

# RISING WITH FAITH



## QUARTERLY REPORT MARCH 2018



**Meezan**  
Islamic Fund



**Al Meezan**  
Mutual Fund



**KSE-Meezan**  
Index Fund



**Meezan**  
Energy Fund



**Meezan**  
Balanced Fund



**Meezan**  
Asset Allocation Fund



**Meezan**  
Dedicated Equity Fund



**Meezan**  
Gold Fund



**Meezan**  
Islamic Income Fund



**Meezan**  
Sovereign Fund



**Meezan**  
Cash Fund



**Meezan**  
Financial Planning  
Fund of Funds



**Meezan**  
Strategic Allocation Fund



**Meezan**  
Strategic Allocation Fund-II



**Meezan**  
Tabahfuz Pension Fund





QUARTERLY REPORT  
MARCH 31, 2018  
(UNAUDITED)

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# Vision

To make Shariah compliant investing a first choice for investors

# Mission

To establish Al Meezan as a leading and trusted brand for savings and investments by offering innovative Shariah compliant investment solutions through ethical conduct, value added services and optimal returns, while protecting the interest of all stakeholders

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY OF THE FUNDS

The Board of Directors of AI Meezan Investment Management Limited is pleased to present the unaudited financial statements of the following open end funds and a voluntary pension scheme for the period ended March 31, 2018.

## Equity Funds

- Meezan Islamic Fund
- AI Meezan Mutual Fund
- KSE-Meezan Index Fund
- Meezan Dedicated Equity Fund

## Sector Specific Fund

- Meezan Energy Fund

## Income Funds

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

## Money Market Fund

- Meezan Cash Fund

## Balanced Fund

- Meezan Balanced Fund

## Asset Allocation

- Meezan Asset Allocation Fund

## Funds of Funds

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

## Commodity Fund

- Meezan Gold Fund

## Pension Fund

- Meezan Tahaffuz Pension Fund

## Economic Review:

The macroeconomic indicators of the country displayed a mixed trend during the period under review ranging from robust economic growth, controlled inflation and improved revenue collection to soaring current account/fiscal deficit and mounting debt repayments stressing the country's forex reserves. Due to the large trade imbalances within the country, the CAD is expected to overshoot the FY18 target (2.6% of GDP) with the SBP expecting the figure to clock in between 4-5%. On the fiscal front, FBR posted an improved revenue collection during the first three quarters of FY18 whereby Rs 2.62 trillion was collected compared to Rs 2.26 trillion during the same period last year, an increase of 16%. Despite an improvement in revenue growth, the overall fiscal deficit is likely to exceed the FY18 target (4.1% of GDP) due to the continued momentum in development spending as well as an increase in the debt servicing cost. However, GDP growth for FY18 is likely to clock in around 5.8% - the highest in 12 years - fueled by healthy growth in services, recovery in the agriculture sector and the CPEC.

The average CPI inflation for nine months FY18 has clocked in at 3.78% as opposed to 4.01% in the same period last year. While inflation is currently low and controlled, the lagged impact of currency devaluation and rise in international oil prices could result in a higher CPI going forward. On the external front, Pakistan's real challenge continues to be the rising trade deficit which has expanded to USD 27.3 billion in the nine months of FY18, a

significant increase of 17.3% YoY. The largest contributor to this deterioration was infrastructure related spending on machinery, petroleum products and transport projects under the CPEC umbrella. The combined impact of increased imports along with the repayments of external liabilities has had a drastic impact on the SBP's reserves which have dipped to USD 11.78 billion (March 2018) compared to USD 16.47 billion in the same period last year. With USD 2.5 billion cumulatively borrowed through an International Sukuk and a Eurobond issued during 2QFY18, the government is expected to tap the international debt market again going forward.

The Pak Rupee has remained under pressure during FY18 so far with two rounds of devaluation witnessed in November'17 and March'18 post which the rupee fell approximately 10.3% against the greenback. In light of PKR devaluation, rising oil prices, increasing interest rate differentials due to a number of central banks adjusting their policy rates upwards and narrowing of the output gap indicating a buildup of demand pressures, the State Bank of Pakistan increased the policy rate by 25 bps to 6.00% after maintaining a status quo for twenty months. The policy rate was increased to preempt overheating of the economy and inflation breaching its target rate.

Weak economic data points were largely countered by positive developments on the political front including timely Senate Elections which have somewhat cleared the uncertainty pertaining to the upcoming General Elections. Further, if the recently announced tax amnesty scheme materializes, it is expected to be a stimulant for the economy as it will lead to widening of the tax net and repatriation of foreign assets back to Pakistan - something much needed for our dwindling reserves.

Going forward, Pakistan's fundamentals are expected to improve. The commencement of new power plants has led to increased electricity generation which has pushed LSM growth by 6.24% in July-Feb FY18 as compared to last year. Further, the government is also on track to meet its major targets of 1) keeping inflation below the target of 6% and 2) achieving GDP growth in the range of 5.50%-6.00%. On the external front, the government foresees the imbalances to revert to normal in the next two years with the help of 1) curtailment of the trade deficit through the export packages and by implementing import duties, 2) decline in machinery imports over time with project completion of power plants, and 3) the full impact of recent exchange rate depreciation on imports and exports gradually unfolding in the coming months.

#### Money Market Review:

The State Bank of Pakistan (SBP), after maintaining status quo in the discount rate through the first half of FY18, embarked on a monetary tightening stance during the third quarter whereby the policy rate was increased by 0.25% and set at 6% on the back of deteriorating foreign exchange reserves, rising inflation and surging commodity prices. The market had already been anticipating a DR increase since the start of the fiscal year so the first raise in the policy rate did not come as a surprise for the secondary market participants. However, another DR increase of at least 25bps was being anticipated in the second bi-monthly MPS of CY18 but surprisingly the Monetary Policy Committee (MPC) chose to maintain the policy rate at 6% on account of a more sanguine assessment of risks both to currency stability and prices, while choosing to wait and see the effects of previous currency and interest rate adjustments.

Overall, in line with the increased discount rate and anticipation of further increases going forward, the government paper yields and KIBORs showed an upward trend; T-bills rose by 41-71 bps, PIB yields increased in the range of 69-144 bps, while the KIBORs have climbed 36-49 bps during the fiscal year so far. On the liquidity front, the Money Market continued facing a tight liquidity scenario during the nine month period, evidenced by Rs. 53.9 trillion worth of OMO injections by the SBP coupled with Rs. 396 billion worth of discounting availed by various counters compared to mop-ups by the SBP worth Rs. 1.1 trillion and floor placements of Rs. 116 billion by various counters. Alongside, eighteen T-bill and nine PIB auctions were conducted during this period whereby cumulatively, T-bills witnessed a net debt retirement of Rs. 80 billion with an acceptance of Rs. 11.84 trillion against a participation of Rs. 14.49 trillion and a maturity of Rs. 11.92 trillion while PIBs witnessed a net debt retirement of Rs. 1.5 trillion with an acceptance of Rs. 52.41 billion against a participation of Rs. 159.73 billion and a maturity of Rs. 1.5 trillion. It is pertinent to note here that SBP rejected eight PIB auctions during the period and the overall debt profile of the government has effectively shifted from long term to short term borrowing.

The Shariah compliant end of the money market has witnessed a sharp decline in Ijarah Sukuk prices throughout this fiscal year due to a lack in demand of fixed rate Ijarah sukuk on account of a rising interest rate scenario; it is pertinent to note here that out of the four outstanding Ijarah Sukuk issues, three are fixed rate. Resultantly, mutual funds carrying Ijarah Sukuk exposures witnessed an acute decline in returns during this period. However, a gradual increase is being witnessed in the preference of raising debt through sukuk issuance by the corporate sector. Continuance of this trend is expected to bode well for deployment of excess liquidity available with Islamic financial institutions.

On the forex front, the rupee lost value against the greenback during the period under review; in the interbank market, it closed Rs. 10.62 weaker at Rs. 115.40/\$ while in the open market it closed Rs. 10.00 weaker at Rs. 116.60/\$.

#### Equity Review:

During the nine months of FY18, the stock market showed a reasonable recovery from the sharp decline that had initiated post-MSCI rebalancing in May 2017; compared to June 30, 2017, the KMI-30 Index closed 2.05% down at 76,988 pts while the KSE-100 Index 2.16% down at 45,560 pts. The participation continued to remain lower during the year with the KMI-30 and KSE-100 witnessing 44.16% and 45.14% lower volumes respectively.

During the first two quarters, equities had continued to remain under pressure owing to the uncertainty sparked on the political front post the disqualification of Ex-PM. Investor sentiment was also dampened when HBL, an index heavy weight, was fined to the tune of USD 225 mn by DFS USA and lost significant value, aggravating the market's fall further. Alongside the pressure from the unabated political turmoil, the benchmark index was also stressed due to a prolonged sit-in by religious parties in the capital. Reversal of trend was seen in late December when the KSE 100 touched its lowest level of 37,919 on Dec 19, 2017. Change in sentiment was witnessed with the approval of the long awaited delimitation bill and timely Senate elections post which clarity on the Elections of 2018 improved and raised the confidence of local participants.

Since the beginning of the third quarter FY18, a multitude of factors improved sharply like i) a more docile political landscape resulting from reduced friction between government and institutions, ii) materialization of an expected PKR devaluation, iii) reversal of the interest rate trajectory turning the banking sector positive, iv) improved foreign portfolio inflows, and v) anticipation of a tax amnesty scheme which is expected to lead to improved liquidity conditions in the market.

Oil prices remained elevated throughout the nine month period of this fiscal year due to multiple events unfolding in a short span of time, a major one of which was a voluntary extension of production cuts earlier agreed by OPEC. Another event supporting the oil prices was a pipeline closure in Iran due to a terrorist incident as well as repair and maintenance in the North Sea; this had fueled suspicions of future supply constraints. Tensions in the Middle East had also touched a new high as rebels launched cruise missiles targeting the residence of the Saudi King in Riyadh. Unrest in Iran late in the 2QFY18 added to the speculative rally in Oil prices as large scale protests threatened to affect the oil supply infrastructure in the country.

While MSCI Emerging markets development had initially failed to attract any significant inflows from foreign investors during the first two quarters, foreign interest in the market was seen to have increased in early January after the first round of controlled devaluation of PKR by the SBP in December'17. A discount rate increase during January'18 and perception of the rising trend to continue in upcoming monetary policies of CY18 improved the earning prospects for Commercial Banks which supported their stock prices. Cement sector staged a spectacular rally as well during the three quarters of FY18 as prices were increased by all manufacturers. Continuous rise in oil prices and news flow of new discoveries kept interest alive in the Oil and Gas Exploration Sector thereby resulting in sector's performance during the period.

**Corporate Profitability and major contributors to the Index:**

During the nine month FY18 period, Oil & Gas Exploration was amongst the top positive contributing sectors.

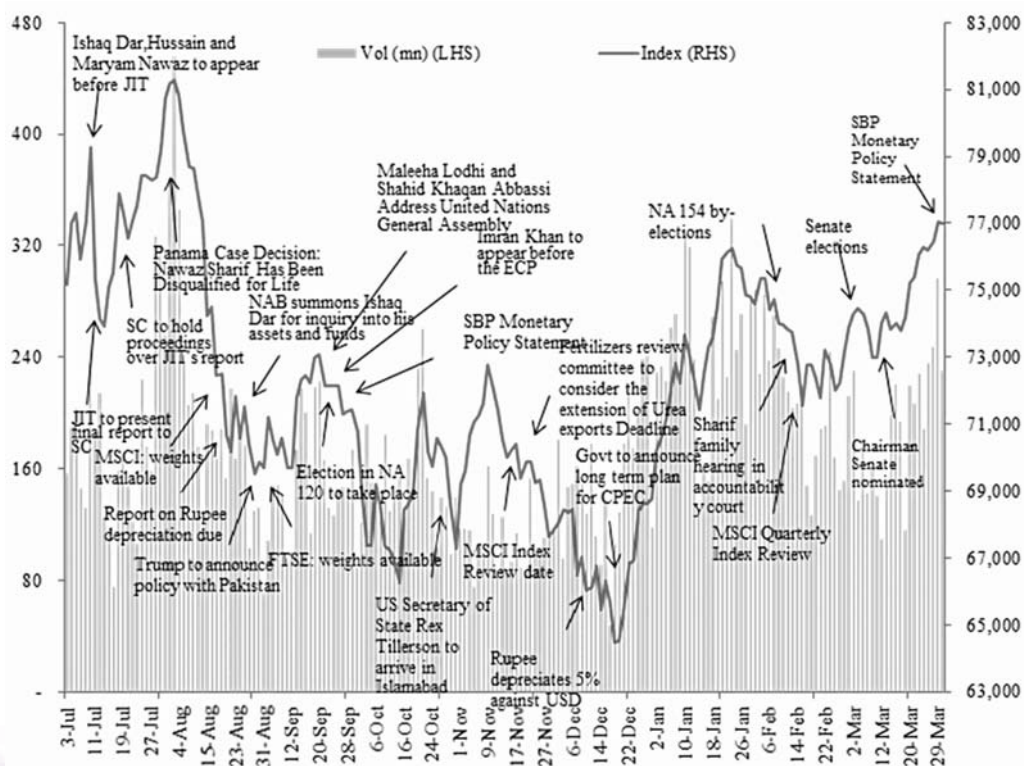
The top contributing stocks in the KMI-30 index during the period were:

Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pakistan Petroleum Ltd	2,477	49
Oil & Gas Development Co Ltd	1,917	29
Pakistan Oilfields Ltd	1,837	53
Engro Fertilizers Ltd	985	43

On the flip side, Cements and Cable & Electric were among the worst performing sectors. The biggest laggards in the KMI-30 index during the period were:

Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pak Elektron Ltd	-1,145	-58
Lucky Cement Ltd	-1,115	-15
Honda Atlas Cars	-720	-40
DG Khan Cement Co Ltd	-686	-20

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





#### Equity Flows:

Pakistan's stock market was unable to attract net foreign investment despite immigrating to MSCI EM index; foreigners remained net sellers during the period to the tune of USD 125 mn but it is pertinent to note here that during the third quarter, foreigners were actually net buyers with a net inflow of USD 30 mn. Major foreign outflows were witnessed in Banking (USD 67 mn) and Oil & Gas exploration sectors (USD 55 million) which made up a major bulk of the net outflow witnessed during the period. This was followed by Fertilizer and Power sectors with outflows of USD 22 mn and USD 20 mn respectively. During the period, Mutual Funds remained net sellers of USD 77 million while Insurance Companies and Corporates were net buyers worth USD 105 million and USD 94 million respectively. Banks, Individuals, NBFCs, Others and Brokers were net buyers of roughly USD 3 million collectively.

#### Mutual Fund Industry Review:

During the nine months FY18 period, the size of the mutual funds industry, in terms of assets under management (AUM), increased by 3.5% to Rs. 638 bn. On the Shariah Compliant front, AUM declined by 3.2% to Rs. 241 bn thereby bringing the share of Shariah Compliant funds in the Mutual Funds industry down by 2.6% to 37.8%.

During the period under review, size of open end Income and Money market funds grew by 24.6% to Rs. 267 bn. Conventional funds in the same category registered a growth of 26.5% which is more than the 19.5% growth rate witnessed by the Shariah compliant funds under the same category.

AUM of open end Equity funds (including index tracker Funds) declined by 9.0% to Rs. 285 bn. Conventional funds in this category went down by 6.1% while funds with Shariah compliant mandate declined by 12.9% in the nine months period under review.

Net assets under Capital protected, balanced, and asset allocation mandate declined by 4.6% to reach Rs. 60 bn at the period end. Conventional funds in this category declined by 3.5% and Shariah Compliant funds decline of 5.2% in the period under review.

Size of commodity funds in the industry decreased to Rs. 342 mn when compared to Rs 672 mn as on June 2017, reflecting a decline of 49.1%.

Voluntary Pension Funds increased by 1.4% during the period under review with their cumulative fund size clocking in over Rs. 26 bn mark on March 31, 2018. Shariah compliant Pension Funds also increased by 1.1% in the period under review to clock in at Rs. 16 bn as of March 2018.

Al Meezan's share in the overall Mutual Funds industry is at 15.5% while among the Shariah Compliant Funds, it continued to cherish the leading position with a market share of over 40%. Al Meezan also continued to lead the pension fund market with a 35.4% and 55.5% market share in the overall pension market and Shariah compliant pension market respectively.

#### Performance Review (Funds)

##### Meezan Islamic Fund

The net assets of Meezan Islamic Fund (MIF) as at March 31, 2018 stood at Rs. 43,206 million compared to Rs. 54,853 million at the end of June 2017, a decline of 21%. The net asset value (NAV) per unit as at March 31, 2018 was Rs. 69.65 in comparison to Rs. 76.41 per unit as on June 30, 2017 translating into a negative return of 8.84% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 2.05%.

##### Al Meezan Mutual Fund

The net assets of Al Meezan Mutual Fund (AMMF) as at March 31, 2018 were Rs. 7,549 million compared to Rs. 9,079 million at the end of June 2017, a decline of 17%. The net asset value per unit as at March 31, 2018 was Rs. 19.42 compared to Rs. 21.14 per unit on June 30, 2017, translating into a negative return of 8.14% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 2.05%.

#### KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at March 31, 2018 were Rs. 1,820 million compared to Rs. 1,909 million at June 30, 2017, a decline of 4.6%. The net asset value per unit at March 31, 2018 was Rs. 76.88 as compared to Rs. 79.56 per unit on June 30, 2017 translating into a negative return of 3.36% during the period compared to the return of benchmark KSE Meezan Index (KMI 30) decline of 2.05%.

#### Meezan Dedicated Equity Fund

This plan was launched in October 2017 and its net assets clocked in at Rs. 1,699 million at March 31, 2018. The plan provided a return of 6.02% during the period compared to a benchmark return of 12.3%.

#### Meezan Energy Fund

The net assets of Meezan Energy Fund (MEF) as at March 31, 2018 were Rs. 1,565 million compared to Rs. 1,139 million in June 2017, an increase of 37%. The net asset value per unit as at March 31, 2018 was Rs. 51.18 as compared to Rs. 50.23 per unit on June 30, 2017, providing a return of 1.89% during the period to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 2.05%.

#### Meezan Asset Allocation Fund

The net assets of Meezan Asset Allocation Fund (MAAF) as at March 31, 2018 were Rs. 3,060 million compared to Rs. 3,251 million at June 30, 2017, a decline of 6%. The net asset value per unit as at March 31, 2018 was Rs. 48.22 as compared to Rs. 50.89 per unit on June 30, 2017 providing a negative return of 5.25% to its investors compared to its benchmark return of negative 0.48%.

#### Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) as at March 31, 2018 were Rs. 10,459 million compared to Rs. 11,781 million at June 30, 2017, a decline of 11%. The net asset value per unit as at March 31, 2018 was Rs. 52.85 compared to Rs. 51.39 per unit on June 30, 2017 providing an annualized return of 3.78% compared to the benchmark return of 2.47%. At period end, the fund was invested 34.14% in Islamic Corporate Sukuks, 1.38% in Commercial Papers, 5.17% in GoP Ijarah Sukuks while 21.48% was placed in Term Deposit Receipts, 8.60% in Certificate of Musharaka and 30.52% of the net assets were placed with Islamic Banks or windows of Islamic banks.

#### Meezan Sovereign Fund

The net assets of Meezan Sovereign Fund (MSF) as at March 31, 2018 were Rs. 2,177 million compared to Rs. 4,334 million at June 30, 2017, a decline of 50%. The net asset value per unit at March 31, 2018 was Rs. 52.00 as compared to Rs. 51.40 per unit on June 30, 2017, translating into an annualized return of 1.55% to the investors compared to the benchmark return of 4.85%. The loss was attributable to a sharp decline in Ijarah Sukuks prices during the period under review. As at March 31, 2018 the fund was invested 72.73% in GoP Ijarah Sukuks, 4.59% was placed in Term Deposit Receipts and 26.42% of the net assets were placed with Islamic Banks or windows of Islamic banks.

#### Meezan Cash Fund

The net assets of Meezan Cash Fund (MCF) at March 31, 2018 were Rs. 9,362 million compared to Rs. 3,350 million at June 30, 2017. The net asset value per unit at March 31, 2018 was Rs. 52.00 as compared to Rs. 50.43 on June 30, 2017 providing an annualized return of 4.14% as compared to the benchmark return of 2.58%. As at March 31, 2018 23.15% of the fund was placed in Term Deposit Receipts and 76.70 % of the net assets were placed with Islamic Banks/windows of Islamic banks.

#### Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at March 31, 2018 were Rs. 8,331 million compared to Rs. 9,516 million at June 30, 2017, a decline of 12.45%. The net asset value per unit as at March 31, 2018 was Rs. 16.28 compared to Rs. 16.95 per unit on June 30, 2017 translating into a negative return of 3.95% to its investors compared to the benchmark return of 0.05%.

## Meezan Financial Planning Fund of Funds

### *Aggressive Allocation Plan*

The net assets of the plan were Rs. 559 million as at March 31, 2018 compared to Rs. 622 million at June 30, 2017. The plan provided a negative return of 5.81% during the period compared to the benchmark return of negative 0.90%.

### *Moderate Allocation Plan*

The net assets of the plan were Rs. 344 million at March 31, 2018 compared to Rs. 408 million at June 30, 2017. The plan provided a negative return of 2.97% during the period compared to the benchmark return of 0.27%.

### *Conservative Allocation Plan*

The net assets of the plan as at March 31, 2018 were Rs. 305 million compared to Rs. 413 million at June 30, 2017. The plan provided a negative return of 0.23% during the period compared to the benchmark return of 1.10%.

### *Meezan Asset Allocation Plan-I*

The net assets of the plan as at March 31, 2018 were Rs. 888 million compared to Rs. 1,251 million at June 30, 2017. The plan provided a return of 0.09% during the period compared to the benchmark return of 1.11%.

### *Meezan Asset Allocation Plan-III*

The net assets of the plan as at March 30, 2018 were Rs. 2,190 million compared to Rs. 2,923 million at June 30, 2017. The plan provided a negative return of 12.57% during the period compared to the benchmark return of negative 7.14%.

### *Meezan Asset Allocation Plan-IV*

The net assets of the plan as at March 31, 2018 were Rs. 580 million compared to Rs. 860 million at June 30, 2017. The plan provided a negative return of 7.74% during the period compared to the benchmark return of negative 1.43%.

## Meezan Strategic Allocation Fund

### *Meezan Strategic Allocation Plan-I*

The net assets of the plan as at March 31, 2018 were Rs. 2,203 million compared to Rs. 2,629 million at June 30, 2017. The plan provided a negative return of 6.62% during the period compared to the benchmark return of negative 1.47%.

### *Meezan Strategic Allocation Plan-II*

The net assets of the plan as at March 31, 2018 were Rs. 1,413 million compared to Rs. 1,662 million at June 30, 2017. The plan provided a negative return of 6.64% during the period compared to the benchmark return of negative 1.56%.

### *Meezan Strategic Allocation Plan-III*

The net assets of the plan as at March 31, 2018 were Rs. 1,610 million compared to Rs. 1,766 million at June 30, 2017. The plan provided a negative return of 6.87% during the period compared to the benchmark return of negative 1.36%.

### *Meezan Strategic Allocation Plan-IV*

The net assets of the plan as at March 31, 2018 were Rs. 1,788 million compared to Rs. 1,973 million at June 30, 2017. The plan provided a negative return of 5.71% during the period compared to the benchmark return of negative 0.81%.

### *Meezan Strategic Allocation Plan-V*

This plan was launched in August 2017 and its net assets clocked in at Rs. 568 million at March 31, 2018. The plan provided a return of 4.14% during the period compared to a benchmark return of 8.84%.

### *Meezan Capital Preservation Plan III*

This plan was launched in December 2017 and its net assets clocked in at Rs. 1,389 million at March 31, 2018. The plan provided a return of 1.44% during the period compared to a benchmark return of 0.55%.

### Meezan Strategic Allocation Fund - II Meezan Capital Preservation Plan-IV

This plan was launched in March 2018 and its net assets clocked in at Rs. 305 million at March 31, 2018. The plan provided a return of 0.45% during the period compared to a benchmark return of 0.17%.

### Meezan Gold Fund (MGF)

The net assets of the fund as at March 31, 2018 were 342 million compared to Rs. 457 million at June 30, 2017, a decline of 25%. During the period under review, MGF has provided a positive return of 10.91% as compared to benchmark return of 11.20%.

### Meezan Tahaffuz Pension Fund (MTPF)

MTPF comprises of four sub funds namely Equity sub fund, Debt sub fund, Money Market sub fund and Gold sub fund. For the period ended March 31, 2018, the equity sub-fund provided a negative return of 8.92% and gold sub fund provided a return of 11.26%, while the debt and money market sub-funds provided annualized returns of 2.16% and 2.44% respectively. Performance review for each sub fund is given as under:

#### *Equity Sub Fund*

The net assets of this sub fund stood at Rs. 5,820 million at March 31, 2018 compared to Rs. 5,806 million at June 30, 2017, increased by 0.24%. The net asset value per unit decreased from Rs. 592.32 to Rs. 539.47. For the period under review, the equity sub fund earned a gross loss of Rs. 431 million as compared to gross income of Rs. 1,232 million in corresponding period last year.

#### *Debt Sub Fund*

The net assets of this sub fund stood at Rs. 2,403 million at March 31, 2018 compared to Rs. 2,511 million at June 30, 2017, a decline of 4.30%. The net asset value increased from Rs. 214.59 to Rs. 218.08. For the period under review, the debt sub fund earned a gross income of Rs. 72 million as compared to Rs. 109 million in corresponding period last year.

#### *Money Market Sub Fund*

The net assets of this sub fund stood at Rs. 786 million at March 31, 2018 compared to Rs. 663 million at June 30, 2017, an increase of 18.65%. The net asset value increased from Rs. 212.18 to Rs. 216.07. For the period under review, the money market sub fund earned a gross income of Rs. 23 million as compared to Rs. 23 million in corresponding period last year.

#### *Gold Sub Fund*

The net assets of this sub fund stood at Rs. 48 million at March 31, 2018 compared to Rs. 43 million at June 30, 2017. The net asset value increased from Rs. 90.59 to Rs. 100.79. For the period under review, the gold sub fund earned a gross income of Rs. 6 million as compared to gross loss of Rs. 2 million in corresponding period last year.

#### *Outlook*

After witnessing a seven month long corrective streak, longest in over two decades, the stock market staged an impressive recovery which was triggered near the turn of the year. Despite posting a negative return during nine months FY18, the market has surged more than 20% since registering its low of 37,919 pts on December 19, 2017.

The recent bullish trend suggests that the investors appear to have regained their lost confidence in the market. This build up in confidence was primarily fueled by positive developments on the political front including passing of delimitation bill and timely Senate elections. While economic concerns like the twin deficit and mounting international debt repayments are still at play, the much awaited PKR devaluation was embraced positively by the market participants. Moreover, expectation of a tightening monetary policy going forward is also anticipated to play a pivotal role in directing the index upwards as the banking sector is also one of the index heavyweight.

As we enter the final quarter of the fiscal year, a number of major triggers are around the corner which will further stimulate investor sentiment and enable the market to continue its bullish momentum. The expected Amnesty Scheme will be aimed at bringing foreign assets back to Pakistan, releasing some pressure on our deteriorating foreign exchange reserves position. Furthermore, the forthcoming budget announcement by the government is likely to encompass measures that will act as catalysts for the market. It is expected that favorable adjustments to tax on income including capital gains and dividends will be announced which shall draw further investor interest and increase participation in our market.

Going forward, we believe that the upward trajectory of the market will continue in light of the aforementioned positive triggers. While some jitters may be witnessed in the near term as we inch closer to General elections, strong market fundamentals, attractive valuations, and the anticipated improvement in our external account position on account of PKR devaluation shall the pave the way for a lucrative final quarter for the stock market.

On the fixed income side, the anticipated monetary tightening going forward will be slightly problematic for fixed rate GoP Ijarah sukukuks that are expected to face further discounts. Over all however, the return scenario is expected to improve on account of resets of floating rate sukukuks and higher profit rates from banks.

#### Acknowledgement

We take this opportunity to thank our valued investors for reposing their faith in Al Meezan Investments making it the largest asset management company in the private sector in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan and our Trustee, The Central Depository Company of Pakistan for their support. Furthermore, we would like to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued assistance and support on Shariah aspects of fund management.

For and on behalf of the Board.

Date: April 24, 2018

Mohammad Shoaib, CFA  
Chief Executive Officer

## فنڈز کی مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 31 مارچ 2018ء کو ختم ہونے والے عرصے کیلئے درج ذیل اوپن اینڈ فنڈز اور ایک والینٹری پنشن اسکیم کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہے:

### ایکویٹی فنڈز

- میزان اسلامک فنڈ
- المیزان میوچل فنڈ
- کے ایس ای- میزان انڈیکس فنڈ
- میزان ڈیڈ ویلجڈ ایکویٹی فنڈ

### سیکڑ اسپیسفک فنڈ

- میزان انرجی فنڈ

### آکم فنڈز

- میزان اسلامک آکم فنڈ
- میزان سوورن فنڈ

### منی مارکیٹ فنڈ

- میزان کیش فنڈ

### بیلینسڈ فنڈ

- میزان بیلینسڈ فنڈ

### ایسیٹ ایلوکیشن فنڈ

- میزان ایسیٹ ایلوکیشن فنڈ

### فنڈ آف فنڈز

- میزان فنانشل پلاننگ فنڈ آف فنڈز
- میزان اسٹریٹجک ایلوکیشن فنڈ
- میزان اسٹریٹجک ایلوکیشن فنڈ-II

### کموڈٹی فنڈ

- میزان گولڈ فنڈ

### پنشن فنڈ

- میزان تحفظ پنشن فنڈ

### اقتصادی جائزہ:

زیر جائزہ عرصے کے دوران مائیکرو اکنامک اشاریوں میں مخلوط رجحان دیکھنے میں آیا جو مضبوط معاشی ترقی، افراط زر پر قابو اور محصولات کی وصولی میں بہتری کی وجہ رہا جبکہ کرنٹ اکاؤنٹ/ مالی خسارے میں اضافے اور ڈیبٹ ری پیمنٹس کی وجہ سے ملک کے غیر ملکی کرنسی کے ذخائر پر دباؤ بڑھا۔ ملک کے اندر بڑے تجارتی عدم توازن کی وجہ سے CAD کو مالی سال 2018 کے ٹارگٹ (جی ڈی پی کا 2.6%) کے بڑھنے کی توقع ہے جو کہ بینک دولت پاکستان کے مطابق 4 سے 5 فیصد



رہنے کی توقع ہے۔ مالی محاذ پر، مالی سال کی پہلی سہ ماہی کے دوران ایف بی آر کی ریویو کمیٹی بہتر رہی اور 2.62 ٹریلین روپے جمع کیے گئے جو کہ پچھلے سال کے اسی دورے میں 2.26 ٹریلین روپے تھے یعنی 16% کا اضافہ ہوا۔ ریویو میں اضافے کے باوجود، ترقیاتی امور میں مسلسل خرچ اور ڈیپٹ سرونگ کوسٹ کی وجہ سے مجموعی مالی خسارہ مالی سال 2018ء کا ہدف (جی ڈی پی کا 4.1%) بڑھا۔ تاہم، جی ڈی پی کی نمونے کے مالی سال 2018ء تقریباً 5.8% رہی جو کہ 12 سال میں سب سے زیادہ رہی۔ خدمات میں صحت مند نمو، ذراعت کے شعبے میں وصولیوں اور سی پیک نے ایندھن کا کام کیا۔

مالی سال 2018ء کے ابتدائی نو مہینوں کے دوران پچھلے سال کے اسی دورے کے 4.01% کے مقابلے میں اوسط سی پی آئی انفلیشن 3.78% رہی۔ جبکہ افراط زر فی الوقت کم ہے اور کنٹرول میں ہے۔ روپے کی قدر میں کمی اور تیل کی قیمتوں میں اضافے کا نتیجہ سی پی آئی میں اضافہ کر سکتا ہے۔ بیرونی محاذ پر، پاکستان کیلئے حقیقی مسئلہ بڑھتا ہوا تجارتی خسارہ رہا جو کہ مالی سال 2018ء کے ابتدائی نو مہینوں میں 27.3 بلین امریکی ڈالر تک بڑھ گیا۔ جو سال بہ سال 17.3% اضافے کو ظاہر کرتا ہے۔ اس انحطاط کی اہم وجہ سی پیک کے تحت انفراسٹرکچر سے متعلق مشینری، پٹرولیم پروڈکٹس اور ٹرانسپورٹ پروڈکٹس پر خرچ ہے۔ ایکسٹرنل لائیکٹیوٹی کی واپسی کے ساتھ درآمدات میں اضافے کے مشترکہ اثر نے اسٹیٹ بینک آف پاکستان کے ذخائر پر شدید دباؤ پیدا کیا اور یہ (مارچ 2018ء) میں 11.78 بلین امریکی ڈالر تک پہنچ گئے جو کہ گزشتہ سال کے اسی عرصے کے دوران 16.47 بلین امریکی ڈالر تھے۔ مالی سال 2018ء کی دوسری سہ ماہی کے دوران، کامیابی کے ساتھ 2.5 بلین کا ایک انٹرنیشنل صلوک اور ایک یورپ باند کا اجرا کیا گیا۔ حکومت کو توقع ہے کہ بین الاقوامی ڈیپٹ مارکیٹ میں اپنا مقام دوبارہ بحال کرے۔

مالی سال 2018ء کے دوران پاکستانی روپیہ زبردباور رہا اور روپے کی قدر میں نومبر 2017ء اور مارچ 2018ء میں دو مرتبہ کمی کا مشاہدہ کیا گیا جس کے نتیجے میں روپے کی قدر گر کر 10.3% کم ہوئی۔ روپے کی تنزلی، تیل کی بڑھتی ہوئی قیمتوں، بڑھتے ہوئے انٹرسٹ ریٹس میں فرق بوجہ متعدد مرکزی بینکس کا اپنے پالیسی ریٹس بڑھانا اور ڈیمانڈ پریش میں نشاندہی کردہ آؤٹ پٹ کو کم کرنے کے عوامل کی روشنی میں اسٹیٹ بینک آف پاکستان نے 20 مہینوں کا ایک اسٹیٹس کو تشکیل دیتے ہوئے 6.00% اضافے کے ساتھ پالیسی ریٹ میں 25bps کا اضافہ کیا۔ پالیسی ریٹ اس لیے بڑھایا گیا کہ معیشت اور افراط زر کے مابین موجود شکاف کو پُر کیا جائے۔

بڑے پیمانے پر سیاسی محاذ پر شہرت امور بشمول سینیٹ کے بروقت انتخابات سے کمزور معاشی اعداد کے اثر کو ازل کیا گیا جس نے آئندہ کے عام انتخابات کے غیر یقینی منظر نامے کو نسبتاً واضح کیا، مزید یہ کہ اگر حالیہ اعلان کردہ ٹیکس ایمنسٹی اسکیم کو عملی جامہ پہنایا جائے تو اس سے توقع ہے کہ یہ ملکی معیشت میں ایک عمل انگیز ثابت ہو کیونکہ اس سے ٹیکس نیٹ ورک کو وسعت ملے گی اور بیرونی اثاثے واپس پاکستان منتقل ہوں گے۔ اپنے کم ہوتے ذخائر کیلئے لازماً کچھ کرنا چاہیے۔

آگے بڑھتے ہوئے، ملک کے اقتصادی مبادیات بہتر بنائے جانے کے امکان ہیں۔ نئے پاور پلانٹس کے آغاز نے بجلی کی پیداوار میں اضافہ کیا۔ جس سے ایل ایس ایم میں پچھلے سال کے مقابلے میں مالی سال 2018ء جولائی۔ فروری میں 6.24% اضافہ ہوا۔ مزید یہ کہ حکومت اپنے اہم اہداف کے حصول کیلئے بھی اقدامات کر رہی ہے (1) افراط زر کا ہدف 6% سے کم رکھنا، (2) جی ڈی پی کی نمو کا ہدف 6%-5.5% حاصل کرنا، (3) بیرونی محاذ پر، حکومت کو درپیش عدم توازن کو عارضی قرار دیتے ہوئے آئندہ دو سال میں اسے ان اقدامات کے ذریعے معمول پر لانا (1) ایکسپورٹ پیکیج کے ذریعے ایکسپورٹ کیلئے ترغیبت اور حوصلہ افزائی، (2) پاور پلانٹس کے پروجیکٹ کی تکمیل کے ساتھ مشینری کی درآمدات کے اضافی اوقات میں کمی، (3) حالیہ اپنیج ریٹ کی شرح جات کے درآمدات اور برآمدات پر مرتب ہونے والے اثرات کو آنے والے مہینوں میں ختم کرنا۔

بازار زر کا جائزہ:

مالی سال 2018ء کی پہلی شش ماہی کے دوران، اسٹیٹ بینک اپنے نرم مالیاتی موقف پر کاربند رہا اور تیسری سہ ماہی میں موقف میں سختی لایا جس کے بعد کم ہوتے ہوئے بیرونی کرنسی کے ذخائر کی بنیاد پر پالیسی ریٹ 0.25% اضافے کے ساتھ 6% قرار پایا، جس سے افراط زر اور کموڈٹی پرائسز میں اضافہ ہوا۔ مالیاتی سال کے آغاز سے ہی چونکہ مارکیٹ DR اضافے کی توقع کر رہا تھا اس لیے پالیسی ریٹ میں پہلا اضافہ سیکنڈری مارکیٹ کے شرکات داروں کیلئے حیران کن نہیں تھا۔ تاہم 25bps کا دوسرا DR اضافہ مالی سال 2018ء کی دوسری دو ماہی میں کیا گیا، لیکن حیرت انگیز طور پر منیٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ کو 6% پر رکھا تاکہ کرنسی کے استحکام اور قیمت کے خطرات کی صحیح جانچ کی جاسکے، جبکہ انتظار کر کے دیکھا جائے کہ گزشتہ کرنسی اینڈ انٹرسٹ ریٹ ایڈجسٹمنٹ کے اثرات کا مشاہدہ بھی کیا جاسکے۔

مجموعی طور پر، ڈسکاؤنٹ ریٹ میں اضافے کو مد نظر رکھتے ہوئے، گورنمنٹ پیپر کے پیداوار میں بہتری اور KIBORs نے بڑھتا ہوا رجحان ظاہر کیا؛ T-bills کو پہلی ششماہی تک تقریباً فلیٹ رہی، ایم پی ایس (MPS) کے بعد 41-71bps بڑھے۔ PIBs میں 69-144bps رینج تک اضافہ ہوا جبکہ KIBORs مالی سال کے دوران 36-49bps تک بڑھے۔ سیالیت (Liquidity) کے محاذ پر، بازار نے مالی سال 2018ء کے نومبہریوں کے دوران قدرے سخت سیالیتی منظر نامے کا سامنا کیا ہے، اسٹیٹ بینک جانب سے مختلف اوپن مارکیٹ آپریشنز (OMO) کے ذریعے 53.9 کھرب روپے فراہم کیے جس کے ساتھ 396 بلین روپے مالیت کی رعایتیں (Discounts) مختلف کاؤنٹرز کی جانب سے حاصل کی گئیں۔ جبکہ مقابلتہ mop-ups کے ذریعے اسٹیٹ بینک نے 1.1 کھرب روپے اور فلور پلیمینٹ 116 بلین روپے مختلف کاؤنٹرز سے فراہم کیے۔ اس کے ساتھ مذکورہ عرصے میں 18 T-Bills، 9 PIB کی بنیادی کا بھی اہتمام کیا گیا۔ T-bills میں 80 بلین ڈیپٹ ریٹائرمنٹ کا مشاہدہ کیا گیا اور 11.92 کھرب روپے کی چھٹی (میچورٹی) تھی جبکہ 14.49 ٹریلین کی ایک شرکت کے عوض 11.84 ٹریلین روپے قبول کیے گئے جبکہ PIBs میں 1.5 ٹریلین ڈیپٹ کا مشاہدہ کیا گیا اور 1.5 ٹریلین روپے کی چھٹی (میچورٹی) تھی جبکہ 52.41 بلین روپے 159.73 بلین روپوں کی ایک شرکت کے عوض قبول کیے گئے۔ واضح رہے کہ اسٹیٹ بینک آف پاکستان نے اس عرصے کے دوران گزشتہ 8 اپریل کی بنیاد پر مسٹر دکر دیس اور حکومت کے مجموعی ڈیپٹ پروفاکٹ کو طویل مدتی قرضہ جات سے مختصر مدتی میں تبدیل کر دیا۔

بازار کے شریعہ سے ہم آہنگ برسر کو پالیسی ریٹ میں اضافے کی وجہ سے فیکسڈ ریٹ اجارہ کی طلب میں کمی کے باعث اجارہ صلوک کی قیمتوں میں شدید کمی کا سامنا ہے۔ واضح رہے کہ حالیہ جاری کردہ چار اجارہ صلوک میں تین فیکسڈ ریٹ ہیں۔ نتیجتاً اس عرصے میں اجارہ صلوک پر مبنی میوچل فنڈ زکوریٹرز کے حوالے سے شدید تنزیلی کا سامنا رہا۔ تاہم اس عرصے کے دوران کچھ کارپوریٹس کی جانب سے صلوک کے اجراء کے ذریعے ڈیپٹ میں اضافہ ایک مثبت عمل رہا؛ اس رجحان کا تسلسل اسلاک مالیاتی اداروں کے لیکوڈیٹی تک رسائی کی دستیابی کی اچھی توقع ہے۔

زرمبادلہ کے محاذ پر، زبر جائزہ مدت کے دوران، روپے کی قدر گھٹی؛ انٹرنیشنل مارکیٹ میں یہ 10.62 روپے کی کمی کے ساتھ 115.40 روپے فی ڈالر پر بند ہوئی، جبکہ اوپن مارکیٹ میں 10.00 روپے کی کمی کے ساتھ 116.60 روپے فی ڈالر پر بند ہوئی۔

#### ایکویٹی کا جائزہ

مالی سال 2018ء کے نومبہریوں کے دوران، اسٹاک مارکیٹ نے شدید تنزیلی حالات کی بشمول سابقہ وزیر اعظم کے نامی کے فیصلے کی وجہ سے ایکویٹیز زبر دباؤ رہیں۔ سرمایہ کارانہ میلان اس وقت بھی متاثر ہوا جب HBL کو ڈی ایف ایس امریکہ کی جانب سے 225 بلین امریکی ڈالر جرمانہ کیا گیا اور مخصوص اقدار ختم ہوئیں، نتیجتاً مارکیٹ میں مزید گراؤ آئی۔ سیاسی غیر یقینی اور قانون میں ترمیم کے خلاف مذہبی جماعتوں کے دھرنوں اور احتجاج کی وجہ سے نیچ مارک انڈیکس کی گراؤت بھی جاری رہی۔ 19 دسمبر 2017ء کو کے ایس سی 100 اپنی کم ترین سطح 37,919 پر پہنچی، اس دوران سینیٹ کی جانب سے بل کی منظوری کا طویل انتظار بھی کیا گیا۔ بہر حال 2018ء کے انتخابات میں شفافیت کی وضاحت نے اتر سیاسی صورت حال کا خاتمہ کیا اور مقامی شرکت داروں کا اعتماد بحال ہوا۔

پہلی دوسرہ ماہیوں کے دوران، سیاسی محاذ پر غیر یقینی حالات کی بشمول سابقہ وزیر اعظم کے نامی کے فیصلے کی وجہ سے ایکویٹیز زبر دباؤ رہیں۔ سرمایہ کارانہ میلان اس وقت بھی متاثر ہوا جب HBL کو ڈی ایف ایس امریکہ کی جانب سے 225 بلین امریکی ڈالر جرمانہ کیا گیا اور مخصوص اقدار ختم ہوئیں، نتیجتاً مارکیٹ میں مزید گراؤ آئی۔ سیاسی غیر یقینی اور قانون میں ترمیم کے خلاف مذہبی جماعتوں کے دھرنوں اور احتجاج کی وجہ سے نیچ مارک انڈیکس کی گراؤت بھی جاری رہی۔ 19 دسمبر 2017ء کو کے ایس سی 100 اپنی کم ترین سطح 37,919 پر پہنچی، اس دوران سینیٹ کی جانب سے بل کی منظوری کا طویل انتظار بھی کیا گیا۔ بہر حال 2018ء کے انتخابات میں شفافیت کی وضاحت نے اتر سیاسی صورت حال کا خاتمہ کیا اور مقامی شرکت داروں کا اعتماد بحال ہوا۔

مالی سال 2018ء کی تیسری سہ ماہی کے آغاز سے، تیزی کے ساتھ کئی عوامل میں بہتری آئی جیسے، 1) حکومت اور اداروں کے درمیان تنازعات کم کرتے ہوئے زیادہ مستحکم سیاسی منظر نامے کی تشکیل، 2) پاکستانی روپے کی قدر میں کمی کو میٹریٹیز لائسنس (3) شرح سود میں تبدیلی بینکنگ شعبے کیلئے مثبت ہے، 4) فارن پورٹفو لیو اظفلو کو بہتر بنانا، اور 5) ایک ٹیکس ایمنسٹی اسکیم کا آغاز جس سے مارکیٹ میں لیکوڈیٹی کی صورت حال بہتر ہونے کی توقع ہے۔

اس مالی سال کے نومبہریوں کے دوران مختصر وقت میں متعدد واقعات کی وجہ سے تیل کی قیمتیں بڑھتی رہیں، جن میں سے ایک اہم ترین اوپیک کی جانب سے تیل کی پیداوار میں کمی کا رضا کارانہ اقدام ہے۔ ایک اور واقعہ جس نے تیل کی قیمتوں کو فروغ دیا وہ ایران میں دہشت گردی کی کارروائی اور ناتھری (North Sea) میں سرمتی امور کی وجہ سے پائپ لائن کی بندش ہے جس سے مستقبل کے ایندھن کی فراہمی پر پابندی کا خدشہ ہے۔ وسط ایشیا میں کشیدگی انتہائی حدوں کو چھونے لگی ہے جیسا کہ باغیوں نے ریاض میں کروڑ میزائل کی مدد سے سعودی بادشاہ کی رہائشگاہ کو نشانہ بنایا۔ ایران میں بد امنی سے مالی سال 2018ء کی دوسرہ ماہیوں میں تیل کی قیمتوں میں غیر معمولی اضافہ ہوا ہے کیونکہ بڑے پیمانے پر احتجاجات نے ملک میں تیل کی فراہمی کے انفراسٹرکچر کو متاثر کیا۔

اگرچہ پہلی دو سہ ماہیوں کے دوران MSCI ایئر جنگ مارکیٹس میں پاکستان کی شمولیت بیرونی سرمایہ کاروں کی توجہ کے حصول میں ناکام رہی، تاہم، دسمبر 2017ء میں اسٹیٹ بینک آف پاکستان کی جانب سے روپے کی قدر میں کمی کے فیصلے کے بعد پہلے راؤنڈ کے اختتام پر جنوری کے اوائل میں مارکیٹ میں بیرونی سرمایہ کاروں کی دلچسپی دیکھنے میں آئی۔ جنوری 2018ء میں ڈسکاونٹ ریٹ بڑھا اور امید ہے کہ بڑھتا ہوا رجحان آنے والی مونیتری پالیسی CY18 جاری رہے گا اور کمرشل بینکس کے آمدنی کے امکان کو بہتر بنائے گا جس سے ان کی اسٹاک پرائسز میں بہتری آئے گی۔ مالی سال 2018ء کی تین سہ ماہیوں کے دوران سینٹ سیکٹر نے بھی اچھی پیش رفت دکھائی کیونکہ تمام مینوفیکچررز نے قیمتوں میں اضافہ کیا۔ تیل کی قیمتوں میں مسلسل اضافے اور نئی دریافتوں کی خبروں نے آئل اینڈ گیس ایکسپلوریشن سیکٹر میں دلچسپی مرکوز رکھی جس کی وجہ سے دوران عرصہ اس شعبے کی کارکردگی میں اضافہ ہوا۔

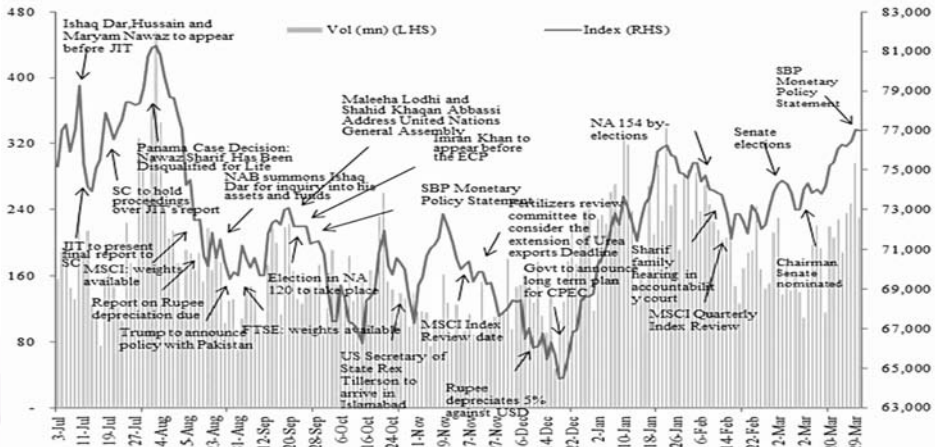
انڈیکس کی طرف ادارہ جاتی منافع جات اور بڑے حصے دار: مالی سال 2018ء کے نو مہینوں کے دوران، بہترین کارکردگی والے شعبہ جات میں آئل اینڈ گیس ایکسپلوریشن سب سے بہتر تھا۔ اس عرصے کے دوران KMI-30 انڈیکس میں بہترین کارکردگی والے شراکت دار یہ تھے:

انڈیکس میں مثبت کارکردگی کے شراکت دار	KMI-30 میں شرکت (پوائنٹس)	گُل منافع فیصد
پاکستان پٹرولیم لمیٹڈ	2,477	49
آئل اینڈ گیس ڈیولپمنٹ کولمبیٹڈ	1,917	29
پاکستان آئل فیلڈ لمیٹڈ	1,837	53
ایٹکروفر ٹیلرانز لمیٹڈ	985	43

دوسری طرف سینٹ اور کیبل اینڈ الیکٹریک بڑی کارکردگی کا مظاہرہ کرنے والے شعبے رہے۔ اس مدت کے دوران KMI-30 میں بڑی کارکردگی کے اسٹاک یہ تھے:

انڈیکس میں منفی کارکردگی کے شراکت دار	KMI-30 میں شرکت (پوائنٹس)	گُل منافع فیصد
پاک الیکٹرون لمیٹڈ	-1,145	-58
کلی سینٹ لمیٹڈ	-1,115	-15
ہنڈ اٹلس کارز	-720	-40
ڈی جی خان سینٹ کولمبیٹڈ	-686	-20

اس عرصے کے دوران KMI-30 کی مجموعی حرکت کو درج ذیل گراف سے دیکھا جاسکتا ہے:



## ایکویٹی کا بہاؤ:

زیر جائزہ عرصے کے دوران پاکستان کی اسٹاک مارکیٹ ICSI ایم اینڈیکس ایمرجنگ کے باوجود بیرونی سرمایہ کاری کی توجہ حاصل کرنے میں ناکام رہی۔ بیرونی سرمایہ کار 125 ملین امریکی ڈالر کے ساتھ اس عرصے کے دوران نیٹ سیلز زر ہے، تاہم، یہ نوٹ کرنا چاہیے کہ تیسری سہ ماہی کے دوران، بیرونی سرمایہ کار 30 ملین امریکی ڈالر کے ساتھ نیٹ بائی زر ہے۔ بلند ترین اخراج بینکنگ (67 ملین امریکی ڈالر) اور آئل اینڈ گیس ایکسپلوریشن سیکٹرز (55 ملین امریکی ڈالر) ریکارڈ کیے گئے جو اس عرصے کے دوران مجموعی اخراج کا اہم حصہ بنتا ہے۔ اس کی پیروی فریٹ لائزر اور پاور سیکٹرز نے بالترتیب 22 ملین امریکی ڈالر اور 20 ملین امریکی ڈالر کے ساتھ کی۔ اس عرصے کے دوران، میوچل فنڈز 77 ملین امریکی ڈالر کے ساتھ خالص فروخت کنندہ رہے جبکہ انشورنس کمپنیز اور کارپوریٹس بالترتیب 105 ملین امریکی ڈالر اور 94 ملین امریکی ڈالر کے ساتھ کے ساتھ خالص خریدار رہے۔ اینفوس، افرو، NBFCs، دیگر اور بروکرز مجموعی طور پر 3 ملین امریکی ڈالر کے ساتھ خالص خریدار رہے۔

## میوچل فنڈ انڈسٹری کا جائزہ:

مالی سال 2018ء کے نو مہینوں کے دوران، میوچل فنڈ انڈسٹری کے زیر انتظام اثاثہ جات میں 3.5% اضافے کے ساتھ اسکی جسامت 638 ارب روپے ہونے کا مشاہدہ کیا۔ اسلامی فنڈز زیر جائزہ عرصے کے دوران 3.2% کمی کے ساتھ 241 ارب روپے ہو گیا جس سے شریعہ کمپلائنس فنڈ کے شیئر میوچل فنڈ انڈسٹری میں 2.6% کمی کے ساتھ 37.8% ہو گئے۔

زیر جائزہ عرصے کے دوران اوپن اینڈ ایکم اور مینی مارکیٹ فنڈز 24.6% اضافے کے ساتھ 267 بلین ہو گئے۔ جبکہ روایتی (کنوشنل) فنڈز اس کیلگری میں 26.5% اضافہ اور اسلامی فنڈز میں 19.5% اضافہ کیا۔

اوپن اینڈ ایکویٹی فنڈز (بشمول اینڈیکس ٹریڈر) کے زیر انتظام اثاثہ جات 9.0% کمی کے ساتھ 285 بلین روپے ہوئے جبکہ اس کیلگری میں کنوشنل فنڈز 6.1% تنزلی کا شکار رہے اور شریعہ کمپلائنس مینیڈیٹ میں زیر جائزہ نو مہینوں کے دوران 12.9% کمی دیکھی گئی۔

عرصے کے اختتام پر، کپٹل پروڈیکٹس، ہیلنڈ اور ایسیٹ ایلوکیشن مینیڈیٹ مشترکہ طور پر 4.6% کمی کے ساتھ 60 بلین روپے پر پہنچے جبکہ اس کیلگری میں کنوشنل فنڈ 3.5% کمی، اسلامی فنڈز میں 5.2% کمی ہوئی۔

انڈسٹری میں کموڈٹی فنڈ کا حجم کم ہو کر 342 بلین روپے ہوا جو کہ جون 2017ء میں مقابلتاً 672 بلین تھا۔ یوں اس میں 49.1% کمی ہوئی۔ 31 مارچ 2018ء کو انٹرنی پینشن فنڈ میں زیر جائزہ عرصے کے دوران 1.4% اضافہ ہوا اور اس کی کل جسامت 26 بلین روپے ہوئی، اسلامی پینشن فنڈز بھی زیر تبصرہ عرصے کے دوران 1.1% سے بڑھ کر 16 بلین روپے پر آ گئے۔

مجموعی میوچل فنڈ انڈسٹری میں المیزان کے شیئرز 15.5% ہیں جبکہ شریعہ کمپلائنس فنڈز میں 40% مارکیٹ شیئرز کے ساتھ اپنی لیڈ کو برقرار رکھا اور مجموعی پینشن مارکیٹ اور شریعہ کمپلائنس پینشن مارکیٹ میں بالترتیب 35.5% اور 55.5% کے ساتھ بھی اپنی لیڈ کو برقرار رکھا۔

## کارکردگی کا جائزہ (فنڈز)

### میزان اسلامک فنڈ:

31 مارچ 2018ء کے مطابق میزان اسلامک فنڈ کے خالص اثاثہ جات 21% کی تنزلی کے ساتھ جون 2017ء کے 54,853 ملین روپے کے مقابلے میں 43,206 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 76.41 روپے فی یونٹ کے مقابلے میں 69.65 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران 8.84% کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) پیچ مارک 2.05% کم رہا۔



### المیزان میوچل فنڈ:

31 مارچ 2018 تک مطابق المیزان میوچل فنڈ کے خالص اثاثہ جات %17 کی تنزلی کے ساتھ جون 2017ء کے 9,079 ملین روپے کے مقابلے میں 7,549 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 21.14 روپے فی یونٹ کے مقابلے میں 19.42 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %8.14 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک %2.05 کم رہا۔

### کے ایس ای میزان انڈیکس فنڈ:

31 مارچ 2018ء کے مطابق کے ایس ای میزان انڈیکس فنڈ کے خالص اثاثہ جات %4.6 کی تنزلی کے ساتھ جون 2017ء کے 1,909 ملین روپے کے مقابلے میں 1,820 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 79.56 روپے فی یونٹ کے مقابلے میں 76.88 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %3.36 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک %2.05 کم رہا۔

### میزان ڈیڈیکیڈ ایکویٹی فنڈ:

میزان ڈیڈیکیڈ ایکویٹی فنڈ کا آغاز اکتوبر 2017ء میں ہوا اور 31 مارچ 2018ء کو اس کے مجموعی اثاثہ جات 1,699 ملین روپے تھے۔ فنڈ نے اس عرصے کے دوران بیچ مارک کے ریٹرن %12.3 کے مقابلے میں %6.02 منفی منافع فراہم کیا۔

### میزان انرجی فنڈ:

31 مارچ 2018ء کے مطابق میزان انرجی فنڈ کے خالص اثاثہ جات %37 کے اضافے کے ساتھ جون 2017ء کے 1,139 ملین روپے کے مقابلے میں 1,565 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.23 روپے فی یونٹ کے مقابلے میں 51.18 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %1.89 کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک %2.05 کم رہا۔

### میزان ایسیٹ ایلوکیشن فنڈ:

31 مارچ 2018ء کے مطابق میزان ایسیٹ ایلوکیشن فنڈ کے خالص اثاثہ جات %6 کی تنزلی کے ساتھ جون 2017ء کے 3,251 ملین روپے کے مقابلے میں 3,060 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.89 روپے فی یونٹ کے مقابلے میں 48.22 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %5.25 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %0.48 کم رہا۔

### میزان اسلامک انکم فنڈ:

31 مارچ 2018ء کے مطابق میزان اسلامک انکم فنڈ کے خالص اثاثہ جات %11 کی تنزلی کے ساتھ جون 2017ء کے 11,781 ملین روپے کے مقابلے میں 10,459 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 51.39 روپے فی یونٹ کے مقابلے میں 52.85 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %3.78 کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %2.47 رہا۔ عرصے کے اختتام پر اسلامی ادارہ جاتی صلکوں میں %34.14، حکومت پاکستان اجارہ صلکوں میں %5.17، سرمایہ کاری کی گئی جبکہ %21.48 ٹرم ڈپازٹ ریٹینس %8.6 سرٹیفیکٹ آف مشارقہ میں رکھے گئے اور خالص اثاثہ جات %30.52 اسلامی بینکنگ یا بینکنگ کے اسلامی ونڈوز میں مختص کئے گئے۔

### میزان سوورن فنڈ:

31 مارچ 2018ء تک مطابق میزان سوورن فنڈ کے خالص اثاثہ جات %50 کی تنزلی کے ساتھ جون 2017ء کے 4,334 ملین روپے کے مقابلے میں 2,177 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 51.40 روپے فی یونٹ کے مقابلے میں 52.00 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %1.55 کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %4.85 رہا۔ اس نقصان کو عرصے کے پہلے ماہ کے دوران اجارہ صلکوں کی تیزی سے گرتی ہوئی قیمتوں سے منسوب کیا جاتا ہے۔ عرصے کے اختتام پر حکومت پاکستان اجارہ صلکوں میں %72.73 کی سرمایہ کاری کی اور جبکہ خالص اثاثہ جات کے %4.59 ٹرمپ ڈپازٹ ریٹینس اور %26.42 اسلامی بینکنگ یا بینکنگ کے اسلامی ونڈوز میں رکھے گئے۔

### میزان کیش فنڈ:

31 مارچ 2018ء کے مطابق میزان کیش فنڈ کے خالص اثاثہ جات %179 اضافے کے ساتھ جون 2017ء کے 3,350 ملین روپے کے مقابلے میں 9,362 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.43 روپے فی یونٹ کے مقابلے میں 52.00 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %4.14 کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %2.58 رہا۔ عرصے کے اختتام پر %23.15 ٹرم ڈپازٹ ریٹسپس (TDR) رکھے گئے اور خالص اثاثہ جات کے %76.7 اسلامی بینکنگ یا بینکنگ کے اسلامی ونڈوز میں رکھے گئے۔

### میزان بیلنسڈ فنڈ:

31 مارچ 2018ء کے میزان بیلنسڈ فنڈ کے خالص اثاثہ جات %12.45 کی تنزلی کے ساتھ جون 2017ء کے 9,516 ملین روپے کے مقابلے میں 8,331 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 16.95 روپے فی یونٹ کے مقابلے میں 16.28 روپے رہی جو کہ زیر جائزہ عرصہ کے دوران %3.95 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک %0.05 کم رہا۔

### میزان فنانس پلاننگ فنڈ آف فنڈز:

#### ایگری سول بلوکیشن پلان:

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 622 ملین روپے کے مقابلے میں 559 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %5.81 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %0.90 رہا۔

#### موڈیریت بلوکیشن پلان:

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 408 ملین روپے کے مقابلے میں 344 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %2.97 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %0.27 رہا۔

#### کنزرویٹو بلوکیشن پلان:

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 413 ملین روپے کے مقابلے میں 305 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %0.23 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %1.10 رہا۔

#### میزان ایسیٹ بلوکیشن پلان-I:

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,251 ملین روپے کے مقابلے میں 888 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %0.09 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %1.11 رہا۔

#### میزان ایسیٹ بلوکیشن پلان-III:

30 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 2,923 ملین روپے کے مقابلے میں 2,190 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %12.57 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %7.14 رہا۔

#### میزان ایسیٹ بلوکیشن پلان-IV:

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 860 ملین روپے کے مقابلے میں 5980 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران %7.74 منفی منافع فراہم کیا جبکہ بیچ مارک منفی %1.43 رہا۔



## میزان اسٹریٹجک ایلوکیشن فنڈ:

### میزان اسٹریٹجک ایلوکیشن پلان-I

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 2,629 ملین روپے کے مقابلے میں 2,203 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 6.62% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 1.47 رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-II

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,662 ملین روپے کے مقابلے میں 1,413 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 16.64% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 1.56 رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-III

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,766 ملین روپے کے مقابلے میں 1,610 ملین روپے رہے۔ پلان نے زیر جائزہ عرصہ کے دوران 6.87% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 1.36 رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-IV

31 مارچ 2018ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,973 ملین روپے کے مقابلے میں 1,788 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 5.71% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 0.81 رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-V

یہ پلان اگست 2017ء میں شروع کیا گیا اور 31 مارچ 2018ء پر اس کے خالص اثاثہ جات 568 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 4.14% منافع فراہم کیا جبکہ شیئنگ مارک 8.84% رہا۔

### میزان کسٹنٹل پریزرویشن پلان-III

یہ پلان دسمبر 2017ء میں شروع کیا گیا اور 31 مارچ 2018ء پر اس کے خالص اثاثہ جات 1,389 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 1.44% منافع فراہم کیا جبکہ شیئنگ مارک 0.55% رہا۔

### میزان اسٹریٹجک ایلوکیشن فنڈ-II:

### میزان کسٹنٹل پریزرویشن پلان-IV

یہ پلان مارچ 2018ء میں شروع کیا گیا اور 31 مارچ 2018ء پر اس کے خالص اثاثہ جات 305 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 0.45% منافع فراہم کیا جبکہ شیئنگ مارک 0.17% رہا۔

### میزان گولڈ فنڈ:

31 مارچ 2018ء پر میزان گولڈ فنڈ کے خالص اثاثہ جات 25% کی تیزی کے ساتھ 30 جون 2017ء کے 457 ملین روپے کے مقابلے میں 342 ملین روپے رہے۔ زیر جائزہ عرصہ کے دوران فنڈ نے 10.91% کے شیئنگ مارک کے مقابلے میں 11.2% کا منافع فراہم کیا۔

### میزان تحفظ پنشن فنڈ:

ایم پی پی ایف 4 ذیلی فنڈ یعنی ایکویٹی سب فنڈ، ڈیٹ سب فنڈ، منی مارکیٹ سب فنڈ اور گولڈ سب فنڈ پر مشتمل ہے۔ 31 مارچ 2018ء کو اختتام پذیر ہونے والے عرصے کیلئے ایکویٹی سب فنڈ نے 8.92% کا منفی منافع اور گولڈ سب فنڈ نے 11.26% کا منافع فراہم کیا، جبکہ ڈیٹ اور منی مارکیٹ سب فنڈ نے بالترتیب 2.16% اور 2.44% کا سالانہ منافع فراہم کیا۔ ہر ایک سب فنڈ کی کارکردگی کا جائزہ درج ذیل ہے:

ایکو بیٹی سب فنڈ:

31 مارچ 2018ء کے مطابق ایکو بیٹی سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 5,806 ملین روپے کے مقابلے میں 5,820 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 592.32 روپے فی یونٹ کے مقابلے میں 539.47 روپے رہی۔ زیر جائزہ عرصہ کے دوران ایکو بیٹی سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 1,232 ملین روپے کی مجموعی آمدنی کے مقابلے میں 431 ملین روپے کا مجموعی خسارہ کیا۔

ڈیبٹ سب فنڈ:

31 مارچ 2018ء کے مطابق ڈیبٹ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 2,511 ملین روپے کے مقابلے میں 2,403 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 214.59 روپے فی یونٹ کے مقابلے میں 218.08 روپے رہی۔ زیر جائزہ عرصہ کے دوران ڈیبٹ سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 109 ملین روپے کے مقابلے میں 72 ملین روپے کا مجموعی منافع کمایا۔

منی مارکیٹ سب فنڈ:

31 مارچ 2018ء کے مطابق منی مارکیٹ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 663 ملین روپے کے مقابلے میں 786 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 212.18 روپے فی یونٹ کے مقابلے میں 216.07 روپے رہی۔ زیر جائزہ عرصہ کے دوران منی مارکیٹ سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 23 ملین روپے کے مقابلے میں 23 ملین روپے کا مجموعی منافع کمایا۔

گولڈ سب فنڈ:

31 مارچ 2018ء کے مطابق گولڈ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 43 ملین روپے کے مقابلے میں 48 ملین روپے رہے۔ 31 مارچ 2018ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 90.59 روپے فی یونٹ کے مقابلے میں 100.79 روپے رہی۔ زیر جائزہ سہ ماہی کے دوران گولڈ سب فنڈ نے گزشتہ سال کی اسی عرصے کے مطابق 2 ملین روپے کے مجموعی خسارے کے مقابلے میں 6 ملین روپے کا مجموعی منافع کمایا۔

توقعات (Outlooks)

7 ماہ کی طویل اصلاحاتی نشستوں کے بعد، جو دو دہائیوں میں طویل تر تھیں، اسٹاک مارکیٹ سال کے اختتام پر کچھ قابل قدر ریکوریز کرنے کے قابل ہوا۔ مالی سال 2018ء کے نومبروں کے دوران ٹیلیڈیو ریٹرن کے باوجود، 19 دسمبر 2017ء کے 37,919 پوائنٹس سے مارکیٹ میں 20% سے زائد اضافے کا مشاہدہ کیا گیا۔

حالیہ تیز ترین رجحانات ظاہر کرتے ہیں کہ مارکیٹ پر سرمایہ داروں کو ہوا ہوا اعتماد بحال ہوا ہے۔ اعتماد کی بحالی کا یہ عمل بنیادی طور پر سیاسی محاذ پر مثبت امور بشمول بروقت سینٹ الیکشنز سے منسوب کیا جاسکتا ہے جبکہ معاشی حوالے سے بڑا خسارہ اور بڑھتی ہوئی انٹرنیشنل ڈیبٹ تا حال ایک چیلنج ہے۔ تو بے کی قدر میں کمی کا عمل مارکیٹ کے شرکاء کی جانب سے مثبت انداز میں انجام پایا۔ مزید یہ کہ ایک سخت مونیٹری پالیسی کی توقع آگے بڑھنے کے آغاز اور انڈیکس کے ابھار میں اہم کردار کی حامل ہے کیونکہ بینکنگ سیکٹر کا بھی انڈیکس میں بڑا حجم ہے۔

جیسے ہی ہم مالی سال کی آخری سہ ماہی میں داخل ہوئے، کئی ایسے عوامل موجود تھے جنہوں نے سرمایہ کاروں کے میلان کو بڑھایا اور مارکیٹ کو اس قابل بنایا کہ وہ اپنے تیز مومٹم کو جاری رکھ سکے۔ منافع اینٹنٹی اسکیم سے توقع ہے کہ اس کا مقصد بیرونی اثاثوں کو واپس پاکستان لانا، بیرونی ذخائر کی کمی سے پیدا ہونے والے دباؤ میں کمی لانا ہوگا۔ مزید یہ کہ حکومت کی جانب سے اگلے بجٹ کے اعلان سے توقع ہے کہ یہ تمام امور کا احاطہ کرتے ہوئے مارکیٹ کیلئے بطور ایک عمل انگیز ہوگا۔ اس بات کی توقع ہے کہ آمدنی پر ٹیکس میں مناسب ایڈجسٹمنٹ بشمول کیپٹل گینئر اور ڈیویڈنڈز کا اعلان کیا جائے گا جس سے سرمایہ کاروں کی توجہ مزید مبذول ہوگی اور مارکیٹ میں شرکت میں اضافہ ہوگا۔

آگے بڑھتے ہوئے، ہمیں یقین ہے کہ مثبت متحرکات کی وجہ سے مارکیٹ کی پیش رفت جاری رہے گی جبکہ عام انتخابات کے بہت قریب آنے کی وجہ سے قریب کی مدت میں کچھ الجھنوں کا مشاہدہ کیا جاسکتا ہے۔ مارکیٹ کے مضبوط مبادیات، پُرکشش تحمیلوں اور روپے کی قدر میں تخفیف کی وجہ سے ایکسٹرنل اکاؤنٹ پوزیشن آخری سہ ماہی میں اسٹاک مارکیٹ کو نفع کی سمت گامزن کریں گے۔

فلسڈ انکم سائیڈ کے محاذ پر، آگے بڑھتی ہوئی متوقع مالیاتی سختی حکومت پاکستان کے فلسڈ ریٹ اجارہ صلوک کیلئے کچھ مسائل بنا سکتی ہے جس کی وجہ سے مزید ڈسکاؤنٹس کی توقع ہے۔ تاہم، مجموعی طور پر، ریٹرنز کے منظر نامے سے توقع ہے کہ پینٹس فلونگ ریٹ صلوک اور بلند منافع کے حامل ریٹس کے دوبارہ تعین کے ذریعے بہتری لائیں۔

#### اعتراف:

ہم اس موقع کو غنیمت جانتے ہوئے ہمارے گرانقدر سرمایہ کاروں سے ان کے المیز ان الوٹسٹمنٹس پر یقین کیلئے شکریہ ادا کرتے ہیں جس سے یہ پاکستان کے نجی شعبے میں سب سے بڑی لیبسٹ میجمنٹ کمپنی بن گئی ہے۔ ہم ضابطہ کار، ایس ای سی پی اور ہمارے ٹرسٹی، سینٹرل ڈیازٹری کمپنی آف پاکستان سے بھی ان کی بھرپور اعانت و مدد کیلئے اظہار تشکر کرتے ہیں۔ اس کے علاوہ میز ان پینک کے اراکین شریعہ سپروائزر ری بورڈ کا بھی ان کے مسلسل تعاون اور فنڈ میجمنٹ کے شریعہ سے متعلق پہلوؤں پر ان کی رہنمائی کے لئے دل کی گہرائیوں سے اظہار تشکر بجالاتے ہیں۔

محمد شعیب، سی ایف اے  
چیف ایگزیکٹو آفیسر

برائے و بجانب بورڈ  
مورخہ 24 اپریل 2018ء





# Meezan Islamic Fund

Meezan Islamic Fund (MIF) seeks to optimize total investor returns by participating in Shariah compliant equities which focus on both capital gains and dividend income.

