



**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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# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)	Habib Metropolitan Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Islami Pakistan Limited	UBL Ameen - Islamic Banking
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited - Islamic Banking	

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ASSET ALLOCATION FUND**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

**Introduction**


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

**Scope of Review**

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

**Conclusion**

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

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



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

	<b>December 31, 2019 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2019 (Audited)</b>
<b>Assets</b>		
Balances with banks	5 303,446	421,539
Investments	6 1,355,616	1,448,626
Dividend receivable	124	5,288
Receivable against sale of investments	9,292	-
Receivable against conversion of units	807	-
Deposits, profit accrued and other receivable	8,468	9,794
Preliminary expenses and floatation costs	235	326
<b>Total assets</b>	<b>1,677,988</b>	<b>1,885,573</b>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	4,340	4,914
Payable to Central Depository Company of Pakistan Limited - the Trustee	225	533
Payable to the Securities and Exchange Commission of Pakistan	8 170	2,380
Payable to Meezan Bank Limited	30	35
Payable against purchase of investments	92	-
Payable against redemption and conversion of units	5,313	9,113
Accrued expenses and other liabilities	7 24,272	14,587
<b>Total liabilities</b>	<b>34,442</b>	<b>31,562</b>
<b>Net assets</b>	<b>1,643,546</b>	<b>1,854,011</b>
<b>Contingencies and commitments</b>	9	
<b>Unit holders' fund (as per statement attached)</b>	<b>1,643,546</b>	<b>1,854,011</b>
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	<b>38,686,728</b>	<b>52,324,763</b>
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	<b>42.4834</b>	<b>35.4328</b>

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

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2019	2018	2019	2018
		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Net realised gain / (loss) on sale of investments		17,090	(34,089)	36,486	(33,833)
Dividend income		46,911	60,440	26,482	36,003
Profit on saving accounts with banks		18,287	14,863	7,576	8,281
		<u>82,288</u>	<u>41,214</u>	<u>70,544</u>	<u>10,451</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	242,322	(328,448)	330,318	(231,912)
<b>Total income / (loss)</b>		<u>324,610</u>	<u>(287,234)</u>	<u>400,862</u>	<u>(221,461)</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - the Management Company		12,494	20,820	6,244	10,026
Sindh Sales Tax on remuneration of the Management Company		1,624	2,707	811	1,304
Allocated expenses	11	833	1,388	416	668
Selling and marketing expenses	14	3,332	5,552	1,665	2,674
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		1,336	1,892	668	920
Sindh Sales Tax on remuneration of the Trustee		174	246	87	120
Annual fee to the Securities and Exchange Commission of Pakistan	8	170	1,319	83	635
Auditors' remuneration		201	211	125	114
Brokerage expenses		1,307	515	1,038	385
Charity expense		1,228	932	711	636
Bank and settlement charges		349	260	202	148
Amortisation of preliminary expenses and floatation costs		91	91	45	45
Fees and subscription		281	297	141	135
Provision for Sindh Worker's Welfare Fund (SWWF)	7.1	6,024	-	6,024	-
Printing expenses		-	10	-	10
<b>Total expenses</b>		<u>29,444</u>	<u>36,240</u>	<u>18,260</u>	<u>17,820</u>
<b>Net income / (loss) for the period before taxation</b>		<u>295,166</u>	<u>(323,474)</u>	<u>382,602</u>	<u>(239,281)</u>
Taxation	12		-		-
<b>Net income / (loss) for the period after taxation</b>		<u>295,166</u>	<u>(323,474)</u>	<u>382,602</u>	<u>(239,281)</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		295,166	-		
Income already paid on units redeemed		(26,415)	-		
		<u>268,751</u>	<u>-</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		259,412	-		
- Excluding capital gains		9,339	-		
		<u>268,751</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 ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**



**Meezan**  
 Asset Allocation Fund

	Six months period		Quarter ended,	
	December 31,		December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	295,166	(323,474)	382,602	(239,281)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>295,166</u>	<u>(323,474)</u>	<u>382,602</u>	<u>(239,281)</u>

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

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

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

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

\_\_\_\_\_  
 Director

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

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
<b>Net assets at the beginning of the period</b>	2,862,681	(1,008,670)	1,854,011	3,339,382	(462,218)	2,877,164
Issuance of 2,024,063 units (2018: 10,453,999 units)						
- Capital value (at net asset value per unit at the beginning of the period)	71,718		71,718	465,518	-	465,518
- Element of income / (loss)	5,411		5,411	(16,721)	-	(16,721)
Total proceeds on issuance of units	77,129	-	77,129	448,797	-	448,797
Redemption of 15,662,098 units (2018: 15,125,480 units)						
- Capital value (at net asset value per unit at the beginning of the period)	554,952		554,952	673,539	-	673,539
- Element of loss / (income)	1,393	26,415	27,808	(33,281)	-	(33,281)
Total payments on redemption of units	556,345	26,415	582,760	640,258	-	640,258
Total comprehensive income / (loss) for the period		295,166	295,166		(323,474)	(323,474)
Distribution during the period			-			-
Net loss for the period less distribution		295,166	295,166		(323,474)	(323,474)
<b>Net assets at the end of the period</b>	<b>2,383,465</b>	<b>(739,919)</b>	<b>1,643,546</b>	<b>3,147,921</b>	<b>(785,692)</b>	<b>2,362,229</b>
Accumulated loss brought forward						
- Realised loss		(593,083)			(109,140)	
- Unrealised loss		(415,587)			(353,078)	
		<u>(1,008,670)</u>			<u>(462,218)</u>	
Accounting income available for distribution						
- Relating to capital gains	259,412				-	
- Excluding capital gains	9,339				-	
	<u>268,751</u>				<u>-</u>	
Net loss for the period after taxation		-			(323,474)	
Distribution during the period		-			-	
Accumulated loss carried forward		<u>(739,919)</u>			<u>(785,692)</u>	
Accumulated loss carried forward						
- Realised loss		(982,241)			(457,244)	
- Unrealised gain / (loss)		242,322			(328,448)	
		<u>(739,919)</u>			<u>(785,692)</u>	
Net assets value per unit at the beginning of the period			<u>(Rupees) 35.4328</u>			<u>(Rupees) 44.5301</u>
Net assets value per unit at the end of the period			<u>42.4834</u>			<u>39.4098</u>

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**

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



**Meezan**  
Asset Allocation Fund

	<b>Six months period ended</b>	
	<b>December 31,</b>	
<b>Note</b>	<b>2019</b>	<b>2018</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	295,166	(323,474)
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and floatation costs	91	91
Net unrealised (appreciation) / diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1 (242,322)	328,448
	<u>52,935</u>	<u>5,065</u>
<b>Decrease in assets</b>		
Investments	335,332	143,428
Dividend receivable	5,164	422
Receivable against sale of investments	(9,292)	(5,906)
Deposits, profit accrued and other receivable	1,326	(432)
	<u>332,530</u>	<u>137,512</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	(574)	786
Payable to Central Depository Company of Pakistan Limited - the Trustee	(308)	(32)
Payable to the Securities and Exchange Commission of Pakistan	(2,210)	(1,577)
Payable to Meezan Bank Limited	(5)	(12)
Payable against purchase of investments - net	92	(2,190)
Accrued expenses and other liabilities	9,685	1,067
	<u>6,680</u>	<u>(1,958)</u>
<b>Net cash generated from operating activities</b>	<u>392,145</u>	<u>140,619</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	76,322	458,472
Payment against redemption and conversion of units	(586,560)	(639,947)
<b>Net cash used in financing activities</b>	<u>(510,238)</u>	<u>(181,475)</u>
<b>Net decrease in cash and cash equivalents during the period</b>	<u>(118,093)</u>	<u>(40,856)</u>
Cash and cash equivalents at the beginning of the period	421,539	454,128
<b>Cash and cash equivalents at the end of the period</b>	<u><u>303,446</u></u>	<u><u>413,272</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 ASSET ALLOCATION FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Meezan Asset Allocation Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on November 16, 2015. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. BALANCES WITH BANKS	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	300,388	419,654
In current accounts		3,058	1,885
		303,446	421,539

- 5.1 The balance in saving accounts have an expected profit ranging from 3.82% to 13.25% per annum (June 30, 2019: 3.32% to 12.35% per annum).

6. INVESTMENTS	Note	December 31,	June 30,
		2019 (Un-audited)	2019 (Audited)
		(Rupees in '000)	
<b>Investments at 'fair value through profit or loss'</b>			
Shares of listed companies 'ordinary shares'	6.1	<u>1,355,616</u>	<u>1,448,626</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
(Number of shares)						(Rupees in '000)					

**Sectors/ Companies**

**Automobile Assembler**

Ghandhara Industries Limited	55,000	-	-	55,000	-	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	1,800	12,300	-	1,800	12,300	2,720	2,693	(27)	0.16	0.01	0.20	
Indus Motor Company Limited	-	7,960	-	-	7,960	9,512	9,247	(265)	0.56	0.01	0.68	
Milat Tractors Limited	5,000	-	-	5,000	-	-	-	-	-	-	-	
									<b>0.73</b>	<b>0.02</b>	<b>0.88</b>	

**Automobile Parts & Accessories**

Agriauto Industries Limited (note 6.1.1)	-	40,000	-	-	40,000	8,355	8,000	(355)	<b>0.49</b>	<b>0.14</b>	<b>0.59</b>
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**Chemicals**

Engro Polymer & Chemicals Limited	1,110,761	300,000	-	898,000	512,761	14,001	17,029	3,028	1.04	0.06	1.26
ICI Pakistan Limited	80,650	1,000	-	2,750	78,900	41,929	53,246	11,317	3.24	0.09	3.93
									<b>4.28</b>	<b>0.15</b>	<b>5.18</b>

**Cement**

Cherat Cement Company Limited	-	240,000	6,500	160,000	86,500	3,384	4,589	1,205	0.28	0.05	0.34
D.G. Khan Cement Company Limited	129,000	150,000	-	279,000	-	-	-	-	-	-	-
Fauji Cement	-	187,500	-	187,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	225,000	-	-	-	225,000	11,819	17,415	5,596	1.06	0.11	1.28
Lucky Cement Limited	304,700	-	-	74,000	230,700	87,774	98,832	11,058	6.01	0.07	7.29
Maple Leaf Cement Limited	11,112	95	-	11,000	207	4	5	1	-	-	-
Pioneer Cement Limited	500	-	-	-	500	11	15	4	-	-	-
									<b>7.35</b>	<b>0.23</b>	<b>8.91</b>

**Commercial Banks**

Meezan Bank Limited	528,446	50,000	-	25,000	553,446	47,824	52,649	4,825	3.20	0.04	3.88
Bank Islami Pakistan Limited	-	550,000	-	50,000	500,000	5,375	5,545	170	0.34	0.05	0.41
									<b>3.54</b>	<b>0.09</b>	<b>4.29</b>

**Engineering**

Amreli Steels limited	-	150,000	-	75,000	75,000	2,253	2,709	456	0.16	0.03	0.20
International Industries Limited	107,500	25,000	9,600	86,500	55,600	4,193	6,163	1,970	0.37	0.04	0.45
International Steels Limited	105,000	525,000	-	617,500	12,500	471	724	253	0.04	-	0.05
Mughal Iron and Steel Industries Limited	-	125,000	-	25,000	100,000	3,297	4,097	800	0.25	0.04	0.30
									<b>0.83</b>	<b>0.11</b>	<b>1.01</b>

**Fertilizer**

Engro Corporation Limited (note 6.1.2)	609,400	26,700	-	216,500	419,600	113,075	144,867	31,792	8.81	0.07	10.69
Engro Fertilizers Limited	1,745,000	25,000	-	808,000	962,000	61,663	70,640	8,977	4.30	0.07	5.21
									<b>13.11</b>	<b>0.14</b>	<b>15.90</b>

**Food and Personal Care Products**

Al-Shaheer Corporation Limited (Note 6.2)	3,750	-	-	-	3,750	47	53	6	-	-	-
Frieslandcampina Engro Foods Limited	700	-	-	700	-	-	-	-	-	-	-
									-	-	-

**Glass and Ceramics**

Tariq Glass Industries Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
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Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / right issue	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Percentage in relation to					
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments			
						(Number of shares)			(Rupees in '000)			%		
<b>Oil and Gas Exploration Companies</b>														
Attock Petroleum Limited	-	25,000	-	-	25,000	7,625	9,245	1,620	0.56	0.03	0.68			
Oil and Gas Development Company Limited	1,319,800	350,000	-	784,500	885,300	114,476	125,996	11,520	7.67	0.02	9.29			
Mari Petroleum Company Limited	60,720	1,500	6,072	-	68,292	62,906	89,469	26,563	5.44	0.05	6.60			
Pakistan Oilfields Limited	93,950	50,000	-	-	143,950	55,659	64,305	8,646	3.91	0.05	4.74			
Pakistan Petroleum Limited	1,161,390	25,000	193,238	625,200	754,428	90,866	103,462	12,596	6.30	0.03	7.63			
									<b>23.88</b>	<b>0.18</b>	<b>28.95</b>			
<b>Oil and Gas Marketing Companies</b>														
Hascol Petroleum Limited (Note 6.2)	301,675	3,169,435	-	1,080,500	2,390,610	27,583	64,307	36,724	3.91	1.20	4.74			
Pakistan State Oil Company Limited (Note 6.2)	323,348	55,800	55,830	254,500	180,478	25,704	34,587	8,883	2.10	0.04	2.55			
Sui Northern Gas Pipelines Limited	1,317,400	-	-	520,500	796,900	55,377	60,700	5,323	3.69	0.13	4.48			
									<b>9.71</b>	<b>1.36</b>	<b>11.77</b>			
<b>Paper and Board</b>														
Cherat Packaging Limited	21,752	-	825	13,500	9,077	665	1,102	437	0.07	0.02	0.08			
Packages Limited	51,350	-	-	-	51,350	15,434	20,475	5,041	1.25	0.06	1.51			
									<b>1.31</b>	<b>0.08</b>	<b>1.59</b>			
<b>Pharmaceuticals</b>														
Abbott Laboratories (Pakistan) Limited	50	-	-	-	50	24	22	(2)	-	-	-			
AGP Limited	289,000	-	-	101,500	187,500	12,849	18,628	5,779	1.13	0.07	1.37			
GlaxoSmithKline Consumer Healthcare Limited	47,000	7,400	-	-	54,400	11,195	13,949	2,754	0.85	0.05	1.03			
The Searle Company Limited (Note 6.2)	132,849	-	-	35,000	97,849	14,341	18,468	4,127	1.12	0.05	1.36			
									<b>3.11</b>	<b>0.16</b>	<b>3.77</b>			
<b>Power Generation and Distribution</b>														
K-Electric Limited (note 6.1.1)	11,955,000	-	-	730,000	11,225,000	49,278	49,053	(225)	2.98	0.04	3.62			
The Hub Power Company Limited	942,512	471,500	-	313,500	1,100,512	83,493	102,733	19,240	6.25	0.08	7.58			
									<b>9.24</b>	<b>0.13</b>	<b>11.20</b>			
<b>Technology and Communication</b>														
Avanceon Limited	147,000	-	-	147,000	-	-	-	-	-	-	-			
Pakistan Telecommunication Company Limited	100,000	-	-	100,000	-	-	-	-	-	-	-			
Systems Limited	79,200	25,000	-	25,000	79,200	8,027	9,845	1,818	0.60	0.06	0.73			
									<b>0.60</b>	<b>0.06</b>	<b>0.73</b>			
<b>Textile Composite</b>														
Interloop Limited	724,712	-	-	50,000	674,712	29,870	39,167	9,297	2.38	0.08	2.89			
Nishat Mills Limited	398,400	25,000	-	242,400	181,000	16,674	19,211	2,537	1.17	0.05	1.42			
									<b>3.55</b>	<b>0.13</b>	<b>4.31</b>			
<b>Textile Weaving</b>														
Feroze1888 Mills Limited	131,000	3,500	-	-	134,500	13,541	12,374	(1,167)	0.75	0.04	0.91			
<b>Rights Certificates</b>														
<b>Oil And Gas Marketing Companies</b>														
Hascol Petroleum Limited *	-	-	150,000	150,000	-	-	-	-	-	-	-			
<b>Total</b>						<b>1,113,294</b>	<b>1,355,616</b>	<b>242,322</b>			<b>100%</b>			
<b>Total as at June 30, 2019</b>						<b>1,864,213</b>	<b>1,448,626</b>	<b>(415,587)</b>						

\*The right certificates were exercised during the period and the shares are included in the investment in Hascol Petroleum Limited.

