



Al Meezan

Investment Management Ltd

Al Meezan/Funds/2019/1085
October 31, 2019

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

TRANSMISSION OF FINANCIAL STATEMENTS FOR THE QUARTER ENDED
SEPTEMBER 30, 2019

We hereby inform you that the financial statements of the following funds under the Management of Al Meezan Investment Management Limited for the quarter ended September 30, 2019 have been sent via emails to the Stock Exchange for onward submission to TRE Certificate Holders of the Exchange and are also available on Company's official website www.almeezangroup.com:

- 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 Strategic Allocation Fund III

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,


Shahid Usman Qjha
Head of Fund Accounting



DISCOVERING NEW OPPORTUNITIES

QUARTERLY REPORT
SEPTEMBER 30, 2019





VISION

To make Shariah compliant investing a first choice for investors.

MISSION

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

DIRECTORS' REPORT -
FUNDS UNDER MANAGEMENT COMPANY

The Board of Directors of Al Meezan Investment Management Limited is pleased to present the unaudited financial statements of the following open end funds and a voluntary pension scheme for the period ended September 30, 2019.

Equity Funds

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

Sector Specific Fund

- Meezan Energy Fund

Balanced Fund

- Meezan Balanced Fund

Asset Allocation Fund

- Meezan Asset Allocation Fund

Commodity Fund

- Meezan Gold Fund

Income Funds

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

Money Market Fund

- Meezan Cash Fund
- Meezan Rozana Amdani Fund

Funds of Funds

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

Pension Fund

- Meezan Tahaffuz Pension Fund

Economic Review

The first quarter of FY20 witnessed an array of mixed trends with respect to Pakistan's economy. The year began with Pakistan successfully negotiating an IMF bailout package worth USD 6 bn to avert looming balance of payment crisis and provided much needed stability to rupee. On the monetary policy front, after eight consecutive rate hikes, SBP maintained the key policy rate at 13.25% in September's monetary policy meeting and kept inflation forecast at 11-12% for FY20.

On the external account, sharp depreciation of currency helped in bringing down Current Account Deficit (CAD) to USD 1.3bn during 2MFY20, a massive 55% YoY drop owed largely to 23% YoY decline in imports. However, export growth remained stagnant during the period while remittances showed a decline of 8% YoY to USD 3.7bn. The improvement in the Balance of Payment, receipt of first tranche of IMF bailout package, activation of Saudi oil facility and flows from multilateral institutions (some support has come in the form of hot money following central bank's decision to open up debt markets for foreign investors) helped the SBP Forex reserves to improve by 6% QoQ during first quarter of FY20 to settle at USD 7.74 bn as at September 30, 2019. Consequently, the currency also witnessed an appreciation of -2.4% against the USD during the quarter under review.

On the fiscal front, the government has faced some challenges especially on the fiscal deficit and primary deficit which came in at 8.9% and 3.5% respectively for FY19. Government has to bring down fiscal deficit to 7.1% and primary deficit to 0.6% of GDP in FY20. During the quarter, the government has been able to raise tax collection to Rs. 960 bn, showing an improvement of 14% over the corresponding period last year, however, it still fell short of target by 10%.

On the monetary front, monthly inflation has remained elevated though stayed within the stipulated range of 11-13% quoted by IMF and SBP. The latest inflation number for the month of September clocked in at 11.37% on new base year of 2015-16, (12.60% on old base of 2007-08) while average inflation for 3MFY20 was recorded at 10.08% on new base year of 2015-16 (11.51% on old base of 2007-08) showing a gradual rise over the previous months and remained high in both YoY and MoM terms. As a result, the SBP increased policy rate by 100 bps in its Monetary Policy in July 2019, driven by likely higher near term inflation and second round effects of previous quarter's exchange rate depreciation. Despite cuts announced by a number of central banks globally and secondary market yields starting to retreat in the local money market, the SBP has kept the Policy Rate unchanged at 13.25% during the September 2019 Monetary Policy citing further improvement needs to be awaited in the macroeconomic environment.

Money Market Review

As mentioned above State Bank of Pakistan (SBP), continued with the monetary tightening stance during the first quarter of FY20 increased the policy rate/discount rate by 1.00% which was set at 13.25% on the back of rising inflation and surging commodity prices. The market had already been anticipating a DR increase since the start of the fiscal year so the raise in the policy rate did not come as a surprise for the market participants.

In line with the increased discount rate, shorter term government paper yields and KIBORs showed an upward trend, T-bills rose by 62-100 bps whereby the 3m, 6m and 12m T-bills closed at 13.75%, 13.76% and 13.75% respectively. However, subsequently due to softening of oil and commodity prices due to slowdown in global economies, money market perceived that inflation may have peaked out in the period under review, triggered an inversion in the yield curve which

was witnessed by steep decline in secondary market PIB yields. Hence, increase in demand for longer tenure government bonds pushed the PIB yields down where 10 years bond closed at 12.18% (down by 154 bps), 5 years closed at 12.30% (down by 158 bps) and 3 years closed at 12.64% (down by 121 bps).

On the liquidity front, money market remained stable due to continuous OMO injections from SBP. During the quarter, Central bank borrowed additional Rs. 2.05 trillion through T-bills and PIBs in the primary market. However, in order to support the market, SBP injected PKR 1.97 trillion liquidity through OMO injections.

On the Islamic money market front, Ijarah Sukuk price witnessed sharp increase due to lack of availability of Shariah compliant government /Ijarah securities. It is pertinent to mention here that out of the four running Ijarah Sukuk issues worth Rs. 385 billion, three Ijarahs worth Rs. 314 billion were matured during FY19 and the government did not carry out any Ijarah Sukuk auction since June 2017. In the last fiscal year, the Government had issued Pakistan Energy Sukuk - I in March 2019 worth PKR 200 billion. The second tranche of Energy Sukuk is expected in the current fiscal year. However, corporate sector continued to raise funds through Sukuks and Islamic Commercial Paper, which played key role in absorbing some portion of excess liquidity available with Islamic institutions.

Equity Review

During the first quarter of FY2020, stock market remained under pressure, as KSE100 dropped by 5.38% to close at 32,079 and KMI-30 dropped by 5.48% and closed at the level of 51,150 points. Participation in the market continued to remain low during the period with the KMI-30 index and KSE-100 index volumes down by 17% and 22% respectively year on year.

The lean and lackluster performance of stock market was attributable to 1) concerns on the large fiscal deficit, 2) uncertainty over the FATF review outcome, 3) tension with India over the Kashmir issue, 4) further monetary tightening in July, and 5) below expectations corporate results. Initially, the quarter started on the negative note on the concerns of monetary tightening despite signing of IMF deal. Later result season for FY 2019 end results and specially cyclical results reported higher anticipated losses, brought further pressure on market and KMI 30 index touched a low of 44,929 points (KSE 100 28,764 points) on August 16, 2019. However, subsequently concerns of global slow-down of economies led to easing of inflationary concerns and news flow pertaining to investment in market by a Pension fund triggered stock market recovery. Sentiment improvement was led by further improvements in the external account, a status-quo stance in the September MPS, and the yield curve exhibiting an inverted shape helped the KMI-30 index closed at 51,150 (KSE 100 closed at 32,079) at the end of first quarter, in fact market staged a recovery of 6,621 points or 13.85% for the KMI-30 and 3,315 pts or 11.5% for the KSE-100 index from the lowest level.

Globally, ETF outflows from EM markets during the quarter under review, continued in the wake of global slowdown and strengthening US dollar. MSCI EM Index was also under pressure in the same period due to continued liquidation by external investors and ended the quarter down by 5%. Similarly, MSCI EM Currency Index ended the quarter 2.85% down, signaling re-emerging broad-based stresses in the EM markets owing to worsening dollar liquidity conditions.

International oil prices remained under pressure due to broad-based slowdown in the global economy. Negative trend in the oil market persisted despite sharp spike in crude oil prices

Equity Flows

Foreign sentiment remained positive with FIIPI settling in at a net buy of USD 23.36mn for 1st quarter FY20. We attribute the positive sentiment of foreigners primarily to the currency stability witnessed this quarter. Furthermore, cheap valuations across the board in the index have also lured foreign interest into the market. Sector-wise, the accumulation was seen concentrated in Cements (USD 13.16mn), Commercial Banks (USD 7.93mn), and Power Generation & Distribution (USD 5.59mn). Selling was primarily witnessed in Oil & Gas Exploration (USD 8.06mn). Locals were mainly sellers in aggregate with bulk of selling being carried out by Mutual Funds (USD 82.28mn), Insurance Companies (USD 23.04mn) and Companies (USD 10.56mn). Individuals, Brokerage houses, Banks and Other Organizations were mainly buyers in the market on the local side.

Mutual Fund Industry Review

During first quarter of FY20, AUMs of the mutual fund industry increased by 6.0% to Rs. 562 bn. Shariah Compliant AUMs increased by 5.8% to Rs. 207 bn which brings the share of Shariah Compliant funds at 36.9% in the mutual fund industry. Al Meezan's share in the Mutual Funds industry stood at 18.2% while amongst the Shariah Compliant Funds, it had a share of 49.2% as of September 30, 2019. This marked an increase in market share by 97 basis points with-in the mutual fund AUMs and 270 basis points with-in the Shariah Compliant segment of the industry, for Al Meezan.

The change in AUMs of industry of 1QFY20 over FY19 is as under:

	FY19	1QFY20	Change
	(Rs. in Billion)		(%)
Sovereign, Money Market and Income Funds			
Shariah Compliant Funds	93	118	28.8
Conventional Funds	193	231	20.1
Total Funds	284	349	22.8
Equity Funds (Including Index Tracker Funds)			
Shariah Compliant Funds	64	54	(16.0)
Conventional Funds	119	101	(14.3)
Total Funds	183	155	(14.8)
Capital protected, balanced, and asset allocation			
Shariah Compliant Funds	23	18	(19.8)
Conventional Funds	14	13	(10.1)
Total Funds	37	31	(16.1)
Commodity funds			
Shariah Compliant Funds	0.48	0.54	14.1
Total Funds	0.48	0.54	14.1
Voluntary Pension Funds			
Shariah Compliant Funds	17	16	(1.1)
Conventional Funds	9	9	1.8
Total Funds	26	26	(0.2)
Meezan Tahaffuz Pension Fund (MTPF) Market Share			
In Overall Segment (%)	34.88	34.30	(0.6)
In Shariah Compliant Segment (%)	34.05	33.68	(0.4)

Performance Review (Funds)

Meezan Islamic Fund

The net assets of Meezan Islamic Fund (MIF) as at September 30, 2019 stood at Rs. 22,133 million compared to Rs. 25,740 million at the end of June 2019, a decline of 14%. The net asset value (NAV) per unit as at September 30, 2019 was Rs. 44.8723 in comparison to Rs. 47.9235 per unit as on June 30, 2019 translating into a negative return of 6.38% during the quarter compared to the benchmark return of KSE Meezan Index (KMI 30) which declined by 5.48%.

Al Meezan Mutual Fund

The net assets of Al Meezan Mutual Fund (AMMF) as at September 30, 2019 were Rs. 3,902 million compared to Rs. 4,768 million at the end of June 2019, a decline of 18%. The net asset value per unit as at September 30, 2019 was Rs. 12.5569 compared to Rs. 13.3539 per unit on June 30, 2019 translating into a negative return of 5.98% during the quarter compared to the benchmark return of KSE Meezan Index (KMI 30) which declined by 5.48%.

KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at September 30, 2019 were Rs. 1,493 million compared to Rs. 1,517 million at June 30, 2019, a decline of 2%. The net asset value per unit at September 30, 2019 was Rs. 49.9304 as compared to Rs. 52.9470 per unit on June 30, 2019 translating into a negative return of 5.70% during the quarter compared to the benchmark return of KSE Meezan Index (KMI 30) which declined by 5.48%.

Meezan Dedicated Equity Fund

The net assets of Meezan Dedicated Equity Fund (MDEF) as at September 30, 2019 were Rs. 1,024 million compared to Rs. 1,761 million at June 30, 2019, a decline of 42%. The net asset value per unit at September 30, 2019 was Rs. 32.9959 as compared to Rs. 35.5081 per unit on June 30, 2019 translating into a negative return of 7.09% during the quarter compared to the benchmark return of KSE Meezan Index (KMI 30) which declined by 5.48%.

Meezan Energy Fund

The net assets of Meezan Energy Fund (MEF) as at September 30, 2019 were Rs. 519 million compared to Rs. 599 million in June 2019, a decline of 13%. The net asset value per unit as at September 30, 2019 was Rs. 29.1295 as compared to Rs. 33.3649 per unit on June 30, 2019, translating into a negative return of 12.71% during the quarter compared to the benchmark return of KSE Meezan Index (KMI 30) which declined by 5.48%.

Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at September 30, 2019 were Rs. 4,552 million compared to Rs. 5,350 million at June 30, 2019, a decline of 15%. The net asset value per unit as at September 30, 2019 was Rs. 13.1364 as compared to Rs. 13.4608 per unit on June 30, 2019 translating into a negative return of 2.40% during the quarter compared to the benchmark return which declined by 2.21%.

Meezan Asset Allocation Fund

The net assets of Meezan Asset Allocation Fund (MAAF) as at September 30, 2019 were Rs. 1,616 million compared to Rs. 1,854 million at June 30, 2019, a decline of 13%. The net asset value per unit as at September 30, 2019 was Rs. 33.8542 as compared to Rs. 35.4328 per unit on June 30,

2019 translating into a negative return of 4.45% during the quarter compared to the benchmark return which declined by 3.41%.

Meezan Gold Fund

The net assets of the fund as at September 30, 2019 were 545 million compared to Rs. 478 million at June 30, 2019, an increase of 14%. The Fund provided a return of 5.44% during the quarter compared to the benchmark return of 4.99%.

Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) as at September 30, 2019 were Rs. 16,591 million compared to Rs. 9,471 million at June 30, 2019, an increase of 75%. The net asset value per unit as at September 30, 2019 was Rs. 52.9192 compared to Rs. 51.4367 per unit on June 30, 2019 translating into an annualized return of 11.42% compared to the benchmark annualized return of 5.74%. At quarter end, the fund was 26% invested in Islamic Corporate Sukuks, 14% in Commercial Papers, 1% in GoP Ijarah Sukuks, 4% in Certificate of Musharaka and 55% 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 September 30, 2019 were Rs. 4,793 million compared to Rs. 5,705 million at June 30, 2019, a decline of 16%. The net asset value per unit at September 30, 2019 was Rs. 52.9845 as compared to Rs. 51.5293 per unit on June 30, 2019 translating into an annualized return of 11.19% compared to the benchmark annualized return of 10.64%. At quarter end, the fund was 23% invested in GoP Ijarah Sukuks and 75% 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 September 30, 2019 were Rs. 10,685 million compared to Rs. 8,851 million at June 30, 2019, an increase of 21%. The net asset value per unit at September 30, 2019 was Rs. 51.8510 as compared to Rs. 50.4731 on June 30, 2019 translating into an annualized return of 10.82% as compared to the benchmark annualized return of 5.40%. At quarter end 18% of the fund was placed in Term Deposit Receipts, 12% of the fund was placed in Commercial Papers, 6% in Islamic Corporate Sukuks and 60% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Rozana Amdani Fund

The net assets of Meezan Rozana Amdani Fund (MRAF) at September 30, 2019 were Rs. 25,409 million compared to Rs. 16,134 million at June 30, 2019, an increase of 57%. The net asset value per unit at September 30, 2019 was Rs. 50.0000. During the quarter fund provides an annualized return of 11.70% as compared to the benchmark annualized return of 5.40%.

Meezan Financial Planning Fund of Funds

Aggressive Allocation Plan

The net assets of the plan were Rs. 341 million as at September 30, 2019 compared to Rs. 365 million at June 30, 2019. . The plan provided a negative return of 4.13% during the quarter compared to the benchmark return which declined by 3.82%.

Moderate Allocation Plan

The net assets of the plan were Rs. 138 million as at September 30, 2019 compared to Rs. 203 million at June 30, 2019. The plan provided a negative return of 1.78% during the quarter compared to the benchmark return which declined by 2.16%.

Conservative Allocation Plan

The net assets of the plan as at September 30, 2019 were Rs. 184 million compared to Rs. 222 million at June 30, 2019. The plan provided a return of 0.46% during the quarter compared to the benchmark return which declined by 0.32%.

Meezan Asset Allocation Plan-I

The net assets of the plan as at September 30, 2019 were Rs. 485 million compared to Rs. 593 million at June 30, 2019. The plan provided a negative return of 4.77% during the quarter compared to the benchmark return which declined by 3.49%.

Meezan Strategic Allocation Fund**Meezan Strategic Allocation Plan-I**

The net assets of the plan as at September 30, 2019 were Rs. 898 million compared to Rs. 1,067 million at June 30, 2019. The plan provided a negative return of 3.95% during the quarter compared to the benchmark return which declined by 3.38%.

Meezan Strategic Allocation Plan-II

The net assets of the plan as at September 30, 2019 were Rs. 503 million compared to Rs. 728 million at June 30, 2019. The plan provided a negative return of 3.69% during the quarter compared to the benchmark return which declined by 3.20%.

Meezan Strategic Allocation Plan-III

The net assets of the plan as at September 30, 2019 were Rs. 776 million compared to Rs. 891 million at June 30, 2019. The plan provided a negative return of 3.88% during the quarter compared to the benchmark return which declined by 3.09%.

Meezan Strategic Allocation Plan-IV

The net assets of the plan as at September 30, 2019 were Rs. 838 million compared to Rs. 1,003 million at June 30, 2019. The plan provided a negative return of 4.02% during the quarter compared to the benchmark return which declined by 3.26%.

Meezan Strategic Allocation Plan-V

The net assets of the plan as at September 30, 2019 were Rs. 229 million compared to Rs. 316 million at June 30, 2019. The plan provided a negative return of 4.16% during the quarter compared to the benchmark return which declined by 3.31%.

Meezan Capital Preservation Plan-III

The net assets of the plan as at September 30, 2019 were Rs. 996 million compared to Rs. 1,099 million at June 30, 2019. The plan provided a return of 1.54% during the quarter compared to the benchmark return of 0.57%.

Meezan Strategic Allocation Fund -II

Meezan Capital Preservation Plan-IV

The net assets of the plan as at September 30, 2019 were Rs. 1,362 million compared to Rs. 1,553 million at June 30, 2019. The plan provided a return of 0.69% during the quarter compared to the benchmark return which declined by 0.04%.

Meezan Capital Preservation Plan-V

The net assets of the plan as at September 30, 2019 were Rs. 378 million compared to Rs. 474 million at June 30, 2019. The plan provided a return of 0.60% during the quarter compared to the benchmark return of 0.02%.

Meezan Capital Preservation Plan-VI

The net assets of the plan as at September 30, 2019 were Rs. 314 million compared to Rs. 384 million at June 30, 2019. The plan provided a return of 0.38% during the quarter compared to the benchmark return which declined by 0.12%.

Meezan Capital Preservation Plan-VII

The net assets of the plan as at September 30, 2019 were Rs. 177 million compared to Rs. 207 million at June 30, 2019. The plan provided a return of 0.37% during the quarter compared to the benchmark return which declined by 0.12%.

Meezan Capital Preservation Plan-VIII

The net assets of the plan as at September 30, 2019 were Rs. 102 million compared to Rs. 131 million at June 30, 2019. The plan provided a return of 1.23% during the quarter compared to the benchmark return of 0.64%.

Meezan Strategic Allocation Fund -III

Meezan Capital Preservation Plan-IX

The net assets of the plan as at September 30, 2019 were Rs. 94 million compared to Rs. 34 million at June 30, 2019. The plan provided a return of 1.02% during the quarter compared to the benchmark return which declined by 0.06%.

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 quarter ended September 30, 2019, the equity sub-fund provided a negative return of 5.75% and gold sub fund provided a return of 5.07%, while the debt and money market sub-funds provided annualized returns of 10.63% and 10.50% respectively. Performance review for each sub fund is given as under:

Equity Sub Fund

The net assets of this sub fund stood at Rs. 3,580 million at September 30, 2019 compared to Rs. 4,086 million at June 30, 2019, a decline of 12%. The net asset value per unit of the plan was Rs. 355.9066 at the end of September 30, 2019 as compare to Rs. 377.5765 as at June 30, 2019. For the quarter under review, the equity sub fund earned a gross loss of Rs. 220 million as compared to gross loss of Rs. 133 million in corresponding quarter last year.

Debt Sub Fund

The net assets of this sub fund stood at Rs. 2,734 million at September 30, 2019 compared to Rs. 2,807 million at June 30, 2019, a decline of 3%. The net asset value per unit of the plan was Rs.

242.4522 at the end of September 30, 2019 as compare to Rs. 236.1122 as at June 30, 2019. For the quarter under review, the debt sub fund earned a gross income of Rs. 87 million as compared to Rs. 39 million in corresponding quarter last year.

Money Market Sub Fund

The net assets of this sub fund stood at Rs. 2,433 million at September 30, 2019 compared to Rs. 2,073 million at June 30, 2019, an increase of 17%. The net asset value per unit of the plan was Rs. 240.4525 at the end of September 30, 2019 as compare to Rs. 234.2456 as at June 30, 2019. For the quarter under review, the money market sub fund earned a gross income of Rs. 71 million as compared to Rs. 16 million in corresponding quarter last year.

Gold Sub Fund

The net assets of this sub fund stood at Rs. 99 million at September 30, 2019 compared to Rs. 84 million at June 30, 2019, an increase of 18%. The net asset value per unit of the plan was Rs. 137.0771 at the end of September 30, 2019 as compare to Rs. 130.4834 as at June 30, 2019. For the quarter under review, the gold sub fund earned a gross income of Rs. 5 million as compared to gross loss of Rs. 1 million in corresponding quarter last year.

Outlook

Despite the challenges faced by the Government recently, we have witnessed that some corrective actions have been taken which will bear fruits ahead as it also reflected in significant reduction in current account deficit.

Going forward, the upcoming IMF review and FATF outcome is expected to set tone for the equity market performance. Moreover, with IMF first review under the current program expected in late October, Pakistan is set to gradually meet IMF's quantitative targets as the program is off to a promising start. However further action on the fiscal front will be key to achieve program targets. In line with the economic slowdown being witnessed on account of austerity measures and structural reforms, the SBP has forecasted GDP growth to clock in at around 3.5% for FY20 while IMF forecasts it to remain around 2.4%. The inflation is expected to average 11-12% in FY20 as utility tariffs are increased and second round impact of currency weakness begins to reflect in CPI. With stability expected in the exchange rate and high base pulling down YoY CPI numbers going forward, it is expected that monetary tightening cycle for the time being is over which will provide confidence to business sentiment in the country.

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, the 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: October 15, 2019

Mohammad Shoaib, CFA
Chief Executive Officer

فنڈز کی مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

المیر اینڈ سوسائٹی جنرل لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 ستمبر 2019 کو جمع ہونے والے بارے میں کیلئے درج ذیل مہینہ اینڈ ڈومیسٹک انٹرنیشنل انکم ٹیکس کے فیروزانہ شدہ مالیاتی کوارٹر سے پیش کرتے ہوئے اظہارِ مسرت کرتا ہے۔

ڈائریکٹرز

- مہربان اسحاق خان (کم آئی ہے)
- المیر اینڈ سوسائٹی جنرل لمیٹڈ (کم آئی ہے)
- کاشف ای۔ مہربان ایف۔ کاشف خان (کم آئی ہے)
- مہربان ایف۔ کاشف خان (کم آئی ہے)

ٹیکر سٹیٹنگ

- مہربان اسحاق خان (کم آئی ہے)

سیکریٹری

- مہربان اسحاق خان (کم آئی ہے)

اسیٹس اینڈ لیابیلیٹیز

- مہربان اسحاق خان (کم آئی ہے)

کمپنیز

- مہربان اسحاق خان (کم آئی ہے)

انگراؤ

- مہربان اسحاق خان (کم آئی ہے)
- مہربان اسحاق خان (کم آئی ہے)

ٹریڈنگ

- مہربان اسحاق خان (کم آئی ہے)
- مہربان اسحاق خان (کم آئی ہے)

ڈائریکٹرز

- مہربان اسحاق خان (کم آئی ہے)
- مہربان اسحاق خان (کم آئی ہے)
- مہربان اسحاق خان (کم آئی ہے)
- مہربان اسحاق خان (کم آئی ہے)

ٹریڈنگ

- مہربان اسحاق خان (کم آئی ہے)

دیکن ٹیڈرز (شہر اور کسٹمر کنٹریس)

شریح برائے ڈیڈرز	54	64
دیکن ٹیڈرز	102	119
کل ڈیڈرز	156	183

کچھل ہائیڈرو پائلنگ اور سولڈ اسٹیٹ لائٹس

شریح برائے ڈیڈرز	18	23
دیکن ٹیڈرز	13	14
کل ڈیڈرز	31	37

کھولائی ڈیڈرز

شریح برائے ڈیڈرز	0.54	0.48
کل ڈیڈرز	0.54	0.48

دیکن ٹیڈرز

شریح برائے ڈیڈرز	16	17
دیکن ٹیڈرز	9	9
کل ڈیڈرز	25	26

دیکن ٹیڈرز (کھولائی ڈیڈرز اور کسٹمر کنٹریس)

دیکن ٹیڈرز (%)	34.30	34.85
شریح برائے ڈیڈرز (%)	53.68	54.05

دیکن ٹیڈرز (کھولائی ڈیڈرز)

دیکن ٹیڈرز (کھولائی ڈیڈرز)

دیکن ٹیڈرز (کھولائی ڈیڈرز) کے خاص دیکن ٹیڈرز جون 2019ء کے اعداد و شمار کے 26,740 ملین روپے کے ساتھ 14% اضافے کے ساتھ 30 ستمبر 2019ء کو 22,133 ملین روپے تھے۔ خاص دیکن ٹیڈرز جون 2019ء کے اعداد و شمار کے 47,823 ملین روپے کے ساتھ 30 ستمبر 2019ء کو 44,872 ملین روپے تھے جس میں سرمایہ کے دیکن ٹیڈرز کی دیکن ٹیڈرز (کھولائی ڈیڈرز) کے ساتھ 30 ستمبر 2019ء کے اعداد و شمار کے ساتھ 5.48% اضافے کے ساتھ 38% اضافے کی شرح کی شرح تھی۔

دیکن ٹیڈرز (کھولائی ڈیڈرز)

دیکن ٹیڈرز (کھولائی ڈیڈرز) کے خاص دیکن ٹیڈرز جون 2019ء کے اعداد و شمار کے 4,768 ملین روپے کے ساتھ 18% اضافے کے ساتھ 30 ستمبر 2019ء کو 3,902 ملین روپے تھے۔ خاص دیکن ٹیڈرز جون 2019ء کے اعداد و شمار کے 13,353 ملین روپے کے ساتھ 30 ستمبر 2019ء کو 12,558 ملین روپے تھے جس میں سرمایہ کے دیکن ٹیڈرز کی دیکن ٹیڈرز (کھولائی ڈیڈرز) کے ساتھ 30 ستمبر 2019ء کے اعداد و شمار کے ساتھ 5.48% اضافے کے ساتھ 98% اضافے کی شرح کی شرح تھی۔

دیکن ٹیڈرز (کھولائی ڈیڈرز)

دیکن ٹیڈرز (کھولائی ڈیڈرز) کے خاص دیکن ٹیڈرز جون 2019ء کے اعداد و شمار کے 1,517 ملین روپے کے ساتھ 2% اضافے کے ساتھ 30 ستمبر 2019ء کو 1,493 ملین روپے تھے۔ خاص دیکن ٹیڈرز جون 2019ء کے اعداد و شمار کے 52,947 ملین روپے کے ساتھ 30 ستمبر 2019ء کو 49,930 ملین روپے تھے جس میں سرمایہ کے دیکن ٹیڈرز کی دیکن ٹیڈرز (کھولائی ڈیڈرز) کے ساتھ 30 ستمبر 2019ء کے اعداد و شمار کے ساتھ 5.70% اضافے کے ساتھ 48% اضافے کی شرح کی شرح تھی۔

بھارتی کرنسی (INR) (کم سے کم)

بھارتی کرنسی (INR) (کم سے کم) کے خاص اہدہ ہفتہ 30 جون 2019 کے 8,851 ملین روپے کے ساتھ میں 21% کے اضافے کے ساتھ 30 ستمبر 2019 کو 10,685 ملین روپے ہے۔ خاص اہدہ ہفتہ ہفتہ کی ہفتہ (این اسد ایل 30) جون 2019 کے 50,4731 روپے کی ہفتہ کے ساتھ میں 30 ستمبر 2019 کو 51,8510 روپے تھی جو 5.40% کے اضافے، ایک 10.82% کے ساتھ ساتھ ہی کی ترقی کرتی ہے۔ سرمایہ کے اضافے میں 2019 کو 28% زیادہ ہفتہ: نکاس میں 12% کرنسیوں میں، 18% اضافی اور پورے سال کے خاص اہدہ ہفتہ 100% اضافی نکاس کے ساتھ ساتھ ہی نکاس میں نکلا گیا۔

بھارتی کرنسی (INR) (کم سے کم)

بھارتی کرنسی (INR) (کم سے کم) کے خاص اہدہ ہفتہ 30 جون 2019 کے 16,134 ملین روپے کے ساتھ میں 57% کے اضافے کے ساتھ 30 ستمبر 2019 کو 25,409 ملین روپے ہے۔ خاص اہدہ ہفتہ ہفتہ کی ہفتہ (این اسد ایل 30) ستمبر 2019 کو 50,000 روپے تھی۔ سرمایہ کے ساتھ ساتھ 5.40% کے اضافے، ایک 11.70% کے ساتھ ساتھ ہی نکاس میں نکلا گیا۔

بھارتی کرنسی (INR) (کم سے کم)

انگریزی کرنسی (USD)

پان کے خاص اہدہ ہفتہ 30 جون 2019 کے 365 ملین روپے کے ساتھ میں 30 ستمبر 2019 کو 341 ملین روپے ہے۔ سرمایہ کے ساتھ ساتھ ان پان کے اضافے 3.82% اضافی نکاس کے ساتھ میں 4.13% اضافی نکاس میں نکلا گیا۔

بھارتی کرنسی (INR)

پان کے خاص اہدہ ہفتہ 30 جون 2019 کے 203 ملین روپے کے ساتھ میں 30 ستمبر 2019 کو 138 ملین روپے ہے۔ سرمایہ کے ساتھ ساتھ ان پان کے اضافے 2.16% اضافی نکاس کے ساتھ میں 1.78% اضافی نکاس میں نکلا گیا۔

کریسی کرنسی (KRW)

پان کے خاص اہدہ ہفتہ 30 جون 2019 کے 222 ملین روپے کے ساتھ میں 30 ستمبر 2019 کو 184 ملین روپے ہے۔ سرمایہ کے ساتھ ساتھ ان پان کے اضافے 0.32% اضافی نکاس کے ساتھ میں 0.46% اضافی نکاس میں نکلا گیا۔

بھارتی کرنسی (INR) (کم سے کم)

پان کے خاص اہدہ ہفتہ 30 جون 2019 کے 503 ملین روپے کے ساتھ میں 30 ستمبر 2019 کو 485 ملین روپے ہے۔ سرمایہ کے ساتھ ساتھ ان پان کے اضافے 3.49% اضافی نکاس کے ساتھ میں 4.77% اضافی نکاس میں نکلا گیا۔

بھارتی کرنسی (INR) (کم سے کم)

بھارتی کرنسی (INR) (کم سے کم)

پان کے خاص اہدہ ہفتہ 30 جون 2019 کے 1,067 ملین روپے کے ساتھ میں 30 ستمبر 2019 کو 898 ملین روپے ہے۔ سرمایہ کے ساتھ ساتھ ان پان کے اضافے 3.38% اضافی نکاس کے ساتھ میں 3.66% اضافی نکاس میں نکلا گیا۔

بھارتی کرنسی (INR) (کم سے کم)

پان کے خاص اہدہ ہفتہ 30 جون 2019 کے 728 ملین روپے کے ساتھ میں 30 ستمبر 2019 کو 503 ملین روپے ہے۔ سرمایہ کے ساتھ ساتھ ان پان کے اضافے 3.20% اضافی نکاس کے ساتھ میں 3.69% اضافی نکاس میں نکلا گیا۔

گروہ کی کمپنیوں کی تفصیلات III

پان کے خالص اثاثہ 30 جون 2019 کے 891 ملین روپے کے ساتھ 30 ستمبر 2019 کو 776 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 3.88% کی شرح پر 3.88% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات IV

پان کے خالص اثاثہ 30 جون 2019 کے 1,003 ملین روپے کے ساتھ 30 ستمبر 2019 کو 838 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 3.26% کی شرح پر 4.02% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات V

پان کے خالص اثاثہ 30 جون 2019 کے 316 ملین روپے کے ساتھ 30 ستمبر 2019 کو 229 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 3.31% کی شرح پر 4.16% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات III

پان کے خالص اثاثہ 30 جون 2019 کے 1,099 ملین روپے کے ساتھ 30 ستمبر 2019 کو 996 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 0.57% کی شرح پر 1.54% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات II (کمپنیوں کے لیے II)

گروہ کی کمپنیوں کی تفصیلات IV

پان کے خالص اثاثہ 30 جون 2019 کے 1,553 ملین روپے کے ساتھ 30 ستمبر 2019 کو 1,362 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 0.04% کی شرح پر 0.68% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات V

پان کے خالص اثاثہ 30 جون 2019 کے 474 ملین روپے کے ساتھ 30 ستمبر 2019 کو 378 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 0.02% کی شرح پر 0.60% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات VI

پان کے خالص اثاثہ 30 جون 2019 کے 384 ملین روپے کے ساتھ 30 ستمبر 2019 کو 314 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 0.12% کی شرح پر 0.38% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات VII

پان کے خالص اثاثہ 30 جون 2019 کے 207 ملین روپے کے ساتھ 30 ستمبر 2019 کو 177 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 0.12% کی شرح پر 0.37% کی شرح پر فراہم کیا۔

گروہ کی کمپنیوں کی تفصیلات VIII

پان کے خالص اثاثہ 30 جون 2019 کے 131 ملین روپے کے ساتھ 30 ستمبر 2019 کو 102 ملین روپے تھے۔ سرمایہ کے گروہوں پان نے ٹیکسز اور دیگر اخراجات کے ساتھ 0.64% کی شرح پر 1.23% کی شرح پر فراہم کیا۔



Meezan
Islamic Fund


MEEZAN ISLAMIC FUND (MIF)

Meezan Islamic Fund seeks to optimize total investor returns by participating in Shariah compliant equities focusing on both capital gains and dividend income.

Pure Profit

Islamabad Branch

EARNING CREDIBILITY IN THE CAPITAL CITY OF PAKISTAN

 Islamabad Branch

**SHAH FAISAL MOSQUE
(ISLAMABAD)**



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35400722-4, 111-3032248
Fax: (9221) 35474143, 35430809
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Ishaq, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farooq R. Kibria	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moiz M. Fudola	Independent Director
Ms. Samra Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Nazeem Abdul Samar	Nominee Director - FIDE
Syed Amir Ali Zaidi	Nominee Director - FIDE

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazir Waqar

AUDIT COMMITTEE

Mr. Moiz M. Fudola	Chairman
Mr. Arshad Majeed	Member
Mr. Nazeem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mohammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Nazeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moiz M. Fudola	Chairman
Mr. Ariful Islam	Member
Mr. Nazeem Abdul Samar	Member
Mr. Mohammad Ishaq, CFA	Member

TRUSTEE

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

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants
State Life Building 1-C, 11, Chundrigar Road, Karachi-74000

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited	Mahab Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank S.C (B.C)	MCB Bank Limited
Ahli Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Mezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Sarika Bank Limited
Doha Islamic Bank Pakistan Limited	Sindh Bank Limited
Faycal Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking
Mahab Bank Limited - Islamic Banking	

LEGAL ADVISER

Burway & Partners
8rd & 9th Floor, 69-C, Lane-18, Bolshart Commercial Area,
Phase VI DHA, Karachi.
Phone (9221) 35194191-94 Fax: (9221) 35194199
E-mail:

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-28, Kotone Avenue, 3378, Karachi.
Phone: 35105538 Fax: 35408017
Website: www.mezanbank.com

DISTRIBUTORS

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

MEEZAN ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019



Meezan
Islamic Fund

		September 30, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Balances with banks	5	1,565,296	1,340,974
Investments	6	20,806,809	25,014,329
Receivable against conversion of units		22,168	62,891
Dividend receivable		343,258	117,132
Receivable against sale of investment		53,463	152,085
Deposits, prepayments, profit accrued and other receivables		27,900	18,566
Total assets		<u>22,848,834</u>	<u>26,705,977</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		64,353	79,864
Payable to Central Depository Company of Pakistan Limited - Trustees		2,081	2,579
Payable to Meezan Bank Limited		77	135
Payable to Securities and Exchange Commission of Pakistan Payable on redemption and conversion of units	7	1,131	32,380
Payable against purchase of investments - net		59,750	74,075
Accrued expenses and other liabilities	8	35,721	122,685
Total liabilities		<u>818,357</u>	<u>955,638</u>
Net assets		<u>22,132,607</u>	<u>25,740,339</u>
Contingencies and commitments	9		
Unitholders' funds (as per statement attached)		<u>22,132,607</u>	<u>25,740,339</u>
		(Number of units)	
Number of units in issue		<u>493,255,771</u>	<u>537,113,594</u>
		(Rupees)	
Net assets value per unit		<u>44.8723</u>	<u>47.9235</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Rupees in '000)	
Income		
Net realized loss on sale of investments	(412,515)	(89,201)
Dividend income	348,387	412,786
Profit on saving accounts with banks	48,536	38,758
	<u>(19,592)</u>	<u>362,343</u>
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1 (1,509,279)	(1,267,207)
Total loss	<u>(1,528,871)</u>	<u>(904,864)</u>
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company	113,138	194,008
Sindh Sales Tax on management fee	14,708	25,221
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8,908	9,952
Sindh Sales Tax on trustee fee	788	1,294
Annual fee to Securities and Exchange Commission of Pakistan	1,131	9,215
Auditors' remuneration	198	217
Charity expense	9,355	5,329
Fees and subscription	707	1,067
Legal and professional charges	180	-
Brokerage expense	3,903	3,353
Bank and settlement charges	815	714
Printing charges	-	252
Allocated expenses	12 5,657	9,700
Selling and marketing expense	14 22,628	38,802
Total expenses	<u>178,854</u>	<u>299,124</u>
Net loss for the quarter before taxation	<u>(1,707,755)</u>	<u>(1,203,988)</u>
Taxation	15 -	-
Net loss for the quarter after taxation	<u>(1,707,755)</u>	<u>(1,203,988)</u>
Allocation of net income for the quarter		
Net income for the period after taxation	-	-
Income already paid on units redeemed	-	-
	<u>-</u>	<u>-</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Rupees in '000)	
Net loss for the quarter after taxation	(1,707,755)	(1,303,988)
Other comprehensive income	-	-
Total comprehensive income for the quarter	<u>(1,707,755)</u>	<u>(1,303,988)</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

NEEDHAM HARBOR FUND
CONSOLIDATED STATEMENT OF MOVEMENT IN NET ASSETS FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	DEPARTMENT 20, 2019			DEPARTMENT 20, 2018		
	Capital Value	Accumulated Losses	Total	Capital Value	Undistributed Income	Total
	Rupees of '000			Rupees of '000		
Net assets at the beginning of the quarter as previously reported (Audited)	27,805,726	(1,000,267)	26,746,359	21,024,699	7,009,968	28,034,667
Issue of 21,152,457 units (September 30, 2019: 24,554,579 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	6,225,110	-	6,225,110	6,270,874	-	6,270,874
- Element of loss	(214,669)	-	(214,669)	(26,911)	-	(26,911)
Total proceeds on issuance of units	5,974,441	-	5,974,441	6,243,963	-	6,243,963
Redemption of 125,000,000 units (September 30, 2019: 90,779,154 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	6,207,339	-	6,207,339	6,749,244	-	6,749,244
- Element of loss	(217,471)	-	(217,471)	(126,902)	-	(126,902)
Total payments on redemption of units	6,474,810	-	6,474,810	6,876,146	-	6,876,146
Total comprehensive loss for the quarter	-	(1,707,755)	(1,707,755)	-	(1,203,968)	(1,203,968)
Distribution of cash dividends	-	-	-	-	-	-
Net loss for the quarter less distribution	-	(1,707,755)	(1,707,755)	-	(1,203,968)	(1,203,968)
Net assets at end of the quarter	22,765,149	(3,209,142)	19,520,907	21,120,742	5,805,999	26,926,741
Undistributed income brought forward as previously reported (Audited)						
- Realised income		6,620,246			12,014,146	
- Unrealised (loss) / income		(7,349,739)			(6,248,147)	
Change in accounting policy		-			-	
Undistributed income brought forward		(7,352,267)			7,009,968	
Accounting income available for distribution						
- Retain in capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the quarter after taxation		(1,707,755)			(1,203,968)	
Undistributed income carried forward		(3,209,142)			5,805,999	
Undistributed income carried forward						
- Realised (loss) / income		(2,050,865)			7,150,175	
- Unrealised loss		(1,804,379)			(1,267,267)	
		(3,209,142)			5,805,999	
Net assets value per unit at beginning of the quarter	(Rupees)	47.5225		(Rupees)	63.3200	
Net assets value per unit at end of the quarter		61.1722			67.5072	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For A1 Needham Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019



Meezan
Islamic Fund

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the quarter after taxation	(1,707,755)	(1,203,988)
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	1,509,279	1,267,207
	(198,478)	63,219
Decrease / (increase) in assets		
Investments	2,568,191	782,575
Dividend receivable	(228,128)	(283,950)
Receivable against sale of investment	98,602	-
Deposits, prepayments, profit accrued and other receivables	(9,334)	(25,164)
	2,431,333	490,461
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(15,611)	(32,788)
Payable to Central Depository Company of Pakistan Limited - Trustees	(488)	(162)
Payable to Meezan Bank Limited	(28)	(300)
Payable to Securities and Exchange Commission of Pakistan	(31,229)	(32,798)
Payable against purchase of investments (net)	(86,944)	17,672
Accrued expenses and other liabilities	2,364	3,179
	(131,956)	(38,197)
Net cash generated from operating activities	2,100,901	830,486
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	3,615,164	5,408,649
Payment against redemption and conversion of units	(5,491,743)	(5,782,615)
Net cash used in financing activities	(1,876,579)	(373,966)
Net increase in cash and cash equivalents during the quarter	224,322	143,500
Cash and cash equivalents at beginning of the quarter	1,340,974	2,730,709
Cash and cash equivalents at end of the quarter	1,565,296	2,874,209

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MELKAN ISLAMIC FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Maszan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Maszan Investment Management Limited (Al Maszan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 18, 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, (NBFC Rules) and the Non-Banking Finance Companies and Licensed Entities Regulations, 2008, (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 Non-Banking Finance Companies (Establishment and Regulation) 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, Shaukat-Palace, Karachi, 74400, Pakistan.
- 1.2 The Fund has been formed to enable the investors to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the contracts and acts of the Fund are based on Shariah. The Management Company has appointed Maszan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Equity Scheme in accordance with Circular 1 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4 The Management Company has been assigned a quality rating of AAM by VIG dated December 28, 2018 (2018), AAM dated December 23, 2017) and by PRORA dated June 26, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

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

3. BASIS OF PREPARATION**3.1 Statement of compliance**

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

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

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule IV of the NBFC Regulations, the directors of the Management Company, declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

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



8. BALANCED WITH BARRIC	Note	September 30,	June 30,
		2019	2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
In current accounts		4,383	707
In saving accounts	8.1	1,881,528	1,240,177
		<u>1,885,911</u>	<u>1,240,884</u>

8.1 The balance in saving accounts have an expected profit ranging from 8.82% to 10.76% per annum (June 30, 2019: 8.82% to 10.83% per annum)

9. INVESTMENTS	Note	September 30,	June 30,
		2019	2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
Investments - "at fair value through profit or loss" Listed equity securities	8.1	<u>20,254,892</u>	<u>20,254,320</u>

8.1 Investments - "at fair value through profit or loss"

Name of the investee entity	as at 30.09.2019	Underlying the equity	Total time	Date during the year	As at December 31, 2019	Grouped value at December 31, 2019	Market value at September 30, 2019	Over/Under (value at September 30, 2019)	Percentage of share			
									Percentage of the Fund at the close of the period	Total market value of investment	Percentage of investor equity (with fair value treatment)	

General companies

Automobile sector												
Hyundai Car Rental Limited	8,88	-	-	8,88	-	-	-	-	1.28	18	18	17
Chrysler Finance Limited	77,88	-	-	89,88	67,78	1,71	15,48	0.87	17	17	17	
Hyundai Finance Limited	1,74	500	-	1,74	500	4,88	3,18	0.07	18	17	17	
									38	33	34	
Automobile accessories												
Carfax Fleet Limited	24,71	-	-	24,71	-	-	-	-	-	-	-	-
Domestic												
Engo Agency & Domestic Limited	1,82,71	-	-	1,82,71	13,25,21	2,71	2,88	0.21	12	12	12	
TD Finance Limited	1,82,71	5,71	-	1,88	1,18,21	2,48	2,48	0.78	18	17	18	
Law Domestic Finance Limited	1,74,88	188,88	-	1,88,88	1,88,88	2,71	2,88	0.71	17	17	17	
Star Domestic Finance Limited	1,88	-	-	1,88	1,88	7,18	7,18	0.48	18	18	18	
									52	58	58	
Finance												
Hyundai Finance Limited	21,88	-	-	21,88	1,88	1,71	1,71	0.18	12	12	12	
TD Finance Limited	1,88,88	-	-	1,88,88	1,71,88	1,71	1,71	0.48	17	18	17	
Hyundai Finance Limited	1,84,88	-	-	1,88	1,74,88	1,71	1,71	0.48	18	18	17	
Law Finance Limited	4,71,88	18,88	-	4,88,88	4,88,88	1,88,88	1,88,88	18,88	18	18	18	
Hyundai Finance Limited	4,71,88	-	-	4,71,88	-	-	-	-	18	18	18	
									18	18	18	
Power and Heat												
Chalco Energy Limited	71,71	-	-	89,88	2,71	7,18	7,18	0.71	18	17	18	
Power Limited	1,74,88	1,88	-	1,77	1,74,88	4,88	4,88	0.71	18	18	18	
									38	38	38	
Technology and communication												
Aztec Limited	1,18,88	1,88	-	-	1,18,88	1,18	7,18	18,88	12	12	11	
Hyundai Technology Limited	27,71	-	-	-	27,71	4,88	4,88	0.47	18	17	17	
Pakistan Telecommunication Company Limited	48,88	-	-	-	48,88	4,88	1,88	0.38	18	18	18	
Optima Limited	48,88	-	-	1,88	1,88	1,17	4,18	0.38	17	18	18	
									37	37	37	
Commercial Bank												
Hyundai Bank Limited (previously Meezan)	1,88,27	-	-	7,88	7,88,27	4,71	7,18	18,27	18	17	18	

Name of the investment	As at 30.9.2019	As at 30.9.2018	Change	As at 30.9.2019	As at 30.9.2018	Change	As at 30.9.2019	As at 30.9.2018	Change	Percentage change		
										As at 30.9.2019	As at 30.9.2018	As at 30.9.2019
Global Real Estate Companies												
Asia Pacific Fund	47.74	8.40	-	100	20.00	9.04	17.00	11.40	17	100	18	
India Pacific Fund	100.47	10.00	-	170.00	20.70	1.00	10.00	49.00	100	100	100	
Master Real Estate Fund	437.70	80.00	-	140.00	1.00	10.00	47.00	17.00	107	110	110	
La Salle Real Estate Fund	70.00	-	-	70.00	70.00	70.00	70.00	70.00	100	100	100	
La Salle Real Estate Fund	4,500.00	0.00	-	4,500.00	1,000.00	2,000.00	3,500.00	1,000.00	17	100	17	
									16	100	16	
Global Real Estate Companies - Other Investments												
China Fund	1,000.00	100.00	-	800.00	1,000.00	1,000.00	1,000.00	1,000.00	110	110	110	
India China Fund	100.00	0.00	-	100.00	100.00	100.00	100.00	100.00	100	100	100	
Master Real Estate Fund	100.00	-	-	4,000.00	1,000.00	1,000.00	1,000.00	1,000.00	70	100	100	
Real Estate China Fund	1,000.00	100	-	400	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
									97	97	97	
Infrastructure												
Asia Infrastructure Fund	10.00	-	-	10.00	10.00	10.00	10.00	10.00	100	100	100	
AP Fund	400.00	100	-	100	400.00	100.00	100.00	100.00	100	100	100	
Asia Infrastructure Fund	1.00	-	-	1.00	1.00	1.00	1.00	1.00	-	-	-	
Asia Infrastructure Fund	10.00	1.00	-	1.00	10.00	1.00	1.00	1.00	100	100	100	
Asia Infrastructure Fund	70	-	-	70	70	70	70	70	100	100	100	
Asia Infrastructure Fund	100.00	0.00	-	100.00	100.00	100.00	100.00	100.00	100	100	100	
									100	100	100	
Real Estate and Other												
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
Real Estate and Other	1,000.00	100.00	-	4,000.00	10,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
									100	100	100	
Real Estate												
Real Estate Global Fund	-	0.00	-	-	0.00	0.00	0.00	0.00	100	100	100	
Real Estate Global Fund	100.00	-	-	100.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
Real Estate Global Fund	100.00	-	-	100.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
									100	100	100	
Real Estate and Other												
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
									100	100	100	
Real Estate and Other												
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
Real Estate and Other	1,000.00	100.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100	100	100	
									100	100	100	
Total as at 30.9.2019												
									100	100	100	
Total as at 30.9.2018												
									100	100	100	



- 8.1.1 All shares have a nominal value of Rs 10 each except for the shares of The Limited and National Foods Limited which have a nominal value of Rs 5 each and Al-Sabeer Limited which have a nominal value of Rs 2.5 each
- 8.1.2 Finance Act, 2018 effective from July 1, 2018 has amended Section 238A of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange (issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the issuing companies

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

- 8.1.3 Investments include 1,000,000 shares of Singh Corporation Limited, having market value of Rs 288.80 million as at September 30, 2018 (June 30, 2018: Rs 288.80 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 21, 2007 issued by the SECP

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

SECP vide S.R.O. No. 005/2018 dated June 28, 2018 revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effectives from July 1, 2018. Accounting Fund has charged SECP Fee @ 0.02% of net assets during the quarter

		September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
(Rupees in '000)			
10. ACCRUED LIABILITIES AND OTHER LIABILITIES			
Provision for Stock transfer to welfare Fund (SDF) (SDF)F	8.1	240,482	240,482
Directly payable		52,248	52,751
Withholding tax and Capital gain tax payable		8,088	8,188
Provision for Federal Excise Duty and related Stock Sales Tax on management fee	8.0	221,887	221,887
Provision for Federal Excise Duty and related Stock Sales Tax on sales lead	8.0	32,807	32,807
Sales lead payable		71	-
Stock Sales Tax on sales lead payable		1	-
Auditors remuneration		878	480
General payable		173	200
Printing expenses payable		485	485
Statutory advisory fee payable		1,000	1,040
Brokerage Payable		10,445	9,927
		<u>887,394</u>	<u>887,850</u>

- 8.1 As a consequence of the 10th amendment to the Constitution of Pakistan, in May 2012 the Stock transfer Welfare Fund Act, 2014 (SDF)F 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 2.50 million, was required to pay Sindh Welfare Welfare Fund (SDF)F in respect of that year a sum equal to five 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 CISA clients, it was contended that mutual funds should be excluded from the ambit of the SDF)F Act as these were not industrial establishments but were pure 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 (Provision) of Finance Ordinance, 2001 and were, hence, required to register and pay SDF)F under the SDF)F Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISA / mutual funds excluded from the applicability of SDF)F. In view of the above developments regarding the applicability of SDF)F on CISA/mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SDF)F should be made on a prudent basis with effect from the date of enactment of the SDF)F Act, 2014 (i.e. starting from May 21, 2012).

Had the provision for SDF)F not been recorded in the financial statements of the Fund for the period from May 21, 2012 to September 30, 2018, the net asset value of the Fund as at September 30, 2018 would have been higher by Rs 2.82 / 1.04% (June 30, 2018: Rs 2.82 / 1.02%)

- 8.2 The Finance Act, 2018 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 18% on the remuneration of the Management Company and sales lead was applicable with effect from July 13, 2018. The Management Company was of the view, that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2018 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED

With effect from 01 July 2018, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2018

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or orders taken under the Federal Excise Act, 2002 in respect of the rendering or providing of services to the extent as challenged in any relevant petition were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2018. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 to June 30, 2018 amounting to Rs 286.474 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net Asset Value of the Fund as at September 30, 2018 would have been higher by Rs 0.94 (June 30, 2018: Rs 0.48) per unit

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2018 and June 30, 2018

12. TRANSACTIONS WITH CONNECTED PARTIES / 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 Muslim Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employee's Gratuity Fund and undertakes 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 NBFIC Rules, the NBFIC Regulations and the Trust Deed respectively.

