



**ILYASI MOSQUE**  
(ABBOTTABAD)




**Meezan**  
Tahaffuz Pension Fund

## **MEEZAN TAHAFFUZ PENSION FUND (MTPF)**

Meezan Tahaffuz Pension Fund is Pakistan's first and the largest Shariah compliant Voluntary Pension Scheme. MTPF is the best way to save and invest for your post-retirement needs and it has the potential to deliver superior returns with the added advantage of providing Tax Benefits which significantly enhances the yield on your investment.

## **STRENGTHENING OUR VALUES IN THE CITY OF HILLS**

 Abbottabad Branch



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

KPMG Taseer Hadi & Co  
Chartered Accountants  
Sheikh Sultan Trust Buildings, Ground No 2 Beaumont Rd, Civil Lines, Karachi-75530 Pakistan

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

Meezan Bank Limited  
Meezan House  
C-25, Estate Avenue, SITE, Karachi.  
Phone: 38103538 Fax: 36406017  
Website: [www.meezanbank.com](http://www.meezanbank.com)

## DISTRIBUTORS

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



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## **Independent Auditors' Review Report to the Participants of Meezan Tahaffuz Pension Fund**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Tahaffuz Pension Fund** ("the Fund") as at 31 December 2019 and the related condensed interim income statement and statement of comprehensive income, condensed interim cashflow statement, condensed interim statement of movement in participants' sub-funds, condensed interim contribution table, condensed interim number of units in issue and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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

### **Other Matter**

The figures for the quarter ended 31 December 2019 in the condensed interim income statement and statement of comprehensive income have not been reviewed and we do not express a conclusion on them.




KPMG Taseer Hadi & Co.

The interim financial information and financial statements of the fund for the six months period ended 31 December 2018 and for the year ended 30 June 2019 were reviewed and audited by another firm of chartered accountants who have expressed an unmodified conclusion and unmodified opinion vide their review report and audit report issued on 14 February 2019 and 18 September 2019 respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is Aryn Malik.

**Date: 20 February 2020**

**Karachi**

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**



**Meezan Tahaffuz Pension Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
As at December 31, 2019

Note	As at December 31, 2019 (Un-Audited)					As at June 30, 2019 (Audited)	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total	
----- (Rupees in '000) -----							
<b>ASSETS</b>							
Bank balances	4	198,488	1,500,071	2,373,419	10,787	4,082,765	3,306,722
Investments	5	4,533,386	1,353,602	243,764	-	6,130,752	5,681,753
Investment in gold	5.5	-	-	-	82,312	82,312	71,218
Dividend receivable		1,209	-	-	-	1,209	15,260
Deposits and other receivables	6	12,211	74,647	27,073	62	113,993	87,842
Receivable against sale of investments		18,450	-	-	-	18,450	3,698
Receivable against change of plan / change of fund manager / issuance of units		-	-	224	-	224	14,759
<b>Total assets</b>		<b>4,763,744</b>	<b>2,928,320</b>	<b>2,644,480</b>	<b>93,161</b>	<b>10,429,705</b>	<b>9,181,252</b>
<b>LIABILITIES</b>							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	7	6,627	4,120	3,694	131	14,572	12,480
Payable to Central Depository Company of Pakistan Limited - Trustee (CDC)	8	364	226	203	7	800	715
Payable to Securities and Exchange Commission of Pakistan (SECP)	9	652	465	400	16	1,533	3,100
Payable to auditors		64	64	64	64	256	252
Payable against purchase of investments		1,368	-	-	-	1,368	17
Payable against withdrawal / change of plan		5,449	3,639	2,292	-	11,380	24,345
Accrued expenses and other liabilities	10	82,829	22,855	9,920	776	116,380	90,024
<b>Total liabilities</b>		<b>97,353</b>	<b>31,369</b>	<b>16,573</b>	<b>994</b>	<b>146,289</b>	<b>130,933</b>
<b>NET ASSETS</b>		<b>4,666,391</b>	<b>2,896,951</b>	<b>2,627,907</b>	<b>92,167</b>	<b>10,283,416</b>	<b>9,050,319</b>
<b>Contingencies and commitments</b>							
Participants' sub funds (as per statement attached)		<u>4,666,391</u>	<u>2,896,951</u>	<u>2,627,907</u>	<u>92,167</u>		
----- (Number of units) -----							
Number of units in issue (as per statement attached)		<u>10,222,593</u>	<u>11,602,437</u>	<u>10,634,850</u>	<u>668,595</u>		
----- (Rupees) -----							
Net assets value per unit		<u>456.4782</u>	<u>249.6847</u>	<u>247.1033</u>	<u>137.8518</u>		

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

**For Al Meezan Investment Management Limited**  
(Pension Fund Manager)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive officer

\_\_\_\_\_  
Director

## Meezan Tahaffuz Pension Fund

### Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)

For the six months period ended December 31, 2019

Note	December 31, 2019					December 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
(Rupees in '000)						
<b>INCOME</b>						
	-	87,901	10,456	-	98,357	47,363
Profit from sukuk certificates						
Profit on saving accounts with banks	4.1	11,388	68,679	127,079	520	207,666
Profit on term deposit receipts		-	28,014	15,191	-	43,205
Dividend income		128,789	-	-	-	128,789
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1, 5.2.1	707,511	(955)	-	-	706,556
Unrealised appreciation on investment in gold	5.5	-	-	5,041	5,041	6,915
Net realised (loss) / gain on sale of investments		(16,804)	131	-	261	(16,412)
Other income		-	-	235	235	354
<b>Total income / (loss)</b>		<b>830,884</b>	<b>183,770</b>	<b>152,726</b>	<b>6,057</b>	<b>1,173,437</b>
						(496,374)
<b>EXPENSES</b>						
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager		29,381	20,929	18,016	714	69,040
Sindh Sales Tax on remuneration of the Pension Fund Manager		3,820	2,721	2,342	93	8,976
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,666	1,189	1,023	41	3,919
Sindh Sales Tax on remuneration of the Trustee		217	155	133	5	510
Annual fee to Securities and Exchange Commission of Pakistan		652	465	400	16	1,533
Auditors' remuneration		97	97	97	97	388
Brokerage charges and custodian fee		2,053	14	-	420	2,487
Bank and settlement charges		380	181	121	31	713
Charity expense		3,495	-	-	-	3,495
Provision for Sindh Workers' Welfare Fund	11	16,461	3,214	2,791	101	22,567
<b>Total expenses</b>		<b>58,222</b>	<b>28,965</b>	<b>24,923</b>	<b>1,518</b>	<b>113,628</b>
						94,146
<b>Net income/ (loss) from operating activities</b>		<b>772,662</b>	<b>154,805</b>	<b>127,803</b>	<b>4,539</b>	<b>1,059,809</b>
						(590,520)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)		33,918	2,670	8,939	388	45,915
<b>Net income / (loss) for the period before taxation</b>		<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>
						(601,464)
Taxation		-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>
						(601,464)
<b>Total comprehensive income / (loss) for the period</b>		<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>
						(601,464)

