

**GUMTI WATER  
FOUNTAIN  
(FAISALABAD)**





**Meezan**  
Strategic Allocation Fund

## **MEEZAN STRATEGIC ALLOCATION FUND (MSAF)**

Meezan Strategic Allocation Fund is a Shariah compliant scheme which will use active asset allocation strategy for providing competitive returns on your investment. It is a unique asset allocation fund for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.

## **UNFOLDING OPPORTUNITIES OF PROGRESS IN THE CITY OF TEXTILE**

- ◆ Kotwali Road Branch, Faisalabad
- ◆ Susan Road Branch, Faisalabad

# 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  
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  
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 STRATEGIC 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 Strategic 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 Strategic 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 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 STRATEGIC ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**



**Meezan**  
 Strategic Allocation Fund

December 31, 2019 (Unaudited)								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
<b>Assets</b>								
Balances with banks	5	5,606	522	583	1,022	3,758	7,946	19,437
Investments	6	933,101	549,731	879,211	971,823	235,681	837,800	4,407,347
Receivable against sale of investments		130	-	-	-	-	-	130
Other receivables		67	18	8	36	31	65	225
<b>Total assets</b>		<b>938,904</b>	<b>550,271</b>	<b>879,802</b>	<b>972,881</b>	<b>239,470</b>	<b>845,811</b>	<b>4,427,139</b>
<b>Liabilities</b>								
Payable to AI Meezan Investment Management Limited - Management Company		85	47	74	83	23	79	391
Payable to Central Depository Company of Pakistan Limited - Trustee	7	62	36	58	64	16	56	292
Payable to Securities and Exchange Commission of Pakistan	8	97	56	84	91	25	97	450
Payable against purchase of investments		765	159	265	333	68	751	2,341
Payable against redemption and conversion of units		3,407	67	50	2,121	-	26	5,671
Accrued expenses and other liabilities	10	5,969	1,618	2,573	2,832	637	2,301	15,930
<b>Total liabilities</b>		<b>10,385</b>	<b>1,983</b>	<b>3,104</b>	<b>5,524</b>	<b>769</b>	<b>3,310</b>	<b>25,075</b>
<b>Net assets</b>		<b>928,519</b>	<b>548,288</b>	<b>876,698</b>	<b>967,357</b>	<b>238,701</b>	<b>842,501</b>	<b>4,402,064</b>
<b>Contingencies and commitments</b>	9							
<b>Unit holders' fund</b> (as per statement attached)		<b>928,519</b>	<b>548,288</b>	<b>876,698</b>	<b>967,357</b>	<b>238,701</b>	<b>842,501</b>	<b>4,402,064</b>
----- (Number of units) -----								
<b>Number of units in issue</b>		<b>23,589,488</b>	<b>13,130,069</b>	<b>21,582,953</b>	<b>23,415,629</b>	<b>5,067,073</b>	<b>15,305,876</b>	
----- (Rupees) -----								
<b>Net asset value per unit</b>		<b>39.3616</b>	<b>41.7582</b>	<b>40.6199</b>	<b>41.3124</b>	<b>47.1083</b>	<b>55.0443</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 STRATEGIC ALLOCATION FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2019**

June 30, 2019 (Audited)								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
<b>Assets</b>								
Balances with banks	5	11,970	4,377	13,180	335	13,450	1,148	44,460
Investments	6	1,063,694	725,020	879,495	1,008,046	303,088	1,102,961	5,082,304
Receivable against sale of investments		-	-	-	-	-	-	-
Other receivables		54	11	13	11	11	9	109
<b>Total assets</b>		<b>1,075,718</b>	<b>729,408</b>	<b>892,688</b>	<b>1,008,392</b>	<b>316,549</b>	<b>1,104,118</b>	<b>5,126,873</b>
<b>Liabilities</b>								
Payable to AI Meezan Investment Management Limited - Management Company		104	66	80	91	33	94	468
Payable to Central Depository Company of Pakistan Limited - Trustee	7	84	55	68	76	24	84	391
Payable to Securities and Exchange Commission of Pakistan	8	1,491	1,032	1,164	1,292	414	1,224	6,617
Payable against purchase of investments		-	-	-	-	-	-	-
Payable against redemption and conversion of units		1,819	265	50	3,765	-	2,965	8,864
Accrued expenses and other liabilities	10	4,737	192	195	394	82	857	6,456
<b>Total liabilities</b>		<b>8,235</b>	<b>1,610</b>	<b>1,557</b>	<b>5,618</b>	<b>553</b>	<b>5,224</b>	<b>22,796</b>
<b>Net assets</b>		<b>1,067,483</b>	<b>727,798</b>	<b>891,131</b>	<b>1,002,774</b>	<b>315,996</b>	<b>1,098,894</b>	<b>5,104,077</b>
<b>Contingencies and commitments</b>	9							
<b>Unit holders' fund</b> (as per statement attached)		<b>1,067,483</b>	<b>727,798</b>	<b>891,131</b>	<b>1,002,774</b>	<b>315,996</b>	<b>1,098,894</b>	<b>5,104,077</b>
(Number of units)								
<b>Number of units in issue</b>		<b>29,262,088</b>	<b>20,213,719</b>	<b>25,406,240</b>	<b>28,125,336</b>	<b>7,747,051</b>	<b>21,462,301</b>	
(Rupees)								
<b>Net asset value per unit</b>		<b>36.4801</b>	<b>36.0051</b>	<b>35.0753</b>	<b>35.6538</b>	<b>40.7893</b>	<b>51.2011</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 STRATEGIC ALLOCATION FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Six months period ended December 31, 2019								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total	
(Rupees in '000)								
<b>Income</b>								
	(17,876)	(3,960)	572	1,511	(3,855)	14,255	(9,353)	
Net realised (loss) / gain on sale of investments								
Profit on saving accounts with banks	357	179	208	296	213	492	1,745	
Dividend income	22,292	7,584	11,531	12,361	3,209	24,806	81,783	
Other income	-	-	-	-	-	3,185	3,185	
	4,773	3,803	12,311	14,168	(433)	42,738	77,360	
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	57,960	68,475	107,095	117,122	29,050	22,994	402,696
<b>Total income</b>	<b>62,733</b>	<b>72,278</b>	<b>119,406</b>	<b>131,290</b>	<b>28,617</b>	<b>65,732</b>	<b>480,056</b>	
<b>Expenses</b>								
Remuneration of Al Meezan Investment Management Limited - Management Company	34	24	21	12	39	32	162	
Sindh Sales Tax on remuneration to Management Company	4	2	3	2	5	4	20	
Allocated expenses	12	472	274	409	447	123	472	2,197
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7	331	192	286	313	86	331	1,539
Sindh Sales Tax on trustee fee		43	25	37	41	11	43	200
Annual fee to Securities and Exchange Commission of Pakistan	8	97	56	84	91	25	97	450
Auditors' remuneration		94	56	81	88	24	81	424
Fees and subscription		35	21	29	32	10	35	162
Printing charges		-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	1,232	1,432	2,369	2,605	566	1,292	9,496
Bank and settlement charges		6	6	-	-	1	25	38
<b>Total expenses</b>	<b>2,348</b>	<b>2,088</b>	<b>3,319</b>	<b>3,631</b>	<b>890</b>	<b>2,412</b>	<b>14,688</b>	
<b>Net income for the period before taxation</b>	<b>60,385</b>	<b>70,190</b>	<b>116,087</b>	<b>127,659</b>	<b>27,727</b>	<b>63,320</b>	<b>465,368</b>	
Taxation	14	-	-	-	-	-	-	
<b>Net income for the period after taxation</b>	<b>60,385</b>	<b>70,190</b>	<b>116,087</b>	<b>127,659</b>	<b>27,727</b>	<b>63,320</b>	<b>465,368</b>	
<b>Allocation of net income for the period</b>								
Net income for the period after taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368	
Income already paid on units redeemed	-	-	-	-	-	(4,497)	(4,497)	
	<b>60,385</b>	<b>70,190</b>	<b>116,087</b>	<b>127,659</b>	<b>27,727</b>	<b>58,823</b>	<b>460,871</b>	
<b>Accounting income available for distribution</b>								
- Relating to capital gains	40,084	64,515	107,667	118,633	25,195	37,249	393,343	
- Excluding capital gains	20,301	5,675	8,420	9,026	2,532	21,574	67,528	
	<b>60,385</b>	<b>70,190</b>	<b>116,087</b>	<b>127,659</b>	<b>27,727</b>	<b>58,823</b>	<b>460,871</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 STRATEGIC ALLOCATION FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

		Six months period ended December 31, 2018					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
<b>Income</b>							
	(38,799)	(4,539)	(6,447)	(10,677)	(2,578)	(19,428)	(82,468)
	106	166	71	101	66	31	541
	13,001	9,425	10,866	13,046	3,675	16,480	66,493
	-	-	-	-	337	1,072	1,409
	(25,692)	5,052	4,490	2,470	1,500	(1,845)	(14,025)
	Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'						
6.1	(125,939)	(106,044)	(115,534)	(124,458)	(41,005)	10,554	(502,426)
	<b>Total (loss) / income</b>	<b>(151,631)</b>	<b>(100,992)</b>	<b>(111,044)</b>	<b>(121,988)</b>	<b>8,709</b>	<b>(516,451)</b>
<b>Expenses</b>							
	56	50	27	45	28	15	221
	7	7	4	6	4	2	30
12	919	617	678	756	247	680	3,897
7	719	483	530	591	194	532	3,049
	93	63	69	77	25	69	396
8	873	586	644	718	235	646	3,702
	80	54	57	64	21	56	332
	39	25	28	32	11	29	164
	47	32	35	39	13	35	201
10.1	-	-	-	-	-	133	133
	11	2	20	6	1	-	40
	<b>Total expenses</b>	<b>2,844</b>	<b>1,919</b>	<b>2,092</b>	<b>2,334</b>	<b>779</b>	<b>12,165</b>
	<b>Net (loss) / income for the period before taxation</b>	<b>(154,475)</b>	<b>(102,911)</b>	<b>(113,136)</b>	<b>(124,322)</b>	<b>(40,284)</b>	<b>6,512</b>
14	-	-	-	-	-	-	-
	<b>Net (loss) / income for the period after taxation</b>	<b>(154,475)</b>	<b>(102,911)</b>	<b>(113,136)</b>	<b>(124,322)</b>	<b>(40,284)</b>	<b>6,512</b>
<b>Allocation of net income for the period</b>							
	-	-	-	-	-	6,512	6,512
	-	-	-	-	-	(335)	(335)
	-	-	-	-	-	6,177	6,177
<b>Accounting income available for distribution</b>							
	-	-	-	-	-	-	-
	-	-	-	-	-	6,177	6,177
	-	-	-	-	-	6,177	6,177

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 STRATEGIC ALLOCATION FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2019**

For the quarter ended December 31, 2019								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
<b>Income</b>								
	4,281	2,264	1,176	4,219	98	15,636	27,674	
Net realised gain on sale of investments								
Profit on saving accounts with banks	133	73	37	199	114	336	892	
Dividend income	16,688	4,887	7,550	8,103	2,033	17,742	57,003	
Other income	-	-	-	-	-	2,011	2,011	
	21,102	7,224	8,763	12,521	2,245	35,725	87,580	
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	88,335	90,922	142,014	155,236	39,508	13,989	530,004
<b>Total income</b>		109,437	98,146	150,777	167,757	41,753	49,714	617,584
<b>Expenses</b>								
Remuneration of AI Meezan Investment Management Limited - Management Company	12	9	1	4	11	15	52	
Sindh Sales Tax on remuneration to Management Company	1	-	-	1	1	2	5	
Allocated expenses	12	233	134	208	229	58	212	1,074
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7	163	94	145	160	40	149	751
Sindh Sales Tax on trustee fee		21	12	19	21	5	19	97
Annual fee to Securities and Exchange Commission of Pakistan	8	47	26	42	45	11	43	214
Auditors' remuneration		75	45	65	70	19	60	334
Fees and subscription		15	9	12	14	5	13	68
Printing charges		-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	10.1	1,232	1,432	2,369	2,605	566	984	9,188
Bank and settlement charges		6	4	-	-	1	13	24
<b>Total expenses</b>		1,804	1,764	2,861	3,150	717	1,510	11,806
<b>Net income for the quarter before taxation</b>		107,633	96,382	147,916	164,607	41,036	48,204	605,778
Taxation	14	-	-	-	-	-	-	-
<b>Net income for the quarter after taxation</b>		107,633	96,382	147,916	164,607	41,036	48,204	605,778

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 STRATEGIC ALLOCATION FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2019**

		For the quarter ended December 31, 2018					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
<b>Income</b>							
	(12,317)	(2,271)	(3,402)	(4,520)	(1,839)	(13,543)	(37,892)
Net realised loss on sale of investments							
Profit on saving accounts with banks	69	88	42	39	35	8	281
Dividend income	-	-	-	-	-	-	-
Other income	-	-	-	-	151	587	738
	(12,248)	(2,183)	(3,360)	(4,481)	(1,653)	(12,948)	(36,873)
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	(101,354)	(75,356)	(82,242)	(88,109)	(28,707)	14,066	(361,702)
<b>Total (loss) / income</b>	<b>(113,602)</b>	<b>(77,539)</b>	<b>(85,602)</b>	<b>(92,590)</b>	<b>(30,360)</b>	<b>1,118</b>	<b>(398,575)</b>
<b>Expenses</b>							
Remuneration of AI Meezan Investment Management Limited - Management Company	35	17	16	17	15	5	105
Sindh Sales Tax on remuneration to Management Company	4	2	3	2	2	1	14
Allocated expenses 12	441	298	330	354	118	338	1,879
Remuneration to Central Depository Company of Pakistan Limited - Trustee 7	345	234	258	277	93	265	1,472
Sindh Sales Tax on trustee fee	44	31	34	36	12	34	191
Annual fee to Securities and Exchange Commission of Pakistan 8	419	283	313	336	112	321	1,784
Auditors' remuneration	38	26	28	30	11	29	162
Fees and subscription	17	10	10	13	5	13	68
Printing charges	23	16	18	19	7	18	101
Provision for Sindh Workers' Welfare Fund 10.1	-	-	-	-	-	2	2
Bank and settlement charges	2	-	-	2	-	-	4
<b>Total expenses</b>	<b>1,368</b>	<b>917</b>	<b>1,010</b>	<b>1,086</b>	<b>375</b>	<b>1,026</b>	<b>5,782</b>
<b>Net (loss) / income for the quarter before taxation</b>	<b>(114,970)</b>	<b>(78,456)</b>	<b>(86,612)</b>	<b>(93,676)</b>	<b>(30,735)</b>	<b>92</b>	<b>(404,357)</b>
Taxation 14	-	-	-	-	-	-	-
<b>Net (loss) / income for the quarter after taxation</b>	<b>(114,970)</b>	<b>(78,456)</b>	<b>(86,612)</b>	<b>(93,676)</b>	<b>(30,735)</b>	<b>92</b>	<b>(404,357)</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 STRATEGIC ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