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have a nominal value of Rs 3.5 each and Agriauto Industries Limited which have a nominal value of Rs 5 each.
- 6.1.2** Investments include 150,000 shares (June 30, 2019: 150,000 shares) of Engro Corporation Limited, having market value of Rs 36.25 million (June 30, 2019: Rs 27.89 million) as at December 31, 2019, which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of Fund's trades in accordance with Circular 11 dated October 23, 2007 by SECP.
- 6.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

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

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.612 million (June 30, 2019: Rs. 1.209 million).

<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>December 31, 2019 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
		<b>(Rupees in '000)</b>	
Charity payable		3,162	1,933
Brokerage payable		3,892	1,455
Auditors' remuneration payable		172	195
Withholding tax payable		-	26
Capital gain tax payable		38	1
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	16,104	10,080
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	145	145
Shariah advisory fee payable		264	266
Zakat payable		13	4
Others			
		<b>24,272</b>	<b>14,587</b>

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

Had the provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit of the Fund would have been higher by Re 0.42 per unit as at December 31, 2019 (June 30, 2019 : 0.19 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 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, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.627 million (June 30, 2019: Rs 0.627 million) is being retained in the condensed interim 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 December 31, 2019 would have been higher by Re 0.02 (June 30, 2019: Re 0.01) per unit.

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

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

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

## **9. CONTINGENCIES AND COMMITMENTS**

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

## **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, others Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and Unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

	<b>December 31, 2019 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2019 (Audited)</b>
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	2,067	2,383
Sindh Sales Tax on management fee payable	269	310
Sales load payable	177	16
Sindh sales tax on sales load payable	24	2
Allocated expense payable	138	159
Selling & marketing expense payable	1,665	2,044

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
<b>Meezan Bank Limited</b>		
Sales load payable	27	47
Sindh Sales Tax on sales load payable	3	6
Bank balance	132,237	6,620
Profit receivable on saving account	67	37
Investment in 553,446 shares (June,30 2019: 528,446 shares)	52,649	46,059
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	199	472
Sindh Sales Tax on trustee fee payable	26	61
Security deposit	100	100
<b>Directors and Executives of the Management Company</b>		
Investments as at December 31, 2019: 43,552 units (June 30, 2019: 30,242 units)	1,850	1,072
<b>For the six months period ended December 31,</b>		
	<b>2019</b>	<b>2018</b>
	<b>(Rupees in '000)</b>	
	<b>(Unaudited)</b>	
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	12,494	20,820
Sindh Sales Tax on management fee for the period	1,624	2,707
Allocated expenses	833	1,388
Selling and marketing expense	3,332	5,552
<b>Meezan Bank Limited</b>		
Shares purchased during the period: 50,000 shares (December 31, 2018: 651,000 shares)	3,925	56,898
Shares disposed off during the period: 25,000 shares (December 31, 2018: 275,000 shares)	2,100	24,873
Bonus shares issued: nil shares (December 31, 2018: 12,541 shares)	-	1,053
Profit on saving account	2,102	661
Dividend income	1,082	188
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the period	1,336	1,892
Sindh Sales Tax on trustee fee for the period	174	246
CDS charges	45	23
<b>Directors and Executives of the Management Company</b>		
Units issued: 20,696 units (December 31, 2018: 1,626 units)	843	72
Units redeemed: 7,386 units (December 31, 2018: Nil units)	260	-

## 11. ALLOCATED EXPENSES

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

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

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



## 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 unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

## 13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 3.54% which include 0.98% 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 a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

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

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

## 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.

### Fair value hierarchy

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

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

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

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

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

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

**ASSETS**

**Financial assets 'at fair value through profit or loss'**

Shares of listed companies 'ordinary shares'	1,355,616	-	-	1,355,616
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As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

**ASSETS**

**Financial assets 'at fair value through profit or loss'**

Shares of listed companies 'ordinary shares'	1,448,626	-	-	1,448,626
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**16. GENERAL**

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

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

**17. DATE OF AUTHORISATION FOR ISSUE**

February 10, 2020

17.1 These condensed interim financial statements were authorised for issue on \_\_\_\_\_ 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 Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (9221) 35630722-6, 111-MEEZAN  
Fax: (9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN DEDICATED EQUITY FUND**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

**Introduction**


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

**Scope of Review**

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

**Conclusion**

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

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

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



**Meezan**  
Dedicated Equity Fund

	<b>December 31, 2019 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
<b>Note</b>	<b>(Rupees in '000)</b>	
<b>Assets</b>		
Balances with banks	5 26,779	110,688
Investments	6 1,226,236	1,658,927
Receivable against sale of investments	4,458	-
Receivable against conversion of units	5,000	-
Dividend receivable	31	1,120
Advances, prepayments and other receivables	4,063	1,886
<b>Total assets</b>	<b>1,266,567</b>	<b>1,772,621</b>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	3,614	5,286
Payable to Central Depository Company of Pakistan Limited - the Trustee	218	263
Payable to the Securities and Exchange Commission of Pakistan	8 124	1,864
Payable against purchase of investments	1,002	-
Payable against redemption and conversion of units	-	1,500
Accrued expenses and other liabilities	9 6,165	2,634
<b>Total liabilities</b>	<b>11,123</b>	<b>11,547</b>
<b>Net assets</b>	<b>1,255,444</b>	<b>1,761,074</b>
<b>Contingencies and commitments</b>	7	
<b>Unit holders' fund (as per statement attached)</b>	<b>1,255,444</b>	<b>1,761,074</b>
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	<b>29,696,644</b>	<b>49,596,421</b>
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	<b>42.2756</b>	<b>35.5081</b>

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 INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

Note	Six months period ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
<b>Income</b>				
Net realised (loss) / income on sale of investments	(51,990)	(56,292)	17,906	(49,800)
Dividend income	38,749	42,052	19,852	23,731
Profit on saving accounts with banks	5,330	1,785	1,478	1,188
Other income	500	-	-	-
	<u>(7,411)</u>	<u>(12,455)</u>	<u>39,236</u>	<u>(24,881)</u>
Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'	6.1 169,571	(254,016)	242,026	(179,695)
<b>Total income / (loss)</b>	<u>162,160</u>	<u>(266,471)</u>	<u>281,262</u>	<u>(204,576)</u>
<b>Expenses</b>				
Remuneration of AI Meezan Investment Management Limited - the Management Company	12,057	19,904	5,626	10,273
Sindh Sales Tax on remuneration of the Management Company	1,567	2,587	731	1,335
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	1,109	1,499	536	765
Sindh Sales Tax on remuneration of Trustee	144	195	69	100
Annual fee to the Securities and Exchange Commission of Pakistan	8 124	945	56	488
Auditors' remuneration	304	153	247	83
Fees and subscription	283	281	143	140
Brokerage expenses	1,797	1,539	1,057	1,141
Bank and settlement charges	119	163	81	55
Allocated expenses	11 603	995	281	513
Selling and marketing expenses	12 2,411	3,981	1,125	2,055
Charity expense	1,034	651	502	417
Provision for Sindh Workers' Welfare Fund (SWWF)	2,812	-	2,812	-
Printing expenses	10	20	-	10
<b>Total expenses</b>	<u>24,374</u>	<u>32,913</u>	<u>13,266</u>	<u>17,375</u>
<b>Net income / (loss) for the period before taxation</b>	<u>137,786</u>	<u>(299,384)</u>	<u>267,996</u>	<u>(221,951)</u>
Taxation	14 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<u>137,786</u>	<u>(299,384)</u>	<u>267,996</u>	<u>(221,951)</u>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	137,786	-	-	-
Income already paid on units redeemed	-	-	-	-
	<u>137,786</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accounting income available for distribution</b>				
- Relating to capital gains	117,581	-	-	-
- Excluding capital gains	20,205	-	-	-
	<u>137,786</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

	Six months period ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	137,786	(299,384)	267,996	(221,951)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>137,786</u>	<u>(299,384)</u>	<u>267,996</u>	<u>(221,951)</u>

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

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

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

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

\_\_\_\_\_  
Director

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

	Six months period ended December 31, 2019			Six months period ended December 31, 2018		
	Capital Value	Accumu- lated loss	Total	Capital Value	Accumu- lated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	2,436,503	(675,429)	1,761,074	1,925,907	(69,075)	1,856,832
Issue of 24,274,232 units (2018: 55,468,396 units)						
- Capital value (at net asset value per unit at the beginning of the period)	861,932		861,932	2,692,142	-	2,692,142
- Element of income / (loss)	9,566		9,566	(122,542)	-	(122,542)
Total proceeds on issuance of units	871,498	-	871,498	2,569,600	-	2,569,600
Redemption of 44,174,009 units (2018: 46,645,906 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,568,535		1,568,535	2,263,945	-	2,263,945
- Element of income	(53,621)		(53,621)	(116,334)	-	(116,334)
Total payments on redemption of units	1,514,914	-	1,514,914	2,147,611	-	2,147,611
Total comprehensive income / (loss) for the period		137,786	137,786	-	(299,384)	(299,384)
Distribution during the period		-	-	-	-	-
<b>Net income / (loss) for the period less distribution</b>	-	137,786	137,786	-	(299,384)	(299,384)
<b>Net assets at the end of the period</b>	<b>1,793,087</b>	<b>(537,643)</b>	<b>1,255,444</b>	<b>2,347,896</b>	<b>(368,459)</b>	<b>1,979,437</b>
<b>Accumulated loss brought forward</b>						
- Realised (loss) / income		(336,679)			14,740	
- Unrealised loss		(338,750)			(83,815)	
		(675,429)			(69,075)	
Accounting income available for distribution						
- Relating to capital gains	117,581			-		
- Excluding capital gains	20,205			-		
	137,786			-		
Net loss for the period after taxation		-			(299,384)	
Distribution during the period		-			-	
Accumulated loss carried forward		(537,643)			(368,459)	
<b>Accumulated loss carried forward</b>						
- Realised loss		(707,214)			(114,443)	
- Unrealised gain / (loss)		169,571			(254,016)	
		(537,643)			(368,459)	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net assets value per unit at the beginning of the period			<u>35.5081</u>			<u>48.5347</u>
Net assets value per unit at the end of the period			<u>42.2756</u>			<u>42.0438</u>

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

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

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

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

\_\_\_\_\_  
Director

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



**Meezan**  
Dedicated Equity Fund

	<b>Six months period ended</b>	
	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	137,786	(299,384)
<b>Adjustments for</b>		
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(169,571)	254,016
	(31,785)	(45,368)
<b>Decrease / (Increase) in assets</b>		
Investments - net	602,262	(293,785)
Dividend receivable	1,089	(1,626)
Receivable against sale of investments	(4,458)	(27,909)
Advances, prepayments and other receivables	(2,177)	946
	596,716	(322,374)
<b>Increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	(1,672)	3,488
Payable to Central Depository Company of Pakistan Limited - Trustee	(45)	326
Payable to Securities and Exchange Commission of Pakistan	(1,740)	23
Payable against purchase of investments	1,002	(2,530)
Accrued expenses and other liabilities	3,531	550
	1,076	1,857
<b>Net cash generated from / (used in) operating activities</b>	566,007	(365,885)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units and conversion of units	866,498	2,569,600
Payments against redemption of units and conversion of units	(1,516,414)	(2,147,611)
<b>Net cash (used in) / generated from financing activities</b>	(649,916)	421,989
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(83,909)	56,104
Cash and cash equivalents at the beginning of the period	110,688	122,500
<b>Cash and cash equivalents at the end of the period</b>	26,779	178,604

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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

5. BALANCES WITH BANKS	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
In saving accounts	5.1	24,239	109,870
In current accounts		2,540	818
		<u>26,779</u>	<u>110,688</u>

5.1 The balances in saving accounts have an expected profit ranging from 3.82% to 13.40% per annum. (June 30, 2019: 3.32 % to 12.35% per annum).

6. INVESTMENTS	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
Investments - 'at fair value through profit or loss'	6.1	1,226,236	1,658,927
		<u>1,226,236</u>	<u>1,658,927</u>

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

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
----- Number of shares -----						----- (Rupees in '000) -----			----- % -----		
<b>Sectors / companies</b>											
<b>Automobile Assembler</b>											
Gandhara Industries Limited	19,300	-	-	19,300	-	-	-	-	-	-	-
Gandhara Nissan Limited	158	-	-	158	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	300	6,300	-	300	6,300	1,405	1,379	(26)	0.11	-	0.11
Indus Motor Company Limited	-	11,560	-	-	11,560	13,957	13,429	(528)	1.07	0.01	1.10
Milat Tractors Limited	800	10,000	-	800	10,000	7,285	7,044	(241)	0.56	0.02	0.57
									<b>1.74</b>	<b>0.03</b>	<b>1.78</b>
<b>Automobile Parts &amp; Accessories</b>											
Agriauto Industries Limited (Note 6.1.1)	-	40,000	-	-	40,000	8,331	8,000	(331)	0.64	0.28	0.65
									<b>0.64</b>	<b>0.28</b>	<b>0.65</b>
<b>Commercial Banks</b>											
BankIslami Pakistan Limited	-	350,000	-	50,000	300,000	3,225	3,327	102	0.27	0.03	0.27
Meezan Bank Limited (an associate)	575,505	-	-	39,500	536,005	46,718	50,990	4,272	4.06	0.04	4.16
									<b>4.33</b>	<b>0.07</b>	<b>4.43</b>
<b>Cement</b>											
Attock Cement Pakistan Limited	15,200	-	-	-	15,200	1,085	1,571	486	0.13	0.01	0.13
Cherat Cement Company Limited	-	195,000	6,500	145,000	56,500	2,195	2,997	802	0.24	0.03	0.24
D.G. Khan Cement Company Limited	206,100	100,000	-	306,100	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	125,000	-	125,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	274,370	50,000	-	153,500	170,870	10,145	13,225	3,080	1.05	0.09	1.08
Lucky Cement Limited	313,650	122,400	-	235,200	200,850	77,895	86,044	8,149	6.85	0.06	7.02
Maple Leaf Cement Factory Limited	400,000	-	-	400,000	-	-	-	-	-	-	-
									<b>8.27</b>	<b>0.19</b>	<b>8.47</b>
<b>Chemical</b>											
Engro Polymer & Chemicals Limited	1,324,644	753,000	-	1,401,000	676,644	20,618	22,471	1,853	1.79	0.07	1.83
ICI Pakistan Limited	51,100	5,000	-	11,800	44,300	24,174	29,896	5,722	2.38	0.05	2.44
Lotte Chemical Pakistan Limited	294,000	800,000	-	1,094,000	-	-	-	-	-	-	-
									<b>4.17</b>	<b>0.12</b>	<b>4.27</b>
<b>Engineering</b>											
Amreli Steels Limited	-	150,000	-	100,000	50,000	1,501	1,806	305	0.14	0.02	0.15
International Industries Limited	38,800	70,000	-	63,800	45,000	4,277	4,988	711	0.40	0.03	0.41
International Steels Limited	255,000	325,000	-	565,000	15,000	663	869	206	0.07	-	0.07
Mughal Iron & Steel Industries Limited	-	145,000	-	25,000	120,000	3,684	4,916	1,232	0.39	0.05	0.40
									<b>1.00</b>	<b>0.10</b>	<b>1.03</b>
<b>Fertilizer</b>											
Engro Corporation Limited	606,830	82,000	-	325,700	363,130	99,868	125,371	25,503	9.99	0.06	10.22
Engro Fertilizers Limited	1,365,000	100,000	-	734,000	731,000	47,458	53,677	6,219	4.28	0.05	4.38
									<b>14.27</b>	<b>0.11</b>	<b>14.60</b>
<b>Food And Personal Care</b>											
At Tahur Limited	83	-	8	-	91	2	2	-	-	-	-
									-	-	-
<b>Glass And Ceramics</b>											
Tariq Glass Industries Limited	142,500	-	-	142,500	-	-	-	-	-	-	-
									-	-	-
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	93,360	10,000	6,688	31,480	78,568	76,285	102,932	26,647	8.20	0.06	8.39
Oil & Gas Development Company Limited	1,430,900	201,000	-	792,300	839,600	110,845	119,492	8,647	9.52	0.02	9.74
Pakistan Oilfields Limited	305,560	15,000	-	180,600	139,960	57,038	62,523	5,485	4.98	0.05	5.10
Pakistan Petroleum Limited	1,107,500	244,020	-	677,400	674,120	81,604	92,449	10,845	7.36	0.02	7.55
									<b>30.06</b>	<b>0.15</b>	<b>30.78</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited	35,000	30,000	-	-	65,000	21,373	24,037	2,664	1.91	0.07	1.96
Hascol Petroleum Limited	326,230	1,424,218	-	839,500	910,948	12,133	24,505	12,372	1.95	0.46	2.00
Pakistan State Oil Company Limited	438,260	175,000	32,112	423,200	222,172	35,286	42,577	7,291	3.39	0.05	3.47
Sui Northern Gas Pipelines Limited	1,231,100	286,000	-	879,000	638,100	46,150	48,604	2,454	3.87	0.10	3.96
Sui Southern Gas Company Limited	9,500	-	-	9,500	-	-	-	-	-	-	-
									<b>11.12</b>	<b>0.68</b>	<b>11.39</b>