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director



**Meezan Tahaffuz Pension Fund**

**Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)**

For the three months period ended December 31, 2019

December  
31, 2018

	December 31, 2019				December 31, 2018	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
----- (Rupees in '000) -----						
<b>INCOME</b>						
Profit from sukuk certificates	-	46,171	5,546	-	51,717	27,030
Profit on saving accounts with banks	5,924	33,696	66,375	311	106,306	44,822
Profit on term deposit receipts	-	16,580	9,387	-	25,967	15,337
Dividend income	70,453	-	-	-	70,453	77,249
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	942,319	77	-	-	942,396	(522,660)
Unrealised appreciation on investment in gold	-	-	-	593	593	7,833
Net realised gain / (loss) on sale of investments	40,413	75	-	261	40,749	(67,375)
Other income	-	-	-	107	107	272
<b>Total income / (loss)</b>	<b>1,059,109</b>	<b>96,599</b>	<b>81,308</b>	<b>1,272</b>	<b>1,238,288</b>	<b>(417,492)</b>
<b>EXPENSES</b>						
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager	15,882	10,514	9,422	354	36,172	35,815
Sindh Sales Tax on remuneration of the Pension Fund Manager	2,065	1,367	1,225	46	4,703	4,657
Remuneration of Central Depository Company of Pakistan Limited - Trustee	889	589	528	20	2,026	2,011
Sindh Sales Tax on remuneration of the Trustee	116	77	69	3	265	263
Annual fee to Securities and Exchange Commission of Pakistan	353	233	209	3	798	796
Auditors' remuneration	69	68	69	69	275	208
Brokerage charges and custodian fee	1,547	15	-	211	1,773	1,508
Bank and settlement charges	308	114	119	10	551	467
Charity expense	1,804	-	-	-	1,804	1,209
Provision for Sindh Workers' Welfare Fund	16,461	1,755	1,509	3	19,728	1,693
	39,494	14,732	13,150	719	68,095	48,627
<b>Net income/ (loss) from operating activities</b>	<b>1,019,615</b>	<b>81,867</b>	<b>68,158</b>	<b>553</b>	<b>1,170,193</b>	<b>(466,119)</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	4,952	4,121	5,768	(405)	14,436	(12,672)
<b>Net income / (loss) for the period before taxation</b>	<b>1,024,567</b>	<b>85,988</b>	<b>73,926</b>	<b>148</b>	<b>1,184,629</b>	<b>(478,791)</b>
Taxation	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>1,024,567</b>	<b>85,988</b>	<b>73,926</b>	<b>148</b>	<b>1,184,629</b>	<b>(478,791)</b>
<b>Other comprehensive income</b>						
<b>Total comprehensive income for the period</b>	<b>1,024,567</b>	<b>85,988</b>	<b>73,926</b>	<b>148</b>	<b>1,184,629</b>	<b>(478,791)</b>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director



Meezan Tahaffuz Pension Fund  
Condensed Interim Cash Flow Statement (Un-Audited)  
For the six months period ended December 31, 2019

Note	December 31, 2019					December 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
(Rupees in '000)						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Net income / (loss) for the period</b>	<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>	<b>(601,464)</b>
<b>Adjustments</b>						
Unrealised (appreciation)/diminution on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1, 5.2.1 (707,511)	955	-	-	(706,556)	714,520
Unrealised appreciation on investment in gold	5.5 -	-	-	(5,041)	(5,041)	(6,915)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(33,918)	(2,670)	(8,939)	(388)	(45,915)	10,944
	<b>65,151</b>	<b>155,760</b>	<b>127,803</b>	<b>(502)</b>	<b>348,212</b>	<b>117,085</b>
<b>Decrease / (increase) in assets</b>						
Investments - net	95,179	142,742	19,636	(6,053)	251,504	780,501
Dividend receivable	14,051	-	-	-	14,051	6,087
Receivable against sale of investments (net)	(14,752)	-	-	-	(14,752)	-
Deposits and other receivables	(3,593)	(21,365)	(1,187)	(6)	(26,151)	(13,108)
	<b>90,885</b>	<b>121,377</b>	<b>18,449</b>	<b>(6,059)</b>	<b>224,652</b>	<b>773,480</b>
<b>Increase in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Pension Fund Manager	783	355	931	23	2,092	775
Payable to Central Depository Company of Pakistan Limited - Trustee	29	10	45	1	85	39
Payable to Securities and Exchange Commission of Pakistan	(1,045)	(428)	(90)	(4)	(1,567)	(1,331)
Payable to auditors	1	1	1	1	4	28
Payable against purchase of investments (net)	1,368	-	-	(17)	1,351	5,349
Accrued expenses and other liabilities	20,199	3,196	2,791	170	26,356	5,932
	<b>21,335</b>	<b>3,134</b>	<b>3,678</b>	<b>174</b>	<b>28,321</b>	<b>10,792</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>177,371</b>	<b>280,271</b>	<b>149,930</b>	<b>(6,387)</b>	<b>601,185</b>	<b>901,357</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Receipts of contribution / change of plan / change of fund manager / issuance of units	884,421	1,214,483	1,648,762	15,205	3,762,871	3,051,515
Payments on withdrawal / change of plan	(1,086,264)	(1,264,889)	(1,226,844)	(10,016)	(3,588,013)	(2,360,816)
<b>Net cash generated from / (used in) financing activities</b>	<b>(201,843)</b>	<b>(50,406)</b>	<b>421,918</b>	<b>5,189</b>	<b>174,858</b>	<b>690,699</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(24,472)</b>	<b>229,865</b>	<b>571,848</b>	<b>(1,198)</b>	<b>776,043</b>	<b>1,592,056</b>
Cash and cash equivalents at beginning of the period	222,960	1,270,206	1,801,571	11,985	3,306,722	1,450,885
<b>Cash and cash equivalents at end of the period</b>	<b>198,488</b>	<b>1,500,071</b>	<b>2,373,419</b>	<b>10,787</b>	<b>4,082,765</b>	<b>3,042,941</b>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director



