

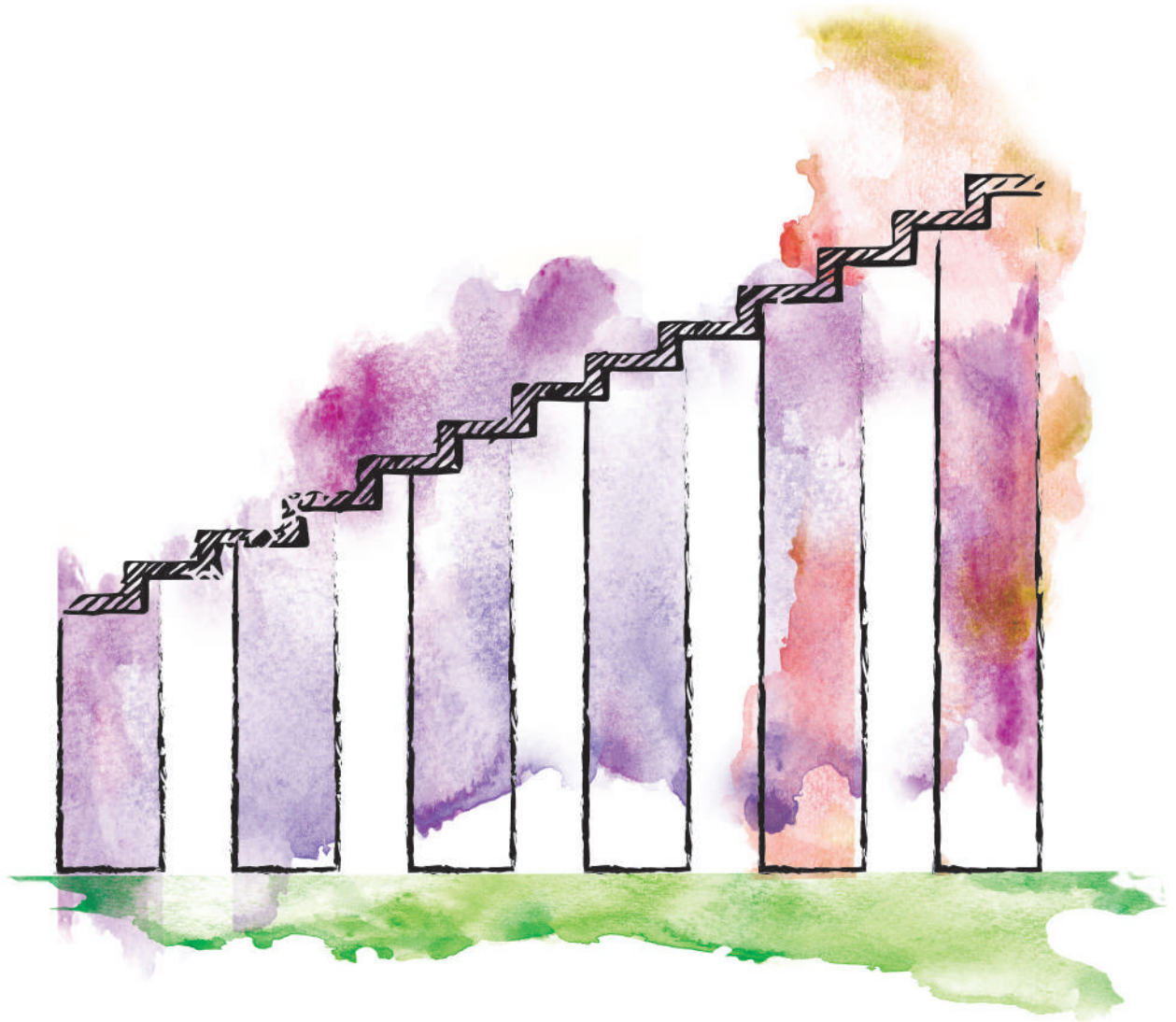


Al Meezan
Investment Management Ltd.

MEEZAN

FINANCIAL PLANNING FUND OF FUNDS (MFPF)

Meezan Financial Planning Fund of Funds invests in Shariah Compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the investor and in doing so, it strives to generate returns on investment aligned with respective allocation plans.



ASSETS UNDER MUTUAL FUND MANAGEMENT IN PAKISTAN CROSSED

RS1
**TRILLION
MARK**

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

Meezan Financial Planning Fund of Funds (MFPF)

Type of Fund

Open-end 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

MFPF has sixteen Allocation Plans which allow investors to invest according to their risk tolerance levels.

