



Al Meezan
Investment Management Ltd.

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 Exchange (PMEX).



OUR ECONOMY
WAS LABELLED AS
"STABLE"
BY
MOODY'S ANALYTICS



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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
Faysal Bank Limited
Sindh Bank Limited
UBL Ameen - Islamic Banking
Dubai Islamic Bank Limited
Meezan Bank Limited

LEGAL ADVISER

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

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office:

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN GOLD FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Gold Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2022



REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Gold Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Khattab Muhammad Akhi Baig**
Date: February 26, 2022
Karachi

**MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021**



**Meezan
Gold Fund**

	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Assets		
Balances with banks	5 145,733	99,260
Investment in gold	6 456,833	396,272
Receivable against conversion of units	102	616
Advance and other receivables	<u>1,867</u>	<u>2,321</u>
Total assets	<u>604,535</u>	<u>498,469</u>
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	7 872	1,091
Payable to Central Depository Company of Pakistan Limited - Trustee	88	79
Payable to the Securities and Exchange Commission of Pakistan	52	101
Payable against conversion and redemption of units	8	18
Payable to Meezan Bank Limited	82	-
Accrued expenses and other liabilities	8 <u>2,264</u>	<u>9,650</u>
Total liabilities	<u>3,366</u>	<u>10,939</u>
Net assets	<u>601,169</u>	<u>487,530</u>
Contingencies and commitments	11	
Unit holders' fund (as per statement attached)	<u>601,169</u>	<u>487,530</u>
	(Number of units)	
Number of units in issue	<u>6,358,016</u>	<u>5,829,208</u>
	(Rupees)	
Net asset value per unit	<u>94.5529</u>	<u>83.6357</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 INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	Note	Six months period ended, December 31,		Quarter ended, December 31,	
		2021	2020	2021	2020
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on saving accounts with banks		2,238	3,145	1,573	1,218
Price adjustment charges	10	3,298	1,096	2,166	431
		5,536	4,241	3,739	1,649
Unrealised appreciation on re-measurement of investment in gold	6.1	60,561	33,738	63,317	1,665
Total income		66,097	37,979	67,056	3,314
Expenses					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	2,583	2,634	1,335	1,249
Sindh Sales Tax on remuneration of the Management Company		336	342	174	162
Allocated expenses	7.2	284	263	147	125
Selling and marketing expenses	7.3	1,033	1,053	534	499
Remuneration of Central Depository Company of Pakistan Limited - Trustee		439	448	227	213
Sindh Sales Tax on remuneration of the Trustee		57	58	29	27
Annual fee to the Securities and Exchange Commission of Pakistan		52	53	27	25
Auditors' remuneration		188	188	106	89
Legal and professional charges		184	-	-	-
Fees and subscription		190	208	81	96
Bank and settlement charges		7	-	1	-
Custodian expense		2,107	2,144	1,098	1,059
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	8.1	(5,067)	612	-	111
Total expenses		2,393	8,003	3,759	3,655
Net income / (loss) for the period before taxation		63,704	29,976	63,297	(341)
Taxation	13	-	-	-	-
Net income / (loss) for the period after taxation		63,704	29,976	63,297	(341)
Allocation of net income for the period					
Net income for the period after taxation		63,704	29,976		
Income already paid on units redeemed		(3,348)	(6,631)		
		60,356	23,345		
Accounting income available for distribution					
- Relating to capital gains		60,356	23,345		
- Excluding capital gains		-	-		
		60,356	23,345		

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 SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021**



**Meezan
Gold Fund**

	Six months period December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	63,704	29,976	63,297	(341)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>63,704</u>	<u>29,976</u>	<u>63,297</u>	<u>(341)</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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	367,432	120,098	487,530	429,142	118,804	547,946
Issue of 2,124,043 (December 31, 2020: nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	177,646	-	177,646	-	-	-
- Element of income	13,082	-	13,082	-	-	-
Total proceeds on issuance of units	190,728	-	190,728	-	-	-
Redemption of 1,595,235 (December 31, 2020: 1,231,317 units)						
- Capital value (at net asset value per unit at the beginning of the period)	133,419	-	133,419	103,660	-	103,660
- Element of loss	4,026	3,348	7,374	-	6,631	6,631
Total payments on redemption of units	137,445	3,348	140,793	103,660	6,631	110,291
Total comprehensive income for the period	-	63,704	63,704	-	29,976	29,976
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	63,704	63,704	-	29,976	29,976
Net assets at the end of the period	420,715	180,454	601,169	325,482	142,149	467,631
Undistributed income brought forward						
- Realised income		114,051			40,133	
- Unrealised income		6,047			78,671	
		<u>120,098</u>			<u>118,804</u>	
Accounting income available for distribution						
- Relating to capital gains		60,356			23,345	
- Excluding capital gains		-			-	
		<u>60,356</u>			<u>23,345</u>	
Undistributed income carried forward		<u><u>180,454</u></u>			<u><u>142,149</u></u>	
Undistributed income carried forward						
- Realised income		119,893			108,411	
- Unrealised income		60,561			33,738	
		<u>180,454</u>			<u>142,149</u>	
		<u><u>180,454</u></u>			<u><u>142,149</u></u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		<u>83.6357</u>			<u>84.1829</u>	
Net asset value per unit at the end of the period		<u><u>94.5529</u></u>			<u><u>88.6055</u></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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended, December 31,	
	2021	2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	63,704	29,976
Adjustments for:		
Unrealised appreciation on re-measurement of investment in gold	6.1 <u>(60,561)</u>	<u>(33,738)</u>
	3,143	(3,762)
Decrease in assets		
Advance and other receivables	454	1,110
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(219)	(430)
Payable to Central Depository Company of Pakistan Limited - Trustee	9	(23)
Payable to the Securities and Exchange Commission of Pakistan	(49)	(46)
Payable to Meezan Bank Limited	82	-
Accrued expenses and other liabilities	<u>(7,386)</u>	<u>2,552</u>
	(7,563)	2,053
Net cash used in operating activities	<u>(3,966)</u>	<u>(599)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	<u>191,242</u>	<u>397</u>
Payment against conversion and redemption of units	<u>(140,803)</u>	<u>(110,051)</u>
Net cash generated from / (used in) financing activities	50,439	(109,654)
Net increase / (decrease) in cash and cash equivalents during the period	<u>46,473</u>	<u>(110,253)</u>
Cash and cash equivalents at the beginning of the period	99,260	157,431
Cash and cash equivalents at the end of the period	5 <u><u>145,733</u></u>	<u><u>47,178</u></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
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed executed under the Trust Act, 1882 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 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.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Consequently, the Fund is now required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 are in accordance with the Shariah as advised by the Shariah Advisor. The investments in Gold contracts listed at the Commodity Exchange are subject to the PMEX Regulations. 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 more fully explained in the Fund's Offering document.

1.3 The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund.

1.4 The Management Company has been assigned a Asset Manager Quality rating of AM1 by VIS Credit Rating Company Limited dated December 27, 2021 (2020: AM1 dated December 31, 2020) and by PACRA dated June 23, 2021 (2020: AM1 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 are 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, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

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

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, 2021.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. 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, 2021.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. 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.

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	(Rupees in '000)	
5. BALANCES WITH BANKS			
In savings accounts	5.1	145,733	99,166
In current accounts		-	94
		<u>145,733</u>	<u>99,260</u>

5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.5% (June 30, 2021: 2.5%) per annum. Other balance in savings account have expected profit rates ranging from 1.50% to 10.75% (June 30, 2021: 1.50% to 7.00%) per annum.

6. INVESTMENTS	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Investment in gold	6.1	<u>456,833</u>	<u>396,272</u>

6.1 Investment in gold

Commodity	As at July 1, 2021	Purchases during the period	Sales during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation as at December 31, 2021	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLAGOLD	3,675	-	-	3,675	394,662	454,977	60,315	75.68%
MITOLA	15,000	-	-	15,000	1,610	1,856	246	0.31%
Total as at December 31, 2021					<u>396,272</u>	<u>456,833</u>	<u>60,561</u>	
Total as at June 30, 2021					<u>390,225</u>	<u>396,272</u>	<u>6,047</u>	

6.1.1 The Pakistan Mercantile Exchange Limited (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 456.833 million (June 30, 2021: Rs 396.272 million) has been measured at fair value based on the quoted market price in active markets.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Management fee payable	7.1	77	409
Sindh Sales Tax on remuneration of the Management Company		10	53
Allocated expenses payable	7.2	50	45
Selling and marketing expenses payable	7.3	649	486
Sales load payable		76	87
Sindh Sales Tax on sales load payable		10	11
		<u>872</u>	<u>1,091</u>

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 1% (2020: 1%) per annum of the average net assets of the Fund during the period ended December 31, 2021. 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 charged allocated expenses at the rate of 0.11% (2020: 0.10%) per annum of the average annual net assets of the scheme subject to the total expense charged being lower than actual expense incurred.

7.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the rate of 0.4% (2020: 0.4%) per annum of average annual net assets of the Fund subject to the total expense charged being lower than actual expense incurred.



**December 31,
2021
(Unaudited)
(Rupees in '000)**

**June 30,
2021
(Audited)**

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Auditor's remuneration payable		163	175
Custodian fee payable		999	3,316
Provision for Sindh Worker's Welfare Fund (SWWF)	8.1	-	5,067
Withholding tax payable		-	31
Capital gain tax payable		219	189
Shariah advisory fee payable		162	161
Zakat Payable		10	-
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	297	297
		<u>2,264</u>	<u>9,650</u>

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

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.711 million is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.11 (June 30, 2021: Re 0.12) per unit.

9. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.89% (2020: 2.92%) which includes 0.17% (2020: 0.3%) representing levies such as Sales taxes, annual fee to the SECP, etc. The ratio is within the maximum limit of 3% prescribed under NBFC Regulations for a collective investment scheme categorised as a commodity scheme.

10. 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.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

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 essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

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

Balances	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Management fee payable	77	409
Sindh Sales Tax on management fee payable	10	53
Sales load payable	76	87
Sindh Sales Tax on sales load payable	10	11
Selling and marketing expenses payable	649	486
Allocated expenses payable	50	45
Meezan Bank Limited		
Bank balance	63,768	94,281
Profit receivable on saving account	18	171
Investment of 1,084,115 units (June 30, 2021: 1,084,712 units)	102,506	90,721
Sales load payable	73	-
Sindh Sales Tax on sales load payable	9	-
Shariah advisor fee payable	162	161



Balances

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable
Sindh Sales Tax on trustee fee payable

Directors and Executives of the Management Company

Investment of 500,519 units (June 30, 2021: 533,642 units)

**December 31,
2021
(Unaudited)
(Rupees in '000)**

**June 30,
2021
(Audited)**

78	70
10	9

47,326	44,632
--------	--------

Transactions during the period

**Six months period ended,
December 31,**

2021 2020

(Unaudited)

(Rupees in '000)

Al Meezan Investment Management Limited - the Management Company

Remuneration of Al Meezan Investment Management Limited

- Management Company

Sindh Sales Tax on management fee for the period

Allocated expenses

Selling and marketing expense

2,583	2,634
336	342
284	263
1,033	1,053

Meezan Bank Limited

Profit on saving account

Shariah advisor fee

Units redeemed: 597 units (2020: nil units)

716	75
162	189
50	-

Central Depository Company of Pakistan Limited - the Trustee

Remuneration for the period

Sindh Sales Tax on trustee fee for the period

439	448
57	58

Directors and Executives of the Management Company

Units issued: 17,729 units (2020: nil units)

Units redeemed: 53,346 units (2020: 164 units)

1,547	-
4,477	14

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, 2008, 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. 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, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

14. FAIR VALUE MEASUREMENT

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

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

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 assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

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

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

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

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

As at December 31, 2021 and June 30, 2021, the Fund held the following assets measured at fair value:

As at December 31, 2021			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Investment in gold	456,833	-	-
	<u>456,833</u>	<u>-</u>	<u>456,833</u>
As at June 30, 2021			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Investment in gold	396,272	-	-
	<u>396,272</u>	<u>-</u>	<u>396,272</u>

15. GENERAL

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

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2022 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

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. A secondary objective is to take advantage of opportunities to realize capital appreciation.



ISLAMIC BANKING ASSETS EXPANDED BY

408

BILLION

BRINGING
THE TOTAL ASSETS TO
4.8 TRILLION

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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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	National Bank of Pakistan - Islamic Banking
Bank 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
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Income Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2022



REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Income Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Khattab Muhammad Akhi Baig**
Date: February 26, 2022
Karachi