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

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(\$express in '000)	
AI Mexico Investment Management Limited		
- Management Company		
Remuneration payable	20,200	43,880
South Korea Tax on management fee payable	2,997	3,919
Sales load payable	187	227
South Korea Tax on sales load payable	22	22
Allocated expenses	1,782	2,000
Selling and marketing expense payable	20,828	21,811
Investment of 4,027,888 units (June 30, 2019: 10,011,722 units)	124,241	472,737
Mexico Bank Limited		
Bank balance	101,447	110,820
Profit receivable on saving accounts	122	828
Sales load payable	55	119
South Korea Tax on sales load payable	7	16
Investment in 1,282,027 shares (June 30, 2019: 8,262,827 shares)	87,322	120,818
Investment of 12,479,248 units (June 30, 2019: 12,479,248 units)	182,784	221,816
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,241	2,222
South Korea Tax on trustee fee payable	242	227
Security deposit	122	122
AI Mexico Investment Management Limited - Employees' Gratuity Fund		
Investment of 180,182 units (June 30, 2019: 180,182 units)	8,182	8,182
Mexico Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Investment of 2,822,888 units (June 30, 2019: 2,728,428 units)	271,218	271,412
Mexico Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Investment of 1,428,160 units (June 30, 2019: 2,118,214 units)	68,882	121,425
Mexico Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Investment of 227,282 units (June 30, 2019: 1,142,227 units)	42,282	82,222
Mexico Financial Planning Fund of Funds - M&A¹ - I		
Investment of 27,222 units (June 30, 2019: 171,272 units)	1,222	2,212
Mexico Strategic Allocation Fund - M&A¹ - I		
Investment of 1,227,222 units (June 30, 2019: 2,222,172 units)	88,222	182,222
Mexico Strategic Allocation Fund - M&A¹ - II		
Investment of 2,727,222 units (June 30, 2019: 2,222,122 units)	122,222	182,222
Mexico Strategic Allocation Fund - M&A¹ - III		
Investment of 12,222,222 units (June 30, 2019: 12,222,222 units)	42,222	22,112
Mexico Strategic Allocation Fund - M&A¹ - IV		
Investment of 12,222,222 units (June 30, 2019: 12,222,222 units)	42,122	22,222
Mexico Strategic Allocation Fund - M&A¹ - V		
Investment of 2,222,222 units (June 30, 2019: 2,222,222 units)	112,222	172,222
Directors and executives of the Management Company		
Investment of 2,422,122 units (June 30, 2019: 1,212,112 units)	222,222	42,122


 For the quarter ended
September 30,

	2019	2018
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	113,138	104,338
Sindh Sales Tax on management fee	12,702	28,227
Allocated expenses	2,227	9,797
Setting and marketing expense	22,922	20,800
Units issued: 1,721,821 units (September 30, 2018: 2,327,824 units)	18,027	187,300
Units redeemed: 7,322,822 units (September 30, 2018: 2,327,824 units)	(27,127)	-
Meezan Bank Limited		
Profit on saving accounts	1,225	828
Shares purchased: nil (September 30, 2018: 1,875,000 shares)	-	(42,219)
Shares sold: 75,000 shares (September 30, 2018: nil)	2,212	-
Dividend income: nil (September 30, 2018: 187,887 shares)	-	-
Dividend income	-	2,815
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	2,228	2,242
Sindh Sales Tax on trustee fee	122	1,225
COIS charges	122	122
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: nil (September 30, 2018: 182,242 units)	-	11,822
Units redeemed: 122,747 units (September 30, 2018: 182,242 units)	(2,227)	(2,215)
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: nil (September 30, 2018: 82,275 units)	-	4,228
Units redeemed: 82,124 units (September 30, 2018: 428,877 units)	(2,227)	(27,222)
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units issued: nil (September 30, 2018: 82,224 units)	-	2,422
Units redeemed: 271,244 units (September 30, 2018: 82,422 units)	(2,222)	(2,222)
Meezan Financial Planning Fund of Funds - MSAF - I		
Units issued: nil (September 30, 2018: 2,327,824 units)	-	-
Units redeemed: 142,712 units (September 30, 2018: nil)	(2,222)	-
Meezan Financial Planning Fund of Funds - MSAF - II		
Units redeemed: nil (September 30, 2018: 2,222,121 units)	-	(22,422)
Meezan Strategic Allocation Fund - MSAF - I		
Units issued: nil (September 30, 2018: 2,442,222 units)	-	122,222
Units redeemed: 1,222,227 units (September 30, 2018: 12,124,221 units)	(17,222)	(242,222)
Meezan Strategic Allocation Fund - MSAF - II		
Units redeemed: 212,227 units (September 30, 2018: 1,227,222 units)	(2,212)	(71,222)
Meezan Strategic Allocation Fund - MSAF - III		
Units issued: 22,227 units (September 30, 2018: nil)	1,222	-
Units redeemed: 242,222 units (September 30, 2018: 1,422,222 units)	(4,222)	(22,212)
Meezan Strategic Allocation Fund - MSAF - IV		
Units redeemed: 1,722,422 units (September 30, 2018: 2,712,412 units)	(7,722)	(22,222)
Meezan Strategic Allocation Fund - MSAF - V		
Units redeemed: 82,272 units (September 30, 2018: 422,222 units)	(2,222)	(24,722)
Directors and executives of the Management Company		
Units issued: 2,222,122 units (September 30, 2018: 222,122 units)	(24,214)	(22,714)
Units redeemed: 112,222 units (September 30, 2018: 42,222 units)	(2,222)	(2,222)

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

11.1 Fair value hierarchy

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

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

As at September 30, 2019 and June 30, 2019, the Fund had the following financial instruments measured at fair value:

	As at September 30, 2019			Total
	Level 1	Level 2	Level 3	
ASSETS	(Figures in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - ordinary shares	20,209,890	-	-	20,209,890
	<u>20,209,890</u>	<u>-</u>	<u>-</u>	<u>20,209,890</u>
	As at June 30, 2019			Total
	Level 1	Level 2	Level 3	
ASSETS	(Figures in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - ordinary shares	20,204,220	-	-	20,204,220
	<u>20,204,220</u>	<u>-</u>	<u>-</u>	<u>20,204,220</u>

12. ALLOCATED EXPENSES

In accordance with Regulation (EU) of the MIFID Regulators, the Management Company (in June 19, 2019) entitled to charge expenses related to register services, accounting, operations and valuation services related to a Collective Investment Scheme (CIS) at the rate of 0.15% of the average annual net assets of the scheme or actual whichever is less. During the year, SICP via SICP 020 dated June 30, 2019 has removed the maximum cap of 0.15%. Accordingly, the Management Company can now charge actual expenses related to register services, accounting, operations and valuation services to the CIS with effect from June 30, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019 being lower than actual expenses.

13. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the quarter ended September 30, 2019 is 0.16% which includes 0.20% representing government levies and SICP fee.

14. SELLING AND MARKETING EXPENSES

The SICP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open end mutual funds (except Fund of Funds) initially for three years (from January 1, 2017 to December 31, 2019). The 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 to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

15. LEGAL COSTS

The Fund's income is exempt from income tax, as per clause (20) 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 realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 22 of the MIFID Regulations, the Fund is required to distribute at least 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 112 (Minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16. GENERAL

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



17. DATE OF APPROVAL

These condensed interim financial statements were authorized for issue on October 18, 2019 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



**Al Meezan
Mutual Fund**

AL-MEEZAN MUTUAL FUND (AMMF)

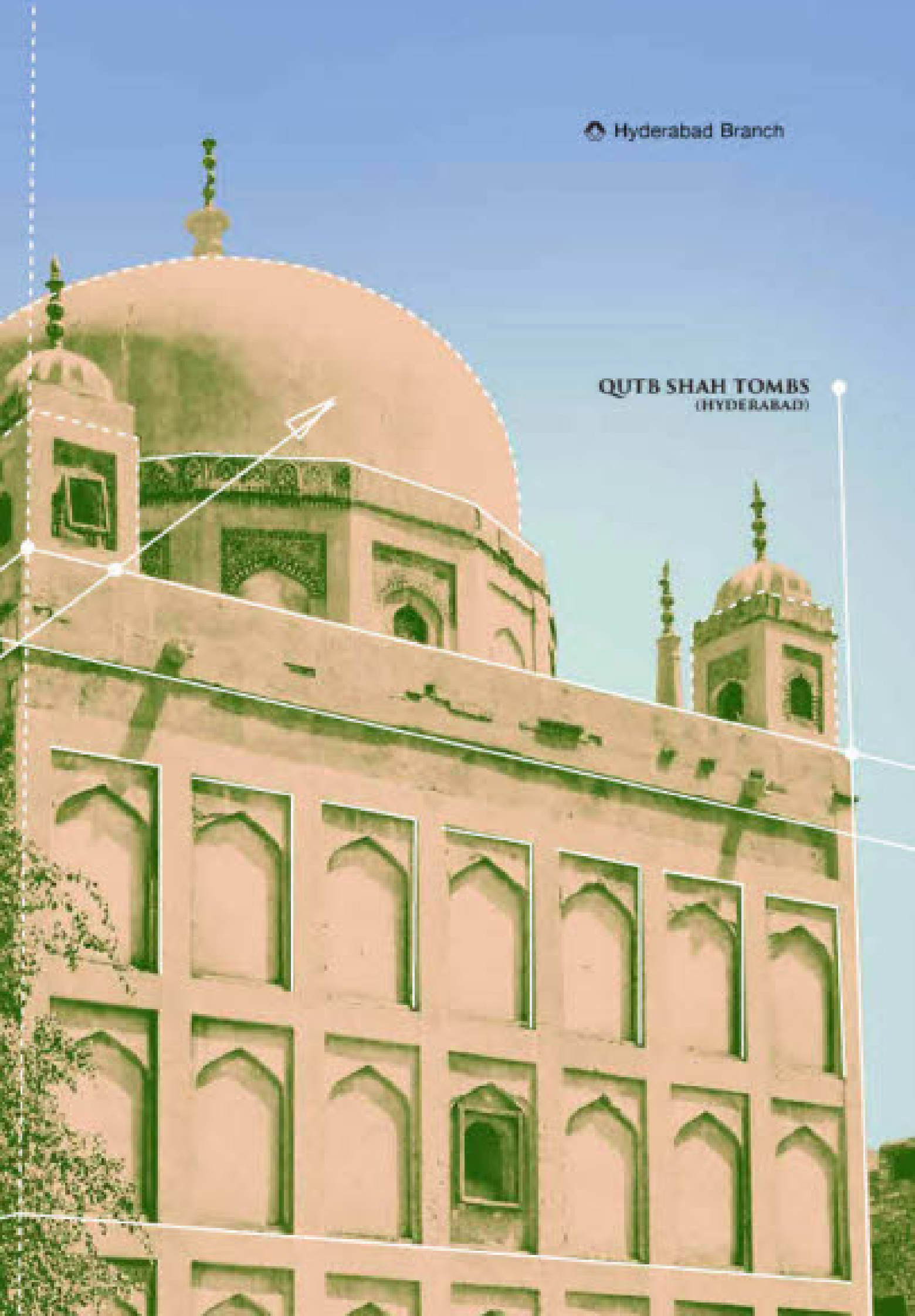
Al Meezan Mutual Fund aims to optimize the total investment returns in the form of capital gains and dividend income, through prudent investment management.

**REACHING NEW
MILESTONES IN THE
SECOND BIGGEST
CITY OF SINDH**



Hyderabad Branch

QUTB SHAH TOMBS
(HYDERABAD)



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74000, Pakistan.
Phone (9221) 33436722-4, 111-MEEZAN
Fax: (9221) 33474043, 33430909
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Mohammad Abdullah Ahmad	Nominee Director - MBL
Mr. Mohammad Perqvan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Pudda	Independent Director
Mr. Tameem Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naveem Abdul Sattar	Nominee Director - FIC
Syed Amir Ali Taidi	Nominee Director - FIC

CFD & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghass Wazir

AUDIT COMMITTEE

Mr. Moin M. Pudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naveem Abdul Sattar	Member

BANK MANAGEMENT COMMITTEE

Mr. Mohammad Abdullah Ahmad	Chairman
Syed Amir Ali Taidi	Member
Mr. Naveem Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Pudda	Chairman
Mr. Arifol Islam	Member
Mr. Naveem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

Central Depository Company of Pakistan Limited
CDC House, 75-B, Block B, S.M.C.H.S., Main Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Al Karim Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Adani Bank Limited - Islamic Banking	Mezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Sindh Bank Limited
Bank Islam Pakistan Limited	UBL Aman - Islamic Banking
Dubai Islamic Bank Pakistan Limited	
Fayval Bank Limited - Islamic Banking	
Habib Bank Limited - Islamic Banking	

LEGAL ADVISER

Bavany & Partners
3rd & 4th Floor, 48-C, Lane 12, Kolbhart Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 33184171-84 Fax: (9221) 33184198
E-mail: info@bavany.com

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-28, Sitara Avenue, SITE, Karachi.
Phone: 33188828 Fax: 33436817
Website: www.almezanmg.com

DISTRIBUTORS

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



**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

		September 30, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Balances with banks	5	364,798	271,162
Investments	6	3,883,760	4,814,607
Receivable against sale of investments		8,826	20,993
Receivable against conversion of units		3,816	13,534
Dividend receivable		54,816	25,200
Advances, deposits, prepayments and other receivable		7,643	6,444
Total assets		4,364,392	4,952,940
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		11,417	14,697
Payable to Central Depository Company of Pakistan Limited - Trustee		965	552
Payable to Securities and Exchange Commission of Pakistan		212	5,952
Payable to Meezan Bank Limited		35	33
Payable against purchase of investments		7,685	3,488
Payable against conversion and redemption of units		29,129	45,486
Dividend payable		4,917	4,917
Accrued expenses and other liabilities	9	197,854	110,859
Total liabilities		181,952	186,134
Net assets		3,902,440	4,767,806
Unitholders' fund (as per statement attached)		3,902,440	4,767,806
CONTINGENCIES AND COMMITMENTS	8		
Number of units in issue		319,781,536	327,035,000
		(Rupees)	
Net assets value per unit		12.5589	13.3539

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

AL MEEZAN MUTUAL FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	September 30,	
		2019	2018
		(Rupees in '000)	
Income:			
Net realized loss on sale of investments		(84,794)	(14,955)
Dividend income		57,628	75,667
Profit on saving accounts with banks		6,258	7,147
		<u>(20,911)</u>	<u>67,859</u>
Net unrealized diminution on re-measurement of investments classified as 'Financial assets at fair value through profit or loss'	8.1	(246,454)	(234,558)
Total loss		<u>(267,364)</u>	<u>(166,697)</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		20,224	24,624
Sindh Sales Tax on management fee		2,629	4,580
Allocated expenses	11	1,611	1,741
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,263	1,993
Sindh Sales Tax on trustee fee		164	259
Annual fee to Securities and Exchange Commission of Pakistan		312	1,654
Auditors' remuneration		192	274
Charity expense		1,596	1,040
Fees and subscription		162	220
Brokerage expense		367	658
Selling and marketing expenses	13	4,645	4,945
Bank and settlement charges		164	206
Total expenses		<u>32,659</u>	<u>54,394</u>
Net loss for the quarter before taxation		<u>(299,423)</u>	<u>(220,891)</u>
Taxation	14	-	-
Net loss for the quarter after taxation		<u>(299,423)</u>	<u>(220,891)</u>
Allocation of net income for the quarter			
Net loss for the quarter after taxation		-	-
Income already paid on units redeemed		-	-
		<u>-</u>	<u>-</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Rupees in '000)	
Net loss for the quarter after taxation	(299,434)	(220,891)
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	<u>(299,434)</u>	<u>(220,891)</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

AL INVESTMENT FUNDS
 CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITS/SHARES/ FUNDS (UNAUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	2019			2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the quarter	4,877,432	(108,227)	4,769,205	5,000,847	1,201,008	6,201,855
Issuance of 27,182,477 units (2018: 22,221,222 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	321,648	-	321,648	880,268	-	880,268
- Element of loss	(28,222)	-	(28,222)	(8,402)	-	(8,402)
Total proceeds on issuance of units	293,426	-	293,426	871,866	-	871,866
Redemption of 73,667,467 units (2018: 14,622,187 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	881,811	-	881,811	348,872	-	348,872
- Element of loss	(88,576)	-	(88,576)	(7,822)	-	(7,822)
Total payments on redemption of units	890,387	-	890,387	356,694	-	356,694
Total comprehensive loss for the quarter	-	(288,434)	(288,434)	-	(120,886)	(120,886)
Net assets at end of the quarter	4,879,184	(108,227)	4,770,957	5,012,321	1,080,122	6,092,443
Undistributed Income brought forward						
- Realised Income		1,187,328			2,028,130	
- Unrealised loss		(1,295,555)			(847,808)	
Change in accounting policy		-			128,772	
Accounting Income available for distribution (after equitying income directly paid on units redeemed)					188,894	
- Relating to capital gains		-			-	
- Relating to capital loss		-			-	
Net loss for the quarter after taxation		(288,434)			(288,434)	
Distribution during the quarter		-			-	
(Accumulated losses) / (Undistributed Income carried forward)		(108,227)			1,248,178	
(Accumulated losses) / (Undistributed Income carried forward)		(108,227)			1,874,724	
- Realised (loss) / Income		(248,454)			(274,888)	
- Unrealised loss		(108,227)			1,248,178	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the quarter		11.8828			17.8582	
Net assets value per unit at end of the quarter		11.8828			17.1128	

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements

For Al Mazen Investment Management Limited
 (Management Company)

(Chief Executive)

(Chief Financial Officer)

(Director)



**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the quarter after taxation	(209,424)	(220,891)
Adjustments for:		
Net unrealised distribution on re-measurement of investments classified as Financial assets at fair value through profit or loss	266,464 (52,978)	234,556 13,688
Decrease/ (increase) in assets		
Investments - net	684,463	(158,378)
Receivable against sale of investments - net	12,373	(7,649)
Dividend receivable	(31,416)	(57,598)
Advances, deposits, prepayments and other receivable	1,482	(3,529)
	666,912	(224,567)
(Decrease) / Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(3,488)	(3,112)
Payable to Central Depository Company of Pakistan Limited - Trustee	353	(12)
Payable to the Securities and Exchange Commission of Pakistan	(5,748)	(5,592)
Payable to Meezan Bank Limited	12	48
Payable against purchase of investments	4,217	3,871
Accrued expenses and other liabilities	(3,289)	23,969
	(7,844)	19,159
Net cash generated from / (used in) operating activities	595,338	(132,057)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	344,337	549,159
Payment against issuance and conversion of units	(916,969)	(357,499)
Net cash (used in) / generated from financing activities	(572,632)	228,659
Net increase in cash and cash equivalents during the quarter	22,706	38,582
Cash and cash equivalents at beginning of the quarter	271,162	440,313
Cash and cash equivalents at end of the quarter	293,868	478,895

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

AL MASRAJ MUTUAL FUND
SCHEDULE 13 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Al Masraj Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Masraj Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Masraj Investment Management Limited (Al Masraj) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Related Entities Regulations, (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 (Establishment and Regulation) Rules, 2000 (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', Feroze and Toke Centre, Shaheen-e-Pakistan, Karachi 74400, Pakistan.

1.2 The Fund has been formed to provide the unitholders with a stable stream of total income on their investments and to generate superior long-term risk-adjusted returns. The Fund shall also keep an exposure to short-term instruments for the purpose of maintaining liquidity, and to capitalize on exceptional returns, if available, at any given point of time. The objective of the Fund is to provide the maximum total return to the unitholders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. Under the Trust Deed, all contracts and acts of the Fund are based on Shariah. Masraj Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

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

1.4 The Management Company has been assigned a quality rating of AAM1 by VIS Credit Rating Company Limited dated December 28, 2018 (2018 AAM1) dated December 28, 2017) and by PACRA dated June 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2000 (the NBFC Rules), the Non-Banking Finance Companies and Related Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

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

Share of the investor company	September 30, 2019	Realized during the quarter	Share of the investor	Reversing Investments	Net Investment 30.09.2019	Gross portfolio value September 30, 2019		Market value of September 30, 2019	Gross portfolio value September 30, 2019	Market value of the investments		
						Market value of September 30, 2019	Market value of September 30, 2019			Net assets of the investor company (€ million)	Market value of the investments (€ million)	Net assets of the investor company (€ million)
Investment												
Other investment Portfolio (net)	0.00	-	-	0.00	-	-	-	-	-	1.00	1.11	0.74
The Bank Company (net)	178.00	10.00	-	188.00	188.00	20.00	20.00	0.00	-	-	-	-
Real Estate Portfolio Limited	-	-	-	-	-	-	-	-	-	-	-	-
IFP Limited	1,024.00	-	-	840	1,164.00	30.00	30.00	0.71	0.00	0.71	0.00	0.00
Agencia Inmobiliaria Limited	1.00	-	-	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sanfelix Inmobiliaria S.A. (net)	20.00	7.00	-	1.00	27.00	100.00	100.00	0.40	0.00	0.40	0.00	0.00
										1.41	1.11	0.74
Fixed Income												
Government Limited	50.00	-	-	50.00	50.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Public Housing	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Limited	10.00	-	-	-	10.00	10.00	10.00	0.00	0.00	0.00	0.00	0.00
Real Estate												
Real Estate Limited	2,110.00	-	-	0.00	2,110.00	10.00	10.00	0.00	0.00	0.00	0.00	0.00
Derivative												
Derivative Limited	10.00	-	-	10.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total						1,200.00	1,200.00	1,200.00				

- 5.1.1 All shares have a nominal value of Rs. 10 each except for the shares of ICBank Limited which have a nominal value of Rs. 3.8 each
- 5.1.2 150,000 shares (June 30, 2019) 150,000 shares of Engro Generation Limited, having market value of Rs. 40.00 million (June 30, 2019) Rs. 39.84 million) as at September 30, 2019, have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margin and mark to market losses.
- 5.1.3 Finance Act, 2019 effective from July 1, 2019 has omitted Section 80E(1) of income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to allocate five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not eligible for the investor companies.

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

5. INVESTMENT IN THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

SECP vide S.R.O. No. 355/2019 dated June 28, 2019, reduced rate of annual fee to 0.02% of net assets applicable on all categories of Collective Investment Schemes and effective from July 1, 2019. Accordingly, Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

5. CONTINGENCIES AND COMMITMENTS

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

5. RECEIVED SUPPLEMENTARY AND OTHER INFORMATION	Note	September 30, 2019	June 30, 2019
		(Unaudited)	(Audited)
		(Rupees in '000)	(Rupees in '000)
Auditors' remuneration payable		147	689
Brokerage payable		3,027	4,710
Spanish advisor fee payable	5.1	152	817
Charity payable		6,730	8,107
Withholding tax payable	5.2	3,069	7,294
Capital gain tax payable		670	858
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	5.2	37,624	37,624
Provision for Federal Excise Duty and related Sindh Sales Tax on sales fee		5,712	5,712
Provision for Sindh Investor Welfare Fund (dividend)		80,000	80,000
Debt payable		44	90
		127,235	112,893

- 5.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 the Sindh Investors Welfare Fund Act, 2016 (SIWIF 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. (1.50) million, is required to pay Sindh Investors Welfare Fund (SIWIF) in respect of that year a sum equal to ten 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 O.G.s whereby it was contended that mutual funds should be excluded from the ambit of the SIWIF 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 Institutions (Recovery of Financial Obligations) Ordinance, 2001 and were, hence, required to register and pay SIWIF under the SIWIF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have O.G.s / mutual funds excluded from the applicability of SIWIF in view of the above developments regarding the applicability of SIWIF on O.G.s / mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SIWIF should be made on a prudent basis with effect from the date of enactment of the SIWIF Act (i.e. starting from May 21, 2018).



Had the provision for FED not been recorded in the financial statements of the Fund for the period from May 31, 2019 to September 30, 2019, the net asset value of the Fund per unit as at September 30, 2019 would have been higher by Rs 0.18 (June 30, 2019: Rs 0.14 per unit)

- 8.2 The Finance Act, 2019 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 18% on the remuneration of the Management Company and sales load was applicable with effect from June 10, 2019. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2019 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 31, 2019, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2019.

During the year ended June 30, 2019, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2008 in respect of the rendering or providing of services (in the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 31, 2019. However, as a matter of abundant caution the provision for FED made for the period from June 10, 2019 to June 30, 2019 amounting to Rs 41,288 million (June 30, 2018: Rs 41,288 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at September 30, 2019 would have been higher by Rs 0.12 (June 30, 2019: Rs 0.12) per unit.

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

Connected persons include Al Meezan Investment Management Limited (being the Management Company), the Central Depository Company of Pakistan Limited (being the Trustee), Meezan Bank Limited (being the holding company of the Management Company), Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Mutual Investment Company (Private) Limited (being the associated company of the Management Company), Al Meezan Investment Management Limited - Employees' Safety Fund and trustees 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 MIFC Rules, the MIFC Regulations and the Trust Deed.

Transactions and balances with related parties are as follows:

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Figures in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	6,100	6,100
Sindh Sales Tax on management fee payable	220	1,320
Sales load payable	87	32
Sindh Sales Tax on sales load payable	7	11
Selling and marketing expense payable	4,040	2,271
Accrued expenses payable	210	427
Investment of 22,280,818 units (June 30, 2019: 21,780,110 units)	<u>602,242</u>	<u>624,877</u>
Meezan Bank Limited		
Balance with bank	71,180	548
Profit receivable on saving account	280	22,320
Sales load payable	27	20
Sindh Sales Tax on sales load	4	3
Investment of 172,000 shares (June 30, 2019: 606,260 shares)	<u>55,871</u>	<u>70,274</u>
Investment of 22,222,227 units (June 30, 2019: 22,222,227 units)	<u>270,160</u>	<u>227,827</u>
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	228	228
Remuneration payable	877	420
Sindh Sales Tax on trustee fee payable	124	27
MISAR - Meezan Strategic Allocation Plan-I		
Investment of 12,222,222 units (June 30, 2019: 12,248,480 units)	<u>180,227</u>	<u>201,730</u>
MISAR - Meezan Strategic Allocation Plan-II		
Investment of 13,887,000 units (June 30, 2019: 22,819,800 units)	<u>174,228</u>	<u>204,710</u>
MISAR - Meezan Strategic Allocation Plan-III		
Investment of 1,877,734 units (June 30, 2019: 1,877,734 units)	<u>22,272</u>	<u>22,272</u>
Meezan Financial Planning Fund of Funds - MAAF - I		
Investment of 52,791 units (June 30, 2019: 52,791 units)	<u>50</u>	<u>82</u>

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Figures in '000)	
Fidelity Russell Investment Company (Private) Limited Investment of 14,899,450 units (June 30, 2019: 14,899,450 units)	<u>212,157</u>	<u>224,826</u>
Directors and executives of the Management Company Investment of 7,450,888 units (June 30 2019: 22,710,887 units)	<u>84,428</u>	<u>427,583</u>
Defendants holding 10% or more units of the Fund	<u>-</u>	<u>224,811</u>
	For the quarter ended	
	September	
	2019	2018
	(Unaudited)	
	(Figures in '000)	
All Messer Investment Management Limited - Management Company		
Remuneration for the quarter	<u>70,624</u>	<u>54,824</u>
Stamp Duty Tax on management fee	<u>2,822</u>	<u>4,222</u>
Allocated expenses	<u>1,211</u>	<u>1,741</u>
Selling and marketing expense	<u>4,344</u>	<u>8,589</u>
Units issued: 2,200,087 units (September 30, 2018: 1,493,233)	<u>85,000</u>	<u>54,000</u>
Units redeemed: 2,708,872 (September 30, 2018: nil)	<u>(42,222)</u>	<u>-</u>
Messier Bank Limited		
Profit on saving accounts with banks	<u>288</u>	<u>118</u>
Shares purchased: 10 shares (September 30, 2018: 200,000 shares)	<u>-</u>	<u>28,800</u>
Shares sold: 129,000 shares (September 30, 2018: 584,000 shares)	<u>(5,727)</u>	<u>-</u>
Bonus shares received: 10 shares (September 30, 2018: 50,000)	<u>-</u>	<u>-</u>
Dividend income from shares	<u>-</u>	<u>(48)</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the quarter	<u>1,282</u>	<u>1,222</u>
Stamp Duty Tax on trustee fee	<u>184</u>	<u>22</u>
COI charges for the quarter	<u>27</u>	<u>28</u>
MSAF - Messier Strategic Allocation Plan - I		
Units issued: nil (September 30, 2018: 2,328,100 units)	<u>-</u>	<u>22,800</u>
Redemption of 2,242,841 units (September 30, 2018: nil)	<u>(72,472)</u>	<u>-</u>
MSAF - Messier Strategic Allocation Plan - II		
Units redeemed: 8,221,828 (September 30, 2018: nil)	<u>(110,882)</u>	<u>-</u>
Directors and executives of the Management Company		
Units issued: 270,212 units (September 30, 2018: 810,184 units)	<u>3,282</u>	<u>10,822</u>
Units redeemed: 22,480,222 units (September 30, 2018: 4,224 units)	<u>(21,224)</u>	<u>12</u>

11. **ALLOCATED EXPENSES:**

In accordance with Regulation 62 of the SEFC Regulations, the Management Company on June 13, 2019 entered to change expenses related to register services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or actual whichever is less. During the year ended 30th June 2019, the Management Company has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to register services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continues to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lower than actual expenses.

12. **EXPENSE RATES:**

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2019 is 0.17% which includes 0.17% representing government levy and SDCP fee.



15. SELLING AND MARKETING EXPENSES

The SBOP vide circular 03 of 2018 dated December 20, 2018 (later amended vide circular 06 of 2017 dated February 13, 2017 and circular 8 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open end mutual funds (except funds of funds and money market funds) initially for three years from January 1, 2017 to December 31, 2019. The maximum cap of selling and marketing expenses shall be 0.4% per annum of net assets of the fund or annual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

16. DIVIDEND

The Fund's income is exempt from income tax as per clause (26) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 20 percent of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the SBFC Regulations, the Fund is required to distribute 20 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 quarter.

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

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradeable in an open market are measured at the market prices prevailing on the statement of assets and liabilities date.

The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

17.1 Fair value hierarchy

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

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

As at September 30, 2019 the Fund held the following financial instruments measured at fair value:

	As at September 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	3,882,700	-	-	3,882,700

	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	4,014,807	-	-	4,014,807

18. CAPITAL

Figures have been rounded off to the nearest thousand rupees.

19. STATE OF ADMINISTRATION

This condensed interim financial information was authorized for issue on October 10, 2019 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

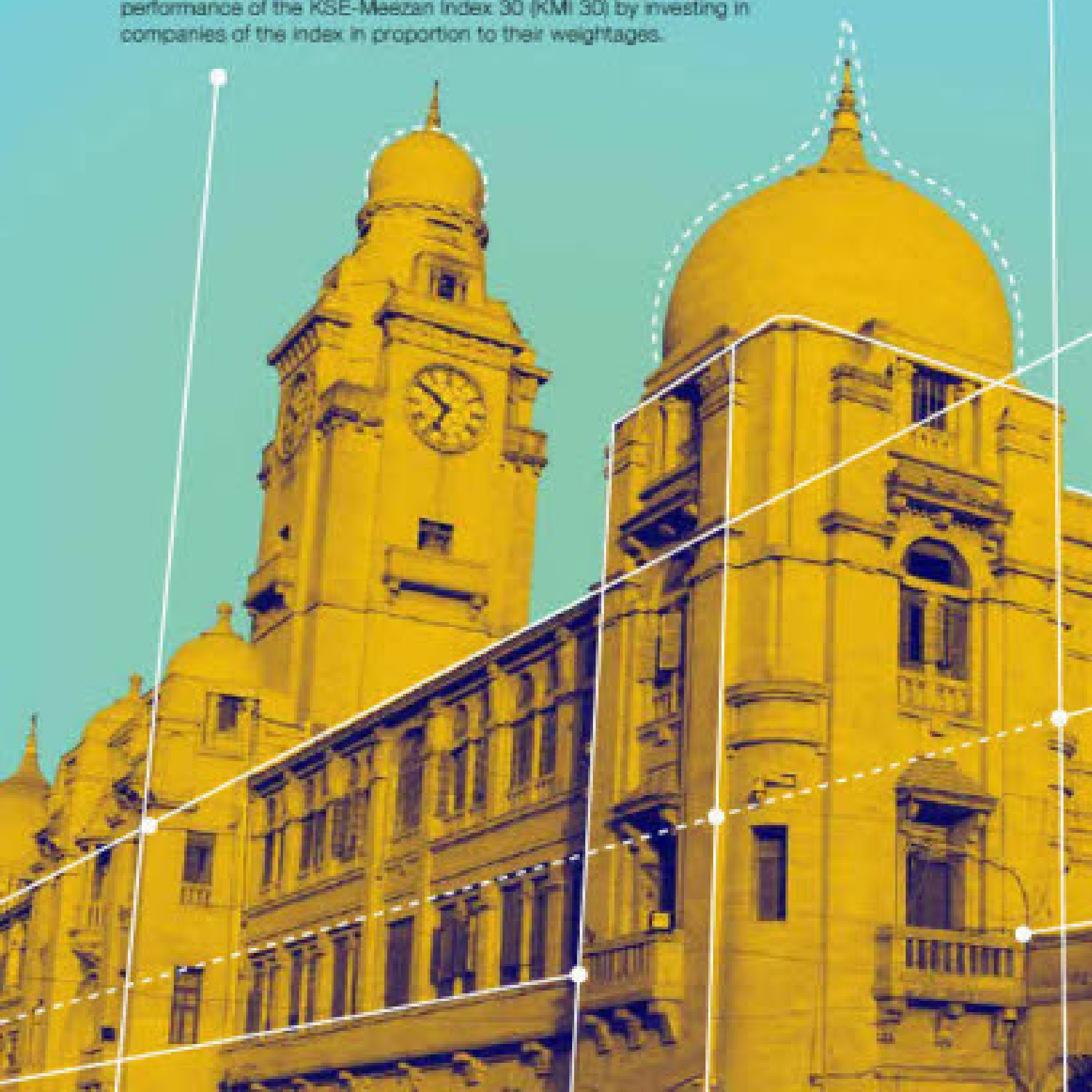
Director



KSE-Meezan Index Fund

KSE-MEEZAN INDEX FUND (KMIF)

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



REDEFINING INVESTMENT IN THE CITY OF LIGHTS

KMC BUILDING
(KARACHI)



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almezanigroup.com
E-mail: info@almezanmgt.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fudola	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Yasam Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Waseem

AUDIT COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arshad Majeed	Member
Mr. Yasam Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Yasam Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arifol Islam	Member
Mr. Yasam Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Mahab Metropolitan Bank Limited - Islamic Banking
Mezan Bank Limited
National Bank of Pakistan - Islamic Banking

LEGAL ADVISER

Bavany & Partners
3rd & 4th Floor, 48-C, Lane-18, Kolbhart Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 99194791-94 Fax: (9221) 99194799
E-mail:

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-29, Sitara Avenue, SITE, Karachi.
Phone: 99199999 Fax: 35408017
Website: www.mznbank.com

DISTRIBUTORS

Al Mezan Investment Management Limited
Mezan Bank Limited



**KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	6	6
Investments	6	6
Receivable against conversion of units	271	40,106
Dividend receivable	27,111	5,064
Deposits and other receivables	2,717	2,756
Total assets	1,810,681	1,884,667
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	1,518	1,507
Payable to Central Depository Company of Pakistan Limited - Trustee	222	228
Payable to Securities and Exchange Commission of Pakistan	72	1,564
Payable to Meezan Bank Limited	18	14
Payable against purchase of investments	-	44,870
Payable on redemption and conversion of units	43	274
Accrued expenses and other liabilities	20,852	19,271
Total liabilities	22,483	67,828
Net assets	1,498,198	1,817,138
Contingencies and commitments	7	
Unitholders' fund (as per statement attached)	1,498,198	1,817,138
	(Number of units)	
Number of units in issue	28,963,683	28,683,669
	(Rupees)	
Net assets value per unit	49.5364	63.9470

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

Chief Financial Officer

Director

KCB EQUITY INDEX FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDING SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
Note	(Figures in US\$)	
Income		
Net realized loss on sale of investments	(4,288)	(4,288)
Dividend income	23,900	24,350
Profit on selling accounts with banks	411	88
Other income	255	219
	<u>20,278</u>	<u>20,369</u>
Net unrealized diminution on re-measurement of investments at fair value through profit or loss	8.1	(84,782)
	<u>(26,890)</u>	<u>(64,413)</u>
Expenses		
Remuneration to Alliance Investment Management Limited - Management Company	2,819	4,288
Stock Sates Tax on management fee	470	661
Administrative expenses	960	435
Remuneration to Central Depository Company of Pakistan Limited - Trustee	613	676
Stock Sates Tax on trustee fee	82	82
Annual fee to Securities and Exchange Commission of Pakistan	72	400
Auditors remuneration	22	100
Brokerage	888	309
Charity expenses	813	307
Bank and settlement charges	78	100
Fees and subscription	140	140
Printing charges	2	10
Total expenses	<u>7,361</u>	<u>7,361</u>
Net loss for the quarter before taxation	<u>(21,824)</u>	<u>(52,007)</u>
Taxation	-	-
Net loss for the quarter after taxation	<u>(21,824)</u>	<u>(52,007)</u>
Allocation of net loss for the Quarter	-	-
Net income for the quarter after taxation	-	-
Income already paid on units redeemed	-	-
	<u>-</u>	<u>-</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For Alliance Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



KSE-MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
	(Rupees in '000)	
Net loss for the quarter after taxation	(23,694)	(22,071)
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	<u>(23,694)</u>	<u>(22,071)</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For KSE-Meezan Investment Management Limited
 (Management Company)

Chief Executive

Chief Financial Officer

Director

KEY MEXICAN BOND FUND
CONSOLIDATED IN FORM 10-A (FORM 1) OF MOVEMENT BY UNIT HOLDERS FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	Quarter ended September 30, 2019			Quarter ended September 30, 2018		
	(Figures in '000)			(Figures in '000)		
	Capital Value	Unsubscribed income/(loss)	Total	Capital Value	Unsubscribed income/(loss)	Total
Net assets at the beginning of the quarter	1,170,496	(262,289)	1,511,136	1,482,811	217,889	1,687,480
Issuance of 2,813,844 units (2018: 1,188,241 units)						
- Capital value (at net asset value per unit at the beginning of the period)	166,206	-	166,206	23,210	-	23,210
- Element of loss	(19,141)	-	(19,141)	(42)	-	(42)
Total proceeds on issuance of units	147,064	-	147,064	22,778	-	22,778
Redemption of 1,062,600 units (2018: 1,124,266 units)						
- Capital value (at net asset value per unit at the beginning of the period)	66,932	-	66,932	60,191	-	60,191
- Element of income	(8,768)	-	(8,768)	(1,545)	-	(1,545)
Total payments on redemption of units	58,164	-	58,164	58,646	-	58,646
Total comprehensive loss for the quarter	-	(23,894)	(23,894)	-	(23,001)	(23,001)
Distribution during the quarter	-	-	-	-	-	-
Net loss for the quarter less distribution	-	(23,894)	(23,894)	-	(23,001)	(23,001)
Net assets at the end of the quarter	1,420,298	(145,292)	1,475,184	1,444,191	185,888	1,640,840
Unsubscribed income brought forward						
- Realized income		194,884			401,372	
- Unrealized loss		(448,212)			(182,222)	
Accounting income available for distribution		(253,328)			219,150	
- Relating to capital gains		-			-	
- Relating to capital gains		-			-	
Net loss for the quarter after taxation		(253,328)			(23,001)	
Distribution during the quarter		-			-	
(Accumulated loss) / unsubscribed income carried forward		(253,328)			196,149	
(Accumulated loss) / unsubscribed income carried forward						
- Realized (loss) / income		(249,232)			226,626	
- Unrealized loss		(189,693)			(64,782)	
		(438,925)			161,844	
			(Figures)			(Figures)
Net assets value per unit at the beginning of the quarter			92.247			70.661
Net assets value per unit at the end of the quarter			92.294			92.242

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For All Mexico Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**KSE MEEZAN INDEX FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)**

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the quarter before taxation	(83,664)	(82,001)
Adjustments for:		
Net unrealised diminution on re-measurement of investments at fair value through profit or loss ¹	100,583	64,762
	<u>16,919</u>	<u>12,761</u>
Increase / (decrease) in assets		
Investments - net	(57,333)	(3,389)
Receivable against sale of investments	-	(3,827)
Dividend receivable	(17,117)	(24,281)
Deposits and other receivables	39	(19)
	<u>(74,421)</u>	<u>(41,287)</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	11	(103)
Payable to Central Depository Company of Pakistan Limited - Trustee	(27)	(8)
Payable to Meezan Bank Limited	(4)	(28)
Payable to Securities and Exchange Commission of Pakistan	(7,402)	(7,248)
Payable against purchase of investments - net	(44,878)	(268)
Accrued expenses and other liabilities	1,381	47
	<u>(44,920)</u>	<u>(1,401)</u>
Net cash used in operating activities	<u>(102,183)</u>	<u>(41,127)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units	180,000	84,227
Payment against redemption of units	(81,675)	(68,821)
Net cash generated from financing activities	<u>98,325</u>	<u>15,406</u>
Net decrease in cash and cash equivalents during the quarter	<u>(2,508)</u>	<u>(15,742)</u>
Cash and cash equivalents at beginning of the quarter	8,938	19,141
Cash and cash equivalents at end of the quarter	<u>6,430</u>	<u>3,399</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

Chief Financial Officer

Director

KCB EQUAN INDEX FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 KCB Equan Index Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on March 13, 2013 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2001 (NBFC Rules) and the Non-Banking Finance Companies and Licensed Entities Regulations, 2002 (NBFC Regulations, 2002). The Management Company has been licensed by Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2001 (the NBFC Rules) through a certificate of registration issued by SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Statebank-Pakistan, Karachi, 74001, 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 KSE100 Index (KSE 100) by investing in companies of the index in proportion to their weightages. Under the Trust Deed, all the contracts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Auditor 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 Pakistan Stock Exchange Limited, units are offered for public subscription on a continuous basis. The units are transferable and be redeemed by surrendering them to the Fund. The Fund is categorized as a Shariah Compliant Index Fund.

1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

1.5 The Management Company has been assigned a quality rating of AM1 by VIB dated December 28, 2016 (2016 AM1) dated December 28, 2017) and by PACRA dated June 28, 2018. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2. BASIS OF PREPARATION

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

3. BASIS OF PREPARATION**3.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2001 (the NBFC Rules), the Non-Banking Finance Companies and Licensed Entities Regulations, 2002 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule 11 of the NBFC Regulations, the directors of the Management

Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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



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

5. BALANCED WITH BARRIS	Note	September 30, 2019	June 30, 2019
		(Unaudited) (Rupees in '000)	(Audited)
In saving accounts	5.1	2,091	7,009
In current accounts		2,118	1,278
		<u>4,209</u>	<u>8,287</u>

- 5.1 The returns in saving accounts have an expected profit ranging from 5.50% to 8.15% per annum (June 30, 2019: 5.50% to 10.50% per annum).

6. INVESTMENTS	Note	September 30, 2019	June 30, 2019
		(Unaudited) (Rupees in '000)	(Audited)
Investments at 'Net value through profit or loss'			
Ordinary shares - Held for trading	6.1	<u>1,470,000</u>	<u>1,021,076</u>

- 6.1 Held for trading - shares of listed companies

Name of the listed company	Rs. in July 1, 2019	Purchases during the quarter	Sells / Sales Issue	Order during the quarter	Rs. in September 30, 2019	Carrying value Rs. in September 30, 2019	Market value Rs. in September 30, 2019	Dividends paid / Received in September 30, 2019	Percentage in relation to		
									Number of Shares	Assets ('000)	Total Assets

Securities Companies

Accountable Asset											
Winds (now One Finance) Ltd	-	75,000	-	1,000	82,100	-1,000	2,100	-1,000	0.0	0.0	0.00
The Limited	-	83,000	-	1,000	79,000	27,000	14,000	(3,000)	0.0	0.0	0.07
Miracle Finance Limited	-	59,000	-	700	82,700	60,000	87,000	(7,000)	0.0	0.0	0.04
									0.0	0.0	0.10

Bank

Winds (now One Finance) Ltd	-	75,000	-	1,000	79,000	79,000	87,000	(7,000)	0.0	0.0	0.00
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Oil & Natural Gas

The Gasco Limited	89,000	99,000	-	8,000	89,000	11,000	10,000	(7,000)	0.0	0.0	0.04
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Cement

O.S. Khan Cement Company Ltd	499,000	40,000	-	10,000	549,000	38,000	38,700	(8,000)	0.0	0.0	0.00
Real Cement Company Limited	1,700,070	141,000	-	27,000	1,868,070	39,000	39,000	(3,000)	0.0	0.0	0.07
Lucky Cement Limited	89,000	99,000	-	8,000	91,000	119,000	107,000	(7,000)	0.0	0.0	0.05
Nara Cement (now Feroze) Ltd	80,000	97,000	-	14,000	94,000	101,000	101,000	(3,000)	0.0	0.0	0.04
									0.0	0.0	0.16

Chemical

Bayo Polymer & Chemicals Ltd	1,027,070	27,000	-	30,000	799,070	20,000	19,000	(7,000)	0.0	0.0	0.00
Lux Chemicals (now Lux) Ltd	87,000	79,000	-	19,000	87,000	19,000	19,000	(7,000)	0.0	0.0	0.00
									0.0	0.0	0.00

Engineering

International Insurance Limited	100,000	-	-	100,000	-	-	-	-	0.0	0.0	0.00
International Goods Limited	300,000	20,000	-	40,000	380,000	19,000	19,000	(9,000)	0.0	0.0	0.00
									0.0	0.0	0.00

Fertilizer

General Fertilizer Corporation Ltd	-	709,000	-	8,000	709,000	30,000	21,700	(8,000)	0.0	0.0	0.00
Bayo Corporation Limited	719,000	41,000	-	29,000	809,000	109,000	109,000	(7,000)	0.0	0.0	0.00
Bayo Fertilizer Limited	1,007,100	107,000	-	29,000	1,400,000	99,000	99,000	(7,000)	0.0	0.0	0.07
									0.0	0.0	0.07

Food & Beverage (now Feroze)

Feroze (now Feroze) Fertilizer	(74,000)	-	-	(74,000)	-	-	-	-	0.0	0.0	0.00
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Oil & Gas Exploration Companies

Oil Petroleum Company Limited	30,000	4,700	-	1,000	33,700	33,000	33,000	(3,000)	0.0	0.0	0.07
Pakistan Oilfield Development Corporation Limited	294,100	33,000	-	8,000	300,000	107,000	110,700	(7,000)	0.0	0.0	0.00
Pakistan Petroleum Limited (Oil)	1,004,070	79,000	-	70,000	1,000,070	179,000	179,000	(7,000)	0.0	0.0	0.00
Oil and Gas Development Corp	1,409,000	109,000	-	29,000	1,504,000	209,000	191,000	(7,000)	0.0	0.0	0.07
									0.0	0.0	0.14

Name of the Income Company	Rs. at Sep 30, 2019	Purchases during the quarter	Rights / Bonus Issue	Sales during the quarter	Rs. at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Dividends / Dividends in September as at 30, 2019	Percentage in relation to			
									Number of Shares	Assets (₹ '000)	Net Assets	Total Market Value of Investments
Oil & Gas Refining Companies												
ONGC Petroleum Limited	-	97,719	-	1,400	98,600	17,684	14,971	7.6	1.9	0.9	1.9	
Indian Petroleum Limited	152,660	1,200	-	1,200	153,660	10,155	1,007	(7.0)	0.7	0.6	0.7	
Petroleum Refining Company Limited	99,700	-	-	99,700	-	-	-	-	0.0	0.0	0.0	
Refinery India	69,000	-	-	69,000	-	-	-	-	0.0	0.0	0.0	
Oil Refining Refineries Limited	240,000	37,000	-	11,000	266,000	47,007	40,017	16.8	2.0	1.1	2.0	
Oil Refining Refineries Limited	85,000	10,000	-	11,000	74,000	10,000	1,000	(1.2)	0.8	0.8	0.7	
									0.9	0.8	0.8	
Power and Power Generation												
Power Generation Corporation Limited	10,414	5,000	-	1,100	14,314	14,444	14,444	100	1.0	0.9	1.0	
Power and Power Generation												
ONGC Limited	-	24,000	-	4,000	20,000	16,000	16,000	100	1.0	1.0	1.0	
Power Generation Corporation Limited	19,700	4,000	-	4,000	27,700	26,011	26,011	100	0.7	0.7	0.7	
									0.7	0.7	0.7	
Power Generation & Distribution												
Power Generation & Distribution Corporation Limited (India)	6,01,040	44,000	-	40,000	6,05,040	24,704	24,011	(0.4)	1.4	0.7	1.4	
Power Generation & Distribution Corporation Limited	1,70,447	-	-	1,70,447	-	-	-	-	0.0	0.0	0.0	
									1.4	0.7	1.4	
Railway												
Indian Railway Corporation Limited	66,000	4,000	-	4,000	70,000	7,000	6,000	100	0.9	0.7	0.9	
Indian Railway Corporation Limited	1,21,000	-	-	1,21,000	-	-	-	-	0.0	0.0	0.0	
Indian Railway Corporation Limited	50,000	-	-	50,000	-	-	-	-	0.0	0.0	0.0	
									0.9	0.7	0.9	
Textile Companies												
Textile Corporation Limited	40,000	4,000	-	7,000	47,000	20,000	20,000	100	0.5	0.1	0.5	
Transport												
Indian National Transport Corporation	1,04,000	14,000	-	10,000	1,08,000	10,000	10,000	100	1.0	0.1	1.0	

INVESTMENT PORTFOLIO

8.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited having nominal value of Rs 1.00 each.

8.1.2 80,000 shares (June 30, 2019: 80,000 shares) of Petroleum Refineries Limited having market value of Rs 93.71 million as on September 30, 2019 (June 30, 2019: Rs 95.00 million), have been pledged as collateral in favour of National Ceiling Company of Petroleum Limited against exposure margin and mark to market basis.

Finance Act, 2019 effective from July 1, 2019 has amended Section 205A of Income Tax Ordinance, 2001 requiring every company issued on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued.

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

7 CONTINGENCIES AND COMMITMENTS

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

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

SECP vide S.R.O. No. 886/2018 dated June 28, 2018, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effect from July 1, 2018. Accordingly, Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

8. ACCOUNTS PAYABLES AND OTHER LIABILITIES	Rate	September 30,	June 30,
		2019	2019
		(Unaudited)	(Audited)
		(Rupees in '000)	
Auditor's remuneration payable		318	320
Provision for Federal Excise Duty and related			
- Goods Sales Tax on management fee	0.1	5,741	5,741
Provision for Federal Excise Duty and related			
- Goods Sales Tax on sales fund	0.1	407	407
Provision for Goods Storage Welfare Fund	0.2	9,276	9,276
Withholding tax payable		200	240
Charity payable		3,460	1,800
Brokerage payable		1,015	1,071
Statutory advisory fee payable		100	104
Printing charges payable		128	114
Dues payable		1	-
		20,000	18,071

- 3.1 The Finance Act, 2018 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 10 percent on the remuneration of the Management Company and sales tax was applicable with effect from June 15, 2018. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2018 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended 30 June 2018, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or amounts taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2018, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2018.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2018. However, as a matter of abundance caution the provision for FED made for the period from June 15, 2018 to June 30, 2018 amounting to Rs 8,268 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net Asset Value of the Fund as at September 30, 2018 would have been higher by Rs 0.21 (June 30, 2018: Rs 0.22) per unit.

- 3.2 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 the Sindh Investors' Welfare Fund Act, 2018 (SIWF 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 0.20 million, was required to pay Sindh Investors' Welfare Fund (SIWF) 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 CILs whereby it was contended that mutual funds should be excluded from the ambit of the SIWF 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 (Reservist of Finance) Ordinance, 2001 and were hence, required to register and pay SIWF under the SIWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CILs/ mutual funds excluded from the applicability of SIWF. In view of the above developments regarding the applicability of SIWF on CILs/mutual funds, MUFAP recommended that, as a matter of abundance caution, provision in respect of SIWF should be made on a prudent basis with effect from the date of enactment of the SIWF Act, 2018 (i.e. starting from May 01, 2018).

Had the provision for SIWF not been reported in the financial statements of the Fund for the period from May 01, 2018 to June 30, 2018, the net Asset Value per unit of the Fund as at September 30, 2018 would have been higher by Rs. 0.21 (June 30, 2018: Rs 0.22).

10. TRANSACTIONS WITH CONNECTED PARTIES / 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 - Employee Gruity Fund and administrators 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 MFC Rules, the MFC Regulations and the Trust Deed respectively.

