,622
- Element of income	388,440	-	388,440	264,923	-	264,923
Total proceeds on issuance of units	17,362,228	-	17,362,228	15,421,545	-	15,421,545
Redemption of 318,504,527 units (December 31, 2018: 244,313,039 units)						
- Capital value (at net asset value per unit at the beginning of the period)	16,075,911	-	16,075,911	12,321,073	-	12,321,073
- Element of loss	231,789	185,610	417,399	116,074	98,501	214,575
Total payments on redemption of units	16,307,700	185,610	16,493,310	12,437,147	98,501	12,535,648
Total comprehensive income for the period	-	588,351	588,351	-	348,379	348,379
Distribution during the period	-	-	-	-	(178,008)	(178,008)
Refund of capital	-	-	-	(230,343)	-	(230,343)
Net income for the period less distribution	-	588,351	588,351	(230,343)	170,371	(59,972)
Net assets at the end of the period	9,862,497	445,860	10,308,357	12,461,151	285,726	12,746,877
Undistributed income brought forward						
- Realised income		43,119			213,856	
- Unrealised income		-			-	
		43,119			213,856	
Accounting income available for distribution						
- Relating to capital gains		-			3,470	
- Excluding capital gains		402,741			246,408	
		402,741			249,878	
Distribution during the period: nil [December 31, 2018: Rs. 2.1649 per unit i.e. 4.33% of the par value of Rs. 50/- each (July 6, 2018)]		-			(178,008)	
Undistributed income carried forward		445,860			285,726	
Undistributed income carried forward						
- Realised income		445,860			285,726	
- Unrealised income		-			-	
		445,860			285,726	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			50.4731			52.5964
Net assets value per unit at the end of the period			53.3692			52.0600

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

Note	Six months period ended	
	2019	2018
	December 31,	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	588,351	348,379
Decrease / (Increase) in assets		
Investments - net	601,045	(1,082,183)
Deposits and prepayments	139	136
Profit receivable	6,620	(34,560)
	607,804	(1,116,607)
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	5,934	2,744
Payable to Central Depository Company of Pakistan Limited - Trustee	(200)	173
Payable to Securities and Exchange Commission of Pakistan	(7,706)	(1,453)
Accrued expenses and other liabilities	(24,514)	9,012
	(26,486)	10,476
Net cash generated from / (used in) operating activities	1,169,669	(757,752)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	17,345,465	15,078,060
Payments against redemption and conversion of units	(16,544,811)	(12,682,279)
Dividend paid	-	(178,008)
Net cash generated from financing activities	800,654	2,217,773
Net increase in cash and cash equivalents during the period	1,970,323	1,460,021
Cash and cash equivalents at the beginning of the period	5,430,335	10,127,637
Cash and cash equivalents at the end of the period	5.2 <u>7,400,658</u>	<u>11,587,658</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN CASH FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Cash Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to provide the unit holders with safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA(f) by VIS Credit Rating Company Limited.
- 1.5 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2019.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

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

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

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

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

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

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	7,399,912	2,579,578
In current accounts		746	757
		<u>7,400,658</u>	<u>2,580,335</u>

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

5.2 Cash and cash equivalents	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Balances with banks	5	7,400,658	2,580,335
Term deposit receipts - having original maturity of 3 months or less	6	-	2,850,000
		<u>7,400,658</u>	<u>5,430,335</u>

6. INVESTMENTS

At fair value through profit or loss

Corporate sukuk	6.1	600,000	675,000
Commercial papers	6.2	1,347,954	1,471,289
Term deposit receipts - having original maturity of 3 months or less	6.3	-	2,850,000
Bai muajjal receivable	6.4	872,000	1,274,710
		<u>2,819,954</u>	<u>6,270,999</u>

6.1 Corporate Sukuks

Name of the Security	Maturity date	Profit rate	As at July 1, 2019	Purchased during the period	Sales / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the fund	Total market value of investments
						Number of certificates		Carrying value as at December 31, 2019 (Rs in '000)		Percentage in relation to	
										----- (%) -----	
Hub Power Company Limited - II (A1+, PACRA) (note 6.1.1)	October 2, 2019	3 month KIBOR plus base rate of 1.00%	135,000	-	135,000	-	-	-	-	-	-
Hub Power Company Limited - V (AA+, PACRA) (note 6.1.2)	May 21, 2020	3 month KIBOR plus base rate of 1.50%	-	6,000	-	6,000	600,000	600,000	-	5.82%	21.28%
Total as at December 31, 2019							<u>600,000</u>	<u>600,000</u>			
Total as at June 30, 2019							<u>675,000</u>	<u>675,000</u>			

6.1.1 The nominal value of the sukuk certificates is Rs 5,000 each.

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

6.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the fund	Total market value of investments
						Number of certificates		Carrying value as at December 31, 2019 (Rupees in '000)		Percentage in relation to	
										----- (%) -----	
K-Electric Limited CP II (note 6.2.1)	September 2, 2019	6 month KIBOR plus base rate of 0.90%	1,500	-	1,500	-	-	-	-	-	-
K-Electric Limited CP III (note 6.2.1)	March 19, 2020	6 month KIBOR plus base rate of 1.30%	-	1,390	-	1,390	1,347,954	1,347,954	-	13.08%	47.80%
Total as at December 31, 2019							<u>1,390</u>	<u>1,347,954</u>	<u>1,347,954</u>		
Total as at June 30, 2019							<u>1,500</u>	<u>1,471,289</u>	<u>1,471,289</u>		

- 6.2.1** The nominal value of these commercial papers is Rs 1,000,000 each.
- 6.2.2** The securities are valued on the basis of amortization to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.