**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021**

		December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Assets	Note		
Balances with banks	5	7,599,652	12,514,171
Investments	6	17,746,531	15,889,474
Receivable against conversion of units		38,933	18,133
Receivable against sale of investments		-	506
Advance, deposits, prepayments and other receivables		241,396	256,318
Total assets		<u>25,626,512</u>	<u>28,678,602</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	7	42,679	35,570
Payable to Central Depository Company of Pakistan Limited - Trustee		1,987	2,460
Payable to the Securities and Exchange Commission of Pakistan		3,003	6,965
Payable to Meezan Bank Limited		1,184	2,424
Payable against redemption and conversion of units		61,771	952,543
Dividend payable		-	36,220
Accrued expenses and other liabilities	8	74,189	396,245
Total liabilities		<u>184,813</u>	<u>1,432,427</u>
Net assets		<u>25,441,699</u>	<u>27,246,175</u>
Unit holders' fund (as per statement attached)		<u>25,441,699</u>	<u>27,246,175</u>
Contingencies and commitments	9		
			(Number of units)
Number of units in issue		<u>476,438,406</u>	<u>529,323,430</u>
			(Rupees)
Net asset value per unit		<u>53.3998</u>	<u>51.4736</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 INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2021 (Rupees in '000)	2020 (Rupees in '000)	2021 (Rupees in '000)	2020 (Rupees in '000)
Income					
Profit on sukuk certificates and commercial papers		758,301	650,788	422,940	307,402
Profit on term deposit receipts		-	46,523	-	43,263
Profit on certificates of musharakah		45,165	59,699	22,374	29,618
Profit on Bai Muajjal		-	156,696	-	54,279
Profit on savings accounts with banks		380,471	398,403	174,311	236,234
Net realised (loss) / gain on sale of investments		(39,445)	7,091	(40,180)	691
Other income		283	201	187	113
		<u>1,144,775</u>	<u>1,319,401</u>	<u>579,632</u>	<u>671,600</u>
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	41,098	65,614	(15,251)	17,341
Total income		<u>1,185,873</u>	<u>1,385,015</u>	<u>564,381</u>	<u>688,941</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	75,068	83,783	37,441	44,853
Sindh Sales Tax on remuneration of the Management Company		9,759	10,892	4,868	5,831
Allocated expenses	7.2	22,521	25,135	11,233	13,456
Selling and marketing expenses	7.3	52,525	67,026	29,953	35,882
Remuneration of Central Depository Company of Pakistan Limited - Trustee		11,246	12,567	5,616	6,728
Sindh Sales Tax on remuneration of the Trustee		1,462	1,634	730	875
Annual fee to the Securities and Exchange Commission of Pakistan		3,003	3,351	1,498	1,794
Auditors' remuneration		420	398	189	169
Fees and subscription		711	706	357	353
Legal and professional charges		184	-	-	-
Brokerage expense		623	820	411	266
Bank and settlement charges		1,658	1,629	709	90
Provision against sukuk certificates (Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	6.1.2.5 & 8.1	45,000 (130,733)	- 23,541	- -	- 11,573
Total expenses		<u>93,447</u>	<u>231,482</u>	<u>93,005</u>	<u>121,870</u>
Net income for the period before taxation		<u>1,092,426</u>	<u>1,153,533</u>	<u>471,376</u>	<u>567,071</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>1,092,426</u>	<u>1,153,533</u>	<u>471,376</u>	<u>567,071</u>
Allocation of net income for the period					
Net income for the period after taxation		1,092,426	1,153,533		
Income already paid on units redeemed		(318,387)	(266,162)		
		<u>774,039</u>	<u>887,371</u>		
Accounting income available for distribution					
- Relating to capital gains		1,653	72,705		
- Excluding capital gains		772,386	814,666		
		<u>774,039</u>	<u>887,371</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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	<u>Six months period ended</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	1,092,426	1,153,533	471,376	567,071
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,092,426</u>	<u>1,153,533</u>	<u>471,376</u>	<u>567,071</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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	27,004,995	241,180	27,246,175	27,541,424	234,941	27,776,365
Issuance of 379,656,490 units (2020: 641,419,040 units)						
- Capital value (at net asset value per unit at the beginning of the period)	19,542,286	-	19,542,286	33,011,016	-	33,011,016
- Element of income	294,565	-	294,565	584,126	-	584,126
Total proceeds on issuance of units	19,836,851	-	19,836,851	33,595,142	-	33,595,142
Redemption of 432,541,514 units (2020: 521,654,832 units)						
- Capital value (at net asset value per unit at the beginning of the period)	22,264,469	-	22,264,469	26,847,279	-	26,847,279
- Element of loss	150,897	318,387	469,284	270,277	266,162	536,439
Total payments on redemption of units	22,415,366	318,387	22,733,753	27,117,556	266,162	27,383,718
Total comprehensive income for the period	-	1,092,426	1,092,426	-	1,153,533	1,153,533
Distribution during the period	-	-	-	-	-	-
		1,092,426	1,092,426		1,153,533	1,153,533
Net assets at the end of the period	24,426,480	1,015,219	25,441,699	34,019,010	1,122,312	35,141,322
Undistributed income brought forward						
- Realised income		148,151			217,183	
- Unrealised income		93,029			17,758	
		<u>241,180</u>			<u>234,941</u>	
Accounting income available for distribution						
- Relating to capital gains		1,653			72,705	
- Excluding capital gains		772,386			814,666	
		<u>774,039</u>			<u>887,371</u>	
Undistributed income carried forward		<u>1,015,219</u>			<u>1,122,312</u>	
Undistributed income carried forward						
- Realised income		974,121			1,056,698	
- Unrealised income		41,098			65,614	
		<u>1,015,219</u>			<u>1,122,312</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>51.4736</u>			<u>51.4656</u>
Net asset value per unit at the end of the period			<u>53.3998</u>			<u>53.2871</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 CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

	Note	Six months period ended December 31,	
		2021	2020
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		1,092,426	1,153,533
Adjustments for:			
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	(41,098)	(65,614)
		<u>1,051,328</u>	<u>1,087,919</u>
(Increase) / decrease in assets			
Investments - net		(1,815,959)	2,665,213
Receivable against sale of investments		506	-
Advance, deposits, prepayments and other receivables		14,922	(1,703)
		<u>(1,800,531)</u>	<u>2,663,510</u>
Increase / (decrease) in liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		7,109	10,139
Payable to Central Depository Company of Pakistan Limited - Trustee		(473)	577
Payable to the Securities and Exchange Commission of Pakistan		(3,962)	(913)
Payable to Meezan Bank Limited		(1,240)	(1,796)
Accrued expenses and other liabilities		(322,056)	(170,952)
		<u>(320,622)</u>	<u>(162,945)</u>
Net cash (used in) / generated from operating activities		<u>(1,069,825)</u>	<u>3,588,484</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		19,816,051	33,988,733
Payments against redemption and conversion of units		(23,624,525)	(27,422,055)
Dividend paid		(36,220)	-
Net cash (used in) / generated from financing activities		<u>(3,844,694)</u>	<u>6,566,678</u>
Net (decrease) / increase in cash and cash equivalents during the period		<u>(4,914,519)</u>	<u>10,155,162</u>
Cash and cash equivalents at the beginning of the period		12,514,171	6,857,317
Cash and cash equivalents at the end of the period	5	<u><u>7,599,652</u></u>	<u><u>17,012,479</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 INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

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 under the Trust Act, 1882 on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2008 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. 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.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund has been formed to provide the unit holders competitive and stable rate of income on their investments in a Shariah compliant way with a broadly diversified portfolio of long, medium and short term and high quality Islamic income instruments. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 27, 2021 (2020: 'AM1' dated December 31, 2020) and by PACRA dated June 23, 2021 (2020: 'AM1' 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 dated December 27, 2021 (2020: A+(f) dated January 12, 2021).

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 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 from the requirements of 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 are 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, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

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

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, 2021.

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, 2021. 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, 2021.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Balances with banks in:			
Savings accounts	5.1	7,599,618	12,514,127
Current accounts		34	44
		<u>7,599,652</u>	<u>12,514,171</u>

5.1 This includes balances maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.50% (June 30, 2021: 2.50%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 1.50% to 11.50% (June 30, 2021: 1.50% to 7.32%) per annum.

	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	15,844,946	14,341,463
Certificates of musharakah	6.2	600,000	1,200,000
Commercial papers	6.3	1,301,585	348,011
		<u>17,746,531</u>	<u>15,889,474</u>
6.1 Sukuk certificates			
Government securities	6.1.1	11,951,635	9,816,183
Corporate sukuk certificates	6.1.2	3,893,311	4,525,280
		<u>15,844,946</u>	<u>14,341,463</u>

6.1.1 Government securities

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised (diminution)/ appreciation as at December 31, 2021	Percentage in relation to	
												Net assets of the Fund	Total market value of investment
					----- Number of certificates -----			----- (Rupees in '000) -----			----- % -----		
GoP Ijarah Sukuk Certificates - XIX - VRR	Semi-annually / At maturity	May 29, 2020	May 29, 2025	Weighted average 6 months T-Bills	2,000	-	-	2,000	201,260	200,360	(900)	0.79	1.13
GoP Ijarah Sukuk Certificates - XX - VRR	Semi-annually / At maturity	June 24, 2020	June 24, 2025	Weighted average 6 months T-Bills	2,340	-	-	2,340	235,404	234,421	(983)	0.92	1.32
GoP Ijarah Sukuk Certificates - XXII - VRR	Semi-annually / At maturity	December 9, 2025	December 9, 2025	Weighted average 6 months T-Bills	15,360	20,000	10,500	24,860	2,508,660	2,490,475	(18,185)	9.79	14.03
GoP Ijarah Sukuk Certificates - XXIII - VRR	Semi-annually / At maturity	October 6, 2021	October 6, 2026	Weighted average 6 months T-Bills	-	30,000	29,000	1,000	100,000	99,130	(870)	0.39	0.56
GoP Ijarah Sukuk Certificates - XXIV - VRR	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted average 6 months T-Bills	-	13,000	2,500	10,500	1,050,355	1,043,490	(6,865)	4.10	5.88
Pakistan Energy Sukuk II	Semi-annually / At maturity	May 21, 2020	May 21, 2030	6 months KIBOR minus base rate of 0.10%	1,553,450	-	-	1,553,450	7,829,388	7,883,759	54,371	30.99	44.42
Total as at December 31, 2021									<u>11,925,067</u>	<u>11,951,635</u>	<u>26,568</u>	<u>46.98</u>	<u>67.34</u>
Total as at June 30, 2021									<u>9,747,172</u>	<u>9,816,183</u>	<u>69,011</u>	<u>36.03</u>	<u>61.78</u>

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 sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Face value per certificate (Rupees)	Profit rate	As at July 1, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying value as at December 31, 2021 *	Market value as at December 31, 2021 *	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to		
												Net assets of the Fund	Total issue (with face value of investment)	Total market value of investments
					---- (Number of certificates) ----			----- (Rupees in '000) -----			----- % -----			
NON-PERFORMING ASSETS														
Arzoo Textile Mills Limited (note 6.1.2.1) *	Not applicable	April 15, 2014	5,000	Not applicable	14,000	-	-	14,000	-	-	-	-	-	-
Eden Housing Limited (note 6.1.2.1) *	Not applicable	September 29, 2014	984	Not applicable	59,400	-	-	59,400	-	-	-	-	-	-
Security Leasing Corporation Limited II (note 6.1.2.1) *	Not applicable	January 19, 2022	1,540	Not applicable	10,000	-	-	10,000	-	-	-	-	-	-
Hascol Petroleum Limited (note 6.1.2.1 & 6.1.2.2) *	Not applicable	January 06, 2022	1,250	Not applicable	80,000	-	-	80,000	-	-	-	-	-	-
COMMERCIAL BANKS														
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded)	Semi-annually / At maturity	July 14, 2027	1,000,000	6 months KIBOR plus base rate of 0.50%	538	-	-	538	553,046	556,023	2,977	2.19	13.45	3.13
Meezan Bank Limited Tier - II (AA+, VIS, non-traded) (a related party of the Fund)	Semi-annually / At maturity	September 22, 2026	1,000,000	6 months KIBOR plus base rate of 0.50%	298	-	298	-	-	-	-	-	-	-
FERTILIZER														
Fatima Fertilizer Company Limited (AA-, PACRA, non-traded)	Semi-annually	November 28, 2021	500	6 months KIBOR plus base rate of 1.10%	200,666	-	200,666	-	-	-	-	-	-	-
POWER GENERATION & DISTRIBUTION														
K-Electric Limited Sukuk V (AA+, VIS, traded)	Quarterly / Quarterly commencing from November 3, 2022	August 3, 2027	5,000	3 months KIBOR plus base rate of 1.70%	184,600	-	31,400	153,200	777,873	781,320	3,447	3.07	3.06	4.40
The Hub Power Company Limited (AA+, PACRA, traded)	Quarterly / Semi-annually commencing from February 22, 2022	August 22, 2023	100,000	3 months KIBOR plus base rate of 1.90%	2,455	-	-	2,455	250,397	254,374	3,977	1.00	3.51	1.43
The Hub Power Company Limited (AA+, PACRA, traded)	Quarterly / Semi-annually commencing from September 19, 2022	March 19, 2024	100,000	12 months KIBOR plus base rate of 1.90%	6,550	-	2,000	4,550	465,920	466,375	455	1.83	9.10	2.63
Hub Power Holdings Limited (AA+, PACRA) (note 6.1.2.4)	Quarterly / Semi-annually commencing from May 12, 2024	November 12, 2025	100,000	6 months KIBOR plus base rate of 2.50%	6,000	-	-	6,000	556,743	556,743	-	2.19	10.00	3.14
Engro Powergen Thar (Private) Limited (A, PACRA, non-traded) (note 6.1.2.3)	Quarterly / Annually commencing from August 2, 2022	August 2, 2024	5,000	3 months KIBOR plus base rate of 1.10%	62,400	-	-	62,400	312,000	317,492	5,492	1.25	10.40	1.79
PHARMACEUTICALS														
AGP Limited (A+, PACRA, non-traded)	Quarterly	June 9, 2022	10,000	3 months KIBOR plus base rate of 1.30%	1,624	992	-	2,616	26,349	26,365	16	0.10	10.69	0.15
OBS AGP (Private) Limited (A+, VIS) (note 6.1.2.4)	Quarterly / Quarterly commencing from October 15, 2022	July 15, 2026	100,000	3 months KIBOR plus base rate of 1.55%	-	3,900	-	3,900	390,000	390,000	-	1.53	15.00	2.20

Name of the security	Profit payments / principal redemptions	Maturity date	Face value per certificate (Rupees)	Profit rate	As at July 1, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying value as at December 31, 2021 *	Market value as at December 31, 2021 *	Unrealised appreciation / (diminution)	Percentage in relation to		
												Net assets of the Fund	Total issue (with face value of investment)	Total market value of investments
					---- (Number of certificates) ----			----- (Rupees in '000) -----			----- % -----			

CEMENT & CONSTRUCTION

Javedan Corporation Limited (AA-, VIS, non-traded)	Semi-annually	October 4, 2026	83,333	6 months KIBOR plus base rate of 1.75%	1,000	-	200	800	66,000	65,486	(514)	0.26	2.67	0.37
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STEEL & ALLIED PRODUCTS

Agha Steel Industries Limited (A+, VIS, non-traded)	Quarterly / Quarterly commencing from January 9, 2022	October 9, 2025	1,000,000	3 months KIBOR plus base rate of 0.80%	250	-	68	182	181,606	180,083	(1,523)	0.71	3.64	1.01
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CHEMICALS

Engro Polymer and Chemicals Limited (AA, PACRA, non-traded) (note 6.1.2.3)	Quarterly / Semi-annually commencing from July 11, 2024	July 11, 2026	100,000	3 months KIBOR plus base rate of 0.90%	478	-	-	478	48,804	48,534	(270)	0.19	0.55	0.27
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TEXTILE COMPOSITE

Masood Textile Mills Limited (A, VIS, non-traded)	Quarterly	December 17, 2024	857,143	3 months KIBOR plus base rate of 2.00%	150	-	23	127	107,630	107,585	(45)	0.42	5.08	0.61
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MISCELLANEOUS

International Brands Limited (AA, VIS, non-traded)	Quarterly / Monthly	May 5, 2022	16,821	3 months KIBOR plus base rate of 0.50%	4,000	-	-	4,000	67,124	67,154	30	0.26	14.13	0.38
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Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.1.2.1 & 6.1.2.3)	Quarterly	July 10, 2025	750,000	3 months KIBOR plus base rate of 1.75%	100	-	-	100	75,289	75,777	488	0.30	13.79	0.43
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Total as at December 31, 2021

3,878,781 3,893,311 14,530 15.30 21.94

Total as at June 30, 2021

4,501,262 4,525,280 24,018 16.61 28.48

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

6.1.2.1 The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said Circular. As at December 31, 2021, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuk certificates which are non-compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of	
					Net assets	Total assets
					-----%-----	
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	99,259	99,259	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	75,777	-	75,777	0.30	0.30
Total as at December 31, 2021		318,911	243,134	75,777	0.30	0.30
Total as at June 30, 2021		328,461	198,134	130,327	0.48	0.46

6.1.2.2 On April 1, 2021, sukuk certificates of Hascol Petroleum Limited have been 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 asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 99.259 million (June 30, 2021: Rs. 54.259 million) have also been held as provision. The face value of sukuk certificates is Rs. 100 million as at December 31, 2021.