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) as at December 31, 2019	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
----- Number of shares -----						----- (Rupees in '000) -----			----- % -----		
<b>Paper &amp; Board</b>											
Cherat Packaging Limited	32,100	-	-	32,100	-	-	-	-	-	-	-
Packages Limited	20,350	-	-	-	20,350	6,116	8,114	1,998	0.65	0.02	0.66
									<b>0.65</b>	<b>0.02</b>	<b>0.66</b>
<b>Pharmaceuticals</b>											
AGP Limited	233,000	3,000	-	88,500	147,500	10,156	14,654	4,498	1.17	0.05	1.20
Glaxosmithkline Consumer Healthcare	15,000	25,200	-	-	40,200	10,129	10,308	179	0.82	0.03	0.84
The Searle Company Limited	218,055	10,000	-	159,000	69,055	10,601	13,034	2,433	1.04	0.03	1.06
									<b>3.03</b>	<b>0.11</b>	<b>3.10</b>
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (note 6.1.1)	10,961,500	400,000	-	3,607,000	7,754,500	33,985	33,887	(98)	2.70	0.03	2.76
The Hub Power Company Limited	1,323,117	131,000	-	525,500	928,617	74,138	86,687	12,549	6.90	0.07	7.07
									<b>9.60</b>	<b>0.10</b>	<b>9.83</b>
<b>Refinery</b>											
Attock Refinery Limited	1,000	-	-	1,000	-	-	-	-	-	-	-
									-	-	-
<b>Technology &amp; Communication</b>											
Avanceon Limited	290,300	50,000	-	340,300	-	-	-	-	-	-	-
Netsol Technologies Limited	206,900	104,000	-	143,500	167,400	11,329	11,025	(304)	0.88	0.19	0.90
Systems Limited	102,500	25,000	-	25,000	102,500	10,263	12,741	2,478	1.01	0.08	1.04
									<b>1.89</b>	<b>0.27</b>	<b>1.94</b>
<b>Textile Composite</b>											
Feroze1888 Mills Limited	236,500	500	-	-	237,000	23,906	21,804	(2,102)	1.74	0.06	1.78
Interloop Limited	883,382	-	-	90,000	793,382	35,123	46,056	10,933	3.67	0.09	3.76
Nishat Mills Limited	384,400	140,000	-	366,200	158,200	14,019	16,791	2,772	1.34	0.04	1.37
									<b>6.75</b>	<b>0.19</b>	<b>6.91</b>
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited	287,376	250,000	-	412,376	125,000	1,700	2,014	314	0.16	0.02	0.16
									<b>0.16</b>	<b>0.02</b>	<b>0.16</b>
<b>Right Certificates</b>											
<b>Oil And Gas Marketing Companies</b>											
Hascol Petroleum Limited *	-	-	846,920	846,920	-	-	-	-	-	-	-
									-	-	-
<b>Total</b>						<b>1,056,665</b>	<b>1,226,236</b>	<b>169,571</b>			<b>100</b>

\*The right certificates were exercised during the period and the shares are included in the investment in Hascol Petroleum Limited.

- 6.1.1** All shares have a nominal value of Rs. 10 each except for the shares of K-Electric Limited and Agriauto Industries Limited which have a nominal value of Rs. 3.50 and Rs. 5 each respectively.
- 6.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

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

As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.312 million (June 30, 2019: Rs. 0.23 million).

## 7. CONTINGENCIES AND COMMITMENTS

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

## 8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)			
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Withholding tax payable		23	5
Printing expenses payable		70	60
Auditors' remuneration payable		225	150
Brokerage payable		722	640
Charity payable		2,050	1,516
Provision for Sindh Worker's Welfare Fund	9.1	2,812	-
Shariah advisor fee payable		263	263
		6,165	2,634

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

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund during the period ended December 31, 2019, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.000095 (June 30, 2019: Re nil).

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

<b>Balances</b>	<b>December 31, 2019 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	2,103	3,013
Sindh Sales Tax payable on management fee	274	392
Selling and marketing expenses payable	1,125	1,723
Allocated expense payable	112	158
<b>Meezan Bank Limited</b>		
Balances with bank	11,266	32,482
Profit receivable on saving accounts	104	297
Investment in shares: 536,005 shares (June 30, 2019: 575,505 shares)	50,990	50,164
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	195	233
Sindh Sales Tax on trustee fee payable	23	30
Security deposit	103	103
<b>Meezan Financial Planning Fund of Funds MAAP I</b>		
Investment of 1,745,369 units (June 30, 2019: 11,269,149 units)	73,787	400,146
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Investment of 770,786 units (June 30, 2019: 8,724,481 units)	32,585	309,790
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Investment of 1,003,881 units (June 30, 2019: 1,238,827 units)	42,440	43,988
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Investment of 823,461 units (June 30, 2019: 1,980,130 units)	34,812	70,311
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Investment of 1,296,968 units (June 30, 2019: 1,740,577 units)	54,830	61,805
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Investment of 704,094 units (June 30, 2019: 978,486 units)	29,766	34,744
<b>Meezan Strategic Allocation Fund MCPP-III</b>		
Investment of 3,648,043 units (June 30, 2019: 5,644,620 units)	154,223	200,430

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited)
<b>Meezan Strategic Allocation Fund - II MCPP-IV</b> Investment of 11,302,621 units (June 30, 2019: 10,044,192 units)	477,825	356,650
<b>Meezan Strategic Allocation Fund - II MCPP-V</b> Investment of 2,441,386 units (June 30, 2019: 3,081,261 units)	103,211	109,410
<b>Meezan Strategic Allocation Fund - II MCPP-VI</b> Investment of 2,450,132 units (June 30, 2019: 2,745,310 units)	103,581	97,481
<b>Meezan Strategic Allocation Fund - II MCPP-VII</b> Investment of 1,557,977 units (June 30, 2019: 1,477,397 units)	65,864	52,460
<b>Meezan Strategic Allocation Fund - II MCPP-VIII</b> Investment of 969,905 units (June 30, 2019: 518,566 units)	41,003	18,413
<b>Meezan Strategic Allocation Fund - III MCPP-IX</b> Investment of 982,023 units (June 30, 2019: 153,424 units)	41,516	5,448
	<b>Six months period ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Transactions during the period</b>		
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	12,057	19,904
Sindh Sales Tax on management fee for the period	1,567	2,587
Allocated expenses	603	995
Selling and marketing expense	2,411	3,981
<b>Meezan Bank Limited</b>		
Profit on saving account	3,791	1,182
Shares purchased during the period: nil shares (December 31, 2018: 520,500 shares)	-	45,833
Bonus shares received: nil shares (December 31, 2018: 10,050 shares)	-	-
Shares sold during the period: 39,500 shares (December 31, 2018: 400,500 shares)	3,024	36,456
Dividend income	1,097	151
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the period	1,109	1,499
Sindh Sales Tax on trustee fee	144	195
CDS charges	63	58
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units issued: nil units (December 31, 2018: 602,460 units)	-	26,000
Units redeemed: 9,523,780 units (December 31, 2018: 971,806 units)	318,940	45,260
<b>Meezan Financial Planning Fund of Funds MAAP - IV</b>		
Units redeemed: nil units (December 31, 2018: 2,136,720 units)	-	99,023
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Units issued: nil units (December 31, 2018: 14,059,235 units)	-	658,000
Units redeemed: 7,953,695 units (December 31, 2018: 4,253,522 units)	275,200	200,000
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Units redeemed: 234,946 units (December 31, 2018: nil units)	8,300	-

	Six months period ended	
	2019	2018
	December 31,	
	(Unaudited)	
	(Rupees in '000)	
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Units issued: 820,109 units (December 31, 2018: nil units)	32,000	-
Units redeemed: 1,976,778 units (December 31, 2018: nil units)	68,000	-
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Units issued: 1,884,785 units (December 31, 2018: nil units)	65,000	-
Units redeemed: 2,328,394 units (December 31, 2018: 131,830 units)	87,430	6,220
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Units redeemed: 274,392 units (December 31, 2018: nil units)	9,650	-
<b>Meezan Strategic Allocation Fund MCPP-III</b>		
Units issued: 7,554,482 units (December 31, 2018: 10,050,937 units)	258,000	467,200
Units redeemed: 9,551,059 units (December 31, 2018: 9,825,883 units)	316,387	445,872
<b>Meezan Strategic Allocation Fund -II MCPP-IV</b>		
Units issued: 6,154,962 units (December 31, 2018: 16,971,845 units)	235,000	1,130,719
Units redeemed: 4,896,533 units (December 31, 2018: 19,214,570 units)	172,090	1,232,232
<b>Meezan Strategic Allocation Fund -II MCPP-V</b>		
Units issued: 924,174 units (December 31, 2018: 5,325,304 units)	35,000	245,600
Units redeemed: 1,564,049 units (December 31, 2018: 5,481,406 units)	56,470	251,518
<b>Meezan Strategic Allocation Fund-II MCPP-VI</b>		
Units issued: 746,443 units (December 31, 2018: 3,924,601 units)	29,000	184,000
Units redeemed: 1,041,621 units (December 31, 2018: 1,983,046 units)	36,340	92,284
<b>Meezan Strategic Allocation Fund-II MCPP-VII</b>		
Units issued: 562,311 units (December 31, 2018: 2,187,362 units)	21,500	98,000
Units redeemed: 481,731 units (December 31, 2018: 318,471 units)	18,030	15,092
<b>Meezan Strategic Allocation Fund-II MCPP-VIII</b>		
Units issued: 2,612,441 units (December 31, 2018: nil units)	91,000	-
Units redeemed: 2,161,102 units (December 31, 2018: nil units)	72,829	-
<b>Meezan Strategic Allocation Fund-III MCPP-IX</b>		
Units issued: 3,001,530 units (December 31, 2018: nil units)	104,500	-
Units redeemed: 2,172,931 units (December 31, 2018: nil units)	74,750	-

## 11. ALLOCATED EXPENSES

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

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

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

## 12. SELLING AND MARKETING EXPENSES

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

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

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

## 13. TOTAL EXPENSE RATIO

The Total Expense Ratio of the Fund for the half year ended December 31, 2019 is 4.05% which includes 0.81% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## 14. TAXATION

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

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

## 15. FINANCIAL INSTRUMENTS - FAIR VALUES

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

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

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

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

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

	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	1,226,236	-	-	1,226,236

	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	1,658,927	-	-	1,658,927

**16. GENERAL**

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

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

**17. DATE OF AUTHORISATION**

February 10, 2020

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

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

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

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


\_\_\_\_\_  
Director



# Meezan Gold Fund

## **MEEZAN GOLD FUND (MGF)**

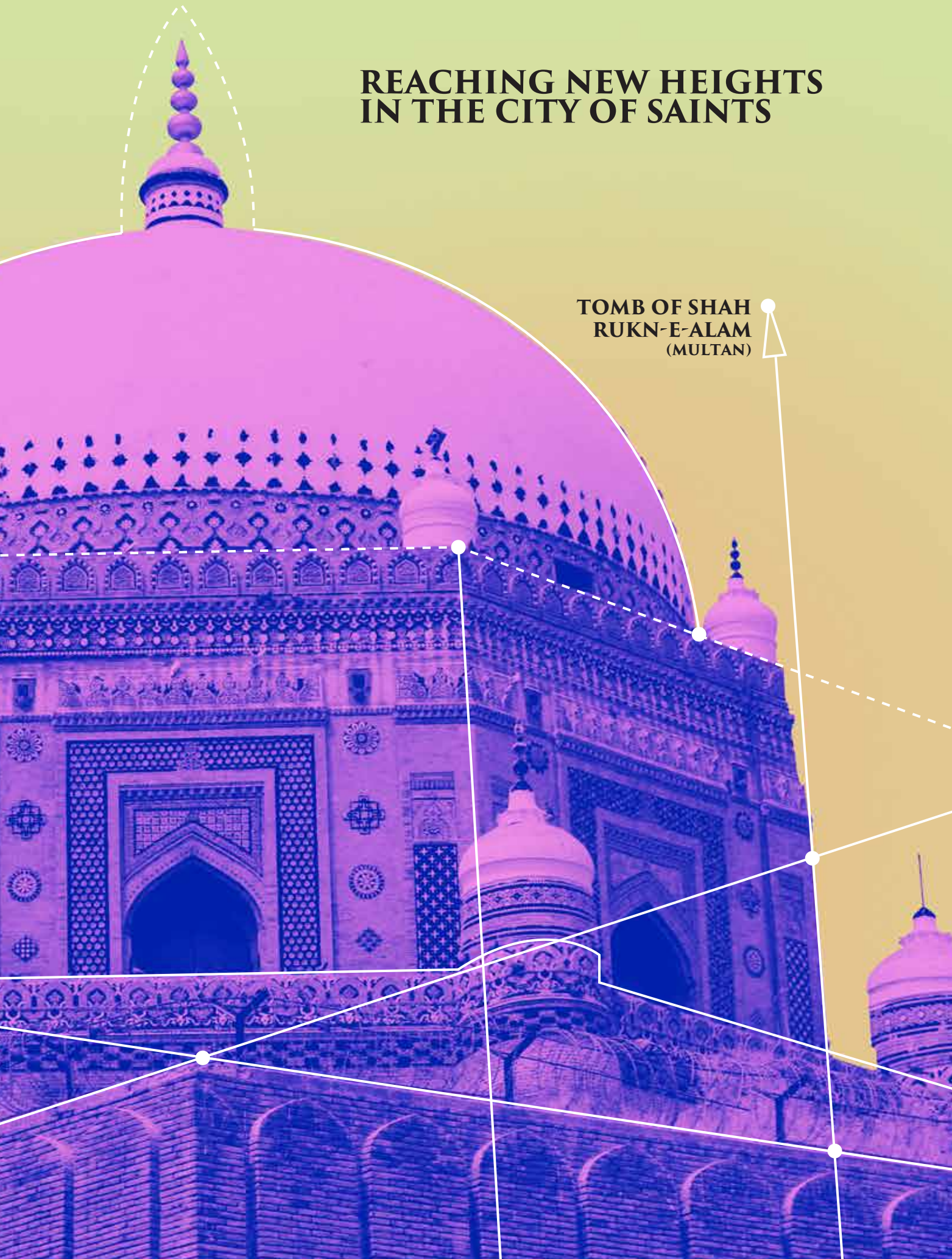
Meezan Gold Fund is Pakistan's first Shariah compliant Gold Fund. It invests in gold instruments in the most efficient manner, to provide maximum exposure to prices of Gold in a Shariah compliant (Islamic) manner. This is done by investing a significant portion of the Fund's net assets in deliverable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

