



Meezan
Islamic Fund

Meezan Islamic Fund (MIF)

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

MANAGER OF
LARGEST
EQUITY FUND



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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 Shaikat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

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



MEEZAN ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Note		
Assets		
Balances with banks	5 1,901,250	1,755,340
Investments	6 28,393,922	23,381,047
Receivable against sale of investments	288,364	73,789
Receivable against conversion of units	178,002	82,856
Dividend receivable	147,205	52,314
Advances, deposits and other receivables	18,228	13,419
Total assets	30,926,971	25,358,765
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	7 91,406	32,677
Payable to Central Depository Company of Pakistan Limited - Trustee	2,964	2,349
Payable to Meezan Bank Limited	357	654
Payable to the Securities and Exchange Commission of Pakistan	1,442	5,024
Payable against redemption and conversion of units	184,529	116,155
Payable against purchase of investments	35,094	158,826
Dividend payable	-	152,480
Accrued expenses and other liabilities	8 781,723	818,415
Total liabilities	1,097,515	1,286,580
Net assets	29,829,456	24,072,185
Contingencies and commitments	9	
Unit holders' funds (as per statement attached)	29,829,456	24,072,185
	(Number of units)	
Number of units in issue	543,369,729	514,682,160
	(Rupees)	
Net asset value per unit	54.8972	46.7710

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN ISLAMIC FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	September 30,	
		2020	2019
		(Rupees in '000)	
Income			
Net realised gain / (loss) on sale of investments		249,792	(412,515)
Dividend income		156,164	346,387
Profit on saving accounts with banks		30,245	46,536
		<u>436,201</u>	<u>(19,592)</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	4,079,365	(1,509,279)
		<u>4,515,566</u>	<u>(1,528,871)</u>
Total income / (loss)			
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	7	144,172	113,138
Sindh Sales Tax on management fee		18,742	14,708
Remuneration of Central Depository Company of Pakistan Limited - Trustee		7,461	5,908
Sindh Sales Tax on remuneration of the Trustee		970	768
Annual fee to the Securities and Exchange Commission of Pakistan		1,442	1,131
Auditors' remuneration		222	196
Charity expense		4,585	9,365
Fees and subscription		668	707
Legal and professional charges		-	160
Brokerage expense		9,891	3,903
Bank and settlement charges		924	615
Allocated expenses		7,209	5,657
Selling and marketing expense		28,834	22,628
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	85,809	-
		<u>310,929</u>	<u>178,884</u>
		<u>4,204,637</u>	<u>(1,707,755)</u>
Net income / (loss) for the quarter before taxation			
Taxation	13	-	-
		<u>4,204,637</u>	<u>(1,707,755)</u>
Net income / (loss) for the quarter after taxation			
Allocation of net income for the quarter			
Net income for the period after taxation		4,204,637	-
Income already paid on units redeemed		(492,101)	-
		<u>3,712,536</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		3,712,536	-
- Excluding capital gains		-	-
		<u>3,712,536</u>	<u>-</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
	(Rupees in '000)	
Net income / (loss) for the quarter after taxation	4,204,637	(1,707,755)
Other comprehensive income for the quarter	-	-
Total comprehensive income / (loss) for the quarter	<u>4,204,637</u>	<u>(1,707,755)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020			September 30, 2019			
	Capital Value	Accumul- ated loss / Undistrib- uted income	Over distribution	Total	Capital Value	Accumul- ated loss	Total
	Rupees in '000			Rupees in '000			
Net assets at the beginning of the quarter as previously reported (Audited)	26,641,970	(1,860,387)	(709,398)	24,072,185	27,600,726	(1,860,387)	25,740,339
Issue of 205,193,038 units (September 30, 2019: 81,152,457 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	9,597,084	-	-	9,597,084	3,889,110	-	3,889,110
- Element of income / (loss)	1,425,074	-	-	1,425,074	(314,669)	-	(314,669)
Total proceeds on issuance of units	11,022,158	-	-	11,022,158	3,574,441	-	3,574,441
Redemption of 176,505,469 units (September 30, 2019: 125,030,280 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	8,255,337	-	-	8,255,337	5,991,889	-	5,991,889
- Element of loss / (income)	722,086	492,101	-	1,214,187	(517,471)	-	(517,471)
Total payments on redemption of units	8,977,423	492,101	-	9,469,524	5,474,418	-	5,474,418
Total comprehensive income / (loss) for the quarter		4,204,637		4,204,637	-	(1,707,755)	(1,707,755)
Adjustment of over distribution	-	(709,398)	709,398	(709,398)	-	-	-
Net income / (loss) for the quarter less distribution	-	3,495,239	709,398	3,495,239	-	(1,707,755)	(1,707,755)
Net assets at the end of the quarter	28,686,705	1,142,751	-	29,829,456	25,700,749	(3,568,142)	22,132,607
Accumulated loss brought forward as previously reported (Audited)							
- Realised (loss) / income		(1,065,399)				5,520,342	
- Unrealised loss		<u>(794,988)</u>				<u>(7,380,729)</u>	
		(1,860,387)				(1,860,387)	
Adjustment of over distribution		(709,398)				-	
Accounting income available for distribution(after adjusting income already paid on units redeemed)							
- Relating to capital gains	3,712,536				-		
- Excluding capital gains	<u>-</u>				<u>-</u>		
	3,712,536				-		
Net loss for the quarter after taxation		-				(1,707,755)	
Undistributed income / (Accumulated loss) carried forward		<u>1,142,751</u>				<u>(3,568,142)</u>	
Undistributed income / (Accumulated loss) carried forward							
- Realised loss		(2,936,614)				(2,058,863)	
- Unrealised income / (loss)		<u>4,079,365</u>				<u>(1,509,279)</u>	
		<u>1,142,751</u>				<u>(3,568,142)</u>	
				(Rupees)		(Rupees)	
Net assets value per unit at the beginning of the quarter				<u>46.7710</u>		<u>47.9235</u>	
Net assets value per unit at the end of the quarter				<u>54.8972</u>		<u>44.8723</u>	

The annexed notes 1 to 15 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 ISLAMIC FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the quarter before taxation	4,204,637	(1,707,755)
Adjustments for:		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(4,079,365)	1,509,279
	<u>125,272</u>	<u>(198,476)</u>
(Increase) / decrease in assets		
Investments - net	(933,510)	2,568,191
Receivable against sale of investments	(214,575)	98,602
Dividend receivable	(94,891)	(226,126)
Advances, deposits and other receivables	(4,809)	(9,334)
	<u>(1,247,785)</u>	<u>2,431,333</u>
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	58,729	(15,611)
Payable to Central Depository Company of Pakistan Limited - Trustee	615	(498)
Payable to Meezan Bank Limited	(297)	(58)
Payable to the Securities and Exchange Commission of Pakistan	(3,582)	(31,229)
Payable against purchase of investments	(123,732)	(86,944)
Accrued expenses and other liabilities	(36,692)	2,384
	<u>(104,959)</u>	<u>(131,956)</u>
Net cash generated from operating activities	<u>(1,227,472)</u>	<u>2,100,901</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	10,927,012	3,615,164
Dividend Paid	(152,480)	-
Payment against redemption and conversion of units	(9,401,150)	(5,491,743)
Net cash used in financing activities	<u>1,373,382</u>	<u>(1,876,579)</u>
Net increase in cash and cash equivalents during the quarter	<u>145,910</u>	<u>224,322</u>
Cash and cash equivalents at the beginning of the quarter	1,755,340	1,340,974
Cash and cash equivalents at the end of the quarter	<u><u>1,901,250</u></u>	<u><u>1,565,296</u></u>

The annexed notes 1 to 15 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 ISLAMIC FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund, is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 28, 2018) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020.
- 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, 2020. 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, 2020.
- 4.3** 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, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
In current accounts		7,695	8,043
In saving accounts	5.1	<u>1,893,555</u>	<u>1,747,297</u>
		<u>1,901,250</u>	<u>1,755,340</u>

- 5.1** The balance in saving accounts have an expected profit ranging from 1.50% to 6.58% per annum (June 30, 2020: 1.50% to 7.50% per annum).

6. INVESTMENTS	Note	September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
Shares of listed companies - 'ordinary shares'	6.1	<u>28,393,922</u>	<u>23,381,047</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the Fund	Total market value of invest- ments	Paid-up capital of investee company (with face value of investment)
						(Rupees in '000)		%			
Sectors / companies											
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited	179,000	-	-	150,000	29,000	5,617	7,509	1,892	0.03	0.03	0.02
Millat Tractors Company Limited	100,113	111,550	-	-	211,663	166,008	183,141	17,133	0.61	0.65	0.42
Indus Motor Company Limited	39,740	83,050	-	-	122,790	148,832	157,188	8,356	0.53	0.55	0.16
									1.16	1.23	0.60
Automobile parts and accessories											
Agriauto Industries Limited (note 6.1.1)	436,300	-	-	111,000	325,300	59,205	78,397	19,192	0.26	0.28	1.13
									0.26	0.28	1.13
Chemicals											
Engro Polymer & Chemicals Limited	15,913,721	5,799,500	-	1,050,000	20,663,221	590,360	831,901	241,541	2.79	2.93	2.27
ICI Pakistan Limited	1,109,985	37,000	-	7,000	1,139,985	793,622	824,882	31,260	2.77	2.91	1.23
Lotte Chemical Pakistan Limited	6,661,000	50,000	-	-	6,711,000	66,848	80,532	13,684	0.27	0.28	0.44
Ittehad Chemicals Limited	117,500	-	-	-	117,500	3,096	3,242	146	0.01	0.01	0.14
Sitara Chemicals Industries Limited	30,500	-	-	-	30,500	8,452	9,811	1,359	0.03	0.03	0.14
Sitara Peroxide Limited	157,000	-	-	157,000	-	-	-	-	-	-	-
									5.87	6.16	4.23

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
Number of shares						(Rupees in '000)			%		
Cement											
Attock Cement Company Limited	270,200	165,200	-	-	435,400	62,201	66,477	4,276	0.22	0.23	0.32
Cherat Cement Company Limited	2,724,100	-	-	938,000	1,786,100	155,694	208,545	52,851	0.70	0.73	0.92
D.G. Khan Cement Company Limited	3,557,500	500,000	-	770,000	3,287,500	286,444	338,974	52,530	1.14	1.19	0.75
Fauji Cement Company Limited	2,550,000	1,500,000	-	820,500	3,229,500	56,993	64,202	7,209	0.22	0.23	0.23
Kohat Cement Company Limited	4,488,850	75,000	-	-	4,563,850	628,523	779,232	150,709	2.61	2.74	2.27
Lucky Cement Limited	3,798,203	485,380	-	90,000	4,193,583	2,010,620	2,713,542	702,922	9.10	9.56	1.30
Maple Leaf Cement Factory Limited	13,447,000	4,500,000	-	650,000	17,297,000	471,012	620,789	149,777	2.08	2.19	1.57
									16.06	16.88	7.36
Paper and Board											
Cherat Packaging Limited	276,747	100	-	50,000	226,847	26,575	40,358	13,783	0.14	0.14	0.53
Century Paper & Board Mills Limited	348,600	1,607,000	-	100	1,955,500	160,622	217,510	56,888	0.73	0.77	1.33
Roshan Packages Limited	200,000	461,000	-	-	661,000	21,364	22,923	1,559	0.08	0.08	0.47
Packages Limited	1,421,953	28,000	-	-	1,449,953	505,001	728,355	223,354	2.44	2.57	1.62
									3.37	3.55	3.95
Technology and communication											
Avanceon Limited	739,630	2,775,000	-	950,000	2,564,630	142,506	172,394	29,888	0.58	0.61	1.21
Netsol Technologies Limited	142,600	-	-	142,600	-	-	-	-	-	-	-
TPL tracker limited	-	3,564,000	-	1,641,000	1,923,000	23,076	19,999	(3,077)	0.07	0.07	1.03
Pakistan Telecommunication Company Limited "A"	800,000	14,112,000	-	1,700,000	13,212,000	141,714	142,822	1,108	0.48	0.50	0.35
Systems Limited	2,384,900	52,600	-	75,000	2,362,500	440,161	642,695	202,534	2.15	2.26	1.91
									3.29	3.43	4.50
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	12,075,097	937,000	1,258,209	430,000	13,840,306	883,414	1,137,812	254,398	3.81	4.01	0.98
BankIslami Pakistan Limited	6,447,500	-	-	1,500,000	4,947,500	37,403	51,009	13,606	0.17	0.18	0.45
									3.98	4.20	1.43
Oil and Gas Marketing Companies											
Attock Petroleum Limited	906,334	-	-	-	906,334	276,613	309,495	32,882	1.04	1.09	0.91
Hascol Petroleum Limited (note 6.2)	13,533,361	1,327,500	-	5,600,000	9,260,861	132,956	186,884	53,928	0.63	0.66	0.93
Hi-Tech Lubricants Limited	305,000	884,500	-	-	1,189,500	46,436	50,578	4,142	0.17	0.18	1.03
Shell Pakistan Limited	-	165,000	-	20,000	145,000	36,930	35,592	(1,338)	0.12	0.13	0.14
Pakistan State Oil Company Limited (note 6.2)	4,861,259	1,360,355	-	220,000	6,001,614	1,002,077	1,201,523	199,446	4.03	4.23	1.28
Sui Southern Gas Pipelines Limited	745,000	-	-	-	745,000	9,938	12,591	2,653	0.04	0.04	0.08
Sui Northern Gas Pipelines Limited	10,100,300	650,000	-	4,034,500	6,715,800	369,895	415,104	45,209	1.39	1.46	1.06
									7.40	7.79	5.42
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	17,271,568	700,000	-	1,732,984	16,238,584	1,773,812	1,682,317	(91,495)	5.64	5.92	0.38
Pakistan Oilfields Limited	2,647,522	-	-	35,000	2,612,522	916,029	1,100,734	184,705	3.69	3.88	0.92
Pakistan Petroleum Limited	16,327,428	4,432,053	-	1,558,805	19,200,676	1,722,832	1,767,614	44,782	5.93	6.23	0.71
Mari Petroleum Company Limited (note 6.2)	2,020,667	-	-	61,200	1,959,467	2,423,175	2,683,529	260,354	9.00	9.45	1.47
									24.26	25.48	3.47
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	69,050	-	-	-	69,050	45,780	52,936	7,156	0.18	0.19	0.07
AGP Limited	5,266,500	45,000	-	-	5,311,500	583,068	578,954	(4,114)	1.94	2.04	1.90
Glaxo Smithkline Pakistan Limited	5,816	-	-	-	5,816	1,012	1,068	56	0.00	0.00	-
Glaxo Smithkline Consumer Healthcare Products Limited	374,656	-	-	10,000	364,656	99,070	105,626	6,556	0.35	0.37	0.31
Ferozsons Laboratories Limited	-	100,000	-	80,000	20,000	7,838	7,953	115	0	0	0
Highnoon Laboratories Limited (note 6.2)	49,877	-	-	15,550	34,327	17,207	21,077	3,870	0.07	0.07	0.10
The Searle Company Limited (note 6.2)	2,761,879	285,500	-	60,500	2,986,879	614,331	765,567	151,236	2.57	2.70	1.41
									5.14	5.40	3.85
Power Generation and Distribution											
The Hub Power Company Limited	20,884,921	-	-	7,617,586	13,267,335	961,882	1,040,955	79,073	3.49	3.67	1.02
K - Electric Limited (note 6.1.1)	159,270,500	2,000,000	-	937,000	160,333,500	485,029	675,004	189,975	2.26	2.38	0.58
									5.75	6.04	1.60
Fertilizer											
Engro Corporation Limited (note 6.1.2)	7,873,573	318,869	-	599,671	7,592,771	2,231,226	2,285,652	54,426	7.66	8.05	1.32
Engro Fertilizers Limited	16,475,252	1,150,000	-	-	-	-	-	4,898	3.45	3.62	1.27
									11.11	11.67	2.58

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to					
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)			
						Number of shares			(Rupees in '000)			%		
Engineering														
Amreli Steels Limited	121,500	-	-	121,500	-	-	-	-	-	-	-	-		
International Industries Limited	1,713,140	135,000	-	180,000	1,668,140	162,204	241,780	79,576	0.81	0.85	1.26			
International Steel Limited	5,537,800	350,000	-	528,500	5,359,300	284,906	412,880	127,974	1.38	1.45	1.23			
Mughal Iron & Steel Industries Limited	2,528,500	527,500	-	-	3,056,000	131,959	196,440	64,481	0.66	0.69	1.21			
K.S.B. Pumps Company Limited	73,700	-	-	35,000	38,700	5,573	12,237	6,664	0.04	0.04	0.30			
									2.89	3.04	4.01			
Food and Personal Care Products														
Al-Shaheer Corporation Limited (note 6.2)	61,463	-	-	-	61,463	703	1,178	475	0.00	0.00	0.03			
Al-Tahir Limited	120,045	-	-	-	120,045	2,068	2,539	471	0.01	0.01	0.07			
Friesland Campina Engro Pakistan Limited (Formerly Engro Foods Limited)	-	-	-	-	-	-	-	-	-	-	-			
National Foods Limited (note 6.1.1)	203,320	-	-	-	203,320	50,921	58,072	7,151	0.19	0.20	0.14			
									0.21	0.22	0.23			
Vanaspati & Allied Industries														
Unity Foods Limited	2,648,846	-	-	2,648,846	-	-	-	-	-	-	-			
Glass and Ceramics														
Tariq Glass Industries Limited	527,750	-	-	527,750	-	-	-	-	-	-	-			
Ghani Glass Limited	866,000	-	-	-	866,000	35,636	45,214	9,578	0.15	0.16	0.16			
									0.15	0.16	0.16			
Miscellaneous														
Shifa International Hospital Limited	-	65,000	-	-	65,000	16,628	14,479	(2,149)	0.05	0.05	0.10			
Synthetic Products Limited	-	1,345,000	-	-	1,345,000	63,555	59,933	(3,622)	0.20	0.21	1.52			
									0.25	0.26	1.62			
Textile Composite														
Feroze1888 Mills Limited	1,704,600	5,000	-	410,500	1,299,100	106,381	135,964	29,583	0.46	0.48	0.34			
Interloop Limited	8,917,500	897,000	-	525,000	9,289,500	423,202	622,861	199,659	2.09	2.19	1.07			
Kohinoor Textile Mills Limited (note 6.2)	244,014	-	-	205,000	39,014	1,385	2,111	726	0.01	0.01	0.01			
Nishat Mills Limited	3,625,600	670,500	-	-	4,296,100	352,803	434,208	81,405	1.46	1.53	1.22			
									4.01	4.21	2.65			
Total as at September 30, 2020						24,314,557	28,393,922	4,079,365						
Total as at June 30, 2020						24,176,035	23,381,047	(794,988)						

6.1.1 All shares have a nominal value of Rs 10 each except for the shares of Agriauto Industries Limited and National Foods Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

6.1.2 Investments include 1,060,000 shares of Engro Corporation Limited, having market value of Rs 319.092 million as at September 30, 2020 (June 30, 2020: Rs. 310.50 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.2 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, 2020. As at September 30, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 60.199 million (June 30, 2020: Rs. 49.076 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		(Rupees in '000)	
Management fee payable	7.1	51,003	5,286
Sindh Sales Tax payable on remuneration of Management Company		6,630	687
Allocated expenses payable	7.2	2,550	2,016
Selling and marketing expenses payable	7.3	28,835	23,914
Sales load payable		2,113	685
Sindh Sales Tax on sales load payable		275	89
		91,406	32,677

- 7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2019: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2020. The remuneration is payable to the Management Company monthly in
- 7.2 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).

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.

- 7.3 The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	437,512	351,703
Charity payable		39,327	34,497
Withholding tax payable		-	922
Capital gain tax payable		20,237	4,328
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee		231,867	231,867
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load		32,607	32,607
Auditors' remuneration		152	480
Withholding tax payable on Dividend		-	142,432
Zakat payable		156	31
Printing expenses payable		483	483
Shariah advisory fee payable		1,409	2,041
Brokerage payable		17,973	17,024
		<u>781,723</u>	<u>818,415</u>

- 8.1 The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at September 30, 2020 would have been higher by Re. 0.81 per unit (June 30, 2020: Re. 0.68 per unit)
- 8.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at September 30, 2020 would have been higher by Re. 0.49 (June 30, 2020: Re. 0.51) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	51,003	5,286
Sindh Sales Tax on management fee payable	6,630	687
Sales load payable	2,113	685
Sindh Sales Tax and on sales load payable	275	89
Allocated expenses	2,550	2,016
Selling and marketing expense payable	28,835	23,914
Investment of 1,147,108 units (June 30, 2020: 4,997,648 units)	62,973	233,745
Meezan Bank Limited		
Balance with bank	198,094	282,156
Profit receivable on saving accounts	74	87
Sales load payable	316	579
Sindh Sales Tax on sales load payable	41	75
Investment in 13,840,306 shares (June 30, 2020: 12,075,097 shares)	1,137,812	831,370
Investment of 12,475,049 units (June 30, 2020: 12,475,049 units)	684,845	583,471
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	2,623	2,079
Sindh Sales Tax on trustee fee payable	341	270
Security deposit	100	100
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 189,837 units (June 30, 2020: 189,837 units)	10,422	8,879
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 4,276,547 units (June 30, 2020: 4,834,002 units)	234,770	226,091
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,333,580 units (June 30, 2020: 1,412,939 units)	73,210	66,085
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 679,532 units (June 30, 2020: 880,333 units)	37,304	41,174
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment: 1,669,437 units (June 30, 2020: 1,984,595 units)	91,647	92,821
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 4,174,148 units (June 30, 2020: 5,317,944 units)	229,149	248,726
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 2,190,324 units (June 30, 2020: 3,124,685 units)	120,243	146,145
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 4,379,908 units (June 30, 2020: 9,045,806 units)	240,445	423,081
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 455,035 units (June 30, 2020: 7,145,017 units)	24,980	334,180
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 776,835 units (June 30, 2020: 2,205,831 units)	42,646	103,169
Directors and executives of the Management Company		
Investment of 10,369,767 units (June 30, 2020: 11,924,793 units)	569,271	557,734

	September 30,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	144,172	113,138
Sindh Sales Tax on management fee	18,742	14,708
Allocated expenses	7,209	5,657
Selling and marketing expense	28,834	22,628
Units issued: 1,589,044 units (September 30, 2019: 1,721,601 units)	85,000	75,000
Units redeemed: 5,439,583 units (September 30, 2019: 7,395,662 units)	284,482	317,300
Meezan Bank Limited		
Profit on saving accounts	334	1,523
Shares purchased: 937,000 shares (September 30, 2019: nil)	271,457	-
Shares sold: 430,000 shares (September 30, 2019: 78,500 shares)	68,331	5,913
Bonus issue: 1,258,209 shares (September 30, 2019: nil)	-	-
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee	7,461	5,908
Sindh Sales Tax on trustee fee	970	768
CDS charges	226	189
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: 60,948 units (September 30, 2019: nil)	3,375	-
Units redeemed: 618,403 units (September 30, 2019: 105,747 units)	32,625	4,500
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: 145,099 units (September 30, 2019: nil)	8,000	-
Units redeemed: 224,458 units (September 30, 2019: 626,124 units)	11,680	29,000
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units redeemed: 200,801 units (September 30, 2019: 211,044 units)	10,475	9,250
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 111,351 units (September 30, 2019: nil)	6,000	-
Units redeemed: 426,509 units (September 30, 2019: 143,778 units)	22,500	6,700
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 212,097 units (September 30, 2019: nil)	12,000	-
Units redeemed: 1,355,893 units (September 30, 2019: 1,830,805 units)	74,000	77,760
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 97,211 units (September 30, 2019: nil)	5,000	-
Units redeemed: 1,031,572 units (September 30, 2019: 215,901 units)	54,500	9,810
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 174,979 units (September 30, 2019: 35,073 units)	9,000	1,600
Units redeemed: 4,840,878 units (September 30, 2019: 945,552 units)	258,500	41,010
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 208,562 units (September 30, 2019: nil)	11,000	-
Units redeemed: 6,898,544 units (September 30, 2019: 1,766,420 units)	369,700	77,790
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 28,280 units (September 30, 2019: nil)	1,500	-
Units redeemed: 1,457,276 units (September 30, 2019: 990,972 units)	78,800	42,340
Directors and executives of the Management Company		
Units issued: 82,831 units (September 30, 2019: 5,526,758 units)	4,437	241,514
Units redeemed: 1,637,858 units (September 30, 2019: 113,366 units)	84,311	5,152

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are 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.