Six months period ended December 31, 2019							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)							
Net income for the period after taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>60,385</u>	<u>70,190</u>	<u>116,087</u>	<u>127,659</u>	<u>27,727</u>	<u>63,320</u>	<u>465,368</u>

Six months period ended December 31, 2018							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)							
Net (loss) / income for the period after taxation	(154,475)	(102,911)	(113,136)	(124,322)	(40,284)	6,512	(528,616)
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u>(154,475)</u>	<u>(102,911)</u>	<u>(113,136)</u>	<u>(124,322)</u>	<u>(40,284)</u>	<u>6,512</u>	<u>(528,616)</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 STRATEGIC ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2019**

	For the quarter ended December 31, 2019						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	
	----- (Rupees in '000) -----						
Net income for the period after taxation	107,633	96,382	147,916	164,607	41,036	48,204	605,778
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>107,633</u>	<u>96,382</u>	<u>147,916</u>	<u>164,607</u>	<u>41,036</u>	<u>48,204</u>	<u>605,778</u>

	For the quarter ended December 31, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	
	----- (Rupees in '000) -----						
Net (loss) / income for the period after taxation	(114,970)	(78,456)	(86,612)	(93,676)	(30,735)	92	(404,357)
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u>(114,970)</u>	<u>(78,456)</u>	<u>(86,612)</u>	<u>(93,676)</u>	<u>(30,735)</u>	<u>92</u>	<u>(404,357)</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 STRATEGIC ALLOCATION FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2019																				
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV			MSAP-V			MCPPIII			Total		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			
Net assets at the beginning of the period	1,629,216	(561,733)	1,067,483	1,131,721	(403,923)	727,798	1,380,178	(489,047)	891,131	1,521,504	(518,730)	1,002,774	395,264	(79,268)	315,996	1,077,850	21,044	1,098,894	7,135,734	(2,031,657)	5,104,077
Redemption of units:																					
MSAP - I: 5,672,600 units / MSAP - II: 7,083,650 units /																					
MSAP - III: 3,823,287 units / MSAP - IV: 4,709,707 units / MSAP - V: 2,679,978 units,																					
MCPPI - III: 156,425 units																					
- Capital value (at net asset value per unit at the beginning of the period)	206,937	-	206,937	255,048	-	255,048	134,103	-	134,103	167,919	-	167,919	109,314	-	109,314	315,216	-	315,216	873,321	-	873,321
- Element of (income) / loss	(7,588)	-	(7,588)	(5,348)	-	(5,348)	(3,583)	-	(3,583)	(4,843)	-	(4,843)	(4,292)	-	(4,292)	-	4,497	4,497	(25,654)	4,497	(21,157)
Total payments on redemption of units	199,349	-	199,349	249,700	-	249,700	130,520	-	130,520	163,076	-	163,076	105,022	-	105,022	315,216	4,497	319,713	847,667	4,497	852,164
Total comprehensive income / (loss) for the period	-	60,385	60,385	-	70,190	70,190	-	116,087	116,087	-	127,659	127,659	-	27,727	27,727	-	63,320	63,320	-	402,048	402,048
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	60,385	60,385	-	70,190	70,190	-	116,087	116,087	-	127,659	127,659	-	27,727	27,727	-	63,320	63,320	-	402,048	402,048
Net assets at the end of the period	1,429,867	(501,348)	928,519	882,021	(333,733)	548,288	1,249,658	(372,960)	876,698	1,358,428	(391,071)	967,357	290,242	(51,541)	238,701	762,634	79,867	842,501	6,288,067	(1,634,106)	4,653,961
Accumulated loss brought forward																					
- Realised (loss) / income		(351,036)		(328,595)			(404,214)			(427,554)			(50,077)			(7,886)			(1,569,362)		
- Unrealised (loss) / income		(210,697)		(75,328)			(84,833)			(91,176)			(29,191)			28,930			(462,295)		
		(561,733)		(403,923)			(489,047)			(518,730)			(79,268)			21,044			(2,031,657)		
Accounting income available for distribution																					
- Relating to capital gains	40,084			64,515			107,667			118,633			25,195			37,249			393,343		
- Excluding capital gains	20,301			5,675			8,420			9,026			2,532			21,574			67,528		
	60,385			70,190			116,087			127,659			27,727			58,823			460,871		
Net (loss) / income for the period after taxation																					
Distribution during the period																					
(Accumulated loss) / undistributed income carried forward		(501,348)		(333,733)			(372,960)			(391,071)			(51,541)			79,867			(1,570,786)		
(Accumulated loss) / undistributed income carried forward																					
- Realised loss	(559,308)			(402,208)			(480,055)			(508,193)			(80,591)			56,873			(1,973,482)		
- Unrealised (loss) / income	57,960			68,475			107,095			117,122			29,050			22,994			402,696		
	(501,348)			(333,733)			(372,960)			(391,071)			(51,541)			79,867			(1,570,786)		
Net asset value per unit as at the beginning of the period			Rupees			Rupees			Rupees			Rupees			Rupees			Rupees			
			36.4801			36.0051			35.0753			35.6538			40.7893			51.2011			
Net asset value per unit as at the end of the period			39.3616			41.7582			40.6199			41.3124			47.1083			55.0443			

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2018																				
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV			MSAP-V			MCPP-III			Total		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
(Rupees in '000)																					
Net assets at the beginning of the period	2,243,221	(297,759)	1,945,462	1,516,558	(227,213)	1,289,345	1,709,505	(286,294)	1,423,211	1,957,929	(292,424)	1,665,505	528,299	(7,187)	521,112	1,367,662	(2,491)	1,365,171	9,323,174	(1,113,368)	8,209,806
Redemption of units:																					
MSAP - I: 5,867,793 units / MSAP - II: 2,309,554 units / MSAP - III: 2,233,530 units /																					
MSAP - IV: 5,289,332 units / MSAP - V: 1,210,286 units, MCPP - III: 1,070,939 units																					
- Capital value (at net asset value per unit at the beginning of the period)	258,264	-	258,264	99,417	-	99,417	93,838	-	93,838	225,962	-	225,962	58,990	-	58,990	53,648	-	53,648	790,119	-	790,119
- Element of (income) / loss	(9,481)	-	(9,481)	(4,289)	-	(4,289)	(3,242)	-	(3,242)	(5,011)	-	(5,011)	(2,310)	-	(2,310)	(148)	335	187	(24,481)	335	(24,146)
Total payments on redemption of units	248,783	-	248,783	95,128	-	95,128	90,596	-	90,596	220,951	-	220,951	56,680	-	56,680	53,500	335	53,835	765,638	335	765,973
Total comprehensive (loss) / income for the period	-	(154,475)	(154,475)	-	(102,911)	(102,911)	-	(113,136)	(113,136)	-	(124,322)	(124,322)	-	(40,284)	(40,284)	-	6,512	6,512	-	(528,616)	(528,616)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(154,475)	(154,475)	-	(102,911)	(102,911)	-	(113,136)	(113,136)	-	(124,322)	(124,322)	-	(40,284)	(40,284)	-	6,512	6,512	-	(528,616)	(528,616)
Net assets at the end of the period	1,994,438	(452,234)	1,542,204	1,421,430	(330,124)	1,091,306	1,618,909	(399,430)	1,219,479	1,736,978	(416,746)	1,320,232	471,619	(47,471)	424,148	1,314,162	3,686	1,317,848	8,557,536	(1,642,319)	6,915,217
Accumulated loss brought forward																					
- Realised (loss) / income		(105,369)			(74,165)			(116,408)			(121,353)			5,171			(14,702)			(426,826)	
- Unrealised (loss) / income		(192,390)			(153,048)			(169,886)			(171,071)			(12,358)			12,211			(686,542)	
		(297,759)			(227,213)			(286,294)			(292,424)			(7,187)			(2,491)			(1,113,368)	
Accounting income available for distribution																					
- Relating to capital gains		-			-			-			-			-			-			-	
- Excluding capital gains		-			-			-			-			-			6,177			6,177	
Net (loss) / income for the period after taxation		(154,475)			(102,911)			(113,136)			(124,322)			(40,284)			-			(535,128)	
Distribution during the period		-			-			-			-			-			-			-	
(Accumulated loss) / undistributed income carried forward		(452,234)			(330,124)			(399,430)			(416,746)			(47,471)			3,686			(1,642,319)	
(Accumulated loss) / undistributed income carried forward																					
- Realised loss		(326,295)			(224,080)			(283,896)			(292,288)			(6,466)			(6,868)			(1,139,893)	
- Unrealised (loss) / income		(125,939)			(106,044)			(115,534)			(124,458)			(41,005)			10,554			(502,426)	
		(452,234)			(330,124)			(399,430)			(416,746)			(47,471)			3,686			(1,642,319)	
Net asset value per unit as at the beginning of the period			Rupees		Rupees			Rupees			Rupees			Rupees			Rupees			Rupees	
			44.0138		43.0461			42.0135			42.7203			48.7410			50.0951			50.3368	
Net asset value per unit as at the end of the period			40.2313		39.4784			38.5404			39.1796			44.7359			50.3368			50.3368	

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 STRATEGIC ALLOCATION FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Six months period ended December 31, 2019							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
----- (Rupees in '000) -----							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net income for the period before taxation	60,385	70,190	116,087	127,659	27,727	63,320	465,368
<b>Adjustments for:</b>							
Net unrealised (appreciation) on re-measurement of investments 'at fair value through profit or loss'	(57,960)	(68,475)	(107,095)	(117,122)	(29,050)	(22,994)	(402,696)
	2,425	1,715	8,992	10,537	(1,323)	40,326	62,672
<b>Decrease in assets</b>							
Investments - net	188,553	243,764	107,379	153,345	96,457	288,155	1,077,653
Receivable against sale of investments	(130)	-	-	-	-	-	(130)
Other receivables	(13)	(7)	5	(25)	(20)	(56)	(116)
	188,410	243,757	107,384	153,320	96,437	288,099	1,077,407
<b>Increase in liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	(19)	(19)	(6)	(8)	(10)	(15)	(77)
Payable to Central Depository Company of Pakistan Limited - Trustee	(22)	(19)	(10)	(12)	(8)	(28)	(99)
Payable to Securities and Exchange Commission of Pakistan	(1,394)	(976)	(1,080)	(1,201)	(389)	(1,127)	(6,167)
Payable against purchase of investments	765	159	265	333	68	751	2,341
Accrued expenses and other liabilities	1,231	1,426	2,378	2,438	555	1,444	9,473
	561	571	1,547	1,550	216	1,025	5,470
<b>Net cash generated from operating activities</b>	191,396	246,043	117,923	165,407	95,330	329,450	1,145,549
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts against issuance and conversion of units	-	-	-	-	-	-	-
Payments against redemption and conversion of units	(197,760)	(249,898)	(130,520)	(164,720)	(105,022)	(322,652)	(1,170,572)
<b>Net cash used in financing activities</b>	(197,760)	(249,898)	(130,520)	(164,720)	(105,022)	(322,652)	(1,170,572)
<b>Net increase in cash and cash equivalents during the period</b>	(6,364)	(3,855)	(12,597)	687	(9,692)	6,798	(25,023)
Cash and cash equivalents at the beginning of the period	11,970	4,377	13,180	335	13,450	1,148	44,460
<b>Cash and cash equivalents at the end of the period</b>	5,606	522	583	1,022	3,758	7,946	19,437

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

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

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

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

\_\_\_\_\_  
Director

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

Six months period ended December 31, 2018						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total

----- (Rupees in '000) -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net (loss) / income for the period before taxation (154,475) (102,911) (113,136) (124,322) (40,284) 6,512 (528,616)

**Adjustments for:**

Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'

125,939	106,044	115,534	124,458	41,005	(10,554)	502,426
(28,536)	3,133	2,398	136	721	(4,042)	(26,190)

**Decrease / (increase) in assets**

Investments - net	306,900	95,873	97,311	222,951	58,923	58,378	840,336
Receivable against sale of investments	(820)	(630)	-	200	(360)	270	(1,340)
Other receivables	(34)	(10)	(16)	9	5	2	(44)
	306,046	95,233	97,295	223,160	58,568	58,650	838,952

**(Decrease) / increase in liabilities**

Payable to Al Meezan Investment Management Limited - Management Company	(8)	(8)	(3)	(20)	(4)	-	(43)
Payable to Central Depository Company of Pakistan Limited - Trustee	(23)	(9)	(10)	(20)	(5)	2	(65)
Payable to Securities and Exchange Commission of Pakistan	(1,231)	(787)	(848)	(964)	(155)	79	(3,906)
Payable against purchase of investments	-	-	-	-	-	-	-
Accrued expenses and other liabilities	(30)	(35)	(22)	(20)	-	171	64
	(1,292)	(839)	(883)	(1,024)	(164)	252	(3,950)

**Net cash generated from operating activities** 276,218 97,527 98,810 222,272 59,125 54,860 808,812

**CASH FLOWS FROM FINANCING ACTIVITIES**

Receipts against issuance and conversion of units	-	-	-	-	-	-	-
Payments against redemption and conversion of units	(248,764)	(94,126)	(89,500)	(219,602)	(56,178)	(54,309)	(762,479)
<b>Net cash used in financing activities</b>	(248,764)	(94,126)	(89,500)	(219,602)	(56,178)	(54,309)	(762,479)

**Net increase in cash and cash equivalents**

<b>during the period</b>	27,454	3,401	9,310	2,670	2,947	551	46,333
Cash and cash equivalents at the beginning of the period	9,147	1,707	2,158	6,740	5,090	2,939	27,781

**Cash and cash equivalents at the end of the period** 36,601 5,108 11,468 9,410 8,037 3,490 74,114

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

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

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

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

\_\_\_\_\_  
Director



**MEEZAN STRATEGIC ALLOCATION FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

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

- 1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 8, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company 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.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP.
- 1.7** A brief description of the plans is as follows:

Meezan Strategic Allocation Plan-I (MSAP-I)	Low risk - High return through asset allocation The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 2, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2019, the SECP approved the extension of the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-1/178/2018 dated November 16, 2018; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-1/142/2019 dated November 19, 2019.
Meezan Strategic Allocation Plan-II (MSAP-II)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 31, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

Meezan Strategic Allocation Plan-III (MSAP-III)	Low risk - High return through asset allocation This allocation plan commenced its operations from February 20, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. April 3, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-IV (MSAP-IV)	Low risk - High return through asset allocation This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. June 30, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-V (MSAP-V)	Low risk - High return through asset allocation This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 19, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. The SECP approved the extension for the plan by one year vide its letter no. SCD/AMCW/AMIML/109/2019 dated October 11, 2019.
Meezan Capital Preservation Plan-III (MCCP-III)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 19, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 31, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

## 2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the 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 VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 'International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

These condensed interim financial statements are unaudited. 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 audited 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 information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the period ended June 30, 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 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.