6.3 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2019	Term deposit receipts placed during the period	Matured during the period	As at December 31, 2019	Percentage in relation to Total market value of investment
		%	----- (Rupees in '000) -----				----(%)----
Faysal Bank Limited	September 6, 2019	10.75%	450,000	-	450,000	-	-
Askari Bank Limited	September 3, 2019	12.05%	1,200,000	-	1,200,000	-	-
UBL - Ameen	September 12, 2019	12.10%	1,200,000	-	1,200,000	-	-
Meezan Bank Limited	December 2, 2019	13.50%	-	1,000,000	1,000,000	-	-
Askari Bank Limited	December 11, 2019	13.10%	-	1,020,000	1,020,000	-	-
Total as at December 31, 2019						-	-
Total as at June 30, 2019						2,850,000	45.00%

6.4 Bai Muajjal Receivable

The Fund entered in a Bai Muajjal Transaction with Pak Brunei Investment Company Limited on December 13, 2019 against K-Electric Limited Commercial Paper III (issued on September 19, 2019) at an effective interest rate of 13.15%. The final payment is agreed to be received on June 12, 2020. The final transaction price is Rs. 922.860 million which includes deferred profit of Rs. 56.788 million.

- 6.4.1** The carrying amount of the Bai Muajjal receivable includes accrued profit amounting to Rs. 5.928 million.

7. CONTINGENCIES AND COMMITMENTS

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

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

As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of Money Market Scheme. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2018: 1%) per annum of the average net assets from July 1, 2019 to July 21, 2019. Effective from July 22, 2019, the management company has reduced the rate of remuneration from 1% to 0.6% of average annual net assets of the fund.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2019	June 30, 2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	42,903	30,896
Withholding tax and capital gain tax payable		8,143	44,483
Provision for Federal Excise Duty and related Sindh Sales tax on remuneration of the management company	9.2	27,018	27,018
Shariah advisor fee payable		606	472
Brokerage expense payable		152	85
Auditors' remuneration		279	335
Printing expense payable		112	111
Other expenses		116	-
Zakat payable		105	548
		79,434	103,948

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.22 (June 30, 2019: Re 0.18).

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 27.018 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.14 (June 30, 2019: Re 0.15) per unit.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

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

Net Assets (Rs.)	Previous Tariff	Revised Tariff (Flat Rate)
	Fee	
Upto Rs. 1 billion	0.15% per annum of net assets	0.065% per annum of Net Assets.
From Rs. 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% per annum of net assets exceeding Rs 1 billion.	
Exceeding Rs. 10 billion	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10 billion.	

Accordingly, the Fund has charged Trustee Fee @ 0.065% per annum during the current period.

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

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

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

12. ALLOCATED EXPENSES

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

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

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

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.58% which include 0.34% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

14. SELLING AND MARKETING EXPENSES

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

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	5,165	9,192
Sindh Sales Tax payable on management fee	671	1,195
Selling and marketing expenses	10,116	-
Allocated expenses payable	1,288	919
Meezan Bank Limited		
Balance with bank	104,675	131,399
Profit receivable on saving accounts	969	170

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	561	738
Sindh Sales Tax on trustee fee payable	73	96
Security deposit	100	100
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of nil units (June 30, 2019: 898,802 units)	-	45,365
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of nil units (June 30, 2019: 1,628,815 units)	-	82,211
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of nil units (June 30, 2019: 1,000,001 units)	-	50,473
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 221 units (June 30, 2019: 8,448 units)	12	426
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 4 units (June 30, 2019: nil)	-	-
Meezan Strategic Allocation Fund - MSAP - II		
Investment of nil units (June 30, 2019: 1,616 units)	-	82
Meezan Strategic Allocation Fund - MSAP - III		
Investment of nil units (June 30, 2019: 116,450 units)	-	5,878
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of nil units (June 30, 2019: 158,203 units)	-	7,985
Meezan Strategic Allocation Fund - MSAP - V		
Investment of nil units (June 30, 2019: 786,614 units)	-	39,703
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 19 units (June 30, 2019: nil units)	1	-
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of 44 units (June 30, 2019: nil units)	2	-
Meezan Strategic Allocation Fund II- MCPP - VI		
Investment of 42 units (June 30, 2019: nil units)	2	-
Meezan Strategic Allocation Fund II- MCPP - VII		
Investment of 2 units (June 30, 2019: nil units)	-	-
Meezan Strategic Allocation Fund II- MCPP - VIII		
Investment of 7 units (June 30, 2019: nil units)	-	-
Meezan Strategic Allocation Fund II- MCPP - IX		
Investment of nil units (June 30, 2019: 64,627units)	-	3,262
Directors and executives of the Management Company		
Investment of 407,080 units (June 30, 2019: 485,288 units)	21,726	24,494


**Six months period ended
 December 31,**
AI Meezan Investment Management Limited - the Management Company

	2019 (Unaudited)	2018 (Unaudited)
	(Rupees in '000)	
Remuneration for the period	34,256	54,441
Sindh Sales Tax on remuneration of Management Company	4,453	7,077
Selling and marketing expense	18,637	-
Allocated expenses	7,619	5,444
Units issued: 16 units (December 31, 2018: 992 units)	1	-
Units redeemed: 16 units (December 31, 2018: nil units)	1	-

Meezan Bank Limited

Profit on saving accounts	2,995	1,980
Term deposit receipt placed	1,000,000	-
Term deposit matured	1,000,000	-
Profit on term deposit receipt	33,623	-

