



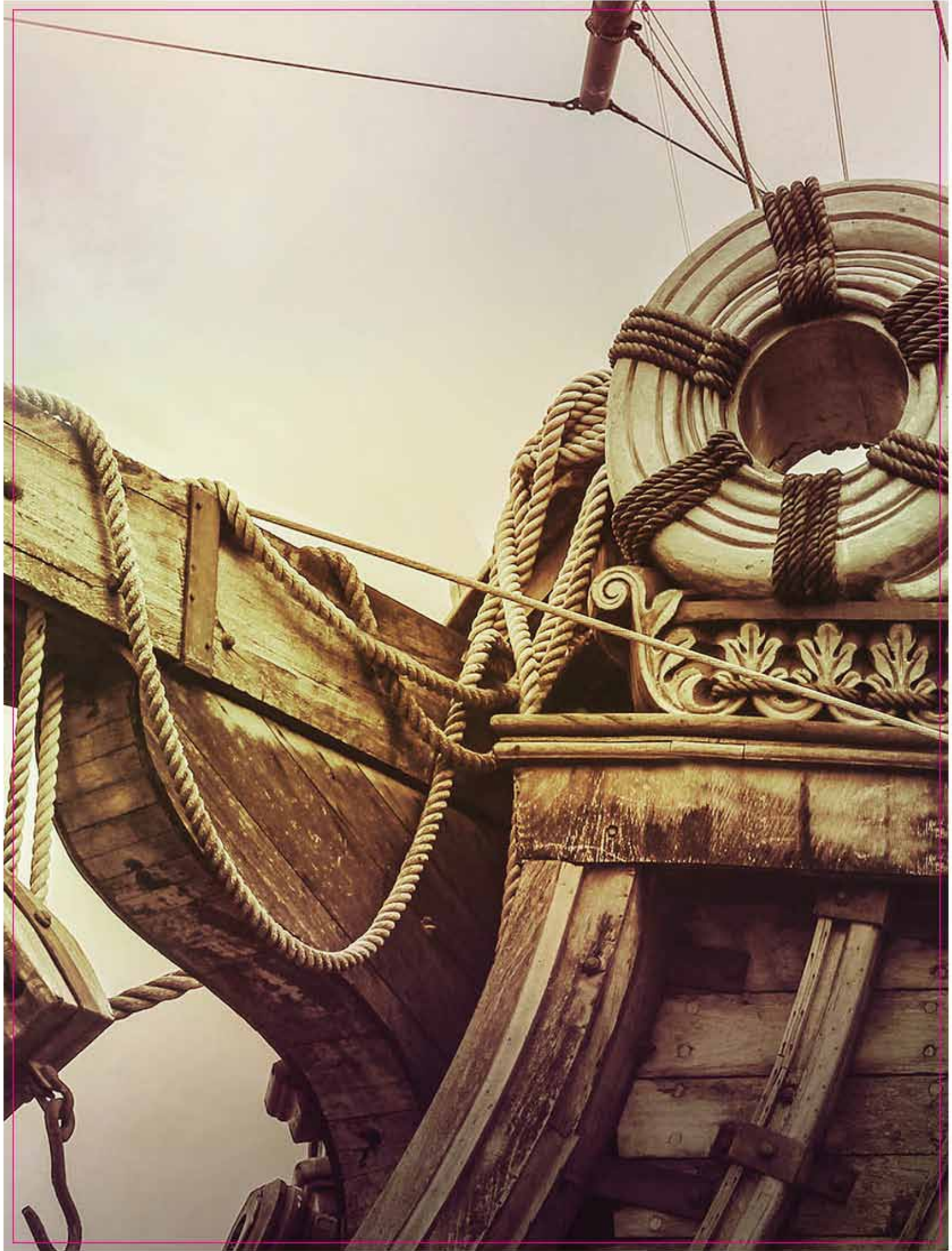
Meezan

Strategic Allocation Fund

MEEZAN STRATEGIC ALLOCATION FUND (MSAF)

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





FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wastl

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Alif Azim	Chairman
Mr. Ariful Islam	Member
Mr. Naeem Abdul Sattar	Member
Mr. Mohammad Shoab, CFA	Member

TRUSTEE

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

Meezan Bank Limited
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) 35158191-94 Fax: (9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2018

Type of Fund

MSAF is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the Investor.

Strategy and Investment Policy

MSAF has six Allocation Plans which allow investors to invest according to their risk tolerance levels.

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - I	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - II	
Meezan Strategic Allocation Plan - III	
Meezan Strategic Allocation Plan - IV	
Meezan Strategic Allocation Plan - V	
Meezan Strategic Allocation Plan - MCPP-III	

Performance Table with Benchmark

Returns - FY18	
MSAP I#	-12.78%
Benchmark	-7.13%
MSAP II##	-12.83%
Benchmark	-7.17%
MSAP III###	-13.09%
Benchmark	-7.01%
MSAP IV####	-11.91%
Benchmark	-6.43%
MSAP V#####	-2.52%
Benchmark	2.75%
MCPP III#####	0.19%
Benchmark	-0.42%

The Plan was launched on October 19, 2016

The Plan was launched on December 22, 2016

The Plan was launched on February 20, 2017

The Plan was launched on April 24, 2017

The Plan was launched on Aug 15, 2017

The Plan was launched on December 19, 2017

Meezan Strategic Allocation Plan - I

The Meezan Strategic Allocation Plan - I posted a total loss of Rs. 315 million in FY18 as compared to total income of Rs. 180 million from the period October 19, 2016 to June 30, 2017 as the Plan was launched on October 19, 2016. Total loss comprised of realized and unrealized losses on investments of Rs. 128 million and Rs. 192 million respectively while profit on saving accounts with bank contributed Rs. 0.2 million to total income. After accounting for expenses of Rs. 7 million, the Fund posted a net loss of Rs. 322 million. The net assets of the Fund as at June 30, 2018 were Rs. 1,945 million as compared to Rs. 2,629 million at the end of last year depicting a decline of 26.01%.

Meezan Strategic Allocation Plan - II

The Meezan Strategic Allocation Plan - II posted a total loss of Rs. 202 million in FY18 as compare to a total loss of Rs. 52 million from the period December 22, 2016 to June 30, 2017 as the Plan was launched on December 22, 2016. Total loss comprised of realized and unrealized losses on investments of Rs. 51 million and Rs. 153 million respectively while profit on saving account with bank contributed Rs. 0.09 million. After accounting for expenses of Rs. 4 million, the Fund posted a net loss of Rs. 206 million. The net assets of the Fund as at June 30, 2018 were Rs. 1,289 million as compared to Rs. 1,662 million at the end of last year depicting a decline of 22.44%.

Meezan Strategic Allocation Plan - III

The Meezan Strategic Allocation Plan - III posted a total loss of Rs. 221 million in FY18 as compared to a total loss of Rs. 62 million from the period February 20, 2017 to June 30, 2017 as the Plan was launched on February 20, 2017. Total loss comprised of realized and unrealized losses on Investments of Rs. 52 million and Rs. 170 million respectively. After accounting for expenses of Rs. 5 million, the Fund posted a net loss of Rs. 226 million. The net assets of the Fund as at June 30, 2018 were Rs. 1,423 million as compared to Rs. 1,766 million at the end of last year depicting a decline of 19.42%.

Meezan Strategic Allocation Plan - IV

The Meezan Strategic Allocation Plan - IV posted a total loss of Rs. 226 million in FY18 as compared to a total loss of Rs. 45 million from April 24, 2017 to June 30, 2017 as the Plan was launched on April 24, 2017. Total loss comprised of realized and unrealized losses on investments of Rs. 57 million and Rs. 171 million respectively. After accounting for expenses of Rs. 6 million, the Fund posted a net loss of Rs. 231 million. The net assets of the Fund as at June 30, 2018 were Rs. 1,666 million as compared to Rs. 1,973 million at the end of last year depicting a decline of 15.56%.

Meezan Strategic Allocation Plan - V

The Meezan Strategic Allocation Plan - V posted a total loss of Rs. 6 million from the period August 15, 2017 to June 30, 2018 as the Plan was launched on August 15, 2017. Total loss comprised of unrealized loss on investments of Rs. 12 million while the realized gain and profit on saving account with banks amounted to Rs. 6 million and Rs. 1 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net loss of Rs. 7 million. The net assets of the Fund as at June 30, 2018 were Rs. 521 million.

Meezan Strategic Allocation Plan - MCPP III

The Meezan Capital Preservation Plan III posted a total loss of Rs. 0.33 million from the period December 19, 2017 to June 30, 2018 as the Plan was launched on December 19, 2017. Total loss comprised of realized loss on investments of Rs. 13 million while the unrealized gain and profit on saving account with banks amounted to Rs. 12 million and Rs. 1 million respectively. After accounting for expenses of Rs. 2 million, the Fund posted a net loss of Rs. 2 million. The net assets of the Fund as at June 30, 2018 were Rs. 1,365 million.