**Meezan Tahaffuz Pension Fund**

**Condensed Interim Statement of Movement in Participants' Sub-Funds (Un-Audited)**

For the six months period ended December 31, 2019

	December 31, 2019				December 31, 2018	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	<b>4,086,115</b>	<b>2,807,052</b>	<b>2,072,836</b>	<b>84,316</b>	<b>9,050,319</b>	<b>9,257,013</b>
Amount received on issuance of units (2019: Equity sub fund: 2,421,344 units; Debt sub fund: 4,971,890 units; Money market sub fund: 6,863,867 units; and Gold sub fund: 95,408 units)  (2018: Equity sub fund: 1,898,913 units; Debt sub fund: 2,782,934 units; Money market sub fund: 6,969,061 units; and Gold sub fund: 35,495 units)	<b>884,421</b>	<b>1,201,601</b>	<b>1,648,986</b>	<b>13,328</b>	<b>3,748,336</b>	<b>3,051,114</b>
Amount paid on withdrawal of units (2019: Equity sub fund: 3,020,705 units Debt sub fund: 5,258,088 units; Money market sub fund: 5,078,003 units ; Gold sub fund: 72,997 units)  (2018: Equity sub fund: 1,320,239 units; Debt sub fund: 3,976,379 units; Money market sub fund: 3,898,634 units ; Gold sub fund: 12,847 units)	<b>(1,076,807)</b>	<b>(1,266,507)</b>	<b>(1,221,718)</b>	<b>(10,016)</b>	<b>(3,575,048)</b>	<b>(2,366,390)</b>
	<b>(192,386)</b>	<b>(64,906)</b>	<b>427,268</b>	<b>3,312</b>	<b>173,288</b>	<b>684,724</b>
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	<b>(33,918)</b>	<b>(2,670)</b>	<b>(8,939)</b>	<b>(388)</b>	<b>(45,915)</b>	<b>10,944</b>
Net realised (loss) / gain on sale of investments	<b>(16,804)</b>	<b>131</b>	<b>-</b>	<b>261</b>	<b>(16,412)</b>	<b>(77,051)</b>
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	<b>707,511</b>	<b>(955)</b>	<b>-</b>	<b>-</b>	<b>706,556</b>	<b>(714,520)</b>
Unrealised appreciation on investment in gold	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,041</b>	<b>5,041</b>	<b>6,915</b>
Other net income for the period	<b>115,873</b>	<b>158,299</b>	<b>136,742</b>	<b>(375)</b>	<b>410,539</b>	<b>183,192</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>	<b>(601,464)</b>
<b>Net assets at end of the period</b>	<b>4,666,391</b>	<b>2,896,951</b>	<b>2,627,907</b>	<b>92,167</b>	<b>10,283,416</b>	<b>9,351,217</b>
Net assets value per unit at end of the period	<b>456.4782</b>	<b>249.6847</b>	<b>247.1033</b>	<b>137.8518</b>		

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

**For AI Meezan Investment Management Limited  
(Pension Fund Manager)**

Chief Financial Officer

Chief Executive officer

Director

Meezan Tahaffuz Pension Fund  
 Condensed Interim Contribution Table (Un-Audited)  
 For the six months period ended December 31, 2019

	December 31, 2019								December 31, 2018
	Equity sub-fund		Debt sub-fund		Money Market sub-fund		Gold sub-fund		Total
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)
<b>Contribution net of front end fee for the period</b>									
Individuals									
- issuance of units	<u>2,421,344</u>	<u>884,421</u>	<u>4,971,890</u>	<u>1,201,601</u>	<u>6,863,867</u>	<u>1,648,986</u>	<u>95,408</u>	<u>13,328</u>	<u>3,748,336</u>
									<u>3,051,114</u>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For Al Meezan Investment Management Limited  
 (Pension Fund Manager)

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Chief Executive officer

\_\_\_\_\_  
 Director



**Meezan Tahaffuz Pension Fund**  
**Condensed Interim Number Of Units In Issue (Un-Audited)**  
*For the six months period ended December 31, 2019*

	December 31, 2019			
	Equity sub - fund	Debt sub - fund	Money market sub -fund	Gold sub - fund
	----- (Number) -----			
Total units in issue at beginning of the period	10,821,954	11,888,635	8,848,986	646,184
Add: Units issued / converted / reallocated during the period	2,421,344	4,971,890	6,863,867	95,408
Less: Units redeemed / converted / reallocated during the period	(3,020,705)	(5,258,088)	(5,078,003)	(72,997)
Total units in issue at end of the period	<u>10,222,593</u>	<u>11,602,437</u>	<u>10,634,850</u>	<u>668,595</u>

	December 31, 2018			
	Equity sub - fund	Debt sub - fund	Money market sub -fund	Gold sub - fund
	----- (Number) -----			
Total units in issue at beginning of the period	10,977,414	12,523,118	4,643,622	491,873
Add: Units issued / converted / reallocated during the period	1,898,913	2,782,934	6,969,061	35,495
Less: Units redeemed / converted / reallocated during the period	(1,320,239)	(3,976,379)	(3,898,634)	(12,847)
Total units in issue at end of the period	<u>11,556,088</u>	<u>11,329,673</u>	<u>7,714,049</u>	<u>514,521</u>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

**For Al Meezan Investment Management Limited**  
**(Pension Fund Manager)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive officer

\_\_\_\_\_  
Director

# Meezan Tahaffuz Pension Fund

## Notes to the Condensed Interim Financial Information (Un-Audited)

For the six months period ended December 31, 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sharah-e-Faisal, Karachi 74400, Pakistan.

The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Gold Sub-Fund (collectively the "Sub-Funds"). Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and any unique circumstances. The Fund offers six types of allocation schemes to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility, Variable Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. Allocation scheme can be selected initially at the time of opening of account and subsequently the allocation and percentages may change twice in a financial year. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimization through diversification.

- 1.2 Summary of significant investment policy for each of the Sub-Fund is as follows:

#### Equity Sub-Fund

The Equity Sub-Fund shall invest atleast 90% of net assets in listed equity securities based on quarterly average investment calculated on daily basis. Investment in single company shall not exceed 10% of net assets or paid-up capital of the investee company, whichever is lower. Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with banks which are rated not less than "A".

#### Debt Sub-Fund

The Debt Sub-Fund shall invest in debt securities with maturity of not more than 5 years. At least 25 % of net assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25 % of net assets of Debt Sub-Fund may be deposited with banks having not less than "AA Plus" rating. However, if such debt securities issued by Federal Government are not available, the assets of Debt Sub-Fund may be deposited in Islamic Commercial Banks, having not less than "A+" rating or Islamic windows of conventional commercial banks, having not less than "AA" rating or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.

#### Money Market Sub-Fund

The Money Market Sub-Fund shall invest in short term debt instruments with weighted average maturity up to one year. Shariah Compliant Money Market Sub Fund can invest in shariah compliant government securities where the time to maturity may be up to three years.

#### Gold Sub-Fund

The Gold Sub-Fund consist of physical gold and aims to provide opportunities of capital appreciation and maximum exposure to price of gold in a Shariah Compliant manner, by investing a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX).

- 1.3 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Meezan Bank Limited (MBL) as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4 The Fund is an unlisted pension scheme. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the participants.
- 1.5 Title to the assets of the Sub Funds are held in the name of CDC as a Trustee of the Fund.
- 1.6 Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.7 The Pension Fund Manager has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2018: AM1 dated December 28, 2018) and AM1 by PACRA dated December 28, 2019 (2019: AM1 dated June 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

### 2 BASIS OF PREPARATION

#### 2.1 Basis of presentation

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

#### 2.2 Statement of Compliance

- 2.2.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules); and
- Provisions of and or directives issued by the Securities Exchange Commission of Pakistan (SECP).