Central Depository Company of Pakistan Limited - the Trustee

Trustee fee for the period	3,438	4,401
Sindh Sales Tax on remuneration of the trustee	447	572
CDS charges	3	4

Meezan Financial Planning Fund of Funds
- Aggressive Allocation Plan

Units issued: nil units (December 31, 2018: 99,756 units)	-	5,061
Units redeemed: 898,802 units (December 31, 2018: 214,809 units)	45,839	11,088
Dividend paid	-	2,304
Refund of capital	-	257

Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan

Units issued: nil units (December 31, 2018: 251,200 units)	-	12,805
Units redeemed: 1,628,815 units (December 31, 2018: 558,850 units)	83,034	28,646
Dividend paid	-	3,957
Refund of capital	-	410

Meezan Financial Planning Fund of Funds
- Moderate Allocation Plan

Units issued: nil units (December 31, 2018: 63,204 units)	-	3,187
Units redeemed: 1,000,001 units (December 31, 2018: 393,693 units)	50,914	20,104
Dividend paid	-	2,766
Refund of capital	-	421

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 3,821,029 units (December 31, 2018: 24,238 units)	196,322	1,223
Units redeemed: 3,829,256 units (December 31, 2018: 540,004 units)	199,398	27,840
Dividend paid	-	855
Refund of capital	-	368

Meezan Financial Planning Fund of Funds - MAAP - IV

Units issued: nil units (December 31, 2018: 7,368,899 units)	-	372,084
Units redeemed: nil units (December 31, 2018: 8,331,559 units)	-	421,491
Dividend paid	-	1,833
Refund of capital	-	251

	Six months period ended	
	December 31,	
	2019	2018
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 11,301,674 units (December 31, 2018: 78,130 units)	596,752	3,941
Units redeemed: 11,301,670 units (December 31, 2018: 1,898,170 units)	<u>597,678</u>	<u>97,777</u>
Dividend paid	<u>-</u>	<u>3,863</u>
Refund of capital	<u>-</u>	<u>78</u>
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: nil units (December 31, 2018: 70,389 units)	-	3,550
Units redeemed: 1,616 units (December 31, 2018: 1,333,927 units)	<u>83</u>	<u>68,750</u>
Dividend paid	<u>-</u>	<u>3,550</u>
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: nil units (December 31, 2018: 127,316 units)	-	6,421
Units redeemed: 116,450 units (December 31, 2018: 1,865,726 units)	<u>5,926</u>	<u>96,330</u>
Dividend paid	<u>-</u>	<u>6,326</u>
Refund of capital	<u>-</u>	<u>95</u>
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: nil units (December 31, 2018: 151,285 units)	-	7,630
Units redeemed: 158,203 units (December 31, 2018: 2,594,974 units)	<u>8,082</u>	<u>133,600</u>
Dividend paid	<u>-</u>	<u>7,528</u>
Refund of capital	<u>-</u>	<u>102</u>
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: nil units (December 31, 2018: 92,100 units)	-	4,644
Units redeemed: 786,614 units (December 31, 2018: 796,120 units)	<u>40,274</u>	<u>41,090</u>
Dividend paid	<u>-</u>	<u>3,312</u>
Refund of capital	<u>-</u>	<u>1,332</u>
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units Issued: 37,706,480 units (December 31, 2018: 9,595,642 units)	1,920,788	490,577
Units redeemed: 37,706,461 units (December 31, 2018: 10,095,802 units)	<u>1,944,923</u>	<u>517,044</u>
Dividend paid	<u>-</u>	<u>16,480</u>
Refund of capital	<u>-</u>	<u>33,815</u>
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 25,324,885 units (December 31, 2018: 18,231,373 units)	1,281,258	929,605
Units redeemed: 25,324,885 units (December 31, 2018: 19,110,914 units)	<u>1,295,287</u>	<u>977,640</u>
Dividend paid	<u>-</u>	<u>13,834</u>
Refund of capital	<u>-</u>	<u>59,534</u>
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 7,369,902 units (December 31, 2018: 8,681,998 units)	372,855	441,001
Units redeemed: 7,369,858 units (December 31, 2018: 7,275,649 units)	<u>375,734</u>	<u>371,770</u>
Dividend paid	<u>-</u>	<u>1,360</u>
Refund of capital	<u>-</u>	<u>19,413</u>
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 5,855,367 units (December 31, 2018: 14,282,003 units)	296,207	727,000
Units redeemed: 5,855,325 units (December 31, 2018: 4,470,669)	<u>298,555</u>	<u>228,796</u>


**Six months period ended
 December 31,**

	2019	2018
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 3,058,519 units (December 31, 2018: 7,633,163 units)	154,708	393,500
Units redeemed: 3,058,517 units (December 31, 2018: 2,250,089 units)	<u>155,937</u>	<u>116,160</u>
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 4,124,642 units (December 31, 2018: 211,552 units)	209,083	11,000
Units redeemed: 4,124,635 units (December 31, 2018: nil units)	<u>209,717</u>	<u>-</u>
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: 1,474,895 units (December 31, 2018: Nil units)	74,789	-
Units redeemed: 1,539,522 units (December 31, 2018: nil units)	<u>78,256</u>	<u>-</u>
Directors and Executives of the Management Company		
Units issued: 475,083 units (December 31, 2018: 621,671 units)	24,551	31,805
Units redeemed: 552,422 units (December 31, 2018: 464,066 units)	<u>28,532</u>	<u>13,832</u>