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

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,120	1,024
Sindh Sales Tax on management fee payable	<u>150</u>	<u>150</u>
Sales tax payable	<u>40</u>	<u>1</u>
Sindh Sales Tax on sales tax payable	<u>1</u>	<u>1</u>
Allocated expenses payable	<u>110</u>	<u>123</u>
Investment of 8,783,858 units (June 30, 2018: 7,821,959 units)	<u>489,211</u>	<u>465,749</u>
Al Meezan Investment Management Limited - (SP)		
Investment of 1,55,559 units (June 30, 2018: 155,559 units)	<u>6,880</u>	<u>7,072</u>

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Dollars in '000)	
Wescon Bank Limited		
Sales lead payable	0	14
Sales Tax on sales lead payable	1	2
Bank balance	2,857	3,429
Profit available on savings account	50	82
Investment of 2,113,226 units (June 30, 2019: 2,113,226 units)	<u>108,914</u>	<u>110,000</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	113	103
Sales Tax on trustee fee payable	22	40
Security deposit	<u>103</u>	<u>103</u>
Directors and executives of the Management Company		
Investment of 10,000 units (June 30, 2019: 10,000 units)	<u>995</u>	<u>1,000</u>
Unitholders holding 10% or more units of the Fund		
Investment of 2,726,888 units (June 30, 2019: 2,726,888 units)	<u>428,418</u>	<u>614,067</u>
Wescon Strategic Allocation Fund MS&P-I		
Investment of 140,177 units (June 30, 2019: 201,500 units)	<u>8,322</u>	<u>10,074</u>
Wescon Strategic Allocation Fund MS&P-II		
Investment of 137,500 units (June 30, 2019: 137,500 units)	<u>8,967</u>	<u>7,082</u>
Wescon Strategic Allocation Fund MS&P-III		
Investment of 274,070 units (June 30, 2019: 167,500 units)	<u>19,478</u>	<u>8,429</u>
Wescon Strategic Allocation Fund MS&P-IV		
Investment of 288,800 units (June 30, 2019: 190,070 units)	<u>19,808</u>	<u>15,076</u>
Wescon Strategic Allocation Fund MS&P-V		
Investment of 26,210 units (June 30, 2019: 26,210 units)	<u>2,422</u>	<u>2,063</u>
	Quarter ended September 30,	September 30,
	2019	2018
	(Dollars in '000)	
All Wescon Investment Management Limited - Management Company		
Remuneration for the quarter	3,419	4,294
Sales Tax on management fee	470	581
Allocated expenses	<u>262</u>	<u>429</u>
Units issued: 2,141,687 units (September 30, 2019: 226,788)	<u>164,859</u>	<u>16,134</u>
Wescon Bank Limited		
Profit on savings account	<u>222</u>	<u>12</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	813	874
Sales Tax on trustee fee for the quarter	80	82
ODS charges	<u>37</u>	<u>21</u>
Directors and executives of the Management Company		
Units issued: 409 units (September 30, 2019: 507 units)	<u>21</u>	<u>41,398</u>
Wescon Strategic Allocation Fund MS&P-I		
Units redeemed of 67,403 units (September 30, 2019: nil units)	<u>3,227</u>	<u>-</u>
Wescon Strategic Allocation Fund MS&P-II		
Issue of 200,400 units (September 30, 2019: nil units)	<u>10,000</u>	<u>-</u>
Wescon Strategic Allocation Fund MS&P-III		
Issue of 200,400 units (September 30, 2019: nil units)	<u>10,000</u>	<u>-</u>



11. ALLOCATED EXPENSES

In accordance with Regulation 82 of the SECP Regulations, the Management Company (M) June 30, 2019 entitled to charge expenses related to register services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 339 dated June 30, 2019 has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to register services, accounting, operations and valuation services to the CIS irrespective from June 30, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lower than actual expenses.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the quarter ended September 30, 2019 is 1.80% which include 0.20% representing government levy and SECP fee.

13. TAXATION

The Fund's income is exempt from income tax as per clause (23) 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 realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 83 of the SECP Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

The Fund is also exempt from the provisions of section 112 (dividend tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

FAIR VALUE HIERARCHY

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

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

As at September 30, 2019 and June 30, 2019, the Fund had the following financial instruments measured at fair value:

ACCOUNT	As at September 30, 2019			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Financial assets at fair value through profit or loss	1,470,328	-	-	1,470,328

ACCOUNT	As at June 30, 2019			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Financial assets at fair value through profit or loss	1,532,676	-	-	1,532,676

15. GENERAL

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

16. STATE OF ASSURED FIDELITY

This condensed interim financial information was authorized for issue on October 15, 2019 by the Board of Directors of the Management Company.

For Al Manassir Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan Energy Fund

MEEZAN ENERGY FUND (MEF)

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

 Swat Branch

**WHITE PALACE
MARGHAZAR
(SWAT)**



MAKING OUR MARK IN THE
LAND OF MOUNTAINS



FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almeezanigroup.com
E-mail: info@almeezanigroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arifad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFD & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Vaidi

AUDIT COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arifad Majeed	Member
Mr. Naeem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Naeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arifol Islam	Member
Mr. Naeem Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-21, Ertaza Avenue, SITE, Karachi.
Phone: 35155538 Fax: 35456617
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	8	20,003	20,440
Investments	8	481,868	503,650
Receivable against conversion of units		390	587
Dividend receivable		6,395	2,127
Advances, deposits and other receivables		4,484	1,890
Preliminary expenses and formation costs		433	483
Total assets		514,163	529,348
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		1,838	2,038
Payable to Central Depository Company of Pakistan Limited - Trustee		94	128
Payable to Meezan Bank Limited		204	1
Payable to Securities and Exchange Commission of Pakistan	7	28	633
Payable on redemption and conversion of units		768	724
Payable against purchase of investments - net		-	3,424
Accrued expenses and other liabilities	9	2,421	2,399
Total liabilities		5,753	10,348
Net assets		508,410	519,000
Contingencies and commitments			
Contingencies and commitments	8		
Withholders' funds (as per statement attached)		678,227	698,703
(Number of units)			
Number of units in issue		17,817,920	17,844,102
(Rupees)			
Net assets value per unit		28.5398	29.0948

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN WELFARE FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	Note	September 30,	
		2019	2018
		(Rupees in '000)	
Income			
Net realised loss on sale of investments		(41,038)	(8,456)
Dividend income		6,910	5,996
Profit on saving accounts with banks		903	1,339
		(33,195)	(1,121)
Net unrealised elimination on re-measurement of investments - at fair value through profit or loss	6.1	(50,297)	(54,082)
Total loss		(83,492)	(55,193)
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		2,808	7,196
Sindh Sales Tax on management fee		365	936
Remuneration to Central Depository Company of Pakistan Limited - Trustee		281	813
Sindh Sales Tax on trustee fee		37	80
Annual fee to Securities and Exchange Commission of Pakistan		28	342
Auditors' remuneration		74	91
Charity expense		250	66
Fees and subscription		141	142
Brokerage expense		329	384
Bank and settlement charges		48	26
Printing charges		-	8
Selling and marketing expense	14	562	1,439
Amortisation of preliminary expenses and flotation costs		50	50
Allocated expenses	12	140	350
Total expenses		5,711	11,742
Net loss for the quarter before taxation		(88,573)	(66,925)
Taxation	15	-	-
Net loss for the quarter after taxation		(88,573)	(66,925)
Allocation of net income for the quarter			
Net income for the quarter after taxation		-	-
Income already paid on units redeemed		-	-
		-	-

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
	(Rupees in '000)	
Net loss for the quarter after taxation	(88,573)	(88,925)
Other comprehensive income	-	-
Total comprehensive income for the quarter	(88,573)	(88,925)

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

WELLS CLEARFLO FUND
CONDENSED BALANCE SHEET AND MOVEMENT IN NET ASSETS FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30, 2019			September 30, 2018		
	Capital Value	Accumulated Loss	Total	Capital Value	Accumulated Loss	Total
		(Pounds in '000)			(Pounds in '000)	
Net assets at beginning of the quarter	207,740	(248,040)	209,700	1,000,701	(24,200)	1,000,501
Issue of 7,728,280 units (September 30, 2019: 8,488,787 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	207,740	-	207,740	207,222	-	207,222
- Element of loss	(20,000)	-	(20,000)	(8,717)	-	(8,717)
Total proceeds on issuance of units	207,740	-	207,740	215,939	-	215,939
Redemption of 7,024,400 units (September 30, 2019: 12,842,181 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	207,222	-	207,222	889,242	-	889,242
- Element of loss	(20,000)	-	(20,000)	(10,273)	-	(10,273)
Total payments on redemption of units	207,222	-	207,222	899,515	-	899,515
Total comprehensive loss for the quarter	-	(88,073)	(88,073)	-	(88,000)	(88,000)
Distribution during the quarter	-	-	-	-	-	-
Net loss for the quarter less distribution	-	(88,073)	(88,073)	-	(88,000)	(88,000)
Net assets at end of the quarter	207,740	(207,073)	210,667	1,000,701	(21,200)	1,007,488
Accumulated losses brought forward						
- Realised loss		(208,021)			(48,842)	
- Unrealised (loss) / income		(741,019)			(24,358)	
		(949,040)			(73,200)	
Accounting income available for distribution						
- Realised (loss) / income		-			-	
- Unrealised income / (loss)		-			-	
		-			-	
Net loss for the quarter after taxation		(88,073)			(88,000)	
(Accumulated loss) / undistributed income carried forward		(427,073)			(21,720)	
Accumulated losses carried forward						
- Realised loss		(427,348)			(21,271)	
- Unrealised (loss) / income		(10,287)			(8,249)	
		(437,635)			(29,520)	
Net assets value per unit at the beginning of the quarter		(Pounds)			(Pounds)	
		21,2540			40,1920	
Net assets value per unit at the end of the quarter		20,1208			37,2400	

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

For Al Weissen Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ENERGY FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the quarter after taxation	(88,573)	(88,825)
Adjustments for:		
Amortisation of preliminary expenses and formation costs	50	50
Net unrealised diminution on re-measurement of investments - at fair value through profit or loss	50,267	54,083
	<u>(38,256)</u>	<u>(12,692)</u>
Decrease / (increase) in assets		
Investments	41,717	328,153
Dividend receivable	(4,868)	(2,340)
Advances, deposits and other receivables	(2,594)	(238)
	<u>34,255</u>	<u>325,575</u>
(Decrease) / Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(501)	(1,528)
Payable to Central Depository Company of Pakistan Limited - Trustee	(35)	(37)
Payable to Meezan Bank Limited	303	(51)
Payable to Securities and Exchange Commission of Pakistan	(805)	(1,090)
Payable against purchase of investments - net	(3,424)	(2,191)
Accrued expenses and other liabilities	(875)	243
	<u>(5,537)</u>	<u>(4,655)</u>
Net cash (used in) / generated from operating activities	<u>(2,538)</u>	<u>308,107</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	233,763	324,551
Payment against redemption and conversion of units	(224,864)	(877,821)
Net cash generated from / (used in) financing activities	<u>8,899</u>	<u>(553,270)</u>
Net decrease in cash and cash equivalents during the quarter	<u>(439)</u>	<u>(47,163)</u>
Cash and cash equivalents at beginning of the quarter	20,442	185,027
Cash and cash equivalents at end of the quarter	<u>19,999</u>	<u>147,864</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ENERGY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (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 Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on September 08, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2005 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2005 (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 (Establishment and Regulation) Rules, 2005 (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, Sheikh-e-Faisal Korachi 74400, Pakistan.
- 1.2 The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VRS dated December 28, 2018 (2018: AM1 dated December 29, 2017) and by PACRA dated June 28, 2018. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2005 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

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



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

These condensed interim financial statements are unaudited. In compliance with Schedule 17 of the NSEPC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

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

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
5. BALANCES WITH BANKS	Note	(Rupees in '000)	
In saving accounts	5.1	19,094	19,093
In current accounts		50	627
		19,144	19,720

5.1 The balances in saving accounts have an expected profit ranging from 3.00% to *1.00% per annum (June 30, 2019: 3.00% to *1.00% per annum).

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
6. INVESTMENTS	Note	(Rupees in '000)	
Investments - 'at fair value through profit or loss'			
Listed equity securities	6.1	491,389	633,360

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

Name of the issuer/stock	Acquired 2019	Parish (Acquired)	Date of issuance	Acquired 2019	In interim 2019	Original cost/issue 2019	Revised cost/issue 2019	Dividend (2019) September 30	Percentage of ownership		
									Percentage Ownership (as of 31) 2019	Percentage Ownership (as of 30) 2019	Percentage Ownership (as of 30) 2018
Equity securities											
Direct/Indirect Company											
Indirect Company (MPL)	10.00	-	-	1.00	8.00	8.00	8.00	1.00	1.00	1.00	1.00
Direct Company (MPL)	25.00	25.00	-	25.00	25.00	25.00	25.00	5.00	15.00	15.00	15.00
MPL (MPL)	12.00	12.00	-	-	12.00	12.00	12.00	4.00	1.00	1.00	1.00
MPL (MPL)	11.00	11.00	-	11.00	11.00	11.00	11.00	1.00	1.00	1.00	1.00
								11.00	18.00	18.00	18.00
Direct/Indirect Company											
MPL (MPL)	1.00	1.00	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MPL (MPL)	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MPL (MPL)	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MPL (MPL)	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MPL (MPL)	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
								1.00	1.00	1.00	1.00
Non-Convertible Debenture											
MPL (MPL)	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MPL (MPL)	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
								1.00	1.00	1.00	1.00
Total as at September 30, 2019								12.00	49.00	49.00	49.00
Total as at June 30, 2019								12.00	49.00	49.00	49.00

- 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 2.5 each.
- 6.2 Finance Act, 2018 effective from July 1, 2018 has amended Section 208B of Income Tax Ordinance, 2001 requiring every company listed on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued.

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

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

SECP - via S.R.O. No. 5551/2018 dated June 28, 2018, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effective from July 1, 2018. Accordingly, Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2018 and June 30, 2018.

		September 30, 2018	June 30, 2018
	Note	(Audited)	(Audited)
		(Rupees in '000)	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditor's remuneration payable		289	181
Printing charges payable		38	38
Shariah advisor fee payable		151	285
Charity payable		274	624
Capital gain tax payable		18	211
Provision for Sindh Workers' Welfare Fund	9.1	1,327	1,327
Salary payable		4	4
Brokerage Payable		181	221
		<u>2,422</u>	<u>3,391</u>

- 9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 the Sindh Workers' Welfare Fund Act, 2018 (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 500 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 OIAs whereby it was contended that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were paid 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 (Reserve 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 OIAs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on OIAs 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, 2018).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from November 30, 2018 to September 30, 2018, the net asset value per unit of the Fund as at September 30, 2018 would have been higher by Rs 0.09 / 0.31% (June 30, 2018: Rs 0.08 / 0.27%).

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meccan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meccan 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 Meccan 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:

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	228	1,127
Sindh Sales Tax on management fee payable	127	142
Sales tax payable	3	11
Sindh Sales Tax on sales tax payable	-	2
Allocated expenses	47	37
Selling and marketing expense payable	382	382
Investment of 8,793,952 units (June 30, 2019: 8,193,489 units)	127,122	125,222
Meezan Bank Limited		
Bank balance	3,084	1,120
Profit receivable on saving accounts	81	123
Sales tax payable	292	-
Sindh Sales Tax on sales tax payable	24	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	22	114
Sindh Sales Tax on trustee fee payable	17	16
Security deposit	122	122
Directors and executives of the Management Company		
Investment of 1,871,777 units (June 30, 2019: 224,714 units)	40,026	7,211
For the quarter ended September 30, 2019		
	2019	2019
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	2,424	7,164
Sindh Sales Tax on management fee	385	528
Allocated expenses	142	382
Selling and marketing expenses	292	1,427
Units issued: 987,230 units (September 30, 2019: nil)	30,000	-
Units redeemed: 945,167 units (September 30, 2019: 3,987,713 units)	10,000	194,000
Meezan Bank Limited		
Profit on saving accounts	327	382
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	281	812
Sindh Sales Tax on trustee fee	27	22
CGS charges	22	17
Directors and executives of the Management Company		
Units issued: 3,229,488 units (September 30, 2019: 27,305 units)	101,000	9,229
Units redeemed: 1,327,792 units (September 30, 2019: 111,798 units)	47,000	1,212

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

13.1 Fair value hierarchy

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

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

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

ASSETS	As at September 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	421,080	-	-	421,080

ASSETS	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	522,050	-	-	522,050

13. ALLOCATED EXPENSES

In accordance with Regulation 80 of the NBFC Regulations, the Management Company, on June 19, 2019 entered to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 1.10% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 809 dated June 20, 2019 has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.10% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lower than actual expenses.

13. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the quarter ended September 30, 2019 is 0.84% which includes 0.34% representing government levies and SECP fee.

14. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years from January 1, 2017 to December 31, 2019). The maximum cap of selling and marketing expenses shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

15. TAXATION

The Fund's income is exempt from income tax as per clause (90) 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 is reduced by capital gains, whether realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 83 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.

16. GENERAL

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

**17. DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on October 16, 2019 by the Board of Directors of the Management Company.

For Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

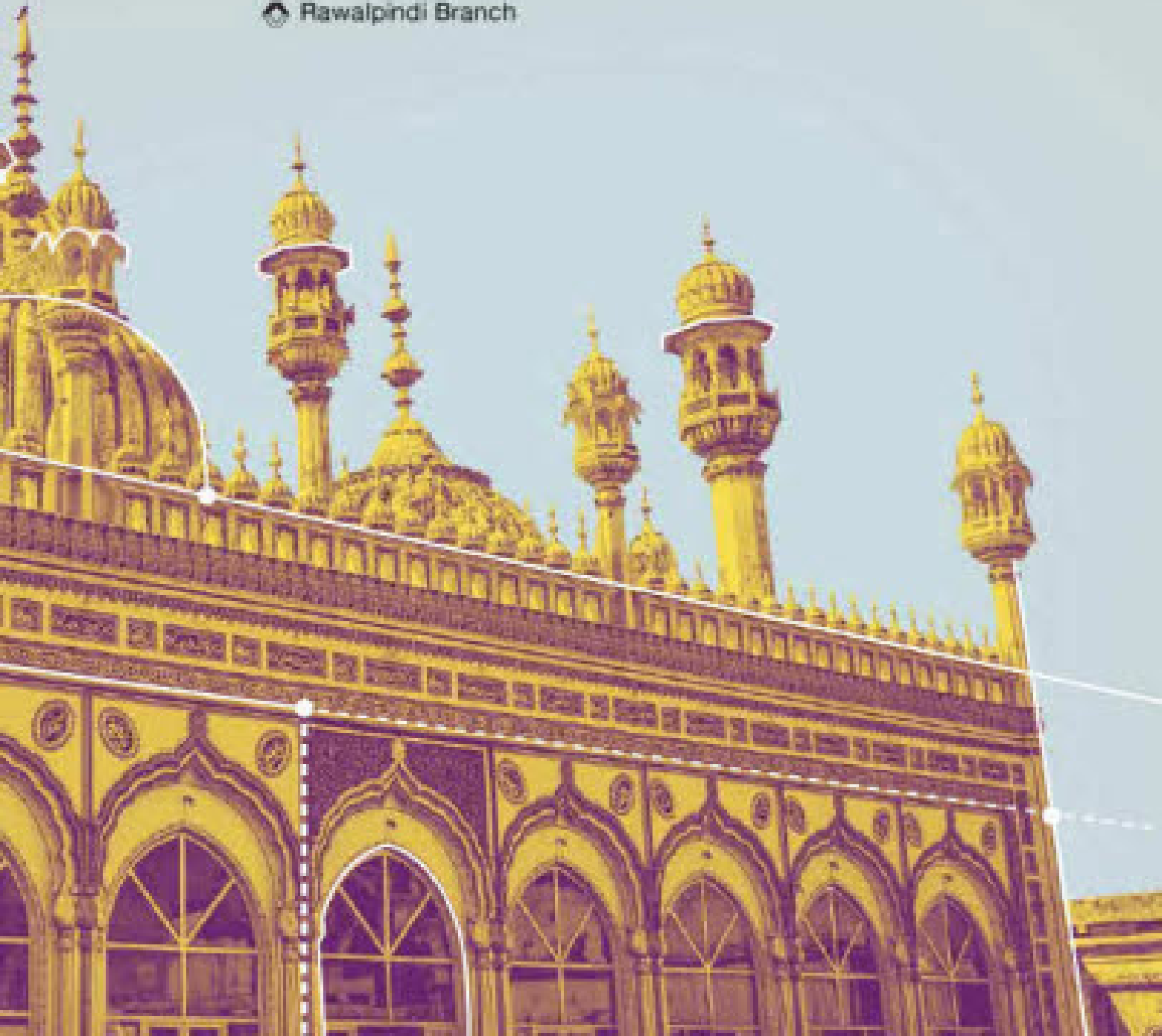


Meezan Balanced Fund

MEEZAN BALANCED FUND (MBF)

Meezan Balanced Fund is Pakistan's first Shariah compliant balanced scheme. It seeks to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high quality Shariah compliant equity securities and income instruments such as TFC's, COI's, Certificates of Musharika, Islamic Sukuks, Ready-future hedges and other Shariah compliant instruments.

 Rawalpindi Branch



PICKING UP SPEED IN THE CITY OF BAZAARS

MAUSOLEUM OF AKHUND
ABDUL GHAFOOR
(RAWALPINDI)



FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436908
Website: www.almeezanigroup.com
E-mail: info@almeezanigroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fuda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Yasam Abdul Samar	Nominee Director - FICD
Syed Amir Ali Zaidi	Nominee Director - FICD

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghais Vaidi

AUDIT COMMITTEE

Mr. Moin M. Fuda	Chairman
Mr. Arshad Majeed	Member
Mr. Yasam Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Yasam Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fuda	Chairman
Mr. Arifol Islam	Member
Mr. Yasam Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Ahmed Bank Limited	Mahab Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (I.C)	MCB Islamic Bank Limited
Ascent Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Mubala Limited - Islamic Banking	Meezan Bank Limited
Bank Afkalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Samba Bank Limited
Doha Islamic Bank Pakistan Limited	Stitch Bank Limited
Fayyal Bank Limited - Islamic Banking	UBL Aman - Islamic Banking

LEGAL ADVISER

Bavvasy & Partners
3rd B, 4th Floor, 68-C, Lane-11, Bohari Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 35154181-84 Fax: (9221) 35154185
E-mail: info@bavvasy.com

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 35155539 Fax: 35436617
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Meezan Balanced Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2019

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	598,457	387,560
Investments	6	1,500,803	4,343,739
Receivables against conversion of units		687	673
Dividend receivable		38,960	14,704
Receivable against sale of investments		9,826	75,810
Advances, deposits and other receivables		57,940	71,510
Total assets		4,660,976	5,493,096
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		13,999	16,770
Payable to Central Depository Company of Pakistan Limited - Trustee		512	515
Payable to Securities and Exchange Commission of Pakistan		247	5,821
Payable to Meezan Bank Limited		5	1
Payable against redemption and conversion of units		2,972	2,247
Dividend payable		7,490	7,480
Accrued expenses and other liabilities	9	84,948	91,252
Total liabilities		109,329	175,076
Net assets		4,551,647	5,318,020
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		4,551,647	5,318,020
		(Number of units)	
Number of units in issue		340,490,212	387,457,321
		(Rupees)	
Net assets value per unit		13,364	13,465

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

Mezzan Balanced Fund
Condensed Interim Income Statement
For the quarter ended September 30, 2019 (Unaudited)

	Note	September 30,	
		2019	2018
		(Rupees in '000)	
Income:			
Net realized loss on sale of investments		(27,192)	(8,519)
Dividend income		40,881	49,824
Profit on sukuk certificates		51,484	41,107
Profit on saving accounts with banks		19,002	19,029
Other income		-	387
		83,935	103,728
Net unrealized (elimination on re-measurement of investments - 'at fair value through profit or loss' (net)	8	(191,285)	(176,305)
Total loss		(107,350)	(72,577)
Expenses			
Remuneration to Al Mezzan Investment Management Limited - Management Company		33,730	38,753
Sindh Sales Tax on management fee		3,088	5,038
Allocated expenses	11	1,187	1,858
Selling and marketing expenses	14	4,747	7,750
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,438	2,150
Sindh Sales Tax on trustee fee		187	284
Annual fee to Securities and Exchange Commission of Pakistan		347	1,647
Auditors' remuneration		135	184
Charity expense		1,097	641
Fees and subscription		145	239
Brokerage expense		314	373
Bank and settlement charges		110	188
Printing expenses		-	27
Total expenses		56,429	59,132
Net loss for the quarter before taxation		(143,778)	(131,709)
Taxation	12	-	-
Net loss for the quarter after taxation		(143,778)	(131,709)
Allocation of net income for the period			
Net income for the period after taxation		-	-
Income already paid on units redeemed		-	-
		-	-

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Mezzan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan Balanced Fund
Condensed Interim Statement of Comprehensive Income
For the quarter ended September 30, 2019 (Unaudited)

	September 30,	
	2019	2018
	(Rupees in '000)	
Net loss for the quarter after taxation	(143,778)	(131,705)
Other comprehensive income for the period	-	-
Total comprehensive loss for the quarter	<u>(143,778)</u>	<u>(131,705)</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

Unaudited Financial Statements

Consolidated Income Statement (of Revenue and Distribution) Fund
For the quarter ended September 30, 2019 (Unaudited)

	September 30, 2019			September 30, 2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Report in \$'000)			(Report in \$'000)		
Net assets at beginning of the period as previously reported (Audited)	4,780,719	(2,486)	4,778,233	7,243,883	882,713	7,926,596
Change in accounting policy	-	-	-	-	-	-
Net assets at beginning of the period	4,780,719	(2,486)	4,778,233	7,243,883	882,713	7,926,596
Issue of 2,500,000 units (2018: 10,700,000 units)						
- Capital value (at net asset value per unit at the beginning of the period)	40,740	-	40,740	243,883	-	243,883
- Shareholders' loss	(40,740)	-	(40,740)	(2,479)	-	(2,479)
Total proceeds on issuance of units	\$,000	-	\$,000	\$71,364	-	\$71,364
Redemption of 24,211,494 units (2018: 20,000,000 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(242,114)	-	(242,114)	(412,142)	-	(412,142)
- Shareholders' income	(22,119)	-	(22,119)	(2,492)	-	(2,492)
Total payments on redemption of units	(264,233)	-	(264,233)	(414,634)	-	(414,634)
Total payments on the issue for the quarter	-	(264,233)	(264,233)	-	(264,634)	(264,634)
Distribution during the quarter	-	-	-	-	-	-
Net loss for the quarter less distribution	-	(264,233)	(264,233)	-	(264,634)	(264,634)
Net assets at end of the quarter	4,780,719	(2,486)	4,778,233	7,243,883	882,713	7,926,596
Undistributed (loss) / income brought forward (as previously reported) (Audited)						
- Realised income	276,742	-	276,742	1,499,509	-	1,499,509
- Unrealised income	(279,228)	-	(279,228)	(217,792)	-	(217,792)
Change in accounting policy	-	-	-	-	-	-
Undistributed (loss) / income brought forward	(2,486)	-	(2,486)	271,717	-	271,717
Accounting income available for distribution						
- Relating to income gains	-	-	-	-	-	-
- Relating to net asset gains	-	-	-	-	-	-
Net loss for the quarter after taxation	(264,233)	-	(264,233)	(264,729)	-	(264,729)
Distribution during the quarter	-	-	-	-	-	-
Undistributed income carried forward	(264,233)	-	(264,233)	(264,729)	-	(264,729)
Undistributed income carried forward						
- Realised (loss) / income	(1,499)	-	(1,499)	271,509	-	271,509
- Unrealised loss	(262,734)	-	(262,734)	(273,238)	-	(273,238)
	(264,233)	-	(264,233)	(264,729)	-	(264,729)
	(Reported)		(Reported)			
Net asset value per unit at beginning of the quarter	71,409		71,409	71,409		71,409
Net asset value per unit at end of the quarter	71,407		71,407	71,407		71,407

The unrealised loss (or gain) forms an integral part of the statement of net asset value.

Ray W. Buehler Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan Balanced Fund
Condensed Interim Cash Flow Statement
For the quarter ended September 30, 2019 (Unaudited)

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the quarter before taxation	(142,776)	(121,709)
Adjustments for:		
Net unrealised diminution on re-measurement of investments		
- at fair value through profit or loss (net)	191,295	176,305
	<u>47,506</u>	<u>44,596</u>
Decrease / (increase) in assets		
Investments	196,651	(481,325)
Dividend receivable	(24,256)	(23,698)
Receivable against sale of investments (net)	66,664	-
Advances, deposits and other receivables	16,465	39
	<u>699,464</u>	<u>(494,983)</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan)		
- Management Company	(3,216)	7,652
Payable to Central Depository Company of Pakistan Limited (CDC)		
- Trustee	(163)	(32)
Payable to Securities and Exchange Commission of Pakistan (SECP)	(5,564)	(5,519)
Payable to Meezan Bank Limited	4	(69)
Payable against purchase of investments (net)	-	4,353
Accrued expenses and other liabilities	(9,402)	2,301
	<u>(9,402)</u>	<u>2,301</u>
Net cash generated from / (used in) operating activities	<u>699,949</u>	<u>(441,701)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	45,795	254,494
Payment against redemption and conversion of units	(699,936)	(400,548)
Dividend paid	-	(947)
Net cash used in financing activities	<u>(654,141)</u>	<u>(147,001)</u>
Net decrease in cash and cash equivalents during the quarter	249,807	(588,702)
Cash and cash equivalents at beginning of the quarter	357,560	1,682,969
Cash and cash equivalents at end of the quarter	<u>607,367</u>	<u>1,094,267</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

For the quarter ended September 30, 2019 (Revised)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Mezzan Balanced Fund (the Fund) was initially established as a depository scheme under a Trust Deed executed between Al Mezzan 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 16, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 5, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2000 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2000 (the NBFC Regulations). The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahzade-Faisal (Kasbi) 7400, Pakistan.

Subsequently, on May 3, 2013, SECP vide its letter No. SCD/MR/AN/MBF/013/2013 had approved the conversion of the deed and structure into an open end scheme through the establishment of the Unit Trust Scheme under the name of Mezzan Balanced Fund (MBF). On June 27, 2013, SECP vide its letter No. SCD/MR/AN/MBF/013/2013 registered MBF (the open-end scheme) as a notified entity and had withdrawn the registration of MBF as a depository 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 deed and scheme at June 30, 2013 were converted to unitholders of the open end scheme.

1.2 The Management Company has been formed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.

1.3 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as Islamic Sukuk (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 Repo, Scaled Transactions, and other Shariah compliant instruments as permitted by the SECP, under the Trust Deed all the contracts and acts of the Fund are based on Shariah principles. The Management Company has appointed Mezzan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.4 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorised as a Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.

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

1.6 The Management Company has been assigned a quality rating of A(+) by VISA dated December 28, 2018 (2018) with a date December 26, 2017) and by PACRA dated June 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2. BASIS OF 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. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)
- Provisions of and directives issued under the Companies Act, 2017, along with part VISA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2000 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2000 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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



These condensed interim financial statements are unaudited. In compliance with Schedule V of the MFPD Regulations, the director of the Management Company declares that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

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

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
3. BALANCES WITH BANKS	Note	(Rupees in '000)	
In saving accounts	3.1	688,411	338,808
In current accounts		11,048	17,881
		<u>699,459</u>	<u>356,689</u>

3.1 The balances in saving accounts have an expected profit ranging from 3.00% to 13.75% per annum (June 30, 2019: 3.00% to 13.50% per annum).

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
6. INVESTMENTS	Note	(Rupees in '000)	
Investments - 'at fair value through profit or loss'	6.1	<u>3,393,385</u>	<u>4,345,739</u>
		<u>3,393,385</u>	<u>4,345,739</u>
6.1 Investments - 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	6.1.1	2,000,187	2,868,177
Subsid certificates	6.1.2	1,293,244	1,608,381
Commercial papers	6.1.3	140,452	471,301
		<u>3,393,385</u>	<u>4,345,739</u>

Name of the member company	No. of July 2019, 2019	Percentage being Reported	High Value units	Auto. being Reported	No. of September 2019, 2019	Gaining value as of September 2019, 2019	Market value as of September 2019, 2019	Growth rate as of September 2019, 2019	Percentage contribution		
									Net Revenue for base of investments	Market Capital of the company (2019) (Net Value of investments)	Market Value of investments
Number of Shares					Market cap			%			
Automotive Company											
Commercial Bank											
Bank of India Ltd											
an associate company of the Fund	1,27,000	-	-	-	1,27,000	10,774	8,074	74.98%	1.00%	1.00%	1.00%
Bank of India Ltd	878	-	-	-	878	73	73	8.31%	0.02%	0.02%	0.02%
Automotive companies											
Automotive Finance Ltd	87,000	-	-	88,000	1,100	70	70	0.78%	-	0.00%	0.00%
Auto Finance Services Ltd	10,000	-	-	1,700	8,000	8,000	79,999	79.99%	0.04%	0.04%	0.04%
Auto Finance Services Ltd	800	-	-	800	-	-	-	-	0.00%	0.00%	0.00%
Automotive parts and accessories											
Automotive Parts Ltd	-	-	-	-	-	-	-	-	-	-	-
Others											
High Value's Finance Ltd	1,00,000	-	-	87,000	1,00,000	44,770	44,770	44.77%	0.44%	0.44%	0.44%
High Value's Finance Ltd	10,000	-	-	8,700	10,000	8,770	8,770	87.70%	0.08%	0.08%	0.08%
Auto Finance Services Ltd	80,000	-	-	80,000	80,000	80,000	80,000	80.00%	0.00%	0.00%	0.00%
Auto Finance Services Ltd	870	-	-	870	-	-	-	-	0.00%	0.00%	0.00%
Bank											
Auto Finance Services Ltd	100	-	-	100	100	80	80	80.00%	0.00%	0.00%	0.00%
Auto Finance Services Ltd	100,000	-	-	100,000	-	-	-	-	-	-	-
Auto Finance Ltd	80,000	-	-	80,000	8,000	8,000	8,000	10.00%	0.01%	0.01%	0.01%
Auto Finance Ltd	10,000	-	-	10,000	10,000	10,000	10,000	100.00%	0.04%	0.04%	0.04%
Auto Finance Ltd	870	-	-	870	-	-	-	-	0.00%	0.00%	0.00%
Finance											
Auto Finance Services Ltd	1	0.00%	-	-	1,000	1,000	1,000	100.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	1,70,000	-	-	1,70,000	1,70,000	16,000	16,000	9.41%	0.04%	0.04%	0.04%
Auto Finance Services Ltd	1,00,000	-	-	1,00,000	1,00,000	88,000	88,000	88.00%	0.74%	0.74%	0.74%
Auto Finance Ltd	-	-	-	-	-	-	-	-	-	-	-
Technology & Communication											
Auto Finance Ltd	10,000	-	-	-	10,000	11,000	1,000	10.00%	0.10%	0.10%	0.10%
Auto Finance Ltd	1,000	-	-	-	1,000	100	100	10.00%	0.01%	0.01%	0.01%
Auto Finance Ltd	10,000	-	-	10,000	10,000	10,000	10,000	100.00%	0.00%	0.00%	0.00%
Power & Power											
Auto Finance Ltd	10,000	-	-	10,000	10,000	1,000	1,000	10.00%	0.01%	0.01%	0.01%
Auto Finance Ltd	10,000	-	-	10,000	10,000	10,000	10,000	100.00%	0.00%	0.00%	0.00%
Real Estate											
Auto Finance Services Ltd	80	-	-	-	80	70	70	87.50%	0.00%	0.00%	0.00%
IT & New Application											
Auto Finance Services Ltd	1,00,000	-	-	87,000	1,00,000	11,000	11,000	11.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	1,00,000	17.00%	-	80,000	1,00,000	11,000	11,000	11.00%	0.11%	0.11%	0.11%
Auto Finance Ltd	1,00,000	-	-	1,00,000	1,00,000	10,000	10,000	10.00%	0.00%	0.00%	0.00%
IT and New Marketing											
Auto Finance Ltd	10,000	-	-	10,000	1,000	1,000	1,000	10.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	10,000	-	-	10,000	10,000	10,000	10,000	100.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	10,000	-	-	10,000	10,000	10,000	10,000	100.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	-	-	-	-	-	-	-	-	-	-	-
Auto Finance Ltd	-	-	-	-	-	-	-	-	-	-	-
Auto Finance Ltd	1,00,000	-	-	1,00,000	1,00,000	10,000	10,000	10.00%	0.00%	0.00%	0.00%
Pharmaceutical											
Auto Finance Services Ltd	1,000	-	-	100	1,000	1,000	1,000	100.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	100,000	-	-	100,000	100,000	10,000	10,000	10.00%	0.00%	0.00%	0.00%
Auto Finance Services Ltd	100,000	-	-	100,000	100,000	10,000	10,000	10.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	100,000	-	-	100,000	100,000	10,000	10,000	10.00%	0.00%	0.00%	0.00%
Auto Finance Ltd	1,000	-	-	1,000	1,000	1,000	1,000	100.00%	0.00%	0.00%	0.00%



Name of the issuer company	No. of July 31, 2019	Parity Along Required	High Value Limit	Risk Along Required	No. of September 30, 2019	Closing value as of September 30, 2019	Market value as of September 30, 2019	Weighted price (based on of September 30, 2019)	Percentage in relation to			
									Net Asset Value for the issue of securities	Market Capital of the issuer company (as per latest data of issuer company)	Total Assets	
	Number of Shares				Amount in PKR				%			
Bank & Finance												
High Value Limit	1877	-	-	1,800	-	-	-	-	0.00	0.00	0.00	
Jinnah Limited	84,977	-	-	-	84,977	1,088	887	0.01	0.00	0.00		
Arabian Commercial Limited	1,000	-	-	-	1,000	87	78	0.00	0.00	0.00		
Bank & Finance												
First Finance Limited	8,000	-	-	-	8,000	185	187	0.00	0.01	0.01		
Power Generation & Distribution												
First Power Generation Limited	8,000,740	100,000	-	100,000	8,007,740	188,004	171,882	0.02	0.01	0.01		
Hydro Electric Power Company Limited	18,079,000	-	-	-	18,079,000	84,404	84,478	0.00	0.00	0.00		
Real Estate Investment Trust												
Capital City REIT	1,000,000	-	-	-	1,000,000	14,478	14,707	0.00	0.00	0.00		
Public Company												
Central Bank of Pakistan Limited	888,000	-	-	888,000	888,000	43,887	43,888	0.00	0.00	0.00		
Insurance												
Capital City Life Insurance Limited	800	-	80	-	800	78	78	0.00	0.00	0.00		
Standard Life Insurance Limited	800	100,000	-	78,000	8,800	888	1,028	0.00	0.01	0.00		
ALL Pakistan	8,000	-	-	-	8,000	888	887	0.00	0.00	0.00		
Investment												
Investment Finance Limited	888,000	-	-	-	888,000	88,078	88,888	0.00	0.01	0.00		
Utilities and Support												
Energy One Limited	1,000,000	-	-	-	1,000,000	84,078	83,787	0.00	0.00	0.00		
Transport & Road Vehicles												
City Road Vehicle	78,000	-	-	78,000	888,000	8,888	8,888	0.00	0.00	0.00		
High Value												
Bankers Trust Limited	87	-	-	-	87	-	1	0.00	0.00	0.00		
Total						1,000,000	1,000,000	100.00%				

8.1.1. An amount of PKR 800,000 was received from the issue of 800,000 units of the fund at the issue price of PKR 1,000.

8.1.2. The fund has been established on July 1, 2019 and the initial net asset value of the fund was PKR 1,000 per unit. The fund has been established as a public company under the Companies Act, 1994 and is registered with the Securities and Exchange Commission of Pakistan. The fund has been established as a public company under the Companies Act, 1994 and is registered with the Securities and Exchange Commission of Pakistan. The fund has been established as a public company under the Companies Act, 1994 and is registered with the Securities and Exchange Commission of Pakistan.

8.1.3. The fund has been established as a public company under the Companies Act, 1994 and is registered with the Securities and Exchange Commission of Pakistan. The fund has been established as a public company under the Companies Act, 1994 and is registered with the Securities and Exchange Commission of Pakistan.



7. CONTINGENCIES AND COMMITMENTS

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

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

SECP vide SRO No. 585/2019 dated June 28, 2019 revised rate of annual fee to 1.00% of net assets, applicable on all categories of Collective Investment Schemes with effective from July 1, 2019. Accordingly Fund has charged SECP Fee @ 1.00% of net assets during the quarter.

9. ASSETS EXPENSES AND OTHER LIABILITIES

	Note	September 30, 2019	June 30, 2019
		(Rupees in Millions)	(Rupees in Millions)
		(Rupees in '000)	
Outstanding tax payable		533	533
Provision for Death of others' Welfare Fund (DOWF)	9.1	28,100	28,100
Provision for Federal Excise Duty and related Death Sales Tax on management fee	9.2	31,241	31,241
Provision for Federal Excise Duty and related Death Sales Tax on sales lead		0,000	0,000
Exchange expenses payable		1,079	1,079
Charity liability		3,047	4,221
Shareholders' liability fee		118	689
Auditors' remuneration payable		104	389
Others		212	100
		64,234	66,332

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2019 the Death of others' Welfare Fund Act, 2014 (DOWF 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 2.50 million, was required to pay Death of others' Welfare Fund (DOWF) in respect of that year a sum equal to five 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 CIOs whereby it was contended that mutual funds should be excluded from the ambit of the DOWF 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 (Regulatory of Prudential) Ordinance, 2001 and vice versa, hence, required to register and pay DOWF under the DOWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CIOs / mutual funds excluded from the applicability of DOWF. In view of the above developments regarding the applicability of DOWF on CIOs/mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of DOWF should be made on a prudent basis with effect from the date of enactment of the DOWF Act, 2014 (i.e. starting from May 21, 2019).

Had the provision for DOWF not been incurred in the financial statements of the Fund for the period from May 21, 2019 to September 30, 2019, the net asset value of the Fund as at September 30, 2019 would have been higher by Rs. 2.11 per unit (June 30, 2019: Rs 0.10 per unit).

9.2 The Finance Act, 2019 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 15 percent on the remuneration of the Management Company and sales lead was applicable with effect from June 12, 2019. The Management Company was of the view that since the remuneration was already subjected to provincial sales tax, further levy of FED would result in double taxation which is not apparent in the spirit of the law. Hence, on September 4, 2019 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended 30 June 2019, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty received or actions taken under the Federal Excise Act, 2002 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2019, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2019.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 31, 2019. However, as a matter of abundant caution the provision for FED made for the period from June 12, 2019 to June 30, 2019 amounting to Rs 28.728 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 0.11 (June 30).

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 Mutual Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders 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 MIFC Rules, the MIFC Regulations and the Trust Deed terms.

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

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)		
A) Wesden Investment Management Limited - Management Company		
Remuneration payable	2,440	2,327
Gross Sales Tax payable on management fee	903	1,320
Sales tax payable	93	70
Gross Sales Tax payable on sales load	7	8
Accrued expenses payable	391	382
Selling and marketing expenses payable	4,547	2,822
Investment of 400,000 units (June 30, 2019: 400,000 units)	17,087	16,712
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	65	544
Gross Sales Tax payable on trustee fee	99	7
Security deposits refundable	307	307
Wesden Bank Limited		
Bank balance	24,071	24,071
Sales load payable	7	2,000
Gross Sales Tax on sales load payable	1	2,704
Investment of 10,000,740 units (June 30, 2019: 10,000,740 units)	143,103	134,327
Investment in 500 subunit certificate (June 30, 2019: 500 subunit certificate)	122,000	122,000
Investment in 1,212,000 shares (June 30, 2019: 1,212,000 shares)	27,291	152,712

A) Wesden Investment Management Limited - Employees' Gratuity Fund		
Investment of 440,734 units (June 30, 2019: 440,734 units)	5,005	5,111
Directors and Executives of the Management Company		
Investment of 6,927,714 units (June 30, 2019: 6,945,218 units)	50,141	50,000

For the quarter ended

(September 30)

2019

2018

(Unaudited)

(Rupees in '000)

A) Wesden Investment Management Limited - Management Company		
Remuneration for the quarter	10,710	20,710
Gross Sales Tax on management fee	3,000	5,788
Accrued expenses	1,967	1,428
Selling and marketing expenses	4,547	1,702
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,430	2,180
Gross Sales Tax on trustee fee	107	289
CGD Charges	18	2
Wesden Bank Limited		
Profit on saving account	173	60
Profit on subunit certificate	4,207	4,717
Purchase of shares in (September 30, 2019: 200,000 shares)	-	10,000
Share charges in (September 30, 2019: 20,000 shares)	-	-
Cash dividend income during the quarter	1	304
Directors and Executives of the Management Company		
Units issued: 1,785 units (September 30, 2019: 11,899 units)	88	1,587
Units redeemed: 21,287 units (September 30, 2019: 2,880 units)	271	21

11. ALLOCATED EXPENSES

In accordance with Regulation 30 of the SEPC Regulations, the Management Company till June 30, 2019 utilized its charge expenses related to register services, accounting, operations and valuation services, related to its Collective Investment Scheme (CIS) at the rate of 1.0% of the average annual net assets of the scheme or subunit certificate if less. During the year, SECP vide SMO (SE) dated June 20, 2019 has removed the maximum cap of 1.0%. Accordingly, the Management Company can now charge actual expenses related to register services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses on the basis of its average net assets for the year of the Autonomous period from July 1, 2019 to September 30, 2019 being over the actual expenses.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2019 is 0.07% which includes 0.07% representing government levy and SMO fee.

13. TAXATION

The Fund's income is exempt from income tax as per clause (6)(b) of part (i) of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 80 percent of the accounting income for the year is retained to create gains, whether realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulator 30 of the SEPC Regulations, the Fund is required to distribute 80 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 (withholding tax) under clause (1)(A) of Part (i) of the Second Schedule to the Income Tax Ordinance, 2001.



14. SELLING AND MARKETING EXPENSE

The SCRP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-ended mutual funds (except fund of funds) initially for three years (from January 1, 2017 to December 31, 2019). The maximum cap of selling and marketing expenses shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

16. FAIR VALUE HIERARCHY

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

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

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

	As at September 30, 2019			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
ASSETS				
Financial assets (at fair value through profit or loss)				
Shares of listed companies - ordinary shares	1,222,127	-	-	1,222,127
Bank certificates	-	1,222,244	-	1,222,244
Commercial assets	-	142,422	-	142,422
	<u>1,222,127</u>	<u>1,464,666</u>	<u>-</u>	<u>2,686,793</u>
	As at June 30, 2019			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
ASSETS				
Financial assets (at fair value through profit or loss)				
Shares of listed companies - ordinary shares	1,248,177	-	-	1,248,177
Bank certificates	-	1,222,221	-	1,222,221
Commercial assets	-	47,321	-	47,321
	<u>1,248,177</u>	<u>1,269,542</u>	<u>-</u>	<u>2,517,719</u>

• The valuation of commercial assets has been done based on amortization of commercial papers to its fair value as per the guidelines given in Chapter 22 of SCRI since the residual maturity of this instrument is less than six months and are placed with counterparties which have high credit rating.

16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

17. Date of authorization

These condensed interim financial statements were authorized for issue on October 18, 2019 by the Board of Directors of the Management Company.

For Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan
Asset Allocation Fund

MEEZAN ASSET ALLOCATION FUND (MAAF)

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

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MULTAN MUSEUM
(MULTAN)

FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fudola	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Vaidi

AUDIT COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Naeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arifol Islam	Member
Mr. Naeem Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Al Karim Islamic Bank B.S.C (S.C)	Mahab Metropolitan Bank Limited - Islamic Banking
Bank Al Madinat Limited - Islamic Banking	Mezan Bank Limited
Bank Islam Pakistan Limited	UBL Amanah - Islamic Banking
Dubai Islamic Bank Pakistan Limited	
Fayyaz Bank Limited - Islamic Banking	

LEGAL ADVISER

Burvesey & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 35154191-94 Fax: (9221) 35154195
Email:

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-21, Ertaza Avenue, SITE, Karachi.
Phone: 35103538 Fax: 36406017
Website: www.mezanbank.com

DISTRIBUTORS

Al Mezan Investment Management Limited
Mezan Bank Limited



**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
Note	Rupees in 000	
Assets		
Balances with banks	288,274	421,539
Investments	1,294,830	1,448,628
Dividend receivable	20,161	-
Receivable against sale of investment	32,849	5,289
Deposits, profit accrued and other receivable	13,288	9,794
Preliminary expenses and flotation costs	281	328
Total assets	1,639,783	1,885,578
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	4,838	4,914
Payable to the Central Depository Company of Pakistan Limited - Trustee	219	539
Payable to Securities and Exchange Commission of Pakistan	87	2,380
Payable to Meezan Bank Limited	-	35
Payable on redemption and conversion of units	4,499	9,113
Accrued expenses and other liabilities	14,985	14,587
Total liabilities	35,635	31,567
Net assets	1,615,958	1,854,011
Contingencies and commitments		
Unitholders' fund (as per statement attached)	1,615,958	1,854,011
	(Number of units)	
Number of units in issue	47,732,939	52,324,763
	(Rupees)	
Net assets value per unit	33.8542	35.4329

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)**

	September 30,	
	2019	2018
Note	Report in 000	
Income		
Realised loss on sale of investments - net	(79,396)	(288)
Dividend income	20,429	24,437
Profit on saving accounts with banks	10,711	8,282
	<u>11,744</u>	<u>32,763</u>
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(87,396)
Total loss	<u>(74,352)</u>	<u>(54,713)</u>
Expenses		
Remuneration of Al Meezan Investment Management Limited - Management Company	6,000	10,764
Sindh Sales Tax on remuneration of the Management Company	813	1,403
Allocated expenses	11	417
Selling and marketing expenses	14	417
Remuneration of the Central Depository Company of Pakistan Limited - Trustees	1,667	2,078
Sindh Sales Tax on remuneration of the Trustees	668	973
Annual fees to the Securities and Exchange Commission of Pakistan	87	128
Auditors remuneration	87	624
Brokerage expenses	76	87
Charity expense	289	130
Bank and settlement charges	517	298
Amortisation of preliminary expenses and flotation costs	147	112
Post and subscription	46	46
Total expenses	<u>11,384</u>	<u>18,422</u>
Net loss for the quarter before taxation	(87,436)	(34,193)
Taxation	12	-
Net loss for the quarter after taxation	<u>(87,436)</u>	<u>(34,193)</u>
Allocation of net income for the quarter		
Net income for the quarter after taxation	-	-
Income already paid on units redeemed	-	-
	<u>-</u>	<u>-</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
	Rupees in 000	
Net loss for the quarter after taxation	(87,430)	(84,150)
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	<u>(87,430)</u>	<u>(84,150)</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 2019			September 2018		
	Capital Value	Accumulated losses	Total	Capital Value	Accumulated losses	Total
	Rupees in '000			Rupees in '000		
Net assets at beginning of the quarter	2,862,881	(1,008,870)	1,854,011	3,338,382	(482,218)	2,856,164
Issuance of 582,798 units (2018: 2,877,881 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	20,850	-	20,850	114,798	-	114,798
- Element of loss	(1,403)	-	(1,403)	(1,055)	-	(1,055)
Total proceeds on issuance of units	19,247	-	19,247	113,742	-	113,742
Redemption of 5,174,817 units (2018: 1,777,451 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	183,301	-	183,301	79,130	-	79,130
- Element of income	(13,687)	-	(13,687)	(1,685)	-	(1,685)
Total payments on redemption of units	169,614	-	169,614	77,445	-	77,445
Total comprehensive loss for the quarter	-	(87,438)	(87,438)	-	(84,193)	(84,193)
Distribution during the quarter	-	-	-	-	-	-
Net loss for the quarter less distribution	-	(87,438)	(87,438)	-	(84,193)	(84,193)
Net assets at end of the quarter	2,712,064	(1,096,108)	1,615,956	3,375,480	(548,411)	2,827,069
Accumulated losses brought forward						
- Realised loss		(593,093)			(109,140)	
- Unrealised loss		(415,087)			(353,078)	
		(1,008,870)			(462,218)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the quarter after taxation		(87,438)			(84,193)	
Distribution during the quarter		-			-	
Accumulated losses carried forward		(1,096,108)			(548,411)	
Accumulated losses carried forward						
- Realised loss		(1,008,110)			(448,875)	
- Unrealised loss		(87,998)			(96,536)	
		(1,096,108)			(548,411)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the quarter		30.4328			44.0301	
Net assets value per unit at end of the quarter		33.8542			43.2495	

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

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
	Report in 600	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the quarter before taxation	(87,436)	(94,193)
Adjustments for:		
Amortization of preliminary expenses and flotation costs	40	48
Net unrealized diminution on re-measurement of investments classified as financial assets at fair value through profit or loss	87,996	96,536
	<u>609</u>	<u>13,389</u>
Decrease / (increase) in assets:		
Investments	66,800	(2,917)
Dividend receivable	(28,161)	(18,478)
Deposits, profit accrued and other receivable	(3,594)	323
Receivable against sale of investment, net	(17,961)	-
	<u>24,484</u>	<u>(21,072)</u>
(Decrease) / Increase in liabilities:		
Payable to Al Meezan Investment Management Limited (Management Company)	(877)	(1,328)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(217)	(8)
Payable to Securities and Exchange Commission of Pakistan	(2,293)	(2,212)
Payable to Meezan Bank Limited	(38)	(28)
Payable against purchase of investments	-	(2,190)
Accrued expenses and other liabilities	298	494
	<u>(3,124)</u>	<u>(6,276)</u>
Net cash generated from / (used in) operating activities	<u>21,900</u>	<u>(13,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	18,247	123,421
Payments against redemption and conversion of units	(174,478)	(75,812)
Net cash (used in) / generated from financing activities	<u>(156,231)</u>	<u>47,609</u>
Net decrease / increase in cash and cash equivalents during the quarter	<u>(133,265)</u>	<u>33,652</u>
Cash and cash equivalents at beginning of the quarter	421,538	404,128
Cash and cash equivalents at end of the quarter	<u><u>288,273</u></u>	<u><u>437,780</u></u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Asset Allocation Fund was established under a trust deed executed between Al Meezan Investment Management Company (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited 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, 2005, (NBFC Regulations). The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Ground floor Block B, Finance Trade Centre (FTC), Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS dated December 28, 2018 (2018: AM1 dated December 29, 2017) and by PACRA dated June 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. STATEMENT OF COMPLIANCE

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

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

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.
- 4.2 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
5. BALANCES WITH BANKS	Note	-----Rupees in 000-----	
In saving accounts	5.1	285,285	419,854
In current accounts		2,989	1,888
		<u>288,274</u>	<u>421,742</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 13.35% per annum (June 30, 2019: 3.32% to 12.35% per annum).