In case where requirements differ, the VPS Rules and the provisions of and or directives issued by SECP shall prevail.

**2.2.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

**2.2.3** This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

### **2.3 Basis of Measurement**

This condensed interim financial information has been prepared under the historical cost convention except for certain investments which are stated at fair value.

### **2.4 Functional and presentation currency**

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency and rounded to nearest thousand rupees.

### **2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The entities may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. An entity shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Fund.
- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Fund's financial statements.

## **3 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT FRAMEWORK**

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

**3.2** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

4	BANK BALANCES	Note	December 31, 2019 (Un-Audited)				June 30, 2019	
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	(Audited) Total
----- (Rupees in '000) -----								
	In current accounts		4,257	-	-	-	4,257	1,295
	In savings accounts	4.1	194,231	1,500,071	2,373,419	10,787	4,078,508	3,305,427
			<u>198,488</u>	<u>1,500,071</u>	<u>2,373,419</u>	<u>10,787</u>	<u>4,082,765</u>	<u>3,306,722</u>

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 3.00% to 13.75% per annum (Year ended June 30, 2019: 3.0% - 12.50% per annum).

5	INVESTMENTS	Note	December 31, 2019 (Un-Audited)				June 30, 2019
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	(Audited) Total
----- (Rupees in '000) -----							
<b>Investments by category</b>							
<b>At fair value through profit or loss</b>							
	Listed equity securities	5.1	4,533,386	-	-	4,533,386	3,921,054
	Sukuk certificates	5.2	-	1,019,705	100,771	1,120,476	1,171,834
			<u>4,533,386</u>	<u>1,019,705</u>	<u>100,771</u>	<u>5,653,862</u>	<u>5,092,888</u>
<b>At amortised Cost</b>							
	Commercial papers	5.3	-	155,160	103,764	258,924	370,899
	Term deposit receipts	5.4	-	180,000	40,000	220,000	220,000
			-	335,160	143,764	478,924	590,899
	<b>Less: Provision for impairment losses</b>	5.2.3	-	(1,263)	(771)	(2,034)	(2,034)
			<u>4,533,386</u>	<u>1,353,602</u>	<u>243,764</u>	<u>6,130,752</u>	<u>5,681,753</u>

**5.1 Listed equity securities - at fair value through profit or loss**
**Held by Equity Sub-Fund**
**Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise**

Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Carrying Value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----			-----%-----	
<b>Automobile Assembler</b>										
Atlas Honda Limited	24,360	-	-	24,360	-	-	-	-	-	-
Millat Tractors Limited	50,550	5,000	6,093	6,800	54,843	41,871	38,633	(3,238)	0.83	0.11
Ghandhara Industries Limited	200,800	-	-	188,100	12,700	1,110	1,693	583	0.04	0.03
Indus Motor Company Limited	-	36,420	-	-	36,420	44,227	42,308	(1,919)	0.91	0.05
						<b>87,208</b>	<b>82,634</b>	<b>(4,574)</b>	<b>1.78</b>	
<b>Automobile Parts &amp; Accessories</b>										
Agriauto Industries Limited (Face value Rs. 5)	-	63,000	-	-	63,000	13,212	12,600	(612)	0.27	0.22
Thal Limited (Face value Rs. 5)	-	137,400	-	137,400	-	-	-	-	-	-
						<b>13,212</b>	<b>12,600</b>	<b>(612)</b>	<b>0.27</b>	
<b>Bank</b>										
Bank Islami Pakistan Limited	-	4,034,500	-	175,000	3,859,500	41,594	42,802	1,208	0.92	0.35
						<b>41,594</b>	<b>42,802</b>	<b>1,208</b>	<b>0.92</b>	
<b>Cement</b>										
D.G Khan Cement Company Limited	477,800	300,000	-	652,800	125,000	7,249	9,284	2,035	0.20	0.03
Lucky Cement Limited	792,456	155,000	-	93,000	854,456	327,370	366,049	38,679	7.84	0.26
Pioneer Cement Company Limited	2,600	-	-	2,600	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	354,062	52	-	354,000	114	2	3	1	-	-
Kohat Cement Company Limited	658,820	-	-	90,000	568,820	29,879	44,026	14,147	0.94	0.28
Attock Cement Pakistan Limited	20,500	-	-	20,000	500	36	52	16	-	-
Cherat Cement Company Limited	-	475,000	10,000	275,000	210,000	8,635	11,141	2,506	0.24	0.11
Fauji Cement Company Limited	-	595,000	-	595,000	-	-	-	-	-	-
						<b>373,171</b>	<b>430,555</b>	<b>57,384</b>	<b>9.22</b>	
<b>Chemical</b>										
Engropolymer & Chemicals Limited	1,976,709	2,020,000	-	2,068,500	1,928,209	53,211	64,036	10,825	1.37	0.21
ICI Pakistan Limited	205,820	7,000	-	300	212,520	112,786	143,419	30,633	3.07	0.23
Sitara Chemical Industries Limited	36,600	-	-	-	36,600	11,195	10,924	(271)	0.23	0.17
						<b>177,192</b>	<b>218,379</b>	<b>41,187</b>	<b>4.67</b>	



Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Carrying Value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----			-----%-----	
<b>Engineering</b>										
K.S.B Pumps Company Limited	67,500	-	-	7,600	59,900	6,050	10,181	4,131	0.22	0.45
International Steels Limited	359,100	250,000	-	609,100	-	-	-	-	-	-
International Industries Limited	209,500	447,000	50	209,000	447,550	43,813	49,605	5,792	1.06	0.34
Amreli Steels Limited	-	250,000	-	100,000	150,000	4,516	5,418	902	0.12	0.05
Mughal Iron & Steel Industries	-	282,500	-	50,000	232,500	7,286	9,526	2,240	0.20	0.09
						<b>61,665</b>	<b>74,730</b>	<b>13,065</b>	<b>1.60</b>	
<b>Fertilizer</b>										
Engro Corporation Limited (note 5.1.1)	1,473,120	-	-	176,700	1,296,420	344,329	447,589	103,260	9.59	0.23
Engro Fertilizers Limited	3,063,000	519,000	-	225,000	3,357,000	216,570	246,504	29,934	5.28	0.25
Dawood Hercules Corporation Limited	-	50,000	-	-	50,000	6,794	7,711	917	0.17	0.01
						<b>567,693</b>	<b>701,804</b>	<b>134,111</b>	<b>15.04</b>	
<b>Food and Personal Care Products</b>										
National Foods Limited (Face value Rs. 5)	100,000	-	3,680	81,600	22,080	3,389	4,902	1,513	0.11	0.01
Al-Shaheer Corporation Limited	33,160	-	-	-	33,160	417	468	51	0.01	0.02
At- Tahur Limited	8,318	-	831	-	9,149	164	192	28	-	0.01
						<b>3,970</b>	<b>5,562</b>	<b>1,592</b>	<b>0.12</b>	
<b>Oil and Gas Exploration Companies</b>										
Oil and Gas Development Company Limited	2,965,300	300,000	-	439,100	2,826,200	371,603	402,225	30,622	8.62	0.07
Pakistan Oilfields Limited	802,520	20,000	-	1,200	821,320	333,170	366,900	33,730	7.86	0.29
Pakistan Petroleum Limited	2,303,765	100,000	413,673	435,400	2,382,038	287,025	326,673	39,648	7.00	0.09
Mari Petroleum Company Limited	251,440	1,000	24,844	3,000	274,284	252,083	359,339	107,256	7.70	0.21
						<b>1,243,881</b>	<b>1,455,137</b>	<b>211,256</b>	<b>31.18</b>	
<b>Oil and Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	1,335,450	101,200	251,090	730,000	957,740	140,360	183,541	43,181	3.93	0.20
Attock Petroleum Limited	68,144	82,000	-	-	150,144	44,802	55,523	10,721	1.19	0.15
Sui Northern Gas Pipelines Limited	2,860,600	-	-	65,000	2,795,600	194,266	212,941	18,675	4.56	0.44
Sui Southern Gas Company Limited	142,500	-	-	-	142,500	2,947	3,067	120	0.07	0.02
Hascol Petroleum Limited	228,638	-	-	226,050	2,588	178	70	(108)	-	-
						<b>382,553</b>	<b>455,142</b>	<b>72,589</b>	<b>9.75</b>	
<b>Paper and Board</b>										
Packages Limited	209,601	3,000	-	15,000	197,601	59,337	78,791	19,454	1.69	0.22
Cherat Packaging Limited	328,540	-	26,554	63,000	292,094	21,413	35,469	14,056	0.76	0.69
						<b>80,750</b>	<b>114,260</b>	<b>33,510</b>	<b>2.45</b>	
<b>Glass &amp; Chemical</b>										
Tariq Glass Industries Limited	382,600	50,000	-	304,000	128,600	11,748	13,760	2,012	0.29	0.18
						<b>11,748</b>	<b>13,760</b>	<b>2,012</b>	<b>0.29</b>	



Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Carrying Value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----			-----%-----	
<b>Pharmaceuticals</b>										
AGP Limited	830,000	53,500	-	25,000	858,500	60,132	85,292	25,160	1.83	0.31
GlaxoSmithKline Consumer Healthcare	17,500	95,000	-	-	112,500	30,702	28,847	(1,855)	0.62	0.10
The Searle Company Limited	530,825	25,000	-	240,000	315,825	46,215	59,609	13,394	1.28	0.15
Highnoon Laboratories Limited	1,760	500	-	-	2,260	726	1,214	488	0.03	0.01
						<b>137,775</b>	<b>174,962</b>	<b>37,187</b>	<b>3.76</b>	
<b>Power Generation and Distribution</b>										
The Hub Power Company Limited	3,249,307	924,500	-	222,000	3,951,807	309,813	368,901	59,088	7.91	0.30
K-Electric Limited (Face value Rs. 3.5)	26,611,000	500,000	-	615,500	26,495,500	116,247	115,785	(462)	2.48	0.10
						<b>426,060</b>	<b>484,686</b>	<b>58,626</b>	<b>10.39</b>	
<b>Textile Composite</b>										
Nishat Mills Limited	532,700	215,000	-	385,000	362,700	32,276	38,497	6,221	0.82	0.10
						<b>32,276</b>	<b>38,497</b>	<b>6,221</b>	<b>0.82</b>	
<b>Textile Weaving</b>										
Feroze1888 Mills Limited	295,000	-	-	-	295,000	29,757	27,140	(2,617)	0.58	0.08
						<b>29,757</b>	<b>27,140</b>	<b>(2,617)</b>	<b>0.58</b>	
<b>Technology &amp; Communication</b>										
Pakistan Telecommunication Company Limited "A"	208,000	-	-	-	208,000	1,720	1,947	227	0.04	0.01
Avanceon Limited	370,500	-	-	370,000	500	25	19	(6)	-	-
Systems Limited	253,550	100,000	-	25,000	328,550	33,234	40,837	7,603	0.88	0.27
Netsol Technologies Limited	15,000	-	-	15,000	-	-	-	-	-	-
						<b>34,979</b>	<b>42,803</b>	<b>7,824</b>	<b>0.92</b>	
<b>Vanaspati &amp; Allied Industries</b>										
Unity Foods Limited	2,025,669	-	-	2,000,000	25,669	264	414	150	0.01	-
						<b>264</b>	<b>414</b>	<b>150</b>	<b>0.01</b>	
<b>Textile &amp; Apparel</b>										
Interloop Limited	2,713,500	-	-	-	2,713,500	120,127	157,519	37,392	3.38	0.31
						<b>120,127</b>	<b>157,519</b>	<b>37,392</b>	<b>3.38</b>	
						<b>3,825,875</b>	<b>4,533,386</b>	<b>707,511</b>		

**5.1.1** 145,000 shares (2019 : 145,000 shares) of Engro Corporation Limited having market value of Rs. 50.06 million as at December 31, 2019 (2019: 38.51 million) , have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

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

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2019.

## 5.2 Sukuk certificates - At fair value through profit or loss

### 5.2.1 Held by Debt Sub-Fund

Name of the Investee Company	Note	As at July 01, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of	
									Total Investments	Net Assets
-----Number of certificates-----						------(Rupees in '000)-----			------%-----	
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited		250	-	-	250	25,117	25,344	227	1.87	0.87
						<b>25,117</b>	<b>25,344</b>	<b>227</b>	<b>1.87</b>	<b>0.87</b>
<b>Electricity</b>										
K-electric Limited		1,200	-	1,200	-	-	-	-	-	-
K-electric Limited	5.2.2.2	-	8,000	-	8,000	40,000	40,000	-	2.96	1.38
Pakistan Energy Sukuk I	5.2.2.2	13,000	-	-	13,000	650,000	650,000	-	48.02	22.44
Shakarganj Foods Product Limited	5.2.2.3	18	-	-	18	16,730	16,464	(266)	1.22	0.57
						<b>706,730</b>	<b>706,464</b>	<b>(266)</b>	<b>52.20</b>	<b>24.39</b>
<b>Engineering</b>										
Agha Steels Industries Limited	5.2.2.2	50	-	-	50	50,000	50,000	-	3.69	1.73
						<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>3.69</b>	<b>1.73</b>
<b>Fertilizer</b>										
Fatima Fertilizer Company Limited		2,820	6,000	1,164	7,656	23,475	23,463	(12)	1.73	0.81
						<b>23,475</b>	<b>23,463</b>	<b>(12)</b>	<b>1.73</b>	<b>0.81</b>
<b>Power Generation and Distribution</b>										
Engro Powergen Thar (Private) Limited	5.2.2.2	-	12,000	-	12,000	60,000	60,000	-	4.43	2.07
The Hub Power Company Limited		380,000	-	380,000	-	-	-	-	-	-
						<b>60,000</b>	<b>60,000</b>	<b>-</b>	<b>4.43</b>	<b>2.07</b>
<b>Property &amp; Real Estate</b>										
Eden Housing Limited		500	-	-	500	-	-	-	-	-
						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Leasing Companies</b>										
Security Leasing Corporation Limited II		154	-	-	154	-	-	-	-	-
						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bank</b>										
Dubai Islamic Bank Pakistan Limited		57	-	-	57	58,066	57,057	(1,009)	4.22	1.97
						<b>58,066</b>	<b>57,057</b>	<b>(1,009)</b>	<b>4.22</b>	<b>1.97</b>
<b>Pharmaceuticals</b>										
International Brand Limited		550	-	78	472	46,099	46,452	353	3.43	1.60
AGP Limited		-	500	25	475	25,026	25,188	162	1.86	0.87
						<b>71,125</b>	<b>71,640</b>	<b>515</b>	<b>5.29</b>	<b>2.47</b>
<b>Cement</b>										
Javedan Corporation Limited	5.2.2.3	250	-	-	250	24,884	24,474	(410)	1.81	0.84
						<b>24,884</b>	<b>24,474</b>	<b>(410)</b>	<b>1.81</b>	<b>0.84</b>
<b>Non-Performing Investments</b>										
Total	5.2.3					<b>1,263</b>	<b>1,263</b>	<b>-</b>		
						<b>1,020,660</b>	<b>1,019,705</b>	<b>(955)</b>		