16. TAXATION

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

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

17. FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

As at December 31, 2019, the Fund held the following financial instruments measured at fair values:

As at December 31, 2019				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Corporate sukuk	-	600,000	-	600,000
Commercial papers*	-	1,347,954	-	1,347,954
Bai Muajjal receivable	-	872,000	-	872,000
	-	2,819,954	-	2,819,954

As at June 30, 2019				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Corporate sukuk	-	675,000	-	675,000
Commercial papers*	-	1,471,289	-	1,471,289
Term deposit receipts	-	2,850,000	-	2,850,000
Bai Muajjal receivable	-	1,274,710	-	1,274,710
	-	6,270,999	-	6,270,999

* The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

18. GENERAL

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

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

19. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on 10-Feb-2020 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director

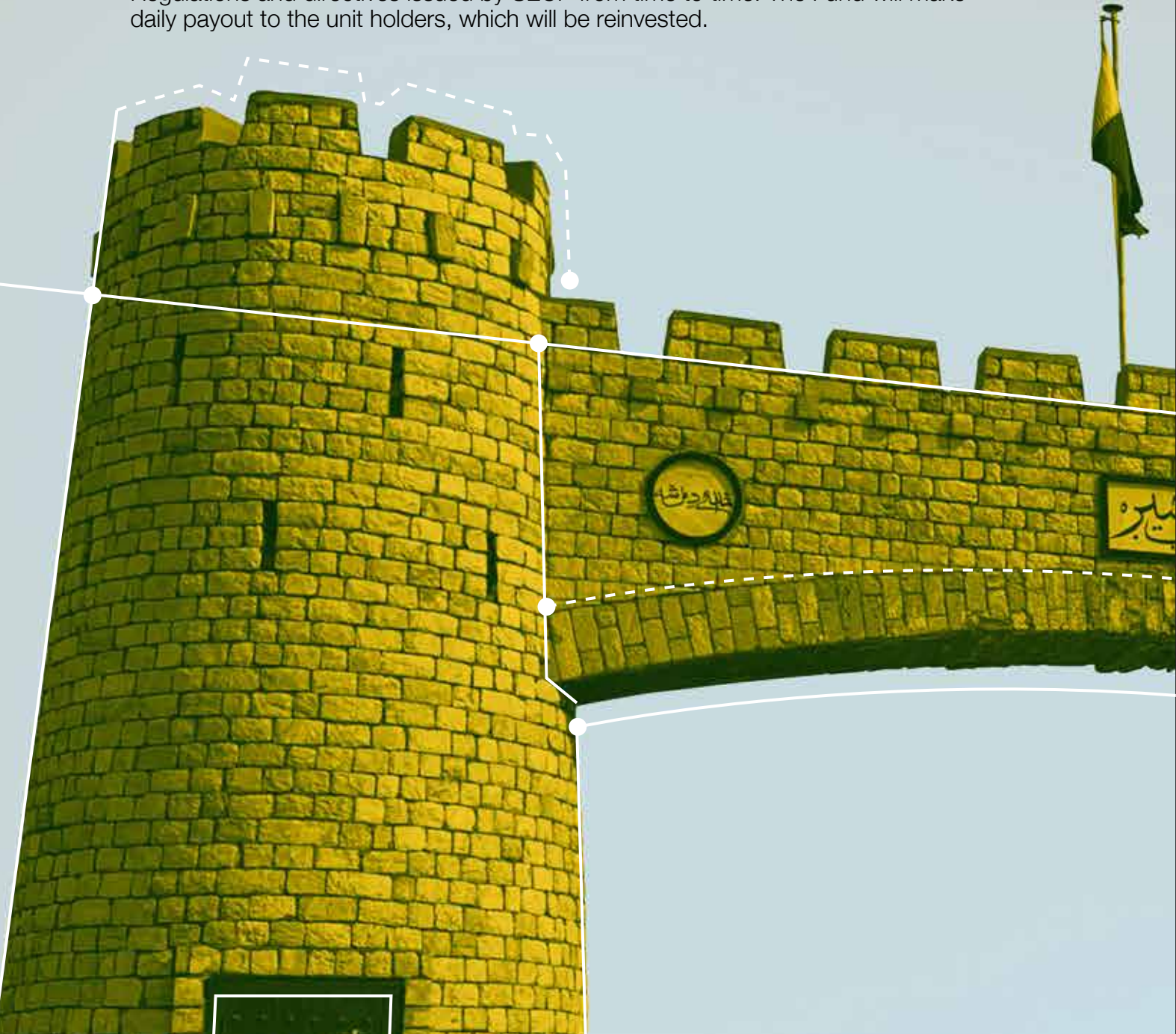


Meezan
Rozana Amdani Fund


MEEZAN ROZANA AMDANI FUND (MRAF)

Meezan Rozana Amdani Fund the objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments.