Distributions

There is NIL distribution by the Fund during the fiscal year ended June 30, 2018.

Breakdown of unit holdings by size

(As on June 30, 2018)

Range (Units)	Breakdown of unit holdings by size					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III
1 - 9,999	323	378	197	213	137	553
10,000 - 49,999	335	224	221	205	90	268
50,000 - 99,999	80	54	68	54	25	58
100,000 - 499,999	83	29	58	59	17	41
500,000 and above	12	13	5	9	4	4
Total	833	698	549	540	273	924



Meezan
Strategic Allocation Fund



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Strategic Allocation Fund

August 3, 2018/ Dhu Al-Qi'dah 20, 1439

Alhamdulillah, the period from July 1, 2017 to June 30, 2018 was the second year of operations of Meezan Strategic Allocation Fund (MSAF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shari'ah* advisors of the Fund and are issuing the report in accordance with clause 3.7.1 of the Offering Document of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

In the capacity of *Shari'ah* Advisor, we have prescribed criteria and procedure to be followed in ensuring *Shari'ah* compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MSAF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF for the year ended June 30, 2018 have been in compliance with *Shari'ah* principles.

May Allah bless us with best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

Dr. Muhammad Imran Ashraf Usmani

For and on behalf of Meezan Bank
Shari'ah Advisor

Meezan Bank Ltd.

Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
Tel : (92-21) 38103500, Fax : (92-21) 36406049 www.meezanbank.com



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



**TRUSTEE REPORT TO THE UNIT HOLDERS
MEEZAN STRATEGIC ALLOCATION FUND**

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Strategic Allocation Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 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.

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2018





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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Meezan Strategic Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Strategic Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds and cash flow statement for the year/period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2018, and of its financial performance, its cash flows and transactions for the year/period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	Amendments to NBFC Regulations, 2008 (Refer note 3.11 to the annexed financial statements) The Securities and Exchange Commission of Pakistan through its notification [SRO 756(I)/2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impact of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly include changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund'.	We understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income. We verified transactions on a test basis with the underlying records of the reports provided by the management to ensure their compliance with the revised regulations.

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.11.</p> <p>The above matters are significant accounting and regulatory developments/ events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<p>We verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.</p>
2	<p>Net Asset Value</p>	
	<p>(Refer notes 4 and 5 to the financial statements)</p> <p>The investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2018 amounted to Rs 8,197 million.</p> <p>The proper valuation of investments for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2018 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirement

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other Matter

The financial statements of the Fund for the period ended June 30, 2017 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated August 24, 2017.

The engagement partner on the audit resulting in this independent auditor's report is **Salman Hussain**.

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Chartered Accountants

Karachi

Date: September 19, 2018



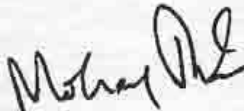


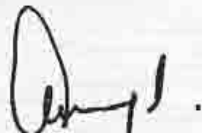
STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2018

		June 30, 2018						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
Assets								
Balances with banks	4	9,147	1,707	2,158	6,740	5,090	2,939	27,781
Investments	5	1,944,433	1,289,394	1,422,944	1,660,700	516,547	1,363,357	8,197,375
Receivable against sale of investments - net		-	-	-	200	-	270	470
Profit receivable		16	3	3	15	13	14	64
Total assets		1,953,596	1,291,104	1,425,105	1,667,655	521,650	1,366,580	8,225,690
Liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	7	177	110	120	146	49	115	717
Payable to Central Depository Company of Pakistan Limited - Trustee	8	144	95	105	122	38	99	603
Payable to Securities and Exchange Commission of Pakistan	9	2,104	1,373	1,492	1,682	390	567	7,608
Payable against redemption and conversion of units		983	-	-	-	-	478	1,461
Accrued expenses and other liabilities	10	4,726	181	177	200	61	150	5,495
Total liabilities		8,134	1,759	1,894	2,150	538	1,409	15,884
Net assets		1,945,462	1,289,345	1,423,211	1,665,505	521,112	1,365,171	8,209,806
Unitholders' fund (as per statement attached)		1,945,462	1,289,345	1,423,211	1,665,505	521,112	1,365,171	8,209,806
Contingencies and commitments	11							
Number of units in issue		44,201,217	29,952,689	33,875,099	38,986,286	10,691,441	27,251,554	
Net asset value per unit		44.0138	43.0461	42.0135	42.7203	48.7410	50.0951	

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Syed Amir Ali Zaidi
Director

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

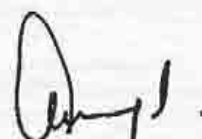
		June 30, 2017					
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
Note		(Rupees in '000)					
Assets							
	Balances with banks	4	9,497	2,172	278	252,575	264,522
	Investments	5	2,656,410	1,660,935	1,766,594	1,806,140	7,890,079
	Receivable on conversion of units		-	10	-	10,450	10,460
	Profit receivable		4	2	26	628	660
	Advances and prepayments	6	81	11	381	-	473
	Total assets		2,665,992	1,663,130	1,767,279	2,069,793	8,166,194
Liabilities							
	Payable to Al Meezan Investment Management Limited - Management Company	7	267	142	165	10,234	10,808
	Payable to Central Depository Company of Pakistan Limited - Trustee	8	199	124	132	87	542
	Payable to Meezan Bank Limited		-	-	-	5,446	5,446
	Payable to Securities and Exchange Commission of Pakistan	9	1,653	755	474	106	2,988
	Payable against purchase of Investments - net		-	-	-	54,993	54,993
	Payable on redemption and conversion of units		-	181	-	-	181
	Dividend payable		75	-	-	-	75
	Accrued expenses and other liabilities	10	35,122	78	51	25,677	60,928
	Total liabilities		37,316	1,280	822	96,543	135,961
	Net assets		2,628,676	1,661,850	1,766,457	1,973,250	8,030,233
	Unitholders' fund (as per statement attached)		2,628,676	1,661,850	1,766,457	1,973,250	8,030,233
	Contingences and commitments	11					
	Number of units in issue		52,089,276	33,651,995	36,540,221	40,689,606	
	Net assets value per unit		50.4600	49.3800	48.3400	48.4900	

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Mohammad Shoalb, CFA
Chief Executive



Syed Amir Ali Zaidi
Director



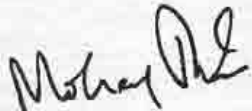


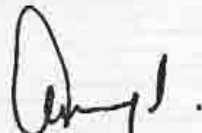
INCOME STATEMENT FOR THE YEAR / PERIOD ENDED JUNE 30, 2018

Note	For the year ended June 30, 2018					For the period from August 15, 2017 to June 30, 2018	For the period from December 19, 2017 to June 30, 2018	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII		
	(Rupees in '000)							
Income								
Profit on balances with banks	198	85	21	339	515	488	1,646	
(Loss) / gain on sale of investment - net	(128,287)	(50,513)	(52,073)	(57,166)	5,394	(13,224)	(295,669)	
Income from back end load	5,400	1,469	1,050	2,264	556	199	10,938	
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	5.1	(192,390)	(153,048)	(169,886)	(171,071)	(12,358)	12,211	(686,542)
		(315,277)	(202,092)	(220,909)	(225,973)	(6,208)	(814)	(971,273)
Total Loss		(315,079)	(202,007)	(220,888)	(225,634)	(5,693)	(326)	(969,627)
Expenses								
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	111	76	19	169	223	281	879
Sindh Sales Tax on remuneration of the Management Company	7.2	14	10	2	22	29	37	114
Allocated expenses	7.3	2,215	1,445	1,571	1,770	411	597	8,009
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	1,731	1,129	1,228	1,383	321	465	6,257
Sindh Sales Tax on remuneration of the Trustee	8.2	225	147	160	180	42	60	814
Annual fees to the Securities and Exchange Commission of Pakistan		2,104	1,373	1,492	1,682	390	567	7,608
Auditors' remuneration	12	112	93	112	115	27	65	524
Fee and Subscription		170	57	119	74	13	19	452
Printing expense		183	117	132	145	31	55	663
Legal and professional charges		16	10	11	13	2	6	58
Bank charges		12	-	6	7	5	13	43
Total operating expenses		6,893	4,457	4,852	5,560	1,494	2,165	25,421
Net loss for the year / period before taxation		(321,972)	(206,464)	(225,740)	(231,194)	(7,187)	(2,491)	(995,048)
Taxation	14	-	-	-	-	-	-	-
Net loss for the year / period after taxation		(321,972)	(206,464)	(225,740)	(231,194)	(7,187)	(2,491)	(995,048)
Allocation of net income for the year								
Net income for the year after taxation		-	-	-	-	-	-	-
Income already paid on units redeemed		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Accounting income available for distribution								
- Relating to capital gains		-	-	-	-	-	-	-
- Excluding capital gains		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoab, CFA
Chief Executive