## 5 BALANCES WITH BANKS

Note	December 31, 2019 (Unaudited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Saving accounts	5,595	512	573	1,012	3,115	7,301	18,108
Current accounts	11	10	10	10	643	645	1,329
	<u>5,606</u>	<u>522</u>	<u>583</u>	<u>1,022</u>	<u>3,758</u>	<u>7,946</u>	<u>19,437</u>

Note	June 30, 2019 (Audited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Saving accounts	11,904	4,180	13,170	97	7,807	503	37,661
Current accounts	66	197	10	238	5,643	645	6,799
	<u>11,970</u>	<u>4,377</u>	<u>13,180</u>	<u>335</u>	<u>13,450</u>	<u>1,148</u>	<u>44,460</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 3.20% to 12.75% per annum (June 30, 2019: 6.30% to 11.85% per annum).

## 6 INVESTMENTS

Note	December 31, 2019 (Unaudited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Investments - 'at fair value through profit or loss'	933,101	549,731	879,211	971,823	235,681	837,800	4,407,347

Note	June 30, 2019 (Audited)						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Investments - 'at fair value through profit or loss'	1,063,694	725,020	879,495	1,008,046	303,088	1,102,961	5,082,304

### 6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (loss) / gain as at December 31, 2019	Percentage in relation to	
								Net assets of the Fund on the basis of market value	Total market value of investments
	(Number of units)				(Rupees in '000)			(Percentage)	
<b>Meezan Strategic Allocation Plan-I</b>									
Al Meezan Mutual Fund	18,848,470	-	9,928,458	8,920,012	119,137	143,757	24,620	15.48	15.41
Kse Meezan Index Fund	202,085	-	197,774	4,311	228	278	49	0.03	0.03
Meezan Dedicated Equity Fund	8,724,482	-	7,953,696	770,785	27,373	32,585	5,212	3.51	3.49
Meezan Islamic Fund	3,358,169	2,561,573	2,825,371	3,094,372	150,235	178,314	28,079	19.20	19.11
Meezan Cash Fund	-	11,301,674	11,301,674	-	-	-	-	-	-
Meezan Islamic Income Fund	4,983,964	1,653,461	6,637,425	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,486,485	24,936,618	14,859,762	11,563,341	578,167	578,167	-	62.27	61.96
					<u>875,140</u>	<u>933,101</u>	<u>57,960</u>	<u>100.49</u>	<u>100.00</u>
<b>Meezan Strategic Allocation Plan-II</b>									
Al Meezan Mutual Fund	22,818,599	-	9,890,452	12,928,147	172,670	208,353	35,683	38.00	37.90
Kse Meezan Index Fund	137,871	-	345	137,526	7,282	8,854	1,573	1.61	1.61
Meezan Dedicated Equity Fund	1,238,827	-	234,945	1,003,881	35,651	42,440	6,788	7.74	7.72
Meezan Islamic Fund	2,983,781	-	463,901	2,519,880	120,778	145,209	24,431	26.48	26.41
Meezan Cash Fund	1,615	-	1,615	-	-	-	-	-	-
Meezan Islamic Income Fund	3,408,091	1,128,244	4,536,335	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,014,332	3,565,656	1,682,470	2,897,518	144,876	144,876	-	26.42	26.35
					<u>481,257</u>	<u>549,731</u>	<u>68,475</u>	<u>100.26</u>	<u>100.00</u>
<b>Meezan Strategic Allocation Plan-III</b>									
Kse Meezan Index Fund	168,089	206,923	938	374,075	18,852	24,084	5,232	2.75	2.74
Meezan Dedicated Equity Fund	1,980,130	820,109	1,976,778	823,460	32,119	34,812	2,693	3.97	3.96
Meezan Islamic Fund	10,949,099	1,080,780	1,971,476	10,058,402	480,448	579,617	99,170	66.11	65.92
Meezan Cash Fund	116,448	-	116,448	-	-	-	-	-	-
Meezan Islamic Income Fund	4,056,912	1,361,671	5,418,583	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,222,400	5,550,915	1,959,367	4,813,949	240,697	240,697	-	27.46	27.38
					<u>772,116</u>	<u>879,211</u>	<u>107,095</u>	<u>100.29</u>	<u>100.00</u>

Name of investee funds	As at July 1, 2019	Purchases during the period	Redemptions 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 units) -----				----- (Rupees in '000) -----			Net assets of the Fund on the basis of market value	Total market value of investments
								----- (Percentage) -----	
<b>Meezan Strategic Allocation Plan-IV</b>									
Al Meezan Mutual Fund	1,877,734	2,318,303	-	4,196,037	55,079	67,624	12,545	6.99	6.96
Kse Meezan Index Fund	190,753	206,923	994	396,682	20,049	25,540	5,491	2.64	2.63
Meezan Dedicated Equity Fund	1,740,577	1,884,785	2,328,394	1,296,968	45,025	54,830	9,805	5.67	5.64
Meezan Islamic Fund	12,489,097	808,964	3,446,984	9,851,076	478,388	567,670	89,282	58.68	58.41
Meezan Cash Fund	158,201	-	158,201	-	-	-	-	-	-
Meezan Islamic Income Fund	4,583,447	1,558,582	6,142,029	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,378,452	5,765,768	2,021,040	5,123,180	256,159	256,159	-	26.48	26.36
					<b>854,701</b>	<b>971,823</b>	<b>117,122</b>	<b>100.46</b>	<b>100.00</b>
<b>Meezan Strategic Allocation Plan-V</b>									
Kse Meezan Index Fund	56,659	-	142	56,518	2,993	3,639	646	1.52	1.54
Meezan Dedicated Equity Fund	978,486	-	274,392	704,093	25,005	29,766	4,761	12.47	12.63
Meezan Islamic Fund	3,635,008	-	1,196,390	2,438,618	116,883	140,526	23,643	58.87	59.63
Meezan Cash Fund	786,420	-	786,420	-	-	-	-	-	-
Meezan Islamic Income Fund	787,065	272,288	1,059,353	-	-	-	-	-	-
Meezan Rozana Amdani Fund	220,080	1,795,734	780,807	1,235,008	61,750	61,750	-	25.87	26.20
					<b>206,631</b>	<b>235,681</b>	<b>29,050</b>	<b>98.73</b>	<b>100.00</b>
<b>Meezan Strategic Allocation Plan - MCPP-III</b>									
Meezan Dedicated Equity Fund	5,644,575	7,554,482	9,551,014	3,648,044	131,229	154,223	22,994	18.31	18.41
Meezan Cash Fund	-	37,706,592	37,706,592	-	-	-	-	-	-
Meezan Rozana Amdani Fund	4,521,293	37,336,058	28,185,812	13,671,539	683,577	683,577	-	81.14	81.59
Meezan Sovereign Fund	13,138,372	-	13,138,372	-	-	-	-	-	-
					<b>814,806</b>	<b>837,800</b>	<b>22,994</b>	<b>99.44</b>	<b>100.00</b>
<b>Total investments in units of mutual funds</b>									
Al Meezan Mutual Fund	43,544,803	2,318,303	19,818,910	26,044,196	346,885	419,733	72,848	9.53	9.52
Kse Meezan Index Fund	755,458	413,846	200,192	969,112	49,403	62,394	12,992	1.42	1.42
Meezan Dedicated Equity Fund	20,307,076	10,259,375	22,319,220	8,247,231	296,403	348,657	52,253	7.92	7.91
Meezan Islamic Fund	33,415,155	4,451,317	9,904,123	27,962,349	1,346,732	1,611,336	264,604	36.60	36.56
Meezan Cash Fund	1,062,684	49,008,266	50,070,949	-	-	-	-	-	-
Meezan Islamic Income Fund	17,819,479	5,974,246	23,793,725	-	-	-	-	-	-
Meezan Rozana Amdani Fund	9,843,042	78,950,750	49,489,257	39,304,534	1,965,227	1,965,227	-	44.64	44.59
Meezan Sovereign Fund	13,138,372	-	13,138,372	-	-	-	-	-	-
<b>Total</b>					<b>4,004,650</b>	<b>4,407,347</b>	<b>402,697</b>	<b>100.12</b>	<b>100.00</b>

#### 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:

Previous tariff		Revised Tariff
<b>Net Assets (Rs.)</b>	<b>Fee</b>	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 Fund has charged Trustee Fee @ 0.070% p.a. of Net Assets during the 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 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.

## 9. CONTINGENCIES AND COMMITMENTS

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

## 10. ACCRUED EXPENSES AND OTHER LIABILITIES

		December 31, 2019 (Unaudited)						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	Total	
(Rupees in '000)								
	69	40	62	68	18	80	337	
Auditors' remuneration payable								
	30	23	26	28	6	26	139	
Shariah advisory fee payable								
	155	108	116	131	47	109	666	
Printing charges payable								
	1	4	-	-	-	126	131	
Capital gain tax								
	-	11	-	-	-	85	96	
Zakat payable								
Provision for Sindh Workers' Welfare Fund	10.1	5,714	1,432	2,369	2,605	566	1,875	
		5,969	1,618	2,573	2,832	637	2,301	
							15,930	

		June 30, 2019 (Audited)						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	Total	
(Rupees in '000)								
	68	47	54	60	20	75	324	
Auditors' remuneration payable								
	29	26	24	27	7	26	139	
Shariah advisor fee payable								
	155	106	117	131	45	109	663	
Printing charges payable								
	-	2	-	-	-	37	39	
Capital gain tax								
	4	11	-	176	10	26	227	
Zakat payable								
Provision for Sindh Workers' Welfare Fund	10.1	4,481	-	-	-	-	583	
		4,737	192	195	394	82	857	
							6,456	

- 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 for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and M CPP-III as at December 31, 2019 would have been higher by Re 0.24/0.62%, 0.11/0.26%, 0.11/0.27, 0.11/0.27, 0.11/0.24% and 0.12/0.22% respectively, (June 30, 2019: 0.153/0.42% and 0.027/0.05% for MSAP-I & M CPP-III respectively).

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

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

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

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

December 31, 2019 (Unaudited)						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)						
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration payable (Rs in '000)	5	1	-	1	3	16
Sindh Sales Tax on management fee (Rs in '000)	1	-	-	1	-	3
Allocated expenses (Rs in '000)	79	46	74	81	20	371
<b>Meezan Bank Limited</b>						
Bank balance (Rs in '000)	5,539	522	583	1,022	3,758	19,359
Profit receivable (Rs in '000)	68	18	8	36	32	228
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee payable (Rs. in '000)	55	32	51	57	14	259
Sindh Sales Tax on trustee fee payable (Rs. in '000)	7	4	7	7	2	33
<b>AI Meezan Mutual Fund</b>						
Investment (Rs in '000)	143,757	208,353	-	67,624	-	419,733
Investment (Units)	8,920,012	12,928,147	-	4,196,037	-	26,044,196
<b>Kse Meezan Index Fund</b>						
Investment (Rs in '000)	278	8,854	24,084	25,540	3,639	62,394
Investment (Units)	4,311	137,526	374,075	396,682	56,518	969,112
<b>Meezan Dedicated Equity Fund</b>						
Investment (Rs in '000)	32,585	42,440	34,812	54,830	29,766	348,657
Investment (Units)	770,785	1,003,881	823,460	1,296,968	704,093	8,247,231
<b>Meezan Islamic Fund</b>						
Investment (Rs in '000)	178,314	145,209	579,617	567,670	140,526	1,611,336
Investment (Units)	3,094,372	2,519,880	10,058,402	9,851,076	2,438,618	27,962,349
<b>Meezan Rozana Amdani Fund</b>						
Investment (Rs in '000)	578,167	144,876	240,697	256,159	61,750	1,965,227
Investment (Units)	11,563,341	2,897,518	4,813,949	5,123,180	1,235,008	39,304,534
<b>Unitholders holding 10% or more units of the Fund</b>						
Investment (Rs in '000)	102,439	110,454	269,953	-	75,484	558,330
Investment (Units)	2,602,512	2,645,091	6,645,828	-	1,602,342	13,495,773
<b>June 30, 2019 (Audited)</b>						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)						
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration payable (Rs in '000)	10	4	4	4	5	29
Sindh Sales Tax on management fee (Rs in '000)	1	1	1	1	-	5
Allocated expenses (Rs in '000)	93	61	75	86	27	434
Investment (Rs in '000)	-	71,996	-	-	-	71,996
Investment (Units)	-	1,999,600	-	-	-	1,999,600
<b>Meezan Bank Limited</b>						
Bank balance (Rs in '000)	11,958	4,377	13,180	335	13,450	44,438
Profit receivable (Rs in '000)	54	11	13	11	11	109
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee payable (Rs in '000)	74	49	60	68	21	346
Sindh Sales Tax on trustee fee payable (Rs in '000)	10	6	8	8	3	45

June 30, 2019 (Audited)						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
(Rupees in '000)						
<b>Directors and Executives of the management company</b>						
Investment (Rs in '000)	-	-	(12,369)	-	-	(12,369)
Investment (Units)	-	-	(352,640)	-	-	(352,640)
<b>AI Meezan Mutual Fund</b>						
Investment (Rs in '000)	251,742	304,767	-	25,079	-	581,589
Investment (Units)	18,848,470	22,818,599	-	1,877,734	-	43,544,803
<b>Kse Meezan Index Fund</b>						
Investment (Rs in '000)	10,700	7,300	8,900	10,100	3,000	40,000
Investment (Units)	202,085	137,871	168,089	190,753	56,659	755,458
<b>Meezan Dedicated Equity Fund</b>						
Investment (Rs in '000)	309,838	43,995	70,322	61,814	34,750	721,177
Investment (Units)	8,724,482	1,238,827	1,980,130	1,740,577	978,486	20,307,076
<b>Meezan Islamic Fund</b>						
Investment (Rs in '000)	160,957	143,013	524,790	598,602	174,226	1,601,588
Investment (Units)	3,358,169	2,983,781	10,949,099	12,489,097	3,635,008	33,415,155
<b>Meezan Rozana Amdani Fund</b>						
Investment (Rs in '000)	74,324	50,717	61,120	68,923	11,004	492,152
Investment (Units)	1,486,485	1,014,332	1,222,400	1,378,452	220,080	9,843,042
<b>Meezan Cash Fund</b>						
Investment (Rs in '000)	-	81	5,873	7,978	39,660	53,593
Investment (Units)	-	1,615	116,448	158,201	786,420	1,062,684
<b>Meezan Sovereign Fund</b>						
Investment (Rs in '000)	-	-	-	-	-	676,437
Investment (Units)	-	-	-	-	-	13,138,372
<b>Meezan Islamic Income Fund</b>						
Investment (Rs in '000)	256,133	175,147	208,490	235,550	40,448	915,768
Investment (Units)	4,983,964	3,408,091	4,056,912	4,583,447	787,065	17,819,478
<b>Unitholders holding 10% or more units of the Fund</b>						
Investment (Rs in '000)	-	95,237	233,104	356,182	76,205	930,401
Investment (Units)	-	2,645,091	6,645,828	9,990,010	1,868,272	24,463,050
<b>Transactions during the period</b>						
For the period ended December 31, 2019						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
(Unaudited)						
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration for the period (Rs in '000)	34	24	21	12	39	162
Sindh Sales Tax on management fee (Rs in '000)	4	2	3	2	5	20
Allocated expenses (Rs in '000)	472	274	409	447	123	2,197
Redeemed during the period (Rs in '000)	-	68,876	-	-	-	68,876
Redeemed during the period (Units)	-	1,999,600	-	-	-	1,999,600
<b>Meezan Bank Limited</b>						
Profit on saving account (Rs in '000)	357	179	208	296	213	1,745
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee (Rs in '000)	331	192	286	313	86	1,539
Sindh Sales Tax on trustee fee (Rs in '000)	43	25	37	41	11	200
<b>AI Meezan Mutual Fund</b>						
Invested during the period (Rs in '000)	-	-	-	30,000	-	30,000
Invested during the period (Units)	-	-	-	2,318,303	-	2,318,303
Redeemed during the period (Rs in '000)	124,470	124,760	-	-	-	249,230
Redeemed during the period (Units)	9,928,458	9,890,452	-	-	-	19,818,910