11.1 Fair value hierarchy

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

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

As at September 30, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	As at September 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			

Financial assets 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'	28,393,922	-	-	28,393,922
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	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			

Financial assets 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'	23,381,047	-	-	23,381,047
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12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 3.42% which includes 0.61% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal Excise Duties, Annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. 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, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Mutual Fund

Al Meezan Mutual Fund (AMMF)

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

LARGEST FUND MANAGER
IN PAKISTAN WITH AUMS
OF OVER **150 BILLION**



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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 Shaukat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT SEPTEMBER 30, 2020**

		September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Balances with banks	5	275,293	259,646
Investments	6	4,280,903	3,782,362
Receivable against sale of investments		52,823	16,861
Receivable against conversion of units		17,924	21,337
Dividend receivable		23,527	9,316
Advances, deposits and other receivable		2,903	3,025
Total assets		4,653,375	4,092,547
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	13,923	5,351
Payable to Central Depository Company of Pakistan Limited - Trustee		534	455
Payable to Securities and Exchange Commission of Pakistan		228	853
Payable to Meezan Bank Limited		16	20
Payable against purchase of investments		4,188	9,988
Payable against conversion and redemption of units		27,969	23,718
Dividend payable		4,917	19,572
Accrued expenses and other liabilities	8	123,795	119,253
Total liabilities		175,570	179,210
Net assets		4,477,805	3,913,337
Unitholders' fund (as per statement attached)		4,477,805	3,913,337
Contingencies And Commitments	9		
Number of units in issue		289,449,373	293,846,741
		(Rupees)	
Net assets value per unit		15.4701	13.3176

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

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

Chief Executive

Chief Financial Officer

Director

**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	September 30,	
		2020	2019
		(Rupees in '000)	
Income			
Net realised gain / (loss) on sale of investments		73,611	(84,794)
Dividend income		25,744	57,628
Profit on saving accounts with banks		4,235	6,256
		<u>103,589</u>	<u>(20,911)</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as "financial assets at fair value through profit or loss"	6.1	584,183	(246,454)
Total income / (loss)		<u>687,772</u>	<u>(267,364)</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company	7.1	22,752	20,224
Sindh Sales Tax on management fee		2,958	2,629
Allocated expenses	7.2	1,138	1,011
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,390	1,263
Sindh Sales Tax on trustee fee		181	164
Annual fee to Securities and Exchange Commission of Pakistan		228	212
Auditors' remuneration		253	192
Charity expense		742	1,596
Fees and subscription		61	162
Brokerage expense		1,986	397
Selling and marketing expenses	7.3	4,550	4,045
Bank and settlement charges		149	164
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	13,028	-
Total expenses		<u>49,416</u>	<u>32,059</u>
Net income / (loss) for the quarter before taxation		<u>638,356</u>	<u>(299,424)</u>
Taxation	13	-	-
Net income / (loss) for the quarter after taxation		<u>638,356</u>	<u>(299,424)</u>
Allocation of net income for the quarter			
Net income for the quarter after taxation		638,356	-
Income already paid on units redeemed		(53,203)	-
		<u>585,152</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		585,152	-
- Excluding capital gains		-	-
		<u>585,152</u>	<u>-</u>

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

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

Chief Executive

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
	(Rupees in '000)	
Net income / (loss) for the quarter after taxation	638,356	(299,424)
Other comprehensive income for the quarter	-	-
Total comprehensive income / (loss) for the quarter	638,356	(299,424)

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

AL MEEZAN MUTUAL FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	2020			2019			
	Capital Value	(Accumulated (loss) / Undistributed income)	Over Distribution	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)			
Net assets at the beginning of the quarter	4,045,463	(109,627)	(22,499)	3,913,337	4,877,433	(109,627)	4,767,806
Issuance of 61,338,188 units (2019: 27,193,977 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	816,878	-	-	816,878	363,145	-	363,145
- Element of income / (loss)	111,765	-	-	111,765	(28,855)	-	(28,855)
Total proceeds on issuance of units	928,643	-	-	928,643	334,289	-	334,289
Redemption of 65,735,556 units (2019: 73,447,441 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	875,440	-	-	875,440	980,811	-	980,811
- Element of income / (loss)	73,888	53,203	-	127,091	(80,579)	-	(80,579)
Total payments on redemption of units	949,327	53,203	-	1,002,531	900,232	-	900,232
Total comprehensive income / (loss) for the quarter	-	638,356	-	638,356	-	(299,424)	(299,424)
Adjustment of over-distribution	-	(22,499)	22,499	-	-	-	-
Income for the quarter after adjustment	-	615,857	-	-	-	(299,424)	-
Net assets at end of the quarter	4,024,779	453,026	-	4,477,805	4,311,491	(409,051)	3,902,440
Accumulated loss brought forward							
- Realised (loss) / income		(77,132)				1,197,928	
- Unrealised loss		(32,495)				(1,307,555)	
		(109,627)				(109,627)	
Adjustment of over-distribution		(22,499)				-	
Accounting income available for distribution(after adjusting income already paid on units redeemed)							
- Relating to capital gains	585,152						
- Excluding capital gains	-						
	585,152						
Net loss for the quarter after taxation		-				(299,424)	
Undistributed income / (Accumulated losses) carried forward		453,026				(409,051)	
Undistributed income / (Accumulated losses) carried forward							
-Realised loss		(131,156)				(162,597)	
-Unrealised income / (loss)		584,183				(246,454)	
		453,026				(409,051)	
		(Rupees)				(Rupees)	
Net assets value per unit at beginning of the quarter	13.3176				13.3539		
Net assets value per unit at end of the quarter	15.4701				12.5569		

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**AL MEEZAN MUTUAL FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the quarter before taxation	638,356	(299,424)
Adjustments for:		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(584,183)	246,454
	<u>54,173</u>	<u>(52,970)</u>
Decrease / (increase) in assets		
Investments - net	85,642	684,453
Receivable against sale of investments	(35,962)	12,373
Dividend receivable	(14,211)	(31,416)
Advances, deposits and other receivable	122	1,402
	<u>35,590</u>	<u>666,812</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	8,572	(3,480)
Payable to Central Depository Company of Pakistan Limited - Trustee	79	353
Payable to Meezan Bank Limited	(4)	12
Payable to Securities and Exchange Commission of Pakistan	(625)	(5,740)
Payable against purchase of investments - net	(5,800)	4,217
Accrued expenses and other liabilities	4,542	(3,205)
	<u>6,764</u>	<u>(7,844)</u>
Net cash generated from operating activities	<u>96,526</u>	<u>605,998</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	932,055	344,207
Payment against redemption and conversion of units	(998,279)	(916,569)
Dividend Paid	(14,655)	-
Net cash used in financing activities	<u>(80,879)</u>	<u>(572,362)</u>
Net increase in cash and cash equivalents during the quarter	<u>15,647</u>	<u>33,636</u>
Cash and cash equivalents at the beginning of the quarter	259,646	271,162
Cash and cash equivalents at the end of the quarter	<u>275,293</u>	<u>304,798</u>

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

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

Chief Executive

Chief Financial Officer

Director

**AL MEEZAN MUTUAL FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and 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 provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns, if available, at any given point of time. The objective of the Fund is to provide the maximum total return to the unitholders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Equity Scheme.
- 1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2019 (2019: AM1 dated December 28, 2018) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020
- 4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. 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, 2020.
- 4.3 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, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
In saving accounts	5.1	326,297	249,528
In current accounts		<u>(51,004)</u>	<u>10,118</u>
		<u>275,293</u>	<u>259,646</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 6.25% per annum (June 30, 2020: 2.00% to 7.50% per annum).

6. INVESTMENTS	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Shares of listed companies - ordinary shares	6.1	4,280,903	3,782,362
		<u>4,280,903</u>	<u>3,782,362</u>

6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / right shares	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market Value as at September 30, 2020	Unrealised (diminution) / appreciation as at September 30, 2020	Percentage in relation to			
									Net assets of the fund on the basis of market value (note 6.1.3)	Market value of total investment	Paid-up capital of investee company (with face value of investment)	
						(Number of shares)	(Rupees in '000)	%				
Sectors / companies												
Automobile Assembler												
Ghandhara Industries Limited	2,200	-	-	-	2,200	266	518	252	0.01	0.01	0.01	
Honda Atlas Cars (Pakistan) Ltd	31,300	-	-	31,000	300	58	78	20	0.00	0.00	-	
Indus Motor Company Ltd	35,640	-	-	-	35,640	35,461	45,624	10,163	1.02	1.07	0.05	
Millat Tractors Limited	9,675	23,000	-	-	32,675	26,862	28,272	1,410	0.63	0.66	0.07	
									1.66	1.74	0.13	
Automobile Parts and Accessories												
Agriauto Industries Ltd (note 6.1.1)	75,000	-	-	30,000	45,000	8,190	10,845	2,655	0.24	0.25	0.16	
									0.24	0.25	0.16	
Commercial Banks												
BankIslami Pakistan Ltd	432,000	-	-	100,000	332,000	2,510	3,423	913	0.08	0.08	0.03	
Meezan Bank Limited (an associate of the Fund)	1,349,050	255,000	154,905	55,000	1,703,955	110,933	140,082	29,149	3.13	3.27	0.12	
									3.20	3.35	0.15	
Cement												
Cherat Cement Co.Ltd	-	125,000	-	100,000	25,000	2,826	2,919	93	0.07	0.07	0.01	
D.G. Khan Cement Company Limited	799,500	190,000	-	320,000	669,500	59,453	69,032	9,579	1.54	1.61	0.15	
Fauji Cement Co.Ltd.	45,000	-	-	-	45,000	760	895	135	0.02	0.02	-	
Kohat Cement Company Limited	673,020	80,000	-	25,000	728,020	101,429	124,302	22,874	2.78	2.90	0.36	
Lucky Cement Company Limited	648,067	-	-	15,000	633,067	292,211	409,639	117,428	9.15	9.57	0.20	
Maple Leaf Cement Company Limited	1,971,577	850,000	-	110,000	2,711,577	74,685	97,318	22,633	2.17	2.27	0.25	
Attock Cement Pakistan Limited	-	75,000	-	-	75,000	12,600	11,451	(1,149)	0.26	0.27	0.05	
									15.98	16.72	1.02	
Chemicals												
Engro Polymer and Chemicals Limited	2,318,041	670,000	-	215,000	2,773,041	78,338	111,643	33,305	2.49	2.61	0.31	
ICI Pakistan Limited	204,679	5,500	-	10,000	200,179	139,495	144,848	5,352	3.23	3.38	0.22	
Lotte Chemical Pakistan Ltd.	65,000	-	-	-	65,000	647	780	133	0.02	0.02	-	
Ittehad Chemical Ltd.	216,000	-	-	-	216,000	5,692	5,959	268	0.13	0.14	0.26	
Sitara Peroxide Limited	400,000	-	-	400,000	-	-	-	-	-	-	-	
Sitara Chemical Industries Limited	57,000	-	-	-	57,000	15,795	18,335	2,539	0.41	0.43	0.27	
									6.29	6.58	1.06	
Engineering												
Int. Ind.Ltd	221,300	-	-	76,000	145,300	13,328	21,060	7,731	0.47	0.49	0.11	
International Steel Limited	726,500	-	-	381,000	345,500	17,845	26,617	8,772	0.59	0.62	0.08	
Mughal Iron & Steel Industries	1,000	370,000	-	-	371,000	19,929	23,848	3,919	0.53	0.56	0.15	
									1.60	1.67	0.34	
Fertilizer												
Engro Corporation Limited (note 6.1.2)	1,283,790	55,000	-	104,000	1,234,790	362,506	371,709	9,202	8.30	8.68	0.21	
Fatima Fertilizer Co Ltd.	287,000	-	-	287,000	-	-	-	-	-	-	-	
Engro Fertilizers Limited	2,374,500	360,000	-	430,000	2,304,500	140,297	140,160	(137)	3.13	3.27	0.17	
									11.43	11.96	0.38	
Food and Personal Care Products												
Al-Shaheer Corporation Limited	12,511	-	-	-	12,511	143	240	97	0.01	0.01	0.01	
National foods (note 6.1.1)	4,920	-	-	-	4,920	1,232	1,405	173	0.03	0.03	0.01	
									0.04	0.04	0.02	
Glass & Ceramics												
Ghani Glass Ltd.	227,500	-	-	-	227,500	9,362	11,878	2,516	0.27	0.28	0.04	
Tariq Glass Industries Ltd	29,800	-	-	29,800	-	-	-	-	-	-	-	
									0.27	0.28	0.04	

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / right shares	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market Value as at September 30, 2020	Unrealised (diminution) / appreciation as at September 31, 2020	Percentage in relation to		
									Net assets of the fund on the basis of market value (note 6.1.3)	Market value of total investment	Paid-up capital of investee company (with face value of investment)
					(Number of shares)	(Rupees in '000)	%				
Miscellaneous											
Shifa International Hospitals Limited	-	40,000	-	-	40,000	10,181	8,910	(1,271)	0.20	0.21	0.06
Synthetic Products Enterprises Limited	-	301,000	-	-	301,000	14,530	13,413	(1,117)	0.30	0.31	0.34
									0.50	0.52	0.40
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	320,881	-	-	10,000	310,881	384,451	425,758	41,307	9.51	9.95	0.23
Oil and Gas Development Company Limited	3,029,388	-	-	292,000	2,737,388	298,375	283,593	(14,782)	6.33	6.62	0.06
Pakistan State Oil Company Limited	487,929	-	-	122,500	365,429	128,130	153,966	25,836	3.44	3.60	0.13
Pakistan Petroleum Limited	2,587,913	478,000	-	335,550	2,730,363	242,300	251,357	9,058	5.61	5.87	0.10
									9.05	26.04	0.52
Oil & Gas Marketing Companies											
Attock Petroleum Limited	172,338	16,000	-	28,200	160,138	49,075	54,684	5,608	1.22	1.28	0.16
Hascol Petroleum Limited	2,081,375	200,000	-	1,125,000	1,156,375	17,195	23,336	6,141	0.52	0.55	0.12
Pakistan State Oil Company Limited	822,688	140,000	-	50,000	912,688	150,737	182,720	31,983	4.08	4.27	0.19
Hi-Tech Lubricants Limited	85,000	50,000	-	50,000	85,000	3,313	3,614	301	0.08	0.08	0.07
Shell Pakistan Ltd.	23,700	45,500	-	-	69,200	16,217	16,986	769	0.38	0.40	0.06
Sui Northern Gas Pipeline Limited	1,879,000	50,000	-	455,000	1,474,000	80,681	91,108	10,427	2.03	2.13	0.23
									8.32	8.70	0.83
Paper and Board											
Cherat Packaging Limited	125,180	-	-	125,000	180	21	32	11	0.00	0.00	-
Century Paper & Board Mills.	350,000	210,500	-	-	560,500	44,430	62,344	17,915	1.39	1.46	0.38
Roshan Packages Limited.	200,000	-	-	-	200,000	4,484	6,936	2,452	0.15	0.16	0.14
Packages Limited	205,928	-	-	-	205,928	71,500	103,444	31,944	2.31	2.42	0.23
									3.86	4.04	0.75
Pharmaceuticals											
AGP Limited	961,750	-	-	-	961,750	105,542	104,831	(712)	2.34	2.45	0.34
GlaxoSmithKline Consumer Health	150,200	-	-	-	150,200	40,806	43,507	2,701	0.97	1.02	0.13
GlaxoSmithKline Pakistan Limited	10,000	-	-	-	10,000	1,741	1,836	96	0.04	0.04	-
Highnoon Laboratories Limited	1,751	-	-	-	1,751	878	1,075	197	0.02	0.03	0.01
The Searle Company Limited	338,248	45,000	-	-	383,248	79,328	98,230	18,902	2.19	2.29	0.18
									5.57	5.83	0.66
Power Generation and Distribution											
K-Electric Limited (note 6.1.1)	25,973,500	-	-	4,579,000	21,394,500	64,397	90,071	25,673	2.01	2.10	0.08
Hub Power Company Limited	3,392,316	-	-	1,495,000	1,897,316	137,555	148,863	11,308	3.32	3.48	0.15
									5.34	5.58	0.23
Technology and Communication											
Avanceon Limited	143,440	225,000	-	225,000	143,440	8,136	9,642	1,506	0.22	0.23	0.07
Pakistan Telecommunication Company Ltd	-	1,215,000	-	-	1,215,000	12,310	13,134	824	0.29	0.31	0.03
TPL Trakker Limited	-	583,000	-	351,000	232,000	2,784	2,413	(371)	0.05	0.06	0.12
Systems Limited	265,750	-	-	25,000	240,750	44,221	65,494	21,273	1.46	1.53	0.20
									2.03	2.12	0.42
Textile Composite											
Nishat Mills Limited	150,100	565,000	-	-	715,100	65,866	72,275	6,409	1.61	1.69	0.20
Interloop Limited	1,802,000	-	-	318,500	1,483,500	65,155	99,469	34,313	2.22	2.32	0.17
									3.84	4.01	0.37
Textile Weaving											
Feroze1888 Mills Limited	450,700	-	-	212,000	238,700	19,526	24,982	5,457	0.56	0.58	0.06
Vanaspoti & Allied Industries											
Unity Foods Limited	300,000	-	-	300,000	-	-	-	-	-	-	-
Total as at September 30, 2020						3,696,720	4,280,903	584,183		100	

6.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have a nominal value of Rs 3.5 each and Agriauto Industries Limited & National foods which have a nominal value of Rs 5 each.

6.1.2 Investments include 150,000 shares (June 30, 2020: 150,000 shares) of Engro Corporation Limited, having market value of Rs 45.1545 million (June 30, 2020: Rs 43.94 million) as at September 30, 2020, which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of Fund's trades in accordance with Circular 11 dated October 23, 2007 by SECP.

6.2 The 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, 2020. As at September 30, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 4.993 million (June 30, 2020: Rs. 7.794 million).

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable	7.1	7,850	877
Sindh Sales Tax payable on remuneration of the Management Company		1,020	114
Allocated expenses payable	7.2	393	325
Selling and marketing expense payable	7.3	4,550	3,818
Sales load payable		98	192
Sindh sales tax on sales load payable		13	25
		13,923	5,351

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2020: 2%) per annum of the average net assets of the Fund during the quarter ended September 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

7.2 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).

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.

- 7.3 The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
Auditors' remuneration payable		169	585
Brokerage payable		6,633	7,082
Shariah advisor fee payable		56	269
Charity payable		7,569	6,827
Withholding tax payable		2	9,415
Capital gain tax payable		2,734	1,469
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	37,524	37,524
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	3,732	3,732
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	65,336	52,308
Zakat payable		41	42
		123,795	119,253

- 8.1 The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to September 30, 2020, the net asset value of the Fund per unit as at September 30, 2020 would have been higher by Re 0.23 (June 30, 2020: Re 0.18 per unit).

- 8.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for FED not been made, the Net Asset Value of the Fund as at September 30, 2020 would have been higher by Re 0.14 (June 30, 2020: Re 0.14) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with related parties are as follows:

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	7,850	877
Sindh Sales Tax on management fee payable	1,020	114
Sales load payable	98	192
Sindh Sales Tax on sales load payable	13	25
Selling and marketing expense payable	4,550	3,818
Allocated expenses payable	393	325
Investment of 33,137,054 units (June 30, 2020: 30,854,173 units)	512,633	410,904
Meezan Bank Limited		
Balance with bank	45,091	16,414
Profit receivable on saving account	65	70
Sales load payable	14	18
Sindh Sales Tax on sales load	2	2
Investment of 1,703,955 shares (June 30, 2020: 1,349,050 shares)	140,082	92,882
Investment of 22,984,581 units (June 30, 2020: 22,984,581 units)	355,573	306,099
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	238	238
Remuneration payable	473	403
Sindh Sales Tax on trustee fee payable	61	52
MSAF- Meezan Strategic Allocation Plan- I		
Investment of 9,245,708 units (June 30, 2020: 9,865,832 units)	143,032	131,389

MSAF - Meezan Strategic Allocation Plan II		
Investment of 11,414,251 units (June 30, 2020: 12,644,001 units)	<u>176,579</u>	<u>168,388</u>
MSAF- Meezan Strategic Allocation Plan IV		
Investment of 5,135,070 units (June 30, 2020: 7,770,394 units)	<u>79,440</u>	<u>103,483</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment 3,382,999 units (June 30, 2020: 3,382,999 units)	<u>52,335</u>	<u>45,053</u>
MSAF - Meezan Strategic Allocation Plan - III		
Investment of 939,951 units (June 30, 2020: 563,466 units)	<u>14,541</u>	<u>7,504</u>
MSAF - Meezan Strategic Allocation Plan - V		
Investment of 160,990 units (June 30, 2020: 160,990 units)	<u>2,491</u>	<u>2,144</u>
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 units (June 30, 2020: 16,895,690 units)	<u>261,378</u>	<u>225,010</u>
Directors and executives of the Management Company		
Investment of 11,716,314 units (June 30 2020: 8,693,977 units)	<u>181,252</u>	<u>115,783</u>
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 438,459 units (June 30 2020: nil units)	<u>6,783</u>	<u>-</u>
Unitholders holding 10% or more units of the Fund	<u>512,633</u>	<u>410,904</u>
	For the quarter ended September	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the quarter	<u>22,752</u>	<u>20,224</u>
Sindh Sales Tax on management fee	<u>2,958</u>	<u>2,629</u>
Allocated expenses	<u>1,138</u>	<u>1,011</u>
Selling and marketing expense	<u>4,550</u>	<u>4,045</u>
Units issued: 2,282,882 units (September 30, 2019: 5,209,087)	<u>35,000</u>	<u>65,000</u>
Units redeemed: nil (September 30, 2019: 3,708,679)	<u>-</u>	<u>45,000</u>
Meezan Bank Limited		
Profit on saving accounts with banks	<u>79</u>	<u>256</u>
Shares purchased : 255,000 shares (September 30, 2019: nil shares)	<u>21,949</u>	<u>-</u>
Shares sold: 55,000 shares (September 30, 2019: 125,000 shares)	<u>4,739</u>	<u>9,787</u>
Bonus share received: 154,905 shares (September 30, 2019: nil shares)	<u>-</u>	<u>-</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the quarter	<u>1,390</u>	<u>1,263</u>
Sindh Sales Tax on trustee fee	<u>181</u>	<u>164</u>
CDS charges for the quarter	<u>51</u>	<u>31</u>
MSAF- Meezan Strategic Allocation Plan IV		
Units redeemed: 2,635,324 (September 30, 2019: nil units)	<u>40,000</u>	<u>-</u>
MSAF- Meezan Strategic Allocation Plan - I		
Units issued: 548,043 (September 30, 2019: nil units)	<u>8,000</u>	<u>-</u>
Units redeemed: 1,168,168 units (September 30, 2019: 5,942,641)	<u>17,000</u>	<u>70,470</u>
MSAF -Meezan Strategic Allocation Plan - II		
Units redeemed: 1,229,749 (September 30, 2019: 8,931,595)	<u>19,000</u>	<u>110,860</u>
MSAF - Meezan Strategic Allocation Plan - III		
Units issued: 376,485 (September 30, 2019: nil)	<u>6,000</u>	<u>-</u>
AI Meezan Investment Management Limited (GF)		
Units issued: 438,459 (September 30, 2019: nil units)	<u>7,000</u>	<u>-</u>
Directors and executives of the Management Company		
Units issued: 3,037,100 units (September 30, 2019: 270,270 units)	<u>43,774</u>	<u>3,263</u>
Units redeemed: 14,764 units (September 30, 2019: 25,480,265 units)	<u>236</u>	<u>315,024</u>

11. 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.