The Aggressive Allocation Plan

This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term. It shall invest at least 65% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

The Moderate Allocation Plan

This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to save for medium to long term. It shall invest at least 45% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds

The Conservative Allocation Plan

This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term. It shall invest at least 20% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

Meezan Asset Allocation Plan – I – IV (MAAP I-IV)

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 combination of KSE Meezan Index 30's performance and average 6 month Islamic bank deposits as per the following detail:

Aggressive Allocation Plan	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Moderate Allocation Plan	
Conservative Allocation Plan	
Meezan Asset Allocation Plan - I	



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Performance Table with Benchmark

	Returns - FY21
MFPF - Aggressive	27.21%
Benchmark	30.73%
MFPF - Moderate	20.83%
Benchmark	21.67%
MFPF - Conservative	12.93%
Benchmark	12.19%
MFPF - MAAP I	27.25%
Benchmark	30.91%

Aggressive Allocation Plan

The Aggressive Allocation Plan posted a total Income of Rs. 78 million in FY21 as compared to a total Income of Rs. 17 million last year. Total income comprised of realized gain on investments of Rs. 82 million while the unrealized loss on investments of Rs. 5 million. Dividend income and profit on saving account with banks amounted to Rs. 0.04 million and Rs. 0.14 million respectively. After accounting for expenses of Rs. 3 million, the Fund posted a net Income of Rs. 75 million. The net assets of the Fund as at June 30, 2021 were Rs. 348 million as compared to Rs. 283 million at the end of last year depicting an increase of 23%.

Moderate Allocation Plan

The Moderate Allocation Plan posted a total Income of Rs. 25 million in FY21 as compared to a total Income of Rs. 13 million last year. Total income comprised of realized gain on investments of Rs. 26 million while the unrealized loss on investments of Rs. 1 million. Dividend income and profit on saving account with banks amounted to Rs. 0.03 million and Rs. 0.14 million. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 24 million. The net assets of the Fund as at June 30, 2021 were Rs. 146 million as compared to Rs. 119 million at the end of last year depicting an increase of 23%.

Conservative Allocation Plan

The Conservative Allocation Plan posted a total Income of Rs. 20 million in FY21 as compared to a total Income of Rs. 19 million last year. Total income comprised of realized gain on investments of Rs. 21 million while the unrealized loss on investments of Rs. 1 million. Dividend income and profit on saving account with banks amounted to Rs. 0.08 million and Rs. 0.19 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 19 million. The net assets of the Fund as at June 30, 2021 were Rs. 224 million as compared to Rs. 144 million at the end of last year depicting an increase of 55%.

Meezan Asset Allocation Plan – I (MAAP-I)

Meezan Asset Allocation Plan-I posted a total Income of Rs. 75 million during FY21 as compared to a total Income of Rs. 9 million last year. Total income comprised of realized gain on investments of Rs. 60 million while the unrealized gain on investments of Rs. 14 million. Dividend income and profit on saving account with banks amounted to Rs. 0.07 million and Rs. 0.04 million respectively. After accounting for expenses of Rs. 2 million, the Fund posted a net Income of Rs. 72 million. The net assets of the Fund as at June 30,



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2021 were Rs. 156 million as compared to Rs. 318 million at the end of last year depicting a decline of 51%.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2020 was Rs. 0.50 per unit (1%), Rs. 0.30 per unit (0.60%) and Rs. 0.45 per unit (0.90%) in Aggressive Allocation Plan, Moderate Allocation Plan and MAAP I Allocation Plan respectively. Total distribution made by the fund was Rs. 2 million, Rs, 1 million and Rs, 3 million in Aggressive Allocation Plan, Moderate allocation Plan and MAAP-I Allocation Plan respectively.

Breakdown of unit holdings by size

(As on June 30, 2021)

Breakdown of unit holdings by size				
Range (Units)	Aggressive	Moderate	Conservative	MAAP-I
	No. of investors			
1 - 9,999	586	344	304	81
10,000 - 49,999	40	41	33	29
50,000 - 99,999	1	5	5	2
100,000 - 499,999	3	2	3	2
500,000 and above	2	-	2	1
Total	632	392	347	115



Meezan Bank
The Premier Islamic Bank



Report of the *Shari'ah* Advisor – Meezan Financial Planning Fund of Funds

August 2, 2021/ Dhu Al-Hijjah 22, 1442

Alhamdulillah, the period from July 01, 2020 to June 30, 2021 was the Eighth year of operations of Meezan Financial Planning Fund of Funds (MFPPF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shariah* advisors of the Fund and are issuing the report in accordance with clause 6.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shariah* 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 MFPPF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MFPPF 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 MFPPF for the year ended June 30, 2021 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
Shariah Advisor

Meezan Bank Ltd.