Syed Amir Ali Zaidi
Director

INCOME STATEMENT

FOR THE YEAR / PERIOD ENDED JUNE 30, 2018

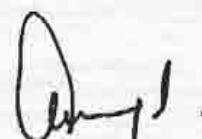
		For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
	Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
		(Rupees in '000)				
Income						
Profit on balances with banks		812	539	560	742	2,653
Dividend income		151,991	88,923	104,019	102,364	447,297
Gain / (loss) on sale of investment - net		17,204	2,218	(6,517)	(4,833)	8,072
Other income		630	835	170	89	1,724
Net unrealised appreciation / (diminution) on re-measurement of investments classified as "financial asset at fair value through profit or loss"	5.1	9,456	(144,632)	(160,349)	(143,384)	(438,909)
Total income / (loss)		180,093	(52,117)	(62,117)	(45,022)	20,837
Expenses						
Remuneration to Al Meezan Investment Management Limited - Management Company	7.1	406	266	310	353	1,335
Sindh Sales Tax on remuneration of the Management Company	7.2	53	35	40	46	174
Allocated expenses	7.3	1,740	794	499	112	3,145
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	1,414	636	393	88	2,531
Sindh Sales Tax on remuneration of the Trustee	8.2	184	82	51	11	328
Annual fees to the Securities and Exchange Commission of Pakistan	9	1,653	755	474	106	2,988
Auditors' remuneration	12	178	62	26	5	271
Fee and Subscription		155	61	25	4	245
Printing expense		12	5	-	-	17
Bank charges		15	3	9	12	39
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	4,481	-	-	-	4,481
Total expenses		10,291	2,699	1,827	737	15,554
Net income / (loss) from operating activities		169,802	(54,816)	(63,944)	(45,759)	5,283
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	3.11	49,790	34,067	3,390	(15,471)	71,776
Net income / (loss) for the period before taxation		219,592	(20,749)	(60,554)	(61,230)	77,059
Taxation	14	-	-	-	-	-
Net income / (loss) for the period after taxation		219,592	(20,749)	(60,554)	(61,230)	77,059
Allocation of net income for the year						
Net income for the year after taxation		-	-	-	-	-
Income already paid on units redeemed		-	-	-	-	-
Accounting income available for distribution						
- Relating to capital gains		-	-	-	-	-
- Excluding capital gains		-	-	-	-	-

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Mohammad Shoaib, CFA
Chief Executive



Syed Amir Ali Zaidi
Director





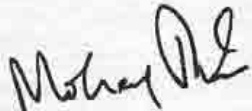
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR / PERIOD ENDED JUNE 30, 2018

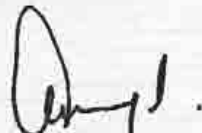
	For the year ended June 30, 2018					For the period from August 15, 2017 to June 30, 2018	For the period from December 19, 2017 to June 30, 2018
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
	(Rupees in '000)						
Net loss for the year / period after taxation	(321,972)	(206,464)	(225,740)	(231,194)	(7,187)	(2,491)	(995,048)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the year / period	(321,972)	(206,464)	(225,740)	(231,194)	(7,187)	(2,491)	(995,048)

	For the period from October 19, 2016 to June 30, 2017	For the period from October 19, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
	(Rupees in '000)				
Net income / (loss) for the period after taxation	219,592	(20,749)	(60,554)	(61,230)	77,059
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	219,592	(20,749)	(60,554)	(61,230)	77,059

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoalb, CFA
Chief Executive


Syed Amir Ali Zaidi
Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR / PERIOD ENDED JUNE 30, 2018

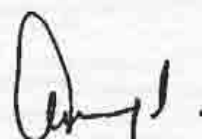
Note	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 17, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	
	(Rupees in '000)				
Issuance of units: MSAP - I: 53,128,441 units, MSAP - II: 34,517,621 units, MSAP - III: 45,179,182 units, MSAP - IV: 40,988,385 units Total proceeds on issuance of units	2,715,138	1,761,612	2,264,754	2,056,198	8,797,702
Redemption of units: MSAP - I: 1,039,165 units, MSAP - II: 865,626 units, MSAP - III: 8,638,961 units, MSAP - IV: 298,779 units Total payments on redemption of units	60,885	44,946	434,353	37,189	577,373
Element of (income) / loss and capital (gains) / loss included in prices of units issued less those in units redeemed - net	(49,790)	(34,067)	(3,390)	15,471	(71,776)
Net realised gain / (loss) on sale of investments	17,204	2,218	(6,517)	(4,833)	8,072
Net unrealised appreciation / (diminution) on 're-measurement of investments classified as "financial asset at fair value through profit or loss"	9,456	(144,632)	(160,349)	(143,384)	(438,909)
Other net income for the period	192,932	121,665	106,312	86,987	507,896
Total comprehensive Income / (loss) for the period	219,592	(20,749)	(60,554)	(61,230)	77,059
Distribution during the period	(195,379)	-	-	-	(195,379)
Net income / (loss) for the period less distribution	24,213	(20,749)	(60,554)	(61,230)	(118,320)
Net assets at end of the period	2,628,676	1,661,850	1,766,457	1,973,250	8,030,233
Represented by					
Capital value	2,604,463	1,682,599	1,827,011	2,034,480	8,148,553
Undistributed Income carried forward					
- Realised income	14,757	123,883	99,795	82,154	320,589
- Unrealised Income / (loss)	9,456	(144,632)	(160,349)	(143,384)	(438,909)
	2,628,676	1,661,850	1,766,457	1,973,250	8,030,233
	Rupees	Rupees	Rupees	Rupees	
Net assets value per unit at end of the period	50.4600	49.3800	48.3400	48.5000	

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Mohammad Shoaib, CFA
Chief Executive



Syed Amir Ali Zaidi
Director



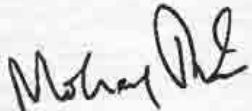
CASH FLOW STATEMENT

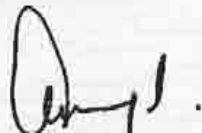
FOR THE YEAR / PERIOD ENDED JUNE 30, 2018

Note	For the year ended June 30, 2018					For the period from August 15, 2017 to June 30, 2018	For the period from December 15, 2017 to June 30, 2018
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPII	Total
	(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net loss for the year before taxation	(321,972)	(206,464)	(225,740)	(231,194)	(7,187)	(2,491)	(995,048)
Adjustments for:							
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	5.1	192,390	153,048	169,886	171,071	12,358	(12,211)
		(129,582)	(53,416)	(55,854)	(60,123)	5,171	(14,702)
Decrease / (increase) in assets							
Investments - net	519,587	218,493	173,764	(25,631)	(528,905)	(1,351,146)	(993,838)
Receivable against sale of investments - net	-	-	-	(200)	-	(270)	(470)
Advances, deposits and prepayments	69	10	404	613	(13)	(14)	1,069
	519,656	218,503	174,168	(25,218)	(528,918)	(1,351,430)	(993,239)
(Decrease) / increase in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	(90)	(32)	(45)	(10,088)	49	115	(10,091)
Payable to Central Depository Company of Pakistan Limited - Trustee	(55)	(29)	(27)	35	38	99	61
Payable to Meezan Bank Limited	-	-	-	(5,446)	-	-	(5,446)
Payable to Securities and Exchange Commission of Pakistan	451	618	1,018	1,576	390	567	4,620
Payable against purchase of investments - net	-	-	-	(54,993)	-	-	(54,993)
Accrued expenses and other liabilities	(30,396)	103	126	(25,477)	61	150	(55,433)
	(30,090)	660	1,072	(94,393)	538	931	(121,282)
Net cash generated from / (used in) operating activities	359,984	163,747	119,386	(179,734)	(523,209)	(1,365,201)	(1,423,027)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	-	10	-	10,450	543,661	1,380,992	1,935,113
Payments against redemption and conversion of units	(360,259)	(166,222)	(117,506)	(76,551)	(15,362)	(12,852)	(748,752)
Dividend paid	(75)	-	-	-	-	-	(75)
Net cash (used in) / generated from financing activities	(360,334)	(166,212)	(117,506)	(66,101)	528,299	1,368,140	1,186,286
Net (decrease) / increase in cash and cash equivalents during the year / period	(350)	(465)	1,880	(245,835)	5,090	2,939	(236,741)
Cash and cash equivalents at beginning of the year / period	9,497	2,172	278	252,575	-	-	264,522
Cash and cash equivalents at end of the year / period	9,147	1,707	2,158	6,740	5,090	2,939	27,781

The annexed notes 1 to 26 form an integral part of these financial statements.