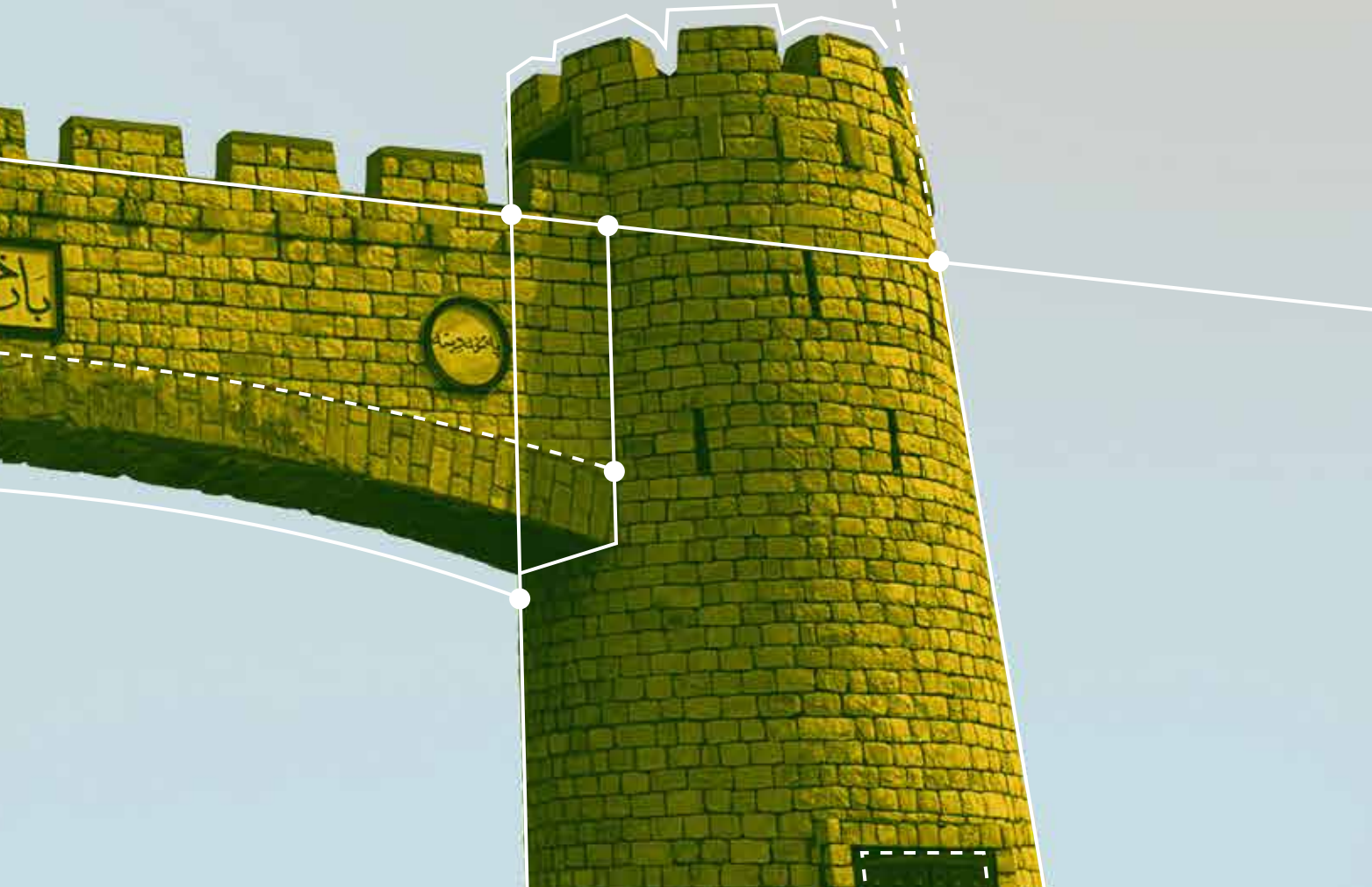
The Fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time. The Fund will make daily payout to the unit holders, which will be reinvested.



BUILDING ON THE VALUES OF GROWTH IN THE CITY OF FLOWERS

 Peshawar Branch

**KHYBER PASS
(PESHAWAR)**



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited -Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ROZANA AMDANI FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Rozana Amdani Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Rozana Amdani Fund** (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2019. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

Scope of Review

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

Conclusion

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


Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 26, 2020
Karachi

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



Meezan
 Rozana Amdani Fund

		December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Balances with banks	5	26,295,735	7,673,651
Investments	6	5,572,060	8,359,401
Receivable against conversion of units		93,530	74,205
Profit receivable		251,741	160,695
Preliminary expenses and floatation costs		799	899
Deposits and prepayments		577	266
Total assets		<u>32,214,442</u>	<u>16,269,117</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - the Management Company	10	31,278	9,360
Payable to Central Depository Company of Pakistan Limited - the Trustee	11	1,778	1,173
Payable to the Securities and Exchange Commission of Pakistan	12	2,565	3,418
Payable against conversion and redemption of units		72,066	96,609
Dividend payable		10,858	9,333
Accrued expenses and other liabilities	8	56,141	14,784
Total liabilities		<u>174,686</u>	<u>134,677</u>
Net assets		<u><u>32,039,756</u></u>	<u><u>16,134,440</u></u>
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		<u><u>32,039,756</u></u>	<u><u>16,134,440</u></u>
		----- (Number of units) -----	
Number of units in issue		<u><u>640,795,143</u></u>	<u><u>322,688,791</u></u>
		----- (Rupees) -----	
Net asset value per unit		<u><u>50.0000</u></u>	<u><u>50.0000</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018	For the quarter ended December 31, 2019
	Note ----- (Rupees in '000) -----		
Income			
Net realised loss on sale of investment	(1,265)	-	(437)
Profit on sukuk certificates and commercial papers	182,349	-	104,316
Profit on term deposit receipts	277,362	-	120,807
Profit on Bai Muajjal	6.4 138,033	-	67,745
Profit on saving accounts with banks	1,076,514	929	647,300
Total income	1,672,993	929	939,731
Expenses			
Remuneration of AI Meezan Investment Management Limited - the Management Company	10 37,186	46	18,795
Sindh Sales Tax on remuneration of the Management Company	4,834	6	2,443
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	11 8,335	12	4,565
Sindh Sales Tax on remuneration of the trustee	1,084	2	594
Annual fee to the Securities and Exchange Commission of Pakistan	12 2,564	6	1,404
Selling and marketing expenses	13 40,087	-	23,879
Brokerage expense	845	-	457
Auditors' remuneration	290	2	190
Fees and subscription	829	3	510
Amortization of preliminary expenses and floatation costs	101	2	51
Bank and settlement charges	683	-	237
Provision for Sindh Workers' Welfare Fund	8.1 31,523	17	17,732
Total expenses	128,361	96	70,857
Net income for the period before taxation	1,544,632	833	868,874
Taxation	15 -	-	-
Net income for the period after taxation	1,544,632	833	868,874
Allocation of net income for the period			
Net income for the period after taxation	1,544,632	833	
Income already paid on units redeemed	-	-	
	1,544,632	833	
Accounting income available for distribution			
- Relating to capital gains	-	-	
- Excluding capital gains	1,544,632	833	
	1,544,632	833	