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
6. INVESTMENTS	Note	-----Rupees in 000-----	
Investments at 'Fair value through profit or loss'			
Held for trading - shares of listed companies	6.1	1,294,838	1,448,626



5.1 Field for trading / shares of listed companies

Name of the investee company	Rs. at July 1, 2019	Purchase during the quarter	Sales / right issues	Sales during the quarter	Rs. at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized gain / loss as at September 30, 2019	Percentage in relation to		
									Net assets of the Fund on the basis of financial value (see note 5.1.1)	Publicly traded company (with face value of investment)	Total market value of investments
General Companies											
Automobile assembler											
Wanda Irons (Pak) Pakistan Limited	1,800	-	-	1,800	-	-	-	-	0.00	0.00	0.00
Shandana Industries Limited	20,000	-	-	20,000	-	-	-	-	0.00	0.00	0.00
Miral Textiles Limited	2,000	-	-	2,000	-	-	-	-	0.00	0.00	0.00
Chemicals											
Wings Polymer & Chemicals Limited	1,110,791	-	-	248,000	260,791	15,112	15,819	(1,289)	0.00	0.00	1.37
ICI Pakistan Limited	80,000	1,000	-	1,700	79,000	41,000	28,000	(2,000)	0.00	0.00	0.00
Cement											
C.S. Khan Cement Company Limited	100,000	-	-	100,000	-	-	-	-	0.00	0.00	0.00
Kamal Cement Company Limited	200,000	-	-	-	200,000	11,810	10,000	(1,800)	0.00	0.00	0.00
Lucky Cement Limited	500,700	-	-	20,000	500,700	100,010	90,071	(10,000)	0.00	0.00	0.00
Miraj Cement Pakistan Limited	10,110	-	-	10,000	110	0	0	110	0.00	0.00	0.00
Shanar Cement Limited	800	-	-	-	800	11	10	-1	0.00	0.00	0.00
Engineering / Industrial											
Interpump Industrial Limited	107,000	-	1,000	11,000	100,000	7,000	7,000	-	0.00	0.00	0.00
Interpump Glass Limited	100,000	400,000	-	400,000	100,000	1,000	1,000	-	0.00	0.00	0.00
Fertilizer											
Engro (Fertilizer) Limited (note 5.1.2)	600,000	-	-	20,000	580,000	100,017	100,017	-	0.00	0.00	0.00
Engro Fertilizer Limited	1,140,000	-	-	70,000	1,070,000	100,000	110,000	-	0.00	0.00	0.00
Food and personal care products											
Freezone Foods (Engro) Foods Limited	700	-	-	700	-	-	-	-	0.00	0.00	0.00
K-S-Bakeries Consumer Limited	1,700	-	-	-	1,700	47	41	-	0.00	0.00	0.00
Glass and Ceramics											
Tary Glass Industries Limited	10,000	-	-	-	10,000	700	700	-	0.00	0.00	0.00
Oil and gas exploration companies											
Oil and Gas Development Company Limited	1,210,000	200,000	-	110,000	1,300,000	201,000	191,001	(1,000)	0.00	0.00	0.00
Star Petroleum Company Limited	10,700	-	-	-	10,700	11,007	10,007	-	0.00	0.00	0.00
Pakistan Oilfields Limited	10,000	50,000	-	-	140,000	10,000	10,007	-	0.00	0.00	0.00
Pakistan Petroleum Limited	1,101,000	-	-	100,000	1,000,000	100,007	101,001	-	0.00	0.00	0.00
Oil and gas marketing companies											
Wahco Petroleum Limited	101,070	-	-	100,000	101,070	10,000	4,100	-	0.00	0.00	0.00
Oil Northern Gas Pipeline Limited	1,011,400	-	-	70,000	1,040,000	100,000	100,000	-	0.00	0.00	0.00
Pakistan Gas Pipeline Company Limited	100,000	10,000	-	70,000	170,000	40,000	40,000	-	0.00	0.00	0.00
Paper and Board											
Cherry Packaging Limited	21,700	-	-	10,000	1,000	100	240	-	0.00	0.00	0.00
Paragon Limited	21,000	-	-	-	21,000	10,000	10,000	-	0.00	0.00	0.00
Pharmaceuticals											
Alkerm Laboratories (Pakistan) Limited	00	-	-	-	00	24	10	-	0.00	0.00	0.00
JCB Limited	100,000	-	-	-	100,000	10,000	10,000	-	0.00	0.00	0.00
GlaxoSmithKline Consumer Products Limited	10,000	-	-	-	10,000	1,000	1,000	-	0.00	0.00	0.00
The Searle Company Limited	100,000	-	-	-	100,000	10,000	10,000	-	0.00	0.00	0.00
Power generation and distribution											
K-Electric Limited (note 5.1.2)	11,000,000	-	-	100,000	11,100,000	10,000	11,701	-	0.00	0.00	0.00
The Luz Power Company Limited	100,000	100,000	-	-	1,000,000	10,000	10,000	-	0.00	0.00	0.00
Textile Composite											
Wahco Limited	100,710	-	-	-	100,710	10,000	10,000	-	0.00	0.00	0.00
Wahco Mills Limited	100,000	-	-	100,000	100,000	10,000	10,000	-	0.00	0.00	0.00
Wahco Mills Limited	101,000	-	-	-	101,000	10,000	10,000	-	0.00	0.00	0.00
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	100,000	-	-	-	100,000	10,000	10,000	-	0.00	0.00	0.00
Technology and Communication											
Systems Limited	10,000	-	-	10,000	10,000	1,000	1,000	-	0.00	0.00	0.00
Frontech Limited	100,000	-	-	-	100,000	1,000	1,000	-	0.00	0.00	0.00
Pakistan Telecommunication Company Limited	100,000	-	-	-	100,000	100	100	-	0.00	0.00	0.00
Total						1,000,000	1,000,000	0.00			

5.1.1 All shares have a nominal value of Rs 10 each issued to the shares of - Equity Limited which have a nominal value of Rs 1.00 each.

5.1.2 100,000 shares (June 30, 2019) 100,000 shares) of Engro Corporation Limited, having market value of Rs 66.00 million as at September 30, 2019 (June 30, 2019 Rs 27.60 million), have been pledged as collateral in favour of

5.2 Finance Act, 2018 effective from July 1, 2018 has limited Section 200(1) of Income Tax Ordinance, 2001 requiring every company issued on stock exchange issuing bonus shares to the shareholders of the company, to The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2019.

7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2019	June 30, 2019
		(Restated)	(Audited)
		Expenses in PKR	
Charity payable		1,451	1,323
Brokerage payable		1,388	1,088
Auditors' remuneration payable		271	105
Withholding tax payable		7	28
Capital gain tax payable		11	-
Provision for Binch Workers' Welfare Fund (BWWF)	7.1	16,888	16,888
Provision for Federal Excise Duty and related Binch Sales Tax	7.2	827	827
Shariah advisory fee payable		128	288
Zakat payable		25	4
		<u>14,327</u>	<u>14,327</u>

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 the Binch Workers' Welfare Fund Act, 2014 (BWWF Act) had been passed by the Government of Binch as a result of which every industrial establishment located in the Province of Binch, the total income of which in any accounting year is not less than Rs 0.80 million, is required to pay Binch Workers' Welfare Fund (BWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Binch Revenue Board (BRB) collectively on behalf of various asset management companies and their OIBs whereby it was contended that mutual funds should be excluded from the ambit of the BWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The BRB held that mutual funds were included in the definition of financial institutions as per the Financial Institutions (Recovery of Financial Obligations, 2007 and were, hence, required to register and pay BWWF under the BWWF Act. Thereafter, MUFAP has taken up the matter with the Binch Finance Ministry to have OIBs / mutual funds excluded from the applicability of BWWF. In view of the above developments regarding the applicability of BWWF on OIBs / mutual funds, the MUFAP has recommended that as a matter of abundant caution provision in respect of BWWF should be made on a prudent basis with effect from the date of enactment of the BWWF Act i.e. starting from May 21, 2018.

The Management Company has recognized BWWF charge for the period from April 21, 2018 to September 30, 2018, amounting to Rs. 16.08 million (June 30, 2018: Rs 16.08 million). Had the BWWF not been provided, the NAV per unit of the Fund would have been higher by Rs 0.22 / 0.82% per unit as at September 30, 2018 (June 30, 2018: 0.19 / 0.54% per unit).

7.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 18 percent on the remuneration of the Management Company and sales tax was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Binch High Court (BHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

With effect from 01 July 2018, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2018.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2018. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2018 amounting to Rs 0.827 million (June 30, 2018: Rs 0.827 million) is being retained in the financial statements as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value per unit of the Fund as at September 30, 2018 would have been higher by Rs 0.01 (June 30, 2018: Rs 0.01) per unit.

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

SECP vide S.R.O. No. 665/1/2019 dated June 26, 2019, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effect from July 1, 2019. Accordingly Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

9. CONTINGENCIES AND COMMITMENTS

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

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 listing 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 Statutory 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:

	September 30, 2019 (Revised)	June 30, 2019 (Audited)
	Rupees in 000	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,879	2,333
Sindh Sales Tax on management fee payable	254	312
Sales tax payable	12	18
Sindh sales tax on sales tax payable	2	2
Allocated expenses payable	121	132
Selling & marketing expenses payable	1,887	2,544
Meezan Bank Limited		
Sales tax payable	-	47
Sindh Sales Tax on sales tax payable	-	4
Bank balance	47,231	8,622
Profit receivable on saving account	54	37
Investment in 222,448 shares (June 30, 2019: 222,448 shares)	52,892	48,222
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	121	472
Sindh Sales Tax on Trustee Fee payable	27	87
Deposits	159	102
Directors and Executives of the Management Company		
Investments as at September 30, 2019: 30,242 units (June 30, 2019: 30,242 units)	1,824	1,572

	For the quarter ended September 30,	
	2019	2018
	Rupees in 000	
Al Meezan Investment Management Company Limited (Al Meezan) - Management Company		
Remuneration for the quarter	8,259	15,724
Sindh Sales Tax on management fee for the quarter	872	1,402
Allocated expenses	417	722
Selling and marketing expenses	1,887	2,374
Meezan Bank Limited		
Shares purchased during the quarter: Nil shares (September 30, 2018: 122,000 shares)	-	15,825
Bonus shares issued: Nil (September 30, 2018: 12,541 shares)	-	1,201
Profit on saving account	259	247
Dividend income from shares	-	122
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	855	372
Sindh Sales Tax on Trustee Fee for the quarter	37	122
CGD charges	22	10
Directors and Executives of the Management Company		
Units issued: Nil units (September 30, 2018: 1,828 units)	-	72

11. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company till June 30, 2019 entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the quarter from July 1, 2019 to September 30, 2019, being lower than actual expenses.

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, 2019 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. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2019 is 2.66% which include 0.26% representing government levy and SECP fee.

14. SELLING AND MARKETING EXPENSE

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The 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 to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

15.1 Fair value hierarchy

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

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

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

Level 3: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at September 30, 2019, the Fund held the following financial instruments measured at fair values:

ASSETS	As at September 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'Ordinary Shares'	1,294,830	-	-	1,294,830

ASSETS	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'Ordinary Shares'	1,448,626	-	-	1,448,626

16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

17. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

This condensed interim financial information was authorised for issue on October 15, 2019 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan
Dedicated Equity Fund

MEEZAN DEDICATED EQUITY FUND (MDEF)

Meezan Dedicated Equity Fund aims to provide Fund of Funds scheme a dedicated platform to seek long term capital appreciation.

 Peshawar Branch



BUILDING ON THE VALUES OF GROWTH IN THE CITY OF FLOWERS



ISLAMIA
COLLEGE
(PESHAWAR)

FUND INFORMATION

MANAGEMENT COMPANY

Al Mezzan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEZZAN
Fax: (9221) 35474343, 35436808
Website: www.almezzanigroup.com
E-mail: info@almezzanigroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBE
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBE
Mr. Moti M. Fudola	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBE
Mr. Naeem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Vaidi

AUDIT COMMITTEE

Mr. Moti M. Fudola	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Naeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moti M. Fudola	Chairman
Mr. Arifol Islam	Member
Mr. Naeem Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezzan Bank Limited

BANKERS TO THE FUND

Al Baraka Islamic Bank S.C (S.C)
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Mezzan Bank Limited

LEGAL ADVISER

Burrows & Partners
5th & 6th Floor, 48-C, Lane-13, Bohari Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 35194191-94 Fax: (9221) 35194195
E-mail: info@burrowspartners.com

TRANSFER AGENT

Mezzan Bank Limited
Mezzan House
C-23, Ezzah Avenue, SITE, Karachi.
Phone: 35108888 Fax: 35408017
Website: www.mezzanbank.com

DISTRIBUTORS

Al Mezzan Investment Management Limited
Mezzan Bank Limited



MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	5 48,808	110,808
Investments	6 948,899	1,669,827
Receivable against sale of investment	18,804	-
Dividend receivable	18,804	1,100
Advances, prepayments and other receivables	2,878	1,888
Total assets	<u>1,038,193</u>	<u>1,793,623</u>
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	5,491	5,288
Payable to Central Depository Company of Pakistan Limited - Trustee	104	383
Payable to Securities and Exchange Commission of Pakistan	68	1,884
Payable against conversion and redemption of units	-	1,800
Accrued expenses and other liabilities	6 2,818	2,824
Total liabilities	<u>8,481</u>	<u>11,879</u>
Net assets	<u>1,029,712</u>	<u>1,781,744</u>
Contingencies and commitments		
Unitholders' fund (see per statement attached)	7 1,029,712	1,781,744
	(Number of units)	
Number of units in issue	<u>31,847,318</u>	<u>49,598,421</u>
	(Rupees)	
Net assets value per unit	<u>32,328</u>	<u>35,938</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MCCAN INDICATOR EQUITY FUND
CONDENSED INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Dollars in '000)	
Income		
Net realized loss on sale of investments	(59,895)	(8,495)
Dividend income	18,887	18,321
Profit on saving accounts with banks	3,822	587
Other income	289	-
	<u>(40,007)</u>	<u>12,924</u>
Net unrealized appreciation—measurement of investments (at fair value through profit or loss)	9 1 (75,475)	(74,321)
Total loss	<u>(115,082)</u>	<u>(61,397)</u>
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company	5,421	8,021
Stamp Duty Tax on management fee	855	1,220
Allocated expenses	11 322	482
Selling and marketing expenses	14 1,088	1,828
Remuneration to Central Depository Company of Pakistan Limited - Trustee	875	724
Stamp Duty Tax on trustee fee	12	85
Annual fee to Securities and Exchange Commission of Pakistan	88	487
Auditors' remuneration	87	72
Brokerage expenses	149	282
Charity expense	252	224
Bank and settlement charges	38	128
Fees and subscription	149	141
Printing expenses	18	12
Total expenses	<u>11,388</u>	<u>18,128</u>
Net loss for the quarter before taxation	<u>(126,470)</u>	<u>(79,325)</u>
Taxation	12 -	-
Net loss for the quarter after taxation	<u>(126,470)</u>	<u>(79,325)</u>
Allocation of net income for the quarter		
Net income for the quarter after taxation	-	-
Income already paid on units redeemed	-	-
	<u>-</u>	<u>-</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Rupees in '000)	
Net loss for the quarter after taxation	(139,216)	(77,433)
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	(139,216)	(77,433)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MELCOR DEDICATED BOUNTY FUND
STATEMENT OF INVESTMENT IN UNDERLYING FUNDS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019			Quarter Ended September 30, 2018		
	Capital Value	Accumulated Income	Total	Capital Value	Accumulated Income	Total
	(Expressed in '000)			(Expressed in '000)		
Net assets at the beginning of the quarter	2,426,803	(275,422)	1,761,374	1,226,207	(82,272)	1,099,932
Issue of 6,823,288 units (2018: 28,767,224 units)						
- Capital value (at net asset value per unit at the beginning of the year)	226,739	-	226,739	1,985,275	-	1,985,275
- Expense of issue	(72,822)	-	(72,822)	(22,872)	-	(22,872)
Total proceeds on issuance of units	153,917	-	153,917	1,962,403	-	1,962,403
Redemption of 24,273,287 units (2018: 28,475,271 units)						
- Capital value (at net asset value per unit at the beginning of the year)	885,449	-	885,449	1,224,274	-	1,224,274
- Expense of issue	(72,214)	-	(72,214)	(42,272)	-	(42,272)
Total payments on redemption of units	713,235	-	713,235	1,266,546	-	1,266,546
Total comprehensive loss for the quarter	-	(122,212)	(122,212)	-	(77,422)	(77,422)
Distribution during the quarter	-	-	-	-	-	-
Net loss for the quarter less distribution	-	(122,212)	(122,212)	-	(77,422)	(77,422)
Net assets at the end of the quarter	1,226,207	(275,422)	1,024,422	2,047,211	(142,222)	1,901,122
Accumulated income brought forward						
- Realized income		(226,472)			14,742	
- Unrealized loss		(222,722)			(22,212)	
		(275,422)			(22,272)	
Assessing income available for distribution						
- Reverting to capital gains		-			-	
- Reversing capital gains		-			-	
Net loss for the quarter after taxation		(122,212)			(77,422)	
Distribution during the year		-			-	
Accumulated losses carried forward		(275,422)			(142,222)	
Accumulated losses carried forward						
- Realized loss		(722,124)			(72,127)	
- Unrealized loss		(72,422)			(74,222)	
		(275,422)			(142,222)	
		(Expressed)			(Expressed)	
Net assets value per unit at the beginning of the quarter		24,222			22,222	
Net assets value per unit at the end of the quarter		22,222			22,222	

The attached notes 1 to 17 form an integral part of these condensed interim financial statements.

For M Mission Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



	September 30,	
	2019	2018
	(Figures in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the quarter before taxation	(106,216)	(77,438)
Adjustments for:		
Net unrealized diminution in measurement of investments at fair value through profit or loss	72,493	74,221
	<u>(33,723)</u>	<u>(3,217)</u>
Decrease / (increase) in assets		
Investments - net	607,882	(20,000)
Dividend receivable	(17,804)	(18,220)
Receivable against sale of investment	(18,894)	(18,220)
Advances, prepayments and other receivables	(882)	708
	<u>600,122</u>	<u>(55,732)</u>
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(1,322)	1,212
Payable to Central Depository Company of Pakistan Limited - Trustee	(88)	-
Payable to Securities and Exchange Commission of Pakistan	(4,798)	(488)
Payable against purchase of investments - net	-	(2,220)
Accrued expenses and other liabilities	(824)	588
	<u>(6,032)</u>	<u>(1,908)</u>
Net cash generated from / (used) in operating activities	<u>536,128</u>	<u>(91,388)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	180,000	1,384,000
Payment against redemption and conversion of units	(294,804)	(1,342,800)
Net cash (used) in / generated from financing activities	<u>(114,804)</u>	<u>41,200</u>
Net (decrease)/increase in cash and cash equivalents during the quarter	<u>421,324</u>	<u>(50,188)</u>
Cash and cash equivalents at the beginning of the quarter	110,888	102,500
Cash and cash equivalents at the end of the quarter	<u>532,212</u>	<u>52,312</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MCCABE DEDICATED EQUITY FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 **Issuer Dedicaded 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 8, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2002 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2018 (the NBFC Regulations). The Management Company has been granted license to 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, Ghansara and Trade Centre, Shalimar (Faisal), Karachi 74000, Pakistan.

1.2 The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities which are Shariah compliant. Under the Trust Deed, all the contracts and sale of the Fund are based on Shariah principles. The Management Company has appointed Hassan 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-ended Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.

1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

1.5 The Management Company has been assigned a quality rating of ARII by VIG dated December 28, 2018 (2018 ARII) dated December 28, 2017) and by SACRA dated June 28, 2018. The rating reflects the Company's operational management, structured investment process and sound quality of systems and processes.

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 international guidelines. This practice is being followed to comply with the requirements of the approved accounting standards as applicable in Pakistan.

3. BASIS OF MEASUREMENT**3.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part IVA of the repealed Companies Ordinance, 1984 and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2002 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2018 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

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

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)			
6. BALANCES WITH BANKS	Note		
in saving accounts	6.1	26,824	128,871
in current accounts		1,024	818
		<u>27,848</u>	<u>129,689</u>

6.1 The balances in saving accounts have an expected profit ranging from 3.12% to 13.26% per annum. (June 30, 2019: 3.12% to 13.26% per annum).

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)			
7. INVESTMENTS	Note		
investments - at fair value through profit or loss	6.1	940,828	1,022,887



5.1 Investments - 1st fair value through profit or loss

Name of the investment company	Ac. value PKR, 2019	Percentage through the portfolio	Market capitalization	Sector through the portfolio	No. of Equities, 30.09.2019	Selling price per share of Equities, 30.09.2019	Market value per share of Equities, 30.09.2019	Weighted average price of Equities, 30.09.2019	Percentage contribution		
									Market value of the investment through the investment portfolio	Weighted average contribution through the investment portfolio	Market capitalization of the investment
Banking Companies											
Subsidiary Accounts											
Shahjahan Insurance Limited	19,000	-	-	19,000	-	-	-	-	0.00	0.00	
Mahabir Life Insurance Limited	600	-	-	600	-	-	-	-	0.00	0.00	
Alfa Finance Limited	600	-	-	600	-	-	-	-	0.00	0.00	
Subsidiary Bank & Insurance											
Shahjahan Bank Limited	180	-	-	180	-	-	-	-	0.00	0.00	
Government Bond											
Capital Bond Limited (Government)	879,000	-	-	1,000	879,000	80,000	87,000	8,870	1.00	0.01	
General											
Alfa Capital Finance Limited	19,000	-	-	-	19,000	-	1,000	0	0.00	0.00	
Alfa Finance Limited	410,000	80,000	-	100,000	100,000	10,000	40,100	4,010	0.00	0.00	
Alfa Bank Limited	200,100	-	-	200,100	-	-	-	-	0.00	0.00	
Capital Bond Government Company Limited	400,000	-	-	400,000	-	-	-	-	0.00	0.00	
Alfa Finance Company Limited	879,000	-	-	80,000	100,000	4,000	4,000	0,000	0.00	0.00	
Insurance											
Alfa Finance & Insurance Limited	1,000,000	100,000	-	1,000,000	1,000,000	4,000	1,000	100	0.00	0.00	
Alfa Finance Limited	87,100	-	-	11,000	80,000	80,000	10,000	1,000	0.00	0.00	
Life Insurance Finance Limited	800,000	800,000	-	1,000,000	80,000	1,000	1,000	100	0.00	0.00	
Investment											
Investment Insurance Limited	80,000	-	-	80,000	-	-	-	-	0.00	0.00	
Investment Bank Limited	800,000	800,000	-	800,000	-	-	-	-	0.00	0.00	
Leases											
Alfa Capital Finance Limited	800,000	80,000	-	870,000	870,000	110,000	110,000	100	0.00	0.00	
Alfa Finance Limited	1,000,000	-	-	800,000	1,070,000	80,000	70,000	4,000	0.00	0.00	
Lease Finance of Government											
Alfa Finance Limited	80	-	-	80	80	0	0	0	0.00	0.00	
Other & Services											
Alfa Finance	100,000	-	-	100,000	80,000	0,000	0,000	0	0.00	0.00	
Other Non-Banking Companies											
Alfa Finance Company Limited	80,000	-	-	10,000	70,000	70,000	80,100	8,010	0.00	0.00	
Capital Bond Limited	800,000	80,000	-	100,000	700,000	70,000	80,000	8,000	0.00	0.00	
Alfa Finance Limited	1,070,000	-	-	870,000	800,000	70,000	87,000	8,700	0.00	0.00	
Alfa Finance Company Limited	1,000,000	80,000	-	800,100	800,000	100,000	110,000	11,000	0.00	0.00	
Other Non-Banking Companies											
Alfa Finance Limited	800,000	-	-	800,000	70,000	0,000	1,000	0,000	0.00	0.00	
Alfa Finance Limited	80,000	-	-	80,000	80,000	10,000	10,000	1,000	0.00	0.00	
Alfa Finance Company Limited	800,000	80,000	-	880,100	70,000	80,000	80,000	8,000	0.00	0.00	
Alfa Finance Company Limited	1,070,100	-	-	870,000	800,100	80,000	80,100	8,010	0.00	0.00	
Alfa Finance Company Limited	8,000	-	-	8,000	-	-	-	-	0.00	0.00	
Other Limited											
Alfa Finance Limited	80,100	-	-	80,100	-	-	-	-	0.00	0.00	
Alfa Finance Limited	80,000	-	-	80,000	80,000	0,100	0,000	0	0.00	0.00	
Other Limited											
Alfa Finance Limited	800,000	-	-	10,000	810,000	10,000	10,100	1,000	0.00	0.00	
Alfa Finance Company Limited	10,000	-	-	10,000	0,000	0,100	0,000	0,000	0.00	0.00	
Alfa Finance Company Limited	810,000	-	-	100,000	80,000	10,000	10,100	1,010	0.00	0.00	
Other, Bank, Insurance and Subsidiary											
Alfa Finance Limited (Bank, Insurance)	10,000,000	-	-	0,100,000	9,900,000	80,000	87,000	8,000	0.00	0.00	
Alfa Finance Company Limited	1,000,100	0,100	-	900,000	900,000	90,000	90,000	9,000	0.00	0.00	
Insurance & Subsidiary											
Alfa Finance Limited	800,000	-	-	800,000	100,000	0,000	0,000	0,000	0.00	0.00	
Alfa Finance Limited	800,000	-	-	800,000	110,000	10,000	0,000	0,000	0.00	0.00	
Alfa Finance Limited	100,000	-	-	80,000	20,000	10,000	0,000	0,000	0.00	0.00	
Other											
Alfa Finance Limited	1,000	-	-	1,000	-	-	-	-	0.00	0	
Other Limited											
Alfa Finance Limited	800,000	-	-	870,000	70,000	0,000	0,000	0,000	0.00	0.00	
Other Insurance											
Alfa Finance Limited	800,000	-	-	800,000	80,000	0,000	0,000	0,000	0.00	0.00	
Other Bank, Insurance and Subsidiary											
Alfa Finance Limited	800,000	-	-	800,000	-	-	-	-	0.00	0.00	
Total											
	1,000,000	100,000	100,000								

1. All shares have a nominal value of Rs. 10 each except for the shares of Fidelity Limited which have a nominal value of Rs. 100 each.
- 2.4.2 Finance Act, 2018 effective from July 1, 2018 has limited Section 80B of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange having bonus shares to the shareholders of the company to withdraw the benefit of the bonus shares to be issued.
- The status of bonus shares already withdrawn prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2018.

2. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2018 and June 30, 2018.

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

SECP vide S.O. No. 688/2018 dated June 20, 2018, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effect from July 1, 2018. Accordingly Fund has charged SECP fee @ 0.02% of net assets during the quarter.

4. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Accruing tax payable	-	0
Printing expenses payable	68	81
Auditor - remuneration payable	887	751
Brokerage payable	68	842
Charity payable	1,202	1,218
Dividend disbursement payable	137	333
	<u>1,362</u>	<u>1,395</u>

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Haseem Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Haseem Bank Limited being the hosting company of the Management Company, Directors and associates of the Management Company, other Funds under the common management of the Management Company, Pakistan Mutual Investment Company (Private) Limited being the associated company of the Management Company, Al Haseem Investment Management Limited - Employee Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are in the normal course of business, at contractual 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 MNC Rules, the MNC Regulations and the Trust Deed respectively.

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

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
Al Haseem Investment Management Limited - Management Company		
Remuneration payable	1,718	3,013
Smith Sales Tax payable on management fee	223	323
Printing and marketing expense	1,332	1,712
Allocated expense payable	37	188
	<u>3,310</u>	<u>5,236</u>
Haseem Bank Limited		
Balance with bank	4,281	33,458
Profit-realizable on saving accounts	188	227
Investments of 274,000 shares (June 30, 2018: 270,000 shares)	47,387	50,754
	<u>47,575</u>	<u>50,981</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee (MNC)	179	333
Smith Sales Tax on trustee fee payable	37	37
Security deposit	133	133
	<u>349</u>	<u>503</u>
Haseem Financial Planning Fund of Funds (MNF)		
Investment of 8,218,288 units (June 30, 2018: 71,388,148)	318,210	400,148
	<u>318,210</u>	<u>400,148</u>
Haseem Strategic Allocation Fund (ISAF - I)		
Investment of 8,333,241 units (June 30, 2018: 8,724,481 units)	308,480	303,782
	<u>308,480</u>	<u>303,782</u>
Haseem Strategic Allocation Fund (ISAF - II)		
Investment of 1,003,881 units (June 30, 2018: 1,034,807 units)	33,104	43,044
	<u>33,104</u>	<u>43,044</u>
Haseem Strategic Allocation Fund (ISAF - III)		
Investment of 1,732,473 units (June 30, 2018: 1,426,130 units)	57,118	73,211
	<u>57,118</u>	<u>73,211</u>
Haseem Strategic Allocation Fund (ISAF - IV)		
Investment of 1,483,083 units (June 30, 2018: 1,740,277 units)	48,873	61,613
	<u>48,873</u>	<u>61,613</u>
Haseem Strategic Allocation Fund (ISAF - V)		
Investment of 274,000 units (June 30, 2018: 270,400 units)	33,330	34,744
	<u>33,330</u>	<u>34,744</u>
Haseem Strategic Allocation Fund (ISAFP-II)		
Investment of 828,173 units (June 30, 2018: 8,244,800 units)	33,034	300,430
	<u>33,034</u>	<u>300,430</u>
Haseem Strategic Allocation Fund (ISAFP-III)		
Investment of 8,242,273 units (June 30, 2018: 70,044,133 units)	329,770	382,880
	<u>329,770</u>	<u>382,880</u>
Haseem Strategic Allocation Fund (ISAFP-IV)		
Investment of 3,344,243 units (June 30, 2018: 3,387,381 units)	77,840	104,411
	<u>77,840</u>	<u>104,411</u>



Meezan Strategic Allocation Fund-III (MCPF-III) Investment of 2,025,291 units / June 30, 2019: 2,745,210 units	25,412	27,461
Meezan Strategic Allocation Fund-III (MCPF-III) Investment of 1,332,030 units / June 30, 2019: 1,477,397 units	43,240	33,460
Meezan Strategic Allocation Fund-III (MCPF-III) Investment of 11 units / June 30, 2019: 21,552 units	-	12,412
Meezan Strategic Allocation Fund-III (MCPF-III) Investment of 0 units / June 30, 2019: 132,424 units	-	2,442
	Quarter ended September 30,	September 30,
	2019	2019
	(Unaudited)	(Unaudited)
	(Rupees in '000)	(Rupees in '000)
At Meezan Investment Management Limited - Management Company's Remuneration for the quarter	2,401	2,221
Stamp Duty Tax on management fee for the quarter	222	1,282
Allocated expenses	552	421
Selling and marketing expenses	1,287	1,228
Meezan Bank Limited		
Profit on selling account	2,072	212
Shares purchased during the period of shares (September 30, 2019: 100,000 shares)	-	2,000
Shareholders repaid of shares (September 30, 2019: 11,192 shares)	-	-
Shares sold / Issued during the period: 480,200 shares (September 30, 2019: 0 shares)	112	-
Central Depository Company of Pakistan Limited - Trustee's Remuneration for the quarter	272	124
Stamp Duty Tax on trustee fee	28	21
COO charges	24	21
Meezan Financial Planning Fund of Funds (MFAP - I) Units redeemed: 4,122,882 units (September 30, 2019: 224,267)	122,242	21,000
Meezan Financial Planning Fund of Funds (MFAP -II) Units redeemed: 0 units (September 30, 2019: 2,126,722)	-	22,022
Meezan Strategic Allocation Fund (MSAP - I) Units issued: 0 units (September 30, 2019: 1,224,022) Units redeemed: 1,427,240 units (September 30, 2019: 4,222,222)	27,000	222,222
Meezan Strategic Allocation Fund (MSAP - II) Units redeemed: 224,242 units (September 30, 2019: 0 units)	2,222	-
Meezan Strategic Allocation Fund (MSAP - III) Units redeemed: 224,122 units (September 30, 2019: 0 units)	2,222	-
Meezan Strategic Allocation Fund (MSAP - IV) Units redeemed: 272,222 units (September 30, 2019: 22,222 units)	11,222	2,411
Meezan Strategic Allocation Fund (MSAP - V) Units redeemed: 122,222 units (September 30, 2019: 0 units)	2,222	12,222
Meezan Strategic Allocation Fund (MCPF-III) Units issued: 2,224,222 units (September 30, 2019: 2,222,222 units) Units redeemed: 2,422,222 units (September 30, 2019: 2,122,422 units)	111,222	142,222
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 0 units (September 30, 2019: 2,222,222 units) Units redeemed: 2,221,212 units (September 30, 2019: 2,122,422 units)	122,222	212,222
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 0 units (September 30, 2019: 2,222,222 units) Units redeemed: 2,221,212 units (September 30, 2019: 2,122,422 units)	-	122,212
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 0 units (September 30, 2019: 2,222,222 units) Units redeemed: 2,221,212 units (September 30, 2019: 2,122,422 units)	222,212	212,222
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 0 units (September 30, 2019: 2,222,222 units) Units redeemed: 2,221,212 units (September 30, 2019: 2,122,422 units)	-	12,222
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 0 units (September 30, 2019: 2,222,222 units) Units redeemed: 2,221,212 units (September 30, 2019: 2,122,422 units)	22,222	22,222
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 0 units (September 30, 2019: 2,222,222 units) Units redeemed: 2,221,212 units (September 30, 2019: 2,122,422 units)	-	-
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 1,222,222 units (September 30, 2019: 0 units) Units redeemed: 1,222,222 units (September 30, 2019: 0 units)	42,222	-
Meezan Strategic Allocation Fund-III (MCPF-III) Units issued: 1,222,222 units (September 30, 2019: 0 units) Units redeemed: 1,222,222 units (September 30, 2019: 0 units)	22,222	-

11. ALLOCATED EXPENSES

In accordance with Regulation (E) of the NBFC Regulations, the Management Company till June 30, 2019 entitled to charge expenses related to register services, accounting, operations and investor services, related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or lesser whichever is less. During the year, SAGP vide SAGP Order dated June 03, 2019 has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to register services, accounting, operations and investor services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lesser than actual expenses.

12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2019 is 0.48% which includes 0.30% representing government levy and SAGP fee.

13. TAXATION

The Fund's income is exempt from income tax as per clause (44) of part (i) of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 80 percent of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 83 of the NBFC Regulations, the Fund is required to distribute atleast 80 percent of the net accounting income other than capital gains to the unitholders. The Fund has not received any tax liability as the Fund has incurred no tax during the quarter.

The Fund is also exempt from the provisions of section 112 (withheld tax) under clause 11A of Part (i) of the Second Schedule to the Income Tax Ordinance, 2001.

14. SELLING AND MARKETING EXPENSES

The SECF has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of investment mutual funds (except fund of funds) till July 31 for three years from January 1, 2017 to September 30, 2019, the maximum cap of selling and marketing expenses shall be 0.4% per annum of net assets of the fund or actual expenses whichever is less. Accordingly, such expenses have been charged to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lesser than actual expenses incurred.

15. FINANCIAL INSTRUMENTS - FAIR VALUE

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

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

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

16. Fair value hierarchy

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

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

As at September 30, 2019 and June 30, 2019, the Fund had the following financial instruments measured at fair value:

	As at September 30, 2019			Total
	Level 1	Level 2	Level 3	
ASSETS	(Rupees in '000)			
Financial assets at fair value through profit or loss	\$41,000	-	-	\$41,000
	As at June 30, 2019			
ASSETS	(Rupees in '000)			
Financial assets at fair value through profit or loss	1,000,000	-	-	1,000,000

17. GENERAL

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



17. **DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on October 15, 2019 to the Board of Directors of the Management Company:

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



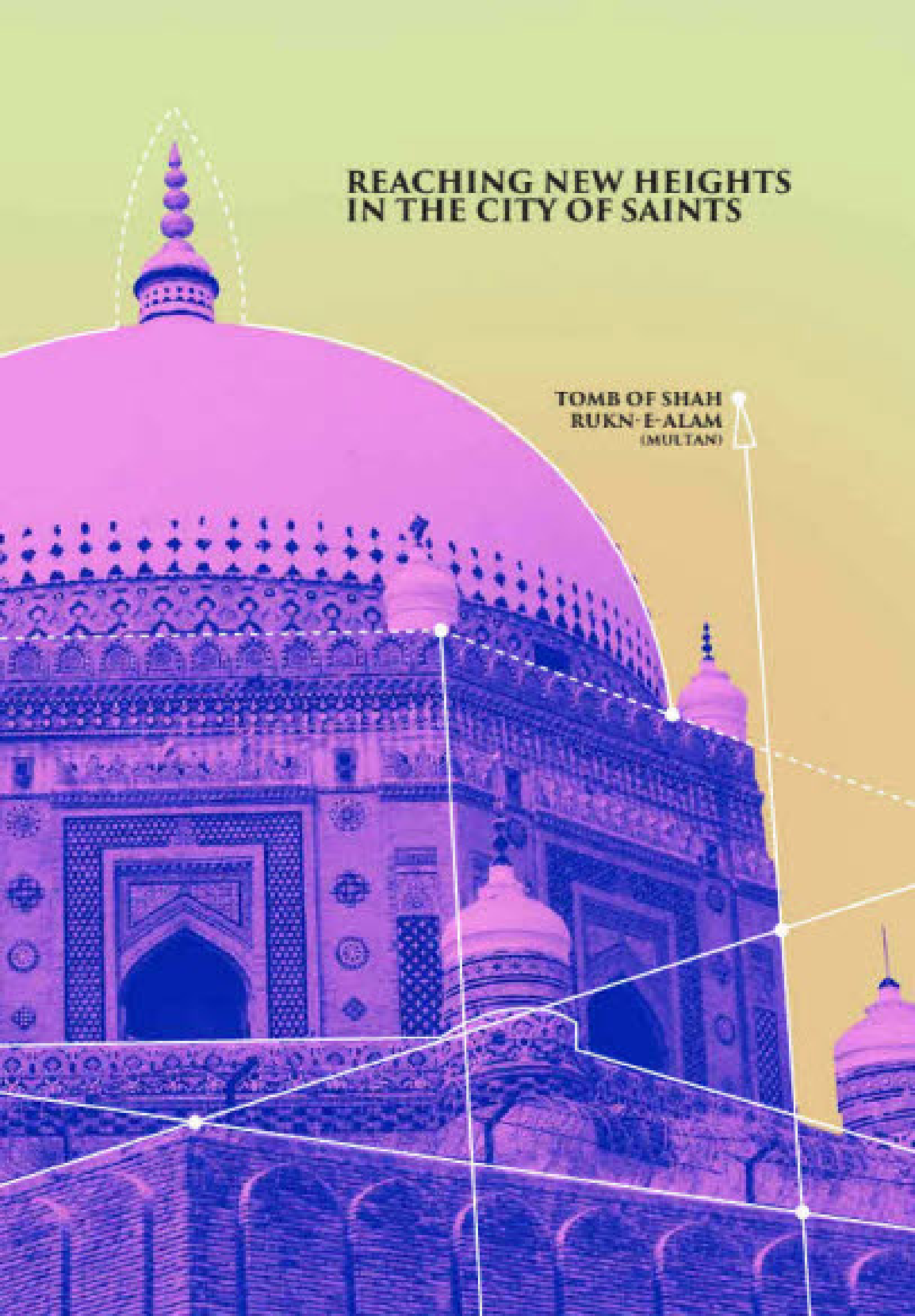
Meezan Gold Fund

MEEZAN GOLD FUND (MGF)

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

 Multan Branch





REACHING NEW HEIGHTS IN THE CITY OF SAINTS

TOMB OF SHAH
RUKN-E-ALAM
(MULTAN)

FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moti M. Fudola	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arifad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Vaidi

AUDIT COMMITTEE

Mr. Moti M. Fudola	Chairman
Mr. Arifad Majeed	Member
Mr. Naeem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Naeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moti M. Fudola	Chairman
Mr. Arifol Islam	Member
Mr. Naeem Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants
Sana Life Building# 1-C,
11, Chondriagar Road, Karachi-74000

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Bank Al Mada Limited- Islamic Banking
Mezan Bank Limited
Sindh Bank Limited
UBL Aman - Islamic Banking

LEGAL ADVISER

Bavanay & Partners
8rd & 9th Floor, 48-C, Lane 13, Bokhari Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 35184291-94 Fax: (9221) 35184295
E-mail: info@bavanay.com

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-25, Sana Avenue, S7B, Karachi.
Phone- 35008828 Fax- 35436817
Website: www.almezanmg.com

DISTRIBUTORS

Al Mezan Investment Management Limited
Mezan Bank Limited



**MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	56,687	66,014
Investment in gold	6	482,517	364,344
Profit receivable on saving accounts		1,622	227
Receivable against sale of investments - net		496	3,065
Receivables against conversion of units		1,664	16,716
Advances and other receivables		371	11,850
Total assets		552,777	484,216
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		1,408	778
Payable to the Central Depository Company of Pakistan Limited - Trustees		88	131
Payable to Securities and Exchange Commission of Pakistan		28	224
Payable to Meezan Bank Limited		15	6
Payable against purchase of investments - net		-	664
Payable on redemption and conversion of units		704	268
Accrued expenses and other liabilities	10	5,770	4,540
Total liabilities		8,813	8,855
Net assets		544,764	477,561
Contingencies and commitments	8		
Unitholders' fund (as per statement attached)		544,764	7,008,422
		(Number of units)	
Number of units in issue		7,586,648	7,008,422
		(Rupees)	
Net assets value per unit		71.7168	68.1410

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN GOLD FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Rupees in '000)	
Income		
Profit on saving accounts with banks	1,287	377
Realized gain / (loss) on sale of investments	419	(641)
Price adjustment factor	3,414	1,847
	<u>4,794</u>	<u>1,383</u>
Unrealized appreciation / (diminution) on re-measurement of investment in gold	6.1	(4,473)
Total income / (loss)	<u>22,118</u>	<u>(3,090)</u>
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company	1,354	649
Sindh Sales Tax on management fee	176	84
Allocated interest	9	89
Selling and marketing expenses	940	359
Remuneration to Central Depository Company of Pakistan Limited - Trustee	208	110
Sindh Sales Tax on trustee fee	20	14
Annual fee to Securities and Exchange Commission of Pakistan	28	69
Auditors' remuneration	72	82
Brokerage expense	17	9
Fees and subscription	87	88
Legal and professional charges	-	-
Bank and settlement charges	221	183
Custodian expense	1,181	589
Provision for Sindh Workers' Welfare Funds (SINWF)	10.3	-
Printing expenses	-	-
Total expenses	<u>4,374</u>	<u>2,740</u>
Net income / (loss) for the quarter before taxation	<u>24,542</u>	<u>(8,330)</u>
Taxation	13	-
Net income for the quarter after taxation	<u>24,542</u>	<u>(8,330)</u>
Allocation of net income for the quarter		
Net income for the quarter after taxation	24,542	(8,330)
Income already paid on units redeemed	(4,160)	-
	<u>20,382</u>	<u>(8,330)</u>
Accounting income available for distribution		
- Related to capital gains	24,741	(4,090)
- Excluding capital gains	(4,160)	(1,194)
	<u>20,382</u>	<u>(8,330)</u>

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

For Al Meezan Investment Management Limited
 (Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30,	
	2019	2018
	(Rupees in '000)	
Net income for the quarter after taxation	24,542	(5,230)
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	24,542	(5,230)

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN GOLD FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	2019			2018		
	Capital Value	Undistributed income	Total	Capital Value	(Accumulated loss) / Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the quarter	434,630	42,931	477,561	233,150	9,904	243,054
Issue of 1,998,703 units (2018: 1,551,823 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	136,194	-	136,194	87,937	-	87,937
- Element of income	9,148	-	97,895	(300)	-	(300)
Total proceeds on issuance of units	145,342	-	145,342	87,127	-	87,127
Redemption of 1,411,078 units (2018: 1,368,562 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	98,151	-	98,151	78,887	-	78,887
- Element of loss	1,571	4,959	8,530	(1,731)	-	(1,731)
Total payments on redemption of units	97,722	4,959	102,681	78,958	-	78,958
Total comprehensive income for the quarter	-	24,542	24,542	-	(5,230)	(5,230)
Distribution during the year	-	-	-	-	-	-
Net income for the year less distribution	-	24,542	24,542	-	(5,230)	(5,230)
Net assets at end of the quarter	482,350	62,514	544,764	343,351	4,674	348,025
Undistributed income/ (accumulated loss) brought forward			-			
- Realised (loss) / income		(23,741)			9,147	
- Unrealised income / (loss)		86,673			(4,473)	
		42,931			4,674	
Accounting income available for distribution						
- Relating to capital gains	24,741				-	
- Excluding capital gains	(5,158)				-	
	19,583				-	
Undistributed income carried forward		62,514			4,674	
Undistributed income carried forward						
- Realised gain		38,193			9,147	
- Unrealised income / (loss)		24,322			(4,473)	
		62,514			4,674	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the quarter	68.1410			58.6678		
Net assets value per unit at end of the quarter	71.7165			55.7021		

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

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN GOLD FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	34,543	(5,230)
Adjustments for:		
Unrealised appreciation on re-measurement of investment in gold	(24,322)	4,473
	220	(757)
(Increase) / Decrease in assets		
Investments - net	(193,851)	(17,884)
Receivable against investments - net	2,508	1,480
Profit receivable on saving accounts	(790)	(111)
Advances and other receivables	11,479	(20)
	(90,654)	(16,535)
Increase / (Decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	633	268
Payable to Central Depository Company of Pakistan Limited - Trustee	(43)	3
Payable to Securities and Exchange Commission of Pakistan	(190)	(205)
Payable to Meezan Bank Limited	9	(7)
Payable against purchase of investments - net	(524)	-
Accrued expenses and other liabilities	1,224	314
	942	383
Net cash (used in) / generated from operating activities	(59,430)	(16,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	162,374	95,828
Payment against redemption and conversion of units	(162,365)	(77,042)
Net cash generated from financing activities	90,109	18,786
Net (decrease) in cash and cash equivalents during the quarter	(25,327)	(3,303)
Cash and cash equivalents at beginning of the quarter	85,014	29,332
Cash and cash equivalents at end of the quarter	59,687	26,029

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MUSQAN GOLD FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Musqan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 12, 2014 between Al Musqan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SCP. The Fund is registered as a trustee entity under Non-Banking Finance Companies and trustee Entities Regulations, NBFC Regulations issued through S.R.O 1323/2008 on November 21, 2008. The Fund commenced its operations from August 18, 2012. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shantown/P.O. Box, Karachi 75400, Pakistan.

1.2 The Fund is an open-ended Shariah Compliant (Islamic) Community Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Community Exchange shall be subject to the PMEX Regulations and / or rules and regulations of the pertinent Community Exchange, if the Community Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah advisor under the Trust Deed, all the contracts and acts of the fund are based on Shariah. The management company has appointed Masqan Bank Limited as its Shariah advisor to ensure that the activities of the fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's Offering document.

1.3 The Fund has been categorized as a Shariah compliant Community Scheme by the Board of Director of its Management Company pursuant to the provisions contained in Circular 7 of 2008. The units of the Fund were initially offered for public subscription at a per unit value of Rs 20 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 18, 2014 and are transferable and redeemable by surrendering them to the Fund.

1.4 The Management Company has been assigned a rating of AM1 by VRS dated December 28, 2018 (2018: AM1) rated December 20, 2017) and PwCRA dated June 28, 2012. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.5 All the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

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

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
3. BALANCE SHEET BASED			
in saving accounts	21	34,500	32,500
in current accounts		34	34
		34,534	32,534

4.3 The balance in saving accounts have an expected profit ranging from 3.7% to 12.78% per annum (June 30, 2019: 8.32% to 11.88% per annum).



		September 30, 2019 (Amount in '000)	June 30, 2019 (Amount in '000)
8.	INVESTMENTS		
	Investment in gold	422,817	389,343

8.1 Investment in gold

Commodity	As at July 1, 2019	Purchases during the quarter	Sales during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized gain	Percentage in relation to Net Assets of the Fund on the basis of market value of investments (Note 8.1.1)
	(Rupee in '000)				(Rupee in '000)		(%)	
TOLA GOLD in TOLA	4,429 10,000	1,204 -	87 -	5,546 10,000	422,124	422,817	693	0.41
Total					422,124	422,817	693	

8.1.1 Net assets are defined in regulation 20 of the NBPFC Regulations

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

8.1.3 The investment in gold of Rs 422,817 million (June 30, 2019: Rs 389,343 million) has been measured at fair value based on the quoted market price in active markets.

7. PAYABLE TO THE SECURITIES AND EXCHANGES COMMISSION OF PAKISTAN (SECP)

SECP vide S.R.O. No. 889/2019 dated June 20, 2019, revised rate of annual fee to 0.05% of net assets, applicable on all categories of Collective Investment Schemes with effect from July 1, 2019. Accordingly, Fund has charged SECP Fee @ 0.05% of net assets during the quarter.

6. CONTINGENCIES AND COMMITMENTS

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

5. ALLOCATED EXPENSES

In accordance with Regulation 80 of the NBPFC Regulations, the Management Company till June 30, 2019 entitled to charge expenses related to register services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 829 dated June 20, 2019 has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to register services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company, continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lower than actual expenses.

		September 30, 2019 (Amount in '000)	June 30, 2019 (Amount in '000)
16.	ACCUMULATED EXPENSES AND DEFERRED LIABILITIES		
	Customer fee payable	169	227
	Auditor's remuneration	249	179
	Provision for Federal Excise Duty and related Sindh Sales Tax	711	711
	Provision for Sindh investors Welfare Fund	3,887	3,199
	Withholding tax payable	20	21
	Capital gain tax payable	221	21
	Statutory advisory fee payable	19	123
	Other payable	4	2
		5,270	4,563

16.1 As per the requirement of the Finance Act, 2019, Federal Excise Duty (FED) at the rate of 18 percent on the remuneration of the Management Company and sales load was applied effective from June 13, 2019. 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, 2019.

The SHC while disposing of the Constitutional Petition No. D-2154 of 2019 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, 2019, 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, 2019, mutual funds have been excluded from levy of FED vide Finance Act, 2019, hence, no provision for FED has been recognized in the financial statements of the Fund since July 1, 2019.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of prudent caution, has retained the provision on FED and related Sindh Sales Tax on management fee and sales load made with effect from August 16, 2019 to June 30, 2019, aggregating to Rs 0.71 million (June 30, 2019: Rs 0.71 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs 0.22 (June 30, 2019: Rs 0.10) per unit.

18.2 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 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 OIBs whereby it was contended 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 Financial) 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 OIBs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on OIBs / 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, 2018).

Had the SWWF not been provided, the fund's per unit fund return would have been higher by Rs 0.68 (0.87% (June 30, 2019) Rs 0.68 / 0.88%).

19. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2019 is 0.58% which includes 0.48% representing government levy, Sindh Workers' Welfare Fund and SDCP fee.