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


Mohammad Shoab, CFA
Chief Executive


Syed Amir Ali Zaidi
Director

CASH FLOW STATEMENT

FOR THE PERIOD ENDED JUNE 30, 2018

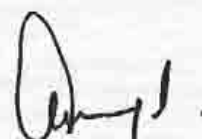
Note	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total	
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV		
(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES						
	219,592	(20,749)	(60,554)	(61,230)	77,059	
Adjustments for:						
Net unrealised (appreciation) / diminution on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1	(9,456)	144,632	160,349	143,384	438,909
Element of (Income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)		(49,790)	(34,067)	(3,390)	15,471	(71,776)
	160,346	89,816	96,405	97,625	444,192	
Decrease / (increase) in assets						
Investments (net)	(2,646,954)	(1,805,567)	(1,926,943)	(1,949,524)	(8,328,988)	
Other receivables	(85)	(13)	(407)	(628)	(1,133)	
	(2,647,039)	(1,805,580)	(1,927,350)	(1,950,152)	(8,330,121)	
(Decrease) / Increase in liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	267	142	165	10,234	10,808	
Payable to Central Depository Company of Pakistan Limited - Trustee	199	124	132	87	542	
Payable to Meezan Bank Limited	-	-	-	5,446	5,446	
Payable to Securities and Exchange Commission of Pakistan	1,653	755	474	106	2,988	
Payable against purchase of investments - net	-	-	-	54,993	54,993	
Accrued expenses and other liabilities	35,122	78	51	25,677	60,928	
	37,241	1,099	822	96,543	135,705	
Net cash used in operating activities	(2,449,452)	(1,714,665)	(1,830,123)	(1,755,984)	(7,750,224)	
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	2,715,138	1,761,602	2,264,754	2,045,748	8,787,242	
Payments against redemption and conversion of units	(60,885)	(44,765)	(434,353)	(37,189)	(577,192)	
Dividend paid	(195,304)	-	-	-	(195,304)	
Net cash generated from financing activities	2,458,949	1,716,837	1,830,401	2,008,559	8,014,746	
Net increase in cash and cash equivalents during the period	9,497	2,172	278	252,575	264,522	
Cash and cash equivalents at beginning of the period	-	-	-	-	-	
Cash and cash equivalents at end of the period	4	9,497	2,172	278	252,575	264,522

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Mohammad Shoaib, CFA
Chief Executive



Syed Amir Ali Zaidi
Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 8, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interests of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7** In the current year, two plans Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) were introduced. A brief description of the plans is as follows:

Meezan Strategic Allocation Plan-I (MSAP-I)	Low risk - High return through asset allocation The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100%. The initial maturity of this plan is two years from the close of the subscription period (i.e. December 2, 2016). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
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Meezan Strategic Allocation Plan-II (MSAP-II)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100%. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 31, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-III (MSAP-III)	Low risk - High return through asset allocation This allocation plan commenced its operations from February 20, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100%. The initial maturity of this plan is two years from the close of the subscription period (i.e. April 3, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-IV (MSAP-IV)	Low risk - High return through asset allocation This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100%. The initial maturity of this plan is two years from the close of the subscription period (i.e. June 30, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Strategic Allocation Plan-V (MSAP-V)	Low risk - High return through asset allocation This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100%. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 19, 2017). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Capital Preservation Plan-III (MCPP-III)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 19, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100%. The initial maturity of this plan is two years from the close of the subscription period (i.e. February 16, 2018). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These 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 Financial Reporting Standards (IFRSs) 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, (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 IFRS Standards, 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.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain amendments to the standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standard	Effective date (accounting periods beginning on or after)
- IFRS 9 - Financial Instruments	01 July 2018
- IFRS 15 - Revenue from Contracts with Customers	01 July 2018
- IFRS 16 - Leases	01 January 2019

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of 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 Judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 and 5) and provision for taxation (notes 3.15 and 15).

2.5 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 is measured at fair value.

2.6 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 financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years except for the changes in accounting policies as explained in note 3.11 and 3.12 below.

3.2 Cash and cash equivalents

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

3.3 Financial instruments

3.3.1 Classification

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of the purchase of the financial assets and re-evaluates this classification on a regular basis. The classification depends on the purpose for which the financial assets are acquired. The financial assets of the Fund are categorised as follows:

(a) Financial instruments as 'at fair value through profit or loss'

These are acquired principally for the purpose of generating profits from short-term fluctuations in prices.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

These are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss, or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date generally 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.

3.3.3 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 Income Statement.



3.3.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss' and 'available-for-sale financial assets'

Basis of valuation of investments in the collective investment schemes

The investments of the Fund in collective investment schemes are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement. Net gains and losses arising from changes in the fair value of financial assets classified as available for sale are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the Income Statement.

b) Loans and receivables

These are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the Income Statement through the amortisation process or when the financial assets carried at amortised cost are derecognised or impaired.

3.3.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

a) Available-for-sale financial assets

Impairment loss on equity securities

In case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the security is impaired. If the evidence of impairment exists, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement is reclassified from other comprehensive income to the Income Statement. Impairment losses recognised in the Income Statement on equity securities are not reversed through the Income Statement.

b) Loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision for impairment loss is determined based on the provisioning criteria specified by the SECP.

3.3.6 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 Income Statement.

3.3.7 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.4 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 Income Statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the '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.

3.6 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.

3.7 Net asset value per unit

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

3.8 Unitholders' fund

Unitholders' fund of each sub funds representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

3.9 Issuance and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price of each allocation plan represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price





represents the net assets value per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.10 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 Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, has specified methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period in respect of each sub-fund which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 69.618 million with no effect on the NAV per unit of the Fund. However, the

change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

3.12 During the current year, the Fund has also changed its accounting policy in respect of the presentation of components of 'other comprehensive income' by including a separate statement titled 'Statement of Comprehensive Income'. Previously, these components were shown in a single statement along with the items of income and expenses under the heading 'Income Statement and Statement of Comprehensive Income'. As a result of the above change, two separate statements are now being presented i.e. 'Income Statement' (representing items of income and expenses) and 'Statement of Other Comprehensive Income' (representing components of 'other comprehensive income'). This change in accounting policy has been made for better presentation and has been applied retrospectively.

3.13 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- 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.
- Dividend income is recognized when the Fund's right to receive the same is established, i.e. on the date of book closure of the investee fund declaring the dividend.
- Profit on bank deposit is recognized on time proportion basis using the effective yield method.

3.14 Expenses

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

3.15 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 or tax rates expected to apply to the profits for the period at the enacted rates. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalised during the year.

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 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% of its accounting income for



the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. 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 to the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

3.16 Earnings / (loss) per unit

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

Loss / earnings 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.

3.17 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 year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement

4 BALANCES WITH BANKS

		June 30, 2018						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
		(Rupees in '000)						
Balances with banks in:								
Savings accounts	4.1	5,625	632	2,148	6,569	5,027	2,939	22,940
Current account		3,522	1,075	10	171	63	-	4,841
		9,147	1,707	2,158	6,740	5,090	2,939	27,781

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
		(Rupees in '000)				
Balances with banks in:						
Savings accounts		9,263	1,115	278	252,575	263,231
Current account		234	1,057	-	-	1,291
		9,497	2,172	278	252,575	264,522

- 4.1 The balance in saving accounts have expected profit rates ranging from 2.00% to 2.40% per annum (June 30, 2018: 2.00% to 2.40% per annum).