11.1 Fair value hierarchy

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

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

As at September 30, 2020 the Fund held the following financial instruments measured at fair value:

As at September 30, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

Financial assets

At fair value through profit or loss	4,280,903	-	-	4,280,903
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As at June 30, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

Financial assets

At fair value through profit or loss	3,782,362	-	-	3,782,362
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12. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 3.49% which includes 0.60% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal Excise Duties, Annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



**KSE-Meezan
Index Fund**

KSE-Meezan Index Fund (KMIF)

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

**FOUNDER OF THE
MEEZAN ISLAMIC INDEX**



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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 Shaukat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	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

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



**KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020**

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 18,717	46,350
Investments	6 2,206,567	1,857,289
Receivable against conversion of units	12,353	1,130
Dividend receivable	12,850	8,277
Receivable against sale of investments	11,730	-
Deposits and other receivables	2,631	2,632
Total assets	2,264,848	1,915,678
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	8 2,666	2,088
Payable to Central Depository Company of Pakistan Limited - Trustee	300	259
Payable to the Securities and Exchange Commission of Pakistan	109	342
Payable to Meezan Bank Limited	70	93
Payable against redemption and conversion of units	15,159	497
Payable against purchase of investments	16,667	33,760
Accrued expenses and other liabilities	9 30,918	21,466
Total liabilities	65,889	58,505
Net assets	2,198,959	1,857,173
Contingencies and commitments	7	
Unit holders' fund (as per statement attached)	2,198,959	1,857,173
	(Number of units)	
Number of units in issue	35,113,802	34,770,100
	(Rupees)	
Net asset value per unit	62.6238	53.4129

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

KSE MEEZAN INDEX FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	September 30,	
	2020	2019
Note	(Rupees in '000)	
Income		
Net realised gain / (loss) on sale of investments	18,491	(6,288)
Dividend income	14,429	29,503
Profit on saving accounts with banks	139	411
Other income	707	353
	<u>33,766</u>	<u>23,979</u>
Net unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss'	6.1 303,312	(100,583)
Total Income/ (loss)	<u>337,078</u>	<u>(76,604)</u>
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company	8.1 5,445	3,619
Sindh Sales Tax on management fee	708	470
Allocated expenses	8.2 544	362
Remuneration to Central Depository Company of Pakistan Limited - Trustee	796	613
Sindh Sales Tax on trustee fee	103	80
Annual fee to Securities and Exchange Commission of Pakistan	109	72
Auditors' remuneration	119	93
Brokerage	1,871	694
Charity expense	404	819
Bank and settlement charges	71	78
Fees and subscription	136	141
Printing charges	-	9
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1 6,535	-
Total expenses	<u>16,841</u>	<u>7,050</u>
Net income / (loss) for the quarter before taxation	<u>320,237</u>	<u>(83,654)</u>
Taxation	12 -	-
Net income / (loss) for the quarter after taxation	<u>320,237</u>	<u>(83,654)</u>
Allocation of net income for the quarter		
Net Income for the quarter after taxation	320,237	-
Income already paid on units redeemed	(6,902)	-
	<u>313,335</u>	<u>-</u>
Accounting income available for distribution		
- Relating to capital gains	313,335	-
- Excluding capital gains	-	-
	<u>313,335</u>	<u>-</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)**

	September 30,	
	2020	2019
	(Rupees in '000)	
Net income / (loss) for the quarter before taxation	320,237	(83,654)
Other comprehensive income for the quarter	-	-
Total comprehensive income / (loss) for the quarter	<u>320,237</u>	<u>(83,654)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

KSE MEEZAN INDEX FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDER'S FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	Quarter ended September 30, 2020			Quarter ended September 30, 2019		
	Capital Value	Undistrib-uted income / Accumulated loss	Total	Capital Value	Undistrib-uted income / (accumul-ated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the quarter	2,094,337	(237,164)	1,857,173	1,779,406	(262,268)	1,517,138
Issuance of 4,522,104 units (2019: 2,912,444 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	241,539	-	241,539	154,205	-	154,205
- Element of income / (loss)	40,982	-	40,982	(13,141)	-	(13,141)
Total proceeds on issuance of units	282,521	-	282,521	141,064	-	141,064
Redemption of 4,178,402 units (2019: 1,662,650 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	223,181	-	223,181	88,032	-	88,032
- Element of loss / (income)	30,890	6,902	37,792	(6,588)	-	(6,588)
Total payments on redemption of units	254,070	6,902	260,972	81,444	-	81,444
Total comprehensive income / (loss) for the quarter	-	320,237	320,237	-	(83,654)	(83,654)
Distribution during the quarter	-	-	-	-	-	-
Net income / (loss) for the quarter less distribution	-	320,237	320,237	-	(83,654)	(83,654)
Net assets at the end of the quarter	2,122,788	76,171	2,198,959	1,839,026	(345,922)	1,493,104
(Accumulated loss) / undistributed income brought forward						
- Realised (loss) / income		(138,664)			184,604	
- Unrealised loss		(98,500)			(446,872)	
		(237,164)			(262,268)	
Accounting income available for distribution						
- Relating to capital gains	313,335				-	
- Excluding capital gains	-				-	
	313,335				-	
Net income / (loss) for the quarter after taxation		-			(83,654)	
Distribution during the quarter		-			-	
Accumulated Income / (loss) carried forward		76,171			(345,922)	
Accumulated Income / (loss) carried forward						
- Realised loss		(227,141)			(245,339)	
- Unrealised Income / (loss)		303,312			(100,583)	
Net Income for the quarter after taxation		76,171			(345,922)	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			<u>53.4129</u>			<u>52.9470</u>
Net assets value per unit at the end of the quarter			<u>62.6238</u>			<u>49.9304</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**KSE MEEZAN INDEX FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)**

	September 30,	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the quarter before taxation	320,237	(83,654)
Adjustments for:		
Net unrealised (appreciation) / diminution on re-measurement of investments at 'fair value through profit or loss'	(303,312)	100,583
	16,925	16,929
(Increase) / decrease in assets		
Investments	(45,966)	(57,233)
Dividend receivable	(4,573)	(17,117)
Deposits and other receivables	1	39
	(62,268)	(74,311)
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	578	11
Payable to Central Depository Company of Pakistan Limited - the Trustee	41	(27)
Payable to Meezan Bank Limited	(23)	(4)
Payable to the Securities and Exchange Commission of Pakistan	(233)	(1,492)
Payable against purchase of investments	(17,093)	(44,670)
Accrued expenses and other liabilities	9,452	1,381
	(7,278)	(44,801)
Net cash used in operating activities	(52,621)	(102,183)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units	271,298	180,899
Payment against redemption of units	(246,310)	(81,675)
Net cash generated from financing activities	24,988	99,224
Net decrease in cash and cash equivalents during the quarter	(27,633)	(2,959)
Cash and cash equivalents at beginning of the quarter	46,350	8,935
Cash and cash equivalents at the end of the quarter	18,717	5,976

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

KSE MEEZAN INDEX FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** KSE Meezan Index Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on March 13, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as a Shariah Compliant Index Fund.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 28, 2018) and by PACRA dated June 26, 2020 (2019: dated June 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ 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, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

4.3 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, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5	BALANCES WITH BANKS	Note	September 30,	June 30,
			2020	2020
			(Unaudited)	(Audited)
			(Rupees in '000)	
	In saving accounts	5.1	15,234	43,559
	In current accounts		3,483	2,791
			18,717	46,350

5.1 The balance in saving accounts have an expected profit ranging from 2.31% to 2.50% per annum (June 30, 2020: 1.50% to 3.00% per annum).

6	INVESTMENTS	Note	September 30,	June 30,
			2020	2020
			(Unaudited)	(Audited)
			(Rupees in '000)	
	Investments at 'fair value through profit or loss'			
	Shares of listed companies - 'ordinary shares'	6.1	2,206,567	1,857,289

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Rights / Bonus issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
Number of shares						(Rupees in '000)		%			
Sectors / companies											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	71,200	21,100	-	7,800	84,500	17,463	21,880	4,417	1.00	0.06	0.99
Millat Tractors Limited	50,412	19,850	-	3,800	66,462	48,065	57,506	9,442	2.62	0.13	2.61
Indus Motors company Limited	-	43,600	-	3,650	39,950	44,799	51,142	6,343	2.33	0.05	2.32
Pak Suzuki Motor Company Limited	43,800	-	-	43,800	-	-	-	-	-	-	-
									5.95	0.24	5.92
Bank											
Meezan Bank Limited	739,701	262,182	93,388	45,500	1,049,771	67,094	86,302	19,208	3.92	0.07	3.91
									3.92	0.07	3.91
Cable And Electrical Goods											
Pak Elektron Limited	580,803	197,000	-	43,000	734,803	17,955	24,293	6,338	1.10	0.15	1.10
									1.10	0.15	1.10
Cement											
D.G. Khan Cement Company Limited	518,500	173,600	-	42,300	649,800	57,484	67,001	9,517	3.05	0.15	3.04
Cherat Cement company Limited	-	350,800	-	34,499	316,301	32,582	36,931	4,349	1.68	0.16	1.67
Fauji Cement Company Limited	1,793,875	549,000	-	97,500	2,245,375	38,766	44,638	5,873	2.03	0.16	2.02
Lucky Cement Limited	322,180	78,099	-	17,001	383,278	182,138	248,008	65,870	11.28	0.12	11.24
Maple Leaf Cement Factory Limited	453,336	1,074,000	-	63,000	1,464,336	41,186	52,555	11,369	2.39	0.25	2.38
									20.43	0.84	20.35
Chemical											
Engro Polymer & Chemicals Limited	806,271	185,500	-	48,000	943,771	24,660	37,996	13,336	1.73	0.10	1.72
Lotte Chemical Pakistan Limited	933,000	254,000	-	67,500	1,119,500	11,585	13,434	1,849	0.61	0.07	0.61
									2.34	0.17	2.33
Engineering											
International Steels Limited	366,901	58,000	-	37,500	387,401	21,060	29,845	8,786	1.36	0.09	1.35
									1.36	0.09	1.35
Fertilizer											
Engro Corporation Limited	882,322	38,393	-	257,371	663,344	194,815	199,686	4,871	9.08	0.12	9.05
Engro Fertilizers Limited	1,773,818	98,405	-	91,941	1,780,282	107,613	108,277	664	4.92	0.13	4.91
									14.00	0.25	13.96
Food And Personal Care											
Frieslandcampina Engro Pakistan Lir	219,500	-	-	219,500	-	-	-	-	-	-	-
									-	-	-
Investment Banks / Investment Companies / Securities Companies											
Dawood Hercules Corporation Limited	941,400	-	-	941,400	-	-	-	-	-	-	-
									-	-	-
Oil And Gas Exploration Companies											
Mari Petroleum Company Limited	65,905	16,720	-	3,540	79,085	98,775	108,308	9,534	4.93	0.06	4.91
Oil & Gas Development Company Lir	1,671,781	322,894	-	81,290	1,913,385	209,860	198,227	(11,633)	9.01	0.04	8.98
Pakistan Oilfields Limited	337,086	64,325	-	16,607	384,804	136,791	162,129	25,339	7.37	0.14	7.35
Pakistan Petroleum Limited	1,633,791	425,997	-	83,651	1,976,137	175,182	181,923	6,741	8.27	0.07	8.24
									29.58	0.31	29.48

Name of the investee company	As at July 1, 2019	Purchases during the quarter	Rights / Bonus issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
Number of shares						(Rupees in '000)			%		
Oil And Gas Marketing Companies											
Hascol Petroleum Limited	471	1,868,000	-	87,500	1,780,971	26,344	35,940	9,596	1.63	0.89	1.63
Pakistan State Oil Company Limited	542,757	110,088	-	26,917	625,928	100,779	125,311	24,532	5.70	0.13	5.68
Sui Northern Gas Pipelines Limited	704,333	183,500	-	40,000	847,833	47,000	52,405	5,404	2.38	0.13	2.37
Sui Southern Gas Company Limited	741,231	-	-	741,231	-	-	-	-	-	-	-
									9.71	1.15	9.68
Pharmaceuticals											
The Searle Company Limited	249,959	46,400	-	13,100	283,259	57,903	72,602	14,699	3.30	0.13	3.29
									3.30	0.13	3.29
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	6,085,040	2,317,500	-	250,500	8,152,040	25,147	34,320	9,174	1.56	0.03	1.56
The Hub Power Company Limited	2,421,050	-	-	2,421,050	-	-	-	-	-	-	-
									1.56	0.03	1.56
Refinery											
Attock Refinery Ltd	118,992	47,000	-	39,999	125,993	13,627	17,574	3,946	0.80	0.12	0.80
National Refinery Limited	-	86,200	-	8,400	77,800	10,079	13,535	3,456	0.62	0.10	0.61
									1.42	0.22	1.41
Technology & Communication											
Netsol Technologies Limited	81,900	50,500	-	38,500	93,900	5,293	5,644	352	0.26	0.10	0.26
System Limited	-	228,700	-	9,300	219,400	43,172	59,686	16,513	2.71	0.18	2.70
									2.97	0.28	2.96
Textile Composite											
Nishat Mills Limited	393,900	111,500	-	36,400	469,000	37,996	47,402	9,406	2.16	0.13	2.15
									2.16	0.13	2.15
Vanaspati & Allied Industries											
Unity Foods Limited	384,000	380,022	596,752	636,000	724,774	8,044	12,067	4,023	0.55	0.13	0.55
									0.55	0.13	0.55
Right Certificates											
Cement *											
Unity Foods Limited	-	596,752	-	596,752	-	-	-	-	-	-	-
									1,903,255	2,206,567	303,312
											100

*The right certificates were exercised during the quarter and the shares are included in the investment in Unity foods Limited.

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have nominal value of Rs 3.50 each.
- 6.1.2** Investments include 682,000 shares (June 30, 2020: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 62.78 million as at September 30 2020 (June 30, 2020: Rs 59.184 million), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.2** 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, 2020. As at September 30, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.405 million (June 30, 2020: Rs. 1.160 million).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		September 30,	June 30,
			2020 (Unaudited)	2020 (Audited)
			(Rupees in '000)	
	Management fee payable	8.1	1,878	1,511
	Sindh Sales Tax on management fee payable		244	196
	Allocated expenses payable	8.2	188	151
	Sales load payable		315	204
	Sindh Sales Tax payable on sales load		41	26
			2,666	2,088

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2020: 1%) per annum of the average net assets of the Fund during the quarter ended September 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

8.2 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).

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.

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
			2020 (Unaudited)	2020 (Audited)
			(Rupees in '000)	
	Auditor's remuneration payable		86	224
	Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	9.2	5,741	5,741
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	497	497
	Provision for Sindh Workers' Welfare Fund	9.1	16,318	9,782
	Withholding tax and capital gain tax payable		1,354	266
	Charity payable		3,519	3,115
	Brokerage payable		3,131	1,437
	Shariah advisory fee payable		132	269
	Printing charges payable		124	124
	Zakat payable		16	11
			30,918	21,466

9.1 The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at September 30, 2020 would have been higher by Re. 0.46 (June 30, 2020: Re 0.28 per unit)

9.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at September 30, 2020 would have been higher by Rs. Re 0.18 (June 30, 2020: Re 0.18)

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 unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

Balances	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	1,878	1,511
Sindh Sales Tax on management fee payable	244	196
Sales load payable	315	204
Sindh Sales Tax on sales load payable	41	26
Allocated expenses payable	188	151
Investment of 12,626,596 units (June 30, 2020: 12,467,051 units)	790,725	665,901
Meezan Bank Limited		
Sales load payable	62	82
Sindh Sale Tax on sales load payable	8	11
Bank balance	13,227	8,068
Profit receivable on savings account	21	16
Investment of 2,113,224 units (June 30, 2020: 2,113,224 units)	132,338	112,873
Investment in 1,049,771 shares (June 30, 2020: 739,301 shares)	86,302	50,928
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	246	210
Sindh Sales Tax on trustee fee payable	54	49
Security deposit	103	103
Directors and their close family members and key management		
Investment of 697,004 units (June 30, 2020: 626,396 units)	43,649	33,458
Unit holders holding 10% or more units of the Fund		
Investment of 9,725,888 units (June 30, 2020: 9,725,888 units)	609,072	519,488
Al Meezan Investment Management Limited (Gratuity Fund)		
Investment as at September 30, 2020: 133,559 units (June 30, 2020: 133,559 units)	8,364	7,134
Meezan Strategic Allocation Fund MSAP-I		
Investment as at September 30, 2020: 4,311 units (June 30, 2020: 4,311 units)	270	230

Meezan Strategic Allocation Fund MSAP-II Investment as at September 30, 2020: 137,526 units (June 30, 2020: 137,526 units)	8,612	7,346
Meezan Strategic Allocation Fund MSAP-III Investment as at September 30, 2020: 374,075 units (June 30, 2020: 374,075 units)	23,426	19,980
Meezan Strategic Allocation Fund MSAP-IV Investment as at September 30, 2020: 396,682 units (June 30, 2020: 396,682 units)	24,842	21,188
Meezan Strategic Allocation Fund MSAP-V Investment as at September 30, 2020: 56,518 units (June 30, 2020: 56,518 units)	3,539	3,019
	Quarter ended September 30,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the quarter	5,445	3,619
Sindh Sales Tax on remuneration of the Management Company	708	470
Allocated expenses	544	362
Units issued: 310,598 units (September 30, 2019: 2,141,887 units)	20,000	103,600
Units redeemed: 151,053 units (September 30, 2019: nil units)	9,200	-
Meezan Bank Limited		
Profit on savings account	52	229
Shares purchased: 355,570 shares (September 30, 2019: nil shares)	19,257	-
Bonus Share Received : 93,388 (September 30, 2019: nil shares)	-	-
Shares sold: 45,500 shares (September 30, 2019: nil shares)	3,799	-
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee	796	613
Sindh Sales Tax on trustee fee for the quarter	103	80
CDS charges	62	37
Directors and their close family members and key management		
Units issued: 77,383 units September 30, 2019: 406 units)	5,040	21
Units redeemed: 6,775 units (September 30, 2019: nil units)	396	-
Meezan Strategic Allocation Fund MSAP-I		
Units redeemed: nil units (September 30, 2019: 61,403 units)	-	3,027
Meezan Strategic Allocation Fund MSAP-III		
Units issued: nil units (September 30, 2019: 206,406 units)	-	10,000
Meezan Strategic Allocation Fund MSAP-IV		
Units issued: nil units (September 30, 2019: 206,406 units)	-	10,000

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 2.20% which includes 0.51% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Index Scheme.

12 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

13.1 FAIR VALUE HIERARCHY

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

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

As at September 30, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	As at September 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	2,206,567	-	-	2,206,567
	----- (Rupees in '000) -----			
	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	1,857,289	-	-	1,857,289

14 GENERAL

Figures have been rounded off to the nearest thousand rupees.