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 sukuk certificates of Engro Polymer and Chemicals Limited, Engro Powergen Thar (Private) Limited and Shakarganj Food Products Limited have been valued at a discretionary rate of Rs 101.5350, Rs 101.7603 and Rs 101.0358 when the reported market rate on MUFAP valuation sheet as at December 31, 2021 was Rs 107.6053, Rs 104.2923 and 103.4130 respectively. The mark down in prices has been done within allowable limits.

6.1.2.4 Sukuk certificates of Hub Power Holdings Limited and OBS AGP (Private) Limited are carried at their cost as they are not valued by MUFAP.

	Note	Six months period ended December 31,	
		2021	2020
6.1.2.5 Movement of provision		(Rupees in '000)	
Balance as at July 1		198,134	143,875
Charge for the period	6.1.2.2	45,000	-
Reversal for the period		-	-
Balance as at December 31		<u>243,134</u>	<u>143,875</u>

6.2 Certificates of musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2021	Placed during the period	Matured during the period	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution) as at December 31, 2021	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
		--- % ---	----- (Rupees in '000) -----						----- % -----	
Orix Modaraba (AA, PACRA)	April 29, 2022	10.05	600,000	-	-	600,000	600,000	-	2.36	3.38
First Habib Modaraba (AA+, PACRA)	December 1, 2021	7.80	300,000	-	300,000	-	-	-	-	-
First Habib Modaraba (AA+, PACRA)	December 21, 2021	9.30	300,000	-	300,000	-	-	-	-	-
Total as at December 31, 2021						<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>2.36</u>	<u>3.38</u>
Total as at June 30, 2021						<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>4.39</u>	<u>7.56</u>

6.2.1 The profit and principal payment of these certificates of musharakah is receivable at maturity.

6.3 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution) as at December 31, 2021	Percentage in relation to	
										Net assets of the Fund	Total market value of investments
			----- (Number of certificates) -----				----- (Rupees in '000) -----			----- % -----	
K-Electric Limited CP-16 (A-1+, PACRA)	September 16, 2021	6 months KIBOR plus base rate of 0.60%	225	-	225	-	-	-	-	-	-
K-Electric Limited CP-18 (A-1+, VIS)	October 19, 2021	6 months KIBOR plus base rate of 0.55%	130	-	130	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited ICP-1 (A-2, VIS)	July 21, 2022	6 months KIBOR plus base rate of 1.75%	-	300	-	300	285,395	285,395	-	1.12	1.61
Lucky Electric Power Company Limited ICP-1 (A-1, PACRA)	May 9, 2022	6 months KIBOR plus base rate of 0.75%	-	1,050	-	1,050	1,016,190	1,016,190	-	3.99	5.73
Total as at December 31, 2021							<u>1,301,585</u>	<u>1,301,585</u>	<u>-</u>	<u>5.11</u>	<u>7.34</u>
Total as at June 30, 2021							<u>348,011</u>	<u>348,011</u>	<u>-</u>	<u>1.28</u>	<u>2.19</u>

6.3.1 The nominal value of these commercial papers is Rs 1,000,000 each and these are redeemable at maturity.

7.	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31,	June 30,
			2021 (Unaudited)	2021 (Audited)
			(Rupees in '000)	
	Remuneration payable	7.1	1,750	751
	Sindh Sales Tax on payable on remuneration of the Management Company		228	98
	Allocated expenses payable	7.2	3,516	4,326
	Selling and marketing expenses payable	7.3	35,146	27,213
	Sales load payable		1,804	2,815
	Sindh Sales Tax payable on sales load		234	366
	Certificate charges payable		1	1
			42,679	35,570

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 0.5% (December 31, 2020: 0.5%) per annum of the average annual net assets of the Fund during the period ended December 31, 2021. 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 charged such expenses at the rate of 0.15% (December 31, 2020: 0.15%) of the average annual net assets of the Fund during the period ended December 31, 2021, subject to total expense charged being lower than actual expense incurred.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates during the period ended December 31, 2021, subject to total expense charged being lower than actual expense incurred:

Rate applicable from July 1, 2021 to September 30, 2021	Rate applicable from October 1, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to December 31, 2020
0.3% of the average annual net assets of the Fund	0.4% of the average annual net assets of the Fund	0.4% of the average annual net assets of the Fund

8.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2021 (Unaudited)	2021 (Audited)
			(Rupees in '000)	
	Auditors' remuneration payable		357	430
	Printing expenses payable		566	566
	Brokerage payable		387	207
	Shariah advisor fee payable		537	538
	Withholding tax payable		-	123,938
	Capital gain tax payable		18,594	86,196
	Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	130,733
	Zakat payable		321	517
	Other payable		368	61
	Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	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
			74,189	396,245

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

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the condensed interim financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution, the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 53.059 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2021 would have been higher by Re 0.11 (June 30, 2021: Re 0.10) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties 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, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period end are as follows:

Balances	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,750	751
Sindh Sales Tax payable on remuneration of the Management Company	228	98
Allocated expenses payable	3,516	4,326
Selling and marketing expenses payable	35,146	27,213
Sales load payable	1,804	2,815
Sindh Sales Tax payable on sales load	234	366
Certificate charges payable	1	1
Meezan Bank Limited		
Balances with bank	95,158	90,730
Profit receivable on savings account	83	-
Profit receivable on sukuk certificates	-	8,038
Sales load payable	1,048	2,145
Sindh Sales Tax on sales load payable	136	279
Shariah advisor fee payable	537	538
Investment of nil (June 30, 2021: 298 sukuk certificates)	-	308,615
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,758	2,177
Sindh Sales Tax payable on remuneration of the Trustee	229	283
Security deposit	100	100
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,572,244 units (June 30, 2021: 1,681,170 units)	83,958	86,536
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,112,392 units (June 30, 2021: 1,452,831 units)	59,401	74,782
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 3,192,670 units (June 30, 2021: 3,297,127 units)	170,488	169,715
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of nil (June 30, 2021: 840,427 units)	-	43,260



Balances

**December 31,
2021
(Unaudited)
(Rupees in '000)**

**June 30,
2021
(Audited)**

Al Meezan Investment Management Limited - Employees' Gratuity Fund

Investment of 200,139 units (June 30, 2021: 200,139 units)

10,687 10,302

Directors and Executives of the Management Company

Investments of 466,994 units (June 30, 2021: 504,281 units)

24,937 25,957

Transactions during the period

Six months period ended

December 31,

2021 2020

(Unaudited)

(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration of the Management Company

75,068 83,783

Sindh Sales Tax on remuneration of the Management Company

9,759 10,892

Allocated expenses

22,521 25,135

Selling and marketing expenses

52,525 67,026

Units issued: 7,604,100 units (December 31, 2020: 1,157,861 units)

400,000 60,000

Units redeemed: 7,604,100 units (December 31, 2020: 189,012 units)

400,350 10,000

Meezan Bank Limited

Profit on savings account

1,059 1,283

Profit on sukuk certificates

10,515 14,690

Shariah advisor fee

540 538

Pakistan Energy Sukuk II certificates sold during the period: nil
(December 31, 2020: 1,540,000 sukuk certificates)

- 7,702,310

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee

11,246 12,567

Sindh Sales Tax on remuneration of the Trustee

1,462 1,634

CDS Charges

33 1,420

Meezan Strategic Allocation Fund - MSAP - I

Units issued: 3,044,367 units (December 31, 2020: 924,876 units)

160,143 48,000

Units redeemed: 3,044,367 units (December 31, 2020: 1,404,664 units)

160,330 73,700

Meezan Strategic Allocation Fund - MSAP - II

Units issued: 1,896,168 units (December 31, 2020: 500,875 units)

99,745 26,000

Units redeemed: 1,896,168 units (December 31, 2020: 987,817 units)

99,861 51,657

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 2,041,470 units (December 31, 2020: 838,091 units)

107,388 43,500

Units redeemed: 2,041,470 units (December 31, 2020: 2,385,278 units)

107,513 124,400

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 827,170 units (December 31, 2020: 866,998 units)

43,512 45,000

Units redeemed: 827,170 units (December 31, 2020: 3,539,486 units)

43,562 184,456

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 281,913 units (December 31, 2020: 245,593 units)

14,830 12,770

Units redeemed: 281,913 units (December 31, 2020: 943,049 units)

14,846 49,290

Transactions during the period	Six months period ended	
	December 31,	
	2021	2020
	(Unaudited)	
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: 99,658 units (December 31, 2020: 427,374 units)	5,250	22,246
Units redeemed: 208,584 units (December 31, 2020: 131,757 units)	10,946	6,875
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: 376,987 units (December 31, 2020: 392,980 units)	19,750	20,471
Units redeemed: 717,426 units (December 31, 2020: 173,690 units)	38,042	9,100
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units issued: 426,395 units (December 31, 2020: 360,519 units)	22,500	18,894
Units redeemed: 530,852 units (December 31, 2020: 185,723 units)	27,905	9,750
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 804,211 units (December 31, 2020: 2,239,297 units)	42,304	117,676
Units redeemed: 1,644,638 units (December 31, 2020: 3,072,303 units)	86,495	161,465
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: nil units (December 31, 2020: 187,694 units)	-	10,000
Directors and Executives of the Management Company		
Units issued: 4,206,179 units (December 31, 2020: 1,724,491 units)	218,753	90,735
Units redeemed: 4,244,108 units (December 31, 2020: 1,235,647 units)	223,897	65,241

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2021 based on current period results is 1.19% (December 31, 2020: 1.38%) which includes 0.10% (December 31, 2020: 0.24%) representing government levies on the Fund such as 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 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, 2008, 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. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

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 MEASUREMENT

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

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

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

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

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	15,844,946	-	15,844,946
Certificates of musharakah *	-	600,000	-	600,000
Commercial papers **	-	1,301,585	-	1,301,585
	-	<u>17,746,531</u>	-	<u>17,746,531</u>

ASSETS	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	14,341,463	-	14,341,463
Certificates of musharakah *	-	1,200,000	-	1,200,000
Commercial papers **	-	348,011	-	348,011
	-	<u>15,889,474</u>	-	<u>15,889,474</u>

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

** The valuation of commercial papers has been done based on amortisation to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and are placed with counterparties which have high credit rating except for the commercial paper of Mughal Iron & Steel Industries Limited which has a tenure of one year, however, this has also been valued on the same basis.

14. GENERAL

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

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2022 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

MEEZAN

SOVEREIGN FUND (MSF)

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



LARGE SCALE MANUFACTURING SECTOR GREW AT A 16 YEAR HIGH LEVEL OF



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Sindh Bank Limited
Bank Islami Pakistan Limited	Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited	The Bank Of Punjab 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,
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Phone (+9221) 35156191-94 Fax: (+9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

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Karachi - 74400, Pakistan.
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN SOVEREIGN FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Sovereign Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2022



**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT DECEMBER 31, 2021**

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	5 1,079,612	2,060,201
Investments	6 7,915,221	7,613,507
Receivable against conversion of units	71,232	526,734
Deposits, prepayments and other receivable	<u>104,796</u>	<u>88,668</u>
Total assets	<u>9,170,861</u>	<u>10,289,110</u>
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7 11,835	9,590
Payable to Central Depository Company of Pakistan Limited - Trustee	8 513	830
Payable to the Securities and Exchange Commission of Pakistan	1,020	1,822
Payable to Meezan Bank Limited	584	834
Payable against redemption and conversion of units	75,880	153,609
Accrued expenses and other liabilities	9 91,988	183,173
Total liabilities	<u>181,820</u>	<u>349,858</u>
Net assets	<u>8,989,041</u>	<u>9,939,252</u>
Contingencies and commitments	10	
Unit holders' fund (as per statement attached)	<u>8,989,041</u>	<u>9,939,252</u>
	(Number of units)	
Number of units in issue	<u>167,564,936</u>	<u>192,651,699</u>
	(Rupees)	
Net asset value per unit	<u>53.6451</u>	<u>51.5918</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 SOVEREIGN FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on sukuk certificates		324,195	301,863	179,045	140,359
Net realised (loss) / gain on sale of sukuk certificates		(8,063)	2,835	(8,063)	100
Profit on saving accounts with banks		66,238	43,565	26,953	24,559
		<u>382,370</u>	<u>348,263</u>	<u>197,935</u>	<u>165,018</u>
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	30,076	94,183	(11,585)	436
Total income		<u>412,446</u>	<u>442,446</u>	<u>186,350</u>	<u>165,454</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited Management Company	7.1	25,507	22,203	12,918	11,131
Sindh Sales Tax on remuneration of the Management Company		3,316	2,886	1,679	1,447
Allocated expenses	7.2	7,652	6,661	3,875	3,340
Selling and marketing expense	7.3	15,304	17,762	7,750	8,905
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,058	2,886	1,421	1,447
Sindh Sales Tax on remuneration of the Trustee		397	375	184	188
Annual fee to Securities and Exchange Commission of Pakistan		1,020	888	516	445
Auditors' remuneration		372	337	203	159
Legal and professional charges		184	-	-	-
Fees and subscription		555	512	298	238
Brokerage expense		149	421	149	37
Bank and settlement charges		39	620	22	44
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	9.1	(40,077)	7,738	-	2,762
Total expenses		<u>17,476</u>	<u>63,289</u>	<u>29,015</u>	<u>30,143</u>
Net income for the period before taxation		<u>394,970</u>	<u>379,157</u>	<u>157,335</u>	<u>135,311</u>
Taxation	13	-	-	-	-
Net income for the period after taxation		<u>394,970</u>	<u>379,157</u>	<u>157,335</u>	<u>135,311</u>
Allocation of net income for the period					
Net income for the period after taxation		394,970	379,157		
Income already paid on units redeemed		(141,027)	(110,854)		
		<u>253,943</u>	<u>268,303</u>		
Accounting income available for distribution					
- Relating to capital gains		10,250	97,018		
- Excluding capital gains		243,693	171,285		
		<u>253,943</u>	<u>268,303</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 SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	<u>Six months period</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	394,970	379,157	157,335	135,311
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>394,970</u>	<u>379,157</u>	<u>157,335</u>	<u>135,311</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 SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital value	Undistri- buted income	Total	Capital value	Undistri- buted income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	9,634,121	305,131	9,939,252	9,438,622	297,709	9,736,331
Issue of 186,800,269 units (2020: 180,108,035 units)						
- Capital value (at net asset value per unit at the beginning of the period)	9,637,362	-	9,637,362	9,284,137	-	9,284,137
- Element of income	182,476	-	182,476	229,437	-	229,437
Total proceeds on issuance of units	9,819,838	-	9,819,838	9,513,574	-	9,513,574
Redemption of 211,887,032 units (2020: 204,690,882 units)						
- Capital value (at net asset value per unit at the beginning of the period)	10,931,633	-	10,931,633	10,551,324	-	10,551,324
- Element of loss	92,359	141,027	233,386	126,165	110,854	237,019
Total payments on redemption of units	11,023,992	141,027	11,165,019	10,677,489	110,854	10,788,343
Total comprehensive income for the period	-	394,970	394,970	-	379,157	379,157
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	394,970	394,970	-	379,157	379,157
Net assets at the end of the period	8,429,967	559,074	8,989,041	8,274,707	566,012	8,840,719
Undistributed income brought forward						
- Realised income		203,956			297,512	
- Unrealised income		101,175			197	
		<u>305,131</u>			<u>297,709</u>	
Accounting income available for distribution						
- Relating to capital gains		10,250			97,018	
- Excluding capital gains		243,693			171,285	
		<u>253,943</u>			<u>268,303</u>	
Undistributed income carried forward		<u>559,074</u>			<u>566,012</u>	
Undistributed income carried forward						
- Realised income		528,998			471,829	
- Unrealised income		30,076			94,183	
		<u>559,074</u>			<u>566,012</u>	
			(Rupees)			(Rupees)
Net asset value per unit at beginning of the period			<u>51.5918</u>			<u>51.5476</u>
Net asset value per unit at end of the period			<u>53.6451</u>			<u>53.8092</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 SOVEREIGN FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