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018	For the quarter ended December 31, 2019
	----- (Rupees in '000) -----		
Net income for the period after taxation	1,544,632	833	868,874
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	<u>1,544,632</u>	<u>833</u>	<u>868,874</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

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

	For the six months period ended December 31, 2019			For the period from December 28, 2018 to December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the period	16,134,440	-	16,134,440	-	-	-
Issuance of 1,073,789,840 units (December 31, 2018: 20,649,833 units)						
- Capital value (at par value)	53,689,492	-	53,689,492	1,032,492	-	1,032,492
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	53,689,492	-	53,689,492	1,032,492	-	1,032,492
Redemption of 755,683,529 units (December 31, 2018: nil units)						
- Capital value (at par value)	37,784,176	-	37,784,176	-	-	-
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	37,784,176	-	37,784,176	-	-	-
Total comprehensive income for the period	-	1,544,632	1,544,632	-	833	833
Distribution during the period *	-	(1,544,632)	(1,544,632)	-	(833)	(833)
Net income for the period less distribution	-	-	-	-	-	-
Net assets at the end of the period	<u>32,039,756</u>	<u>-</u>	<u>32,039,756</u>	<u>1,032,492</u>	<u>-</u>	<u>1,032,492</u>
Undistributed income brought forward						
- Realised income		-			-	
- Unrealised income		-			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,544,632			833	
		1,544,632			833	
Distribution during the period *		(1,544,632)			(833)	
Undistributed income carried forward		<u>-</u>			<u>-</u>	
Undistributed income carried forward						
- Realised income		-			-	
- Unrealised income		-			-	
		<u>-</u>			<u>-</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>50.0000</u>			<u>50.0000</u>	
Net asset value per unit at the end of the period		<u>50.0000</u>			<u>50.0000</u>	

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,544,632	833
Adjustments for:		
Preliminary expense and flotation costs	100	(1,019)
	<u>1,544,732</u>	<u>(186)</u>
(Increase) in assets		
Investments - net	(1,862,659)	-
Deposits and prepayments	(311)	-
Profit receivable	(91,046)	-
	<u>(1,954,016)</u>	<u>-</u>
	<u>(409,284)</u>	<u>(186)</u>
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	21,918	94
Payable to Central Depository Company of Pakistan Limited - Trustee	605	15
Payable to Securities and Exchange Commission of Pakistan	(853)	6
Accrued expenses and other liabilities	41,357	145
	<u>63,027</u>	<u>260</u>
Net cash (used in) / generated from operating activities	<u>(346,257)</u>	<u>74</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	53,670,167	1,026,799
Payments against redemption and conversion of units	(37,808,719)	-
Dividend paid	(1,543,107)	(833)
Net cash generated from financing activities	<u>14,318,341</u>	<u>1,025,966</u>
Net increase in cash and cash equivalents during the period	<u>13,972,084</u>	<u>1,026,040</u>
Cash and cash equivalents at the beginning of the period	12,323,651	-
Cash and cash equivalents at the end of the period	<u>5.3</u> <u>26,295,735</u>	<u>1,026,040</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ROZANA AMDANI FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Rozana Amdani Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 29, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Dr. Imran Ashraf Usmani as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah Compliant Money Market Scheme and has the following specific features:
- (a) Dividend will be distributed to the entitled unit holders on a daily basis.
 - (b) Daily dividend received by the unit holder shall be reinvested.
- By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.
- 1.4** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 29, 2017) and PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The stability rating of the Fund is AA(f) given by VIS Credit Rating Company Limited.
- 1.6** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2019.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

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

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

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

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

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

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	26,295,701	7,673,626
In current accounts		34	25
		<u>26,295,735</u>	<u>7,673,651</u>

5.1 The balances in saving accounts have an expected profit ranging from 3.00% to 14.45% per annum (June 30, 2019: 4.00% to 11.85% per annum)

5.3 Cash And cash equivalents	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Balances with banks	5	26,295,735	7,673,651
Term deposit receipts having original maturity of 3 months or less	6	-	4,650,000
		<u>26,295,735</u>	<u>12,323,651</u>

6. INVESTMENTS

At fair value through profit or loss

Commercial paper	6.1	2,550,297	675,000
Corporate sukuk	6.2	600,000	1,558,584
Term deposit receipts having original maturity of 3 months or less	6.3	-	4,650,000
Bai Muajjal receivable	6.4	2,421,763	1,475,817
		<u>5,572,060</u>	<u>8,359,401</u>