15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Energy Fund

Meezan Energy Fund (MEF)

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

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FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (9221) 35630722-6, 111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: 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 Shaukat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



MEEZAN ENERGY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	7,032	3,214
Investments	6	449,115	518,105
Receivable against conversion of units		3,919	8,224
Dividend receivable		573	109
Receivable against sale of investments		-	30,650
Advances, deposits and other receivables		4,086	4,127
Preliminary expenses and floatation costs		233	283
Total assets		464,958	564,712
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	9	1,531	1,687
Payable to Central Depository Company of Pakistan Limited - Trustee		305	104
Payable to Meezan Bank Limited		5	345
Payable to Securities and Exchange Commission of Pakistan		27	109
Payable against conversion and redemption of units		2,323	13,036
Payable against purchase of investments		-	2,776
Accrued expenses and other liabilities	8	6,211	4,789
Total liabilities		10,402	22,846
Net assets		454,556	541,866
Contingencies and commitments	7		
Unit holders' funds (as per statement attached)		454,556	541,866
		(Number of units)	
Number of units in issue		13,769,747	18,050,159
		(Rupees)	
Net asset value per unit		33.0112	30.0200

The annexed notes 1 to 15 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 ENERGY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	September 30,	
		2020	2019
		(Rupees in '000)	
Income			
Net realised gain / (loss) on sale of investments		23,718	(41,008)
Dividend income		463	6,910
Profit on saving accounts with banks		212	903
		<u>24,393</u>	<u>(33,195)</u>
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	6.1	<u>38,361</u>	<u>(50,267)</u>
Total income / (loss)		<u>62,754</u>	<u>(83,462)</u>
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	9	2,709	2,808
Sindh Sales Tax on remuneration of the management company		352	365
Remuneration to Central Depository Company of Pakistan Limited - Trustee		271	281
Sindh Sales Tax on remuneration of the trustee		35	37
Annual fee to the Securities and Exchange Commission of Pakistan		27	28
Auditors' remuneration		99	74
Charity expense		8	250
Fees and subscription		142	141
Brokerage expense		704	329
Bank and settlement charges		114	46
Selling and marketing expense	9.3	542	562
Amortisation of preliminary expenses and floatation costs		50	50
Allocated expenses	9.2	135	140
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	1,151	-
Total expenses		<u>6,339</u>	<u>5,111</u>
Net income / (loss) for the quarter before taxation		<u>56,415</u>	<u>(88,573)</u>
Taxation	13	-	-
Net income / (loss) for the quarter after taxation		<u>56,415</u>	<u>(88,573)</u>
Allocation of net income for the quarter			
Net income for the quarter after taxation		56,415	-
Income already paid on units redeemed		(25,325)	-
		<u>31,090</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		31,090	-
- Excluding capital gains		-	-
		<u>31,090</u>	<u>-</u>

The annexed notes 1 to 15 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 ENERGY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
	(Rupees in '000)	
Net income / (loss) for the quarter after taxation	56,415	(88,573)
Other comprehensive income for the quarter	-	-
Total comprehensive income / (loss) for the quarter	<u>56,415</u>	<u>(88,573)</u>

The annexed notes 1 to 15 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 ENERGY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020			September 30, 2019		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the quarter	964,237	(422,371)	541,866	967,743	(369,040)	598,703
Issue of 17,725,623 units (September 30, 2019: 7,708,283 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	532,123	-	532,123	257,186	-	257,186
- Element of income	60,719	-	60,719	(23,581)	-	(23,581)
Total proceeds on issuance of units	592,842	-	592,842	233,605	-	233,605
Redemption of 22,006,035 units (September 30, 2019: 7,834,456 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	660,621	-	660,621	261,396	-	261,396
- Element of income / (loss)	50,621	25,325	75,946	(36,688)	-	(36,688)
Total payments on redemption of units	711,242	25,325	736,567	224,708	-	224,708
Total comprehensive income / (loss) for the quarter	-	56,415	56,415	-	(88,573)	(88,573)
Distribution during the quarter	-	-	-	-	-	-
Net income / (loss) for the quarter less distribution	-	56,415	56,415	-	(88,573)	(88,573)
Net assets at the end of the quarter	845,837	(391,281)	454,556	976,640	(457,613)	519,027
Accumulated loss brought forward						
- Realised loss		(422,342)			(228,021)	
- Unrealised (loss) / income		(29)			(141,019)	
		(422,371)			(369,040)	
Accounting income available for distribution						
- Relating to capital gains	31,090			-		
- Excluding capital gains	-			-		
	31,090			-		
Net loss for the quarter after taxation		-			(88,573)	
Distribution during the quarter		-			-	
Accumulated loss carried forward		(391,281)			(457,613)	
Accumulated loss carried forward						
- Realised loss		(429,642)			(407,346)	
- Unrealised loss		38,361			(50,267)	
		(391,281)			(457,613)	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			30.0200			33.3649
Net assets value per unit at the end of the quarter			33.0112			29.1295

The annexed notes 1 to 15 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 ENERGY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the quarter before taxation	56,415	(88,573)
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	50	50
Net unrealised (appreciation) / diminution on re-measurement investments - 'at fair value through profit or loss'	(38,361)	50,267
	<u>18,104</u>	<u>(38,256)</u>
Increase in assets		
Investments	107,351	41,717
Receivable against sale of investments	30,650	-
Dividend receivable	(464)	(4,868)
Advances, deposits and other receivables	41	(2,594)
	<u>137,578</u>	<u>34,255</u>
Decrease in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(156)	(501)
Payable to Central Depository Company of Pakistan Limited - Trustee	201	(35)
Payable to Meezan Bank Limited	(340)	303
Payable to Securities and Exchange Commission of Pakistan	(82)	(905)
Payable against purchase of investments - net	(2,776)	(3,424)
Accrued expenses and other liabilities	1,422	(975)
	<u>(1,731)</u>	<u>(5,537)</u>
Net cash generated from / (used in) operating activities	<u>153,951</u>	<u>(9,538)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	597,147	233,763
Payment against redemption and conversion of units	(747,280)	(224,664)
Net cash (used in) / generated from financing activities	<u>(150,133)</u>	<u>9,099</u>
Net increase / (decrease) in cash and cash equivalents during the quarter	<u>3,818</u>	<u>(439)</u>
Cash and cash equivalents at the beginning of the quarter	3,214	20,442
Cash and cash equivalents at the end of the quarter	<u><u>7,032</u></u>	<u><u>20,003</u></u>

The annexed notes 1 to 15 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 ENERGY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Energy Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 9, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 28, 2018) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of Compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

4.3 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, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	September 30,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	6,367	2,545
In current accounts		665	669
		<u>7,032</u>	<u>3,214</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 2.31% to 6.35% per annum (June 30, 2020: 2.31% to 7.40% per annum).

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	<u>449,115</u>	<u>518,105</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
						Number of shares		(Rupees in '000)		%	
Sectors / companies											
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	64,244	6,860	-	9,801	61,303	76,669	83,956	7,287	18.47	18.69	0.05
Oil and Gas Development Company Limited	874,228	201,000	-	493,000	582,228	64,059	60,319	(3,740)	13.27	13.43	0.01
Pakistan Oilfields Limited	280,680	-	-	93,500	187,180	65,631	78,865	13,234	17.35	17.56	0.07
Pakistan Petroleum Limited	928,718	347,000	-	547,000	728,718	66,641	67,086	445	14.76	14.93	0.03
									63.85	64.61	0.16
Oil and Gas Marketing Companies											
Attock Petroleum Limited	51,200	-	-	10,100	41,100	12,544	14,035	1,491	3.09	3.13	0.04
Hascol Petroleum Limited	1,074,011	430,000	-	1,013,000	491,011	7,380	9,909	2,529	2.18	2.21	0.05
Pakistan State Oil Company Limited	198,388	68,000	-	40,300	226,088	37,590	45,263	7,673	9.96	10.08	0.05
Sui Southern Gas Pipelines Limited	378,800	190,000	-	208,500	360,300	20,863	22,270	1,407	4.90	4.96	0.06
Shell Pakistan Limited	49,000	104,800	-	71,400	82,400	18,712	20,225	1,513	4.45	4.50	0.08
Hi-Tech Lubricants Limited	410,000	162,000	-	241,500	330,500	11,497	14,052	2,555	3.09	3.13	0.28
									27.67	28.01	0.56
Power Generation and Distribution											
Hub Power Company Limited	748,444	-	-	463,000	285,444	20,695	22,396	1,701	4.93	4.99	0.02
K - Electric Limited (note 6.1.1)	2,141,000	600,000	-	190,000	2,551,000	8,473	10,739	2,266	2.36	2.39	0.01
									7.29	7.38	0.03
Total as at September 30, 2020						410,754	449,115	38,361	100		
Total as at June 30, 2020						518,134	518,105	(29)			

- 6.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which has face value of Rs 3.5 each.
- 6.1.2 Investments include 65,000 shares of Pakistan Petroleum Limited and 26,500 shares of Pakistan Outfields Limited having market value of Rs 5.98 million and 11.17 million as at September 30, 2020 (June 30, 2020: Rs 5.6407 million and Rs. 9.2917 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by
- 6.2 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, 2020. As at September 30, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.811 million (June 30, 2020: Rs. 0.922 million).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

8 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Auditors' remuneration payable		49	195
Printing charges payable		34	34
Shariah advisor fee payable		135	269
Charity payable		664	655
Capital gain tax payable		1,235	425
Provision for Sindh Workers' Welfare Fund	8.1	2,678	1,527
Zakat payable		6	5
Brokerage Payable		1,389	1,679
		<u>6,190</u>	<u>4,789</u>

- 8.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at September 30, 2020 would have been higher by Re. 0.19 per unit (June 30, 2020: Re. 0.08 per unit)

**9 PAYABLE TO AI MEEZAN MANAGEMENT LIMITED -
MANAGEMENT COMPANY**

	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Management fee payable	9.1	829	928
Sindh Sales Tax payable on remuneration of the Management Company		107	121
Allocated expense payable	9.2	41	46
Selling and marketing expenses payable	9.3	542	517
Sales load		11	66
Sindh Sales Tax payable on sales load		1	9
		<u>1,531</u>	<u>1,687</u>

- 9.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2020: 2%) per annum of the average net assets of the Fund during the quarter ended September 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

- 9.2** 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).

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.

- 9.3** The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with related parties are as follows:

	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	829	928
Sindh Sales Tax on management fee payable	107	121
Sales load payable	11	66
Sindh Sales Tax on sales load payable	1	9
Allocated expenses	41	46
Selling and marketing expense payable	542	517
Investment of 3,263,145 units (June 30, 2020: 5,379,191 units)	107,720	161,483
Meezan Bank Limited		
Bank balance	2,864	2,651
Profit receivable on saving accounts	25	72
Sales load payable	4	306
Sindh Sales Tax on sales load payable	1	40
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	270	92
Sindh Sales Tax on trustee fee payable	35	12
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 14,026 units (June 30, 2020: 23,930 units)	463	718
For the quarter ended September 30,		
	2020	2019
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the quarter	2,709	2,808
Sindh Sales Tax on management fee	352	365
Allocated expenses	135	140
Selling and marketing expense	542	562
Units issued: 431,954 units (September 30, 2019: 967,230)	15,000	30,000
Units redeemed: 2,548,000 units (September 30, 2019: 348,187 units)	85,000	10,000

**For the quarter ended
September 30,**

	2020	2019
	(Rupees in '000)	
Meezan Bank Limited		
Profit on saving accounts	116	507
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee	271	281
Sindh Sales Tax on trustee fee	35	37
CDS charges	20	23
Directors and executives of the Management Company		
Units issued: 43 units (September 30, 2019: 3,295,456 units)	1	101,000
Units redeemed: 9,947 units (September 30, 2019: 1,857,793 units)	311	47,999

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 4.04% which includes 0.58% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, Shariah advisors fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Equity Scheme.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

12.1 Fair value hierarchy

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

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

As at September 30, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at September 30, 2020			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	449,115	-	-	449,115
ASSETS	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies 'ordinary shares'	518,105	-	-	518,105

13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute sufficient income of the Fund for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Balanced Fund

**COMPLETE SUITE OF
DIGITAL
SERVICES**

MEEZAN BALANCED FUND (MBF)

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



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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 Shaukat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



**MEEZAN BALANCED FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020**

		September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Balances with banks	5	1,008,293	785,606
Investments	6	3,467,668	3,266,840
Receivables against conversion of units		12,160	4,245
Dividend receivable		5,913	605
Receivable against sale of investments		313	4,364
Advances, deposits and other receivables		37,868	40,593
Total assets		4,532,215	4,102,253
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	8	15,522	5,473
Payable to Central Depository Company of Pakistan Limited - Trustee		502	458
Payable to the Securities and Exchange Commission of Pakistan		215	905
Payable to Meezan Bank Limited		18	76
Payable against purchase of investments - net		5,998	4,740
Payable against redemption and conversion of units		43,338	4,614
Dividend payable		7,498	52,994
Accrued expenses and other liabilities	9	100,495	117,432
Total liabilities		173,586	186,692
Net assets		4,358,629	3,915,561
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		4,358,629	3,915,561
		(Number of units)	
Number of units in issue		292,009,383	285,524,181
		(Rupees)	
Net asset value per unit		14.9263	13.7136

The annexed notes 1 to 15 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 BALANCED FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	September 30,	
		2020	2019
(Rupees in '000)			
Income			
Net realised gain / (loss) on sale of investments		25,281	(27,192)
Dividend income		12,496	40,081
Profit on sukuk certificates		31,290	51,494
Profit on saving accounts with banks		13,467	19,552
		82,534	83,935
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	306,649	(191,285)
Total income / (loss)		389,183	(107,350)
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company		21,477	23,736
Sindh Sales Tax on remuneration of the management company		2,792	3,086
Allocated expenses	8.2	1,074	1,187
Selling and marketing expenses	8.3	4,295	4,747
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,324	1,438
Sindh Sales Tax on remuneration of the Trustee		172	187
Annual fee to the Securities and Exchange Commission of Pakistan		215	247
Auditors' remuneration		142	135
Charity expense		347	1,097
Fees and subscription		79	145
Brokerage expense		842	314
Bank and settlement charges		37	110
Printing expenses		-	-
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	7,128	-
Total expenses		39,924	36,429
Net income / (loss) for the quarter before taxation		349,259	(143,778)
Taxation	12	-	-
Net income / (loss) for the quarter after taxation		349,259	(143,778)
Allocation of net income for the quarter			
Net Income for the quarter after taxation		349,259	-
Income already paid on units redeemed		(20,251)	-
		329,008	-
Accounting income available for distribution			
- Relating to capital gains		329,008	-
- Excluding capital gains		-	-
		329,008	-

The annexed notes 1 to 15 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 BALANCED FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**



	<u>September 30,</u>	
	<u>2020</u>	<u>2019</u>
	(Rupees in '000)	
Net income / (loss) for the quarter after taxation	349,259	(143,778)
Other comprehensive income for the quarter	-	-
Total comprehensive income / (loss) for the quarter	<u>349,259</u>	<u>(143,778)</u>

The annexed notes 1 to 15 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 BALANCED FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 30, 2020			September 30, 2019		
	Capital Value	Undistrib- uted income	Total	Capital Value	(Accumulated losses)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period as previously reported (Audited)	3,839,430	76,131	3,915,561	5,405,175	(55,085)	5,350,090
Issue of 43,985,379 units (2019: 3,544,809 units)						
- Capital value (at net asset value per unit at the beginning of the period)	603,198	-	603,198	47,716	-	47,716
- Element of income / (loss)	47,511	-	47,511	(1,715)	-	(1,715)
Total proceeds on issuance of units	650,708	-	650,708	46,001	-	46,001
Redemption of 37,500,177 units (2019: 54,511,948 units)						
- Capital value (at net asset value per unit at the beginning of the period)	514,262	-	514,262	733,774	-	733,774
- Element of loss / (income)	22,386	20,251	42,637	(33,111)	-	(33,111)
Total payments on redemption of units	556,899	20,251	556,899	700,663	-	700,663
Total comprehensive income / (loss) for the quarter	-	349,259	349,259	-	(143,778)	(143,778)
Distribution during the quarter	-	-	-	-	-	-
Net loss for the quarter less distribution	-	349,259	349,259	-	(143,778)	(143,778)
Net assets at the end of the quarter	3,933,239	405,139	4,358,629	4,750,513	(198,863)	4,551,649
Undistributed income / (accumulated losses) brought forward (as previously reported (Audited))						
- Realised income		25,518			819,542	
- Unrealised gain / (loss)		50,613			(874,627)	
		76,131			(55,085)	
Accounting income available for distribution						
- Relating to capital gains		329,008			-	
- Excluding capital gains		-			-	
		329,008			-	
Net loss for the quarter after taxation		-			(143,778)	
Distribution during the quarter		-			-	
Undistributed income / (accumulated losses) carried forward		405,139			(198,863)	
Undistributed income / (accumulated losses) carried forward						
Realised income / (loss)		98,490			(7,578)	
Unrealised gain / (loss)		306,649			(191,285)	
		405,139			(198,863)	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			<u>13.7136</u>			<u>13.4608</u>
Net assets value per unit at the end of the quarter			<u>14.9263</u>			<u>13.1364</u>

The annexed notes 1 to 15 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 BALANCED FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the quarter before taxation	349,259	(143,778)
Adjustments for:		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(306,649)	191,285
	<u>42,610</u>	<u>47,507</u>
Decrease / (Increase) in assets		
Investments - net	105,821	798,651
Dividend receivable	(5,308)	(24,256)
Receivable against sale of investments - net	4,051	66,084
Advances, deposits and other receivables	2,725	16,465
	<u>107,289</u>	<u>856,944</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	10,049	(3,215)
Payable to Central Depository Company of Pakistan Limited - Trustee	44	(103)
Payable to Securities and Exchange Commission of Pakistan	(690)	(5,584)
Payable to Meezan Bank Limited	(58)	4
Payable against purchase of investments - net	1,258	-
Accrued expenses and other liabilities	(16,937)	(504)
	<u>(6,334)</u>	<u>(9,402)</u>
Net cash generated from operating activities	<u>143,565</u>	<u>895,049</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	642,793	45,786
Payment against redemption and conversion of units	(518,175)	(699,938)
Dividend paid	(45,496)	-
Net cash generated from / (used in) financing activities	<u>79,122</u>	<u>(654,152)</u>
Net increase in cash and cash equivalents during the quarter	<u>222,687</u>	<u>240,897</u>
Cash and cash equivalents at the beginning of the quarter	785,606	357,560
Cash and cash equivalents at the end of the quarter	<u><u>1,008,293</u></u>	<u><u>598,457</u></u>

The annexed notes 1 to 15 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 BALANCED FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

1.3 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as Islamic Sukuks (certificates of Islamic investment), musharaka certificates, Government Securities, cash in bank accounts, Money Market Placements, Deposits, Certificates of Deposits, Term Deposits Receipts, Commercial Papers, Islamic alternatives of Reverse Repos, Spread Transactions, and other Shariah compliant instruments as indicated by the SECP. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

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

1.5 Title to the assets of the Fund are held in the name of Central Depository Company (CDC) as the Trustee of the Fund.

1.6 The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 28, 2018) and by PACRA dated June 26, 2020 (2019: dated June 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the 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, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020.

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, 2020. 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, 2020.

4.3 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 impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	987,826	777,690
In current accounts		20,467	7,916
		<u>1,008,293</u>	<u>785,606</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 6.50% per annum (June 30, 2020: 1.50% to 7.50% per annum).

	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	3,467,668	3,266,840
		<u>3,467,668</u>	<u>3,266,840</u>
6.1 Investments - 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	6.1.1	2,100,359	1,897,643
Sukuk certificates	6.1.2	1,367,309	1,369,197
		<u>3,467,668</u>	<u>3,266,840</u>

6.1.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments
Number of shares						Rupees in '000			%		
Sectors / companies											
Automobile Assemblers											
Ghandhara Industries Limited	2,100	-	-	-	2,100	254	495	241	0.01	-	0.01
Honda Atlas Cars (Pakistan) Limited	6,100	-	-	-	6,100	1,181	1,580	398	0.04	-	0.05
Millat Tractors Company Limited	9,006	1,800	-	-	10,806	7,933	9,350	1,417	0.21	0.02	0.27
Indus Motor Company Limited	13,700	-	-	-	13,700	13,631	17,538	3,907	0.40	0.02	0.51
									0.66	0.04	0.84
Automobile parts and accessories											
Agriauto Industries Limited (note 6.1.1.1)	40,200	-	-	8,100	32,100	5,842	7,736	1,894	0.18	0.11	0.22
Cement											
Attock Cement Pakistan Limited	727	13,800	-	-	14,527	2,399	2,218	(181)	0.05	0.01	0.06
Cherat Cement Company Limited	110,000	-	-	15,000	95,000	8,281	11,092	2,811	0.25	0.05	0.32
DG Khan Cement Company Limited	152,000	160,000	-	-	312,000	29,185	32,170	2,985	0.74	0.07	0.93
Fauji Cement Company Limited	80,000	-	-	-	80,000	1,350	1,590	240	0.04	0.01	0.05
Kohat Cement Limited	455,520	-	-	-	455,520	62,611	77,775	15,164	1.78	0.23	2.24
Lucky Cement Limited	293,851	-	-	6,000	287,851	132,866	186,260	53,393	4.27	0.09	5.37
Maple Leaf Cement Limited	806,281	500,000	-	-	1,306,281	36,389	46,882	10,493	1.08	0.12	1.35
									8.21	0.58	10.32
Chemicals											
Engro Polymer & Chemicals Limited	667,954	395,000	-	-	1,062,954	32,070	42,795	10,725	0.98	0.12	1.23
I.C.I. Pakistan Limited	101,416	-	-	13,100	88,316	61,354	63,905	2,551	1.47	0.10	1.84
Lotte Chemical Pakistan Limited	508,500	-	-	-	508,500	5,060	6,102	1,042	0.14	0.03	0.18
Ittehad Chemicals Limited	129,000	-	-	-	129,000	3,399	3,559	160	0.08	0.15	0.10
Sitara Peroxide Limited	400,000	-	-	400,000	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	2,100	-	-	-	2,100	582	675	94	0.02	0.01	0.02
									2.69	0.41	3.38
Commercial Banks											
BankIslami Pakistan Limited	431,462	-	-	150,000	281,462	2,128	2,902	774	0.07	0.03	0.08
Meezan Bank Limited	933,885	60,000	93,388	-	1,087,273	69,135	89,385	20,249	2.05	0.08	2.58
									2.12	0.11	2.66
Engineering											
International Industries Limited	93,720	35,000	-	-	128,720	14,008	18,657	4,649	0.43	0.10	0.54
International Steels Limited	280,000	-	-	-	280,000	14,462	21,571	7,109	0.49	0.06	0.62
Mughal Iron & Steels Ind Ltd	75,000	75,000	-	-	150,000	7,133	9,642	2,509	0.22	0.06	0.28
K.S.B. Pumps Company Limited	5,000	-	-	-	5,000	720	1,581	861	0.04	0.04	0.05
									1.18	0.26	1.48
Fertilizers											
Fatima Fertilizer Limited	95,000	-	-	95,000	-	-	-	-	-	-	-
Engro Corporation Limited (Note 6.1.1.2)	639,722	-	-	53,000	586,722	171,863	176,621	4,758	4.05	0.10	5.09
Dawood Hercules Corporation Limited	8,800	-	-	8,800	-	-	-	-	-	-	-
Engro Fertilizers Limited	1,228,143	70,000	-	50,000	1,248,143	75,421	75,912	491	1.74	0.09	2.19
									5.79	0.19	7.28
Food & Personal Care Products											
Al-Shaheer Corporation Limited	7,709	-	-	-	7,709	88	148	60	0.00	-	0.00
At-Tahur Limited	70,742	-	-	-	70,742	1,219	1,496	277	0.03	0.04	0.04
									0.04	0.04	0.05
Glass & Ceramics											
Tariq Glass Industries Limited	25,000	-	-	25,000	-	-	-	-	-	-	0.09
Miscellaneous											
Shifa International Hospitals Limited	84	20,000	-	-	20,084	5,157	4,474	(683)	0.10	0.03	0.13
Synthetic Products Enterprises Limited	-	65,000	-	-	65,000	3,325	2,896	(429)	0.07	0.07	0.08
									0.17	0.10	0.21
Oil & Gas Exploration											
Attock Petroleum Limited	12,000	-	-	-	12,000	3,662	4,098	435	0.09	0.01	0.12
Mari Petroleum Company Limited	149,747	-	-	7,420	142,327	176,009	194,920	18,911	4.47	0.11	5.62
Oil and Gas Development Company Limited	1,415,100	-	-	258,001	1,157,099	126,124	119,875	(6,248)	2.75	0.03	3.46
Pakistan Oilfields Limited	287,710	-	-	51,000	236,710	82,998	99,733	16,735	2.29	0.08	2.88
Pakistan Petroleum Limited	1,374,502	86,000	-	170,000	1,290,502	112,969	118,804	5,834	2.73	0.05	3.43
									12.33	0.28	15.50
Oil and Gas Marketing											
Hi-Tech Lubricants Limited	125,000	-	-	-	125,000	3,785	5,315	1,530	0.12	0.11	0.15
Hascol Petroleum Limited	1,051,400	229,000	-	579,000	701,400	11,172	14,154	2,982	0.32	0.07	0.41
Pakistan State Oil Company Limited	382,290	-	-	15,000	367,290	58,091	73,531	15,441	1.69	0.08	2.12
Shell Pakistan Limited	-	35,000	-	-	35,000	9,281	8,591	(690)	0.20	0.03	0.25
Sui Northern Gas Pipeline Limited	788,000	-	-	105,000	683,000	37,292	42,216	4,924	0.97	0.11	1.22
									3.30	0.40	4.15
Paper & Board											
Cherat Packaging Limited	31,240	-	-	31,200	40	5	7	2	0.00	-	0.00
Century Paper & Board Mills Limited	95,000	106,000	-	-	201,000	16,936	22,357	5,421	0.51	0.14	0.64
Roshan Packages Limited	-	13,500	-	-	13,500	491	468	(23)	0.01	0.01	0.01
Security Paper Limited	-	25,000	-	-	25,000	5,579	5,419	(160)	0.12	-	0.16
Packages Limited	89,023	-	-	-	89,023	30,910	44,719	13,809	1.03	0.10	1.29
									1.67	0.25	2.10

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to					
									Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments			
						Number of shares			Rupees in '000			%		
Pharmaceuticals														
Abbott Laboratories (Pakistan) Limited	2,250	-	-	-	2,250	1,492	1,725	233	0.04	-	0.05			
AGP Limited	440,000	-	-	50,000	390,000	42,799	42,510	(289)	0.98	0.14	1.23			
GlaxoSmithKline Consumer Healthcare	75,600	-	-	16,000	59,600	16,192	17,264	1,072	0.40	0.05	0.50			
Highnoon Laboratories Limited	1,757	-	-	-	1,757	881	1,079	198	0.02	0.01	0.03			
The Searle Company Limited	190,370	20,000	-	-	210,370	43,348	53,920	10,572	1.24	0.10	1.55			
									2.67	0.30	3.36			
Power Generation & Distribution														
K-Electric Limited (note 6.1.1.1)	11,155,000	555,500	-	1,400,000	10,310,500	31,707	43,407	11,701	1.00	0.04	1.25			
The Hub Power Company Limited*	1,966,713	-	-	1,140,691	826,022	59,887	64,810	4,923	1.49	0.06	1.87			
									2.48	0.10	3.12			
Real Estate Investment Trust														
Dolmen City REIT	1,909,000	-	-	-	1,909,000	20,789	20,617	(172)	0.47	0.09	0.63			
Technology & Communication														
Avanceon Limited	155,980	46,500	-	15,000	187,480	7,641	12,602	4,961	0.29	0.09	0.36			
Netsol Technologies Limited	-	68,000	-	5,000	63,000	4,458	3,787	(671)	0.09	0.07	0.11			
Pakistan Telecommunication Company Limited	-	500,000	-	-	500,000	4,920	5,405	485	0.12	0.01	0.16			
Systems Limited	162,550	-	-	42,000	120,550	22,143	32,794	10,652	0.75	0.10	0.95			
									1.25	0.27	1.57			
Textile composite														
Feroze1888 Mills Limited	263,300	-	-	137,500	125,800	10,290	13,166	2,876	0.30	0.03	0.38			
Interloop Limited	1,109,222	-	-	50,000	1,059,222	46,521	71,021	24,500	1.63	0.12	2.05			
Nishat Mills Limited	270,600	175,000	-	-	445,600	39,136	45,037	5,901	1.03	0.13	1.30			
									2.96	0.28	3.73			
September 30, 2020						29,627,752	1,796,554	2,100,359	303,805	60.70				

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

6.1.1.2 Investments include 150,000 shares of Engro Corporation Limited, having a market value of Rs 45.155 million (June 30, 2020: Rs 43.938 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.1.1.3 As at September 30, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 4.787 million (June 30, 2020: 4.701 million).