## 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

### CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

### AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	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  
Al Baraka Islamic Bank B.S.C (E.C)  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Alfalah Limited  
Bankislami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited - Islamic Banking

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Samba Bank Limited  
Sindh Bank Limited  
UBL Ameen - Islamic Banking

### LEGAL ADVISER

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

### 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





## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	2,865,727	4,345,208
Investments	6	40,762,671	50,448,864
Receivable against conversion of units		141,227	1,373,082
Dividend receivable		299,584	252,501
Deposits, prepayments, profit accrued and other receivables		24,353	38,484
<b>Total assets</b>		<b>44,093,562</b>	<b>56,458,139</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company		159,161	191,995
Payable to Central Depository Company of Pakistan Limited - Trustee		4,103	5,277
Payable to Meezan Bank Limited		1,124	7,780
Payable to Securities and Exchange Commission of Pakistan		32,220	42,787
Payable on redemption and conversion of units		51,805	109,957
Dividend payable		-	345,340
Payable against purchase of investments - net		10,300	64,953
Accrued expenses and other liabilities	7	628,753	837,341
<b>Total liabilities</b>		<b>887,466</b>	<b>1,605,430</b>
<b>Net assets</b>		<b>43,206,096</b>	<b>54,852,709</b>
<b>Contingencies and commitments</b>			
Unitholders' funds (as per statement attached)		43,206,096	54,852,709
(Number of units)			
Number of units in issue		620,360,150	717,906,382
(Rupees)			
Net assets value per unit		69.6468	76.4100

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31,		Quarter ended March 31,		
	2018	2017	2018	2017	
	(Rupees in '000)				
Income					
Net realised (loss) / gain on sale of investments	(2,152,703)	971,596	(1,220,596)	306,210	
Dividend income	1,557,859	1,131,653	299,054	304,534	
Profit on saving accounts with banks	131,937	136,955	36,233	65,600	
Reversal of provision for Workers' Welfare Fund	-	184,606	-	184,606	
Other income	-	4,010	-	-	
	<u>(462,907)</u>	<u>2,428,820</u>	<u>(885,309)</u>	<u>860,950</u>	
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.5	(3,349,247)	7,831,650	4,959,311	660,746
Total income	<u>(3,812,154)</u>	<u>10,260,470</u>	<u>4,074,002</u>	<u>1,521,696</u>	
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company	678,312	624,557	208,474	248,684	
Sindh Sales Tax on management fee	88,181	81,192	27,102	32,329	
Remuneration to Central Depository Company of Pakistan Limited - Trustee	34,666	31,979	10,670	12,681	
Sindh Sales Tax on trustee fee	4,507	4,157	1,388	1,648	
Annual fee to Securities and Exchange Commission of Pakistan	32,220	29,666	9,903	11,812	
Auditors' remuneration	522	537	100	122	
Charity expense	22,347	15,246	5,643	3,543	
Fees and subscription	4,900	2,515	1,460	725	
Legal and professional charges	45	230	27	92	
Brokerage expense	19,242	28,897	5,528	9,624	
Bank and settlement charges	2,890	3,970	740	1,497	
Printing charges	745	1,536	245	247	
Allocated expenses	11 33,916	31,228	10,424	12,434	
Selling and marketing expense	13 135,662	18,583	41,694	18,583	
Provision for Sindh Workers' Welfare Fund	-	350,111	-	350,111	
Total expenses	<u>1,058,155</u>	<u>1,224,404</u>	<u>323,398</u>	<u>704,132</u>	
Net (loss) / income from operating activities	<u>(4,870,309)</u>	<u>9,036,066</u>	<u>3,750,604</u>	<u>817,564</u>	
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	1,410,564	-	886,770	
Net (loss) / income for the period before taxation	<u>(4,870,309)</u>	<u>10,446,630</u>	<u>3,750,604</u>	<u>1,704,334</u>	
Taxation	14 -	-	-	-	
Net (loss) / income for the period after taxation	<u>(4,870,309)</u>	<u>10,446,630</u>	<u>3,750,604</u>	<u>1,704,334</u>	
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation	(4,870,309)	10,446,630	3,750,604	1,704,334	
Income already paid on units redeemed	-	-	-	-	
	<u>(4,870,309)</u>	<u>10,446,630</u>	<u>3,750,604</u>	<u>1,704,334</u>	

\* Due to net loss for the period, disclosure related to accounting income available for distribution is not required

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31,		Quarter ended March 31,		
	2018	2017	2018	2017	
	..... (Rupees in '000) .....				
Net (loss) / income for the period after taxation	(4,870,309)	10,446,630	3,750,604	1,704,334	
Other comprehensive income for the period					
<i>Item that may be reclassified subsequently to Income Statement</i>					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.2	(478,236)	903,167	384,059	85,354
Total comprehensive (loss) / income for the period		<u>(5,348,545)</u>	<u>11,349,797</u>	<u>4,134,663</u>	<u>1,789,688</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018 ..... (Rupees in '000) .....				Nine months period ended March 31, 2017 ..... (Rupees in '000) .....			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	38,815,070	14,556,642	1,480,997	54,852,709	23,536,931	7,897,863	1,119,612	32,554,406
Issue of 337,198,955 units (2017: 419,610,492 units)								
- Capital value (at net asset value per unit at the beginning of the period)	25,765,372	-	-	25,765,372				
- Element of loss	(2,844,320)	-	-	(2,844,320)				
Total proceeds on issuance of units	22,921,052	-	-	22,921,052	28,334,217	4,435,306	-	32,769,523
Redemption of 434,745,187 units (2017: 298,498,166 units)								
- Capital value (at net asset value per unit at the beginning of the period)	33,218,880	-	-	33,218,880				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	(3,999,760)	-	-	(3,999,760)				
Total payments on redemption of units	29,219,120	-	-	29,219,120	20,169,070	3,024,742	-	23,193,812
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(1,410,564)	-	(1,410,564)
Total comprehensive (loss) / income for the period	-	(4,870,309)	(478,236)	(5,348,545)	-	10,446,630	903,167	11,349,797
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(4,870,309)	(478,236)	(5,348,545)	-	10,446,630	903,167	11,349,797
Net assets at end of the period	32,517,002	9,686,333	1,002,761	43,206,096	31,702,078	18,344,493	2,022,779	52,069,350
Undistributed income brought forward								
- Realised income		9,383,822				4,499,430		
- Unrealised income		5,172,820				3,398,433		
		14,556,642				7,897,863		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
Net (loss) / income for the period after taxation		(4,870,309)				10,446,630		
Distribution during the period		-				-		
Undistributed loss carried forward		9,686,333				18,344,493		
Undistributed income / (loss) carried forward								
- Realised income		13,035,580				10,512,843		
- Unrealised (loss) / income		(3,349,247)				7,831,650		
		9,686,333				18,344,493		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				76.4100				66.2100
Net assets value per unit at end of the period				69.6468				84.9700

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period after taxation	(4,870,309)	10,446,630
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	3,349,247	(7,831,650)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(1,410,564)
	(1,521,062)	1,204,416
Decrease / (increase) in assets		
Investments - net	5,858,710	(7,854,623)
Dividend receivable	(47,083)	(189,495)
Deposits, prepayments, profit accrued and other receivables	14,131	(17,219)
	5,825,758	(8,061,337)
(Decrease) / increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(32,834)	64,165
Payable to Central Depository Company of Pakistan Limited - Trustee	(1,174)	2,076
Payable to Meezan Bank Limited	(6,656)	(1,913)
Payable to Securities and Exchange Commission of Pakistan	(10,567)	3,125
Payable against purchase of investments (net)	(54,653)	(287,420)
Accrued expenses and other liabilities	(208,588)	88,401
	(314,472)	(131,566)
Net cash generated from / (used in) operating activities	3,990,224	(6,988,487)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	24,152,907	33,976,074
Dividend paid	(345,340)	-
Payment against redemption and conversion of units	(29,277,272)	(23,192,169)
Net cash (used in) / generated from financing activities	(5,469,705)	10,783,905
Net (decrease) / increase in cash and cash equivalents during the period	(1,479,481)	3,795,418
Cash and cash equivalents at beginning of the period	4,345,208	1,928,938
Cash and cash equivalents at end of the period	2,865,727	5,724,356

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund, is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is 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) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The Management Company of the Fund has been given a quality rating of AM1 by JCR-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 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.

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
  - 4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement. The element was recognised in the Income Statement to the extent that it was represented by income earned during the period and movement in unrealised appreciation / (diminution) arising during the period on 'available for sale' securities was included in the Distribution Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been

restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 1,052.127 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5. BALANCES WITH BANKS			
In current accounts		20,878	170,408
In saving accounts	5.1	2,844,849	4,174,800
		<u>2,865,727</u>	<u>4,345,208</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.05% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	37,253,615	46,448,966
Investments - 'available for sale'	6.2.1	3,509,056	3,999,898
		<u>40,762,671</u>	<u>50,448,864</u>
6.1 Investments - 'at fair value through profit or loss'			
Held for trading - shares of listed companies	6.1.1	37,229,526	46,147,660
Fair value through profit or loss upon initial recognition	6.1.5	24,089	301,306
		<u>37,253,615</u>	<u>46,448,966</u>

#### 6.1.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / Right issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value of investment (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
									----- (Rupees in '000) -----		
									----- % -----		
<b>Sectors / companies</b>											
<b>Automobile assembler</b>											
Honda Atlas Cars (Pakistan) Limited	2,763,200	-	-	263,000	2,500,200	2,169,399	1,193,395	(976,004)	2.76	2.93	1.75
Chandhara Industries Limited	-	7,800	-	-	7,800	4,089	6,510	2,421	0.02	0.02	0.04
Indus Motor Company Limited	203,842	-	-	203,842	-	-	-	-	-	-	-
Millat Tractors Limited	116,900	-	-	-	116,900	160,672	149,908	(10,764)	0.35	0.37	0.26
Pak Suzuki Motor Company Limited	-	135,700	-	25,000	110,700	58,905	52,879	(6,026)	0.12	0.13	0.13
									3.25	3.45	2.18
<b>Automobile parts and accessories</b>											
Ghandhara Nissan Limited	-	572,100	-	-	572,100	154,049	148,122	(5,927)	0.34	0.36	1.27
The General Tyre and Rubber Company of Pakistan Limited	-	239,900	-	85,300	154,600	30,400	29,632	(768)	0.07	0.07	0.26
Thal Limited (note 6.1.2)	102,307	-	-	102,300	7	4	4	-	-	-	-
									0.07	0.07	0.26
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited	11,019,500	10,612,000	-	8,878,000	12,753,500	429,449	454,662	25,213	1.05	1.12	1.92
ICI Pakistan Limited	1,017,700	50,610	-	-	1,068,310	1,160,682	909,527	(251,155)	2.11	2.23	1.16
Sitara Chemicals Industries Limited	30,500	-	-	-	30,500	13,561	10,370	(3,191)	0.02	0.03	0.14
									3.18	3.38	3.22
<b>Cement</b>											
Cherat Cement Company Limited	7,093,212	25,000	-	581,000	6,537,212	1,167,063	838,724	(328,339)	1.94	2.06	3.70
D.G. Khan Cement Company Limited	8,889,922	1,269,600	-	3,907,000	6,252,522	1,290,125	1,019,849	(270,276)	2.36	2.50	1.43
Dewan Cement Company Limited	-	2,834,500	-	452,000	2,382,500	59,784	64,304	4,520	0.15	0.16	0.49
Fauji Cement Company Limited	20,185,500	1,152,500	-	21,336,000	2,000	82	59	(23)	-	-	-
Kohat Cement Company Limited	3,102,500	430,000	-	180,000	3,352,500	747,476	538,043	(209,433)	1.25	1.32	2.17
Lucky Cement Limited	5,144,329	287,200	-	477,750	4,953,779	4,099,379	3,416,225	(683,154)	7.91	8.38	1.53
Maple Leaf Cement Factory Limited	5,455,600	225,000	-	5,680,600	-	-	-	-	-	-	-
Pioneer Cement Limited	10,897,800	470,000	-	159,500	11,208,300	1,432,561	785,029	(647,532)	1.82	1.93	4.93
									15.43	16.35	14.25

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / Right issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)	
----- (Number of shares) -----					----- (Rupees in '000) -----			----- % -----				
Paper and Board												
Cherat Packaging Limited	303,800	-	41,013	-	344,813	77,364	58,880	(18,484)	0.14	0.14	1.03	
Century Paper & Board Mills Packages Limited	-	500	-	-	500	34	35	1	-	-	-	
	2,163,379	26,900	-	526,600	1,663,679	1,153,741	979,275	(174,466)	2.27	2.40	1.86	
									2.41	2.54	2.89	
Technology and communication												
Pakistan Telecommunication Company Limited "A" Systems Limited	250,000	2,550,000	-	2,800,000	-	-	-	-	0.03	0.04	0.13	
	-	150,000	-	-	150,000	14,378	14,493	115	0.03	0.04	0.13	
Refinery												
Attock Refinery Limited	1,142,900	416,900	-	1,375,400	184,400	46,434	46,061	(373)	0.11	0.11	0.22	
National Refinery Limited	153,955	95,000	-	139,800	109,155	69,821	46,292	(23,529)	0.11	0.11	0.14	
									0.22	0.22	0.36	
Miscellaneous												
Shifa International Hospitals Limited	40,988	-	-	40,900	88	29	25	(4)	-	-	-	
Commercial Banks												
Meezan Bank Limited (an associate of the Fund)	567,081	585,500	302,410	1,444,000	10,991	612	875	263	-	-	-	
Oil and Gas Marketing Companies												
Attock Petroleum Limited	327,579	-	-	-	327,579	205,205	188,211	(16,994)	0.44	0.46	0.39	
Hasool Petroleum Limited	379,048	468,700	65,049	191,400	721,397	210,557	191,488	(19,069)	0.44	0.47	0.50	
Hi-Tech Lubricants Limited	2,236,700	116,500	-	317,700	2,035,500	218,444	214,114	(4,330)	0.50	0.53	1.75	
Pakistan State Oil Company Limited (note 7)	3,029,723	1,191,800	809,304	372,100	4,658,727	1,541,217	1,497,734	(43,483)	3.47	3.67	1.43	
Shell (Pakistan) Limited	20,000	-	-	20,000	-	-	-	-	-	-	-	
Sui Southern Gas Pipelines Limited	4,532,500	4,188,000	-	6,707,500	2,013,000	73,966	73,394	(572)	0.17	0.18	0.23	
Sui Northern Gas Pipelines Limited	14,986,000	4,962,500	-	5,399,600	14,548,900	2,048,183	1,639,807	(408,376)	3.80	4.02	2.29	
									8.82	9.33	6.59	
Oil and Gas Exploration Companies												
Oil and Gas Development Company Limited	25,998,300	2,716,200	-	3,924,800	24,789,700	3,512,925	4,315,391	802,466	9.99	10.59	0.58	
Pakistan Oilfields Limited	2,380,497	459,550	-	263,950	2,576,097	1,229,135	1,675,906	446,771	3.88	4.11	1.09	
Pakistan Petroleum Limited	3,443,550	5,690,500	-	354,500	8,779,550	1,559,281	1,868,639	309,358	4.32	4.58	0.45	
Mari Petroleum Company Limited	2,056,240	15,760	-	23,980	2,048,020	3,225,870	3,032,216	(193,654)	7.02	7.44	1.86	
									25.21	26.72	3.98	
Pharmaceuticals												
Abbott Laboratories (Pakistan) Limited	1,169,850	-	-	-	1,169,850	1,093,342	843,357	(249,985)	1.95	2.07	1.19	
AGP Limited	-	3,095,000	-	-	3,095,000	252,803	280,686	27,883	0.65	0.69	1.11	
Ferozsons Laboratories Limited	19,650	-	-	19,650	-	-	-	-	-	-	-	
Glaxo Smithkline Pakistan Limited	816	50,000	-	-	50,816	9,461	9,635	174	0.02	0.02	0.02	
Glaxo Smithkline Consumer Healthcare Products Limited	486,556	63,200	-	166,100	383,656	83,839	194,629	110,790	0.45	0.48	0.40	
Highnoon Laboratories Limited	649	-	-	649	406	303	303	(103)	-	-	-	
The Searle Company Limited (note 7)	2,500,941	181,500	524,388	2,500	3,204,329	1,355,235	1,126,674	(228,561)	2.61	2.76	1.73	
									5.68	6.02	4.45	
Power Generation and Distribution												
The Hub Power Company Limited K - Electric Limited (6.1.2)	11,989,216	376,500	-	5,559,000	6,806,716	795,510	684,075	(111,435)	1.58	1.68	0.59	
Kohinoor Energy Limited	214,723,000	5,917,000	-	32,630,500	188,009,500	1,293,188	1,317,947	24,759	3.05	3.23	0.68	
	510,000	-	-	316,500	193,500	8,334	7,595	(739)	0.02	0.02	0.11	
									4.65	4.93	1.38	
Cable & Electrical Goods												
Pak Elektron Limited	14,483,250	4,754,100	-	12,024,500	7,212,850	709,735	326,093	(383,642)	0.75	0.80	1.45	
Fertilizer												
Dawood Hercules Corporation Limited	5,254,500	122,000	-	393,100	4,983,400	678,290	652,526	(25,764)	1.51	1.60	1.04	
Engro Corporation Limited (note 6.1.3)	14,597,900	1,141,967	-	5,998,400	9,741,467	3,154,461	3,016,445	(138,016)	6.98	7.40	1.86	
Engro Fertilizers Limited	32,220,200	1,822,500	-	3,943,500	30,099,200	1,665,119	2,079,554	414,435	4.81	5.10	2.25	
									13.30	14.10	5.15	
Engineering												
Amreli Steels Limited	372,500	225,000	-	597,500	-	-	-	-	-	-	-	
Crescent Steel & Allied Products Limited	641,900	-	-	446,300	195,600	46,664	24,745	(21,919)	0.06	0.06	0.25	
International Industries Limited	454,700	375,700	-	93,000	737,400	255,972	209,717	(46,255)	0.49	0.51	0.62	
International Steel Limited	3,198,000	1,135,000	-	1,420,000	2,913,000	363,481	337,646	(25,835)	0.78	0.83	0.67	
Mughal Iron & Steel Industries Limited	-	666,000	-	100,000	566,000	40,343	41,544	1,201	0.10	0.10	0.22	
K.S.B. Pumps Company Limited	89,900	-	-	10,000	79,900	25,169	29,173	4,004	0.07	0.07	0.61	
									1.50	1.57	2.37	
Food and Personal Care Products												
Al-Shaheer Corporation Limited	3,094,241	-	-	3,033,500	60,741	2,436	1,860	(576)	-	-	0.04	
Engro Foods Limited	894,521	270,500	-	1,150,800	14,221	1,694	1,451	(243)	-	-	-	
									-	-	0.04	
Textile Composite												
Kohinoor Textile Mills Limited	2,000	-	14	-	2,014	211	142	(69)	-	-	-	
Nishat Mills Limited	2,979,700	943,600	-	250,000	3,673,300	578,356	583,651	5,295	1.35	1.42	1.04	
									1.35	1.42	1.04	
<b>Total</b>						<b>40,578,925</b>	<b>37,229,526</b>	<b>(3,349,399)</b>				

6.1.2 All shares have a nominal value of Rs 10 each except for the shares of Thal Limited and K-Electric Limited which have face values of Rs 5 each and Rs 3.5 each respectively.

6.1.3 1,000,000 shares of Engro Corporation Limited having market value of Rs 309.65 million (June 2017: Rs 325.91 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

6.1.4 Net assets are as defined in regulation 66 of the NBFC Regulations.

6.1.5 Investments - 'at fair value through profit or loss upon initial recognition'

#### Ordinary shares - listed

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus /right shares	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised loss as at March 31, 2018	Percentage in relation to			
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of investee company (with face value of investment)	
					(Number of shares)	(Rupees in '000)			%			
Sectors / companies												
Commercial Banks												
Meezan Bank Limited (an associate of the Fund)	3,810,706	-	-	3,511,000	299,706	23,677	23,869	192	0.06	0.06	0.03	
Paper and Board Packages Limited	374	-	-	-	374	260	220	(40)	-	-	-	
<b>Total</b>						<b>23,937</b>	<b>24,089</b>	<b>152</b>				

6.2 Investments categorised as 'available for sale'

6.2.1 Shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus /right shares	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)	
					(Number of shares)	(Rupees in '000)			%			
Sectors / companies												
Automobile assembler												
Honda Atlas Cars (Pakistan) Limited	233,700	-	-	-	233,700	80,064	111,550	31,486	0.26	0.27	0.16	
Commercial Banks												
Meezan Bank Limited (an associate of the Fund)	124,880	-	-	116,000	8,880	110	707	597	-	-	-	
BankIslami Pakistan Limited	875	-	-	-	875	5	10	5	-	-	-	
Chemicals												
ICI Pakistan Limited	75	-	-	-	75	10	64	54	-	-	-	
Cement												
D.G Khan Cement Company Limited	60,900	-	-	60,900	-	-	-	-	-	-	-	
Lucky Cement Limited	279,000	-	-	-	279,000	171,162	192,404	21,242	0.45	0.47	0.09	
									0.45	0.47	0.09	
Power Generation and Distribution												
The Hub Power Company Limited	10,377,900	-	-	-	10,377,900	656,997	1,042,979	385,982	2.41	2.56	0.90	
Paper and Board Packages Limited												
	2,027,850	-	-	-	2,027,850	965,943	1,193,633	227,690	2.76	2.93	2.27	
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited (note 7)	1,489,500	-	297,900	-	1,787,400	403,815	574,631	170,816	1.33	1.41	0.55	

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.1.4)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
	----- (Number of shares) -----				----- (Rupees in '000) -----			----- % -----			
Oil and Gas Exploration Companies	3,800	-	-	-	3,800	3,340	5,626	2,286	0.01	0.01	-
Mari Petroleum Company Limited	415,600	-	-	-	415,600	111,389	270,373	158,984	0.63	0.66	0.18
Pakistan Oilfields Limited									0.64	0.67	0.18
Refinery											
National Refinery Limited	151	-	-	-	151	28	64	36	-	-	-
Pharmaceuticals											
The Searle Company Limited (note 7)	234,498	-	46,899	-	281,397	100,765	98,942	(1,823)	0.23	0.24	0.15
Fertilizers											
Engro Corporation Limited	5,000	-	-	-	5,000	1,652	1,548	(104)	-	-	-
Textile Composite											
Nishat Mills Limited	104,000	-	-	-	104,000	11,015	16,525	5,510	0.04	0.04	0.03
Total						<u>2,506,295</u>	<u>3,509,056</u>	<u>1,002,761</u>			
Total cost of investments							<u>2,506,295</u>				

## 6.2.2 Net unrealised (diminution) / appreciation on re-measurement of investment classified as 'available for sale'

Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Market value of investment	3,509,056	3,999,898
Less: Cost of investments	<u>2,506,295</u>	<u>2,518,901</u>
	1,002,761	1,480,997
Less: Net unrealised diminution on re-measurement of investments classified as 'available for sale' at beginning of the period	1,480,997	1,073,339
Less: Impairment loss on listed equity securities classified as 'available for sale' - transferred to income statement	-	46,273
	<u>(478,236)</u>	<u>361,385</u>

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	340,482	340,482
Charity payable		20,696	24,538
Withholding tax and Capital gain tax payable		6,277	211,200
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	224,672	224,672
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	31,217	31,217
Sales load payable		9	1,070
Sindh Sales Tax on sales load payable		1	139
Auditors' remuneration		455	480
Zakat payable		72	193
Printing expenses payable		351	755
Shariah advisory fee payable		4,427	2,501
Others		94	94
		<u>628,753</u>	<u>837,341</u>



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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.55 / 0.79% (June 30, 2017: Re 0.47 / 0.62%).

- 7.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 255.889 million (June 30, 2017: Rs 255.889 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.41 (June 30, 2017: Re 0.36) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have

not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	71,036	91,878
Sindh Sales Tax on management fee payable	9,235	11,944
Sales load payable	1,742	8,631
Sindh Sales Tax and on sales load payable	226	1,122
Allocated expenses	3,553	4,594
Selling and marketing expense payable	73,369	73,826
Investment of 6,548,464 units (June 30, 2017: 11,769,797 units)	456,080	899,330
Meezan Bank Limited		
Bank balance	135,787	480,022
Profit receivable on saving accounts	979	2,366
Sales load payable	995	6,885
Sindh Sales Tax on sales load payable	129	895
Investment in 319,577 shares (June 30, 2017: 4,502,667 shares)	25,451	355,711
Investment of 12,475,049 units (June 30, 2017: 12,475,049 units)	868,847	953,218
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	3,630	4,669
Sindh Sales Tax on trustee fee payable	473	608
Security deposit	100	100
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 180,189 units (June 30, 2017: 180,189 units)	12,550	13,768



	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan Investment of 6,143,888 units (June 30, 2017: 5,755,580 units)	427,902	439,784
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan Investment of 2,579,988 units (June 30, 2017: 2,676,971 units)	179,688	204,547
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan Investment of 1,154,625 units (June 30, 2017: 1,335,169 units)	80,416	102,020
Meezan Financial Planning Fund of Funds - MAAP - I Investment: nil (June 30, 2017: 13,417,797 units)	-	1,025,254
Meezan Financial Planning Fund of Funds - MAAP - II Investment : nil (June 30, 2017: 10,859,058 units)	-	829,741
Meezan Financial Planning Fund of Funds - MAAP - III Investment : nil (June 30, 2017: 28,489,889 units)	-	2,176,912
Meezan Financial Planning Fund of Funds - MAAP - IV Investment of 4,378,813 units (June 30, 2017: 9,021,808 units)	304,970	689,356
Meezan Strategic Allocation Fund - MSAP - I Investment of 18,828,378 units (June 30, 2017: 24,362,251 units)	1,311,336	1,861,520
Meezan Strategic Allocation Fund - MSAP - II Investment of 7,544,986 units (June 30, 2017: 10,307,902 units)	525,484	787,627
Meezan Strategic Allocation Fund - MSAP - III Investment of 15,849,138 units (June 30, 2017: 18,334,830 units)	1,103,842	1,400,963
Meezan Strategic Allocation Fund - MSAP - IV Investment of 17,377,039 units (June 30, 2017: 16,203,703 units)	1,210,255	1,238,125
Meezan Strategic Allocation Fund - MSAP - V Investment of 4,968,509 units (June 30, 2017: nil)	346,041	-
Directors and executives of the Management Company Investment of 6,538,358 units (June 30, 2017: 5,987,885 units)	455,376	457,534
	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company	678,312	624,557
Remuneration for the period	88,181	81,192
Sindh Sales Tax on management fee	33,916	31,228
Allocated expenses	135,662	18,583
Selling and marketing expense	150,116	421,000
Units issued: 2,337,684 units (March 31, 2017: 4,972,398 units)	500,000	953,993
Units redeemed: 7,559,016 units (March 31, 2017: 12,342,821 units)		

	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
Meezan Bank Limited		
Profit on saving accounts	2,251	3,764
Units redeemed: nil (March 31, 2017: 3,200,000 units)	-	225,888
Shares purchased: 585,500 shares (March 31, 2017: 1,004,000 shares)	42,735	65,206
Shares sold: 5,071,000 shares (March 31, 2017: 8,723,500 shares)	377,237	524,056
Right issue: 302,410 shares (March 31, 2017: nil)	15,121	-
Dividend income	11,120	29,086
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	34,666	31,979
Sindh Sales Tax on trustee fee	4,507	4,157
CDS charges	855	1,193
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: 1,287,386 units (March 31, 2017: 5,842,161 units)	88,975	471,730
Units redeemed: 899,078 units (March 31, 2017: 4,381,349 units)	60,870	352,075
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: 702,797 units (March 31, 2017: 3,891,590 units)	46,218	305,950
Units redeemed: 799,778 units (March 31, 2017: 4,061,426 units)	53,000	333,656
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: 318,899 units (March 31, 2017: 1,927,001 units)	21,126	147,975
Units redeemed: 499,443 units (March 31, 2017: 1,873,730 units)	33,175	152,569
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 5,743,873 units (March 31, 2017: 3,173,352 units)	396,000	246,718
Units redeemed: 19,161,670 units (March 31, 2017: 6,751,382 units)	1,358,883	511,000
Meezan Financial Planning Fund of Funds - MAAP - II		
Units issued: 660,922 units (March 31, 2017: 2,053,019 units)	44,000	155,000
Units redeemed: 11,519,980 units (March 31, 2017: 3,688,964 units)	733,000	275,000
Meezan Financial Planning Fund of Funds - MAAP - III		
Units issued: 12,630,712 units (March 31, 2017: 5,811,259 units)	833,000	443,000
Units redeemed: 41,120,601 units (March 31, 2017: 11,334,478 units)	2,667,494	838,500
Meezan Financial Planning Fund of Funds - MAAP - IV		
Units issued: 1,265,749 units (March 31, 2017: 4,935,094 units)	84,000	357,000
Units redeemed: 5,908,746 units (March 31, 2017: 1,510,915 units)	405,710	126,000
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 3,435,307 units (March 31, 2017: 24,514,888 units)	229,000	1,863,000
Units redeemed: 8,969,179 units (March 31, 2017: 1,637,235 units)	601,770	140,000
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 2,169,030 units (March 31, 2017: 9,268,415 units)	144,000	791,000
Units redeemed: 4,931,946 units (March 31, 2017: nil)	328,100	-

	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 2,518,261 units (March 31, 2017: 11,500,615 units)	167,000	983,521
Units redeemed: 5,003,936 units (March 31, 2017: nil)	330,040	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 8,440,067 units (March 31, 2017: nil)	577,007	-
Units redeemed: 7,266,737 units (March 31, 2017: nil)	480,260	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 6,593,519 units (March 31, 2017: nil)	434,838	-
Units redeemed: 1,625,010 units (March 31, 2017: nil)	110,000	-
Directors and executives of the Management Company		
Units issued: 2,589,514 units (March 31, 2017: 699,946 units)	167,185	55,885
Units redeemed: 2,029,869 units (March 31, 2017: 286,027 units)	134,028	21,903

## 10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments	40,762,671	-	-	-	40,762,671	40,762,671	-	-	40,762,671
Financial assets									
- not measured at fair value									
Balance with banks	10.1	-	2,865,727	-	2,865,727				
Receivable against conversion of units	10.1	141,227	-	-	141,227				
Dividend receivable	10.1	299,584	-	-	299,584				
Deposits, profit accrued and other receivables	10.1	24,346	-	-	24,346				
		40,762,671	465,157	2,865,727	-	44,093,555			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	159,161	159,161				
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	4,103	4,103				
Payable to Meezan Bank Limited	10.1	-	-	1,124	1,124				
Payable on redemption and conversion of units	10.1	-	-	51,805	51,805				
Payable against purchase of investments - net	10.1	-	-	10,300	10,300				
Accrued expenses and other liabilities	10.1	-	-	281,921	281,921				
		-	-	508,414	508,414				

June 30, 2017	Note	Carrying amount				Fair value				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets										
- measured at fair value										
Investments		50,448,864	-	-	-	50,448,864	50,448,864	-	-	50,448,864
Financial assets										
- not measured at fair value										
Balances with banks	10.1	-	-	4,345,208	-	4,345,208				
Receivable against conversion of units	10.1	-	1,373,082	-	-	1,373,082				
Dividend receivable	10.1	-	252,501	-	-	252,501				
Deposits, profit accrued and other receivables	10.1	-	38,407	-	-	38,407				
		<u>50,448,864</u>	<u>1,663,990</u>	<u>4,345,208</u>	<u>-</u>	<u>56,458,062</u>				
Financial liabilities										
- not measured at fair value										
Payable to Al Meezan Investment Management Limited										
- Management Company	10.1	-	-	-	191,995	191,995				
Payable to Central Depository Company of Pakistan Limited										
- Trustee	10.1	-	-	-	5,277	5,277				
Payable to Meezan Bank Limited	10.1	-	-	-	7,780	7,780				
Payable on redemption and conversion of units	10.1	-	-	-	109,957	109,957				
Dividend payable	10.1	-	-	-	345,340	345,340				
Payable against purchase of investments - net	10.1	-	-	-	64,953	64,953				
Accrued expenses and other liabilities	10.1	-	-	-	285,466	285,466				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,010,768</u>	<u>1,010,768</u>				

10.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair value.

#### 11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

#### 12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 3.13% which includes 0.38% representing government levy and SECP fee.

#### 13. SELLING AND MARKETING EXPENSE

SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than actual expenses incurred.

#### 14. TAXATION

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





the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

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

15. GENERAL

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

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

16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





# Al Meezan Mutual Fund

Al Meezan Mutual Fund (AMMF) aims to optimize the total investment returns in the form of capital gains and dividend income by prudent management of investments.

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)  
Allied Bank Limited - Islamic Banking  
Askari Bank Limited - Islamic Banking  
Bank Alfalah Limited - Islamic Banking  
Bank Islami Pakistan Limited  
Dubai Islamic Bank

Faysal Bank Limited - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking  
**MCB Islamic Bank Limited**  
Meezan Bank Limited  
National Bank of Pakistan - 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: bawaney@cyber.net.pk

## 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



**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	424,886	804,059
Investments	6	7,189,043	8,435,017
Receivable against sale of investments - net		7,071	-
Receivable against conversion of units		5,232	11,750
Dividend receivable		56,057	40,481
Deposits, prepayments, profit accrued and other receivables		9,928	14,896
<b>Total assets</b>		<b>7,692,217</b>	<b>9,306,203</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		27,533	31,425
Payable to Central Depository Company of Pakistan Limited - Trustee		800	961
Payable to Securities and Exchange Commission of Pakistan		5,510	7,353
Payable to Meezan Bank Limited		324	784
Payable on redemption and conversion of units		2,603	6,830
Payable against purchase of investments - net		4,566	15,116
Accrued expenses and other liabilities	8	96,993	122,120
Dividend payable		4,917	42,149
<b>Total liabilities</b>		<b>143,246</b>	<b>226,738</b>
<b>Net assets</b>		<b>7,548,970</b>	<b>9,079,465</b>
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		<u>7,548,970</u>	<u>9,079,465</u>
		(Number of units)	
Number of units in issue		<u>388,782,915</u>	<u>429,471,241</u>
		(Rupees)	
Net assets value per unit		<u>19.4169</u>	<u>21.1400</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
(Rupees in '000)					
Income					
Net realised (loss) / gain on sale of investments		(326,198)	168,145	(208,001)	69,411
Dividend income		274,659	198,115	56,103	55,601
Profit on saving accounts with banks		17,646	20,588	5,422	10,615
Reversal of Provision for Worker's Welfare Fund		-	34,828	-	34,828
		<u>(33,893)</u>	<u>421,676</u>	<u>(146,476)</u>	<u>170,455</u>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	<u>(416,553)</u>	<u>1,129,504</u>	<u>814,816</u>	<u>71,375</u>
Total (loss) / income		<u>(450,446)</u>	<u>1,551,181</u>	<u>668,340</u>	<u>241,830</u>
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		115,998	107,347	36,208	43,078
Sindh Sales Tax on management fee		15,080	13,955	4,707	5,600
Allocated expenses	10	5,800	5,364	1,810	2,151
Remuneration to Central Depository Company of Pakistan Limited - Trustee		6,551	6,118	2,057	2,400
Sindh Sales Tax on trustee fee		852	879	268	312
Annual fee to Securities and Exchange Commission of Pakistan		5,510	5,099	1,720	2,046
Auditors' remuneration		628	624	146	160
Charity expense		3,694	2,670	930	670
Fees and subscription		730	426	215	43
Legal and professional charges		27	688	27	405
Brokerage expense		2,721	4,981	782	1,691
Printing expense		110	-	-	-
Selling and marketing expenses	12	23,200	3,255	7,241	3,255
Bank and settlement charges		1,129	1,685	285	610
Provision for Workers' Welfare Fund (WWF)	8	-	52,499	-	52,499
Total expenses		<u>182,030</u>	<u>205,589</u>	<u>56,396</u>	<u>114,920</u>
Net (loss) / income from operating activities		<u>(632,476)</u>	<u>1,345,592</u>	<u>611,944</u>	<u>126,910</u>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	228,874	-	126,935
Net (loss) / income for the period before taxation		<u>(632,476)</u>	<u>1,574,466</u>	<u>611,944</u>	<u>253,845</u>
Taxation	13	-	-	-	-
Net (loss) / income for the period after taxation		<u>(632,476)</u>	<u>1,574,466</u>	<u>611,944</u>	<u>253,845</u>
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		<u>(632,476)</u>	<u>1,574,466</u>	<u>611,944</u>	<u>253,845</u>
Income already paid on units redeemed		-	-	-	-
		<u>(632,476)</u>	<u>1,574,466</u>	<u>611,944</u>	<u>253,845</u>

\* Due to net loss for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)**

Note	Nine months period ended, March 31,		Quarter ended March 31,		
	2018	2017	2018	2017	
	..... (Rupees in '000) .....				
Net (loss) / income for the period after taxation	(632,476)	1,574,466	611,944	253,845	
Other comprehensive income for the period					
<i>Item that may be reclassified subsequently to Income Statement</i>					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.1.1	(195,562)	318,653	141,151	16,094
Total comprehensive (loss) / income for the period		<u>(828,038)</u>	<u>1,893,119</u>	<u>753,095</u>	<u>269,939</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018 ..... (Rupees in '000) .....				Nine months period ended March 31, 2017 ..... (Rupees in '000) .....			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	6,094,141	2,436,842	548,482	9,079,465	3,695,830	1,393,764	328,803	5,418,397
Issuance of 67,898,720 units (2017: 189,115,993 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,435,379	-	-	1,435,379				
- Element of loss	210,037	-	-	210,037				
Total proceeds on issuance of units	1,645,416	-	-	1,645,416	3,402,197	611,661	-	4,013,858
Redemption of 108,587,046 units (2017: 97,534,148 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,295,530	-	-	2,295,530				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	52,343	-	-	52,343				
Total payments on redemption of units	2,347,873	-	-	2,347,873	1,754,639	324,417	-	2,079,056
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(228,874)	-	(228,874)
Total comprehensive (loss) / income for the period	-	(632,476)	(195,562)	(828,038)	-	1,574,466	318,653	1,893,119
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(632,476)	(195,562)	(828,038)	-	1,574,466	318,653	1,893,119
Net assets at end of the period	5,391,684	1,804,366	352,920	7,548,970	5,343,388	3,026,600	647,456	9,017,444
Undistributed income brought forward								
- Realised income		3,668,211				898,957		
- Unrealised (loss) / income		(1,231,369)				494,807		
		2,436,842				1,393,764		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
Net (loss) / income for the period after taxation		(632,476)				1,574,466		
Distribution during the period		-				-		
Undistributed income carried forward		1,804,366				2,968,230		
Undistributed income carried forward								
- Realised income		2,220,919				1,838,726		
- Unrealised (loss) / income		(416,553)				1,129,504		
		1,804,366				2,968,230		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				21.1400				17.9900
Net assets value per unit at end of the period				19.4169				22.9600

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



**CONDENSED INTERIM CASH FLOW STATEMENT**  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	(632,476)	1,574,466
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	416,553	(1,129,504)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(228,874)
	(215,923)	216,088
Decrease / (increase) in assets		
Investments - net	633,859	(1,650,380)
Receivable against sale of investments - net	(7,071)	-
Dividend receivable	(15,576)	(12,617)
Deposits, prepayments, profit accrued and other receivables	4,968	(6,371)
	616,180	(1,669,368)
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(3,892)	12,936
Payable to Central Depository Company of Pakistan Limited - Trustee	(161)	454
Payable to Meezan Bank Limited	(460)	(866)
Payable to Securities and Exchange Commission of Pakistan	(1,843)	854
Payable against purchase of investments - net	(10,550)	33,501
Accrued expenses and other liabilities	(25,127)	6,681
	(42,033)	53,560
Net cash generated from / (used in) operating activities	358,225	(1,399,720)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	1,651,934	4,067,244
Dividend paid	(37,232)	-
Payment against redemption and conversion of units	(2,352,100)	(2,086,787)
Net cash (used in) / generated from financing activities	(737,398)	1,980,457
Net (decrease) / increase in cash and cash equivalents during the period	(379,173)	580,737
Cash and cash equivalents at beginning of the period	804,059	218,236
Cash and cash equivalents at end of the period	5 424,886	798,973

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies and Notified Entities Regulations (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. The objective of the Fund is to provide the maximum total return to the unitholders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by prevailing rules and regulations. 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.
- 1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme.
- 1.4 The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5 Title of the assets of the Fund is held in the name of CDC as a Trustee of the Fund.

### 2. BASIS OF PRESENTATION

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

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives



issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
  - 4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement. The element was recognised in the Income Statement to the extent that it was represented by income earned during the period and movement in unrealised appreciation / (diminution) arising during the period on 'available for sale' securities was included in the Distribution Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 120.45 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective





During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	393,224	783,341
In current accounts		<u>31,662</u>	<u>20,718</u>
		<u>424,886</u>	<u>804,059</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.05% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
6. INVESTMENTS			
Investments - 'available for sale'	6.1	967,635	1,164,714
Investments - 'at fair value through profit or loss'	6.2	<u>6,221,408</u>	<u>7,270,303</u>
		<u>7,189,043</u>	<u>8,435,017</u>

### 6.1 Investments - 'available for sale'

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus shares	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.2.3)	Total Market value of investments	Paid-up capital of investee company (with face value of investment)
	..... (Number of shares) .....				..... (Rupees in '000) .....			..... % .....			
Sectors / companies											
Commercial Banks											
BankIslami Pakistan Limited	875	-	-	-	875	5	10	5	-	-	-
Cement											
Lucky Cement Company Limited	465,027	-	-	-	465,027	162,848	320,692	157,844	4.25	4.46	0.14
D.G. Khan Cement Company Limited	3,500	-	-	-	3,500	289	571	282	0.01	0.01	-
									4.26	4.47	0.14
Power Generation and Distribution											
The Hub Power Company Limited	1,445,600	-	-	-	1,445,600	88,457	145,283	56,826	1.92	2.02	0.12
Oil and Gas Exploration Companies											
Pakistan Oilfields Limited	31,340	-	-	-	31,340	8,043	20,389	12,346	0.27	0.28	0.01
Oil and Gas Marketing Companies											
Attock Petroleum Limited	240	-	-	-	240	83	138	55	-	-	-
Pakistan State Oil Company Limited	445,376	-	-	-	445,376	101,124	143,184	42,060	1.90	1.99	0.14
									1.90	1.99	0.14
Automobile Assembler											
Honda Atlas Cars Pakistan Limited	96,000	-	-	-	96,000	32,982	45,823	12,841	0.61	0.64	0.07
Chemical											
ICI Pakistan Limited	91,557	-	-	-	91,557	34,618	77,949	43,331	1.03	1.09	0.10
Paper and Board Packages Limited											
Pakistan State Oil Company Limited	362,878	-	-	-	362,878	186,266	213,597	27,331	2.83	2.98	0.41
Total						<u>614,715</u>	<u>967,635</u>	<u>352,920</u>			
Total cost of investments - 'available for sale'							<u>614,715</u>				

6.1.1 Net unrealised appreciation on re-measurement of investment classified as 'available for sale'

March 31,  
2018  
(Unaudited)  
(Rupees in '000)

June 30,  
2017  
(Audited)

Market value of investments	967,635	1,164,714
Less: Cost of investments	614,715	616,232
	352,920	548,482
Less: unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period - net	548,482	328,803
	(195,562)	219,679

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

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation / (diminution) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 6.2.3)	Market value of Total investments	Paid-up capital of investee company (with face value of investment)
					(Number of shares)	(Rupees in '000)			%		

Sectors / companies

<b>Cement</b>												
D.G. Khan Cement Company Limited	1,559,905	-	-	350,000	1,209,905	254,536	197,348	(57,189)	2.61	2.75	0.28	
Fauji Cement Company Limited	2,146,000	-	-	2,146,000	-	-	-	-	-	-	-	
Kohat Cement Company Limited	610,400	-	-	-	610,400	138,477	97,963	(40,514)	1.30	1.36	0.40	
Cherat Cement Company Limited	1,585,940	-	-	175,000	1,410,940	252,248	181,024	(71,224)	2.40	2.52	0.80	
Lucky Cement Company Limited	439,590	7,050	-	25,000	421,640	351,238	290,771	(60,467)	3.85	4.04	0.13	
Maple Leaf Cement Company Limited	3,812	-	-	-	3,812	271	270	(1)	-	-	-	
Pioneer Cement Limited	1,759,300	-	-	-	1,759,300	228,709	123,221	(105,488)	1.63	1.71	0.77	
Dewan Cement Limited	-	1,051,000	-	122,500	928,500	21,792	25,060	3,269	0.33	0.35	0.19	
									12.12	12.73	2.57	
<b>Oil and Gas Exploration Companies</b>												
Pakistan Oilfields Limited	631,451	18,850	-	80,000	570,301	265,562	371,015	105,453	4.91	5.16	0.24	
Oil and Gas Development Company Limited	3,682,400	125,000	-	180,000	3,627,400	516,871	631,458	114,587	8.36	8.78	0.08	
Pakistan Petroleum Limited	1,388,733	150,000	-	-	1,538,733	268,011	327,504	59,493	4.34	4.56	0.08	
Mari Petroleum Company Limited	342,100	-	-	-	342,100	539,026	506,500	(32,527)	6.71	7.05	0.31	
									24.32	25.55	0.71	
<b>Oil &amp; Gas Marketing Companies</b>												
Attock Petroleum Limited	71,500	-	-	-	71,500	44,790	41,080	(3,709)	0.54	0.57	0.09	
Pakistan State Oil Company Limited	567,264	26,100	-	45,000	548,364	179,163	176,294	(2,869)	2.34	2.45	0.17	
Sui Southern Gas Company Limited	-	50,000	-	-	50,000	1,862	1,823	(39)	0.02	0.03	0.01	
Hascol Petroleum Limited	159,196	-	-	-	159,196	47,580	42,257	(5,323)	0.56	0.59	0.11	
Hi-Tech Lubricant Limited	195,000	-	-	-	195,000	21,257	20,512	(745)	0.27	0.29	0.17	
Shell Pakistan Limited	2,000	-	-	2,000	-	-	-	-	-	-	-	
Sui Northern Gas Pipeline Limited	3,151,500	100,000	-	310,000	2,941,500	419,153	331,536	(87,617)	4.39	4.61	0.46	
									8.12	8.54	1.01	
<b>Engineering</b>												
Crescent Steel and Allied Product Limited	226,100	-	-	94,500	131,600	28,098	16,649	(11,449)	0.22	0.23	0.17	
Amreli Steels Limited	13,200	-	-	13,200	-	-	-	-	-	-	-	
K.S.B. Pumps Company Limited	500	-	-	-	500	158	183	25	-	-	-	
International Industries Limited	88,700	-	-	-	88,700	26,840	25,226	(1,613)	0.33	0.35	0.07	
International Steel Limited	100	-	-	-	100	13	12	(1)	-	-	-	
									0.55	0.58	0.24	
<b>Automobile Assembler</b>												
Honda Atlas Cars Pakistan Limited	296,800	-	-	-	296,800	257,530	141,669	(115,862)	1.88	1.97	0.21	
Millat Tractors Limited	85,750	-	-	-	85,750	117,247	109,962	(7,285)	1.46	1.53	0.19	
Pak Suzuki Motor Company Limited	117,500	-	-	-	117,500	69,393	56,127	(13,265)	0.74	0.78	0.14	
Gandhara Industries Limited	16,000	12,850	-	-	28,850	15,546	24,080	8,534	0.32	0.33	0.14	
									4.40	4.61	0.68	
<b>Automobile Parts and Accessories</b>												
Gandhara Nissan	-	120,000	-	-	120,000	32,288	31,069	(1,219)	0.41	0.43	0.13	
Thal Limited (note 6.2.1)	213	-	-	-	213	129	110	(19)	-	-	-	
<b>Technology and Communication</b>												
Pakistan Telecommunication Company Limited "A"	600,000	550,000	-	1,150,000	-	-	-	-	-	-	-	
Systems Limited	-	50,000	-	-	50,000	4,851	4,831	(20)	0.06	0.07	0.04	
<b>Chemicals</b>												
Sitara Chemical Industries Limited	57,000	-	-	-	57,000	25,343	19,380	(5,963)	0.26	0.27	0.27	
ICI Pakistan Limited	119,122	-	-	-	119,122	130,385	101,417	(28,968)	1.34	1.41	0.13	
Dyneac Pakistan Limited (note 6.2.1)	1,000	-	-	-	1,000	101	186	86	-	-	0.01	
Engro Polymer and Chemicals Limited	3,701,000	100,000	-	1,160,000	2,641,000	93,482	94,152	670	1.25	1.31	0.40	
									2.85	2.99	0.81	



Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation / (diminution) as at March 31, 2018	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 6.2.3)	Market value of Total Investments	Paid-up capital of investee company (with face value of investment)	
..... (Number of shares) .....						..... (Rupees in '000) .....			..... % .....			
Fertilizer												
Engro Fertilizers Limited	5,707,000	100,000	-	510,000	5,297,000	293,673	365,970	72,296	4.85	5.09	0.40	
Engro Corporation Limited (note 6.2.2)	2,032,900	25,000	-	140,000	1,917,900	613,440	593,878	(19,563)	7.87	8.26	0.37	
Dawood Hercules Corporation Limited	993,200	-	-	68,000	925,200	126,160	121,146	(5,015)	1.60	1.69	0.19	
									14.32	15.04	0.96	
Paper and Board												
Packages Limited	239,850	-	-	10,000	229,850	159,879	135,294	(24,585)	1.79	1.88	0.26	
Century Paper	500	-	-	-	500	34	35	1	-	-	-	
Cherat Packaging Limited	146,301	-	-	-	146,301	32,825	24,982	(7,843)	0.33	0.35	0.44	
									2.12	2.23	0.70	
Food and Personal Care Products												
Engro Foods Limited	800	-	-	-	800	91	82	(9)	-	-	-	
Al-Shaheer Corporation Limited	231,230	6,000	-	225,000	12,230	392	374	(18)	-	0.01	0.01	
									-	0.01	0.01	
Power Generation and Distribution												
The Hub Power Company Limited	1,567,000	-	-	225,000	1,342,000	157,591	134,871	(22,720)	1.79	1.88	0.12	
K-Electric Limited (note 6.2.1)	31,861,500	-	-	1,000,000	30,861,500	211,954	216,339	4,385	2.87	3.01	0.11	
									4.66	4.89	0.23	
Cable and Electrical Goods												
Pak Elektron Limited	3,026,100	552,500	-	2,351,000	1,227,600	113,309	55,500	(57,809)	0.74	0.77	0.25	
Pharmaceuticals												
Abbott Laboratories Pakistan Limited	184,200	-	-	-	184,200	172,153	132,792	(39,362)	1.76	1.85	0.19	
The Searle Company Limited	476,007	25,000	-	-	501,007	210,888	176,159	(34,729)	2.33	2.45	0.27	
GlaxoSmithKline Pakistan Limited	-	20,000	-	-	20,000	3,720	3,792	72	0.05	0.05	0.01	
AGP Limited	-	518,750	-	-	518,750	42,050	47,045	4,995	0.62	0.65	0.19	
Highnoon Laboratories Limited	32,493	-	-	31,200	1,293	810	605	(205)	0.01	0.01	0.01	
GlaxoSmithKline Consumer Health Care Limited	249,900	-	-	-	249,900	54,344	126,774	72,431	1.68	1.76	0.26	
									6.45	6.77	0.93	
Textile Composite												
Nishat Mills Limited	574,300	100,000	-	77,000	597,300	92,441	94,905	2,464	1.26	1.32	0.17	
Refinery												
Attock Refinery Limited	600	-	-	-	600	226	150	(76)	-	-	-	
Miscellaneous												
Shifa International Hospitals Limited	90	-	-	-	90	30	26	(4)	-	-	-	
Total						6,637,961	6,221,408	(416,553)				

6.2.1 All shares have a nominal value of Rs 10 each except for the shares of Thal Limited and Dynea Pakistan Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

6.2.2 150,000 shares (June 30, 2017: 150,000 shares) of Engro Corporation Limited, having market value of Rs 46.45 million (June 30, 2017: Rs 48.89 million) as at March 31, 2018, have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.

6.2.3 Net assets are as defined in regulation 66 of the NBFC Regulations.

## 7. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
		(Rupees in '000)	
8.	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	569	585
	Withholding tax and capital gain tax payable	877	24,420
	Provision for Sindh Workers' Welfare Fund payable (SWWF)	50,068	50,068
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	35,989	35,988
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	3,458	3,458
	Charity payable	3,492	4,598
	Zakat payable	13	8
	Printing charges payable	-	97
	Brokerage payable	1,947	2,481
	Shariah advisor fee payable	581	417
		<u>96,993</u>	<u>122,120</u>

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.13 / 0.66% (June 30, 2017: Re 0.11 / 0.52%).

8.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.