 Multan Branch



# REACHING NEW HEIGHTS IN THE CITY OF SAINTS

TOMB OF SHAH  
RUKN-E-ALAM  
(MULTAN)



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Bank Al Habib Limited- Islamic Banking  
Meezan Bank Limited  
Sindh Bank Limited  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
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URL: www.cdcpakistan.com  
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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN GOLD FUND**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

***Introduction***

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

***Scope of Review***

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

***Conclusion***

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

  
Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 26, 2020

Karachi



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

	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
<b>Assets</b>		
Balances with banks	5      46,895	86,014
Investment in gold	6      323,293	364,344
Profit receivable on saving accounts	429	227
Receivable against sale of investments - net	875	3,065
Receivable against conversion of units	182	18,716
Deposits and prepayments	14	11,850
<b>Total assets</b>	371,688	484,216
<b>Liabilities</b>		
Payable to AI Meezan Investment Management Limited - the Management Company	870	776
Payable to Central Depository Company of Pakistan Limited - the Trustee	61	131
Payable to the Securities and Exchange Commission of Pakistan	50	224
Payable against conversion and redemption of units	3,438	288
Payable against purchase of investments - net	-	684
Payable to Meezan Bank Limited	11	6
Accrued expenses and other liabilities	10      6,405	4,546
<b>Total liabilities</b>	10,835	6,655
<b>Net assets</b>	360,853	477,561
<b>Contingencies and commitments</b>	8	
<b>Unit holders' fund (as per statement attached)</b>	360,853	477,561
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	4,998,947	7,008,422
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	72.1858	68.1410

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

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

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

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

\_\_\_\_\_  
Director

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

	Note	Six months period ended, December 31,		Quarter ended, December 31,	
		2019 (Rupees in '000)	2018 (Rupees in '000)	2019 (Rupees in '000)	2018 (Rupees in '000)
<b>Income</b>					
Realised gain on sale of investments		6,122	1,812	5,703	2,453
Profit on saving accounts with banks		3,531	772	1,570	395
Price adjustment charges	12	5,183	3,485	2,769	1,838
		14,836	6,069	10,042	4,686
Unrealised appreciation / (diminution) on re-measurement of investment in gold	6	19,331	31,605	(4,991)	36,078
<b>Total income</b>		<b>34,167</b>	<b>37,674</b>	<b>5,051</b>	<b>40,764</b>
<b>Expenses</b>					
Remuneration of AI Meezan Investment Management Limited - the Management Company		2,486	1,340	1,132	691
Sindh Sales Tax on remuneration of Management Company		323	174	147	90
Allocated expenses	9	249	134	114	69
Selling and marketing expenses	15	994	357	452	98
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		423	228	193	118
Sindh Sales Tax on remuneration of the Trustee		55	30	25	16
Annual fee to the Securities and Exchange Commission of Pakistan	7	50	101	22	52
Auditors' remuneration		189	198	117	106
Brokerage expense		43	28	26	20
Fees and subscription		174	175	87	87
Bank and settlement charges		548	439	327	286
Custodian expense		2,194	1,190	1,013	621
Provision for Sindh Workers' Welfare Fund (SWWF)	10	529	666	28	666
Printing expenses		-	1	-	1
<b>Total expenses</b>		<b>8,257</b>	<b>5,061</b>	<b>3,683</b>	<b>2,921</b>
<b>Net income for the period before taxation</b>		<b>25,910</b>	<b>32,613</b>	<b>1,368</b>	<b>37,843</b>
Taxation	14	-	-	-	-
<b>Net income for the period after taxation</b>		<b>25,910</b>	<b>32,613</b>	<b>1,368</b>	<b>37,843</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		25,910	32,613		
Income already paid on units redeemed		(10,883)	(926)		
		<b>15,027</b>	<b>31,687</b>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		25,453	33,417		
- Excluding capital gains		(10,426)	(1,730)		
		<b>15,027</b>	<b>31,687</b>		

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

	<b>Six months period</b>		<b>Quarter ended,</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>(Rupees in '000)</b>		<b>(Rupees in '000)</b>	
<b>Net income for the period after taxation</b>	25,910	32,613	1,368	37,843
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>25,910</u>	<u>32,613</u>	<u>1,368</u>	<u>37,843</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 GOLD FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**



**Meezan  
Gold Fund**

	Six months period ended, December 31,	
	2019	2018
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	25,910	32,613
<b>Adjustments for:</b>		
Unrealised appreciation on re-measurement of investment in gold	(19,331)	(31,605)
	6,579	1,008
<b>Decrease / (Increase) in assets</b>		
Investments - net	60,382	(27,272)
Receivable against sale of investments - net	2,190	1,927
Profit receivable on saving accounts	(202)	(44)
Deposits and prepayments	11,836	(14)
	74,206	(25,403)
<b>Increase in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	94	438
Payable to Central Depository Company of Pakistan Limited - Trustee	(70)	10
Payable to the Securities and Exchange Commission of Pakistan	(174)	(173)
Payable against purchase of investments - net	(684)	5,304
Payable to Meezan Bank Limited	5	19
Accrued expenses and other liabilities	1,859	626
	1,030	6,224
<b>Net cash generated from / (used in) operating activities</b>	81,815	(18,171)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	210,648	199,842
Payment against conversion and redemption of units	(331,582)	(150,318)
<b>Net cash (used in) / generated from financing activities</b>	(120,934)	49,524
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(39,119)	31,353
Cash and cash equivalents at the beginning of the period	86,014	29,332
<b>Cash and cash equivalents at the end of the period</b>	5 46,895	60,685

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

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

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

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

\_\_\_\_\_  
Director

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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 15, 2014 between Al Meezan 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 SECP. The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The Fund commenced its operations from August 18, 2015. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on 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 Commodity Exchange shall be subject to the PMEX Regulations and / or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah advisor. Under the Trust Deed, all the conducts and acts of the fund are based on Shariah. 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. The investment objectives and policies are explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to 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 prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. <b>BALANCES WITH BANKS</b>	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
In saving accounts	5.1	46,801	85,920
In current accounts		94	94
		<u>46,895</u>	<u>86,014</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 3.7% to 13.25% per annum (June 30, 2019: 6.30% to 11.85% per annum).

6. <b>INVESTMENTS</b>	Note	December 31, 2019 (Unaudited) (Rupees in '000)	June 30, 2019 (Audited) (Rupees in '000)
Investment in gold	6.1	<u>323,293</u>	<u>364,344</u>

#### 6.1 Investment in gold

Commodity	As at July 1, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLAGOLD	4,400	1,254	2,032	3,622	302,724	321,960	19,235	89.22%
MITOLA	15,000	-	-	15,000	1,238	1,333	95	0.37%
<b>Total as at December 31, 2019</b>					<u>303,962</u>	<u>323,293</u>	<u>19,331</u>	
<b>Total as at June 30, 2019</b>					<u>297,672</u>	<u>364,344</u>	<u>66,672</u>	

- 6.1.1 The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.
- 6.1.2 The investment in gold of Rs 323.293 million (June 30, 2019: Rs 364.344 million) has been measured at fair value based on the quoted market price in active markets.

#### 7. **PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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

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

#### 8. **CONTINGENCIES AND COMMITMENTS**

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

#### 9. **ALLOCATED EXPENSES**

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

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

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

10. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2019 (Unaudited) (Rupees in '000)	2019 (Audited)
Auditor's remuneration		163	175
Custodian fee payable		-	257
Provision for Sindh Worker's Welfare Fund (SWWF)	10.1	3,695	3,166
Withholding tax payable		10	21
Capital gain tax payable		1,667	51
Shariah advisory fee payable		159	159
Zakat payable		-	6
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	297	297
		<u>6,405</u>	<u>4,546</u>

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

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.74 per unit (June 30, 2019: Re 0.45 per unit)

**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% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.71 million is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2019 would have been higher by Re 0.14 (June 30, 2019: Re 0.10) per unit.

**11. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at December 31, 2019 is 3.32% which includes 0.39% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, annual fee to the SECP, etc. (June 30, 2019: 3.78% and 0.80%). This ratio is within the maximum limit of 3% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a Commodity Scheme.

**12. PRICE ADJUSTMENT CHARGES**

Securities and Exchange Commission of Pakistan (SECP) vide Circular no.40 SCD/AMCW/ MGF/63/2017 dated June 14, 2017, allowed the fund to charge price adjustment charges. Price adjustment charge is a difference between the offer price and the bid price from the closing price of the Gold transactions (contract) available at PMEX, which is added to and deducted from the NAV to determine Offer and Redemption prices respectively. Such charges form part of Fund Property.

Currently, price adjustment charges added / deducted to form NAV of the fund to determine offer / redemption price is 1% of NAV.

**13. 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 are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

	<b>December 31, 2019 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	321	297
Sindh Sales Tax on management fee payable	42	39
Sales load payable	20	29
Sindh Sales Tax on sales load payable	3	4
Selling and marketing expenses payable	452	373
Allocated expenses payable	32	30
<b>Meezan Bank Limited</b>		
Bank balance	13,868	38,321
Sales load payable	10	5
Sindh sales tax on sales load payable	1	1
Profit receivable on saving account	106	11
Investment of 1,084,712 units (June 30, 2019: 1,084,712 units)	78,301	75,548
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	54	116
Sindh Sales Tax on trustee fee payable	7	15
<b>Directors and Executives of the Management Company</b>		
Investment of 322,918 units (June 30, 2019: 284,312 units)	23,310	19,374
<b>Unitholders holding 10% or more units of the Fund</b>		
Investment of 1,245,353 units (June 30, 2019: 1,236,347 units)	89,897	84,246



**Six months period ended,  
December 31,**  
**2019**                      **2018**  
**(Unaudited)**  
**(Rupees in '000)**

**AI Meezan Investment Management Limited - the Management Company**

Remuneration for the period	2,486	1,340
Sindh Sales Tax on management fee for the period	<u>323</u>	<u>174</u>
Allocated expenses	<u>249</u>	<u>134</u>
Selling and marketing expense	<u>994</u>	<u>357</u>

**Meezan Bank Limited**

Profit on saving account	<u>977</u>	<u>197</u>
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**Central Depository Company of Pakistan Limited - the Trustee**

Remuneration for the period	<u>423</u>	<u>228</u>
Sindh Sales Tax on trustee fee for the period	<u>55</u>	<u>30</u>

**Directors and Executives of the Management Company**

Units issued: 146,550 units (December 31, 2018: 57,616 units)	<u>10,665</u>	<u>3,608</u>
Units redeemed: 107,944 units (December 31, 2018: 27,814 units)	<u>7,698</u>	<u>1,564</u>

**14. TAXATION**

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. No provision for taxation has been made in these condensed interim financial statements during the period since the net income of the fund only pertains to capital gains (realised and unrealised).

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on funds as Section 4B of Income Tax Ordinance, 2001.

**15. SELLING AND MARKETING EXPENSES**

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

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

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

**16. 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.

#### **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).

Investments in gold are non-financial assets and the fair value is disclosed in note 6.1 to these financial statements.

As at December 31, 2019, the Fund does not hold any asset which required fair valuation.

#### **17. GENERAL**

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

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

#### **18. DATE OF AUTHORISATION FOR ISSUE**

February 10, 2020

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**





**Meezan**  
Islamic Income Fund

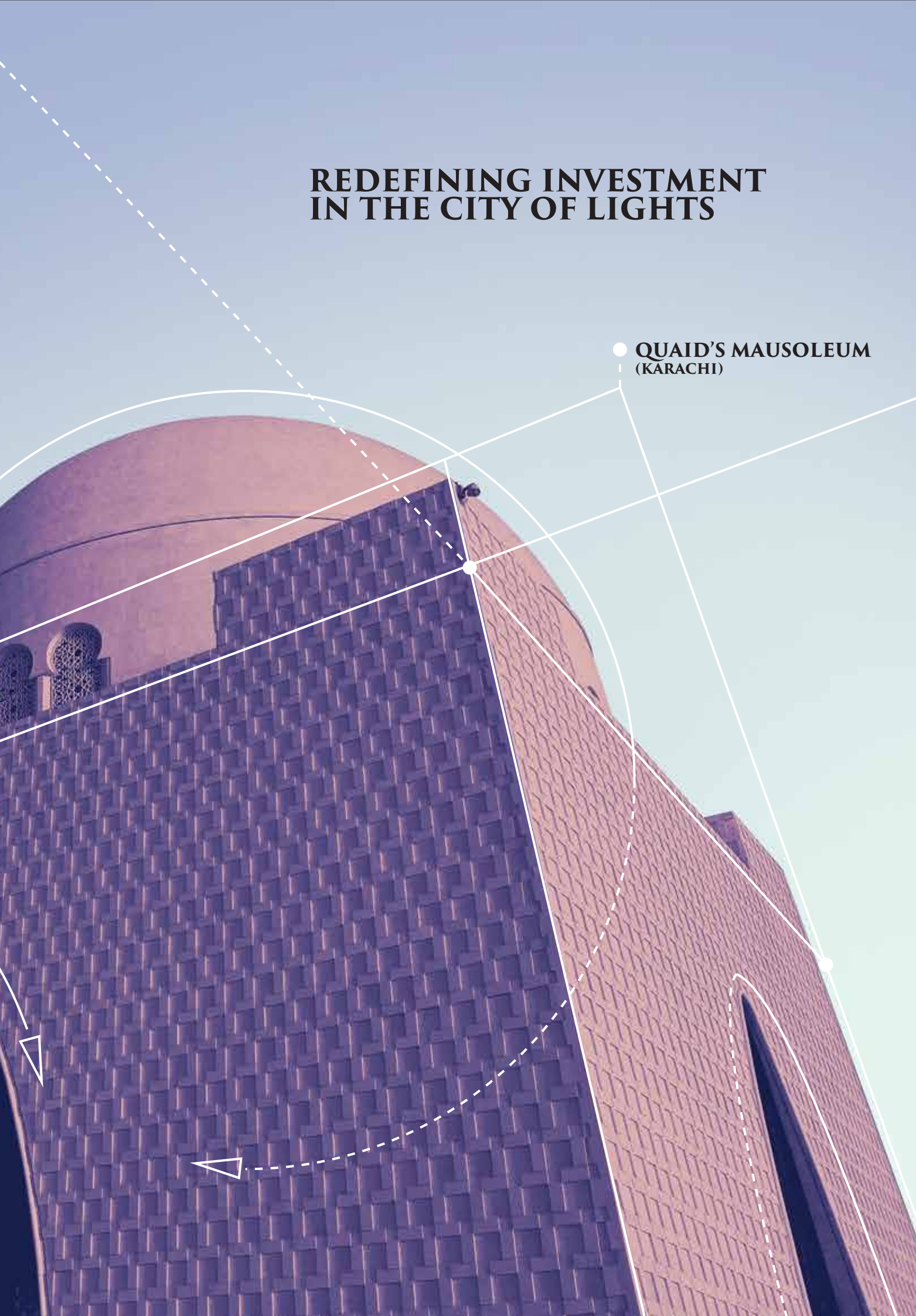
## **MEEZAN ISLAMIC INCOME FUND (MIIF)**