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	As a percentage of net assets of the fund	As a percentage of total market value of investment
			(Number of certificates)			(Rupees in '000)			--- % ---		
K-Electric Limited CP-1 Sukuk (note 6.1.1)	September 2, 2019	6 months Kibor plus base rate of 0.90%	1,589	-	1,589	-	-	-	-	-	-
K-Electric Limited CP-2 Sukuk (note 6.1.1)	February 28, 2020	6 months Kibor plus base rate of 1.30%	-	1,200	-	1,200	1,173,251	1,173,251	-	3.66%	21.06%
K-Electric Limited CP-3 Sukuk (note 6.1.1)	March 19, 2020	6 months Kibor plus base rate of 1.30%	-	1,420	-	1,420	1,377,046	1,377,046	-	4.30%	24.71%
Total as at December 31, 2019							<u>2,550,297</u>	<u>2,550,297</u>			
Total as at June 30, 2019							<u>1,558,584</u>	<u>1,558,584</u>			

6.1.1 The nominal value of these sukuk certificates is Rs 1,000,000 each.

6.1.2 The securities are valued on the basis of amortization to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of up to six months.

6.2 Corporate sukuk

Name of the security	Maturity date	Profit rate	As at July 1, 2019	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution)	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)			----- % -----		
Hub Power Company Limited V (AA+, PACRA) (note 6.2.2)	May 21, 2020	3 months Kibor plus base rate of 1.50%	6,000	-	-	6,000	600,000	600,000	-	1.87%	10.77%
Hub Power Company Limited II (A1+, PACRA) (note 6.2.1)	October 2, 2019	3 months Kibor plus base rate of 1.00%	135,000	-	135,000	-	-	-	-	-	-
Total as at December 31, 2019							<u>600,000</u>	<u>600,000</u>			
Total as at June 30, 2019							<u>675,000</u>	<u>675,000</u>			

- 6.2.1 The nominal value of the sukuk certificates is Rs 5,000 each.
- 6.2.2 The nominal value of the sukuk certificates is Rs 100,000 each.

6.3 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2019	Term deposit receipts placed during the period	Matured during the period	As at December 31, 2019	Percentage in relation to	
							Net assets of the fund	Total market value of investment
		%	----- (Rupees in '000) -----				-----%-----	
Faysal Bank Limited	September 8, 2019	12.15%	1,550,000	-	1,550,000	-	-	-
Askari Bank Limited	September 17, 2019	12.05%	1,600,000	-	1,600,000	-	-	-
Meezan Bank Limited	September 20, 2019	12.25%	1,500,000	-	1,500,000	-	-	-
Faysal Bank Limited	December 6, 2019	13.53%	-	2,000,000	2,000,000	-	-	-
Meezan Bank Limited	December 2, 2019	13.50%	-	1,200,000	1,200,000	-	-	-
Meezan Bank Limited	December 20, 2019	13.50%	-	1,500,000	1,500,000	-	-	-
Total as at December 31, 2019				4,700,000	9,350,000	-		
Total as at June 30, 2019				7,290,000	2,640,000	4,650,000		

6.4 Bai Muajjal receivable

The Fund entered in a Bai Muajjal Transaction with Pak Brunei Investment Company Limited on December 05, 2019, December 11, 2019 and December 16, 2019 against K-Electric Limited Commercial Paper III (issued on September 19, 2019) at an effective interest rate of 13.15%. The final payment is agreed to be received on June 05, 2020, June 11, 2020 and June 16, 2020 respectively. The final transaction prices are Rs. 1,022.339 million, Rs.1,024.819 million, Rs. 513.597 million respectively which include deferred profit of Rs. 63.234 million, Rs. 63.387 million and Rs. 31.767 million respectively.

7. CONTINGENCIES AND COMMITMENTS

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

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Auditors' remuneration		262	200
Brokerage payable		259	85
Shariah advisor fee payable		538	538
Withholding tax payable		13,994	4,649
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	40,822	9,299
Other payables		116	-
Zakat payable		150	13
		<u>56,141</u>	<u>14,784</u>

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period ended December 31, 2019, the dividend paid by the Fund during the period December 31, 2019 would have been higher by Re. 0.06 per unit (June 30, 2019: 0.03 per unit).

9. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.00% which includes 0.31% representing government levy, Sindh Workers' Welfare Fund and SECP fee (December 31, 2018: 0.58% which included 0.19 % representing government levy, Sindh Workers' Welfare Fund and SECP fee).

10. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

During the period, the Management Company has reduced charging of the remuneration from 5% to 2% of gross earnings of the Fund subject to minimum of 0.25% and maximum of 1% of average annual net assets. The reduction in remuneration is effective from July 22, 2019.

11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed. During the period the trustee has revised its tariff with effect from July 1, 2019 as follows:

Net Assets (Rs.)	Previous Tariff		Revised Tariff (Flat Rate)
	Fee		
Up to Rs. 1 billion	0.15% per annum of net assets		0.065% per annum of Net Assets.
From Rs. 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% per annum of net assets exceeding Rs 1 billion.		
Exceeding Rs. 10 billion	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10 billion.		

Accordingly, the Fund has charged Trustee Fee @ 0.065% per annum during the current period.

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

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

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

13. SELLING AND MARKETING EXPENSES

Effective from July 22, 2019, the Management Company has started charging selling and marketing expenses to the Fund. The Management Company, based on its own discretion has currently determined a capping of 0.34% of the average annual net assets of the fund for charging of selling and marketing expenses to the Fund which has also been approved by the Board.