The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 39.45 million (June 30, 2017: Rs 39.45 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.10 (June 30, 2017: Re 0.09) per unit.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with related parties are as follows:

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	12,457	15,367
Sindh Sales Tax on management fee payable	<u>1,619</u>	<u>1,998</u>
Sales load payable	<u>141</u>	<u>483</u>
Sindh Sales Tax on sales load payable	<u>18</u>	<u>63</u>
Selling and marketing expense payable	<u>12,674</u>	<u>12,746</u>
Allocated expenses payable	<u>623</u>	<u>768</u>
Investment of 49,744,595 units (June 30, 2017: 49,744,595 units)	<u>965,887</u>	<u>1,051,601</u>
 Meezan Bank Limited		
Balances with bank	<u>31,310</u>	<u>51,108</u>
Sales load payable	<u>287</u>	<u>694</u>
Sindh Sales Tax on sales load payable	<u>37</u>	<u>90</u>
Profit receivable on saving accounts	<u>295</u>	<u>459</u>
Investment of 22,232,227 units (June 30, 2017: 23,363,301 units)	<u>431,682</u>	<u>493,900</u>

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds - MAAP - I Investment of 39,791 units (June 30, 2017: 3,416,582 units)	<u>773</u>	<u>72,227</u>
Meezan Financial Planning Fund of Funds - MAAP - III Investment of nil units (June 30, 2017: 18,794,560 units)	<u>-</u>	<u>397,317</u>
Meezan Financial Planning Fund of Funds - MAAP - IV Investment of 1,304,322 units (June 30, 2017: 3,941,239 units)	<u>25,326</u>	<u>83,318</u>
Meezan Strategic Allocation Plan - I Investment of 11,793,676 units (June 30, 2017: 13,489,277 units)	<u>228,997</u>	<u>285,163</u>
Meezan Strategic Allocation Plan - II Investment of 22,818,600 units (June 30, 2017: 26,045,712 units)	<u>443,067</u>	<u>550,606</u>
Meezan Strategic Allocation Plan - IV Investment of 1,876,735 units (June 30, 2017: 2,151,219 units)	<u>36,440</u>	<u>45,477</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>708</u>	<u>851</u>
Sindh Sales tax on Trustee fee payable	<u>92</u>	<u>110</u>
Security deposits	<u>238</u>	<u>238</u>
Pakistan Kuwait Investment Company (Private) Limited Investment of 16,895,690 units (June 30, 2017: 16,895,690 units)	<u>328,062</u>	<u>357,175</u>
Directors and executives of the Management Company Investment of 19,231,331 units (June 30, 2017: 18,715,854 units)	<u>373,413</u>	<u>395,653</u>
	Nine months period ended March 31,	
	2018	2017
	(Unaudited)	
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	<u>115,998</u>	<u>107,347</u>
Sindh Sales Tax on management fee	<u>15,080</u>	<u>13,955</u>
Allocated expenses	<u>5,800</u>	<u>5,364</u>
Selling and marketing expense	<u>23,200</u>	<u>3,255</u>
Units issued: 9,972,262 units (March 31, 2017: nil)	<u>178,927</u>	<u>-</u>
Units redeemed: 9,972,262 units (March 31, 2017: 2,674,843 units)	<u>178,927</u>	<u>52,000</u>
Meezan Bank Limited		
Profit on saving accounts with banks	<u>282</u>	<u>532</u>
Units issued: nil units (March 31, 2017: 11,508,765 units)	<u>-</u>	<u>240,000</u>
Units redeemed: 1,131,074 units (March 31, 2017: 6,043,089 units)	<u>22,316</u>	<u>-</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	<u>6,551</u>	<u>6,118</u>
Sindh Sales Tax on trustee fee	<u>852</u>	<u>879</u>
CDS charges	<u>84</u>	<u>187</u>





	Nine months period ended March 31,	
	2018	2017
	(Unaudited) (Rupees in '000)	
Meezan Capital Preservation Fund - II		
Units issued: nil (March 31, 2017: 5,186,722 units)	-	100,000
Units redeemed: nil (March 31, 2017: 5,186,722 units)	<u>-</u>	<u>103,734</u>
Meezan Financial Planning Fund of Funds - Meezan Capital Preservation Plan - I		
Units issued: nil units (March 31, 2017: 3,499,470 units)	-	66,000
Units redeemed: nil units (March 31, 2017: 3,499,470 units)	<u>-</u>	<u>67,673</u>
Meezan Financial Planning Fund of Funds - Meezan Capital Preservation Plan - II		
Units issued: nil units (March 31, 2017: 2,991,027 units)	-	60,000
Units redeemed: nil units (March 31, 2017: 7,903,203 units)	<u>-</u>	<u>183,038</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 2,332,317 units (March 31, 2017: nil units)	43,000	-
Units redeemed: 5,709,108 units (March 31, 2017: nil)	<u>110,990</u>	<u>-</u>
Meezan Financial Planning Fund of Funds - MAAP - IV		
Units issued: nil (March 31, 2017: 3,764,581 units)	-	71,000
Units redeemed: 2,636,916 units (March 31, 2017: nil)	<u>49,000</u>	<u>-</u>
Meezan Strategic Allocation Plan - I		
Units issued: nil (March 31, 2017: 12,884,648 units)	-	264,000
Units redeemed: 1,695,601 units (March 31, 2017: nil)	<u>31,000</u>	<u>-</u>
Meezan Strategic Allocation Plan - II		
Units issued: nil (March 31, 2017: 24,878,266 units)	-	571,000
Units redeemed: 3,227,112 units (March 31, 2017: nil)	<u>59,000</u>	<u>-</u>
Meezan Strategic Allocation Plan - IV		
Units redeemed: 273,484 units (March 31, 2017: nil)	<u>5,000</u>	<u>-</u>
Directors and executives of the Management Company		
Units issued: 2,986,034 units (March 31, 2017: 71,099 units)	55,277	3,250
Units redeemed: 2,470,557 units (March 31, 2017: 132,999 units)	<u>45,758</u>	<u>30,061</u>

## 10. ALLOCATED EXPENSES

During the period, Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC regulations.

## 11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 3.15% which includes 0.38% representing government levy and SECP fee.

## 12. SELLING AND MARKETING EXPENSE

SECP vide Circular No. 40 of 2016 dated December 30, 2016 allowed asset management companies to charge selling and marketing expense upto 0.4% per annum of net assets of the fund initially for three years (from January 1, 2017 till December

31, 2019) to open end equity, asset allocation and index funds only. Accordingly such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.

### 13. TAXATION

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

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

### 14. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments									
- 'at fair value through profit or loss'	6,221,408	-	-	-	6,221,408	6,221,408	-	-	6,221,408
Investments - 'available for sale'	967,635	-	-	-	967,635	967,635	-	-	967,635
Financial assets									
- not measured at fair value									
Balances with banks	14.1	-	-	424,886	-	424,886			
Dividend receivable	14.1	-	56,057	-	-	56,057			
Receivable against conversion of units	14.1	-	5,232	-	-	5,232			
Receivable against sale of investments - net	14.1	-	7,071	-	-	7,071			
Deposits, profit accrued and other receivables	14.1	-	9,928	-	-	9,928			
		<u>7,189,043</u>	<u>78,288</u>	<u>424,886</u>	<u>-</u>	<u>7,692,217</u>			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited									
- Management Company	14.1	-	-	-	27,533	27,533			
Payable to Central Depository Company of Pakistan Limited									
- Trustee	14.1	-	-	-	800	800			
Payable to Meezan Bank Limited	14.1	-	-	-	324	324			
Payable on redemption and conversion of units	14.1	-	-	-	2,603	2,603			
Payable against purchase of investments - net	14.1	-	-	-	4,566	4,566			
Accrued expenses and other liabilities	14.1	-	-	-	46,035	46,035			
Dividend payable	14.1	-	-	-	4,917	4,917			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>86,778</u>	<u>86,778</u>			



	Carrying amount				Fair value				
	Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2017	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments									
- 'at fair value through profit or loss'	7,270,303	-	-	-	7,270,303	7,270,303	-	-	7,270,303
Investments - 'available for sale'	1,164,714	-	-	-	1,164,714	1,164,714	-	-	1,164,714
Financial assets									
- not measured at fair value									
Balances with banks	14.1	-	804,059	-	804,059				
Receivable against conversion of units	14.1	-	11,750	-	11,750				
Dividend receivable	14.1	-	40,481	-	40,481				
Deposits, profit accrued and other receivables	14.1	-	14,845	-	14,845				
		8,435,017	67,076	804,059	-	9,306,152			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited									
- Management Company	14.1	-	-	31,425	31,425				
Payable to Central Depository Company of Pakistan Limited									
- Trustee	14.1	-	-	961	961				
Payable to Meezan Bank Limited	14.1	-	-	784	784				
Payable on redemption and conversion of units	14.1	-	-	6,830	6,830				
Accrued expenses and other liabilities	14.1	-	-	47,624	47,624				
Payable against purchase of investments - net	14.1	-	-	15,116	15,116				
Dividend payable	14.1	-	-	42,149	42,149				
		-	-	144,889	144,889				

14.1 The Fund has not disclosed the fair values for these financial assets and liabilities because their carrying amounts are a reasonable approximation of their fair values.

## 15. GENERAL

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

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

## 16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





# KSE-Meezan Index Fund

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

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	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

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

## LEGAL ADVISER

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

## 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





## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	3,967	10,680
Investments	6	1,817,605	1,916,081
Receivable against sale of investments - net		2,441	155,028
Receivable on issuance and conversion of units		48	750
Dividend receivable		16,247	6,944
Deposits and other receivables		2,783	2,855
<b>Total assets</b>		<b>1,843,091</b>	<b>2,092,338</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		1,863	2,176
Payable to Central Depository Company of Pakistan Limited - Trustee		262	286
Payable to Securities and Exchange Commission of Pakistan		1,229	1,092
Payable to Meezan Bank Limited		27	47
Dividend payable			146,426
Payable on redemption and conversion of units		1,033	1,725
Accrued expenses and other liabilities	8	19,162	31,712
<b>Total liabilities</b>		<b>23,577</b>	<b>183,464</b>
<b>Net assets</b>		<b>1,819,514</b>	<b>1,908,874</b>
Contingencies and commitments	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>1,819,514</b>	<b>1,908,874</b>
(Number of units)			
Number of units in issue		23,666,513	23,992,784
(Rupees)			
Net assets value per unit		76.8814	79.5600

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine Months period ended March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
<b>Income</b>				
	(89,240)	39,614	(29,202)	35,680
	70,795	35,836	16,188	9,406
	252	428	66	124
	-	12,897	-	12,897
	732	717	251	328
	(17,461)	89,492	(12,697)	58,435
	(29,894)	134,646	210,865	(43,047)
	(47,355)	224,138	198,168	15,388
<b>Expenses</b>				
	12,937	7,641	4,261	2,889
	1,682	993	554	375
	1,294	764	426	289
	2,042	1,480	673	535
	265	192	87	69
	1,229	726	405	275
	301	310	55	89
	745	761	243	562
	1,080	622	283	160
	593	436	141	217
	-	301	-	99
	506	534	157	158
	27	103	27	70
	30	30	10	10
	-	7,685	-	7,685
	22,731	22,578	7,322	13,482
	(70,086)	201,560	190,846	1,906
	-	7,227	-	6,751
	(70,086)	208,787	190,846	8,657
	-	-	-	-
	(70,086)	208,787	190,846	8,657
	(70,086)	208,787	190,846	8,657
	-	-	-	-
	(70,086)	208,787	190,846	8,657
	-	-	-	-
	(70,086)	208,787	190,846	8,657

\* Due to net loss for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	..... (Rupees in '000) .....			
Net (loss) / income for the period after taxation	(70,086)	208,787	190,846	8,657
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(70,086)</u>	<u>208,787</u>	<u>190,846</u>	<u>8,657</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine Months period ended March 31, 2018				Nine Months period ended March 31, 2017			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	1,473,507	435,367	-	1,908,874	461,862	419,767	-	881,629
Issuance of 14,584,491 units (2017: 2,939,528 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,160,342	-	-	1,160,342				
- Element of income	(47,647)	-	-	(47,647)				
Total proceeds on issuance of units	1,112,695	-	-	1,112,695	231,958	37,164	-	269,122
Redemption of 14,910,761 units (2017: 2,420,347 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,186,300	-	-	1,186,300				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	(54,331)	-	-	(54,331)				
Total payments on redemption of units	1,131,969	-	-	1,131,969	190,989	29,937	-	220,926
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(7,227)	-	(7,227)
Total comprehensive (loss) / income for the period	-	(70,086)	-	(70,086)	-	208,787	-	208,787
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(70,086)	-	(70,086)	-	208,787	-	208,787
Net assets at end of the period	1,454,233	365,281	-	1,819,514	502,831	628,554	-	1,131,385
Undistributed income brought forward								
- Realised income		485,214				326,799		
- Unrealised (loss) / income		(49,847)				92,968		
		435,367				419,767		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
Net (loss) / income for the period after taxation		(70,086)				208,787		
Distribution during the period		-				-		
Undistributed income carried forward		365,281				628,554		
Undistributed income carried forward								
- Realised income		395,175				493,908		
- Unrealised (loss) / income		(29,894)				134,646		
		365,281				628,554		
Net assets value per unit at beginning of the period				(Rupees) 79.5600				(Rupees) 78.9100
Net assets value per unit at end of the period				76.8814				96.7700

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine Months period ended March 31,	
	2018	2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	(70,086)	208,787
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss'	29,894	(134,646)
Amortisation of preliminary expenses and floatation costs	-	301
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(7,227)
	<u>(40,192)</u>	<u>67,215</u>
(Increase) / decrease in assets		
Investments - net	68,582	(109,375)
Receivable against sale of investments - net	152,587	5,237
Dividend receivable	(9,303)	(3,038)
Deposits and other receivables	72	(109)
	211,938	(107,286)
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(313)	292
Payable to Central Depository Company of Pakistan Limited - Trustee	(24)	46
Payable to Meezan Bank Limited	(20)	136
Payable to Securities and Exchange Commission of Pakistan	137	(106)
Accrued expenses and other liabilities	(12,550)	(5,662)
	<u>(12,769)</u>	<u>(5,294)</u>
Net cash generated from / (used in) operating activities	158,977	(45,365)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt against issuance of units	1,113,397	269,995
Payment against redemption of units	(1,132,661)	(221,011)
Dividend paid	(146,426)	(45)
Net cash (used in) / generated from financing activities	(165,689)	48,939
Net (decrease) / increase in cash and cash equivalents during the period	(6,713)	3,574
Cash and cash equivalents at beginning of the period	10,680	12,896
Cash and cash equivalents at end of the period	<u>3,967</u>	<u>16,471</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 KSE Meezan Index Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on March 13, 2012 and was approved by Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

1.2 The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as a Shariah Compliant Index Fund.

1.4 The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.

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

## 2. BASIS OF PRESENTATION

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

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.





The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at March 31, 2018.

#### 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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1,

2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 9.405 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.



# KSE-Meezan Index Fund

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	2,401	9,115
In current accounts		1,566	1,565
		<u>3,967</u>	<u>10,680</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 5.6% per annum (June 30, 2017: 2.00% to 2.40% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>6. INVESTMENTS</b>			
Investments at 'fair value through profit or loss'			
Ordinary shares - Held for trading	6.1	<u>1,817,605</u>	<u>1,916,081</u>

## 6.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the period	Right/ Bonus issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
									----- % -----		

### Sectors / companies

<b>Automobile Assembler</b>											
Honda Atlas Cars (Pakistan) Limited	50,667	56,367	-	107,034	-	-	-	-	0.00	0.00	0.00
Gandhara Industries Limited	7,509	9,809	-	17,318	-	-	-	-	0.00	0.00	0.00
Millat Tractors Limited	39,800	45,980	-	46,500	39,280	53,258	50,371	(2,887)	2.77	0.09	2.77
									2.77	0.09	2.77
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	443,003	513,403	-	517,603	438,803	45,475	19,838	(25,637)	1.09	0.02	1.09
<b>Cement</b>											
Cherat Cement Company Limited	188,101	206,701	-	394,802	-	-	-	-	0.00	0.00	0.00
D.G. Khan Cement Company Limited	428,200	493,800	-	494,700	427,300	87,411	69,697	(17,714)	3.83	0.10	3.83
Fauji Cement Company Limited	1,347,375	1,549,875	-	1,553,375	1,343,875	53,287	39,308	(13,979)	2.16	0.10	2.16
Lucky Cement Limited	229,730	264,880	-	265,130	229,480	184,105	158,254	(25,851)	8.70	0.07	8.71
Maple Leaf Cement Factory Limited	422,116	484,716	54,439	540,816	420,455	43,097	29,781	(13,317)	1.64	0.07	1.64
Pioneer Cement Limited	221,621	242,421	-	464,042	-	-	-	-	0.00	0.00	0.00
									16.33	0.34	16.34
<b>Chemical</b>											
Engro Polymer & Chemicals Limited	-	426,500	-	16,000	410,500	11,913	14,634	2,721	0.80	0.06	0.81
<b>Engineering</b>											
International Industries Limited	-	99,200	-	3,500	95,700	23,432	27,217	3,785	1.50	0.08	1.50
International Steels Limited	-	317,500	-	8,900	308,600	33,238	35,770	2,532	1.97	0.07	1.97
									3.47	0.15	3.47
<b>Fertilizer</b>											
Dawood Hercules Corporation Limited	599,275	691,175	-	692,775	597,675	80,294	78,260	(2,035)	4.30	0.12	4.31
Engro Corporation Limited	511,919	590,019	-	591,219	510,719	164,096	158,144	(5,952)	8.69	0.10	8.70
Engro Fertilizers Limited	1,068,636	1,231,636	-	1,235,136	1,065,136	60,094	73,590	13,496	4.04	0.08	4.05
									17.03	0.30	17.06
<b>Food &amp; Personal Care Products</b>											
Engro Foods Limited	135,511	150,811	-	286,322	-	-	-	-	0.00	0.00	0.00
Treet Corporation Limited	-	111,500	-	9,500	102,000	3,864	4,320	456	0.24	0.07	0.24
									0.24	0.07	0.24
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	39,151	45,311	-	45,371	39,091	61,611	57,877	(3,735)	3.18	0.04	3.18
Pakistan Oilfields Limited	192,317	221,717	-	222,067	191,967	90,784	124,886	34,102	6.86	0.08	6.87
Pakistan Petroleum Limited (note 6.1.3)	855,426	985,926	-	987,026	854,326	131,813	181,835	50,022	9.99	0.04	10.00
Oil and Gas Development Company Limited	1,146,218	1,322,818	-	1,325,218	1,143,818	163,715	199,116	35,400	10.94	0.03	10.95
									30.97	0.19	31.00

Name of the investee company	As at July 01, 2017	Purchases during the period	Right/ Bonus issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
					(Number of shares)	(Rupees in '000)			%		
<b>Oil &amp; Gas Marketing Companies</b>											
Hascol Petroleum Limited	107,318	121,918	21,035	175,418	74,853	22,972	19,869	(3,103)	1.09	0.06	1.09
Attock Petroleum	-	39,700	-	3,100	36,600	19,839	21,029	1,190	1.16	0.04	1.16
Hi - Tech Lubricant Limited	55,600	64,100	-	119,700	-	-	-	-	0.00	0.00	0.00
Sui Northern Gas Pipeline Limited	507,433	580,233	-	581,933	505,733	73,714	57,001	(16,713)	3.13	0.08	3.14
Sui Southern Gas Company Limited	577,231	659,731	-	691,731	545,231	19,788	19,879	91	1.09	0.06	1.09
									6.47	0.24	6.48
<b>Paper and Board Packages Limited</b>											
Packages Limited	55,662	64,512	-	64,812	55,362	37,522	32,587	(4,935)	1.79	0.06	1.79
<b>Pharmaceuticals</b>											
GlaxoSmithKline Pakistan Limited	91,534	108,434	-	108,934	91,034	17,681	17,261	(420)	0.95	0.03	0.95
The Searle Company Limited (note 7)	109,563	128,063	21,582	149,913	109,295	45,240	38,429	(6,811)	2.11	0.08	2.11
									3.06	0.11	3.06
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (note 6.1.2)	4,906,040	5,100,040	-	5,213,540	4,792,540	33,010	33,596	585	1.85	0.05	1.85
Kot Addu Power Company Limited	-	832,000	-	23,500	808,500	45,209	52,132	6,923	2.87	0.09	2.87
The Hub Power Company Limited	1,336,132	1,535,332	-	1,639,732	1,231,732	142,437	123,789	(18,648)	6.80	0.14	6.81
									11.52	0.28	11.53
<b>Refinery</b>											
Attock Refinery Limited	60,433	72,233	-	71,933	60,733	22,429	15,170	(7,259)	0.83	0.07	0.83
National Refinery Limited	45,898	53,648	-	53,698	45,848	32,064	19,444	(12,620)	1.07	0.00	1.07
									1.90	0.07	1.90
<b>Textile Composite</b>											
Nishat Mills Limited	343,000	389,500	-	452,300	280,200	44,106	44,521	415	2.45	0.08	2.45
						<u>1,847,499</u>	<u>1,817,605</u>	<u>(29,894)</u>			

6.1.1 Net assets are as defined in regulation 66 of the NBFC regulations.

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

6.1.3 682,000 shares (June 30, 2017: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 145.16 million as at December 31, 2017 (June 30, 2017: Rs 101.031 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

## 7. CONTINGENCIES AND COMMITMENTS

The status of withholding on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.



There were no other contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditor's remuneration payable		270	226
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.1	5,404	5,404
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.1	429	429
Provision for Sindh Worker's Welfare Fund	8.2	9,270	9,270
Withholding tax payable		374	11,567
Charity payable		1,719	1,339
Brokerage payable		817	2,797
Shariah advisory fee payable		401	266
Rating fee payable		375	300
Others		104	114
		19,162	31,712

- 8.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company was of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution the Fund has retained a provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating to Rs 5.83 million (June 30, 2017: Rs 5.83 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re 0.25 (June 30, 2017: Re 0.24) per unit.

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

of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.39 / 0.51% (June 30, 2017: Re 0.39 / 0.49%).

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,485	1,715
Sindh Sales Tax on management fee payable	193	223
Sales load payable	33	58
Sindh Sales Tax on sales load payable	4	8
Allocated expenses payable	148	172
Investment of 3,959,470 units (June 30, 2017: 3,932,212 units)	304,410	312,847
Meezan Bank Limited		
Sales load payable	24	42
Sindh Sale Tax on sales load payable	3	5
Bank balance	1,738	4,178
Profit receivable on savings account	22	-
Investment of 2,113,224 units (June 30, 2017: 2,113,224 units)	162,468	168,128
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	212	233
Sindh Sales Tax on trustee fee payable	50	53
Security deposit	103	103
Meezan Financial Planning Fund of Funds -MAAP I		
Investment of nil units (June 30, 2017: 348,329 units)	-	27,713
Directors and executives of the Management Company		
Investment of 19,756 units (June 30, 2017: 384,376 units)	1,519	30,581
Unitholders holding 10% or more units of the Fund		
Investment of 9,725,888 units (June 30, 2017: 9,725,888 units)	747,739	773,795





# KSE-Meezan Index Fund

	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	12,937	7,641
Sindh Sales Tax on management fee	1,682	993
Allocated expenses	1,294	764
Units issued: 27,258 units (March 31, 2017: nil)	2,000	-
Units redeemed: nil (March 31, 2017: 63,382 units)	-	5,000
Meezan Bank Limited		
Profit on savings account	55	83
Shariah advisor fee	-	401
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	2,042	1,480
Sindh Sales Tax on trustee fee for the period	265	192
CDS charges	96	54
Meezan Financial Planning Fund of Funds -MAAP I		
Units issued: 911,030 units (March 31, 2017: 303,038)	64,736	30,000
Units redeemed: 1,259,359 units (March 31, 2017: nil)	91,118	-
Directors and executives of the Management Company		
Units issued: 4,798 units (March 31, 2017: 6,705 units)	355	597
Units redeemed: 369,419 units (March 31, 2017: 106,858)	26,493	9,921

## 10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 1.76% which include 0.25% representing government levy and SECP fee.

## 12. TAXATION

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

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

## 13. FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
March 31, 2018									
Financial assets - measured at fair value									
Investments - Held for trading	1,817,605	-	-	-	1,817,605	1,817,605	-	-	1,817,605
Financial assets - not measured at fair value									
Balances with banks	13.1	-	3,967	-	3,967				
Receivable against issuance and conversion units	13.1	-	48	-	48				
Dividend receivable	13.1	-	16,247	-	16,247				
Receivable against sale of investments - net	13.1	-	2,441	-	2,441				
Deposit and other receivables	13.1	-	2,783	-	2,783				
		-	-	-	-				
		1,817,605	21,519	3,967	1,843,091				
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	1,863	1,863				
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	262	262				
Payable to Meezan Bank Limited		-	-	27	27				
Payable on redemption and conversion of units	13.1	-	-	1,033	1,033				
Accrued expense and other liabilities	13.1	-	-	9,518	9,518				
		-	-	12,704	12,704				

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
June 30, 2017									
Financial assets - measured at fair value									
Investments - Held for trading	1,916,081	-	-	-	1,916,081	1,916,081	-	-	1,916,081
Financial assets - not measured at fair value									
Balances with banks	13.1	-	10,680	-	10,680				
Receivable against sale of investment - net		-	155,028	-	155,028				
Receivable against issuance and conversion units	13.1	-	750	-	750				
Dividend receivable	13.1	-	6,944	-	6,944				
Deposit and other receivables	13.1	-	2,855	-	2,855				
		1,916,081	165,577	10,680	2,092,338				
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	2,176	2,176				
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	286	286				
Payable to Meezan Bank Limited		-	-	47	47				
Payable on redemption and conversion of units	13.1	-	-	1,725	1,725				
Accrued expense and other liabilities	13.1	-	-	10,854	10,854				
Dividend payable	13.1	-	-	146,426	146,426				
		-	-	161,514	161,514				

13.1 The Fund has not disclosed the fair values for these financial assets and liabilities because their carrying amounts are a reasonable approximation of their fair values.



# KSE-Meezan Index Fund

## 14. GENERAL

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

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

## 15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





# Meezan Energy Fund

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

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Faysal Bank Limited - Islamic Banking

Habib Metropolitan Bank - 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: bawaney@cyber.net.pk

## 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





## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	104,260	94,172
Investments	6	1,459,474	1,059,994
Receivable against conversion of units		2	2,729
Dividend receivable		9,868	3,192
Deposit, profit accrued and other receivables		1,888	2,022
Preliminary expenses and floatation costs		733	883
<b>Total assets</b>		<b>1,576,225</b>	<b>1,162,992</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		5,797	4,785
Payable to Central Depository Company of Pakistan Limited - Trustee		243	203
Payable to Meezan Bank Limited		19	920
Payable to Securities and Exchange Commission of Pakistan		1,052	514
Payable on redemption and conversion of units		104	2,598
Dividend payable		-	4,028
Payable against purchase of investments - net		77	116
Accrued expenses and other liabilities	8	3,603	10,564
<b>Total liabilities</b>		<b>10,895</b>	<b>23,728</b>
<b>Net assets</b>		<b>1,565,330</b>	<b>1,139,264</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' funds (as per statement attached)</b>		<b>1,565,330</b>	<b>1,139,264</b>
		(Number of units)	
<b>Number of units in issue</b>		<b>30,586,281</b>	<b>22,680,163</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>51.1775</b>	<b>50.2300</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

		Nine months period ended March 31, 2018	For the period from November 30, 2016 to March 31, 2017	Quarter ended March 31 2018	2017
	Note	(Rupees in '000)			
<b>Income</b>					
Net realised (loss) / gain on sale of investments		(61,204)	11,430	(19,051)	12,187
Dividend income		54,570	5,558	9,868	4,848
Profit on saving accounts with banks		2,541	1,529	884	1,041
		(4,093)	18,517	(8,299)	18,076
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	6.1	58,058	35,417	141,028	(6,409)
<b>Total income</b>		<b>53,965</b>	<b>53,934</b>	<b>132,729</b>	<b>11,667</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company		22,141	4,963	7,541	4,038
Sindh Sales Tax on management fee		2,878	645	980	525
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,857	494	624	401
Sindh Sales Tax on trustee fee		241	64	81	52
Annual fee to Securities and Exchange Commission of Pakistan		1,052	236	358	192
Auditors' remuneration		249	90	42	62
Charity expense		1,153	153	338	106
Fees and subscription		427	251	140	204
Legal and professional charges		35	-	27	-
Brokerage expense		1,873	1,567	125	908
Bank and settlement charges		202	361	24	209
Printing charges		45	2	11	2
Selling and marketing expense	13	4,428	337	1,508	337
Amortisation of preliminary expenses and floatation costs		150	92	49	75
Provision for Sindh Workers' Welfare Fund (SWWF)		323	2,058	323	2,058
Allocated expenses	11	1,107	248	377	202
<b>Total expenses</b>		<b>38,161</b>	<b>11,561</b>	<b>12,548</b>	<b>9,371</b>
<b>Net income from operating activities</b>		<b>15,804</b>	<b>42,373</b>	<b>120,181</b>	<b>2,296</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	58,491	-	51,424
<b>Net income for the period before taxation</b>		<b>15,804</b>	<b>100,864</b>	<b>120,181</b>	<b>53,720</b>
Taxation	14	-	-	-	-
<b>Net income for the period after taxation</b>		<b>15,804</b>	<b>100,864</b>	<b>120,181</b>	<b>53,720</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		15,804	100,864	120,181	53,720
Income already paid on units redeemed		-	-	-	-
		<b>15,804</b>	<b>100,864</b>	<b>120,181</b>	<b>53,720</b>

\* Due to nil distributable income for the period, disclosure related to accounting income available for distribution is not required

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018	For the period from November 30, 2016 to March 31, 2017	Quarter ended March 31 2018	2017
	(Rupees in '000)			
<b>Net income for the period after taxation</b>	<b>15,804</b>	100,864	<b>120,181</b>	53,720
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>15,804</b>	100,864	<b>120,181</b>	53,720

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018 ----- (Rupees in '000) -----				For the period from November 30, 2016 to March 31, 2017 ----- (Rupees in '000) -----			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	1,134,009	5,255	-	1,139,264	-	-	-	-
Issue of 35,584,396 units (2017: 30,340,767 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,787,404	-	-	1,787,404				
- Element of loss	(4,954)	-	-	(4,954)				
Total proceeds on issuance of units	1,782,450	-	-	1,782,450	1,517,038	107,102	-	1,624,140
Redemption of 27,678,278 units (2017: 10,321,453 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,390,280	-	-	1,390,280				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Adjustment on units as element of income	(18,092)	-	-	(18,092)				
Total payments on redemption of units	1,372,188	-	-	1,372,188	516,073	48,611	-	564,684
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(58,491)	-	(58,491)
Total comprehensive income for the period	-	15,804	-	15,804	-	100,864	-	100,864
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	15,804	-	15,804	-	100,864	-	100,864
<b>Net assets at end of the period</b>	<b>1,544,271</b>	<b>21,059</b>	<b>-</b>	<b>1,565,330</b>	<b>1,000,965</b>	<b>100,864</b>	<b>-</b>	<b>1,101,829</b>
Undistributed income brought forward								
- Realised income		21,241				-		
- Unrealised loss		(15,986)				-		
		5,255				-		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
Net income for the period after taxation		15,804				100,864		
Distribution during the period		-				-		
Undistributed income carried forward		21,059				100,864		
Undistributed income carried forward								
- Realised (loss) / income		(36,999)				65,447		
- Unrealised income		58,058				35,417		
		21,059				100,864		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				50.2300				-
Net assets value per unit at end of the period				51.1775				55.0400

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM CASH FLOW STATEMENT**  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018	For the period from November 30, 2016 to March 31, 2017
..... (Rupees in '000) .....		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period after taxation	15,804	100,864
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and floatation costs	150	92
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	(58,058)	(35,417)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(58,491)
	<u>(42,104)</u>	<u>7,048</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	(341,422)	(857,472)
Dividend receivable	(6,676)	(4,937)
Deposit, profit accrued and other receivables	134	(907)
Preliminary expenses and floatation costs	-	(1,000)
	<u>(347,964)</u>	<u>(864,316)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	1,012	4,568
Payable to Central Depository Company of Pakistan Limited - Trustee	40	177
Payable to Meezan Bank Limited	(901)	-
Payable to Securities and Exchange Commission of Pakistan	538	236
Payable against purchase of investments - net	(39)	-
Accrued expenses and other liabilities	(6,961)	3,190
	<u>(6,311)</u>	<u>8,171</u>
<b>Net cash used in operating activities</b>	<u>(396,379)</u>	<u>(849,097)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	1,785,177	1,621,772
Dividend paid	(4,028)	-
Payment against redemption and conversion of units	(1,374,682)	(504,805)
<b>Net cash generated from financing activities</b>	<u>406,467</u>	<u>1,116,967</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>10,088</u>	<u>267,870</u>
Cash and cash equivalents at beginning of the period	94,172	-
Cash and cash equivalents at end of the period	<u>104,260</u>	<u>267,870</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

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

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

#### **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 this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unitholders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unitholder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unitholders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 13.138 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unitholders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unitholders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unitholders' Fund which have been incorporated in these statements.

**4.3** During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

**4.4** The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the period ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended June 30, 2017.

#### **4.5 Amendments to published approved accounting standards that are effective in the current period**

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

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

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	100,801	93,384
In current accounts		3,459	788
		<b>104,260</b>	<b>94,172</b>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 5.95% per annum (June 30, 2017: 2.00% to 2.40% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>6. INVESTMENTS</b>			
<b>Investments - 'at fair value through profit or loss'</b>			
Ordinary shares - Held for trading	6.1	1,459,474	1,059,994

**6.1 Ordinary shares - Held for trading**

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / Right issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018 value	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.2)	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
	..... (Number of shares) .....				..... (Rupees in '000) .....			..... % .....			
<b>Sectors / companies</b>											
<b>Oil and Gas Exploration Companies</b>											
Mari Petroleum Company Limited	61,550	34,620	-	27,220	68,950	106,466	102,085	(4,381)	6.52	6.99	0.06
Oil and Gas Development Company Limited	1,043,000	726,100	-	310,000	1,459,100	213,326	254,000	40,674	16.23	17.40	0.03
Pakistan Oilfields Limited	155,000	83,400	-	20,000	218,400	104,487	142,082	37,595	9.08	9.74	0.09
Pakistan Petroleum Limited	277,000	1,066,100	-	-	1,343,100	227,608	285,865	58,257	18.26	19.59	0.07
									<b>50.09</b>	<b>53.72</b>	<b>0.25</b>
<b>Oil and Gas Marketing Companies</b>											
Attock Petroleum Limited	5,000	-	-	-	5,000	3,132	2,873	(259)	0.18	0.20	0.01
Hascol Petroleum Limited	368,600	176,400	66,820	152,900	458,920	135,129	121,816	(13,313)	7.78	8.35	0.32
Hi-Tech Lubricants Limited	600,200	-	-	50,000	550,200	59,977	57,876	(2,101)	3.70	3.97	0.47
Pakistan State Oil Company Limited	85,000	373,000	81,000	113,000	426,000	150,579	136,955	(13,624)	8.75	9.38	0.13
Shell (Pakistan) Limited	68,000	-	-	68,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,176,000	1,756,400	-	1,106,900	1,825,500	229,698	205,752	(23,946)	13.14	14.10	0.29
Sui Southern Gas Pipelines Limited	1,672,000	3,227,000	-	4,092,000	807,000	27,982	29,423	1,441	1.88	2.02	0.09
									<b>35.43</b>	<b>38.02</b>	<b>1.31</b>
<b>Power Generation and Distribution</b>											
The Hub Power Company Limited	389,000	-	-	129,000	260,000	30,532	26,130	(4,402)	1.67	1.79	0.02
K - Electric Limited (note 6.1.1)	12,716,500	1,250,000	-	5,038,500	8,928,000	61,058	62,585	1,527	4.00	4.29	0.03
									<b>5.67</b>	<b>6.08</b>	<b>0.05</b>
<b>Refinery</b>											
Attock Refinery Limited	122,000	75,000	-	196,100	900	325	225	(100)	0.01	0.02	-
National Refinery Limited	30,000	53,000	-	8,000	75,000	51,117	31,807	(19,310)	2.03	2.18	0.09
									<b>2.04</b>	<b>2.20</b>	<b>0.09</b>
						<b>1,401,416</b>	<b>1,459,474</b>	<b>58,058</b>			

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

**6.1.2** Net assets are as defined in regulation 66 of the NBFC Regulations.

## 7. CONTINGENCIES AND COMMITMENTS

As per the Income Tax Ordinance, 2001, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a Constitutional Petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. On September 8, 2015, the Sindh High Court had dismissed the suit on the basis that bonus shares are included in the definition of income and accordingly are chargeable to tax. An appeal against the judgment had been instituted and a stay order had been granted by the High Court of Sindh in favour of CISs.

In the current period, Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and stay order.

There were no other contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
		(Rupees in '000)	
Withholding tax payable		18	8,335
Provision for Sindh Workers Welfares' Fund	8.1	1,849	1,527
Charity payable		1,132	280
Shariah advisory fee		403	267
Auditors' remuneration payable		182	155
Others		19	-
		3,603	10,564

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.06 / 0.12% (June 30, 2017: Re 0.07 / 0.14%).



## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	<b>March 31, 2018 (Unaudited)</b>	June 30, 2017 (Audited)
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration payable	<u>2,618</u>	<u>1,950</u>
Sindh Sales Tax on management fee payable	<u>340</u>	<u>254</u>
Sales load payable	<u>44</u>	<u>862</u>
Sindh Sales Tax on sales load payable	<u>6</u>	<u>112</u>
Allocated expenses	<u>131</u>	<u>98</u>
Selling and marketing expense payable	<u>2,658</u>	<u>1,509</u>
Investment of 7,103,076 units (June 30, 2017: 4,225,813 units)	<u><b>363,518</b></u>	<u>212,263</u>
<b>Meezan Bank Limited</b>		
Bank balance	<u>38,269</u>	<u>65,088</u>
Profit receivable on saving accounts	<u>90</u>	<u>237</u>
Sales load payable	<u>17</u>	<u>814</u>
Sindh Sales Tax on sales load payable	<u>2</u>	<u>106</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	<u>215</u>	<u>180</u>
Sindh Sales Tax on trustee fee payable	<u>28</u>	<u>23</u>
Security deposit	<u>100</u>	<u>100</u>
<b>Directors and executives of the Management Company</b>		
Investment of 848,254 units (June 30, 2017: 13,264 units)	<u><b>43,412</b></u>	<u>666</u>
<b>Unitholders holding 10 percent or more of the Fund</b>		
Investment of 3,826,614 units (June 30, 2017: 6,563,534 units)	<u><b>195,837</b></u>	<u>329,686</u>

	<b>Nine months period ended March 31, 2018</b>	For the period from November 30, 2016 to March 31, 2017
	<b>(Rupees in '000)</b>	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	<u>22,141</u>	<u>4,963</u>
Sindh Sales Tax on management fee	<u>2,878</u>	<u>645</u>
Allocated expenses	<u>1,107</u>	<u>248</u>
Selling and marketing expense	<u>4,428</u>	<u>337</u>
Units issued: 3,968,254 units (March 31, 2017: 4,000,000 units)	<u>200,000</u>	<u>200,000</u>
Units redeemed: 1,090,991 units (March 31, 2017: nil)	<u>53,000</u>	<u>-</u>
<b>Meezan Bank Limited</b>		
Profit on saving accounts	<u>1,332</u>	<u>1,035</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee	<u>1,857</u>	<u>494</u>
Sindh Sales Tax on trustee fee	<u>241</u>	<u>64</u>
CDS charges	<u>79</u>	<u>47</u>
<b>Directors and executives of the Management Company</b>		
Units issued: 862,085 units (March 31, 2017: 18,490 units)	<u>42,109</u>	<u>984</u>
Units redeemed: 27,096 units (March 31, 2017: 4,980 units)	<u>1,302</u>	<u>273</u>
<b>Unitholders holding 10 percent or more of the Fund</b>		
Units issued: 28,016 units (March 31, 2017: 10,227,350 units)	<u>1,405</u>	<u>558,058</u>
Units issued: nil (March 31, 2017: 3,397,852 units)	<u>-</u>	<u>184,323</u>

## 10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total	
March 31, 2018 <span style="float: right;">(Rupees in '000)</span>										
<b>Financial assets - measured at fair value</b>										
Investments	1,459,474	-	-	-	1,459,474	1,459,474	-	-	1,459,474	
<b>Financial assets - not measured at fair value</b>										
Balance with banks	10.1	-	104,260	-	104,260					
Receivable against conversion of units	10.1	-	2	-	2					
Dividend receivable	10.1	-	9,868	-	9,868					
Deposit, profit accrued and other receivables	10.1	-	452	-	452					
		<u>1,459,474</u>	<u>10,322</u>	<u>104,260</u>	<u>-</u>	<u>1,574,056</u>				



Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	-	5,797	5,797			
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	-	243	243			
Payable to Meezan Bank Limited	10.1	-	-	-	19	19			
Payable against purchase of investments - net	10.1	-	-	-	77	77			
Payable on redemption and conversion of units	10.1	-	-	-	104	104			
Accrued expenses and other liabilities	10.1	-	-	-	1,736	1,736			
		-	-	-	<b>7,976</b>	<b>7,976</b>			

Note	Carrying amount					Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)										
<b>June 30, 2017</b>										
<b>Financial assets - measured at fair value</b>										
Investments		1,059,994	-	-	-	1,059,994	1,059,994	-	-	1,059,994
<b>Financial assets - not measured at fair value</b>										
Balances with banks	10.1	-	-	94,172	-	94,172				
Receivable against conversion of units	10.1	-	2,729	-	-	2,729				
Dividend receivable	10.1	-	3,192	-	-	3,192				
Deposit, profit accrued and other receivables	10.1	-	743	-	-	743				
		<b>1,059,994</b>	<b>6,664</b>	<b>94,172</b>	-	<b>1,160,830</b>				

<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	-	4,785	4,785			
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	-	203	203			
Payable to Meezan Bank Limited	10.1	-	-	-	920	920			
Payable on redemption and conversion of units	10.1	-	-	-	2,598	2,598			
Dividend Payable	10.1	-	-	-	4,028	4,028			
Payable against purchase of investments - net	10.1	-	-	-	116	116			
Accrued expenses and other liabilities	10.1	-	-	-	702	702			
		-	-	-	<b>13,352</b>	<b>13,352</b>			

**10.1** The Fund has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair values.

## 11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 3.48% which includes 0.44% representing government levy, SWWF and SECP fee.

### **13. SELLING AND MARKETING EXPENSE**

SECP vide a circular no. 40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 01, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than actual expenses incurred.

### **14. TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

### **15. GENERAL**

**15.1** Figures have been rounded off to the nearest thousand rupees.

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

### **16. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**



# Meezan Balanced Fund

Meezan Balanced Fund (MBF) is Pakistan's first Shariah compliant balanced scheme. It seeks to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high quality Shariah compliant Equity and Income Instruments.

# FUND INFORMATION

## MANAGEMENT COMPANY

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Fax: (9221) 35676143, 35630808  
Website: www.almeezangroup.com  
E-mail: info@almeezangroup.com

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)  
Allied Bank Limited  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Bank Alfalah - Islamic Banking Branch  
Dubai Islamic Bank

Faysal Bank Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Samba Bank Limited  
Sindh Bank  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th floor, 58-C, Lane-13, Bokhari Commercial Area, Phase VI, DHA, Karachi.  
Phone: (9221) 3515619-94 Fax: (9221) 35156195  
E-mail: bawaney@cyber.net.pk

## TRANSFER AGENT

Meezan Bank Limited  
Meezan House,  
C-25, Estate Avenue, SITE, Karachi.  
Phone: 3810 3538 Fax: 3640 6017  
Website: www.meezanbank.com

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	1,680,104	1,865,383
Investments	6	6,698,106	7,504,175
Receivables against conversion of units		934	420,999
Dividend receivable		33,693	19,039
Receivable against sale of investments - net		-	1,851
Deposits, profit accrued and other receivables		50,146	74,354
<b>Total assets</b>		<b>8,462,983</b>	<b>9,885,801</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		16,799	29,352
Payable to Central Depository Company of Pakistan Limited - Trustee		887	993
Payable to Securities and Exchange Commission of Pakistan		5,448	6,210
Payable to Meezan Bank Limited		686	3,050
Payable against purchase of investments - net		3,870	-
Payable on redemption and conversion of units		14,985	87,821
Accrued expenses and other liabilities	8	80,924	154,900
Dividend payable		8,437	87,370
<b>Total liabilities</b>		<b>132,036</b>	<b>369,696</b>
<b>Net assets</b>		<b>8,330,947</b>	<b>9,516,105</b>
Contingencies and commitments	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>8,330,947</b>	<b>9,516,105</b>
		(Number of units)	
Number of units in issue		511,810,853	561,280,121
		(Rupees)	
Net assets value per unit		16.2774	16.9500

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Income				
Net realised (loss) / gain on sale of investments	(229,491)	87,200	(156,994)	24,544
Dividend income	185,793	112,076	37,004	30,084
Profit on term deposit receipts	30,680	12,082	3,374	9,577
Profit on sukuk certificates	83,593	61,046	32,127	19,134
Profit on saving accounts with banks	64,323	62,359	22,095	24,808
Reversal of provision for Workers' Welfare Fund	-	37,909	-	37,909
Other income	-	68	-	-
	134,898	372,740	(62,394)	146,056
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	(349,587)	723,987	648,598
Total (loss) / income	(214,689)	1,096,727	586,204	198,700
Expenses				
Remuneration to AI Meezan Investment Management Limited - Management Company	11	128,192	98,443	40,554
Sindh Sales Tax on management fee	16,665	12,797	5,272	5,186
Allocated expenses	6,410	4,922	2,028	1,995
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7,160	5,673	2,274	2,242
Sindh Sales Tax on trustee fee	931	737	296	291
Annual fee to Securities and Exchange Commission of Pakistan	5,448	4,184	1,723	1,696
Auditors' remuneration	417	429	91	107
Charity expense	2,699	1,519	723	355
Fees and subscription	431	492	132	132
Legal and professional charges	54	103	27	70
Brokerage expense	1,504	2,699	509	988
Bank and settlement charges	849	998	260	362
Printing expenses	231	153	15	-
Provision for Sindh Workers' Welfare Fund	-	38,660	-	38,660
Total expenses	170,991	171,809	53,904	91,979
Net (loss) / income from operating activities	(385,680)	924,918	532,300	106,721
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	307,264	-	232,332
Net (loss) / income for the period before taxation	(385,680)	1,232,182	532,300	339,053
Taxation	13	-	-	-
Net (loss) / income for the period after taxation	(385,680)	1,232,182	532,300	339,053
Allocation of net income for the period				
Net (loss) / income for the period after taxation	(385,680)	1,232,182	532,300	339,053
Income already paid on units redeemed	-	-	-	-
	(385,680)	1,232,182	532,300	339,053

\* Due to net loss for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended, March 31,		Quarter ended March 31,		
	2018	2017	2018	2017	
	..... (Rupees in '000) .....				
Net (loss) / income for the period after taxation	(385,680)	1,232,182	532,300	339,053	
Other comprehensive income for the period					
<i>Item that may be reclassified subsequently to Income Statement</i>					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.2.1	(39,361)	50,016	23,924	10,878
Total comprehensive (loss) / income for the period		<u>(425,041)</u>	<u>1,282,198</u>	<u>556,224</u>	<u>349,931</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018				Nine months period ended March 31, 2017			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	7,857,635	1,531,501	126,969	9,516,105	3,646,307	943,477	117,903	4,707,687
Issue of 126,455,363 units (2017: 324,922,674 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,143,418	-	-	2,143,418				
- Element of income	200,972	-	-	200,972				
Total proceeds on issuance of units	2,344,390	-	-	2,344,390	5,181,071	614,876	-	5,795,947
Redemption of 175,924,632 units (2017: 148,963,280 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,981,923	-	-	2,981,923				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	122,584	-	-	122,584				
Total payments on redemption of units	3,104,507	-	-	3,104,507	2,375,915	307,612	-	2,683,527
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(307,264)	-	(307,264)
Total comprehensive (loss) / income for the period	-	(385,680)	(39,361)	(425,041)	-	1,232,182	50,016	1,282,198
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(385,680)	(39,361)	(425,041)	-	1,232,182	50,016	1,282,198
Net assets at end of the period	7,097,518	1,145,821	87,608	8,330,947	6,451,463	2,175,659	167,919	8,795,041
Undistributed income brought forward								
- Realised income		1,059,411				607,343		
- Unrealised income		472,090				336,134		
		1,531,501				943,477		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
Net (loss) / income for the period after taxation		(385,680)				1,232,182		
Distribution during the period		-				-		
Undistributed income carried forward		1,145,821				2,175,659		
Undistributed income carried forward								
- Realised income		1,495,408				1,451,672		
- Unrealised (loss) / income		(349,587)				723,987		
		1,145,821				2,175,659		
Net assets value per unit at beginning of the period				(Rupees) 16.9500				(Rupees) 15.8400
Net assets value per unit at end of the period				16.2774				18.5900

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period after taxation	(385,680)	1,232,182
Adjustments for:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	349,587	(723,987)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(307,264)
	(36,093)	200,931
(Increase) / decrease in assets		
Investments - net	417,121	(2,396,036)
Dividend receivable	(14,654)	(14,918)
Receivable against sale of investments - net	1,851	4,020
Deposits, profit accrued and other receivables	24,208	(22,071)
	428,526	(2,429,005)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(12,553)	10,001
Payable to Central Depository Company of Pakistan Limited - Trustee	(106)	395
Payable to Securities and Exchange Commission of Pakistan	(762)	416
Payable to Meezan Bank Limited	(2,364)	-
Payable against purchase of investments - net	3,870	30,000
Accrued expenses and other liabilities	(73,976)	(20,709)
	(85,891)	20,103
Net cash generated from / (used in) operating activities	306,542	(2,207,971)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	2,764,455	5,877,712
Payment against redemption and conversion of units	(3,177,343)	(2,689,114)
Dividend paid	(78,933)	(11,673)
Net cash (used in) / generated from financing activities	(491,821)	3,176,925
Net (decrease) / increase in cash and cash equivalents during the period	(185,279)	968,954
Cash and cash equivalents at beginning of the period	1,865,383	660,332
Cash and cash equivalents at end of the period	1,680,104	1,629,286

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

- 1.2 The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.
- 1.3 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as TFCs, Islamic Sukuks (certificates of Islamic investment), musharaka certificates, Government Securities, cash in bank accounts, Money Market Placements, Deposits, Certificates of Deposits, Term Deposits Receipts, Commercial Papers, Islamic alternatives of Reverse Repos, Spread Transactions, and other Shariah compliant instruments as indicated by the SECP. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4 Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Management Company has been given a quality rating of AM1 by JCR - VIS Credit Rating Company Limited.
- 1.5 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorised as Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.
- 1.6 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.
- ## 2. BASIS OF PRESENTATION

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

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

### 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 information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement. The element was recognised in the Income

Statement to the extent that it was represented by income earned during the period and movement in unrealised appreciation / (diminution) arising during the period on 'available for sale' securities was included in the Distribution Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 59.242 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- 4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.
- 4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.
- 4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	1,670,760	1,848,823
In current accounts		9,344	16,560
		<u>1,680,104</u>	<u>1,865,383</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.05% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	6,489,587	6,505,842
Investments - 'available for sale'	6.2	208,519	248,333
Investments - 'loans and receivables'	6.3	-	750,000
		<u>6,698,106</u>	<u>7,504,175</u>
6.1 Investments - 'at fair value through profit or loss'			
Held for trading	6.1.1	5,082,229	5,642,673
Investments 'at fair value through profit or loss upon initial recognition	6.1.2	1,407,358	863,169
		<u>6,489,587</u>	<u>6,505,842</u>
6.1.1 Held for trading			
Shares of listed companies 'ordinary shares'	6.1.1.1	4,559,317	5,059,526
Sukuk certificates	6.1.1.5	522,912	583,147
		<u>5,082,229</u>	<u>5,642,673</u>



### 6.1.1.1 Shares of listed companies 'Ordinary shares'

Name of the investee company	As at July 01, 2017	Purchases during the period	Right / Bonus issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
----- (Number of shares) -----					----- (Rupees in '000) -----			----- % -----			
<b>Sectors / companies</b>											
<b>Commercial Banks</b>											
Meezan Bank Limited (an associate of the Fund)	-	75,000	4,518	79,000	518	37	41	4	-	-	-
<b>Automobile assemblers</b>											
Ghandhara Industries Limited	-	33,300	-	7,000	26,300	14,144	21,952	7,808	0.26	0.12	0.33
Millat Tractors Company Limited	800	28,000	-	-	28,800	38,899	36,932	(1,967)	0.44	0.07	0.55
Indus Motors Company Limited	1,100	-	-	1,100	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	60	-	-	-	60	47	29	(18)	-	-	-
Honda Atlas Cars (Pakistan) Limited	218,600	-	-	-	218,600	189,677	104,342	(85,335)	1.25	0.15	1.56
									1.95	0.34	2.44
<b>Automobile parts and accessories</b>											
Ghandhara Nissan Limited	-	108,500	-	-	108,500	29,323	28,092	(1,231)	0.34	0.24	0.42
Thal Limited (note 6.1.1.2)	15,000	-	-	15,000	-	-	-	-	-	-	-
									0.34	0.24	0.42
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	1,885,250	468,500	-	1,600,000	753,750	76,764	34,077	(42,687)	0.41	0.15	0.51
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited	1,500,000	620,000	-	624,000	1,496,000	52,322	53,332	1,010	0.64	0.23	0.80
ICI Pakistan Limited	120,095	8,000	-	-	128,095	137,778	109,056	(28,722)	1.31	0.14	1.63
Lotte Chemical Pakistan Limited	-	1,000	-	-	1,000	10	11	1	-	-	-
Sitara Chemical Industries Limited	2,100	-	-	-	2,100	934	714	(220)	0.01	0.01	0.01
									1.96	0.38	2.44
<b>Cement</b>											
Attock Cement Pakistan Limited	402	-	-	-	402	122	77	(45)	-	-	-
Cherat Cement Company Limited	819,000	-	-	50,000	769,000	137,482	98,663	(38,819)	1.18	0.44	1.47
Dewan Cement Limited	-	702,500	-	82,000	620,500	16,675	16,747	72	0.20	0.13	0.25
DG Khan Cement Company Limited	1,269,760	75,000	-	500,000	844,760	177,561	137,789	(39,772)	1.65	0.19	2.06
Fauji Cement Company Limited	2,236,500	50,000	-	2,017,500	269,000	10,422	7,868	(2,554)	0.09	0.02	0.12
Kohat Cement Limited	465,400	-	-	-	465,400	106,698	74,692	(32,006)	0.90	0.30	1.12
Lucky Cement Limited	510,400	25,000	-	-	535,400	442,286	369,223	(73,063)	4.43	0.17	5.51
Maple Leaf Cement Limited	557,000	-	625	557,000	625	41	44	3	-	-	-
Pioneer Cement Limited	1,158,500	-	-	-	1,158,500	150,605	81,141	(69,464)	0.97	0.51	1.21
									9.42	1.76	11.74
<b>Fertilizers</b>											
Dawood Hercules Corporation Limited	518,000	-	-	25,000	493,000	67,225	64,553	(2,672)	0.77	0.10	0.96
Engro Fertilizers Limited	3,140,000	100,000	-	-	3,240,000	179,270	223,852	44,582	2.69	0.24	3.34
Engro Corporation Pakistan Limited (note 6.1.1.4)	1,490,500	51,000	-	210,000	1,331,500	432,587	412,299	(20,288)	4.95	0.25	6.16
Fatima Fertilizer Company Limited	6,500	-	-	-	6,500	219	213	(6)	-	-	-
									8.41	0.59	10.46
<b>Technology &amp; Communication</b>											
Pakistan Telecommunication Company Limited "A"	10	-	-	10	-	-	-	-	-	-	-
Systems Limited	10,000	-	-	-	10,000	935	966	31	0.01	0.01	0.01
<b>Paper &amp; Board</b>											
Packages Limited	230,900	-	-	13,450	217,450	151,254	127,996	(23,258)	1.54	0.24	1.91
<b>Refinery</b>											
Attock Refinery Limited	154,000	35,000	-	185,000	4,000	1,048	999	(49)	0.01	-	0.01
National Refinery Limited	60,000	15,000	-	40,000	35,000	22,948	14,843	(8,105)	0.18	0.04	0.22
									0.19	0.04	0.23
<b>Miscellaneous</b>											
Shifa International Hospitals Limited	29,584	-	-	29,500	84	28	24	(4)	-	-	-
<b>Oil &amp; Gas Exploration</b>											
Oil and Gas Development Company Limited	2,676,400	495,000	-	50,000	3,121,400	444,870	543,373	98,503	6.52	0.07	8.11
Pakistan Oilfields Limited	380,225	23,200	-	10,000	393,425	182,857	255,947	73,090	3.07	0.17	3.82
Pakistan Petroleum Limited	489,396	445,000	-	-	934,396	159,069	198,877	39,808	2.39	0.05	2.97
Mari Petroleum Company Limited	84,250	-	-	-	84,250	132,748	124,737	(8,011)	1.50	0.08	1.86
									13.48	0.37	16.76
<b>Oil and Gas Marketing</b>											
Attock Petroleum Limited	10,000	-	-	-	10,000	6,265	5,746	(519)	0.07	0.01	0.09
Pakistan State Oil Company Limited	395,204	350,000	149,040	-	894,244	301,574	287,491	(14,083)	3.45	0.27	4.29
Hascol Petroleum Limited	151,473	30,018	-	-	181,491	56,620	48,175	(8,445)	0.58	0.13	0.72
Hi-Tech Lubricants Limited	195,400	-	-	50,000	145,400	15,850	15,295	(555)	0.18	0.13	0.23
Shell Pakistan Limited	300	-	-	300	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	720,000	50,000	-	720,000	50,000	1,859	1,823	(36)	0.02	0.01	0.03
Sui Northern Gas Pipeline Limited	2,086,000	410,000	-	445,000	2,051,000	293,210	231,168	(62,042)	2.77	0.32	3.45
									7.07	0.87	8.81





Name of the investee company	As at July 01, 2017	Purchases during the period	Right / Bonus issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
					(Number of shares)	(Rupees in '000)			%		
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	110,200	-	-	-	110,200	102,993	79,444	(23,549)	0.95	0.11	1.19
AGP Limited	-	425,000	-	-	425,000	34,550	38,543	3,993	0.46	0.15	0.58
Ferozsons Laboratories Limited	45,750	-	-	45,750	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Health care	205,000	41,800	-	43,000	203,800	46,979	103,388	56,409	1.24	0.21	1.54
The Searle Company Limited	349,979	-	69,995	-	419,974	179,182	147,667	(31,516)	1.77	0.23	2.20
Highnoon Laboratories Limited	13,798	-	-	12,500	1,298	813	607	(206)	0.01	0.01	0.01
									4.43	0.71	5.52
<b>Food &amp; Personal Care Products</b>											
Engro Foods Limited	113,300	50,000	-	159,500	3,800	467	388	(79)	-	-	0.01
Al-Shaheer Corporation Limited	332,225	100,000	-	425,000	7,225	275	221	(54)	-	0.01	-
									-	0.01	0.01
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	1,311,097	-	-	175,000	1,136,097	133,412	114,178	(19,235)	1.37	0.10	1.70
K-Electric Limited (note 6.1.1.2)	27,885,500	50,000	-	3,800,500	24,135,000	166,504	169,186	2,682	2.03	0.09	2.53
									3.40	0.19	4.23
<b>Real Estate Investment Trust</b>											
Dolmen City REIT	2,728,000	1,931,000	-	-	4,659,000	56,112	60,521	4,409	0.73	0.21	0.90
<b>Textile composite</b>											
Nishat Mills Limited	94,000	192,300	-	-	286,300	43,700	45,490	1,790	0.55	0.08	0.68
<b>Engineering</b>											
Crescent Steel & Allied Products Limited	258,950	-	-	100,000	158,950	37,921	20,109	(17,812)	0.24	0.20	0.30
International Industries Limited	36,500	42,000	-	-	78,500	23,432	22,325	(1,107)	0.27	0.07	0.33
International Steel Limited	249,500	50,000	-	92,000	207,500	24,975	24,051	(924)	0.29	0.05	0.36
									0.80	0.32	0.99
						<u>4,883,579</u>	<u>4,559,317</u>	<u>(324,263)</u>			

6.1.1.2 All shares have a face value of Rs 10 each except for the shares of Thal Limited and K-Electric Limited which have a face value of Rs 5 and Rs 3.5 each respectively.

6.1.1.3 Net assets are defined in regulation 66 of the NBFC Regulations.

6.1.1.4 150,000 shares of Engro Corporation Limited, having market value of Rs 46.448 million as at March 31, 2018 (June 30, 2017: Rs 48.889 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark-to-market losses.

6.1.1.5 Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2017	Purchases during the period	Sales / Matured during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised loss as at March 31, 2018	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)			(%)		
GoP Ijarah Sukuk Certificates - XVII (Note 6.1.1.6)	February 15, 2019	Weighted Average 6 months T-Bills	3,190	-	450	2,740	282,028	274,137	(7,891)	3.29	4.09
GoP Ijarah Sukuk Certificates - XVIII (Note 6.1.1.6)	March 29, 2019	Weighted Average 6 months T-Bills	2,500	-	-	2,500	254,800	248,775	(6,025)	2.99	3.71
<b>Total</b>							<u>536,828</u>	<u>522,912</u>	<u>(13,916)</u>		

6.1.1.6 The nominal value of the sukuk certificates of GoP Ijarah is Rs 100,000 each.

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
6.1.2 Investments - 'at fair value through profit or loss upon initial recognition'			
Shares of listed companies 'Ordinary shares'	6.1.2.1	1,456	35,000
Sukuk certificates	6.1.2.2	1,405,902	828,169
		<u>1,407,358</u>	<u>863,169</u>

6.1.2.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised loss as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
									----- % -----		
Sector / Companies											
Automobile and parts Indus Motor Company Limited	18,555	-	-	18,555	-	-	-	-	-	-	-
Paper and Board Packages Limited	2,473	-	-	-	2,473	1,720	1,456	(264)	0.02	0.00	0.02
Total						<u>1,720</u>	<u>1,456</u>	<u>(264)</u>			

6.1.2.2 Sukuk certificates

Name of the investee company	Maturity	Profit rate	As at July 01, 2017	Purchases during the period	Sale / Redemptions / Matured during the period	As at March 31, 2018	Carrying value as at March 31, 2018*	Market value as at March 31, 2018*	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
										Net assets of the fund on the basis of market value (note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total market value of investments
									----- % -----			
Secured												
Engro Fertilizer Pakistan Limited - II (AA, PACRA, non-traded) (note 6.1.2.3)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	10,880	-	3,740	7,140	36,889	36,146	(743)	0.43	-	0.54
K Electric Limited - (7 years) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months KIBOR plus base rate of 1%	87,253	-	13,088	74,165	388,057	376,202	(11,855)	4.52	0.01	5.62
Security Leasing Corporation Limited II * (note 6.1.2.3 & 6.1.2.4)	January 19, 2022	Nil	1,540	-	-	1,540	-	-	-	-	-	-
Eden Housing Limited * (note 6.1.2.3 & 6.1.2.4)	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	-	-	-	-	-	-
Arzoo Textile Mills Limited * (note 6.1.2.3 & 6.1.2.4)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	-	-
Hascol Petroleum Limited - Sukuk (AA, JCR-VIS, non-traded) (note 6.1.2.3)	January 7, 2022	3 months KIBOR plus base rate of 1.50%	47,500	-	7,500	40,000	207,363	206,265	(1,098)	2.48	0.01	3.08
Fatima Fertilizer Company Limited - Sukuk (AA, PACRA, non-traded) (note 6.1.2.3)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	13,240	-	1,471	11,769	61,487	59,785	(1,702)	0.72	-	0.89
Dubai Islamic Bank Pakistan Limited - Sukuk (A+, JCR-VIS, traded) (note 6.1.2.3)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	-	141	-	141	141,375	143,566	2,191	1.72	-	2.14
International Brands Limited (AA, JCR-VIS) (note 6.1.2.3)	November 15, 2021	12 months KIBOR plus base rate of 0.50%	-	3,000	-	3,000	300,000	300,000	-	3.60	0.01	4.48
Neelum Jhelum Hydropower Company (Pvt.) Limited (AAA, JCR-VIS) (note 6.1.2.3)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	-	3,000	500	2,750	281,875	283,938	2,063	3.41	-	4.24
Total							<u>1,417,046</u>	<u>1,405,902</u>	<u>(11,144)</u>			

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

6.1.2.3 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 and Neelum Jhelum Hydropower Company (Pvt.) Limited having nominal value of Rs 1,000,000, Rs 984.375, Rs 100,000 and Rs 100,000 respectively.