Note	Six months period ended December 31,	
	2021	2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	394,970	379,157
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(30,076)	(94,183)
	364,894	284,974
(Increase) / decrease in assets		
Investments - net	(271,638)	43,505
Deposits, prepayments and other receivable	(16,128)	25,634
	(287,766)	69,139
(Decrease) / increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	2,245	1,970
Payable to Central Depository Company of Pakistan Limited - Trustee	(317)	20
Payable to the Securities and Exchange Commission of Pakistan	(802)	(79)
Payable to Meezan Bank Limited	(250)	(328)
Accrued expenses and other liabilities	(91,185)	(42,671)
	(90,309)	(41,088)
Net cash (used in) / generated from operating activities	(13,181)	313,025
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	10,275,340	9,520,304
Payments against redemption and conversion of units	(11,242,748)	(10,754,053)
Net cash used in financing activities	(967,408)	(1,233,749)
Net decrease in cash and cash equivalents during the period	(980,589)	(920,724)
Cash and cash equivalents at the beginning of the period	2,060,201	2,580,042
Cash and cash equivalents at the end of the period	5 1,079,612	1,659,318

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 SOVEREIGN FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Sovereign Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the 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.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is now required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund has been formed to provide the unit holders preservation of capital along with Halal returns by investing primarily in a portfolio of Shariah compliant government securities, thus minimising the credit risk of investments. The Fund also keeps an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalise on high 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 (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 The Fund is an open end Shariah Compliant (Islamic) Income Scheme, listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.4 The Management Company has been assigned a quality rating of AM1 by VIS dated December 27, 2021 (2020: AM1 dated December 31, 2020) and by PACRA dated June 23, 2021 (2020: AM1 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 AA(f) by VIS Credit Rating Company Limited dated December 27, 2021.

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

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the approved accounting 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 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 are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited annual financial statements of the Fund for the year ended June 30, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

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, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2021.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
5. BALANCES WITH BANKS			
In saving accounts	5.1	1,079,609	2,057,357
In current accounts		3	2,844
		<u>1,079,612</u>	<u>2,060,201</u>

5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.5% (2020: 2.5%) per annum. Other saving accounts have expected profit rates ranging from 1.50% to 11.5% per annum (2020: 1.50% to 7.32% per annum).

		December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
6. INVESTMENTS	Note		
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	<u>7,915,221</u>	<u>7,613,507</u>
6.1 Sukuk certificates			
Government securities	6.1.1	7,873,645	7,502,782
Corporate sukuk	6.1.2	<u>41,576</u>	<u>110,725</u>
		<u>7,915,221</u>	<u>7,613,507</u>

6.1.1 Government securities

Name of the security	Profit payments / principal redemption	Issue date	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sales / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised (diminution)/ appreciation as at December 31, 2021	Percentage in relation to	
												Net assets of the fund	Total market value of investments
									(Rs in '000)		(%)		
Pakistan Energy Sukuk I (note 6.1.1.1)	Semi-annually / at maturity	March 1, 2019	March 1, 2029	6 months KIBOR plus base rate of 0.8%	150,000	-	-	150,000	800,625	800,625	-	8.91%	10.12%
Pakistan Energy Sukuk II (note 6.1.1.1)	Semi-annually / at maturity	May 20, 2030	May 20, 2030	6 months KIBOR minus base rate of 0.10%	1,154,200	-	-	1,154,200	5,817,168	5,857,565	40,397	65.16%	74.00%
GoP Ijarah Sukuk Certificates - XX (note 6.1.1.1)	Semi-annually / at maturity	June 24, 2020	June 24, 2025	Weighted average 6 months T-Bills	1,000	-	-	1,000	100,600	100,180	(420)	1.11%	1.27%
GoP Ijarah Sukuk Certificates - XXI - VRR (note 6.1.1.1)	Semi-annually / at maturity	July 29, 2020	July 29, 2025	Weighted average 6 months T-Bills	1,830	-	1,830	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXII - VRR (note 6.1.1.1)	Semi-annually / at maturity	December 9, 2020	December 9, 2025	Weighted average 6 months T-Bills	5,950	-	5,950	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIII - VRR (note 6.1.1.1)	Semi-annually / at maturity	October 6, 2021	October 6, 2026	Weighted average 6 months T-Bills	-	15,000	4,000	11,000	1,100,000	1,090,430	(9,570)	12.13%	13.78%
GoP Ijarah Sukuk Certificates - XXIV - VRR (note 6.1.1.1)	Semi-annually / at maturity	October 29, 2021	October 29, 2026	Weighted average 6 months T-Bills	-	3,000	2,750	250	25,037	24,845	(192)	0.28%	0.31%
Total - December 31, 2021									<u>7,843,430</u>	<u>7,873,645</u>	<u>30,215</u>	<u>87.59%</u>	<u>99.47%</u>
Total - June 30, 2021									<u>7,402,091</u>	<u>7,502,782</u>	<u>100,691</u>	<u>75.49%</u>	<u>98.55%</u>

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



6.1.2 Corporate sukuks

Name of the security	Profit payments / principal redemption	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sales / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised (diminution)/ appreciation as at December 31, 2021	Percentage in relation to		
											Number of certificates	(Rs in '000)	(%)
Power generation & distribution													
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.1.2.1)	Semi-annually	June 29, 2026	6 months KIBOR plus base rate of 1.13%	1,720	-	1,000	720	41,715	41,576	(139)	0.46%	0.07%	0.53%
Total - December 31, 2021								<u>41,715</u>	<u>41,576</u>	<u>(139)</u>	<u>0.46%</u>		<u>0.53%</u>
Total - June 30, 2021								<u>110,241</u>	<u>110,725</u>	<u>484</u>	<u>1.11%</u>		<u>1.45%</u>

6.1.2.1 The face value of the sukuk certificates is Rs 56,250 each.

	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable	7.1	641	268
Sindh Sales Tax payable on remuneration of the Management Company		83	35
Allocated expenses payable	7.2	1,218	1,205
Selling and marketing expenses payable	7.3	9,487	7,297
Sales load payable		359	695
Sindh sales tax on sales load payable		47	90
		<u>11,835</u>	<u>9,590</u>

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 remuneration at the rate of 0.5% (2020: 0.5%) of average annual net assets of the Fund. 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 charged 0.15% (2020: 0.15%) of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period subject to the total expense charged not being higher than actual expense incurred.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, charged selling and marketing expense at the rate of 0.3% (2020: 0.4%) per annum of the average annual net assets of the Fund subject to the total expense charged not being higher than actual expense incurred.

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

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed. The rate of trustee fee applicable from July 1, 2021 till September 30, 2021 was 0.065% per annum of average annual net assets whereas from October 1, 2021 till period end, the rate of trustee fee revised to 0.055% per annum of average annual net assets.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in '000)			
Auditors' remuneration payable		322	350
Printing charges payable		156	156
Brokerage payable		604	487
Shariah advisor fee payable		242	271
Withholding tax payable		420	36,570
Capital gain tax payable		7,512	22,411
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	-	40,077
Zakat payable		93	212
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	80,077	80,077
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	2,562	2,562
		<u>91,988</u>	<u>183,173</u>

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

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF will be been recognised in the financial statements of the Fund.

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

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

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



In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 82.639 million (June 30, 2021 : Rs 82.639 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2021 would have been higher by Re 0.49 (June 30, 2021: Re. 0.43) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

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

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Management fee payable	641	268
Sindh Sales Tax payable on remuneration of the Management Company	83	35
Sales load payable	359	695
Sindh Sales Tax payable on sales load	47	90
Allocated expense payable	1,218	1,205
Selling and marketing expense payable	9,487	7,297
Investment of nil units (June 30, 2021: 19,388,675 units)	-	1,000,297
Meezan Bank Limited		
Balances with bank	7,151	701,593
Profit receivable on saving accounts	49	59
Sales load payable	517	738
Sindh Sales Tax on sales load payable	67	96
Shariah advisor fee payable	242	271
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	454	530
Sindh Sales Tax on trustee fee payable	59	69
Security deposit	100	100
CDS Charges Payable	-	231
Meezan Strategic Allocation Fund - MCPP - III		
Investment of 3,692,186 units (June 30, 2021: nil units)	198,068	-

	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Meezan Strategic Allocation Fund - II - MCPP - IV Investment of 8,127,696 units (June 30, 2021: nil units)	436,011	-
Meezan Strategic Allocation Fund - II - MCPP - V Investment of 1,419,023 units (June 30, 2021: nil units)	76,124	-
Meezan Strategic Allocation Fund - II - MCPP - VI Investment of 1,529,172 units (June 30, 2021: nil units)	82,033	-
Meezan Strategic Allocation Fund - II - MCPP - VII Investment of 1,721,590 units (June 30, 2021: nil units)	92,355	-
Meezan Strategic Allocation Fund - III - MCPP - IX Investment of 1,064,988 units (June 30, 2021: nil units)	57,131	-
Al Meezan Investment Management Limited - Employees Gratuity Fund Investment of 173,525 units (June 30, 2021: 173,525 units)	9,309	8,952
Directors and executives of the Management Company Investment of 663,488 units (June 30, 2021: 535,228 units)	35,593	27,613
	For the six months period ended December 31	
	2021	2020
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
Al Meezan Investment Management Limited - the Management Company		
Remuneration of Al Meezan Investment Management Limited	25,507	22,203
Sindh Sales Tax on remuneration of the Management Company	3,316	2,886
Allocated expenses	7,652	6,661
Selling and marketing expense	15,304	17,762
Units issued: nil units (2020: 4,526,209 units)	-	234,482
Units redeemed: 19,388,675 units (2020: 4,526,209 units)	1,001,742	237,409
Meezan Bank Limited		
Profit on saving accounts	614	218
Shariah advisor fee	376	381
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	3,058	2,886
Sindh Sales Tax on trustee fee	397	375
CDS charges	5	567
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: nil units (2020: 1,925,443 units)	-	101,785
Units redeemed: nil units (2020: 1,925,446 units)	-	102,346
Meezan Strategic Allocation Fund - MCPP - III		
Units issued: 3,713,278 units (2020: nil units)	198,451	-
Units redeemed: 21,092 units (2020: 1,808,651 units)	1,130	95,620
Meezan Strategic Allocation Fund - II - MCPP - IV		
Units issued: 8,206,996 units (2020: 3,863,698 units)	438,611	203,868
Units redeemed: 79,300 units (2020: 17,098,587 units)	4,250	905,632



**For the six months period
ended December 31**

2021 2020

(Unaudited)

(Rupees in '000)

Meezan Strategic Allocation Fund - II - MCPP - V

Units issued: 1,435,803 units (2020: 584,858 units)
Units redeemed: 16,780 units (2020: 4,801,575 units)

76,734	30,781
900	252,664

Meezan Strategic Allocation Fund - II - MCPP - VI

Units issued: 1,529,172 units (2020: 37,345 units)
Units redeemed: nil units (2020: 1,731,255 units)

81,724	2,000
-	91,840

Meezan Strategic Allocation Fund - II - MCPP - VII

Units issued: 1,746,554 units (2020: nil units)
Units redeemed: 24,964 units (2020: 801,781 units)

93,342	-
1,334	42,464

Meezan Strategic Allocation Fund - II - MCPP - VIII

Units redeemed: nil units (2020: 460,255 units)

-	24,500
---	--------

Meezan Strategic Allocation Fund - III - MCPP - IX

Units issued: 1,064,988 units (2020: 462,505 units)
Units redeemed: nil units (2020: 835,432 units)

56,917	24,080
-	43,908

Directors and executives of the Management Company

Units issued: 913,286 units (2020: 1,098,010 units)
Units redeemed: 801,222 units (2020: 1,222,912 units)

48,063	56,992
42,070	63,814

12. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.13% (2020: 1.43%) which includes 0.09% (2020: 0.27%) representing levies such as Sales tax, annual fee to the SECP etc. The ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income 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, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

14. FAIR VALUE MEASUREMENT

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

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

Financial assets which are 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.