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	6,548	8,283
Sindh Sales Tax on management fee payable	851	1,077
Selling and marketing expense payable	23,879	-
Investment of 33,961,618 units (June 30, 2019:16,629,842 units)	1,698,081	835,975
Meezan Bank Limited		
Bank balance	79,675	55,616
Profit receivable on saving accounts	349	364
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,573	1,038
Sindh Sales Tax on trustee fee payable	205	135
Security deposit	100	100
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 11,563,338 units (June 30, 2019:1,486,486 units)	578,167	74,324
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 2,897,526 units (June 30, 2019:1,014,332 units)	144,876	50,717
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 4,814,674 units (June 30, 2019:1,222,400 units)	240,734	61,120
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 5,121,934 units (June 30, 2019:1,378,452 units)	256,097	68,923
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 1,235,202 units (June 30, 2019:220,080 units)	61,760	11,004
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 13,671,442 units (June 30, 2019:4,521,293 units)	683,572	226,065
Meezan Strategic Allocation Fund -II - MCPP - IV		
Investment of 18,019,583 units (June 30, 2019:6,081,739 units)	900,979	304,087
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of 4,084,263 units (June 30, 2019:2,000,572 units)	204,213	100,029
Meezan Strategic Allocation Fund II- MCPP - VI		
Investment of 3,915,796 units (June 30, 2019:1,420,406 units)	195,790	71,020
Meezan Strategic Allocation Fund II- MCPP - VII		
Investment of 2,061,675 units (June 30, 2019:760,217 units)	103,084	38,011
Meezan Strategic Allocation Fund II- MCPP - VIII		
Investment of 1,090,559 units (June 30, 2019:460,132 units)	54,528	23,007
Meezan Strategic Allocation Fund III- MCPP - IX		
Investment of 1,140,970 units (June 30, 2019: Nil units)	57,048	-
Unitholders holding 10 percent or more of the Fund		
Investment of 232,497,621 units (June 30, 2019:58,295,559 units)	11,624,881	2,914,778
Directors and Executives of the Management Company		
Investment of 152,484 units (June 30, 2019: 2,291,179 units)	7,624	114,559

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018
(Rupees in '000)		
Al Meezan Investment Management Company Limited - Management Company		
Remuneration for the period	37,186	46
Sindh Sales Tax on management fee for the period	4,834	6
Selling and marketing expense	40,087	-
Units issued: 27,371,776 units (December 31, 2018: 6,007,067 units)	1,368,589	300,353
Units redeemed: 10,040,000 units (December 31, 2018: Nil units)	502,000	-
Dividend paid	73,844	313
Meezan Bank Limited		
Profit on saving account	7,792	1,149
Term deposit receipt placed	2,700	-
Term deposit receipt matured	2,700	-
Profit on term deposit receipts	132,910	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration fee for the period	8,335	12
Sindh Sales Tax on trustee fee for the period	1,084	2
CDS charges	438	-
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 24,936,614 units	1,246,831	-
Units redeemed: 14,859,762 units	742,988	-
Dividend paid	22,059	-
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 3,547,664 units	177,383	-
Units redeemed: 1,664,470 units	83,224	-
Dividend paid	7,525	-
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 5,661,695 units	283,085	-
Units redeemed: 2,069,421 units	103,471	-
Dividend paid	11,434	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 5,765,922 units	288,296	-
Units redeemed: 2,022,440 units	101,122	-
Dividend paid	12,257	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 1,795,924 units	89,796	-
Units redeemed: 780,802 units	39,040	-
Dividend paid	3,184	-
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units issued: 37,420,392 units	1,871,020	-
Units redeemed: 28,270,243 units	1,413,512	-
Dividend paid	24,530	-
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 26,506,901 units	1,325,345	-
Units redeemed: 14,569,057 units	728,453	-
Dividend paid	49,568	-

	For the six months period ended December 31, 2019	For the period from December 28, 2018 to December 31, 2018
	(Rupees in '000)	
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 7,437,771 units	371,889	-
Units redeemed: 5,354,080 units	267,704	-
Dividend paid	14,525	-
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 6,173,431 units	308,672	-
Units redeemed: 3,678,041 units	183,902	-
Dividend paid	11,996	-
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 3,099,097 units	154,955	-
Units redeemed: 1,797,639 units	89,882	-
Dividend paid	6,488	-
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 4,949,235 units	247,462	-
Units issued: 4,318,808 units	215,940	-
Dividend paid	4,426	-
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: 4,173,849 units	208,692	-
Units issued: 3,032,879 units	151,644	-
Dividend paid	3,787	-
Directors and Executives of the Management Company		
Units issued: 126,604 units	6,330	-
Units redeemed: 2,263,247 units	113,162	-
Dividend paid	1,003	-

15. TAXATION

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

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

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

As at December 31, 2019, the Fund held the following financial instruments measured at fair values:

As at December 31, 2019				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Corporate sukuku	-	600,000	-	600,000
Commercial papers *	-	2,550,297	-	2,550,297
Term deposit receipts - having original maturity of 3 months or less *		-	-	-
Bai Muajjal receivable	-	2,421,763	-	2,421,763
	-	5,572,060	-	5,572,060

As at June 30, 2019				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Corporate sukuku	-	675,000	-	675,000
Commercial papers *	-	1,558,584	-	1,558,584
Term deposit receipts - having original maturity of 3 months or less *		4,650,000	-	4,650,000
Bai Muajjal receivable	-	1,475,817	-	1,475,817
	-	8,359,401	-	8,359,401

* The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

17. GENERAL

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

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

18. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on 10-Feb-2020 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director