6.1.2 Sukuk Certificates

6.1.2.1 Government Securities - GOP Ijarah Sukuk

Name of the Security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised loss as at June 30, 2020	Percentage in relation to			
										Net Assets of the Fund	Total market value of investments		
						Number of certificates			Rupees in '000			%	
GoP Ijarah Sukuk Certificates - XX (Note 6.2.1)	April 30, 2025	Weighted Average 6 months T-Bills	1,870	-	1,000	870	84,390	83,807	(583)	1.92	2.42		
GoP Ijarah Sukuk Certificates - XXI (Note 6.2.1)	May 29, 2025	Weighted Average 6 months T-Bills	1,500	-	-	1,500	150,405	150,375	(30)	3.45	4.34		
GoP Ijarah Sukuk Certificates - XXIII (Note 6.2.1)	July 29, 2025	Weighted Average 6 months T-Bills	-	1,500	-	1,500	150,000	149,430	(570)	3.43	4.31		
Total as at September 30, 2020							384,795	383,612	(1,183)				

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

6.1.2.2 Corporate Sukuks

Name of the investee company	Maturity	Profit rate	As at July 1, 2020	Purchases during the period	Sales / Redemptions / matured during the period	As at September 30, 2020	Carrying value as at September 30, 2020*	Market value as at September 30, 2020*	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to				
										Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments		
						-----Number of certificates-----			----- (Rupees in '000) -----			----- % -----		
Secured														
K Electric Limited - (7 years) (note 6.1.2.2.1) (AA+, VIS, non-traded)	June 17, 2022	3 months KBOR plus base rate of 1%	70,003	-	10,000	60,003	106,318	106,338	20	2.44	0.01	3.07		
Security Leasing Corporation Limited II * (note 6.1.2.2.1 & 6.1.2.2.2)	January 19, 2022	NA	1,540	-	-	1,540	-	-	-	-	-	-		
Eden Housing Limited * (note 6.1.2.2.1 & 6.1.2.2.2)	September 29, 2014	NA	5,000	-	-	5,000	-	-	-	-	-	-		
Arzoo Textile Mills Limited * (note 6.1.2.2.1 & 6.1.2.2.2)	April 15, 2014	NA	5,000	-	-	5,000	-	-	-	-	-	-		
Hascal Petroleum Limited - Sukuk (AA, VIS, non-traded) (note 6.1.2.2.1, 6.1.2.2.2 & 6.1.2.2.6)	January 7, 2022	3 months KBOR plus base rate of 1.50%	17,500	-	2,500	15,000	74,073	71,957	(2,116)	1.65	3.75	2.08		
Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded) (note 6.1.2.2.1)	July 14, 2027	6 months KBOR plus base rate of 0.50%	141	-	-	141	144,699	144,553	(146)	3.32	3.53	4.17		
International Brands Limited (AA, VIS, non-traded) (note 6.1.2.2.1)	November 15, 2021	3 months KBOR plus base rate of 0.50%	650	-	107	543	45,996	46,507	511	1.07	2.69	1.34		
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.1.2.2.1)	June 29, 2026	6 months KBOR plus base rate of 1.13%	230	-	-	230	17,690	17,768	78	0.41	0.02	0.51		
K-Electric Limited (sukuk 5) (AA+, VIS, traded) (note 6.1.2.2.1)	August 03, 2026	3 months KBOR plus base rate of 1.70%	40,000	-	-	40,000	200,000	205,094	5,094	4.71	0.80	5.91		
Meezan Bank Limited (AA, VIS, traded) (note 6.1.2.2.1)	September 22, 2026	6 months KBOR plus base rate of 0.5%	80	-	-	80	82,000	82,196	196	1.89	1.14	2.37		
Shakarganj Food Products Limited (A, VIS, non-traded) (note 6.1.2.2.1)	July 10, 2024	3 months KBOR plus base rate of 1.75%	82	-	-	82	69,700	69,301	(399)	1.59	11.31	2.00		
Javedan Corporation Limited (AA-, VIS, non-traded) (note 6.1.2.2.1)	October 4, 2026	6 months KBOR plus base rate of 1.75%	750	-	-	750	74,998	74,822	(177)	1.72	2.51	2.16		
Agha Steel Industries Limited (A+, VIS) (note 6.1.2.2.1 & 6.1.2.2.6)	October 9, 2024	3 months KBOR plus base rate of 0.80%	100	-	-	100	100,000	99,369	(631)	2.28	2.00	2.87		
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.2.1)	June 9, 2022	3 months KBOR plus base rate of 1.30%	405	-	-	405	14,196	14,293	97	0.33	4.73	0.41		
Engro Polymer and Chemicals Limited (AA, PACRA, non-traded) (note 6.1.2.2.1)	July 11, 2026	3 months KBOR plus base rate of 0.90%	78	-	78	-	-	-	-	-	-	-		
Hub Power Company Limited (AA+, PACRA) (note 6.1.2.2.1)	March 19, 2024	3 months KBOR plus base rate of 1.90%	500	-	-	500	50,000	51,500	1,500	1.18	1.00	1.49		
Total							979,670	983,697	4,027					

6.1.2.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Agha Steel Industries Limited, Dubai Islamic Bank Pakistan Limited, Meezan Bank Limited, Shakarganj Food Products Limited which have

nominal value of Rs. 1,000,000, sukuk certificates of AGP Limited, Engro Polymer and Chemicals Limited, Hub Power Company Limited, International Brands Limited, Javedan Corporation Limited, Neelum Jhelum Hydropower Company (Pvt.) Limited which have nominal value of Rs. 100,000 and sukuk certificates of Eden Housing Limited which have nominal value of Rs 984.375.

6.1.2.2.2 The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund (the Fund) as a 'Balanced Scheme' in accordance with the said circular. As at September 30, 2020, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at September 30, 2020	Value of investments after provision	Percentage of net assets	Percentage of total market value
------(Rupees in '000)-----				-----%-----		
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	71,957	-	71,957	1.65	2.08
		109,580	37,623	71,957		

6.1.2.2.3 Eden Housing Limited and Arzoo Textile Mills Limited sukuk certificates have been classified as non-performing by MUFAP. Therefore, in accordance with the requirements of SECP's Circular No. 33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 4.922 million and Rs. 25 million respectively has also been held as provision against the outstanding principal as at September 30, 2020.

6.1.2.2.4 The agreement with Security Leasing Corporation Limited (SLCL) had been amended on February 19, 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of contributories to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 3, 2012. Therefore in accordance with the requirement of Circular No. 33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy of the Fund, an amount of Rs. 7.701 million has also been held as provision against the outstanding principal as at September 30, 2020.

6.1.2.2.5 In accordance with the requirements of SECP's Circular No. 7 of 2009, rating of any debt security in the portfolio of Balanced Scheme shall not be lower than A-. Sukuk of Hascol Petroleum Limited has been assigned a credit rating of BBB- by VIS dated April 17, 2020 making it non-compliant.

6.1.2.2.6 Circular No. 33 of 2012 allows the asset manager to apply a mark up/mark down within available limit for valuation of any specific debt security. Exercising the discretionary power, the above mentioned Sukuks of Agha Steel Industries Limited and Hascol Petroleum Limited has been valued at a discretionary rate of 99.3688 and 95.9427 when the reported market rate on MUFAP valuation sheet as at September 30, 2020 was 95.6409 and 98.3645 respectively.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

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

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Management fee payable	8.1	7,294	887
Sindh Sales Tax on management fee payable		948	116
Allocated expenses payable	8.2	365	327
Selling and marketing expenses payable	8.3	4,295	3,910
Sales load payable		2,318	206
Sindh Sales Tax on sales load payable		301	27
		<u>15,522</u>	<u>5,473</u>

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2020: 2%) per annum of the average net assets of the Fund during the quarter ended September 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

8.2 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).

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.

8.3 The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		1,069	24,614
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	53,379	46,251
Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee	9.2	31,961	31,961
Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load		6,838	6,838
Brokerage expenses payable		1,947	2,165
Charity payable		5,206	4,858
Shariah advisory fee		1	218
Auditors' remuneration payable		89	371
Zakat Payable		5	156
		<u>100,495</u>	<u>117,432</u>

9.1 The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from May 21, 2015 to September 30, 2020, the net asset value of the Fund as at September 30, 2020 would have been higher by Re. 0.18 per unit (June 30, 2020: Re 0.16 per unit).

9.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision not been made, the NAV per unit of the Fund as at September 30, 2020 would have been higher by Re 0.13 (June 30, 2020: Re 0.14) per unit.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	7,294	887
Sindh Sales Tax on sales load payable	949	116
Sales load payable	2,318	206
Sindh Sales Tax on sales load payable	301	27
Allocated expenses payable	365	327
Selling and Marketing expenses payable	4,295	3,910
Investment of 947,787 units (June 30, 2020: 947,787 units)	14,147	12,998
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	444	405
Sindh Sales Tax on trustee fee payable	58	53
Security deposit	300	300
Bank balance	41,429	28,381
Sales load payable	16	67
Sindh Sales Tax on sales load payable	2	9
Shariah advisory fee payable	1	218
Investment of 18,886,746 units (June 30, 2020: 18,886,746 units)	281,909	259,005
Investment in 80 sukuk certificates (June 30, 2020: 80 sukuk certificates)	82,196	82,000
Investment in 1,087,273 shares (June 30, 2020: 933,885 shares)	89,385	64,298
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 473,186 units (June 30, 2020: 473,186 units)	7,063	6,489
Directors and Executives of the Management Company		
Investment of 6,613,049 units (June 30, 2020: 6,601,536 units)	98,708	90,531

**For the quarter ended
September 30**

2020 2019

(Unaudited)

(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration for the quarter	21,477	23,736
Sindh Sales Tax on management fee	2,792	3,086
Allocated expenses	1,074	1,187
Selling and Marketing expenses	4,295	4,747

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	1,324	1,438
Sindh Sales Tax on trustee fee	172	187
CDS charges	36	19

Meezan Bank Limited

Profit on saving account	136	173
Profit on sukuk certificates	2,393	6,270
Purchase of shares: 60,000 shares (September 30, 2019: nil)	4,837	-
Bonus shares: 93,388 shares (September 30, 2019: nil)	-	-
Shariah advisor fee	51	117

Directors and Executives of the Management Company

Units issued: 16,101 units (September 30, 2019: 1,765 units)	234	23
Units redeemed: 4,588 units (September 30, 2019: 69,267 units)	67	911

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 3.22% which includes 0.47% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Balanced Scheme.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 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. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance, 2001.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

13.1. FAIR VALUE HIERARCHY

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

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

As at September 30, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at September 30, 2020				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	2,100,359	-	-	2,100,359
Sukuk certificates	-	1,367,309	-	1,367,309
	<u>2,100,359</u>	<u>1,367,309</u>	<u>-</u>	<u>3,467,668</u>

As at June 30, 2020				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	1,897,643	-	-	1,897,643
Sukuk certificates	-	1,369,197	-	1,369,197
	<u>1,897,643</u>	<u>1,369,197</u>	<u>-</u>	<u>3,266,840</u>

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Asset Allocation Fund

CFA



Meezan Asset Allocation Fund (MAAF)

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

- **FIRST AMC IN PAKISTAN**
TO VOLUNTARILY **ADOPT AND IMPLEMENT**
THE ASSET MANAGER **CODE OF PROFESSIONAL CONDUCT**
SET FORTH BY **CFA INSTITUTE**



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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 Shaukat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020**

		September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Balances with banks	5	336,848	245,253
Investments	6	1,208,265	1,127,264
Dividend receivable		6,758	2,711
Receivable against sale of investments		815	3,462
Receivable against conversion of units		17	3,313
Advances, deposits and other receivables		8,153	6,170
Preliminary expenses and floatation costs		100	145
Total assets		<u>1,560,956</u>	<u>1,388,318</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	9	4,113	3,404
Payable to Central Depository Company of Pakistan Limited - Trustee		215	191
Payable to the Securities and Exchange Commission of Pakistan		77	311
Payable to Meezan Bank Limited		3	36
Payable against purchase of investments		128	3,294
Dividend Payable		-	4,236
Payable against redemption and conversion of units		48,786	13,080
Accrued expenses and other liabilities	7	22,818	24,464
Total liabilities		<u>76,140</u>	<u>49,016</u>
Net assets		<u>1,484,816</u>	<u>1,339,302</u>
Contingencies and commitments	8		
Unit holders' fund (as per statement attached)		<u>1,484,816</u>	<u>1,339,302</u>
		(Number of units)	
Number of units in issue		<u>35,711,243</u>	<u>36,598,971</u>
		(Rupees)	
Net asset value per unit		<u>41.5784</u>	<u>36.5940</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

		September 30,	
		2020	2019
		(Rupees in '000)	
Income	Note		
Net realised gain / (loss) on sale of investments		19,515	(19,396)
Dividend income		7,434	20,429
Profit on saving accounts with banks		4,644	10,711
		<u>31,593</u>	<u>11,744</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	168,756	(87,996)
Total Income / (loss)		<u>200,349</u>	<u>(76,252)</u>
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1	5,742	6,250
Sindh Sales Tax on remuneration of the Management Company		746	813
Allocated expenses	9.2	383	417
Selling and marketing expenses	9.3	1,531	1,667
Remuneration of Central Depository Company of Pakistan Limited - Trustee		635	668
Sindh Sales Tax on remuneration of the Trustee		83	87
Annual fee to the Securities and Exchange Commission of Pakistan		77	87
Auditors' remuneration		109	76
Brokerage expenses		632	269
Charity expense		208	517
Bank and settlement charges		47	147
Amortisation of preliminary expenses and floatation costs		45	46
Fees and subscription		145	140
Provision for Sindh Worker's Welfare Fund (SWWF)	7.1	3,799	-
Total expenses		<u>14,182</u>	<u>11,184</u>
Net Income / (loss) for the quarter before taxation		<u>186,167</u>	<u>(87,436)</u>
Taxation	11		-
Net Income / (loss) for the quarter after taxation		<u>186,167</u>	<u>(87,436)</u>
Allocation of net income for the quarter			
Net income for the quarter after taxation		186,167	-
Income already paid on units redeemed		(12,579)	-
		<u>173,588</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		173,588	-
- Excluding capital gains		-	-
		<u>173,588</u>	<u>-</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 30,	
	2020	2019
	(Rupees in '000)	
Net Income / (loss) for the quarter after taxation	186,167	(87,436)
Other comprehensive income for the quarter	-	-
Total comprehensive income / (loss) for the quarter	<u>186,167</u>	<u>(87,436)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September, 2020			September, 2019		
	Capital Value	Accumulated losses	Total	Capital Value	Accumulated losses	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
Net assets at beginning of the quarter	2,270,614	(931,312)	1,339,302	2,862,681	(1,008,670)	1,854,011
Issuance of 5,680,682 units (2019: 582,793 units)						
- Capital value (at net asset value per unit beginning of the quarter)	207,879	-	207,879	20,650	-	20,650
- Element of income / (loss)	22,973	-	22,973	(1,403)	-	(1,403)
Total proceeds on issuance of units	230,852	-	230,852	19,247	-	19,247
Redemption of 6,568,410 units (2019: 5,174,617 units)						
- Capital value (at net asset value per unit beginning of the quarter)	240,364	-	240,364	183,351	-	183,351
- Element of loss / (income)	18,562	12,579	31,141	(13,487)	-	(13,487)
Total payments on redemption of units	258,926	12,579	271,505	169,864	-	169,864
Total comprehensive income / (loss) for the quarter	-	186,167	186,167	-	(87,436)	(87,436)
Distribution during the quarter	-	-	-	-	-	-
Net Income / (loss) for the quarter less distribution	-	186,167	186,167	-	(87,436)	(87,436)
Net assets at end of the quarter	2,242,540	(757,724)	1,484,816	2,712,064	(1,096,106)	1,615,958
Accumulated loss brought forward						
- Realised loss		(982,342)			(593,083)	
- Unrealised income / (loss)		51,030			(415,587)	
		<u>(931,312)</u>			<u>(1,008,670)</u>	
Accounting income available for distribution						
- Relating to capital gains	173,588			-		
- Excluding capital gains	-			-		
	<u>173,588</u>			<u>-</u>		
Net loss for the quarter after taxation					(87,436)	
Distribution during the quarter					-	
Accumulated loss carried forward		<u>(757,724)</u>			<u>(1,096,106)</u>	
Accumulated loss carried forward						
- Realised loss		(926,480)			(1,008,110)	
- Unrealised income / (loss)		168,756			(87,996)	
		<u>(757,724)</u>			<u>(1,096,106)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the quarter	<u>36.5940</u>			<u>35.4328</u>		
Net assets value per unit at end of the quarter	<u>41.5784</u>			<u>33.8542</u>		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 30,	
	2020	2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) for the quarter before taxation	186,167	(87,436)
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	45	46
Net unrealised (appreciation) / diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1 (168,756)	87,996
	<u>17,456</u>	<u>606</u>
Decrease / (Increase) in assets		
Investments	87,755	65,800
Dividend receivable	(4,047)	(20,161)
Receivable against sale of investments	2,647	(17,561)
Advances, deposits and other receivables	(1,983)	(3,594)
	84,372	24,484
Increase / (Decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	709	(877)
Payable to Central Depository Company of Pakistan Limited - Trustee	24	(317)
Payable to the Securities and Exchange Commission of Pakistan	(234)	(2,293)
Payable to Meezan Bank Limited	(33)	(35)
Payable against purchase of investments - net	(3,166)	-
Accrued expenses and other liabilities	(1,646)	398
	(4,346)	(3,124)
Net cash generated from operating activities	<u>97,482</u>	<u>21,966</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	234,148	19,247
Dividend Paid	(4,236)	-
Payment against redemption and conversion of units	(235,799)	(174,478)
Net cash used in financing activities	(5,887)	(155,231)
Net increase / (decrease) in cash and cash equivalents during the quarter	<u>91,595</u>	<u>(133,265)</u>
Cash and cash equivalents at beginning of the quarter	245,253	421,539
Cash and cash equivalents at end of the quarter	<u><u>336,848</u></u>	<u><u>288,274</u></u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Asset Allocation Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on November 16, 2015. The initial offering period of the Fund was from April 18, 2016 to April 20, 2016 and the Fund commenced its operations from April 21, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 29, 2018) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement Of Compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020.

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, 2020. 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, 2020.

4.3 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, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
In saving accounts	5.1	332,252	241,399
In current accounts		4,596	3,854
		<u>336,848</u>	<u>245,253</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.31% to 6.25% per annum (June 30, 2020: 1.5% to 7.5% per annum).