20. 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, Mezzan 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 SEPC Regulations and the Trust Deed.

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

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited (Al Meezan) - Management Company		
Remuneration payable	661	267
Sindh Sales Tax on management fee payable	99	29
Sales tax payable	26	12
Sindh Sales Tax on sales tax payable	14	4
Allocated expenses	48	30
Selling and marketing expenses	540	173
Mezzan Bank Limited		
Sales tax payable	11	6
Sindh Sales Tax on sales tax payable	1	1
Bank balance	12,376	22,327
Profit receivable on saving account	57	17
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	76	118
Sindh Sales Tax on trustee fee payable	18	13
Directors and Executives of the Management Company		
Investment of 266,819 units (June 30, 2019: 264,313 units)	21,265	16,276
Unitholders holding 10% or more of sales of the Fund		
Investment of 1,228,347 units (June 30, 2019: 1,228,347 units)	10,887	84,248



	September 30,	
	2019	2018
	(Amounts)	
	(Rupees in '000)	
All Meezan Investment Management Company Limited - Management Company		
Remuneration for the quarter	1,264	649
Sindh Sales Tax on management fee for the quarter	178	94
Allocated expenses	135	64
Selling and marketing expense	582	299
Meezan Bank Limited		
Profit on saving account	472	82
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	238	110
Sindh Sales Tax on trustee fee for the quarter	28	14
Directors and Executives of the Management Company		
Units issued: 71,488 units (September 30, 2019: 6,871 units)	14,128	304
Units redeemed: 80,182 units (September 30, 2019: 27,314 units)	4,336	1,284

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 ninety percent of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 80 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, 2019 as reduced by capital gains (whether realized or unrealized) 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 VALUE OF FINANCIAL INSTRUMENTS

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

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

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

14.1 Fair value hierarchy

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

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

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

As at 30 September, 2019, the fund does not hold any asset which required fair valuation.

16. SELLING AND MARKETING EXPENSES

The SSCP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The 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 to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

17. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue on October 16, 2019 by the Board of Directors of the Management Company.

For M Messeri Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan
Islamic Income Fund

MEEZAN ISLAMIC INCOME FUND (MIIF)

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

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

REDEFINING INVESTMENT IN THE CITY OF LIGHTS

● **QUAID'S MAUSOLEUM
(KARACHI)**



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74000, Pakistan.
Phone (9221) 33430722-A, 111-MEEZAN
Fax: (9221) 33474043, 33430909
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Mohammad Abdullah Ahmad	Nominee Director - MBL
Mr. Mohammad Perqvan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Pudda	Independent Director
Mr. Tameem Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Yasim Abdul Sattar	Nominee Director - FIC
Syed Amir Ali Taidi	Nominee Director - FIC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghass Wazir

AUDIT COMMITTEE

Mr. Moin M. Pudda	Chairman
Mr. Arshad Majeed	Member
Mr. Yasim Abdul Sattar	Member

BANK MANAGEMENT COMMITTEE

Mr. Mohammad Abdullah Ahmad	Chairman
Syed Amir Ali Taidi	Member
Mr. Yasim Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Pudda	Chairman
Mr. Arifol Islam	Member
Mr. Yasim Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

Central Depository Company of Pakistan Limited
CDC House, 19-B, Block B, S.M.C.H.S., Main Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Al Karim Islamic Bank B.S.C (K.C)	MCB Bank Limited
Adani Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islam Pakistan Limited	Samba Bank Limited
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	UBL Amanat - Islamic Banking
Habib Bank Limited - Islamic Banking	

LEGAL ADVISER

Bavany & Partners
3rd & 4th Floor, 48-C, Lane 12, Kolbhart Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 33184191-94 Fax: (9221) 33184198
E-mail:

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-28, Sitara Avenue, SITE, Karachi.
Phone: 33188828 Fax: 33434817
Website: www.almezanmg.com

DISTRIBUTORS

Al Mezan Investment Management Limited
Mezan Bank Limited



MEEZHAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	9,201,818	2,971,017
Investments	6	7,211,711	6,454,219
Receivable against conversion of units		112,285	3,802
Deposits, prepayments and other receivables		236,284	258,982
Total assets		16,762,098	9,688,020
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		38,879	19,937
Payable to Central Depository Company of Pakistan Limited - Trustee	7	1,087	838
Payable to Securities and Exchange Commission of Pakistan	8	727	7,822
Payable to Meezan Bank Limited		2,144	399
Payable against redemption and conversion of units		31,281	45,043
Accrued expenses and other liabilities	9	109,394	142,719
Total liabilities		171,242	216,757
Net assets		16,590,856	9,471,263
Contingencies and commitments	10		
Unitholders' fund (as per statement attached)		16,590,856	9,471,263
		(Number of units)	
Number of units in issue		313,913,028	184,135,657
		(Rupees)	
Net asset value per unit		52.9102	51.4387

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	September 30,	
		2019	2018
		(Rupees in '000)	
Income			
Profit on saving accounts with banks		268,500	67,988
Profit on term deposit receipts		-	13,741
Profit on certificates of musharakah		24,471	16,180
Profit on sukuk certificates		188,314	67,400
Net realised gain / (loss) on sale of sukuk certificates		5,383	(5,482)
Other income		1,075	284
		<u>488,151</u>	<u>180,133</u>
Net unrealised distribution on re-measurement of investments classified as "financial assets at fair value through profit or loss"	6.1.2	(6,943)	(13,882)
Total Income		<u>481,208</u>	<u>166,251</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		31,281	16,649
Sindh Sales Tax on management fee		4,067	2,164
Allocated expense	12	5,136	2,880
Selling and marketing expense	14	14,541	-
Remuneration to Central Depository Company of Pakistan Limited - Trustee		2,727	2,188
Sindh Sales Tax on trustee fee		304	284
Annual fee to Securities and Exchange Commission of Pakistan		727	1,512
Auditors' remuneration		168	199
Fees and subscription		352	361
Brokerage expense		66	140
Bank and settlement charges		129	33
Provision for Sindh Workers' Welfare Fund		6,434	2,797
Printing expense		-	140
Total expenses		<u>67,981</u>	<u>29,417</u>
Net Income for the quarter before taxation		<u>413,227</u>	<u>137,074</u>
Taxation	15	-	-
Net Income for the quarter after taxation		<u>413,227</u>	<u>137,074</u>
Allocation of net income for the quarter			
Net income for the quarter after taxation		413,227	137,074
Income already paid on units redeemed		(69,398)	(18,882)
		<u>343,829</u>	<u>118,221</u>
Accounting Income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		343,829	118,221
		<u>343,829</u>	<u>118,221</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	---- (Rupees in '000) ----	
Net income for the quarter after taxation	413,267	137,074
Other comprehensive income	-	-
Total comprehensive income for the quarter	<u>413,267</u>	<u>137,074</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30, 2019			September 30, 2018		
	Capital Value	Unallocated Income	Total	Capital Value	Unallocated Income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the quarter	9,297,919	171,403	9,471,322	9,755,035	410,879	10,165,914
Issuance of 262,808,900 units (2018: 74,769,593 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	11,518,024	-	11,518,024	3,342,514	-	3,342,514
- Element of income	169,102	-	169,102	25,969	-	25,969
Total proceeds on issuance of units	11,687,126	-	11,687,126	3,368,483	-	3,368,483
Redemption of 133,431,532 units (2018: 65,224,872 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	6,863,278	-	6,863,278	3,351,997	-	3,351,997
- Element of income	35,276	65,359	100,635	5,062	18,893	23,955
Total payments on redemption of units	6,903,594	65,359	6,971,860	3,357,059	18,893	3,375,952
Total comprehensive income for the quarter	-	413,267	413,267	-	137,276	137,276
Distribution during the quarter	-	-	-	-	(248,803)	(248,803)
Refund of capital	-	-	-	(170,664)	-	(170,664)
	-	413,267	413,267	(170,664)	(111,527)	(279,413)
Net assets at the end of the quarter	16,073,491	517,364	16,590,855	10,095,764	293,297	10,379,361
Undistributed income brought forward						
- Realised income		192,274			441,879	
- Unrealised income		(18,871)			(31,000)	
		173,403			410,879	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		-			-	
- Excluding capital gains		341,961			118,827	
		341,961			118,827	
Distribution during the period at Rs. 2.1954 per unit (i.e. 4.38% of the par value of Rs. 50/- each (July 8, 2018))					(248,803)	
Undistributed income carried forward		317,364			293,297	
Undistributed income carried forward						
- Realised income		624,307			297,289	
- Unrealised loss		(16,943)			(13,992)	
		607,364			283,297	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the quarter - (Rs./NAU)		51.4267			51.3914	
Net assets value per unit at the end of the quarter		62.3102			62.0912	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For Al Mezzan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	413,267	137,074
Adjustments for		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6,940	13,692
	<u>420,210</u>	<u>150,766</u>
(Increase) / decrease in assets		
Investments - net	(764,435)	(1,048,264)
Deposits, prepayments and other receivables	22,698	(5,252)
	(741,737)	(1,053,516)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	10,813	(938)
Payable to Central Depository Company of Pakistan Limited - Trustee	249	37
Payable to Securities and Exchange Commission of Pakistan	(7,695)	(6,298)
Payable to Meezan Bank Limited	1,745	142
Accrued expenses and other liabilities	(37,185)	2,776
	(31,673)	(4,274)
Net cash used in operating activities	<u>(323,300)</u>	<u>(907,024)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	13,549,643	3,550,508
Payments against redemption and conversion of units	(6,985,642)	(3,380,201)
Dividend paid	-	(40,232)
Net cash generated from financing activities	<u>6,564,001</u>	<u>150,275</u>
Net increased / (decrease) in cash and cash equivalents during the quarter	<u>6,240,701</u>	<u>(756,749)</u>
Cash and cash equivalents at the beginning of the quarter	2,971,617	5,200,671
Cash and cash equivalents at the end of the quarter	<u>9,212,318</u>	<u>4,443,922</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Islamic Income Fund (the Fund) was established under a Trust Deed executed between (i) 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, 2008 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 B1, Finance and Trade Centre, Shama-e-Pakistan, 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 capitalize on exceptional returns, if available, at any given point of time. Under the Trust Deed all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3 The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular T of 2009 issued by the SECP.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VRS dated December 28, 2018 (2018: AM1 dated December 29, 2017) and by PACRA dated June 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A(+) by VRS Credit Rating Company Limited.
- 1.5 Title to the assets of the Fund are in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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



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

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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those adopted in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
5. BALANCES WITH BANKS	Note		
In saving accounts	5.1	9,201,774	2,970,973
In current accounts		44	44
		<u>9,201,818</u>	<u>2,971,017</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 13.75% per annum (June 30, 2019: 3.32% to 12.50% per annum).

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
6. INVESTMENTS	Note		
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	4,991,977	4,277,722
Certificates of musharabah	6.2	600,000	750,000
Commercial papers	6.3	2,279,734	1,426,697
		<u>7,871,711</u>	<u>6,454,419</u>

6.1 Sukuk certificates			
Government securities	6.1.1	600,000	600,000
Corporate sukuk	6.1.2	4,391,977	3,677,722
		<u>4,991,977</u>	<u>4,277,722</u>

6.1.1 Government securities

Name of the security	Maturity Date	Profit rate	Rs. at July 1, 2019	Purchases or sales during the quarter	Sales / maturity during the quarter	Rs. at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealised appreciation / depreciation (loss)	Percentage in relation to	
										Net assets of the Fund	Total market value of investments
			Number of certificates			Rupees in '000					
Swiss Bank Gaur (note 6.1.1.1)	March 1, 2020	6 months NBND plus base rate of 0.2%	100,000	-	100,000	91,000	100,000	100,000	-	0.40	1.34
Total as at September 30, 2019							100,000	100,000	-	0.50	1.34
Total as at June 30, 2019							80,000	80,000	-	0.50	0.80

6.1.1.1 The nominal value of this sukuk certificates is Rs 5,000 each.

6.1.2 Corporate sukuk

Name of the security	Maturity Date	Profit rate	Rs. at July 1, 2019	Purchases or sales during the quarter	Sales / maturity during the quarter	Rs. at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealised appreciation / depreciation (loss)	Percentage in relation to	
										Net assets of the Fund	Total market value of investments
			Number of certificates			Rupees in '000					
Aviva Trade Life United (note 6.1.2.1)	April 10, 2019	6 months NBND plus base rate of 0%	14,000	-	-	14,000	-	-	-	0.48	-
Bank Housing United (note 6.1.2.2)	September 20, 2019	6 months NBND plus base rate of 0.2%	20,400	-	-	20,400	-	-	-	0.20	-
Security Leasing Corporation Limited (note 6.1.2.3)	January 10, 2020	0%	0.20	-	-	0.20	-	-	-	0.07	-
State Bank of India (note 6.1.2.4)	July 14, 2019	6 months NBND plus base rate of 0.2%	910	-	-	910	92,500	92,500	-	0.10	0.26
Mediant Bank Limited (note 6.1.2.5)	September 20, 2019	6 months NBND plus base rate of 0.2%	240	-	-	240	227,200	227,200	-	0.24	0.10
ICICI Bank (note 6.1.2.6)	November 20, 2019	6 months NBND plus base rate of 0.2%	24,000	-	-	24,000	150,000	150,000	(1,500)	0.40	0.44
State Bank of India (note 6.1.2.7)	January 20, 2020	6 months NBND plus base rate of 0.2%	4,000	-	4,000	40,000	40,000	(1,000)	0.20	0.10	
ICICI Bank (note 6.1.2.8)	June 10, 2020	6 months NBND plus base rate of 0.2%	10,000	-	-	10,000	-	-	-	-	0.20
Mutual Power Corporation Limited (note 6.1.2.9)	November 20, 2019	6 months NBND plus base rate of 0.2%	100,000	-	-	100,000	80,000	80,000	-	0.80	0.20
Mutual Power Corporation Limited (note 6.1.2.10)	October 5, 2019	6 months NBND plus base rate of 0.2%	10,000	-	-	10,000	80,000	80,000	-	0.10	0.10
Mutual Power Corporation Limited (note 6.1.2.11)	August 20, 2020	6 months NBND plus base rate of 0.2%	-	0.100	-	0.100	0.100	0.100	-	0.00	0.00
Energy Services (note 6.1.2.12)	August 5, 2019	6 months NBND plus base rate of 0.2%	-	20,000	-	20,000	200,000	200,000	-	0.20	0.40



Name of the security	Maturity date	Description	Rs. at 30/09/2019	Dividends paid during the quarter *	Sukuk income or items during the quarter *	Rs. at September 30/09/2019	* Carrying value as at September 30/09/2019	* Market value as at September 30/09/2019	Unrealised gain/loss (valuation loss)	Percentage in portfolio to		
										Net assets of the Fund	Total Sukuk held	Total market value of investments
AGP Limited (A.Y.B. (Secured), non-redeemable) (para 6.1.2.1)	June 2, 2020	6 months KIBOR plus 0.50% rate of 1.25%	1,119	-	190	1,269	106,410	106,410	-	0.28	11.68	1.96
AGP & Javedan Housing Corporation Limited (A.Y. Y.B. (Secured)) (para 6.1.2.1)	October 4, 2020	6 months KIBOR plus 0.50% rate of 1.25%	1,000	-	-	1,000	80,000	80,000	(1,983)	0.88	11.4	1.88
AGP & Javedan Housing Corporation Limited (A.Y. Y.B. (Secured)) (para 6.1.2.1)	October 4, 2020	6 months KIBOR plus 0.50% rate of 1.25%	200	-	-	200	200,000	200,000	-	1.89	11.8	2.47
Eden Housing and Chemicals Limited (A.Y. Y.B. (Secured)) (para 6.1.2.1)	July 11, 2020	6 months KIBOR plus 0.50% rate of 1.25%	1,000	-	-	1,000	201,407	201,408	(8)	1.88	11.9	4.18
International Brands Limited (A.Y. Y.B. (Secured)) (para 6.1.2.1)	November 12, 2020	12 months KIBOR plus 0.50% rate of 1.25%	4,000	-	-	4,000	416,474	416,474	(1,798)	11.29	16.12	11.81
Shakarpari Food Products Limited (A.Y. Y.B. (Secured)) (para 6.1.2.1)	July 10, 2020	6 months KIBOR plus 0.50% rate of 1.25%	100	-	-	100	81,699	81,699	10,670	0.88	11.73	1.81

*Total as at September 30, 2019

Carrying Value	Market Value	Unrealised Gain/Loss
2,488,119	2,877,738	(16,879)

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

6.1.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited, Eden Housing Limited, International Brands Limited, Meezan Bank Limited, Shakarpari Food Products Limited, AGP Limited, Javedan Corporation Limited, Agha Steel Industries Limited, Engro Polymer and Chemicals Limited and Hub Power Company Limited having nominal value of Rs 1,555,555, Rs 984,375, Rs 100,555, Rs 100,000, Rs. 1,000,000, Rs. 1,000,000, Rs. 100,000, Rs. 100,000, Rs. 1,000,000, Rs. 100,000 and Rs. 100,000 respectively.

6.1.2.2 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 5, 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 September 30, 2019, the Fund is compliant with all the requirements of the said circular except for clause 3 (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 surplus which are below 'investment grade' securities:

Name of the investment instrument	Type of investment	Market value of investment	Market value of investment	Market value of investment	Market value of investment	Market value of investment
		as at July 1, 2019	as at September 30, 2019	as at July 1, 2019	as at September 30, 2019	as at July 1, 2019
Alfa Bank Finance Limited	Non-convertible equity certificate	75,000	75,000	-	-	-
Bank Housing Limited	Non-convertible equity certificate	88,879	88,879	-	-	-
Security Leasing Corporation Limited	Non-convertible equity certificate	14,400	14,400	-	-	-
Total - September 30, 2019		178,279	178,279	-	-	-
Total - June 30, 2019		162,879	162,879	-	-	-

6.2 Certificates of Musharakah

Name of the investor company	Maturity date	Profit rate	As at July 1, 2019	Flood during the quarter	Returned during the quarter	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealised appreciation / (depreciation)	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
(Rupee in '000)										
Om Finance	September 14, 2019	13.45-13.75	50,000	-	50,000	-	-	-	-	0.00
Om Finance	September 27, 2019	13.50-13.84	100,000	-	100,000	-	-	-	-	0.00
Om Finance	September 4, 2020	13.60	-	200,000	-	200,000	200,000	-	1.21	3.17
Om Finance	September 9, 2020	13.60	-	200,000	-	200,000	200,000	-	1.21	3.17
Om Finance	September 16, 2020	13.64	-	200,000	-	200,000	200,000	-	1.21	3.17
Total as at September 30, 2019			700,000	400,000	700,000	400,000	400,000	-	5.62	14.37
Total as at June 30, 2019			600,000	1,000,700	1,012,700	700,000	700,000	-	7.00	13.62

6.3 Commercial Papers

Name of the security	Maturity date	Principal value	No. of July 1, 2019	Paravalue during the quarter	Value of redemption to be received during the quarter	No. of September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
(Rupee in '000,000)										
180-day Finance Invoice CP (180-day)	July 16, 2019	8 months 180-day	400	-	400	-	-	-	-	-
180-day Finance Invoice CP (180-day)	September 3, 2019	8 months 180-day	1,000	-	1,000	-	-	-	-	-
180-day Finance Invoice CP (180-day)	January 11, 2020	8 months 180-day	60	-	-	60	67,419	67,419	0.28	0.85
180-day Finance Invoice CP (180-day)	February 26, 2020	8 months 180-day	-	1,000	-	1,000	1,108,810	1,108,810	6.61	16.68
180-day Finance Invoice CP (180-day)	March 16, 2020	8 months 180-day	-	1,000	-	1,000	1,108,029	1,108,029	6.61	16.63
Total as at September 30, 2019							2,285,258	2,285,258	10.71	27.86
Total as at June 30, 2019							1,081,187	1,081,187	16.28	33.71

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

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

During the period, Trustee has revised its tariff as follows:

Existing Tariff		Revised Tariff (After Flood)
Net Assets (PA.)	Fee	0.075% p.a. of Net Assets
Up to Rs. 1,000 million	Rs. 0.8 million or 0.175% per annum of net assets, whichever is higher.	
From Rs. 1,000 million to Rs. 2,000 million	Rs. 1.7 million plus 0.025% per annum of net assets exceeding Rs. 1,000 million.	
Exceeding Rs. 2,000 million	Rs. 3.1 million plus 0.075% per annum of net assets exceeding Rs. 2,000 million.	

Accordingly Fund has charged Trustee Fee @ 0.075% p.a. of Net Assets during the quarter.



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

SECP vide S.R.O. No. 825(1)/2019 dated June 28, 2019, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effective from July 1, 2019. Accordingly Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2019	June 30, 2019
		(Unaudited)	(Audited)
		----- (Rupees in '000) -----	
Auditors' remuneration payable		598	430
Printing expenses payable		565	565
Brokerage payable		148	159
Shariah advisor fee payable		395	523
Withholding tax payable		-	37,369
Capital gain tax payable		3,348	11,065
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	47,188	38,755
Zakat payable		334	187
Provision for Federal Excise Duty payable on remuneration of the Management Company and related Sindh Sales Tax	9.2	99,417	99,417
Provision for Federal Excise Duty payable on sales load and related Sindh Sales Tax	9.2	3,642	3,642
		105,834	142,719

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 5.00 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CIGs whereby it was corrected that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CIGs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CIGs/mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to September 30, 2019, the net asset value of the Fund as at September 30, 2019 would have been higher by Rs. 0.18 per unit (June 30, 2019: Rs 0.21 per unit).

9.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 1% percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or additions taken under the Federal Excise Act, 2000 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 to September 30, 2019 amounting to Rs 53,059 million (June 30, 2019: \$3,059 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at September 30, 2019 would have been higher by Rs 0.17 (June 30, 2019: Rs 0.25) per unit.

10. CONTINGENCIES AND COMMITMENTS

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meedan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meedan 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 Meedan 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 NSFC Rules, the NSFC Regulations and the Trust Deed respectively.

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

	September 30, 2019 (Unaudited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
Al Meedan Investment Management Limited - Management Company		
Remuneration payable	11,493	8,904
Sindh Sales Tax on management fee	1,454	552
Sales load payable	897	623
Sindh Sales Tax on sales load	117	59
Allocated expenses payable	1,924	972
Setting and marketing expense payable	18,548	15,591
Certificate charges payable	1	1
Investment of 81,826 units (June 30, 2019: 1,287,879 units)	3,261	66,244
Meedan Bank Limited		
Balances with bank	35,159	44,405
Sales load payable	1,897	353
Sindh Sales Tax on sales load	287	45
Profit receivable on saving account	1,241	488
Profit receivable on sukuk certificates	4,487	12,928
Investment of 368 sukuk certificates (June 30, 2019: 368 sukuk certificates)	367,391	367,391
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	963	742
Sindh Sales Tax on Trustee Fee payable	125	55
Security deposit	100	100

	For the quarter ended	
	September 30,	
	2019	2018
	(Unaudited)	
	----- (Report in '000) -----	
Mozzan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: 874,282 units (September 30, 2018: 76,557 units)	85,464	4,049
Units redeemed: 21,818 units (September 30, 2018: 18,154 units)	1,125	938
Cash dividend paid	-	2,305
Refund of capital	-	224
Mozzan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: 738,690 units (September 30, 2018: 61,736 units)	38,414	3,173
Units redeemed: 318,208 units (September 30, 2018: 688,584 units)	16,568	11,200
Cash dividend paid	-	2,700
Refund of capital	-	362
Mozzan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units issued: 1,387,812 units (September 30, 2018: 182,982 units)	72,188	8,409
Units redeemed: 324,810 units (September 30, 2018: 159,481 units)	16,875	8,250
Cash dividend paid	-	3,889
Refund of capital	-	358
Mozzan Financial Planning Fund of Funds - MAAP - I		
Units issued: 3,782,012 units (September 30, 2018: 730,488 units)	194,648	37,814
Units redeemed: 3,782,012 units (September 30, 2018: nil)	197,912	-
Cash dividend paid	-	4,910
Refund of capital	-	3,000
Mozzan Financial Planning Fund of Funds - MAAP - IV		
Units issued: nil (September 30, 2018: 63,934 units)	-	3,280
Units redeemed: nil (September 30, 2018: 1,558,051 units)	-	80,287
Cash dividend paid	-	1,738
Refund of capital	-	1,544
Mozzan Strategic Allocation Fund - MSAP - I		
Units issued: 1,853,481 units (September 30, 2018: 1,495,185 units)	85,686	78,884
Units redeemed: 8,837,424 units (September 30, 2018: nil)	240,322	-
Cash dividend paid	-	9,138
Refund of capital	-	7,828
Mozzan Strategic Allocation Fund - MSAP - II		
Units issued: 1,128,244 units (September 30, 2018: 1,107,933 units)	58,413	57,062
Units redeemed: 4,838,300 units (September 30, 2018: nil)	230,488	-
Cash dividend paid	-	5,875
Refund of capital	-	2,177
Mozzan Strategic Allocation Fund - MSAP - III		
Units issued: 1,361,671 units (September 30, 2018: 1,213,227 units)	70,488	62,481
Units redeemed: 5,418,582 (September 30, 2018: nil)	282,788	-
Cash dividend paid	-	8,088
Refund of capital	-	7,363



	For the quarter ended	
	September 30,	
	2019	2018
	(Unaudited)	
	--- (Rupees in '000) ---	
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 1,536,740 units (September 30, 2018: 1,166,844 units)	79,503	60,087
Units redeemed: 8,126,187 (September 30, 2018: nil)	<u>819,197</u>	<u>-</u>
Cash dividend paid	<u>-</u>	<u>11,058</u>
Refund of capital	<u>-</u>	<u>9,119</u>
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 272,384 units (September 30, 2018: 364,345 units)	14,096	19,760
Units redeemed: 1,059,349 (September 30, 2018: nil)	<u>95,177</u>	<u>-</u>
Cash dividend paid	<u>-</u>	<u>744</u>
Refund of capital	<u>-</u>	<u>882</u>
All Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: nil (September 30, 2018: 9,077 units)	-	488
Cash dividend paid	<u>-</u>	<u>2</u>
Refund of capital	<u>-</u>	<u>488</u>
Directors and Executives of the Management Company		
Units issued: 14,881,173 units (September 30, 2018: 131,943 units)	761,981	6,817
Units redeemed: 8,998,308 units (September 30, 2018: 112,100 units)	<u>479,369</u>	<u>6,031</u>
Cash dividend paid	<u>-</u>	<u>187</u>
Refund of capital	<u>-</u>	<u>478</u>

12. ALLOCATED EXPENSES

In accordance with Regulation 60 of the SECP Regulations, the Management Company till June 19, 2019 entered to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company from July 22, 2019, has charged allocated expense @ 0.15% of the average annual net assets (0.10% till July 21, 2019).

13. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the quarter ended September 30, 2019 is 1.87% which include 0.37% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

14. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The 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 to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

15. TAXATION

The Fund's income is exempt from income tax as per clause (89) 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 53 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

ASSETS	As at September 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Buku Certificates	-	4,331,377	-	4,331,377
Certificates of Murabahah*	-	888,888	-	888,888
Commercial Papers**	-	3,279,734	-	3,279,734
	<u>-</u>	<u>7,219,711</u>	<u>-</u>	<u>7,219,711</u>
	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Buku Certificates	-	4,377,732	-	4,377,732
Certificates of Murabahah*	-	780,000	-	780,000
Commercial Papers**	-	1,438,497	-	1,438,497
	<u>-</u>	<u>6,484,279</u>	<u>-</u>	<u>6,484,279</u>

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

** The valuation of commercial papers has been done based on encroachment of commercial paper to its face value as per the guidelines given in Circular 33 of 2013 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating. The commercial papers having maturity slightly more than six months have also been valued on the same basis.



17. GENERAL

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

18. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on October 15, 2019 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan
Sovereign Fund

MEEZAN SOVEREIGN FUND (MSF)

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



REDEFINING INVESTMENT IN THE FRUIT HUB OF PAKISTAN

 Quetta Branch

QUETTA RAILWAY STATION
(QUETTA)



FUND INFORMATION

MANAGEMENT COMPANY

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E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Mohammad Abdullah Ahmad	Nominee Director - MBL
Mr. Mohammad Perqvan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Pudda	Independent Director
Mr. Samee Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naveen Abdul Sattar	Nominee Director - FICD
Syed Amir Ali Taidi	Nominee Director - FICD

CFD & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghass Wazir

AUDIT COMMITTEE

Mr. Moin M. Pudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naveen Abdul Sattar	Member

BANK MANAGEMENT COMMITTEE

Mr. Mohammad Abdullah Ahmad	Chairman
Syed Amir Ali Taidi	Member
Mr. Naveen Abdul Sattar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Pudda	Chairman
Mr. Arifol Islam	Member
Mr. Naveen Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

Central Depository Company of Pakistan Limited
CDC House, 75-B, Block B, S.M.C.H.S., Main Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited
Al Karim Islamic Bank B.S.C (K.C)
Adorn Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Alfalah Limited
Bank Islam Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Fayval Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
MCB Islamic Bank Limited
Mezan Bank Limited
National Bank of Pakistan - Islamic Banking
Sindh Bank Limited
UBL Aman - Islamic Banking

LEGAL ADVISER

Bavany & Partners
3rd & 4th Floor, 48-C, Lane 12, Kolbhart Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 33184171-84 Fax: (9221) 33184198
E-mail: info@bavany.com

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-28, Sana Avenue, SITE, Karachi.
Phone: 33188828 Fax: 33436817
Website: www.almezanmg.com

DISTRIBUTORS

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



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Assets	Note		
Balances with banks	5	3,721,179	5,132,514
Investments	6	1,124,715	1,124,715
Receivable against conversion of units		55,520	59,258
Deposits, prepayments and other receivables		66,675	70,900
Total assets		<u>4,967,489</u>	<u>6,387,387</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	9	6,540	4,228
Payable to Central Depository Company of Pakistan Limited - Trustee	7	562	538
Payable to Securities and Exchange Commission of Pakistan	8	181	1,400
Payable to Meezan Bank Limited		171	68
Payable on redemption and conversion of units		56,757	562,316
Accrued expenses and other liabilities	11	116,544	113,666
Total liabilities		<u>172,755</u>	<u>682,216</u>
Net assets		<u>4,792,784</u>	<u>5,705,149</u>
Unitholders' fund (as per statement attached)		<u>4,792,784</u>	<u>5,705,149</u>
Contingencies and commitments	10		
Number of units in issue		<u>90,456,358</u>	<u>110,716,666</u>
		(Rupees)	
Net assets value per unit		<u>52.9845</u>	<u>51.5263</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN SOVEREIGN FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
Note	2019	2018
	(Rupees in '000)	
Income		
Profit on sukuk certificates	36,442	10,451
Net realized gain / (loss) on sale of sukuk certificates	95	(11,810)
Profit on saving accounts with banks	80,135	21,487
	<u>116,672</u>	<u>20,128</u>
Net unrealised diminution on		
re-measurement of investments classified		
as 'financial assets at fair value through profit or loss'	6.1.1	-
		(3,072)
Total income	<u>116,672</u>	<u>17,056</u>
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company	6,288	4,785
Sindh Sales Tax on remuneration of the Management Company	817	622
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7	548
Sindh Sales Tax on remuneration of the Trustee	78	71
Annual fee to Securities and Exchange Commission of Pakistan	6	191
Auditors' remuneration	124	179
Fees and subscription	275	160
Brokerage expense	-	307
Bank and settlement charges	191	53
Allocated expenses	13	1,269
Selling and marketing expense	16	2,843
Provision for Sindh Workers' Welfare Fund (SWWF)	2,080	193
Total expenses	<u>14,753</u>	<u>7,854</u>
Net income for the quarter before taxation	<u>101,919</u>	<u>9,402</u>
Taxation	15	-
Net income for the quarter after taxation	<u>101,919</u>	<u>9,402</u>
Allocation of net income for the quarter		
Net income for the quarter after taxation	101,919	9,402
Income already paid on units redeemed	12,260	(22)
	<u>89,659</u>	<u>9,380</u>
Accounting income available for distribution		
- Relating to capital gains	95	-
- Excluding capital gains	89,564	9,380
	<u>89,659</u>	<u>9,380</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
	(Rupees in '000)	
Net income for the quarter after taxation	181,919	9,402
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	<u>181,919</u>	<u>9,402</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

WILSON INVESTMENT FUND
CONDENSED STATEMENT OF MOVEMENT IN UNITS/SHARES (INRS)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30, 2019			September 30, 2018		
	Capital Value	Unallocated Income	Total	Capital value	Unallocated income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the quarter	5,495,589	295,589	5,791,178	1,792,404	528,712	2,321,116
Issue of 67,339,799 units (2018: 13,850,443 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	5,473,782	-	5,473,782	660,668	-	660,668
- Balance of income	62,097	-	62,097	242	-	242
Total proceeds on issuance of units	5,535,879	-	5,535,879	660,910	-	660,910
Redemption of 67,790,218 units (2018: 19,079,600 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	4,623,769	-	4,623,769	662,328	-	662,328
- Balance of income	(1,372)	12,289	10,917	(22)	22	(10)
Total payments on redemption of units	4,622,397	12,289	4,634,686	662,306	22	662,328
Total comprehensive income for the quarter	-	181,619	181,619	-	9,402	9,402
Distribution for the year ended June 30, 2019	-	-	-	-	(37,026)	(37,026)
Return of capital for the year ended June 30, 2019	-	-	-	(12,742)	-	(12,742)
Total distribution during the quarter	-	-	-	(12,742)	(37,026)	(49,768)
Net assets at end of the quarter	8,897,229	295,493	9,192,722	1,468,268	500,488	1,968,756
Unallocated income brought forward						
- Realized income		297,364			569,148	
- Unrealized loss		(1,490)			(52,028)	
		295,874			517,120	
Accruing income available for distribution (after adjusting income already paid on units redeemed)		-			-	
- Relating to capital gains		24			-	
- Excluding capital gains		(62,097)			9,382	
Final distribution during the year at Rs. 1,2226 per unit (a 2.40% of the par value of Rs. 500 each Unit) (July 9, 2018)		-			(37,026)	
Unallocated income carried forward		233,777			500,488	
Unallocated income earned forward						
- Realized income		295,493			509,434	
- Unrealized loss		-			(3,272)	
		295,493			506,162	
Net assets value per unit at beginning of the quarter			(Rupees) 51,6273			(Rupees) 51,4858
Net assets value per unit at end of the quarter			52,2649			51,7104

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

For Wilson Investment Management Limited
 (Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	101,919	9,402
Adjustments for		
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss	-	3,072
	<u>101,919</u>	<u>12,474</u>
Decrease / (Increase) in assets:		
Investments - net	-	198,180
Deposits, prepayments and other receivables	4,825	927
	<u>4,825</u>	<u>199,107</u>
Increase / (Decrease) in liabilities:		
Payable to Al Meezan Investment Management Limited - Management Company	2,312	(385)
Payable to Central Depository Company of Pakistan Limited - Trustees	(34)	(37)
Payable to Securities and Exchange Commission of Pakistan	(1,209)	(1,756)
Payable to Meezan Bank Limited	163	(292)
Accrued expenses and other liabilities	2,879	530
	<u>4,648</u>	<u>(1,945)</u>
Net cash generated from operating activities	<u>110,762</u>	<u>209,555</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	3,533,334	641,813
Payments against redemption and conversion of units	(3,655,461)	(988,054)
Dividend paid	-	(3,775)
Net cash used in financing activities	<u>(1,522,127)</u>	<u>(350,216)</u>
Net decrease in cash and cash equivalents during the quarter	<u>(1,411,355)</u>	<u>(140,921)</u>
Cash and cash equivalents at beginning of the quarter	5,132,514	673,042
Cash and cash equivalents at end of the quarter	<u><u>3,721,159</u></u>	<u><u>532,121</u></u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN SOVEREIGN FUND**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)****1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Mezzan Sovereign Fund (the Fund) was established under a trust deed executed between Al Mezzan Investment Management Limited (Al Mezzan) 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 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2009 (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 (Establishment and Regulation) 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 provide the unitholders maximum possible preservation of capital along with total and reasonable returns by investing primarily in a portfolio of Shariah compliant government securities that, minimizing the credit risk of investments. The Fund shall also keep an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalize 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. Mezzan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 The Fund is an open end Shariah Compliant (Islamic) Income Scheme, listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.4 The Management Company has been assigned a rating of AM1 by VIB Credit Rating Company Limited dated December 20, 2018 (2018 AM1 dated December 20, 2017) and PACRA dated June 20, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA-(R) by VIB Credit Rating Company Limited.

1.5 The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee.

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. BASIS OF PREPARATION**3.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIII of the repealed
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2009 (the NBFC Regulations) and the

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

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

6. BALANCES WITH BANKS	Note	September 30, 2019	June 30, 2019
		(Unaudited)	(Audited)
(Rupees in '000)			
In saving accounts	6.1	2,718,226	2,129,870
In current accounts		2,844	2,844
		<u>2,721,070</u>	<u>2,132,714</u>

6.1 The balances in saving accounts have an expected profit ranging from 3.00% to 11.40% per annum (June 30, 2019: 3.00% to 12.00% per annum).

6. INVESTMENTS	Note	September 30, 2019	June 30, 2019
		(Unaudited)	(Audited)
(Rupees in '000)			
Investments - 'at fair value through profit or loss'			
Baluch Certificates	6.1	<u>1,124,716</u>	<u>1,124,716</u>
6.1 Baluch Certificates			
Government securities	6.1.1	950,000	950,000
Corporate sukuk	6.1.2	174,716	174,716
		<u>1,124,716</u>	<u>1,124,716</u>

6.1.1 Government securities

Name of security	Maturity Date	Term/tenure	Rs. 1,000 of, 2019	Purchase during the quarter	Sales/ redemption during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized loss/gain as at September 30, 2019	Percentage of the value of the total investment	Percentage of the value of the total investment
Government Treasury Bill (Rate 6.1.1.1)	March 31, 2020	3 months	250,000	-	-	250,000	250,000	250,000	-	14.6%	14.4%
		Rate rate of 6.0%									
Total Government securities							<u>250,000</u>	<u>250,000</u>	-	<u>14.6%</u>	<u>14.4%</u>

6.1.1.1 Fekran Energy Baluch Certificates having nominal value of Rs. 5,000 each

6.1.2 Corporate sukuk

Name of security	Maturity Date	Term/tenure	Amount of, 2019	Purchase during the quarter	Sales/ redemption during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized loss/gain as at September 30, 2019	Percentage of total value	
										Rupees in '000	
Alamgiri Water & Sewerage Corporation (Rate 6.1.2.1)	March 31, 2024	5 years	1,704	-	-	1,704	174,716	174,716	-	15.6%	15.6%
		Rate rate of 7.0%									
Total Corporate sukuk							<u>174,716</u>	<u>174,716</u>	-		

8.1.2.1 The nominal value of these bank certificates is of Rs. 100,000 each.

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

During the period, Trustee has revised its tariff as follows;

Existing Tariff		Revised Tariff (Flat Rate)
Net Assets (Rs.)	Fee	
- up to Rs. 1 billion	0.10% p.a. of net assets	0.075% p.a. of Net Assets
- Rs. 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% p.a. of net assets exceeding Rs. 1 billion	
- over Rs. 10 billion	Rs 1.25 million plus 0.06% p.a. of net assets exceeding Rs. 10 billion	

Accordingly Fund has charged Trustee Fee @ 0.075% p.a. of Net Assets during the quarter.

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

SECP vide S.R.O. No. 602/1/2018 dated June 20, 2018, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effect from July 1, 2018. Accordingly Fund has charged SECP Fee @

9. PAYABLE TO ALMEEZAN MANAGEMENT LIMITED - MANAGEMENT COMPANY

During the period, the Management Company has reduced charging of the remuneration from 1% to 0.6% of average annual net assets. The reduction in remuneration is effective from July 23, 2018.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2018 and June 30, 2018.

11. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
		2018	2018
		(Unaudited)	(Audited)
		(Rupees in '000)	
Auditors' remuneration payable		472	340
Printing expenses payable		169	169
Brokerage payable		487	591
Branch advisor fee payable		540	380
Withholding tax payable		12,241	12,021
Capital gain tax payable		1,188	860
Provision for Sindh Workers' Welfare Fund (SWMWF)	11.1	16,811	16,891
Zakat payable		139	142
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	11.2	69,877	69,877
Provision for Federal Excise Duty and related Sindh Sales Tax on sales fee	11.2	2,582	2,582
		116,649	112,302

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 the Sindh Workers' Welfare Fund Act, 2014 (SWMWF 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 0.20 million, is required to pay Sindh Workers' Welfare Fund (SWMWF) 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 CIBs whereby it was contended that mutual funds should be excluded from the ambit of the SWMWF 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 SWMWF under the SWMWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CIBs / mutual funds excluded from the applicability of SWMWF. In view of the above developments regarding the applicability of SWMWF on CIBs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWMWF should be made on a prudent basis with effect from the date of enactment of the SWMWF Act (i.e. starting from May 21, 2018).

- 11.2 The Finance Act, 2015 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2015. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2015 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company, together with various other asset management companies challenging the levy of FED.

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

With effect from 01 July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax had been withdrawn by the Finance Act, 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, 2015 till June 30, 2016, aggregating to Rs 62,636 million (June 30, 2019: Rs 62,636 million). Had the provision not been made, the

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the

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 NSFC Rules, the NSFC Regulations and the Trust Deed respectively.

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

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	2,217	2,000
Sindh Sales Tax payable on management fee	188	172
Sales load payable	567	629
Sindh Sales Tax payable on sales load	14	60
Allocated expense payable	933	100
Selling and marketing expense payable	1041	-
Investment 14,282 units (June 30, 2019: 14 units)	797	-
Meezan Bank Limited		
Balance with bank	65,174	485,600
Profit receivable on saving accounts	958	1,117
Sales load payable	197	60
Sindh Sales Tax on sales load payable	29	9
Central Depository Company of Pakistan Limited - Trustee		
Security deposits refundable	100	100
Remuneration Payable	444	170
Sindh Sales Tax on trustee fee	52	60
Meezan Financial Planning Fund of Funds - MFAPI		
Investment of 1,220,280 units (June 30, 2019: 1,779,289 units)	64,667	184,633
Meezan Strategic Allocation Fund - MCPP - III		
Investment of nil units (June 30, 2019: 13,136,233 units)	-	877,000
Meezan Strategic Allocation Fund - II - MCPP - IV		
Investment of nil units (June 30, 2019: 17,622,089 units)	-	900,618

Meeuwn Strategic Allocation Fund - II - MCPP - V Investment of nil units (June 30, 2019: 8,140,343 units)	-	<u>284,378</u>
Meeuwn Strategic Allocation Fund - II - MCPP - VI Investment of nil units (June 30, 2019: 4,182,488 units)	-	<u>216,488</u>
Meeuwn Strategic Allocation Fund - II - MCPP - VII Investment of nil units (June 30, 2019: 2,218,733 units)	-	<u>114,330</u>
Meeuwn Strategic Allocation Fund - II - MCPP - VIII Investment of nil units (June 30, 2019: 1,682,221 units)	-	<u>87,300</u>
Meeuwn Strategic Allocation Fund - II - MCPP - IX Investment of nil units (June 30, 2019: 198,820 units)	-	<u>10,248</u>
All Meeuwn Investment Management Limited - Employees Gratuity Fund Investment of 146,267 units (June 30, 2019: 146,267 units)	<u>7,407</u>	<u>7,408</u>
Directors and their close family members and key management personnel of the Management Company Investment of 4,287,898 units (June 30, 2019: 1,748,788 units)	<u>211,420</u>	<u>89,894</u>
	For the quarter ended	
	September 30	
	2019	2018
	(Amounts)	
	(Rupees in '000)	
All Meeuwn Investment Management Limited - Management Company		
Remuneration for the quarter	<u>6,288</u>	<u>4,788</u>
Sinh Sales Tax on remuneration of the Management Company	<u>817</u>	<u>820</u>
Allocated expenses	<u>1,381</u>	<u>278</u>
Selling and marketing expense	<u>2,121</u>	-
Units issued: 14,262 units (September 30, 2019: nil units)	<u>143</u>	-
Meeuwn Bank Limited		
Profit on saving accounts	<u>845</u>	<u>334</u>
Central Depository Company of Pakistan Limited - Trustees		
Remuneration for the quarter	<u>537</u>	<u>548</u>
Sinh Sales Tax on trustee fee	<u>78</u>	<u>21</u>
COE charges for the quarter	<u>175</u>	<u>1</u>
Meeuwn Financial Planning Fund of Funds - MAAP - I		
Units issued: 1,321,373 units (September 30, 2019: 8 units)	<u>66,888</u>	-
Units redeemed: 3,788,267 units (September 30, 2019: nil units)	<u>380,813</u>	-
Meeuwn Strategic Allocation Fund - MCPP - II		
Units redeemed: 12,138,333 units (September 30, 2019: nil units)	<u>677,396</u>	-
Meeuwn Strategic Allocation Fund - II - MCPP - IV		
Units redeemed: 17,833,028 units (September 30, 2019: nil units)	<u>393,145</u>	-
Meeuwn Strategic Allocation Fund - II - MCPP - V		
Units redeemed: 8,140,343 units (September 30, 2019: nil units)	<u>288,838</u>	-
Meeuwn Strategic Allocation Fund - II - MCPP - VI		
Units redeemed: 4,182,488 units (September 30, 2019: nil units)	<u>214,613</u>	-
Meeuwn Strategic Allocation Fund - II - MCPP - VII		
Units redeemed: 2,218,733 units (September 30, 2019: nil units)	<u>114,336</u>	-
Meeuwn Strategic Allocation Fund - II - MCPP - VIII		
Units redeemed: 1,682,221 units (September 30, 2019: nil units)	<u>87,363</u>	-



	For the quarter ended September 30	
	2019	2018
	(Unaudited) Rupees in '000)	
Meezan Strategic Allocation Fund - III - MOPF - II		
Units redeemed: 189,820 units (September 30, 2019: nil units)	10,121	-
Dividends and expenses of the Management Company		
Units issued: 6,300,110 units (September 30, 2019: 133 units)	124,505	7
Units redeemed: 3,878,179 units (September 30, 2019: nil units)	114,187	-

13. ALLOCATED EXPENSES

In accordance with Regulation 60 of the SECP Regulations, the Management Company, on June 19, 2019, entered to charge expenses related to register services, accounting, taxation and valuation services, related to a Collective Investment Vehicle, the Management Company from July 22, 2019, has charged allocated expense @ 0.15% of the average annual net assets (0.10% of July 21, 2019).

14. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund for the quarter ended September 30, 2019 is 1.62% which include 0.15% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

15. TAXATION

The Fund's income is exempt from income tax as per clause (96) 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 realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 62 of the SECP 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, 2019 as

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule

16. SELLING AND MARKETING EXPENSE

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expenses shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, Fund has charged Selling and Marketing expenses @ 0.4% of net assets effective from July 22, 2019.

17. FINANCIAL INSTRUMENTS - FAIR VALUES

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

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

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

17.1. Fair value hierarchy

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

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

- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at September 30, 2019, the Fund held the following financial instruments measured at fair value:

	As at September 30, 2019		
	Level 1	Level 2	Level 3
ASSETS	(Rupees in '000)		
Financial assets 'at fair value through profit or loss'			
Bank Certificates	-	1,124,715	-
	<u>-</u>	<u>1,124,715</u>	<u>-</u>
	As at June 30, 2019		
ASSETS	(Rupees in '000)		
Financial assets 'at fair value through profit or loss'			
Bank Certificates	-	1,124,715	-
	<u>-</u>	<u>1,124,715</u>	<u>-</u>

16.2 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.

16. GENERAL

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

17. DATE OF AUTHORISATION

This condensed interim financial information was authorized for issue on October 16, 2019 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

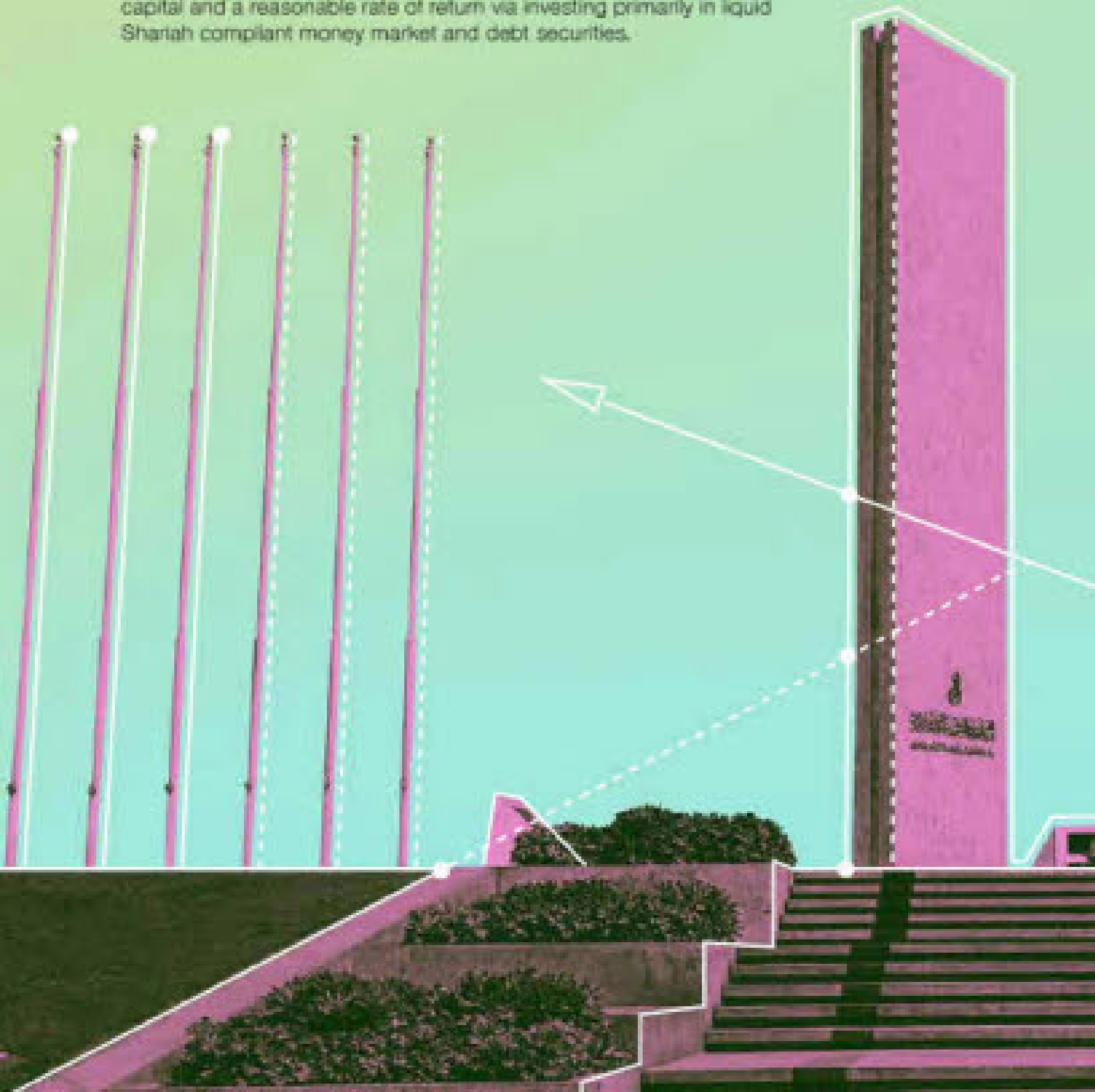
Director



**Meezan
Cash Fund**

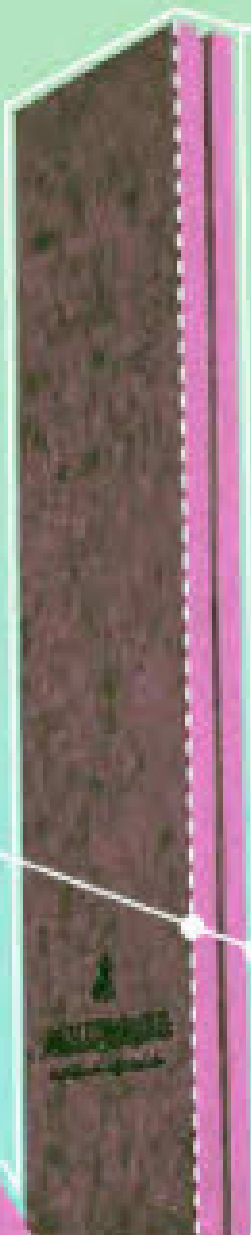
MEEZAN CASH FUND (MCF)

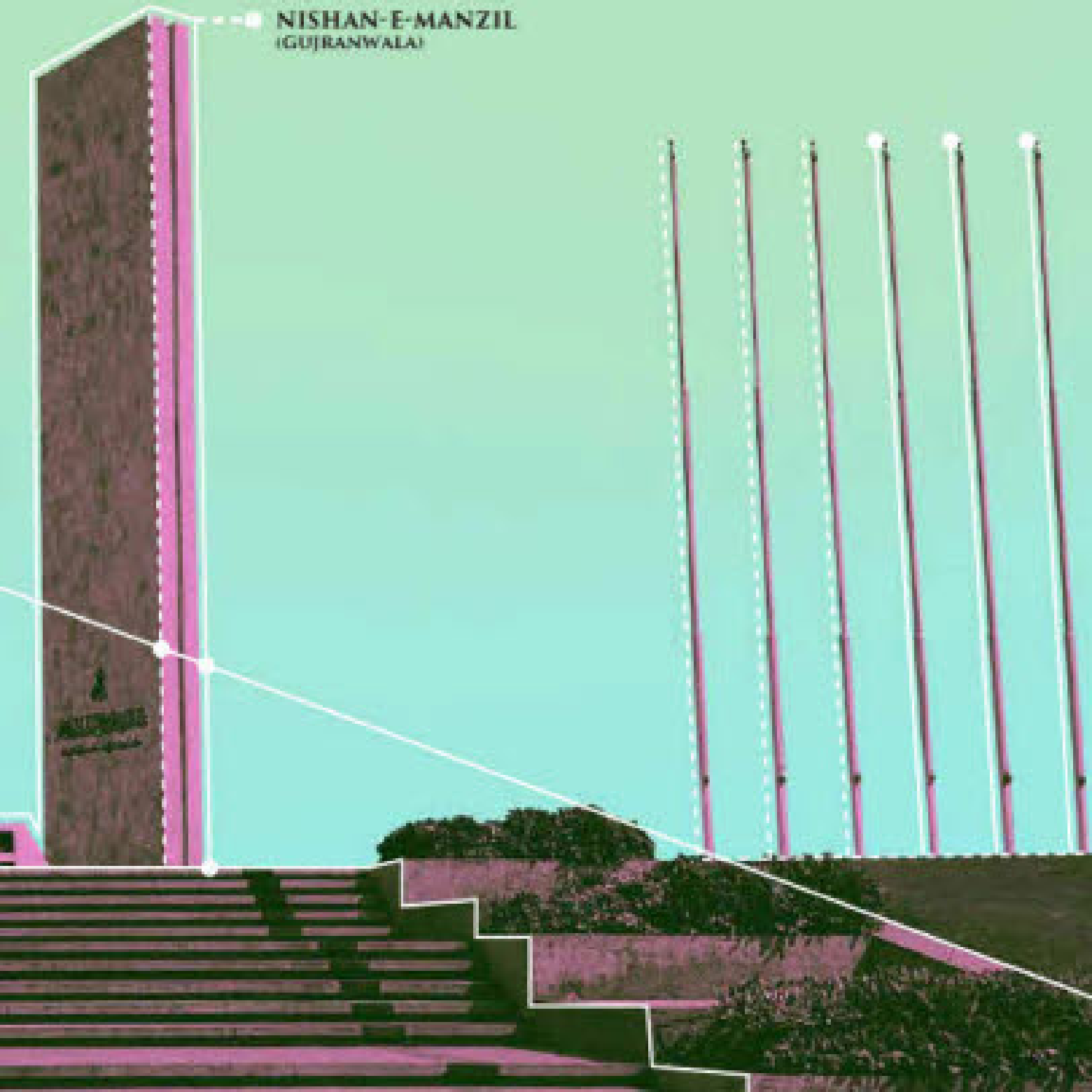
Meezan Cash Fund is Pakistan's first Shariah compliant Money Market Fund. MCF aims to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and debt securities.