14.1 Fair value hierarchy

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

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

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

As at December 31, 2021				
Level 1	Level 2	Level 3	Total	
ASSETS				
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	7,915,221	-	7,915,221
ASSETS				
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	7,613,507	-	7,613,507

15. GENERAL

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

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2022 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

THE MEEZAN DAILY INCOME PLAN (MDIP-I)

is an Allocation Plan under “Meezan Daily Income Fund (MDIF)” with an objective to provide investors with a competitive rate of return, together with daily payout, through investment in Shariah Compliant Fixed Income Instruments.



**TECHNOLOGY
EXPORTS
REGISTERED
A STAGGERING HIKE
BY**

80.6%

A tree with a brown trunk and branches, where the foliage is replaced by the number 80.6%. The tree is positioned on a green watercolor-style ground.

**IN
AUGUST
2021**

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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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)
Bank Islami Pakistan Limited
Bank of Khyber - Islamic Banking
Meezan Bank Limited
United Bank Limited- Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN DAILY INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Daily Income Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from September 14, 2021 to December 31, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2022



REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Daily Income Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the period from September 14, 2021 to December 31, 2021. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the period from September 14, 2021 to December 31, 2021.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Khattab Muhammad Akhi Baig**
Date: February 26, 2022
Karachi

**MEEZAN DAILY INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021**



	December 31, 2021 (Unaudited) MDIP-I (Rupees in '000)
Assets	
Balances with banks	5 9,493,833
Investments	6 3,580,583
Receivable against conversion of units	27,599
Deposits, prepayments and profit receivable	7 112,092
Preliminary expenses and floatation costs	8 724
Total assets	13,214,831
Liabilities	
Payable to AI Meezan Investment Management Limited - Management Company	9 4,293
Payable to Central Depository Company of Pakistan Limited - Trustee	10 931
Payable to the Securities and Exchange Commission of Pakistan	11 378
Payable to Meezan Bank Limited	3,018
Payable against conversion and redemption of units	29,915
Dividend payable	3,880
Accrued expenses and other liabilities	12 7,433
Total liabilities	49,848
Net assets	13,164,983
Unit holders' fund (as per statement attached)	13,164,983
Contingencies and commitments	13
Number of units in issue	263,299,640
Net asset value per unit	50.0000

The annexed notes from 1 to 23 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 DAILY INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO DECEMBER 31, 2021 AND QUARTER ENDED DECEMBER 31, 2021

	For the period from September 14, 2021 to December 31, 2021	Quarter ended, December 31, 2021
	MDIP-I	
Note	------(Rupees in '000)-----	
Income		
Profit on sukuks	7,902	7,902
Income on commercial papers	11,864	11,864
Profit on certificate of musharaka	6,926	6,926
Profit on term deposit receipts	1,249	1,249
Profit on savings accounts with banks	147,232	140,315
Net realised gain on sale of investment	1,300	1,300
Total income	176,473	169,556
Expenses		
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1 2,682	2,682
Sindh Sales Tax on remuneration of the Management Company	9.2 349	349
Selling and marketing expenses	9.3 1,794	1,794
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 1,417	1,345
Sindh Sales Tax on remuneration of the Trustee	10.2 184	175
Annual fee to the Securities and Exchange Commission of Pakistan	11 378	359
Auditors' remuneration	14 104	93
Brokerage expenses	23	23
Bank and settlement charges	25	25
Amortisation of preliminary expenses and floatation costs	8.1 45	39
Fees and subscription	145	145
Total expenses	7,146	7,029
Net income for the period before taxation	169,327	162,527
Taxation	16 -	-
Net income for the period after taxation	169,327	162,527
Allocation of net income for the period		
Net income for the period after taxation	169,327	
Income already paid on units redeemed	-	
	169,327	
Accounting income available for distribution		
- Relating to capital gains	1,300	
- Excluding capital gains	168,027	
	169,327	

The annexed notes from 1 to 23 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 DAILY INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO DECEMBER 31, 2021 AND QUARTER ENDED DECEMBER 31, 2021

	For the period from September 14, 2021 to December 31, 2021	Quarter ended, December 31, 2021
MDIP-I		
(Rupees in '000)		
Net income for the period after taxation	169,327	162,527
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>169,327</u>	<u>162,527</u>

The annexed notes from 1 to 23 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 DAILY INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO DECEMBER 31, 2021

For the period from September 14, 2021 to December 31, 2021		
Capital Value	Undistributed income	Total
MDIP-I		
(Rupees in '000)		

Issuance of 413,061,091 units			
- Capital value (at par value per unit)	20,653,055	-	20,653,055
- Element of income	-	-	-
Total proceeds on issuance of units	20,653,055	-	20,653,055
Redemption of 149,761,451 units			
- Capital value (at par value per unit)	7,488,072	-	7,488,072
- Element of loss	-	-	-
Total payments on redemption of units	7,488,072	-	7,488,072
Total comprehensive income for the period	-	169,327	169,327
Distributions during the period*	-	(169,327)	(169,327)
Net income for the period less distribution	-	-	-
Net assets at the end of the period	13,164,983	-	13,164,983

Accounting income available for distribution

- Relating to capital gains	1,300
- Excluding capital gains	168,027
	169,327

Distributions during the period* (169,327)

Undistributed income carried forward

-

Undistributed income carried forward

- Realised income	-
- Unrealised income	-
	-

(Rupees)

Net assets value per unit at the end of the period

50.0000

* Meezan Daily Income Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the six month period ended December 31, 2021 amounted to Rs. 1.2264 per unit.

The annexed notes from 1 to 23 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 DAILY INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO DECEMBER 31, 2021

Note

For the period from September 14, 2021 to December 31, 2021
--

MDIP-I

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation	169,327
Adjustment for non-cash items:	
Amortisation of preliminary expenses and floatation costs	45
	<u>169,372</u>
Increase in assets	
Investments - net	(1,180,583)
Deposits and prepayments	(112,092)
Preliminary expenses and floatation costs paid	(769)
	<u>(1,293,444)</u>
Increase in liabilities	
Payable to AI Meezan Investment Management Limited - Management Company	4,293
Payable to Central Depository Company of Pakistan Limited - Trustee	931
Payable to the Securities and Exchange Commission of Pakistan (SECP)	378
Payable to Meezan Bank Limited	3,018
Accrued expenses and other liabilities	7,433
	<u>16,053</u>
Net cash used in operating activities	<u>(1,108,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts against issuance and conversion of units	20,625,456
Payments against redemption and conversion of units	(7,458,157)
Dividend paid	(165,447)
Net cash generated from financing activities	<u>13,001,852</u>
Net increase in cash and cash equivalents	<u>11,893,833</u>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u><u>11,893,833</u></u>

18

The annexed notes from 1 to 23 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 DAILY INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Daily Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 13, 2021 under Sindh Trusts Act, 2020 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 is an open ended Shariah compliant Income Scheme with allocation plans. The investment objective of the Fund is to earn return by investing in Shariah compliant fixed income instruments.
- 1.3** The Fund is an open-end Shariah Compliant Money Market Scheme and has the following specific features:
- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day); and
(b) Daily dividend received by the unit holders shall be reinvested.
- By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.
- 1.4** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS dated December 27, 2021 and by PACRA dated June 23, 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** 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.
- 1.7** As per offering document approved by SECP, the accounting period, in case of the first period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these condensed financial statements have been prepared from September 14, 2021.

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.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declared that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these condensed interim financial statements.

3.3 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the condensed interim financial statements of the Fund relate to valuation of financial assets (notes 4.3 and 6) and provision for taxation (note 4.13 and 16).

3.4 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values.

3.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These condensed interim financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the condensed interim income statement.

4.3.2 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

b) Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

c) Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the condensed interim income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's circular.

4.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.3.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the condensed interim income statement.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the condensed interim income statement.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the condensed interim Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the condensed interim Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

4.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

4.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period. As more fully explained in note 1.3 to the condensed interim financial statements, the Fund is required to make distribution on each business day.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the condensed interim financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Profit on bank deposits, certificate of musharaka and term deposit receipts is recognised on accrual basis.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates, placements and commercial papers is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the condensed interim Income Statement on an accrual basis.

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the condensed interim financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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.

4.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the condensed interim Income Statement.

		December 31, 2021 (Unaudited) MDIP-I (Rupees in '000)
5	BALANCES WITH BANKS	Note
	Balances with banks in:	
	Savings accounts	5.1 <u>9,493,833</u>
5.1	These includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.50% per annum. Other savings accounts of the Fund have expected profit rates ranging from 2.50% to 11.75% per annum.	
		December 31, 2021 (Unaudited) MDIP-I (Rupees in '000)
6	INVESTMENTS	Note
	At fair value through profit or loss	
	Commercial papers	6.1 705,583
	Corporate sukuk	6.2 475,000
	Term deposit receipts	6.3 1,000,000
	Certificates of musharaka	6.4 <u>1,400,000</u>
		<u>3,580,583</u>

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			Number of certificates		----- (Rupees in '000) -----			----- % -----		
K-Electric Limited ICP-22 (AA, VIS) (note 6.1.1)	April 07, 2022	6 months Kibor plus base rate of 0.5%	425	-	425	415,721	415,721	-	3.16	11.61
K-Electric Limited ICP-24 (AA, VIS) (note 6.1.1)	May 16, 2022	6 months Kibor plus base rate of 0.6%	300	-	300	289,862	289,862	-	2.20	8.10
Total as at December 31, 2021						705,583	705,583	-	5.36	19.71

6.1.1 The nominal value of these commercial papers is Rs 1,000,000 each and these are redeemable at maturity.

6.2 Corporate sukuk

Name of the security	Maturity date	Profit rate	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			Number of certificates		----- (Rupees in '000) -----			----- % -----		
Hub Power Company Limited VII (AA+, PACRA) (note 6.2.1)	May 02, 2022	6 months Kibor plus base rate of 0.80%	4,750	-	4,750	475,000	475,000	-	3.61	13.27
Total as at December 31, 2021						475,000	475,000	-	3.61	13.27

6.2.1 The nominal value of the sukuk certificates is Rs 100,000 and the profit and principal of corporate sukuk is receivable at maturity.

6.3 Term deposit receipts

Name of the bank	Maturity date	Profit rate	Placed during the period	Matured during the period	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to		
								Net assets of the Fund	Total market value of investment	
					----- (Rupees in 000) -----			----- % -----		
The Bank of Punjab (AA+, PACRA)	March 28, 2022	11.40%	1,000,000	-	1,000,000	1,000,000	-	7.60	27.93	
Total as at December 31, 2021						1,000,000	-	1,000,000	7.60	27.93

6.3.1 The profit and principal of term deposit receipts is receivable at maturity.

6.4 Certificates of musharaka

Name of the entity	Maturity date	Profit rate	Placed during the period	Matured during the period	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to		
								Net assets of the Fund	Total market value of investment	
					----- (Rupees in 000) -----			----- % -----		
First Habib Modaraba (AA+, PACRA)	January 31, 2022	11.65%	700,000	-	700,000	700,000	-	5.32	19.55	
First Habib Modaraba (AA+, PACRA)	January 31, 2022	11.65%	700,000	-	700,000	700,000	-	5.32	19.55	
Total as at December 31, 2021						1,400,000	-	1,400,000	10.63	39.10

6.4.1 The profit and principal of certificate of musharaka is receivable at maturity.

		December 31, 2021 (Unaudited) MDIP-I (Rupees in '000)
7	DEPOSITS AND PREPAYMENTS	Note
	Security deposit with Central Depository Company of Pakistan Limited	100
	Profit receivable on balances with banks	95,655
	Profit receivable on sukuk certificates	7,426
	Profit receivable on term deposit receipts	8,175
	Prepayments	736
		<u>112,092</u>

8 PRELIMINARY EXPENSES AND FLOTATION COSTS

	At the beginning of the period		769
	Less: amortisation during the period	8.1	(45)
	At the end of the period		<u>724</u>

- 8.1** Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

		December 31, 2021 (Unaudited) (Rupees in '000)	
9	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	
	Management fee payable	9.1	350
	Sindh Sales Tax on remuneration of the Management Company	9.2	46
	Formation cost payable to management company		769
	Selling and marketing expenses payable	9.3	1,794
	Sales load payable		1,180
	Sindh Sales Tax on sales load payable		154
			<u>4,293</u>

- 9.1** As per regulation 61 of the NBFC Regulations, 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, during the period, the Management Company has charged remuneration at the following rates:

From September 14, 2021 to September 30, 2021	From October 1, 2021 to December 7, 2021
Nil	0.1% per annum of the average annual net assets

From December 8, 2021 to December 31, 2021
0.2% per annum of the average annual net assets

The remuneration is payable to the Management Company monthly in arrears.

- 9.2** During the period, an amount of Rs. 0.349 million was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 0.303 million has been paid to the Management Company which acts as a collecting agent.

- 9.3** In accordance with Circular 11 dated July 5, 2019, the Management Company is entitled for charging selling and marketing expenses to Collective Investment Schemes (CISs) managed by them upto a maximum limit approved by the Board of Directors as part of annual plan. The Management Company, based on its own discretion, has charged selling and marketing expenses while keeping in view the overall return and the total expense ratio limit at the following rates subject to the total expense charged not being higher than the actual expense incurred during the period:

From September 14, 2021 to September 30, 2021	From October 1, 2021 to December 31, 2021
Nil	0.1% per annum of the average annual net assets

**December 31,
2021
(Unaudited)
MDIP-I**

(Rupees in '000)

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	
Trustee fee payable	10.1	824
Sindh Sales Tax payable on trustee fee	10.2	107
		931
		931

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed, at the rate of 0.075% per annum of net assets of the Fund.

10.2 During the period, an amount of Rs 0.184 million was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.077 million was paid to the Trustee which acts as a collecting agent.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) classified as an "Income Scheme" is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% per annum of average annual net assets during the current period.

**December 31,
2021
(Unaudited)
MDIP-I
(Rupees in '000)**

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Brokerage payable		23
Auditors' remuneration payable		104
Withholding tax payable		7,198
Shariah advisory fee payable		108
		7,433
		7,433

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021.

**For the period from
September 14, 2021
to December 31,
2021
(Unaudited)
MDIP-I
(Rupees in '000)**

14 AUDITORS' REMUNERATION

Statutory audit fee		54
Half yearly review fee		50
		104
		104

15 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2021 is 0.30% which includes 0.03% representing government levies on the Fund such as sales taxes, 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.