6. INVESTMENTS	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Investments at 'fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	6.1	<u>1,208,265</u>	<u>1,127,264</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / right issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
						----- (Rupees in '000) -----			----- % -----		

Sectors/ Companies

Automobile Assembler

Agriauto Industries Limited	40,000	-	-	27,000	13,000	2,366	3,133	767	0.30	0.09	0.26
Honda Atlas Cars (Pakistan) Limited	100	-	-	-	100	19	26	7	0.00	0.00	0.00
Indus Motor Company Limited	7,960	-	-	-	7,960	7,920	10,190	2,270	0.98	0.01	0.84
Milat Tractors Limited	2,000	5,550	-	-	7,550	6,187	6,533	346	0.63	-	0.54
									1.91	0.10	1.65

Chemicals

Engro Polymer & Chemicals Limited	546,261	95,000	-	-	641,261	16,644	25,817	9,173	2.48	0.07	2.14
Ittehad Chemical Limited	100,000	-	-	-	100,000	2,635	2,759	124	0.27	0.11	0.23
Sitara Peroxide Limited	149,000	-	-	149,000	-	-	-	-	-	-	-
ICI Pakistan Limited	50,400	-	-	1,500	48,900	33,971	35,384	1,412	3.40	0.05	2.93
									6.15	0.23	5.29

Cement

Cherat Cement Company Limited	86,500	-	-	27,000	59,500	5,187	6,947	1,761	0.67	0.03	0.57
D.G. Khan Cement Company Limited	152,500	95,500	-	39,000	209,000	19,178	21,550	2,372	2.07	0.05	1.78
Fauji Cement Company Limited	199,500	-	-	100,000	99,500	1,680	1,978	299	0.19	0.01	0.16
Kohat Cement Company Limited	238,000	10,000	-	35,500	212,500	29,334	36,282	6,948	3.49	0.11	3.00
Lucky Cement Limited	184,549	-	-	12,000	172,549	79,645	111,651	32,006	10.74	0.05	9.24
Maple Leaf Cement Factory Limited	375,707	400,000	-	90,000	685,707	19,498	24,610	5,112	2.00	-	2.00
Pioneer Cement Limited	500	-	-	-	500	32	45	14	-	-	-
									19.16	0.25	16.77

Commercial Banks

Meezan Bank Limited (an associate)	553,446	-	55,344	-	608,790	38,105	50,049	11,944	4.81	0.05	4.14
Bank Islami Pakistan Limited	170,000	-	-	75,000	95,000	718	979	261	0.09	0.01	0.08
									4.91	0.06	4.22

Engineering

International Industries Limited	68,200	20,000	-	24,000	64,200	7,194	9,305	2,111	0.90	0.05	0.77
International Steels Limited	125,000	-	-	-	125,000	6,456	9,630	3,174	0.93	-	0.80
Mughal Iron and Steel Industries Limited	-	134,500	-	-	134,500	7,470	8,646	1,176	0.83	0.05	0.72
									2.65	0.10	2.28

Fertilizer

Engro Corporation Limited	400,460	7,871	-	63,996	344,335	100,981	103,655	2,674	9.97	0.06	8.58
Fatima Fertilizers Limited	52,500	-	-	52,500	-	-	-	-	-	-	-
Engro Fertilizers Limited	782,000	90,000	-	72,000	800,000	48,584	48,656	72	4.68	0.06	4.03
									14.65	0.12	12.61

Food and Personal Care Products

Al-Shaheer Corporation Limited	5,199	-	-	-	5,199	59	100	40	0.01	0.00	0.01
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Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus / right issue	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to				
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments		
					(Number of shares)			(Rupees in '000)			%		
Oil and Gas Exploration Companies													
Attock Petroleum Limited	25,000	-	-	-	25,000	7,630	8,537	907	0.82	0.03	0.71		
Oil and Gas Development Company Limited	945,300	-	-	258,879	686,421	74,820	71,113	(3,707)	6.84	0.02	5.89		
Mari Petroleum Company Limited	91,552	-	-	12,220	79,332	98,106	108,647	10,541	10.45	0.06	8.99		
Pakistan Oilfields Limited	150,550	-	-	32,500	118,050	41,392	49,738	8,346	4.78	0.04	4.12		
Pakistan Petroleum Limited	856,428	104,000	-	202,000	758,428	67,000	69,821	2,821	6.72	0.03	5.78		
									29.62	0.17	25.48		
Oil and Gas Marketing Companies													
Hascol Petroleum Limited	1,555,610	100,000	-	1,331,500	324,110	4,693	6,541	1,848	0.63	0.16	0.54		
Pakistan State Oil Company Limited	275,477	-	-	24,700	250,777	39,663	50,206	10,543	4.83	0.05	4.16		
Shell Pakistan Limited	-	25,000	-	-	25,000	6,542	6,137	(406)	0.59	0.00	0.51		
H-Tech Lubricants Limited	50,000	-	-	-	50,000	1,514	2,126	612	0.20	0.01	0.18		
Sui Northern Gas Pipelines Limited	423,400	25,000	-	96,500	351,900	19,309	21,751	2,442	2.09	0.06	1.80		
									8.35	0.28	7.18		
Paper and Board													
Security Paper Limited	-	20,000	-	-	20,000	4,450	4,335	(115)	0.42	0.03	0.36		
Roshan Packages Limited	100,000	6,000	-	-	106,000	2,479	3,676	1,197	0.35	0.12	0.30		
Century Paper and Board Mills	68,000	35,000	-	-	103,000	7,750	11,457	3,707	1.10	0.12	0.95		
Packages Limited	52,150	4,000	-	-	56,150	19,712	28,206	8,493	2.71	0.06	2.33		
									4.59	0.33	3.95		
Pharmaceuticals													
Abbott Laboratories (Pakistan) Limited	50	-	-	-	50	33	38	5	-	-	-		
AGP Limited	302,500	-	-	-	302,500	33,196	32,973	(224)	3.17	0.11	2.73		
GlaxoSmithKline Consumer Healthcare Limited	31,900	-	-	-	31,900	8,667	9,240	574	0.89	0.03	0.76		
The Searle Company Limited	95,849	50,000	-	6,000	139,849	31,066	35,845	4,778	3.45	0.07	2.97		
									7.51	0.20	6.46		
Power Generation and Distribution													
K-Electric Limited (face value Rs. 3.5)	4,179,500	-	-	900,000	3,279,500	9,871	13,807	3,935	1.33	0.01	1.14		
The Hub Power Company Limited	1,178,797	-	-	490,500	688,297	49,902	54,004	4,102	5.20	0.05	4.47		
									6.52	0.06	5.61		
Technology and Communication													
Avanceon Limited	110,000	25,000	-	50,000	85,000	3,204	5,714	2,509	0.55	0.04	0.47		
Pakistan Telecommunication Company Limited	-	750,000	-	-	750,000	7,265	8,108	843	0.78	0.02	0.67		
Netsol Tech	-	65,000	-	13,000	52,000	3,762	3,126	(636)	0.30	0.06	0.26		
Systems Limited	79,200	-	-	-	79,200	14,547	21,546	6,998	2.07	0.06	1.78		
									3.70	0.19	3.19		
Textile Composite													
Interloop Limited	492,712	-	-	30,000	462,712	20,322	31,025	10,703	2.98	0.05	2.57		
Feroze1888 Mills Limited	134,500	-	-	56,000	78,500	6,421	8,216	1,795	0.79	0.02	0.68		
Nishat Mills Limited	141,000	30,000	-	-	171,000	14,161	17,283	3,122	1.66	0.05	1.43		
									5.44	0.12	4.68		
Miscellaneous													
Shifa International Hospital Ltd	-	14,000	-	-	14,000	3,603	3,119	(484)	0.30	0.02	0.26		
Synthetic Products Enterprises Limited	-	90,000	-	-	90,000	4,566	4,010	(556)	0.39	0.10	0.33		
									0.69	0.12	0.59		
Total						1,039,509	1,208,265	168,756	100%				

6.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have a nominal value of Rs 3.5 each and Agriauto Industries Limited which have a nominal value of Rs 5 each.

6.1.2 Investments include 105,000 shares (June 30, 2020: 105,000 shares) of Engro Corporation Limited, having market value of Rs 31.61 million (June 30, 2020: Rs 30.76 million) as at September 30, 2020, which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of Fund's trades in accordance with Circular 11 dated October 23, 2007 by SECP.

6.2 The 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, 2020. As at September 30, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.414 million (June 30, 2020: Rs. 1.453 million).

7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Charity payable		2,961	2,753
Brokerage payable		1,872	2,416
Auditors' remuneration payable		79	195
Withholding tax payable		355	5,373
Capital gain tax payable		393	255
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	16,379	12,579
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	145	145
Shariah advisory fee payable		130	266
Zakat payable		22	-
		<u>22,818</u>	<u>24,464</u>

7.1 The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit of the Fund would have been higher by Re 0.46 per unit as at September 30, 2020 (June 30, 2020 : Re. 0.34 per unit).

7.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for Federal Excise Duty not being made, the Net Asset Value per unit of the Fund as at September 30, 2020 would have been higher by Re 0.02 (June 30, 2020: Re 0.02) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

9. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY	Note	September 30. 2020 (Unaudited)	June 30. 2020 (Audited)
		-----Rupees in 000-----	
Management fee payable	9.1	1,964	1,667
Sindh Sales Tax on Management fee payable Management Company		255	217
Allocated expenses payable	9.2	131	111
Sales load payable		205	86
Sindh Sales Tax Payable on sales load		27	12
Selling and marketing expenses payable	9.3	1,531	1,311
		<u>4,113</u>	<u>3,404</u>

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.5% (2020: 1.5%) per annum of the average net assets of the Fund during the quarter ended September 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

- 9.2 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).

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.

- 9.3 The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	1,964	1,667
Sindh Sales Tax on management fee payable	255	217
Sales load payable	205	86
Sindh sales tax on sales load payable	27	12
Allocated expense payable	131	111
Selling & marketing expense payable	1,531	1,311
Meezan Bank Limited		
Sales load payable	3	32
Sindh Sales Tax on sales load payable	-	4
Bank balance	32,827	20,861
Profit receivable on saving account	53	52
Investment in 608,790 shares (June,30 2020: 553,446 shares)	50,049	38,105
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	190	169
Sindh Sales Tax on trustee fee payable	25	22
Security deposit	100	100
Directors and Executives of the Management Company		
Investments as at September 30, 2020: 372,975 units (June 30, 2020: 329,538 units)	15,508	12,059

	For the quarter ended September 30,	
	2020	2019
	(Rupees in '000)	
	(Unaudited)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the quarter	5,742	6,250
Sindh Sales Tax on management fee for the quarter	746	813
Allocated expenses	383	417
Selling and marketing expense	1,531	1,667
Meezan Bank Limited		
Bonus shares issued: 55,344 shares (September 30, 2019: Nil shares)	-	-
Profit on saving account	124	250
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the quarter	635	668
Sindh Sales Tax on trustee fee for the quarter	83	87
CDS charges	19	22
Directors and Executives of the Management Company		
Units issued: 194,044 (September 30, 2019: Nil units)	7,829	-
Units redeemed: 150,609 units (September 30, 2019: Nil units)	6,176	-

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 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.

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 2.85% which includes 0.49% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Asset Allocation scheme.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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



Fair value hierarchy

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

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

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

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

As at September 30, 2020, the Fund held the following financial instruments measured at fair values:

As at September 30, 2020			
Level 1	Level 2	Level 3	Total
ASSETS			
----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	1,208,265	-	-
			1,208,265

As at June 30, 2020			
Level 1	Level 2	Level 3	Total
ASSETS			
----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'			
Shares of listed companies 'ordinary shares'	1,127,264	-	-
			1,127,264

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Dedicated Equity Fund

Meezan Dedicated Equity Fund (MDEF)

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

**LARGEST INDUSTRY
CUSTOMER** BASE OF OVER
120,000



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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 Shaukat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020**

		September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Balances with banks	5	13,228	22,127
Investments	6	764,897	595,501
Receivable against sale of investments		4,653	5,113
Dividend receivable		4,015	178
Deposits and other receivables		3,989	3,929
Total assets		790,782	626,848
Liabilities			
Payable to AI Meezan Investment Management Limited -Management Company	8	2,370	1,818
Payable to Central Depository Company of Pakistan Limited -Trustee		272	117
Payable to the Securities and Exchange Commission of Pakistan		247	209
Payable against purchase of investments		-	2,616
Payable against redemption and conversion of units		-	36
Accrued expenses and other liabilities	9	5,315	3,037
Total liabilities		8,204	7,833
Net assets		782,578	619,015
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		782,578	619,015
		(Number of units)	
Number of units in issue		19,392,744	17,888,339
		(Rupees)	
Net asset value per unit		40.3542	34.6044

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)**

Note	September 30,	
	2020	2019
	(Rupees in '000)	
Income		
	12,346	(69,896)
	4,402	18,897
	129	3,852
	-	500
	<u>16,877</u>	<u>(46,647)</u>
	Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'	
6.1	95,852	(72,455)
	<u>112,729</u>	<u>(119,102)</u>
Total Income / (loss)		
Expenses		
	3,767	6,431
	490	836
	188	322
	753	1,286
	480	573
	62	75
	38	68
	53	57
	565	740
	127	532
	19	38
	137	140
	-	10
	2,121	-
	<u>8,800</u>	<u>11,108</u>
	Total expenses	
	<u>103,929</u>	<u>(130,210)</u>
	Net Income / (loss) for the quarter before taxation	
	-	-
	Taxation	
12	-	-
	<u>103,929</u>	<u>(130,210)</u>
	Net Income / (loss) for the quarter after taxation	
Allocation of net income for the quarter		
	103,929	-
	(8,903)	-
	<u>95,026</u>	<u>-</u>
	Accounting income available for distribution	
	95,026	-
	-	-
	<u>95,026</u>	<u>-</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)**

	September 30,	
	2020	2019
	(Rupees in '000)	
Net Income / (loss) for the quarter after taxation	103,929	(130,210)
Other comprehensive income for the period	-	-
Total comprehensive Income / (loss) for the quarter	103,929	(130,210)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDER'S FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)**

	Quarter Ended September 30, 2020			Quarter Ended September 30, 2019		
	Capital Value	Undistrib-uted income / Accumu-lated losses	Total	Capital Value	Accumu-lated losses	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the quarter	1,410,246	(791,231)	619,015	2,436,503	(675,429)	1,761,074
Issue of 3,500,433 units (2019: 5,823,986 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	121,130	-	121,130	206,799	-	206,799
- Element of income / (loss)	17,471	-	17,471	(19,800)	-	(19,800)
Total proceeds on issuance of units	138,601	-	138,601	186,999	-	186,999
Redemption of 1,996,028 units (2019: 24,373,287 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	69,072	-	69,072	865,449	-	865,449
- Element of income	992	8,903	9,895	(72,014)	-	(72,014)
Total payments on redemption of units	70,064	8,903	78,967	793,435	-	793,435
Total comprehensive Income / (loss) for the quarter	-	103,929	103,929	-	(130,210)	(130,210)
Distribution during the quarter	-	-	-	-	-	-
Net income (loss) for the quarter less distribution	-	103,929	103,929	-	(130,210)	(130,210)
Net assets at the end of the quarter	1,478,783	(696,205)	782,578	1,830,067	(805,639)	1,024,428
Accumulated loss brought forward						
- Realised loss		(821,914)			(336,679)	
- Unrealised gain / (loss)		30,683			(338,750)	
		<u>(791,231)</u>			<u>(675,429)</u>	
Accounting income available for distribution						
- Relating to capital gains		95,026			-	
- Excluding capital gains		-			-	
		<u>95,026</u>			<u>-</u>	
Net Income / (loss) for the quarter after taxation		-			(130,210)	
Distribution during the quarter		-			-	
Accumulated loss carried forward		<u>(696,205)</u>			<u>(805,639)</u>	
Accumulated loss carried forward						
- Realised loss		(792,057)			(733,184)	
- Unrealised gain / (loss)		95,852			(72,455)	
		<u>(696,205)</u>			<u>(805,639)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			<u>34.6044</u>			<u>35.5081</u>
Net assets value per unit at the end of the quarter			<u>40.3542</u>			<u>32.9959</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)**

	September 30 ,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) for the quarter before taxation	103,929	(130,210)
Adjustments for		
Net unrealised (appreciation) / diminution on re-measurement of investments 'at fair value through profit or loss'	(95,852)	72,455
	<u>8,077</u>	<u>(57,755)</u>
Decrease / (Increase) in assets		
Investments - net	(73,544)	637,863
Dividend receivable	(3,837)	(17,804)
Receivable against sale of investments	460	(18,854)
Advances, prepayments and other receivables	(60)	(992)
	<u>(76,981)</u>	<u>600,213</u>
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	552	(1,883)
Payable to Central Depository Company of Pakistan Limited - Trustee	155	(69)
Payable to Securities and Exchange Commission of Pakistan	38	(1,796)
Payable against purchase of investments	(2,616)	-
Accrued expenses and other liabilities	2,278	(604)
	<u>407</u>	<u>(4,352)</u>
Net cash (used in) / generated from operating activities	<u>(68,497)</u>	<u>538,106</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	138,601	186,999
Payment against redemption and conversion of units	(79,003)	(794,935)
Net cash generated from / (used in) financing activities	<u>59,598</u>	<u>(607,936)</u>
Net decrease in cash and cash equivalents during the quarter	<u>(8,899)</u>	<u>(69,830)</u>
Cash and cash equivalents at the beginning of the quarter	22,127	110,688
Cash and cash equivalents at the end of the quarter	<u><u>13,228</u></u>	<u><u>40,858</u></u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 28, 2018) and by PACRA dated June 26, 2020 (2019: dated June 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the 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, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. 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, 2020.
- 4.3 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, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
In saving accounts	5.1	8,698	18,385
In current accounts		4,530	3,742
		<u>13,228</u>	<u>22,127</u>

- 5.1 The balances in saving accounts have an expected profit ranging from 2.31% to 6.25% per annum. (June 30, 2020: 1.50% to 7.50% per annum).

6. INVESTMENTS	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Investments - 'at fair value through profit or loss'	6.1	764,897	595,501
		<u>764,897</u>	<u>595,501</u>

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

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus issue / Right shares	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Total market value of investment
Number of shares						(Rupees in '000)					

Sectors / companies

Automobile Assembler

Honda Atlas Cars (Pakistan) Limited	10,100	-	-	-	10,100	1,956	2,615	659	0.33	0.01	0.34
Indus Motor Company Limited	4,740	-	-	-	4,740	4,716	6,068	1,352	0.78	0.01	0.79
Milat Tractors Limited	2,000	3,500	-	-	5,500	4,338	4,759	421	0.61	0.01	0.62
									1.72	0.03	1.75

Automobile Parts & Accessories

Agriauto Industries Limited (Note 6.1.1)	20,000	-	-	9,100	10,900	1,984	2,627	643	0.34	0.08	0.34
									0.34	0.08	0.34

Commercial Banks

Bankislami Pakistan Limited	80,000	-	-	30,000	50,000	378	516	138	0.07	-	0.07
Meezan Bank Limited (an associate)	261,005	75,001	33,600	5,000	364,606	23,982	29,974	5,992	3.83	0.03	3.92
									3.90	0.03	3.99

Cement

Attock Cement Pakistan Limited	15,200	23,800	-	15,200	23,800	3,780	3,634	(146)	0.46	0.02	0.48
Cherat Cement Company Limited	45,000	-	-	25,000	20,000	1,743	2,335	592	0.30	0.01	0.31
D.G. Khan Cement Company Limited	81,000	75,000	-	50,500	105,500	10,336	10,878	542	1.39	0.02	1.42
Fauji Cement Company Limited	191,500	-	-	125,000	66,500	1,123	1,322	200	0.17	-	0.17
Kohat Cement Company Limited	132,370	9,200	-	26,000	115,570	15,995	19,732	3,738	2.52	0.06	2.58
Lucky Cement Limited	88,650	22,000	-	-	110,650	53,863	71,598	17,735	9.15	0.03	9.36
Maple Leaf Cement Factory Limited	130,000	365,000	-	60,000	435,000	12,959	15,612	2,653	1.99	0.07	2.04
									15.98	0.21	16.36

Chemical

Engro Polymer & Chemicals Limited	262,644	184,500	-	-	447,144	12,806	18,002	5,196	2.30	0.05	2.35
ICI Pakistan Limited	25,300	3,000	-	-	28,300	19,868	20,478	609	2.62	0.03	2.68
Ittehad Chemical Limited	50,000	-	-	-	50,000	1,318	1,380	62	0.18	0.06	0.18
Lotte Chemical Pakistan Limited	111,500	100,000	-	50,000	161,500	1,718	1,938	220	0.25	0.01	0.25
Stara Peroxide Limited	65,000	-	-	65,000	-	-	-	-	-	-	-
									5.35	0.15	5.46

Engineering

International Industries Limited	50,700	20,000	-	22,000	48,700	5,772	7,059	1,287	0.90	0.04	0.92
International Steels Limited	120,000	-	-	20,000	100,000	5,165	7,704	2,539	0.98	0.02	1.01
Mughal Iron & Steel Industries Limited	29,500	54,500	-	-	84,000	4,223	5,400	1,176	0.69	0.03	0.71
									2.57	0.09	2.64

Fertilizer

Engro Corporation Limited	199,326	32,668	-	11,041	220,953	65,349	66,513	1,165	8.50	0.04	8.70
Dawood Hercules Corporation Limited	8,500	-	-	8,500	-	-	-	-	-	-	-
Fatima Fertilizer Limited	57,000	-	-	57,000	-	-	-	-	-	-	-
Engro Fertilizers Limited	422,393	88,500	-	119,000	391,893	23,882	23,835	(47)	3.05	0.03	3.12
									11.55	0.07	11.82

Miscellaneous

Shifa International hospital Limited	-	7,000	-	-	7,000	1,813	1,559	(254)	0.20	0.01	0.20
synthetic product enterprise limited	-	50,000	-	-	50,000	2,300	2,228	(72)	0.28	0.06	0.29
									0.48	0.07	0.49

Food And Personal Care

At Tahur Limited	91	-	-	-	91	2	2	-	-	-	-
									-	-	-

Glass And Ceramics

Ghani Glass Limited	100,000	-	-	12,000	88,000	3,621	4,594	973	0.59	0.02	0.60
									0.59	0.02	0.60

Name of the investee company	As at July 1, 2020	Purchases during the quarter	Bonus issue / Right shares	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain / (loss) as at September 30, 2020	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Total market value of investment
Number of shares						Rupees in '000					
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	48,108	3,240	-	2,000	49,348	61,810	67,583	5,773	8.64	0.04	8.84
Oil & Gas Development Company Limited	483,200	55,000	-	142,500	395,700	43,355	40,995	(2,360)	5.24	0.01	5.36
Pakistan Oilfields Limited	81,060	-	-	12,000	69,060	24,215	29,097	4,883	3.72	0.02	3.80
Pakistan Petroleum Limited	420,404	160,330	-	89,000	491,734	44,559	45,269	710	5.78	0.02	5.93
									23.38	0.09	23.93
Oil & Gas Marketing Companies											
Attock Petroleum Limited	21,200	-	-	-	21,200	6,470	7,239	769	0.93	0.02	0.95
Hascol Petroleum Limited	390,948	200,000	-	400,000	190,948	2,800	3,853	1,053	0.49	0.10	0.50
Hi - Tech Lubricants Limited	100,000	50,000	-	-	150,000	4,827	6,378	1,551	0.81	0.03	0.83
Pakistan State Oil Company Limited	101,772	39,899	-	-	141,671	23,284	28,363	5,078	3.62	0.02	3.71
Shell Pakistan Limited	-	25,500	-	-	25,500	6,700	6,259	(440)	0.80	0.02	0.82
Sui Northern Gas Pipelines Limited	213,600	138,000	-	30,000	321,600	18,195	19,878	1,683	2.54	0.05	2.60
									9.19	0.24	9.41
Paper & Board											
Century Paper Limited	45,000	50,000	-	-	95,000	7,412	10,567	3,155	1.35	0.22	1.38
Packages Limited	32,650	14,000	-	-	46,650	18,192	23,434	5,241	2.99	0.05	3.06
Security Paper Limited	-	10,000	-	-	10,000	2,200	2,167	(33)	0.28	0.02	0.28
Roshan Packages Limited	50,500	-	-	-	50,500	1,132	1,751	619	0.22	0.04	0.23
									4.84	0.33	4.95
Pharmaceuticals											
AGP Limited	147,000	-	-	15,000	132,000	14,486	14,388	(98)	1.84	0.05	1.88
Ferozsons laboratories Limited	-	100	-	-	100	38	40	2	0.01	-	0.01
Glaxosmithkline Consumer Healthcare Limited	12,900	-	-	2,200	10,700	2,907	3,099	192	0.40	0.01	0.41
Hignoon Laboratories Limited	5,400	-	-	1,650	3,750	1,880	2,303	423	0.29	0.01	0.30
The Searle Company Limited	55,055	49,000	-	-	104,055	23,938	26,670	2,732	3.41	0.05	3.49
									5.95	0.12	6.09
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	2,054,500	-	-	250,000	1,804,500	5,432	7,597	2,165	0.97	0.01	0.99
The Hub Power Company Limited	587,754	-	-	265,399	322,355	23,371	25,292	1,921	3.23	0.02	3.31
									4.20	0.03	4.30
Technology & Communication											
Avanceon Limited	147,400	35,000	-	80,000	102,400	4,822	6,883	2,061	0.88	0.05	0.90
Netsol Technologies Limited	-	115,000	-	102,500	12,500	842	751	(90)	0.10	0.01	0.10
Pakistan Telecommunication company Limited	-	500,000	-	-	500,000	4,920	5,405	485	0.69	0.04	0.71
Systems Limited	62,800	10,000	-	25,000	47,800	8,801	13,004	4,203	1.66	0.04	1.70
									3.33	0.14	3.41
Textile Composite											
Feroze1888 Mills Limited	91,300	-	-	55,500	35,800	2,928	3,747	818	0.48	0.01	0.49
Interloop Limited	207,382	40,000	-	5,000	242,382	11,489	16,252	4,763	2.08	0.03	2.12
Nshat Mills Limited	56,200	85,000	-	-	141,200	13,052	14,271	1,219	1.82	0.04	1.87
									4.38	0.08	4.48
Vanaspati & Allied Industries											
Unity Foods Limited	100,000	-	-	100,000	-	-	-	-	-	-	-
Total						669,045	764,897	95,852			

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

6.2 The 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, 2020. As at September 30, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.226 million (June 30, 2020: Rs. 0.257 million)..