For the period ended December 31, 2019						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total

(Unaudited)

**Kse Meezan Index Fund**

Invested during the period (Rs in '000)	-	-	10,000	10,000	-	-	20,000
Invested during the period (Units)	-	-	206,923	206,923	-	-	413,846
Redeemed during the period (Rs in '000)	10,027	18	48	51	7	-	10,152
Redeemed during the period (Units)	197,774	345	938	994	142	-	200,192

**Meezan Dedicated Equity Fund**

Invested during the period (Rs in '000)	-	-	32,000	65,000	-	258,000	355,000
Invested during the period (Units)	-	-	820,109	1,884,785	-	7,554,482	10,259,375
Redeemed during the period (Rs in '000)	275,200	8,300	68,000	87,430	9,650	316,385	764,965
Redeemed during the period (Units)	7,953,696	234,945	1,976,778	2,328,394	274,392	9,551,014	22,319,220

**Meezan Islamic Fund**

Invested during the period (Rs in '000)	125,000	-	50,000	45,000	-	-	220,000
Invested during the period (Units)	2,561,573	-	1,080,780	808,964	-	-	4,451,317
Redeemed during the period (Rs in '000)	128,060	22,810	93,310	156,890	52,340	-	453,410
Redeemed during the period (Units)	2,825,371	463,901	1,971,476	3,446,984	1,196,390	-	9,904,123

**Meezan Cash Fund**

Invested during the period (Rs in '000)	596,752	-	-	-	-	1,920,793	2,517,545
Invested during the period (Units)	11,301,674	-	-	-	-	37,706,592	49,008,266
Redeemed during the period (Rs in '000)	597,678	83	5,962	8,081	40,264	1,944,928	2,596,997
Redeemed during the period (Units)	11,301,674	1,615	116,448	158,201	786,420	37,706,592	50,070,949

**Meezan Islamic Income Fund**

Invested during the period (Rs in '000)	85,606	58,413	70,498	80,687	14,090	-	309,295
Invested during the period (Units)	1,653,461	1,128,244	1,361,670	1,558,582	272,289	-	5,974,246
Redeemed during the period (Rs in '000)	346,444	236,405	282,706	320,327	55,178	-	1,241,059
Redeemed during the period (Units)	6,637,425	4,536,335	5,418,583	6,142,029	1,059,353	-	23,793,725

**Meezan Rozana Amdani Fund**

Invested during the period (Rs in '000)	1,246,831	178,283	277,546	288,288	89,787	1,866,803	3,947,537
Invested during the period (Units)	24,936,618	3,565,656	5,550,915	5,765,768	1,795,734	37,336,058	78,950,750
Redeemed during the period (Rs in '000)	742,988	84,123	97,968	101,052	39,040	1,409,291	2,474,463
Redeemed during the period (Units)	14,859,762	1,682,470	1,959,367	2,021,040	780,807	28,185,812	49,489,257
Dividend during the period (Rs in '000)	22,292	7,584	11,531	12,361	3,209	24,806	81,783
Dividend during the period (Units)	445,848	151,670	230,627	247,215	64,189	496,118	1,635,667

**Meezan Sovereign Fund**

Redeemed during the period (Rs in '000)	-	-	-	-	-	677,403	677,403
Redeemed during the period (Units)	-	-	-	-	-	13,138,372	13,138,372

**For the period ended December 31, 2018**

MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
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(Unaudited)

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

Remuneration for the period (Rs in '000)	56	50	27	45	28	15	221
Sindh Sales Tax on management fee (Rs in '000)	7	7	4	6	4	2	30
Allocated expenses (Rs in '000)	919	617	678	756	247	680	3,897

**Meezan Bank Limited**

Profit on saving account (Rs in '000)	106	166	71	101	66	31	541
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**Central Depository Company of Pakistan  
Limited - Trustee**

Trustee fee (Rs in '000)	719	483	530	591	194	532	3,049
Sindh Sales Tax on trustee fee (Rs in '000)	93	63	69	77	25	69	396

**AI Meezan Mutual Fund**

Invested during the period (Rs in '000)	100,000	-	-	-	-	-	100,000
Invested during the period (Units)	5,972,333	-	-	-	-	-	5,972,333



## 14 TAXATION

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

## 15 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction 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) -----			
<b>Financial assets 'at fair value through profit or loss'</b>					
Units of mutual funds		-	4,407,347	-	4,407,347
		As at June 30, 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 funds		-	5,082,304	-	5,082,304

## 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 FOR ISSUE**

**17.1** These condensed interim financial statements were authorised for issue on February 10, 2020 by the Board of Directors of the Management Company.

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

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**Chief Executive**

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**Chief Financial Officer**

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**Director**



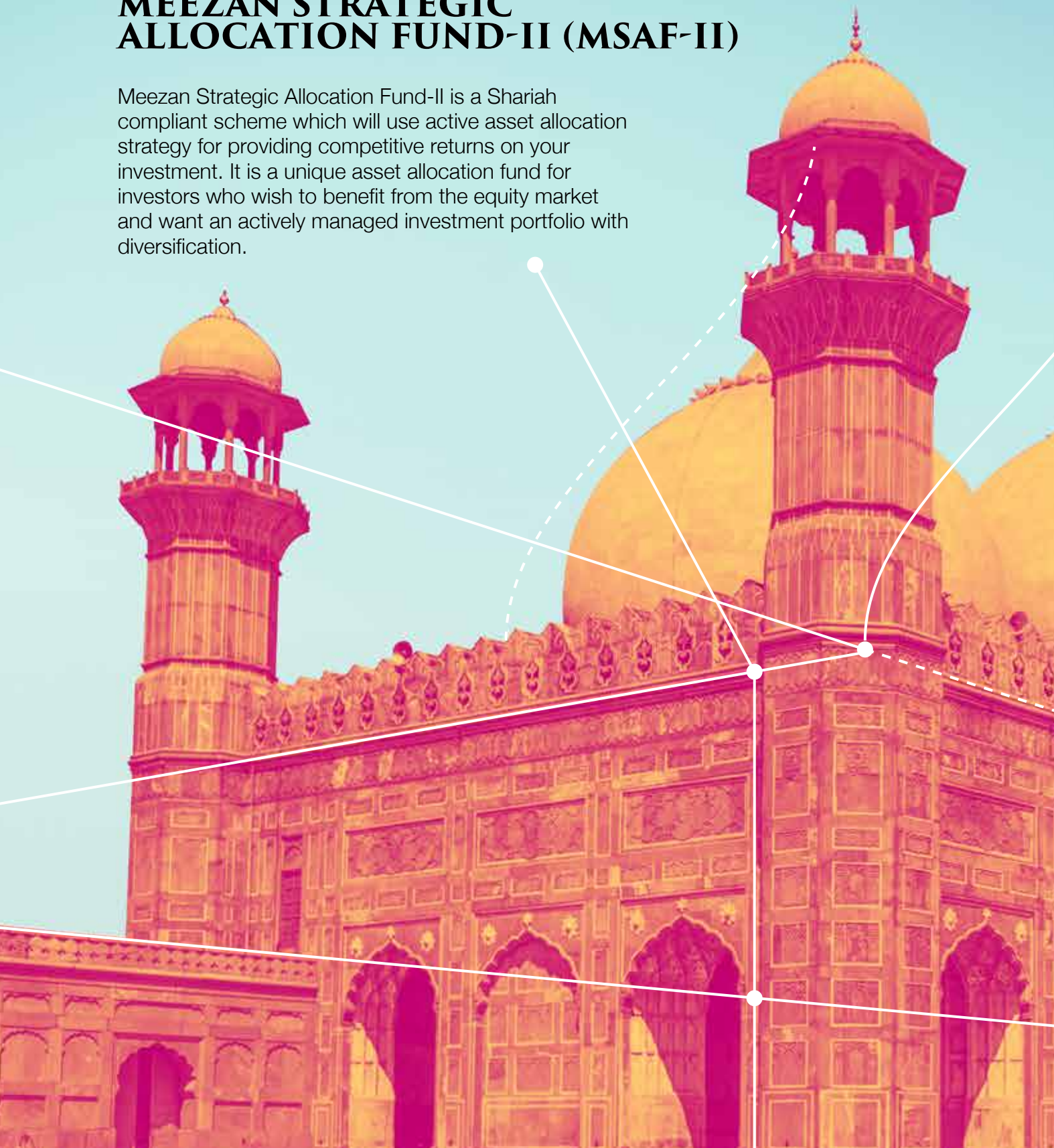


# Meezan

Strategic Allocation Fund-II

## **MEEZAN STRATEGIC ALLOCATION FUND-II (MSAF-II)**

Meezan Strategic Allocation Fund-II is a Shariah compliant scheme which will use active asset allocation strategy for providing competitive returns on your investment. It is a unique asset allocation fund for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.



# PLANTING PROGRESS IN THE CITY OF GARDENS

- ◆ DHA Lahore Branch
- ◆ Gulberg Branch, Lahore
- ◆ Johar Town Branch

**BADSHAHI MOSQUE  
(LAHORE)**



# 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

## 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 STRATEGIC ALLOCATION FUND – II**

**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 Strategic Allocation Fund – II (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 Strategic Allocation Fund - II** (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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**



**Meezan**  
 Strategic Allocation Fund-II

<b>December 31, 2019 (Unaudited)</b>							
Note	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total	
----- (Rupees in '000) -----							
<b>Assets</b>							
Balances with banks	5	2,603	2,315	2,098	409	3,964	11,389
Investments	6	1,378,524	305,814	299,270	168,948	95,551	2,248,107
Receivable against sale of investments		280	1,610	110	-	-	2,000
Advances, deposits and other receivables		304	142	99	48	65	658
<b>Total assets</b>		<u>1,381,711</u>	<u>309,881</u>	<u>301,577</u>	<u>169,405</u>	<u>99,580</u>	<u>2,262,154</u>
<b>Liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company		122	30	29	18	24	223
Payable to Central Depository Company of Pakistan Limited - Trustee	7	93	24	20	12	7	156
Payable to Securities and Exchange Commission of Pakistan		143	40	34	19	11	247
Payable against purchase of investments		991	477	215	148	60	1,891
Payable against redemption and conversion of units		1,145	1,704	223	-	110	3,182
Accrued expenses and other liabilities	10	3,270	1,651	872	461	223	6,477
<b>Total liabilities</b>		<u>5,764</u>	<u>3,926</u>	<u>1,393</u>	<u>658</u>	<u>435</u>	<u>12,176</u>
<b>NET ASSETS</b>		<u>1,375,947</u>	<u>305,955</u>	<u>300,184</u>	<u>168,747</u>	<u>99,145</u>	<u>2,249,978</u>
<b>CONTINGENCIES AND COMMITMENTS</b>							
9							
<b>Unit holders' fund (as per statement attached)</b>		<u>1,375,947</u>	<u>305,955</u>	<u>300,184</u>	<u>168,747</u>	<u>99,145</u>	<u>2,249,978</u>
----- (Number of units) -----							
<b>Number of units in issue</b>		<u>25,128,898</u>	<u>5,568,541</u>	<u>5,491,155</u>	<u>3,057,729</u>	<u>1,838,201</u>	
----- (Rupees) -----							
<b>Net asset value per unit</b>		<u>54.7556</u>	<u>54.9435</u>	<u>54.6668</u>	<u>55.1872</u>	<u>53.9359</u>	

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

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

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

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

\_\_\_\_\_  
 Director

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

		<b>June 30, 2019 (Audited)</b>						
		<b>M CPP-IV</b>	<b>M CPP-V</b>	<b>M CPP-VI</b>	<b>M CPP-VII</b>	<b>M CPP-VIII</b>	<b>Total</b>	
<b>Note</b>		<b>(Rupees in '000)</b>						
<b>Assets</b>								
	Balances with banks	5	1,876	908	1,845	2,960	2,286	9,875
	Investments	6	1,568,641	474,109	382,823	204,711	128,551	2,758,835
	Advances, deposits and other receivables		52	5	21	12	7	97
	<b>Total assets</b>		<u>1,570,569</u>	<u>475,022</u>	<u>384,689</u>	<u>207,683</u>	<u>130,844</u>	<u>2,768,807</u>
<b>Liabilities</b>								
	Payable to AI Meezan Investment Management Limited - Management Company		137	44	45	20	25	271
	Payable to Central Depository Company of Pakistan Limited - Trustee	7	123	40	36	17	10	226
	Payable to Securities and Exchange Commission of Pakistan		1,803	626	467	176	56	3,128
	Payable against purchase of investments		-	252	-	35	-	287
	Payable against redemption and conversion of units		14,713	-	50	-	9	14,772
	Accrued expenses and other liabilities	10	745	153	65	23	20	1,006
	<b>Total liabilities</b>		<u>17,521</u>	<u>1,115</u>	<u>663</u>	<u>271</u>	<u>120</u>	<u>19,690</u>
	<b>NET ASSETS</b>		<u>1,553,048</u>	<u>473,907</u>	<u>384,026</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
	<b>CONTINGENCIES AND COMMITMENTS</b>	9						
	<b>Unit holders' fund (as per statement attached)</b>		<u>1,553,048</u>	<u>473,907</u>	<u>384,026</u>	<u>207,412</u>	<u>130,724</u>	<u>2,749,117</u>
			----- <b>(Number of units)</b> -----					
	<b>Number of units in issue</b>		<u>30,985,762</u>	<u>9,456,605</u>	<u>7,686,873</u>	<u>4,144,993</u>	<u>2,667,944</u>	
			----- <b>(Rupees)</b> -----					
	<b>Net asset value per unit</b>		<u>50.1213</u>	<u>50.1139</u>	<u>49.9586</u>	<u>50.0391</u>	<u>48.9980</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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**