CHALLENGING THE MARKET IN THE CITY OF WRESTLERS

 Gujranwala Branch

 **NISHAN-E-MANZIL**
(GUJRANWALA)



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezzan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEZZAN
Fax: (9221) 35474343, 35436808
Website: www.almezzanigroup.com
E-mail: info@almezzanigroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Mohammad Abdullah Ahmad	Nominee Director - MBL
Mr. Mohammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fudola	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arifad Majeed	Nominee Director - MBL
Mr. Yasam Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Wazir

AUDIT COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arifad Majeed	Member
Mr. Yasam Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mohammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Yasam Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arifol Islam	Member
Mr. Yasam Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezzan Bank Limited

BANKERS TO THE FUND

Ahmed Bank Limited	Mahab Metropolitan Bank Limited - Islamic Banking
Ahli Bank Limited - Islamic Banking	MCB Bank Limited
Bank Al Habib Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Alfalah Limited	Mezzan Bank Limited
Dubai Islamic Bank Pakistan Limited	National Bank of Pakistan - Islamic Banking
Faysal Bank Limited - Islamic Banking	Sindh Bank Limited
Habib Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking

LEGAL ADVISER

Banswari & Partners
3rd & 4th Floor, 68-C, Lane-11, Bokhari Commercial Area,
Phase VI, DDA, Karachi.
Phone (9221) 35164191-94 Fax: (9221) 35164395
E-mail:

TRANSFER AGENT

Mezzan Bank Limited
Mezzan House
C-21, Estate Avenue, SITE, Karachi.
Phone: 35436720 Fax: 35436817
Website: www.mezzanbank.com

DISTRIBUTORS

Al Mezzan Investment Management Limited
Mezzan Bank Limited



**MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

		September 30, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
	Note		
Assets			
Balances with banks	5.1	6,630,651	2,560,335
Investments	8	3,993,361	6,270,999
Receivable against conversion of units		277,083	130,600
Profit receivable		119,892	92,348
Deposits and prepayments		523	579
Total assets		11,021,510	9,054,861
Liabilities			
Payable to AJ Meezan Investment Management Limited - Management Company	8	15,754	11,306
Payable to Central Depository Company of Pakistan Limited - Trustee	10	647	834
Payable to Securities and Exchange Commission of Pakistan	11	332	8,704
Payable against conversion and redemption of units		248,054	59,921
Accrued expenses and other liabilities	9	71,448	103,948
Total liabilities		336,453	223,713
Net assets		10,685,057	8,831,148
Contingencies and commitments			
Unitholders' fund (see per statement attached)	7	10,685,057	8,831,148
		(Number of units)	
Number of units in issue		206,072,440	175,362,634
		(Rupees)	
Net assets value per unit		51.8510	50.4731

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For AJ Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	September 30, 2019	2018
		(Rupees in '000)	
Income			
Profit on term deposit receipts		81,006	13,287
Profit on sukuk certificates		88,814	8,486
Profit on SBI floaja transactions		18,073	-
Profit on saving accounts with banks		183,464	187,221
Total income		340,447	179,974
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		19,082	25,350
Sindh Sales Tax on management fee		2,481	3,208
Allocated expenses	12	3,825	2,538
Selling and Marketing expense	14	8,821	-
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,794	2,088
Sindh Sales Tax on trustee fee		223	272
Annual fee to Securities and Exchange Commission of Pakistan		552	1,301
Auditors' remuneration		139	148
Fees and subscription		352	294
Bank and settlement charges		9	12
Provision for Sindh Workers Welfare Fund		8,089	2,881
Printing expense		-	48
Total expenses		43,057	38,799
Net income for the quarter before taxation		297,390	140,174
Taxation	16	-	-
Net income for the quarter after taxation		297,390	140,174
Allocation of net income for the quarter			
Net income for the period after taxation		297,390	140,174
Income already paid on units redeemed		(70,612)	(18,734)
		226,777	121,440
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		226,777	121,440
		226,777	121,440

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

Chief Financial Officer

Director



MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
	(Rupees in '000)	
Net income for the quarter after taxation	297,300	140,174
Other comprehensive income	-	-
Total comprehensive income for the quarter	297,300	140,174

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

BREXID CASH FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,					
	2019			2018		
	Capital Total	Unitholders' Income (Loss)	Total	Capital Total	Unitholders' Income (Loss)	Total
	(Amount in \$'000)					
Net assets at beginning of the quarter	4,261,268	4,176	4,265,444	4,727,288	212,222	4,939,510
Issuance of 204,875,071 units (September 30, 2019: 27,700,000 units)						
- Capital value (at the base value per unit at the beginning of the quarter)	19,219,607	-	19,219,607	4,881,221	-	4,881,221
- Balance of income	80,871	-	80,871	27,512	-	27,512
Total proceeds on issuance of units	19,300,478	-	19,300,478	4,908,733	-	4,908,733
Redemption of 175,483,284 units (September 30, 2019: 22,786,000 units)						
- Capital value (at the base value per unit at the beginning of the quarter)	4,148,876	-	4,148,876	4,273,272	-	4,273,272
- Balance of income	2,882	(4,071)	(1,189)	7,421	19,724	27,145
Total payments on redemption of units	4,151,758	(4,071)	4,147,687	4,280,693	19,724	4,300,417
Total unitholders' income for the quarter	-	281,289	281,289	-	142,174	142,174
Distribution during the quarter	-	-	-	-	(279,228)	(279,228)
Balance of Capital during the quarter	-	-	-	222,242	-	222,242
Net income for the quarter less distribution	-	281,289	281,289	222,242	27,946	250,298
Net assets at end of the quarter	4,261,268	492,565	4,753,833	4,949,530	137,222	5,086,752
Unitholders' income carried forward						
- Realised		42,176			127,222	
- Unrealised		-			-	
		42,176			127,222	
Accruing income available for distribution						
- Realised income gains		-			-	
- Unrealised income gains		269,113			127,222	
		269,113			127,222	
Unitholders' income carried forward						
- Realised income		269,113			127,222	
- Unrealised income		-			-	
		269,113			127,222	
		(Report)			(Report)	
Net assets value per unit at beginning of the quarter		16.147			10.415	
Net assets value per unit at end of the quarter		21.270			11.922	

The annexed notes 1 to 19 form an integral part of the condensed interim financial information.

For AI Meruon Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN CASH FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
Note	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	297,390	140,174
(Increase) / decrease in assets		
Investments - net	1,447,838	(1,058,498)
Deposits and prepayments	56	54
Profit receivable	(27,544)	17,505
	1,420,350	(1,040,937)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	4,448	28
Payable to Central Depository Company of Pakistan Limited - Trustee	(187)	7
Payable to Securities and Exchange Commission of Pakistan	(8,212)	(3,635)
Accrued expenses and other liabilities	(32,502)	3,948
	(38,453)	348
Net cash generated / (used in) from operating activities	<u>1,881,987</u>	<u>(900,415)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	10,328,554	1,588,812
Payments against redemption and conversion of units	(8,667,325)	(4,603,688)
Dividend paid	-	(17,985)
Net cash generated / (used in) from financing activities	1,661,229	(34,861)
Net increase / (decrease) in cash and cash equivalents during the quarter	<u>3,220,316</u>	<u>(935,283)</u>
Cash and cash equivalents at beginning of the quarter	5,430,338	10,127,837
Cash and cash equivalents at end of the quarter	5.3 <u>8,650,654</u>	<u>9,192,554</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEZZAN CASH FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Mezzan Cash Fund (the Fund) was established under a trust deed executed between Al Mezzan 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, 2008 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, Shaheen-e-Paaisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders with safe and stable stream of total income on their investments and to generate superior long term risk adjusted returns. The Fund shall also take exposure in short-term instruments for the purpose of maintaining liquidity and to capitalize on exceptional returns if available at any given point in time. The Fund shall seek to maximize preservation of capital and a reasonable rate of return via investing primarily in liquid Shari'ah compliant money market and Shari'ah compliant debt securities. Under the trust deed, all the conducts and acts of the Fund are based on Shari'ah principles. Mezzan Bank Limited acts as its Shari'ah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shari'ah.
- 1.3 The Fund is categorized as an open-end Shari'ah Compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The Management Company has been assigned a quality rating of AM1 by JCR-VIS dated December 28, 2018 (2018; AM1 dated December 28, 2017) and by FICRA dated June 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The stability rating of the Fund is AA(+) given by VIS Credit Rating Company Limited.
- 1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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

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



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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBPFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

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

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
5. BALANCES WITH BANKS			
In saving accounts	5.1 & 5.2	8,826,896	2,076,679
In current accounts		758	767
		<u>8,827,654</u>	<u>2,077,446</u>

5.1 The balances in saving accounts have an expected profit ranging from 3.00 % to 14.30 % per annum (June 30, 2019: 3.32% to 12.50% per annum).

5.2 The balances include Rs 55,898 million (June 30, 2019: Rs 131,389 million) with a related party, Meezan Bank Limited, on which average return is earned at 8.15 % (June 30, 2019: 4.00%) per annum.

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
5.3. Cash and cash equivalents			
Balances with banks	5	8,830,651	2,080,335
Term deposit receipts - having original maturity of 3 months or less	5.1	2,020,000	2,893,000
		<u>1,050,651</u>	<u>5,433,335</u>

	Note	2019	2018
		(Rupees in '000)	
6. INVESTMENTS			
Investments - at fair value through profit or loss		3,993,361	6,270,999
Investments - loans and receivables		-	-
		<u>3,993,361</u>	<u>6,270,999</u>
At fair value through profit or loss			
Term deposit receipts - having original maturity of 3 months or less	5.1	2,020,000	2,893,000
Corporate surpluses	5.2	575,000	575,000
Commercial papers	5.3	1,298,361	1,471,289
Bal muajjal istisnabiya		-	1,274,710
		<u>3,993,361</u>	<u>6,270,999</u>

6.1 Term Deposit Receipts

Name of the bank	Maturity	Fixed rate	As at July 1, 2019	Term deposit receipts placed during the quarter	Withdrawal during the quarter	As at September 30, 2019	Percentage in relation to	
							Net assets of the Fund on the basis of market value	Total market value of Investment

Having original maturity of

3 months or less

Payee Bank Limited	September 9, 2019	10.00%	(40,000)	-	(40,000)	-	-	-
Asahi Bank Limited	September 1, 2019	10.00%	1,200,000	-	(1,200,000)	-	-	-
United Bank Limited - Amman	September 9, 2019	10.10%	1,200,000	-	(1,200,000)	-	-	-
Wesam Bank Limited	December 1, 2019	10.00%	-	1,000,000	-	1,000,000	0.90	43.00
Asahi Bank Limited	December 10, 2019	10.10%	-	1,000,000	-	1,000,000	0.90	50

Total

2,000,000

6.2 Corporate Sukuk

Name of the security	Maturity date	Fixed rate	As at July 1, 2019	Purchased during the quarter	Date / Redemption maturity during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Total market value of Investment

Investment

3 months fixed rate

Company Limited - (S.A.G.)	October 2, 2019		10,000	-	-	10,000	470,000	470,000	0.20%
RAOHA (State S.A.G.)		Fixed rate of 1.00%							

Total

10,000

470,000

470,000

6.2.1 The carrying value of these sukuk certificates is Rs 1,000 each.

6.3 Commercial Papers

Name of the security	Maturity date	Fixed rate	As at July 1, 2019	Purchased during the quarter	Date / Redemption maturity during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized loss/gain as at September 30, 2019	As a percentage of net assets of the Fund	As a percentage of total market value of Investment

Al-Dar Al-Haditha (P.L.C.)	September 1, 2019	Discounted rate rate of 0.0%	1,000	-	1,000	-	-	-	-	-	-
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Al-Dar Al-Haditha (P.L.C.)	April 10, 2020	Discounted rate rate of 0.0%	-	1,000	-	1,000	1,000.00	1,000.00	-	0.10%	0.10%
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Total as September 30, 2019

1,000.00

1,000.00

7. CONTINGENCIES AND COMMITMENTS

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



8. PAYABLE TO ALMEEZAN MANAGEMENT LIMITED - MANAGEMENT COMPANY

During the period, the management company has reduced charging of the management fee from 1% to 0.6% of annual average net assets of the fund. The reduction of management fee is effective from July 22, 2019.

	Note	September 30, 2019 (Unaudited)	June 30, 2018 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable	9.1	474	305
Printing expenses payable		111	111
Brokerage payable		65	65
Shariah advisor fee payable		337	472
Withholding tax payable		5,154	44,483
Federal Excise Duty payable on remuneration of the Management Company	9.2	27,018	27,018
Provision for Sindh Workers' Welfare Fund (SWWF)		36,965	30,896
Zakat payable		352	548
		71,428	103,948

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 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 CIsa 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 CIsa / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CIsa/ 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, 2018).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re 0.18 (June 30, 2019: Re 0.18).

9.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 18 percent on the remuneration of the Management Company and sales load was adopted 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. 0.3184 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, 2018 mutual funds have been excluded from levy of FED vide Finance Act, 2018, hence no provision for FED has been recognized in the financial statements of the Fund since July 1, 2018.

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, 2018, aggregating to Rs 24.69 million (June 30, 2018: Rs 24.69 million). Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.10 (June 30, 2018: Re 0.13) per unit.

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

During the period, Trustee has revised its tariff as follows:

Net Assets (Rs.)	Existing Tariff		Revised Tariff (Flat Rate)
		Fee	
Up to Rs 1 billion		0.05% per annum of net assets, whichever is higher	0.05% p.a. of Net Assets
From Rs 1 billion to Rs 10 billion		Rs 1.5 million plus 0.01% per annum of net assets exceeding Rs 1 billion	
Exceeding Rs 10 billion		Rs 2.25 million plus 0.01% per annum of net assets exceeding Rs 10 billion	

Accordingly Fund has charged Trustee Fee @ 0.050% p.a. of Net Assets during the quarter.

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

SECP vide S.R.O. No. 885/J2019 dated June 28, 2019, revised rate of annual fee to 0.02% of net assets applicable on all categories of Collective Investment Schemes and effective from July 1, 2019. Accordingly Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

12. ALLOCATED EXPENSES

Until June 18, 2019 in accordance with Regulation 80 of the SEPC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lower than actual expenses.

13. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2019 is 1.58 % which include 0.34 % representing government levy, Sindh Workers' Welfare Fund and SECP fee.

14. SELLING AND MARKETING EXPENSES

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The 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 to the Fund during the quarter at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees' Gratuity Fund and 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 SEPC Regulations and the Trust Deed respectively.

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



	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
All Meezan Investment Management Limited - Management Company		
Remuneration payable	8,244	9,192
Sindh Sales Tax payable on management fee	692	1,795
Selling and Marketing Payable	8,821	-
Allocated expenses payable	1,328	919
Meezan Bank Limited		
Balance with bank	58,713	131,289
Profit receivable on saving accounts	728	175
Term deposit receipt	1,000,000	-
Profit receivable on Term deposit receipt	10,728	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	873	738
Sindh Sales Tax on trustee fee payable	74	98
Security deposit	158	158
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan Investment of nil units (June 30, 2019: 898,802 units)		
	-	45,368
Meezan Financial Planning Fund of Funds- Conservative Allocation Plan Investment of nil units (June 30, 2019: 1,828,815 units)		
	-	82,211
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan Investment of nil units (June 30, 2019: 1,000,001 units)		
	-	93,473
Meezan Financial Planning Fund of Funds - MSAP - I Investment of 3,714,268 units (June 30, 2019: 8,448 units)		
	192,804	428
Meezan Strategic Allocation Fund - MSAP - II Investment of nil units (June 30, 2019: 1,818 units)		
	-	82
Meezan Strategic Allocation Fund - MSAP - III Investment of nil units (June 30, 2019: 118,480 units)		
	-	8,878
Meezan Strategic Allocation Fund - MSAP - IV Investment of nil units (June 30, 2019: 198,203 units)		
	-	7,985
Meezan Strategic Allocation Fund - MSAP - V Investment of nil units (June 30, 2019: 788,814 units)		
	-	39,703
Meezan Strategic Asset Allocation Fund - MCPP - III Investment of 18,148,823 units (June 30, 2019: nil units)		
	837,354	-
Meezan Strategic Allocation Fund II- MCPP - V Investment of 48 units (June 30, 2019: nil units)		
	2	-
Meezan Strategic Allocation Fund II- MCPP - VI Investment of 42 units (June 30, 2019: nil units)		
	2	-
Meezan Strategic Allocation Fund III- MCPP - IX Investment of nil units (June 30, 2019: 84,827units)		
	-	3,282
Directors and Executives of the Management Company		
Investment of 484,802 units (June 30, 2019: 485,288 units)	25,881	24,484

	For the quarter ended	
	September 30,	
	2019	2018
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	19,062	25,360
Sindh Sales Tax on management fee	2,481	3,298
Allocated expenses	3,828	2,538
Selling and Marketing	8,921	-
Units issued: 16 units (September 30, 2018: 992 units)	1	81
Units redeemed: 16 units (September 30, 2018: nil units)	1	-
Meezan Bank Limited		
Profit on saving accounts	1,868	704
Term deposit receipt placed	1,000,000	-
Profit on Term deposit receipt	10,728	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	1,794	2,088
Sindh Sales Tax on trustee fee for the period	233	272
CDS charges	1	2
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: Nil units (September 30, 2018: 24,821 units)	-	1,260
Units redeemed: 898,802 units (September 30, 2018: 13,988 units)	45,834	888
Dividend Paid	-	2,374
Refund of Capital	-	387
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: Nil units (September 30, 2018: 88,960 units)	-	3,563
Units redeemed: 1,828,818 units (September 30, 2018: 162,832 units)	83,634	8,288
Dividend Paid	-	3,327
Refund of Capital	-	410
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units redeemed: 1,000,001 units (September 30, 2018: 227,304 units)	50,914	11,000
Dividend Paid	-	2,788
Refund of Capital	-	451
Meezan Financial Planning Fund of Funds - MSAP - I		
Units issued: 3,820,826 units (September 30, 2018: Nil units)	196,312	-
Units redeemed: 114,716 units (September 30, 2018: 40,088 units)	5,900	2,540
Dividend Paid	-	800
Refund of Capital	-	268
Meezan Financial Planning Fund of Funds - MSAP - IV		
Units issued: Nil units (September 30, 2018: 7,327,674 units)	-	370,000
Units redeemed: Nil units (September 30, 2018: 8,931,058 units)	-	421,491
Dividend Paid	-	1,833
Refund of Capital	-	201
Meezan Strategic Allocation Fund - MSAP - I		
Units redeemed: Nil units (September 30, 2018: 313,127 units)	-	18,878
Dividend Paid	-	7,743
Refund of Capital	-	136
Meezan Strategic Allocation Fund - MSAP - II		
Units redeemed: 1,818 units (September 30, 2018: 280,942 units)	83	14,740
Dividend Paid	-	3,900
Meezan Strategic Allocation Fund - MSAP - III		
Units redeemed: 116,400 units (September 30, 2018: 310,242 units)	8,828	18,740
Dividend Paid	-	8,328
Refund of Capital	-	30
Meezan Strategic Allocation Fund - MSAP - IV		
Units redeemed: 158,203 units (September 30, 2018: 879,898 units)	233,800	44,810
Dividend Paid	-	18,878
Refund of Capital	-	188



For the quarter ended
September 30,

	2019 (Unaudited)	2018 (Unaudited)
(Rupees in '000)		
Meezan Strategic Allocation Fund - MSAP - Y		
Units redeemed: 788,814 units (September 30, 2018: 67,834 units)	40,274	3,400
Dividend Paid	-	3,312
Refund of Capital	-	1,332
Meezan Strategic Asset Allocation Fund - MCAP-II		
Units issued: 37,708,480 units (September 30, 2018: 2,882,078 units)	1,920,798	149,100
Units redeemed: 21,888,887 units (September 30, 2018: 11,722,848 units)	1,182,951	189,142
Dividend Paid	-	18,280
Refund of Capital	-	22,878
Meezan Strategic Allocation Fund II- MCAP - IV		
Units issued: 25,324,888 units (September 30, 2018: 12,049,883 units)	1,291,258	812,841
Units redeemed: 25,324,888 units (September 30, 2018: 9,277,045 units)	1,298,287	471,888
Dividend Paid	-	28,478
Refund of Capital	-	112,882
Meezan Strategic Allocation Fund II- MCAP - V		
Units issued: 7,388,888 units (September 30, 2018: 5,888,122 units)	372,888	281,888
Units redeemed: 7,388,888 units (September 30, 2018: 2,888,888 units)	378,714	148,720
Dividend Paid	-	1,380
Refund of Capital	-	18,473
Meezan Strategic Allocation Fund II- MCAP - VI		
Units issued: 8,888,387 units (September 30, 2018: 13,134,888 units)	288,287	888,888
Units redeemed: 8,888,328 units (September 30, 2018: 1,888,887)	288,888	77,887
Meezan Strategic Allocation Fund II- MCAP - VII		
Units issued: 3,888,817 units (September 30, 2018: Nil units)	184,788	-
Units redeemed: 3,888,817 units (September 30, 2018: Nil units)	188,837	-
Meezan Strategic Allocation Fund II- MCAP - VIII		
Units issued: 4,124,842 units (September 30, 2018: Nil units)	208,883	-
Units redeemed: 4,124,838 units (September 30, 2018: Nil units)	208,717	-
Meezan Strategic Allocation Fund II- MCAP - IX		
Units issued: 1,474,888 units (September 30, 2018: Nil units)	74,788	-
Units redeemed: 1,838,822 units (September 30, 2018: Nil units)	78,288	-
Directors and Executives of the Management Company		
Units issued: 288,842 units (September 30, 2018: 213,824 units)	13,788	10,822
Units redeemed: 288,828 units (September 30, 2018: 184,888 units)	13,288	8,244
Dividend Paid	-	111
Refund of Capital	-	188

16. TAXATION

The Fund's income is exempt from income tax as per clause (88) 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 realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 83 of the NSPC 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 realized or unrealized) 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.

17. FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

As at September 30, 2019, the Fund held the following financial instruments measured at fair values:

	As at September 30, 2019			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Corporate sukuk	-	675,000	-	675,000
Commercial papers	-	1,298,361	-	1,298,361
Term deposit receipts	-	2,020,000	-	2,020,000
- having original maturity of 3 months or less	-	3,953,361	-	3,953,361
	As at June 30, 2019			
ASSETS	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Corporate sukuk *	-	675,000	-	675,000
Commercial papers	-	1,671,369	-	1,671,369
Term deposit receipts*	-	3,660,000	-	3,660,000
- having original maturity of 3 months or less	-	1,274,710	-	1,274,710
Bal Muajjal receivable	-	1,274,710	-	1,274,710
	-	6,270,889	-	6,270,889

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



18. GENERAL

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

19. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on October 10, 2019 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan

Financial Planning
Fund of Funds

MEEZAN FINANCIAL PLANNING FUND OF FUNDS (MFPF)

Meezan Financial Planning Fund of Funds invests in Shariah compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the investor and in doing so, it strives to generate returns on investment aligned with respective allocation plans.



REDEFINING INVESTMENT IN THE CITY OF LIGHTS

● EMPRESS MARKET
(KARACHI)



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almezanigroup.com
E-mail: info@almezanigroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoah, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Naeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fudda	Chairman
Mr. Arifol Islam	Member
Mr. Naeem Abdul Samar	Member
Mr. Mohammad Shoah, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Bank Islam Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Mezan Bank Limited

LEGAL ADVISER

Burveney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 35154191-94 Fax: (9221) 35154185
E-mail:

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-21, Ertaza Avenue, SITE, Karachi.
Phone: 35155538 Fax: 35436817
Website: www.mezanbank.com

DISTRIBUTORS

Al Mezan Investment Management Limited
Mezan Bank Limited



MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

September 30, 2019

		(In Rupees)				
		Aggressive	Moderate	Conservative	SAP-1	Total
Assets		(Rupees in '000)				
Balances with banks	5	3,409	3,800	3,824	23,239	34,272
Investments	6	543,113	141,260	182,028	472,639	1,339,040
Receivable against conversion of units		1	-	86	-	87
Receivable against sale of investments		6,019	3,667	3,643	6,379	19,608
Profit receivable on saving accounts with banks		34	38	34	146	146
Total assets		<u>593,606</u>	<u>147,705</u>	<u>187,575</u>	<u>502,393</u>	<u>1,331,289</u>
Liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		44	14	19	60	137
Payable to Central Depository Company of Pakistan Limited - Trustee	7	26	0	20	22	78
Payable to Meezan Bank Limited		1	-	1	-	2
Payable to Securities and Exchange Commission of Pakistan	8	18	8	18	26	60
Payable on redemption and conversion of units		218	2,366	228	1,482	4,294
Payable against purchase of investments		6,019	3,667	3,643	5,991	19,320
Accrued expenses and other liabilities	10	4,201	3,889	1,941	11,014	21,045
Total liabilities		<u>10,927</u>	<u>6,338</u>	<u>5,642</u>	<u>17,565</u>	<u>40,272</u>
Net assets		<u>582,679</u>	<u>141,367</u>	<u>181,933</u>	<u>484,828</u>	<u>1,291,017</u>
Contingencies and commitments		0				
Unitholders' fund (as per statement attached)		<u>341,008</u>	<u>138,426</u>	<u>183,613</u>	<u>484,789</u>	<u>1,147,836</u>
		(Number of units)				
Number of units in issue		<u>6,113,316</u>	<u>3,610,390</u>	<u>3,346,648</u>	<u>10,662,348</u>	
		(Rupees)				
Net assets value per unit		<u>55.7804</u>	<u>53.0126</u>	<u>54.6648</u>	<u>45.4673</u>	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

		As at June 30, 2019				As at July 24, 2019		
		(Audited)						
		Aggregate	Mutual	Conservative	MAAP-I	Total	MAAP-IV	
		(Rupees in '000)						
Assets								
Note								
	Balances with banks	5	5,755	4,360	4,851	725	15,717	4,045
	Investments	5	354,155	202,256	219,350	503,752	1,382,575	-
	Receivable against conversion of units		5	-	55	-	52	-
	Receivable against sale of investments		-	-	-	-	-	473,018
	Profit receivable on saving accounts with banks		29	34	17	4	54	198
	Total assets		369,949	206,696	224,264	504,481	1,405,438	477,259
Liabilities								
	Payable to Al Meezan Investment Management Limited - Management Company		50	25	21	52	158	111
	Payable to Central Depository Company of Pakistan Limited - Trustee	7	38	19	27	44	127	33
	Payable to Meezan Bank Limited		1	-	-	-	1	-
	Payable to Securities and Exchange Commission of Pakistan	8	440	232	237	701	1,510	530
	Payable on redemption and conversion of units		152	335	314	-	544	-
	Accrued expenses and other liabilities	10	4,152	3,045	1,517	10,574	20,098	5,438
	Total liabilities		4,833	3,656	2,519	11,771	22,839	6,213
	NET ASSETS		365,116	203,040	221,745	492,710	1,382,609	471,047
	UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		365,116	203,039	221,779	492,710	1,382,599	471,047
	CONTRAGENCIES AND COMMITMENTS	9						
		(Number of units)						
	NUMBER OF UNITS IN ISSUE		8,273,536	3,752,017	4,051,539	12,414,152		10,199,530
		(Rupees)						
	NET ASSET VALUE PER UNIT		55.1524	53.8707	54.5004	47.7447		46.1815

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

September 30, 2019

	Aggressive	Moderate	Conservative	MAAF-I	Total
Note	(Rupees in '000)				
Income					
Net realized gain / (loss) on sale of investments	91	(328)	267	(14,811)	(14,771)
Profit on saving accounts with banks	93	89	84	213	469
	<u>183</u>	<u>(240)</u>	<u>351</u>	<u>(14,598)</u>	<u>(14,305)</u>
Net unrealized (diminution) / appreciation on re-measurement of investments at fair value through profit or loss	5.1 (15,544)	(2,928)	391	(14,112)	(31,883)
Total (loss) / income	(14,981)	(3,168)	692	(28,719)	(48,188)
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company	12	10	9	22	53
Sindh Sales Tax on remuneration of management Company	2	1	1	3	7
Associated expenses	12	28	49	128	300
Remuneration to Central Depository Company of Pakistan Limited - Trustee	59	37	34	99	210
Sindh Sales Tax on remuneration of the trustee	8	3	4	12	27
Annual fee to Securities and Exchange Commission of Pakistan	17	8	10	29	61
Auditors remuneration	48	29	29	95	191
Fees and subscription	29	13	16	48	99
Bank and settlement charges	1	-	-	-	1
Provision for Sindh Welfare Welfare Fund	-	-	10	-	10
Total expenses	206	129	159	398	692
Net (loss) / income for the quarter before taxation	(15,217)	(3,288)	493	(29,101)	(47,113)
Taxation	14	-	-	-	-
Net (loss) / income for the quarter after taxation	(15,217)	(3,288)	493	(29,101)	(47,113)
Allocation of net income for the quarter					
Net income for the period after taxation	-	-	493	-	493
Income already paid on units redeemed	-	-	(437)	-	(437)
	<u>-</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>56</u>
Accounting income available for distribution					
- Relating to capital gains	-	-	56	-	56
- Excluding capital gains	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>56</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**SEERAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

Note	September 30, 2019				From July 01, 2019 to July 09, 2019	
	Aggressive	Moderate	Conservative	MMF(1)	Total	MMF(2)
(Figures in '000)						
Income						
Dividend income	4,826	5,576	7,346	5,468	23,216	3,588
Bank and loan income	-	-	-	83	83	167
Profit on selling accounts with banks	26	33	43	12	127	162
Net realized loss on sale of investments	(377)	(1,707)	(474)	(831)	(3,389)	(11,515)
	<u>4,291</u>	<u>3,902</u>	<u>7,315</u>	<u>4,752</u>	<u>20,417</u>	<u>(7,827)</u>
Net unrealized diminution on re-measurement of investments at fair value through profit or loss	0.1	(15,828)	(8,856)	(8,816)	(32,459)	-
Total (loss) / income	(9,337)	(2,793)	998	(17,790)	(28,888)	(7,827)
Expenses						
Remuneration of Al Seeran Investment Management Limited - Management Company	24	11	20	12	68	68
Sinhalese Tax on remuneration of the Management Company	3	1	3	2	9	9
Allocated Expenses	108	88	76	207	471	32
Remuneration of Central Depository Company of Pakistan Limited - Trustee	110	80	82	191	413	27
Sinhalese Tax on remuneration of the Trustee	14	8	8	24	54	4
Annual Return to the Securities and Exchange Commission of Pakistan	119	85	87	197	448	30
Auditors' remuneration	48	24	28	74	188	9
Fees and subscription	24	13	18	40	91	4
Bank and settlement charges	4	3	3	2	11	-
Printing charges	17	10	9	27	63	3
Provision for Sinhalese Welfare Fund	-	-	14	-	14	-
Total expenses	497	302	324	700	1,319	127
Net (loss) / income for the quarter / period before taxation	(9,834)	(3,095)	702	(18,525)	(30,207)	(7,954)
Taxation	0	-	-	-	-	-
Net (loss) / income for the quarter after taxation	(9,834)	(3,095)	702	(18,525)	(30,207)	(7,954)
Allocation of net income for the quarter						
Net (loss) / income for the quarter after taxation	-	-	702	-	702	-
Income credit, paid or units redeemed	-	-	(88)	-	(88)	-
	<u>-</u>	<u>-</u>	<u>614</u>	<u>-</u>	<u>614</u>	<u>-</u>
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding income gains	-	-	614	-	614	-

The expense ratio is 1.17% for an average net of these expenses. Refer finance statements.

For Al Seeran Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

September 30, 2019

	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net (loss) / income for the period after taxation	(14,217)	(1,288)	493	(20,180)	(47,112)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	(14,217)	(1,288)	493	(20,180)	(47,112)

September 30, 2019

From
July 31, to
July 31,
2019

	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
	(Rupees in '000)					
Net loss for the period after taxation	(9,824)	(3,818)	702	(18,825)	(20,865)	(7,214)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	(9,824)	(3,818)	702	(18,825)	(20,865)	(7,214)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For All Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30, 2019				
	Aggressive	Moderate	Conservative	WAAP-I	Total
	(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) / income for the quarter before taxation	(16,217)	(3,288)	483	(29,161)	(47,113)
Adjustments for					
Net unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss	15,144	2,928	(301)	14,112	31,883
	(73)	(366)	162	(14,989)	(16,330)
(Increase) / decrease in assets					
Investments - net	5,309	58,320	30,733	117,801	212,163
Receivable against investments - net	(6,018)	(3,697)	(3,643)	(6,379)	(19,689)
Profit receivable on saving accounts with banks	(5)	(4)	(7)	(142)	(158)
	(115)	54,659	33,083	110,489	198,116
(Decrease) / increase in liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	(16)	(14)	(8)	8	(34)
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(9)	(7)	(22)	(50)
Payable to Meezan Bank Limited	-	-	1	-	1
Payable to Securities and Exchange Commission of Pakistan	(428)	(224)	(227)	(678)	(1,559)
Payable against purchase of investments (net)	6,018	3,697	3,643	6,801	18,320
Accrued expenses and other liabilities	39	29	24	48	123
	5,009	3,432	3,432	4,392	16,822
Net cash generated from operating activities	5,418	57,731	36,767	99,892	199,798
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance and conversion of units	10,093	4,996	9,673	-	24,762
Payments against redemption and conversion of units	(18,867)	(54,293)	(48,417)	(77,338)	(258,915)
Net cash used in financing activities	(8,774)	(59,297)	(38,744)	(77,338)	(184,153)
Net (decrease) / increase in cash and cash equivalents during the quarter	(3,356)	(1,566)	(2,007)	22,554	(16,865)
Cash and cash equivalents at beginning of the quarter	5,765	4,366	4,861	725	15,717
Cash and cash equivalents at end of the quarter	2,409	2,800	2,854	23,239	31,272

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

Note	September 30, 2019					From July 01, 2019 to July 01, 2019
	Aggregate	Mutualists	Conventional	MAAF-I	Total	MAAF-IV
	(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (loss) / income for the quarter / period before taxation	(5,824)	(3,018)	762	(18,428)	(24,488)	(7,814)
Adjustments for:						
Net unrealized distribution on re-measurement of investments for fair value through profit or loss	4	13,020	8,668	8,019	32,408	49,272
	13,020	8,668	8,019	32,408	49,272	-
(Increase) / decrease in assets						
Investments - net	(1,742)	44,132	1,028	(2,698)	40,619	810,148
Receivable against investments - net	(7,000)	-	-	-	(7,000)	(485,815)
Profit accrued on balances with banks	(11)	(1)	(2)	-	(17)	(147)
	(8,753)	44,131	1,026	(2,702)	32,702	41,986
(Increase) / decrease in liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	64	(28)	(12)	(1)	23	68
Payable to Central Depository Company of Pakistan Limited - Trustee	1	(4)	-	-	(3)	(100)
Payable to Meezan Bank Limited	(1)	(12)	-	-	(18)	-
Payable to Securities and Exchange Commission of Pakistan	(249)	(289)	(249)	(888)	(1,695)	50
Accrued expenses and other liabilities	44	58	43	63	213	(32)
	(221)	(245)	(218)	(922)	(1,349)	24
Net cash (used in) / generated from operating activities	(6,280)	41,022	8,028	768	41,348	24,221
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	58,078	4,450	32,301	-	75,708	-
Payments against redemption and conversion of units	(50,023)	(21,177)	(48,162)	(2,094)	(122,457)	(23,109)
Net cash generated from / (used in) financing activities	8,055	(16,727)	(15,862)	(2,094)	(68,749)	(23,109)
Net increase / (decrease) in cash and cash equivalents during the quarter / period	1,725	245	(6,839)	(1,326)	(7,696)	1,112
Cash and cash equivalents at beginning of the quarter / period	3,899	3,988	8,841	8,204	21,909	3,892
Cash and cash equivalents at end of the quarter / period	5,624	4,233	2,002	6,878	14,213	4,994

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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 Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on July 27, 2013 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, Shama-ul-Faisal, Karachi, 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for Meezan Asset Allocation Plan-I (MAAP-I) in which the offer of units is discontinued after the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of 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 has been assigned a rating of AAM by VRS dated December 28, 2018 (2018: AAM dated December 28, 2017) and by PACRA dated June 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub-Funds) namely Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and Meezan Asset Allocation Plan - I by investing in Shariah compliant income, money market and equity mutual Funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP. A brief description of the plans are as follows:

Aggressive Allocation Plan (Aggressive)	High risk - Long term investor This plan invests at least 65 percent of its net assets in Shariah Compliant Equity Funds and at least 35 percent in Shariah Compliant Fixed Income Funds.
Moderate Allocation Plan (Moderate)	Moderate risk - Medium and long term investor This plan invests at least 45 percent of its net assets in Shariah Compliant Equity Funds and at least 45 percent in Shariah Compliant Fixed Income Funds.
Conservative Allocation Plan (Conservative)	Low risk - Medium and short term investor This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds and at least 70 percent in Shariah Compliant Fixed Income Funds.
Meezan Asset Allocation Plan I (MAAP-I)	Low risk - High return through asset allocation The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

During the prior period, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan has a new maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017).

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

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, The directors of the Management Company declare that these condensed interim financial statements give the true and fair view of the state of affairs of the Fund as at September 30, 2019.

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

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.
- 4.2 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2019.

5 BALANCES WITH BANKS

	Note	As at September 30, 2019				
		Aggregate	Islamic	Conservative	SHARF	Total
		(Rupees in '000)				
Savings accounts	5.1	1,880	2,798	1,814	10,228	16,720
Current accounts		427	10	10	10	457
		<u>2,307</u>	<u>2,808</u>	<u>1,824</u>	<u>10,238</u>	<u>17,177</u>

	Note	As at June 30, 2019				As at July 31, 2019
		Aggregate	Islamic	Conservative	SHARF	Total
		(Rupees in '000)				
Savings accounts	5.1	1,338	4,358	4,261	712	10,669
Current accounts		427	10	10	10	457
		<u>1,765</u>	<u>4,368</u>	<u>4,271</u>	<u>722</u>	<u>11,126</u>

- 5.1 The balance in savings accounts have an expected profit ranging from 2.80% to 12.78% (June 30, 2019: 3.32% to 12.90%) per annum.

6 INVESTMENTS

		September 30, 2019				
		Aggregate	Business	Conservative	SSAFI	Total
		(Rupees in 100)				
Investments - at fair value through profit or loss - held for trading	\$1	340,112	141,288	180,208	470,692	1,132,300

		June 30, 2019					As at July 31, 2018
		Aggregate	Business	Conservative	SSAFI	Total	SSAFI
		(Rupees in 100)					
Investments - at fair value through profit or loss - held for trading	\$1	487,122	222,128	282,821	674,628	1,666,500	-

6.1 At fair value through profit or loss - Held for Trading - Units of mutual funds

Name of Investment	As at July 31, 2019	Purchases during the quarter	Sale during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized appreciation or depreciation as at September 30, 2019	Percentage within	
								As a % of the carrying value of investments	Total market value of investments
Aggregate Allocation Plan									
Investment Income Fund	3,723,404	124,128	123,748	3,723,784	374,428	371,324	(17,120)	10.00	10.00
Investment Income Fund	263,214	274,288	124,262	413,240	35,727	35,719	(8)	10.00	10.00
Investment Cash Fund	68,642	-	68,642	-	-	-	-	-	-
					38,226	38,112	(11,048)	10.00	10.00
Business Allocation Plan									
Investment Income Fund	2,712,214	21,221	22,124	2,711,311	71,222	71,222	(4,001)	10.00	10.00
Investment Income Fund	271,222	124,288	271,212	1,235,222	22,222	22,222	(1,000)	10.00	10.00
Investment Cash Fund	22,222	-	22,222	-	-	-	-	-	-
					93,444	93,444	(3,001)	10.00	10.00
Conservative Allocation Plan									
Investment Income Fund	1,242,222	21,221	21,222	1,242,221	42,222	42,222	(2,000)	10.00	10.00
Investment Income Fund	1,242,222	1,235,222	22,222	2,495,222	124,222	124,222	(1,000)	10.00	10.00
Investment Cash Fund	1,235,222	-	1,235,222	-	-	-	-	-	-
					166,444	166,444	(3,000)	10.00	10.00
Special Asset Allocation Plan I									
A - Investment Income Fund	22,222	-	-	22,222	22	22	(2)	10.00	10.00
Investment Income Fund	171,222	-	142,222	27,000	1,222	1,222	(8)	10.00	10.00
Investment Income Fund	-	2,722,222	2,722,222	-	-	-	-	-	-
Investment Cash Fund	2,222	2,222,222	2,222,222	2,222,222	122,222	122,222	(1,000)	10.00	10.00
Investment Income Fund	2,722,222	1,222,222	2,722,222	1,222,222	2,222	2,222	(2)	10.00	10.00
Investment Cash Fund	1,222,222	-	422,222	800,000	22,222	22,222	(1,000)	10.00	10.00
					44,444	44,444	(1,000)	10.00	10.00
Total investments in units of mutual funds									
A - Investment Income Fund	22,222	-	-	22,222	22	22	(2)	10.00	10.00
Investment Income Fund	2,422,222	224,221	1,222,222	1,222,222	122,222	122,222	(1,000)	10.00	10.00
Investment Income Fund	2,422,222	2,722,222	4,222,222	2,422,222	22,222	22,222	(1,000)	10.00	10.00
Investment Cash Fund	2,222,222	2,222,222	2,222,222	2,222,222	122,222	122,222	(1,000)	10.00	10.00
Investment Income Fund	2,722,222	1,222,222	2,722,222	1,222,222	2,222	2,222	(2)	10.00	10.00
Investment Cash Fund	1,222,222	-	422,222	800,000	22,222	22,222	(1,000)	10.00	10.00
					1,222,222	1,222,222	(1,000)	10.00	10.00

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

During the quarter, Trustee has revised its tariff as follows:

Existing Tariff		Revised Tariff
Net Assets (Rs.)	Fee	0.070% per annum of Net Assets
Up to 1 Billion	0.10% of Net Assets	
Above 1 Billion	Rs. 1 million plus 0.075% per annum of Net Assets exceeding Rs. 1 Billion	

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

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

SECP vide S.R.O. No. 685/1/2019 dated June 26, 2019, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effective from July 1, 2019. Accordingly Fund has charged SECP Fee @ 0.02% of net assets during the quarter.



9 CONTINGENCIES AND COMMITMENTS

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	As at September 30, 2019					Total
	Aggressive	Moderate	Conservative	MAAF-I		
	(Rupees in '000)					
Withholding tax expense	103	469	12	469		1,093
Provision for Sindh Workers' Welfare Fund	127	1,288	1,214	1,214	6,888	12,731
Provision for Federal Excise Duty and related Sindh Sales Tax on asset sale and management fee	112	44	227	224	1,271	4,884
Sindh worker fee expense	24	50	31	31	31	136
Auditor remuneration expense	142	71	77	77	220	817
Pending charges payable	59	62	58	58	150	587
	<u>4,267</u>	<u>3,885</u>	<u>1,607</u>	<u>1,607</u>	<u>11,974</u>	<u>30,092</u>

Note	As at June 30, 2019					As at July 24, 2018
	Aggressive	Moderate	Conservative	MAAF-I	Total	MAAF-I
	(Rupees in '000)					
Withholding tax expense	114	469	14	469	665	9
Provision for Sindh Workers' Welfare Fund	120	1,273	1,214	1,214	12,288	2,027
Provision for Federal Excise Duty and related Sindh Sales Tax on asset sale	44	67	64	67	455	1,697
Sindh worker fee expense	7	21	22	22	147	27
Auditor remuneration expense	25	22	27	27	240	22
Pending charges payable	21	22	22	22	142	24
	<u>1,130</u>	<u>2,074</u>	<u>1,559</u>	<u>1,559</u>	<u>20,036</u>	<u>2,009</u>

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2013 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. 0.80 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CIBs whereby it was contended that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments out-vires 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 Financial) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CIBs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CIBs/mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2013).

Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs 0.05/0.09%, 0.73/-1.35%, 0.27/0.67%, and 0.65/-1.42% for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, and MAAF-I respectively (June 30, 2019 by Rs 0.84/0.63%, 0.81/0.64%, 0.30/0.65% and 0.65/-1.16% for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAF-I respectively).

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

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

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2006 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.44 million, Rs 0.54 million, Rs 0.56 million and Rs 3.21 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAF-I has been retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision of FED not been made, the Net Asset Value (NAV) of the Fund as at September 30, 2019 would have been higher by Rs 0.07, Rs 0.21, Rs 0.17, Rs 0.24, per unit (June 30, 2019: Rs 0.07, Rs 0.14, Rs 0.14, and Rs 0.27 per unit) for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, and MAAF-I respectively.