5. INVESTMENTS

		June 30, 2018						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
		(Rupees in '000)						
Investments - 'at fair value through profit or loss'								
- Held for trading	5.1	1,944,433	1,289,394	1,422,944	1,660,700	516,547	1,363,357	8,197,375

		June 30, 2017				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
		(Rupees in '000)				
Investments - 'at fair value through profit or loss'						
- Held for trading		2,656,410	1,660,935	1,766,594	1,806,140	7,890,079



5.1 Held for Trading – Units of mutual funds

Name of investee funds	As at July 1, 2017	Purchases during the period	Redemptions during the period	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised (loss) / gain as at June 30, 2018	Percentage in relation to market value as a percentage of total investments
	(Number of units)				(Rupees in '000)			(Percentage)
Meezan Strategic Allocation Plan-I								
Al Meezan Mutual Fund	13,489,277	1,139,692	1,695,601	12,933,368	269,319	228,398	(40,921)	11.75
Meezan Dedicated Equity Fund	-	7,726,042	3,963,082	3,762,960	186,034	182,644	(3,390)	9.39
Meezan Islamic Fund	24,362,251	5,512,380	13,719,672	16,154,959	1,185,836	1,023,171	(162,665)	52.62
Meezan Cash Fund	-	3,993,262	2,173,222	1,820,040	91,839	95,715	3,876	4.92
Meezan Islamic Income Fund	9,918,797	10,175,158	12,357,647	7,736,308	403,795	414,505	10,710	21.32
					2,136,823	1,944,433	(192,390)	100.00
Meezan Strategic Allocation Plan-II								
Al Meezan Mutual Fund	26,045,712	-	3,227,112	22,818,600	482,385	402,965	(79,420)	31.25
Meezan Dedicated Equity Fund	-	2,052,897	99,322	1,953,575	99,082	94,821	(4,261)	7.35
Meezan Islamic Fund	10,307,902	2,169,030	5,213,170	7,263,762	539,750	460,049	(79,701)	35.68
Meezan Cash Fund	2,519,985	-	880,336	1,639,649	82,688	86,229	3,541	6.69
Meezan Islamic Income Fund	3,806,559	5,035,700	4,263,421	4,578,838	238,537	245,330	6,793	19.03
					1,442,442	1,289,394	(153,048)	100.00
Meezan Strategic Allocation Plan-III								
Meezan Dedicated Equity Fund	-	2,348,643	158,241	2,190,402	111,117	106,316	(4,801)	7.47
Meezan Islamic Fund	18,334,830	2,518,261	5,795,234	15,057,857	1,130,418	953,686	(176,732)	67.02
Meezan Cash Fund	9,748	3,606,817	650,742	2,965,823	149,655	155,971	6,316	10.96
Meezan Islamic Income Fund	7,105,227	4,780,885	8,023,229	3,862,883	201,640	206,971	5,331	14.55
					1,592,830	1,422,944	(169,886)	100.00
Meezan Strategic Allocation Plan-IV								
Al Meezan Mutual Fund	2,151,219	-	273,484	1,877,735	39,695	33,160	(6,535)	2.00
Meezan Dedicated Equity Fund	-	4,944,378	2,965,003	1,979,375	101,458	96,074	(5,384)	5.79
Meezan Islamic Fund	16,203,703	8,440,067	7,276,516	17,367,254	1,273,144	1,099,952	(173,192)	66.23
Meezan Cash Fund	1,201,553	2,576,298	253,653	3,524,198	177,797	185,336	7,539	11.16
Meezan Islamic Income Fund	8,988,987	7,269,504	11,663,825	4,594,666	239,677	246,178	6,501	14.82
					1,831,771	1,660,700	(171,071)	100.00
Meezan Strategic Allocation Plan-V								
Meezan Dedicated Equity Fund	-	2,899,237	1,466,152	1,433,085	72,501	69,558	(2,943)	13.47
Meezan Islamic Fund	-	6,593,519	1,625,010	4,968,509	327,889	314,680	(13,209)	60.92
Meezan Cash Fund	-	8,654,895	6,509,422	2,145,473	109,415	112,830	3,415	21.84
Meezan Islamic Income Fund	-	1,667,261	1,303,699	363,562	19,100	19,479	379	3.77
					528,905	516,547	(12,358)	100.00
Meezan Strategic Allocation Plan - MCPP-III								
Meezan Dedicated Equity Fund	-	15,724,510	12,807,088	2,917,422	147,147	141,604	(5,543)	10.39
Meezan Cash Fund	-	38,939,974	15,708,137	23,231,837	1,203,999	1,221,753	17,754	89.61
					1,351,146	1,363,357	12,211	100
Total investments in units of mutual funds								
Al Meezan Mutual Fund	41,686,208	1,139,692	5,196,197	37,629,703	791,399	664,523	(126,876)	8.11
Meezan Dedicated Equity Fund	-	35,695,707	21,458,888	14,236,818	717,339	691,017	(26,322)	8.43
Meezan Islamic Fund	69,208,686	25,233,257	33,629,602	60,812,342	4,457,037	3,851,538	(605,499)	46.99
Meezan Cash Fund	3,731,286	57,771,246	26,175,512	35,327,020	1,815,393	1,857,834	42,441	22.66
Meezan Islamic Income Fund	29,819,570	28,928,508	37,611,821	21,136,256	1,102,749	1,132,463	29,714	13.81
					8,883,917	8,197,575	(686,342)	100.00



6. ADVANCES AND PREPAYMENTS

June 30, 2018						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)						
Prepayments	-	-	-	-	-	-
Advance tax	-	-	-	-	-	-
	-	-	-	-	-	-

June 30, 2017				
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
(Rupees in '000)				
Prepayments	-	11	328	339
Advance tax	81	-	53	134
	81	11	381	473

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - Management Company

June 30, 2018							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
Management fee payable	7.1	12	1	1	5	4	25
Sindh Sales Tax payable on remuneration of the Management company	7.2	2	1	-	2	1	6
Allocated expense	7.3	163	108	119	139	44	686
		177	110	120	146	49	717

June 30, 2017					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
(Rupees in '000)					
Management fee payable	7.1		9	2	14
Sindh Sales Tax payable on remuneration of the Management company	7.2		1	-	2
Sales load payable			29	-	8,685
Sindh Sales Tax on sales load			4	-	1,129
Allocated expense	7.3		224	140	149
			267	142	165
					10,234
					10,808

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company of the Fund is entitled to remuneration equal to an amount not exceeding 1.5 percent of the average annual net assets in case of a Fund of Funds Scheme. The remuneration of the Management Company has been charged at the rate of 1 percent of daily bank balance for the year ended June 30, 2018.
- 7.2** During the year the Sindh Sales Tax at the rate of 13 percent was charged on the remuneration of the Management Company and sales load.
- 7.3** The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses incurred.

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

		June 30,2018						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
Trustee fee payable	8.1	127	84	93	109	34	535	
Sindh Sales Tax payable on trustee fee	8.2	17	11	12	13	4	68	
		144	95	105	122	38	603	

		June 30,2017				
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
(Rupees in '000)						
Trustee fee payable			176	110	480	
Sindh Sales Tax payable on trustee fee			23	14	62	
			199	124	542	

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed in accordance with the tariff specified therein, based on the daily net assets value of the Fund.

The remuneration of the Trustee for the year / period ended June 30, 2018 has been calculated as per the following applicable tariff:

Net assets	Tariff
Up to 1 billion	0.10% per annum
Over 1 billion	Rs. 1 million plus 0.075% p.a. of Net Assets exceeding Rs. 1 billion

- 8.2 During the year, an amount of Rs 0.814 million (2017: Rs. 0.328 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. 0.808 million (2017: Rs. 0.266 million) was paid to the Trustee which acts as a collecting agent.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		June 30,2018						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
Annual fee payable	9.1	2,104	1,373	1,492	1,682	390	7,608	

		June 30,2017				
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
(Rupees in '000)						
Annual fee payable			1,653	755	2,988	

- 9.1 This represents annual fee at the rate of 0.095 percent of the average annual net assets of the Fund payable to the SECP under regulation 62 read with Schedule II of the NBFC Regulations.



10. ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2018					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
Auditors' remuneration payable	129	84	92	103	27	65	500
Shariah advisor fee payable	34	27	25	28	7	18	139
Printing charges payable	82	56	60	69	27	51	345
Zakat payable	-	14	-	-	-	16	30
Provision for Sindh Workers' Welfare Fund	10.1	4,481	-	-	-	-	4,481
	4,726	181	177	200	61	150	5,495

		June 30, 2017					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total		
(Rupees in '000)							
Auditors' remuneration payable			101	42	26	5	174
Withholding tax payable			30,471	-	-	-	30,471
Sales load payable			-	-	-	22,715	22,715
Sindh Sales tax payable on sales load			-	-	-	2,953	2,953
Shariah advisory fee payable			69	36	25	4	134
Provision for Sindh Workers' Welfare Fund	10.1	4,481	-	-	-	-	4,481
	35,122	78	51	25,677			60,928

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

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

The Management Company has recognised SWWF charge for the period from October 19, 2016 to June 30, 2017, amounting to Rs. 4.48 million in MSAP-I (2017: Rs 4.48 million). Had the SWWF not been provided, the NAV per unit of the plan would have been higher by Re. 0.10 per unit as at June 30, 2018 (2017: Re 0.09 per unit). However, no provision for SWWF has been recorded in MSAP-II, MSAP-III and MSAP-IV because the plan incurred loss during the current year as well as in the prior period.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2018 and June 30, 2017.