Six months period ended December 31, 2019						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
----- (Rupees in '000) -----						
<b>Income</b>						
	12,568	3,800	1,805	2,142	(229)	20,086
	209	103	95	60	177	644
	49,932	14,607	12,075	6,530	4,448	87,592
	<u>62,709</u>	<u>18,510</u>	<u>13,975</u>	<u>8,732</u>	<u>4,396</u>	<u>108,322</u>
	Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'					
6.1	60,961	14,711	14,276	9,176	5,404	104,528
	<u>123,670</u>	<u>33,221</u>	<u>28,251</u>	<u>17,908</u>	<u>9,800</u>	<u>212,850</u>
<b>Expenses</b>						
	11	6	10	9	18	54
	1	1	1	1	2	6
12	701	195	165	92	54	1,207
	491	137	115	65	38	846
	64	18	15	8	5	110
8	143	40	34	19	11	247
	181	55	47	27	15	325
	139	37	29	15	9	229
10.1	2,438	655	556	353	193	4,195
	13	3	7	1	-	24
	<u>4,182</u>	<u>1,147</u>	<u>979</u>	<u>590</u>	<u>345</u>	<u>7,243</u>
	<u>119,488</u>	<u>32,074</u>	<u>27,272</u>	<u>17,318</u>	<u>9,455</u>	<u>205,607</u>
	Taxation					
14	-	-	-	-	-	-
	<u>119,488</u>	<u>32,074</u>	<u>27,272</u>	<u>17,318</u>	<u>9,455</u>	<u>205,607</u>
<b>Allocation of net income for the period</b>						
	119,488	32,074	27,272	17,318	9,455	205,607
	(3,035)	(5,180)	(1,419)	(1,577)	(378)	(11,589)
	<u>116,453</u>	<u>26,894</u>	<u>25,853</u>	<u>15,741</u>	<u>9,077</u>	<u>194,018</u>
<b>Accounting income available for distribution</b>						
	73,529	18,511	16,081	11,318	5,175	124,614
	42,924	8,383	9,772	4,423	3,902	69,404
	<u>116,453</u>	<u>26,894</u>	<u>25,853</u>	<u>15,741</u>	<u>9,077</u>	<u>194,018</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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

	December 31, 2018	For the period from July 10, 2018 to December 31, 2018		For the period from September 26, 2018 to December 31, 2018		For the period from December 17, 2018 to December 31, 2018	
		MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total
<b>Note</b>		(Rupees in '000)					
<b>Income</b>							
Net realised (loss) / gain on sale of investments	(14,418)	(4,863)	118	886	-	(18,277)	
Profit on balances with banks	190	186	329	223	8	936	
Dividend income	13,834	1,360	-	-	-	15,194	
	(394)	(3,317)	447	1,109	8	(2,147)	
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss' (net)	6.1	20,010	8,761	3,127	(2,316)	13	29,595
<b>Total Income / (loss)</b>		19,616	5,444	3,574	(1,207)	21	27,448
<b>Expenses</b>							
Remuneration to AI Meezan Investment Management Limited - Management Company		58	65	126	60	3	312
Sindh Sales Tax on management fee		8	9	16	8	-	41
Allocated expenses	12	1,021	368	222	50	-	1,661
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7	844	304	183	41	-	1,372
Sindh Sales Tax on trustee fee		110	40	24	5	-	179
Annual fee to Securities and Exchange Commission of Pakistan	8	970	350	211	47	-	1,578
Auditors' remuneration		79	28	16	3	-	126
Fees and subscription		84	30	17	4	-	135
Printing charges		63	23	13	3	-	102
Provision for Sindh Workers' Welfare Fund	10.1	327	84	55	-	-	466
Bank and settlement charges		6	4	17	14	1	42
<b>Total expenses</b>		3,570	1,305	900	235	4	6,014
<b>Net Income / (loss) for the period before taxation</b>		16,046	4,139	2,674	(1,442)	17	21,434
Taxation	14	-	-	-	-	-	-
<b>Net Income / (loss) for the period after taxation</b>		16,046	4,139	2,674	(1,442)	17	21,434
<b>Allocation of net income for the period</b>							
Net Income for the period after taxation		16,046	4,139	2,674	-	17	22,876
Income already paid on units redeemed		(1,188)	(838)	(436)	-	-	(2,462)
		14,858	3,301	2,238	-	17	20,414
<b>Accounting income available for distribution</b>							
- Relating to capital gains		5,592	3,898	3,245	-	13	12,748
- Excluding capital gains		9,266	(597)	(1,007)	-	4	7,666
		14,858	3,301	2,238	-	17	20,414

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



**Meezan**  
 Strategic Allocation Fund-II

For the quarter ended December 31, 2019						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
<b>Income</b>						
	5,417	2,973	1,283	1,346	849	11,868
	75	81	64	17	109	346
	31,299	8,142	6,895	3,757	2,036	52,129
	36,791	11,196	8,242	5,120	2,994	64,343
	Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'					
6.1	78,188	20,559	19,473	12,369	5,404	135,993
	<b>114,979</b>	<b>31,755</b>	<b>27,715</b>	<b>17,489</b>	<b>8,398</b>	<b>200,336</b>
<b>Expenses</b>						
	6	2	6	3	9	26
	-	1	-	-	1	2
12	345	90	79	45	24	583
	241	64	54	32	17	408
	32	9	7	4	2	54
	-	-	-	-	-	-
8	69	18	16	9	5	117
	133	43	37	21	12	246
	100	25	19	10	6	160
10.1	2,280	630	550	347	166	3,973
	13	3	2	1	-	19
	<b>3,219</b>	<b>885</b>	<b>770</b>	<b>472</b>	<b>242</b>	<b>5,588</b>
	<b>111,760</b>	<b>30,870</b>	<b>26,945</b>	<b>17,017</b>	<b>8,156</b>	<b>194,748</b>
	-	-	-	-	-	-
	<b>111,760</b>	<b>30,870</b>	<b>26,945</b>	<b>17,017</b>	<b>8,156</b>	<b>194,748</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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

Note	For the quarter ended December 31, 2018					Total
	MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	
	(Rupees in '000)					
<b>Income</b>						
Net realised gain / (loss) on sale of investments	2,093	(2,473)	320	886	-	826
Profit on saving accounts with banks	89	26	44	220	8	387
Dividend income	-	-	-	-	-	-
	2,182	(2,447)	364	1,106	8	1,213
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	9,834	4,879	2,445	(2,316)	13	14,855
<b>Total income / (loss)</b>	<b>12,016</b>	<b>2,432</b>	<b>2,809</b>	<b>(1,210)</b>	<b>21</b>	<b>16,068</b>
<b>Expenses</b>						
Remuneration to AI Meezan Investment Management Limited - Management Company	28	5	10	59	3	105
Sindh Sales Tax on management fee	4	1	1	8	-	14
Allocated expenses	500	177	155	50	-	882
Remuneration to Central Depository Company of Pakistan Limited - Trustee	411	145	127	41	-	724
Sindh Sales Tax on trustee fee	54	19	17	5	-	95
Annual fee to Securities and Exchange Commission of Pakistan	475	169	147	47	-	838
Auditors' remuneration	37	13	11	3	-	64
Fees and subscription	39	13	14	4	-	70
Printing charges	29	11	9	3	-	52
Provision for Sindh Workers' Welfare Fund	208	37	55	-	-	300
Bank and settlement charges	4	3	7	14	1	29
<b>Total expenses</b>	<b>1,789</b>	<b>593</b>	<b>553</b>	<b>234</b>	<b>4</b>	<b>3,173</b>
<b>Net income / (loss) for the quarter before taxation</b>	<b>10,227</b>	<b>1,839</b>	<b>2,256</b>	<b>(1,444)</b>	<b>17</b>	<b>12,895</b>
Taxation	-	-	-	-	-	-
<b>Net income / (loss) for the quarter after taxation</b>	<b>10,227</b>	<b>1,839</b>	<b>2,256</b>	<b>(1,444)</b>	<b>17</b>	<b>12,895</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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**



**Meezan**  
 Strategic Allocation Fund-II

<b>Six months period ended December 31, 2019</b>						
<b>MCCP-IV</b>	<b>MCCP-V</b>	<b>MCCP-VI</b>	<b>MCCP-VII</b>	<b>MCCP-VIII</b>	<b>Total</b>	
----- (Rupees in '000) -----						
<b>Net income for the period after taxation</b>	119,488	32,074	27,272	17,318	9,455	205,607
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>119,488</u>	<u>32,074</u>	<u>27,272</u>	<u>17,318</u>	<u>9,455</u>	<u>205,607</u>

<b>December 31, 2018</b>	<b>For the period from July 10, 2018 to December 31, 2018</b>		<b>For the period from September 26, 2018 to December 31, 2018</b>		<b>For the period from December 17, 2018 to December 31, 2018</b>	
<b>MCCP-IV</b>	<b>MCCP-V</b>	<b>MCCP-VI</b>	<b>MCCP-VII</b>	<b>MCCP-VIII</b>	<b>Total</b>	
----- (Rupees in '000) -----						
<b>Net income / (loss) for the period after taxation</b>	16,049	4,139	2,675	(1,441)	16	21,438
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive Income / (loss) for the period</b>	<u>16,049</u>	<u>4,139</u>	<u>2,675</u>	<u>(1,441)</u>	<u>16</u>	<u>21,438</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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

	For the quarter ended December 31, 2019					
	MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total
	(Rupees in '000)					
<b>Net income for the quarter after taxation</b>	111,760	30,870	26,945	17,017	8,156	194,748
Other comprehensive income for the quarter	-	-	-	-	-	-
<b>Total comprehensive income for the quarter</b>	<u>111,760</u>	<u>30,870</u>	<u>26,945</u>	<u>17,017</u>	<u>8,156</u>	<u>194,748</u>

	For the quarter ended December 31, 2018					For the period from December 17, 2018 to December 31, 2018
	MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total
	(Rupees in '000)					
<b>Net income for the quarter after taxation</b>	10,227	1,839	2,256	(1,444)	17	12,895
Other comprehensive income for the quarter	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the quarter</b>	<u>10,227</u>	<u>1,839</u>	<u>2,256</u>	<u>(1,444)</u>	<u>17</u>	<u>12,895</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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

	Six months period ended			Six months period ended			Six months period ended			Six months period ended			Six months period ended					
	MCPPIV			MCPPIV			MCPPIV			MCPPIV			Total					
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)					
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total			
<b>Net assets at the beginning of the period</b>	1,563,055	(10,007)	1,553,048	473,102	805	473,907	385,555	(1,529)	384,026	209,309	(1,897)	207,412	134,344	(3,620)	130,724	2,765,365	(16,248)	2,749,117
<b>Redemption of units:</b>																		
MCPPIV: 5,856,864 / MCPPIV: 3,888,064 /																		
MCPPIV: 2,195,718 MCPPIV: 1,087,264 /																		
MCPPIV: 829,743 units																		
- Capital value (at net asset value per unit at the beginning of the period)	293,554	-	293,554	194,846	-	194,846	109,695	-	109,695	54,406	-	54,406	40,656	-	40,656	693,157	-	693,157
- Element of income	-	3,035	3,035	-	5,180	5,180	-	1,419	1,419	-	1,577	1,577	-	378	378	-	11,589	11,589
<b>Total payments on redemption of units</b>	293,554	3,035	296,589	194,846	5,180	200,026	109,695	1,419	111,114	54,406	1,577	55,983	40,656	378	41,034	693,157	11,589	704,746
Total comprehensive income for the period	-	119,488	119,488	-	32,074	32,074	-	27,272	27,272	-	17,318	17,318	-	9,455	9,455	-	205,607	205,607
<b>Net income for the period less distribution</b>	-	119,488	119,488	-	32,074	32,074	-	27,272	27,272	-	17,318	17,318	-	9,455	9,455	-	205,607	205,607
<b>Net assets at the end of the period</b>	1,269,501	106,446	1,375,947	278,204	27,699	305,955	275,860	24,324	300,184	154,952	13,844	168,747	93,693	5,457	99,145	2,072,210	177,770	2,249,978
<b>(Accumulated loss) / income brought forward</b>																		
- Realised income / (loss)		26,661			13,730			10,331			4,551			(3,616)			51,657	
- Unrealised loss		(36,668)			(12,925)			(11,860)			(6,448)			(4)			(67,905)	
		(10,007)			805			(1,529)			(1,897)			(3,620)			(16,248)	
Accounting income available for distribution																		
- Relating to capital gains		73,529			18,511			16,081			11,318			5,175			124,614	
- Excluding capital gains		42,924			8,383			9,772			4,423			3,902			69,404	
		116,453			26,894			25,853			15,741			9,077			194,018	
Distribution during the period		-			-			-			-			-			-	
<b>Undistributed income carried forward</b>		106,446			27,699			24,324			13,844			5,457			177,770	
<b>Undistributed income carried forward</b>																		
- Realised income		45,485			12,988			10,048			4,668			53			73,242	
- Unrealised Income		60,961			14,711			14,276			9,176			5,404			104,528	
		106,446			27,699			24,324			13,844			5,457			177,770	
Net asset value per unit as at the beginning of the period			<u>Rupees 50.1213</u>			<u>Rupees 50.1139</u>			<u>Rupees 49.9586</u>			<u>Rupees 50.0391</u>			<u>Rupees 48.9980</u>			
Net asset value per unit as at the end of the period			<u>54.7556</u>			<u>54.9435</u>			<u>54.6668</u>			<u>55.1872</u>			<u>53.9359</u>			