16 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, 2008, 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. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the period ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

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

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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 essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

The details of transactions carried out by the Fund with connected persons / related parties during the period and balances with them as at period end are as follows:

Balances	December 31, 2021 (Unaudited) MDIP-I (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Management fee payable	350
Sindh Sales Tax on management fee payable	46
Formation cost payable	769
Selling and marketing expenses payable	1,794
Sales Load Payable	1,180
Sindh Sales Tax on sales load payable	154
Investment of 26,725,892 units	1,336,295
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable to the Trustee	824
Sindh Sales Tax on remuneration of the Trustee	107
Security deposit	100



December 31,
2021
(Unaudited)
MDIP-I
(Rupees in '000)

Meezan Bank Limited

Balance with bank	87,184
Profit receivable on saving account	95
Sales Load Payable	2,671
Sindh Sales Tax on sales load payable	347
Shariah advisor fee payable	108

Meezan Strategic Allocation Fund - MSAP - I

Investment of 2,627,594 units	131,380
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Meezan Strategic Allocation Fund - MSAP - II

Investment of 1,860,886 units	93,044
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Meezan Strategic Allocation Fund - MSAP - III

Investment of 1,709,409 units	85,470
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Meezan Strategic Allocation Fund - MSAP - IV

Investment of 649,245 units	32,462
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Meezan Strategic Allocation Fund - MSAP - V

Investment of 232,413 units	11,621
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Meezan Financial Planning Fund Of Funds - MAAP - I

Investment of 455,732 units	22,787
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Directors and Executives of the Management Company

Investment of 3,316,435 units	165,822
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Transactions during the period

For the period from
September 14, 2021
to December 31,
2021 (Unaudited)
MDIP-I
(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration for the period	2,682
Sindh Sales Tax on management fee for the period	349
Selling and marketing expense	1,794
Units issued: 56,625,892 units	2,831,295
Units redeemed: 29,900,000 units	1,495,000
Dividend paid	36,406

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	1,417
Sindh Sales Tax on remuneration of the Trustee	184
CDS charges	4

Meezan Bank Limited

Profit on savings account	269
Shariah advisory fee	108

For the period from
September 14, 2021
to December 31,
2021 (Unaudited)

MDIP-I
(Rupees in '000)

Meezan Strategic Allocation Fund - MSAP - I

Units issued: 6,754,263 units

337,713

Units redeemed: 4,126,669 units

206,333

Dividend paid

3,037

Meezan Strategic Allocation Fund - MSAP - II

Units issued: 4,196,376 units

209,819

Units redeemed: 2,335,490 units

116,775

Dividend paid

1,961

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 4,517,166 units

225,858

Units redeemed: 2,807,757 units

140,388

Dividend paid

2,047

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 1,814,481 units

90,724

Units redeemed: 1,165,236 units

58,262

Dividend paid

784

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 586,803 units

29,340

Units redeemed: 354,390 units

17,720

Dividend paid

256

Meezan Financial Planning Fund Of Funds - MAAP - I

Units issued: 1,763,613 units

88,181

Units redeemed: 1,307,881 units

65,394

Dividend paid

742

Directors and Executives of the Management Company

Units issued: 7,352,951 units

367,648

Units redeemed: 4,036,516 units

201,826

Dividend Paid

2,337

December 31,
2021

(Unaudited)

MDIP-I

(Rupees in '000)

18 CASH AND CASH EQUIVALENTS

Note

Balances with banks

5

9,493,833

Term deposit receipts - having original maturity of
3 months or less

6.3

1,000,000

Certificates of musharaka

6.4

1,400,000

11,893,833

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk, interest rate risk and currency risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations and the directives issued by the SECP.

Risks managed and measured by the Fund are explained below:

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: profit rate risk, currency risk and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of December 31, 2021, the Fund is exposed to such risk on its balances held with banks and investments in corporate sukuks, commercial papers, term deposit receipts and certificates of musharaka. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund's variable rate risk arises from the balances with banks. At December 31, 2021, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the period then ended would have been higher / lower by Rs 7.912 million.

b) Sensitivity analysis for fixed rate instruments

The Fund does not hold any financial instruments that are exposed to fixed rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any instruments that are exposed to price risk.

19.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period ended December 31, 2021.

19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

The table below analyses the Fund's maximum exposure to credit risk:

	December 31, 2021	
	Un-audited	
	Balance as per condensed interim statement of assets and liabilities	Maximum exposure to credit risk
	----- (Rupees in '000) -----	
Balances with banks	9,493,833	9,493,833
Investments	3,580,583	3,580,583
Deposits, prepayments and profit receivable	112,092	111,356
	<u>13,186,508</u>	<u>13,185,772</u>

The maximum exposure to credit risk before any credit enhancement as at December 31, 2021 is the carrying amount of the financial assets.

19.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investments and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Rating	% of bank balance exposed to credit risk
	2021
AAA	24.08%
AA-	5.27%
A+	70.65%
	<u>100.00%</u>

Ratings of investments have been disclosed in related notes to the condensed interim financial statements. Since, the asset of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

19.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at December 31, 2021 are unsecured and are not impaired.

20 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

As at December 31, 2021, the Fund held the following financial instruments measured at fair values:

	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets - at fair value through profit or loss				
Corporate sukuks*	-	475,000	-	-
Term deposit receipts*	-	1,000,000	-	-
Certificates of musharakah*	-	1,400,000	-	-
Commercial papers**	-	705,583	-	-
	-	<u>3,580,583</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.

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Condensed Interim Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

The Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 GENERAL

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

23 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2022 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

MEEZAN CASH FUND (MCF)

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



ROSHAN DIGITAL ACCOUNT INFLOW SURPASSES



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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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
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
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	The Bank of Punjab
Habib Bank Limited -Islamic Banking	UBL Ameen - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CASH FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Cash Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2022



REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Cash Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Khattab Muhammad Akhi Baig**
Date: February 26, 2022
Karachi



MEEZAN CASH FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021

		December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Assets			
Balances with banks	5	11,113,383	10,670,565
Investments	6	1,624,237	2,724,517
Receivable against conversion of units		523,107	448,896
Profit receivable		81,117	56,718
Deposits and prepayments		780	589
Total assets		<u>13,342,624</u>	<u>13,901,285</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	16,724	13,765
Payable to Central Depository Company of Pakistan Limited - Trustee		710	829
Payable to the Securities and Exchange Commission of Pakistan		1,351	2,964
Payable against conversion and redemption of units		56,399	135,383
Accrued expenses and other liabilities	8	38,863	191,330
Total liabilities		<u>114,047</u>	<u>344,271</u>
Net assets		<u>13,228,577</u>	<u>13,557,014</u>
Contingencies and commitments	9		
Unit holders' fund (as per statement attached)		<u>13,228,577</u>	<u>13,557,014</u>
		(Number of units)	
Number of units in issue		<u>252,345,642</u>	<u>268,254,374</u>
		(Rupees)	
Net asset value per unit		<u>52.4225</u>	<u>50.5379</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 CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

Note	Six months period ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
Income				
Net realised loss on sale of investments	-	(193)	-	-
Profit on term deposit receipts	69,374	33,771	40,443	23,201
Profit on commercial papers and sukuk certificates	37,527	109,196	7,572	51,170
Profit on Bai Muajjal	-	43,693	-	15,107
Profit on saving accounts with banks	389,703	359,476	209,862	177,034
Total income	496,604	545,943	257,877	266,512
Expenses				
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	33,768	38,999	16,443
Sindh Sales Tax on remuneration of the Management Company		4,390	5,070	2,138
Allocated expenses	7.2	10,130	11,700	4,932
Selling and marketing expenses	7.3	20,261	31,199	9,866
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,061	5,070	1,809
Sindh Sales Tax on remuneration of the Trustee		528	659	235
Annual fee to the Securities and Exchange Commission of Pakistan		1,351	1,560	658
Auditors' remuneration		336	319	151
Fees and subscription		719	730	360
Legal and professional charges		192	-	8
Brokerage expense		-	30	-
Bank and settlement charges		288	721	141
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	8.1	(72,854)	8,998	-
Total expenses		3,170	105,055	36,741
Net income for the period before taxation		493,434	440,888	221,136
Taxation	12	-	-	-
Net income for the period after taxation		493,434	440,888	221,136
Allocation of net income for the period				
Net income for the period after taxation		493,434	440,888	
Income already paid on units redeemed		(160,886)	(151,241)	
		332,548	289,647	
Accounting income available for distribution				
- Relating to capital gains		-	-	
- Excluding capital gains		332,548	289,647	
		332,548	289,647	

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 CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	Six months period December 31,		Quarter ended, December 31,	
	2021 (Rupees in '000)	2020 (Rupees in '000)	2021 (Rupees in '000)	2020 (Rupees in '000)
Net income for the period after taxation	493,434	440,888	221,136	213,683
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>493,434</u>	<u>440,888</u>	<u>221,136</u>	<u>213,683</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 CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	13,448,645	108,369	13,557,014	13,928,564	97,875	14,026,439
Issuance of 325,698,438 units (December 31, 2020: 386,355,109 units)						
- Capital value (at net asset value per unit at the beginning of the period)	16,460,115	-	16,460,115	19,509,079	-	19,509,079
- Element of income	336,236	-	336,236	268,335	-	268,335
Total proceeds on issuance of units	16,796,351	-	16,796,351	19,777,414	-	19,777,414
Redemption of 341,607,170 units (December 31, 2020: 398,501,773 units)						
- Capital value (at net asset value per unit at the beginning of the period)	17,264,109	-	17,264,109	20,122,427	-	20,122,427
- Element of loss	193,227	160,886	354,113	170,926	151,241	322,167
Total payments on redemption of units	17,457,336	160,886	17,618,222	20,293,353	151,241	20,444,594
Total comprehensive income for the period	-	493,434	493,434	-	440,888	440,888
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	493,434	493,434	-	440,888	440,888
Net assets at the end of the period	<u>12,787,660</u>	<u>440,917</u>	<u>13,228,577</u>	<u>13,412,625</u>	<u>387,522</u>	<u>13,800,147</u>
Undistributed income brought forward						
- Realised income		108,369			97,875	
- Unrealised income		-			-	
		<u>108,369</u>			<u>97,875</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		332,548			289,647	
		<u>332,548</u>			<u>289,647</u>	
Undistributed income carried forward		<u>440,917</u>			<u>387,522</u>	
Undistributed income carried forward						
- Realised income		440,917			387,522	
- Unrealised income		-			-	
		<u>440,917</u>			<u>387,522</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>50.5379</u>			<u>50.4952</u>
Net asset value per unit at the end of the period			<u>52.4225</u>			<u>51.9523</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 CASH FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

Note	Six months period ended December 31,	
	2021	2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	493,434	440,888
Decrease / (increase) in assets		
Investments - net	1,100,280	1,042,647
Deposits and prepayments	(191)	142
Profit receivable	(24,399)	6,583
	1,075,690	1,049,372
(Decrease) / increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	2,959	308
Payable to Central Depository Company of Pakistan Limited - Trustee	(119)	(40)
Payable to the Securities and Exchange Commission of Pakistan	(1,613)	(840)
Accrued expenses and other liabilities	(152,467)	(119,868)
	(151,240)	(120,440)
Net cash generated from operating activities	1,417,884	1,369,820
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	16,722,140	19,804,833
Payments against redemption and conversion of units	(17,697,206)	(20,554,050)
Net cash used in financing activities	(975,066)	(749,217)
Net increase in cash and cash equivalents during the period	442,818	620,603
Cash and cash equivalents at the beginning of the period	11,970,565	10,404,710
Cash and cash equivalents at the end of the period	12,413,383	11,025,313

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 CASH FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Cash Fund (the Fund) was established under a trust deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Consequently, the Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund has been formed to provide the unit holders with stable stream of halal income on their investments and to generate long term risk adjusted returns. The Fund shall also keep exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.4 The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 27, 2021 (2020: AM1 dated December 31, 2020) and by PACRA dated June 23, 2021 (2020: AM1 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 AA(f) by VIS Credit Rating Company Limited dated December 27, 2021.

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 are 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, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

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

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, 2021.

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, 2021. 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, 2021.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. 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.

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	(Rupees in '000)	
5. BALANCES WITH BANKS			
In savings accounts	5.1	11,113,208	10,670,379
In current accounts		175	186
		<u>11,113,383</u>	<u>10,670,565</u>

5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.5% (June 30, 2021: 2.5%) per annum. Other saving accounts have expected profit rates ranging from 1.50% to 10.75% per annum (June 30, 2021: 1.50% to 7.00% per annum).

	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
5.2 Cash and cash equivalents			
Balances with banks	5	11,113,383	10,670,565
Term deposit receipts - having original maturity of 3 months or less	6	1,300,000	1,300,000
		<u>12,413,383</u>	<u>11,970,565</u>

6. INVESTMENTS

At fair value through profit or loss

Commercial papers	6.1	324,237	1,424,517
Term deposit receipts	6.2	1,300,000	1,300,000
		<u>1,624,237</u>	<u>2,724,517</u>

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the period	Sales / redemptions / maturity during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to	
										(Number of certificates)	(Rupees in '000)
										-----(%)-----	
K-Electric Limited CP XV (A-1+, PACRA) (note 6.1.1)	September 2, 2021	6 month KIBOR plus base rate of 0.60%	625	-	625	-	-	-	-	-	-
K-Electric Limited CP XVI (A-1+, PACRA) (note 6.1.1)	September 16, 2021	6 month KIBOR plus base rate of 0.60%	300	-	300	-	-	-	-	-	-
K-Electric Limited CP XVII (A-1+, VIS) (note 6.1.1)	October 6, 2021	6 month KIBOR plus base rate of 0.55%	325	-	325	-	-	-	-	-	-
K-Electric Limited CP XVIII (A-1+, VIS) (note 6.1.1)	October 19, 2021	6 month KIBOR plus base rate of 0.55%	200	-	200	-	-	-	-	-	-
K-Electric Limited CP XIX (A-1+, VIS) (note 6.1.1)	January 12, 2022	6 month KIBOR plus base rate of 0.45%	-	325	-	325	324,237	324,237	-	2.45%	19.96%
Total as at December 31, 2021							<u>324,237</u>	<u>324,237</u>			
Total as at June 30, 2021							<u>1,424,517</u>	<u>1,424,517</u>			

6.1.1 The nominal value of these commercial papers is Rs 1,000,000 each and these are redeemable at maturity.



6.1.2 The securities are valued on the basis of amortisation to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.

6.2 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2021	Term deposit receipts placed during the period	Matured during the period	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to	
									Net assets of the fund	Total market value of investment
		%	----- (Rupees in '000) -----							----(%)----
United Bank Limited - Ameen	July 5, 2021	7.00%	1,300,000	-	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	August 9, 2021	6.80%	-	1,300,000	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	September 9, 2021	6.80%	-	1,300,000	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	October 8, 2021	7.00%	-	1,300,000	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	November,8 2021	7.00%	-	1,300,000	1,300,000	-	-	-	-	-
Askari Bank Limited	December 1, 2021	7.15%	-	1,100,000	1,100,000	-	-	-	-	-
United Bank Limited - Ameen	December 2, 2021	8.35%	-	1,100,000	1,100,000	-	-	-	-	-
Meezan Bank Limited	December 3, 2021	7.46%	-	1,100,000	1,100,000	-	-	-	-	-
The Bank of Punjab	March 15, 2022	11.25%	-	1,300,000	-	1,300,000	1,300,000	-	9.83%	80.04%
Total as at December 31, 2021						<u>9,800,000</u>	<u>9,800,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>
Total as at June 30, 2021							<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>	

6.2.1 The profit and principal of term deposit receipts is receivable at maturity.

	Note	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable	7.1	918	449
Sindh Sales Tax payable on remuneration of the Management Company		119	57
Allocated expenses payable	7.2	1,682	2,781
Selling and marketing expenses payable	7.3	14,005	10,478
		<u>16,724</u>	<u>13,765</u>

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 remuneration at the rate of 0.5% (2020: 0.5%) per annum of average annual net assets of the Fund. 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 charged 0.15% (2020: 0.15%) per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund during the period subject to the total expense charged being lower than actual expense incurred.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at the rate of 0.3% (2020: 0.4%) per annum of average annual net assets of the Fund during the period subject to the total expense charged being lower than actual expense incurred.