#### 5.2.1.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2019 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Fatima Fertilizer Company Limited	5,000	6 months KIBOR + 1.10%	28-Nov-16	28-Nov-21
Dubai Islamic Bank Pakistan Limited	1000,000	6 months KIBOR + 0.50%	14-Jul-17	14-Jul-27
International Brand Limited	1,00,000	12 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
Shakarganj Foods Product Limited	1,000,000	3 months KIBOR + 1.75%	10-Jul-18	10-Jul-24
Javedan Corporation Limited	1,00,000	6 months KIBOR + 1.75%	04-Oct-18	04-Oct-26
Agha Steels Industries Limited	1,000,000	3 months KIBOR + 0.80%	09-Oct-18	09-Oct-24
Engro Polymer & Chemicals Limited	1,00,000	3 months KIBOR + 0.90%	11-Jan-19	11-Jul-26
Pakistan Energy Sukuk I	10,000	6 months KIBOR + 0.80%	01-Mar-19	01-Mar-29
Engro Powergen Thar (Private) Limited	5,000	3 months KIBOR + 1.10%	01-Jul-19	01-Jul-24
K-electric Limited	5,000	3 months KIBOR + 1.70%	17-Dec-19	17-Dec-24
AGP Limited	100,000	3 months KIBOR + 1.30%	09-Jun-17	09-Jun-22
Eden Housing Limited	984.38	3 months KIBOR + 2.50%	31-Dec-07	31-Dec-12
Security Leasing Corporation Limited II	5,000	3 months KIBOR + 1.30%	19-Sep-07	19-Sep-12



## 5.2.2 Held by Money Market Sub-Fund

Name of the Investee Company	Note	As at July 01, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Market value as a percentage of	
									Total Investments	Net Assets
						----- (Rupees in '000) -----			----- % -----	
<b>Leasing Companies</b>										
Security Leasing Corporation Limited II		154	-	-	154	-	-	-	-	-
<b>Power Generation and Distribution</b>										
The Hub Power Company Limited		-	16,000	16,000	-	-	-	-	-	-
The Hub Power Company Limited	5.2.2.2		1,000	-	1,000	100,000	100,000	-	7.39	3.45
						<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>7.39</b>	<b>3.45</b>
<b>Non-Performing Investments</b>										
Total	5.2.3					771	771	-		
						<b>100,771</b>	<b>100,771</b>	<b>-</b>		

5.2.2.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2019 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
The Hub Power Company Limited	100,000	3 months KIBOR + 1.50%	01-Nov-19	21-May-20

5.2.2.2 These are measured at their initial investment value, as their market values are not available at MUFAP.

5.2.2.3 The Fund has applied discretionary mark-up on December 30, 2019 to the fair value of these securities. Post to discretionary mark-up the price of Shakarganj Foods Product Limited is increased from Rs. 94.6096 (MUFAP Price) to Rs. 96.2836 and price of Javedan Corporation is increased from Rs. 95.2419 (MUFAP Price) to Rs. 97.8944 per certificate.

5.2.3 The agreement with the Securities Leasing Corporation Limited (SLCL) had been amended on 19 February 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of the contributors to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 03, 2012. Therefore, in accordance with the requirement of SECP's circular No. 33 of 2012, the sukuk has been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 1.542 million in both debt and money market sub fund has also been held as provision against principal as at 31 December 2019.

On 06 May 2011, Eden Housing sukuk certificate has been classified as non-performing by MUFAP, therefore, in accordance with the requirements of SECP's circular No. 33 of 2012, the sukuk certificate has been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said circular, an amount of Rs. 0.492 million has also been held as a provision against the outstanding principal as at 31 December 2019.

Debt sub fund	Non-performing investment	Type of Investment	Cost	Provision held	Net carrying value
			----- (Rupees in '000) -----		
	Eden Housing Limited	Sukuk certificate	492	492	-
	Security Leasing Corporation Limited II	Sukuk certificate	771	771	-
			<b>1,263</b>	<b>1,263</b>	<b>-</b>
	Security Leasing Corporation Limited II	Sukuk certificate	771	771	-
			<b>771</b>	<b>771</b>	<b>-</b>

## 5.3 Commercial Papers - at amortised cost

### 5.3.1 Held by Debt Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2019	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2019	Market Value as a	
								Percentage of total value of investments	Percentage of Net Assets
								----- (Rupees in '000) -----	
Hascol Petroleum Limited	5.3.1.1	July 15, 2019	63,716	-	284	(64,000)	-	-	-
K-electric Limited CP	5.3.1.2	Sep 02, 2019	163,803	-	3,197	(167,000)	-	-	-
K-electric Limited CP	5.3.1.3	Mar 19, 2020	-	148,707	6,453	-	155,160	11.46	5.36
			<b>227,519</b>	<b>148,707</b>	<b>9,934</b>	<b>(231,000)</b>	<b>155,160</b>	<b>11.46</b>	<b>5.36</b>

5.3.1.1 This commercial paper has been placed at discount at a rate of 12.26% (6months kibar plus 1.5%) and is being amortised over a period of 181 days.

5.3.1.2 This commercial paper has been placed at discount at a rate of 11.75% (6months kibar plus 0.9%) and is being amortised over a period of 185 days.

5.3.1.3 This commercial paper has been placed at discount at a rate of 15.23 (6months kibar plus 1.3%) and is being amortised over a period of 182 days.