6.1.2.4 The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Management Company classified the Fund as a 'Balanced Scheme' in accordance with the said circular. As at March 31, 2018, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any security in the portfolio shall not be lower than the A- (A Minus).

Following investments of the Fund are in the sukuk certificates which are below 'investments grade' securities:

Name of the investee company	Type of investments	Value of investment before provision	Provision held as at March 31, 2018	Value of investment after provision	Percentage of net assets	Percentage of total assets
		----- (Rupees in '000) -----			---- % ----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
		<u>37,623</u>	<u>37,623</u>			

## 6.2 Investments - 'available for sale'

Name of the investee company	As at July 01, 2017	Purchases during the period	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain as at March 31, 2018	Percentage in relation to		
								Net Assets of the Fund on the basis of investments (note 6.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
				----- (Number of shares) -----				----- % -----		
Automobile assemblers Indus Motor Company Limited	2,075	-	2,075	-	-	-	-	-	-	-
Banks										
Meezan Bank Limited (an associate of the Fund)	301	-	-	301	4	24	20	-	-	-
BankIslami Pakistan Limited	875	-	-	875	5	10	5	-	-	-
Chemicals										
ICI Pakistan Limited	21	-	-	21	3	18	15	-	-	-
Cement										
Attock Cement Pakistan Limited	287	-	-	287	11	55	44	-	-	-
DG Khan Cement Company Limited	249	-	-	249	10	41	31	-	-	-
Lucky Cement Limited	7,451	-	-	7,451	887	5,138	4,251	0.06	-	0.08
Power Generation & Distribution								0.06	-	0.08
The Hub Power Company Limited	1,134,050	-	-	1,134,050	41,921	113,972	72,051	1.37	0.10	1.70
Paper and Board Packages Limited	150,000	-	-	150,000	77,511	88,293	10,782	1.06	0.17	1.32
Oil & Gas Exploration Companies										
Pakistan Petroleum Limited	4,548	-	-	4,548	558	968	410	0.01	-	0.01
Total					<u>120,910</u>	<u>208,519</u>	<u>87,609</u>			
Total cost of investments						<u>120,910</u>				

### 6.2.1 Net unrealised (diminution) / appreciation on re-measurement of investment classified as 'available for sale'

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
Market value of investments	6.2	208,519	248,333
Less: Cost of investments		<u>120,910</u>	<u>121,364</u>
		87,609	126,969
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period		<u>126,969</u>	<u>117,903</u>
		<u>(39,361)</u>	<u>9,066</u>

### 6.3 Investment - loans and receivables

Term deposit receipts - having original maturity of more than 3 months	6.3.1	-	750,000
		-	750,000

#### 6.3.1 Term deposit receipts - having original maturity of more than 3 months

Name of the bank	Maturity date	Profit rate	As at July 01, 2017	Term deposit receipts purchased during the period	Matured during the period	As at March 31, 2018	Percentage in relation to	
							Total value of investments	Total value of net assets
		--- % ---	----- (Rupees in '000) -----				--- % ---	
Bank Islami Pakistan Limited	December 1, 2017	5.90	500,000	-	500,000	-	-	-
Dubai Islamic Bank Limited	February 1, 2018	5.70	250,000	-	250,000	-	-	-
Bank Al Habib Limited	February 1, 2018	5.85	-	630,000	630,000	-	-	-
			750,000	630,000	1,380,000	-		

## 7. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		233	73,371
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	38,656	38,656
Provision for Federal Excise Duty and related			
Sindh Sales Tax on management fee	8.2	30,789	30,789
Provision for Federal Excise Duty and related			
Sindh Sales Tax on sales load	8.2	6,838	6,838
Brokerage expenses payable		667	2,143
Charity payable		2,709	1,961
Shariah advisory fee		270	378
Auditors' remuneration payable		389	371
Others		373	393
		<u>80,924</u>	<u>154,900</u>

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



Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.08 / 0.46% (June 30, 2017: Re 0.07 / 0.41%). "

- 8.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. Hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision of FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating to Rs 37.627 million (June 30, 2017: Rs 37.627 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.07 (June 30, 2017: Re 0.07) per unit.

## 9. SEGMENT REPORTING

The investment committee of the Management Company makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by that committee for taking strategic decisions.

The committee considers the investments as two sub-portfolios, which are managed by the Fund Manager of the Management Company. These sub-portfolios consist of an equity portfolio, which focuses on equity securities and related derivatives; the second sub-portfolio consists of debt instruments.

The reportable operating segments derive their income by seeking investments to achieve targeted returns that consummate with an acceptable level of risk within each portfolio. These returns consist of profit on sukuk certificates, dividends, gain on disposals of investments and unrealised appreciation / (diminution) in the value of investments.

The segment information provided to the investment committee and the Fund Manager for the reportable segments is as follows:

	For the nine months period ended March 31, 2018			For the nine months period ended March 31, 2017		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Total net segment (loss) / income	<u>(363,916)</u>	<u>52,720</u>	<u>(311,196)</u>	<u>898,232</u>	<u>83,379</u>	<u>981,611</u>
Net unallocated expenses			(74,484)			250,571
Total net (loss) / income			<u>(385,680)</u>			<u>1,232,182</u>

	As at March 31, 2018			As at June 30, 2017		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Total segment assets	4,802,985	1,953,727	6,756,712	5,363,749	2,180,074	7,543,823
Unallocated assets			1,706,271			2,341,978
Total assets			8,462,983			9,885,801
Total segment liabilities	3,457	-	3,457	4,185	-	4,185
Unallocated liabilities	-	-	128,579	-	-	365,511
Total liabilities	3,457	-	132,036	4,185	-	369,696

There were no transactions between reportable segments.

#### 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	13,996	15,932
Sales load payable	251	9,338
Allocated expenses payable	700	797
Sindh Sales Tax on management fee payable	1,819	2,071
Sindh Sales Tax on sales load payable	33	1,214
Investment of 900,638 units (June 30, 2017: 900,638 units)	14,660	15,266
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	785	879
Sindh Sales Tax on trustee fee payable	102	114
Security deposit	300	300





	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Meezan Bank Limited		
Bank balance	13,137	152,451
Sales load payable	607	2,699
Sindh Sales Tax on sales load payable	79	351
Investment in 819 shares (June 30, 2017: 301 shares)	65	24
Investment of 18,886,746 units (June 30, 2017: 18,886,746 units)	307,427	320,130
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 445,734 units (June 30, 2017: 445,734 units)	7,255	7,555
Directors and Executives of the Management Company		
Investment of 6,292,101 units (June 30, 2017: 6,637,501 units)	102,419	112,506
	For the nine months period ended March 31	
	2018	2017
	(Unaudited)	
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	128,192	98,443
Sindh Sales Tax on management fee	16,665	12,797
Allocated expenses	6,410	4,922
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	7,160	5,673
Sindh Sales Tax on trustee fee	931	737
CDS charges	116	119
Meezan Bank Limited		
Profit on saving account	379	899
Shares sold: 79,000 shares (March 31, 2017: 538,499 shares)	6,281	31,265
Shares purchased: 75,000 shares (March 31, 2017: 5,000 shares)	5,456	258
Right shares: 4,518 shares (March 31, 2017: nil shares)	226	-
Dividend income	232	934
Directors and Executives of the Management Company		
Units issued: 65,702 units (March 31, 2017: 4,231,001 units)	1,039	71,239
Units redeemed: 411,102 units (March 31, 2017: 130,131 units)	6,376	2,206

## 11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 2.68% which include 0.36% representing government levy and SECP fee.



### 13. TAXATION

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

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

### 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments									
- 'at fair value through profit or loss'	6,489,587	-	-	-	6,489,587	4,560,773	1,928,814	-	6,489,587
Investments - 'available for sale'	208,519	-	-	-	208,519	208,519	-	-	208,519
Financial assets									
- not measured at fair value									
Investments - 'loans and receivables'	14.1	-	-	-	-	-	-	-	-
Balances with banks	14.1	-	-	1,680,104	-	1,680,104	-	-	-
Receivables against conversion of units	14.1	-	934	-	-	-	-	-	934
Dividend receivable	14.1	-	33,693	-	-	-	-	-	33,693
Deposits, profit accrued and other receivables	14.1	-	49,199	-	-	-	-	-	49,199
		<u>6,698,106</u>	<u>83,826</u>	<u>1,680,104</u>	<u>-</u>	<u>8,462,036</u>			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited									
- Management Company	14.1	-	-	-	16,799	16,799	-	-	-
Payable to Central Depository Company of Pakistan Limited									
- Trustee	14.1	-	-	-	887	887	-	-	-
Payable to Meezan Bank Limited	14.1	-	-	-	686	686	-	-	-
Payable on redemption and conversion of units	14.1	-	-	-	14,985	14,985	-	-	-
Payable against purchase of investments - net	14.1	-	-	-	3,870	3,870	-	-	-
Accrued expenses and other liabilities	14.1	-	-	-	42,035	42,035	-	-	-
Dividend payable	14.1	-	-	-	8,437	8,437	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>87,699</u>	<u>87,699</u>			



Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2017	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments									
- 'at fair value through profit or loss'	6,505,842	-	-	-	6,505,842	5,094,526	1,411,316	-	6,505,842
Investments - 'available for sale'	248,333	-	-	-	248,333	248,333	-	-	248,333
Financial assets									
- not measured at fair value									
Investments - 'loans and receivables'	14.1	750,000	-	-	750,000				
Balances with banks	14.1	-	1,865,383	-	1,865,383				
Receivables against conversion of units	14.1	-	420,999	-	420,999				
Dividend receivable	14.1	-	19,039	-	19,039				
Receivable against investments	14.1	-	1,851	-	1,851				
Deposits and other receivables	14.1	-	74,340	-	74,340				
		<u>7,504,175</u>	<u>516,229</u>	<u>1,865,383</u>	<u>-</u>	<u>9,885,787</u>			
Financial liabilities									
- not measured at fair value									
Payable to AI Meezan Investment Management Limited									
- Management Company	14.1	-	-	29,352	29,352				
Payable to Central Depository Company of Pakistan Limited									
- Trustee	14.1	-	-	993	993				
Payable to Meezan Bank Limited	14.1	-	-	3,050	3,050				
Payable on redemption and conversion of units	14.1	-	-	87,821	87,821				
Accrued expenses and other liabilities	14.1	-	-	42,873	42,873				
Dividend payable	14.1	-	-	87,370	87,370				
		<u>-</u>	<u>-</u>	<u>251,459</u>	<u>251,459</u>				

14.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair value.

## 15. GENERAL

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

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

## 16. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





# Meezan

## Asset Allocation Fund

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

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited  
Bank Al Habib Limited  
Faysal 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: bawaney@cyber.net.pk

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	526,645	744,519
Investments	6	2,533,845	2,599,168
Dividend receivable		15,614	10,545
Receivable against sale of investment -net		1,881	-
Receivable against conversion of units		-	48,850
Deposits, profit accrued and other receivable		8,920	7,076
Preliminary expenses and floatation costs		552	687
Total assets		<u>3,087,457</u>	<u>3,410,845</u>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		9,713	10,736
Payable to Central Depository Company of Pakistan Limited - Trustee		358	392
Payable to Securities and Exchange Commission of Pakistan		2,181	1,350
Payable to Meezan Bank Limited		57	2,341
Payable on redemption and conversion of units		857	25,594
Accrued expenses and other liabilities	7	14,009	76,676
Dividend payable		-	42,321
Total liabilities		<u>27,175</u>	<u>159,410</u>
Net assets		<u>3,060,282</u>	<u>3,251,435</u>
Contingencies and commitments	8		
Unitholders' fund (as per statement attached)		<u>3,060,282</u>	<u>3,251,435</u>
(Number of units)			
Number of units in issue		<u>63,465,249</u>	<u>63,897,322</u>
(Rupees)			
Net assets value per unit		<u>48.2198</u>	<u>50.8900</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Income</b>					
Net realised (loss) / gain on sale of investments		(134,520)	28,742	(68,412)	17,242
Dividend income		98,748	21,737	17,526	7,505
Profit on saving accounts with banks		21,043	6,345	7,610	3,424
Other income		-	8	-	-
		<u>(14,729)</u>	<u>56,832</u>	<u>(43,276)</u>	<u>28,171</u>
Net unrealised (diminution) / appreciation on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	<u>(142,392)</u>	<u>116,187</u>	<u>343,792</u>	<u>(7,108)</u>
Total (loss) / income		<u>(157,121)</u>	<u>173,019</u>	<u>300,516</u>	<u>21,063</u>
<b>Expenses</b>					
Remuneration to AI Meezan Investment Management Limited - Management Company		34,432	10,483	11,070	5,066
Sindh Sales Tax on management fee		4,476	1,363	1,439	659
Allocated expenses	10	2,295	699	738	338
Selling and marketing expenses	13	9,182	629	2,952	629
Remuneration to Central Depository Company of Pakistan Limited - Trustee		3,024	1,305	985	583
Sindh Sales Tax on trustee fee		393	170	128	76
Annual fee to Securities and Exchange Commission of Pakistan		2,181	664	701	321
Auditors' remuneration		250	209	48	83
Brokerage expenses		1,842	2,082	280	1,246
Charity expense		1,653	312	404	79
Bank and settlement charges		774	639	249	383
Amortisation of preliminary expenses and floatation costs		136	135	45	44
Fees and subscription		468	581	131	271
Legal and professional charges		54	238	27	238
Printing expenses		69	15	-	-
Provision for Sindh's Worker Welfare Fund (SWWF)		-	8,376	-	8,376
Other Expense		38	-	38	-
Total expenses		<u>61,267</u>	<u>27,900</u>	<u>19,235</u>	<u>18,392</u>
Net (loss) / income from operating activities		<u>(218,388)</u>	<u>145,119</u>	<u>281,281</u>	<u>2,671</u>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	241,155	-	226,320
Net (loss) / income for the period before taxation		<u>(218,388)</u>	<u>386,274</u>	<u>281,281</u>	<u>228,991</u>
Taxation	11	-	-	-	-
Net (loss) / income for the period after taxation		<u>(218,388)</u>	<u>386,274</u>	<u>281,281</u>	<u>228,991</u>
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		(218,388)	386,274	281,281	228,991
Income already paid on units redeemed		-	-	-	-
		<u>(218,388)</u>	<u>386,274</u>	<u>281,281</u>	<u>228,991</u>

\* Due to net loss for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended, March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	..... (Rupees in '000) .....		..... (Rupees in '000) .....	
Net (loss) / income for the period after taxation	(218,388)	386,274	281,281	228,991
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(218,388)</u>	<u>386,274</u>	<u>281,281</u>	<u>228,991</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018				Nine months period ended March 31, 2017			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	3,253,053	(1,618)	-	3,251,435	450,267	9,525	-	459,792
Issuance of 17,683,627 units (2017: 30,884,455 units)								
- Capital value (at net asset value per unit at the beginning of the period)	899,920	-	-	899,920				
- Element of loss	(68,033)	-	-	(68,033)				
Total proceeds on issuance of units	831,887	-	-	831,887	1,576,960	289,673	-	1,866,633
Redemption of 18,115,700 units (2017: 6,929,120 units)								
- Capital value (at net asset value per unit at the beginning of the period)	921,908	-	-	921,908				
- Amount paid out of element of income	-	-	-	-				
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	(117,256)	-	-	(117,256)				
- Adjustment on units as element of income	-	-	-	-				
Total payments on redemption of units	804,651	-	-	804,652	353,800	48,518	-	402,318
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(241,155)	-	(241,155)
Total comprehensive (loss) / income for the period	-	(218,388)	-	(218,388)	-	386,274	-	386,274
Distribution during the period	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(218,388)	-	(218,388)	-	386,274	-	386,274
Net assets at end of the period	3,280,289	(220,006)	-	3,060,282	1,673,427	395,799	-	2,069,226
Undistributed (loss) / income brought forward								
- Realised (loss) / income		71,059				(5)		
- Unrealised (loss) / income		(72,677)				9,530		
		(1,618)				9,525		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		-						
Net (loss) / income for the period after taxation		(218,388)				386,274		
Distribution during the period		-				-		
Undistributed (loss) / income carried forward		(220,006)				395,799		
Undistributed (loss) / income carried forward								
- Realised (loss) / income		(77,614)				279,612		
- Unrealised (loss) / income		(142,392)				116,187		
		(220,006)				395,799		
Net assets value per unit at beginning of the period				(Rupees) 50.8900				(Rupees) 51.0600
Net assets value per unit at end of the period				48.2198				62.7800

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(218,388)	386,274
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	136	135
Net unrealised diminution / (appreciation) on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1 142,392	(116,187)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(241,155)
	<u>(75,860)</u>	<u>29,067</u>
Increase in assets		
Investments (net)	(77,069)	(1,199,009)
Dividend receivable	(5,070)	(5,508)
Receivable against sale of investment - net	(1,881)	-
Deposits, profit accrued and other receivable	(1,844)	(3,626)
	<u>(85,864)</u>	<u>(1,208,143)</u>
Increase / (Decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(1,023)	19,011
Payable to Central Depository Company of Pakistan Limited - Trustee	(34)	195
Payable to Securities and Exchange Commission of Pakistan	831	614
Payable to Meezan Bank Limited	(2,284)	(159)
Payable against purchase of investments - net	-	157,397
Accrued expenses and other liabilities	(62,667)	8,355
	<u>(65,177)</u>	<u>185,413</u>
Net cash used in operating activities	<u>(226,901)</u>	<u>(993,663)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	880,737	1,946,626
Payment against redemption and conversion of units	(829,389)	(400,925)
Dividend paid	(42,321)	-
Net cash generated from financing activities	<u>9,027</u>	<u>1,545,701</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(217,874)</u>	<u>552,038</u>
Cash and cash equivalents at beginning of the period	744,519	95,752
Cash and cash equivalents at end of the period	<u>526,645</u>	<u>647,790</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Asset Allocation Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on November 16, 2015. The initial offering period of the Fund was from April 18, 2016 to April 20, 2016 and the Fund commenced its operations from April 21, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Management Company of the Fund has been given quality rating of AM1 by JCR-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 approved accounting standards as applicable in Pakistan.

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
  - 4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 49.223 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.



	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	524,533	732,490
In current accounts		2,112	12,029
		<u>526,645</u>	<u>744,519</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.05% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>6. INVESTMENTS</b>			
Investments at 'fair value through profit or loss'			
Held for trading - shares of listed companies	6.1	<u>2,533,845</u>	<u>2,599,168</u>

6.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (loss) / gain as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
						(Rupees in '000)			%		
<b>Sectors/ Companies</b>											
<b>Automobile assembler</b>											
Honda Atlas Cars (Pakistan) Limited	74,000	-	-	-	74,000	64,209	35,322	(28,887)	1.15	0.05	1.39
Pak Suzuki Motor Company Limited	-	15,000	-	-	15,000	9,400	7,165	(2,235)	0.23	0.02	0.28
									1.38	0.07	1.67
<b>Automobile parts &amp; accessories</b>											
Thal Limited (note 6.1.2)	10,000	-	-	10,000	-	-	-	-	0.00	0.00	0.00
Gandhara Nissan	-	50,000	-	-	50,000	13,487	12,946	(541)	0.42	0.11	0.51
									0.42	0.11	0.51
<b>Cable and electrical goods</b>											
Pak Elektron Limited	907,000	400,000	-	855,000	452,000	45,408	20,435	(24,973)	0.67	0.09	0.81
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited	1,200,000	613,000	-	700,000	1,113,000	38,634	39,678	1,044	1.30	0.17	1.57
ICI Pakistan Limited	55,800	10,000	-	-	65,800	71,319	56,020	(15,299)	1.83	0.07	2.21
									3.13	0.24	3.78
<b>Cement</b>											
Cherat Cement Company Limited	256,000	-	-	-	256,000	45,768	32,845	(12,923)	1.07	0.14	1.30
Dewan Cement Limited	-	500,000	-	50,000	450,000	10,463	12,146	1,683	0.40	0.09	0.48
D.G. Khan Cement Company Limited	829,000	125,000	-	415,000	539,000	108,369	87,916	(20,453)	2.87	0.12	3.47
Fauji Cement Company Limited	50,000	100,000	-	150,000	-	-	-	-	0.00	0.00	0.00
Kohat Cement Company Limited	50,000	100,000	-	-	150,000	31,597	24,074	(7,523)	0.79	0.10	0.95
Lucky Cement Limited	297,900	30,000	-	-	327,900	269,938	226,126	(43,812)	7.39	0.10	8.92
Maple Leaf Cement Limited	558,500	50,000	7,312	581,700	34,112	3,108	2,416	(692)	0.08	0.01	0.10
Pioneer Cement Limited	320,500	-	-	250,000	70,500	9,165	4,938	(4,227)	0.16	0.03	0.19
									12.76	0.59	15.41
<b>Engineering</b>											
Crescent Steel and Allied Products Limited	177,000	-	-	70,000	107,000	25,527	13,537	(11,990)	0.44	0.14	0.53
International Industries Limited	65,000	155,000	-	100,000	120,000	31,714	34,128	2,414	1.12	0.10	1.35
International Steels Limited	194,000	200,000	-	150,000	244,000	30,372	28,282	(2,090)	0.92	0.06	1.12
K.S.B. Pumps Company Limited	6,000	-	-	6,000	-	-	-	-	0.00	0.00	0.00
Mughal Iron & Allied Steels	-	35,000	-	-	35,000	2,603	2,569	(34)	0.08	0.01	0.10
									2.56	0.31	3.10
<b>Fertilizer</b>											
Dawood Hercules Corporation Limited	195,000	-	-	15,000	180,000	24,545	23,569	(976)	0.77	0.04	0.93
Engro Corporation Limited (note 6.1.3)	1,072,000	80,000	-	530,000	622,000	201,314	192,602	(8,712)	6.29	0.12	7.60
Engro Fertilizers Limited	1,485,000	980,000	-	350,000	2,115,000	119,510	146,125	26,615	4.77	0.16	5.77
									11.83	0.32	14.30



Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (loss) / gain as at March 31, 2018	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 6.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
					(Number of shares)	(Rupees in '000)			%		
<b>Food and personal care products</b>											
Engro Foods Limited	90,700	-	-	90,000	700	85	71	(14)	0.00	0.00	0.00
Al-Shaheer Corporation Limited	318,750	-	-	315,000	3,750	150	115	(35)	0.00	0.00	0.00
									0.00	0.00	0.00
<b>Oil and gas exploration companies</b>											
Oil and Gas Development Company Limited	1,768,300	1,185,000	-	870,000	2,083,300	295,427	362,660	67,233	11.85	0.05	14.31
Mari Petroleum Company Limited	33,980	-	-	-	33,980	53,540	50,309	(3,231)	1.64	0.03	1.99
Pakistan Oilfields Limited	56,000	10,000	-	-	66,000	31,937	42,937	11,000	1.40	0.03	1.69
Pakistan Petroleum Limited	263,200	586,400	-	-	849,600	151,052	180,829	29,777	5.91	0.04	7.14
									20.80	0.15	25.13
<b>Oil and gas marketing companies</b>											
Hascal Petroleum Limited	187,000	30,500	37,400	5,500	249,400	76,605	66,201	(10,404)	2.16	0.17	2.61
Hi-Tech Lubricants Limited	242,800	-	-	28,900	213,900	23,317	22,500	(817)	0.74	0.18	0.89
Sui Northern Gas Pipelines Limited	1,479,500	431,000	-	324,100	1,586,400	225,747	178,803	(46,944)	5.84	0.25	7.06
Sui Southern Gas Company Limited	806,500	780,000	-	806,500	780,000	29,868	28,439	(1,429)	0.93	0.09	1.12
Pakistan State Oil Company Limited	63,200	326,000	77,840	-	467,040	168,039	150,149	(17,890)	4.91	0.14	5.93
									14.58	0.83	17.61
<b>Paper and Board</b>											
Cherat Packaging Limited	10,000	-	1,350	-	11,350	2,547	1,938	(609)	0.06	0.03	0.08
Packages Limited	102,900	-	-	-	102,900	71,575	60,569	(11,006)	1.98	0.12	2.39
									2.04	0.15	2.47
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	36,050	10,000	-	-	46,050	40,162	33,198	(6,964)	1.08	0.05	1.31
AGP Limited	-	322,500	-	-	322,500	25,800	29,248	3,448	0.96	0.12	1.15
Ferozsons Laboratories Limited	1,850	-	-	1,850	-	-	-	-	0.00	0.00	0.00
GlaxoSmithKline Consumer Healthcare Limited	122,000	20,000	-	45,000	97,000	21,473	49,208	27,735	1.61	0.10	1.94
GlaxoSmithKline Pakistan Limited	600	10,000	-	-	10,600	1,978	2,010	32	0.07	0.00	0.08
The Searle Company Limited	176,920	5,000	36,384	-	218,304	92,628	76,758	(15,870)	2.51	0.12	3.03
									6.23	0.39	7.51
<b>Power generation and distribution</b>											
K-Electric Limited (note 6.1.2)	14,155,000	700,000	-	1,700,000	13,155,000	90,321	92,216	1,895	3.01	0.14	3.64
The Hub Power Company Limited	238,000	250,200	-	-	488,200	56,388	49,064	(7,324)	1.60	0.01	1.94
									4.61	0.15	5.58
<b>Refinery</b>											
Attock Refinery Limited	52,000	5,000	-	55,000	2,000	769	500	(269)	0.02	0.00	0.02
National Refinery Limited	40,000	-	-	13,000	27,000	19,602	11,450	(8,152)	0.37	0.03	0.45
									0.39	0.03	0.47
<b>Textile composite</b>											
Nishat Mills Limited	167,000	90,000	-	-	257,000	39,821	40,835	1,014	1.33	0.00	1.61
<b>Commercial Banks</b>											
Meezan Bank Limited (an associate of the Fund)	-	98,500	5,910	104,000	410	21	33	12	0.00	0.00	0.00
<b>Technology and Communication</b>											
Pakistan Telecommunication Company Systems Limited	-	500,000	-	500,000	-	-	-	-	0.00	0.00	0.00
	-	10,000	-	-	10,000	935	966	31	0.03	0.01	0.04
									0.03	0.01	0.04
<b>Miscellaneous</b>											
Shifa International Hospital Limited	10,000	-	-	10,000	-	-	-	-	0.00	0.00	0.00
<b>Total</b>					<b>2,676,237</b>	<b>2,533,845</b>	<b>(142,392)</b>				

6.1.1 Net assets are as defined in regulation 66 of NBFC Regulations, 2008.

6.1.2 All shares have a nominal value of Rs. 10 each except for the shares of Thal Limited and K - Electric Limited which have a nominal value of Rs. 5 and Rs. 3.50 each respectively.

6.1.3 105,000 shares (June 30, 2017: 105,000 shares) of Engro Corporation Limited, having market value of Rs. 32.51 million as at March 31, 2018 (June 30, 2017: Rs. 34.22 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.



	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
		(Rupees in '000)	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Charity payable		1,604	551
Brokerage payable		994	2,114
Auditors' remuneration payable		214	145
Withholding tax payable		33	62,833
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	10,080	10,080
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	145	145
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	482	482
Shariah advisory fee payable		400	269
Zakat payable		57	57
		<u>14,009</u>	<u>76,676</u>

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.16 / 0.33% as at March 31, 2018.

7.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effectively July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from April 21, 2016 till June 30, 2016, aggregating to Rs 0.627 million (June 30, 2017: Rs 0.627 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re 0.01 (June 30, 2017: Re 0.01) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

The status of withholding tax on bonus shares is the same as disclosed in the annual financial statements for the year ended June 30, 2017. In the current period, The Searle Company Limited and Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited by the Companies with the Government Treasury due to pending adjudication of the constitutional petition and the stay order mentioned in the annual financial statements for the year ended June 30, 2017.

There were no other contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	3,809	3,967
Sindh Sales Tax on management fee payable	495	516
Sales load payable	58	2,187
Sindh sales tax on sales load payable	7	284
Allocated expense payable	254	264
Selling & marketing expense payable	5,090	3,518



	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Meezan Bank Limited		
Sales load payable	50	2,072
Sindh Sales Tax on sales load payable	7	269
Bank balance	24,458	154,869
Profit receivable on saving account	69	685
Investment in 410 shares (June,30 2017: Nil)	33	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	317	347
Sindh Sales Tax on Trustee Fee payable	41	45
Deposits	100	100
Directors and Executives of the Management Company		
Investments as at March 31, 2018: 936 units (June 30, 2017: 21,746 units)	45	1,107
	For the nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
Al Meezan Investment Management Company Limited (Al Meezan) - Management Company		
Remuneration for the period	34,432	10,483
Sindh Sales Tax on management fee for the period	4,476	1,363
Allocated expenses	2,295	699
Selling and marketing expense	9,182	629
Meezan Bank Limited		
Shares purchased during the period: 104,410 shares (March 31, 2017 : Nil)	7,596	-
Shares disposed off during the period: 104,000 shares (March 31, 2017 : Nil)	7,454	-
Profit on saving account	2,403	1,296
Dividend income	180	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	3,024	1,305
Sindh Sales Tax on Trustee Fee for the period	393	170
CDS charges	88	68
Directors and Executives of the Management Company		
Units issued: Nil units (March 31, 2017: 15,580 units)	-	875
Units redeemed: 20,810 units (March 31, 2017: 842 units)	956	50

## 10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 11. TAXATION

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

income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

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

## 12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 2.68% which include 0.32% representing government levy and SECP fee.

## 13. SELLING AND MARKETING EXPENSE

SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.

## 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments	2,533,845	-	-	-	2,533,845	2,533,845	-	-	2,533,845
Financial assets									
- not measured at fair value									
Balances with banks	14.1	-	526,645	-	526,645				
Dividend receivable	14.1	15,614	-	-	15,614				
Receivable against conversion of units	14.1	-	-	-	-				
Deposits, profit accrued and other receivable	14.1	-	6,250	-	6,250				
		<u>2,533,845</u>	<u>21,864</u>	<u>526,645</u>	<u>-</u>				<u>3,082,354</u>
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited									
- Management Company	14.1	-	-	9,713	9,713				
Payable to Central Depository Company of Pakistan Limited									
- Trustee	14.1	-	-	358	358				
Payable to Meezan Bank Limited	14.1	-	-	57	57				
Payable on redemption and conversion of units	14.1	-	-	857	857				
Accrued expenses and other liabilities	14.1	-	-	3,839	3,839				
		<u>-</u>	<u>-</u>	<u>14,824</u>	<u>14,824</u>				<u>14,824</u>



Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2017	(Rupees in '000)								
Financial assets - measured at fair value									
Investments	2,599,168	-	-	-	2,599,168	2,599,168	-	-	2,599,168
Financial assets - not measured at fair value									
Balances with banks	14.1	-	744,519	-	744,519				
Dividend receivable	14.1	10,545	-	-	10,545				
Receivable on issuance and conversion of units	14.1	48,850	-	-	48,850				
Deposits, profit accrued and other receivable	14.1	4,880	-	-	4,880				
		<u>2,599,168</u>	<u>64,275</u>	<u>744,519</u>	<u>-</u>				<u>3,407,962</u>
Financial liabilities - not measured at fair value									
Payable to AI Meezan Investment Management Limited - Management Company	14.1	-	-	10,736	10,736				
Payable to Central Depository Company of Pakistan Limited - Trustee	14.1	-	-	392	392				
Payable to Meezan Bank Limited	14.1	-	-	2,341	2,341				
Payable on redemption and conversion of units	14.1	-	-	25,594	25,594				
Accrued expenses and other liabilities	14.1	-	-	3,706	3,706				
Dividend payable	14.1	-	-	42,321	42,321				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>85,090</u>				<u>85,090</u>

14.1 The Fund has not disclosed the fair values for these financial assets and liabilities because their carrying amounts are a reasonable approximation of their fair values.

## 15. GENERAL

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

15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

From	To	As at June 30, 2017 (Rupees in '000)
Receivable against issuance and conversion of units	Balances with banks	175,491

## 16. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

16.1 This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director







# Meezan

## Dedicated Equity Fund

Meezan Dedicated Equity Fund (MDEF) is an open end Shariah compliant equity scheme. The objective of the scheme is to provide fund of funds schemes a dedicated equity platform to seek long-term capital appreciation

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

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

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)
<b>Assets</b>		
Balances with banks	5	244,730
Investments	6	1,604,842
Dividend receivable		4,168
Prepayments and other receivables		2,166
<b>Total assets</b>		<u>1,855,906</u>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company		4,646
Payable to Central Depository Company of Pakistan Limited - Trustee		221
Payable to Securities and Exchange Commission of Pakistan		473
Payable against purchase of investments - net		147,875
Accrued expenses and other liabilities	7	3,396
<b>Total liabilities</b>		<u>156,611</u>
<b>Net assets</b>		<u>1,699,295</u>
Contingencies and commitments	8	
Unitholders' fund (as per statement attached)		<u>1,699,295</u>
		(Number of units)
Number of units in issue		<u>32,059,540</u>
		(Rupees)
Net assets value per unit		<u>53.0043</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

## FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Note	For the period from October 9, 2017 to March 31, 2018	Quarter ended March 31, 2018
(Rupees in '000)			
Income			
Net realised gain on sale of investments		23,676	30,095
Dividend income		13,334	4,168
Profit on saving accounts with banks		2,445	770
		<u>39,455</u>	<u>35,033</u>
Net unrealised appreciation on re-measurement of investments "at fair value through profit or loss"	6.1	<u>92,149</u>	<u>97,749</u>
Total Income		<u>131,604</u>	<u>132,782</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		9,964	6,082
Sindh Sales Tax on management fee		1,295	790
Allocated expenses	11	498	304
Selling and marketing expenses		1,993	1,217
Remuneration to Central Depository Company of Pakistan Limited - Trustee		926	550
Sindh Sales Tax on trustee fee		120	71
Annual fee to Securities and Exchange Commission of Pakistan		473	289
Auditors' remuneration		178	66
Brokerage expenses		2,627	1,198
Charity expense		174	97
Bank and settlement charges		671	327
Fees and subscription		661	373
Printing expenses		20	10
Legal and professional charges		27	27
Provision for Sindh Worker's Welfare Fund		2,240	2,240
Total expenses		<u>21,867</u>	<u>13,641</u>
Net Income for the period before taxation		<u>109,737</u>	<u>119,141</u>
Taxation	13	-	-
Net Income for the period after taxation		<u>109,737</u>	<u>119,141</u>
Allocation of net Income for the period			
Net Income for the period after taxation		109,737	119,141
Income already paid on units redeemed		<u>(36,031)</u>	<u></u>
		<u>73,706</u>	<u>119,141</u>

\* Due to "NIL" distributable income for the period, disclosure related to accounting income available for the distribution is not required.

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	For the period from October 9, 2017 to March 31, 2018	Quarter ended March 31, 2018
	(Rupees in '000)	
Net Income for the period after taxation	109,737	119,141
Other comprehensive income for the period	-	-
Total comprehensive Income for the period	<u>109,737</u>	<u>119,141</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

For the period from October 9, 2017 to  
March 31, 2018

..... (Rupees in '000) .....

	Capital Value	Undistributed income	Unrealised (losses) / gains on investment	Total
	..... (Rupees in '000) .....			
Issuance of 69,516,177 units				
- Capital value (at par value)	3,475,809	-	-	3,475,809
- Element of loss	(1,309)	-	-	(1,309)
Total proceeds on issuance of units	3,474,500	-	-	3,474,500
Redemption of 37,456,637 units				
- Capital value (at par value)	1,872,832	-	-	1,872,832
- Amount paid out of element of income				
- Relating to 'Net income for the period after taxation'	-	36,031	-	36,031
- Relating to 'Other comprehensive income for the period'	-	-	-	-
- Adjustment on units as element of loss	(23,921)	-	-	(23,921)
Total payments on redemption of units	1,848,911	36,031	-	1,884,942
Total comprehensive Income for the period	-	109,737	-	109,737
Distribution during the period	-	-	-	-
Net Income for the period less distribution	-	109,737	-	109,737
Net assets at end of the period	<u>1,625,589</u>	<u>73,706</u>	<u>-</u>	<u>1,699,295</u>
Accounting income available for distribution				
- Relating to capital gains			115,825	
- Excluding capital gains			(42,119)	
			73,706	
Net Income for the period after taxation			-	
Undistributed Income carried forward		<u>73,706</u>		
Undistributed Income carried forward				
- Realised gain			(18,443)	
- Unrealised gain			92,149	
			<u>73,706</u>	
				(Rupees)
Net asset value per unit as at the end of the period				<u>53.0043</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Note	For the period from October 9, 2017 to March 31, 2018 (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the period before taxation		109,737
Adjustments for		
Net unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'	6.1	(92,149)
		<u>17,588</u>
Increase in assets		
Investments - net		(1,512,693)
Dividend receivable		(4,168)
Deposits and other receivable		(2,166)
		<u>(1,519,027)</u>
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company		4,646
Payable to Central Depository Company of Pakistan Limited - Trustee		221
Payable to Securities and Exchange Commission of Pakistan		473
Payable against purchase of investments - net		147,875
Accrued expenses and other liabilities		3,396
		<u>156,611</u>
Net cash used in operating activities		<u>(1,344,828)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units and conversion of units		3,474,500
Payment against redemption of units and conversion of units		(1,884,942)
Net cash generated from financing activities		<u>1,589,558</u>
Net increase in cash and cash equivalents during the period		<u>244,730</u>
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	<u><u>244,730</u></u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD FROM OCTOBER 9, 2017 TO MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is in the process of listing on the Pakistan Stock Exchange.
- 1.4 The Management Company of the Fund has been given quality rating of AM1 by JCR-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 approved accounting standards as applicable in Pakistan.

## 3. Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published reviewed financial statements of the Fund for the period ended December 31, 2017.

#### 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 this condensed interim financial information are the same as those applied in the preparation of the Half Yearly financial statements of the Fund for the period ended December 31, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 13.419 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- 4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of

Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the period ended December 31, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended December 31, 2017.

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)
5. BALANCES WITH BANKS		
On saving accounts	5.1	<u>244,730</u>
5.1 The balances in saving accounts have an expected profit ranging from 2.00% to 2.40% per annum.		
6. INVESTMENTS	Note	March 31, 2018 (Unaudited) (Rupees in '000)
Investments at 'fair value through profit or loss'		
Ordinary shares - Held for trading	6.1	<u>1,604,842</u>



## 6.1 Ordinary shares - Held for trading

Name of the investee company	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to		
								Net assets of the fund on the basis of market value	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
				----- (Number of shares) -----	----- (Rupees in '000) -----			----- % -----		
<b>Sectors / companies</b>										
<b>Automobile Assembler</b>										
Ghandhara Industries Limited	35,000	-	27,000	8,000	4,390	6,677	2,287	0.39	0.04	0.42
Millat Tractors limited	13,000	-	-	13,000	16,513	16,671	158	0.98	0.03	1.04
Pak Suzuki Motors Company Limited	27,100	-	-	27,100	14,190	12,945	(1,245)	0.76	0.03	0.81
								2.13	0.10	2.27
<b>Automobile Parts &amp; Accessories</b>										
General Tyre & Rubber Company Limited	50,000	-	-	50,000	10,188	9,584	(604)	0.56	0.08	0.60
Ghandhara Nissan Limited	80,100	-	-	80,100	21,441	20,739	(702)	1.22	0.18	1.29
								1.78	0.26	1.89
<b>Commercial Bank</b>										
Meezan Bank Limited	510,000	-	509,500	500	32	40	8	0.00	0.00	0.00
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	1,451,200	-	1,178,000	273,200	14,493	12,351	(2,142)	0.73	0.05	0.77
<b>Cement</b>										
Lucky Cement Limited	342,000	-	114,600	227,400	138,112	156,820	18,708	9.23	0.07	9.77
Cherat Cement Company Limited	175,000	-	-	175,000	22,879	22,453	(426)	1.32	0.10	1.40
Dewan Cement Limited	400,000	-	30,500	369,500	9,250	9,973	723	0.59	0.08	0.62
DG Khan Cement Limited	337,600	-	60,000	277,600	41,977	45,279	3,302	2.66	0.06	2.82
Kohat Cement Company Limited	130,000	-	70,000	60,000	9,288	9,629	341	0.57	0.04	0.60
Poineer Cement Limited	460,000	-	202,000	258,000	17,687	18,070	383	1.06	0.11	1.13
								15.43	0.46	16.34
<b>Chemical</b>										
Engro Polymer & Chemicals Limited	1,317,000	-	578,550	738,450	23,556	26,326	2,770	1.55	0.11	1.64
ICI Pakistan Limited	63,200	-	-	63,200	51,752	53,807	2,055	3.17	0.07	3.35
								4.72	0.18	4.99
<b>Engineering</b>										
Amreli Steels Limited	139,000	-	-	139,000	13,167	12,792	(375)	0.75	0.05	0.80
International Industries Limited	38,000	-	-	38,000	9,321	10,807	1,486	0.64	0.03	0.67
International Steel Limited	502,500	-	335,000	167,500	19,110	19,415	305	1.14	0.04	1.21
Mughal Iron & Steel Industries Limited	548,000	-	100,500	447,500	30,327	32,847	2,520	1.93	0.18	2.05
								3.71	0.30	4.73
<b>Fertilizer</b>										
Engro Corporation Limited	820,500	-	210,600	609,900	177,888	188,856	10,968	11.11	0.12	11.77
Engro Fertilizers Limited	821,500	-	817,000	4,500	294	311	17	0.02	0.00	0.02
								11.13	0.12	11.79
<b>Oil and Gas Exploration Companies</b>										
Mari Petroleum Company Limited	42,320	-	-	42,320	61,763	62,657	894	3.69	0.04	3.90
Pakistan Oilfields Limited	206,950	-	42,150	164,800	97,705	107,212	9,507	6.31	0.07	6.68
Pakistan Petroleum Limited	625,000	-	83,000	542,000	101,997	115,359	13,362	6.79	0.03	7.19
Oil and Gas Development Company Limited	949,600	-	180,000	769,600	124,916	133,972	9,056	7.88	0.02	8.35
								24.67	0.16	26.12
<b>Oil and Gas Marketing Companies</b>										
Hascal Petroleum Limited	171,000	-	64,600	106,400	28,879	28,243	(636)	1.66	0.07	1.76
Pakistan State Oil Company Limited (note 8)	369,100	22,600	235,000	156,700	49,264	50,377	1,113	2.96	0.05	3.14
Sui Northern Gas Pipeline Limited	1,029,700	-	301,500	728,200	80,859	82,075	1,216	4.83	0.11	5.11
Sui Southern Gas Company Limited	1,047,000	-	520,000	527,000	19,201	19,214	13	1.13	0.06	1.20
								10.58	0.29	11.21
<b>Paper and Board</b>										
Packages Limited	130,550	-	5,000	125,550	72,876	73,901	1,025	4.35	0.14	4.6
<b>Pharmaceuticals</b>										
GlaxoSmithKline Consumer HealthCare	20,000	-	5,000	15,000	4,517	7,610	3,093	0.45	0.02	0.47
Abbott laboratories (Pakistan)	11,000	-	-	11,000	7,753	7,930	177	0.47	0.01	0.49
AGP Limited	487,500	-	25,000	462,500	40,397	41,944	1,547	2.47	0.17	2.61
GlaxoSmithKline Pakistan Limited	10,000	-	-	10,000	1,860	1,896	36	0.11	0.00	0.12
The Searle Company Limited	147,700	-	-	147,700	48,095	51,933	3,838	3.06	0.08	3.24
								6.56	0.28	6.93
<b>Power Generation and Distribution</b>										
K-Electric Limited (note 6.1.1)	9,485,000	-	1,250,000	8,235,000	52,970	57,727	4,757	3.4	0.09	3.60
The Hub Power Company Limited	250,000	-	123,500	126,500	13,281	12,713	(568)	0.8	0.01	0.79
								4.20	0.10	4.39

Name of the investee company	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage in relation to			
								Net assets of the fund on the basis of market value	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment	
				(Number of shares)	(Rupees in '000)			%			
Refinery											
Attock Refinery Limited	140,800	-	125,000	15,800	4,076	3,947	(129)	0.23	0.02	0.25	
National Refinery Limited	12,700	-	-	12,700	5,670	5,386	(284)	0.32	0.02	0.34	
								0.55	0.04	0.59	
Power Generation and Distribution											
Pakistan Telecommunication Company Limited	2,090,000	-	2,090,000	-	-	-	-	-	-	-	
Technology and Communication System Limited	60,000	-	-	60,000	5,787	5,797	10	0.34	0.05	0.36	
Textile Composite Nishat Mills Limited	305,600	-	-	305,600	44,972	48,557	3,585	2.86	0.09	3.03	
Total					<u>1,512,693</u>	<u>1,604,842</u>	<u>92,149</u>				

March 31,  
2017  
(Unaudited)  
(Rupees in '000)

#### 7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	177
Withholding tax payable	229
Printing expenses payable	20
Charity payable	174
Shariah advisory fee payable	557
Provision for Sindh Worker's Welfare Fund	2,239
	<u>3,396</u>

#### 8. CONTINGENCIES AND COMMITMENTS

In the current period, Pakistan State Oil Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the constitutional petition and the stay order.

There were no other contingencies and commitments outstanding as at March 31, 2018.

#### 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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



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

	March 31, 2017 (Unaudited) (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Remuneration payable	2,230
Sindh Sales Tax on management fee payable	291
Other payable	20
Selling and marketing expense	1,993
Allocated expense payable	112
Meezan Bank Limited	
Bank balance	168,296
Profit receivable on saving accounts	174
Investment in 500 shares	40
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee payable	196
Sindh Sales Tax on trustee fee payable	25
Meezan Financial Planning Fund of Funds MAAP - I	
Investment of 12,779,470 units	677,368
Meezan Financial Planning Fund of Funds MAAP - IV	
Investment of 2,136,720 units	113,255
Meezan Strategic Allocation Fund MSAP - I	
Investment of 2,413,092 units	127,904
Meezan Strategic Allocation Fund MSAP - II	
Investment of 1,953,574 units	103,548
Meezan Strategic Allocation Fund MSAP - III	
Investment of 2,229,458 units	118,171
Meezan Strategic Allocation Fund MSAP - IV	
Investment of 1,979,375 units	104,915
Meezan Strategic Allocation Fund MSAP - V	
Investment of 1,433,085 units	75,960
Meezan Strategic Allocation Fund MCPP-III	
Investment of 5,277,713 units	279,742
Meezan Strategic Allocation Fund-II MCPP-IV	
Investment of 1,857,053 units	98,432



	For the period from October 9, 2017 to March 31, 2017 (Unaudited) (Rupees in '000)
Al Meezan Investment Management Company Limited - Management Company	
Remuneration for the period	9,964
Sindh Sales Tax on management fee for the period	1,295
Allocated expenses	498
Selling and marketing expense	1,993
Meezan Bank Limited	
Profit on saving account	1,520
Shares Sold during the period: 509,500 shares	39,653
Shares Purchased during the period: 510,000 shares	32,875
Central Depository Company of Pakistan Limited - Trustee	
Remuneration fee for the period	926
Sindh Sales Tax on trustee fee for the period	120
CDS charges	100
Meezan Financial Planning Fund of Funds MAAP - I	
Units issued: 18,456,183 units	918,000
Units redeemed: 5,676,713 units	287,000
Meezan Financial Planning Fund of Funds MAAP - II	
Units issued: 444,265 units	22,000
Units redeemed: 444,265 units	21,520
Meezan Financial Planning Fund of Funds MAAP - III	
Units issued: 17,958,612 units	865,000
Units redeemed: 17,958,612 units	891,768
Meezan Financial Planning Fund of Funds MAAP - IV	
Units issued: 2,216,178 units	113,000
Units redeemed: 79,458 units	4,000
Meezan Strategic Allocation Fund MSAP - I	
Units issued: 3,251,018 units	165,000
Units redeemed: 837,925 units	43,000
Meezan Strategic Allocation Fund MSAP - II	
Units issued: 2,052,897 units	104,000
Units redeemed: 99,322 units	5,000
Meezan Strategic Allocation Fund MSAP - III	
Units issued: 2,348,643 units	119,000
Units redeemed: 119,186 units	6,000





For the period  
from October  
9, 2017 to  
March 31,  
2017  
(Unaudited)  
(Rupees in '000)

Meezan Strategic Allocation Fund MSAP - IV  
Units issued: 4,944,378 units  
Units redeemed: 2,965,003 units

251,000  
151,000

Meezan Strategic Allocation Fund MSAP - V  
Units issued: 2,899,237 units  
Units redeemed: 1,466,152 units

146,000  
75,000

Meezan Strategic Allocation Fund MCPP-III  
Units issued: 11,725,377 units  
Units redeemed: 6,447,664 units

604,000  
330,655

Meezan Strategic Allocation Fund-II MCPP-IV  
Units issued: 1,857,053 units

132,500

## 10. FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	(Rupees in '000)								
Financial assets - measured at fair value									
Investments	1,604,842	-	-	-	1,604,842	1,604,842	-	-	1,604,842
Financial assets - not measured at fair value									
Balances with banks	10.1	-	244,730	-	244,730				
Dividend receivable	10.1	4,168	-	-	4,168				
Deposits and other receivables	10.1	2,166	-	-	2,166				
		<u>1,604,842</u>	<u>6,334</u>	<u>244,730</u>	<u>-</u>				<u>1,855,906</u>
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	10.1	-	-	4,646	4,646				
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	221	221				
Payable against investments - net	10.1	-	-	147,875	147,875				
Accrued expenses and other liabilities	10.1	-	-	3,167	3,167				
		<u>-</u>	<u>-</u>	<u>155,909</u>	<u>155,909</u>				<u>155,909</u>

10.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair value.

#### 11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

#### 12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended March 31, 2018 is 2.10% which include 0.40 % representing government levy and SECP fee.

#### 13. TAXATION

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

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

#### 14. GENERAL

14.1 This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

14.2 There are no corresponding figures as the Fund commenced its operations from October 9, 2017.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# Meezan Gold Fund

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

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	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

Sindh Bank Limited  
United Bank Limited  
Meezan Bank Limited  
Bank Al Habib 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: bawaney@cyber.net.pk

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	(Unaudited) March 31, 2018	(Audited) June 30, 2017
(Rupees in '000)			
<b>Assets</b>			
Balances with banks	5	49,247	65,003
Investments	6	299,256	394,636
Profit receivable on saving accounts		219	73
Receivable against sale of investments - net		48	-
Receivables against conversion of units		2,176	1,173
<b>Total assets</b>		<b>350,946</b>	<b>460,885</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		384	447
Payable to Central Depository Company of Pakistan Limited - Trustee		54	68
Payable to Securities and Exchange Commission of Pakistan		226	292
Payable to Meezan Bank Limited		13	-
Payable on redemption and conversion of units		5,421	1,090
Accrued expenses and other liabilities	9	2,832	1,725
<b>Total liabilities</b>		<b>8,930</b>	<b>3,622</b>
<b>Net assets</b>		<b>342,016</b>	<b>457,263</b>
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		342,016	457,263
		(Number of units)	
Number of units in issue		6,094,485	9,061,225
		(Rupees)	
Net assets value per unit		56.1190	50.4600

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
<b>(Rupees in '000)</b>					
<b>Income</b>					
Profit on saving accounts with banks		982	1,006	372	299
Realised gain / (loss) on sale of investments		8,215	(2,459)	5,529	(2,460)
Other income		1,539	61	1,096	-
		<b>10,736</b>	<b>(1,392)</b>	<b>6,997</b>	<b>(2,161)</b>
Unrealised appreciation / (diminution) on re-measurement of investment in gold	6.1	40,246	(14,388)	21,435	24,184
<b>Total income / (loss)</b>		<b>50,982</b>	<b>(15,780)</b>	<b>28,432</b>	<b>22,023</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company		3,011	2,711	826	945
Sindh Sales Tax on management fee		391	378	107	123
Allocated expenses	8	301	286	82	94
Remuneration to Central Depository Company of Pakistan Limited - Trustee		512	487	141	161
Sindh Sales Tax on trustee fee		67	63	19	21
Annual fee to Securities and Exchange Commission of Pakistan		226	215	62	71
Auditors' remuneration		231	189	43	69
Brokerage expense		25	22	9	6
Fees and subscription		267	364	79	214
Legal and professional charges		27	70	27	70
Bank and settlement charges		595	55	541	20
Custodian expense		2,857	2,311	918	828
Provision for Sindh Workers' Welfare Funds (SWWF)	9	849	533	511	533
Printing expenses		10	11	-	-
<b>Total expenses</b>		<b>9,369</b>	<b>7,695</b>	<b>3,365</b>	<b>3,155</b>
<b>Net income / (loss) from operating activities</b>		<b>41,613</b>	<b>(23,475)</b>	<b>25,067</b>	<b>18,868</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	1,527	-	1,650
<b>Net income / (loss) for the period before taxation</b>		<b>41,613</b>	<b>(21,948)</b>	<b>25,067</b>	<b>20,518</b>
<b>Taxation</b>	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>41,613</b>	<b>(21,948)</b>	<b>25,067</b>	<b>20,518</b>
<b>Allocation of net income / (loss) for the period</b>		<b>41,613</b>	<b>(21,948)</b>	<b>25,067</b>	<b>20,518</b>
		<b>(8,882)</b>	-	<b>(5,172)</b>	-
		<b>32,731</b>	<b>(21,948)</b>	<b>19,895</b>	<b>20,518</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		48,461		26,964	
- Excluding capital gains		(15,730)		(7,069)	
		<b>32,731</b>		<b>19,895</b>	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2018 (Rupees in '000)	2017	2018 (Rupees in '000)	2017
<b>Net income / (loss) for the period after taxation</b>	<b>41,613</b>	(21,948)	<b>25,067</b>	20,518
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>41,613</b>	(21,948)	<b>25,067</b>	20,518

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018				Nine months period ended March 31, 2017			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	470,991	(13,728)	-	457,263	298,024	23,090	-	321,114
Issue of 3,196,302 units (2017: 6,029,844 units)								
- Capital value (at net asset value per unit at the beginning of the period)	161,286	-	-	161,286				
- Element of income	7,941	-	-	7,941				
Total proceeds on issuance of units	169,227	-	-	169,227	328,807	12,552	-	341,359
Redemption of 6,163,042 units (2017: 4,690,851 units)								
- Capital value (at net asset value per unit at the beginning of the period)	310,987	-	-	310,987				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	8,882	-	8,882				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	6,218	-	-	6,218				
Total payments on redemption of units	317,205	8,882	-	326,087	255,792	11,025	-	266,817
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(1,527)	-	(1,527)
Total comprehensive income / (loss) for the period	-	41,613	-	41,613	-	(21,948)	-	(21,948)
Distribution during the period	-	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	41,613	-	41,613	-	(21,948)	-	(21,948)
<b>Net assets at end of the period</b>	<b>323,013</b>	<b>19,003</b>	<b>-</b>	<b>342,016</b>	<b>371,039</b>	<b>1,142</b>	<b>-</b>	<b>372,181</b>
Undistributed (loss) / income brought forward								
- Realised income		7,958				224		
- Unrealised (loss) / income		(21,686)				22,866		
		(13,728)				23,090		
Accounting income available for distribution								
- Relating to capital gains	48,461							
- Excluding capital gains	(15,730)							
	32,731							
Net loss for the period after taxation						(21,948)		
Distribution during the period								
Undistributed income carried forward		19,003				1,142		
Undistributed loss carried forward								
- Realised (loss) / income		(21,243)				15,530		
- Unrealised income / (loss)		40,246				(14,388)		
		19,003				1,142		
Net assets value per unit at beginning of the period				(Rupees) 50.4600				(Rupees) 54.5300
Net assets value per unit at end of the period				56.1190				51.4900

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM CASH FLOW STATEMENT**  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended, March 31,	
	2018	2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period	41,613	(21,948)
<b>Adjustments for:</b>		
Unrealised (appreciation) / diminution on re-measurement of investment in gold	(40,246)	14,388
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(1,527)
	1,367	(9,087)
<b>Decrease / (increase) in assets</b>		
Investments - net	135,626	(70,591)
Receivable against investments - net	(48)	-
Profit receivable on saving accounts	(146)	(339)
	135,432	(70,930)
<b>(Decrease) / increase in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	(63)	(559)
Payable to Central Depository Company of Pakistan Limited - Trustee	(14)	14
Payable to Securities and Exchange Commission of Pakistan	(66)	109
Payable to Meezan Bank Limited	13	-
Accrued expenses and other liabilities	1,107	(748)
	977	(1,184)
<b>Net cash generated from / (used in) operating activities</b>	137,776	(81,201)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	168,224	360,727
Payment against redemption and conversion of units	(321,756)	(367,651)
Dividend paid	-	(912)
<b>Net cash used in financing activities</b>	(153,532)	(7,836)
<b>Net decrease in cash and cash equivalents during the period</b>	(15,756)	(89,037)
Cash and cash equivalents at beginning of the period	65,003	126,315
Cash and cash equivalents at end of the period	49,247	37,278

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Gold 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 October 15, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on September 23, 2014. The Fund commenced its operations on August 18, 2015. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on the Pakistan Mercantile Exchange (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah principles as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and/or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by the Shariah Advisor. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as a Shariah Compliant Commodity Scheme.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

## 2. BASIS OF PRESENTATION

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

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984

(now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

#### **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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management

Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 7.015 million net off charge for SWWF in respect of element of income. Consequently, the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' would have been higher by Rs 143,000 and Re. 0.02 respectively. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

**4.3** During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

**4.4** The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### **4.5 Amendments to published approved accounting standards that are effective in the current period**

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

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

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's



annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	47,544	63,301
In current accounts		1,703	1,702
		<u>49,247</u>	<u>65,003</u>

**5.1** The balance in saving accounts have an expected profit ranging from 2.40% to 6.05% per annum (June 30, 2017: 2.00% to 2.40% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>6. INVESTMENTS</b>			
Investment in gold	6.1	<u>299,256</u>	<u>394,636</u>

**6.1 Investment in gold**

Commodity	As at July 01, 2017	Purchases during the period	Sales during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain	Percentage in relation to Net assets of the Fund on the basis of market value of investments (note 6.1.1)
	(Tola)				(Rupees in '000)			%
TOLAGOLD	7,741	190	2,850	5,081	259,009	299,256	40,247	87.50
Total					<u>259,009</u>	<u>299,256</u>	<u>40,247</u>	

**6.1.1** Net assets are defined in regulation 66 of the NBFC Regulations.

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

**6.1.3** The investment in gold of Rs 299.256 million (June 30, 2017: Rs 394.636 million) has been measured at fair value based on the quoted market price in active markets.



## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

## 8. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Custodian fee payable		245	103
Auditor's remuneration		205	174
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.1	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.1	297	297
Provision for Sindh Worker's Welfare Fund	9.2	1,382	533
Withholding tax payable		21	21
Capital gain tax payable		19	10
Brokerage payable		-	11
Shariah advisory fee payable		240	162
Other		9	-
		<u>2,832</u>	<u>1,725</u>

- 9.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and





sales load made with effect from August 18, 2015 till June 30, 2016, aggregating to Rs 0.71 million (June 30, 2017: Rs 0.71 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Re 0.12 (June 30, 2017: Re 0.08) per unit.

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.23 / 0.40% (June 30, 2017: Re 0.06 / 0.12%).

## **10. EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 3.15% which includes 0.52% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## **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 Regulations and the Trust Deed.

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

	<b>March 31, 2018 (Unaudited)</b>	June 30, 2017 (Audited)
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	<u>272</u>	<u>364</u>
Sindh Sales Tax on management fee payable	<u>35</u>	<u>47</u>
Sales load payable	<u>43</u>	<u>-</u>
Sindh Sales Tax on sales load payable	<u>6</u>	<u>-</u>
Allocated expenses	<u>28</u>	<u>36</u>
Investment of nil units (June 30, 2017: 702,463 units)	<u>-</u>	<u>35,446</u>
<b>Meezan Bank Limited</b>		
Sales load payable	<u>11</u>	<u>-</u>
Sindh Sales Tax on management fee payable	<u>2</u>	<u>-</u>
Bank balance	<u>31,912</u>	<u>61,569</u>
Profit receivable on saving account	<u>52</u>	<u>73</u>
Investment of 1,000,000 units (June 30, 2017: 1,000,000 units)	<u>56,119</u>	<u>50,460</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	<u>48</u>	<u>61</u>
Sindh Sales Tax on trustee fee payable	<u>6</u>	<u>7</u>
<b>Directors and Executives of the Management Company</b>		
Investment of 177,912 units (June 30, 2017: 167,781 units)	<u>9,984</u>	<u>8,466</u>
<b>Unitholders holding 10% or more units of the Fund</b>		
Investment of 3,607,105 units (June 30, 2017: 3,590,387 units)	<u>202,427</u>	<u>181,674</u>
	<b>Nine months period ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Company Limited - Management Company</b>		
Remuneration for the period	<u>3,011</u>	<u>2,711</u>
Sindh Sales Tax on management fee for the period	<u>391</u>	<u>378</u>
Allocated expenses	<u>301</u>	<u>286</u>
Units issued: Nil units (March 31, 2017 : 1,040,545 units)	<u>-</u>	<u>58,000</u>
Units redeemed: 702,463 units (March 31, 2017: 722,083 units)	<u>36,507</u>	<u>40,000</u>
<b>Meezan Bank Limited</b>		
Profit on saving account	<u>676</u>	<u>749</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	<u>512</u>	<u>487</u>
Sindh Sales Tax on trustee fee for the period	<u>67</u>	<u>63</u>
<b>Directors and Executives of the Management Company</b>		
Units issued: 33,978 units (March 31, 2017: 94,719 units)	<u>1,790</u>	<u>4,969</u>
Units redeemed: 23,847 units (March 31, 2017: 89,419 units)	<u>1,237</u>	<u>4,747</u>

## 12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety 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 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 sufficient income of the Fund for the year ending June 30, 2018 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts of financial assets and financial liabilities. The Fund has not disclosed the fair values for these financial assets and liabilities because their carrying amounts are a reasonable approximation of their fair values.

Carrying amount				
Investments	Other receivables	Cash and cash equivalents	Other payables	Total
(Rupees in '000)				
<b>March 31, 2018</b>				
<b>Financial assets</b>				
Balances with banks	-	49,247	-	49,247
Profit receivable on saving accounts	-	219	-	219
Receivable on issuance and conversion of units	2,176	-	-	2,176
Receivable against investments - net	48	-	-	48
	<b>2,443</b>	<b>49,247</b>	-	<b>51,690</b>
<b>Financial liabilities</b>				
Payable to Al Meezan Investment Management Limited - Management Company	-	-	384	384
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	54	54
Payable to Meezan Bank Limited	-	-	13	13
Payable on redemption and conversion of units	-	-	5,421	5,421
Accrued expenses and other liabilities	-	-	1,410	1,410
	-	-	<b>7,282</b>	<b>7,282</b>
(Rupees in '000)				
<b>June 30, 2017</b>				
<b>Financial assets</b>				
Balances with banks	-	65,003	-	65,003
Profit receivable on saving accounts	-	73	-	73
Receivable against conversion of units	1,173	-	-	1,173
	<b>1,246</b>	<b>65,003</b>	-	<b>66,249</b>
<b>Financial liabilities</b>				
Payable to Al Meezan Investment Management Limited - Management Company	-	-	447	447
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	68	68
Payable on redemption and conversion of units	-	-	1,090	1,090
Accrued expenses and other liabilities	-	-	1,161	1,161
	-	-	<b>2,766</b>	<b>2,766</b>

#### 14. GENERAL

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

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

<b>From</b>	<b>To</b>	<b>As at June 30, 2017 (Rupees in '000)</b>
Receivable against issuance and conversion of units	Balances with banks	3,246

#### 15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**



# Meezan

## Islamic Income Fund

Meezan Islamic Income Fund (MIIF) is Pakistan's first Shariah compliant income fund scheme. The purpose of Meezan Islamic Income Fund is to provide investors with a safe and stable stream of Halal income on their investments and to generate superior long term risk adjusted returns.