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Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

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 Financial Planning Fund of Funds (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 16, 2021

INDEPENDENT AUDITOR'S REPORT
To the Unit holders of Meezan Financial Planning Fund of Funds
Report on the Audit of the Financial Statements
Opinion

We have audited the financial statements of Meezan Financial Planning Fund of Funds (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year 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, 2021, and of its financial performance and its cash flows for the year 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 is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2021 amounted to Rs 892.840 million. The proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Tested the design and operating effectiveness of the key controls for valuation of investments; andRe-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.



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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



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.

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.

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- 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.

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 Requirements

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.

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


Chartered Accountants

Karachi

Date: September 15, 2021



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021**

		As at June 30, 2021					
		Aggressive	Moderate	Conservative	MAAP-I	Total	
		(Rupees in '000)					
Note							
Assets							
	Balances with banks	5	6,715	265	1,158	503	8,641
	Investments	6	347,785	150,037	226,644	168,374	892,840
	Receivable against conversion of units		19	116	241	-	376
	Profit receivable on saving accounts with banks		4	17	32	4	57
	Total assets		354,523	150,435	228,075	168,881	901,914
Liabilities							
	Payable to AI Meezan Investment Management Limited - Management Company	7	54	56	43	16	169
	Payable to Central Depository Company of Pakistan Limited - Trustee	8	26	8	23	11	68
	Payable to Meezan Bank Limited		16	11	5	-	32
	Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	64	27	33	52	176
	Payable on redemption and conversion of units		378	518	930	-	1,826
	Accrued expenses and other liabilities	10	6,082	3,831	2,689	12,557	25,159
	Total liabilities		6,620	4,451	3,723	12,636	27,430
NET ASSETS			347,903	145,984	224,352	156,245	874,484
UNIT HOLDERS' FUND (as per statement attached)			347,903	145,984	224,352	156,245	874,484
CONTINGENCIES AND COMMITMENTS		11					
(Number of units)							
NUMBER OF UNITS IN ISSUE			4,433,576	2,042,610	3,278,232	2,456,818	
(Rupees)							
NET ASSET VALUE PER UNIT			78.4701	71.4694	68.4368	63.5964	

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

		As at June 30, 2020				
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Assets						
Balances with banks	5	1,858	2,265	7,687	1,318	13,128
Investments	6	289,209	120,616	143,532	329,470	882,827
Receivable against conversion of units		103	9	81	-	193
Profit receivable on saving accounts with banks		7	15	10	12	44
Total assets		291,177	122,905	151,310	330,800	896,192
Liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	7	23	14	31	27	95
Payable to Central Depository Company of Pakistan Limited - Trustee	8	22	7	18	9	56
Payable to Meezan Bank Limited		3	1	2	-	6
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	61	28	34	74	197
Payable on redemption and conversion of units		3,462	752	5,034	-	9,248
Dividend Payable		40	112	-	1,184	1,336
Accrued expenses and other liabilities	10	4,826	3,422	2,312	11,387	21,947
Total liabilities		8,437	4,336	7,431	12,681	32,885
NET ASSETS		282,740	118,569	143,879	318,119	863,307
UNIT HOLDERS' FUND (as per statement attached)		282,740	118,569	143,879	318,119	863,307
CONTINGENCIES AND COMMITMENTS	11					
		(Number of units)				
NUMBER OF UNITS IN ISSUE		4,583,711	2,004,577	2,374,185	6,365,222	
		(Rupees)				
NET ASSET VALUE PER UNIT		61.6837	59.1490	60.6014	49.9777	

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN FINANCIAL PLANNING FUND OF FUNDS
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