### 5.3.2 Held by Money Market Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2019	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2019	Market Value as a	
								Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) -----									
Hascol Petroleum Limited	5.3.2.1	July 15, 2019	79,645	-	355	(80,000)	-	-	-
K-electric Limited CP	5.3.2.2	Sep 02, 2019	63,756	-	1,244	(65,000)	-	-	-
K-electric Limited CP	5.3.2.3	Mar 19, 2020	-	99,448	4,316	-	103,764	42.57	3.95
			<b>143,401</b>	<b>99,448</b>	<b>5,915</b>	<b>(145,000)</b>	<b>103,764</b>	<b>42.57</b>	<b>3.95</b>

5.3.2.1 This commercial paper has been placed at discount at a rate of 12.26% (6months kibar plus 1.5%) and is being amortised over a period of 181 days.

5.3.2.2 This commercial paper has been placed at discount at a rate of 11.75% (6months kibar plus 0.9%) and is being amortised over a period of 185 days.

5.3.2.3 This commercial paper has been placed at discount at a rate of 15.23% (6months kibar plus 1.3%) and is being amortised over a period of 182 days.

### 5.4 Term deposit receipts - at amortised cost

#### 5.4.1 Held by Debt Sub-Fund

Name of the Bank	Rating	Maturity date	Profit rate per annum	As at July 01, 2019	TDR's placed during the period	Matured during the period	As at December 31, 2019	Market Value as a	
								Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) -----									
Orix Modarba	AA+	May 08, 2020	13.80%	180,000	-	-	180,000	13	6
Meezan Bank Limited	AA+	Dec 02, 2019	13.50%	-	450,000	450,000	-	-	-
				<b>180,000</b>	<b>450,000</b>	<b>450,000</b>	<b>180,000</b>	<b>13</b>	<b>6</b>

#### 5.4.2 Held by Money Market Sub-Fund

Orix Modarba	AA+	May 08, 2020	13.35%	-	40,000	-	40,000	16	2
Meezan Bank Limited	AA+	Dec 02, 2019	13.50%	-	350,000	350,000	-	-	-
Orix Modarba	AA+	Nov 08, 2019	13.70%	40,000	-	40,000	-	-	-
Bank Islami Pakistan Limited	A+	Jul 04, 2019	11.25%	340,000	-	340,000	-	-	-
				<b>380,000</b>	<b>390,000</b>	<b>730,000</b>	<b>40,000</b>	<b>16</b>	<b>2</b>

### 5.5 Investment in gold

Commodity	As at July 01, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain as at December 31, 2019	Market Value as a Percentage of Net Assets
Tola Gold	863	120	57	926	77,271	82,312	5,041	0.89
					<b>77,271</b>	<b>82,312</b>	<b>5,041</b>	<b>0.89</b>

5.5.1 The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.

5.5.2 The investment in gold of Rs. 82.312 million has been measured at fair value based on the quoted market price in active markets.



June 30, 2019  
(Audited)

**6 DEPOSITS AND OTHER RECEIVABLES**

	December 31, 2019 (Unaudited)					June 30, 2019 (Audited)
	Equity	Debt	Money Market	Gold	Total	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
	----- (Rupees in '000) -----					
Security Deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks	4,864	16,209	24,500	62	45,635	26,362
Profit accrued on sukuk certificates	-	42,564	1,683	-	44,247	40,606
Profit accrued on term deposit receipts	-	15,774	790	-	16,564	13,327
Advance tax	4,747	-	-	-	4,747	4,747
	<u>12,211</u>	<u>74,647</u>	<u>27,073</u>	<u>62</u>	<u>113,993</u>	<u>87,842</u>

**7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - PENSION FUND MANAGER**

	Note	December 31, 2019 (Unaudited)					June 30, 2019 (Audited)
		Equity	Debt	Money Market	Gold	Total	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
		----- (Rupees in '000) -----					
Management remuneration	7.1	5,865	3,646	3,269	116	12,896	11,045
Sindh Sales Tax and Federal Excise duty on management fee	7.2	762	474	425	15	1,676	1,435
		<u>6,627</u>	<u>4,120</u>	<u>3,694</u>	<u>131</u>	<u>14,572</u>	<u>12,480</u>

7.1 As per rule 11 of the Voluntary Pension System Rules, 2005, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of 1.5% (June 30, 2019: 1.5%) of the average of the values of the net assets of each of the Sub-Fund calculated for determining the prices of the units of the Sub-Funds. Accordingly, the management fee has been accrued at 1.5% per annum of the average daily net assets of the Sub-Funds.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

**8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE (CDC)**

	Note	December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)
		Equity	Debt	Money Market	Gold	Total	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
		----- (Rupees in '000) -----					
Trustee fee		322	200	180	6	708	633
Sindh Sales Tax on Remuneration of the Trustee	8.1	42	26	23	1	92	82
		<u>364</u>	<u>226</u>	<u>203</u>	<u>7</u>	<u>800</u>	<u>715</u>

8.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

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

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of average annual net asset value of the Fund.

**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

	Note	December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)
		Equity	Debt	Money Market	Gold	Total	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
		----- (Rupees in '000) -----					
Provision for Sindh Workers' Welfare Fund	11	54,603	12,990	7,229	592	75,414	52,848
Federal Excise Duty on remuneration of the Pension Fund Manager	10.1	15,436	8,816	2,449	-	26,701	26,701
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager	10.2	1,800	962	242	-	3,004	3,004
Charity payable		7,220	-	-	-	7,220	4,225
Brokerage payable		3,770	87	-	-	3,857	3,139
Custodian charges payable		-	-	-	184	184	107
		<u>82,829</u>	<u>22,855</u>	<u>9,920</u>	<u>776</u>	<u>116,380</u>	<u>90,024</u>

## 10.1 Federal Excise Duty on remuneration of the Pension Fund Manager

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Pension Fund Manager has been applied effective from June 13, 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC).

While disposing the above petition, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are for already subject to provisional sales tax.

However, since the appeal is pending in Supreme Court of Pakistan, the Pension Fund Manager, as a matter of abundant caution, is carrying provision for FED, aggregating to Rs. 15.436 million, Rs. 8.816 million and Rs. 2.449 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

Had the provision not being made, the Net Asset Value per unit as at December 31, 2019 would have been higher by Rs. 1.51 (June 30, 2019: Rs. 1.42) per unit, Re. 0.76 (June 30, 2019: Re. 0.74) per unit and Re. 0.23 (June 30, 2019: Re. 0.27) per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

## 10.2 Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager

It represents amount payable in respect of Sindh Sales Tax at the rate of 13 percent (June 30, 2019: 13 percent) on remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011, being Sindh Sales Tax accrued on Federal Excise Duty (FED) on remuneration of the Pension Fund Manager as fully explained in note 10.1 above.