12. AUDITORS' REMUNERATION

Note	June 30, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(Rupees in '000)						
Annual audit fee	76	69	86	87	19	47	364
Half yearly review	36	24	26	28	8	18	140
Out of pocket expenses	-	-	-	-	-	-	-
	112	93	112	115	27	65	524

	June 30, 2017					Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV		
	(Rupees in '000)					
Annual audit fee	74	35	22	4		135
Half yearly review	50	7	-	-		57
Other certification	41	17	3	1		62
Out of pocket expense	13	3	1	-		17
	178	62	26	5		271

13. TOTAL EXPENSE RATIO

The Total Expense Ratio of the Fund for the period ended June 30, 2018 is 0.31%, 0.31%, 0.31%, 0.31%, 0.32% and 0.19% which include 0.11%, 0.11%, 0.11%, 0.11%, 0.10% and 0.06% representing government levy and SECP fee for MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPP-III respectively. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund.

14. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since all the sub-funds have incurred a loss for the year / period ended June 30, 2018, no provision for taxation has been made in these financial statements during the year.

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

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

15.1 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 unitholders holding 10 percent or more of the Fund's net assets.

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





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

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

Note	June 30, 2018						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	For the period ended June 30, 2018					For the period from August 15, 2017 to June 30, 2018	
Al Meezan Investment Management Limited							
- Management Company							
Remuneration for the period (Rs in '000)	111	76	19	169	223	281	879
Sindh Sales Tax on management fee (Rs in '000)	14	10	2	22	29	37	114
Allocated expenses (Rs in '000)	2,215	1,445	1,571	1,770	411	597	8,009
Remuneration payable (Rs in '000)	12	1	1	5	4	2	25
Sindh Sales Tax on management fee (Rs in '000)	2	1	-	2	1	-	6
Allocated expenses payable (Rs in '000)	163	108	119	139	44	113	686
Investment (Rs in '000)	-	86,075	-	-	-	-	86,075
Investment (Units)	-	1,999,600	-	-	-	-	1,999,600
Meezan Bank Limited							
Profit on saving account (Rs in '000)	198	85	21	339	515	488	1,646
Bank balance (Rs in '000)	9,037	1,707	2,158	6,740	5,090	2,939	27,671
Profit receivable (Rs in '000)	16	3	3	15	13	14	64
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee (Rs in '000)	1,731	1,129	1,228	1,383	321	465	6,257
Sindh Sales Tax on trustee fee (Rs in '000)	225	147	160	180	42	60	814
Trustee fee payable (Rs in '000)	127	84	93	109	34	88	535
Sindh Sales Tax on trustee fee payable (Rs in '000)	17	11	12	13	4	11	68
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	14,816	-	-	-	14,816
Investment (Units)	-	-	352,640	-	-	-	352,640
Al Meezan Mutual Fund							
Invested during the period (Rs in '000)	20,000	-	-	-	-	-	20,000
Invested during the period (Units)	1,139,692	-	-	-	-	-	1,139,692
Redeemed during the period (Rs in '000)	31,000	59,000	-	5,000	-	-	95,000
Redeemed during the period (Units)	1,695,601	3,227,112	-	273,484	-	-	5,196,197
Investment (Rs in '000)	228,398	402,965	-	33,160	-	-	664,523
Investment (Units)	12,933,368	22,818,600	-	1,877,735	-	-	37,629,703
Meezan Dedicated Equity Fund							
Invested during the period (Rs in '000)	381,000	104,000	119,000	251,000	146,000	807,000	1,808,000
Invested during the period (Units)	7,726,042	2,052,897	2,348,643	4,944,378	2,899,237	15,724,510	35,695,707
Redeemed during the period (Rs in '000)	194,000	5,000	7,900	151,000	75,000	642,455	1,075,355
Redeemed during the period (Units)	3,963,082	99,322	158,241	2,965,003	1,466,152	12,807,088	21,458,888
Investment (Rs in '000)	182,644	94,821	106,316	96,074	69,558	141,604	691,017
Investment (Units)	3,762,960	1,953,575	2,190,402	1,979,375	1,433,085	2,917,422	14,236,819



June 30, 2018

Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
	For the period ended June 30, 2018				For the period from August 15, 2017 to June 30, 2018	For the period from December 19, 2017 to June 30, 2018	
Meezan Islamic Fund							
Invested during the period (Rs in '000)	360,000	144,000	167,000	577,007	434,838	-	1,682,845
Invested during the period (Units)	5,512,380	2,169,030	2,518,261	8,440,067	6,593,519	-	25,233,257
Redeemed during the period (Rs in '000)	907,570	347,650	382,690	480,880	110,000	-	2,228,790
Redeemed during the period (Units)	13,719,672	5,213,170	5,795,234	7,276,516	1,625,010	-	33,629,602
Investment (Rs in '000)	1,023,171	460,049	953,686	1,099,952	314,680	-	3,851,538
Investment (Units)	16,154,959	7,263,762	15,057,857	17,367,254	4,968,509	-	60,812,341
Meezan Cash Fund							
Invested during the period (Rs in '000)	201,500	-	182,000	130,000	441,000	2,015,155	2,969,655
Invested during the period (Units)	3,993,262	-	3,606,817	2,576,298	8,654,895	38,939,974	57,771,246
Redeemed during the period (Rs in '000)	112,370	45,590	33,940	13,140	332,508	815,330	1,352,878
Redeemed during the period (Units)	2,173,222	880,336	650,742	253,653	6,509,422	15,708,137	26,175,512
Investment (Rs in '000)	95,715	86,229	155,971	185,336	112,830	1,221,753	1,857,834
Investment (Units)	1,820,040	1,639,649	2,963,823	3,524,198	2,145,473	23,231,837	35,327,020
Meezan Islamic Income Fund							
Invested during the period (Rs in '000)	531,000	263,000	250,000	378,500	87,000	-	1,509,500
Invested during the period (Units)	10,175,158	5,035,700	4,780,885	7,269,504	1,667,261	-	28,928,508
Redeemed during the period (Rs in '000)	639,860	221,740	415,160	603,770	68,020	-	1,948,550
Redeemed during the period (Units)	12,357,647	4,263,421	8,023,229	11,663,825	1,303,699	-	37,611,821
Investment (Rs in '000)	414,505	245,330	206,971	246,178	19,479	-	1,132,463
Investment (Units)	7,736,308	4,578,838	3,862,883	4,594,666	363,562	-	21,136,257
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	-	-	279,214	426,776	-	166,008	871,998
Investment (Units)	-	-	6,645,828	9,990,010	-	3,313,849	19,949,687

June 30, 2017

	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Al Meezan Investment Management Limited					
- Management Company					
Remuneration for the period (Rs in '000)	406	266	310	353	1,335
Sindh Sales Tax on management fee (Rs in '000)	53	35	40	46	174
Allocated expenses (Rs in '000)	1,740	794	499	112	3,145
Invested during the period (Rs in '000)	-	100,000	-	-	100,000
Invested during the period (Units)	-	1,999,600	-	-	1,999,600
Remuneration payable (Rs in '000)	9	2	14	285	310
Sindh Sales Tax on management fee (Rs in '000)	1	-	2	37	40
Sales load payable (Rs in '000)	29	-	-	8,685	8,714
Sindh Sales Tax on sales load payable (Rs in '000)	4	-	-	1,129	1,133
Allocated expenses (Rs in '000)	224	140	149	98	611
Investment (Rs in '000)	-	98,740	-	-	98,740
Investment (Units)	-	1,999,600	-	-	1,999,600