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaikat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	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  
Al Baraka Islamic Bank B.S.C (E.C)  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Alfalah Limited  
Bankislami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited - Islamic Banking

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Samba Bank Limited  
Sindh Bank Limited  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
<b>Assets</b>			
Balances with banks	5	3,191,858	8,557,522
Investments	6	7,403,616	5,116,078
Receivable against conversion of units		16,454	783,504
Deposits, prepayments, profit accrued and other receivables		132,486	159,081
<b>Total assets</b>		<b>10,744,414</b>	<b>14,616,185</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company	7	7,820	14,968
Payable to Central Depository Company of Pakistan Limited - Trustee		948	798
Payable to Securities and Exchange Commission of Pakistan		6,357	7,979
Payable to Meezan Bank Limited		1,078	673
Payable on redemption and conversion of units		33,390	2,712,438
Payable against purchase of investments		160,323	-
Accrued expenses and other liabilities	8	75,152	97,903
<b>Total liabilities</b>		<b>285,068</b>	<b>2,834,759</b>
<b>Net assets</b>		<b>10,459,346</b>	<b>11,781,426</b>
<b>Contingencies and commitments</b>	9		
<b>Unitholders' fund (as per statement attached)</b>		<b>10,459,346</b>	<b>11,781,426</b>
(Number of units)			
<b>Number of units in issue</b>		<b>197,897,258</b>	<b>229,249,833</b>
(Rupees)			
<b>Net asset value per unit</b>		<b>52.8524</b>	<b>51.3900</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
<b>(Rupees in '000)</b>					
<b>Income</b>					
Profit on saving accounts with banks		202,836	174,184	53,479	44,757
Profit on term deposit receipts		121,019	119,896	40,696	44,029
Profit on certificates of musharakah		16,422	-	13,611	-
Profit on sukuk certificates		173,171	204,217	70,230	68,838
Net realised (loss) / gain on sale of sukuk certificates		(26,495)	11,296	(14,379)	(817)
Reversal of provision for Workers' Welfare Fund		-	45,462	-	45,462
Other Income		79	652	19	59
		<b>487,032</b>	<b>555,707</b>	<b>163,656</b>	<b>202,328</b>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.3	(34,797)	50,064	(3,536)	19,705
<b>Total income</b>		<b>452,235</b>	<b>605,771</b>	<b>160,120</b>	<b>222,033</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company	7	86,431	121,305	15,494	39,343
Sindh Sales Tax on management fee		11,236	15,770	2,014	5,115
Allocated expenses	11	8,478	8,087	2,828	2,623
Remuneration to Central Depository Company of Pakistan Limited - Trustee		7,136	6,862	2,374	2,231
Sindh Sales Tax on trustee fee		928	892	309	290
Annual fee to Securities and Exchange Commission of Pakistan		6,358	6,065	2,120	1,967
Auditors' remuneration		454	466	92	109
Fees and subscription		1,192	878	345	282
Legal and professional charges		54	103	27	70
Brokerage expense		443	225	368	81
Bank and settlement charges		253	144	81	40
Provision for Sindh Workers' Welfare Fund		6,577	14,963	2,675	14,963
Printing expense		444	399	325	48
<b>Total expenses</b>		<b>129,984</b>	<b>176,159</b>	<b>29,052</b>	<b>67,162</b>
<b>Net income from operating activities</b>		<b>322,251</b>	<b>429,612</b>	<b>131,068</b>	<b>154,871</b>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		-	(11,244)	-	25,780
<b>Net income for the period before taxation</b>		<b>322,251</b>	<b>418,368</b>	<b>131,068</b>	<b>180,651</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>322,251</b>	<b>418,368</b>	<b>131,068</b>	<b>180,651</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		322,251	418,368	131,068	180,651
Income already paid on units redeemed		(143,252)	-	(74,336)	-
		<b>178,999</b>	<b>418,368</b>	<b>56,732</b>	<b>180,651</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		178,999	-	56,732	-
		<b>178,999</b>	<b>178,999</b>	<b>56,732</b>	<b>56,732</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
<b>Net income for the period after taxation</b>	<b>322,251</b>	418,368	<b>131,068</b>	180,651
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>322,251</b>	418,368	<b>131,068</b>	180,651

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018				Nine months period ended March 31, 2017			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	11,616,350	165,076	-	11,781,426	8,911,616	139,801	-	9,051,417
Issuance of 390,373,385 units (2017: 414,072,556 units)								
- Capital value (at net asset value per unit at the beginning of the period)	20,061,288	-	-	20,061,288				
- Element of income	235,577	-	-	235,577				
Total proceeds on issuance of units	20,296,865	-	-	20,296,865	21,233,641	447,490	-	21,681,131
Redemption of 421,725,960 units (2017: 391,546,975 units)								
- Capital value (at net asset value per unit at the beginning of the period)	21,672,497	-	-	21,672,497				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	143,252	-	143,252				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	125,447	-	-	125,447				
Total payments on redemption of units	21,797,944	143,252	-	21,941,196	20,078,529	458,734	-	20,537,263
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	11,244	-	11,244
Total comprehensive income for the period	-	322,251	-	322,251	-	418,368	-	418,368
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	322,251	-	322,251	-	418,368	-	418,368
<b>Net assets at end of the period</b>	<b>10,115,271</b>	<b>344,075</b>	<b>-</b>	<b>10,459,346</b>	<b>10,066,728</b>	<b>558,169</b>	<b>-</b>	<b>10,624,897</b>
Undistributed income brought forward								
- Realised income		114,773				115,433		
- Unrealised income		50,303				24,368		
Accounting income available for distribution		165,076				139,801		
- Relating to capital gains		-				-		
- Excluding capital gains		178,999				-		
Net income for the period after taxation		178,999				418,368		
Distribution during the period		-				-		
Undistributed income carried forward		344,075				558,169		
Undistributed income carried forward								
- Realised income		378,872				508,105		
- Unrealised (loss) / income		(34,797)				50,064		
		344,075				558,169		
Net assets value per unit at beginning of the period				(Rupees) 51.3900				(Rupees) 51.2800
Net assets value per unit at end of the period				52.8524				53.3800

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Note	Nine months period ended March 31,	
		2018	2017
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		322,251	418,368
<b>Adjustments for</b>			
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		34,797	(50,064)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	11,244
		<b>357,048</b>	<b>379,548</b>
<b>(Increase) / decrease in assets</b>			
Investments - net		(692,334)	(438,220)
Receivable against Bai Muajjal		-	(754,406)
Deposits, prepayments, profit accrued and other receivables		26,595	(34,016)
		<b>(665,739)</b>	<b>(1,226,642)</b>
<b>(Decrease) / increase in liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		(7,148)	3,525
Payable to Central Depository Company of Pakistan Limited - Trustee		150	158
Payable to Securities and Exchange Commission of Pakistan		(1,622)	(155)
Payable to Meezan Bank Limited		405	(1,234)
Payable against purchase of investments		160,323	-
Accrued expenses and other liabilities		(22,751)	(65,247)
		<b>129,357</b>	<b>(62,953)</b>
<b>Net cash used in operating activities</b>		<b>(179,334)</b>	<b>(910,047)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		21,063,915	22,514,286
Payments against redemption and conversion of units		(24,620,244)	(20,817,256)
<b>Net cash (used in) / generated from financing activities</b>		<b>(3,556,329)</b>	<b>1,697,030</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>		<b>(3,735,663)</b>	<b>786,983</b>
Cash and cash equivalents at beginning of the period		8,557,522	2,505,300
<b>Cash and cash equivalents at end of the period</b>	5.2	<b>4,821,859</b>	<b>3,292,283</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 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.
- 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 Fund has been given a stability rating of A-(f) by JCR - VIS Credit Rating Company Limited. The Management Company of the Fund has been given quality rating of AM1 by JCR - 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 approved accounting standards as applicable in Pakistan.

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984

(now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

#### **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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund',



prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 32.460 million net off charge for SWWF in respect of element of income. Consequently, the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' would have been higher by Rs 662,000 and Re. 0.003 respectively. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

**4.3** During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

**4.4** The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### **4.5 Amendments to published approved accounting standards that are effective in the current period**

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

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

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.



	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	<b>3,181,786</b>	8,537,451
In current accounts		<b>10,072</b>	20,071
		<b>3,191,858</b>	<b>8,557,522</b>

**5.1** The balance in saving accounts have an expected profit ranging from 2.00% to 6.10% per annum (June 30, 2017: 2.00% to 5.70% per annum).

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>5.2 Cash and cash equivalents</b>			
Balances with banks	5	<b>3,191,858</b>	8,557,522
Term deposit receipts - having original maturity of 3 months or less	6.2	<b>1,630,001</b>	-
		<b>4,821,859</b>	<b>8,557,522</b>

## 6. INVESTMENTS

Investments - 'at fair value through profit or loss'	6.1	<b>4,111,995</b>	2,616,078
Investments - 'loans and receivables'	6.2	<b>3,291,621</b>	2,500,000
		<b>7,403,616</b>	<b>5,116,078</b>

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

- Held for trading	6.1.1	<b>540,888</b>	590,585
- Investments 'at fair value through profit or loss upon initial recognition'	6.1.3	<b>3,571,107</b>	2,025,493
		<b>4,111,995</b>	<b>2,616,078</b>

#### 6.1.1 Held for trading - Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2017	Purchases during the period	Sales / maturity during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised diminution	Net assets of the fund on the basis of market value	Total market value of investments
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- (%) -----		
GoP Ijarah Sukuk Certificates - XVII (note 6.1.2)	February 15, 2019	Weighted average 6 months T-Bills	4,500	-	4,500	-	-	-	-	-	0.00
GoP Ijarah Sukuk Certificates - XVIII (note 6.1.2)	March 29, 2019	Weighted average 6 months T-Bills	1,250	-	-	1,250	127,400	124,388	(3,012)	1.19	1.68
GoP Ijarah Sukuk Certificates - XIX (note 6.1.2)	June 30, 2020	Weighted average 6 months T-Bills	-	4,250	-	4,250	425,180	416,500	(8,680)	3.98	5.63
<b>Total</b>							<b>552,580</b>	<b>540,888</b>	<b>(11,692)</b>		

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

### 6.1.3 Investments 'at fair value through profit or loss upon initial recognition' - Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2017	Purchases during the period	Sales / redemptions / maturity during the period	As at March 31, 2018	*Carrying value as at March 31, 2018	*Market value as at March 31, 2018	Unrealised appreciation/(diminution)	Percentage in relation to		
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----			
Arzoo Textile Mills Limited (note 6.1.4 & 6.1.5) *	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.4 & 6.1.5) *	September 29, 2014	6 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.4 & 6.1.5) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-	6.67	-
Dubai Islamic Bank Pakistan Limited (note 6.1.4) (A+, JCR-VIS, traded)	July 14, 2027	6 months Kibor plus base rate of 0.5%	-	513	-	513	516,430	522,337	5,907	4.99	12.83	7.06
Engro Fertilizer Limited (note 6.1.4) (AA-, PACRA, traded)	July 9, 2019	6 months Kibor plus base rate of 1.75%	68,000	-	23,375	44,625	230,559	225,913	(4,646)	2.16	13.28	3.05
Fatima Fertilizer Company Limited (note 6.1.4) (AA-, PACRA, traded)	November 28, 2021	6 months Kibor plus base rate of 1.10%	33,539	-	3,726	29,813	155,761	151,449	(4,312)	1.45	1.77	2.05
Hascol Petroleum Limited (note 6.1.4) (AA, JCR-VIS, non-traded)	January 06, 2022	3 months Kibor plus base rate of 1.50%	57,000	-	9,000	48,000	248,836	247,518	(1,318)	2.37	15.00	3.34
K-Electric Limited (sukuk 4) (note 6.1.4) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months Kibor plus base rate of 1.00%	230,000	-	60,000	170,000	889,502	862,327	(27,175)	8.24	4.55	11.65
International Brands Limited (note 6.1.4) (AA, JCR-VIS, traded)	November 15, 2021	12 months Kibor plus base rate of 0.50%	-	4,000	-	4,000	400,000	400,000	-	3.82	10.00	5.40
Neelum Jhelum Hydropower Company (Private) Limited (note 6.1.4) (AAA, JCR-VIS non-traded)	June 29, 2026	6 months Kibor plus base rate of 1.13%	-	11,250	-	11,250	1,153,124	1,161,563	8,439	11.11	1.13	15.69
<b>Total</b>							<b>3,594,212</b>	<b>3,571,107</b>	<b>(23,105)</b>			

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

**6.1.4** 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 and Neelum Jhelum Hydropower Company (Private) Limited having nominal value of Rs 1,000,000, Rs 984.375, Rs 100,000 and Rs 100,000 respectively.

**6.1.5** 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 March 31, 2018, 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	-	-	-
		<b>143,875</b>	<b>143,875</b>			

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
<b>6.2 Investments - loans and receivables</b>			
<b>Term deposit receipts</b>			
- having original maturity of 3 months or less	6.2.1	1,630,001	-
- having original maturity of more than 3 months	6.2.1	617,000	2,500,000
		<b>2,247,001</b>	<b>2,500,000</b>
<b>Certificates of Musharakah</b>	6.2.2	<b>900,000</b>	-
<b>Commercial Papers</b>	6.2.3	<b>144,620</b>	-
		<b>3,291,621</b>	<b>2,500,000</b>

### 6.2.1 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2017	Term deposit receipts placed during the period	Matured during the period paid	As at March 31, 2018	Percentage of total market value of investments
Bank Al Habib Limited - Islamic banking	February 1, 2018	5.85	-	1,450,000	1,450,000	-	0.00
BankIslami Pakistan Limited	December 1, 2017	5.90	800,000	-	800,000	-	0.00
Dubai Islamic Bank Pakistan Limited	September 6, 2017	6.10	550,000	-	550,000	-	0.00
Dubai Islamic Bank Pakistan Limited	March 6, 2018	5.85	-	440,000	440,000	-	0.00
Dubai Islamic Bank Pakistan Limited	February 1, 2018	5.70	450,000	-	450,000	-	0.00
Dubai Islamic Bank Pakistan Limited	March 27, 2018	5.95	-	500,000	500,000	-	0.00
Dubai Islamic Bank Pakistan Limited	April 6, 2018	6.25	-	630,000	-	630,000	8.51
MCB Islamic Bank Limited	September 6, 2017	6.10	700,000	-	700,000	-	0.00
MCB Islamic Bank Limited	May 2, 2018	6.00	-	1,000,001	-	1,000,001	13.51
Habib Bank Limited - Islamic banking	May 7, 2018	5.90	-	617,000	-	617,000	8.33
Habib Bank Limited - Islamic banking	January 19, 2018	6.20	-	480,000	480,000	-	0.00
Habib Bank Limited - Islamic banking	January 29, 2018	6.20	-	30,000	30,000	-	0.00
			<b>2,500,000</b>	<b>5,147,001</b>	<b>5,400,000</b>	<b>2,247,001</b>	

### 6.2.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2017	Placed during the period	Matured during the period	As at March 31, 2018	Percentage of total market value of investments
First Habib Modaraba	June 4, 2018	6.10	-	300,000	-	300,000	4.02
Orix Modaraba	June 13, 2018	6.15	-	200,000	-	200,000	2.68
Orix Modaraba	June 18, 2018	6.15	-	100,000	-	100,000	1.34
Orix Modaraba	June 21, 2018	6.15	-	150,000	-	150,000	2.01
Orix Modaraba	June 22, 2018	6.15	-	150,000	-	150,000	2.01
			-	<b>900,000</b>	-	<b>900,000</b>	

**6.2.3** This pertains to the Commercial Paper (Salam) issued by Hascol Petroleum Limited which has been purchased during the period, carrying yield of KIBOR + 1.25% per annum maturing on June 29, 2018. As at March 31, 2018, Commercial Paper represented 1.38% of the total net assets of the Fund.

## 7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

During the period, the Management Company has reduced charging of the remuneration to 10% of gross earnings of the Fund subject to the minimum of 0.5% of average annual net assets and maximum of 1.5% of average annual net assets. The reduction in remuneration is effective from November 16, 2017.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	19,550	12,974
Withholding tax payable		2,735	32,251
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	48,995	48,995
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,371	2,371
Auditors' remuneration payable		402	375
Printing expenses payable		186	215
Brokerage payable		105	188
Zakat payable		8	131
Shariah advisor fee payable		800	403
		<b>75,152</b>	<b>97,903</b>

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.10 / 0.19% (June 30, 2017: Re 0.06 / 0.11%).

- 8.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, the Fund has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 51.367 million (June 30, 2017: Rs 51.367 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.26 (June 30, 2017: Re 0.22) per unit.

#### 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

#### 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other 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:

	<b>March 31, 2018 (Unaudited)</b>	<b>June 30, 2017 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration payable	<u>5,648</u>	<u>12,319</u>
Sales load payable	<u>381</u>	<u>200</u>
Allocated expenses payable	<u>1,005</u>	<u>821</u>
Certificate charges payable	<u>1</u>	<u>1</u>
Sindh Sales Tax on management fee	<u>735</u>	<u>1,601</u>
Sindh Sales Tax on sales load	<u>50</u>	<u>26</u>
Investment of 18,841,378 units (June 30, 2017: 20,593,141 units)	<u><b>995,767</b></u>	<u><b>1,058,282</b></u>

	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Meezan Bank Limited</b>		
Balances with bank	34,371	88,058
Sales load payable	954	596
Sindh Sales Tax on sales load	124	77
Profit receivable on saving account	855	1,201
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	839	706
Sindh Sales Tax on Trustee Fee payable	109	92
Security deposit	100	100
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Investment of 1,236,273 units (June 30, 2017: 1,833,808 units)	65,337	94,239
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Investment of 1,562,715 units (June 30, 2017: 1,990,147 units)	82,589	102,274
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Investment of 2,085,398 units (June 30, 2017: 2,977,823 units)	110,213	153,030
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investment of 3,467,935 units (June 30, 2017: nil)	183,280	-
<b>Meezan Financial Planning Fund of Funds - MAAP - III</b>		
Investments of units: nil (June 30, 2017: 7,445,192 units)	-	382,609
<b>Meezan Financial Planning Fund of Funds - MAAP - IV</b>		
Investments of 1,494,219 units (June 30, 2017: 452,695 units)	78,969	23,266
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Investments of 7,133,624 units (June 30, 2017: 9,918,797 units)	377,012	509,727
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Investments of 4,578,838 units (June 30, 2017: 3,806,559 units)	241,992	195,619
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Investments of 3,862,901 units (June 30, 2017: 7,105,227 units)	204,154	365,138
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Investments of 4,594,666 units (June 30, 2017: 8,988,987 units)	242,828	461,944
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Investments of 363,562 units (June 30, 2017: nil)	19,214	-
<b>AI Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investments of 212,599 units (June 30, 2017: 212,599 units)	11,236	10,925
<b>Directors and Executives of the Management Company</b>		
Investments of 282,780 units (June 30, 2017: 234,831 units)	14,945	12,068





	<b>Nine months period ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	<b>86,431</b>	121,305
Sindh Sales Tax on management fee	<b>11,236</b>	15,770
Allocated expenses	<b>8,478</b>	8,087
Units issued: 25,417,427 units (March 31, 2017: 38,267,144 units)	<b>1,323,000</b>	2,003,743
Units redeemed: 27,169,190 units (March 31, 2017: 26,217,507 units)	<b>1,406,500</b>	1,370,500
<b>Meezan Bank Limited</b>		
Profit on saving account	<b>1,600</b>	1,669
Units issued: 10,155,202 units (March 31, 2017: nil)	<b>530,000</b>	-
Units redeemed: 10,155,202 units (March 31, 2017: nil)	<b>532,065</b>	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	<b>7,136</b>	6,862
Sindh Sales Tax on trustee fee	<b>928</b>	892
CDS Charges	<b>57</b>	5
<b>Meezan Capital Preservation Fund - II</b>		
Units issued: nil (March 31, 2017: 25,503,769 units)	-	1,329,868
Units redeemed: nil (March 31, 2017: 25,503,769 units)	-	1,339,775
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Units issued: 116,471 units (March 31, 2017: nil)	<b>6,075</b>	-
Units redeemed: 714,006 units (March 31, 2017: nil)	<b>36,934</b>	-
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Units issued: 261,152 units (March 31, 2017: nil)	<b>13,675</b>	-
Units redeemed: 688,584 units (March 31, 2017: nil)	<b>35,753</b>	-
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Units issued: 198,984 units (March 31, 2017: nil)	<b>10,313</b>	-
Units redeemed: 1,091,409 units (March 31, 2017: nil)	<b>56,625</b>	-
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units issued: 35,256,921 units (March 31, 2017: 3,520,070 units)	<b>1,819,662</b>	186,000
Units redeemed: 31,788,986 units (March 31, 2017: 3,520,070 units)	<b>1,645,916</b>	186,536
<b>Meezan Financial Planning Fund of Funds - MAAP - II</b>		
Units issued: 5,238,383 units (March 31, 2017: 1,701,838 units)	<b>270,566</b>	90,000
Units redeemed: 5,238,383 units (March 31, 2017: 3,110,790 units)	<b>272,142</b>	164,299
<b>Meezan Financial Planning Fund of Funds - MAAP - III</b>		
Units issued: 46,358,995 units (March 31, 2017: 16,137,995 units)	<b>2,414,633</b>	838,500
Units redeemed: 53,804,187 units (March 31, 2017: 15,101,903 units)	<b>2,820,365</b>	794,112
<b>Meezan Financial Planning Fund of Funds - MAAP - IV</b>		
Units issued: 4,922,358 units (March 31, 2017: 11,124,202 units)	<b>255,000</b>	574,167
Units redeemed: 3,880,834 units (March 31, 2017: 11,458,852 units)	<b>201,000</b>	596,018



	<b>Nine months period ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Units issued: 11,814,609 units (March 31, 2017: 44,734,611 units)	<b>615,524</b>	2,342,000
Units redeemed: 14,599,782 units (March 31, 2017: 37,786,317 units)	<b>756,384</b>	1,984,436
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Units issued: 5,035,700 units (March 31, 2017: 24,022,298 units)	<b>263,000</b>	1,270,000
Units redeemed: 4,263,421 units (March 31, 2017: 18,671,676 units)	<b>221,740</b>	987,955
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Units issued: 4,780,903 units (March 31, 2017: 7,486,626 units)	<b>250,001</b>	398,500
Units redeemed: 8,023,229 units (March 31, 2017: 2,229,048 units)	<b>415,160</b>	118,521
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Units issued: 7,812,561 units (March 31, 2017: nil)	<b>406,500</b>	-
Units redeemed: 12,206,882 units (March 31, 2017: nil)	<b>631,690</b>	-
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: 1,667,261 units (March 31, 2017: nil)	<b>87,000</b>	-
Units redeemed: 1,303,699 units (March 31, 2017: nil)	<b>68,020</b>	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 4,575,785 units (March 31, 2017: 980.012 units)	<b>239,475</b>	51,443
Units redeemed: 4,527,836 units (March 31, 2017: 2,212,221 units)	<b>237,487</b>	115,236

## 11. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 1.55% which include 0.30% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## 13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the 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, 2018 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.

## 14. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2018		Carrying amount					Fair value			
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>										
<b>- measured at fair value</b>		(Rupees in '000)								
	Investment - Held for trading	540,888	-	-	-	540,888	-	540,888	-	540,888
	Investments									
	- at fair value through profit or loss upon initial recognition	3,571,107	-	-	-	3,571,107	-	3,571,107	-	3,571,107
<b>Financial assets</b>										
<b>- not measured at fair value</b>										
	Balances with banks	14.1	-	-	3,191,858	-	3,191,858			
	Investments - 'loans and receivables'	14.1	1,661,620	-	1,630,001	-	3,291,621			
	Receivable against conversion of units	14.1	-	16,454	-	-	16,454			
	Deposits, profit accrued and other receivables	14.1	-	130,315	-	-	130,315			
			<u>5,773,615</u>	<u>146,769</u>	<u>4,821,859</u>	<u>-</u>	<u>10,742,243</u>			
<b>Financial liabilities</b>										
<b>- not measured at fair value</b>										
	Payable to Al Meezan Investment Management Limited									
	- Management Company	14.1	-	-	-	7,820	7,820			
	Payable to Central Depository Company of Pakistan Limited									
	- Trustee	14.1	-	-	-	948	948			
	Payable to Meezan Bank Limited	14.1	-	-	-	1,078	1,078			
	Payable on redemption and conversion of units	14.1	-	-	-	33,390	33,390			
	Payable against purchase of investments	14.1	-	-	-	160,323	160,323			
	Accrued expenses and other liabilities	14.1	-	-	-	52,859	52,859			
			<u>-</u>	<u>-</u>	<u>-</u>	<u>256,417</u>	<u>256,417</u>			
June 30, 2017										
		(Rupees in '000)								
<b>Financial assets</b>										
<b>- measured at fair value</b>										
	Investment - Held for trading	590,585	-	-	-	590,585	-	590,585	-	590,585
	Investments									
	- at fair value through profit or loss upon initial recognition	2,025,493	-	-	-	2,025,493	-	2,025,493	-	2,025,493
<b>Financial assets</b>										
<b>- not measured at fair value</b>										
	Balances with banks	14.1	-	-	8,557,522	-	8,557,522			
	Investments - 'loans and receivables'	14.1	2,500,000	-	-	-	2,500,000			
	Receivable against conversion of units	14.1	-	783,504	-	-	783,504			
	Deposits, profit accrued and other receivables	14.1	-	156,110	-	-	156,110			
			<u>5,116,078</u>	<u>939,614</u>	<u>8,557,522</u>	<u>-</u>	<u>14,613,214</u>			
<b>Financial liabilities</b>										
<b>- not measured at fair value</b>										
	Payable to Al Meezan Investment Management Limited									
	- Management Company	14.1	-	-	-	14,968	14,968			
	Payable to Central Depository Company of Pakistan Limited									
	- Trustee	14.1	-	-	-	798	798			
	Payable to Meezan Bank Limited	14.1	-	-	-	673	673			
	Payable on redemption and conversion of units	14.1	-	-	-	2,712,438	2,712,438			
	Accrued expenses and other liabilities	14.1	-	-	-	52,547	52,547			
			<u>-</u>	<u>-</u>	<u>-</u>	<u>2,781,424</u>	<u>2,781,424</u>			

**14.1** The Fund has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair value.

**15. GENERAL**

**15.1** Figures have been rounded off to the nearest thousand rupees.

**15.2** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

<b>From</b>	<b>To</b>	<b>As at June 30, 2017 (Rupees in '000)</b>
Receivable against issuance and conversion of units	Balances with banks	419,460

**16. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**



# Meezan Sovereign Fund

Meezan Sovereign Fund (MSF) 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.

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking  
Albaraka Bank (Pakistan) Limited  
Askari Bank Limited - Islamic Banking  
Bank Alfalah Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited - Islamic Banking

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Sindh Bank Limited - Islamic Banking  
UBL Ameen

## 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: bawaney@cyber.net.pk

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	575,144	1,280,046
Investments	6	1,683,562	3,689,101
Receivable against conversion of units		4,651	681,947
Deposits, prepayments, profit accrued and other receivables		29,309	61,991
<b>Total assets</b>		<b>2,292,666</b>	<b>5,713,085</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited-Management Company		2,347	4,420
Payable to Central Depository Company of Pakistan Limited - Trustee		233	371
Payable to Meezan Bank Limited		166	229
Payable to Securities and Exchange Commission of Pakistan		1,710	6,085
Payable on redemption and conversion of units		20,499	1,189,116
Dividend payable		80	67,471
Accrued expenses and other liabilities	8	90,437	111,725
<b>Total liabilities</b>		<b>115,472</b>	<b>1,379,417</b>
<b>Net assets</b>		<b>2,177,194</b>	<b>4,333,668</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>2,177,194</b>	<b>4,333,668</b>
		(Number of units)	
<b>Number of units in issue</b>		<b>41,870,369</b>	<b>84,320,718</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>51.9984</b>	<b>51.4000</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
(Rupees in '000)					
<b>Income</b>					
Profit on sukuk certificates		101,538	320,032	24,658	106,654
Net realised (loss) / gain on sale of sukuk certificates		(30,465)	6,291	(6,949)	6,291
Profit on saving accounts with banks		32,794	73,335	9,054	16,453
Reversal of Provision for Worker's Welfare Fund		-	133,886	-	133,886
Other income		-	732	-	-
		<b>103,867</b>	<b>534,276</b>	<b>26,763</b>	<b>263,284</b>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(40,334)	32,787	(13,212)	(88,234)
<b>Total income</b>		<b>63,533</b>	<b>567,063</b>	<b>13,551</b>	<b>175,050</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company		22,800	68,147	5,635	21,534
Sindh Sales Tax on management fee		2,964	8,857	733	2,776
Allocated expenses	10	2,280	6,813	564	2,152
Remuneration to Central Depository Company of Pakistan Limited - Trustee		2,273	5,668	608	1,798
Sindh Sales Tax on trustee fee		295	739	79	235
Annual fee to Securities and Exchange Commission of Pakistan		1,710	5,110	423	1,614
Auditors' remuneration		383	369	77	103
Fees and subscription		617	870	207	327
Legal and professional charges		27	103	27	70
Brokerage		245	303	38	138
Bank and settlement charges		185	163	38	61
Provision for Sindh Workers' Welfare Fund (SWWF)		595	14,172	102	14,172
<b>Total expenses</b>		<b>34,374</b>	<b>111,314</b>	<b>8,531</b>	<b>44,980</b>
<b>Net income from operating activities</b>		<b>29,159</b>	<b>455,749</b>	<b>5,020</b>	<b>130,070</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(128,875)	-	(120,494)
<b>Net income for the period before taxation</b>		<b>29,159</b>	<b>326,874</b>	<b>5,020</b>	<b>9,576</b>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>29,159</b>	<b>326,874</b>	<b>5,020</b>	<b>9,576</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		29,159	326,874	5,020	9,576
Income already paid on units redeemed		-	-	-	-
		<b>29,159</b>	<b>326,874</b>	<b>5,020</b>	<b>9,576</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		29,159	-	5,020	-
		<b>29,159</b>	<b>-</b>	<b>5,020</b>	<b>-</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**





## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended, March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	..... (Rupees in '000) .....			
<b>Net income for the period after taxation</b>	<b>29,159</b>	326,874	<b>5,020</b>	9,576
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>29,159</b>	326,874	<b>5,020</b>	9,576

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018 ..... (Rupees in '000) .....				Nine months period ended March 31, 2017 ..... (Rupees in '000) .....			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	4,042,582	291,086	-	4,333,668	7,703,549	241,197	-	7,944,746
Issue of 51,175,785 units (2017: 301,321,779 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,630,435	-	-	2,630,435				
- Element of income	19,110	-	-	19,110				
Total proceeds on issuance of units	2,649,545	-	-	2,649,545	15,307,146	355,769	-	15,662,915
Redemption of 93,626,135 units (2017: 330,803,350 units)								
- Capital value (at net asset value per unit at the beginning of the period)	4,812,383	-	-	4,812,383				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	-	-	-				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	22,795	-	-	22,795				
Total payments on redemption of units	4,835,178	-	-	4,835,178	16,804,810	484,644	-	17,289,454
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	128,875	-	128,875
Total comprehensive income for the period	-	29,159	-	29,159	-	326,874	-	326,874
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	29,159	-	29,159	-	326,874	-	326,874
<b>Net assets at end of the period</b>	<b>1,856,949</b>	<b>320,245</b>	<b>-</b>	<b>2,177,194</b>	<b>6,205,885</b>	<b>568,071</b>	<b>-</b>	<b>6,773,956</b>
Undistributed income brought forward								
- Realised income		247,434				193,509		
- Unrealised income		43,652				47,688		
		291,086				241,197		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		29,159						
		29,159						
Net income for the period after taxation		-				326,874		
Distribution during the period		-				-		
Undistributed income carried forward		320,245				568,071		
Undistributed income carried forward								
- Realised income		360,579				535,284		
- Unrealised (loss) / income		(40,334)				32,787		
		320,245				568,071		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				51.4000				50.8000
Net assets value per unit at end of the period				51.9984				53.3800

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Note	Nine months period ended March 31,	
		2018	2017
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		29,159	326,874
<b>Adjustments for</b>			
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		40,334	(32,787)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	128,875
		69,493	422,962
<b>Decrease in assets</b>			
Investments - net		1,965,205	573,284
Deposits, prepayments and other receivables		32,682	11,038
		1,997,887	584,322
<b>Decrease in liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company		(2,073)	(645)
Payable to Central Depository Company of Pakistan Limited - Trustee		(138)	(71)
Payable to Securities and Exchange Commission of Pakistan		(4,375)	(1,687)
Payable to Meezan Bank Limited		(63)	(232)
Accrued expenses and other liabilities		(21,288)	(136,208)
		(27,937)	(138,843)
<b>Net cash generated from operating activities</b>		2,039,443	868,441
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		3,326,841	16,241,851
Payments against redemption and conversion of units		(6,003,795)	(19,618,291)
Dividend paid		(67,391)	-
<b>Net cash used in financing activities</b>		(2,744,345)	(3,376,440)
<b>Net decrease in cash and cash equivalents during the period</b>		(704,902)	(2,507,999)
Cash and cash equivalents at beginning of the period		1,280,046	3,709,604
<b>Cash and cash equivalents at end of the period</b>	5	575,144	1,201,605

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 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 unitholders 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.
- 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 of the Fund has been given quality rating of AM1 and the Fund has been given a stability rating of AA(f) by JCR-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 approved accounting standards as applicable in Pakistan.

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the

requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

#### **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 information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2** The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund',

prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 3.6 million net off charge for SWWF in respect of element of income. Consequently, the 'net assets attributable to the unit holders' as shown in the 'Statement of Assets and Liabilities' would have been higher by Rs 74,000 with insignificant effect on the NAV per unit of the Fund as shown in the 'Statement of Movement in Unit Holders' Fund'. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

**4.3** During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

**4.4** The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### **4.5 Amendments to published approved accounting standards that are effective in the current period**

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

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

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards,



interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

5. BALANCES WITH BANKS	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
In saving accounts	5.1	572,566	1,264,097
In current accounts		<u>2,578</u>	<u>15,949</u>
		<u>575,144</u>	<u>1,280,046</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 6.05% per annum (June 30, 2017: 2.00% to 6.10% per annum).

6. INVESTMENTS	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
Investments - 'at fair value through profit or loss'	6.1	1,583,562	3,689,101
Investments - 'loans and receivables'	6.2	<u>100,000</u>	-
		<u>1,683,562</u>	<u>3,689,101</u>

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

Name of the security	Maturity date	Profit rate	As at July 01, 2017	Purchases during the period	Sales / matured during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised diminution as at March 31, 2018	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)			(%)		
GoP Ijarah Sukuk Certificates - XVI (note 6.1.1)	December 18, 2018	Weighted average 6 months T-Bills	16,330	-	12,200	4,130	421,219	412,959	(8,260)	18.97	24.53
GoP Ijarah Sukuk Certificates - XVII (note 6.1.1)	February 15, 2019	Weighted average 6 months T-Bills	19,660	-	8,702	10,958	1,127,907	1,096,348	(31,559)	50.36	65.12
GoP Ijarah Sukuk Certificates - XVIII (note 6.1.1)	March 29, 2019	Weighted average 6 months T-Bills	-	500	-	500	49,750	49,775	5	2.29	2.96
GoP Ijarah Sukuk Certificates - XIX (note 6.1.1)	June 30, 2020	Weighted average 6 months T-Bills	-	250	-	250	25,020	24,500	(520)	1.13	1.46
<b>Total</b>							<u>1,623,896</u>	<u>1,583,562</u>	<u>(40,334)</u>		
<b>Total cost of investments</b>								<u>1,623,896</u>			

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

### 6.2 Investments - 'loans and receivables'

Name of the bank	Maturity date	Profit rate	As at July 01, 2017	Term deposit receipts purchased during the period	Matured during the period	As at March 31, 2018	Percentage in relation to	
			(Rupees in '000)			Total market value of investments	Net assets of the fund on the basis of market value	(%)
Habib Bank Limited - Islamic banking	May 7, 2018	5.9	-	100,000	-	100,000	5.94	4.59



## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	<b>13,285</b>	12,690
Withholding tax payable		<b>185</b>	22,023
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	<b>73,253</b>	73,253
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	<b>2,391</b>	2,391
Printing expenses payable		<b>183</b>	356
Zakat payable		<b>21</b>	22
Auditors' remuneration payable		<b>362</b>	310
Brokerage payable		<b>357</b>	271
Shariah advisor fee payable		<b>400</b>	409
		<b>90,437</b>	111,725

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.32 / 0.61% (June 30, 2017: Re 0.15 / 0.29%). "

- 8.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 75.64 million (June 30, 2017: Rs 75.64 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs 1.81 (June 30, 2017: Re 0.90) per unit.

## 9. 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:

	<b>March 31, 2018 (Unaudited)</b>	June 30, 2017 (Audited)
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration payable	<u>1,895</u>	<u>3,552</u>
Sindh Sales Tax payable on management fee	<u>246</u>	<u>462</u>
Sales load payable	<u>15</u>	<u>44</u>
Sindh Sales Tax payable on sales load	<u>2</u>	<u>6</u>
Allocated expense payable	<u>189</u>	<u>356</u>
<b>Meezan Bank Limited</b>		
Balances with bank	<u>62,353</u>	<u>36,625</u>
Profit receivable on saving accounts	<u>812</u>	<u>1,032</u>
Sales load payable	<u>147</u>	<u>203</u>
Sindh Sales Tax on sales load payable	<u>19</u>	<u>26</u>
Investments of units: nil (June 30, 2017: 21,593,102 units)	<u>-</u>	<u>1,109,885</u>

	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	206	328
Sindh Sales Tax on trustee fee payable	27	43
Security deposit	100	100
<b>Meezan Financial Planning Fund of Funds</b>		
Investment of 408 units - MAAP - I (June 30, 2017: 908,615)	21	46,702
Investment of nil units - MAAP - II (June 30, 2017: 1,579,961)	-	81,210
<b>Directors and executives of the Management Company</b>		
Investment of 31 units (June 30, 2017: 31,123 units)	2	1,600
<b>For the Nine months period ended March 31,</b>		
	<b>2018</b>	<b>2017</b>
	<b>(Rupees in '000)</b>	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	22,800	68,147
Sindh Sales Tax on management fee	2,964	8,857
Allocated expenses	2,280	6,813
<b>Meezan Bank Limited</b>		
Profit on saving accounts	465	1,231
Units redeemed: 21,593,102 (March 31, 2017: nil units)	1,108,590	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	2,273	5,668
Sindh Sales Tax on trustee fee	295	739
CDS charges	5	2
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Units issued: nil (March 31, 2017: 4,764,673 units)	-	251,411
Units redeemed: nil (March 31, 2017: 3,396,427 units)	-	180,024
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Units issued: nil (March 31, 2017: 8,906,882 units)	-	466,119
Units redeemed: nil (March 31, 2017: 7,915,077 units)	-	417,971
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Units issued: nil (March 31, 2017: 6,325,248 units)	-	331,922
Units redeemed: nil (March 31, 2017: 5,824,134 units)	-	309,150
<b>Meezan Financial Planning Fund of Funds - Meezan Capital Preservation Plan I</b>		
Units issued: nil (March 31, 2017: 6,310,639 units)	-	325,780
Units redeemed: nil (March 31, 2017: 18,464,301 units)	-	952,198



	For the Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
<b>Meezan Financial Planning Fund of Funds</b>		
<b>- Meezan Capital Preservation Plan II</b>		
Units issued: nil (March 31, 2017: 55,963,748 units)	-	2,889,385
Units redeemed: nil (March 31, 2017: 94,435,038 units)	-	4,934,998
	<b>46,700</b>	<b>267,639</b>
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units issued: nil (March 31, 2017: 5,767,039 units)	-	295,000
Units redeemed: 908,207 units (March 31, 2017: 5,119,767 units)	-	267,639
	<b>81,242</b>	<b>138,340</b>
<b>Meezan Financial Planning Fund of Funds - MAAP - II</b>		
Units issued: nil (March 31, 2017: 3,614,960 units)	-	185,000
Units redeemed: 1,579,961 units (March 31, 2017: 2,651,075 units)	-	390,928
	<b>6</b>	<b>8,585</b>
<b>Meezan Capital Preservation Fund II</b>		
Units issued: nil (March 31, 2017: 3,163,924 units)	-	161,500
Units redeemed: nil (March 31, 2017: 7,611,868 units)	-	390,928
	<b>1,536</b>	<b>10,076</b>
<b>Directors and executives of the Management Company</b>		
Units issued: 121 units (March 31, 2017: 163,690 units)	6	8,585
Units redeemed: 29,999 units (March 31, 2017: 191,752 units)	-	10,076

## 10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 11. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 1.52% which include 0.25% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## 12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

### 13. FINANCIAL INSTRUMENTS - FAIR VALUES

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2018</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	1,583,562	-	-	-	1,583,562	-	1,583,562	-	1,583,562
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	13.1	-	-	575,144	-	575,144			
Investments - 'loans and receivables	13.1	100,000	-	-	-	100,000			
Receivable against conversion of units	13.1	-	4,651	-	-	4,651			
Receivable against investments - net	13.1	-	-	-	-	-			
Deposits, profit accrued and other receivables	13.1	-	29,309	-	-	29,309			
		<u>1,683,562</u>	<u>33,960</u>	<u>575,144</u>	<u>-</u>	<u>2,292,666</u>			
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	-	2,347	2,347			
Payable to Central Depository Company of Pakistan Limited Trustee	13.1	-	-	-	233	233			
Dividend payable	13.1	-	-	-	80	80			
Payable to Meezan Bank Limited	13.1	-	-	-	166	166			
Payable on redemption and conversion of units	13.1	-	-	-	20,499	20,499			
Accrued expenses and other liabilities	13.1	-	-	-	76,967	76,967			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>102,002</u>	<u>100,292</u>			
<b>June 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	3,689,101	-	-	-	3,689,101	-	3,689,101	-	3,689,101
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	13.1	-	-	1,280,046	-	1,280,046			
Receivable against conversion of units	13.1	-	681,947	-	-	681,947			
Deposits, profit accrued and other receivables	13.1	-	61,991	-	-	61,991			
		<u>3,689,101</u>	<u>743,938</u>	<u>1,280,046</u>	<u>-</u>	<u>5,713,085</u>			
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	-	4,420	4,420			
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	-	371	371			
Payable to Meezan Bank Limited	13.1	-	-	-	229	229			
Payable on redemption and conversion of units	13.1	-	-	-	1,189,116	1,189,116			
Dividend payable	13.1	-	-	-	67,471	67,471			
Payable to Securities and Exchange Commission of Pakistan	13.1	-	-	-	6,085	6,085			
Accrued expenses and other liabilities	13.1	-	-	-	76,990	76,990			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344,682</u>	<u>1,344,682</u>			



**13.1** The Fund has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair values.

**14. GENERAL**

**14.1** Figures have been rounded off to the nearest thousand rupees.

**14.2** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

<b>From</b>	<b>As at June 30, 2017 (Rupees in '000)</b>
Receivable against issuance and conversion of units	36,785

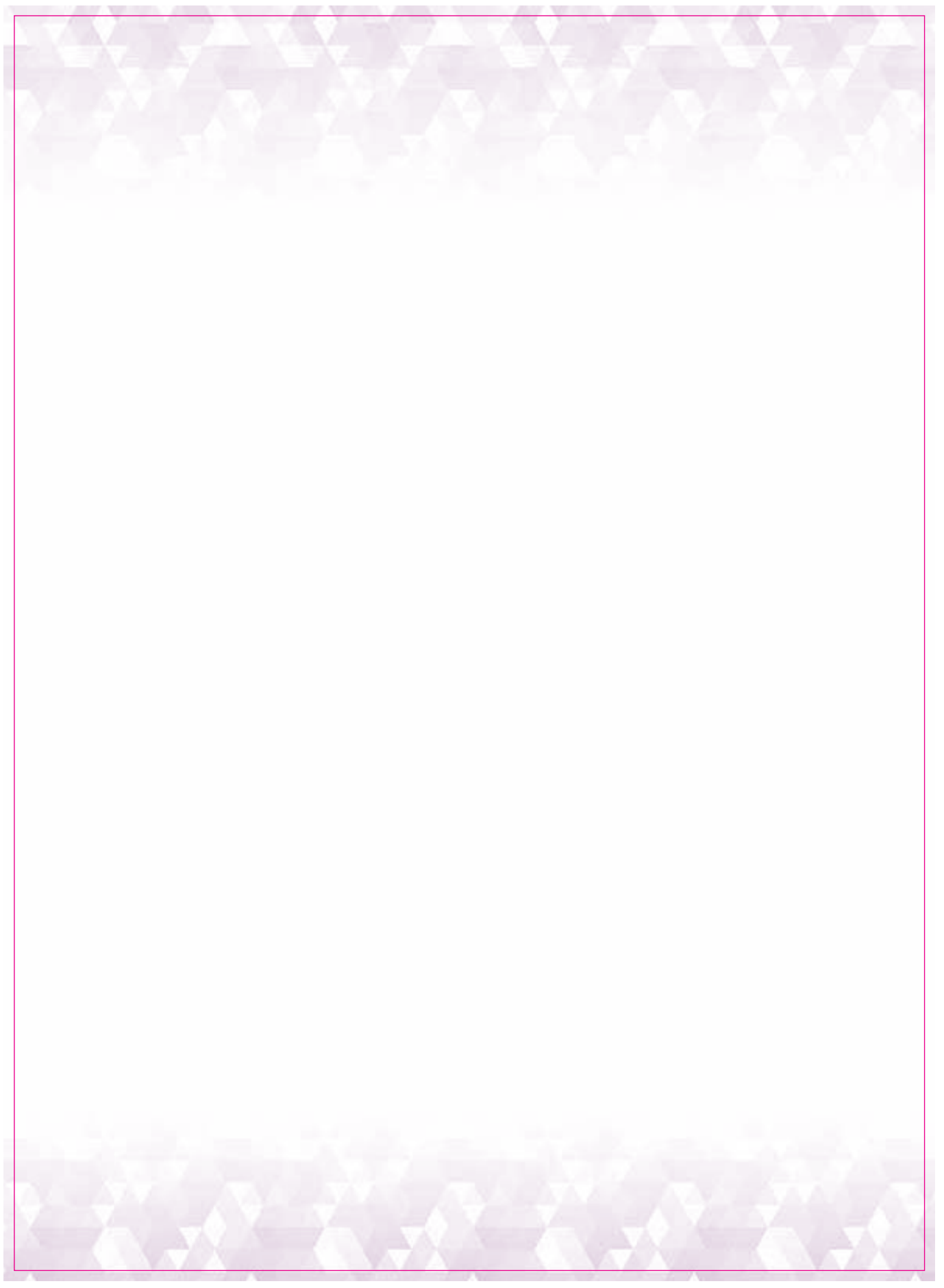
**15. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**







# Meezan Cash Fund

Meezan Cash Fund (MCF) is Pakistan's first Shariah compliant Money Market Fund. MCF aims to bring you stable and halal returns through avoiding volatility of both long term fixed income securities and stock markets.

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Sindh Bank Limited - Islamic Banking  
UBL Ameen

## 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: bawaney@cyber.net.pk

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) (Rupees in '000)	June 30, 2017 (Audited)
<b>Assets</b>			
Balances with banks	5	7,180,760	3,749,675
Investments	6	2,167,000	-
Receivable against conversion of units		299,646	719,801
Profit receivable		90,699	37,071
Deposits and prepayments		382	596
<b>Total assets</b>		<b>9,738,487</b>	<b>4,507,143</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		8,872	4,550
Payable to Central Depository Company of Pakistan Limited - Trustee		675	375
Payable to Securities and Exchange Commission of Pakistan		3,802	2,903
Payable on redemption and conversion of units		323,705	1,096,454
Dividend payable		-	4,552
Accrued expenses and other liabilities	8	39,491	47,915
<b>Total liabilities</b>		<b>376,545</b>	<b>1,156,749</b>
<b>Net assets</b>		<b>9,361,942</b>	<b>3,350,394</b>
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		9,361,942	3,350,394
(Number of units)			
Number of units in issue		180,024,130	66,430,638
(Rupees)			
Net assets value per unit		52.0038	50.4300

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine Months period ended March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	(Rupees in '000)			
Income				
Profit on term deposit receipts	45,480	22,567	26,846	6,740
Profit on sukuk certificates	-	6,845	-	-
Profit on saving accounts with banks	239,757	131,862	88,003	52,534
Reversal of Provision of Workers' Welfare Fund (WWF)	-	58,585	-	58,585
Total income	285,237	219,859	114,849	117,859
Expenses				
Remuneration to AI Meezan Investment Management Limited - Management Company	50,693	27,317	19,931	10,456
Sindh Sales Tax on management fee	6,590	3,540	2,591	1,348
Allocated expenses	5,069	2,699	1,993	1,013
Remuneration to Central Depository Company of Pakistan Limited - Trustee	4,365	2,611	1,680	968
Sindh Sales Tax on trustee fee	567	340	218	126
Annual fee to Securities and Exchange Commission of Pakistan	3,802	2,041	1,495	776
Auditors' remuneration	349	356	72	81
Fees and subscription	646	521	213	48
Legal and professional charges	54	103	27	70
Bank and settlement charges	209	138	71	193
Provision for Sindh Workers' Welfare Fund	4,256	5,953	1,730	5,953
Printing expense	89	193	30	28
Total expenses	76,690	45,812	30,052	21,060
Net income from operating activities	208,547	174,047	84,797	96,799
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	17,898	-	12,874
Net income for the period before taxation	208,547	191,945	84,797	109,673
Taxation	-	-	-	-
Net income for the period after taxation	208,547	191,945	84,797	109,673
Allocation of net income for the period				
Net income for the period after taxation	208,547	191,945	84,797	109,673
Income already paid on units redeemed	(79,102)	-	(42,209)	-
	129,445	191,945	42,588	109,673
Accounting income available for distribution				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	129,445		42,588	
	129,445		42,588	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	(Rupees in '000)			
Net income for the period after taxation	208,547	191,945	84,797	109,673
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>208,547</u>	<u>191,945</u>	<u>84,797</u>	<u>109,673</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018 ..... (Rupees in '000) .....				Nine months period ended March 31, 2017 ..... (Rupees in '000) .....			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	3,314,546	35,848	-	3,350,394	3,415,326	16,456	-	3,431,782
Issuance of 466,802,829 units (2017: 290,148,558 units)								
- Capital value (at net asset value per unit at the beginning of the period)	23,540,867	-	-	23,540,867				
- Element of income	402,265	-	-	402,265				
Total proceeds on issuance of units	23,943,132	-	-	23,943,132	14,548,049	401,670	-	14,949,719
Redemption of 353,209,344 units (2017: 281,595,806 units)								
- Capital value (at net asset value per unit at the beginning of the period)	17,812,347	-	-	17,812,347				
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	-	79,102	-	79,102				
- Relating to 'Other comprehensive income for the period'	-	-	-	-				
- Refund on units as element of income	248,682	-	-	248,682				
Total payments on redemption of units	18,061,029	79,102	-	18,140,131	14,119,213	383,771	-	14,502,984
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	(17,898)	-	(17,898)
Total comprehensive income for the period	-	208,547	-	208,547	-	191,945	-	191,945
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	208,547	-	208,547	-	191,945	-	191,945
Net assets at end of the period	9,196,649	165,293	-	9,361,942	3,844,162	208,402	-	4,052,564
Undistributed income brought forward								
- Realised income		35,848				16,456		
- Unrealised income		-				-		
		35,848				16,456		
Accounting income available for distribution								
- Relating to capital gains		-						
- Excluding capital gains		129,445						
		129,445						
Net income for the period after taxation		-				191,945		
Distribution during the period		-				-		
Undistributed income carried forward		165,293				208,401		
Undistributed income carried forward								
- Realised income		165,293				208,401		
- Unrealised income		-				-		
		165,293				208,401		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				50.4300				50.1400
Net assets value per unit at end of the period				52.0038				51.3100

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31,	
	2018	2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	208,547	191,945
Adjustments for:		
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(17,898)
	<u>208,547</u>	<u>174,047</u>
(Increase) / decrease in assets		
Investments - net	(650,000)	800,000
Deposits and prepayments	214	188
Profit receivable	(53,628)	14,230
	<u>(703,414)</u>	<u>814,418</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	4,322	1,885
Payable to Central Depository Company of Pakistan Limited - Trustee	300	(193)
Payable to Securities and Exchange Commission of Pakistan	899	(1,711)
Accrued expenses and other liabilities	(8,424)	(67,073)
	<u>(2,903)</u>	<u>(67,092)</u>
Net cash (used in) / generated from operating activities	<u>(497,770)</u>	<u>921,373</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	24,363,286	16,014,841
Payments against redemption and conversion of units	(18,912,880)	(14,966,762)
Dividend paid	(4,552)	(25)
Net cash generated from financing activities	<u>5,445,855</u>	<u>1,048,054</u>
Net increase in cash and cash equivalents during the period	<u>4,948,085</u>	<u>1,969,426</u>
Cash and cash equivalents at beginning of the period	<u>3,749,675</u>	<u>2,038,551</u>
Cash and cash equivalents at end of the period	<u>5.3</u> <u>8,697,760</u>	<u>4,007,977</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 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 unitholders 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 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 given a quality rating of AM1 and the Fund has been given a stability rating AA(f) given by JCR-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 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.

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the

requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

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 information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
  - 4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management

Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the Clarification by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been higher by Rs 74,482 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- 4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively
- 4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.
- 4.5 Amendments to published approved accounting standards that are effective in the current period
- There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.
- 4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the



impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
5. BALANCES WITH BANKS			
In saving accounts	5.1 & 5.2	7,177,225	3,724,466
In current accounts		<u>3,535</u>	<u>25,209</u>
		<u>7,180,760</u>	<u>3,749,675</u>

5.1 The balances in saving accounts have an expected profit ranging from 2.40% to 6.05% per annum (June 30, 2017: 2.40% to 6.10% per annum).

5.2 The balances include Rs 197.83 million (June 30, 2017: Rs 33.86 million) with a related party, Meezan Bank Limited, on which average return is earned at 2.40% (June 30, 2017: 2.40%) per annum.

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
5.3 Cash and cash equivalents			
Balances with banks	5	7,180,760	3,749,675
Term deposit receipts			
- having original maturity of 3 months or less	6	<u>1,517,000</u>	<u>-</u>
		<u>8,697,760</u>	<u>3,749,675</u>

## 6. INVESTMENTS

Term deposit receipts			
- having original maturity of 3 months or less	6.1	1,517,000	-
- having original maturity more than 3 months		<u>650,000</u>	<u>-</u>
		<u>2,167,000</u>	<u>-</u>

### 6.1 Loans and receivables - Term deposit receipts (TDR)

Name of the bank	Maturity date	Profit rate	As at July 01, 2017	Term deposit receipts purchased during the period	Matured during the period	As at March 31, 2018	Percentage in relation to	
							Net assets of the fund on the basis of market value	Total market value of investments
(Rupees in '000)							%	
Bank Al Habib Limited	November 1, 2017	5.80%	-	420,000	(420,000)	-	-	-
Bank Al Habib Limited	February 1, 2018	5.85%	-	670,000	(670,000)	-	-	-
Habib Bank Limited	May 7, 2018	5.90%	-	650,000	-	650,000	6.94	30.00
Habib Bank Limited	January 29, 2018	6.20%	-	110,000	(110,000)	-	-	-
Bank Al Habib Limited	April 30, 2018	5.90%	-	757,000	-	757,000	8.09	34.93
Faysal Bank Limited	May 9, 2018	5.95%	-	760,000	-	760,000	8.12	35.07
Total						<u>2,167,000</u>		

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
(Rupees in '000)			
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	10,347	6,091
Withholding tax payable		3,638	16,450
Provision for Federal Excise Duty and related Sindh Sales tax on management fee	8.2	24,675	24,687
Shariah advisor fee payable		404	268
Auditors' remuneration		330	295
Printing expense payable		52	98
Zakat payable		45	26
		39,491	47,915

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

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.06 / 0.11% (June 30, 2017: Re 0.09 / 0.18%).

- 8.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.



Effective July 1, 2016 mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence no provision for FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, the Fund has retained the provision on FED and related Sindh Sales Tax on management fee made with effect from June 13, 2013 till June 30, 2016, aggregating to Rs 24.69 million (June 30, 2017: Rs 24.69 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.14 (June 30, 2017: Re 0.37) per unit.

## 9. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 10. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 1.52 % which include 0.30 % representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## 11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees' Gratuity Fund and 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 Regulations and the Trust Deed respectively.

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

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
Al Meezan Investment Management Limited - Management Company	.....(Rupees in '000).....	
Remuneration payable	7,213	3,700
Sindh Sales Tax payable on management fee	938	481
Allocated expenses payable	721	369
Meezan Bank Limited		
Balance with bank	14,619	33,858
Profit receivable on saving accounts	14,128	1,441



	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	.....(Rupees in '000).....	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	605	340
Sindh Sales Tax on trustee fee payable	70	35
Security deposit	100	100
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Investment of 1,255,252 units (June 30, 2017: 1,868,717 units)	65,278	94,239
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Investment of 2,117,382 units (June 30, 2017: 3,034,510 units)	110,112	153,030
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Investment of 1,586,741 units (June 30, 2017: 2,028,032 units)	82,517	102,274
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 613,435 units (June 30, 2017: 1,876,917 units)	31,901	94,653
Meezan Financial Planning Fund of Funds - MAAP - II		
Investment of Nil units (June 30, 2017: 1,574,963 units)	-	79,425
Meezan Financial Planning Fund of Funds - MAAP - III		
Investment of 42,765,818 units (June 30, 2017: Nil units)	2,223,985	-
Meezan Financial Planning Fund of Funds - MAAP - IV		
Investment of 1,181,549 units (June 30, 2017: 1,406,135 units)	61,445	70,911
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 2,906,766 units (June 30, 2017: Nil units)	151,163	-
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 1,857,526 units (June 30, 2017: 2,519,985 units)	96,598	127,083
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 3,490,513 units (June 30, 2017: 9,748 units)	181,520	492
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 3,581,190 units (June 30, 2017: 1,201,553 units)	186,235	60,594
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 2,145,473 units (June 30, 2017: Nil units)	111,573	-
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 21,278,240 units (June 30, 2017: Nil units)	1,106,549	-
Meezan Strategic Asset Allocation Fund - MCPP - IV		
Investment of 3,034,216 units (June 30, 2017: Nil units)	157,791	-
Directors and Executives of the Management Company		
Investment of 117,416 units (June 30, 2017: 86,239 units)	6,106	4,349





	Nine months period ended March 31,	
	2018 (Unaudited) (Rupees in '000)	2017
<b>Al Meezan Investment Management Limited</b>		
- Management Company		
Remuneration for the period	50,693	27,317
Sindh Sales Tax on management fee	6,590	3,540
Allocated expenses	5,069	2,699
<b>Meezan Bank Limited</b>		
Profit on saving accounts	1,990	822
Units issued: 10,303,266 units (March 31,2017: Nil units)	530,000	-
Units redeemed: 10,303,266 units (March 31,2017: Nil units)	530,517	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee for the period	4,365	2,661
Sindh Sales Tax on trustee fee for the period	567	340
CDS charges	5	6
<b>Meezan Financial Planning Fund of Funds</b>		
- Aggressive Allocation Plan		
Units issued: 118,321 units (March 31,2017: Nil units)	6,075	-
Units redeemed: 731,786 units (March 31,2017: Nil units)	37,221	-
<b>Meezan Financial Planning Fund of Funds</b>		
- Conservative Allocation Plan		
Units issued: 202,151 units (March 31,2017: Nil units)	10,313	-
Units redeemed: 1,119,278 units (March 31,2017: Nil units)	57,151	-
<b>Meezan Financial Planning Fund of Funds</b>		
- Moderate Allocation Plan		
Units issued: 265,215 units (March 31,2017: Nil units)	13,675	-
Units redeemed: 706,505 units (March 31,2017: Nil units)	36,115	-
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units issued: 3,634,077 units (March 31,2017: 2,053,777 units)	185,030	107,213
Units redeemed: 4,855,558 units (March 31,2017: 448,512 units)	250,420	23,428
<b>Meezan Financial Planning Fund of Funds - MAAP - II</b>		
Units issued: 13,750,054 units (March 31,2017: 105,603,791 units)	705,388	141,842
Units redeemed: 15,325,017 units (March 31,2017: 1,238,653 units)	789,452	64,894
<b>Meezan Financial Planning Fund of Funds - MAAP - III</b>		
Units issued: 58,062,364 units (March 31,2017: 4,210,856 units)	2,995,511	221,000
Units redeemed: 15,296,546 units (March 31,2017: 760,023 units)	786,470	40,000
<b>Meezan Financial Planning Fund of Funds - MAAP - IV</b>		
Units issued: 391,619 units (March 31,2017: 1,143,874 units)	20,000	60,000
Units redeemed: 616,205 units (March 31,2017: Nil units)	31,720	-
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Units issued: 3,993,262 units (March 31,2017: 2,973,513 units)	201,500	155,976
Units redeemed: 1,086,496 units (March 31,2017: Nil units)	55,660	-

	Nine months period ended March 31,	
	2018 (Unaudited) (Rupees in '000)	2017
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 69 units (March 31,2017: 1,824,923 units)	4	95,721
Units redeemed: 662,528 units (March 31,2017: Nil units)	<u>34,230</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 3,606,817 units (March 31,2017: 3,147,828 units)	182,000	165,500
Units redeemed: 126,053 units (March 31,2017: 476,190 units)	<u>6,530</u>	<u>25,000</u>
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 2,576,298 units (March 31,2017: Nil units)	130,000	-
Units redeemed: 196,663 units (March 31,2017: Nil units)	<u>10,160</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 8,654,895 units (March 31,2017: Nil units)	441,000	-
Units redeemed: 6,509,422 units (March 31,2017: Nil units)	<u>332,508</u>	<u>-</u>
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units Issued: 33,000,604 units (March 31,2017: Nil units)	1,704,155	-
Units Issued: 11,722,848 units (March 31,2017: Nil units)	<u>606,730</u>	<u>-</u>
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 6,258,328 units (March 31,2017: Nil units)	325,000	-
Units redeemed: 3,224,112 units (March 31,2017: Nil units)	<u>167,500</u>	<u>-</u>
Directors and Executives of the Management Company		
Units issued: 318,481 units (March 31,2017: 28,474 units)	16,302	9,323
Units redeemed: 285,098 units (March 31,2017: 93,658 units)	<u>14,654</u>	<u>9,475</u>

## 12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

## 13. FINANCIAL INSTRUMENTS

The following table shows the carrying amounts of financial assets and financial liabilities. The Fund has not disclosed the fair values for these financial assets and liabilities because their carrying amounts are a reasonable approximation of their fair values.