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

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

Chief Executive

Chief financial officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

	Six months period ended December			Six months period ended			For the period from July 10, 2018			For the period from September 26,			For the period from December 17,			Six months period ended December		
	MCPV-IV			MCPV-V			MCPV-VI			MCPV-VII			MCPV-VIII			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
<b>Net assets at the beginning of the period</b>	2,135,335	(19,965)	2,115,370	733,520	(152)	733,368	-	-	-	-	-	-	-	-	-	2,868,855	(20,117)	2,848,738
<b>Issuance of units:</b>																		
MCPV-V: 1,643,879 / MCPV-VI: 13,205,775 / MCPV-VII: 7,646,584 units / MCPV-VIII: 465,913 units																		
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	82,243	-	82,243	660,289	-	660,289	382,329	-	382,329	23,296	-	23,296	1,148,157	-	1,148,157
- Element of (loss) / income	-	-	-	(417)	-	(417)	3,028	-	3,028	4,471	-	4,471	9	-	9	7,091	-	7,091
Total proceeds on issuance of units	-	-	-	81,826	-	81,826	663,317	-	663,317	386,800	-	386,800	23,305	-	23,305	1,155,248	-	1,155,248
<b>Redemption of units:</b>																		
MCPV-IV: 4,197,829 / MCPV-V: 3,220,426 / MCPV-VI: 1,430,794 / MCPV-VII: 7,80,277 units																		
- Capital value (at net asset value per unit at the beginning of the period)	209,050	-	209,050	161,117	-	161,117	71,540	-	71,540	39,014	-	39,014	-	-	-	480,721	-	480,721
- Element of loss	(8)	1,188	1,180	(207)	838	631	291	436	72,267	474	-	474	-	-	-	550	2,462	3,012
Total payments on redemption of units	209,042	1,188	210,230	160,910	838	161,748	71,831	436	72,267	39,488	-	39,488	-	-	-	481,271	2,462	483,733
Total comprehensive income / (loss) for the period		16,046	16,046		4,139	4,139		2,674	2,674		(1,442)	(1,442)		17	17		21,434	21,434
Distribution during the period		-	-		-	-		-	-		-	-		-	-		-	-
Net income / (loss) for the period less distribution		16,046	16,046		4,139	4,139		2,674	2,674		(1,442)	(1,442)		17	17		21,434	21,434
<b>Net assets at the end of the period</b>	<u>1,926,293</u>	<u>(5,107)</u>	<u>1,921,186</u>	<u>654,436</u>	<u>3,149</u>	<u>657,585</u>	<u>591,486</u>	<u>2,238</u>	<u>593,724</u>	<u>347,312</u>	<u>(1,442)</u>	<u>345,870</u>	<u>23,305</u>	<u>17</u>	<u>23,322</u>	<u>3,542,832</u>	<u>(1,145)</u>	<u>3,541,687</u>
<b>Accumulated loss brought forward</b>																		
- Realised loss		(24,191)			(857)			-			-			-			(25,048)	
- Unrealised income		4,226			705			-			-			-			4,931	
		<u>(19,965)</u>			<u>(152)</u>			<u>-</u>			<u>-</u>			<u>-</u>			<u>(20,117)</u>	
Accounting income available for distribution																		
- Relating to capital gains		5,592			3,898			3,245			-			13			12,748	
- Excluding capital gains		9,266			(597)			(1,007)			-			4			7,666	
		<u>14,858</u>			<u>3,301</u>			<u>2,238</u>						<u>17</u>			<u>20,414</u>	
Net loss for the period after taxation		-			-			-			(1,442)			-			(1,442)	
Distribution during the period		-			-			-			-			-			-	
<b>(Accumulated loss) / undistributed income carried forward</b>		<u>(5,107)</u>			<u>3,149</u>			<u>2,238</u>			<u>(1,442)</u>			<u>17</u>			<u>(1,145)</u>	
<b>(Accumulated loss) / undistributed income carried forward</b>																		
- Realised (loss) / income		(25,117)			(5,612)			(889)			874			4			(30,740)	
- Unrealised income / (loss)		20,010			8,761			3,127			(2,316)			13			29,595	
		<u>(5,107)</u>			<u>3,149</u>			<u>2,238</u>			<u>(1,442)</u>			<u>17</u>			<u>(1,145)</u>	
			<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			<u>49.7996</u>		<u>50.0298</u>			<u>-</u>			<u>-</u>			<u>-</u>			<u>-</u>	
Net asset value per unit as at the end of the period			<u>50.1880</u>		<u>50.2661</u>			<u>50.4225</u>			<u>50.3721</u>			<u>50.0567</u>			<u>50.0567</u>	

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - II  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**



**Meezan**  
Strategic Allocation Fund-II

	Six months period ended December 31, 2019					
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
	(Rupees in '000)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the period before taxation	119,488	32,074	27,272	17,318	9,455	205,607
<b>Adjustments for:</b>						
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	(60,961)	(14,711)	(14,276)	(9,176)	(5,404)	(104,528)
	58,527	17,363	12,996	8,142	4,051	101,079
<b>Decrease in assets</b>						
Investments - net	251,078	183,006	97,829	44,939	38,404	615,256
Receivable against sale of investments	(280)	(1,610)	(110)	-	-	(2,000)
Advances, deposits and other receivables	(252)	(137)	(78)	(36)	(58)	(561)
	250,546	181,259	97,641	44,903	38,346	612,695
<b>Increase in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	(15)	(14)	(16)	(2)	(1)	(48)
Payable to Central Depository Company of Pakistan Limited - Trustee	(30)	(16)	(16)	(5)	(3)	(70)
Payable to Securities and Exchange Commission of Pakistan	(1,660)	(586)	(433)	(157)	(45)	(2,881)
Payable against purchase of investments	991	225	215	113	60	1,604
Accrued expenses and other liabilities	2,525	1,498	807	438	203	5,471
	1,811	1,107	557	387	214	4,076
<b>Net cash generated from operating activities</b>	<b>310,884</b>	<b>199,729</b>	<b>111,194</b>	<b>53,432</b>	<b>42,611</b>	<b>717,850</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Payments against redemption and conversion of units	(310,157)	(198,322)	(110,941)	(55,983)	(40,933)	(716,336)
<b>Net cash used in financing activities</b>	<b>(310,157)</b>	<b>(198,322)</b>	<b>(110,941)</b>	<b>(55,983)</b>	<b>(40,933)</b>	<b>(716,336)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>727</b>	<b>1,407</b>	<b>253</b>	<b>(2,551)</b>	<b>1,678</b>	<b>1,514</b>
Cash and cash equivalents at the beginning of the period	1,876	908	1,845	2,960	2,286	9,875
<b>Cash and cash equivalents at the end of the period</b>	<b>2,603</b>	<b>2,315</b>	<b>2,098</b>	<b>409</b>	<b>3,964</b>	<b>11,389</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 STRATEGIC ALLOCATION FUND - II**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31, 2018	For the period from July 10, 2018 to December 31, 2018	For the period from September 26, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total	
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	
	(Rupees in '000)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income / (loss) for the period before taxation	16,046	4,139	2,674	(1,442)	17	21,434
<b>Adjustments for:</b>						
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	(20,010)	(8,761)	(3,127)	2,316	(13)	(29,595)
	(3,964)	(4,622)	(453)	874	4	(8,161)
<b>Decrease / (increase) in assets</b>						
Investments - net	223,499	(39,037)	(590,039)	(361,136)	(11,000)	(777,713)
Receivable against sale of investments - net	(3,126)	-	-	-	-	(3,126)
Advances, deposits and other receivables	(23)	136	(6)	(69)	(8)	30
	220,350	(38,901)	(590,045)	(361,205)	(11,008)	(780,809)
<b>(Decrease) / increase in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	(5)	(9,197)	54	54	627	(8,467)
Payable to Central Depository Company of Pakistan Limited - Trustee	(13)	13	47	27	-	74
Payable to Meezan Bank Limited	-	(5,913)	-	1,833	-	(4,080)
Payable to Securities and Exchange Commission of Pakistan	507	299	211	47	-	1,064
Payable against purchase of investments - net	2,601	-	-	-	8,000	10,601
Accrued expenses and other liabilities	(6,812)	(971)	103	338	10	(7,332)
	(3,722)	(15,769)	415	2,299	8,637	(8,140)
<b>Net cash generated from / (used in) operating activities</b>	212,664	(59,292)	(590,083)	(358,032)	(2,367)	(797,110)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units	-	84,610	663,317	386,800	23,304	1,158,031
Payments against redemption and conversion of units	(207,192)	(161,748)	(71,202)	(26,191)	-	(466,333)
Dividend paid	-	-	-	-	-	-
<b>Net cash (used in) / generated from financing activities</b>	(207,192)	(77,138)	592,115	360,609	23,304	691,698
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	5,472	(136,430)	2,032	2,577	20,937	(105,412)
Cash and cash equivalents at the beginning of the period	1,743	139,238	-	-	-	140,981
<b>Cash and cash equivalents at the end of the period</b>	7,215	2,808	2,032	2,577	20,937	35,569

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 STRATEGIC ALLOCATION FUND - II**  
**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 Strategic Allocation Fund - II (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 15, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unit holders. 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 comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company 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.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Capital Preservation Plan-IV (MCPP-IV), Meezan Capital Preservation Plan-V (MCPP-V), Meezan Capital Preservation Plan-VI (MCPP-VI), Meezan Capital Preservation Plan-VII (MCPP-VII) and Meezan Capital Preservation Plan-VIII (MCPP-VIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.

Meezan Capital Preservation Plan-IV (MCPP-IV)	<b>Low risk - High return through asset allocation</b> This allocation plan commenced its operations from March 06, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-V (MCPP-V)	<b>Low risk - High return through asset allocation</b> This allocation plan commenced its operations from May 04, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VI (MCPP-VI)	<b>Low risk - High return through asset allocation</b> This allocation plan commenced its operations from July 10, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VII (MCPP-VII)	<b>Low risk - High return through asset allocation</b> This allocation plan commenced its operations from September 26, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VIII (MCPP-VIII)	<b>Low risk - High return through asset allocation</b> This allocation plan commenced its operations from December 17, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

## **2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the 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, JUDGMENTS AND RISK MANAGEMENT**

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

The 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.

**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.

**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)					Total
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	
----- (Rupees in '000) -----							
Saving accounts	5.1	2,593	2,305	2,098	409	3,964	11,369
Current accounts		10	10	-	-	-	20
		<u>2,603</u>	<u>2,315</u>	<u>2,098</u>	<u>409</u>	<u>3,964</u>	<u>11,389</u>
----- (Rupees in '000) -----							
June 30, 2019 (Audited)							
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total
----- (Rupees in '000) -----							
Saving accounts	5.1	1,866	908	1,845	2,960	2,286	9,865
Current accounts		10	-	-	-	-	10
		<u>1,876</u>	<u>908</u>	<u>1,845</u>	<u>2,960</u>	<u>2,286</u>	<u>9,875</u>

- 5.1 The balances in savings accounts have an expected profit which ranges from 7.22% to 11.50% (June 30, 2019 6.30% to 11.85%) per annum.

**6. INVESTMENTS**

	Note	December 31, 2019 (Unaudited)					Total
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	
----- (Rupees in '000) -----							
Investments - 'at fair value through profit or loss'	6.1	1,378,524	305,814	299,270	168,948	95,551	2,248,107
----- (Rupees in '000) -----							
June 30, 2019 (Audited)							
		MCP-IV	MCP-V	MCP-VI	MCP-VII	MCP-VIII	Total
----- (Rupees in '000) -----							
Investments - 'at fair value through profit or loss'		1,568,641	474,109	382,823	204,711	128,551	2,758,835

## 6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of investee funds	As at July 1, 2019	Purchases during the period	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 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>Meezan Capital Preservation Plan - IV</b>									
Meezan Dedicated Equity Fund	10,044,192	6,154,962	4,896,533	11,302,621	416,864	477,825	60,961	34.73	34.66
Meezan Cash Fund	-	25,330,703	25,330,703	-	-	-	-	-	-
Meezan Sovereign Fund	17,633,059	-	17,633,059	-	-	-	-	-	-
Meezan Rozana Amdani Fund	6,081,739	26,465,360	14,533,116	18,013,982	900,699	900,699	-	65.46	65.34
					<b>1,317,563</b>	<b>1,378,524</b>	<b>60,961</b>	<b>100.19</b>	<b>100</b>
<b>Meezan Capital Preservation Plan - V</b>									
Meezan Dedicated Equity Fund	3,081,261	924,174	1,564,049	2,441,387	88,500	103,211	14,711	33.73	33.75
Meezan Cash Fund	-	7,369,913	7,369,913	-	-	-	-	-	-
Meezan Sovereign Fund	5,140,343	-	5,140,343	-	-	-	-	-	-
Meezan Rozana Amdani Fund	2,000,572	7,424,174	5,372,680	4,052,066	202,603	202,603	-	66.22	66.25
					<b>291,103</b>	<b>305,814</b>	<b>14,711</b>	<b>99.95</b>	<b>100</b>
<b>Meezan Capital Preservation Plan - VI</b>									
Meezan Dedicated Equity Fund	2,745,310	746,443	1,041,621	2,450,132	89,305	103,581	14,276	34.51	34.61
Meezan Cash Fund	-	5,855,373	5,855,373	-	-	-	-	-	-
Meezan Sovereign Fund	4,162,470	-	4,162,470	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,420,406	6,172,672	3,679,302	3,913,777	195,689	195,689	-	65.19	65.39
					<b>284,994</b>	<b>299,270</b>	<b>14,276</b>	<b>99.70</b>	<b>100</b>
<b>Meezan Capital Preservation Plan - VII</b>									
Meezan Dedicated Equity Fund	1,477,397	562,311	481,731	1,557,977	56,688	65,864	9,176	39.03	38.98
Meezan Cash Fund	-	3,058,517	3,058,517	-	-	-	-	-	-
Meezan Sovereign Fund	2,218,732	-	2,218,732	-	-	-	-	-	-
Meezan Rozana Amdani Fund	760,217	3,099,097	1,797,639	2,061,675	103,084	103,084	-	61.09	61.02
					<b>159,772</b>	<b>168,948</b>	<b>9,176</b>	<b>100.12</b>	<b>100</b>
<b>Meezan Capital Preservation Plan - VIII</b>									
Meezan Dedicated Equity Fund	518,566	2,612,441	2,161,102	969,905	35,600	41,003	5,403	41.36	42.91
Meezan Cash Fund	-	4,124,642	4,124,642	-	-	-	-	-	-
Meezan Sovereign Fund	1,692,281	-	1,692,281	-	-	-	-	-	-
Meezan Rozana Amdani Fund	460,132	4,949,641	4,318,808	1,090,965	54,548	54,548	-	55.02	57.09
					<b>90,148</b>	<b>95,551</b>	<b>5,403</b>	<b>96.38</b>	<b>100</b>
<b>Total investments in units of mutual funds</b>									
Meezan Dedicated Equity Fund	17,866,726	11,000,331	10,145,036	18,722,021	686,957	791,484	104,527	35.18	35.21
Meezan Cash Fund	-	45,739,149	45,739,149	-	-	-	-	-	-
Meezan Sovereign Fund	30,846,884	-	30,846,884	-	-	-	-	-	-
Meezan Rozana Amdani Fund	10,723,066	48,110,943	29,701,544	29,132,465	1,456,623	1,456,623	-	64.74	64.79
					<b>2,143,580</b>	<b>2,248,107</b>	<b>104,527</b>	<b>99.92</b>	<b>100</b>

## 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 remuneration as under:

Net Assets (Rs.)	Previous Tariff	Revised Tariff
Upto 1 billion	0.10% of Net Assets	0.070% per annum of Net Assets
Above 1 billion	Rs. 1 million plus 0.075% P.a of Net Assets exceeding Rs. 1 billion	

Accordingly, the Fund has charged Trustee Fee at the rate of 0.07% 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 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.