Note	For the year ended June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Income					
Dividend income	38	33	74	66	211
Profit on saving accounts with banks	139	141	191	35	506
Net realised gain on sale of investments	82,105	26,477	20,509	60,347	189,438
	82,282	26,651	20,774	60,448	190,155
Net unrealised (diminution) / appreciation on re-measurement of 'investments classified as financial assets at fair value through profit or loss'	6.1	(4,566)	(1,309)	(971)	14,311
Total income		77,716	25,342	19,803	74,759
Expenses					
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	52	44	65	12
Sindh Sales Tax on remuneration of the Management Company	7.2	7	6	8	2
Allocated expenses	7.3	333	141	171	266
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	226	96	116	182
Sindh Sales Tax on remuneration of the Trustee	8.2	29	12	15	24
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	64	27	33	52
Auditors' remuneration	12	199	84	101	182
Fees and subscription		108	46	56	88
Bank and settlement charges		3	2	2	3
Legal and professional charges		93	39	46	60
Provision for Sindh Workers' Welfare Fund	10.1	1,532	497	384	1,478
Total expenses		2,646	994	997	2,349
Net income for the year before taxation		75,070	24,348	18,806	72,410
Taxation	14	-	-	-	-
Net income for the year after taxation		75,070	24,348	18,806	72,410
Allocation of net income for the year					
Net income for the year after taxation		75,070	24,348	18,806	72,410
Income already paid on units redeemed		(8,074)	(7,384)	(2,948)	(39,071)
		66,996	16,964	15,858	33,339
Accounting income available for distribution					
- Relating to capital gains		66,996	16,964	15,858	33,339
- Excluding capital gains		-	-	-	-
		66,996	16,964	15,858	33,339

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

		For the year ended June 30, 2020					
		Aggressive	Moderate	Conservative	MAAP-I	Total	
Note		(Rupees in '000)					
Income							
	Dividend income	11,515	3,391	2,160	6,244	23,310	
	Profit on saving accounts with banks	599	458	507	1,778	3,342	
	Net realised gain / (loss) on sale of investments	16,014	12,849	18,080	(3,749)	43,194	
		28,128	16,698	20,747	4,273	69,846	
	Net unrealised (diminution) / appreciation on re-measurement of 'investments classified as financial assets at fair value through profit or loss'	6.1	(11,085)	(3,221)	(1,968)	5,253	(11,021)
	Total income	17,043	13,477	18,779	9,526	58,825	
Expenses							
	Remuneration to Al Meezan Investment Management Limited - Management Company	7.1	62	44	54	119	279
	Sindh Sales Tax on remuneration of the Management Company	7.2	8	6	7	15	36
	Allocated expenses	7.3	312	139	169	370	990
	Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	218	97	118	259	692
	Sindh Sales Tax on remuneration of the Trustee	8.2	28	13	15	34	90
	Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	62	28	34	74	198
	Auditors' remuneration	12	181	82	100	226	589
	Fees and subscription		92	42	50	111	295
	Bank and settlement charges		4	3	2	3	12
	Provision for Sindh Workers' Welfare Fund	10.1	321	260	365	166	1,112
	Printing charges		2	-	-	-	2
	Total expenses		1,290	714	914	1,377	4,295
	Net income for the year before taxation		15,753	12,763	17,865	8,149	54,530
	Taxation	14	-	-	-	-	-
	Net income for the year after taxation		15,753	12,763	17,865	8,149	54,530
Allocation of net income for the year							
	Net income for the year after taxation		15,753	12,763	17,865	8,149	54,530
	Income already paid on units redeemed		(318)	(625)	(4,425)	(24)	(5,392)
			15,435	12,138	13,440	8,125	49,138
Accounting income available for distribution							
	- Relating to capital gains		4,929	9,628	16,112	1,504	32,173
	- Excluding capital gains		10,506	2,510	(2,672)	6,621	16,965
			15,435	12,138	13,440	8,125	49,138

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**



Meezan
Financial Planning
Fund of Funds

	For the year ended June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net income for the year after taxation	75,070	24,348	18,806	72,410	190,634
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	<u>75,070</u>	<u>24,348</u>	<u>18,806</u>	<u>72,410</u>	<u>190,634</u>