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ISLAMIC INCOME FUND**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

**Introduction**

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

**Scope of Review**

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

**Conclusion**

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

  
Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 26, 2020

Karachi

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



**Meezan**  
Islamic Income Fund

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

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

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**





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

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

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

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

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

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

\_\_\_\_\_  
Director

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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 6.1.1 Government Securities

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

#### 6.1.2 Corporate Sukus

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

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

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

**STEEL & ALLIED PRODUCTS**

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

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

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

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

<b>4,227,385</b>	<b>4,223,218</b>	<b>(4,167)</b>
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**Total as at June 30, 2019**

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

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

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

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

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

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

## 6.2 Certificates of Musharakah

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

## 6.3 Commercial Papers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 10. CONTINGENCIES AND COMMITMENTS

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

## 11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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


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

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

**Meezan Financial Planning Fund of Funds**
**- Moderate Allocation Plan**

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

**Meezan Financial Planning Fund of Funds**
**- Conservative Allocation Plan**

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

**Meezan Financial Planning Fund of Funds - MAAP - I**

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

**Meezan Financial Planning Fund of Funds - MAAP - IV**

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

**Meezan Strategic Allocation Fund - MSAP - I**

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

**Meezan Strategic Allocation Fund - MSAP - II**

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

**Meezan Strategic Allocation Fund - MSAP - III**

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

**Meezan Strategic Allocation Fund - MSAP - IV**

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

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

## 12. ALLOCATED EXPENSES

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

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

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

## 13. SELLING AND MARKETING EXPENSES

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

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

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

## 14. TOTAL EXPENSE RATIO

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

## 15. TAXATION

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

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

## 16. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

### Fair value hierarchy

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

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

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

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

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

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

## 17. GENERAL

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

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

18. **DATE OF AUTHORISATION**

February 10, 2020

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**

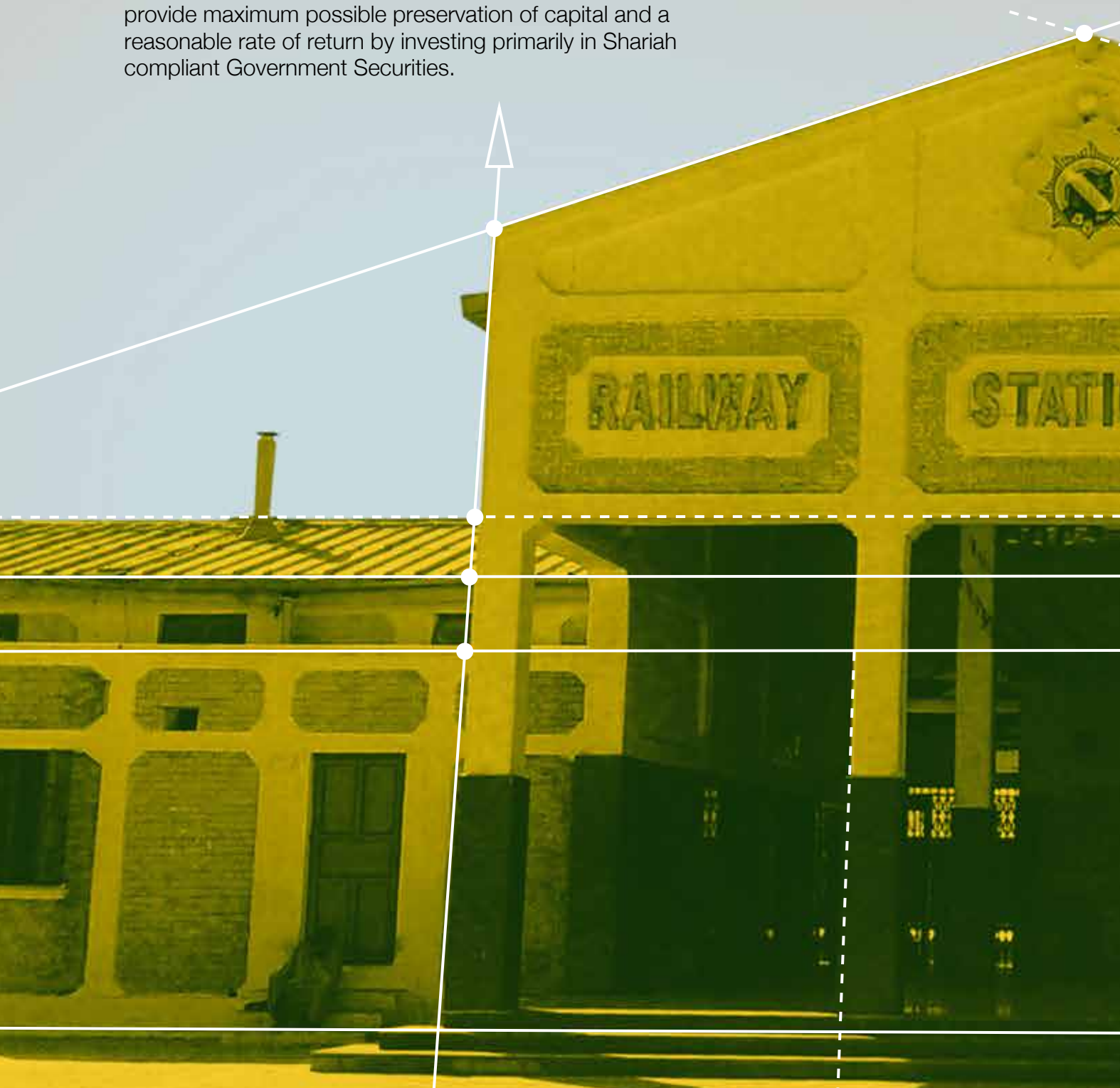





**Meezan**  
Sovereign Fund

## **MEEZAN SOVEREIGN FUND (MSF)**

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



# REDEFINING INVESTMENT IN THE FRUIT HUB OF PAKISTAN

 Quetta Branch

**QUETTA RAILWAY STATION  
(QUETTA)**



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

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

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN SOVEREIGN FUND**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

**Introduction**

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

**Scope of Review**

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

**Conclusion**

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

  
Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 26, 2020

Karachi



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

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

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

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

\_\_\_\_\_  
Director



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 6.1.1 Government Securities

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

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

#### 6.1.2 Corporate sukus

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

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

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

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

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

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

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

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

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

## 9. CONTINGENCIES AND COMMITMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 12. ALLOCATED EXPENSES

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

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

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

## 13. SELLING AND MARKETING EXPENSES

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

## 14. TOTAL EXPENSE RATIO

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

## 15. TAXATION

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

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

## 16. FINANCIAL INSTRUMENTS - FAIR VALUES

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

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

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

### 16.1 Fair value hierarchy

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

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

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

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

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Sukuk Certificates	-	1,112,236	-	1,112,236
--------------------	---	-----------	---	-----------

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

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Sukuk Certificates	-	1,124,715	-	1,124,715
--------------------	---	-----------	---	-----------

### 17. GENERAL

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

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

### 18. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director




Meezan  
Cash Fund

## MEEZAN CASH FUND (MCF)

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



# CHALLENGING THE MARKET IN THE CITY OF WRESTLERS

 Gujranwala Branch

● NISHAN-E-MANZIL  
(GUJRANWALA)



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN CASH FUND**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

**Introduction**


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

**Scope of Review**

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

**Conclusion**

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

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



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

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

Chief Executive

Chief Financial Officer

Director



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 6. INVESTMENTS

### At fair value through profit or loss

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

### 6.1 Corporate Sukuks

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

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

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

### 6.2 Commercial papers

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

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

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

**6.4 Bai Muajjal Receivable**

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

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

**7. CONTINGENCIES AND COMMITMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 12. ALLOCATED EXPENSES

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

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

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

## 13. TOTAL EXPENSE RATIO

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

## 14. SELLING AND MARKETING EXPENSES

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

## 15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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


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

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

**Meezan Bank Limited**

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

**Central Depository Company of Pakistan Limited - the Trustee**

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

**Meezan Financial Planning Fund of Funds**
**- Aggressive Allocation Plan**

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

**Meezan Financial Planning Fund of Funds**
**- Conservative Allocation Plan**

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

**Meezan Financial Planning Fund of Funds**
**- Moderate Allocation Plan**

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

**Meezan Financial Planning Fund of Funds - MAAP - I**

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

**Meezan Financial Planning Fund of Funds - MAAP - IV**

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

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


**Six months period ended  
 December 31,**

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

**16. TAXATION**

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

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

**17. FINANCIAL INSTRUMENTS**

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

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

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

**Fair value hierarchy**

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

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

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

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

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

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

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

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

## 18. GENERAL

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

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

## 19. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director



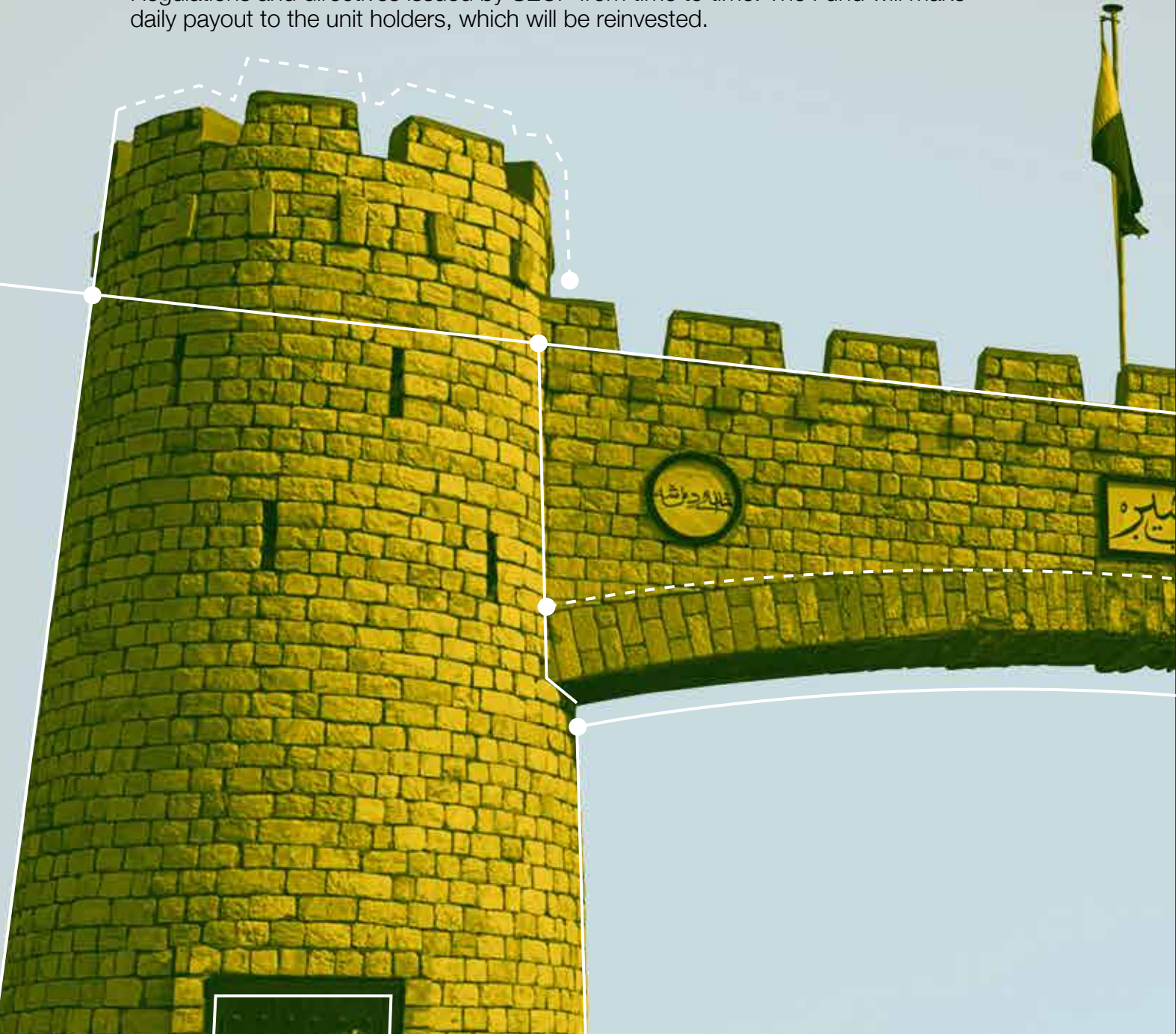


**Meezan**  
Rozana Amdani Fund


## **MEEZAN ROZANA AMDANI FUND (MRAF)**

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

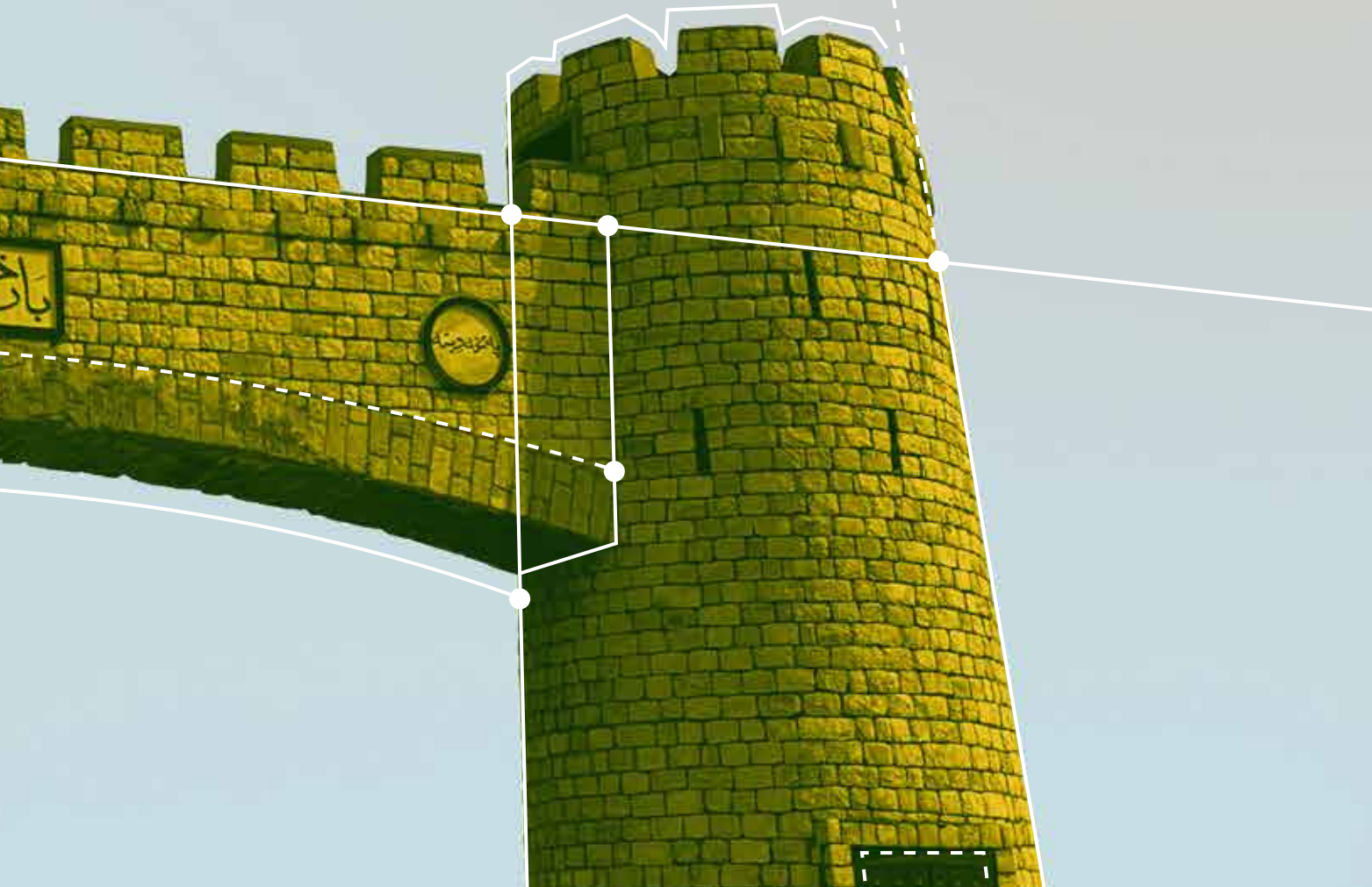
The Fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time. The Fund will make daily payout to the unit holders, which will be reinvested.