## 9. CONTINGENCIES AND COMMITMENTS

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

## 10. ACCRUED EXPENSES AND OTHER LIABILITIES

As at December 31, 2019 (Unaudited)							
Note	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total	
	(Rupees in '000)						
Auditors' remuneration payable	106	29	25	14	8	182	
Withholding tax payable	15	-	-	-	-	15	
Shariah advisory fee payable	95	22	18	10	6	151	
Printing charges payable	213	8	7	1	1	230	
Provision for Sindh Workers' Welfare Fund	10.1	2,748	715	556	353	193	4,565
Capital gain tax payable	91	855	109	83	4	1,142	
Other payable	-	-	-	-	-	-	
Zakat payable	2	22	157	-	11	192	
	<u>3,270</u>	<u>1,651</u>	<u>872</u>	<u>461</u>	<u>223</u>	<u>6,477</u>	

As at June 30, 2019 (Audited)							
Note	M CPP-IV	M CPP-V	M CPP-VI	M CPP-VII	M CPP-VIII	Total	
	(Rupees in '000)						
Auditors' remuneration payable	115	40	29	12	4	200	
Withholding tax payable	15	-	-	-	-	15	
Shariah advisory fee payable	88	24	22	11	5	150	
Printing charges payable	213	9	7	-	1	230	
Provision for Sindh Workers' Welfare Fund	10.1	310	60	-	-	-	370
Capital gain tax payable	2	5	1	-	-	8	
Other payable	-	-	-	-	10	10	
Zakat payable	2	15	6	-	-	23	
	<u>745</u>	<u>153</u>	<u>65</u>	<u>23</u>	<u>20</u>	<u>1,006</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). The Fund has made provision in respect of SWWF starting from March 6, 2018 (i.e. the date of commencement of operations of the Fund).

Had the provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit would have been higher by Re 0.11, Re 0.13, Re 0.10, Re 0.12 and 0.10 in MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII and MCPP-VIII (June 30, 2019: Re. 0.010 and Re. 0.006 per unit for MCPP-IV and MCPP-V) respectively.

## 11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

Balances	As at December 31, 2019 (Unaudited)					
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration payable (Rs in '000)	4	1	3	4	14	26
Sindh Sales Tax on management fee (Rs in '000)	1	-	-	-	2	3
Allocated expenses (Rs in '000)	117	29	26	14	8	194
<b>Meezan Bank Limited</b>						
Bank balance (Rs in '000)	2,593	2,305	2,098	409	3,964	11,369
Profit receivable (Rs in '000)	17	57	27	8	39	148
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee payable (Rs. in '000)	82	21	18	11	6	138
Sindh Sales Tax on trustee fee payable (Rs. in '000)	11	3	2	1	1	18
<b>Directors and Executives of the Management Company</b>						
Investment (Rs in '000)	5,463	-	-	-	-	5,463
Investment (Units)	99,772	-	-	-	-	99,772
<b>Meezan Dedicated Equity Fund</b>						
Investment (Rs in '000)	477,825	103,211	103,581	65,864	41,003	791,484
Investment (Units)	11,302,621	2,441,387	2,450,132	1,557,977	969,905	18,722,021
<b>Meezan Rozana Amdani Fund</b>						
Investment (Rs in '000)	900,699	202,603	195,689	103,084	54,548	1,456,623
Investment (Units)	18,013,982	4,052,066	3,913,777	2,061,675	1,090,965	29,132,465
<b>Unitholders holding 10% or more units of the Fund</b>						
Investment (Rs in '000)	179,095	-	-	54,476	-	233,572
Investment (Units)	3,270,818	-	-	987,119	-	4,257,936
Balances	As at June 30, 2019 (Audited)					
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration payable (Rs in '000)	5	1	5	3	12	26
Sindh Sales Tax on management fee (Rs in '000)	1	-	1	-	2	4
Allocated expenses (Rs in '000)	131	43	39	17	11	241
<b>Meezan Bank Limited</b>						
Bank balance (Rs in '000)	1876	908	1,845	2,960	2,286	9,875
Profit receivable (Rs in '000)	52	5	21	12	7	97
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee payable (Rs in '000)	109	36	32	15	9	201
Sindh Sales Tax on trustee fee payable (Rs in '000)	14	4	4	2	1	25
<b>Directors and Executives of the Management Company</b>						
Investment (Rs in '000)	5,001	-	-	-	-	5,001
Investment (Units)	99,772	-	-	-	-	99,772
<b>Meezan Dedicated Equity Fund</b>						
Investment (Rs in '000)	356,705	109,427	97,496	52,468	18,416	634,512
Investment (Units)	10,044,192	3,081,261	2,745,310	1,477,397	518,566	17,866,726
<b>Meezan Sovereign Fund</b>						
Investment (Rs in '000)	907,849	264,653	214,307	114,233	87,128	1,588,170
Investment (Units)	17,633,059	5,140,343	4,162,470	2,218,732	1,692,281	30,846,884

**Balances**

As at June 30, 2019 (Audited)

	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
<b>Meezan Rozana Amdani Fund</b>						
Investment (Rs in '000)	304,087	100,029	71,020	38,010	23,007	536,153
Investment (Units)	6,081,739	2,000,572	1,420,406	760,217	460,132	10,723,066

**Unitholders holding 10% or more units of the Fund**

Investment (Rs in '000)	163,938	-	-	29,598	-	193,536
Investment (Units)	3,270,818	-	-	591,506	-	3,862,324

For the six month period ended December 31, 2019 (Unaudited)

	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
------(Unaudited)-----						
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration for the period (Rs in '000)	11	6	10	9	18	54
Sindh Sales Tax on management fee (Rs in '000)	1	1	1	1	2	6
Allocated expenses (Rs in '000)	701	195	165	92	54	1,207

**Meezan Bank Limited**

Profit on saving account (Rs in '000)	209	103	95	60	177	644
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**Central Depository Company of Pakistan Limited - Trustee**

Trustee fee (Rs in '000)	491	137	115	65	38	846
Sindh Sales Tax on trustee fee (Rs in '000)	64	18	15	8	5	110

**Meezan Dedicated Equity Fund**

Invested during the period (Rs. in '000)	235,000	-	-	-	43,000	278,000
Invested during the period (Units)	6,154,962	924,174	746,443	562,311	2,612,441	11,000,331
Redeemed during the period (Rs. in '000)	172,090	24,510	22,060	6,830	59,579	285,069
Redeemed during the period (Units)	4,896,533	1,564,049	1,041,621	481,731	2,161,102	10,145,036

**Meezan Cash Fund**

Invested during the period (Rs. in '000)	1,281,552	372,855	296,207	154,708	209,083	2,314,406
Invested during the period (Units)	25,330,703	7,369,913	5,855,373	3,058,517	4,124,642	45,739,149
Redeemed during the period (Rs. in '000)	1,295,575	375,734	298,558	155,937	209,717	2,335,520
Redeemed during the period (Units)	25,330,703	7,369,913	5,855,373	3,058,517	4,124,642	45,739,149

**Meezan Sovereign Fund**

Invested during the period (Rs. in '000)	-	-	-	-	-	-
Invested during the period (Units)	-	-	-	-	-	-
Redeemed during the period (Rs. in '000)	909,145	265,031	214,613	114,396	87,252	1,590,438
Redeemed during the period (Units)	17,633,059	5,140,343	4,162,470	2,218,732	1,692,281	30,846,884

**Meezan Rozana Amdani Fund**

Invested during the period (Rs. in '000)	1,323,268	371,209	308,634	154,955	247,482	2,405,547
Invested during the period (Units)	26,465,360	7,424,174	6,172,672	3,099,097	4,949,641	48,110,943
Redeemed during the period (Rs. in '000)	726,656	268,634	183,965	89,882	215,940	1,485,077
Redeemed during the period (Units)	14,533,116	5,372,680	3,679,302	1,797,639	4,318,808	29,701,544
Dividend received during the period (Rs. in '000)	49,932	14,607	12,075	6,530	4,448	87,592
Dividend received during the period (Units)	998,649	292,150	241,504	130,598	88,956	1,751,857

	For the Period ended December 31, 2018	For the period from July 10, 2018 to December 31, 2018	For the period from September 26, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII
------(Unaudited)-----					
	58	65	126	60	3
	8	9	16	8	-
	1,021	368	222	50	-
					312
					41
					1,661

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

Remuneration for the quarter / period	58	65	126	60	3	312
Sindh Sales Tax on management fee	8	9	16	8	-	41
Allocated expenses	1,021	368	222	50	-	1,661

	For the Period ended December 31, 2018		For the period from July 10, 2018 to December 31, 2018	For the period from September 26, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	
------(Unaudited)-----						
<b>Meezan Bank Limited</b>						
Profit on saving account	190	186	329	223	9	937
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee (Rs in '000)	844	304	183	41	-	1,372
Sindh Sales Tax on trustee fee (Rs in '000)	110	40	24	5	-	179
<b>Meezan Dedicated Equity Fund</b>						
Invested during the period / quarter (Rs. in '000)	790,800	245,600	184,000	98,000	-	1,318,400
Invested during the period / quarter (Units)	16,971,845	5,325,304	3,942,601	2,187,362	-	28,427,112
Redeemed during the period / quarter (Rs. in '000)	892,312	251,518	92,284	15,092	-	1,251,206
Redeemed during the period / quarter (Units)	19,214,570	5,481,406	1,983,046	318,471	-	26,997,493
<b>Meezan Cash Fund</b>						
Invested during the quarter / period (Rs. in '000)	929,605	441,001	727,000	393,500	11,000	2,502,106
Invested during the quarter / period (Units)	18,231,673	8,681,998	14,282,003	7,633,163	211,552	49,040,390
Redeemed during the quarter / period (Rs. in '000)	977,640	371,770	228,796	116,160	-	1,694,366
Redeemed during the quarter / period (Units)	19,110,914	7,275,649	4,470,669	2,250,089	-	33,107,321
Dividend Received during the quarter / period (Rs. in '000)	13,834	1,360	-	-	-	15,194
Dividend Received during the quarter / period (Units)	274,308	26,959	-	-	-	301,267
Refund of Capital during the quarter / period (Rs. in '000)	59,534	19,413	-	-	-	78,947
Refund of Capital during the quarter / period (Units)	1,180,484	384,939	-	-	-	1,565,423

## 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

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 are;

	As at December 31, 2019				
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII
Total Expense ratio (including government levies)	0.60%	0.59%	0.60%	0.64%	0.64%
Government levies, Sindh Workers' Fund and SECP Fee	0.38%	0.37%	0.37%	0.41%	0.39%
	As at June 30, 2019				
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII
Total Expense ratio (including government levies)	0.33%	0.33%	0.33%	0.27%	0.24%
Government levies	0.12%	0.12%	0.11%	0.08%	0.06%

This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund Scheme.

#### 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the 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 to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly Supertax introduced in Finance Act, 2015 is also not applicable on funds (Section 4B of Income Tax Ordinance, 2001).

#### 15. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

- 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>				
Units of mutual funds	-	2,248,107	-	2,248,107

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>				
Units of mutual funds	-	2,758,835	-	2,758,835

#### 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

#### 17. 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



# THE CITY OF ANCIENT HISTORY AND RICH CULTURE



## Meezan

Strategic Allocation Fund-III

## MEEZAN STRATEGIC ALLOCATION FUND-III (MSAF-III)

Meezan Strategic Allocation Fund-III is a Shariah compliant scheme which aims to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income/Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.

**IQBAL MANZIL  
(SIALKOT)**

# FUND INFORMATION

## MANAGEMENT COMPANY

Al 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  
Dubai Islamic Bank  
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  
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 STRATEGIC ALLOCATION FUND – III**

**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 Strategic Allocation Fund – III (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 Strategic Allocation Fund - III** (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 STRATEGIC ALLOCATION FUND - III  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2019**



**Meezan**  
Strategic Allocation Fund-III

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		MCPPI-IX ----- (Rupees in '000) -----	
<b>Assets</b>			
Balances with banks	5	1,177	15,908
Investments	6	97,824	18,944
Profit accrued on balances with banks		19	26
Receivable against investments		12,740	-
Deposits and prepayments		84	-
<b>Total assets</b>		111,844	34,878
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		9	866
Payable to Central Depository Company of Pakistan Limited - Trustee	12	7	1
Payable to Securities and Exchange Commission of Pakistan	7	9	1
Payable against investments		12,063	-
Payable against redemption and conversions		740	-
Accrued expenses and other liabilities	9	430	80
<b>Total liabilities</b>		13,258	948
<b>Net assets</b>		98,586	33,930
<b>Unit holders' fund (as per statement attached)</b>		98,586	33,930
<b>Contingencies and commitments</b>	8		
		----- (Number of units) -----	
<b>Number of units in issue</b>		1,839,059	703,396
		----- (Rupees) -----	
<b>Net asset value per unit</b>		53.6070	48.2374

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

	Note	For the six months period ended December 31, 2019	For the quarter ended December 31, 2019
		MCPPI-IX	MCPPI-IX
----- (Rupees in '000) -----			
<b>Income</b>			
Realised gain on sale of investments - net		1,623	2,796
Profit on balance with banks		201	103
Dividend income		3,810	1,951
		5,634	4,850
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'		4,919	4,919
<b>Total income</b>		10,553	9,769
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited - Management Company		23	4
Sindh Sales Tax on remuneration to Management Company		3	1
Allocated expenses	11	46	25
Remuneration to Central Depository Company of Pakistan Limited - Trustee	12	33	17
Sindh Sales Tax on remuneration of the Trustee		4	2
Annual fee to Securities and Exchange Commission of Pakistan	7	9	5
Auditors' remuneration		59	44
Bank and settlement charges		6	6
Fees and subscription		149	81
Provision for Sindh Workers' Welfare Fund (SWWF)		204	191
<b>Total expenses</b>		536	376
<b>Net income for the period before taxation</b>		10,017	9,393
Taxation	14	-	-
<b>Net income for the period after taxation</b>		10,017	9,393
<b>Allocation of net income for the period</b>			
Net income for the period after taxation		10,017	
Income already paid on units redeemed		(411)	
		9,606	
<b>Accounting income available for distribution</b>			
- Relating to capital gains		6,542	
- Excluding capital gains		3,064	
		9,606	