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	(Rupees in '000)	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	72,854
Withholding tax payable		472	73,530
Capital gain tax payable		9,771	15,532
Provision for Federal Excise Duty and related Sindh Sales tax on remuneration of the management company	8.2	27,018	27,018
Shariah advisor fee payable		663	653
Brokerage expense payable		49	49
Auditors' remuneration payable		288	335
Printing expense payable		111	111
Other expenses payable		175	463
Zakat payable		316	785
		38,863	191,330

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

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the condensed interim financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF has been recognised in the condensed interim financial statements of the Fund.

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

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

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



In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 27.018 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.11 (June 30, 2021: Re 0.10) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

10. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.13% (2020: 1.35%) which includes 0.09% (2020: 0.21%) representing levies such as Sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

11.1 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.

11.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

11.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, and the Trust Deed.

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

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

Balances

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Management fee payable	918	449
Sindh Sales Tax payable on remuneration of the Management Company	119	57
Selling and marketing expenses payable	14,005	10,478
Allocated expenses payable	1,682	2,781
Meezan Bank Limited		
Balance with bank	11,194	321,188
Profit receivable on saving accounts	218	159
Shariah advisor fee payable	663	653
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	628	734
Sindh Sales Tax on trustee fee payable	82	95
Security deposit	100	100
Directors and executives of the Management Company		
Investment of units 6,930,083 (June 30, 2021: 8,454,024 units)	363,292	427,248

Transactions during the period

**Six months period ended
December 31,**

	2021	2020
	(Unaudited)	(Unaudited)
	(Rupees in '000)	

Al Meezan Investment Management Limited - the Management Company

Remuneration of Al Meezan Investment Management Limited -

Management Company

33,768

38,999

Sindh Sales Tax on remuneration of the Management Company

4,390

5,070

Allocated expenses

10,130

11,700

Selling and marketing expenses

20,261

31,199

Meezan Bank Limited

Profit on saving accounts

1,274

1,489

Term deposit receipt placed

1,100,000

-

Term deposit matured

1,100,000

-

Profit on term deposit receipt

5,396

-

Shariah advisor fee

550

563

Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee

4,061

5,070

Sindh Sales Tax on remuneration of the Management Company

528

659

CDS charges

3

367

Meezan Strategic Allocation Fund II- MCPP - IV

Units issued: nil units (2020: 3,239,124 units)

-

165,000

Units redeemed: nil units (2020: 3,239,124 units)

-

165,077

Meezan Strategic Allocation Fund II- MCPP - V

Units issued: nil units (2020: 569,301 units)

-

29,000

Units redeemed: nil units (2020: 569,301 units)

-

29,014

Directors and Executives of the Management Company

Units issued: 3,052,038 units (2020: 1,460,399 units)

157,954

74,641

Units redeemed: 4,576,247 units (2020: 2,394,610 units)

236,273

122,431

12. 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, 2008, 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. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

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 MEASUREMENT

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

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

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



Fair value hierarchy

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

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

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

As at December 31, 2021				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Term deposit receipts *	-	1,300,000	-	1,300,000
Commercial papers **	-	324,237	-	324,237
	-	1,624,237	-	1,624,237

As at June 30, 2021				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Term deposit receipts *	-	1,300,000	-	1,300,000
Commercial papers **	-	1,424,517	-	1,424,517
	-	2,724,517	-	2,724,517

* 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 have been carried out based on amortisation of commercial papers as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments 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 unless otherwise stated.

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2022 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

MEEZAN

ROZANA AMDANI FUND (MRAF)

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

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



A QUANTUM LEAP
FROM
136TH POSITION
TO

108



FOR
**"EASE OF
DOING
BUSINESS"**

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. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	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 - Islamic Banking	Dubai Islamic Bank Pakistan Limited
Askari Bank Limited - Islamic Banking	Faysal Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking	Habib Bank Limited -Islamic Banking
Bank Of Punjab – Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited - Islamic Banking	UBL Ameen - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ROZANA AMDANI FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Rozana Amdani Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2022



REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Rozana Amdani Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Khattab Muhammad Akhi Baig**
Date: February 26, 2022
Karachi

**MEEZAN ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021**



Meezan
Rozana Amdani Fund

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
Note	(Rupees in '000)	
Assets		
Balances with banks	5 42,489,980	56,743,167
Investments	6 9,641,043	17,726,099
Receivable against conversion of units	149,076	436,029
Profit receivable	278,220	257,354
Preliminary expenses and floatation costs	399	500
Deposits and prepayments	200	294
Total assets	52,558,918	75,163,443
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7 5,833	-
Payable to Central Depository Company of Pakistan Limited - Trustee	8 2,357	3,554
Payable to the Securities and Exchange Commission of Pakistan	5,239	9,092
Payable against conversion and redemption of units	52,005	280,124
Dividend payable	14,656	-
Accrued expenses and other liabilities	9 29,604	166,376
Total liabilities	109,694	459,146
Net assets	52,449,224	74,704,297
Unit holders' fund (as per statement attached)	52,449,224	74,704,297
Contingencies and commitments	10	
	----- (Number of units) -----	
Number of units in issue	1,048,984,461	1,494,085,918
	----- (Rupees) -----	
Net asset value per unit	50.0000	50.0000

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 ROZANA AMDANI FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
Income					
Profit on commercial papers and sukuk certificates		138,960	161,712	67,142	72,448
Profit on term deposit receipts		262,993	128,516	117,528	83,608
Profit on Bai muajjal	6.4	321,850	360,576	162,557	174,575
Profit on savings accounts with banks		1,255,751	929,317	602,602	431,527
Net realised loss on sale of investments		(1,685)	(1,277)	-	(183)
Total income		1,977,869	1,578,844	949,829	761,975
Expenses					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	43,697	44,996	17,230	22,169
Sindh Sales Tax on remuneration of the Management Company		5,681	5,849	2,240	2,882
Selling and marketing expenses	7.2	10,538	68,284	3,446	26,423
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8	15,879	14,624	6,318	7,205
Sindh Sales Tax on remuneration of the Trustee		2,064	1,901	821	937
Annual fee to the Securities and Exchange Commission of Pakistan		5,239	4,500	2,297	2,217
Auditors' remuneration		325	240	165	101
Amortisation of preliminary expenses and floatation costs		101	101	51	51
Fees and subscription		664	657	332	327
Legal and professional charges		184	-	-	-
Brokerage expense		362	288	-	52
Bank and settlement charges		1,854	2,827	1,078	1,036
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	9.1	(141,199)	28,692	-	13,972
Total expenses		(54,611)	172,959	33,978	77,372
Net income for the period before taxation		2,032,480	1,405,885	915,851	684,603
Taxation	13	-	-	-	-
Net income for the period after taxation		2,032,480	1,405,885	915,851	684,603
Allocation of net income for the period					
Net income for the period after taxation		2,032,480	1,405,885		
Income already paid on units redeemed		-	-		
		2,032,480	1,405,885		
Accounting income available for distribution					
- Relating to capital gains		-	-		
- Excluding capital gains		2,032,480	1,405,885		
		2,032,480	1,405,885		

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 ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	Six months period ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	2,032,480	1,405,885	915,851	684,603
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>2,032,480</u>	<u>1,405,885</u>	<u>915,851</u>	<u>684,603</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 ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	74,704,297	-	74,704,297	53,350,947	-	53,350,947
Issuance of 1,098,802,520 units (2020: 1,065,279,703 units)						
- Capital value (at net asset value per unit at the beginning of the period)	54,940,126	-	54,940,126	53,263,985	-	53,263,985
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	54,940,126	-	54,940,126	53,263,985	-	53,263,985
Redemption of 1,543,903,977 units (2020: 1,192,633,807 units)						
- Capital value (at net asset value per unit at the beginning of the period)	77,195,199	-	77,195,199	59,631,690	-	59,631,690
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	77,195,199	-	77,195,199	59,631,690	-	59,631,690
Total comprehensive income for the period	-	2,032,480	2,032,480	-	1,405,885	1,405,885
Distribution during the period *	-	(2,032,480)	(2,032,480)	-	(1,405,885)	(1,405,885)
Net income for the period less distribution	-	-	-	-	-	-
Net assets at the end of the period	52,449,224	-	52,449,224	46,983,242	-	46,983,242
Undistributed income brought forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	2,032,480	-	2,032,480	1,405,885	-	1,405,885
Distribution during the period *	(2,032,480)	-	(2,032,480)	(1,405,885)	-	(1,405,885)
Undistributed income carried forward	-	-	-	-	-	-
Undistributed income carried forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>50.0000</u>			<u>50.0000</u>
Net asset value per unit at the end of the period			<u>50.0000</u>			<u>50.0000</u>

* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the six months period ended December 31, 2021 amounted to Rs. 1.9714 (December 31, 2020: Rs. 1.5735) per unit.

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 ROZANA AMDANI FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021



	Note	Six months period ended	
		December 31, 2021	December 31, 2020
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		2,032,480	1,405,885
Adjustments for:			
Amortisation of preliminary expenses and floatation costs		101	100
		2,032,581	1,405,985
Decrease / (increase) in assets			
Investments - net		2,415,056	4,357,956
Deposits and prepayments		94	86
Accrued profit		(20,866)	64,937
		2,394,284	4,422,979
Increase / (decrease) in liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		5,833	(8,950)
Payable to Central Depository Company of Pakistan Limited - Trustee		(1,197)	(559)
Payable to the Securities and Exchange Commission of Pakistan		(3,853)	(2,157)
Accrued expenses and other liabilities		(136,772)	18,074
		(135,989)	6,408
Net cash generated from operating activities		4,290,876	5,835,372
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		55,227,079	53,320,266
Payments against redemption and conversion of units		(77,423,318)	(60,121,248)
Dividend paid		(2,017,824)	(1,403,572)
Net cash used in financing activities		(24,214,063)	(8,204,554)
Net decrease in cash and cash equivalents during the period		(19,923,187)	(2,369,182)
Cash and cash equivalents at the beginning of the period		68,613,167	38,829,879
Cash and cash equivalents at the end of the period	5.2	48,689,980	36,460,697

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 ROZANA AMDANI FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Rozana Amdani Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on October 29, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 18, 2018 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.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. 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. The investment objectives and policies are explained in the Fund's offering document.

1.3 The Fund is an open-end Shariah Compliant Money Market Scheme and has the following specific features:

- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day); and
- (b) Daily dividend received by the unit holders shall be reinvested.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 27, 2021 (2020: 'AM1' dated December 31, 2020) and by PACRA dated June 23, 2021 (2020: 'AM1' 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 AA+(f) by VIS Credit Rating Company Limited dated December 27, 2021 (2020: AA+(f) dated January 12, 2021).

1.6 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 VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

The disclosures made in these condensed interim financial statements are 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, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

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

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, 2021.

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 accounting 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, 2021. 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, 2021.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in '000)	
Balances with banks in:			
Savings accounts	5.1	42,489,936	56,743,123
Current accounts		44	44
		42,489,980	56,743,167

- 5.1 This includes balances maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.50% (June 30, 2021: 2.50%) per annum. Other savings accounts of the Fund have expected profit rates ranging from 2.25% to 11.75% (June 30, 2021: 2.05% to 7.60%) per annum.

	Note	December 31, 2021 (Unaudited) (Rupees in '000)	December 31, 2020 (Unaudited) (Rupees in '000)
5.2 Cash and cash equivalents			
Balances with banks	5	42,489,980	28,216,551
Term deposit receipts having original maturity of three months or less	6.3	6,200,000	6,441,056
Bai Muajjal receivable	6.4	-	1,803,090
		<u>48,689,980</u>	<u>36,460,697</u>

		December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited) (Rupees in '000)
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6. INVESTMENTS

At fair value through profit or loss

Commercial papers	6.1	2,916,043	2,281,052
Corporate sukuk certificates	6.2	525,000	675,000
Term deposit receipts	6.3	6,200,000	11,870,000
Bai Muajjal receivable	6.4	-	2,900,047
		<u>9,641,043</u>	<u>17,726,099</u>

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)			Net assets of the Fund	Total market value of investments	%
K-Electric Limited CP-15 (A- 1+, PACRA)	September 02, 2021	6 months KIBOR plus base rate of 0.60%	675	-	675	-	-	-	-	-	-
K-Electric Limited CP-16 (A- 1+, PACRA)	September 16, 2021	6 months KIBOR plus base rate of 0.60%	525	-	525	-	-	-	-	-	-
K-Electric Limited CP-17 (A- 1+, VIS)	October 06, 2021	6 months KIBOR plus base rate of 0.55%	525	-	525	-	-	-	-	-	-
K-Electric Limited CP-18 (A- 1+, VIS)	October 19, 2021	6 months KIBOR plus base rate of 0.55%	600	-	600	-	-	-	-	-	-
K-Electric Limited CP-19 (A- 1+, VIS)	January 12, 2022	6 months KIBOR plus base rate of 0.45%	-	375	-	375	374,120	374,120	-	0.71%	3.88%
K-Electric Limited CP-20 (A- 1+, VIS)	January 27, 2022	6 months KIBOR plus base rate of 0.45%	-	675	-	675	671,280	671,280	-	1.28%	6.96%
K-Electric Limited CP-22 (A- 1+, PACRA)	April 07, 2022	6 months KIBOR plus base rate of 0.50%	-	675	-	675	660,262	660,262	-	1.26%	6.85%

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)				Net assets of the Fund	Total market value of investments
K-Electric Limited CP-23 (A-1+, VIS)	May 04, 2022	6 months KIBOR plus base rate of 0.6%	-	750	-	750	727,277	727,277	-	1.39%	7.54%
K-Electric Limited CP-24 (A-1+, VIS)	May 16, 2022	6 months KIBOR plus base rate of 0.6%	-	500	-	500	483,104	483,104	-	0.92%	5.01%
Total as at December 31, 2021							<u>2,916,043</u>	<u>2,916,043</u>		<u>5.56%</u>	<u>30.23%</u>
Total as at June 30, 2021							<u>2,281,052</u>	<u>2,281,052</u>		<u>3.05%</u>	<u>12.87%</u>

6.1.1 The nominal value of these commercial papers is Rs 1,000,000 each and these are redeemable at maturity.

6.2 Corporate sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sold / redeemed during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)				Net assets of the Fund	Total market value of investments
The Hub Power Company Limited IV (A-1+, PACRA)	November 05, 2021	6 months KIBOR plus base rate of 1.10%	6,750	-	6,750	-	-	-	-	-	-
The Hub Power Company Limited VII (AA+, PACRA)	May 02, 2022	6 months KIBOR plus base rate of 0.80%	-	5,250	-	5,250	525,000	525,000	-	1.00%	5.45%
Total as at December 31, 2021							<u>525,000</u>	<u>525,000</u>		<u>1.00%</u>	<u>5.45%</u>
Total as at June 30, 2021							<u>675,000</u>	<u>675,000</u>		<u>0.90%</u>	<u>3.81%</u>

6.2.1 The nominal value of these sukuk certificates is Rs 100,000 each. The profit payments and principal redemptions of these sukuk certificates are receivable at maturity.