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 11.1 Connected persons include *Al Mizan Investment Management Limited* being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its DPs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 11.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 11.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the SEPC Regulations, 2006 and the Trust Deed.
- 11.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 11.5 Detail of transactions with connected persons and balances with them are as follows:

	September 30, 2019				
	Al Mizan	Miranda	Collective	SECFI	Total
Al Mizan Investment Management Limited - Management Company					
Service fees (Rs in '000)	4	3	3	10	20
Sales load fee on management fee payable (Rs in '000)	1	-	-	3	4
Sales load payable (Rs in '000)	1	-	-	-	1
Service fees payable (Rs in '000)	2	-	-	-	2
Investment expenses payable (Rs in '000)	28	12	18	30	88
Investment income (Rs in '000)	-	-	1,000	-	1,000
Investment units	-	-	10,000	-	10,000
Miranda Bank Limited					
Bank balance (Rs in '000)	1,475	1,475	1,627	28,000	33,577
Payable balance (Rs in '000)	2	2	2	198	204
Sales load payable (Rs in '000)	7	7	7	-	21
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee payable (Rs in '000)	22	7	18	17	64
Sales load fee on trustee fee payable (Rs in '000)	4	3	3	5	15
Directors and Executive of the Management Company					
Investment income (Rs in '000)	54	-	198	-	252
Investment units	1,000	-	10,000	-	11,000
Miranda Islamic Fund					
Investment income (Rs in '000)	207,224	70,222	42,722	1,228	321,406
Investment units	1,740,000	1,300,000	1,000,000	2,000	4,042,000
Miranda Savings Fund					
Investment income (Rs in '000)	-	-	-	60,607	60,607
Investment units	-	-	-	1,740,000	1,740,000
Al Mizan Mutual Fund					
Investment income (Rs in '000)	-	-	-	50	50
Investment units	-	-	-	28,000	28,000
Miranda Cash Fund					
Investment income (Rs in '000)	1	1	1	101,824	103,827
Investment units	-	-	-	1,000,000	1,000,000
Miranda Islamic Income Fund					
Investment income (Rs in '000)	60,776	70,222	107,100	-	338,100
Investment units	1,000,000	1,300,000	1,000,000	-	3,300,000
Miranda Globalized Equity Fund					
Investment income (Rs in '000)	-	-	-	20,610	20,610
Investment units	-	-	-	1,740,000	1,740,000
Unit Holders holding 10% or more units of the Fund					
Investment income (Rs in '000)	171,201	-	47,204	284,200	482,605
Investment units	1,740,000	-	97,000	10,000,000	12,737,000



	June 30, 2019				As at July 31, 2019	
	Aggressive	Balanced	Conservative	ISAF F I	Total	ISAF F I
Al Meezan Investment Management Limited - Management Company						
Reimbursement payable (Rs in '000)	1	1	1	1	4	4
Staff Service Fee Management Fee payable (Rs in '000)	1	-	-	-	1	1
Sales and payable (Rs in '000)	19	2	1	-	22	-
Staff Service Fee payable (Rs in '000)	1	1	-	-	2	-
Accrued expenses payable (Rs in '000)	11	11	11	11	44	44
Investment Units	-	-	1,307	-	1,307	-
	1	1	1,321	-	1,323	-
Meezan Bank Limited						
Bank balance (Rs in '000)	2,200	4,140	4,800	373	11,513	4,240
Profit receivable (Rs in '000)	19	1	1	1	22	19
Sales and payable (Rs in '000)	1	-	-	-	1	-
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs in '000)	19	19	24	19	71	24
Staff Service Fee on trustee fee payable (Rs in '000)	1	1	1	1	4	1
Directors and Executive of the Management Company						
Investment Units (Rs in '000)	128	-	1,820	-	1,948	1
Investment Units	1,819	1	20,897	-	22,717	-
Meezan Islamic Fund						
Investment Units (Rs in '000)	275,000	137,400	22,075	4,214	438,700	1
Investment Units	2,742,404	2,118,214	1,448,227	11,214	6,320,059	-
Meezan Coverage Fund						
Investment Units (Rs in '000)	-	-	-	144,075	144,075	-
Investment Units	-	-	-	1,712,282	1,712,282	-
Al Meezan Mutual Fund						
Investment Units (Rs in '000)	-	-	-	27	27	-
Investment Units	1	1	1	22,97	24,97	1
Meezan Cash Fund						
Investment Units (Rs in '000)	41,538	21,491	82,140	408	145,578	1
Investment Units	589,814	697,667	1,000,910	9,444	2,297,835	-
Meezan Islamic Income Fund						
Investment Units (Rs in '000)	41,538	21,491	82,140	-	145,169	1
Investment Units	589,814	697,667	1,000,910	-	2,287,441	-
Meezan Declared Dividend Fund						
Investment Units (Rs in '000)	-	-	-	402,028	402,028	-
Investment Units	-	-	-	1,708,142	1,708,142	-
Units holders holding 10% or more units of the Fund						
Investment Units (Rs in '000)	146,820	46,214	47,120	274,000	464,154	124,410
Investment Units	1,137,104	977,447	875,550	1,008,948	3,999,049	4,108,307

For the quarter ended September 30, 2019

	Aggressive	Balanced	Conservative	ISAF F I	Total
Al Meezan Investment Management Limited - Management Company					
Reimbursement for the quarter (Rs in '000)	10	10	8	20	48
Staff Service Fee on management fee (Rs in '000)	1	1	1	1	4
Accrued expense (Rs in '000)	10	10	4	10	34
Meezan Bank Limited					
Profit on saving account (Rs in '000)	37	17	80	20	154
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee for the quarter (Rs in '000)	19	17	24	19	79
Staff Service Fee on trustee fee (Rs in '000)	1	1	1	1	4
Directors and Executive of the Management Company					
Amount invested during the quarter (Rs in '000)	1,800	-	2,004	-	3,804
Units issued during the quarter	18,178	-	11,014	-	29,192
Amount redeemed during the quarter (Rs in '000)	1,800	-	4,014	-	5,814
Units redeemed during the quarter	18,178	-	41,027	-	59,205

For the quarter ended September 30, 2019

	Aggregate	Business	Construction	SMAP I	Total
Master Incentive Fund					
Amount invested during the quarter (Rs. in '000)	1,075	5,637	1,645	-	7,357
Units issued during the quarter	19,122	81,527	21,777	-	1,22,426
Amount redeemed during the quarter (Rs. in '000)	1,222	24,522	1,122	1,722	28,596
Units redeemed during the quarter	12,776	122,124	21,222	142,776	1,22,222
Master Coverage Fund					
Amount invested during the quarter (Rs. in '000)	-	-	-	71,222	71,222
Units issued during the quarter	-	-	-	1,22,222	1,22,222
Amount redeemed during the quarter (Rs. in '000)	-	-	-	12,222	12,222
Units redeemed during the quarter	-	-	-	1,72,222	1,72,222
Master Cash Fund					
Amount invested during the quarter (Rs. in '000)	-	-	-	122,222	122,222
Units issued during the quarter	-	-	-	1,22,222	1,22,222
Amount redeemed during the quarter (Rs. in '000)	42,222	52,222	52,222	1,22,222	1,22,222
Units redeemed during the quarter	122,222	122,222	1,22,222	1,22,222	1,22,222
Master Incentive Income Fund					
Amount invested during the quarter (Rs. in '000)	42,222	52,222	71,222	122,222	288,222
Units issued during the quarter	1,22,222	122,222	1,22,222	1,72,222	4,72,222
Amount redeemed during the quarter (Rs. in '000)	1,222	12,222	12,222	12,222	38,222
Units redeemed during the quarter	12,222	122,222	122,222	1,72,222	4,22,222
Master Securities Funds Fund					
Amount invested during the quarter (Rs. in '000)	-	-	-	-	-
Units issued during the quarter	-	-	-	-	-
Amount redeemed during the quarter (Rs. in '000)	-	-	-	122,222	122,222
Units redeemed during the quarter	-	-	-	1,22,222	1,22,222

For the quarter ended September 30, 2019

From July 01, 2019 to July 31, 2019

	Aggregate	Business	Construction	SMAP I	Total	SMAP IV
All Master Investment Management Limited - Management Company						
Remuneration for the quarter (Rs. in '000)	22	11	22	12	67	22
Gratuity/Leave Termination Management fee (Rs. in '000)	2	1	2	1	6	2
Investment expense (Rs. in '000)	22	22	22	22	88	22
Master Bank Limited						
Patron's saving account (Rs. in '000)	24	22	22	2	70	122
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee for the quarter (Rs. in '000)	112	22	22	22	186	22
Gratuity/Leave Termination Trustee fee (Rs. in '000)	24	2	2	2	30	2
Directors and Executive of the Management Company						
Amount invested during the quarter (Rs. in '000)	-	-	2	-	2	-
Units issued during the quarter	1	-	12	-	13	-
Amount redeemed during the quarter (Rs. in '000)	2	-	2	-	4	-
Units redeemed during the quarter	122	-	12	-	134	-
Master Incentive Fund						
Amount invested during the quarter (Rs. in '000)	1,222	-	1,222	-	2,444	-
Units issued during the quarter	1,22,222	-	1,22,222	-	2,44,444	-
Amount redeemed during the quarter (Rs. in '000)	1,222	2,222	1,222	-	4,666	1,222
Units redeemed during the quarter	1,22,222	1,22,222	1,22,222	-	3,66,666	1,22,222



For the quarter ended September 30, 2019

From July 01,
2019 to July 31,
2019

	Aggregate	Equities	Commodities	SBDF	Total	SBDF %
Meezan Coverage Fund						
Amount invested during the quarter / period (Rs in 000)	-	-	-	-	-	-
Units issued during the quarter / period	-	-	-	12	12	-
Dividend received (Rs in 000)	-	-	-	-	-	-
Units issued during the quarter / period	-	-	-	4	4	-
Capital return	-	-	-	-	-	-
Units issued during the quarter / period	-	-	-	4	4	-
Meezan Cash Fund						
Amount invested during the quarter / period (Rs in 000)	1,004	1,700	830	800	16,700	87,490
Units issued during the quarter / period	1,004	1,700	830	2,250	14,740	1,00,000
Amount redeemed during the quarter / period (Rs in 000)	1,000	1,700	830	800	16,700	87,490
Units redeemed during the quarter / period	1,000	1,700	830	2,250	14,740	1,00,000
Dividend received (Rs in 000)	1,000	1,700	830	800	16,700	87,490
Units issued during the quarter / period	1,000	1,700	830	2,250	14,740	1,00,000
Capital return	1,000	1,700	830	800	16,700	87,490
Units issued during the quarter / period	1,000	1,700	830	2,250	14,740	1,00,000
Al Meezan Money Fund						
Amount invested during the quarter / period (Rs in 000)	-	-	-	-	-	1,264
Units redeemed during the quarter / period	-	-	-	-	-	1,264,000
Meezan Islamic Income Fund						
Amount invested during the quarter / period (Rs in 000)	1,071	1,800	1,000	1,410	10,040	1,700
Units issued during the quarter / period	1,071	1,800	1,000	1,410	14,000	1,00,000
Amount redeemed during the quarter / period (Rs in 000)	1,000	1,700	1,000	-	10,000	1,00,000
Units redeemed during the quarter / period	1,000	1,700	1,000	-	14,000	1,00,000
Dividend received (Rs in 000)	1,000	1,800	1,000	1,410	10,040	1,700
Units issued during the quarter / period	1,000	1,800	1,000	1,410	14,000	1,00,000
Capital return	1,000	1,800	1,000	1,410	10,040	1,700
Units issued during the quarter / period	1,000	1,800	1,000	1,410	14,000	1,00,000
Meezan National Equity Fund						
Amount invested during the quarter / period (Rs in 000)	-	-	-	10,000	10,000	10,000
Units redeemed during the quarter / period	-	-	-	10,000	10,000	1,00,000

13 ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company on June 19, 2019 entitled to charge expenses related to register services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or actual whichever is less. During the year, SBDF vide SRO 694 dated June 20, 2019 has removed the maximum cap of 0.10%. Accordingly, the management Company can now charge actual expenses related to register services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.10% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lower than actual expenses.

13 EXPENSE RATIO

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

	As of September 30, 2019			
	Aggregate	Equities	Commodities	SBDF
Total Expense Ratio (TER)	0.30%	0.32%	0.33%	0.30%
Government levy and SBDF fee	0.05%	0.03%	0.05%	0.03%

	As of June 30, 2019			
	Aggregate	Equities	Commodities	SBDF
Total Expense Ratio (TER)	0.38%	0.38%	0.38%	0.37%
Government levy and SBDF fee	0.11%	0.11%	0.11%	0.11%

14 TAXATION

The Fund's income is exempt from income tax as per clause (98) 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 realized or unrealized, 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 quarter.

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.

19 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.

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

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

19.1 Fair value hierarchy

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

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

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

	(Assets)				(Liabilities)			
	As at September 30, 2019				As at June 30, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets in ₹	(Rupees in '000)				(Rupees in '000)			
Financial assets at fair value through profit or loss								
Units of mutual funds	1,139,729			1,139,729	1,299,271			1,299,271



16 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 15, 2019.

17 GENERAL

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Meezan
Strategic Allocation Fund

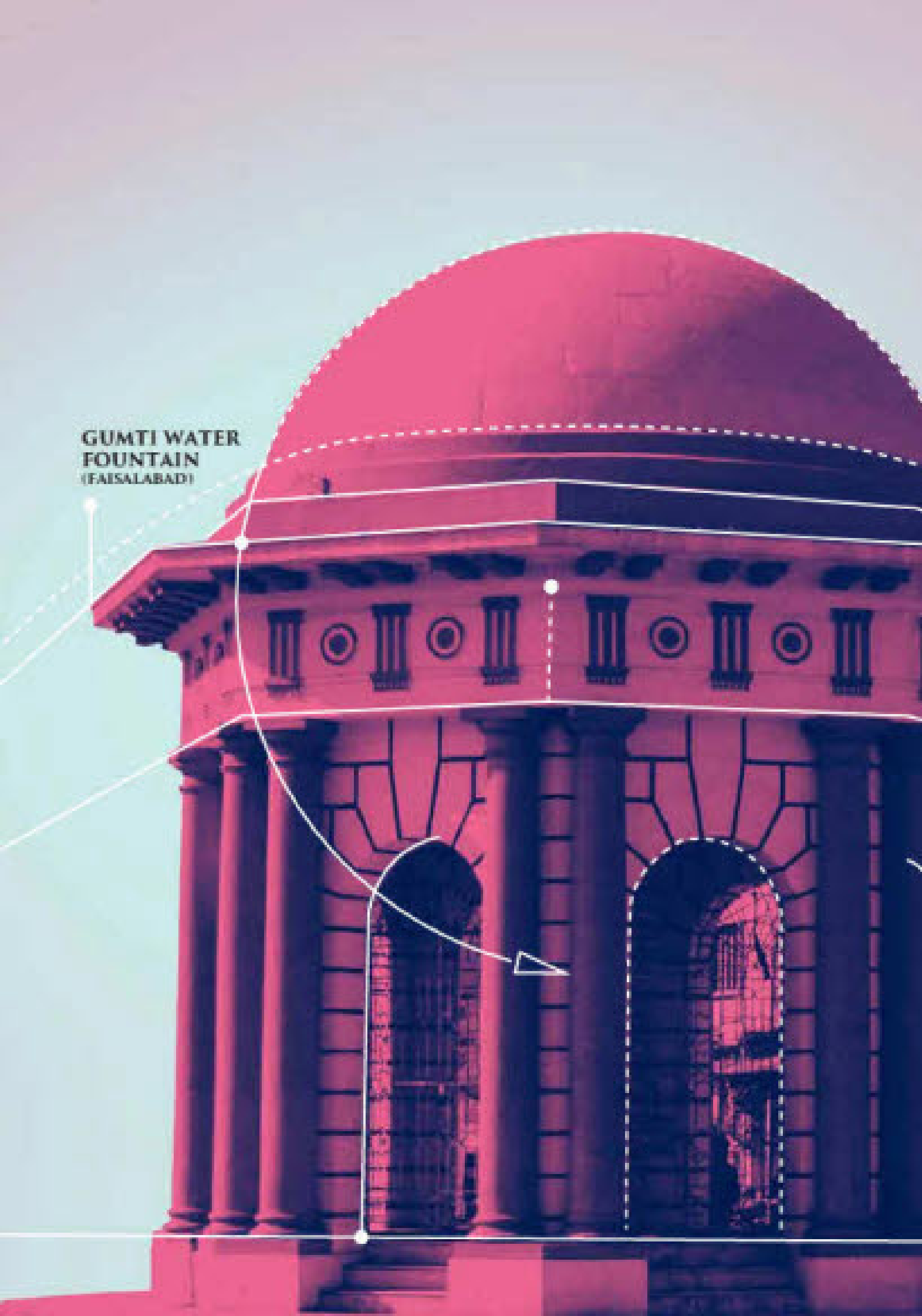
MEEZAN STRATEGIC ALLOCATION FUND (MSAF)

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

UNFOLDING OPPORTUNITIES OF PROGRESS IN THE CITY OF TEXTILE

-  Kotwali Road Branch, Faisalabad
-  Susan Road Branch, Faisalabad

**GUMTI WATER
FOUNTAIN
(FAISALABAD)**



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fudola	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Naeem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Wasti

AUDIT COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Naeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fudola	Chairman
Mr. Arifol Islam	Member
Mr. Naeem Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Bank Al Mubala Limited - Islamic Banking
Mubala Metropolitan Bank Limited - Islamic Banking
Mezan Bank Limited

LEGAL ADVISER

Bavany & Partners
3rd & 4th Floor, 48-C, Lane-18, Kolbhart Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 99194791-94 Fax: (9221) 99194799
E-mail:

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-59, Sitara Avenue, SITE, Karachi.
Phone: 99199999 Fax: 99408017
Website: www.mizanbank.com

DISTRIBUTORS

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



**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

Notes	September 30, 2019 (Unaudited)						Total
	ISAF-1	ISAF-2	ISAF-3	ISAF-4	ISAF-5	ISAF-6	
(Rupees in '000)							
Assets							
Bank balances with terms	₹ 6,210	524	441	2,352	6,264	3,222	19,013
Investments	₹ 202,738	502,817	176,028	327,994	221,200	226,811	4,244,182
Receivable against sale of investments	18,228	1,268	-	-	1,000	-	12,118
Profit receivable on saving account with terms	5	18	1	22	40	22	128
Total assets	217,221	504,211	176,448	349,461	227,300	229,753	4,271,341
Liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	76	42	84	76	24	55	357
Payable to Central Depository Company of Pakistan Limited - Trustee	55	55	58	55	75	88	314
Payable to Securities and Exchange Commission of Pakistan	58	58	42	48	428	1,218	1,818
Payable against purchase of investments	18,219	55	52	55	528	25	11,124
Payable against redemption and conversion of units	5,941	1,260	58	1,752	5,702	-	12,318
Accrued expenses and other liabilities	4,145	122	281	257	32	1,124	5,818
Total liabilities	27,944	1,214	427	2,425	4,331	2,400	32,800
Net assets	189,277	493,217	176,021	347,036	222,969	227,353	4,238,541
Contingencies and commitments	0						
Undistributed Fund (as per statement attached)	189,277	493,217	176,021	347,036	222,969	227,353	4,238,541
(Number of units)							
Number of units in issue	25,836,419	14,432,016	22,281,125	24,384,259	1,829,875	19,784,322	
(Rupees)							
Net assets value per unit	₹ 7.325	₹ 34.1914	₹ 7.85821	₹ 14.2323	₹ 122.9837	₹ 11.48824	

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

Notes	June 30, 2019 (Revised)						Total
	ISAF'18	ISAF'18	ISAF'18	ISAF'18	ISAF'19	ISAF'19	
(Rupees in '000)							
Assets							
Balances with banks	₹	11,270	4,377	13,188	333	12,490	48,480
Investments	₹	1,082,884	728,220	879,490	1,008,049	903,088	3,082,354
Profit realizations on selling assets with banks		34	11	13	11	11	138
Total assets		1,174,178	732,608	1,022,691	1,041,393	1,025,589	3,130,972
Liabilities							
Payable to AJ Mezzan Investment Management Limited - Management Company		104	88	88	91	35	463
Payable to Central Depository Company of Pakistan Limited - Trustee		34	88	88	78	34	341
Payable to Securities and Exchange Commission of Pakistan		1,481	1,822	1,184	1,283	414	6,817
Payable against redemption and conversion of units		1,819	265	58	3,783	-	8,884
Accrued expenses and other liabilities	10	4,737	160	190	394	83	8,435
Total liabilities		8,255	1,813	1,597	5,615	557	22,798
Net assets		1,165,923	730,795	1,021,094	1,035,778	1,025,032	3,108,174
Contingencies and commitments	12						
Undistributable funds (see per statement attached)		1,287,463	727,766	891,131	1,002,774	315,988	1,098,334
(Number of units)							
Number of units in issue		29,282,088	28,213,719	28,489,348	28,128,336	1,747,081	21,483,301
(Rupees)							
Net assets value per unit		39.831	26.051	36.013	36.833	40.799	31.581

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

For AJ Mezzan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director



**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

Note	September 30, 2019						Total
	MDAF-I	MDAF-B	MDAF-GR	MDAF-SI	MDAF-F	MCTF-GR	
(Figures in '000)							
Income							
Net realized loss on sale of investments	(55,751)	(8,294)	(894)	(5,195)	(3,255)	(1,351)	(74,740)
Profit on selling accounts with banks	224	108	111	31	20	148	642
Dividend income	5,694	3,857	3,297	4,259	1,115	1,894	24,116
Other income	-	-	-	-	-	1,118	1,118
	<u>(10,233)</u>	<u>(4,329)</u>	<u>2,510</u>	<u>1,087</u>	<u>(2,120)</u>	<u>2,810</u>	<u>(10,130)</u>
Net unrealized (depreciation) / appreciation on re-measurement of investments - at fair value through profit or loss	8.1	(28,210)	(22,441)	(24,212)	(26,114)	(15,406)	(131,383)
Total (loss) / income	<u>(38,733)</u>	<u>(36,996)</u>	<u>(21,371)</u>	<u>(50,987)</u>	<u>(19,730)</u>	<u>16,818</u>	<u>(174,669)</u>
Expenses							
Remuneration to AJ Meezan Investment Management Limited - Management Company	32	14	28	9	20	11	114
Sindh Sales Tax on management fee	3	2	3	1	4	2	15
Allocated expenses	232	148	287	216	89	288	1,120
Remuneration to Central Depository Company of Pakistan Limited - Trustee	188	95	147	195	48	152	725
Sindh Sales Tax on trustee fee	22	12	18	20	9	24	103
Annual fee to Securities and Exchange Commission of Pakistan	60	38	42	46	14	44	244
Auditors remuneration	12	11	18	15	5	21	82
Fee and subscription	20	12	11	12	4	22	81
Provision for Sindh Finance Workers Fund	-	-	-	-	-	288	288
Bank and settlement charges	-	3	-	-	-	12	15
Total expenses	<u>648</u>	<u>328</u>	<u>642</u>	<u>607</u>	<u>171</u>	<u>592</u>	<u>2,896</u>
Net (loss) / income for the quarter before taxation	<u>(47,243)</u>	<u>(48,700)</u>	<u>(21,221)</u>	<u>(56,294)</u>	<u>(19,900)</u>	<u>16,118</u>	<u>(160,418)</u>
Taxation	14	-	-	-	-	-	-
Net (loss) / income for the quarter after taxation	<u>(47,243)</u>	<u>(48,700)</u>	<u>(21,221)</u>	<u>(56,294)</u>	<u>(19,900)</u>	<u>16,118</u>	<u>(160,418)</u>
Allocation of net income for the quarter							
Net income for the quarter after taxation	-	-	-	-	-	16,118	16,118
Income already paid on units redeemed	-	-	-	-	-	(21)	(21)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,097</u>	<u>16,097</u>
Accounting income available for distribution:							
- Relating to capital gains	-	-	-	-	-	1,824	1,824
- Including capital gains	-	-	-	-	-	1,493	1,493
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,317</u>	<u>3,317</u>

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

For AJ Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

		September 30, 2019					
Note	WSP/1	WSP/2	WSP/3	WSP/4	WSP/5	WSP/6	Total
(Figures in '000)							
Income							
Realized loss on sale of investments	(26,402)	(3,200)	(3,046)	(6,157)	(739)	(5,888)	(44,572)
Profit on balances with banks	37	78	28	63	31	28	265
Dividend income	13,001	6,402	10,888	13,049	2,679	16,401	66,460
Other income	-	-	-	-	188	49	237
	<u>(13,448)</u>	<u>3,288</u>	<u>7,848</u>	<u>6,961</u>	<u>2,169</u>	<u>11,108</u>	<u>22,346</u>
Net unrealized appreciation on re-measurement of investments - at fair value through profit or loss	8.1	(24,888)	(26,888)	(26,349)	(12,266)	(3,672)	(140,734)
Total (loss) / income		<u>(38,238)</u>	<u>(23,402)</u>	<u>(18,441)</u>	<u>(19,188)</u>	<u>9,146</u>	<u>(117,870)</u>
Expenses							
Remuneration to AJ Mezzan Investment Management Limited - Management Company		31	33	11	28	13	116
Stamp Duty Tax on management fee		3	4	1	4	1	16
Allocated expenses	12	475	319	348	402	109	2,016
Remuneration to Central Depository Company of Pakistan Limited - Trustee		374	249	272	314	101	1,279
Stamp Duty Tax on trustee fee		49	32	36	41	13	166
Annual fee to Securities and Exchange Commission of Pakistan		484	303	331	382	123	1,813
Auditors remuneration		42	28	28	24	10	132
Fees and subscription		32	13	18	19	8	80
Printing charges		36	18	17	25	8	104
Bank and statement charges		9	2	2	4	1	20
Provision for Stamp reserve account fund		-	-	-	-	131	131
Total expenses		<u>1,478</u>	<u>1,022</u>	<u>1,082</u>	<u>1,343</u>	<u>459</u>	<u>5,335</u>
Net (loss) / income for the quarter before taxation		<u>(39,716)</u>	<u>(24,424)</u>	<u>(19,523)</u>	<u>(20,531)</u>	<u>8,687</u>	<u>(124,361)</u>
Taxation	14	-	-	-	-	-	-
Net (loss) / income for the quarter after taxation		<u>(39,716)</u>	<u>(24,424)</u>	<u>(19,523)</u>	<u>(20,531)</u>	<u>8,687</u>	<u>(124,361)</u>
Allocation of net income for the quarter		-	-	-	-	8,420	8,420
Net income for the quarter after taxation		-	-	-	-	(20)	(20)
Income already paid on units redeemed		-	-	-	-	8,420	8,420
Accounting income available for distribution:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,420</u>	<u>8,420</u>
- Resolving capital gains		-	-	-	-	8,420	8,420
- Resolving capital gains		-	-	-	-	(20)	(20)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,420</u>	<u>8,420</u>

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

**For AJ Mezzan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019						Total
	MSAF-I	MSAF-B	MSAF-BI	MSAF-IV	MSAF-V	MCPF-B	
	(Rupees in '000)						
Net (loss) / Income for the quarter after taxation	(47,248)	(26,152)	(31,823)	(30,348)	(13,303)	15,116	(148,410)
Other comprehensive income for the quarter	-	-	-	-	-	-	-
Total comprehensive (loss) / Income for the quarter	(47,248)	(26,152)	(31,823)	(30,348)	(13,303)	15,116	(148,410)

	September 30, 2019						Total
	MSAF-I	MSAF-B	MSAF-BI	MSAF-IV	MSAF-V	MCPF-B	
	(Rupees in '000)						
Net (loss) / Income for the quarter after taxation	(28,508)	(24,455)	(28,825)	(30,848)	(9,548)	8,420	(124,261)
Other comprehensive income for the quarter	-	-	-	-	-	-	-
Total comprehensive (loss) / Income for the quarter	(28,508)	(24,455)	(28,825)	(30,848)	(9,548)	8,420	(124,261)

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

For AJ Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019			September 15, 2019			September 01, 2019			September 01, 2018		
	RS247			RS247			RS247			RS247		
	Rupees in '000			Rupees in '000			Rupees in '000			Rupees in '000		
	Capital Value	Accumulated Income	Total	Capital Value	Accumulated Income	Total	Capital Value	Accumulated Income	Total	Capital Value	Accumulated Income	Total
Net assets at beginning of the quarter	1,029,210	(291,720)	1,027,490	1,029,210	(401,620)	727,590	1,029,170	(498,247)	530,923	1,021,294	(219,720)	1,001,574
Redemption of units												
US247 - 6,240,679 units / US247 - 6,679,681 units /												
US247 - 8,220,420 units / US247 - 11,738,528 units / US247 - 11,127,270 units /												
US247 - 85,029,473 units												
- Capital value (to be distributed) unit at the beginning of the quarter	110,247	-	110,247	110,247	-	110,247	87,247	-	87,247	110,247	-	110,247
- Statement of Financial Position	(66,275)	-	(66,275)	(66,249)	-	(66,249)	(6,244)	-	(6,244)	(6,244)	-	(6,244)
Total expenses on redemption of units	(176,247)	-	(176,247)	(176,249)	-	(176,249)	(93,491)	-	(93,491)	(122,734)	-	(122,734)
Total comprehensive income / (loss) for the quarter	-	(47,248)	(47,248)	-	(21,742)	(21,742)	-	(21,228)	(21,228)	-	(21,248)	(21,248)
Distribution during the quarter	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the quarter less distribution	-	(47,248)	(47,248)	-	(21,742)	(21,742)	-	(21,228)	(21,228)	-	(21,248)	(21,248)
Net assets at end of the quarter	1,029,210	(338,968)	1,020,242	1,029,210	(423,362)	605,848	1,029,170	(519,475)	509,695	1,021,294	(240,968)	1,000,326
Undistributed (loss) / income carried forward												
- Received (loss) /		(24,488)	(24,488)		(22,648)	(22,648)		(22,228)	(22,228)		(22,248)	(22,248)
- Undistributed (loss) / income		(218,480)	(218,480)		(194,714)	(194,714)		(197,240)	(197,240)		(198,720)	(198,720)
Reserving / income available for distribution												
- Raising of capital gains		-	-		-	-		-	-		-	-
- Reserving (loss) / gains		-	-		-	-		-	-		-	-
Net (loss) / income for the quarter after taxation		(47,248)	(47,248)		(21,742)	(21,742)		(21,228)	(21,228)		(21,248)	(21,248)
Distribution during the quarter		-	-		-	-		-	-		-	-
Undistributed (loss) / income carried forward		(47,248)	(47,248)		(21,742)	(21,742)		(21,228)	(21,228)		(21,248)	(21,248)
Undistributed (loss) / income carried forward												
- Received (loss) / income		(279,688)	(279,688)		(147,988)	(147,988)		(148,627)	(148,627)		(151,294)	(151,294)
- Undistributed (loss) / income		(219,279)	(219,279)		(21,754)	(21,754)		(24,601)	(24,601)		(21,954)	(21,954)
		(498,967)	(498,967)		(169,742)	(169,742)		(173,228)	(173,228)		(173,248)	(173,248)
		451,719	451,719		451,719	451,719		451,719	451,719		451,719	451,719
		451,719	451,719		451,719	451,719		451,719	451,719		451,719	451,719
Net assets at end of the quarter		451,719	451,719		451,719	451,719		451,719	451,719		451,719	451,719
Net assets at end of the quarter		451,719	451,719		451,719	451,719		451,719	451,719		451,719	451,719

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

For Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019			September 30, 2018			September 30, 2017		
	BSPAF			BSPAF			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Base	Undistributed Income	Total	Capital Base	Undistributed Income	Total	Capital Base	Undistributed Income	Total
Net assets at beginning of the quarter	22,000	17,187	39,187	1,287,882	2,469	1,290,351	4,222,174	1,112,088	5,334,262
Resumption of units									
- BSPAF - 10,198,875 units / 10,247 - 10,248,750 units	1,248	-	1,248	14,402	-	14,402	18,071	-	18,071
- BSPAF - 81,174,001 units / 10,247 - 81,255,000 units / 10,247 - 81,183,000 units	240	-	240	24	24	24	8,123	24	8,147
- BSPAF - 81,487,187 units	-	-	-	-	-	-	-	-	-
- BSPAF - 10,247 units for the period closure unit at the beginning of the quarter	-	-	-	-	-	-	-	-	-
- Generalized (cash) income	-	-	-	-	-	-	-	-	-
Total resumption of units	1,488	-	1,488	14,426	24	14,450	18,071	24	18,095
Total comprehensive (cash) income for the quarter	-	9,090	9,090	-	1,403	1,403	-	104,009	104,009
Distribution during the quarter	-	-	-	-	-	-	-	-	-
Net (cash) income for the quarter less distribution	-	9,090	9,090	-	1,403	1,403	-	104,009	104,009
Net assets at end of the quarter	23,488	26,277	49,765	1,302,308	1,403	1,303,711	4,240,245	1,216,097	5,456,342
Undistributed (cash) income carried forward									
- Balance (cash) income		1,074	1,074		14,792	14,792		188,438	188,438
- Undistributed loss		(12,088)	(12,088)		(12,088)	(12,088)		(187,369)	(187,369)
Accounting income available for distribution									
- Earnings on sale of gains		-	-		1,403	1,403		1,403	1,403
- Earnings on sale of gains		-	-		(24)	(24)		(24)	(24)
Net (cash) for the quarter after taxation		9,090	9,090		1,403	1,403		104,009	104,009
Distribution during the quarter		-	-		-	-		-	-
Undistributed (cash) income carried forward									
Undistributed (cash) income carried forward		14,402	14,402		1,403	1,403		1,283,040	1,283,040
- Balance (cash) income		11,248	11,248		9,073	9,073		144,724	144,724
- Undistributed loss		(1,094)	(1,094)		(1,094)	(1,094)		(1,094)	(1,094)
Net assets at end of the quarter		49,765	49,765		1,303	1,303		1,216,097	1,216,097
Net assets at end of the quarter		47,085	47,085		9,090	9,090		9,090	9,090

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30, 2019						Total
	QDAF-1	QDAF-2	QDAF-3	QDAF-4	QDAF-5	MCTF-6	
	(Figures in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net (loss) / income for the quarter before taxation	(1,494)	(24,104)	(21,622)	(26,243)	(13,382)	76,118	(145,618)
Adjustments for:							
Net unrealised (decrease) / (appreciation) or re-measurement of investments at fair value through profit or loss	29,173	(2,447)	24,212	25,114	15,408	(2,992)	16,368
Decrease / (increase) in assets	(16,272)	(2,762)	3,228	1,129	(2,267)	6,117	(12,957)
Investments - net	122,883	122,883	85,618	122,224	85,222	175,194	175,218
Receivable against sale of investments - net	(16,225)	(1,295)	-	-	(1,222)	-	(18,742)
Profit realisation on saving amount with banks	49	(2)	12	(17)	(5)	(63)	(33)
Total	110,222	120,121	85,248	122,207	84,282	175,072	200,213
(Decrease) / increase in liabilities							
Payable to Al Mezzan Investment Management Limited - Management Company	225	124	175	(17)	22	22	(195)
Payable to Central Depository Company of Pakistan Limited - Trustee	225	123	175	(22)	22	(75)	(173)
Payable to Securities and Exchange Commission of Pakistan	(1,491)	(1,002)	(1,122)	(1,248)	24	64	(4,432)
Payable against purchase of investments - net	162,175	22	62	62	622	22	17,124
Accrued expenses and other liabilities	5	-	6	6	12	22	32
Total	5,229	(224)	(1,286)	(1,129)	922	222	5,242
Net cash generated from operating activities	111,219	122,458	79,618	122,247	82,284	121,262	221,462
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	-	-	-	-	-	-	-
Payments against redemption and conversion of units	(11,272)	(12,272)	(22,242)	(22,272)	(12,272)	(122,472)	(122,282)
Net cash used in financing activities	(11,272)	(12,272)	(22,242)	(22,272)	(12,272)	(122,472)	(122,282)
Net (decrease) / increase in cash and cash equivalents during the quarter	(6,785)	(2,088)	(12,712)	2,504	(2,288)	1,262	(27,104)
Cash and cash equivalents at beginning of the quarter	11,272	6,272	12,728	22	12,282	1,262	44,822
Cash and cash equivalents at end of the quarter	5,229	224	447	2,504	2,282	2,262	18,918

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30, 2019						Total
	MQAF-1	MQAF-2	MQAF-3	MQAF-3A	MQAF-4	MQAF-5	
	(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net (loss) / income for the quarter before taxation	(24,826)	(24,466)	(24,826)	(20,848)	6,640	6,420	(124,286)
Adjustments for:							
net unrealized (decrease) or re-measurement of investments at fair value through profit or loss	24,826	22,888	22,222	28,248	12,288	2,812	140,724
	(14,327)	2,222	2,787	2,722	2,742	2,222	12,482
Decrease / (increase) in assets							
Investments - net	22,222	28,222	22,222	22,222	2,222	12,222	122,222
Receivable against sale of investments - net	-	-	(222)	-	-	-	(222)
Profit receivable on saving account with banks	2	(2)	(2)	2	-	2	(2)
	22,224	28,220	21,998	22,224	2,222	12,224	121,998
(Decrease) / increase in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	(18)	2	1	(12)	(2)	118	88
Payable to Central Depository Company of Pakistan Limited - Trustee	(2)	(2)	(7)	(12)	(1)	(1)	(25)
Payable to Securities and Exchange Commission of Pakistan	(1,822)	(1,212)	(1,181)	(1,322)	(227)	(242)	(6,822)
Accrued expenses and other liabilities	(2,222)	(2,222)	(1,222)	(1,222)	(222)	22	(2,222)
	(4,962)	(3,432)	(3,581)	(3,656)	(452)	(102)	(12,915)
Net cash generated from / (used in) operating activities	42,722	42,222	42,222	122,112	2,722	21,212	122,722
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	-	-	1	222	-	212	212
Payments against redemption and conversion of units	(22,222)	(22,222)	(21,212)	(122,112)	2,222	(24,222)	(224,222)
Net cash (used in) from financing activities	(22,222)	(22,222)	(21,212)	(122,112)	2,222	(24,222)	(224,222)
Net (decrease) / increase in cash and cash equivalents during the quarter	(2,222)	(2,222)	(2,222)	(1,992)	722	(222)	(2,222)
Cash and cash equivalents at beginning of the quarter	2,222	2,222	2,222	2,222	2,222	2,222	22,222
Cash and cash equivalents at end of the quarter	2,222	2,222	2,222	2,222	2,222	2,222	22,222

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MUSKAM STRATEGIC ALLOCATION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017

5 LOCAL STATUS AND NATURE OF BUSINESS

- 5.1 Muskam Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Muskam 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 2, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2010 (the NBFC Rules). The Fund is registered as a notified entity under the Non-Banking Finance Companies and notified Entities Regulations, 2001 (the NBFC Regulations) issued through S.P.O.1203/2008 on October 10, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shalimar-e-Pakistan, Harnani 74402, Pakistan.
- 5.2 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 Muskam Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 5.3 The Fund is an open-ended 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 suspended for fresh issuances by the Management Company with prior approval of the Commission after information to the Trustee and by providing notice to investors in order to protect the interests 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.
- 5.4 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.
- 5.5 The Management Company has been assigned a rating of AAM1 by VIB dated December 05, 2016 (2016 AAM1 rated December 05, 2017) and by PACRA dated June 28, 2016. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 5.6 The Fund is an open-ended Shariah compliant Fund of Funds Scheme facilities to generate returns on investment as per allocation plans (sub-funds) namely Muskam Strategic Allocation Plan-I (MSAP-I), Muskam Strategic Allocation Plan-II (MSAP-II), Muskam Strategic Allocation Plan-III (MSAP-III), Muskam Strategic Allocation Plan-IV (MSAP-IV), Muskam Strategic Allocation Plan-V (MSAP-V) and Muskam Capital Preservation Plan-I (MCPPI-I) 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 Investment Schemes available to it with prior approval of SECP.

Muskam Strategic Allocation Plan-I (MSAP-I)	Low risk - high return through asset allocation This allocation plan commenced its operations from October 10, 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 and load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Muskam Strategic Allocation Plan-II (MSAP-II)	Low risk - high return through asset allocation This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 31, 2017). Units shall be subject to front and load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Muskam Strategic Allocation Plan-III (MSAP-III)	Low risk - high return through asset allocation This allocation plan commenced its operations from February 02, 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 and load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Muskam Strategic Allocation Plan-IV (MSAP-IV)	Low risk - high return through asset allocation This allocation plan commenced its operations from April 04, 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 20, 2017). Units shall be subject to front and load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Muskam Strategic Allocation Plan-V (MSAP-V)	Low risk - high return through asset allocation This allocation plan commenced its operations from August 16, 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 16, 2017). Units shall be subject to front and load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Muskam Capital Preservation Plan-I (MCPPI-I)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 19, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 31, 2017). The units are still being offered for public subscription till December 31, 2017. Units shall be subject to front and 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 front Asset Issues which varies Part Persecu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.



9. 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.

9. BASIS OF PREPARATION

9.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standards (IAS) 59, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIII-A of the repealed Companies Ordinance, 1984; and
- The non-Banking Finance Companies (Establishment and Regulation) Rules, 2011 (the NBFC Rules), the non-Banking Finance Companies and Licensed Entities Regulations, 2018 (the NBFC Regulations) and the requirements of the Trust Deed.

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

The disclosures made in 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 quarter ended September 30, 2019.

These condensed interim financial statements are unaudited. In compliance with Schedule 1 of the NBFC Regulations, The directors of the Management Company declare that these condensed interim financial statements give the true and fair view of the state of affairs of the Fund as at September 30, 2019.

9. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND CRITICAL MANAGEMENT ESTIMATES

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

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, 2019.

9. BALANCED WEALTH FUND

Rate		September 30, 2019 (Unaudited)						Total
		SEKRW1	SEKRW2	SEKRW3	SEKRW4	SEKRW5	SEKRW6	
		(Figures in '000)						
	Going concerns	8,119	160	167	6,667	1,770	1,688	18,571
	Contingencies	1,136	167	76	238	671	671	3,369
		<u>9,255</u>	<u>327</u>	<u>243</u>	<u>6,905</u>	<u>2,441</u>	<u>2,359</u>	<u>21,940</u>
		(Figures in '000)						
	Going concerns	11,860	4,190	12,110	61	1,467	603	31,301
	Contingencies	68	167	12	128	2,862	643	4,790
		<u>11,928</u>	<u>4,357</u>	<u>12,122</u>	<u>189</u>	<u>4,329</u>	<u>1,246</u>	<u>36,091</u>

9.1 The balance in going concerns have an expected profit ranging from 8.20% to 12.75% per annum (June 30, 2019: 8.30% to 11.85% per annum).



7. PAYABLE TO CENTRAL DEPOSITARY COMPANY OF PAKISTAN LIMITED - (CDD) FEE

During the quarter, Trustee has revised its tariff as follows:

Existing tariff		Revised tariff
Net Assets (Rs.)	Fee	0.070% per annum of Net Assets
Up to 1 Billion	0.10% of Net Assets	
Above 1 Billion	Rs. 1 million plus 0.070% per annum of Net Assets exceeding Rs. 1 Billion	

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

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

SECP vide S.R.O. No. 885/2019 dated June 20, 2019, revised rate of annual fee to 0.02% of net assets applicable on all categories of Collective Investment Schemes with effect from July 1, 2019. Accordingly Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at September 30, 2019 and June 30, 2019.

10. ACCOUNTS RECEIVED AND OTHER LIABILITIES

		September 30, 2019 (Revised)						
		MSAF-A	MSAF-B	MSAF-AB	MSAF-AN	MSAF-AS	MSDF-AB	Total
		(Rupees in '000)						
Auditor remuneration payable	87	20	10	17	23	26	414	
Shareholders' advisory fee payable	14	18	12	13	2	12	72	
Stamp Payable	4	11	-	178	18	26	228	
Printing fee payable	148	128	118	121	47	129	691	
Capital gain tax	-	2	-	-	-	42	51	
Provision for Stock Workers' Welfare Fund	10.1	4,481	-	-	-	-	4,491	5,212
		4,743	152	231	327	12	5,165	6,212
		June 30, 2019 (Audited)						
		MSAF-A	MSAF-B	MSAF-AB	MSAF-AN	MSAF-AS	MSDF-AB	Total
		(Rupees in '000)						
Auditor remuneration payable	88	47	24	30	30	75	324	
Shareholders' advisory fee payable	20	28	24	27	7	28	156	
Stamp payable	4	11	-	178	12	26	227	
Printing charges payable	125	108	117	121	45	129	655	
Capital gain tax	-	2	-	-	-	27	32	
Provision for Stock Workers' Welfare Fund	10.1	4,481	-	-	-	-	4,481	5,084
		4,737	152	143	324	12	5,370	6,428

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 the Stock 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 Stock Workers' Welfare Fund (SWWF) in respect of that year a sum equal to ten percent of such income. The matter was taken up by the MAFAP with the Sindh Revenue Board (SRB), collectively on behalf of various asset management companies and their CIBs whereby it was contended that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pure trust 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 Debts) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MAFAP has taken up the matter with the Sindh Finance Ministry to have CIBs / mutual funds excluded from the applicability of SWWF, in view of the above developments regarding the applicability of SWWF on CIBs / mutual funds, the MAFAP had recommended that as a matter of prudent taxation 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. w.e.f. May 21, 2018).

Had the SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2018 to September 30, 2019, the net asset value of MSAF-A and MSDF-AB as at June 30, 2019 would have been higher by Rs 0.170,00% and 0.020,00% (June 30, 2019: 0.153 and 0.027).

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 Asset Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

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

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

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



	September 30, 2019 (Continued)						Total
	2019	2018	2017	2016	2015	2014	
A) Meezan Investment Management Limited							
- Management Company							
Shareholders' Equity (Rs. in '000)	22	17	25	8	28	12	118
Share Based Payments (Rs. in '000)	4	4	4	4	4	4	16
Accrued expenses (Rs. in '000)	228	151	227	278	84	285	1,153
Revenues during the quarter (Rs. in '000)	-	38,479	-	-	-	-	38,479
Expenses during the quarter (Rs. in '000)	-	(48,222)	-	-	-	-	(48,222)
Meezan Bank Limited							
Profit on foreign currency (Rs. in '000)	251	155	175	58	55	155	850
Central Depository Company of Pakistan							
London Branch							
Trustee fee (Rs. in '000)	155	88	125	123	85	182	733
Share Based Payments (Rs. in '000)	22	19	19	22	4	22	128
A) Meezan Mutual Funds							
Revenues during the quarter (Rs. in '000)	12,112	111,780	-	-	-	-	123,892
Expenses during the quarter (Rs. in '000)	9,477,322	9,222,288	-	-	-	-	9,231,760
Non-Meezan Mutual Funds							
Revenues during the quarter (Rs. in '000)	-	-	15,000	15,000	-	-	30,000
Expenses during the quarter (Rs. in '000)	-	-	(22,222)	(22,222)	-	-	(44,444)
Revenues during the quarter (Rs. in '000)	2,222	12	22	22	2	-	4,500
Expenses during the quarter (Rs. in '000)	17,222	22	22	22	22	-	37,222
Meezan Mutual Fund Equity Fund							
Revenues during the quarter (Rs. in '000)	-	-	-	-	-	111,222	111,222
Expenses during the quarter (Rs. in '000)	-	-	-	-	-	(1,222,222)	(1,222,222)
Revenues during the quarter (Rs. in '000)	15,112	8,222	8,222	11,222	8,222	11,222	60,222
Expenses during the quarter (Rs. in '000)	2,222,222	222,222	222,222	2,222,222	222,222	2,222,222	11,222,222
Meezan Mutual Fund Bond							
Revenues during the quarter (Rs. in '000)	14,112	8,222	8,222	10,222	10,222	-	60,222
Expenses during the quarter (Rs. in '000)	1,222,222	222,222	222,222	1,222,222	222,222	-	11,222,222
Meezan Cash Fund							
Revenues during the quarter (Rs. in '000)	-	-	-	-	-	1,222,222	1,222,222
Expenses during the quarter (Rs. in '000)	-	-	-	-	-	(1,222,222)	(1,222,222)
Revenues during the quarter (Rs. in '000)	-	22	22	22	22	22	112
Expenses during the quarter (Rs. in '000)	-	(22)	(22)	(22)	(22)	(22)	(112)
Meezan Mutual Fund International							
Revenues during the quarter (Rs. in '000)	22,222	22,222	22,222	22,222	22,222	-	112,222
Expenses during the quarter (Rs. in '000)	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	-	11,222,222
Revenues during the quarter (Rs. in '000)	22,222	22,222	22,222	22,222	22,222	-	112,222
Expenses during the quarter (Rs. in '000)	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	-	11,222,222
Meezan Mutual Fund Income Fund							
Revenues during the quarter (Rs. in '000)	15,112	11,112	11,112	11,112	11,112	1,222,222	1,211,222
Expenses during the quarter (Rs. in '000)	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	11,222,222
Revenues during the quarter (Rs. in '000)	1,222,222	1,112,222	1,112,222	1,112,222	1,112,222	1,222,222	6,000,222
Expenses during the quarter (Rs. in '000)	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	11,222,222
Revenues during the quarter (Rs. in '000)	1,222,222	1,112,222	1,112,222	1,112,222	1,112,222	1,222,222	6,000,222
Expenses during the quarter (Rs. in '000)	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	11,222,222
September 30, 2019 (Continued)							
	2019	2018	2017	2016	2015	2014	Total
A) Meezan Investment Management Limited							
- Management Company							
Shareholders' Equity (Rs. in '000)	22	22	22	22	22	22	132
Share Based Payments (Rs. in '000)	4	4	4	4	4	4	16
Accrued expenses (Rs. in '000)	228	228	228	228	228	228	1,376
Meezan Bank Limited							
Profit on foreign currency (Rs. in '000)	27	75	28	55	27	22	234
Central Depository Company of Pakistan							
London Branch							
Trustee fee (Rs. in '000)	22	22	22	22	22	22	132
Share Based Payments (Rs. in '000)	22	22	22	22	22	22	132
September 30, 2019 (Continued)							
	2019	2018	2017	2016	2015	2014	Total
A) Meezan Mutual Funds							
Revenues during the quarter (Rs. in '000)	22,222	-	-	-	-	-	22,222
Expenses during the quarter (Rs. in '000)	(22,222)	-	-	-	-	-	(22,222)
Meezan Mutual Fund Equity Fund							
Revenues during the quarter (Rs. in '000)	22,222	-	-	-	-	111,222	133,444
Expenses during the quarter (Rs. in '000)	(22,222)	-	-	-	-	(1,222,222)	(1,244,444)
Revenues during the quarter (Rs. in '000)	22,222	-	-	-	-	111,222	133,444
Expenses during the quarter (Rs. in '000)	(22,222)	-	-	-	-	(1,222,222)	(1,244,444)
Meezan Mutual Fund Bond							
Revenues during the quarter (Rs. in '000)	14,112	-	-	-	-	-	14,112
Expenses during the quarter (Rs. in '000)	(1,222,222)	-	-	-	-	-	(1,222,222)
Revenues during the quarter (Rs. in '000)	14,112	-	-	-	-	-	14,112
Expenses during the quarter (Rs. in '000)	(1,222,222)	-	-	-	-	-	(1,222,222)
Meezan Cash Fund							
Revenues during the quarter (Rs. in '000)	2,222	2,222	2,222	2,222	2,222	2,222	13,336
Expenses during the quarter (Rs. in '000)	(2,222)	(2,222)	(2,222)	(2,222)	(2,222)	(2,222)	(13,336)
Revenues during the quarter (Rs. in '000)	1,222	1,112	1,112	1,112	1,112	1,222	6,000
Expenses during the quarter (Rs. in '000)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(11,222,222)
Revenues during the quarter (Rs. in '000)	1,222,222	1,112,222	1,112,222	1,112,222	1,112,222	1,222,222	6,000,222
Expenses during the quarter (Rs. in '000)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(11,222,222)
Revenues during the quarter (Rs. in '000)	1,222,222	1,112,222	1,112,222	1,112,222	1,112,222	1,222,222	6,000,222
Expenses during the quarter (Rs. in '000)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(2,222,222)	(11,222,222)

	2018	2017	2016	2015	2014	2013
Resolutions, Investment income during the quarter (A of 200)	12,747	10,389	10,138	10,957	10,737	-
Interest during the quarter (A/B)	1,730	1,673	1,562	1,574	1,617	-
Dividends received during the quarter (A of 200)	1,730	1,673	1,562	1,574	1,617	-
Dividends received during the quarter (A/B)	1,730	1,673	1,562	1,574	1,617	-
Capital return of buying the quarter (A of 200)	1,222	1,117	1,027	1,122	1,122	-
Capital return of buying the quarter (A/B)	1,222	1,117	1,027	1,122	1,122	-

12 ALLOCATED EXPENSES

In accordance with Regulation 22 of the MOPC Regulations, the Management Company of June 30, 2019 entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.15% of the average annual net assets of the scheme or actual whichever is less. During the year, MOPC vide MPO 039 dated June 20, 2018 has removed the maximum cap of 0.10%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2018.

However, the Management Company continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund for both the periods i.e. from July 1, 2018 to June 30, 2019 and from June 30, 2018 to June 30, 2019, being lower than actual expenses.

13 EXPENSE RATIO

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

	2019-10	2019-09	2019-08	2019-07	2019-06	2019-05
	Percentage %					
Total Expense Ratio (TER)	0.23	0.23	0.23	0.23	0.21	0.23
Government levy and MOPC fee	0.05	0.05	0.05	0.05	0.04	0.11

	2019-10	2019-09	2019-08	2019-07	2019-06	2019-05
	As of June 30, 2019 Percentage %					
Total Expense Ratio (TER)	0.23	0.21	0.21	0.21	0.22	0.23
Government levy and MOPC fee	0.11	0.11	0.11	0.11	0.11	0.12

14 TAXATION

The Fund's income is exempt from income Tax as per clause (32) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 95 percent of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit-holders. Furthermore, as per regulation 22 of the Non-Banking Finance Companies and Profitable Entities Regulations, 2005, the Fund is required to distribute 95 percent of the net accounting income other than capital gains to the unit-holders. The Fund has not recorded any tax liability in respect of income (MOPC - II) relating to the current period as the Management Company has intends to distribute at least 95 percent of the Fund's accounting income for the year ending June 30, 2019, as reduced by capital gains (whether realized or unrealized), to its unit-holders.

The Fund is also exempt from the provisions of section 112 (minimum tax) under clause 11.4 of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

FAIR VALUE HIERARCHY

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

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

As at September 30, 2019 and June 30, 2019, the Fund had the following financial instruments measured at fair value:

	As at September 30, 2019			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets at fair value through profit or loss*				
Units of mutual funds	-	4,294,182	-	4,294,182
	As at June 30, 2019			
ASSETS	(Rupees in '000)			
Financial assets at fair value through profit or loss*				
Units of mutual funds	-	3,082,029	-	3,082,029



16. **Comments:**

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

16.2 **Value of Adjustments/Other items noted:**

These condensed interim financial statements were authorized for issue on October 15, 2019 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

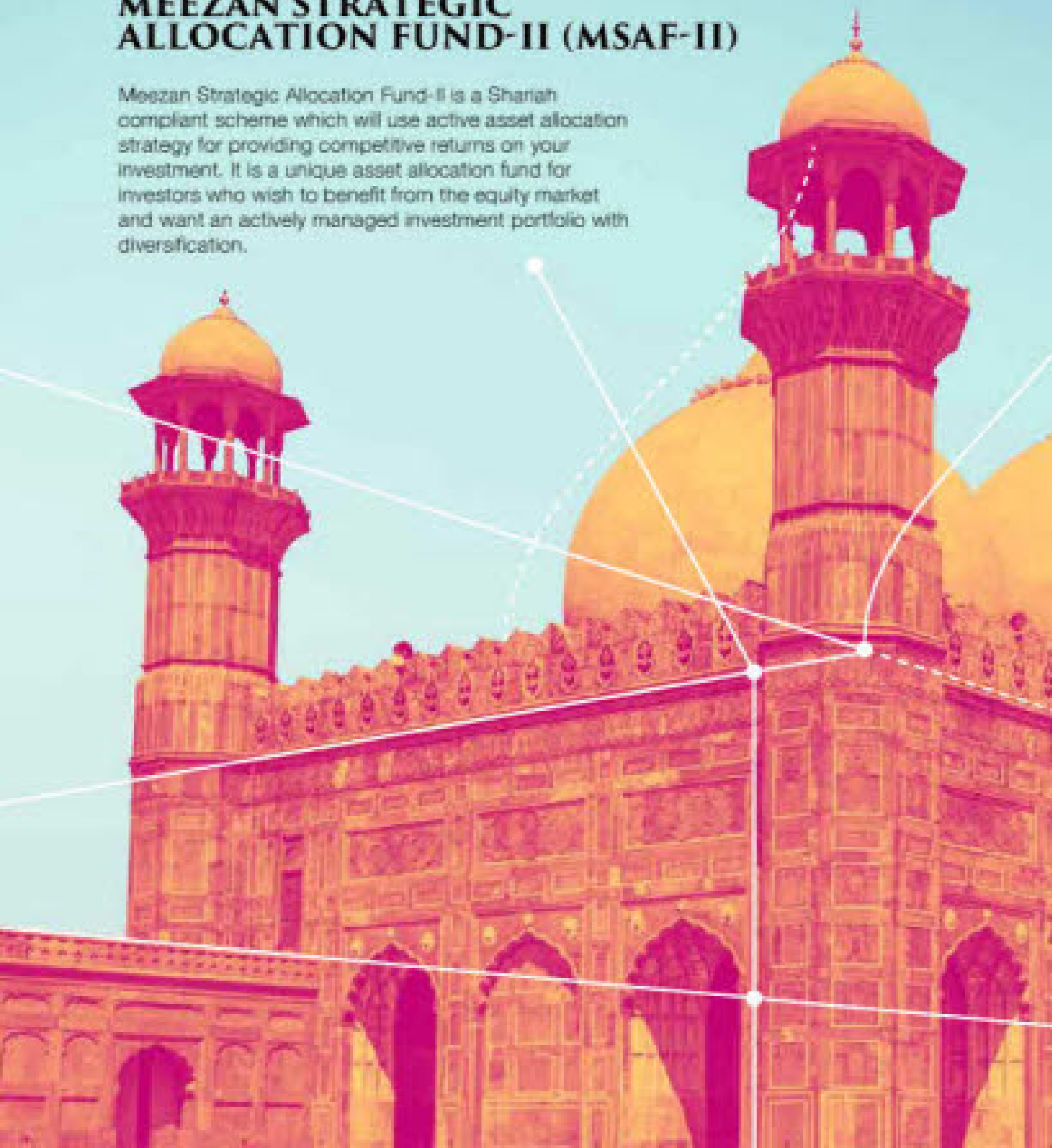


Meezan

Strategic Allocation Fund-II

MEEZAN STRATEGIC ALLOCATION FUND-II (MSAF-II)

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



PLANTING PROGRESS IN THE CITY OF GARDENS

- 🌳 DHA Lahore Branch
- 🌳 Gulberg Branch, Lahore
- 🌳 Johar Town Branch

**BADSHAHI MOSQUE
(LAHORE)**

Al Meezan
International Trade Journal Lahore



الميزان
International Trade Journal Lahore

الميزان
International Trade Journal Lahore

FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBL
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBL
Mr. Moin M. Fuda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBL
Mr. Yassem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Waseem

AUDIT COMMITTEE

Mr. Moin M. Fuda	Chairman
Mr. Arshad Majeed	Member
Mr. Yassem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Yassem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Moin M. Fuda	Chairman
Mr. Arifol Islam	Member
Mr. Yassem Abdul Samar	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 Shahrh-e-Faisal Karachi.