# BUILDING ON THE VALUES OF GROWTH IN THE CITY OF FLOWERS

 Peshawar Branch

**KHYBER PASS  
(PESHAWAR)**



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ROZANA AMDANI FUND**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

**Introduction**


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

**Scope of Review**

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

**Conclusion**

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

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

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



**Meezan**  
Rozana Amdani Fund

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

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

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

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

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

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

\_\_\_\_\_  
Director

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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 6. INVESTMENTS

### At fair value through profit or loss

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

### 6.1 Commercial papers

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

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

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

### 6.2 Corporate sukuk

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

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

### 6.3 Term deposit receipts

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

### 6.4 Bai Muajjal receivable

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

## 7. CONTINGENCIES AND COMMITMENTS

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

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

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

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

#### 9. TOTAL EXPENSE RATIO

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

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

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

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

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

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

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

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

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

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

#### 13. SELLING AND MARKETING EXPENSES

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

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

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

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

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

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

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

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

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

## 15. TAXATION

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

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

## 16. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

### Fair value hierarchy

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

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

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

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

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

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

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

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

## 17. GENERAL

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

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

## 18. DATE OF AUTHORISATION

February 10, 2020

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS**

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

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

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 25, 2020



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

**Introduction**

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

**Scope of Review**

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

**Conclusion**

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

  
Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 26, 2020

Karachi

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2019**



**Meezan**  
Financial Planning  
Fund of Funds

		----- (Unaudited) -----					
		As at December 31, 2019					
		Aggressive	Moderate	Conservative	MAAP-I	Total	
Note		----- (Rupees in '000) -----					
<b>Assets</b>							
	Balances with banks	5	6,632	7,379	3,594	22,506	40,111
	Investments	6	325,766	151,479	169,290	314,878	961,413
	Receivable against conversion of units		70	6	83	-	159
	Receivable against sale of investments		13,463	8,631	8,069	-	30,163
	Profit receivable on saving accounts with banks		58	69	32	221	380
	<b>Total assets</b>		<b>345,989</b>	<b>167,564</b>	<b>181,068</b>	<b>337,605</b>	<b>1,032,226</b>
<b>Liabilities</b>							
	Payable to AI Meezan Investment Management Limited - Management Company		35	24	34	48	141
	Payable to Central Depository Company of Pakistan Limited - Trustee	8	26	10	20	10	66
	Payable to Meezan Bank Limited		5	4	2	-	11
	Payable to Securities and Exchange Commission of Pakistan	9	32	15	18	43	108
	Payable on redemption and conversion of units		546	10,421	1,720	-	12,687
	Payable against purchase of investments		13,463	8,631	8,069	-	30,163
	Accrued expenses and other liabilities	10	5,223	3,479	2,332	11,243	22,277
	<b>Total liabilities</b>		<b>19,330</b>	<b>22,584</b>	<b>12,195</b>	<b>11,344</b>	<b>65,453</b>
	<b>Net assets</b>		<b>326,659</b>	<b>144,980</b>	<b>168,873</b>	<b>326,261</b>	<b>966,773</b>
	<b>Contingencies and commitments</b>	7					
	<b>Unit holders' fund (as per statement attached)</b>		<b>326,659</b>	<b>144,980</b>	<b>168,873</b>	<b>326,261</b>	<b>966,773</b>
		----- (Number of units) -----					
	<b>Number of units in issue</b>		<b>4,810,086</b>	<b>2,370,070</b>	<b>2,818,804</b>	<b>6,494,004</b>	
		----- (Rupees) -----					
	<b>Net asset value per unit</b>		<b>67.9113</b>	<b>61.1710</b>	<b>59.9095</b>	<b>50.2403</b>	

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

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

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

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

\_\_\_\_\_  
Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

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

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**



**Meezan**  
Financial Planning  
Fund of Funds

Six months period ended December 31, 2019					
	Aggressive	Moderate	Conservative	MAAP-I	Total
Note	(Rupees in '000)				
<b>Income</b>					
Net realised gain / (loss) on sale of investments	3,331	1,715	2,904	(12,559)	(4,609)
Dividend income	-	-	-	-	-
Back end load income	-	-	-	-	-
Profit on saving accounts with banks	286	219	185	946	1,636
	<u>3,617</u>	<u>1,934</u>	<u>3,089</u>	<u>(11,613)</u>	<u>(2,973)</u>
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'	6.1	44,270	16,466	13,527	19,605
<b>Total income</b>	<u>47,887</u>	<u>18,400</u>	<u>16,616</u>	<u>7,992</u>	<u>90,895</u>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company	28	23	19	71	141
Sindh Sales Tax on management fee	4	3	2	9	18
Allocated expenses	12	166	75	93	214
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8	116	53	65	150
Sindh Sales Tax on trustee fee	15	7	8	19	49
Annual fee to Securities and Exchange Commission of Pakistan	9	33	15	19	43
Auditors' remuneration	98	44	55	124	321
Fees and subscription	48	23	27	64	162
Bank and settlement charges	4	3	2	1	10
Provision for Sindh Workers' Welfare Fund	948	363	327	146	1,784
Printing charges	-	-	-	-	-
<b>Total expenses</b>	<u>1,460</u>	<u>609</u>	<u>617</u>	<u>841</u>	<u>3,527</u>
<b>Net income for the period before taxation</b>	<u>46,427</u>	<u>17,791</u>	<u>15,999</u>	<u>7,151</u>	<u>87,368</u>
Taxation	14	-	-	-	-
<b>Net income for the period after taxation</b>	<u>46,427</u>	<u>17,791</u>	<u>15,999</u>	<u>7,151</u>	<u>87,368</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation	46,427	17,791	15,999	7,151	87,368
Income already paid on units redeemed	(881)	(1,152)	(1,095)	-	(3,128)
	<u>45,546</u>	<u>16,639</u>	<u>14,904</u>	<u>7,151</u>	<u>84,240</u>
<b>Accounting income available for distribution</b>					
- Relating to capital gains	47,601	18,181	16,431	7,046	89,259
- Excluding capital gains	(2,055)	(1,542)	(1,527)	105	(5,019)
	<u>45,546</u>	<u>16,639</u>	<u>14,904</u>	<u>7,151</u>	<u>84,240</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 INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

Six months period ended December 31, 2018					For the period from July 01, 2018 to July 24, 2018	
Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
Note ----- (Rupees in '000) -----						
<b>Income</b>						
Net realised loss on sale of investments	(1,617)	(2,505)	(1,924)	(1,849)	(7,895)	(11,515)
Dividend income	4,629	5,576	7,946	5,465	23,616	3,569
Back end load income	-	-	-	128	128	167
Profit on saving accounts with banks	97	63	87	48	295	152
	3,109	3,134	6,109	3,792	16,144	(7,627)
Unrealised diminution on re-measurement of investments at 'fair value through profit or loss'	6.1 (45,941)	(15,999)	(7,877)	(75,162)	(144,979)	-
<b>Total loss</b>	(42,832)	(12,865)	(1,768)	(71,370)	(128,835)	(7,627)
<b>Expenses</b>						
Remuneration to AI Meezan Investment Management Limited - Management Company	40	22	36	31	129	69
Sindh Sales Tax on management fee	5	3	5	4	17	9
Allocated expenses	12 245	132	134	402	913	32
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8 217	117	118	356	808	27
Sindh Sales Tax on trustee fee	28	15	15	46	104	4
Annual fee to Securities and Exchange Commission of Pakistan	9 233	125	127	382	867	30
Auditors' remuneration	96	53	53	158	360	9
Fees and subscription	42	23	23	70	158	4
Bank and settlement charges	5	3	4	2	14	-
Provision for Sindh Workers' Welfare Fund						
Printing charges	36	19	19	59	133	3
<b>Total expenses</b>	947	512	534	1,510	3,503	187
<b>Net loss for the period before taxation</b>	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
Taxation	14 -	-	-	-	-	-
<b>Net loss for the period after taxation</b>	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
<b>Allocation of net income for the period</b>						
Net income for the period after taxation	-	-	-	-	-	-
Income already paid on units redeemed	-	-	-	-	-	-
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**



**Meezan**  
Financial Planning  
Fund of Funds

		Quarter ended December 31, 2019				
		Aggressive	Moderate	Conservative	MAAP-I	Total
Note		(Rupees in '000)				
<b>Income</b>						
		3,240	2,035	2,637	2,252	10,164
		-	-	-	-	-
		194	139	101	734	1,168
		-	-	-	-	-
		3,434	2,174	2,738	2,986	11,332
		59,414	19,394	13,226	33,717	125,751
		62,848	21,568	15,964	36,703	137,083
<b>Expenses</b>						
		16	13	10	49	88
		2	2	1	6	11
	12	81	37	44	86	248
		57	26	31	60	174
	8	7	4	4	7	22
	9	16	7	9	17	49
		52	24	29	55	160
		22	10	11	24	67
		3	3	2	1	9
		948	363	317	146	1,774
		-	-	-	-	-
		1,204	489	458	451	2,602
		61,644	21,079	15,506	36,252	134,481
		-	-	-	-	-
	14	-	-	-	-	-
		61,644	21,079	15,506	36,252	134,481

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

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

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

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

\_\_\_\_\_  
Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

		Quarter ended December 31, 2018				
		Aggressive	Moderate	Conservative	MAAP-I	Total
Note		(Rupees in '000)				
<b>Income</b>						
		(1,240)	(798)	(1,450)	(1,018)	(4,506)
		-	-	-	65	65
		58	30	44	36	168
		-	-	14	-	14
		(1,182)	(768)	(1,392)	(917)	(4,259)
	Unrealised diminution on re-measurement of investments at 'fair value ' through profit or loss'	(32,313)	(9,343)	(1,358)	(52,693)	(95,707)
	<b>Total loss</b>	(33,495)	(10,111)	(2,750)	(53,610)	(99,966)
<b>Expenses</b>						
	Remuneration to AI Meezan Investment Management Limited - Management Company	15	11	16	19	61
	Sindh Sales Tax on management fee	2	2	2	2	8
	Allocated expenses	119	64	64	195	442
	Remuneration to Central Depository Company of Pakistan Limited - Trustee	107	57	56	175	395
	Sindh Sales Tax on trustee fee	14	7	7	22	50
	Annual fee to Securities and Exchange Commission of Paki	114	60	60	185	419
	Auditors' remuneration	51	29	28	84	192
	Fees and subscription	18	10	9	31	68
	Bank and settlement charges	1	-	2	-	3
	Provision for Sindh Workers' Welfare Fund					
	Printing charges	19	9	10	32	70
	<b>Total expenses</b>	460	249	254	745	1,708
	<b>Net loss for the quarter before taxation</b>	(33,955)	(10,360)	(3,004)	(54,355)	(101,674)
	Taxation	-	-	-	-	-
	<b>Net loss for the quarter after taxation</b>	(33,955)	(10,360)	(3,004)	(54,355)	(101,674)

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

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

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

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

\_\_\_\_\_  
Director

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



**Meezan**  
Financial Planning  
Fund of Funds

	Six months period ended December 31, 2019				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net income for the period after taxation	46,427	17,791	15,999	7,151	87,368
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>46,427</b>	<b>17,791</b>	<b>15,999</b>	<b>7,151</b>	<b>87,368</b>

	Six months period ended December 31, 2018					For the period from July 01, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
	(Rupees in '000)					
Net loss for the period after taxation	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(43,779)</b>	<b>(13,377)</b>	<b>(2,302)</b>	<b>(72,880)</b>	<b>(132,338)</b>	<b>(7,814)</b>

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

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

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

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

\_\_\_\_\_  
Director

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

	Quarter ended December 31, 2019				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(Rupees in '000)				
Net income for the period after taxation	61,644	21,079	15,506	36,252	134,481
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>61,644</b>	<b>21,079</b>	<b>15,506</b>	<b>36,252</b>	<b>134,481</b>

	Quarter ended December 31, 2018				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(Rupees in '000)				
Net loss for the period after taxation	(33,955)	(10,360)	(3,004)	(54,355)	(101,674)
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(33,955)</b>	<b>(10,360)</b>	<b>(3,004)</b>	<b>(54,355)</b>	<b>(101,674)</b>