March 31, 2018

Financial assets  
Balances with banks  
Investments - 'loans and receivables'  
- Term deposit receipts  
Receivable against conversion of units  
Profit receivable  
Deposits  
  
Financial liabilities  
Payable to Al Meezan Investment Management Limited - Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Payable on redemption and conversion of units  
Accrued expenses and other liabilities

Carrying amount				
Investments	Other receivables	Cash and cash equivalents	Other payables	Total
(Rupees in '000)				
-	-	7,180,760	-	7,180,760
2,167,000	-	-	-	2,167,000
-	299,646	-	-	299,646
-	90,699	-	-	90,699
-	300	-	-	300
2,167,000	390,645	7,180,760	-	9,738,405
-	-	-	8,872	8,872
-	-	-	675	675
-	-	-	323,705	323,705
-	-	-	583	583
-	-	-	333,835	333,835

June 30, 2017

Financial assets  
Balances with banks  
Receivable against conversion of units  
Profit receivable  
Deposits  
  
Financial liabilities  
Payable to Al Meezan Investment Management Limited - Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Payable on redemption and conversion of units  
Dividend payable  
Accrued expenses and other liabilities

Carrying amount				
Investments	Other receivables	Cash and cash equivalents	Other payables	Total
(Rupees in '000)				
-	-	3,749,675	-	3,749,675
-	719,801	-	-	719,801
-	37,071	-	-	37,071
-	300	-	-	300
-	757,172	3,749,675	-	4,506,847
-	-	-	4,550	4,550
-	-	-	375	375
-	-	-	1,096,454	1,096,454
-	-	-	4,552	4,552
-	-	-	25,348	25,348
-	-	-	1,131,279	1,131,279

## 14. GENERAL

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

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in this condensed interim financial information during the period except for the following for better presentation:

From	To	As at June 30, 2017 (Rupees in '000)
Receivable against issuance and conversion of units	Balances with banks	18,970

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# Meezan

## Financial Planning Fund of Funds

Meezan Financial Planning Fund of Funds invests in Shariah compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the investor and in doing so, it strives to generate returns on investment aligned with respective allocation plans.

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018

Note	March 31, 2018 (Unaudited)					As at January 11, 2018 Unaudited	As at March 30, 2018 Unaudited	Total	
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III		
(Rupees in '000)									
<b>Assets</b>									
	5	4,657	3,356	6,767	6,272	1,666	3,037	8,715	34,470
Balances with banks									
Investments	6	558,533	344,789	300,723	893,372	583,983	-	-	2,681,400
Preliminary expenses and floatation cost		-	-	7	-	-	-	-	7
Receivable against conversion of units		222	-	56	-	-	-	-	278
Receivable against sale of investments - net		-	-	-	-	-	707,643	2,223,711	2,931,354
Profit receivable on saving accounts with banks	10	22	4	18	46	136	607		843
<b>Total assets</b>		<b>563,422</b>	<b>348,167</b>	<b>307,557</b>	<b>899,662</b>	<b>585,695</b>	<b>710,816</b>	<b>2,233,033</b>	<b>5,648,352</b>
<b>Liabilities</b>									
Payable to AI Meezan Investment Management Limited - Management Company		64	70	58	81	50	23	190	536
Payable to Central Depository Company of Pakistan Limited - Trustee		46	26	32	64	44	19	166	397
Payable to Meezan Bank Limited		2	-	-	-	-	-	-	2
Payable to Securities and Exchange Commission of Pakistan		394	247	246	677	471	430	1,739	4,204
Payable on redemption and conversion of units		193	502	118	-	123	11,097	10,699	22,732
Accrued expenses and other liabilities	8	3,972	2,890	1,766	10,737	5,426	9,247	30,088	64,126
<b>Total liabilities</b>		<b>4,671</b>	<b>3,735</b>	<b>2,220</b>	<b>11,559</b>	<b>6,114</b>	<b>20,816</b>	<b>42,882</b>	<b>91,996</b>
<b>Net assets</b>		<b>558,751</b>	<b>344,432</b>	<b>305,337</b>	<b>888,103</b>	<b>579,581</b>	<b>690,000</b>	<b>2,190,151</b>	<b>5,556,355</b>
<b>Contingencies and commitments</b>	7								
<b>Unitholders' fund (as per statement attached)</b>		<b>558,751</b>	<b>344,432</b>	<b>305,337</b>	<b>888,103</b>	<b>579,581</b>	<b>690,000</b>	<b>2,190,151</b>	<b>5,556,355</b>
(Number of units)									
<b>Number of units in issue</b>		<b>7,430,491</b>	<b>4,927,250</b>	<b>4,613,779</b>	<b>14,216,234</b>	<b>11,543,593</b>	<b>13,799,997</b>	<b>43,803,025</b>	
(Rupees)									
<b>Net assets value per unit</b>		<b>75.1971</b>	<b>69.9035</b>	<b>66.1795</b>	<b>62.4710</b>	<b>50.2080</b>	<b>50.0000</b>	<b>50.0000</b>	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

## AS AT JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018

Note	June 30, 2017 (Audited)							As at October 27, 2016	As at March 24, 2017	Total	
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II		
(Rupees in '000)											
<b>Assets</b>											
Balances with banks	5	12,939	6,239	2,815	2,009	5,981	12,981	2,670	1,676,547	3,368,527	5,090,708
Investments	6	628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	-	-	7,526,048
Preliminary expenses and floatation cost		-	-	157	-	-	-	-	-	-	157
Receivable against conversion of units		3	-	1,942	-	-	-	-	-	-	1,945
Receivable against sale of investments - net		5,000	33,875	19,000	-	5,700	24,700	-	-	-	88,275
Profit receivable on saving accounts with banks		2	24	24	18	5	90	49	742	595	1,549
<b>Total assets</b>		<b>646,206</b>	<b>449,232</b>	<b>432,019</b>	<b>1,268,575</b>	<b>1,002,062</b>	<b>2,994,609</b>	<b>869,568</b>	<b>1,677,289</b>	<b>3,369,122</b>	<b>12,708,682</b>
<b>Liabilities</b>											
Payable to AI Meezan Investment Management Limited - Management Company		106	42	165	113	86	264	76	183	258	1,293
Payable to Central Depository Company of Pakistan Limited - Trustee		54	32	38	95	73	220	64	107	191	874
Payable to Meezan Bank Limited		3	-	-	-	-	-	-	-	-	3
Payable to Securities and Exchange Commission of Pakistan		601	477	421	1,330	982	3,003	892	509	2,220	10,435
Payable on redemption and conversion of units		12,138	35,568	16,013	300	11,103	35,438	123	-	-	110,683
Dividend payable		298	900	63	-	-	-	-	-	-	1,261
Accrued expenses and other liabilities	8	10,872	4,404	1,922	15,425	11,841	33,143	8,169	19,780	42,321	147,877
<b>Total liabilities</b>		<b>24,072</b>	<b>41,423</b>	<b>18,622</b>	<b>17,263</b>	<b>24,085</b>	<b>72,068</b>	<b>9,324</b>	<b>20,579</b>	<b>44,990</b>	<b>272,426</b>
<b>Net assets</b>		<b>622,134</b>	<b>407,809</b>	<b>413,397</b>	<b>1,251,312</b>	<b>977,977</b>	<b>2,922,541</b>	<b>860,244</b>	<b>1,656,710</b>	<b>3,324,132</b>	<b>12,436,256</b>
<b>Contingencies and commitments</b>											
Unitholders' fund (as per statement attached)	7	622,134	407,809	413,397	1,251,312	977,977	2,922,541	860,244	1,656,710	3,324,132	12,436,256
(Number of units)											
Number of units in issue		7,792,766	5,660,927	6,232,476	20,048,269	15,671,463	47,233,009	15,806,163	33,134,195	66,482,548	
(Rupees)											
Net assets value per unit		79.83	72.04	66.33	62.41	62.40	61.87	54.42	50.00	50.00	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31, 2018					From July 01, 2017 to January 11, 2018	From July 01, 2017 to March 30, 2018	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	
Income								
	(6,697)	(6,721)	(3,250)	(53,060)	(48,570)	(134,973)	(355,666)	(608,937)
	-	-	-	116	32	9	-	157
	169	89	126	435	34	184	711	1,748
	<u>(6,528)</u>	<u>(6,632)</u>	<u>(3,124)</u>	<u>(52,509)</u>	<u>(48,504)</u>	<u>(134,780)</u>	<u>(354,955)</u>	<u>(607,032)</u>
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' (net)								
6.1	(29,132)	(6,285)	1,092	44,645	(14,866)	-	-	(4,546)
Total Loss	<u>(35,660)</u>	<u>(12,917)</u>	<u>(2,032)</u>	<u>(7,864)</u>	<u>(63,370)</u>	<u>(134,780)</u>	<u>(354,955)</u>	<u>(611,578)</u>
Expenses								
	87	57	75	234	29	21	98	601
	11	7	10	30	4	3	13	78
10	415	260	259	714	496	452	1,830	4,426
	329	206	205	565	393	357	1,451	3,506
	43	27	27	73	51	46	189	456
	394	247	246	677	471	430	1,739	4,204
	35	23	23	61	44	43	160	389
	21	14	14	37	25	23	94	228
	-	-	149	-	-	-	-	149
	3	2	2	5	3	-	23	38
	-	-	-	162	-	-	-	162
	11	10	15	12	11	7	16	82
	40	24	24	76	51	52	180	447
	<u>1,389</u>	<u>877</u>	<u>1,049</u>	<u>2,646</u>	<u>1,578</u>	<u>1,434</u>	<u>5,793</u>	<u>14,766</u>
Net loss for the period before taxation	<u>(37,049)</u>	<u>(13,794)</u>	<u>(3,081)</u>	<u>(10,510)</u>	<u>(64,948)</u>	<u>(136,214)</u>	<u>(360,748)</u>	<u>(626,344)</u>
Taxation	-	-	-	-	-	-	-	-
Net loss for the period after taxation	<u>(37,049)</u>	<u>(13,794)</u>	<u>(3,081)</u>	<u>(10,510)</u>	<u>(64,948)</u>	<u>(136,214)</u>	<u>(360,748)</u>	<u>(626,344)</u>
Allocation of net income for the period								
Net loss for the period after taxation	<u>(37,049)</u>	<u>(13,794)</u>	<u>(3,081)</u>	<u>(10,510)</u>	<u>(64,948)</u>	<u>(136,214)</u>	<u>(360,748)</u>	<u>(626,344)</u>
Income already paid on units redeemed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(37,049)</u>	<u>(13,794)</u>	<u>(3,081)</u>	<u>(10,510)</u>	<u>(64,948)</u>	<u>(136,214)</u>	<u>(360,748)</u>	<u>(626,344)</u>

\* Due to net loss for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

Note	Nine months period ended March 31, 2017							From July 1, to October 27, 2016	From July 1, to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	
	(Rupees in '000)									
Income										
	48,463	46,449	28,079	70,153	36,659	99,505	29,045	97,417	395,448	851,218
	-	-	-	566	162	3,618	3,317	143	3,576	11,382
	380	414	298	154	266	223	312	799	704	3,550
	2,694	1,745	1,452	-	-	-	-	-	282	6,173
	37	19	-	7	-	5	-	81	-	149
	51,574	48,627	29,829	70,880	37,087	103,351	32,674	98,440	400,010	872,472
Net unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'										
6.1	53,460	32,077	17,961	225,438	178,141	549,487	149,898	-	-	1,206,462
Total income	105,034	80,704	47,790	296,318	215,228	652,838	182,572	98,440	400,010	2,078,934
Expenses										
Remuneration to AI Meezan - Management Company										
	150	140	118	60	104	92	107	83	93	947
	20	18	15	9	13	12	14	11	12	124
10	448	389	338	1,044	771	2,369	707	535	2,337	8,938
	346	300	261	805	594	1,826	545	413	1,801	6,891
	45	39	34	105	77	237	71	54	234	896
	426	369	322	992	733	2,251	672	509	2,220	8,494
	22	20	15	54	38	111	38	28	128	454
	12	11	9	29	21	65	19	19	65	251
	-	-	150	-	-	-	-	-	-	150
	-	-	-	75	-	-	-	-	-	75
	4	4	3	13	9	29	5	5	31	103
	4	5	2	3	-	-	10	-	-	24
	17	13	12	49	34	105	21	60	114	425
	4,045	2,156	1,248	8,273	6,380	19,358	3,420	-	13,681	58,561
Total expenses	5,539	3,464	2,527	11,511	8,774	26,455	5,629	1,717	20,716	86,333
Net income from operating activities	99,495	77,240	45,263	284,807	206,454	626,383	176,943	96,723	379,294	1,992,601
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net										
	27,485	(16,348)	(6,731)	(13,616)	(14,827)	(20,623)	(9,354)	(27,599)	(8,800)	(90,413)
Net income for the period before taxation	126,980	60,892	38,532	271,191	191,627	605,760	167,589	69,124	370,494	1,902,188
12	-	-	-	-	-	-	-	-	-	-
Net income for the period after taxation	126,980	60,892	38,532	271,191	191,627	605,760	167,589	69,124	370,494	1,902,188

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

Note	Quarter ended March 31, 2018						From January 1, 2018 to January 11, 2018	From January 1, 2018 to March 30, 2018	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III		
(Rupees in '000)									
<b>Income</b>									
		(1,785)	(1,140)	(85)	2,784	(31,280)	5,238	80,088	53,820
		-	-	-	61	-	-	-	61
		43	41	24	28	9	144	551	840
		(1,742)	(1,099)	(61)	2,873	(31,271)	5,382	80,639	54,721
6.1		43,620	19,305	10,357	53,900	78,716	(4,166)	(21,457)	180,275
		41,878	18,206	10,296	56,773	47,445	1,216	59,182	234,996
<b>Expenses</b>									
		20	23	18	15	5	2	16	99
		2	3	3	2	1	-	2	13
10		134	83	76	215	147	21	552	1,228
		107	66	60	171	118	17	442	981
		14	9	8	22	15	2	58	128
		128	79	72	203	140	21	525	1,168
		7	5	5	12	9	1	34	73
		7	5	4	11	7	1	29	64
		-	-	49	-	-	-	-	49
		3	2	2	5	3	-	23	38
		6	1	3	4	3	-	3	20
		7	4	3	14	7	2	31	68
		435	280	303	674	455	67	1,715	3,929
		41,443	17,926	9,993	56,099	46,990	1,149	57,467	231,067
12		-	-	-	-	-	-	-	-
		41,443	17,926	9,993	56,099	46,990	1,149	57,467	231,067
		41,443	17,926	9,993	56,099	46,990	1,149	57,467	231,067
		-	-	-	-	-	-	-	-
		41,443	17,926	9,993	56,099	46,990	1,149	57,467	231,067

\* Due to net loss for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

Note	Quarter ended March 31, 2017							From July 1, 2016 to March 24, 2017	Total																																																																																																																																																																																																																																																																																																									
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-II																																																																																																																																																																																																																																																																																																										
	(Rupees in '000)																																																																																																																																																																																																																																																																																																																	
Income										Realised gain on sale of investments	18,396	34,627	11,434	48,313	23,453	64,840	25,728	219,573	446,364	Back end load income	-	-	-	-	27	1,102	3,185	310	4,624	Profit on saving accounts with banks	263	159	147	57	66	119	46	626	1,483	Reversal of provision of Workers' Welfare Fund	2,694	1,745	1,452	-	-	-	-	282	6,173	Other income	1	-	-	-	-	-	-	-	1		<u>21,354</u>	<u>36,531</u>	<u>13,033</u>	<u>48,370</u>	<u>23,546</u>	<u>66,061</u>	<u>28,959</u>	<u>220,791</u>	<u>458,645</u>	Net unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss'	6.1	(9,657)	(19,277)	(4,287)	(17,391)	347	2,356	(4,305)	(151,691)	(203,905)	Total income		<u>11,697</u>	<u>17,254</u>	<u>8,746</u>	<u>30,979</u>	<u>23,893</u>	<u>68,417</u>	<u>24,654</u>	<u>69,100</u>	<u>254,740</u>	Expenses										Remuneration to Al Meezan - Management Company	94	44	56	24	28	50	20	50	366	Sindh Sales Tax on management fee	13	6	7	4	3	7	3	6	49	Allocated expenses	195	155	115	364	269	838	249	760	2,945	Remuneration to CDC - Trustee	151	119	89	280	207	646	192	585	2,269	Sindh Sales Tax on trustee fee	20	15	12	37	27	84	25	76	296	Annual fee to SECP	186	146	110	345	256	796	237	721	2,797	Auditors' remuneration	6	4	3	10	8	25	7	22	85	Fees and subscription	4	4	4	8	3	19	5	17	65	Amortisation of preliminary expenses and floatation costs	-	-	48	-	-	-	-	-	48	Legal and professional charges	3	3	2	9	6	21	3	22	69	Transaction cost	-	-	-	75	-	-	-	-	75	Bank and settlement charges	3	4	2	-	-	-	10	-	19	Printing charges	-	-	-	1	3	-	2	1	7	Provision for Sindh Workers' Welfare Fund (SWWF)	4,045	2,156	1,248	8,273	6,380	19,358	3,420	13,681	58,561	Total expenses	<u>4,720</u>	<u>2,656</u>	<u>1,696</u>	<u>9,430</u>	<u>7,190</u>	<u>21,844</u>	<u>4,173</u>	<u>15,941</u>	<u>67,651</u>	Net income from operating activities		<u>6,977</u>	<u>14,598</u>	<u>7,050</u>	<u>21,549</u>	<u>16,703</u>	<u>46,573</u>	<u>20,481</u>	<u>53,159</u>	<u>187,089</u>	Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		11,590	(51,389)	(4,649)	(6,657)	(14,429)	(14,685)	(18,894)	(6,509)	(105,622)	Net income / (loss) for the period before taxation		<u>18,567</u>	<u>(36,791)</u>	<u>2,401</u>	<u>14,892</u>	<u>2,274</u>	<u>31,888</u>	<u>1,587</u>	<u>46,650</u>	<u>81,467</u>	Taxation	12	-	-	-	-	-	-	-	-	-	Net income / (loss) for the period after taxation		<u>18,567</u>	<u>(36,791)</u>	<u>2,401</u>	<u>14,892</u>	<u>2,274</u>	<u>31,888</u>	<u>1,587</u>	<u>46,650</u>	<u>81,467</u>
Realised gain on sale of investments	18,396	34,627	11,434	48,313	23,453	64,840	25,728	219,573	446,364																																																																																																																																																																																																																																																																																																									
Back end load income	-	-	-	-	27	1,102	3,185	310	4,624																																																																																																																																																																																																																																																																																																									
Profit on saving accounts with banks	263	159	147	57	66	119	46	626	1,483																																																																																																																																																																																																																																																																																																									
Reversal of provision of Workers' Welfare Fund	2,694	1,745	1,452	-	-	-	-	282	6,173																																																																																																																																																																																																																																																																																																									
Other income	1	-	-	-	-	-	-	-	1																																																																																																																																																																																																																																																																																																									
	<u>21,354</u>	<u>36,531</u>	<u>13,033</u>	<u>48,370</u>	<u>23,546</u>	<u>66,061</u>	<u>28,959</u>	<u>220,791</u>	<u>458,645</u>																																																																																																																																																																																																																																																																																																									
Net unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss'	6.1	(9,657)	(19,277)	(4,287)	(17,391)	347	2,356	(4,305)	(151,691)	(203,905)																																																																																																																																																																																																																																																																																																								
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Remuneration to Al Meezan - Management Company	94	44	56	24	28	50	20	50	366																																																																																																																																																																																																																																																																																																									
Sindh Sales Tax on management fee	13	6	7	4	3	7	3	6	49																																																																																																																																																																																																																																																																																																									
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Fees and subscription	4	4	4	8	3	19	5	17	65																																																																																																																																																																																																																																																																																																									
Amortisation of preliminary expenses and floatation costs	-	-	48	-	-	-	-	-	48																																																																																																																																																																																																																																																																																																									
Legal and professional charges	3	3	2	9	6	21	3	22	69																																																																																																																																																																																																																																																																																																									
Transaction cost	-	-	-	75	-	-	-	-	75																																																																																																																																																																																																																																																																																																									
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Total expenses	<u>4,720</u>	<u>2,656</u>	<u>1,696</u>	<u>9,430</u>	<u>7,190</u>	<u>21,844</u>	<u>4,173</u>	<u>15,941</u>	<u>67,651</u>																																																																																																																																																																																																																																																																																																									
Net income from operating activities		<u>6,977</u>	<u>14,598</u>	<u>7,050</u>	<u>21,549</u>	<u>16,703</u>	<u>46,573</u>	<u>20,481</u>	<u>53,159</u>	<u>187,089</u>																																																																																																																																																																																																																																																																																																								
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Net income / (loss) for the period before taxation		<u>18,567</u>	<u>(36,791)</u>	<u>2,401</u>	<u>14,892</u>	<u>2,274</u>	<u>31,888</u>	<u>1,587</u>	<u>46,650</u>	<u>81,467</u>																																																																																																																																																																																																																																																																																																								
Taxation	12	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																																																																																								
Net income / (loss) for the period after taxation		<u>18,567</u>	<u>(36,791)</u>	<u>2,401</u>	<u>14,892</u>	<u>2,274</u>	<u>31,888</u>	<u>1,587</u>	<u>46,650</u>	<u>81,467</u>																																																																																																																																																																																																																																																																																																								

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018					From July 01, 2017 to January 11, 2018	From July 01, 2017 to March 30, 2018	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	
	(Rupees in '000)							
Net loss for the period after taxation	(37,049)	(13,794)	(3,081)	(10,510)	(64,948)	(136,214)	(360,748)	(626,344)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(37,049)</b>	<b>(13,794)</b>	<b>(3,081)</b>	<b>(10,510)</b>	<b>(64,948)</b>	<b>(136,214)</b>	<b>(360,748)</b>	<b>(626,344)</b>

	Nine months period ended March 31, 2017							From July 01, 2016 to October 27, 2016	From July 01, 2016 to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	
	(Rupees in '000)									
Net income for the period after taxation	126,980	60,892	38,532	271,191	191,627	605,760	167,589	69,124	370,494	1,902,188
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>126,980</b>	<b>60,892</b>	<b>38,532</b>	<b>271,191</b>	<b>191,627</b>	<b>605,760</b>	<b>167,589</b>	<b>69,124</b>	<b>370,494</b>	<b>1,902,188</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

	Quarter ended March 31, 2018							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	
Net Income for the period after taxation	41,443	17,926	9,993	56,099	46,990	1,149	57,467	231,067
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>41,443</b>	<b>17,926</b>	<b>9,993</b>	<b>56,099</b>	<b>46,990</b>	<b>1,149</b>	<b>57,467</b>	<b>231,067</b>

	Quarter ended March 31, 2017								Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	M CPP-II	
Net income / (loss) for the period after taxation	18,567	(36,791)	2,401	14,892	2,274	31,888	1,587	46,650	81,467
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>18,567</b>	<b>(36,791)</b>	<b>2,401</b>	<b>14,892</b>	<b>2,274</b>	<b>31,888</b>	<b>1,587</b>	<b>46,650</b>	<b>81,467</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)



**Meezan**  
Financial Planning  
Fund of Funds

	Nine months period ended March 31, 2018			Nine months period ended March 31, 2018			Nine months period ended March 31, 2018				
	Aggressive (Rupees in '000)	Moderate (Rupees in '000)	Conservative (Rupees in '000)	Aggressive (Rupees in '000)	Moderate (Rupees in '000)	Conservative (Rupees in '000)	Aggressive (Rupees in '000)	Moderate (Rupees in '000)	Conservative (Rupees in '000)		
Net assets at beginning of the period	447,919	622,134	298,428	109,381	407,809	325,714	87,683	413,397	987,898	263,414	1,251,312
Issuance of units:											
Aggressive: 4,698,195 units / Moderate: 2,697,781 units / Conservative: 3,772,850 units / MAAP I: 6,018,794 units											
- Capital value (at net asset value per unit)	375,056	375,056	194,348	-	194,348	250,253	-	250,253	413,079	-	413,079
- Element of loss	(23,212)	(23,212)	(4,146)	-	(4,146)	(1,852)	-	(1,852)	(9,666)	-	(9,666)
Total proceeds on issuance of units	351,844	351,844	190,202	-	190,202	248,401	-	248,401	393,411	-	393,411
Redemption of units:											
Aggressive: 5,060,470 units / Moderate: 3,431,457 units / Conservative: 5,391,548 units / MAAP I: 12,450,820 units / MAAP II: 2,752,168 units / MAAP III: 6,628,975 units / MAAP IV: 4,262,568 units											
- Capital value (at net asset value per unit at the beginning of the period)	403,977	403,977	247,202	-	247,202	357,622	-	357,622	777,056	-	777,056
- amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-
- Reading to "Net Income for the period after taxation"	-	-	-	-	-	-	-	-	-	-	-
- Relating to Other Comprehensive Income for the period	(25,799)	(25,799)	(7,419)	-	(7,419)	(4,241)	-	(4,241)	(30,945)	-	(30,945)
- Adjustment on units settlement of income	378,178	378,178	239,783	353,381	353,381	353,381	353,381	353,381	746,111	746,111	746,111
Total payments on redemption of units	(37,049)	(37,049)	(13,794)	(13,794)	(13,794)	(13,794)	(3,081)	(3,081)	(10,510)	(10,510)	(10,510)
Total comprehensive loss for the period	(37,049)	(37,049)	(13,794)	(13,794)	(13,794)	(13,794)	(3,081)	(3,081)	(10,510)	(10,510)	(10,510)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period less distribution	(37,049)	(37,049)	(13,794)	(13,794)	(13,794)	(13,794)	(3,081)	(3,081)	(10,510)	(10,510)	(10,510)
Net assets at end of the period	421,585	558,751	248,845	95,587	344,432	220,735	84,602	305,337	635,199	252,904	888,103
Undistributed income brought forward	186,768	116,539	100,829	116,539	100,829	100,829	100,829	100,829	169,904	169,904	169,904
- Realised income	(12,553)	(7,159)	(7,159)	(7,159)	(7,159)	(7,159)	(7,159)	(7,159)	(9,510)	(9,510)	(9,510)
- Unrealised (loss) / income	174,215	109,381	109,381	109,381	109,381	109,381	87,683	87,683	263,414	263,414	263,414
Accounting income available for distribution	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	(37,049)	(37,049)	(13,794)	(13,794)	(13,794)	(13,794)	(3,081)	(3,081)	(10,510)	(10,510)	(10,510)
Net loss for the period after taxation	(37,049)	(37,049)	(13,794)	(13,794)	(13,794)	(13,794)	(3,081)	(3,081)	(10,510)	(10,510)	(10,510)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	137,166	96,587	96,587	96,587	96,587	96,587	84,602	84,602	252,904	252,904	252,904
Undistributed income carried forward	166,298	101,872	83,510	101,872	83,510	83,510	83,510	83,510	208,259	208,259	208,259
- Realised income	(29,132)	(6,285)	(6,285)	(6,285)	(6,285)	(6,285)	(6,285)	(6,285)	(44,645)	(44,645)	(44,645)
- Unrealised (loss) / income	137,166	96,587	96,587	96,587	96,587	96,587	84,602	84,602	252,904	252,904	252,904
Net asset value per unit as at beginning of the period	79.83	79.83	72.04	79.83	72.04	72.04	66.33	66.33	62.41	62.41	62.41
Net asset value per unit as at end of the period	75.1971	75.1971	69.9035	75.1971	69.9035	69.9035	66.1795	66.1795	62.4710	62.4710	62.4710

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

From July 01, 2017 to January 11, 2018  
From July 01, 2017 to March 30, 2018  
From July 01, 2017 to March 31, 2018

	MAAP-II (Rupees in '000)	MAAP-III (Rupees in '000)	MAAP-IV (Rupees in '000)	Total (Rupees in '000)
Capital Value	777,741	2,339,353	583,188	3,699,282
Undistributed Income	200,236	977,977	2,339,353	3,517,566
Unrealised appreciation/available for sale investments	-	-	-	-
Total	977,977	2,339,353	583,188	3,699,282
Capital Value	54,951	197,798	38,006	290,755
Undistributed Income	(10,953)	(38,006)	-	(48,959)
Unrealised appreciation/available for sale investments	-	-	-	-
Total	44,000	159,792	38,006	241,800

Net assets at beginning of the period 777,741 2,339,353 583,188 3,699,282

Issuance of units: Aggressive: 4,698,195 units / Moderate: 2,697,781 units / Conservative: 3,772,850 units / MAAP I: 1,618,794 units

MAAP-II: 880,702 bonus units / MAAP-III: 3,196,991 Bonus units

- Capital value (at net asset value per unit 54,951 197,798 38,006 290,755

- Element of loss (10,953) (38,006) - (48,959)

Total proceeds on issuance of units 44,000 159,792 38,006 241,800

Redemption of units: Aggressive: 5,060,470 units / Moderate: 3,431,457 units / Conservative: 5,391,548 units / MAAP I: 12,450,829 units / MAAP-II: 2,752,168 units / MAAP-III: 6,626,975 units / MAAP-IV: 4,262,568 units

- Capital value (at net asset value per unit 171,731 410,011 410,011 991,753

- Amount paid out of element of income (21,667) (44,871) (44,871) (111,409)

- Relating to 'Net Income for the period after taxation' (15,136) (15,136) - (30,272)

- Adjustment on units as element of income 150,064 365,140 365,140 880,344

Total payments on redemption of units 171,731 410,011 410,011 991,753

Total comprehensive loss for the period (136,214) (360,748) (360,748) (857,710)

Distribution during the period (45,699) (166,294) (166,294) (358,297)

Net loss for the period less distribution (181,913) (527,042) (527,042) (1,235,997)

Net assets at end of the period 671,677 1,832,323 690,000 2,134,005

Undistributed income brought forward 117,251 82,985 200,236 300,472

- Unrealised (loss) / income 82,985 311,690 583,188 977,863

Accounting income available for distribution 117,251 311,690 583,188 977,863

- Relating to capital gains - - - -

- Excluding capital gains - - - -

Net loss for the period after taxation (136,214) (360,748) (360,748) (857,710)

Distribution during the period (45,699) (166,294) (166,294) (358,297)

Undistributed income carried forward 18,323 56,146 56,146 130,615

Undistributed income carried forward 18,323 56,146 56,146 130,615

- Realised income 18,323 56,146 56,146 130,615

- Unrealised (loss) / income 18,323 56,146 56,146 130,615

Net asset value per unit as at beginning of the period 62.40 61.87 50.000 54.42

Net asset value per unit as at end of the period 50.000 50.000 50.000 50.000

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited (Management Company)

Chief Executive

Director

MAAP-II  
(Rupees in '000)

MAAP-III  
(Rupees in '000)

MAAP-IV  
(Rupees in '000)

Total  
(Rupees in '000)

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

Total

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

Total

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

Total

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

Total

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

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Unrealised appreciation/available for sale investments

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Undistributed Income

Unrealised appreciation/available for sale investments

Total

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

Total

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

Total

Capital Value

Undistributed Income

Unrealised appreciation/available for sale investments

Total

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)



**Meezan**  
Financial Planning  
Fund of Funds

	Aggressive (Rupees in '000)			Moderate (Rupees in '000)			Conservative (Rupees in '000)			MCPPI-I (Rupees in '000)			MCPPI-II (Rupees in '000)		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	319,062	123,807	442,869	295,265	71,336	366,601	273,997	52,659	326,656	2,990,942	43,692	3,034,634	1,182,501	95,405	1,277,906
Issuance of units:															
Aggressive: 10,998,776 units,	806,980	126,853	933,833	-	-	895,987	-	-	-	-	-	-	-	-	-
Moderate: 12,469,368 units,	-	-	814,499	81,488	-	895,987	-	-	-	-	-	-	-	-	-
Conservative: 12,732,871 units,	-	-	-	-	-	-	773,013	48,230	821,244	424,895	(6,114)	418,781	-	-	-
MCPPI-I: 8,376,613 Bonus units,	806,980	126,853	933,833	814,499	81,488	895,987	773,013	48,230	821,244	424,895	(6,114)	418,781	-	-	-
Total proceeds on issuance of units	1,613,960	253,706	1,867,666	1,690,986	122,968	1,813,954	1,546,026	96,460	1,642,486	849,790	(3,924)	1,638,562	773,013	48,230	821,244
Redemption of units:															
Aggressive: 8,432,601 units,	618,700	99,368	718,068	-	-	881,162	-	-	-	-	-	-	-	-	-
Moderate: 11,992,150 units,	-	-	783,326	97,836	-	881,162	-	-	-	-	-	-	-	-	-
Conservative: 11,906,504 units,	-	-	-	-	-	-	722,844	54,962	777,806	-	-	-	-	-	-
MCPPI-I: 1,717,142 units,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MCPPI-II: 1,951,881 units,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	618,700	99,368	718,068	783,326	97,836	881,162	722,844	54,962	777,806	87,110	2,686	887,916	105,460	13,616	119,076
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	(27,485)	(27,485)	16,348	-	16,348	-	6,731	6,731	8,800	-	8,800	-	13,616	13,616
Total comprehensive income for the period	-	126,980	126,980	60,892	-	60,892	-	38,532	38,532	370,494	-	370,494	-	271,191	271,191
Distribution on March 22, 2017 @ 14.32% (Rs 7.16 per unit)	-	-	-	-	-	-	-	-	-	(418,781)	-	(418,781)	-	-	-
Net income for the period less distribution	-	126,980	126,980	60,892	-	60,892	-	38,532	38,532	370,494	-	370,494	-	271,191	271,191
Net assets at end of the period	507,342	250,787	758,129	326,438	132,228	458,666	324,166	91,191	415,357	3,287,727	(4,995)	3,242,132	1,077,041	366,596	1,443,637
Undistributed income brought forward	107,345	-	107,345	66,828	-	66,828	56,767	-	56,767	24,832	-	24,832	-	20,488	20,488
- Realised income	76,462	-	76,462	4,508	-	4,508	(4,108)	-	(4,108)	18,960	-	18,960	-	74,917	74,917
- Unrealised income / (loss)	123,807	-	123,807	71,336	-	71,336	52,659	-	52,659	43,692	-	43,692	-	95,405	95,405
Net income for the period after taxation	126,980	-	126,980	60,892	-	60,892	38,532	-	38,532	370,494	-	370,494	-	271,191	271,191
Distribution during the period	-	-	-	-	-	-	-	-	-	(418,781)	-	(418,781)	-	-	-
Undistributed income carried forward	250,787	-	250,787	132,228	-	132,228	91,191	-	91,191	(4,995)	-	(4,995)	-	366,596	366,596
Undistributed income carried forward	197,327	-	197,327	100,151	-	100,151	73,230	-	73,230	(4,995)	-	(4,995)	-	141,158	141,158
- Realised income / (loss)	53,460	-	53,460	32,077	-	32,077	17,961	-	17,961	(4,995)	-	(4,995)	-	228,438	228,438
- Unrealised income	250,787	-	250,787	132,228	-	132,228	91,191	-	91,191	(4,995)	-	(4,995)	-	366,596	366,596
Net asset value per unit as at beginning of the period			73.37			65.32			60.71			50.73			54.03
Net asset value per unit as at end of the period			88.13			75.32			66.92			50.00			66.53

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2017			Nine months period ended March 31, 2017			Nine months period ended March 31, 2017			Nine months period ended March 31, 2017						
	MAAP-II (Rupees in '000)	MAAP-III (Rupees in '000)	MAAP-IV (Rupees in '000)	MCPPI (Rupees in '000)	MAAP-II (Rupees in '000)	MAAP-III (Rupees in '000)	MAAP-IV (Rupees in '000)	MCPPI (Rupees in '000)	MAAP-II (Rupees in '000)	MAAP-III (Rupees in '000)	MAAP-IV (Rupees in '000)	MCPPI (Rupees in '000)				
	Capital Value	Unrealised appreciation/ depreciation for sale/ investments	Unrealised appreciation/ depreciation for sale/ investments	Unrealised appreciation/ depreciation for sale/ investments	Capital Value	Unrealised appreciation/ depreciation for sale/ investments	Unrealised appreciation/ depreciation for sale/ investments	Unrealised appreciation/ depreciation for sale/ investments	Capital Value	Unrealised appreciation/ depreciation for sale/ investments	Unrealised appreciation/ depreciation for sale/ investments	Unrealised appreciation/ depreciation for sale/ investments				
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total				
Net assets at beginning of the period	844,960	80,267	925,227	2,638,295	212,712	2,851,007	549,256	(17,323)	531,933	1,411,254	164,392	1,575,646	10,505,532	826,947	-	11,332,479
Issue of units:																
MAAP-IV 7,951,433 units	-	-	-	-	-	-	385,008	11,792	-	284,974	(28,887)	-	256,087	-	-	-
MCPPI 1,512,753 bonus units	-	-	-	-	-	-	385,008	11,792	-	284,974	(28,887)	-	256,087	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	385,008	11,792	-	284,974	(28,887)	-	256,087	-	-	3,722,731
Redemption of units:																
MAAP-II 1,200,199 units	65,710	14,827	-	80,537	-	-	-	-	-	-	-	-	-	-	-	-
MAAP-III 2,659,986 units	-	-	-	-	20,623	164,342	-	-	-	-	-	-	-	-	-	-
MAAP-IV 2,658,244 units	-	-	-	-	-	-	143,719	20,623	-	-	-	-	-	-	-	-
MCPPI 304,595 units	-	-	-	-	-	-	-	-	148,744	-	-	-	-	-	-	-
Total payments on redemption of units	65,710	14,827	80,537	143,719	20,623	164,342	127,598	21,146	148,744	16,948	(1,290)	15,658	2,671,415	323,774	-	2,995,189
Element of (income) / loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - net	-	14,827	14,827	20,623	20,623	20,623	-	9,354	-	9,354	-	27,599	-	90,413	-	90,413
Total comprehensive income for the period	-	191,627	191,627	605,760	605,760	605,760	167,589	167,589	167,589	69,124	69,124	69,124	1,902,187	1,902,187	-	1,902,187
Distribution on October 26, 2016 @ 18.12% (Rs 9.06 per unit)	-	-	-	-	-	-	-	-	-	-	-	-	(256,088)	(256,088)	-	(674,869)
Net income for the period less distribution	-	191,627	191,627	605,760	605,760	605,760	167,589	167,589	167,589	69,124	69,124	69,124	1,646,099	1,646,099	-	1,227,319
Net assets at end of the period	779,250	271,894	1,051,144	2,494,576	818,472	3,313,048	80,666	150,266	96,632	1,679,281	(22,571)	1,656,710	11,323,486	2,054,266	-	13,377,755
Undistributed income brought forward	16,973	-	-	41,877	-	-	(5,726)	-	-	12,0478	-	-	449,862	-	-	449,862
- Realised income / (loss)	63,294	-	-	170,835	-	-	(11,597)	-	4,314	4,314	-	-	377,085	-	-	377,085
- Unrealised income / (loss)	80,267	-	-	212,712	-	-	(17,323)	-	164,392	164,392	-	-	826,947	-	-	826,947
Net income for the period after taxation	191,627	-	-	605,760	-	-	167,589	-	69,125	69,125	-	-	1,902,188	-	-	1,902,188
Distribution during the period	-	-	-	-	-	-	-	-	(256,088)	(256,088)	-	-	(674,869)	-	-	(674,869)
Undistributed income carried forward	271,894	-	-	818,472	-	-	150,266	-	(22,571)	(22,571)	-	-	2,054,266	-	-	2,054,266
Undistributed income carried forward	93,753	-	-	269,985	-	-	150,266	-	(22,571)	(22,571)	-	-	997,702	-	-	997,702
- Realised income / (loss)	178,141	-	-	549,487	-	-	150,266	-	48,42	48,42	-	-	1,056,564	-	-	1,056,564
- Unrealised income	271,894	-	-	818,472	-	-	150,266	-	(22,571)	(22,571)	-	-	2,054,266	-	-	2,054,266
Net asset value per unit as at beginning of the period	(Rupees)															
Net asset value per unit as at end of the period																

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018					From July 01, 2017 to January 11, 2018	From July 01, 2017 to March 30, 2018	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	
(Rupees in '000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net loss for the period before taxation	(37,049)	(13,794)	(3,081)	(10,510)	(64,948)	(136,214)	(360,748)	(626,344)
Adjustments for								
Net unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss <sup>1</sup>	29,132	6,285	(1,092)	(44,645)	14,866	-	-	4,546
Amortisation of preliminary expenses and floatation costs	-	-	149	-	-	-	-	149
	(7,917)	(7,509)	(4,024)	(55,155)	(50,082)	(136,214)	(360,748)	(621,649)
Decrease / (increase) in assets								
Investments - net	40,597	58,020	108,450	417,821	268,000	990,376	2,956,838	4,840,102
Receivable against investments - net	5,000	33,875	19,000	-	-	(701,943)	(2,199,011)	(2,843,079)
Profit receivable on saving accounts with banks	(8)	2	20	-	3	(131)	(517)	(631)
	45,589	91,897	127,470	417,821	268,003	288,302	757,310	1,996,392
Increase / (decrease) in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	(42)	28	(107)	(32)	(26)	(63)	(74)	(316)
Payable to Central Depository Company of Pakistan Limited - Trustee	(8)	(6)	(6)	(31)	(20)	(54)	(54)	(179)
Payable to Meezan Bank Limited	(1)	-	-	-	-	-	-	(1)
Payable to Securities and Exchange Commission of Pakistan	(207)	(230)	(175)	(653)	(421)	(552)	(1,264)	(3,502)
Accrued expenses and other liabilities	(6,900)	(1,514)	(156)	(4,688)	(2,743)	(2,594)	(3,055)	(21,650)
	(7,158)	(1,722)	(444)	(5,404)	(3,210)	(3,263)	(4,447)	(25,649)
Net cash generated from operating activities	30,514	82,666	123,002	357,262	214,711	148,825	392,115	1,349,094
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts against issuance and conversion of units	351,625	190,200	250,287	393,411	-	-	-	1,185,525
Payments against redemption and conversion of units	(390,123)	(274,849)	(369,274)	(746,411)	(215,715)	(151,769)	(396,381)	(2,544,521)
Dividend paid	(298)	(900)	(63)	-	-	-	-	(1,261)
Net cash used in financing activities	(38,796)	(85,549)	(119,049)	(352,999)	(215,715)	(151,769)	(396,381)	(1,360,258)
Net (decrease) / increase in cash and cash equivalents during the period	(8,282)	(2,884)	3,952	4,263	(1,004)	(2,944)	(4,266)	(11,164)
Cash and cash equivalents at beginning of the period	12,939	6,239	2,815	2,009	2,670	5,981	12,981	45,634
Cash and cash equivalents at end of the period	4,657	3,355	6,767	6,272	1,666	3,037	8,715	34,470

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2017							From July 1, 2016 to October 27, 2016	From July 1, 2016 to March 24, 2017	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II	
	(Rupees in '000)									
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income for the period before taxation	126,980	60,892	38,532	271,191	191,627	605,760	167,589	69,124	370,494	1,902,188
Adjustments for										
Net unrealised appreciation re-measurement of investments at fair value through profit or loss'	(53,460)	(32,077)	(17,961)	(225,438)	(178,141)	(549,487)	(149,898)	-	-	(1,206,462)
Amortisation of preliminary expenses and floatation costs	-	-	150	-	-	-	-	-	-	150
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(27,485)	16,348	6,731	13,616	14,827	20,623	9,354	27,599	8,800	90,413
	46,035	45,163	27,302	59,369	28,313	76,896	27,045	96,723	379,294	786,289
(Increase) / decrease in assets										
Investments - net	(212,778)	(40,050)	(67,608)	53,595	34,033	74,247	(369,027)	1,591,746	3,061,757	4,125,915
Receivable against sale of investments - net	-	-	-	-	(150)	(3,640)	-	-	-	(3,790)
Profit receivable on saving accounts with banks	(125)	(85)	(86)	(36)	4	(70)	106	(713)	(579)	(1,584)
	(212,903)	(40,135)	(67,694)	53,559	33,887	70,537	(368,921)	1,591,033	3,061,178	4,120,541
Increase / (decrease) in liabilities										
Payable to AI Meezan Investment Management Limited - Management Company	56	(1)	29	26	12	79	(1,124)	42	2	(879)
Payable to Central Depository Company of Pakistan Limited - Trustee	29	8	11	14	12	45	51	(5)	(14)	151
Payable to Meezan Bank Limited	(3)	-	-	-	-	-	(1,035)	-	-	(1,038)
Payable to Securities and Exchange Commission of Pakistan	60	64	89	41	314	1,347	650	(979)	(692)	894
Accrued expenses and other liabilities	(2,237)	(4,063)	(2,480)	4,306	1,626	5,923	(11,132)	(5,920)	13,960	(17)
	(2,095)	(3,992)	(2,351)	4,387	1,964	7,394	(12,590)	(6,862)	13,256	(889)
Net cash (used in) / generated from operating activities	(168,963)	1,036	(42,593)	117,315	64,164	154,827	(354,466)	1,680,894	3,453,728	4,905,941
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts against issuance and conversion of units	934,611	896,338	854,748	-	-	-	456,015	-	-	3,141,712
Payments against redemption and conversion of units	(717,157)	(872,867)	(777,945)	(119,108)	(80,391)	(161,224)	(148,744)	(15,659)	(89,797)	(2,982,891)
Dividend paid	(25)	(165)	(53)	(3,788)	(2,629)	(356)	(269)	(142)	(802)	(8,229)
Net cash generated from / (used in) financing activities	217,429	23,306	76,750	(122,896)	(83,020)	(161,580)	307,002	(15,801)	(90,599)	150,592
Net increase / (decrease) in cash and cash equivalents during the period	48,466	24,342	34,157	(5,581)	(18,856)	(6,753)	(47,464)	1,665,093	3,363,129	5,056,533
Cash and cash equivalents at beginning of the period	1,250	8,622	2,701	8,009	21,477	11,225	48,753	11,454	5,398	118,889
Cash and cash equivalents at end of the period	49,716	32,964	36,858	2,428	2,621	4,472	1,289	1,676,547	3,368,527	5,175,422

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED JANUARY 11, 2018, MARCH 30, 2018 AND MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on July 27, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for four plans Meezan Asset Allocation Plan-I (MAAP-I), Meezan Asset Allocation Plan-II (MAAP-II), Meezan Asset Allocation Plan-III (MAAP-III) and Meezan Asset Allocation Plan-IV (MAAP-IV) in which the offer of units is discontinued after the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property of different types of allocation plans is accounted for and maintained separately in the books of accounts, which shall collectively constitute the Fund's property of the Scheme.
- 1.5 The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Plan, Moderate Plan, Conservative Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV by investing in Shariah compliant income, money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP. A brief description of the plans are as follows:

Aggressive Allocation Plan (Aggressive)	<i>High risk - Long term investor</i> This plan invests at least 65 percent of its net assets in Shariah Compliant Equity Funds and at least 25 percent in Shariah Compliant Fixed Income Funds.
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Moderate Allocation Plan (Moderate)	<i>Moderate risk - Medium and long term investor</i> This plan invests at least 45 percent of its net assets in Shariah Compliant Equity Funds and at least 45 percent in Shariah Compliant Fixed Income Funds."
Conservative Allocation Plan (Conservative)	<i>Low risk - Medium and short term investor</i> This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds and at least 70 percent in Shariah Compliant Fixed Income Funds."
Meezan Asset Allocation Plan I (MAAP-I)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan II (MAAP-II)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 11, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan III (MAAP-III)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. March 30, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Asset Allocation Plan IV (MAAP-IV)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. July 25, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

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

During the period, Meezan Asset Allocation Plan-I (MAAP-1) has been reopened for investment, after completion of two years. This plan has a new maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017). Further MAAP-II and MAAP-III has matured on January 11, 2018 and March 30, 2018 respectively.

- 1.7 During the prior period, Meezan Capital Preservation Plan I (MCPPI) and Meezan Capital Preservation Plan II (MCPPII) had matured on October 27, 2016 and March 24, 2017 respectively. The following are the remaining assets and liabilities as at March 31, 2018:



	MCPP-I	MCPP-II
	(Rupees in '000)	
<b>Assets</b>		
Balances with banks	6,793	23,072
<b>Liabilities</b>		
Provision for Sindh Workers' Welfare Fund	2,353	13,681
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	4,406	9,341
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	34	50
	6,793	23,072
<b>Net assets</b>	-	-

## 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 approved accounting standards as applicable in Pakistan.

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

## 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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.
- 4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per

the notification, element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 52.244 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

- 4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.
- 4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively

commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### 4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

#### 4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

### 5. BALANCES WITH BANKS

		As at March 31, 2018							
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	Total	
(Rupees in '000)									
Saving accounts	5.1	2,436	1,224	2,335	2,932	1,576	3,037	7,574	21,114
Current accounts		2,221	2,132	4,433	3,340	90	-	1,141	13,357
		<u>4,657</u>	<u>3,356</u>	<u>6,768</u>	<u>6,272</u>	<u>1,666</u>	<u>3,037</u>	<u>8,715</u>	<u>34,471</u>

		As at June 30, 2017									
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total	
(Rupees in '000)											
Saving accounts	5.1	10,519	4,817	2,320	1,974	5,687	10,767	2,563	1,676,547	3,368,527	5,083,721
Current accounts		2,420	1,422	495	35	294	2,214	107	-	-	6,987
		<u>12,939</u>	<u>6,239</u>	<u>2,815</u>	<u>2,009</u>	<u>5,981</u>	<u>12,981</u>	<u>2,670</u>	<u>1,676,547</u>	<u>3,368,527</u>	<u>5,090,708</u>

#### 5.1 The balance in savings accounts have an expected profit ranging from 2.00% to 5.60% (June 30, 2017: 2.00% to 2.40%) per annum.

		March 31, 2018 (Unaudited)							
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	Total	
(Rupees in '000)									
Investments - 'at fair value through profit or loss' - held for trading	6.1	558,533	344,789	300,723	893,372	583,983	-	-	2,681,400

		As at June 30, 2017									
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total	
(Rupees in '000)											
Investments - 'at fair value through profit or loss' - held for trading		<u>628,262</u>	<u>409,094</u>	<u>408,081</u>	<u>1,266,548</u>	<u>990,376</u>	<u>2,956,838</u>	<u>866,849</u>	<u>-</u>	<u>-</u>	<u>7,526,048</u>

## 6.1 At fair value through profit or loss - Held for Trading - Units of mutual funds

Name of Investee Funds	As at July 01, 2017	Purchases during the period	Sale during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (diminution)/ appreciation as at March 31, 2018	Percentage in relation to	
								Net assets of the Fund on the basis of market value	Total market value of investments
	----- (Number of units) -----				----- (Rupees in '000)-----			(Percentage)	
<b>Aggressive Allocation Plan</b>									
Meezan Islamic Fund	5,755,580	1,287,386	899,078	6,143,888	460,645	427,933	(32,712)	76.59	76.61
Meezan Islamic Income Fund	1,833,808	116,471	714,006	1,236,273	63,617	65,330	1,713	11.69	11.70
Meezan Cash Fund	1,868,717	118,321	731,786	1,255,252	63,403	65,270	1,867	11.68	11.69
					<u>587,665</u>	<u>558,533</u>	<u>(29,132)</u>	<u>99.96</u>	<u>100.00</u>
<b>Moderate Allocation Plan</b>									
Meezan Islamic Fund	2,676,971	702,797	799,779	2,579,989	190,212	179,701	(10,511)	52.17	52.12
Meezan Cash Fund	2,028,032	265,215	706,505	1,586,742	80,309	82,507	2,198	23.95	23.93
Meezan Islamic Income Fund	1,990,147	261,153	688,584	1,562,716	80,553	82,581	2,028	23.98	23.95
					<u>351,074</u>	<u>344,789</u>	<u>(6,285)</u>	<u>100.10</u>	<u>100.00</u>
<b>Conservative Allocation Plan</b>									
Meezan Islamic Fund	1,335,169	318,899	499,443	1,154,625	85,522	80,422	(5,100)	26.34	26.74
Meezan Cash Fund	3,034,510	202,151	1,119,278	2,117,383	106,872	110,098	3,226	36.06	36.61
Meezan Islamic Income Fund	2,977,823	198,984	1,091,409	2,085,398	107,237	110,203	2,966	36.09	36.65
					<u>299,631</u>	<u>300,723</u>	<u>1,092</u>	<u>98.49</u>	<u>100.00</u>
<b>Meezan Asset Allocation Plan I</b>									
AI Meezan Mutual Fund	3,416,582	2,332,317	5,709,108	39,791	734	773	39	0.09	0.09
Meezan Islamic Fund	13,417,797	5,743,872	19,161,669	-	-	-	-	-	-
Meezan Sovereign Fund	908,615	-	908,207	408	21	21	-	-	-
Meezan Islamic Income Fund	-	35,256,918	31,788,986	3,467,932	181,041	183,262	2,221	20.64	20.51
Meezan Cash Fund	1,876,917	3,634,077	4,897,559	613,435	31,180	31,897	717	3.59	3.57
KSE Meezan Index Fund	348,329	913,313	1,261,642	-	-	-	-	-	-
Meezan Dedicated Equity Fund	-	18,456,183	5,676,713	12,779,470	635,751	677,419	41,668	76.28	75.83
					<u>848,727</u>	<u>893,372</u>	<u>44,645</u>	<u>100.60</u>	<u>100.00</u>
<b>Meezan Asset Allocation Plan II</b>									
Meezan Islamic Fund	10,859,058	660,921	11,519,979	-	-	-	-	-	-
Meezan Sovereign Fund	1,579,961	-	1,579,961	-	-	-	-	-	-
Meezan Islamic Income Fund	-	4,596,367	4,596,367	-	-	-	-	-	-
Meezan Cash Fund	1,574,963	13,750,061	15,325,024	-	-	-	-	-	-
Meezan Dedicated Equity Fund	-	444,265	444,265	-	-	-	-	-	-
					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Meezan Asset Allocation Plan III</b>									
AI Meezan Mutual Fund	18,794,560	-	18,794,560	-	-	-	-	-	-
Meezan Islamic Fund	28,489,889	12,630,712	41,120,601	-	-	-	-	-	-
Meezan Islamic Income Fund	7,445,192	46,358,992	53,804,184	-	-	-	-	-	-
Meezan Cash Fund	-	58,062,360	58,062,360	-	-	-	-	-	-
Meezan Dedicated Equity Fund	-	17,958,612	17,958,612	-	-	-	-	-	-
					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Meezan Asset Allocation Plan IV</b>									
AI Meezan Mutual Fund	3,941,239	-	2,636,917	1,304,322	27,573	25,328	(2,245)	4.37	4.34
Meezan Islamic Fund	9,021,808	1,265,749	5,908,745	4,378,812	324,362	304,992	(19,370)	52.62	52.22
Meezan Islamic Income Fund	452,694	4,922,358	3,880,835	1,494,217	78,099	78,962	863	13.62	13.52
Meezan Cash Fund	1,406,135	391,619	616,205	1,181,549	59,750	61,437	1,687	10.60	10.52
Meezan Dedicated Equity Fund	-	2,216,178	79,458	2,136,720	109,065	113,264	4,199	19.54	19.40
					<u>598,849</u>	<u>583,983</u>	<u>(14,866)</u>	<u>100.75</u>	<u>100.00</u>
<b>Total investments in units of mutual funds</b>									
AI Meezan Mutual Fund	26,152,381	2,332,317	27,140,585	1,344,113	28,307	26,101	(2,206)	0.21	0.97
Meezan Islamic Fund	71,556,272	22,610,336	79,909,294	14,257,314	1,060,741	993,048	(67,693)	7.99	37.03
Meezan Cash Fund	11,789,274	76,423,804	81,458,717	6,754,361	341,514	351,209	9,695	2.82	13.10
Meezan Sovereign Fund	2,488,576	-	2,488,168	408	21	21	-	0	-
Meezan Islamic Income Fund	14,699,664	91,711,243	96,564,371	9,846,536	510,547	520,338	9,791	4.18	19.41
KSE Meezan Index Fund	348,329	913,313	1,261,642	-	-	-	-	0	-
Meezan Dedicated Equity Fund	-	39,075,238	24,159,048	14,916,190	744,816	790,683	45,867	6.36	29.49
					<u>2,685,946</u>	<u>2,681,400</u>	<u>(4,546)</u>	<u>21.56</u>	<u>100.00</u>

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

		As at March 31, 2018							
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	Total	
(Rupees in '000)									
Withholding tax payable		137	484	21	416	52	1,734	6,636	9,480
Provision for Sindh Workers' Welfare Fund	8.1	3,380	1,916	1,214	6,886	2,621	5,615	16,339	37,971
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	364	394	454	3,294	2,662	1,787	6,735	15,690
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	19	39	31	7	4	26	28	154
Shariah advisor fee payable		20	13	13	35	24	22	91	218
Auditors' remuneration payable		33	21	20	56	40	39	145	354
Printing charges payable		19	24	13	43	23	24	86	231
Zakat payable		-	-	-	-	-	28	-	28
		<u>3,972</u>	<u>2,890</u>	<u>1,766</u>	<u>10,737</u>	<u>5,426</u>	<u>9,247</u>	<u>30,088</u>	<u>64,126</u>

		As at June 30, 2017									
Note	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	Total	
(Rupees in '000)											
Withholding tax payable		7,079	2,033	203	5,166	4,362	9,898	2,840	12,928	19,124	63,633
Provision for Sindh Workers' Welfare Fund	8.1	3,380	1,916	1,214	6,886	5,615	16,339	2,621	2,353	13,681	54,005
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	364	394	454	3,294	1,787	6,735	2,662	4,406	9,341	29,437
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	19	39	31	17	30	31	5	34	50	256
Shariah advisor fee payable		10	7	6	20	15	45	13	33	49	198
Auditors' remuneration payable		19	14	13	41	30	91	27	25	60	320
Printing charges payable		1	1	1	1	2	4	1	1	3	15
Zakat payable		-	-	-	-	-	-	-	-	13	13
		<u>10,872</u>	<u>4,404</u>	<u>1,922</u>	<u>15,425</u>	<u>11,841</u>	<u>33,143</u>	<u>8,169</u>	<u>19,780</u>	<u>42,321</u>	<u>147,877</u>

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



Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.45/0.60%, 0.25/0.35%, 0.42/0.63%, 0.48/0.78%, 0.37/0.75%, and 0.23/0.45% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, and MAAP-IV respectively (June 30, 2017 by Re 0.43/0.54%, 0.19/0.29%, 0.34/0.47%, 0.34/0.55%, 0.36/0.57%, 0.35/0.56, 0.17/0.30% and for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively.