June 30, 2017

	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Meezan Bank Limited					
Profit on saving account (Rs in '000)	812	539	560	742	2,653
Bank balance (Rs in '000)	9,487	2,172	278	252,575	264,512
Profit receivable (Rs in '000)	4	2	26	628	660
Sales load payable (Rs in '000)	-	-	-	4,820	4,820
Sindh Sales Tax on sales load payable (Rs in '000)	-	-	-	626	626
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee (Rs in '000)	1,414	636	393	88	2,531
Sindh Sales Tax on trustee fee (Rs in '000)	184	82	51	11	328
Trustee fee payable (Rs in '000)	176	110	117	77	480
Sindh Sales Tax on trustee fee payable (Rs in '000)	23	14	15	10	62
Directors and executives of the Management Company					
Invested during the period (Rs in '000)	323	-	18,413	-	18,736
Invested during the period (Units)	6,156	-	366,318	-	372,474
Dividend paid (Rs in '000)	2,355	-	-	-	2,355
Investment (Rs in '000)	311	-	17,708	-	18,019
Investment (Units)	6,156	-	366,318	-	372,474
Al Meezan Mutual Fund					
Invested during the period (Rs in '000)	276,885	595,878	-	47,055	919,818
Invested during the period (Units)	13,489,277	26,045,712	-	2,151,219	41,686,208
Dividend received (Rs in '000)	12,885	24,878	-	2,055	39,818
Investment (Rs in '000)	285,163	550,606	-	45,477	881,246
Investment (Units)	13,489,277	26,045,712	-	2,151,219	41,686,208
Meezan Cash Fund					
Invested during the period (Rs in '000)	211,399	132,292	214,936	356,152	914,779
Invested during the period (Units)	4,033,032	2,523,778	4,094,901	6,724,071	17,375,782
Redeemed during the period (Rs in '000)	203,469	200	207,000	289,514	700,183
Redeemed during the period (Units)	4,033,032	3,793	4,085,153	5,522,518	13,644,496
Dividend received (Rs in '000)	10,423	6,571	9,436	6,649	33,079
Investment (Rs in '000)	-	127,083	492	60,594	188,169
Investment (Units)	-	2,519,985	9,748	1,201,553	3,731,286
Meezan Islamic Fund					
Invested during the period (Rs in '000)	1,977,388	876,399	1,554,610	1,362,088	5,770,485
Invested during the period (Units)	25,999,486	10,307,902	18,334,830	16,203,703	70,845,921
Redeemed during the period (Rs in '000)	140,000	-	-	-	140,000
Redeemed during the period (Units)	1,637,235	-	-	-	1,637,235
Dividend received (Rs in '000)	114,388	48,399	86,088	76,081	324,956
Investment (Rs in '000)	1,861,520	787,627	1,400,964	1,238,125	5,288,236
Investment (Units)	24,362,251	10,307,902	18,334,830	16,203,703	69,208,686



Meezan Islamic Income Fund

Invested during the period (Rs in '000)

Invested during the period (Units)

Redeemed during the period (Rs in '000)

Redeemed during the period (Units)

Dividend received (Rs. in '000)

Investment (Rs in '000)

Investment (Units)

Unitholders holding 10% or more units of the Fund

Investment (Rs in '000)

Investment (Units)

June 30, 2017

	For the period from October 19, 2016 to June 30, 2017	For the period from December 22, 2016 to June 30, 2017	For the period from February 20, 2017 to June 30, 2017	For the period from April 24, 2017 to June 30, 2017	Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Invested during the period (Rs in '000)	2,557,864	1,279,074	894,995	541,579	5,273,512
Invested during the period (Units)	48,935,434	24,199,084	16,923,712	10,195,627	100,253,857
Redeemed during the period (Rs in '000)	2,050,316	1,080,095	524,082	63,002	3,717,495
Redeemed during the period (Units)	39,016,637	20,392,525	9,818,485	1,206,640	70,434,287
Dividend received (Rs. in '000)	14,295	9,074	8,495	17,579	49,443
Investment (Rs in '000)	509,727	195,619	365,138	461,944	1,532,428
Investment (Units)	9,918,797	3,806,559	7,105,227	8,988,987	29,819,570
Investment (Rs in '000)	-	-	321,259	484,515	805,774
Investment (Units)	-	-	6,645,828	9,990,010	16,635,838

16. FINANCIAL INSTRUMENTS BY CATEGORY**Financial assets**

Balances with banks

Investments

Receivable against sale of investments - net

Profit receivable

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Payable to Meezan Bank Limited

Payable against purchase investments - net

Receivable on conversion of units

Accrued expenses and other liabilities

2018

Loans and receivables	At fair value through profit or loss	Available-for-sale	Total
(Rupees in '000)			
27,781	-	-	27,781
-	8,197,375	-	8,197,375
470	-	-	470
64	-	-	64
28,315	8,197,375	-	8,225,690

2018

At fair value through profit or loss	At amortised cost	Total
(Rupees in '000)		
-	717	717
-	603	603
-	-	-
-	-	-
-	1,461	1,461
-	984	984
-	3,765	3,765

2017

Loans and receivables	At fair value through profit or loss	Available-for-sale	Total
(Rupees in '000)			
264,522	-	-	264,522
-	7,890,079	-	7,890,079
10,460	-	-	10,460
660	-	-	660
275,642	7,890,079	-	8,165,721





	2017		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	-	10,808	10,808
Payable to Central Depository Company of Pakistan Limited - Trustee	-	542	542
Payable to Meezan Bank Limited	-	5,446	5,446
Payable against purchase investments - net	-	54,993	54,993
Payable against redemption and conversion of units	-	181	181
Dividend payable	-	75	75
Accrued expenses and other liabilities	-	23,023	23,023
	-	95,068	95,068

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 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 profit rates. As of June 30, 2018, the Fund is exposed to such risk on its balances held with banks. 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

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.0006 million (2017: Rs. 0.007 million).

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2018, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2018 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2018 can be determined as follows:

	As at June 30, 2018				Total	
	Effective yield / profit rate	Exposed to yield / profit rate risk				Not exposed to yield / profit rate risk
		Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Balances with banks	2.00% to 2.40%	22,940	-	-	4,841	27,781
Investments		-	-	-	8,197,375	8,197,375
Receivable on conversion of units		-	-	-	470	470
Profit receivable		-	-	-	64	64
		22,940	-	-	8,202,750	8,225,690
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	717	717
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	603	603
Payable against redemption and conversion of units		-	-	-	1,461	1,461
Accrued expenses and other liabilities		-	-	-	984	984
		-	-	-	3,765	3,765
On-balance sheet gap		22,940	-	-	8,198,985	8,221,925
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		22,940	-	-		
Cumulative profit rate sensitivity gap		22,940	22,940	22,940		





As at June 30, 2017					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balances with banks	2.00% to 2.40%	263,231	-	1,291	264,522
Investments	-	-	-	7,890,079	7,890,079
Receivable on conversion of units	-	-	-	10,460	10,460
Other receivables	-	-	-	660	660
		263,231	-	7,902,490	,165,721
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	10,808	10,808
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	542	542
Payable to Meezan Bank Limited	-	-	-	5,446	5,446
Payable against investments (net)	-	-	-	54,993	54,993
Payable on redemption and conversion of units	-	-	-	181	181
Dividend payable	-	-	-	75	75
Accrued expenses and other liabilities	-	-	-	56,447	56,447
		-	-	128,492	128,492
On-balance sheet gap		263,231	-	7,773,998	8,037,229
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total profit rate sensitivity gap		263,231	-	-	-
Cumulative profit rate sensitivity gap		263,231	263,231	263,231	

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 profit 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.

17.2 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 year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

	2018					Total
	Within 1 month	More than one month and upto three months	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
(Rupees in '000)						
Financial assets						
Balances with banks	27,781	-	-	-	-	27,781
Investments	-	-	-	-	8,197,375	8,197,375
Receivable against sale of investments - net	470	-	-	-	-	470
Profit receivable	64	-	-	-	-	64
	28,315	-	-	-	8,197,375	8,225,690
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	717	-	-	-	-	717
Payable to Central Depository Company of Pakistan Limited - Trustee	603	-	-	-	-	603
Payable against purchase of investments - net	7,608	-	-	-	-	7,608
Payable against redemption and conversion of units	1,461	-	-	-	-	1,461
Accrued expenses and other liabilities	-	639	345	-	-	984
	10,389	639	345	-	-	11,373
Net assets / (liabilities)	17,926	(639)	(345)	-	8,197,375	8,214,317

	2017					Total
	Within 1 month	More than one month and upto three months	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
(Rupees in '000)						
Financial assets						
Balances with banks	264,522	-	-	-	-	264,522
Investments	-	-	-	-	7,890,079	7,890,079
Receivable against issue of units	10,460	-	-	-	-	10,460
Profit receivable	660	-	-	-	-	660
	275,642	-	-	-	7,890,079	8,165,721
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	10,808	-	-	-	-	10,808
Payable to Central Depository Company of Pakistan Limited - Trustee	542	-	-	-	-	542
Payable to Meezan Bank Limited	5,446	-	-	-	-	5,446
Payable against purchase investments - net	54,993	-	-	-	-	54,993
Payable against redemption and conversion of units	181	-	-	-	-	181
Dividend payable	75	-	-	-	-	75
Accrued expenses and other liabilities	22,715	308	-	-	-	23,023
	94,760	308	-	-	-	95,068
Net assets / (liabilities)	180,882	(308)	-	-	7,890,079	8,070,653



17.3 Credit risk

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

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees in '000)				
Balances with banks	27,781	27,781	264,522	264,522
Investments	8,197,375	-	7,890,079	-
Receivable on conversion of units	-	-	10,460	10,460
Receivable against sale of investments - net	470	-	-	-
Profit receivable	64	64	660	660
	8,225,690	27,845	8,165,721	275,642

17.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon, dividend receivable and receivable against sale of units and against investments. The credit rating profile of balances with banks is as follows:

Rating	Amount of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2018	2017	2018	2017
(Rupees in '000)				
AA+	110	10	0.40%	0.00%
AA	27,671	264,512	99.60%	100.00%
	27,781	264,522	100.00%	100.00%

18. FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. 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 June 30, 2018, the Fund held the following financial instruments measured at fair values:

	2018			2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)			(Rupees in '000)		
Financial assets						
At fair value through profit or loss	8,197,375	-	-	7,890,079	-	-
	8,197,375	-	-	7,890,079	-	-

19 UNITHOLDERS' 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 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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.