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

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

\_\_\_\_\_  
**Chief Executive**

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

\_\_\_\_\_  
**Director**



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

	Six months period ended December 31, 2019			Six months period ended December 31, 2019			Six months period ended December 31, 2019			Six months period ended December 31, 2019			Six months period ended December 31, 2019		
	Aggressive (Rupees in '000)			Moderate (Rupees in '000)			Conservative (Rupees in '000)			MAAP-I (Rupees in '000)			Total (Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at the beginning of the period	347,237	17,835	365,072	166,989	36,050	203,039	178,157	43,621	221,778	537,356	55,354	592,710	1,229,739	152,860	1,382,599
Issuance of units:															
Aggressive: 771,658 units / Moderate: 322,759 units /															
Conservative: 634,740 units															
- Capital value (at net asset value per unit at the beginning of the period)	44,905		44,905	17,420		17,420	34,657		34,657	-		-	96,982		96,982
- Element of (loss) / income	1,575		1,575	726		726	1,124		1,124	-		-	3,425		3,425
Total proceeds on issuance of units	46,480	-	46,480	18,146	-	18,146	35,781	-	35,781	-	-	-	100,407	-	100,407
Redemption of units:															
Aggressive: 2,235,108 units / Moderate: 1,714,706 units /															
Conservative: 1,877,775 units / MAAP I: 5,920,148 units /															
- Capital value (at net asset value per unit at the beginning of the period)	130,066		130,066	92,544		92,544	102,527		102,527	282,656		282,656	607,793		607,793
- Element of (income) / loss	373	881	1,254	300	1,152	1,452	1,063	1,095	2,158	(9,056)		(9,056)	(7,320)	3,128	(4,192)
Total payments on redemption of units	130,439	881	131,320	92,844	1,152	93,996	103,590	1,095	104,685	273,600	-	273,600	600,473	3,128	603,601
Total comprehensive income for the period		46,427	46,427		17,791	17,791		15,999	15,999		7,151	7,151		87,368	87,368
Distribution during the period		-	-		-	-		-	-		-	-		-	-
Net income for the period less distribution		46,427	46,427		17,791	17,791		15,999	15,999		7,151	7,151		87,368	87,368
<b>Net assets at the end of the period</b>	<b>263,278</b>	<b>63,381</b>	<b>326,659</b>	<b>92,291</b>	<b>52,689</b>	<b>144,980</b>	<b>110,348</b>	<b>58,525</b>	<b>168,873</b>	<b>263,756</b>	<b>62,505</b>	<b>326,261</b>	<b>729,673</b>	<b>237,100</b>	<b>966,773</b>
<b>Undistributed income brought forward</b>															
- Realised income		101,711			67,539			62,595			196,400			428,245	
- Unrealised loss		(83,876)			(31,489)			(18,974)			(141,046)			(275,385)	
		17,835			36,050			43,621			55,354			152,860	
Accounting income available for distribution															
- Relating to capital gains		47,601			18,181			16,431			7,046			89,259	
- Excluding capital gains		(2,055)			(1,542)			(1,527)			105			(5,019)	
		45,546			16,639			14,904			7,151			84,240	
Net loss for the period after taxation		-			-			-			-			-	
Distribution during the period		-			-			-			-			-	
Undistributed income carried forward		63,381			52,689			58,525			62,505			237,100	
Undistributed income carried forward															
- Realised income		19,111			36,223			44,998			42,900			143,232	
- Unrealised gain		44,270			16,466			13,527			19,605			93,868	
		63,381			52,689			58,525			62,505			237,100	
		<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>	
Net asset value per unit as at the beginning of the period		58,1924			53,9707			54,6004			47,7447			47,7447	
Net asset value per unit as at the end of the period		67,9113			61,1710			59,9095			50,2403			50,2403	

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

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

Chief Executive

Chief Financial Officer

Director

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

	Six months period ended December 31, 2018			Six months period ended December 31, 2018			Six months period ended December 31, 2018			Six months period ended December 31, 2018			Six months period ended December 31, 2018			For the period from July 01, 2018 to July 24, 2018		
	Aggressive (Rupees in '000)			Moderate (Rupees in '000)			Conservative (Rupees in '000)			MAAP-I (Rupees in '000)			Total (Rupees in '000)			MAAP-IV (Rupees in '000)		
	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total
Net assets at the beginning of the period	394,890	101,897	496,787	226,557	82,538	309,095	209,956	80,512	290,468	630,891	198,023	828,914	1,462,294	462,970	1,925,264	531,432	(23,695)	507,737
Issuance of units:																		
Aggressive: 1,067,535 units / Moderate: 474,284 units /																		
Conservative: 1,171,936 units / MAAP I: nil units																		
- Capital value (at net asset value per unit at the beginning of the period)	75,032	-	75,032	31,840	-	31,840	76,491	-	76,491	-	-	-	183,363	-	183,363	-	-	-
- Element of (loss) / income	(1,470)	-	(1,470)	(411)	-	(411)	268	-	268	-	-	-	(1,613)	-	(1,613)	-	-	-
Total proceeds on issuance of units	73,562	-	73,562	31,429	-	31,429	76,759	-	76,759	-	-	-	181,750	-	181,750	-	-	-
Redemption of units:																		
Aggressive: 1,096,597 units / Moderate: 1,348,501 units /																		
Conservative: 1,921,552 units / MAAP I: 736,000 units /																		
MAAP IV: 626,419 units																		
- Capital value (at net asset value per unit at the beginning of the period)	77,074	-	77,074	90,528	-	90,528	125,417	-	125,417	43,131	-	43,131	336,150	-	336,150	29,378	-	29,378
- Element of (income) / loss	(1,530)	-	(1,530)	(2,028)	-	(2,028)	23	-	23	(1,694)	-	(1,694)	(5,229)	-	(5,229)	(502)	-	(502)
Total payments on redemption of units	75,544	-	75,544	88,500	-	88,500	125,440	-	125,440	41,437	-	41,437	330,921	-	330,921	28,876	-	28,876
Total comprehensive loss for the period	-	(43,779)	(43,779)	-	(13,377)	(13,377)	-	(2,302)	(2,302)	-	(72,880)	(72,880)	-	(132,338)	(132,338)	-	(7,814)	(7,814)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(43,779)	(43,779)	-	(13,377)	(13,377)	-	(2,302)	(2,302)	-	(72,880)	(72,880)	-	(132,338)	(132,338)	-	(7,814)	(7,814)
<b>Net assets at the end of the period</b>	<b>392,908</b>	<b>58,118</b>	<b>451,026</b>	<b>169,486</b>	<b>69,161</b>	<b>238,647</b>	<b>161,275</b>	<b>78,210</b>	<b>239,485</b>	<b>589,454</b>	<b>125,143</b>	<b>714,597</b>	<b>1,313,123</b>	<b>330,632</b>	<b>1,643,755</b>	<b>502,556</b>	<b>(31,509)</b>	<b>471,047</b>
<b>Undistributed income / (accumulated loss) brought forward</b>																		
- Realised income	163,797			100,834			83,187			207,736			555,554			25,150		
- Unrealised loss	(61,900)			(18,296)			(2,675)			(9,713)			(92,584)			(48,845)		
	101,897			82,538			80,512			198,023			462,970			(23,695)		
Accounting income available for distribution																		
- Relating to capital gains	-			-			-			-			-			-		
- Excluding capital gains	-			-			-			-			-			-		
Net loss for the period after taxation	(43,779)			(13,377)			(2,302)			(72,880)			(132,338)			(7,814)		
Distribution during the period	-			-			-			-			-			-		
Undistributed income / (accumulated loss) carried forward	58,118			69,161			78,210			125,143			330,632			(31,509)		
Undistributed income / (accumulated loss) carried forward																		
- Realised income / (loss)	104,059			85,160			86,087			200,305			475,611			(31,509)		
- Unrealised loss	(45,941)			(15,999)			(7,877)			(75,162)			(144,979)			-		
	58,118			69,161			78,210			125,143			330,632			(31,509)		
	<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>		
Net asset value per unit as at the beginning of the period	70.2849			67.1319			65.2685			58.6014			46.8987			46.8987		
Net asset value per unit as at the end of the period	64.0742			63.9793			64.7127			53.2925			46.1818			46.1818		

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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**



**Meezan**  
Financial Planning  
Fund of Funds

Six months period ended December 31, 2019					
Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income for the period before taxation	46,427	17,791	15,999	7,151	87,368
<b>Adjustments for</b>					
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	(44,270)	(16,466)	(13,527)	(19,605)	(93,868)
	2,157	1,325	2,472	(12,454)	(6,500)
<b>Decrease in assets</b>					
Investments - net	82,669	67,285	63,597	308,479	522,030
Receivable against sale of investments	(13,463)	(8,631)	(8,069)	-	(30,163)
Profit receivable on saving accounts with banks	(29)	(35)	(15)	(217)	(296)
	69,177	58,619	55,513	308,262	491,571
<b>Increase / (decrease) in liabilities</b>					
Payable to AI Meezan Investment Management Limited - Management Company	(25)	(2)	13	(4)	(18)
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(8)	(7)	(34)	(61)
Payable to Meezan Bank Limited	4	4	2	-	10
Payable to Securities and Exchange Commission of Pakistan	(408)	(217)	(219)	(658)	(1,502)
Payable against purchase of investments	13,463	8,631	8,069	-	30,163
Accrued expenses and other liabilities	1,061	434	415	269	2,179
	14,083	8,842	8,273	(427)	30,771
<b>Net cash generated from operating activities</b>	85,417	68,786	66,258	295,381	515,842
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipts against issuance and conversion of units	46,416	18,140	35,754	-	100,310
Payments against redemption and conversion of units	(130,966)	(83,913)	(103,279)	(273,600)	(591,758)
<b>Net cash used in financing activities</b>	(84,550)	(65,773)	(67,525)	(273,600)	(491,448)
Net increase / (decrease) in cash and cash equivalents during the period	867	3,013	(1,267)	21,781	24,394
Cash and cash equivalents at the beginning of the period	5,765	4,366	4,861	725	15,717
Cash and cash equivalents at the end of the period	6,632	7,379	3,594	22,506	40,111

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

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

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

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

\_\_\_\_\_  
Director

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

	Six months period ended December 31, 2018					For the period from July 01, 2018 to July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
(Rupees in '000)						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net loss for the period before taxation	(43,779)	(13,377)	(2,302)	(72,880)	(132,338)	(7,814)
<b>Adjustments for</b>						
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	45,941	15,999	7,877	75,162	144,979	-
	2,162	2,622	5,575	2,282	12,641	(7,814)
<b>Decrease in assets</b>						
Investments - net	6,988	55,930	37,678	44,234	144,830	510,146
Receivable against sale of investments	-	-	-	(560)	(560)	(468,018)
Profit receivable on saving accounts with banks	(11)	(2)	1	(16)	(28)	(147)
	6,977	55,928	37,679	43,658	144,242	41,981
<b>Increase / (decrease) in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	4	(38)	(22)	(2)	(58)	66
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(4)	(2)	(2)	(8)	(10)
Payable to Meezan Bank Limited	-	(15)	(1)	-	(16)	-
Payable to Securities and Exchange Commission of Pakistan	(285)	(199)	(189)	(500)	(1,173)	30
Payable against purchase of investments	-	-	-	-	-	-
Accrued expenses and other liabilities	55	30	56	201	342	(32)
	(226)	(226)	(158)	(303)	(913)	54
<b>Net cash generated from operating activities</b>	8,913	58,324	43,096	45,637	155,970	34,221
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units	73,394	30,942	76,259	-	180,595	-
Payments against redemption and conversion of units	(75,423)	(88,331)	(123,412)	(41,437)	(328,603)	(33,108)
<b>Net cash used in financing activities</b>	(2,029)	(57,389)	(47,153)	(41,437)	(148,008)	(33,108)
Net increase / (decrease) in cash and cash equivalents during the period	6,884	935	(4,057)	4,200	7,962	1,113
Cash and cash equivalents at the beginning of the period	3,899	2,965	9,841	5,204	21,909	2,932
Cash and cash equivalents at the end of the period	10,783	3,900	5,784	9,404	29,871	4,045

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

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

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

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

\_\_\_\_\_  
Director



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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on July 27, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for 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 quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2018: AM1 dated December 28, 2018) and by PACRA dated December 28, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and
- 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 25 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 year ended June 30, 2018, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan had a revised maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017). During the current period, the SECP approved the extension of the plan by one year vide its letter No. SCD / AMCW / MFPPeF / 137 / 2019 dated November 13, 2019.

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

## 2 BASIS OF PRESENTATION

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

## 3 BASIS OF PREPARATION

### 3.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 5 BALANCES WITH BANKS

----- (Unaudited) -----						
As at December 31, 2019						
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Saving accounts	5.1	6,205	7,369	3,584	22,496	39,654
Current accounts		427	10	10	10	457
		<u>6,632</u>	<u>7,379</u>	<u>3,594</u>	<u>22,506</u>	<u>40,111</u>

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

- 5.1 The balance in savings accounts have an expected profit ranging from 2.50% to 12.75% (June 30, 2019: 3.32% to 12.30%) per annum.

#### 6 INVESTMENTS

----- (Unaudited) -----						
As at December 31, 2019						
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Investments - 'at fair value through profit or loss'	6.1	<u>325,766</u>	<u>151,479</u>	<u>169,290</u>	<u>314,878</u>	<u>961,413</u>

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

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

Name of investee funds	As at July 1, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (diminution)/ appreciation as at December 31, 2019	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of investments
				(Number of units)	(Rupees in '000)			(Percentage)	
<b>Aggressive Allocation Plan</b>									
Meezan Islamic Fund	5,706,434	214,233	1,680,778	4,239,889	203,546	244,324	40,778	74.79	75.00
Meezan Islamic Income Fund	882,014	1,148,732	537,885	1,492,861	77,950	81,442	3,492	24.93	25.00
Meezan Cash Fund	898,802	-	898,802	-	-	-	-	-	-
					<b>281,496</b>	<b>325,766</b>	<b>44,270</b>	<b>99.72</b>	<b>100.00</b>
<b>Moderate Allocation Plan</b>									
Meezan Islamic Fund	2,116,314	81,501	883,468	1,314,347	62,788	75,740	12,952	52.24	50.00
Meezan Islamic Income Fund	981,320	896,893	489,880	1,388,333	72,225	75,739	3,514	52.24	50.00
Meezan Cash Fund	999,999	-	999,999	-	-	-	-	-	-
					<b>135,013</b>	<b>151,479</b>	<b>16,466</b>	<b>104.48</b>	<b>100.00</b>
<b>Conservative Allocation Plan</b>									
Meezan Islamic Fund	1,149,027	81,177	495,756	734,448	35,023	42,322	7,299	25.06	25.00
Meezan Islamic Income Fund	1,598,388	1,535,519	806,534	2,327,373	120,740	126,968	6,228	75.19	75.00
Meezan Cash Fund	1,628,812	-	1,628,812	-	-	-	-	-	-
					<b>155,763</b>	<b>169,290</b>	<b>13,527</b>	<b>100.25</b>	<b>100.00</b>
<b>Meezan Asset Allocation Plan I</b>									
Al Meezan Mutual Fund	39,791	2,473,754	1,088,228	1,425,317	20,715	22,971	2,256	7.04	7.30
Meezan Islamic Fund	171,373	710,176	477,102	404,447	22,400	23,306	906	7.14	7.40
Meezan Islamic Income Fund	-	3,782,009	3,782,009	-	-	-	-	-	-
Meezan Cash Fund	8,448	3,820,833	3,829,281	-	-	-	-	-	-
Meezan Sovereign Fund	3,775,282	5,108,777	5,315,716	3,568,343	190,174	194,814	4,640	59.71	61.87
Meezan Dedicated Equity Fund	11,269,149	426,698	9,950,478	1,745,369	61,984	73,787	11,803	22.62	23.43
					<b>295,273</b>	<b>314,878</b>	<b>19,605</b>	<b>96.51</b>	<b>100.00</b>
<b>Total investments in units of mutual funds</b>									
Al Meezan Mutual Fund	39,791	2,473,754	1,088,228	1,425,317	20,715	22,971	2,256	2.38	2.39
Meezan Islamic Fund	9,143,148	1,087,087	3,537,104	6,693,131	323,757	385,692	61,935	39.89	40.12
Meezan Islamic Income Fund	3,461,722	7,363,153	5,616,308	5,208,567	270,915	284,149	13,234	29.39	29.56
Meezan Cash Fund	3,536,061	3,820,833	7,356,894	-	-	-	-	0	-
Meezan Sovereign Fund	3,775,282	5,108,777	5,315,716	3,568,343	190,174	194,814	4,640	20.15	20.26
Meezan Dedicated Equity Fund	11,269,149	426,698	9,950,478	1,745,369	61,984	73,787	11,803	7.63	7.67
					<b>867,545</b>	<b>961,413</b>	<b>93,868</b>	<b>99.44</b>	<b>100.00</b>

## 7 CONTINGENCIES AND COMMITMENTS

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

## 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the Trustee has revised its tariff as follows:

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

Accordingly, the Fund has charged Trustee fee at the rate of 0.070% per annum, effective from July 1st, 2019.