6.3 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2021	Placed during the period	Matured during the period	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation/ (diminution) as at December 31, 2021	Percentage in relation to		
			(Rupees in '000)			Net assets of the Fund	Total market value of investments		%		
United Bank Limited - Ameen	July 5, 2021	7.00%	4,300,000	-	4,300,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	2,800,000	-	2,800,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	750,000	-	750,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	500,000	-	500,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	950,000	-	950,000	-	-	-	-	-	
Askari Bank Limited	September 1, 2021	7.15%	2,570,000	-	2,570,000	-	-	-	-	-	
United Bank Limited - Ameen	August 9, 2021	6.80%	-	4,300,000	4,300,000	-	-	-	-	-	
United Bank Limited - Ameen	September 9, 2021	6.80%	-	4,300,000	4,300,000	-	-	-	-	-	
Askari Bank Limited	December 1, 2021	7.15%	-	1,500,000	1,500,000	-	-	-	-	-	
United Bank Limited - Ameen	December 2, 2021	8.35%	-	4,500,000	4,500,000	-	-	-	-	-	
Meezan Bank Limited (related party)	December 3, 2021	7.46%	-	4,500,000	4,500,000	-	-	-	-	-	
United Bank Limited - Ameen	October 8, 2021	7.00%	-	4,300,000	4,300,000	-	-	-	-	-	
United Bank Limited - Ameen	November 8, 2021	7.00%	-	4,300,000	4,300,000	-	-	-	-	-	
The Bank of Punjab	March 15, 2022	11.25%	-	4,200,000	-	4,200,000	4,200,000	-	8.01%	43.56%	
United Bank Limited - Ameen	January 31, 2022	11.00%	-	2,000,000	-	2,000,000	2,000,000	-	3.81%	20.74%	
Total as at December 31, 2021							<u>6,200,000</u>	<u>6,200,000</u>		<u>11.82%</u>	<u>64.30%</u>
Total as at June 30, 2021							<u>11,870,000</u>	<u>11,870,000</u>		<u>15.89%</u>	<u>66.97%</u>

6.3.1 The profit payments and principal redemptions of these term deposit receipts are receivable at maturity.

6.4 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total transaction Price	Total deferred income	Accrued profit for the period	Carrying value as at December 31, 2021	Percentage in relation to	
							Net assets of the Fund	Total market value of investments
						(Rupees in '000)		%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	444,735	14,046	14,046	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,653	8,895	8,895	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,118	13,704	13,704	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,910	8,679	8,679	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,208	13,618	13,618	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,982	8,626	8,626	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,298	13,533	13,533	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	282,039	8,571	8,571	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,410	13,448	13,448	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	282,110	8,517	8,517	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	247,988	6,995	6,995	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	442,969	16,510	15,588	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,520	10,455	9,871	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,067	16,421	15,591	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,584	10,399	9,873	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,165	16,333	15,595	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,647	10,343	9,876	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,262	16,244	15,598	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,711	10,287	9,878	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,154	11,737	11,737	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,244	11,652	11,652	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,304	7,381	7,381	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,334	11,567	11,567	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,362	7,327	7,327	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,424	11,482	11,482	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,447	7,274	7,274	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,840	11,141	11,141	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,676	7,057	7,057	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,919	11,056	11,056	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	148,826	3,673	3,673	-	-	-
Total as at December 31, 2021						321,850	-	-
Total as at June 30, 2021						605,383	2,900,047	3.88%

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2021	June 30, 2021
		(Unaudited)	(Audited)
		(Rupees in '000)	
Remuneration payable	7.1	1,043	-
Sindh Sales Tax payable on remuneration of the Management Company		136	-
Selling and marketing expenses payable	7.2	4,654	-
		<u>5,833</u>	<u>-</u>

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 following rates during the period ended December 31, 2021:

Rate applicable from July 6, 2021 to September 16, 2021	Rate applicable from September 17, 2021 to December 31, 2021
0.20% of the average annual net assets	0.15% of the average annual net assets

However, no remuneration was charged for the period from July 1, 2021 to July 5, 2021. The remuneration is payable to the Management Company monthly in arrears.

- 7.2 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates during the period ended December 31, 2021, subject to total expense charged being lower than actual expense incurred:

Rate applicable from August 1, 2021 to September 16, 2021	Rate applicable from October 1, 2021 to December 31, 2021
0.10% of the average annual net assets	0.03% of the average annual net assets

However, no expense was charged to the Fund for the period from July 1, 2021 to July 31, 2021 and for the period from September 17, 2021 to September 30, 2021.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, Trustee has revised its tariff as follows:

Previous Tariff (Flat Rate)	Revised Tariff (Flat Rate)
0.065% per annum of net assets	0.055% per annum of net assets

Accordingly, the Fund has charged trustee fee at the rate 0.055 percent per annum of net assets during the period with effect from October 1, 2021.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2021 (Unaudited)	2021 (Audited)
		(Rupees in '000)	
Auditors' remuneration payable		284	280
Brokerage payable		3	163
Shariah advisor fee payable		540	538
Withholding tax payable		26,803	21,675
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	-	141,199
CDS charges payable		1,829	1,679
Other payable		49	310
Zakat payable		96	532
		<u>29,604</u>	<u>166,376</u>

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

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the condensed interim financial statements of the Fund, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2021 based on current period results is 0.33% (December 31, 2020: 0.77%) which includes 0.05% (December 31, 2020: 0.18%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Money Market Scheme'.

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 essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period end are as follows:

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,043	-
Sindh Sales Tax payable on remuneration of the Management Company	136	-
Selling and marketing expenses payable	4,654	-
Investment of 504,818 units (June 30, 2021: 19,269,396 units)	25,241	9,634,670
Meezan Bank Limited		
Balances with bank	155,708	72,245
Profit receivable on savings accounts	220	312
Term deposit receipt outstanding	-	5,000,000
Profit receivable on term deposit receipts	-	4,085
Shariah advisor fee payable	540	538



	December 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	2,086	3,145
Sindh Sales Tax payable on remuneration of the Trustee	271	409
Security deposit	100	100
CDS charges payable	1,829	1,679
Meezan Strategic Allocation Fund - MSAP - I		
Investment of nil units (June 30, 2021: 3,548,805 units)	-	177,440
Meezan Strategic Allocation Fund - MSAP - II		
Investment of nil units (June 30, 2021: 2,266,119 units)	-	113,306
Meezan Strategic Allocation Fund - MSAP - III		
Investment of nil units (June 30, 2021: 2,609,764 units)	-	130,488
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of nil units (June 30, 2021: 1,081,951 units)	-	54,098
Meezan Strategic Allocation Fund - MSAP - V		
Investment of nil units (June 30, 2021: 302,398 units)	-	15,120
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of nil units (June 30, 2021: 4,314,182 units)	-	215,709
Meezan Strategic Allocation Fund -II - MCPP - IV		
Investment of nil units (June 30, 2021: 8,383,770 units)	-	419,189
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of nil units (June 30, 2021: 1,583,794 units)	-	79,190
Meezan Strategic Allocation Fund II- MCPP - VI		
Investment of nil units (June 30, 2021: 1,863,801 units)	-	93,190
Meezan Strategic Allocation Fund II- MCPP - VII		
Investment of nil units (June 30, 2021: 1,916,378 units)	-	95,819
Meezan Strategic Allocation Fund II- MCPP - VIII		
Investment of nil units (June 30, 2021: 694,122 units)	-	34,706
Meezan Strategic Allocation Fund III- MCPP - IX		
Investment of nil units (June 30, 2021: 1,096,628 units)	-	54,831
Unit holders holding 10 percent or more of the Fund		
Investment of 107,270,910 units (June 30, 2021: 161,063,788 units)	5,363,546	8,053,189
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 443,584 units (June 30, 2021: 426,440 units)	22,179	21,322
Directors and Executives of the Management Company		
Investment of 814,160 units (June 30, 2021: 540,520 units)	40,708	27,026

Transactions during the period	Six months period ended	
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
	(Rupees in '000)	
AI Meezan Investment Management Company Limited - Management Company		
Remuneration of the Management Company	43,697	44,996
Sindh Sales Tax on remuneration of the Management Company	5,681	5,849
Selling and marketing expenses	10,538	68,284
Units issued: 54,640,891 units (December 31, 2020: 21,593,021 units)	2,732,045	1,079,651
Units redeemed: 73,405,469 units (December 31, 2020: 24,090,000 units)	3,670,273	1,204,500
Dividend paid	33,502	53,543
Meezan Bank Limited		
Profit on savings accounts	1,926	4,636
Term deposit receipt placed	4,500,000	2,400
Term deposit receipt matured	9,500,000	-
Shariah advisor fee	542	543
Profit on term deposit receipts	53,197	750
Central Depository Company of Pakistan Limited - The Trustee		
Remuneration of the Trustee	15,879	14,624
Sindh Sales Tax on remuneration of the Trustee	2,064	1,901
CDS charges	1,136	2,473
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 65,728 units (December 31, 2020: nil units)	3,286	-
Units redeemed: 3,614,533 units (December 31, 2020: nil units)	180,727	-
Dividend paid	3,286	-
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 41,413 units (December 31, 2020: nil units)	2,071	-
Units redeemed: 2,307,532 units (December 31, 2020: nil units)	115,377	-
Dividend paid	2,071	-
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 48,418 units (December 31, 2020: nil units)	2,421	-
Units redeemed: 2,658,182 units (December 31, 2020: nil units)	132,909	-
Dividend paid	2,421	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 17,598 units (December 31, 2020: nil units)	880	-
Units redeemed: 1,099,549 units (December 31, 2020: nil units)	54,977	-
Dividend paid	880	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 5,753 units (December 31, 2020: nil units)	288	-
Units redeemed: 308,151 units (December 31, 2020: nil units)	15,408	-
Dividend paid	288	-
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units issued: 583,838 units (December 31, 2020: 808,805 units)	29,192	40,440
Units redeemed: 4,898,020 units (December 31, 2020: 15,400 units)	244,901	770
Dividend paid	7,192	440



	Six months period ended	
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
	(Rupees in '000)	
Transactions during the period		
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 1,088,858 units (December 31, 2020: 6,256,116 units)	54,443	312,806
Units redeemed: 9,472,628 units (December 31, 2020: 3,457,360 units)	473,631	172,868
Dividend paid	14,943	2,329
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 233,496 units (December 31, 2020: 3,926,356 units)	11,675	196,318
Units redeemed: 1,817,290 units (December 31, 2020: 1,276,740 units)	90,865	63,837
Dividend paid	2,675	3,565
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 60,288 units (December 31, 2020: 505,549 units)	3,014	25,277
Units redeemed: 1,924,089 units (December 31, 2020: nil units)	96,204	-
Dividend paid	3,014	277
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 235,864 units (December 31, 2020: 404,439 units)	11,793	20,222
Units redeemed: 2,152,242 units (December 31, 2020: nil units)	107,612	-
Dividend paid	3,259	222
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 8,804 units (December 31, 2020: 202,219 units)	440	10,111
Units redeemed: 702,926 units (December 31, 2020: nil units)	35,146	-
Dividend paid	440	111
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: 97,908 units (December 31, 2020: 365,584 units)	4,895	18,279
Units redeemed: 1,194,536 units (December 31, 2020: 60,109 units)	59,727	3,005
Dividend paid	1,895	179
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: 17,144 units (December 31, 2020: 412,787 units)	857	20,639
Dividend paid	857	439
Unit holders holding 10 percent or more of the Fund		
Units issued: 3,507,477 units (December 31, 2020: nil units)	175,374	-
Dividend paid	175,374	-
Directors and Executives of the Management Company		
Units issued: 1,158,010 units (December 31, 2020: 324,588 units)	57,900	16,229
Units redeemed: 884,370 units (December 31, 2020: 221,759 units)	44,219	11,088
Dividend paid	1,050	270

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, 2008, 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. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

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

14. FAIR VALUE MEASUREMENT

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

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

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

14.1 Fair value hierarchy

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

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

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Corporate sukuk certificates *	-	525,000	-	525,000
Commercial papers **	-	2,916,043	-	2,916,043
Term deposit receipts *	-	6,200,000	-	6,200,000
	-	9,641,043	-	9,641,043

ASSETS	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Corporate sukuk certificates *	-	675,000	-	675,000
Commercial papers **	-	2,281,052	-	2,281,052
Term deposit receipts *	-	11,870,000	-	11,870,000
Bai Muajjal receivable **	-	2,900,047	-	2,900,047
	-	17,726,099	-	17,726,099

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

** The valuation of commercial papers and bai muajjal receivable has been carried out based on amortisation to their fair value / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and are placed with counterparties which have high credit rating.



15. GENERAL

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

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 14, 2022 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director