- 8.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load has applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision of FED has been recognised in the financial statements of the Fund since July 1, 2016.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load with effect from June 13, 2013, till June 30, 2016, aggregating to Rs 0.38 million, Rs 0.44 million, Rs 0.49 million, Rs 3.31 million, Rs 1.82 million, Rs 6.77 million and Rs 2.67 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP- I, MAAP-II, MAAP-III and MAAP-IV (June 30, 2017 Rs 0.38 million, Rs 0.43 million, Rs 0.49 million, Rs 3.31 million, Rs 1.82 million, Rs 6.77 million, Rs 2.67 million, Rs 4.44 million and Rs 9.39 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, MAAP- I, MAAP-II, MAAP-III, MAAP-IV, MCPP-I and MCPP-II respectively). The impact of this provision on the Net Assets Value per unit as at March 31, 2018 in each specified plan is not significant.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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





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

	Nine months period ended March 31, 2018					From July 01, 2017 to January 11, 2018	From July 01, 2017 to March 30, 2018	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	
(Rupees in '000)								
<b>Al Meezan Investment Management Limited</b>								
- Management Company								
Remuneration Payable (Rs in '000)	7	3	6	5	1	1	4	27
Sindh Sales Tax on management fee payable (Rs in '000)	0.91	0.39	0.78	0.65	0.13	0.13	0.52	4
Sales load payable (Rs in '000)	9	33	23	-	-	-	1	66
Sindh Sales Tax on sales load payable (Rs in '000)	1.17	4.29	2.99	-	-	-	0.13	9
Allocated expenses payable (Rs in '000)	46	29	25	73	48	22	184	427
Investment amount (Rs in '000)	-	-	7,013	-	-	-	-	7,013
Investment units	-	-	105,971	-	-	-	-	105,971
<b>Meezan Bank Limited</b>								
Bank balance (Rs in '000)	4,437	3,122	6,582	6,162	1,666	3,037	8,715	33,721
Profit receivable (Rs in '000)	7	5	3	18	46	136	607	822
Sales load payable (Rs in '000)	2	-	-	-	-	-	-	2
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee Fee payable (Rs in '000)	41	23	29	57	39	17	147	353
Sindh Sales Tax on trustee fee payable (Rs in '000)	5	3	3	7	5	2	19	44
<b>Directors and Executives of the Management Company</b>								
Investment amount (Rs in '000)	539	1	2	-	-	-	-	543
Investment units	7,174	14	0	-	-	-	-	7,188
<b>Meezan Islamic Fund</b>								
Investment amount (Rs in '000)	427,933	179,701	80,422	-	304,992	-	-	993,048
Investment units	6,143,888	2,579,989	1,154,625	-	4,378,812	-	-	14,257,314
<b>Meezan Sovereign Fund</b>								
Investment amount (Rs in '000)	-	-	-	21	-	-	-	21
Investment units	-	-	-	408	-	-	-	408
<b>Al Meezan Mutual Fund</b>								
Investment amount (Rs in '000)	-	-	-	773	25,328	-	-	26,101
Investment units	-	-	-	39,791	1,304,322	-	-	1,344,113
<b>Meezan Cash Fund</b>								
Investment amount (Rs in '000)	65,270	82,507	110,098	31,897	61,437	-	-	351,209
Investment units	1,255,252	1,586,742	2,117,383	613,435	1,181,549	-	-	6,754,361
<b>Meezan Islamic Income Fund</b>								
Investment amount (Rs in '000)	65,330	82,581	110,203	183,262	78,962	-	-	520,338
Investment units	1,236,273	1,562,716	2,085,398	3,467,932	1,494,217	-	-	9,846,536
<b>Meezan Dedicated Equity Fund</b>								
Investment amount (Rs in '000)	-	-	-	677,419	113,264	-	-	790,683
Investment units	-	-	-	12,779,470	2,136,720	-	-	14,916,190
<b>Unit Holders holding 10% or more units of the Fund</b>								
Investment amount (Rs in '000)	238,157	56,891	48,858	364,015	209,185	-	-	917,106
Investment units	3,167,104	813,850	738,269	5,826,939	4,166,358	-	-	14,712,520

June 30, 2017 (Audited)

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPPI-I	MCPPI-II	Total
AI Meezan Investment Management Limited - Management Company										
Remuneration payable (Rs in '000)	10	4	12	2	2	12	3	53	34	132
Sindh Sales Tax Management fee payable (Rs in '000)	1	1	2	-	-	2	-	7	4	17
Sales load payable (Rs in '000)	34	-	103	-	-	-	-	-	-	137
Sindh Sales load payable (Rs in '000)	4	-	13	-	-	-	-	-	-	17
Allocated expenses payable (Rs '000)	57	37	35	111	84	250	73	123	220	990
Investment amount (Rs in '000)	-	-	7,029	-	31,658	162,516	-	-	-	201,203
Investment units	-	-	105,971	-	507,341	2,626,733	-	-	-	3,240,045
Meezan Bank Limited										
Bank balance (Rs in '000)	8,550	8,131	2,230	1,999	9,937	12,981	2,670	1,676,547	3,368,527	5,091,572
Profit receivable (Rs in '000)	-	5	22	18	5	90	49	742	595	1,526
Central Depository Company of Pakistan Limited - Trustee										
Trustee fee payable (Rs in '000)	48	28	35	84	65	195	57	95	169	776
Sindh Sales Tax on trustee fee payable (Rs in '000)	6	4	3	11	8	25	7	12	22	98
Directors and Executives of the Management Company										
Investment amount (Rs in '000)	601	2	-	256	-	-	-	-	-	859
Investment units	7,534	31	-	4,109	-	-	-	-	-	11,674
Meezan Islamic Fund										
Investment amount (Rs in '000)	439,784	204,546	102,020	1,025,254	829,741	2,176,912	689,356	-	-	5,467,613
Investment units	5,755,580	2,676,971	1,335,169	13,417,797	10,859,058	28,489,889	9,021,808	-	-	71,556,272
Meezan Sovereign Fund										
Investment amount (Rs in '000)	-	-	-	46,703	81,210	-	-	-	-	127,913
Investment units	-	-	-	908,615	1,579,961	-	-	-	-	2,488,576
AI Meezan Mutual fund										
Investment amount (Rs in '000)	-	-	-	72,227	-	397,317	83,318	-	-	552,862
Investment units	-	-	-	3,416,582	-	18,794,560	3,941,239	-	-	26,152,381
Meezan Cash Fund										
Investment amount (Rs in '000)	94,239	102,274	153,030	94,653	79,425	-	70,911	-	-	594,532
Investment units	1,868,717	2,028,032	3,034,510	1,876,917	1,574,963	-	1,406,135	-	-	11,789,274
Meezan Islamic Income Fund										
Investment amount (Rs in '000)	94,239	102,274	153,031	-	-	382,609	23,264	-	-	755,417
Investment units	1,833,808	1,990,147	2,977,823	-	-	7,445,192	452,694	-	-	14,699,664
KSE Meezan Index Fund										
Investment amount (Rs in '000)	-	-	-	27,711	-	-	-	-	-	27,711
Investment units	-	-	-	348,329	-	-	-	-	-	348,329
Unit Holders holding 10% or more units of the Fund										
Investment amount (Rs in '000)	252,830	58,630	48,969	379,617	194,088	-	226,733	155,788	-	1,316,655
Investment units	3,167,104	813,850	738,269	6,082,632	3,110,385	-	4,166,358	3,115,760	-	21,194,358



	For the period ended March 31, 2018 (Unaudited)					From July 01, 2017 to January 11, 2018	From July 01, 2017 to March 30, 2018	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV	MAAP-II	MAAP-III	
(Rupees in '000)								
<b>Al Meezan Investment Management Limited - Management Company</b>								
Remuneration for the period (Rs in '000)	87	57	75	234	29	21	98	601
Sindh Sales Tax on management fee (Rs in '000)	11	7	10	30	4	3	13	78
Allocated expense (Rs in '000)	415	260	259	714	496	452	1,830	4,426
Amount invested during the period (Rs in '000)	-	-	-	-	-	1,795	10,757	12,552
Units issued during the period	-	-	-	-	-	34,108	204,462	238,570
Amount redeemed during the period (Rs in '000)	-	-	-	-	-	27,072	141,509	168,581
Units redeemed during the period	-	-	-	-	-	541,450	2,831,194	3,372,644
<b>Meezan Bank Limited</b>								
Profit on saving account (Rs in '000)	153	83	120	435	34	184	711	1,720
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee fee for the period (Rs in '000)	329	206	205	565	393	357	1,451	3,506
Sindh Sales Tax on trustee fee (Rs in '000)	43	27	27	73	51	46	189	456
<b>Directors and Executives of the Management Company</b>								
Amount invested during the period (Rs in '000)	233	28	189	-	-	-	-	450
Units issued during the period	3,357	417	2,971	-	-	-	-	6,746
Amount redeemed during the period (Rs in '000)	258	29	189	-	-	-	-	476
Units redeemed during the period	3,718	434	2,969	-	-	-	-	7,121
<b>Meezan Islamic Fund</b>								
Amount invested during the period (Rs in '000)	88,975	46,218	21,126	396,000	84,000	44,000	833,000	1,513,319
Units issued during the period	1,287,386	702,797	318,899	5,743,872	1,265,749	660,921	12,630,712	22,610,336
Amount redeemed during the period (Rs in '000)	60,870	53,000	33,175	1,358,884	405,710	733,000	2,667,494	5,312,133
Units redeemed during the period	899,078	799,779	499,443	19,161,669	5,908,745	11,519,979	41,120,601	79,909,294
<b>Meezan Sovereign Fund</b>								
Amount redeemed during the period (Rs in '000)	-	-	-	46,700	-	81,242	-	127,942
Units redeemed during the period	-	-	-	908,207	-	1,579,961	-	2,488,168
<b>Meezan Cash Fund</b>								
Amount invested during the period (Rs in '000)	88,975	13,675	10,312	185,030	20,000	705,389	2,995,511	4,018,892
Units issued during the period	118,321	265,215	202,151	3,634,077	391,619	13,750,061	58,062,360	76,423,804
Amount redeemed during the period (Rs in '000)	60,870	36,115	57,151	250,420	31,720	789,453	3,010,181	4,235,910
Units redeemed during the period	731,786	706,505	1,119,278	4,897,559	616,205	15,325,024	58,062,360	81,458,717
<b>Al Meezan Mutual Fund</b>								
Amount invested during the period (Rs in '000)	-	-	-	43,000	-	-	-	43,000
Units issued during the period	-	-	-	2,332,317	-	-	-	2,332,317
Amount redeemed during the period (Rs in '000)	-	-	-	110,990	49,000	-	319,508	479,498
Units redeemed during the period	-	-	-	5,709,108	2,636,917	-	18,794,560	27,140,585
<b>Meezan Islamic Income Fund</b>								
Amount invested during the period (Rs in '000)	6,075	13,675	10,312	1,819,662	255,000	237,200	2,414,633	4,756,557
Units issued during the period	116,471	261,153	198,984	35,256,918	4,922,358	4,596,367	46,358,992	91,711,243
Amount redeemed during the period (Rs in '000)	36,934	35,753	56,625	1,645,916	201,000	238,776	2,820,365	5,035,369
Units redeemed during the period	714,006	688,584	1,091,409	31,788,986	3,880,835	4,596,367	53,804,184	96,564,371
<b>KSE Meezan Index Fund</b>								
Amount invested during the period (Rs in '000)	-	-	-	64,736	-	-	-	64,736
Units issued during the period	-	-	-	913,313	-	-	-	913,313
Amount redeemed during the period (Rs in '000)	-	-	-	91,118	-	-	-	91,118
Units redeemed during the period	-	-	-	1,261,642	-	-	-	1,261,642
<b>Meezan Dedicated Equity Fund</b>								
Amount invested during the period (Rs in '000)	-	-	-	918,000	113,000	22,000	865,000	1,918,000
Units issued during the period	-	-	-	18,456,183	2,216,178	444,265	17,958,612	39,075,238
Amount redeemed during the period (Rs in '000)	-	-	-	287,000	4,000	21,520	891,768	1,204,288
Units redeemed during the period	-	-	-	5,676,713	79,458	444,265	17,958,612	24,159,048

	For the period ended March 31, 2017 (Unaudited)							For the period ended October 27, 2016 (Unaudited)	For the period ended March 24, 2017 (Unaudited)	Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	MCPP-I	MCPP-II	
<b>Al Meezan Investment Management Limited - Management Company</b>										
Remuneration for the period (Rs in '000)	150	140	118	60	104	92	107	83	93	947
Sindh Sales Tax on management fee (Rs in '000)	20	18	15	9	13	12	14	11	12	124
Allocated expense (Rs in '000)	253	234	223	680	502	1,531	458	1,577	535	5,993
Amount invested during the period (Rs in '000)	-	-	-	-	-	-	-	25,290	-	25,290
Units issued during the period	-	-	-	-	-	-	-	480,509	-	480,509
Amount Redeemed during the period (Rs in '000)	-	-	-	-	-	-	-	163,595	-	163,595
Units Redeemed during the period	-	-	-	-	-	-	-	3,271,894	-	3,271,894
<b>Meezan Bank Limited</b>										
Profit on saving account (Rs in '000)	287	320	250	154	266	223	313	799	705	3,317
<b>Central Depository Company of Pakistan Limited - Trustee</b>										
Trustee fee for the period (Rs in '000)	346	300	261	805	594	1,826	545	413	1,801	6,891
Sindh Sales Tax on Trustee Fee (Rs in '000)	45	39	34	105	77	237	71	54	234	896
<b>Directors and Executives of the Management Company</b>										
Amount invested during the period (Rs in '000)	100	102	100	-	-	-	-	205	2,233	2,740
Units issued during the period	1,126	1,350	1,488	-	-	-	-	3,902	42,423	50,289
Amount redeemed during the period (Rs in '000)	3,184	876	746	-	-	-	-	1,328	17,713	23,848
Units redeemed during the period	38,946	11,985	11,410	-	-	-	-	26,569	354,263	443,173
<b>Meezan Islamic Fund</b>										
Amount invested during the period (Rs in '000)	471,730	305,950	147,975	246,717	155,000	443,000	357,000	109,000	530,000	2,766,372
Units issued during the period	5,842,162	3,891,591	1,553,589	3,173,352	2,053,019	5,811,259	4,935,094	1,605,689	7,515,588	36,381,343
Amount redeemed during the period (Rs in '000)	378,802	335,123	156,595	511,000	275,000	838,500	126,000	1,164,107	1,792,374	5,577,501
Units redeemed during the period	4,695,893	4,078,684	1,921,107	6,751,382	3,688,964	11,334,478	1,510,915	16,286,137	22,906,688	73,174,248
<b>Meezan Sovereign Fund</b>										
Amount invested during the period (Rs in '000)	251,412	331,923	466,120	295,000	185,000	-	-	325,780	2,889,385	4,744,620
Units issued during the period	4,764,673	6,325,249	8,906,882	5,767,039	3,614,960	-	-	6,310,639	55,963,748	91,653,190
Amount redeemed during the period (Rs in '000)	180,024	309,150	417,971	267,640	138,190	-	-	952,546	4,934,998	7,200,519
Units redeemed during the period	3,396,427	5,824,134	7,915,077	5,119,764	2,648,265	-	-	18,464,301	94,435,039	137,803,007
<b>Meezan Cash Fund</b>										
Amount invested during the period (Rs in '000)	-	-	-	107,213	141,842	221,000	60,000	1,661,298	5,450,921	7,642,274
Units issued during the period	-	-	-	2,053,777	2,741,540	4,210,856	1,143,921	32,708,033	105,603,792	148,461,919
Amount redeemed during the period (Rs in '000)	-	-	-	23,427	64,894	40,000	-	1,667,262	5,477,099	7,272,682
Units redeemed during the period	-	-	-	448,150	1,238,650	760,023	-	32,755,648	105,603,792	140,806,263
<b>Al Meezan Mutual Fund</b>										
Amount invested during the period (Rs in '000)	-	-	-	-	-	-	71,000	66,000	60,000	197,000
Units issued during the period	-	-	-	-	-	-	3,764,581	3,499,470	2,991,027	10,255,078
Amount redeemed during the period (Rs in '000)	-	-	-	-	-	-	-	67,673	183,038	250,711
Units redeemed during the period	-	-	-	-	-	-	-	3,499,470	7,903,203	11,402,673
<b>Meezan Islamic Income Fund</b>										
Amount invested during the period (Rs in '000)	-	-	-	186,000	90,000	838,500	574,005	-	-	1,688,505
Units issued during the period	-	-	-	437,512	1,701,838	16,137,991	11,120,999	-	-	29,398,340
Amount redeemed during the period (Rs in '000)	-	-	-	186,536	164,449	797,752	596,022	-	-	1,744,759
Units redeemed during the period	-	-	-	437,512	3,113,600	15,170,092	11,455,689	-	-	30,176,893
<b>KSE Meezan Index Fund</b>										
Amount invested during the period (Rs in '000)	-	-	-	30,000	-	-	-	-	-	30,000
Units issued during the period	-	-	-	303,037	-	-	-	-	-	303,037



## 10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 11. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2018 is 0.34%, 0.41%, 0.34%, 0.37%, 0.32% and 0.32% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-III and MAAP-IV, respectively, which includes 0.11%, 0.11%, 0.11%, 0.11%, 0.11% and 0.11% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-III and MAAP-IV, respectively, representing government levy and SECP fee in each plan.

## 12. TAXATION

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

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

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments	2,681,400	-	-	-	2,681,400	2,681,400	-	-	2,681,400
Financial assets									
- not measured at fair value									
Balances with banks	13.1	-	34,470	-	34,470				
Receivable against conversion of units	13.1	278	-	-	278				
Receivable against sale of investments - net	13.1	2,931,354	-	-	2,931,354				
Profit receivable on saving accounts with banks	13.1	843	-	-	843				
		<u>2,681,400</u>	<u>2,932,475</u>	<u>34,470</u>	<u>-</u>	<u>5,648,345</u>			
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	536	536				
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	397	397				
Payable to Meezan Bank Limited	13.1	-	-	2	2				
Payable on redemption and conversion of units	13.1	-	-	22,732	22,732				
Accrued expenses and other liabilities	13.1	-	-	16,675	16,675				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>40,341</u>	<u>40,341</u>			

June 30, 2017	Note	Carrying amount				Fair value				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets										
- measured at fair value										
		7,526,048	-	-	-	7,526,048	7,526,048	-	-	7,526,048
Investments										
Financial assets										
- not measured at fair value										
				5,090,708	-	5,090,708				
	13.1	-	-	5,090,708	-	5,090,708				
			1,945	-	-	1,945				
	13.1	-	1,945	-	-	1,945				
			88,275	-	-	88,275				
	13.1	-	88,275	-	-	88,275				
			1,549	-	-	1,549				
	13.1	-	1,549	-	-	1,549				
		<u>7,526,048</u>	<u>91,769</u>	<u>5,090,708</u>	<u>-</u>	<u>12,708,525</u>				
Financial liabilities										
- not measured at fair value										
					1,293	1,293				
	13.1	-	-	-	1,293	1,293				
					874	874				
	13.1	-	-	-	874	874				
					3	3				
	13.1	-	-	-	3	3				
					110,683	110,683				
	13.1	-	-	-	110,683	110,683				
					1,261	1,261				
	13.1	-	-	-	1,261	1,261				
					30,226	30,226				
	13.1	-	-	-	30,226	30,226				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>144,340</u>	<u>144,340</u>				

13.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair value.

#### 14. GENERAL

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

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

#### 15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# Meezan

Strategic Allocation Fund

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



# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	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

Meezan Bank Limited  
Habib Metropolitan Bank Limited - Islamic Banking

## LEGAL ADVISER

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

## 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



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2018

		March 31, 2018 (Unaudited)							
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-II	Total	
Note		(Rupees in '000)							
<b>Assets</b>									
	Balances with banks	5	14,410	7,576	3,481	8,670	16,636	3,354	54,127
	Investments	6	2,195,758	1,409,179	1,607,733	1,780,744	552,803	1,385,676	8,931,893
	Receivable against sale of investments - net		1,720	4,550	-	-	-	500	6,770
	Profit receivable on saving account with banks		4	5	6	18	36	37	106
	<b>Total assets</b>		<b>2,211,892</b>	<b>1,421,310</b>	<b>1,611,220</b>	<b>1,789,433</b>	<b>569,474</b>	<b>1,389,567</b>	<b>8,992,896</b>
<b>Liabilities</b>									
	Payable to AI Meezan Investment Management Limited - Management Company		187	126	137	157	63	135	806
	Payable to Central Depository Company of Pakistan Limited - Trustee		161	104	118	130	42	103	658
	Payable to Securities and Exchange Commission of Pakistan		1,614	1,052	1,133	1,271	261	240	5,571
	Payable against redemption and conversion of units		2,582	6,825	-	-	100	42	9,549
	Accrued expenses and other liabilities	8	4,643	126	114	129	618	343	5,974
	<b>Total liabilities</b>		<b>9,188</b>	<b>8,234</b>	<b>1,503</b>	<b>1,686</b>	<b>1,083</b>	<b>864</b>	<b>22,558</b>
	<b>Net assets</b>		<b>2,202,704</b>	<b>1,413,075</b>	<b>1,609,717</b>	<b>1,787,747</b>	<b>568,392</b>	<b>1,388,703</b>	<b>8,970,338</b>
	Contingencies and commitments	7							
	Unitholders' fund (as per statement attached)		<u>2,202,704</u>	<u>1,413,075</u>	<u>1,609,717</u>	<u>1,787,747</u>	<u>568,392</u>	<u>1,388,703</u>	<u>8,970,338</u>
			..... (Number of units) .....						
	Number of units in issue		<u>46,748,226</u>	<u>30,653,073</u>	<u>35,754,127</u>	<u>39,090,437</u>	<u>10,916,334</u>	<u>27,379,931</u>	
			..... (Rupees) .....						
	Net assets value per unit		<u>47.1185</u>	<u>46.0990</u>	<u>45.0218</u>	<u>45.7336</u>	<u>52.0680</u>	<u>50.7197</u>	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

## AS AT MARCH 31, 2018

		June 30, 2017 (Audited)					
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
Note		(Rupees in '000)					
<b>Assets</b>							
	Balances with banks	5	9,497	2,172	278	260,885	272,832
	Investments	6	2,656,410	1,660,935	1,766,594	1,806,140	7,890,079
	Receivable against conversion of units		-	10	-	2,140	2,150
	Other receivables		85	13	407	628	1,133
	<b>Total assets</b>		<b>2,665,992</b>	<b>1,663,130</b>	<b>1,767,279</b>	<b>2,069,793</b>	<b>8,166,194</b>
<b>Liabilities</b>							
	Payable to Al Meezan Investment Management Limited - Management Company		267	142	165	10,234	10,808
	Payable to Central Depository Company of Pakistan Limited - Trustee		199	124	132	87	542
	Payable to Meezan Bank Limited		-	-	-	5,446	5,446
	Payable to Securities and Exchange Commission of Pakistan		1,653	755	474	106	2,988
	Payable against purchase of investments - net		-	-	-	54,993	54,993
	Payable against redemption and conversion of units		-	181	-	-	181
	Dividend payable		75	-	-	-	75
	Accrued expenses and other liabilities	8	35,122	78	51	25,677	60,928
	<b>Total liabilities</b>		<b>37,316</b>	<b>1,280</b>	<b>822</b>	<b>96,543</b>	<b>135,961</b>
	<b>Net assets</b>		<b>2,628,676</b>	<b>1,661,850</b>	<b>1,766,457</b>	<b>1,973,250</b>	<b>8,030,233</b>
	Contingencies and commitments	7					
	<b>Unitholders' fund (as per statement attached)</b>		<b>2,628,676</b>	<b>1,661,850</b>	<b>1,766,457</b>	<b>1,973,250</b>	<b>8,030,233</b>
..... (Number of units) .....							
	Number of units in issue		52,089,276	33,651,995	36,540,221	40,689,606	
..... (Rupees) .....							
	Net assets value per unit		50.46	49.38	48.34	48.50	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM INCOME STATEMENT FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018					For the period from August 15, 2017 to December 31, 2018	For the period from December 19, 2017 to March 31, 2018	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III		
Note	(Rupees in '000)							
Income								
Net realised (loss) / gain on sale of investments	(77,520)	(49,495)	(46,172)	(57,174)	5,594	512	(224,254)	
Profit on saving accounts with banks	165	75	11	295	455	471	1,473	
Other income	5,304	1,461	993	2,126	209	70	10,164	
	<u>(72,051)</u>	<u>(47,958)</u>	<u>(45,167)</u>	<u>(54,753)</u>	<u>6,259</u>	<u>1,054</u>	<u>(212,617)</u>	
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1							
Total (loss) / income	<u>(105,622)</u>	<u>(63,641)</u>	<u>(72,959)</u>	<u>(54,619)</u>	<u>23,898</u>	<u>14,894</u>	<u>(258,049)</u>	
	<u>(177,673)</u>	<u>(111,600)</u>	<u>(118,126)</u>	<u>(109,372)</u>	<u>30,157</u>	<u>15,948</u>	<u>(470,666)</u>	
Expenses								
Remuneration to AI Meezan Investment Management Limited - Management Company	62	67	6	151	198	273	758	
Sindh Sales Tax on management fee	8	9	1	20	26	36	98	
Allocated expenses	1,699	1,108	1,193	1,337	274	253	5,865	
Remuneration to Central Depository Company of Pakistan Limited - Trustee	1,329	866	933	1,046	214	197	4,586	
Sindh Sales Tax on trustee fee	173	113	121	136	28	26	596	
Annual fee to Securities and Exchange Commission of Pakistan	1,614	1,052	1,133	1,271	261	240	5,571	
Auditors' remuneration	37	43	57	54	8	5	206	
Fees and subscription	58	46	51	60	9	8	233	
Printing charges	135	87	97	104	18	23	464	
Legal and professional charges	11	7	7	8	2	2	36	
Bank and settlement charges	11	2	6	1	5	13	37	
Provision for Sindh Workers' Welfare Fund	-	-	-	-	582	297	880	
Total expenses	<u>5,137</u>	<u>3,400</u>	<u>3,605</u>	<u>4,189</u>	<u>1,626</u>	<u>1,373</u>	<u>19,330</u>	
Net (loss) / income for the period before taxation	<u>(182,810)</u>	<u>(114,999)</u>	<u>(121,731)</u>	<u>(113,561)</u>	<u>28,531</u>	<u>14,575</u>	<u>(489,996)</u>	
Taxation	12							
Net (loss) / income for the period after taxation	<u>(182,810)</u>	<u>(114,999)</u>	<u>(121,731)</u>	<u>(113,561)</u>	<u>28,531</u>	<u>14,575</u>	<u>(489,996)</u>	
Allocation of net income for the period								
Net (loss) / income for the period after taxation	(182,810)	(114,999)	(121,731)	(113,561)	28,531	14,575	(489,996)	
Income already paid on units redeemed	-	-	-	-	(630)	(8)	(638)	
	<u>(182,810)</u>	<u>(114,999)</u>	<u>(121,731)</u>	<u>(113,561)</u>	<u>27,901</u>	<u>14,567</u>	<u>(490,634)</u>	

\* Due to net loss / "NIL" distributable income for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

## FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	For the period from October 19, 2016 to March 31, 2017	For the period from December 22, 2016 to March 31, 2017	For the period from February 17, 2017 to March 31, 2017	Total
Note	MSAP-I	MSAP-II	MSAP-III	Total
	(Rupees in '000)			
Income				
Net realised gain on sale of investments	23,837	1,161	260	25,258
Profit on saving accounts with banks	801	536	243	1,580
Back end load	1,167	89	-	1,256
	<u>25,805</u>	<u>1,786</u>	<u>503</u>	<u>28,094</u>
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' (net)	242,795	(505)	(5,767)	236,523
Total income	<u>268,600</u>	<u>1,281</u>	<u>(5,264)</u>	<u>264,617</u>
Expenses				
Remuneration to AI Meezan Investment Management Limited - Management Company	390	261	144	795
Sindh Sales Tax on Management Fee	51	34	19	104
Allocated expenses	1,043	358	38	1,439
Remuneration to Central Depository Company of Pakistan Limited - Trustee	866	289	30	1,185
Sindh Sales Tax on Trustee Fee	113	38	4	155
Annual fee to Securities and Exchange Commission of Pakistan	991	340	35	1,366
Auditors' remuneration	114	27	2	143
Fees and subscription	148	37	3	188
Bank and settlement charges	14	3	4	21
Provision for Sindh Workers' Welfare Fund	6,281	696	-	6,977
Total expenses	<u>10,011</u>	<u>2,083</u>	<u>279</u>	<u>12,373</u>
Net income / (loss) from operating activities	<u>258,589</u>	<u>(802)</u>	<u>(5,543)</u>	<u>252,244</u>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	49,193	34,889	3,422	87,504
Net income / (loss) for the period before taxation	<u>307,782</u>	<u>34,087</u>	<u>(2,121)</u>	<u>339,748</u>
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	<u><u>307,782</u></u>	<u><u>34,087</u></u>	<u><u>(2,121)</u></u>	<u><u>339,748</u></u>

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

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM INCOME STATEMENT FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

		For the quarter ended March 31, 2018						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Note		(Rupees in '000)						
	Income							
	Net realised (loss) / gain on sale of investments	(51,384)	(36,559)	(33,478)	(45,799)	4,791	512	(161,916)
	Profit on saving accounts with banks	7	30	8	48	103	448	645
	Other income	(96)	691	306	1,017	90	70	2,079
		<u>(51,473)</u>	<u>(35,837)</u>	<u>(33,163)</u>	<u>(44,734)</u>	<u>4,985</u>	<u>1,031</u>	<u>(159,192)</u>
	Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	<u>222,900</u>	<u>149,932</u>	<u>156,026</u>	<u>183,081</u>	<u>35,912</u>	<u>14,867</u>	<u>762,718</u>
	Total income	<u>171,427</u>	<u>114,094</u>	<u>122,863</u>	<u>138,347</u>	<u>40,897</u>	<u>15,898</u>	<u>603,526</u>
	Expenses							
	Remuneration to AI Meezan Investment Management Limited - Management Company	10	32	4	21	42	261	371
	Sindh Sales Tax on management fee	1	4	1	3	6	34	47
10	Allocated expenses	552	352	393	435	137	252	2,122
	Remuneration to Central Depository Company of Pakistan Limited - Trustee	419	274	304	338	106	196	1,638
	Sindh Sales Tax on trustee fee	55	36	39	44	14	26	213
	Annual fee to Securities and Exchange Commission of Pakistan	510	334	370	412	130	239	1,995
	Auditors' remuneration	1	7	7	9	3	5	34
	Fees and subscription	17	11	12	13	4	8	66
	Printing charges	45	33	33	39	17	23	190
	Legal and professional charges	8	5	4	6	2	2	26
	Bank and settlement charges	4	-	-	-	3	12	19
	Provision for Sindh Workers' Welfare Fund	-	-	-	-	582	297	879
	Total expenses	<u>1,622</u>	<u>1,088</u>	<u>1,168</u>	<u>1,321</u>	<u>1,046</u>	<u>1,355</u>	<u>7,600</u>
	Net income for the quarter before taxation	<u>169,805</u>	<u>113,007</u>	<u>121,695</u>	<u>137,026</u>	<u>39,850</u>	<u>14,543</u>	<u>595,926</u>
12	Taxation	-	-	-	-	-	-	-
	Net income for the quarter after taxation	<u>169,805</u>	<u>113,007</u>	<u>121,695</u>	<u>137,026</u>	<u>39,850</u>	<u>14,543</u>	<u>595,926</u>
	Allocation of income for the quarter							
	Net income for the quarter after taxation	169,805	113,007	121,695	137,026	39,850	14,543	595,926
	Income already paid on units redeemed	-	-	-	-	(630)	(8)	(638)
		<u>169,805</u>	<u>113,007</u>	<u>121,695</u>	<u>137,026</u>	<u>39,220</u>	<u>14,535</u>	<u>595,288</u>

\* Due to net loss / "NIL" distributable income for the period, disclosure related to accounting income available for distribution is not required.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Note	For the quarter ended March 31, 2017			
		MSAP-I	MSAP-II	MSAP-III	Total
(Rupees in '000)					
Income					
Net realised gain on sale of investments		20,809	1,161	260	22,230
Profit on saving accounts with banks		29	496	243	768
Back end load income		1,128	89	-	1,217
		<u>21,966</u>	<u>1,746</u>	<u>503</u>	<u>24,215</u>
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' (net)		29,528	(3,905)	(5,767)	19,856
Total income / (loss)		<u>51,494</u>	<u>(2,159)</u>	<u>(5,264)</u>	<u>44,071</u>
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		79	229	144	452
Sindh Sales Tax on Management Fee		10	30	19	59
Allocated expenses	10	693	352	38	1,083
Remuneration to Central Depository Company of Pakistan Limited - Trustee		560	284	30	874
Sindh Sales Tax on Trustee Fee		73	37	4	114
Annual fee to Securities and Exchange Commission of Pakistan		658	334	35	1,027
Auditors' remuneration		56	26	2	84
Fees and subscription		156	36	3	195
Bank and settlement charges		12	2	4	18
Provision for Sindh workers' welfare fund		6,281	696	-	6,977
Total expenses		<u>8,578</u>	<u>2,026</u>	<u>279</u>	<u>10,883</u>
Net income / (loss) from operating activities		<u>42,916</u>	<u>(4,185)</u>	<u>(5,543)</u>	<u>33,188</u>
Element of (loss) / income and capital (losses) / gains included issued less those in units redeemed (net)		(4,693)	34,737	3,422	33,466
Net income / (loss) for the quarter before taxation		<u>38,223</u>	<u>30,552</u>	<u>(2,121)</u>	<u>66,654</u>
Taxation	12	-	-	-	-
Net income / (loss) for the quarter after taxation		<u>38,223</u>	<u>30,552</u>	<u>(2,121)</u>	<u>66,654</u>

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

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018					For the period from August 15, 2017 to March 31, 2018	For the period from December 19, 2017 to March 31, 2018
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
	(Rupees in '000)						
Net (loss) / income for the period after taxation	(182,810)	(114,999)	(121,731)	(113,561)	28,531	14,575	(489,996)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(182,810)</u>	<u>(114,999)</u>	<u>(121,731)</u>	<u>(113,561)</u>	<u>28,531</u>	<u>14,575</u>	<u>(489,996)</u>

	For the period from October 19, 2016 to March 31, 2017	For the period from December 22, 2016 to March 31, 2017	For the period from February 17, 2017 to March 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	Total
	(Rupees in '000)			
Net income / (loss) for the period after taxation	307,782	34,087	(2,121)	339,748
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>307,782</u>	<u>34,087</u>	<u>(2,121)</u>	<u>339,748</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	For the quarter ended March 31, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(Rupees in '000)						
Net income for the quarter after taxation	169,805	113,007	121,695	137,026	39,850	14,543	595,926
Other comprehensive income for the quarter	-	-	-	-	-	-	-
Total comprehensive income for the quarter	169,805	113,007	121,695	137,026	39,850	14,543	595,926

	For the quarter ended March 31, 2017			
	MSAP-I	MSAP-II	MSAP-III	Total
	(Rupees in '000)			
Net income / (loss) for the quarter after taxation			38,223	30,552
			(2,121)	66,654
Other comprehensive income for the quarter	-	-	-	-
Total comprehensive income / (loss) for the quarter	38,223	30,552	(2,121)	66,654

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED)



	Nine months period ended March 31, 2018		Nine months period ended March 31, 2018		Nine months period ended March 31, 2018	
	MSAP-I (Rupees in '000)		MSAP-II (Rupees in '000)		MSAP-IV (Rupees in '000)	
	Capital Value	Total	Capital Value	Total	Capital Value	Total
Net assets at beginning of the period	2,604,463	2,628,676	1,661,850	1,827,011	2,034,480	1,973,250
Issuance of units:						
- MSAP - IV: 10,979,760 units /						
- MSAP - MCPP - III: 27,576,187 units						
- Capital value (at net asset value per unit at the beginning of the period)						
- Element of (loss) / income						
Total proceeds on issuance of units						
Redemption of units:						
- MSAP - I: 5,341,050 units /						
- MSAP - II: 2,998,922 units /						
- MSAP - III: 786,094 units / MSAP - IV: 1,599,169 units /						
- MSAP - V: 63,426 units / MCPP - 111: 36,256 units						
- Capital value (at net asset value per unit at the beginning of the period)						
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'						
- Relating to 'Other comprehensive income for the period'						
- (Adjustment) / refund on units, as element of income						
Total payments on redemption of units						
Total comprehensive (loss) / income for the period						
Distribution during the period						
Net (loss) / income for the period less distribution						
Net assets at end of the period	2,361,300	2,202,704	1,548,823	1,792,002	1,609,717	1,787,747

	MSAP-I (Rupees in '000)	MSAP-II (Rupees in '000)	MSAP-III (Rupees in '000)	MSAP-IV (Rupees in '000)
Capital Value	269,509	148,087	38,000	77,560
Unrealised (diminution) / (increase) available for sale investments	-	-	-	-
Accumulated loss	(26,348)	(14,311)	(2,991)	(5,617)
Total	243,162	133,776	35,009	71,943
Capital Value	148,087	148,087	38,000	38,000
Unrealised (diminution) / (increase) available for sale investments	-	-	-	-
Accumulated loss	(114,999)	(114,999)	(121,731)	(113,561)
Total	33,088	33,088	16,269	24,439
Capital Value	148,087	148,087	38,000	38,000
Unrealised (diminution) / (increase) available for sale investments	-	-	-	-
Accumulated loss	(114,999)	(114,999)	(121,731)	(113,561)
Total	33,088	33,088	16,269	24,439

	MSAP-I (Rupees)	MSAP-II (Rupees)	MSAP-III (Rupees)	MSAP-IV (Rupees)
Capital Value	14,757	123,883	99,795	82,154
Unrealised (diminution) / (increase) available for sale investments	9,456	(144,632)	(160,349)	(143,358)
Accumulated loss	(24,213)	(20,749)	(60,554)	(61,230)
Total	1,100	(1,100)	1,100	1,100
Capital Value	14,757	14,757	14,757	14,757
Unrealised (diminution) / (increase) available for sale investments	-	-	-	-
Accumulated loss	(1,100)	(1,100)	(1,100)	(1,100)
Total	13,657	13,657	13,657	13,657

Net asset value per unit as at beginning of the period  
Net asset value per unit as at end of the period

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

For the period from August 15, 2017 to  
March 31, 2018

For the period from December 19, 2017 to  
March 31, 2018

Nine months period ended March 31, 2018

MSAP-V (Rupees in '000)		MCPP-III (Rupees in '000)		Total (Rupees in '000)		
Capital Value	Accumulated loss	Capital Value	Unrealised appreciation / (diminution) / 'available for sale' investments	Total	Unrealised appreciation / (diminution) / 'available for sale' investments	Total

Net assets at beginning of the period - - - - - 8,148,553 (118,320) - 8,030,233

## Issuance of units:

MSAP - V: 10,979,760 units / MSAP - MCPP - III: 27,516,187 units  
 - Capital value (at net asset value per unit at the beginning of the period)  
 - Element of (loss) / income  
 Total proceeds on issuance of units

## Redemption of units:

MSAP - I: 3,341,050 units / MSAP - II: 2,998,922 units /  
 MSAP - III: 786,094 units / MSAP - IV: 1,599,169 units /  
 MSAP - V: 63,426 units / MSAP - MCPP III: 136,256 units  
 - Capital value (at net asset value per unit at the beginning of the period)  
 - Amount paid out of element of income  
 - Relating to 'Net income for the period after taxation'  
 - Relating to 'Other comprehensive income for the period'  
 - Adjustment on units as element of income  
 Total payments on redemption of units

Total comprehensive (loss) / income for the period  
 Distribution during the period  
 Net (loss) / income for the period less distribution

## Net assets at end of the period

Undistributed income / (loss) brought forward  
 - Realised income  
 - Unrealised income / (loss)  
 Accounting income available for distribution  
 - Relating to capital gains  
 - Excluding capital gains

## Net (loss) / income for the period after taxation

Distribution during the period  
 Undistributed (loss) / income carried forward  
 Undistributed (loss) / income carried forward  
 - Realised income / (loss)  
 - Unrealised (loss) / income

## Net asset value per unit as at beginning of the period

Net asset value per unit as at end of the period

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

548,988	-	1,375,809	-	1,375,809	-	1,924,797
(5,334)	-	5,172	-	5,172	(162)	(162)
543,654	-	1,380,982	-	1,380,982	-	1,924,636
3,172	-	6,813	-	6,813	-	543,141
-	630	-	8	8	-	638
(9)	-	32	-	32	(49,243)	(49,243)
3,794	630	6,853	8	6,853	493,897	494,535
-	28,531	-	14,575	14,575	-	(489,996)
-	28,531	-	14,575	14,575	-	(489,996)
539,860	27,901	1,374,128	14,567	1,388,703	9,579,291	608,954

320,589  
(438,909)  
(118,320)

44,899  
(2,431)  
42,468

(533,101)  
(608,954)

(350,905)  
(258,049)  
(608,954)

(Rupees)

-

50,7197

(Rupees)

-

52,0680

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

For the period from October 19, 2016 to  
March 31, 2017

For the period from December 22, 2016 to  
March 31, 2017

For the period from February 17, 2017 to  
March 31, 2017

Total

	MSAP-I (Rupees in '000)			MSAP-II (Rupees in '000)			MSAP-III (Rupees in '000)			Total
	Capital Value	Unrealised income/(loss) (accumulated)	Unrealised (diminution) available for sale investments	Capital Value	Unrealised income/(loss) (accumulated)	Unrealised (diminution) available for sale investments	Capital Value	Unrealised income/(loss) (accumulated)	Unrealised (diminution) available for sale investments	
Issuance of units:										
MSAP - I: 49,862,515 units, MSAP - II: 34,374,760 units,	2,493,126	56,046	-	1,718,737	35,471	-	1,754,207	4,734	-	1,786,882
MSAP - III: 35,642,965 units	2,493,126	56,046	-	1,718,737	35,471	-	1,754,207	4,734	-	1,786,882
Total proceeds on issuance of units										6,090,261
Redemption of units:										
MSAP - I: 788,263 units, MSAP - II: 231,285 units,	39,413	6,853	-	11,564	582	-	12,146	1,312	-	2,683
MSAP - III: 27,420 units	39,413	6,853	-	11,564	582	-	12,146	1,312	-	2,683
Total payments on redemption of units										61,095
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(49,193)	-	(49,193)	(34,889)	-	(34,889)	(3,422)	-	(87,504)
Total comprehensive income / (loss) for the period	-	307,782	-	307,782	34,087	-	34,087	(2,121)	-	339,748
Distribution during the period	-	307,782	-	307,782	34,087	-	34,087	(2,121)	-	339,748
Net income / (loss) for the period less distribution	-	-	-	-	-	-	-	-	-	-
Net assets at end of the period	2,453,713	307,782	-	2,761,494	1,707,172	34,087	1,741,259	1,780,777	(2,121)	1,778,656
Net income / (loss) for the period after taxation		307,782			34,087		(2,121)			339,748
Distribution during the period		-			-		(2,121)			-
Undistributed income / (loss) carried forward		307,782			34,087		(2,121)			339,748
Undistributed income / (loss) carried forward - Realised income		64,897			34,592		3,646			103,225
- Unrealised income / (loss)		242,795			(505)		(5,767)			236,523
		307,782			34,087		(2,121)			339,748
Net assets value per unit at end of the period										(Rupees)
										51.00
										49.94

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



**Meezan**  
Strategic Allocation Fund

# CONDENSED INTERIM CASH FLOW STATEMENT

## FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

	Nine months period ended March 31, 2018					For the period from August 15, 2017 to March 31, 2018	For the period from December 19, 2017 to March 31, 2018
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net (loss) / income for the period before taxation	(182,810)	(114,999)	(121,731)	(113,561)	28,531	14,575	(489,996)
Adjustments for:							
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	105,622	63,641	72,959	54,619	(23,898)	(14,894)	258,049
	(77,188)	(51,358)	(48,772)	(58,942)	4,633	(319)	(231,946)
Decrease / (increase) in assets							
Investments - net	355,030	188,115	85,902	(29,223)	(528,904)	(1,370,782)	(1,299,863)
Receivable against sale of investments - net	(1,720)	(4,550)	-	-	-	(500)	(6,770)
Other receivables	81	8	401	610	(36)	(37)	1,028
	353,391	183,573	86,303	(28,613)	(528,940)	(1,371,319)	(1,305,605)
(Decrease) / increase in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	(80)	(16)	(28)	(10,077)	63	135	(10,002)
Payable to Central Depository Company of Pakistan Limited - Trustee	(38)	(20)	(14)	43	42	103	116
Payable to Meezan Bank Limited	-	-	-	(5,446)	-	-	(5,446)
Payable to Securities and Exchange Commission of Pakistan	(39)	297	659	1,165	261	240	2,583
Payable against purchase of investments - net	-	-	-	(54,993)	-	-	(54,993)
Accrued expenses and other liabilities	(30,479)	48	63	(25,548)	618	343	(54,955)
	(30,636)	309	680	(94,856)	984	821	(122,697)
Net cash generated from / (used in) operating activities	245,568	132,524	38,211	(182,411)	(523,323)	(1,370,817)	(1,660,248)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts against issuance and conversion of units	-	11	-	2,140	543,653	1,380,982	1,926,786
Payments against redemption and conversion of units	(240,580)	(127,131)	(35,008)	(71,944)	(3,694)	(6,811)	(485,167)
Dividend paid	(75)	-	-	-	-	-	(75)
Net cash (used in) / generated from financing activities	(240,655)	(127,120)	(35,008)	(69,804)	539,959	1,374,171	1,441,544
Net increase / (decrease) in cash and cash equivalents during the period	4,913	5,404	3,203	(252,215)	16,636	3,354	(218,704)
Cash and cash equivalents at beginning of the period	9,497	2,172	278	260,885	-	-	272,832
Cash and cash equivalents at end of the period	14,410	7,576	3,481	8,670	16,636	3,354	54,127

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

	For the period from October 19, 2016 to March 31, 2017	For the period from December 22, 2016 to March 31, 2017	For the period from February 17, 2017 to March 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	Total
(Rupees in '000)				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income / (loss) for the period	307,782	34,087	(2,121)	339,748
Adjustments for:				
Unrealised (appreciation) / diminution on re-measurement of investments - 'at fair value through profit or loss' (net)	(242,795)	505	5,767	(236,523)
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(49,193)	(34,889)	(3,422)	(87,504)
	15,794	(297)	224	15,721
Increase in assets				
Investments (net)	(2,524,376)	(1,740,917)	(1,429,260)	(5,694,553)
Receivable against sale of investments - (net)	(6,320)	(10)	-	(6,330)
Prepayments and other receivables	(206)	(62)	(216)	(484)
	(2,530,902)	(1,740,989)	(1,429,476)	(5,701,367)
Increase in liabilities				
Payable to AI Meezan Investment Management Limited - Management Company	279	176	23,538	23,993
Payable to Central Depository Company of Pakistan Limited - Trustee	214	131	33	378
Payable to Securities and Exchange Commission of Pakistan	991	340	35	1,366
Payable against investment - net	-	-	327,000	327,000
Accrued expenses and other liabilities	31,926	747	5	32,678
	33,410	1,394	350,611	385,415
Net cash (used in) operating activities	(2,481,698)	(1,739,892)	(1,078,641)	(5,300,231)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds against issuance and conversion of units	2,549,171	1,754,207	1,784,286	6,087,664
Payments against redemption and conversion of units	(46,266)	(12,146)	(2,683)	(61,095)
Net cash generated from financing activities	2,502,905	1,742,061	1,781,603	6,026,569
Net increase in cash and cash equivalents during the period	21,207	2,169	702,962	726,338
Cash and cash equivalents at beginning of the period	-	-	-	-
Cash and cash equivalents at end of the period	21,207	2,169	702,962	726,338

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

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 8, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5 The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7 In the current period, two plans Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) were introduced. A brief description of the plans is as follows:



<p>Meezan Strategic Allocation Plan-I (MSAP-I)</p>	<p><i>Low risk - High return through asset allocation</i> The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 2, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
<p>Meezan Strategic Allocation Plan-II (MSAP-II)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 31, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
<p>Meezan Strategic Allocation Plan-III (MSAP-III)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from February 20, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. April 3, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
<p>Meezan Strategic Allocation Plan-IV (MSAP-IV)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. June 30, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
<p>Meezan Strategic Allocation Plan-V (MSAP-V)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 19, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>

Meezan Capital Preservation Plan-III (MCP-III)	<p><i>Low risk - High return through asset allocation</i></p> <p>This allocation plan commenced its operations from December 19, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period. The initial maturity of this plan is two years from the close of the subscription period (i.e. February 16, 2018). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.</p>
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Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

## 2. BASIS OF PRESENTATION

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

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 ( now Companies Act, 2017) the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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, 2017.

## 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 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, 2017 except for the changes in accounting policies as explained in notes 4.2 and 4.3.

4.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting

income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund.

However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statement has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been higher by Rs 48.442 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- 4.3 During the current period, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

4.4 The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

4.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

4.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 5. BALANCES WITH BANKS

		March 31, 2018 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
Note	.....	(Rupees in '000) .....						
Saving accounts	5.1	7,790	1,755	3,471	8,486	16,636	3,354	41,492
Current accounts		6,620	5,821	10	184	-	-	12,635
		<u>14,410</u>	<u>7,576</u>	<u>3,481</u>	<u>8,670</u>	<u>16,636</u>	<u>3,354</u>	<u>54,127</u>
		June 30, 2017 (Audited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total		
		(Rupees in '000) .....						
Saving accounts	5.1	9,263	1,115	278	252,575	263,231		
Current accounts		234	1,057	-	8,310	9,601		
		<u>9,497</u>	<u>2,172</u>	<u>278</u>	<u>260,885</u>	<u>272,832</u>		

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 2.40% per annum (June 30, 2017: 2.00% to 2.40% per annum).



## 6. INVESTMENTS

March 31, 2018 (Unaudited)								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
Investments - 'at fair value through profit or loss' - Held for trading	6.1	2,195,758	1,409,179	1,607,733	1,780,744	552,803	1,385,676	8,931,893

June 30, 2017 (Audited)					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Investments - 'at fair value through profit or loss' - Held for trading	2,656,410	1,660,935	1,766,594	1,806,140	7,890,079

### 6.1 Held for Trading - Units of mutual funds

Name of Investee Funds	As at July 01, 2017	Purchases during the period	Redemptions during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (loss) / gain as at March 31, 2018	Percentage in relation to	
								Net assets of the Fund on the basis of market value	Total market value of investments
				(Number of units)			(Rupees in '000)		
							(Percentage)		
<b>Meezan Strategic Allocation Plan-I</b>									
Al Meezan Mutual Fund	13,489,277	-	1,695,601	11,793,676	249,318	229,014	(20,304)	10.40	10.43
Meezan Dedicated Equity Fund	-	3,251,018	837,926	2,413,092	123,506	127,914	4,408	5.81	5.83
Meezan Islamic Fund	24,362,251	3,435,307	8,969,179	18,828,378	1,410,785	1,311,430	(99,355)	59.54	59.73
Meezan Cash Fund	-	3,993,262	1,100,343	2,892,919	145,977	150,424	4,448	6.83	6.85
Meezan Islamic Income Fund	9,918,797	9,572,474	12,357,647	7,133,624	371,795	376,975	5,180	17.11	17.17
					2,301,380	2,195,758	(105,622)	99.68	100.00
<b>Meezan Strategic Allocation Plan-II</b>									
Al Meezan Mutual Fund	26,045,712	-	3,227,112	22,818,600	482,385	443,101	(39,285)	31.36	31.44
Meezan Dedicated Equity Fund	-	2,052,897	99,322	1,953,574	99,082	103,556	4,474	7.33	7.35
Meezan Islamic Fund	10,307,902	2,169,030	4,931,946	7,544,987	560,649	525,522	(35,127)	37.19	37.29
Meezan Cash Fund	2,519,985	-	692,337	1,827,648	92,168	95,033	2,865	6.73	6.74
Meezan Islamic Income Fund	3,806,559	5,035,700	4,263,421	4,578,838	238,537	241,968	3,431	17.12	17.17
					1,472,820	1,409,179	(63,641)	99.72	100.00
<b>Meezan Strategic Allocation Plan-III</b>									
Meezan Dedicated Equity Fund	-	2,348,643	119,186	2,229,457	113,098	118,180	5,082	7.34	7.35
Meezan Islamic Fund	18,334,830	2,518,261	5,003,936	15,849,154	1,189,823	1,103,922	(85,901)	68.58	68.66
Meezan Cash Fund	9,748	3,606,817	126,054	3,490,511	176,131	181,498	5,367	11.28	11.29
Meezan Islamic Income Fund	7,105,227	4,780,885	8,023,229	3,862,883	201,640	204,133	2,494	12.68	12.70
					1,680,692	1,607,733	(72,959)	99.88	100.00
<b>Meezan Strategic Allocation Plan-IV</b>									
Al Meezan Mutual Fund	2,151,219	-	273,484	1,877,735	39,695	36,463	(3,233)	2.04	2.05
Meezan Dedicated Equity Fund	-	4,944,378	2,965,003	1,979,375	101,458	104,923	3,466	5.87	5.89
Meezan Islamic Fund	16,203,703	8,440,067	7,266,737	17,377,033	1,273,861	1,210,342	(63,519)	67.70	67.97
Meezan Cash Fund	1,201,553	2,576,298	196,663	3,581,188	180,673	186,212	5,540	10.42	10.46
Meezan Islamic Income Fund	8,988,987	7,269,504	11,663,825	4,594,666	239,677	242,804	3,127	13.58	13.63
					1,835,363	1,780,744	(54,619)	99.61	100.00
<b>Meezan Strategic Allocation Plan-V</b>									
Meezan Dedicated Equity Fund	-	2,899,237	1,466,152	1,433,085	72,501	75,966	3,464	13.37	13.74
Meezan Islamic Fund	-	6,593,519	1,625,010	4,968,509	327,889	346,066	18,177	60.89	62.60
Meezan Cash Fund	-	8,654,895	6,509,422	2,145,473	109,414	111,559	2,145	19.63	20.18
Meezan Islamic Income Fund	-	1,667,261	1,303,699	363,562	19,100	19,212	112	3.38	3.48
					528,904	552,803	23,898	97.26	100.00
<b>Meezan Strategic Allocation Plan - MCPP-III</b>									
Meezan Dedicated Equity Fund	-	11,725,377	6,447,664	5,277,713	272,032	279,763	7,731	20.15	20.19
Meezan Cash Fund	-	33,000,604	11,731,979	21,268,624	1,098,751	1,105,913	7,163	79.64	79.81
					1,370,782	1,385,676	14,894	99.78	100
<b>Total investments in units of mutual funds</b>									
Al Meezan Mutual Fund	41,686,208	-	5,196,197	36,490,011	771,398	708,578	(62,822)	7.90	7.93
Meezan Dedicated Equity Fund	-	27,221,549	11,935,252	15,286,297	781,677	810,302	28,625	9.03	9.07
Meezan Islamic Fund	69,208,686	23,156,184	27,796,808	64,568,062	4,763,007	4,497,282	(265,725)	50.14	50.35
Meezan Cash Fund	3,731,286	51,831,875	20,356,798	35,206,363	1,803,113	1,830,639	27,528	20.41	20.50
Meezan Islamic Income Fund	29,819,570	28,325,824	37,611,820	20,533,573	1,070,748	1,085,092	14,345	12.10	12.15
					9,189,942	8,931,893	(258,049)	99.57	100.00

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

		March 31, 2018 (Unaudited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	Total
Note		(Rupees in '000)						
	Auditors' remuneration payable	54	35	37	42	8	5	181
	Shariah advisory fee payable	58	43	41	46	9	8	206
	Provision for Sindh Workers' Welfare Fund	4,481	-	-	-	582	297	5,361
8.1	Printing Expense Payable	50	33	36	40	18	23	201
	Zakat Payable	-	15	-	-	-	-	15
	Other payable	-	-	-	-	-	10	10
		<u>4,643</u>	<u>126</u>	<u>114</u>	<u>129</u>	<u>618</u>	<u>343</u>	<u>5,974</u>
		June 30, 2017 (Audited)						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total		
		(Rupees in '000)						
	Auditors' remuneration payable	101	42	26	5	174		
	Withholding tax payable	30,471	-	-	-	30,471		
	Sales load payable	-	-	-	22,715	22,715		
	Sindh Sales tax payable on sales load	-	-	-	2,953	2,953		
	Shariah advisory fee payable	69	36	25	4	134		
	Provision for Sindh Workers' Welfare Fund	4,481	-	-	-	4,481		
8.1		<u>35,122</u>	<u>78</u>	<u>51</u>	<u>25,677</u>	<u>60,928</u>		

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

Had the SWWF not been provided, the NAV per unit / Fund return would have been higher by Re 0.10/0.20%, Re 0.05/0.10% and Re 0.01/0.02 (June 30, 2017: Re 0.09 / 0.17%) in MSAP-I, MSAP-IV and MCPP-III "



## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	March 31, 2018 (Unaudited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
<b>Al Meezan Investment Management Limited</b>							
- Management Company							
Remuneration payable (Rs in '000)	3	7	3	6	14	15	49
Sindh Sales Tax on management fee (Rs in '000)	-	1	-	2	2	2	7
Allocated expenses (Rs in '000)	183	118	134	149	47	117	748
Investment (Rs in '000)	-	92,180	-	-	-	-	92,180
Investment (Units)	-	1,999,600	-	-	-	-	1,999,600
<b>Meezan Bank Limited</b>							
Bank balance (Rs in '000)	13,545	7,576	3,481	8,670	16,636	3,354	53,262
Profit receivable (Rs in '000)	4	5	6	18	36	37	106
<b>Central Depository Company of Pakistan Limited - Trustee</b>							
Trustee fee payable (Rs. in '000)	143	92	104	116	37	91	583
Sindh Sales Tax on trustee fee payable (Rs. in '000)	19	12	14	14	5	12	75
<b>Directors and Executives of the Management Company</b>							
Investment (Rs in '000)	-	-	15,877	-	-	-	15,877
Investment (Units)	-	-	352,640	-	-	-	352,640
<b>Al Meezan Mutual Fund</b>							
Investment (Rs in '000)	229,014	443,101	-	36,463	-	-	708,578
Investment (Units)	11,793,676	22,818,600	-	1,877,735	-	-	36,490,011
<b>Meezan Dedicated Equity Fund</b>							
Investment (Rs in '000)	127,914	103,556	118,180	104,923	75,966	279,763	810,302
Investment (Units)	2,413,092	1,953,574	2,229,457	1,979,375	1,433,085	5,277,713	15,286,297

March 31, 2018 (Unaudited)

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Meezan Islamic Fund							
Investment (Rs in '000)	1,311,430	525,522	1,103,922	1,210,342	346,066	-	4,497,282
Investment (Units)	18,828,378	7,544,987	15,849,154	17,377,033	4,968,509	-	64,568,062
Meezan Cash Fund							
Investment (Rs in '000)	150,424	95,033	181,498	186,212	111,559	1,105,913	1,830,639
Investment (Units)	2,892,919	1,827,648	3,490,511	3,581,188	2,145,473	21,268,624	35,206,363
Meezan Islamic Income Fund							
Investment (Rs in '000)	376,975	241,968	204,133	242,804	19,212	-	1,085,092
Investment (Units)	7,133,624	4,578,838	3,862,883	4,594,666	363,562	-	20,533,573
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	-	-	299,207	456,879	-	168,078	924,164
Investment (Units)	-	-	6,645,828	9,990,010	-	3,313,849	19,949,687

June 30, 2017 (Audited)

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
AI Meezan Investment Management Limited - Management Company					
Remuneration payable (Rs in '000)	9	2	14	285	310
Sindh Sales Tax on management fee (Rs in '000)	1	-	2	37	40
Sales load payable (Rs in '000)	29	-	-	8,685	8,714
Sindh Sales Tax on sales load payable (Rs in '000)	4	-	-	1,129	1,133
Allocated expenses (Rs in '000)	224	140	149	98	611
Investment (Rs in '000)	-	98,740	-	-	98,740
Investment (Units)	-	1,999,600	-	-	1,999,600
Meezan Bank Limited					
Bank balance (Rs in '000)	9,487	2,172	278	252,575	264,512
Profit receivable (Rs in '000)	4	2	26	628	660
Sales load payable (Rs in '000)	-	-	-	4,820	4,820
Sindh Sales Tax on sales load payable (Rs in '000)	-	-	-	626	626
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee payable (Rs in '000)	176	110	117	77	480
Sindh Sales Tax on trustee fee payable (Rs in '000)	23	14	15	10	62
Directors and Executives of the management company					
Investment (Rs in '000)	311	-	17,708	-	18,019
Investment (Units)	6,156	-	366,318	-	372,474
AI Meezan Mutual Fund					
Investment (Rs in '000)	285,163	550,606	-	45,477	881,246
Investment (Units)	13,489,277	26,045,712	-	2,151,219	41,686,208
Meezan Islamic Fund					
Investment (Rs in '000)	1,861,520	787,627	1,400,964	1,238,125	5,288,236
Investment (Units)	24,362,251	10,307,902	18,334,830	16,203,703	69,208,686



	June 30, 2017 (Audited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total		
Meezan Cash Fund							
Investment (Rs in '000)	-	127,083	492	60,594	188,169		
Investment (Units)	-	2,519,985	9,748	1,201,553	3,731,286		
Meezan Islamic Income Fund							
Investment (Rs in '000)	509,727	195,619	365,138	461,944	1,532,428		
Investment (Units)	9,918,797	3,806,559	7,105,227	8,988,987	29,819,570		
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	-	-	321,259	484,515	805,774		
Investment (Units)	-	-	6,645,828	9,990,010	16,635,838		
				For the period from August 15, 2017 to March 31, 2018 (Unaudited)	For the period from December 19, 2017 to March 31, 2018 (Unaudited)		
	For the period ended March 31, 2018 (Unaudited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
Al Meezan Investment Management Limited - Management Company							
Remuneration for the period (Rs in '000)	62	67	6	151	198	273	758
Sindh Sales Tax on management fee (Rs in '000)	8	9	1	20	26	36	98
Allocated expenses (Rs in '000)	1,699	1,108	1,193	1,337	274	253	5,865
Meezan Bank Limited							
Profit on saving account (Rs in '000)	165	75	11	295	455	471	1,473
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee (Rs in '000)	1,329	866	933	1,046	214	197	4,586
Sindh Sales Tax on trustee fee (Rs in '000)	173	113	121	136	28	26	596
Al Meezan Mutual Fund							
Redeemed during the period (Rs in '000)	43,000	59,000	-	5,000	-	-	107,000
Redeemed during the period (Units)	1,695,601	3,227,112	-	273,484	-	-	5,196,197
Meezan Dedicated Equity Fund							
Invested during the period (Rs in '000)	165,000	104,000	119,000	251,000	146,000	604,000	1,389,000
Invested during the period (Units)	3,251,018	2,052,897	2,348,643	4,944,378	2,899,237	11,725,377	27,221,549
Redeemed during the period (Rs in '000)	43,000	5,000	6,000	151,000	75,000	330,655	610,655
Redeemed during the period (Units)	837,926	99,322	119,186	2,965,003	1,466,152	6,447,664	11,935,253
Meezan Islamic Fund							
Invested during the period (Rs in '000)	229,000	144,000	167,000	577,007	434,838	-	1,551,846
Invested during the period (Units)	3,435,307	2,169,030	2,518,261	8,440,067	6,593,519	-	23,156,184
Redeemed during the period (Rs in '000)	601,770	328,100	330,040	480,260	110,000	-	1,850,170
Redeemed during the period (Units)	8,969,179	4,931,946	5,003,936	7,266,737	1,625,010	-	27,796,808
Meezan Cash Fund							
Invested during the period (Rs in '000)	201,500	-	182,000	130,000	441,000	1,704,155	2,658,655
Invested during the period (Units)	3,993,262	-	3,606,817	2,576,298	8,654,895	33,000,604	51,831,875
Redeemed during the period (Rs in '000)	56,380	35,780	6,530	10,160	332,508	607,230	1,048,588
Redeemed during the period (Units)	1,100,343	692,337	126,054	196,663	6,509,422	11,731,979	20,356,798

	For the period ended March 31, 2018 (Unaudited)				For the period from August 15, 2017 to March 31, 2018 (Unaudited)	For the period from December 19, 2017 to March 31, 2018 (Unaudited)	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	
Meezan Islamic Income Fund							
Invested during the period (Rs in '000)	499,000	263,000	250,000	378,500	87,000	-	1,477,500
Invested during the period (Units)	9,572,474	5,035,700	4,780,885	7,269,504	1,667,261	-	28,325,824
Redeemed during the period (Rs in '000)	639,860	221,740	415,160	603,690	68,020	-	1,948,470
Redeemed during the period (Units)	12,357,647	4,263,421	8,023,229	11,663,825	1,303,699	-	37,611,820

	For the period from October 19, 2016 to March 31, 2017	For the period from December 22, 2016 to March 31, 2017	For the period from February 17, 2017 to March 31, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	
AI Meezan Investment Management Limited - Management Company	(Rupees in '000)			
Remuneration for the period	390	261	144	795
Sindh Sales Tax on Management Fee	51	34	19	104
Allocated expenses	1,043	358	38	1,439
Units issued: 1,999,600 units - MSAP-II	-	100,000	-	100,000
Meezan Bank Limited				
Profit on saving account	801	536	243	1,580
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee	866	289	30	1,185
Sindh Sales Tax on Trustee Fee	113	38	4	155
Directors and Executives of the Management Company				
Units issued: 5,770 units - MSAP-I	300	-	-	300
Units issued: 366,318 units - MSAP-III	-	-	18,413	18,413
AI Meezan Mutual Fund				
Purchase of 12,884,648 units - MSAP-I	264,000	-	-	264,000
Purchase of 24,878,266 units - MSAP-II	-	571,000	-	571,000
Meezan Islamic Fund				
Purchase of 24,514,888 units - MSAP-I	1,863,000	-	-	1,863,000
Purchase of 9,268,415 units - MSAP-II	-	791,000	-	791,000
Purchase of 12,677,517 units - MSAP-III	-	-	1,083,522	1,083,522
Sale of 1,637,235 units - MSAP-I	140,000	-	-	140,000
Meezan Islamic Income Fund				
Purchase of 44,734,611 units - MSAP-I	2,342,000	-	-	2,342,000
Purchase of 24,022,298 units - MSAP-II	-	1,270,000	-	1,270,000
Purchase of 7,954,966 units - MSAP-III	-	-	423,500	423,500
Sale of 37,786,317 units - MSAP-I	1,984,436	-	-	1,984,436
Sale of 18,671,864 units - MSAP-II	-	987,965	-	987,965
Sale of 4,102,408 units - MSAP-III	-	-	218,522	218,522
Meezan Cash Fund				
Purchase of 2,973,513 units - MSAP-I	155,976	-	-	155,976
Purchase of 1,824,923 units - MSAP-II	-	95,721	-	95,721
Purchase of 3,147,828 units - MSAP-III	-	-	165,500	165,500
Sale of 476,190 units - MSAP-III	-	-	25,000	25,000
Unit Holders holding 10% or more units of the Fund				
Purchase of 6,645,828 units - MSAP-III	-	-	330,630	330,630

## 10. ALLOCATED EXPENSES

During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.

## 11. EXPENSE RATIO

The Total Expense Ratio of the Fund for the period ended March 31, 2018 is 0.31%, 0.31%, 0.31%, 0.31%, 0.37% and 0.16% which include 0.11%, 0.11%, 0.11%, 0.11%, 0.21% and 0.07% representing government levy and SECP fee for MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPPIII respectively.