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

		September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
8. PAYABLE TO AL MEEZAN MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note		
Management fee payable	8.1	1,364	1,024
Sindh Sales Tax on Management fee payable		178	133
Allocated expenses payable	8.2	75	58
Selling and marketing expenses payable	8.3	753	603
		<u>2,370</u>	<u>1,818</u>

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2020: 2%) per annum of the average net assets of the Fund during the quarter ended September 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

8.2 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).

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.

8.3 The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

		September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		73	-
Printing expenses payable		69	69
Auditors' remuneration payable		74	250
Brokerage payable		1,251	982
Charity payable		1,594	1,467
Provision for Sindh Worker's Welfare Fund	9.1	2,121	-
Shariah advisor fee payable		133	269
		<u>5,315</u>	<u>3,037</u>

9.1. The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at September 30, 2020 would have been higher by Re. 0.11 (June 30, 2020: Re: nil per unit).

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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



Balances	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	1,364	1,024
Sindh Sales Tax payable on management fee	178	133
Selling and marketing expenses payable	753	603
Allocated expense payable	75	58
Meezan Bank Limited		
Balances with bank	1,715	10,123
Profit receivable on saving accounts	6	12
Investment in shares: 364,606 shares (June 30, 2020: 261,005 shares)	29,974	17,970
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	241	104
Sindh Sales Tax on trustee fee payable	31	13
Security deposit	103	103
Meezan Financial Planning Fund of Funds MAAP I		
Investment of 2,948,758 units (June 30, 2020: 2,948,758 units)	118,995	102,040
Meezan Strategic Allocation Fund MSAP - I		
Investment of 6,022,570 units (June 30, 2020: 6,022,570 units)	243,036	208,407
Meezan Strategic Allocation Fund MSAP - II		
Investment of 416,520 units (June 30, 2020: 320,475 units)	16,808	11,090
Meezan Strategic Allocation Fund MSAP - III		
Investment of 2,872,358 units (June 30, 2020: 2,872,358 units)	115,912	99,396
Meezan Strategic Allocation Fund MSAP - IV		
Investment of 2,690,115 units (June 30, 2020: 2,690,115 units)	108,557	93,090
Meezan Strategic Allocation Fund MSAP - V		
Investment of 1,001,742 units (June 30, 2020: 1,001,742 units)	40,424	34,665
Meezan Strategic Allocation Fund - II MCPP-IV		
Investment of 2,375,529 units (June 30, 2020: 1,007,398 units)	95,862	34,860
Meezan Strategic Allocation Fund - II MCPP-V		
Investment of 29,031 units (June 30, 2020: nil units)	1,172	-
Meezan Strategic Allocation Fund - III MCPP-IX		
Investment of 1,036,120 units (June 30, 2020: 1,024,923 units)	41,812	35,467
	September 30 ,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the quarter	3,767	6,431
Sindh Sales Tax on management fee for the quarter	490	836
Allocated expenses	188	322
Selling and marketing expense	753	1,286
Meezan Bank Limited		
Profit on saving account	36	2,875
Shares purchased during the period: 75,001 shares (September 30, 2019: nil shares)	6,341	-
Bonus shares received: 33,600 shares (September 30, 2019: nil shares)	-	-
Shares sold during the period: 5,000 shares (September 30, 2019: 1,500 shares)	415	116

Central Depository Company of Pakistan Limited - the Trustee

Remuneration for the quarter	<u>480</u>	<u>573</u>
Sindh Sales Tax on trustee fee	<u>62</u>	<u>75</u>
CDS charges	<u>16</u>	<u>34</u>

Meezan Financial Planning Fund of Funds - MAAF - I

Units redeemed: nil units (September 30, 2019: 4,752,893 units)	<u>-</u>	<u>156,640</u>
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Meezan Strategic Allocation Fund MSAP - I

Units issued: nil units (September 30, 2019: nil units)	<u>-</u>	<u>-</u>
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Units redeemed: nil units (September 30, 2019: 2,497,940 units)	<u>-</u>	<u>81,700</u>
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Meezan Strategic Allocation Fund MSAP - II

Units issued: 96,045 units (September 30, 2019: nil units)	<u>4,000</u>	<u>-</u>
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Units redeemed: nil units (September 30, 2019: 234,946 units)	<u>-</u>	<u>8,300</u>
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Meezan Strategic Allocation Fund MSAP - III

Units redeemed: nil units (September 30, 2019: 249,158 units)	<u>-</u>	<u>8,900</u>
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Meezan Strategic Allocation Fund MSAP - IV

Units redeemed: nil units (September 30, 2019: 316,994 units)	<u>-</u>	<u>11,230</u>
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Meezan Strategic Allocation Fund MSAP - V

Units redeemed: nil units (September 30, 2019: 103,863 units)	<u>-</u>	<u>3,650</u>
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Meezan Strategic Allocation Fund MCPP-III

Units issued: nil units (September 30, 2019: 3,504,335 units)	<u>-</u>	<u>111,000</u>
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Units redeemed: nil units (September 30, 2019: 8,450,880 units)	<u>-</u>	<u>275,547</u>
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Meezan Strategic Allocation Fund -II MCPP-IV

Units issued: 2,585,498 units (September 30, 2019: nil units)	<u>102,450</u>	<u>-</u>
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Units redeemed: 1,217,367 units (September 30, 2019: 3,201,819 units)	<u>48,270</u>	<u>105,540</u>
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Meezan Strategic Allocation Fund -II MCPP-V

Units issued: 134,706 units (September 30, 2019: nil units)	<u>5,350</u>	<u>-</u>
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Units redeemed: 105,675 units (September 30, 2019: 731,268 units)	<u>4,289</u>	<u>23,610</u>
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Meezan Strategic Allocation Fund-II MCPP-VI

Units redeemed: nil units (September 30, 2019: 657,019 units)	<u>-</u>	<u>22,060</u>
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Meezan Strategic Allocation Fund-II MCPP-VII

Units redeemed: nil units (September 30, 2019: 184,867 units)	<u>-</u>	<u>6,830</u>
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Meezan Strategic Allocation Fund-II MCPP-VIII

Units issued: nil units (September 30, 2019: 1,286,112 units)	<u>-</u>	<u>43,000</u>
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Units redeemed: nil units (September 30, 2019: 1,804,678 units)	<u>-</u>	<u>59,579</u>
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Meezan Strategic Allocation Fund-III MCPP-IX

Units issued: 687,652 units (September 30, 2019: 1,170,836 units)	<u>26,800</u>	<u>37,949</u>
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Units redeemed: 676,455 units (September 30, 2019: 1,324,259 units)	<u>26,547</u>	<u>41,998</u>
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11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 3.83% which includes 0.63% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 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. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance, 2001.

13. FINANCIAL INSTRUMENTS - FAIR VALUES

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

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

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

13.1. Fair value hierarchy

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

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

As at September 30, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	As at September 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	764,897	-	-	764,897

	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	595,501	-	-	595,501

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

 Chief Executive

 Chief Financial Officer

 Director



Meezan
Gold Fund

Meezan Gold Fund (MGF)

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

**ONLY SHARIAH
COMPLIANT
GOLD FUND MANAGER**



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	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 Limited
Faysal Bank Limited	Meezan Bank Limited
Sindh Bank Limited	
UBL Ameen - Islamic Banking	

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020

		September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	90,743	157,431
Investment in gold	6	422,298	390,225
Receivable against conversion of units		397	397
Advances and other receivables		9,327	9,680
Total assets		<u>522,765</u>	<u>557,733</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	8	1,088	1,431
Payable to Central Depository Company of Pakistan Limited - Trustee		82	101
Payable to the Securities and Exchange Commission of Pakistan		28	99
Payable against conversion and redemption of units		202	311
Accrued expenses and other liabilities	9	10,014	7,845
Total liabilities		<u>11,414</u>	<u>9,787</u>
Net assets		<u>511,351</u>	<u>547,946</u>
Contingencies and commitments	7		
Unit holders' fund (as per statement attached)		<u>511,351</u>	<u>547,946</u>
		(Number of units)	
Number of units in issue		<u>5,775,000</u>	<u>6,508,989</u>
		(Rupees)	
Net asset value per unit		<u>88.5456</u>	<u>84.1829</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Direct

**MEEZAN GOLD FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	September 30,	
		2020	2019
		(Rupees in '000)	
Income			
Realised gain on sale of investments		-	419
Profit on saving accounts with banks		1,927	1,961
Price adjustment charges	11	666	2,414
		2,593	4,794
Net unrealised appreciation on re-measurement of investment in gold	6	32,073	24,322
Total income		34,666	29,116
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	8.1	1,385	1,354
Sindh Sales Tax on remuneration of Management Company		180	176
Allocated expenses	8.2	138	135
Selling and marketing expenses	8.3	554	542
Remuneration of Central Depository Company of Pakistan Limited - Trustee		235	230
Sindh Sales Tax on remuneration of the Trustee		31	30
Annual fees to the Securities and Exchange Commission of Pakistan		28	28
Auditors' remuneration		99	72
Brokerage expense		-	17
Fees and subscription		112	87
Bank and settlement charges		1	221
Custodian fee		1,085	1,181
Provision for Sindh Workers' Welfare Fund (SWWF)	9	616	501
Total expenses		4,464	4,574
Net income for the quarter before taxation		30,202	24,542
Taxation	13	-	-
Net income for the quarter after taxation		30,202	24,542
Allocation of net income for the quarter			
Net income for the quarter after taxation		30,202	24,542
Income already paid on units redeemed		(5,008)	(4,959)
		25,194	19,583
Accounting income available for distribution			
- Relating to capital gains		25,194	19,583
- Excluding capital gains		-	-
		25,194	19,583

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

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

Chief Executive

Chief Financial Officer

Director



MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September, 30	
	2020	2019
	(Rupees in '000)	
Net income for the quarter after taxation	30,202	24,542
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	<u>30,202</u>	<u>24,542</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	2020			2019		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the quarter	429,142	118,804	547,946	434,630	42,931	477,561
Issue of nil units (2019: 1,998,703 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	-	-	-	136,194	-	136,194
- Element of income	-	-	-	9,148	-	9,148
Total proceeds on issuance of units	-	-	-	145,342	-	145,342
Redemption of 733,989 units (2019: 1,411,076 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	61,789	-	61,789	96,151	-	96,151
- Element of loss	-	5,008	5,008	1,571	4,959	6,530
Total payments on redemption of units	61,789	5,008	66,797	97,722	4,959	102,681
Total comprehensive income for the quarter	-	30,202	30,202	-	24,542	24,542
Distribution during the quarter	-	-	-	-	-	-
Net income for the period less distribution	-	30,202	30,202	-	24,542	24,542
Net assets at end of the quarter	367,353	143,998	511,351	482,250	62,514	544,764
Undistributed income brought forward						
- Realised Income / (loss)		40,133			(23,741)	
- Unrealised income		78,671			66,672	
		<u>118,804</u>			<u>42,931</u>	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		25,194			19,583	
- Excluding capital gains		-			-	
		<u>25,194</u>			<u>19,583</u>	
Distribution for the quarter		-			-	
Undistributed income carried forward		<u>143,998</u>			<u>62,514</u>	
Undistributed income carried forward						
- Realised income		111,925			38,192	
- Unrealised income		32,073			24,322	
		<u>143,998</u>			<u>62,514</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the quarter		<u>84.1829</u>			<u>68.1410</u>	
Net assets value per unit at end of the quarter		<u>88.5456</u>			<u>71.7168</u>	

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN GOLD FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	30,202	24,542
Adjustments for:		
Unrealised appreciation on re-measurement of investment in gold	(32,073)	(24,322)
	<u>(1,871)</u>	<u>220</u>
Decrease / (Increase) in assets		
Investments - net	-	(103,851)
Receivable against sale of investments - net	-	2,569
Advances and other receivables	353	10,684
	353	(90,598)
Increase/ (Decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(343)	632
Payable to Central Depository Company of Pakistan Limited - Trustee	(19)	(43)
Payable to the Securities and Exchange Commission of Pakistan	(71)	(196)
Accrued expenses and other liabilities	2,169	549
	1,736	942
Net cash generated from / (used in) operating activities	<u>218</u>	<u>(89,436)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	-	162,374
Payment against conversion and redemption of units	(66,906)	(102,265)
Net cash (used in) / generated from financing activities	(66,906)	60,109
Net decrease in cash and cash equivalents during the quarter	<u>(66,688)</u>	<u>(29,327)</u>
Cash and cash equivalents at beginning of the quarter	157,431	86,014
Cash and cash equivalents at end of the quarter	<u>5</u> <u>90,743</u>	<u>56,687</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN GOLD FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 15, 2014 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, (NBFC Regulations) issued through S.R.O.1203(1)/2008 on November 21, 2008. The Fund commenced its operations from August 18, 2015. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and / or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah advisor. Under the Trust Deed, all the conducts and acts of the fund are based on Shariah. The management company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund. Due to the on-going pandemic situation created by COVID-19 outbreak, the supply of physical gold through PMEX has been disrupted. Resultantly, the Fund has not been able to invest in physical gold. Therefore, In order to protect the interests of existing unit holders, the Management Company in accordance with clause 4.13.2 of the Offering Document and clause 13.5.1 of the Trust Deed of the Fund, suspended "fresh issuance" of units of the Fund effective from May 19, 2020 till further notice. However, redemptions and conversions from the Fund shall continue to be honoured.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019:AM1 dated December 29, 2018) and PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement Of Compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. 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, 2020.

4.3 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, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	September 30,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	90,649	157,337
In current accounts		94	94
		90,743	157,431

5.1 The balance in saving accounts have an expected profit ranging from 1.5% to 6.25% per annum (June 30, 2020: 1.5% to 7.5% per annum).

6. INVESTMENTS	Note	September 30,	June 30,
		2020 (Unaudited)	2020 (Audited)
		(Rupees in '000)	
Investment in gold	6.1	422,298	390,225

6.1 Investment in gold

Commodity	As at July 1, 2020	Purchases during the quarter	Sales during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised gain	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLA GOLD	3,675	-	-	3,675	388,639	420,582	31,943	82.25%
MITOLA	15,000	-	-	15,000	1,586	1,717	131	0.34%
Total as at September 30, 2020					390,225	422,298	32,074	

- 6.1.1** The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.
- 6.1.2** The investment in gold of Rs 422.298 million (June 30, 2020: Rs 390.225 million) has been measured at fair value based on the quoted market price in active markets.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

	Note	September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
-----Rupees in 000-----			
8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY			
Management fee payable	8.1	434	528
Sindh Sales Tax on Management fee payable Management Company		57	69
Allocated expenses payable	8.2	43	53
Sales load payable		-	162
Sindh Sales Tax Payable on sales load		-	21
Selling and marketing expenses payable	8.3	554	598
		<u>1,088</u>	<u>1,431</u>

- 8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2020: 1%) per annum of the average net assets of the Fund during the quarter ended September 30, 2020. The remuneration is payable to the Management Company monthly in arrears.
- 8.2** 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).
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.
- 8.3** The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Auditor's remuneration		74	175
Custodian fee payable		1,763	883
Provision for Sindh Worker's Welfare Fund (SWWF)	9.1	5,658	5,041
Withholding tax payable		99	7
Capital gain tax payable		924	184
Shariah advisory fee payable		98	159
Payable against purchase of investments		685	685
Zakat payable		2	-
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	297	297
		<u>10,014</u>	<u>7,845</u>

9.1 The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at September 30, 2020 would have been higher by Rs 0.98 per unit (June 30, 2020: Rs 0.77 per unit)

9.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for Federal Excise Duty not being made, the Net Asset Value of the Fund as at September 30, 2020 would have been higher by Re 0.12 (June 30, 2020: Re 0.11) per unit.

10. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 2.89% which includes 0.27% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 3% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a Commodity Scheme.

11. PRICE ADJUSTMENT CHARGES

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

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

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	434	528
Sindh Sales Tax on management fee payable	57	69
Sales load payable	-	162
Sindh Sales Tax on sales load payable	-	21
Selling and marketing expenses payable	554	598
Allocated expenses payable	43	53
Meezan Bank Limited		
Bank balance	729	31,954
Profit receivable on saving account	1	106
Investment of 1,084,712 units (June 30, 2020: 1,084,712 units)	96,047	91,314
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	73	89
Sindh Sales Tax on trustee fee payable	9	12
Directors and Executives of the Management Company		
Investment of 331,287 units (June 30, 2020: 331,325 units)	29,334	27,892
Unitholders holding 10% or more units of the Fund		
Investment of 1,272,869 units (June 30, 2020: 1,272,869 units)	112,707	107,154
	September 30,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the quarter	1,385	1,354
Sindh Sales Tax on management fee for the quarter	180	176
Allocated expenses	138	135
Selling and marketing expense	554	542
Meezan Bank Limited		
Profit on saving account	61	472
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the quarter	235	230
Sindh Sales Tax on trustee fee for the quarter	31	30
Directors and Executives of the Management Company		
Units issued: Nil (September 30, 2019: 71,488 units)	-	52,785
Units redeemed: 38 units (September 30, 2019: 60,182 units)	3	4,335

13. TAXATION

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

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

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

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

As at September 30, 2020, the Fund does not hold any asset which required fair valuation.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Meezan
Islamic Income Fund

Meezan Islamic Income Fund (MIIF)

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



**HIGHEST MANAGEMENT
QUALITY RATING OF AM1**

– BY PACRA & VIS

AM1
Rating by VIS and PACRA

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	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 Shaukat Khan (Kamila)	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. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited	MCB Bank Limited
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 Bank	National Bank of Pakistan - Islamic Banking
Alfalah Limited	Samba Bank Limited
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	Soneri Bank Limited - Islamic Banking
Faysal Bank Limited - Islamic Banking	The Bank Of Punjab - Islamic Banking
Habib Bank Limited -Islamic Banking	The Bank Of Khyber - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2020**

		September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Balances with banks	5	11,665,863	6,857,317
Investments	6	21,051,941	20,666,580
Receivable against sale of investments		155,134	-
Receivable against conversion of units		247,075	425,168
Deposits, prepayments and other receivables		411,104	299,311
Total assets		<u>33,531,117</u>	<u>28,248,376</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	54,036	34,512
Payable to Central Depository Company of Pakistan Limited - Trustee		2,250	1,993
Payable to the Securities and Exchange Commission of Pakistan		1,557	4,264
Payable to Meezan Bank Limited		2,753	2,886
Payable against redemption and conversion of units		183,797	83,924
Accrued expenses and other liabilities	8	165,016	344,432
Total liabilities		<u>409,409</u>	<u>472,011</u>
Net assets		<u>33,121,708</u>	<u>27,776,365</u>
Contingencies and commitments	9		
Unit holders' fund (as per statement attached)		<u>33,121,708</u>	<u>27,776,365</u>
		(Number of units)	
Number of units in issue		<u>631,502,091</u>	<u>539,707,519</u>
		(Rupees)	
Net asset value per unit		<u>52.4491</u>	<u>51.4656</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	September 30,	
		2020	2019
		(Rupees in '000)	
Income			
Profit on saving accounts with banks		162,169	268,969
Profit on term deposit receipts		3,260	-
Profit on certificates of musharakah		30,081	24,471
Profit on sukuk certificates		343,386	188,314
Profit on Bai Muajjal		102,417	-
Net realised gain on sale of sukuk certificates		6,400	5,362
Other income		88	1,075
		647,803	488,191
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	48,273	(6,943)
Total income		696,075	481,248
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	38,930	31,281
Sindh Sales Tax on remuneration of the Management Company		5,061	4,067
Allocated expenses	7.2	11,679	5,135
Selling and marketing expense	7.3	31,144	14,541
Remuneration of Central Depository Company of Pakistan Limited - Trustee		5,839	2,727
Sindh Sales Tax on remuneration of the trustee		759	354
Annual fee to the Securities and Exchange Commission of Pakistan		1,557	727
Auditors' remuneration		229	168
Fees and subscription		353	352
Brokerage expense		554	66
Bank and settlement charges		1,538	129
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	11,969	8,434
Total expenses		109,611	67,981
Net income for the quarter before taxation		586,464	413,267
Taxation	12	-	-
Net income for the quarter after taxation		586,464	413,267
Allocation of net income for the quarter			
Net income for the quarter after taxation		586,464	413,267
Income already paid on units redeemed		(241,649)	(69,306)
		344,815	343,961
Accounting income available for distribution			
- Relating to capital gains		54,673	-
- Excluding capital gains		290,142	343,961
		344,815	343,961

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 30,	
	2020	2019
	(Rupees in '000)	
Net income for the quarter after taxation	586,464	413,267
Other comprehensive income	-	-
Total comprehensive income for the quarter	<u>586,464</u>	<u>413,267</u>

The annexed notes 1 to 15 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 ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020			September 30, 2019		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the quarter	27,541,424	234,941	27,776,365	9,297,919	173,403	9,471,322
Issuance of 334,369,469 units (2019: 262,808,903 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	17,208,525	-	17,208,525	13,518,024	-	13,518,024
- Element of income	308,432	-	308,432	160,102	-	160,102
Total proceeds on issuance of units	17,516,957	-	17,516,957	13,678,126	-	13,678,126
Redemption of 242,574,897 units (2019: 133,431,532 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	12,484,263	-	12,484,263	6,863,278	-	6,863,278
- Element of income	32,166	241,649	273,815	39,276	69,306	108,582
Total payments on redemption of units	12,516,428	241,649	12,758,077	6,902,554	69,306	6,971,860
Total comprehensive income for the quarter	-	586,464	586,464	-	413,267	413,267
Distribution during the quarter	-	-	-	-	-	-
Refund of capital	-	-	-	-	-	-
	-	586,464	586,464	-	413,267	413,267
Net assets at the end of the quarter	32,541,953	579,756	33,121,708	16,073,491	517,364	16,590,855
Undistributed income brought forward						
- Realised income		217,183			192,274	
- Unrealised income / (loss)		17,758			(18,871)	
		234,941			173,403	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains	54,673			-		
- Excluding capital gains	290,142			343,961		
	344,815			343,961		
Undistributed income carried forward		579,756			517,364	
Undistributed income carried forward						
- Realised income		531,483			524,307	
- Unrealised income / (loss)		48,273			(6,943)	
		579,756			517,364	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			51.4656			51.4367
Net assets value per unit at the end of the quarter			52.4491			52.9192

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30,	
	2020	2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	586,464	413,267
Adjustments for		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(48,273)	6,943
	538,191	420,210
Decrease / (increase) in assets		
Investments - net	2,162,912	(764,435)
Receivable against sale of investments	(155,134)	-
Deposits, prepayments and other receivables	(111,793)	22,698
	1,895,985	(741,737)
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - the Management Company	19,524	10,613
Payable to Central Depository Company of Pakistan Limited - the Trustee	257	249
Payable to the Securities and Exchange Commission of Pakistan	(2,707)	(7,095)
Payable to Meezan Bank Limited	(133)	1,745
Accrued expenses and other liabilities	(179,416)	(37,185)
	(162,475)	(31,673)
Net cash generated from / (used in) operating activities	2,271,701	(353,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	17,695,050	13,569,643
Payments against redemption and conversion of units	(12,658,205)	(6,985,642)
Net cash generated from financing activities	5,036,845	6,584,001
Net increase in cash and cash equivalents during the quarter	7,308,546	6,230,801
Cash and cash equivalents at the beginning of the quarter	6,857,317	2,971,017
Cash and cash equivalents at the end of the quarter	5.2 14,165,863	9,201,818

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) notified through S.R.O. 1203 (I) / 2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2019 (2019: AM1 dated December 29, 2018) and by PACRA dated June 26, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A(f) by VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2020.