In accordance with the risk management policies as stated in note 17, 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.

20. UNIT HOLDING PATTERN OF THE FUND

	MSAP I			MSAP I		
	2018			2017		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)		(Percentage)	(Rupees in '000)		(Percentage)
Individual	790	1,125,189	57.84	937	1,659,717	63.15
Director	-	-	-	1	311	0.01
Retirement funds	21	248,926	12.80	21	288,232	10.96
Insurance companies	1	28,291	1.45	1	32,437	1.23
Private limited companies	6	186,224	9.57	4	25,831	0.98
Public limited companies	-	-	-	2	147,815	5.62
Others	15	356,832	18.34	17	474,333	18.05
Total	833	1,945,462	100.00	983	2,628,676	100.00



	MSAP II			MSAP II		
	2018			2017		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)		(Rupees in '000)	(Percentage)	
Individual	660	564,948	43.82	759	801,234	48.22
Associated companies	1	86,075	6.68	1	98,747	5.94
Retirement funds	17	240,660	18.67	18	305,663	18.39
Private limited companies	5	152,652	11.84	2	24,982	1.50
Public limited companies	-	-	-	2	150,144	9.03
Others	15	245,010	19.00	16	281,080	16.92
Total	698	1,289,345	100.00	798	1,661,850	100.00

	MSAP III			MSAP III		
	2018			2017		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)		(Rupees in '000)	(Percentage)	
Individual	533	965,531	67.84	585	1,229,767	69.62
Director	1	14,816	1.04	2	17,709	1.00
Retirement funds	9	72,609	5.10	9	83,548	4.73
Private limited companies	2	53,511	3.76	2	19,041	1.08
Public limited companies	-	-	-	1	51,930	2.94
Others	4	316,744	22.26	4	364,462	20.63
Total	549	1,423,211	100.00	603	1,766,457	100.00

	MSAP IV			MSAP IV		
	2018			2017		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)		(Rupees in '000)	(Percentage)	
Individual	518	1,073,280	64.44	561	1,300,968	65.94
Retirement funds	8	49,606	2.98	8	56,312	2.85
Insurance companies	2	35,103	2.11	2	39,848	2.02
Private limited companies	3	7,198	0.43	2	5,762	0.29
Public Companies	-	-	-	1	2,408	0.12
Others	9	500,318	30.04	11	567,952	28.78
Total	540	1,665,505	100.00	585	1,973,250	100.00

	MSAP V			MSAP V		
	2018			2017		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)		(Rupees in '000)	(Percentage)	
Individual	256	360,485	69.18	-	-	-
Retirement funds	9	81,274	15.60	-	-	-
Private limited companies	3	8,509	1.63	-	-	-
Public limited companies	1	49,184	9.43	-	-	-
Others	4	21,660	4.16	-	-	-
Total	273	521,112	100.00	-	-	-



	MCPPII			MCPPIII		
	2018			2017		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	889	962,646	70.51	-	-	-
Retirement funds	23	172,284	12.63	-	-	-
Private limited companies	1	4,973	0.36	-	-	-
Others	11	225,268	16.50	-	-	-
Total	924	1,365,171	100.00	-	-	-

21. PERFORMANCE TABLE

	As at June 30, 2018					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Net assets (Rs. '000) (ex-distribution)	1,945,462	1,289,345	1,423,211	1,665,505	521,112	1,365,171
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	44.0138	43.0461	42.0135	42.7203	48.7410	50.0951
Offer price per unit as at June 30 (Rs.)	-	-	-	-	-	-
Highest offer price per unit (Rs.)	-	-	-	-	51.7900	52.1573
Lowest offer price per unit (Rs.)	-	-	-	-	49.8200	51.7000
Highest redemption price per unit (Rs.)	51.0385	49.9342	48.8533	49.2344	50.0857	50.4471
Lowest redemption price per unit (Rs.)	41.4209	40.5171	39.6017	40.2225	48.1920	50.0001
Total return (%)	-12.80%	-12.80%	-13.10%	-11.90%	-2.50%	0.20%
Average annual return as at June 30, 2018 (%)	-12.80%	-12.80%	-13.10%	-11.90%	-2.50%	0.20%

Investment portfolio composition of the Fund is described in note 5.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

22. INVESTMENT COMMITTEE MEMBERS

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive	CFA / MBA	Twenty Eight years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Two years
Mr. Ahmed Hassan	VP Investments	CFA / MBA	Eleven years
Mr. Ali Khan	VP Product Development	CFA / FRM / MBA	Eight years
Mr. Zain Malik	VP Investments	CFA / BBA	Nine years
Mr. Asif Imtiaz	Senior Manager	CFA / MBA - Finance	Ten years
Mr. Asmar Hamoodi	AVP Investments	BBA - Finance / CFA / A.C.C.A	Six years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Thirteen years
Mr. Ali Asghar	AVP/Head of Research	CFA level II / MBA (in progress)	Seven years

The Fund Manager of this Fund is Mr. Asif Imtiaz. Other Funds being managed by the Fund Manager are:

- KSE - Meezan Index Fund
- Meezan Dedicated Equity Fund
- Meezan Strategic Allocation Fund - II
- Meezan Financial Planning Fund of Funds
- Meezan Balanced Fund





23. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

Name	Designation	Meeting held on				
		August 24, 2017	October 19, 2017	February 8, 2018	April 24, 2018	May 31, 2018
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive	Yes	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes
Mr. Atif Azim	Director	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes
Mr. Abdullah Ahmed	Director	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	Yes	No	Yes	No
Mr. Arshad Majeed*	Director	-	-	-	No	Yes
Syed Amir Ali *	Director	Yes	Yes	Yes	Resigned	-
Ms. Saima Kamila Khan **	Director	-	-	Yes	Yes	Yes
Mr. P. Ahmed **	Director	Yes	Yes	-	-	-
Mazhar Sharif ***	Director	Yes	Yes	-	-	-
Mr. Naeem Sattar ***	Director	-	-	Yes	Yes	Yes

* Syed Amir Ali resigned and in his place Mr. Arshad Majeed was appointed as Director of Al Meezan Investment Management Limited for the remaining term of the Board. The SECP vide their letter no. SCD/AMCW/AMIML/369/2018 dated May 15, 2018 have expressed their No Objection to this appointment.

**Ms. Kamila was appointed as an Independent Director in place of Mr. P. Ahmed in the elections of the Company held in December 2017. The SECP vide their letter no. SCD/AMCW/AMIML/230/2018 dated January 16, 2018 have expressed their No Objection to this appointment.

***Mr. Naeem Sattar was appointed as a nominee Director of PKIC in place of Mr. Mazhar Sharif in the elections of the Company held in December 2017. The SECP vide their letter no. SCD/AMCW/AMIML/230/2018 dated January 16, 2018 have expressed their No Objection to this appointment.

* Syed Amir Ali resigned and the board in his place appointed Mr. Arshad Majeed as Director in the elections held in December 2017 for the remaining term. The SECP vide their letter no. SCD/AMCW/AMIML/369/2018 dated May 15, 2018 have expressed their No Objection to this appointment.

** Ms. Kamila was appointed as an Independent Director in place of Mr. P. Ahmed in the elections of the Company held in December 2017. The SECP vide their letter no. SCD/AMCW/AMIML/230/2018 dated January 16, 2018 have expressed their No Objection to this appointment.

*** Mr. Naeem Sattar was appointed as a nominee Director of PKIC in place of Mr. Mazhar Sharif in the elections of the Company held in December 2017. The SECP vide their letter no. SCD/AMCW/AMIML/230/2018 dated January 16, 2018 have expressed their No Objection to this appointment.

24. CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

There are no corresponding figures in Meezan Strategic Allocation Plan V and Meezan Capital Preservation Plan III as these plans commenced its operations from August 15, 2017 and December 19, 2017 respectively.

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 09, 2018.

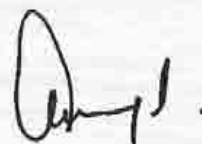
26. GENERAL

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

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



**Mohammad Shoaib, CFA
Chief Executive**



**Syed Amir Ali Zaidi
Director**



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