## 11 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgment on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgment of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in Sindh was required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017, mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In the view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP has recommended that as a matter of abundant caution provision in respect of SWWF should be made on prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

In the current period, SWWF recognized in all funds. Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 December 2019 would have been higher by Rs. 5.34 per unit (June 30, 2019: Rs. 3.52 per unit), Rs. 1.12 per unit (June 30, 2019: Re. 0.82 per unit) and Re. 0.68 per unit (June 30, 2019: Re. 0.50 per unit) and Re. 0.89 per unit (June 30, 2019: Re. 0.76 per unit) for Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively.

## 12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at December 31, 2019 other than as disclosed in the annual financial statements for the year ended June 30, 2019.

## 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed respectively.

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



Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

**13.1 Balances outstanding as at period end**

	December 31, 2019 (Un-Audited)				June 30, 2019 (Audited)	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
----- (Rupees in '000) -----						
<b>AI Meezan Investment Management Limited (AI Meezan) - Pension Fund Manager</b>						
Remuneration payable	5,865	3,646	3,269	116	12,896	11,045
Sindh Sales Tax and Federal Excise Duty on management fee	762	474	425	15	1,676	1,435
Investments as at December 31, 2019: (Equity sub fund: 260,077 units and Gold Sub Fund: 300,000 units) as at June 30, 2019 (Equity sub fund: 260,077 units and Gold Sub Fund: 300,000 units)	118,719	-	-	41,356	160,075	137,344
<b>Meezan Bank Limited (MBL)</b>						
Bank balance	64,168	408	9,154	10,692	84,422	41,165
Profit receivable on saving account	382	7	30	57	476	504
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>						
Trustee fee payable	322	200	180	6	708	632
Sindh Sales Tax on trustee fee payable	42	26	23	1	92	83
Deposits	100	100	100	-	300	300
<b>Directors and Executives of the Pension Fund Manager</b>						
Investments as at December 31, 2019: (Equity sub fund: 1,009,425 units; Debt Sub Fund: 582,830 units; Money Market Sub Fund: 181,573 units; and Gold Sub Fund: 200,653 Units) as at June 30, 2019: (Equity sub fund: 1,221,616 units; Debt sub fund: 459,033 units; Money Market sub fund: 93,032 units; and Gold Sub Fund : 226,401 units)	460,781	145,524	44,867	27,660	678,832	620,970

**13.2 Transactions during the period (Un-Audited)**

	December 31, 2019				December 31, 2018	
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
----- (Rupees in '000) -----						
<b>AI Meezan Investment Management Limited (AI Meezan) - Pension Fund Manager</b>						
Remuneration for the period	29,381	20,929	18,016	714	69,040	70,978
Sindh Sales Tax on management fee	3,820	2,721	2,342	93	8,976	56
<b>Meezan Bank Limited (MBL)</b>						
Profit on savings account	2,552	187	340	515	3,594	1,182
Term Deposit Receipt placed	-	450,000	350,000	-	800,000	-
Profit on term deposit receipt	-	15,645	12,168	-	27,813	-
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>						
Remuneration for the period	1,666	1,189	1,023	41	3,919	3,998
Sindh Sales Tax on trustee fee	217	155	133	5	510	521
CDS Charges for the period	64	70	3	-	137	108
<b>Directors and Executives of the Pension Fund Manager</b>						
Units issued (Equity Sub Fund: 908,975 units; Debt Sub Fund: 1,158,187 units; Money Market Sub Fund: 675,117 units; and Gold sub fund: 22,977 units)	318,133	276,678	159,971	3,272	758,054	103,041
Units redeemed / reallocated (Equity Sub Fund 1,121,166 units; Debt Sub Fund: 1,034,360 units; Money Market Sub Fund: 586,576 units; Gold sub fund: 48,725 units)	391,858	246,091	138,715	5,723	782,387	17,331

**14 FAIR VALUE OF FINANCIAL INSTRUMENTS**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A Financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 5.



The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Note	Carrying Amounts				Fair Values			
	Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2019</b>								
(Rupees in'000)								
<b>Financial assets - measured at fair value</b>								
- Listed equity securities	-	4,533,386	-	4,533,386	4,533,386	-	-	4,533,386
- Sukuk certificates	-	1,120,476	-	1,120,476	-	1,120,476	-	1,120,476
<b>Financial assets not measured at fair value</b>								
14.1	4,082,765	-	-	4,082,765				
Bank balances								
Investments								
- Commercial papers	258,924	-	-	258,924				
- Term deposit	220,000	-	-	220,000				
Dividend receivable	1,209	-	-	1,209				
Deposits and other receivables	109,246	-	-	109,246				
Receivable against sale of investments	18,450	-	-	18,450				
Receivable against change of plan / change of fund manager / issuance of units	224	-	-	224				
	4,690,818	-	-	4,690,818				
	4,690,818	5,653,862	-	10,344,680				
<b>Financial liabilities not measured at fair value</b>								
14.1								
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	-	-	12,896	12,896				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	708	708				
Payable to auditors	-	-	256	256				
Payable against purchase of investments	-	-	1,368	1,368				
Payable against withdrawal / change of plan	-	-	11,380	11,380				
Accrued expenses and other liabilities	-	-	11,261	11,261				
	-	-	37,869	37,869				

Note	Carrying Amounts				Fair Values				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>June 30, 2019</b>									
(Rupees in'000)									
<b>Financial assets - measured at fair value</b>									
- Listed equity securities	3,921,054	-	-	-	3,921,054	3,921,054	-	-	3,921,054
- Sukuk certificates	1,171,834	-	-	-	1,171,834	-	1,171,834	-	1,171,834
	5,092,888	-	-	-	5,092,888				
<b>Financial assets not measured at fair value</b>									
14.1	-	-	3,306,722	-	3,306,722				
Bank balances									
Investments									
- Commercial papers	370,899	-	-	-	370,899				
- Term deposit	220,000	-	-	-	220,000				
Dividend receivable	-	15,260	-	-	15,260				
Deposits and other receivables	-	83,095	-	-	83,095				
Receivable against sale of investments	-	3,698	-	-	3,698				
Receivable against change of plan / change of fund manager / issuance of units	-	14,759	-	-	14,759				
	590,899	116,812	3,306,722	-	4,014,433				
	5,683,787	116,812	3,306,722	-	9,107,321				
<b>Financial liabilities not measured at fair value</b>									
14.1									
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	-	-	-	11,045	11,045				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	633	633				
Payable to auditors	-	-	-	252	252				
Payable against purchase of investments	-	-	-	17	17				
Payable against withdrawal / change of plan	-	-	-	24,345	24,345				
Accrued expenses and other liabilities	-	-	-	7,471	7,471				
	-	-	-	43,763	43,763				

14.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 15 TAXATION

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax and any other taxes introduced in Finance Act, 2015 is also not applicable on fund.



**16 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information were authorised for issue on 10-Feb-2020 by the Board of Directors of the Pension Fund Manager.

**17 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**For Al Meezan Investment Management Limited  
(Pension Fund Manager)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive officer

\_\_\_\_\_  
Director