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, 2020.

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, 2020. 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, 2020.

4.3 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, 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	September 30,	June 30,
		2020 (Unaudited) (Rupees in '000)	2020 (Audited)
In saving accounts	5.1	11,665,819	6,857,273
In current accounts		44	44
		<u>11,665,863</u>	<u>6,857,317</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 6.58% per annum (June 30, 2020: 1.50% to 7.50% per annum).

5.2 Cash and cash equivalents	Note	September 30,	June 30,
		2020 (Unaudited) (Rupees in '000)	2020 (Audited)
Balances with banks	5	11,665,863	6,857,317
Term deposit receipts - having original maturity of 3 months or less	6.4	2,500,000	-
		<u>14,165,863</u>	<u>6,857,317</u>

6. INVESTMENTS	Note	September 30,	June 30,
		2020 (Unaudited) (Rupees in '000)	2020 (Audited)
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	13,399,829	13,586,435
Certificates of Musharakah	6.2	1,652,830	1,600,000
Commercial papers	6.3	1,657,869	1,522,415
Term deposit receipts - having original maturity of 3 months or less	6.4	2,500,000	-
Bai Muajjal receivable	6.5	1,841,413	3,957,730
		<u>21,051,941</u>	<u>20,666,580</u>

6.1 Sukuk Certificates

Government securities	6.1.1	9,403,368	9,081,390
Corporate sukuku	6.1.2	3,996,461	4,505,045
		<u>13,399,829</u>	<u>13,586,435</u>

6.1.1 Government Securities

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the quarter	Sales / maturity during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
----- Number of certificates -----						----- (Rupees in '000) -----			----- % -----		
GoP Ijarah Sukuk Certificates - XX (note 6.1.1.1)	April 30, 2025	Weighted average 6 months T-Bills	1,870	-	-	1,870	181,390	180,137	(1,253)	0.54	0.86
GoP Ijarah Sukuk Certificates - XXII (note 6.1.1.1)	June 24, 2025	Weighted average 6 months T-Bills	-	4,500	500	4,000	404,480	401,600	(2,880)	1.21	1.91
GoP Ijarah Sukuk Certificates - XXIII - VRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	1,000	500	500	50,000	49,810	(190)	0.15	0.24
GoP Ijarah Sukuk Certificates - XXIII - FRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	1,000	1,000	-	-	-	-	-	-
Pakistan Energy Sukuk II (note 6.1.1.1)	May 20, 2030	6 months KIBOR plus base rate of (0.10%)	1,780,000	1,539,000	1,570,000	1,749,000	8,745,583	8,771,821	26,238	26.48	41.67
Total as at September 30, 2020							9,381,453	9,403,368	21,916		
Total as at June 30, 2020							9,087,000	9,081,390	(5,610)		

6.1.1.1 The nominal value of these sukuk certificates is Rs 100,000 each except for Pakistan Energy Sukuk Certificates having nominal value of Rs. 5,000 each.

6.1.2 Corporate Sukuku

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2020	* Carrying value as at September 30, 2020	* Market value as at September 30, 2020	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
----- (Number of certificates) -----						----- (Rupees in '000) -----			----- % -----			
Arzoo Textile Mills Limited (note 6.1.2.1 & 6.1.2.2) *	April 15, 2014	6 months KIBOR plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.2.1 & 6.1.2.2) *	September 29, 2014	6 months KIBOR plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.2.1 & 6.1.2.2) *	January 19, 2022	Nil	3,081	-	-	3,081	-	Nil	-	-	6.67	-
BANKS												
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded) (note 6.1.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.5%	538	-	-	538	552,115	551,562	(553)	1.67	13.45	2.62

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2020	* Carrying value as at September 30, 2020	* Market value as at September 30, 2020	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
										----- % -----		
Meezan Bank Limited Tier - II (AA, VIS, non-traded) (note 6.1.2.1)	September 22, 2026	6 months KIBOR plus base rate of 0.50%	298	-	-	298	305,450	306,180	730	0.92	4.26	1.45
FERTILIZER												
Fatima Fertilizer Company Limited (AA-, PACRA, non-traded) (note 6.1.2.1)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	60,200	-	-	60,200	302,754	303,184	430	0.92	9.56	1.44
OIL & GAS MARKETING COMPANIES												
Hascol Petroleum Limited (BBB-, VIS, non-traded) (note 6.1.2.1 & 6.1.2.2)	January 06, 2022	3 months KIBOR plus base rate of 1.50%	28,000	-	4,000	24,000	118,517	115,131	(3,386)	0.35	6.00	0.55
POWER GENERATION & DISTRIBUTION												
K-Electric Limited (sukuk 5) (AA+, VIS, traded) (note 6.1.2.1)	August 03, 2026	3 months KIBOR plus base rate of 1.70%	80,000	-	5,200	74,800	374,000	383,525	9,525	1.16	1.50	1.82
Hub Power Company Limited (AA+, PACRA), traded (note 6.1.2.1)	August 22, 2023	3 months KIBOR plus base rate of 1.90%	5,560	-	3,000	2,560	261,491	262,208	717	0.79	3.66	1.25
Hub Power Company Limited (AA+, PACRA, non-traded) (note 6.1.2.1)	March 19, 2024	1 year KIBOR plus base rate of 1.900%	6,850	-	250	6,600	660,000	679,800	19,800	2.05	13.20	3.23
Engro Powergen Thar (Private) Limited (A, PACRA, non-traded) (note 6.1.2.1)	August 2, 2024	3 months KIBOR plus base rate of 1.10%	50,000	-	-	50,000	250,750	249,481	(1,269)	0.75	8.33	1.19
PHARMACEUTICALS												
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1)	June 9, 2022	3 months KIBOR plus base rate of 1.30%	1,311	-	387	924	92,570	93,203	633	0.28	10.79	0.44
CEMENT & CONSTRUCTION												
Javedan Corporation Limited (AA-, VIS non-traded) (note 6.1.2.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	1,000	-	-	1,000	99,998	99,762	(236)	0.30	3.34	0.47
STEEL & ALLIED PRODUCTS												
Agha Steel Industries Limited (A, VIS, non-traded) (note 6.1.2.1)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	250	-	-	250	250,000	248,422	(1,578)	0.75	5.00	1.18
CHEMICALS												
Engro Polymer and Chemicals Limited (AA, PACRA, traded) (note 6.1.2.1)	July 11, 2026	3 months KIBOR plus base rate of 0.90%	3,000	-	1,172	1,828	185,630	186,047	417	0.56	2.09	0.88

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2020	* Carrying value as at September 30, 2020	* Market value as at September 30, 2020	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
			---- (Number of certificates) ----			----- (Rupees in '000) -----			----- % -----			

TEXTILE COMPOSITE

Masood Textile Mills Limited (A, VIS, non-traded) (note 6.1.2.1)	December 17, 2024	3 months KIBOR plus base rate of 2.00%	150	-	-	150	148,776	147,245	(1,531)	0.44	6.00	0.70
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MISCELLANEOUS

International Brands Limited (AA, VIS, traded) (note 6.1.2.1)	November 15, 2021	3 months KIBOR plus base rate of 0.50%	2,859	-	-	2,859	283,053	286,198	3,145	0.86	14.13	1.36
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Shakarganj Food Products Limited (A, VIS, non-traded) (note 6.1.2.1)	July 10, 2024	3 months KIBOR plus base rate of 1.75%	85	-	-	85	85,000	84,513	(487)	0.26	13.79	0.40
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Total as at September 30, 2020

3,970,104 3,996,461 26,357

Total as at June 30, 2020

4,481,677 4,505,045 23,368

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

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

6.1.2.2 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at September 30, 2020, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. Therefore, as required under Circular 16 of 2010 dated July 07, 2010, following is the detail of investments in sukuk of the Funds which are below 'investment grade':

Name of non-compliant investment	Type of investments	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of net assets	Percentage of total assets
		----- (Rupees in '000) -----			----- % -----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,403	15,403	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	115,131	-	115,131	0.35	0.34
Total - September 30, 2020		259,006	143,875	115,131	0.35	0.34
Total - June 30, 2020		282,145	143,875	138,270	0.5	0.5

6.1.2.2.1 On May 6, 2011, Arzoo Textile Mills Limited and Eden Housing Limited sukuk certificates were classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 70 million and Rs. 58.472 million respectively have also been held as provision against the outstanding principal as at September 30, 2020.

6.1.2.2.2 The agreement with Security Leasing Corporation Limited (SLCL) had been amended on February 19, 2012. In accordance with the revised terms no mark-up is payable on the said sukuk as per the approval of contributors to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 3, 2012. Therefore, in accordance with the requirement of circular no.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy of the Fund, an amount of Rs 15.403 million has also been held as provision against the outstanding principal as at September 30, 2020.

6.1.2.3 Circular No. 33 of 2012 allows the asset manager to apply a mark up/mark down within available limit for valuation of any specific debt security. Exercising the discretionary power, the above mentioned Sukuks of Agha Steel Industries Limited, Engro Powergen Thar (Private) Limited, Hascol Petroleum Limited and Masood Textile Mills Limited has been valued at a discretionary rate of 99.3688, 99.7924, 95.9427 and 98.1636 when the reported market rate on MUFAP valuation sheet as at September 30, 2020 was 95.6409, 98.1943, 98.3645 and 97.5039 respectively.

6.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2020	Placed during the quarter	Matured during the quarter	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Unrealised appreciation/ (diminution)	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
		--- % ---	----- (Rupees in '000) -----					----- % -----		
Orix Modaraba	April 29, 2021	7.20	200,000	-	-	200,000	200,000	-	0.60	0.95
Orix Modaraba	April 29, 2021	7.20	200,000	-	-	200,000	200,000	-	0.60	0.95
Orix Modaraba	April 29, 2021	7.21	200,000	-	-	200,000	200,000	-	0.60	0.95
First Habib Modaraba	January 14, 2021	7.05	300,000	316,180	300,000	316,180	316,180	-	0.95	1.50
First Habib Modaraba	January 18, 2021	7.05	200,000	210,682	200,000	210,682	210,682	-	0.64	1.00
First Habib Modaraba	January 22, 2021	7.05	250,000	263,092	250,000	263,092	263,092	-	0.79	1.25
First Habib Modaraba	January 28, 2021	7.05	250,000	262,875	250,000	262,875	262,875	-	0.79	1.25
Total as at September 30, 2020			1,600,000	1,052,830	1,000,000	1,652,830	1,652,830	-	4.99	7.85
Total as at June 30, 2020			750,000	2,200,000	1,350,000	1,600,000	1,600,000	-	5.76	7.74

6.3 Commercial Papers

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2020	Carrying value as at September 30, 2020	Market value as at September 30, 2020	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			----- (Number of certificates) -----			----- (Rupees in '000) -----		----- % -----		
K-Electric Limited CP-6 (note 6.3.1)	August 26, 2020	6 months KIBOR plus base rate of 1.15%	600	-	600	-	-	-	-	-
K-Electric Limited CP-7 (note 6.3.1)	September 10, 2020	6 months KIBOR plus base rate of 1.15%	750	-	750	-	-	-	-	-
K-Electric Limited CP-8 (note 6.3.1)	October 6, 2020	6 months KIBOR plus base rate of 1.15%	210	-	-	210	209,670	209,670	0.63	1.00
K-Electric Limited CP-9 (note 6.3.1)	February 12, 2021	6 months KIBOR plus base rate of 1.00%	-	600	-	600	582,634	582,634	1.76	2.77
K-Electric Limited CP-10 (note 6.3.1)	February 26, 2021	6 months KIBOR plus base rate of 0.95%	-	450	-	450	435,750	435,750	1.32	2.07
K-Electric Limited CP-11 (note 6.3.1)	March 9, 2021	6 months KIBOR plus base rate of 0.85%	-	445	-	445	429,815	429,815	1.30	2.04
Total as at September 30, 2020							1,657,869	1,657,869	5.01	7.88
Total as at June 30, 2020							1,522,415	1,522,415	5.47	7.37

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

6.4 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2020	Term deposit receipts placed during the quarter	Matured during the quarter paid	As at September 30, 2020	Percentage of total market value of investments
		%	(Rupees in '000)				%
Having original maturity of 3 months or less							
Bank Islami Pakistan Limited	October 26, 2020	6.80	-	2,500,000	-	2,500,000	11.88
Total - September 30, 2020			-	2,500,000	-	2,500,000	11.88
Total - June 30, 2020			-	-	-	-	-

6.5 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total Transaction Price	Deferred Income	Accrued Profit	Carrying value
			(Rupees in '000)			
Pak Kuwait Investment Company (AAA, PACRA) (note 6.5.1)	January 28, 2021	12.55%	1,103,660	123,064	82,941	1,063,537
Pak Oman Investment Company Limited (AA+, VIS) (note 6.5.2)	January 5, 2021	13.00%	802,147	92,282	68,011	777,876
Total as at September 30, 2020			1,905,807	215,346	150,952	1,841,413
Total as at June 30, 2020			4,124,745	360,992	193,977	3,957,730

6.5.1 This Bai Muajjal Transaction is carried out against K-Electric Limited Commercial Paper A which was issued on August 27, 2019.

6.5.2 This Bai Muajjal Transaction is carried out against K-Electric Limited Commercial Paper A which was issued on August 27, 2019.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED	Note	September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
(Rupees in '000)			
Management fee payable	7.1	13,306	1,038
Sindh Sales Tax on Management fee payable		1,730	135
Allocated expenses payable	7.2	3,992	3,548
Selling and marketing expenses payable	7.3	31,148	28,001
Sales load payable		3,416	1,583
Sindh Sales Tax on sales load payable		444	206
Certificate charges		1	1
		54,036	34,512

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Effective from July 01, 2020, the Management Company has charged the remuneration upto 6.5% of gross earnings of the Fund subject to the minimum of 0.25% of average annual net assets and maximum of 1.5% of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

Currently, the management fee is being charged at the rate of 0.50% of the average annual net assets of the fund.

7.2 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).

The management company based on its own discretion has currently fixed a maximum capping of 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

7.3 The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	97,097	85,128
Withholding tax payable		-	163,288
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	50,417	50,417
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,642	2,642
Capital gain tax payable		11,398	39,898
Auditors' remuneration payable		168	431
Printing expenses payable		566	566
Brokerage payable		1,559	1,005
Zakat payable		192	172
Shariah advisor fee payable		269	538
Other payable		708	347
		165,016	344,432

8.1 The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at September 30, 2020 would have been higher by Re.0.15 per unit (June 30, 2020: Re 0.16 per unit).

8.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at September 30, 2020 would have been higher by Re. 0.08 (June 30, 2020: Re. 0.10) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Al Meezan Investment Management Limited - the Management Company		
Remuneration payable	13,306	1,038
Sindh Sales Tax payable on remuneration of the Management Company	1,730	135
Sales load payable	3,416	1,583
Sindh Sales Tax on sales load	444	206
Allocated expenses payable	3,992	3,548
Selling and marketing expense payable	31,148	28,001
Certificate charges payable	1	1
Investment of 1,157,861 units (June 30, 2020: nil)	60,729	-
Meezan Bank Limited		
Balances with bank	19,136	267,669
Sales load payable	2,436	2,554
Sindh Sales Tax on sales load	317	332
Profit receivable on saving account	844	300
Profit receivable on sukuk certificates	1,946	11,986
Investment of 298 sukuk certificates (June 30, 2020: 298 sukuk certificates)	306,180	305,450

	September 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	1,991	1,764
Sindh Sales Tax on Trustee Fee payable	259	229
Security deposit	100	100
Meezan Strategic Allocation Fund - MSAP - I		
Investments of 4,342,915 units (June 30, 2020: 4,198,624 units)	227,782	216,085
Meezan Strategic Allocation Fund - MSAP - II		
Investments of 2,286,588 units (June 30, 2020: 2,417,775 units)	119,929	124,432
Meezan Strategic Allocation Fund - MSAP - III		
Investments of 2,781,985 units (June 30, 2020: 3,979,255 units)	145,913	204,795
Meezan Strategic Allocation Fund - MSAP - IV		
Investments of 1,696,890 units (June 30, 2020: 4,020,730 units)	89,000	206,929
Meezan Strategic Allocation Fund - MSAP - V		
Investments of 500,042 units (June 30, 2020: 1,037,053 units)	26,227	53,373
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,436,014 units (June 30, 2020: 1,226,417 units)	75,318	63,118
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,365,736 units (June 30, 2020: 1,059,604 units)	71,632	54,533
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 2,149,570 units (June 30, 2020: 1,988,870 units)	112,743	102,358
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of nil units (June 30, 2020: 1,740,132 units)	-	89,557
Directors and Executives of the Management Company		
Investments of 906,980 units (June 30, 2020: 704,165 units)	47,570	36,240
	For the quarter ended September 30,	
	2020	2019
	(Unaudited)	
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the quarter	38,930	31,281
Sindh Sales Tax on remuneration of the Management Company	5,061	4,067
Allocated expenses	11,679	5,135
Selling and marketing expense	31,144	14,541
Units issued: 1,157,861 units (September 30, 2019: 61,626 units)	60,000	3,224
Units redeemed: nil (September 30, 2019: 1,287,879 units)	-	66,259
Meezan Bank Limited		
Profit on saving account	794	2,514
Profit on sukuk certificate	8,914	11,537
Pakistan Energy Sukuk II certificates sold during the quarter: 1,540,000 sukuk certificates (September 30, 2019: nil)	7,702,310	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the quarter	5,839	2,727
Sindh Sales Tax on trustee fee	759	354
CDS Charges	1,420	83

For the quarter ended

September 30,

2020 2019

(Unaudited)

(Rupees in '000)

Meezan Strategic Allocation Fund - MSAP - I

Units issued: 924,876 units (September 30, 2019: 1,653,461 units)

Units redeemed: 780,585 units (September 30, 2019: 6,637,424 units)

48,000	85,606
40,710	346,444

Meezan Strategic Allocation Fund - MSAP - II

Units issued: 500,876 units (September 30, 2019: 1,128,244 units)

Units redeemed: 632,063 units (September 30, 2019: 4,536,335 units)

26,000	58,413
32,877	236,405

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 838,091 units (September 30, 2019: 1,361,671 units)

Units redeemed: 2,035,361 units (September 30, 2019: 5,418,582 units)

43,500	70,498
105,940	282,706

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 866,998 units (September 30, 2019: 1,536,740 units)

Units redeemed: 3,190,838 units (September 30, 2019: 6,120,187 units)

45,000	79,563
166,046	319,197

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 173,568 units (September 30, 2019: 272,284 units)

Units redeemed: 710,579 units (September 30, 2019: 1,059,349 units)

9,000	14,090
36,990	55,177

Meezan Financial Planning Fund of Funds
- Aggressive Allocation Plan

Units issued: 305,721 units (September 30, 2019: 874,262 units)

Units redeemed: 96,124 units (September 30, 2019: 21,616 units)

15,811	45,464
5,000	1,125

Meezan Financial Planning Fund of Funds
- Moderate Allocation Plan

Units issued: 327,384 units (September 30, 2019: 738,690 units)

Units redeemed: 21,252 units (September 30, 2019: 318,206 units)

17,002	38,414
1,100	16,500

Meezan Financial Planning Fund of Funds
- Conservative Allocation Plan

Units issued: 160,700 units (September 30, 2019: 1,387,612 units)

Units redeemed: nil (September 30, 2019: 324,610 units)

8,305	72,159
-	16,875

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 394,976 units (September 30, 2019: 3,782,012 units)

Units redeemed: 2,135,108 units (September 30, 2019: 3,782,012 units)

194,649	194,649
197,912	197,912

Directors and Executives of the Management Company

Units issued: 388,654 units (September 30, 2019: 14,661,173 units)

Units redeemed: 185,839 units (September 30, 2019: 8,995,338 units)

20,228	761,981
9,644	470,309

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 1.41% which includes 0.25% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal excise Duties, Annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

As at September 30, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at September 30, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	13,399,829	-	13,399,829
Certificates of Musharakah*	-	1,652,830	-	1,652,830
Commercial Papers**	-	1,657,869	-	1,657,869
Term deposit receipts - having original maturity of 3 months or less *	-	2,500,000	-	2,500,000
Bai Muajjal receivable	-	1,841,413	-	1,841,413
	-	<u>21,051,941</u>	-	<u>21,051,941</u>

ASSETS	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	13,586,435	-	13,586,435
Certificates of musharakah*	-	1,600,000	-	1,600,000
Commercial papers**	-	1,522,415	-	1,522,415
Bai Muajjal receivable**	-	3,957,730	-	3,957,730
	-	<u>20,666,580</u>	-	<u>20,666,580</u>

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

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



14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **October 21, 2020** by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director