## 12. TAXATION

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

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

## 13. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	(Rupees in '000)								
Financial assets									
- measured at fair value									
Investments	8,931,893	-	-	-	8,931,893	8,931,893	-	-	8,931,893
Financial assets									
- not measured at fair value									
Balances with banks	13.1	-	54,127	-	54,127				
Receivable against sale of investments - net	13.1	6,770	-	-	6,770				
Profit receivable on saving account with banks	13.1	106	-	-	106				
		<u>8,931,893</u>	<u>6,876</u>	<u>54,127</u>	<u>-</u>				<u>8,992,896</u>
Financial liabilities									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	806	806				
Payable to Central Depository Company Pakistan Limited - Trustee	13.1	-	-	658	658				
Payable against redemption and conversion of units	13.1	-	-	9,549	9,549				
Accrued expenses and other liabilities	13.1	-	-	613	613				
		<u>-</u>	<u>-</u>	<u>11,626</u>	<u>11,626</u>				

June 30, 2017	Note	Carrying amount				Fair value				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----										
Financial assets - measured at fair value										
		7,890,079	-	-	-	7,890,079	7,890,079	-	-	7,890,079
Financial assets - not measured at fair value										
	13.1	-	-	264,522	-	264,522				
	13.1	-	10,460	-	-	10,460				
	13.1	-	999	-	-	999				
		<u>7,890,079</u>	<u>11,459</u>	<u>264,522</u>	<u>-</u>	<u>8,166,060</u>				
Financial liabilities - not measured at fair value										
	13.1	-	-	-	10,808	10,808				
	13.1	-	-	-	542	542				
	13.1	-	-	-	5,446	5,446				
	13.1	-	-	-	54,993	54,993				
	13.1	-	-	-	181	181				
	13.1	-	-	-	75	75				
	13.1	-	-	-	25,976	25,976				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>98,021</u>	<u>98,021</u>				

13.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of their fair values.

#### 14. GENERAL

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

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

14.3 Corresponding figures for MCPP-III and MSAP-V have not been presented as these plans commenced their operations from December 19, 2017 and August 15, 2017 respectively. Further, since MSAP-IV has commenced its operations from April 24, 2017 respectively, hence no corresponding figures has been presented in the 'Condensed Interim Income Statement', 'Condensed Interim Statement of Comprehensive Income', 'Condensed Interim Statement of Movement in Unitholders' Fund' and 'Condensed Interim Cash flow Statement'.



15. DATE OF AUTHORISATION FOR ISSUE

15.1 This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director







# Meezan

## Strategic Allocation Fund II

Meezan Capital Preservation Plan -IV (MCPPIV), is plan based on the Meezan Strategic Allocation Fund II (MSAF-II). Based on CPPI investment strategy, MCPPIV will enable investors to benefit from potentially high returns of a rising stock market while preserving your capital in a sliding market by investing in sovereign income or money market funds. This is the fourth in series of Islamic capital preservation plans in Pakistan adding a new dimension to address investor's need for capital preservation.

# 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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoab, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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. Atif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Meezan Bank Limited

## LEGAL ADVISER

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

## 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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Unaudited) MCPPIV (Rupees in '000)
Assets		
Balances with banks	4	51,706
Investments	5	296,211
Receivable against conversion of units		2,873
Profit receivable on saving account with bank	6	63
Total assets		<u>350,853</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7	4,052
Payable to Central Depository Company of Pakistan Limited - Trustee	8	11
Payable to Meezan Bank Limited		2,028
Payable to Securities and Exchange Commission of Pakistan	9	10
Payable against purchase of investments - net		40,000
Accrued expenses and other liabilities	10	124
Total liabilities		<u>46,225</u>
Net assets		<u>304,628</u>
Contingencies and commitments	13	
Unitholders' fund (as per statement attached)		<u>304,628</u>
		(Number of units)
Number of units in issue	14	<u>6,065,352</u>
		(Rupees)
Net assets value per unit		<u>50.2242</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD FROM MARCH 06, 2018 TO MARCH 31, 2018 (UNAUDITED)

	Note	For the period from March 06, 2018 to March 31, 2018 <u>MCPPIV</u> (Rupees in '000)
<b>Income</b>		
Net realised gain on sale of investments		133
Profit on saving accounts with banks		63
		<u>196</u>
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	5.1	<u>1,078</u>
<b>Total income</b>		<u>1,274</u>
<b>Expenses</b>		
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	33
Sindh Sales Tax on management fee	7.2	4
Allocated expenses	7.4	10
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8	10
Sindh Sales Tax on trustee fee	8.1	1
Annual fee to Securities and Exchange Commission of Pakistan	9	10
Auditors' remuneration	11	31
Fees and subscription		24
Printing charges		36
Bank and settlement charges		6
Provision for Sindh Workers' Welfare Fund	12	22
<b>Total expenses</b>		<u>187</u>
<b>Net income for the period before taxation</b>		<u>1,087</u>
<b>Taxation</b>	17	-
<b>Net income for the period after taxation</b>		<u>1,087</u>
Allocation of net income for the period		
Net income for the period after taxation		1,087
Income already paid on units redeemed		(4)
		<u>1,083</u>

\* Due to Nil Distribution for the period, disclosure related to accounting income available for distribution is not required

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM MARCH 06, 2018 TO MARCH 31, 2018 (UNAUDITED)

For the period  
from March 06,  
2018 to  
March 31,  
2018  

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MCPPIV  
(Rupees in '000)

Net income for the period after taxation	1,087
Other comprehensive income for the period	-
Total comprehensive income for the period	<hr/> <u>1,087</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD FROM MARCH 06, 2018 TO MARCH 31, 2018 (UNAUDITED)

For the period from March 06, 2018 to  
March 31, 2018

MCPP-IV

(Rupees in '000)

	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Issuance of units:				
MSAP-II - MCPP-IV: 6,152,663 units				
- Capital value	307,633	-	-	-
- Element of income	278	-	-	-
Total proceeds on issuance of units	307,911	-	-	307,911
Redemption of units:				
MSAP-II - MCPP-IV: 87,311 units				
- Capital value	4,366	-	-	-
- Amount paid out of element of income				
- Relating to 'Net income for the period after taxation'	-	4	-	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-
- (Adjustment) / refund on units as element of income	-	-	-	-
Total payments on redemption of units	4,366	4	-	4,370
Total comprehensive income for the period	-	1,083	-	1,087
Distribution during the period	-	-	-	-
Net income for the period less distribution	-	1,083	-	1,087
Net assets at end of the period	303,540	1,083	-	304,628
Accounting income available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		-		
Net income for the period after taxation		1,083		
Distribution during the period		-		
Undistributed income carried forward		1,083		
Undistributed income carried forward				
- Realised income		5		
- Unrealised income		1,078		
		1,083		
Net asset value per unit as at end of the period				(Rupees) 50.2242

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD FROM MARCH 06, 2018 TO MARCH 31, 2018 (UNAUDITED)

	Note	For the period from March 06, 2018 to March 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation		1,087
Adjustments for:		
Net unrealised (appreciation) on re-measurement of investments 'at fair value through profit or loss'	5.1	<u>(1,078)</u> 9
Increase in assets		
Investments - net		(295,133)
Profit receivable on saving accounts with banks		(63)
		<u>(295,196)</u>
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company		4,052
Payable to Central Depository Company of Pakistan Limited - Trustee		11
Payable to Meezan Bank Limited		2,028
Payable to Securities and Exchange Commission of Pakistan		10
Payable against purchase of investments - net		40,000
Accrued expenses and other liabilities		124
		<u>46,225</u>
Net cash used in operating activities		<u>(248,962)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units		305,038
Payments against redemption and conversion of units		(4,370)
Net cash generated from financing activities		<u>300,668</u>
Net increase in cash and cash equivalents during the period		<u>51,706</u>
Cash and cash equivalents at end of the period	4	<u>51,706</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD FROM MARCH 06, 2018 TO MARCH 31, 2018 (UNAUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Strategic Allocation Fund - II (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 15, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period, however the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is in process of listing on Pakistan Stock Exchange.
- 1.4 Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund. The fund's property comprises of different types of allocation plans which are accounted for and maintained separately in books of accounts and collectively constitute the Fund's property.
- 1.5 The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per capital preservation plan (sub fund) namely Meezan Capital Preservation Plan - III by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7 In the current period, one plan Meezan Capital Preservation Plan - IV (MCPP - IV) was introduced. The brief description of the plan is as follows:

Meezan Capital Preservation Plan-IV (MCP-IV)	<p><i>Low risk - High return through asset allocation</i></p> <p>This allocation plan commenced its operations from March 06, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.</p>
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## 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 approved accounting standards as applicable in Pakistan.

### 2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and of Pakistan (SECP). Wherever, the requirement of the NBFC Rules, the NBFC Regulations and the said directives differ with the of Pakistan (SECP). Wherever, the requirement of the NBFC Rules, the NBFC Regulations and the said directives differ with the requirements of these standards, the requirements of the NBFC Rules, the NBFC Regulations, and the said directives shall prevail.

2.1.2 The Companies Act, 2017, was enacted on May 30, 2017 and is applicable with immediate effect. The Securities and Exchange Commission of Pakistan through press release and vide circular no 17 of 2017 dated July 20, 2017 has decided that all the companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after June 30, 2017.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupees.

### 2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of critical accounting estimates. It also requires the Management Company to exercise its judgement in the

process of applying the Fund's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable in the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Recognition of provision for Sindh Workers' Welfare Fund (note 12); and
- c) Taxation (note 3.7 and 17).

## 2.5 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for accounting periods beginning on July 1, 2017. However, these are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 2.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below.

### 3.1 Financial instruments

#### 3.1.1 Classification

The Fund classified its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at the time of initial recognition and re-evaluates this classification on a regular basis.

#### (a) Financial instruments as 'at fair value through profit or loss'

An instrument is classified as 'at fair value through profit or loss' if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated as 'at fair value through profit or loss' if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or a derivative.

Financial instruments as 'at fair value through profit or loss' are measured at fair value, and changes therein are recognised in Income Statement.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities held for trading.

#### (b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as fair value through profit or loss.

### 3.1.2 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the fund commits to purchase or sell assets.

### 3.1.3 Recognition

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

### 3.1.4 Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a 'financial asset or financial liability not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on 'financial assets and financial liabilities at fair value through profit or loss' are charged to Income Statement.

Subsequent to initial recognition, instruments classified as 'financial assets at fair value through profit or loss' are measured at fair value. Gains or losses arising, from changes in the fair value of the 'financial assets at fair value through profit or loss' are recognized in the Income Statement.

Financial assets classified as 'loans and receivables' are carried at amortized cost using the effective yield method, less impairment losses, if any.

Financial liabilities, other than those 'at fair value through profit or loss', are measured at amortized cost using the effective yield method.

### 3.1.5 Fair value measurement principles

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

### 3.1.6 Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

### 3.1.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the Statement of Assets and Liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 3.1.8 Impairment

Impairment loss on investment is recognised in the Income Statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the Income Statement.

## 3.2 Unitholders' fund

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

## 3.3 Issuance and redemption of units

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

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

## 3.4 Element of income

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

### 3.5 Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.6 Net assets value per Unit

The net assets value (NAV) per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of each allocation plan by the number of units in issue of the respective sub funds at the period end.

### 3.7 Taxation

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

### 3.8 Revenue recognition

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

### 3.9 Expenses

All expenses, including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognized in the Income Statement as and when incurred.

### 3.10 Cash and cash equivalents

Cash and cash equivalents are carried on the Statement of Assets and Liabilities at cost. Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.



### 3.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, the determination of weighted average units for calculating EPU is not practicable.

### 3.12 Distribution

Distribution (including bonus units) are recognized in the period in which they are approved.

	Note	March 31, 2018
		MCPPIV -IV (Rupees in '000)
4. BALANCES WITH BANKS		
Saving accounts	4.1	51,706
		<u>51,706</u>

4.1 The balances in savings accounts have an expected profit which ranges from 2.00% to 2.40% per annum.

	Note	March 31, 2018
		MCPPIV -IV (Rupees in '000)
5. INVESTMENTS		
Investments - 'at fair value through profit or loss'		
- Held for trading	5.1	296,211
		<u>296,211</u>

### 5.1 Held for Trading - Units of mutual funds

Name of investee funds	Purchases during the period	Redemptions during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain as at March 31, 2018	Net assets of the fund on the basis of market value	Percentage of total market value of investment
	----- (Number of shares) -----			----- (Rupees in '000) -----			----- % -----	

#### Meezan Capital Preservation Plan - IV

Meezan Dedicated Equity Fund	2,517,326	-	2,517,326	132,500	133,439	939	43.80	45.05
Meezan Cash Fund	5,679,590	2,549,215	3,130,375	162,633	162,771	138	53.43	54.95
				<u>295,133</u>	<u>296,211</u>	<u>1,078</u>	<u>97.23</u>	<u>100.00</u>
Total cost of investments					<u>295,133</u>			

6. OTHER RECEIVABLES	Note	March 31, 2018
		MCPPIV -IV (Rupees in '000)
Profit receivable on saving accounts with banks		63
		<u>63</u>
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED (Al Meezan) - Management Company		
Management fee	7.1	33
Sindh Sales Tax on management fee	7.2	4
Allocated expense	7.4	10
Sales load and Sindh Sales Tax on Sales load payable		4,005
		<u>4,052</u>



- 7.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of average annual net assets in case of Fund of Funds Scheme. The remuneration of the Management Company has been charged at the rate of 1 percent of average annual net assets per annum for the period ended June 30, 2017.
- 7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period Sindh Sales Tax at the rate of 13 percent was charged on the remuneration of Management Company, sales load and trustee fee.
- 7.3 The mutual funds have been excluded from levy of Federal Excise Duty (FED) vide Finance Act, 2016, hence, no provision of FED has been made in these financial statements.
- 7.4 A statutory notification no. 1160 (I) / 2015 dated November 25, 2015 was issued by the Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses has been charged at the rate of 0.1% of average annual net assets of the Scheme.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) - Trustee

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

The remuneration of the Trustee for the year ended June 30, 2017 has been calculated as per the following applicable tariff:

Net assets	Tariff
Up to 1 billion	0.10% per annum
Over 1 billion	Rs. 1 million plus 0.075% p.a. of Net Assets exceeding Rs. 1 billion

- 8.1 In 2015, a notification (SRB-3-4/TP/01/2015/86554, dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. As a result of these amendments, the Fund recognised Sindh Sales Tax on remuneration of trustee fee at the rate of 13 percent in the current period.

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

This represents annual fee at the rate of 0.095 percent of the average annual net assets of the fund payable to SECP under regulation 62 read with Schedule II of NBFC Regulation 2008. Provided that for Collective Investment Schemes which on quarterly average basis have at least 1,000 retail investors and more than 50% of Net Assets are held by individual investors, provided that the maximum investment by a single retail investor (considered eligible for calculating the threshold of 1,000) does not exceed 1% of the Net Assets shall pay the annual fee at the rate of 0.076% for the next three years from the date of notification of these regulations.

During the period, fees charges at the rate of 0.095%. The fee is payable to the SECP within three months of the close of the financial year.

## 10. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	March 31, 2018
		MCPPIV (Rupees in '000)
Auditors' remuneration payable		31
Shariah advisor fee payable		24
Provision for Sindh Workers' Welfare Fund	12	22
Other Payable		10
Printing Expense Payable		36
		<u>124</u>

## 11. AUDITORS' REMUNERATION

Statutory audit fee	24
Other certification and services	7
	<u>31</u>

## 12. SINDH WORKERS' WELFARE FUND (SWWF)

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

Had the SWWF not been provided, the NAV per unit of the plan would have been higher by Re. 0.0036 / 0.0072%.

## 13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018.

## 14. NUMBER OF UNITS IN ISSUE

### 14.1 The movement in number of units in issue during the period is as follows:

	March 31, 2018
	MCPPIV (Rupees in '000)
Units issued during the period	6,152,663
Units redeemed during the period	87,311
Total units in issue at end of the period	<u>6,065,352</u>

### 14.2 All units carry equal rights and are entitled to dividend and share in the net asset value of the Fund.



## 15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, 2003, NBFC Regulations, 2008, and the Trust Deed respectively.

Detail of transactions with connected persons and balances with them at the period end are as follows:

	March 31, 2018
	MCPPIV (Rupees in '000)
AI Meezan Investment Management Limited (AI Meezan)	
- Management Company	
Remuneration payable	33
Sindh Sales Tax on management fee	4
Sales load payable	3,544
Sindh Sales Tax on sales load payable	461
Allocated expenses	10
Meezan Bank Limited	
Bank balance	51,706
Profit receivable	63
Sales load payable	1,795
Sindh Sales Tax on sales load payable	233
Central Depository Company of Pakistan Limited (CDC) - Trustee	
Trustee fee payable	10
Sindh Sales Tax on trustee fee payable	1
Directors and executives of the management company	
Investment	5,011
Investment (Units)	99,772
Meezan Dedicated Equity Fund	
Investment	133,439
Investment (Units)	2,517,326
Meezan Cash Fund	
Investment	162,771
Investment (Units)	3,130,375

	For the period from March 06, 2018 to March 31, 2018
	MCPPIV (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Remuneration for the period	33
Sindh Sales Tax on management fee	4
Allocated expenses	10
Meezan Bank Limited	
Profit on saving account	63
Central Depository Company of Pakistan Limited (CDC) - Trustee	
Trustee fee	10
Sindh Sales Tax on trustee fee	1
Directors and Executives of the Management Company	
Invested during the period	5,011
Invested during the period (Units)	99,772
Meezan Dedicated Equity Fund	
Invested during the period	132,500
Invested during the period (Units)	2,517,326
Meezan Cash Fund	
Invested during the period	295,000
Invested during the period (Units)	5,679,590
Redeemed during the period	132,500
Redeemed during the period (Units)	2,549,215

## 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.

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 or 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 year end date.

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 Company 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 market price (unadjusted) in active markets for an identical assets or liabilities.
- Level 2: Inputs other than quoted prices included with in level 1 that are observable for the assets 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).

The following table presents assets that are measured at fair value as at March 31, 2018:

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
Financial assets - measured at fair value	(Rupees in '000)								
Investments	296,211	-	-	-	296,211	296,211	-	-	296,211
Financial assets - not measured at fair value									
Balances with banks	16.1	-	51,706	-	51,706				
Receivable against issuance and conversion of units	16.1	2,873	-	-	2,873				
Other receivables	16.1	63	-	-	63				
		296,211	2,936	51,706	350,853				
Financial liabilities - not measured at fair value									
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	16.1	-	-	4,052	4,052				
Payable to Central Depository Company Pakistan Limited (CDC) - Trustee	16.1	-	-	11	11				
Payable to Meezan Bank Limited (MBL)	16.1	-	-	2,028	2,028				
Payable against investments (net)	16.1	-	-	40,000	40,000				
Accrued expenses and other liabilities	16.1	-	-	124	124				
		-	-	46,215	46,215				

16.1 The Fund has not disclosed fair value for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

## 17. 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income of MCPP - IV relating to the current period as the Management Company has intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018, 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 to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly Supertax introduced in Finance Act, 2015 is also not applicable on funds (Section 4B of Income Tax Ordinance, 2001).

## 18. PERFORMANCE TABLE

	At as March 31, 2018
	MCPPIV - IV
Net assets (Rs. '000) (ex-distribution)	304,628
Net assets value / redemption price per unit (ex-distribution) as at March 31 (Rs.) (ex-distribution)	50.2242
Offer price per unit as at March 31 (Rs.)	51.9268
Highest offer price per unit (Rs.)	51.9282
Lowest offer price per unit (Rs.)	51.6950
Highest redemption price per unit (Rs.)	50.2256
Lowest redemption price per unit (Rs.)	50.0000
Total return (%)	0.50%

Investment portfolio composition of the Fund is described in note 5.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

## 19. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016 which require that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of the fund. TER of the fund for the period ended March 31, 2018 is 0.14% which include 0.03% representing government levy, Worker Welfare Fund and SECP fee for MCPPIV - IV.

## 20. INVESTMENT COMMITTEE MEMBERS

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

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Twenty seven years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty one years
Mr. Ahmed Hassan	VP Investments	CFA / MBA	Ten years
Mr. Ali Khan	VP Product Development	CFA, FRM, MBA	Seven years
Mr. Zain Malik	VP Investments	CFA / BBA	Eight years
Mr. Asif Imtiaz	Senior Manager	CFA / MBA - Finance	Nine years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Twelve years
Mr. Ali Asghar	AVP/Head of Research	CFA level II / BBA	Six years

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

- KSE - Meezan Index Fund
- Meezan Dedicated Equity Fund
- Meezan Strategic Allocation Fund - I
- Meezan Financial Planning Fund of Funds
- Meezan Balanced Fund





21. PATTERN OF UNIT HOLDING

	MCPP IV		
	March 31, 2018		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	389	262,600	86.21
Director	1	5,011	1.64
Retirement funds	7	30,149	9.90
Others	1	6,867	2.25
Total	398	304,628	100.00

22. GENERAL

22.1 There are no corresponding figures in Meezan Capital Preservation Plan IV as this plan commenced its operations from March 06, 2018.

22.2 These financial statements were authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





# Meezan

Tahaffuz Pension Fund

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 immense Tax Benefits which significantly enhances the yield on your investment.

# FUND INFORMATION

## PENSION FUND MANAGER

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	Non-Executive	Chairman
Mr. Muhammad Abdullah Ahmed	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Ijaz Farooq	Non-Executive	
Mr. Moin M. Fudda	Independent	
Ms. Saima Shaukat Khan (Kamila)	Independent	
Mr. Arshad Majeed (subject to approval by the SECP)	Non-Executive	
Mr. Naeem Abdul Sattar	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	
Mr. Mohammad Shoaib, CFA	Chief Executive	

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arshad Majeed (subject to approval by the SECP)	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 RESOURSE & REMUNERATION COMMITTEE

Mr. Atif Azim	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

Deloitte Yousuf Adil  
Chartered Accountants  
Cavish Court, A-35, Block 7&8,  
KCHSU, Shahrah-e-Faisal, Karachi-75350, Pakistan

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)  
Allied Bank Limited  
Askari Bank Limited - Islamic Banking  
Bank Alfalah - Islamic Banking Branch  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking

Habib Bank Limited - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Sindh Bank Pakistan Limited  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Meezan Bank Limited  
Meezan House,  
C-25, Estate Avenue, S.I.T.E., Karachi  
Phone: (9221) 33810538 Fax: (9221) 96406017  
Website: www.meezanbank.com

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

## AS AT MARCH 31, 2018

Note	March 31, 2018 (Unaudited)					June 30, 2017 (Audited) Total	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total		
(Rupees in '000)							
<b>ASSETS</b>							
Bank balances	4	146,456	513,149	293,025	5,557	958,187	1,484,202
Investments	5	5,694,205	1,891,582	494,475	42,229	8,122,491	7,552,165
Dividend receivable		37,046	-	-	-	37,046	24,606
Deposits and other receivables	6	9,408	20,565	8,292	13	38,278	62,855
Receivable against change of plan / change of fund manager / issuance of units		-	2,584	-	-	2,584	91,130
Receivable against sale of investments (net)		2,880	-	-	-	2,880	-
<b>Total assets</b>		<b>5,889,995</b>	<b>2,427,880</b>	<b>795,792</b>	<b>47,799</b>	<b>9,161,466</b>	<b>9,214,958</b>
<b>LIABILITIES</b>							
Payable to AI Meezan Investment Management Limited - Pension Fund Manager		8,112	3,431	1,127	67	12,737	12,671
Payable to Central Depository Company of Pakistan Limited - Trustee		465	197	65	4	731	720
Payable to auditors		41	41	41	53	176	224
Payable to Securities and Exchange Commission of Pakistan		1,360	601	178	11	2,150	2,675
Payable against purchase of investments (net)		-	-	-	-	-	23
Payable against withdrawal / change of plan		1,327	5,259	4,093	-	10,679	97,934
Accrued expenses and other liabilities	7	58,958	14,858	3,828	139	77,783	77,459
<b>Total liabilities</b>		<b>70,263</b>	<b>24,387</b>	<b>9,332</b>	<b>274</b>	<b>104,256</b>	<b>191,706</b>
<b>NET ASSETS</b>		<b>5,819,732</b>	<b>2,403,493</b>	<b>786,460</b>	<b>47,525</b>	<b>9,057,210</b>	<b>9,023,252</b>
Contingencies and commitments	8						
<b>PARTICIPANTS' SUB - FUNDS</b> (as per statement attached)		<b>5,819,732</b>	<b>2,403,493</b>	<b>786,460</b>	<b>47,525</b>	<b>9,057,210</b>	<b>9,023,252</b>
(Number of units)							
Number of units in issue (as per statement attached)		<b>10,787,785</b>	<b>11,021,123</b>	<b>3,639,805</b>	<b>471,530</b>		
(Rupees)							
Net assets value per unit		<b>539.4742</b>	<b>218.0806</b>	<b>216.0720</b>	<b>100.7894</b>		

The annexed notes from 1 to 12 form an integral part of these financial statements.

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UNAUDITED)

Note	For the nine months ended March 31, 2018				Total	For the nine months ended March 31, 2017	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total	
(Rupees in '000)							
<b>INCOME</b>							
	-	61,117	10,914	-	72,031	62,855	
Profit from sukuk certificates	-	8,949	9,502	101	22,971	23,452	
Profit on saving accounts with banks	4,419	-	-	-	-	-	
Profit on term deposit receipts	-	33,637	8,550	-	42,187	35,829	
Dividend income	193,350	-	-	-	193,350	138,040	
Other Income	-	-	-	1	1	-	
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	5.1,5.2 & 5.3	(315,008)	(18,593)	(4,611)	-	(338,212)	888,312
Unrealised appreciation / (diminution) on investment in gold	5.5	-	-	-	5,676	5,676	(2,533)
Net realised (loss) / gain on sale of investments		(314,063)	(12,812)	(1,143)	79	(327,939)	172,266
Reversal of provision of Workers' Welfare Fund		-	-	-	-	-	43,443
Total (loss) / income		(431,302)	72,298	23,212	5,857	(329,935)	1,361,664
<b>EXPENSES</b>							
Remuneration to AI Meezan Investment Management Limited - Pension Fund Manager	61,164	27,057	8,018	504	96,743	86,288	
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	7,951	3,517	1,042	65	12,575	11,217	
Remuneration of Central Depository Company of Pakistan Limited - Trustee	3,538	1,566	462	29	5,595	5,178	
Sindh Sales Tax on remuneration of the Trustee	460	204	60	4	728	674	
Annual fee to Securities and Exchange Commission of Pakistan	1,360	601	178	11	2,150	1,918	
Auditors' remuneration	87	87	87	87	348	459	
Legal & professional charges	7	20	20	7	54	56	
Brokerage charges	4,460	60	7	292	4,819	5,520	
Bank and settlement charges	362	113	94	1	570	433	
Charity expense	2,651	-	-	-	2,651	1,979	
Provision for Sindh Workers' Welfare Fund	-	785	289	98	1,172	46,536	
Total expenses	82,040	34,010	10,257	1,098	127,405	160,258	
Net (loss) / income from operating activities	(513,342)	38,288	12,955	4,759	(457,340)	1,201,406	
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed (net)	(54,906)	192	1,213	51	(53,450)	69,192	
Net (loss) / income for the period before taxation	(568,248)	38,480	14,168	4,810	(510,790)	1,270,598	
Taxation	11	-	-	-	-	-	
Net (loss) / income for the period after taxation	(568,248)	38,480	14,168	4,810	(510,790)	1,270,598	
Other comprehensive income for the period							
Items that can be reclassified to income statement in subsequent periods							
Unrealized diminution on re-measurement of investment classified as "available for sale" (net)	-	-	-	-	-	-	
Total comprehensive income for the period	(568,248)	38,480	14,168	4,810	(510,790)	1,270,598	

The annexed notes from 1 to 12 form an integral part of these financial statements.

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED MARCH 31, 2018 (UNAUDITED)

Note	For the quarter ended March 31, 2018				Total	For the quarter ended March 31, 2017
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
	----- (Rupees in '000) -----					
<b>INCOME</b>						
Profit from sukuk certificates	-	19,584	3,114	-	22,698	22,307
Profit on saving accounts with banks	2,295	2,597	3,381	33	8,306	8,580
Profit on term deposit receipts	-	12,297	4,135	-	16,432	12,489
Dividend income	40,156	-	-	-	40,156	40,471
Other income	-	-	-	1	1	-
Unrealised appreciation/(diminution) on re-measurement of investments at 'fair value through profit or loss' (net)	5.1,5.2 & 5.3	751,670	(1,681)	(1,677)	748,312	(43,205)
Unrealised appreciation on investment in gold	5.5	-	-	3,545	3,545	2,343
Net realised (loss) / gain on sale of investments		(197,226)	(639)	79	(209,561)	57,246
Reversal of provision of Workers' Welfare Fund		-	-	-	-	43,443
<b>Total income</b>		<b>596,895</b>	<b>21,022</b>	<b>8,314</b>	<b>629,889</b>	<b>143,674</b>
<b>EXPENSES</b>						
Remuneration to AI Meezan Investment Management Limited - Pension Fund Manager		20,583	8,742	2,869	170	32,364
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager		2,675	1,136	373	22	4,206
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,184	503	165	10	1,862
Sindh Sales Tax on remuneration of the Trustee		154	66	21	1	242
Annual fee to Securities and Exchange Commission of Pakistan		458	194	64	4	720
Auditors' remuneration		18	18	18	18	72
Legal & professional charges		7	6	6	7	26
Brokerage charges		2,017	58	3	101	2,179
Bank and settlement charges		151	48	21	1	221
Charity expense		712	-	-	-	712
Provision for Sindh Workers' Welfare Fund		-	218	103	67	388
<b>Total expenses</b>		<b>27,959</b>	<b>10,989</b>	<b>3,643</b>	<b>401</b>	<b>42,992</b>
<b>Net income from operating activities</b>		<b>568,936</b>	<b>10,033</b>	<b>4,671</b>	<b>3,257</b>	<b>586,897</b>
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(9,559)	652	398	33	(8,476)
<b>Net income for the quarter before taxation</b>		<b>559,377</b>	<b>10,685</b>	<b>5,069</b>	<b>3,290</b>	<b>578,421</b>
Taxation	11	-	-	-	-	-
<b>Net income for the quarter after taxation</b>		<b>559,377</b>	<b>10,685</b>	<b>5,069</b>	<b>3,290</b>	<b>578,421</b>
<b>Other comprehensive income for the quarter</b>						
Items that can be reclassified to income statement in subsequent periods						
Unrealized diminution on re-measurement of investment classified as "available for sale" (net)		-	-	-	-	-
<b>Total comprehensive income for the quarter</b>		<b>559,377</b>	<b>10,685</b>	<b>5,069</b>	<b>3,290</b>	<b>578,421</b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Director







# CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS

FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UNAUDITED)

	For the nine months ended March 31, 2018				Total	For the nine months ended March 31, 2017 Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		
----- (Rupees in '000) -----						
Net assets at beginning of the period	5,806,229	2,510,961	662,819	43,243	9,023,252	6,550,023
Amount received on issuance of units (2018: Equity sub fund: 2,399,443 units; Debt sub fund: 3,602,769 units; Money market sub fund: 3,691,337 units; Gold sub fund: 20,193 units) (2017: Equity sub fund: 2,353,055 units; Debt sub fund: 3,485,122 units; Money market sub fund: 1,382,665 units; Gold sub fund: 535,564 units)	1,269,914	778,276	790,185	1,914	2,840,289	2,422,522
Amount paid on withdrawal of units (2018: Equity sub fund: 1,414,163 units; Debt sub fund: 4,282,895 units; Money market sub fund: 3,175,392 units; Gold sub fund: 26,021 units) (2017: Equity sub fund: 1,436,565 units; Debt sub fund: 1,811,218 units; Money market sub fund: 755,299 units; Gold sub fund: 59,293 units)	(743,069)	(924,032)	(679,499)	(2,391)	(2,348,991)	(1,385,062)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	526,845	(145,756)	110,686	(477)	491,298	1,037,460
Net realised (loss) / gain on sale of investments	(314,063)	(12,812)	(1,143)	79	(327,939)	172,266
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss' (net)	(315,008)	(18,593)	(4,611)	-	(338,212)	888,312
Unrealised appreciation / (diminution) on investment in gold	-	-	-	5,676	5,676	(2,533)
Other net income / (loss) for the period	60,823	69,885	19,922	(945)	149,685	212,553
	(568,248)	38,480	14,168	4,810	(510,790)	1,270,598
Net assets at end of the period	<u>5,819,732</u>	<u>2,403,493</u>	<u>786,460</u>	<u>47,525</u>	<u>9,057,210</u>	<u>8,788,889</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# CONDENSED INTERIM CONTRIBUTION TABLE

FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UNAUDITED)

	For the nine months ended March 31, 2018								Total	For the nine months ended March 31, 2017 Total
	Equity sub fund		Debt sub fund		Money market sub fund		Gold sub fund			
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)
Contribution net of front end fee for the period										
Individuals										
- issuance of units	2,399,443	1,269,914	3,602,769	778,276	3,691,337	790,185	20,193	1,914	2,840,289	2,422,522

The annexed notes from 1 to 12 form an integral part of these financial statements.

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Director



## CONDENSED INTERIM NUMBER OF UNITS IN ISSUE FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UNAUDITED)

	For the nine months ended March 31, 2018			
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund
	..... (Number of units) .....			
Total units in issue at beginning of the period	9,802,505	11,701,249	3,123,860	477,358
Add: Units issued / converted / reallocated during the period	2,399,443	3,602,769	3,691,337	20,193
Less: Units redeemed / converted / reallocated during the period	(1,414,163)	(4,282,895)	(3,175,392)	(26,021)
Total units in issue at the end of the period	<u>10,787,785</u>	<u>11,021,123</u>	<u>3,639,805</u>	<u>471,530</u>

	For the nine months ended March 31, 2017			
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund
	..... (Number of units) .....			
Total units in issue at beginning of the period	8,332,830	9,768,041	2,230,504	-
Add: Units issued / converted / reallocated during the period	2,353,055	3,485,122	1,382,665	535,564
Less: Units redeemed / converted / reallocated during the period	(1,436,565)	(1,811,218)	(755,299)	(59,293)
Total units in issue at the end of the period	<u>9,249,320</u>	<u>11,441,945</u>	<u>2,857,870</u>	<u>476,271</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund and 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:

- The Equity Sub-Fund shall invest at least 90% of net assets in listed equity securities based on quarterly average investment calculated on daily basis. Investment in single company shall not exceed 10% of net assets or paid-up capital of the investee company, whichever is lower. Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A".
- The Debt Sub-Fund shall consist of debt securities with maturity of not more than 5 years. At least 25 % of net assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25 % of net assets of Debt Sub-Fund may be deposited with Banks having not less than "AA Plus" rating. However, if such debt securities issued by Federal Government are not available, the assets of Debt Sub-Fund may be deposited in Islamic Commercial Banks, having not less than "A+" rating or Islamic windows of conventional commercial Banks, having not less than "AA" rating or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.
- The Money Market Sub-Fund consists of short term debt instruments with weighted average maturity upto one year. Shariah Compliant Money Market Sub Fund can invest in shariah compliant government securities where the time to maturity may be upto three years.
- The Gold Sub Fund consist of physical gold and aim to provide opportunities of capital appreciation and maximum exposure to price of gold in a Shariah Compliant manner, by investing a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX).



- 1.3 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. 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 JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM1' to the Pension Fund Manager.
2. STATEMENT OF COMPLIANCE

These condensed financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirement of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosure required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 for the year ended June 30, 2017. The accounting policies followed in preparation of interim financial information are same which were disclosed in annual financial statements.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2017.

4. BANK BALANCES

Note	March 31, 2018 (Unaudited)				Total	June 30, 2017 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
	..... (Rupees in '000) .....					
		765	-	-	765	818
4.1	145,691	513,149	293,025	5,557	957,422	1,483,384
	<u>146,456</u>	<u>513,149</u>	<u>293,025</u>	<u>5,557</u>	<u>958,187</u>	<u>1,484,202</u>

- 4.1 The balance in savings accounts carry expected profit which ranges from 2.00% to 6.10% (June 30, 2017: 2.00% to 6.10%) per annum.

Note	March 31, 2018 (Unaudited)				Total	June 30, 2017
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		(Audited)
						Total
----- (Rupees in '000) -----						
5. INVESTMENTS						
At fair value through profit or loss held for trading						
- shares of listed companies	5.1	5,694,205	-	-	-	5,694,205
- sukuk certificates	5.2	-	811,859	208,475	-	1,020,334
		<u>5,694,205</u>	<u>811,859</u>	<u>208,475</u>	<u>-</u>	<u>6,714,539</u>
Investments designated at 'fair value through profit or loss upon initial recognition'	5.3	-	187,583	-	-	187,583
Loans and receivables	5.4					
- term deposits		-	869,000	286,000	-	1,155,000
- commercial paper		-	23,140	-	-	23,140
Investment in gold	5.5	-	-	-	42,229	42,229
		<u>5,694,205</u>	<u>1,891,582</u>	<u>494,475</u>	<u>42,229</u>	<u>8,122,491</u>
						<u>7,552,165</u>

#### 5.1 Held for trading' - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Bonus / Rights issue during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (loss) / gain at March 31, 2018	Percentage of net assets on the basis of market value of the respective sub fund (see note 5.1.2 below)	Percentage of paid-up capital of investee company
	---(Number of shares)---	(Rupees in '000)	(Rupees in '000)	----- (Number of shares) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- % -----	----- % -----		
<b>Equity Sub Fund</b>											
<b>Sector / companies</b>											
<b>Automobile Assembler</b>											
Indus Motor Company Limited	15,605	-	-	-	15,605	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	-	92,600	49,928	-	-	92,600	49,928	44,233	(5,695)	0.76	0.11
Honda Atlas Cars Pakistan Limited	273,500	-	-	-	-	273,500	237,313	130,547	(106,766)	2.24	0.19
Millat Tractors Limited	-	25,000	33,749	-	-	25,000	33,749	32,059	(1,690)	0.55	0.06
Gandhara Industries Limited	-	75,100	39,354	-	25,450	49,650	26,066	41,441	15,375	0.71	0.23
										4.26	0.59
<b>Automobile parts and Accessories</b>											
General Tyre and Rubber Company of Pakistan Limited	-	222,700	45,039	-	80,200	142,500	28,893	27,313	(1,580)	0.47	0.24
Gandhara Nissan Limited	-	165,100	40,898	-	-	165,100	40,898	42,746	1,848	0.73	0.37
										1.20	0.61
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	1,329,000	745,000	45,453	-	1,175,000	899,000	82,249	40,644	(41,605)	0.70	0.18
<b>Cement</b>											
D.G Khan Cement Company Limited	942,900	100,000	17,504	-	355,000	687,900	143,143	112,203	(30,940)	1.93	0.16
Lucky Cement Limited	510,106	143,350	89,328	-	-	653,456	515,909	450,636	(65,273)	7.74	0.20
Fauji Cement Company Limited	1,653,500	550,000	21,758	-	2,196,500	7,000	285	205	(80)	1.73	0.44
Cherat Cement Company Limited	786,000	-	-	-	-	786,000	140,521	100,844	(39,677)	1.73	0.44
Pioneer Cement Company Limited	1,570,100	-	-	-	975,000	595,100	77,363	41,681	(35,682)	0.72	0.26
Maple Leaf Cement Factory Limited	467,500	56,562	5,176	-	465,000	59,062	5,455	4,183	(1,272)	0.07	0.01
Kohat Cement Company Limited	436,400	150,000	30,000	-	-	586,400	130,049	94,111	(35,938)	1.62	0.38
Devan Cement Limited	-	2,582,500	63,997	-	220,000	2,362,500	58,534	63,764	5,230	1.10	0.49
										14.91	1.94
<b>Chemical</b>											
Engropolymer & Chemicals Limited	1,150,000	3,722,000	114,599	-	1,990,000	2,882,000	88,719	102,743	14,024	1.77	0.43
ICI Pakistan Limited	153,470	21,600	17,909	-	-	175,070	185,890	149,049	(36,841)	2.56	0.19
Sitara Chemical Industries Limited	36,600	-	-	-	-	36,600	16,273	12,444	(3,829)	0.21	0.17
										4.54	0.79
<b>Engineering</b>											
K.S.B Pumps Company Limited	131,500	-	-	-	38,300	93,200	29,358	34,029	4,671	0.58	0.71
Amreli Steels Limited	225,000	-	-	-	225,000	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	312,400	63,400	8,387	-	237,000	138,800	30,625	17,560	(13,065)	0.30	0.18
International Steels Limited	225,000	169,200	20,544	-	125,000	269,200	33,544	31,203	(2,341)	0.54	0.06
International Industries Limited	222,500	170,000	45,672	-	165,000	227,500	67,595	64,701	(2,894)	1.11	0.19
Mughal Iron and Steel Industries	-	653,000	48,501	-	-	653,000	48,501	47,930	(571)	0.82	0.26
										3.35	1.40



Name of the investee company	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Bonus / Rights issue during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (loss) / gain at March 31, 2018	Percentage of net assets on the basis of market value of the respective sub fund (see note 5.1.2 below)	Percentage of paid-up capital of investee company
	---(Number of shares)---		(Rupees in '000)	------(Number of shares)-----			------(Rupees in '000)-----		-----	----- %	-----
Fertilizer											
Engro Corporation Limited (note 5.1.3)	1,464,700	723,000	198,255	-	875,500	1,312,200	398,645	406,323	7,678	6.98	0.25
Engro Fertilizers Limited	3,312,000	450,000	25,571	-	50,000	3,712,000	205,754	256,462	50,708	4.41	0.28
Dawood Hercules Corporation Limited	603,900	7,300	876	-	26,000	585,200	79,684	76,626	(3,058)	1.32	0.12
										12.71	0.65
Food and Personal Care Products											
Engro Foods Limited	302,100	40,000	4,511	-	342,000	100	12	10	(2)	-	-
National Foods Limited	47,000	-	-	-	47,000	-	-	-	-	-	-
Al-Shaheer Corporation Limited	33,160	975,000	30,086	-	975,000	33,160	1,033	1,015	(18)	0.02	0.02
										0.02	0.02
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	2,094,900	909,000	141,106	-	50,000	2,953,900	428,808	514,215	85,407	8.84	0.07
Pakistan Oilfields Limited	369,050	189,300	106,342	-	65,000	493,350	244,252	320,954	76,702	5.51	0.21
Pakistan Petroleum Limited	636,657	1,105,400	214,065	-	-	1,742,057	308,379	370,779	62,400	6.37	0.09
Mari Petroleum Company Limited	205,400	-	-	-	-	205,400	323,636	304,107	(19,529)	5.23	0.19
										25.95	0.56
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	433,133	340,500	143,224	150,926	-	924,559	310,998	297,236	(13,762)	5.11	0.28
Attock Petroleum Limited	34,120	3,250	1,950	-	-	37,370	23,324	21,471	(1,853)	0.37	0.05
Sui Northern Gas Pipelines Limited	1,800,000	659,600	75,643	-	390,000	2,069,600	288,824	233,265	(55,559)	4.01	0.33
Shell Pakistan	10,000	-	-	-	10,000	-	-	-	-	-	-
Hascol Petroleum Limited	4,300	148,483	41,968	-	10,000	142,783	40,080	37,900	(2,180)	0.65	0.10
Hi-Tech Lubricants Limited	295,000	75,000	5,625	-	50,000	320,000	32,332	33,661	1,331	0.58	0.28
										10.72	1.04
Paper and Board											
Packages Limited	430,801	73,700	41,538	-	96,000	408,501	275,384	240,452	(34,932)	4.13	0.46
Cherat Packaging Limited	141,000	19,035	2,379	-	-	160,035	35,906	27,328	(8,578)	0.47	0.48
										4.60	0.94
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	134,550	15,000	9,705	-	-	149,550	135,455	107,812	(27,643)	1.85	0.15
GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	41,500	8,706	-	24,000	17,500	3,673	8,878	5,206	0.15	0.02
The Searle Company Limited	302,446	15,000	6,599	63,489	-	380,935	161,445	133,941	(27,504)	2.30	0.21
Highnoon Laboratories Limited	5,929	-	-	-	4,500	1,429	895	668	(227)	0.01	0.01
GlaxoSmithKline Pakistan Limited	-	10,000	1,860	-	-	10,000	1,860	1,896	36	0.03	-
AGP Limited	-	562,500	45,000	-	-	562,500	45,000	51,013	6,013	0.88	0.20
										5.22	0.59
Power Generation & Distribution											
The Hub Power Company Limited	1,921,745	661,400	65,779	-	425,000	2,158,145	242,527	216,894	(25,633)	3.73	0.19
K-Electric Limited (note 5.1.1)	24,768,500	852,000	5,209	-	2,000,000	23,620,500	162,319	165,580	3,261	2.85	0.11
										6.58	0.43
Refinery											
Attock Refinery Limited	153,000	287,500	92,818	-	365,400	75,100	18,824	18,759	(65)	0.32	0.09
National Refinery Limited	95,000	83,000	41,745	-	91,800	86,200	48,043	36,557	(11,486)	0.63	0.11
										0.95	0.20
Textile Composite											
Nishat Mills Limited	168,500	436,300	66,432	-	-	604,800	93,169	96,097	2,927	1.65	0.17
Technology & Communication											
Pakistan Telecommunication Company Limited	-	1,000,000	12,933	-	1,000,000	-	-	-	(1)	-	-
Systems Limited	-	290,000	28,072	-	-	290,000	28,072	28,020	(53)	0.48	0.26
										0.48	0.26
Miscellaneous											
Shifa International Hospitals Limited	10,960	-	-	-	10,900	60	20	17	(3)	-	-
<b>Total</b>			<b>2,155,793</b>			<b>54,917,072</b>	<b>6,009,213</b>	<b>5,694,205</b>	<b>(315,008)</b>		

5.1.1 All shares have a nominal value of Rs. 10 each except K-Electric Limited having nominal value of Rs. 3.50.

5.1.2 Net assets are as defined in Rule 2(1)(m) of VPS Rules.

5.1.3 145,000 shares of Engro Corporation Limited having market value of Rs. 44.90 million as at March 31, 2018, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

## 5.2 'Held for trading' - sukuk certificates

Name of the security	Maturity date	Profit rate per annum	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Sold during the period	Matured during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (loss) as at March 31, 2018	Percentage of net assets on the basis of market value of the respective sub-fund (see note 5.1.2)
			Number of certificates	(Rupees in '000)	----- Number of certificates -----	----- (Rupees in '000) -----	----- (%) -----					
<b>Debt Sub Fund</b>												
GoP - Ijarah sukuk XVI (note 5.2.1)	December 18, 2018	Expected profit rate is 5.51%	3,780	-	-	500	-	3,280	334,527	327m967	(6,560)	13.65
GoP - Ijarah sukuk XVII (note 5.2.1)	February 15, 2019	Expected profit rate is 6.1%	6,620	-	-	4,270	-	2,350	241,885	235,117	(6,768)	9.78
GoP - Ijarah sukuk XVIII (note 5.2.1)	March 29, 2019	Expected profit rate is 5.59%	2,750	-	-	250	-	2,500	254,800	248,775	(6,025)	10.35
<b>Total</b>									<b>831,212</b>	<b>811,859</b>	<b>(19,353)</b>	
<b>Money Market Sub Fund</b>												
GoP - Ijarah sukuk XVI (note 5.2.1)	December 18, 2018	Expected profit rate is 5.51%	1,040	-	-	-	-	1,040	106,070	103,990	(2,080)	13.22
GoP - Ijarah sukuk XVII (note 5.2.1)	February 15, 2019	Expected profit rate is 6.1%	230	-	-	230	-	-	-	-	-	-
GoP - Ijarah sukuk XVIII (note 5.2.1)	March 29, 2019	Expected profit rate is 5.59%	1,500	-	-	450	-	1,050	107,016	104,485	(2,531)	13.29
<b>Total</b>									<b>213,086</b>	<b>208,475</b>	<b>(4,611)</b>	

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

## 5.3 Investments 'at fair value through profit or loss upon initial recognition' - Sukuk Certificates

Name of the investee company	Maturity date	Profit rate per annum	As at July 01, 2017	Purchased during the period	Cost of purchase during the period	Sold during the period	Redemptions / matured during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised (loss) / gain as at March 31, 2018	Percentage of net assets on the basis of market value (see note 5.1.2)
			Number of certificates	(Rupees in '000)	----- Number of certificates -----	----- (Rupees in '000) -----	----- (%) -----					
<b>Debt Sub Fund</b>												
Eden Housing Limited (note 5.3.1)	September 29, 2014	3 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	-	-	-	-
Security Leasing Corporation Limited II (note 5.3.2)	January 19, 2022	-	154	-	-	-	-	154	-	-	-	-
Fatima Fertilizer Company Limited (note 5.3.2)	November 28, 2021	6 months Kibor plus base rate of 1.10%	5,640	-	-	-	1,128	4,512	23,573	22,921	(652)	0.95
Dubai Islamic Bank Pakistan Limited (note 5.3.3)	July 14, 2027	6 months Kibor plus base rate of 0.5%	-	12,400	-	1,000	-	11,400	57,000	58,037	1,037	2.41
International Brand Limited (note 5.3.4)	November 15, 2021	12 months Kibor plus base rate of 0.5%	-	11,000	-	-	-	11,000	55,000	55,000	-	2.29
Neelum Jhelum Power Company Limited (note 5.3.4)	June 29, 2016	6 months Kibor plus base rate of 1.13%	-	500	-	-	-	500	51,250	51,625	375	2.15
<b>Total</b>									<b>186,823</b>	<b>187,583</b>	<b>760</b>	
<b>Money Market Sub Fund</b>												
Security Leasing Corporation Limited II (note 5.3.2)	January 19, 2022	-	154	-	-	-	-	154	-	-	-	-
<b>Total</b>									<b>-</b>	<b>-</b>	<b>-</b>	

5.3.1 The principal buy out reduces the face value per certificate instead of number of certificates. The face value of the sukuk certificates is Rs.984.38 each.

5.3.2 The nominal value of these sukuk certificates is Rs.5,000 each.

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

5.3.4 The nominal value of these sukuk certificates is Rs. 100,000 each.

#### 5.4 Loans and receivables

	Note	(Unaudited) March 31, 2018	(Audited) June 30, 2017
(Rupees in '000)			
<b>Debt Sub Fund</b>			
Term deposits	5.4.1	869,000	430,000
Commercial paper	5.4.2	23,140	-
		892,140	430,000
<b>Money Market Sub Fund</b>			
Term deposits	5.4.1	286,000	-
		286,000	-

#### 5.4.1 Term deposit

Name of the Bank	Maturity date	Profit rate per annum	----- Face Value -----				Rating	Percentage of net assets value on the basis of total value of investments of the respective sub fund (See note 5.1.2)
			As at July 01, 2017	TDR's placed during the period	Matured during the period	As at March 31, 2018		
----- (Rupees in '000) -----								----- (%) -----
<b>Debt Sub Fund</b>								
Dubai Islamic Bank Pakistan Limited	September 05, 2017	6.10%	330,000	-	330,000	-	AA-	-
Dubai Islamic Bank Pakistan Limited	March 06, 2018	5.80%	-	330,000	330,000	-	AA-	-
Dubai Islamic Bank Pakistan Limited	February 01, 2018	5.70%	100,000	-	100,000	-	AA-	-
Bank Al Habib Limited	November 01, 2017	5.80%	-	400,000	400,000	-	AA+	-
Bank Al Habib Limited	February 01, 2018	5.85%	-	300,000	300,000	-	AA+	-
Habib Bank limited	January 28, 2018	6.20%	-	100,000	100,000	-	AAA	-
Dubai Islamic Bank Pakistan Limited	April 06, 2018	6.25%	-	400,000	-	400,000	AA-	16.64
Bank Al Habib Limited	April 30, 2018	5.90%	-	469,000	-	469,000	AA+	19.51
Total						869,000		
<b>Money Market Sub Fund</b>								
Bank Al Habib Limited	November 01, 2017	5.80%	-	130,000	130,000	-	AA+	-
Bank Al Habib Limited	February 01, 2018	5.85%	-	133,000	133,000	-	AA+	-
Habib Bank Limited	May 07, 2018	5.90%	-	133,000	-	133,000	AAA	16.91
Habib Bank Limited	January 28, 2018	6.20%	-	17,000	17,000	-	AAA	-
Bank Al Habib Limited	April 30, 2018	5.90%	-	153,000	-	153,000	AA+	19.45
Total						286,000		

## 5.4.2 Commercial paper

Name of the security	Maturity date	Profit rate per annum	As at July 01, 2016	Placed during the period	Cost of Purchase	Matured during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain / (loss) as at March 31, 2018	Percentage of net assets on the basis of market value (see note 5.1.2)
			----- Face Value -----			----- (Rupees in '000) -----					----- (%) -----
Hascol Petroleum Limited	June 29, 2018	6 months Kibor plus base rate of 1.25%	-	23,140	23,140	-	23,140	23,140	23,140	-	0.96
								<u>23,140</u>	<u>23,140</u>	<u>-</u>	

## 5.5 Investment in gold

Commodity	As at July 01, 2017	Purchased during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised gain as at March 31, 2018	Net Assets of the Fund on the basis of investments (note 5.1.2)
	----- Quantity in Tola -----				----- (Rupees in '000) -----			----- (%) -----
Tola Gold	734	-	17	717	36,553	42,229	5,676	88.86
Total					<u>36,553</u>	<u>42,229</u>	<u>5,676</u>	

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.42.23 million has been measured at fair value based on the quoted market price in active markets.

## 6. DEPOSITS AND OTHER RECEIVABLES

	March 31, 2018 (Unaudited)					June 30, 2017 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
----- (Rupees in '000) -----						
Security Deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks and Term Deposits	2,061	9,233	6,514	-	17,808	32,503
Profit receivable on sukuks certificates	-	11,232	1,678	13	12,923	22,805
Advance tax	4,747	-	-	-	4,747	4,747
	<u>9,408</u>	<u>20,565</u>	<u>8,292</u>	<u>13</u>	<u>38,278</u>	<u>62,855</u>

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	March 31, 2018 (Unaudited)					June 30, 2017 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
----- (Rupees in '000) -----						
Provision for Sindh Workers Welfare Fund	38,142	5,262	1,266	98	44,768	43,595
Federal Excise Duty on remuneration of the Pension Fund Manager	15,068	8,535	2,312	-	25,915	25,915
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager	1,800	962	242	-	3,004	3,004
Charity payable	2,635	-	-	-	2,635	2,484
Brokerage payable	1,291	99	8	-	1,398	2,398
Custodian charges Payable	-	-	-	41	41	41
Sindh Sales Tax withheld on brokerage	22	-	-	-	22	22
	<u>58,958</u>	<u>14,858</u>	<u>3,828</u>	<u>139</u>	<u>77,783</u>	<u>77,459</u>

- 7.1 This includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs.38.142 million, Rs. 5.262 million, Rs. 1.266 million, Rs 0.098 million in Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively (June 30,2017: 38,142 million, 4.477million, 0.976 million in Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund). Had the SWWF not been provided, the NAV per unit / fund return would been higher by Rs.3.54(0.65%), 0.48(0.22%), 0.35(0.16%), 0.21(0.21%) in Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in the reviewed financial statements for the period ended December 31,2017.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 other than as disclosed in the annual financial statements for the year ended June 30, 2017.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 9.1 Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and Executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.
- 9.2 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 9.3 Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed respectively.
- 9.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 9.5 Amount outstanding as at period end are as follows:

	March 31, 2018 (Unaudited)					June 30, 2017 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
Al Meezan Investment Management Limited - Pension Fund Manager	----- (Rupees in '000) -----					
Remuneration of the Pension Fund Manager	7,179	3,036	997	59	11,271	11,214
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	933	395	130	8	1,466	1,457
Investments as at March 31, 2018: (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000) as at June 30, 2017 (Equity sub fund: 260,077 units ; Gold Sub Fund : 300,000 units)	140,305	-	-	30,237	170,542	181,225
Meezan Bank Limited						
Bank balance	58,209	478	360	5,538	64,585	55,310
Profit receivable on saving account	531	264	11	13	819	1,528
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of the Trustee	412	174	58	3	647	637
Sindh Sales Tax on remuneration of Trustee	53	23	7	1	84	484
Deposits	100	100	100	-	300	300

March 31, 2018 (Unaudited)					Total	June 30, 2017 (Audited) Total
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund			

Directors and Executives of the Pension Fund Manager

Investments as at March 31, 2018: (Equity sub fund: 985,199 units; Debt Sub Fund: 387,097 units; Money Market Sub Fund: 20,344 units; Gold Sub Fund: 150,199 Units)

as at June 30, 2017: (Equity sub fund: 839,300 units; Debt sub fund: 407,292 units; Money Market sub fund: 10,158 units; Gold Sub Fund : 160,905 units)

(Rupees in '000)						
	531,489	84,418	4,396	15,138	635,441	624,927

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

For the nine months ended March 31, 2018 (Unaudited)					Total	For the nine months ended March 31 2017 (Unaudited) Total
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund			

Al Meezan Investment Management Limited - Pension Fund Manager

Remuneration of the Pension Fund Manager

Sindh Sales Tax and Federal Excise Duty

on remuneration of the Pension Fund Manager

Units Issued

(Rupees in '000)						
	61,164	27,057	8,018	504	96,743	86,288
	7,951	3,517	1,042	65	12,575	11,217
	-	-	-	-	-	30,000

Meezan Bank Limited

Profit on savings account

	1,303	24	15	100	1,442	1,187
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Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee

Sindh Sales Tax on remuneration of Trustee

CDS Charges for the period

	3,538	1,566	462	29	5,595	5,178
	460	204	60	4	728	674
	153	5	5	-	163	195

Directors and Executives of the Pension Fund Manager

Units issued (Equity Sub Fund: 158,972 units;

Debt Sub Fund: 40,229 units; Money Market

Sub Fund: 15,820 units;

Gold sub fund: 12,775 units)

	85,348	8,663	3,400	1,198	98,609	97,973
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Units redeemed / reallocated (Equity

Sub Fund 13,073 units; Debt Sub Fund:

60,424 units; Money Market Sub Fund:

5,634 units; Gold sub fund: 23,481 units)

	5,503	13,025	1,208	2,152	21,888	38,422
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## 10. 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.

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

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

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

The following table presents the assets that are measured at fair value as at March 31, 2018:

Note	Carrying amount					Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total	
March 31, 2018	(Rupees in '000)									
Financial assets										
- measured at fair value										
Investments										
- Held-for-trading										
- shares of listed companies	10.1	5,694,205	-	-	-	5,694,205	5,694,205	-	-	5,694,205
- sukuk certificates	10.1	1,020,334	-	-	-	1,020,334	-	1,020,334	-	1,020,334
- Investments designated at fair value through profit or loss upon initial recognition'	10.1									
- sukuk certificates		132,583	-	-	-	132,583		132,583	-	132,583
		<u>6,847,122</u>	-	-	-	<u>6,847,122</u>	<u>5,694,205</u>	<u>1,152,917</u>	-	<u>6,847,122</u>
Financial assets - not measured at fair value										
Bank balances	10.1	-	-	958,187	-	958,187	-	-	-	-
Investments - Loans and receivables	10.1	-	-	-	-	-	-	-	-	-
- Investments designated at fair value through profit or loss upon initial recognition'	10.1									
- shares of listed companies	10.1	5,694,205	-	-	-	5,694,205	5,694,205	-	-	5,694,205
- sukuk certificates	10.1	1,020,334	-	-	-	1,020,334	-	1,020,334	-	1,020,334
Dividend receivable	10.1	-	37,046	-	-	37,046	-	-	-	-
Deposits and other receivables	10.1	-	38,278	-	-	38,278	-	-	-	-
Receivable against change of plan / change of fund manager / issuance of units	10.1	-	2,584	-	-	2,584	-	-	-	-
Receivable against sale of investment (net)		-	2,880	-	-	2,880	-	-	-	-
		<u>1,233,140</u>	<u>80,788</u>	<u>958,187</u>	-	<u>2,272,115</u>	-	-	-	-
Total		<u>8,080,262</u>	<u>80,788</u>	<u>958,187</u>	-	<u>9,119,237</u>	<u>5,694,205</u>	<u>1,152,917</u>	-	<u>6,847,122</u>



Note	Carrying amount					Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total	
March 31, 2018										
(Rupees in '000)										
Financial liabilities										
- not measured at fair value										
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	10.1	-	-	-	12,737	12,737	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	10.1	-	-	-	731	731	-	-	-	-
Payable to auditors	10.1	-	-	-	176	176	-	-	-	-
Payable against withdrawal / change of plan	10.1	-	-	-	10,679	10,679	-	-	-	-
Accrued expenses and other liabilities	10.1	-	-	-	1,439	1,439	-	-	-	-
		-	-	-	25,762	25,762	-	-	-	-

Note	Carrying amount					Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total	
June 30, 2017										
(Rupees in '000)										
Financial assets										
- measured at fair value										
Investments										
- Held-for-trading										
- shares of listed companies	10.1	5,428,403	-	-	-	5,428,403	5,428,403	-	-	5,428,403
- sukuk certificates	10.1	1,629,823	-	-	-	1,629,823	-	1,629,823	-	1,629,823
- Investments designated at fair value through profit or loss upon initial recognition'	10.1	26,520	-	-	-	26,520	-	26,520	-	26,520
		<u>7,084,746</u>	-	-	-	<u>7,084,746</u>	<u>5,428,403</u>	<u>1,656,343</u>	-	<u>7,084,746</u>
Financial assets - not measured at fair value										
Bank balances	10.1	-	-	1,484,202	-	1,484,202	-	-	-	-
Investments - Loans and receivables	10.1	430,000	-	-	-	430,000	-	-	-	-
Dividend receivable	10.1	-	24,606	-	-	24,606	-	-	-	-
Deposits and other receivables	10.1	-	58,108	-	-	58,108	-	-	-	-
Receivable against change of plan / change of fund manager / issuance of units	10.1	-	91,130	-	-	91,130	-	-	-	-
		<u>430,000</u>	<u>173,844</u>	<u>1,484,202</u>	-	<u>2,088,046</u>	-	-	-	-
Total		<u>7,514,746</u>	<u>173,844</u>	<u>1,484,202</u>	-	<u>9,172,792</u>	-	-	-	-
Financial liabilities										
- not measured at fair value										
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	10.1	-	-	-	12,671	12,671	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	720	720	-	-	-	-
Payable to auditors	10.1	-	-	-	224	224	-	-	-	-
Payable against purchase of investments (net)	10.1	-	-	-	23	23	-	-	-	-
Payable against withdrawal / change of plan	10.1	-	-	-	97,934	97,934	-	-	-	-
Accrued expenses and other liabilities	10.1	-	-	-	2,439	2,439	-	-	-	-
		-	-	-	114,011	114,011	-	-	-	-



- 10.1 The Fund has not disclosed fair value 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.
- 10.2 There were no transfers between above levels during the period.
- 10.3 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 term.

## 11. 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 this condensed interim financial information.

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.

## 12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 24, 2018 by the Board of Directors of the pension fund manager.

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Director



















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(AM1 rating by JCR-VIS)

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