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

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

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

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

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

**MEEZAN STRATEGIC ALLOCATION FUND - III  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2019**



**Meezan**  
Strategic Allocation Fund-III

	For the six months period ended December 31, 2019	For the quarter ended December 31, 2019
	MCPPI-IX	MCPPI-IX
	----- (Rupees in '000) -----	
<b>Net income for the period after taxation</b>	10,017	9,393
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>10,017</u>	<u>9,393</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 STRATEGIC ALLOCATION FUND - III  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

For the six months period ended December 31, 2019			
MCP-IX			
Capital Value	(Accumulated loss) / Undistributed income	Total	
----- (Rupees in '000) -----			
<b>Net assets at the beginning of the period</b>	34,246	(316)	33,930
<b>Issuance of units:</b>			
Issuance of 1,816,116 units			
- Capital value (at net asset value per unit at the beginning of the period)	87,605	-	87,605
- Element of income	279	-	279
Total proceeds on issuance of units	87,884	-	87,884
<b>Redemption of units:</b>			
Redemption of 680,453 units			
- Capital value (at net asset value per unit at the beginning of the period)	32,824	-	32,824
- Element of loss	10	411	421
Total payments on redemption of units	32,834	411	33,245
Total comprehensive income for the period	-	10,017	10,017
<b>Net assets at the end of the period</b>	<u>89,296</u>	<u>9,290</u>	<u>98,586</u>
<b>Accumulated loss brought forward</b>			
- Realised loss		(105)	
- Unrealised income		(211)	
		<u>(316)</u>	
Accounting income available for distribution			
- Relating to capital gains		6,542	
- Excluding capital gains		3,064	
		<u>9,606</u>	
<b>Undistributed income carried forward</b>		<u>9,290</u>	
<b>Undistributed income carried forward</b>			
- Realised income		4,371	
- Unrealised income		4,919	
		<u>9,290</u>	
			<b>Rupees</b>
Net asset value per unit as at the beginning of the period			<u>48.2374</u>
Net asset value per unit as at the end of the period			<u>53.6070</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 STRATEGIC ALLOCATION FUND - III  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**



**Meezan**  
Strategic Allocation Fund-III

**For the six  
months  
period ended  
December 31,  
2019  
MCPPI-IX  
Rupees in '000**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation	10,017
<b>Adjustments for:</b>	
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	(4,919)
	<u>5,098</u>
<b>Decrease in assets</b>	
Investments - net	(73,961)
Profit accrued on balances with banks	7
Receivable against investments	(12,740)
Deposits and prepayments	(84)
	<u>(86,778)</u>
<b>Increase in liabilities</b>	
Payable to AI Meezan Investment Management Limited - Management Company	(857)
Payable to Central Depository Company of Pakistan Limited - Trustee	6
Payable to Securities and Exchange Commission of Pakistan	8
Payable against investments	12,063
Accrued expenses and other liabilities	350
	<u>11,570</u>
<b>Net cash used in operating activities</b>	<u>(70,110)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Receipts against issuance and conversion of units	87,884
Payments against redemption and conversion of units	(32,505)
<b>Net cash generated from financing activities</b>	<u>55,379</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(14,731)</u>
Cash and cash equivalents at the beginning of the period	15,908
<b>Cash and cash equivalents at the end of the period</b>	<u><u>1,177</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 STRATEGIC ALLOCATION FUND - III**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

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

- 1.1** Meezan Strategic Allocation Fund - III (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 24, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company 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.
- 1.6** The fund generates returns on investment as per allocation plan (sub fund) namely Meezan Capital Preservation Plan-IX (MCPPI-IX) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP.
- 1.7** A brief description of the plan is as follows:

Meezan Capital Preservation Plan-IX (MCPPI-IX)	<p>Low risk - High return through asset allocation:</p> <p>This allocation plan commenced its operations from May 14, 2019 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. Units shall be subject to front end load.</p>
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**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund 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 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>Note</b>		<b>December 31, 2019 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>	
						<b>MCCP-IX</b>		
						<b>----(Rupees in '000)----</b>		
<b>5. BALANCES WITH BANKS</b>								
Saving accounts				5.1		<u>1,177</u>	<u>15,908</u>	
<b>5.1</b>	The balances in savings accounts have an expected profit which ranges from 7.22% to 13.25% per annum. (June 30, 2019: 6.30% to 11.85% per annum).							

				<b>Note</b>		<b>December 31, 2019 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>	
						<b>MCCP-IX</b>		
						<b>----(Rupees in '000)----</b>		
<b>6. INVESTMENTS</b>								
Investments - 'at fair value through profit or loss' - units of mutual funds				6.1		<u>97,824</u>	<u>18,944</u>	
<b>6.1</b>	<b>Investments - 'at fair value through profit or loss' - Units of mutual funds</b>							

Name of investee funds	As at July 01, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain as at December 31, 2019	Percentage in relation to	
								Total market value of investments	Market value on the basis of net assets of the Fund
	----- (Number of units) -----				----- (Rupees in '000) -----			(Percentage)	

**Meezan Capital Preservation Plan - IX**

Meezan Dedicated Equity Fund	153,424	2,985,403	2,156,804	982,023	36,597	41,516	4,919	42.00%	42.11%
Meezan Cash Fund	64,627	1,474,895	1,539,522	-	-	-	-	-	-
Meezan Sovereign Fund	198,820	232,743	431,562	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	4,138,449	3,012,279	1,126,170	56,308	56,308	-	58.00%	57.12%
					<u>92,905</u>	<u>97,824</u>	<u>4,919</u>	<u>100%</u>	<u>99%</u>

**7. PAYABLE TO 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 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.

**8. CONTINGENCIES AND COMMITMENTS**

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



	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
<b>MCCP-IX</b>		
-----(Rupees in '000)----		
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	52	50
Shariah advisory fee payable	148	30
Capital gain tax payable	26	-
Provision for Sindh Workers' Welfare Fund	204	-
	<u>430</u>	<u>80</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, 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 SWWF not been recorded the NAV per unit of the plan (MCCP IX) would have been higher by Re.0.11.

## 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 executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
<b>MCCP IX</b>		
-----(Rupees in '000)----		
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable (Rs in '000)	1	4
Sindh Sales Tax on management fee (Rs in '000)	-	1
Allocated expenses (Rs in '000)	8	1
Sales load payable (Rs in '000)	-	761
Sindh Sales Tax on sales load payable (Rs in '000)	-	99
Investment (Rs in '000)	76,248	-
Investment (Units)	1,422,356	-
<b>Meezan Bank Limited</b>		
Bank balance (Rs in '000)	1,157	15,898
Profit receivable (Rs in '000)	19	26

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
<b>MCPPIX</b>		
-----(Rupees in '000)----		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable (Rs. in '000)	6	1
Sindh Sales Tax on trustee fee payable (Rs. in '000)	1	-
<b>Meezan Dedicated Equity Fund</b>		
Investment (Rs in '000)	41,516	5,449
Investment (Units)	982,023	153,424
<b>Meezan Cash Fund</b>		
Investment (Rs in '000)	-	3,259
Investment (Units)	-	64,627
<b>Meezan Sovereign Fund</b>		
Investment (Rs in '000)	-	10,236
Investment (Units)	-	198,820
<b>Meezan Rozana Amdani Fund</b>		
Investment (Rs in '000)	56,308	-
Investment (Units)	1,126,170	-
<b>Unitholders holding 10% or more units of the Fund</b>		
Investment (Rs in '000)	-	4,802
Investment (Units)	-	99,555
		<b>For the six months period ended December 31, 2019 (Unaudited) MCPPIX (Rupees in '000)</b>
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period (Rs in '000)		23
Sindh Sales Tax on management fee (Rs in '000)		3
Allocated expenses (Rs in '000)		46
Invested during the period (Rs in '000)		68,876
Invested during the period (Units)		1,422,356
<b>Meezan Bank Limited</b>		
Profit on saving account (Rs in '000)		201
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee for the period (Rs in '000)		33
Sindh Sales Tax on trustee fee (Rs in '000)		4
<b>Meezan Dedicated Equity Fund</b>		
Invested during the period (Rs in '000)		104,000
Invested during the period (Units)		2,985,403
Redeemed during the period (Rs in '000)		74,250
Redeemed during the period (Units)		2,156,804
<b>Meezan Cash Fund</b>		
Invested during the period (Rs in '000)		74,789
Invested during the period (Units)		1,474,895
Redeemed during the period (Rs in '000)		78,255
Redeemed during the period (Units)		1,539,522

**For the six  
months  
period ended  
December 31,  
2019  
(Unaudited)**

**MCPPIX  
(Rupees in '000)**

**Meezan Sovereign Fund**

Invested during the period (Rs in '000)	12,000
Invested during the period (Units)	232,743
Redeemed during the period (Rs in '000)	22,255
Redeemed during the period (Units)	431,562

**Meezan Rozana Amdani Fund**

Invested during the period (Rs in '000)	206,922
Invested during the period (Units)	4,138,449
Redeemed during the period (Rs in '000)	150,614
Redeemed during the period (Units)	3,012,279
Dividend received during the period (Units)	76,208
Dividend received during the period (Rs. In '000')	3,810

**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 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

**12. 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 remuneration as under:

Previous Tariff		Revised Tariff (Flat Rate)
Net Assets (Rs.)	Fee	
Upto Rs. 1 billion	0.1% per annum of net assets	0.07% per annum of Net Assets.
Above Rs. 1 billion	Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1 billion.	

Accordingly, the Fund has charged Trustee Fee @ 0.07% per annum during the current period.

**13. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is;

**December 31,  
2019  
MCPPIX  
(Rupees in '000)**

Total Expense ratio (including government levies)	1.18%
Government levies	0.48%

This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund Scheme.

**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 MEASUREMENT**

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.

- 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:

<b>ASSETS</b>	<b>As at December 31, 2019</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	----- Rupees in '000 -----		
<b>Financial assets 'at fair value through profit or loss'</b>			
Units of mutual funds	-	97,824	-

	<b>As at June 30, 2019</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	----- Rupees in '000 -----		
<b>Financial assets 'at fair value through profit or loss'</b>			
Units of mutual funds	-	18,944	-

**16 GENERAL**

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

**17. 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





● ILYASI MOSQUE  
(ABBOTTABAD)




**Meezan**  
Tahaffuz Pension Fund

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

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

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

 Abbottabad Branch



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

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



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

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

**Introduction**

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

**Scope of Review**

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

**Conclusion**

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

**Other Matter**

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



KPMG Taseer Hadi & Co.

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

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

**Date: 20 February 2020**

**Karachi**

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



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

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

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

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

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

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

\_\_\_\_\_  
Director

## Meezan Tahaffuz Pension Fund

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

For the six months period ended December 31, 2019

Note	December 31, 2019					December 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Total
(Rupees in '000)						
<b>INCOME</b>						
	-	87,901	10,456	-	98,357	47,363
Profit from sukuk certificates						
Profit on saving accounts with banks	4.1	11,388	68,679	127,079	520	207,666
Profit on term deposit receipts		-	28,014	15,191	-	43,205
Dividend income		128,789	-	-	-	128,789
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1, 5.2.1	707,511	(955)	-	-	706,556
Unrealised appreciation on investment in gold	5.5	-	-	5,041	5,041	6,915
Net realised (loss) / gain on sale of investments		(16,804)	131	261	(16,412)	(77,051)
Other income		-	-	235	235	354
<b>Total income / (loss)</b>		<b>830,884</b>	<b>183,770</b>	<b>152,726</b>	<b>6,057</b>	<b>1,173,437</b>
<b>EXPENSES</b>						
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager		29,381	20,929	18,016	714	69,040
Sindh Sales Tax on remuneration of the Pension Fund Manager		3,820	2,721	2,342	93	8,976
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,666	1,189	1,023	41	3,919
Sindh Sales Tax on remuneration of the Trustee		217	155	133	5	510
Annual fee to Securities and Exchange Commission of Pakistan		652	465	400	16	1,533
Auditors' remuneration		97	97	97	97	388
Brokerage charges and custodian fee		2,053	14	-	420	2,487
Bank and settlement charges		380	181	121	31	713
Charity expense		3,495	-	-	-	3,495
Provision for Sindh Workers' Welfare Fund	11	16,461	3,214	2,791	101	22,567
<b>Total expenses</b>		<b>58,222</b>	<b>28,965</b>	<b>24,923</b>	<b>1,518</b>	<b>113,628</b>
<b>Net income/ (loss) from operating activities</b>		<b>772,662</b>	<b>154,805</b>	<b>127,803</b>	<b>4,539</b>	<b>1,059,809</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)		33,918	2,670	8,939	388	45,915
<b>Net income / (loss) for the period before taxation</b>		<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>
Taxation		-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>806,580</b>	<b>157,475</b>	<b>136,742</b>	<b>4,927</b>	<b>1,105,724</b>

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

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

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

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

\_\_\_\_\_  
Director



**Meezan Tahaffuz Pension Fund**

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

For the three months period ended December 31, 2019

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

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

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director

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

December  
31, 2018

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

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

For AI Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive officer

Director



**Meezan Tahaffuz Pension Fund**

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

For the six months period ended December 31, 2019

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

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

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

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

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

\_\_\_\_\_  
Director

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

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

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

For Al Meezan Investment Management Limited  
 (Pension Fund Manager)

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

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

\_\_\_\_\_  
 Director



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

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

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

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

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

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

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

\_\_\_\_\_  
Director

# Meezan Tahaffuz Pension Fund

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

For the six months period ended December 31, 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

#### Equity Sub-Fund

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

#### Debt Sub-Fund

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

#### Money Market Sub-Fund

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

#### Gold Sub-Fund

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

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

### 2 BASIS OF PREPARATION

#### 2.1 Basis of presentation

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

#### 2.2 Statement of Compliance

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

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

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

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

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

### **2.3 Basis of Measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

### 5.2.1 Held by Debt Sub-Fund

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

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

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



## 5.2.2 Held by Money Market Sub-Fund

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

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

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

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

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

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

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

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

## 5.3 Commercial Papers - at amortised cost

### 5.3.1 Held by Debt Sub-Fund

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

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

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

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

### 5.3.2 Held by Money Market Sub-Fund

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

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

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

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

### 5.4 Term deposit receipts - at amortised cost

#### 5.4.1 Held by Debt Sub-Fund

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

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

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

### 5.5 Investment in gold

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

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

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



June 30, 2019  
(Audited)

**6 DEPOSITS AND OTHER RECEIVABLES**

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

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

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

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

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

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

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

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

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

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

**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

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

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

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

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

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

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

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

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

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

## 11 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

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

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

## 12 CONTINGENCIES AND COMMITMENTS

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

## 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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



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

**13.1 Balances outstanding as at period end**

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

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

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

**14 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

## 15 TAXATION

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

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



**16 DATE OF AUTHORIZATION FOR ISSUE**

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

**17 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

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

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

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



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