**9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - SECP**

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

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

**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

----- (Unaudited) -----					
As at December 31, 2019					
Note	Aggressive	Moderate	Conservative	MAAP-I	Total
----- (Rupees in '000) -----					
Withholding tax payable	123	478	49	409	1,059
Provision for Sindh Workers' Welfare Fund	4,328	2,279	1,541	7,032	15,180
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	368	497	528	3,295	4,688
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	72	40	36	16	164
Shariah advisor fee payable	46	20	23	58	147
Auditors' remuneration payable	195	94	106	275	670
Printing charges payable	91	71	49	158	369
	<u>5,223</u>	<u>3,479</u>	<u>2,332</u>	<u>11,243</u>	<u>22,277</u>

----- (Audited) -----						
As at June 30, 2019						As at July 24, 2018
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
----- (Rupees in '000) -----						
Withholding tax payable	115	458	14	409	996	8
Provision for Sindh Workers' Welfare Fund	###	3,380	1,916	1,214	6,886	13,396
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	###	368	497	528	16	1,409
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	###	72	40	36	3,295	3,443
Shariah advisor fee payable	41	21	22	63	147	27
Auditors' remuneration payable	96	50	51	151	348	80
Printing charges payable	90	63	52	154	359	35
	<u>4,162</u>	<u>3,045</u>	<u>1,917</u>	<u>10,974</u>	<u>20,098</u>	<u>5,438</u>

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

Had the provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit would have been higher by Re 0.90, 0.96, 0.55 and 1.08 for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I (June 30, 2019 by 0.54, 0.51, 0.30 and 0.55 for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-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 July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.44 million, Rs 0.537 million, Rs 0.564 million and Rs 3.31 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I respectively is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value of the Fund as at December 31, 2019 would have been higher by Re. 0.09, Re 0.23, Re. 0.20 and Re. 0.51 per unit in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I (June 30, 2019: Re 0.07, Re 0.14, Re 0.14, Re 0.27 and Re 0.48 per unit) respectively.

## 11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and 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 NBFC Rules, NBFC Regulations and the Trust Deed respectively.

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

Balances	(Unaudited)				
	As at December 31, 2019				
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>Al Meezan Investment Management Limited - Management Company</b>					
Remuneration Payable (Rs in '000)	6	4	3	19	32
Sindh Sales Tax on management fee payable (Rs in '000)	1	1	1	2	5
Sales load payable (Rs in '000)	14	6	1	-	21
Sindh Sales Tax on sales load payable (Rs in '000)	1	-	-	-	1
Allocated expenses payable (Rs in '000)	13	13	29	27	82
Investment (Rs in '000)	-	-	7,513	-	7,513
Investment (Units)	-	-	125,407	-	125,407
<b>Meezan Bank Limited</b>					
Bank balance (Rs in '000)	6,391	7,156	3,395	22,390	39,332
Profit receivable (Rs in '000)	59	60	31	222	372
Sales load payable (Rs in '000)	5	4	2	-	11
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Trustee Fee payable (Rs in '000)	22	8	18	9	57
Sindh Sales Tax on trustee fee payable (Rs in '000)	4	2	2	1	9

----- (Unaudited) -----					
----- As at December 31, 2019 -----					
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>Directors and Executives of the Management Company</b>					
Investment (Rs in '000)	-	-	-	-	-
Investment (Units)	-	-	-	-	-
<b>Meezan Islamic Fund</b>					
Investment (Rs in '000)	244,324	75,740	42,322	23,306	385,692
Investment (Units)	4,239,889	1,314,347	734,448	404,447	6,693,131
<b>Meezan Sovereign Fund</b>					
Investment (Rs in '000)	-	-	-	194,814	194,814
Investment (Units)	-	-	-	3,568,343	3,568,343
<b>AI Meezan Mutual Fund</b>					
Investment (Rs in '000)	-	-	-	22,971	22,971
Investment (Units)	-	-	-	1,425,317	1,425,317
<b>Meezan Cash Fund</b>					
Investment (Rs in '000)	-	-	-	-	-
Investment (Units)	-	-	-	-	-
<b>Meezan Islamic Income Fund</b>					
Investment (Rs in '000)	81,442	75,739	126,968	-	284,149
Investment (Units)	1,492,861	1,388,333	2,327,373	-	5,208,567
<b>Meezan Dedicated Equity Fund</b>					
Investment (Rs in '000)	-	-	-	73,787	73,787
Investment (Units)	-	-	-	1,745,369	1,745,369
<b>Unit Holders holding 10% or more units of the Fund</b>					
Investment (Rs in '000)	171,205	-	52,341	162,361	385,907
Investment (Units)	2,521,012	-	873,669	3,231,695	6,626,376

----- (Audited) -----						
----- As at June 30, 2019 -----						As at July 24, 2018
	Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration Payable (Rs in '000)	5	3	2	2	12	69
Sindh Sales Tax on management fee payable (Rs in '000)	1	-	-	-	1	10
Sales load payable (Rs in '000)	19	5	1	-	25	-
Sindh Sales Tax on sales load payable (Rs in '000)	2	1	-	-	3	-
Allocated expenses payable (Rs in '000)	33	17	18	50	118	32
Investment (Rs in '000)	-	-	6,847	-	6,847	-
Investment (Units)	-	-	125,406	-	125,406	-
<b>Meezan Bank Limited</b>						
Bank balance (Rs in '000)	5,530	4,148	4,666	612	14,956	4,045
Profit receivable (Rs in '000)	19	12	12	4	47	196
Sales load payable (Rs in '000)	1	-	-	-	1	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee Fee payable (Rs in '000)	33	15	24	36	108	28
Sindh Sales Tax on trustee fee payable (Rs in '000)	5	3	3	8	19	5
<b>Directors and Executives of the Management Company</b>						
Investment (Rs in '000)	106	0	1,621	-	1,727	-
Investment (Units)	1,818	3	29,687	-	31,508	-

----- (Audited) -----						
----- As at June 30, 2019 -----					As at July 24, 2018	
Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP-IV	
<b>Meezan Islamic Fund</b>						
Investment (Rs in '000)	273,509	101,436	55,073	8,214	438,232	-
Investment (Units)	5,706,434	2,116,314	1,149,027	171,373	9,143,148	-
<b>Meezan Sovereign Fund</b>						
Investment (Rs in '000)	-	-	-	194,373	194,373	-
Investment (Units)	-	-	-	3,775,282	3,775,282	-
<b>AI Meezan Mutual Fund</b>						
Investment (Rs in '000)	-	-	-	531	531	-
Investment (Units)	-	-	-	39,791	39,791	-
<b>Meezan Cash Fund</b>						
Investment (Rs in '000)	45,328	50,431	82,143	426	178,328	-
Investment (Units)	898,802	999,999	1,628,812	8,448	3,536,061	-
<b>Meezan Islamic Income Fund</b>						
Investment (Rs in '000)	45,328	50,431	82,144	-	177,903	-
Investment (Units)	882,014	981,320	1,598,388	-	3,461,722	-
<b>Meezan Dedicated Equity Fund</b>						
Investment (Rs in '000)	-	-	-	400,208	400,208	-
Investment (Units)	-	-	-	11,269,149	11,269,149	-
<b>Unit Holders holding 10% or more units of the Fund</b>						
Investment (Rs in '000)	184,302	49,515	47,703	278,205	559,725	192,410
Investment (Units)	3,167,104	917,442	873,669	5,826,939	10,785,154	4,166,358

----- (Unaudited) -----					
For the period ended December 31, 2019					
Aggressive	Moderate	Conservative	MAAP-I	Total	
<b>Transactions during the period</b>					
<b>AI Meezan Investment Management Limited - Management Company</b>					
Remuneration for the period (Rs in '000)	28	23	19	71	141
Sindh Sales Tax on management fee (Rs in '000)	4	3	2	9	18
Allocated expense (Rs in '000)	166	75	93	214	548
<b>Meezan Bank Limited</b>					
Profit on saving account (Rs in '000)	279	214	180	945	1,618
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Trustee fee for the period (Rs in '000)	116	53	65	150	384
Sindh Sales Tax on trustee fee (Rs in '000)	15	7	8	19	49
<b>Directors and Executives of the Management Company</b>					
Invested during the period (Rs. in '000)	27,281	3,642	27,651	-	58,574
Invested during the period (Units)	453,202	65,869	483,459	-	1,002,530
Redeemed during the period (Rs. in '000)	27,840	3,566	24,859	-	56,265
Redeemed during the period (Units)	452,788	64,730	438,717	-	956,235
<b>Meezan Islamic Fund</b>					
Invested during the period (Rs. in '000)	10,519	3,657	3,643	39,000	56,819
Invested during the period (Units)	214,233	81,501	81,177	710,176	1,087,087
Redeemed during the period (Rs. in '000)	82,463	43,131	24,694	24,170	174,458
Redeemed during the period (Units)	1,680,778	883,468	495,756	477,102	3,537,104

----- (Unaudited) -----					
For the period ended December 31, 2019					
Aggressive	Moderate	Conservative	MAAP-I	Total	
<b>Meezan Sovereign Fund</b>					
Invested during the period (Rs. in '000)	-	-	-	272,149	272,149
Invested during the period (Units)	-	-	-	5,108,777	5,108,777
Redeemed during the period (Rs. in '000)	-	-	-	277,610	277,610
Redeemed during the period (Units)	-	-	-	5,315,716	5,315,716
<b>Meezan Cash Fund</b>					
Invested during the period (Rs. in '000)	-	-	-	196,312	196,312
Invested during the period (Units)	-	-	-	3,820,833	3,820,833
Redeemed during the period (Rs. in '000)	45,839	50,914	83,034	199,399	379,186
Redeemed during the period (Units)	898,802	999,999	1,628,812	3,829,281	7,356,894
<b>AI Meezan Mutual Fund</b>					
Invested during the period (Rs. in '000)	-	-	-	36,000	36,000
Invested during the period (Units)	-	-	-	2,473,754	2,473,754
Redeemed during the period (Rs. in '000)	-	-	-	16,000	16,000
Redeemed during the period (Units)	-	-	-	1,088,228	1,088,228
<b>Meezan Islamic Income Fund</b>					
Invested during the period (Rs. in '000)	60,427	47,044	80,228	194,650	382,349
Invested during the period (Units)	1,148,732	896,893	1,535,519	3,782,009	7,363,153
Redeemed during the period (Rs. in '000)	28,644	25,657	42,643	197,912	294,856
Redeemed during the period (Units)	537,885	489,880	806,534	3,782,009	5,616,308
<b>Meezan Dedicated Equity Fund</b>					
Invested during the period (Rs. in '000)	-	-	-	15,048	15,048
Invested during the period (Units)	-	-	-	426,698	426,698
Redeemed during the period (Rs. in '000)	-	-	-	333,733	333,733
Redeemed during the period (Units)	-	-	-	9,950,478	9,950,478

----- (Unaudited) -----					
For the period ended December 31, 2018					For the period from July 1, 2018 to July 24, 2018
Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP IV
----- (Rupees in '000) -----					
40	22	36	31	129	69
5	3	5	4	17	9
245	132	134	402	913	32

**AI Meezan Investment Management Limited - Management Company**

Remuneration for the period (Rs in '000)	40	22	36	31	129	69
Sindh Sales Tax on management fee (Rs in '000)	5	3	5	4	17	9
Allocated expense (Rs in '000)	245	132	134	402	913	32

**Meezan Bank Limited**

Profit on saving account (Rs in '000)	88	56	80	45	269	152
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**Central Depository Company of Pakistan Limited - Trustee**

Trustee fee for the period (Rs in '000)	217	117	118	356	808	27
Sindh Sales Tax on trustee fee (Rs in '000)	28	15	15	46	104	4

**Directors and Executives of the Management Company**

Invested during the period (Rs. in '000)	-	70	8	-	78	-
Invested during the period (Units)	1	1,063	116	-	1,180	-
Redeemed during the period (Rs. in '000)	11	69	8	-	87	-
Redeemed during the period (Units)	155	1,062	116	-	1,334	-

(Unaudited)					
For the period ended December 31, 2018					For the period from July 1, 2018 to July 24, 2018
Aggressive	Moderate	Conservative	MAAP-I	Total	MAAP IV
(Rupees in '000)					
<b>Investment (Units)</b>					
Invested during the period (Rs. in '000)	29,730	11,768	13,344	54,842	-
Invested during the period (Units)	495,544	204,757	227,282	927,583	-
Redeemed during the period (Rs. in '000)	22,500	30,500	16,550	69,550	249,454
Redeemed during the period (Units)	376,529	506,703	274,400	1,157,632	3,990,160
<b>Investment (Units)</b>					
Invested during the period (Rs. in '000)	-	-	-	-	-
Invested during the period (Units)	-	-	9	9	-
Dividend received during the period (Rs. in '000)	-	-	-	-	-
Dividend received during the period (Units)	-	-	4	4	-
Refund of capital during the period (Rs. in '000)	-	-	-	-	-
Refund of capital during the period (Units)	-	-	5	5	-
<b>Meezan Cash Fund</b>					
Invested during the period (Rs. in '000)	5,061	3,187	12,805	1,223	22,276
Invested during the period (Units)	99,756	63,204	251,200	24,238	438,398
Redeemed during the period (Rs. in '000)	11,088	20,104	28,646	27,840	87,678
Redeemed during the period (Units)	214,809	393,693	558,850	540,004	1,707,356
Dividend received during the period (Rs. in '000)	2,304	2,766	3,957	855	9,882
Dividend received during the period (Units)	45,686	54,852	78,471	16,949	195,959
Refund of capital during the period (Rs. in '000)	257	421	410	368	1,455
Refund of capital during the period (Units)	5,096	8,352	8,121	7,289	28,858
<b>AI Meezan Mutual Fund</b>					
Redeemed during the period (Rs. in '000)	-	-	-	-	21,964
Redeemed during the period (Units)	-	-	-	-	1,304,322
<b>Meezan Islamic Income Fund</b>					
Invested during the period (Rs. in '000)	5,299	3,172	12,785	37,613	58,869
Invested during the period (Units)	102,478	61,736	246,147	730,485	1,140,846
Redeemed during the period (Rs. in '000)	11,393	20,164	28,723	30,750	91,030
Redeemed during the period (Units)	216,559	387,350	549,956	581,864	1,735,729
Dividend received during the period (Rs. in '000)	2,325	2,809	3,989	4,610	13,734
Dividend received during the period (Units)	45,244	54,664	77,620	89,709	267,237
Refund of capital during the period (Rs. in '000)	224	363	358	3,003	3,948
Refund of capital during the period (Units)	4,359	7,072	6,960	58,438	76,829
<b>Meezan Dedicated Equity Fund</b>					
Invested during the period (Rs. in '000)	-	-	-	26,000	26,000
Invested during the period (Units)	-	-	-	602,460	602,460
Redeemed during the period (Rs. in '000)	-	-	-	45,260	45,260
Redeemed during the period (Units)	-	-	-	971,806	971,806

## 12 ALLOCATED EXPENSES

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

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

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

**13 TOTAL EXPENSE RATIO**

	As at December 31, 2019			
	Aggressive	Moderate	Conservative	MAAP I
Total Expense Ratio (TER)	0.88%	0.81%	0.66%	0.39%
Government levy, Sindh Workers' Welfare Fund and SECP fee	0.60%	0.51%	0.38%	0.10%

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

**14 TAXATION**

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**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 tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

**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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

	----- (Unaudited) -----			
	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Units of mutual fund	961,413	-	-	961,413

----- (Audited) -----			
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'**

Units of mutual fund	1,389,575	-	-	1,389,575
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**16 GENERAL**

**16.1** Figures have been rounded off to the nearest thousand rupees.

**16.2** Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements

**17 DATE OF AUTHORISATION**

February 10, 2020

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