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Bank Al Meezan Limited - Islamic Banking
Mezan Bank Limited

LEGAL ADVISER

Burvanay & Partners
3rd & 4th Floor, 65-C, Lane-11, Bokhari Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 35156191-94 Fax: (9221) 35156195
E-mail: info@burvanay.com

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-21, Estate Avenue, DTE, Karachi.
Phone: 35155533 Fax: 35436817
Website: www.mezancbank.com

DISTRIBUTORS

Al Mezan Investment Management Limited
Mezan Bank Limited



MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

Note	September 30, 2019 (Unaudited)					Total	
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII		
	(Rupees in '000)						
Assets							
Balances with banks	5	3,144	792	340	770	5,056	
Investments	6	1,360,852	377,847	313,718	178,488	98,911	2,327,767
Receivable against sale of investments		1,900	4,700	3,760	3,180	3,870	17,190
Profit receivable on selling account with banks		31	6	5	5	24	71
Total assets		1,365,927	383,345	317,823	180,384	102,241	2,353,730
Liabilities							
Payable to Al Meezan Investment Management Limited - Management Company		116	33	29	14	24	216
Payable to Central Depository Company of Pakistan Limited - Trustee		89	55	50	12	8	184
Payable to Securities and Exchange Commission of Pakistan		74	22	18	10	6	130
Payable against purchase of investments		375	353	82	80	35	925
Payable against redemption and conversion of units		2,625	4,719	3,778	3,180	3,663	17,970
Accrued expenses and other liabilities	10	915	214	109	31	48	1,317
Total liabilities		4,194	5,396	4,056	3,329	3,786	20,714
NET ASSETS		1,361,733	377,949	313,767	177,055	102,455	2,333,016
CONTINGENCIES AND COMMITMENTS							
Unitholders' fund (as per statement attached)	9	1,361,733	377,949	313,767	177,055	102,455	2,333,016
----- (Number of units) -----							
Number of units in issue		28,981,029	7,498,977	6,257,054	3,525,340	2,085,538	
----- (Rupees) -----							
Net assets value per unit		50.4700	50.4178	50.1493	50.2283	49.6007	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

		June 30, 2019 (Audited)					
		MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
Note		(Rupees in '000)					
Assets							
	8	1,878	908	1,848	2,980	2,288	9,878
	8	1,888,841	474,109	383,833	204,711	128,681	2,789,838
		63	8	21	12	7	67
		<u>1,878,982</u>	<u>478,925</u>	<u>384,682</u>	<u>207,693</u>	<u>130,944</u>	<u>2,789,807</u>
Liabilities							
		137	44	48	20	28	271
		123	40	28	17	10	228
		1,803	828	487	178	98	3,138
		-	283	-	38	-	287
	10	14,713	-	80	-	8	14,772
		748	153	85	23	22	1,029
		<u>17,921</u>	<u>1,118</u>	<u>683</u>	<u>271</u>	<u>120</u>	<u>19,895</u>
NET ASSETS		<u>1,861,061</u>	<u>477,807</u>	<u>384,028</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
CONTINGENCIES AND COMMITMENTS		8					
Unit-holders' fund (as per statement attached)		<u>1,861,048</u>	<u>477,807</u>	<u>384,028</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
		(Number of units)					
Number of units in issue		<u>30,988,762</u>	<u>8,464,808</u>	<u>7,888,873</u>	<u>4,184,993</u>	<u>2,687,844</u>	
		(Rupees)					
Net assets value per unit		<u>60.1213</u>	<u>60.1138</u>	<u>49.9888</u>	<u>60.0991</u>	<u>48.9980</u>	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

		September 30, 2019				
Note	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
(Rupees in '000)						
Income						
Net realized gain / (loss) on sale of investments	7,151	527	522	796	(1,075)	8,218
Profit on saving accounts with banks	134	32	31	43	68	298
Dividend income	18,633	8,485	8,180	2,773	2,412	38,483
	<u>25,918</u>	<u>7,314</u>	<u>8,733</u>	<u>3,612</u>	<u>1,402</u>	<u>43,979</u>
Net unrealized distribution on re-measurement of investments - 'at fair value through profit or loss'	8.1 (17,227)	(5,848)	(5,197)	(2,193)	-	(31,465)
Total income	<u>8,691</u>	<u>1,466</u>	<u>356</u>	<u>149</u>	<u>1,402</u>	<u>12,314</u>
Expenses						
Remuneration to Al Meezan Investment Management Limited - Management Company	5	4	4	6	9	32
Sindh Sales Tax on management fee	1	-	1	1	1	4
Allocated expenses	12 356	105	86	47	30	624
Remuneration to Central Depository Company of Pakistan Limited - Trustee	250	73	61	33	21	438
Sindh Sales Tax on trustee fee	32	9	8	4	3	56
Annual fee to Securities and Exchange Commission of Pakistan	74	22	18	10	6	130
Auditors' remuneration	48	12	10	8	3	79
Fees and subscription	39	12	10	5	3	69
Provision for Sindh Workers' Welfare Fund	158	25	8	6	27	224
Bank and settlement charges	-	-	8	-	-	8
Total expenses	<u>843</u>	<u>383</u>	<u>309</u>	<u>118</u>	<u>123</u>	<u>1,886</u>
Net income for the quarter before taxation	<u>7,728</u>	<u>1,024</u>	<u>327</u>	<u>301</u>	<u>1,299</u>	<u>10,658</u>
Taxation	14 -	-	-	-	-	-
Net income for the quarter after taxation	<u>7,728</u>	<u>1,024</u>	<u>327</u>	<u>301</u>	<u>1,299</u>	<u>10,658</u>
Allocation of net income for the quarter						
Net income for the quarter after taxation	7,728	1,024	327	301	1,299	10,658
Income already paid on units redeemed	-	-	-	-	(84)	(84)
	<u>7,728</u>	<u>1,024</u>	<u>327</u>	<u>301</u>	<u>1,215</u>	<u>10,574</u>
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	7,728	1,024	327	301	1,215	10,608
	<u>7,728</u>	<u>1,024</u>	<u>327</u>	<u>301</u>	<u>1,215</u>	<u>10,608</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019	For the period from July 10, 2018 to September 30, 2018		For the period from September 26, 2018 to September 30, 2018		
		MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	Total
Note	(Rupees in '000)					
Income						
Net realized loss on sale of investments	(18,811)	(2,360)	(300)	-	(19,191)	
Profit on saving accounts with banks	101	160	265	3	529	
Dividend income	13,034	1,300	-	-	14,194	
	<u>(2,776)</u>	<u>(170)</u>	<u>95</u>	<u>3</u>	<u>(2,380)</u>	
Net unrealized appreciation on re-measurement of investments - to fair value through profit or loss (net)	6.1	10,179	2,002	602	-	14,740
Total Income	7,800	2,272	760	3	11,380	
Expenses						
Remuneration to Al Meezan Investment Management Limited - Management Company	35	60	118	1	207	
Sindh Sales Tax on management fee	4	8	18	-	27	
Allocated expenses	621	191	67	-	779	
Remuneration to Central Depository Company of Pakistan Limited - Trustee	433	189	88	-	640	
Sindh Sales Tax on trustee fee	88	21	7	-	94	
Annual fee to Securities and Exchange Commission of Pakistan	68	121	64	-	240	
Auditors' remuneration	42	16	6	-	62	
Fees and subscription	46	17	3	-	62	
Printing charges	34	13	4	-	49	
Provision for Sindh Workers' Welfare Fund	119	47	-	-	160	
Bank and settlement charges	1	1	10	-	12	
Total expenses	1,701	712	327	1	2,341	
Net income for the quarter / period before taxation	2,319	2,300	419	2	2,339	
Taxation	14	-	-	-	-	
Net income for the quarter / period after taxation	2,319	2,300	419	2	2,339	
Allocation of net income for the quarter / period						
Net income for the quarter / period after taxation	2,319	2,300	419	2	2,339	
Income directly paid on units redeemed	(20)	-	(41)	-	(69)	
	<u>2,791</u>	<u>2,300</u>	<u>377</u>	<u>2</u>	<u>2,470</u>	
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	
- Excluding capital (loss) / gains	2,791	2,300	377	2	2,470	
	<u>2,791</u>	<u>2,300</u>	<u>377</u>	<u>2</u>	<u>2,470</u>	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019					Total
	MCPP-VI	MCPP-V	MCPP-IV	MCPP-III	MCPP-II	
	Rupees in '000					
Net income for the quarter after taxation	1,728	1,204	327	907	1,266	10,868
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive income for the quarter	1,728	1,204	327	907	1,266	10,868

	September 30, 2019		For the period from July 16, 2019 to September 30, 2019	For the period from September 26, 2018 to September 30, 2018	Total
	MCPP-VI	MCPP-V	MCPP-IV	MCPP-III	
	Rupees in '000				
Net income for the quarter / period after taxation	6,814	2,300	414	2	9,530
Other comprehensive income for the quarter / period	-	-	-	-	-
Total comprehensive income for the quarter / period	6,814	2,300	414	2	9,530

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019					Total
	MONTH-VI	MONTH-VI	MONTH-VI	MONTH-VI	MONTH-VI	
	(Figures in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the quarter before taxation	7,754	1,204	307	301	1,266	10,832
Adjustments for:						
Net unrealized appreciation on re-measurement of investments in fair value through profit or loss	17,227	2,644	2,197	1,193	-	21,461
	<u>24,981</u>	<u>3,848</u>	<u>2,504</u>	<u>1,494</u>	<u>1,266</u>	<u>32,293</u>
Increased / decrease in assets:						
Investments - net	198,982	92,214	83,908	28,289	29,643	332,983
Receivable against sale of investments - net	(1,900)	(4,709)	(3,790)	(3,190)	(3,673)	(17,162)
Other receivables	21	(7)	18	7	(17)	28
	<u>197,083</u>	<u>87,498</u>	<u>80,136</u>	<u>25,106</u>	<u>25,953</u>	<u>315,797</u>
(Decreased) / increase in liabilities:						
Payable to Al Mezzan Investment Management Limited - Management Company	(21)	(11)	(18)	(4)	(7)	(61)
Payable to Central Depository Company of Pakistan Limited - Trustee	(84)	(18)	(19)	(8)	(2)	(121)
Payable to Securities and Exchange Commission of Pakistan	(1,759)	(604)	(449)	(194)	(82)	(2,998)
Payable against purchase of investments - net	378	101	92	48	38	657
Accrued expenses and other liabilities	170	81	44	8	28	331
	<u>(1,326)</u>	<u>(451)</u>	<u>(384)</u>	<u>(122)</u>	<u>(18)</u>	<u>(2,174)</u>
Net cash generated from operating activities	<u>213,735</u>	<u>82,287</u>	<u>82,332</u>	<u>28,378</u>	<u>27,262</u>	<u>422,889</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments against redemption and conversion of units	(211,121)	(82,212)	(84,338)	(27,488)	(28,912)	(433,761)
Net cash used in financing activities	<u>(211,121)</u>	<u>(82,212)</u>	<u>(84,338)</u>	<u>(27,488)</u>	<u>(28,912)</u>	<u>(433,761)</u>
Net increase / (decrease) in cash and cash equivalents during the quarter	<u>2,614</u>	<u>(11)</u>	<u>(1,006)</u>	<u>(2,110)</u>	<u>1,350</u>	<u>(1,122)</u>
Cash and cash equivalents at the beginning of the quarter	1,376	908	1,348	1,960	1,268	8,378
Cash and cash equivalents at the end of the quarter	<u>3,990</u>	<u>897</u>	<u>342</u>	<u>750</u>	<u>2,618</u>	<u>7,256</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Mezzan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - B
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30, 2018		For the period from July 15, 2018 to September 30, 2018	For the period from September 16, 2018 to September 30, 2018	Total
	MCPP-iv	MCPP-v	MCPP-vi	MCPP-vii	
(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the quarter / period before taxation	8,818	2,300	418	2	8,538
Adjustments for:					
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	(10,178)	(3,882)	(882)	-	(14,742)
(Increase) / Decrease in assets	(4,287)	(1,582)	(284)	2	(6,251)
Investments - net	102,727	(1,34,280)	(828,878)	-	(871,231)
Receivable against sale of investments - net	(11,280)	(240)	-	-	(11,520)
Other receivables	(1)	129	(141)	(3)	(16)
	87,448	(1,34,491)	(829,019)	(3)	(882,085)
(Decrease) / Increase in liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	(14)	(5,188)	7,327	122	(1,743)
Payable to Central Depository Company of Pakistan Limited - Trustee	(10)	18	42	-	50
Payable to Meezan Bank Limited	-	(8,812)	8,102	-	188
Payable to Securities and Exchange Commission of Pakistan	32	120	84	-	236
Accrued expenses and other liabilities	(8,822)	(18,303)	11,558	132	(7,785)
Net cash generated from / (used in) operating activities	80,227	(152,008)	(828,018)	132	(898,132)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance and conversion of units	-	82,132	883,083	7,470	752,685
Payments against redemption and conversion of units	(79,718)	(88,828)	(23,448)	-	(171,994)
Net cash (used in) / generated from financing activities	(79,718)	13,304	859,635	7,470	582,689
Net increase / decrease in cash and cash equivalents during the quarter / period	841	(138,702)	(13,123)	7,602	(117,426)
Cash and cash equivalents at the beginning of the quarter / period	1,768	136,238	-	-	140,981
Cash and cash equivalents at end of the quarter / period	2,269	84	(13,123)	7,602	23,548

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MCCDH STRATEGIC ALLOCATION FUND - B

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED 30/09/2019**

6. LEGAL STATUS AND NATURE OF BUSINESS

- 6.1 Meesah Strategic Allocation Fund - I (the Fund) was established under a Trust Deed executed between Al Meesah Investment Management Limited (Al Meesah) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 18, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Investment Finance Companies (Establishment and Regulation) Rules, 2003 (IFRC Rules). The Fund is registered as a limited entity under Investment Finance Companies and limited entities regulations, 2003 (IFRC Regulations) issued through S.R.O 1033/2008 on October 10, 2018. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Investment Finance Companies (Establishment and Regulation) Rules, 2003 (the IFRC 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, Dhaab-e-Pakistan, Karachi 74000, Pakistan.
- 6.2 The Fund has been formed to enable the unit-holders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the contracts and sale of the Fund are based on Shariah guidelines. The Management Company has appointed Meesah Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 6.3 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 suspended for fresh issuances by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unit-holders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 6.4 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.
- 6.5 The Management Company has been assigned a rating of AM1 by VRS (date December 28, 2018 (2018 AM1) (date December 22, 2017)) and by PACRA (date June 28, 2018). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 6.6 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 Meesah Capital Preservation Plan-I (MCCPP-I), Meesah Capital Preservation Plan-II (MCCPP-II), Meesah Capital Preservation Plan-III (MCCPP-III), Meesah Capital Preservation Plan-IV (MCCPP-IV) and Meesah Capital Preservation Plan-V (MCCPP-V) 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 them with prior approval of SECP.

Meesah Capital Preservation Plan-I (MCCPP-I)	Low risk - High return through asset allocation This allocation plan commenced its operations from March 20, 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.
Meesah Capital Preservation Plan-II (MCCPP-II)	Low risk - High return through asset allocation This allocation plan commenced its operations from May 24, 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.
Meesah Capital Preservation Plan-III (MCCPP-III)	Low Risk / High return through asset allocation This allocation plan commenced its operations from July 10, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meesah Capital Preservation Plan-IV (MCCPP-IV)	Low risk - High return through asset allocation This allocation plan commenced its operations from September 28, 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.
Meesah Capital Preservation Plan-V (MCCPP-V)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 17, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.



Each allocation plan announces separate fair asset values which derive Part Passes according to the number of units of the respective allocation plans. The assets 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 Shari'ah guidelines issued by the Shari'ah 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. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34- Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017, along with part VIII-A of the repealed Companies Ordinance, 1984 and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2010 (the NBFC Rules), the Non-Banking Finance Companies and notified Entities Regulations, 2010 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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

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

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, 2019.

5. BALANCE SHEET BANKS

	Note	September 30, 2019 (continued)					Total
		MCPP-01	MCPP-02	MCPP-03	MCPP-06	MCPP-08	
		(Dollars in '000)					
Saving accounts	5.1	2,124	792	340	770	2,026	6,070
Current accounts		10	-	-	-	-	10
		<u>2,134</u>	<u>792</u>	<u>340</u>	<u>770</u>	<u>2,026</u>	<u>6,080</u>
June 30, 2019 (audited)							
		MCPP-01	MCPP-02	MCPP-03	MCPP-06	MCPP-08	Total
(Dollars in '000)							
Saving accounts	5.1	1,888	808	1,848	2,850	2,289	6,683
Current accounts		10	-	-	-	-	10
		<u>1,898</u>	<u>808</u>	<u>1,848</u>	<u>2,850</u>	<u>2,289</u>	<u>6,693</u>

5.1 The balances in savings accounts bear an deposited profit which ranges from 0.10% to 0.10% (June 30, 2019 0.00% to 11.00%) per annum.

6. INVESTMENTS

	Note	September 30, 2019 (continued)					Total
		MCPP-01	MCPP-02	MCPP-03	MCPP-06	MCPP-08	
		(Dollars in '000)					
Investments - at fair value through profit or loss	6.1	1,282,682	277,617	212,716	178,652	26,211	2,377,880
		<u>1,282,682</u>	<u>277,617</u>	<u>212,716</u>	<u>178,652</u>	<u>26,211</u>	<u>2,778,880</u>
June 30, 2019 (audited)							
		MCPP-01	MCPP-02	MCPP-03	MCPP-06	MCPP-08	Total
(Dollars in '000)							
Investments - at fair value through profit or loss		1,288,241	474,128	282,832	224,711	128,221	2,708,133

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

Name of investor funds	As at July 1, 2019	Purchases during the quarter	Redemptions during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized (deemed loss) as at September 30, 2019	Percentage in relation to	
								Market value on the basis of fair market value of the Fund	Total market value of investments
Measur Capital Preservation Plan - W									
Measur Dedicated Bond Fund	10,941,960	-	2,221,219	8,720,741	84,697	88,719	(7,102)	19.28	19.28
Measur Cash Fund	-	28,222,702	28,222,702	-	-	-	-	-	-
Measur Sovereign Fund	17,822,000	-	17,822,000	-	-	-	-	-	-
Measur Funds Income Fund	6,071,224	24,822,812	6,124,812	24,769,224	1,722,222	1,722,222	-	82.28	82.41
					<u>2,798,919</u>	<u>1,288,933</u>	<u>(7,102)</u>	<u>89.24</u>	<u>89</u>
Measur Capital Preservation Plan - V									
Measur Dedicated Bond Fund	2,221,219	-	798,244	1,422,975	62,488	78,648	(16,160)	21.28	21.28
Measur Cash Fund	-	7,222,812	7,222,812	-	-	-	-	-	-
Measur Sovereign Fund	8,720,741	-	8,720,741	-	-	-	-	-	-
Measur Funds Income Fund	2,221,219	7,222,812	2,221,219	6,222,812	221,222	221,222	-	79.44	79.72
					<u>283,710</u>	<u>271,870</u>	<u>(11,840)</u>	<u>89.87</u>	<u>89</u>
Measur Capital Preservation Plan - H									
Measur Dedicated Bond Fund	2,221,219	-	821,219	1,400,000	72,222	88,719	(16,497)	21.72	21.71
Measur Cash Fund	-	8,222,812	8,222,812	-	-	-	-	-	-
Measur Sovereign Fund	4,720,741	-	4,720,741	-	-	-	-	-	-
Measur Funds Income Fund	1,422,812	8,222,812	1,422,812	4,720,741	248,712	248,712	-	79.27	79.23
					<u>280,934</u>	<u>257,431</u>	<u>(23,503)</u>	<u>89.88</u>	<u>89</u>
Measur Capital Preservation Plan - W									
Measur Dedicated Bond Fund	1,422,812	-	221,219	1,201,593	48,247	47,248	(999)	21.82	21.72
Measur Cash Fund	-	2,222,812	2,222,812	-	-	-	-	-	-
Measur Sovereign Fund	2,221,219	-	2,221,219	-	-	-	-	-	-
Measur Funds Income Fund	792,219	2,222,812	821,219	2,221,593	124,871	124,871	-	79.22	79.23
					<u>173,118</u>	<u>172,119</u>	<u>(999)</u>	<u>89.88</u>	<u>89</u>
Measur Capital Preservation Plan - W									
Measur Dedicated Bond Fund	212,716	1,221,212	1,221,212	-	-	-	-	-	-
Measur Cash Fund	-	4,722,812	4,722,812	-	-	-	-	-	-
Measur Sovereign Fund	1,221,219	-	1,221,219	-	-	-	-	-	-
Measur Funds Income Fund	482,122	4,222,812	212,716	1,221,219	22,712	22,712	-	89.24	89.22
					<u>24,924</u>	<u>24,924</u>	<u>-</u>	<u>89.24</u>	<u>89</u>
Total Investments in units of investor funds									
Measur Dedicated Bond Fund	11,888,728	1,221,212	8,888,212	12,427,421	442,222	472,222	(30,000)	17.88	17.71
Measur Cash Fund	-	48,222,812	48,222,812	-	-	-	-	-	-
Measur Sovereign Fund	22,222,000	-	22,222,000	-	-	-	-	-	-
Measur Funds Income Fund	12,722,088	48,222,812	12,888,244	28,222,812	1,218,224	1,218,224	-	82.12	82.23
					<u>2,799,454</u>	<u>2,708,746</u>	<u>(90,708)</u>	<u>89.78</u>	<u>89</u>



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

During the quarter, Trustee has received its fee¹ as follows:

Net Assets (Rs.)	Contract Year ¹	Contract Year ²
Up to 1 billion	0.10% of Net Assets	
Above 1 billion	Rs. 1 million plus 0.075% p.a. of Net Assets exceeding Rs. 1 billion	0.075% per annum of Net Assets

Accordingly, Fund has charged Trustee Fee @ 0.075% p.a. of Net Assets during the quarter.

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

SECP vide S.R.O. No. 686/2019 dated June 26, 2019, revised rate of annual fee to 0.02% of net assets, applicable on all categories of Collective Investment Schemes with effect from July 1, 2019. Accordingly, Fund has charged SECP Fee @ 0.02% of net assets during the quarter.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as of September 30, 2019 and June 30, 2019.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	September 30, 2019 (Unaudited)					Total
		MOPF-III	MOPF-II	MOPF-III	MOPF-III	MOPF-III	
(Rupees in '000)							
Auditors remuneration payable		188	58	40	17	8	271
Outstanding fee payable		16	-	-	-	-	16
Bankers' services fee payable		88	11	8	8	2	117
Printing charges payable		212	9	7	1	1	230
Provision for Sindh Investors' Welfare Fund	10.1	487	84	8	8	28	615
Capital gain fee payable		2	2	1	1	-	6
Other payable		-	-	-	-	10	10
Total Payable		903	164	128	27	49	1,211
June 30, 2019 (Audited)							
(Rupees in '000)							
Auditors remuneration payable		110	40	28	12	4	194
Outstanding fee payable		16	-	-	-	-	16
Bankers' services fee payable		88	24	22	11	6	161
Printing charges payable		212	9	7	-	1	230
Provision for Sindh Investors' Welfare Fund		510	80	-	-	-	590
Capital gain fee payable	10.1	2	8	1	-	-	11
Other payable		-	-	-	-	10	10
Total Payable		938	161	58	23	21	1,101

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2018 the Sindh Investors' Welfare Fund Act, 2014 (SIWFF 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 (5) million, was required to pay Sindh Investors' Welfare Fund (SIWFF) in respect of that year's sum equal to four 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 C-Bo shares, it was contended that mutual funds should be excluded from the scope of the SIWFF 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 Institutions (Recovery of Finance) Ordinance, 2001 and were, hence, required to register and pay SIWFF under the SIWFF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have C-Bo mutual funds excluded from the applicability of SIWFF. In view of the above developments regarding the applicability of SIWFF on C-Bo mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SIWFF should be made on a prudent basis with effect from the date of enactment of the SIWFF Act, 2014 (i.e. starting from May 21, 2018). The Fund has made provision in respect of SIWFF starting from March 8, 2018 (i.e. the date of commencement of operations of the Fund).

Had the SIWFF not been provided, the fully per unit / Fund return would have been higher by Rs 0.0110 (54%), Rs 0.0110 (68%), Rs 0.0110 (68%), Rs 0.0220 (68%), and 0.0150 (24%) in MOPF-V, MOPF-V, MOPF-V/MOPF-VI and MOPF-VII respectively.

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 unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

Balances	September 30, 2019 (unaudited)					Total
	MCPP-01	MCPP-02	MCPP-03	MCPP-04	MCPP-05	
Al Meezan Investment Management Limited - Management Company						
Remuneration payable (Rs in '000)	4	1	2	1	13	21
Smith Sales Tax on management fee (Rs in '000)	-	-	-	-	-	-
Allocated expenses (Rs in '000)	111	35	35	14	8	199
Meezan Bank Limited						
Bank balance (Rs in '000)	3,166	722	362	112	3,438	8,800
Profit receivable (Rs in '000)	21	2	2	2	24	51
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs in '000)	12	22	18	11	7	127
Smith Sales Tax on trustee fee payable (Rs in '000)	12	2	2	1	1	17
Directors and Executives of the Management Company						
Investment (Rs in '000)	5,000	-	-	-	-	5,000
Investment (Units)	22,772	-	-	-	-	22,772
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	221,772	70,242	82,128	-41,242	-	412,800
Investment (Units)	6,342,312	2,322,717	2,387,348	1,282,227	-	12,034,604
Meezan Meezana Amibani Fund						
Investment (Rs in '000)	1,122,282	221,227	245,212	124,211	89,271	1,802,403
Investment (Units)	22,751,224	6,224,142	4,912,222	2,222,212	1,272,222	32,382,422
Unit holders holding 10% or more units of the Fund						
Investment (Rs in '000)	122,272	24,242	-	22,221	-	272,735
Investment (Units)	3,272,212	722,212	-	22,712	-	4,017,136



Debit

June 30, 2019

	QDPF-III	QDPF-V	QDPF-III	QDPF-V	QDPF-VII	Total
Al Meezan Investment Management Limited - Management Company						
Remuneration payable (Rs in '000)	4	1	4	3	12	24
Sindh Sales Tax on management fee (Rs in '000)	1	2	1	-	2	4
Allocated expense (Rs in '000)	121	22	22	17	11	293
Meezan Bank Limited						
Bank balance (Rs in '000)	1070	800	1,040	1,800	1,180	6,670
Profit receivable (Rs in '000)	22	3	21	12	7	65
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable (Rs in '000)	108	20	22	13	8	201
Sindh Sales Tax on trustee fee payable (Rs in '000)	2	1	1	1	1	6
Directors and Executives of the Management Company						
Investment (Rs in '000)	4,007	-	-	-	-	4,007
Investment (Units)	88,772	-	-	-	-	88,772
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	956,706	100,427	87,496	70,458	18,416	1,233,503
Investment (Units)	107,044,122	1,027,221	1,100,210	1,077,221	112,222	11,222,122
Meezan Sovereign Fund						
Investment (Rs in '000)	217,842	284,993	214,227	114,222	87,128	1,008,172
Investment (Units)	17,222,222	2,100,222	4,100,222	2,100,222	1,000,222	20,222,222
Meezan Rozana Aftabul Fund						
Investment (Rs in '000)	224,227	100,222	71,222	22,212	22,222	442,103
Investment (Units)	2,222,222	1,000,222	1,000,222	100,222	400,222	10,222,222
Unit holders holding 10% or more units of the Fund						
Investment (Rs in '000)	122,222	-	-	22,222	-	144,444
Investment (Units)	2,222,222	-	-	22,222	-	2,244,444

For the quarter ended September 30, 2019 (Unaudited)

	QDPF-III	QDPF-V	QDPF-III	QDPF-V	QDPF-VII	Total
Al Meezan Investment Management Limited - Management Company						
Remuneration for the period (Rs in '000)	6	6	6	6	2	26
Sindh Sales Tax on management fee (Rs in '000)	1	-	1	1	1	4
Allocated expense (Rs in '000)	281	128	22	87	22	540
Meezan Bank Limited						
Profit on saving account (Rs in '000)	124	21	21	44	22	232
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee (Rs in '000)	222	72	21	22	21	438
Sindh Sales Tax on trustee fee (Rs in '000)	22	2	2	1	2	29

For the quarter ended September 30, 2019 (Unaudited)

	Q3FY19	Q3FY19	Q3FY19	Q3FY19	Q3FY19	Total
	(Rupees)					
Messrs Dedicated Equity Fund						
Invested during the quarter (Rs. in '000)	-	-	-	-	48,000	48,000
Invested during the quarter (Units)	-	-	-	-	1,338,112	1,338,112
Reassessed during the quarter (Rs. in '000)	108,862	24,812	22,582	8,822	62,872	218,912
Reassessed during the quarter (Units)	3,211,814	744,544	691,354	252,111	1,804,878	8,995,817
Messrs Cash Fund						
Invested during the quarter (Rs. in '000)	1,281,882	372,888	328,207	184,758	308,283	2,314,408
Invested during the quarter (Units)	29,232,729	7,282,212	6,381,374	3,382,917	4,114,242	49,792,148
Reassessed during the quarter (Rs. in '000)	1,282,874	374,724	328,758	185,347	308,717	2,315,922
Reassessed during the quarter (Units)	29,232,729	7,282,212	6,381,374	3,382,917	4,114,242	49,792,148
Messrs Sovereign Fund						
Invested during the quarter (Rs. in '000)	-	-	-	-	-	-
Invested during the quarter (Units)	-	-	-	-	-	-
Reassessed during the quarter (Rs. in '000)	874,744	185,327	174,818	74,325	27,152	1,236,438
Reassessed during the quarter (Units)	17,822,288	2,742,242	4,182,472	2,218,722	1,082,281	30,848,887
Messrs Mysore Amulmit Fund						
Invested during the quarter (Rs. in '000)	1,242,121	351,648	281,558	142,122	222,842	2,260,544
Invested during the quarter (Units)	29,822,812	7,287,282	6,381,388	3,282,242	4,882,222	49,272,282
Reassessed during the quarter (Rs. in '000)	122,121	187,222	177,278	82,222	122,222	682,222
Reassessed during the quarter (Units)	4,122,812	2,222,222	2,282,222	972,222	2,122,222	17,222,222
Dividend received during the quarter (Rs. in '000)	12,222	1,222	1,222	2,222	2,222	28,222
Dividend received during the quarter (Units)	372,222	122,222	122,222	82,222	42,222	722,222

	For the quarter ended September 30, 2019	For the period from July 10, 2019 to September 30, 2019	For the period from September 01, 2019 to September 30, 2019	Total
	Q3FY19	Q3FY19	Q3FY19	Total
	(Rs. in '000)			

**All Messrs Investment Management Limited -
Management Company**

Remuneration for the quarter / period	32	82	114	1	227
Birth Sales Tax on management fee	2	2	1	-	2
Allocated expenses	221	221	21	-	442

Messrs Bank Limited

Profit on saving account	101	182	281	3	648
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**Central Depository Company of Pakistan
Limited - Trustee**

Trustee fee (Rs. in '000)	428	152	55	-	648
Birth Sales Tax on trustee fee (Rs. in '000)	24	21	1	-	47

Messrs Dedicated Equity Fund

Invested during the period (Rs. in '000)	221,222	222,222	78,222	-	571,222
Invested during the period (Units)	6,222,222	4,122,112	1,222,222	-	12,372,222
Reassessed during the period (Rs. in '000)	222,221	222,222	22,122	-	442,222
Reassessed during the period (Units)	12,222,124	4,122,222	521,422	-	18,372,222

Messrs Cash Fund

Invested during the quarter / period (Rs. in '000)	222,222	792,227	222,222	-	2,227,222
Invested during the quarter / period (Units)	12,222,222	18,222,222	12,222,222	-	42,222,222
Reassessed during the quarter / period (Rs. in '000)	422,222	221,222	22,222	-	1,222,222
Reassessed during the quarter / period (Units)	2,222,222	12,222,222	1,222,222	-	22,222,222
Dividend received during the Quarter (Rs. in '000)	12,222	1,222	-	-	12,222
Dividend received during the Quarter (Units)	274,222	22,222	-	-	292,222
Refund of Capital during the Quarter (Rs. in '000)	22,222	12,222	-	-	32,222
Refund of Capital during the Quarter (Units)	1,222,222	224,222	-	-	1,422,222

10. ALLOCATED EXPENSES

Until June 10, 2019 in accordance with Regulation 22 of the NBPJ Regulations, the Management Company was entitled to charge expenses related to register services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 584 dated June 10, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to register services, accounting, operations and valuation services to the CIS with effect from June 10, 2019.

However, the Management Company continues to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019, being lower than actual expenses.



13. EXPENSE RATIO

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

	As at September 30, 2019				
	MSPP-AT	MSPP-V	MSPP-AT	MSPP-VB	MSPP-VB
Total Expense ratio (including government levies)	2.24%	2.23%	2.24%	2.23%	2.24%
Government levies	0.27%	0.26%	0.24%	0.24%	0.26%

	As at June 30, 2019				
	MSPP-AT	MSPP-V	MSPP-AT	MSPP-VB	MSPP-VB
Total Expense ratio (including government levies)	2.23%	2.23%	2.23%	2.23%	2.23%
Government levies	0.26%	0.26%	0.11%	0.26%	0.26%

This ratio is within the maximum limit of **3.5%** prescribed under the NBPFC Regulations for a collective investment scheme categorized as a Fund of Fund Scheme.

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (96) 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 realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 22 of the Non-Banking Finance Companies and Licensed Entities Regulations, 2002, the Fund is required to distribute 20 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 quarter as the Management Company has intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realized or unrealized) to its unitholders.

The Fund is also exempt from the provisions of section 112 (minimum tax) under clause 11A of Part II of the Second Schedule of the Income Tax Ordinance, 2001. Accounting Superior introduced in Finance Act, 2019 is also not applicable on funds (Section 46 of Income Tax Ordinance, 2001).

15. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction in exchange terms. Financial assets which are tradeable in an open market are valued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values. International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

ASSETS	As at September 30, 2019			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	-	2,227,787	-	2,227,787
Units of mutual funds	-	-	-	-

ASSETS	As at June 30, 2019			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	-	2,755,820	-	2,755,820
Units of mutual funds	-	-	-	-

16. GENERAL

Figures have been rounded off to the nearest thousand rupees

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 10, 2019 by the Board of Directors of the Management Company

For Al Manzan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

THE CITY OF ANCIENT HISTORY AND RICH CULTURE



Meezan

Strategic Allocation Fund-III

MEEZAN STRATEGIC ALLOCATION FUND-III (MSAF-III)

Meezan Strategic Allocation Fund-III is a Shariah compliant scheme which aims to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income/Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.

IQBAL MANZIL
(SIALKOT)



FUND INFORMATION

MANAGEMENT COMPANY

Al Mezan Investment Management Limited
Ground Floor, Block 'B', Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35436722-4, 111-MEEZAN
Fax: (9221) 35474343, 35436808
Website: www.almezanmg.com
E-mail: info@almezanmg.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Arifol Islam	Chairman
Mr. Mohammad Shoah, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmad	Nominee Director - MBE
Mr. Muhammad Farqan R Kidwai	Independent Director
Mr. Iqbal Farooq	Nominee Director - MBE
Mr. Noman M. Fudda	Independent Director
Ms. Saima Kamila Khan	Independent Director
Mr. Arshad Majeed	Nominee Director - MBE
Mr. Naeem Abdul Samar	Nominee Director - FIOC
Syed Amir Ali Zaidi	Nominee Director - FIOC

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Ghazal Vaidi

AUDIT COMMITTEE

Mr. Noman M. Fudda	Chairman
Mr. Arshad Majeed	Member
Mr. Naeem Abdul Samar	Member

RISK MANAGEMENT COMMITTEE

Mr. Muhammad Abdullah Ahmad	Chairman
Syed Amir Ali Zaidi	Member
Mr. Naeem Abdul Samar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Noman M. Fudda	Chairman
Mr. Arifol Islam	Member
Mr. Naeem Abdul Samar	Member
Mr. Mohammad Shoah, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Mezan Bank Limited

BANKERS TO THE FUND

Bank Al Meezan Limited - Islamic Banking
Dubai Islamic Bank
Mezan Bank Limited

LEGAL ADVISER

Burhaney & Partners
3rd & 4th Floor, 48-C, Lane-1 B, Bokhari Commercial Area,
Phase VI, DHA, Karachi.
Phone (9221) 35194191-94 Fax: (9221) 35194195
E-mail: info@burhaney.com

TRANSFER AGENT

Mezan Bank Limited
Mezan House
C-28, Feroze Avenue, SITE, Karachi.
Phone: 35193338 Fax: 35408817
Website: www.mezanbank.com

DISTRIBUTORS

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



MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	MCPP-IX	
		----- (Rupees in '000) -----	
Assets			
Balances with banks	5	1,636	15,500
Investments	6	93,162	18,944
Profit accrued on balances with banks		90	26
Receivable against investments		4,990	-
Total assets		99,787	34,878
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		14	866
Payable to Central Depository Company of Pakistan Limited - Trustee	7	7	1
Payable to Securities and Exchange Commission of Pakistan	8	4	1
Payable against investments		33	-
Payable against redemption and conversions		5,166	-
Accrued expenses and other liabilities	10	187	80
Total liabilities		6,440	948
Net assets		94,327	33,930
Unitholders' fund (as per statement attached)		94,327	33,930
Contingencies and commitments			
	9	----- (Number of units) -----	
Number of units in issue		1,836,322	703,396
Net assets value per unit			
		----- (Rupees) -----	
		48.7146	48.3374

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

		September 30, 2019
	Note	MCPPJL
		(Rupees in '000)
Income		
Realised loss on sale of investments (net)		(1,173)
Profit on balance with banks		99
Dividend income		1,659
Total Income		585
Expenses		
Remuneration to Al Mezzan Investment Management Limited - Management Company		19
Sindh Sales Tax on remuneration to Management Company		2
Allocated expenses	12	21
Remuneration to Central Depository Company of Pakistan Limited - Trustee		18
Sindh Sales Tax on remuneration of the Trustee		2
Annual fee to Securities and Exchange Commission of Pakistan	8	4
Auditors' remuneration		15
Fees and subscription		69
Provision for Sindh Workers' Welfare Fund		13
Total expenses		180
Net income for the quarter before taxation		405
Taxation	14	-
Net income for the quarter after taxation		405
Allocation of net income for the quarter		
Net income for the quarter after taxation		405
Income already paid on units redeemed		(32)
		373
Accounting income available for distribution		
- Relating to capital gains		-
- Excluding capital gains		373
		373

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Mezzan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019 <u>MCPP-IX</u> (Rupees in '000)
Net income for the quarter after taxation	624
Other comprehensive income for the quarter	-
Total comprehensive income for the quarter	<u>624</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

September 30, 2019

MCPPI-IX

Capital Value	(Accumulated loss) / Undistributed income	Total
---------------	---	-------

(Rupees in '000)

Net Assets at the beginning of the quarter	34,246	(316)	33,930
Issuance of units:			
Issuance of 1,316,116 units			
- Capital value (at net asset value per unit at the beginning of the quarter)	87,606	-	87,606
- Element of loss	279	-	279
Total proceeds on issuance of units	87,884	-	87,884
Redemption of units:			
Redemption of 583,190 units			
- Capital value (at net asset value per unit at the beginning of the quarter)	28,132	-	28,132
- Element of (loss) / income	(21)	-	(21)
Total payments on redemption of units	28,111	-	28,111
Total comprehensive income for the quarter	-	624	624
Net assets at the end of the quarter	94,019	308	94,327
Accumulated loss brought forward			
- Realised loss		(105)	
- Unrealised income		(211)	
		<u>(316)</u>	
Accounting income available for distribution			
- Relating to capital gains		32	
- Excluding capital gains		592	
		<u>624</u>	
Undistributed income carried forward		<u><u>308</u></u>	
Undistributed income carried forward			
- Realised income		308	
- Unrealised income		-	
		<u><u>308</u></u>	
Net asset value per unit as at the beginning of the quarter			Rupees 48.2374
Net asset value per unit as at the end of the quarter			48.7148

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Al-Meezan Investment Management Limited
 (Management Company)

 Chief Executive

 Chief Financial Officer

 Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30, 2019
	<u>BCFP-III</u> (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the quarter before taxation	624
Increase in assets	
Investments - net	(74,208)
Profit accrued on balances with banks	(84)
Receivable against investments	(4,690)
	<u>(79,182)</u>
(Decrease) Increase in liabilities	
Payable to Al Meezan Investment Management Limited - Management Company	(652)
Payable to Central Depository Company of Pakistan Limited - Trustee	0
Payable to Securities and Exchange Commission of Pakistan	3
Payable against investments	33
Accrued expenses and other liabilities	107
	<u>(703)</u>
Net cash used in operating activities	<u>(79,241)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts against issuance and conversion of units	67,664
Payments against redemption and conversion of units	(22,918)
Net cash generated from financing activities	<u>64,988</u>
Net decrease in cash and cash equivalents	<u>(14,273)</u>
Cash and cash equivalents at the beginning of the quarter	15,908
Cash and cash equivalents at the end of the quarter	<u><u>1,635</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MESSEAN STRATEGIC ALLOCATION FUND - II
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LOCAL STAFF AND NATURE OF BUSINESS

- 1.1 **Messean Strategic Allocation Fund - II (the Fund)** was established under a Trust Deed executed between Al Messean Investment Management Limited (Al Messean) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 24, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2008 (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 1302(I)/2008 on October 10, 2018. 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 Regulation) Rules, 2008 (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, Shaheen-e-Paas, H-8/2, Islamabad 4400, 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 purchase and sale of the Fund are based on Shariah guidelines. The Management Company has appointed Messean 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-ended 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 restricted for fresh issuance by the Management Company with prior approval of the Commission after reference 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 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 AAM by VIG Credit Rating Company, Limited dated December 28, 2018 and by PACRA, dated June 28, 2019 (the rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes).
- 1.6 As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from May 30, 2019 to June 30, 2019 (former being the date from which the proceeds from the issue of units were received). The initial offering of Messean Capital Preservation Plan-IX (MCPPI-IX) was on May 14, 2019 for one business day, respectively.
- 1.7 The Fund generates returns on investment as per allocation plan (sub fund) namely Messean Capital Preservation Plan-IX (MCPPI-IX) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. The management may also invest in other Collective Investment Schemes available to it with prior approval of SECP.
- 1.8 A brief description of the plan is as follows:

Messean Capital Preservation Plan-IX (MCPPI-IX)	<p>Low risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from May 14, 2019 and can invest its portfolio between the Equity, asset classes, Schemes and Fixed Income or Money Market asset classes/ Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the date of the subscription period. Units shall be subject to front end load.</p>
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2. BASIS OF PREPARATION

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. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

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

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

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

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


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

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

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, 2019.

5. BALANCE WITH BANKS

	Note	September 30, 2019 (Approved)	June 30, 2019 (Audited)
		BQFY-19 —(Rupees in '000)—	
Saving accounts	8.1	1,004	14,004

5.1 The balances in savings accounts have an expected profit which ranges from 0.40% to 10.00% per annum (June 30, 2019 - 0.50% to 11.00% per annum)

6. INVESTMENTS

	Note	September 30, 2019 (Approved)	June 30, 2019 (Audited)
		BQFY-19 —(Rupees in '000)—	
Investments - 'at fair value through profit or loss'	8.1	20,182	18,244

6.1 Investments - 'at fair value through profit or loss' - Gilt-edged mutual funds

Name of investee funds	As at July 01, 2019	Purchases during the quarter	Sales during the quarter	As at September 30, 2019	Carrying value as at September 30, 2019	Market value as at September 30, 2019	Unrealized (loss) / gain as at September 30, 2019	Percentage for relation to
								Total market value of investments in Rupees
Meezan Capital Preservation Plan - 01	-	-	-	-	-	-	-	-
Meezan Diversified Equity Fund	182,424	1,017,411	1,170,828	-	-	-	-	-
Meezan Dean Fund	84,007	1,454,899	1,009,002	-	-	-	-	-
Meezan Sovereign Fund	128,820	252,742	421,092	-	-	-	-	-
Meezan Reserve Asset Fund	-	3,387,218	1,854,879	1,849,008	21,182	21,182	-	100
					21,182	21,182	-	100

7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUST FEE

During the quarter, Trustee has received fee as follows:

Existing Term		Revised Term
Net Assets (PKR)	Fee	@ 0.01% per annum of Net Assets
Up to 1 Billion	0.10% per annum	
Above 1 Billion	PKR 1 million plus 0.01% of the Net Assets exceeding PKR 1000 million	

Accordingly, Fund has charged Trustee Fee @ 0.01% p.a. of Net Assets during the quarter.

8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP vide S.R.O. No. 820 (2019) dated June 08, 2019, reduced rate of annual fee to 0.01% of net assets, applicable on all categories of Collective Investment Schemes with effect from July 1, 2019. Accordingly, Fund has charged SECP Fee @ 0.01% of net assets during the quarter.

9. CONTINGENCIES AND COMMITMENTS

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

10. ACCOUNTS EXPENSES AND GROSS OF LIABILITIES

	September 30, 2019 (Approved)	June 30, 2019 (Audited)
	BQFY-19 —(Rupees in '000)—	
Auditor's remuneration payable	50	50
Branch advisory fee payable	20	20
Other Payable	10	-
Provision for Sindh Workers Welfare Fund	10	-
	90	70

- 10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2017 the South 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 500 million, was required to pay South 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 CIOs whereby it was contended 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 (Regulation of Business) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CIOs / mutual funds excluded from the applicability of SWWF. In view of the above developments, regarding the applicability of SWWF on CIOs/mutual funds, MUFAP recommended that, as a matter of prudent caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2017).

Had the SWWF not been recorded the NAV per unit of the plan (SCPP-X) would have been higher by Rs 0.0088.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 11.1 Connected persons include Al Messan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Messan 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 Mutual Investment Company (Private) Limited being the associated company of the Management Company, Al Messan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.
- 11.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 11.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the nbFC Rules, the nbFC Regulations and the Trust Deed respectively.
- 11.4 Detail of transactions with connected persons and balances with them are as follows:

	September 30, 2019 (Amount in Rs)	June 30, 2019 (Amount in Rs)
	(All figures in '000)	
Al Messan Investment Management Limited		
- Management Company		
Remuneration payable (Rs in '000)	2	4
Sindh Sales Tax on management fee (Rs in '000)	-	-
Accrued expenses (Rs in '000)	12	1
Sales load payable (Rs in '000)	-	181
Sindh Sales Tax on sales load payable (Rs in '000)	-	22
	<u>14</u>	<u>207</u>
Messan Bank Limited		
Bank balance (Rs in '000)	1,012	12,024
Profit receivable (Rs in '000)	31	28
	<u>1,043</u>	<u>12,052</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable (Rs in '000)	8	1
Sindh Sales Tax on trustee fee payable (Rs in '000)	1	-
	<u>9</u>	<u>1</u>
Messan Dedicated Equity Fund		
Investment (Rs in '000)	-	2,443
Investment (Units)	-	121,124
	<u>-</u>	<u>2,443</u>
Messan Cash Fund		
Investment (Rs in '000)	-	3,181
Investment (Units)	-	24,127
	<u>-</u>	<u>3,181</u>
Messan Sovereign Fund		
Investment (Rs in '000)	-	10,128
Investment (Units)	-	128,822
	<u>-</u>	<u>10,128</u>
Messan Messan Amical Fund		
Investment (Rs in '000)	23,183	-
Investment (Units)	1,887,238	-
	<u>23,183</u>	<u>-</u>
Unitholders holding 10% or more units of the Fund		
Investment (Rs in '000)	19,291	4,802
Investment (Units)	1,422,581	22,182
	<u>19,291</u>	<u>4,802</u>



	September 30, 2019
	<u>(Rupees in '000)</u>
Meezan Investment Management Limited - Management Company	
Remuneration for the quarter (Rs in '000)	10
Smith Sales Tax on management fee (Rs in '000)	3
Allocated expenses (Rs in '000)	21
Meezan Bank Limited	
Profit on saving account (Rs in '000)	38
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee for the quarter (Rs in '000)	18
Smith Sales Tax on trustee fee (Rs in '000)	3
Meezan Dedicated Equity Fund	
Invested during the quarter (Rs in '000)	58,500
Invested during the quarter (Units)	1,217,237
Redeemed during the quarter (Rs in '000)	57,427
Redeemed during the quarter (Units)	1,170,222
Meezan Cash Fund	
Invested during the quarter (Rs in '000)	74,782
Invested during the quarter (Units)	1,274,224
Redeemed during the quarter (Rs in '000)	78,227
Redeemed during the quarter (Units)	1,232,124
Meezan Sovereign Fund	
Invested during the quarter (Rs in '000)	12,500
Invested during the quarter (Units)	222,742
Redeemed during the quarter (Rs in '000)	24,288
Redeemed during the quarter (Units)	427,222
Meezan Income Arbitrage Fund	
Invested during the quarter (Rs in '000)	108,224
Invested during the quarter (Units)	1,227,222
Redeemed during the quarter (Rs in '000)	78,227
Redeemed during the quarter (Units)	1,224,224
Dividend received during the quarter (Units)	27,182
Dividend received during the quarter (Rs in '000)	1,224

12. ALLOCATED EXPENSES

In accordance with Regulation 60 of the SECP Regulations, the Management Company (in June 19, 2019) entitled to charge expenses related to register services, accounting, operations and valuation services related to a Collective Investment Scheme (CIS) at the rate of 0.10% of the average annual net assets of the scheme or actual whichever is less. During the year, SDCP via SDC 600 dated June 20, 2019 has removed the maximum cap of 0.10%. Accordingly, the Management Company can not charge actual expenses related to register services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

Moreover, the management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for the quarter from July 1, 2019 to September 30, 2019, being lower than actual expenses.

13. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the quarter ended September 30, 2019 is:

	September 30, 2019
	<u>(Rupees in '000)</u>
Total Expense ratio (including government levies)	0.78%
Government levies	0.10%

This ratio is within the maximum limit of 2.0% prescribed under the SECP Regulations for a collective investment scheme categorized as a Fund of Fund Scheme.

14. EXEMPTION

The Fund's income is exempt from income tax (as per clause (20) of part 1 of the Second Schedule to the Income Tax Ordinance, 2001) subject to the condition that not less than 80 percent of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unitholders. Furthermore, as per regulation 10 of the SECP Regulations, the Fund is required to distribute at least 80 percent of the net accounting income other than capital gains to the unitholders. The Fund has not incurred any tax liability as the Fund intends to distribute the required level of profits and the exemption.

The Fund is also exempt from the provisions of section 112 (minimum tax) under clause 11A of Part II of the Second Schedule to the Income Tax Ordinance, 2001.



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