	For the year ended June 30, 2020				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net income for the year after taxation	15,753	12,763	17,865	8,149	54,530
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	<u>15,753</u>	<u>12,763</u>	<u>17,865</u>	<u>8,149</u>	<u>54,530</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021		
	Aggressive			Moderate			Conservative			MAAP-I			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	251,746	30,994	282,740	70,980	47,589	118,569	86,818	57,061	143,879	257,512	60,607	318,119	667,056	196,251	863,307
Issuance of units:															
Aggressive: 2,087,090 units / Moderate: 1,479,059 units /															
Conservative: 3,827,015 units / MAAP I: nil															
- Capital value (at net asset value per unit at the beginning of the year)	128,740	-	128,740	87,485	-	87,485	231,922	-	231,922	491	-	491	448,638	-	448,638
- Element of income	25,423	-	25,423	13,965	-	13,965	23,451	-	23,451	120	-	120	62,959	-	62,959
Total proceeds on issuance of units	154,163	-	154,163	101,450	-	101,450	255,373	-	255,373	611	-	611	511,597	-	511,597
Redemption of units:															
Aggressive: 2,237,225 units / Moderate: 1,441,026 units															
Conservative: 2,922,969 units / MAAP I: 3,908,405 units															
- Capital value (at net asset value per unit at the beginning of the year)	138,000	-	138,000	85,235	-	85,235	177,137	-	177,137	195,824	-	195,824	596,196	-	596,196
- Element of loss	17,996	8,074	26,070	5,764	7,384	13,148	13,621	2,948	16,569	-	39,071	39,071	37,381	57,477	94,858
Total payments on redemption of units	155,996	8,074	164,070	90,999	7,384	98,383	190,758	2,948	193,706	195,824	39,071	234,895	633,577	57,477	691,054
Total comprehensive income for the year	-	75,070	75,070	-	24,348	24,348	-	18,806	18,806	-	72,410	72,410	-	190,634	190,634
Net assets at the end of the year	249,913	97,990	347,903	81,431	64,553	145,984	151,433	72,919	224,352	62,299	93,946	156,245	545,076	329,408	874,484
Undistributed income brought forward															
- Realised income	42,079			50,810			59,029			55,354			207,272		
- Unrealised (loss) / income	(11,085)			(3,221)			(1,968)			5,253			(11,021)		
	30,994			47,589			57,061			60,607			196,251		
Accounting income available for distribution															
- Relating to capital gains	66,996			16,964			15,858			33,339			133,157		
- Excluding capital gains	-			-			-			-			-		
	66,996			16,964			15,858			33,339			133,157		
Undistributed income carried forward	97,990			64,553			72,919			93,946			329,408		
Undistributed income carried forward															
- Realised income	102,556			65,862			73,890			79,635			321,943		
- Unrealised (loss) / income	(4,566)			(1,309)			(971)			14,311			7,465		
	97,990			64,553			72,919			93,946			329,408		
	Rupees			Rupees			Rupees			Rupees			Rupees		
Net asset value per unit as at the beginning of the year	61.6837			59.1490			60.6014			49.9777			63.5964		
Net asset value per unit as at the end of the year	78.4701			71.4694			68.4368			63.5964			63.5964		

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020		
	Aggressive			Moderate			Conservative			MAAP-I			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	347,237	17,835	365,072	166,989	36,050	203,039	178,157	43,621	221,778	537,356	55,354	592,710	1,229,739	152,860	1,382,599
Issuance of units:															
Aggressive: 1,963,860 units / Moderate: 501,906 units /															
Conservative: 1,696,158 units / MAAP I: 28,410 units															
- Capital value (at net asset value per unit at the beginning of the year)	114,282	-	114,282	27,088	-	27,088	92,611	-	92,611	1,356	-	1,356	235,337	-	235,337
- Element of income / (loss)	10,170	-	10,170	1,693	-	1,693	6,715	-	6,715	63	-	63	18,641	-	18,641
Total proceeds on issuance of units	124,452	-	124,452	28,781	-	28,781	99,326	-	99,326	1,419	-	1,419	253,978	-	253,978
Redemption of units:															
Aggressive: 3,653,685 units / Moderate: 2,259,346 units															
Conservative: 3,383,812 units / MAAP I: 6,077,340 units															
- Capital value (at net asset value per unit at the beginning of the year)	212,617	-	212,617	121,938	-	121,938	184,757	-	184,757	290,161	-	290,161	809,473	-	809,473
- Element of loss / (income)	7,326	318	7,644	2,852	625	3,477	5,908	4,425	10,333	(8,898)	24	(8,874)	7,188	5,392	12,580
Total payments on redemption of units	219,943	318	220,261	124,790	625	125,415	190,665	4,425	195,090	281,263	24	281,287	816,661	5,392	822,053
Total comprehensive income for the year	-	15,753	15,753	-	12,763	12,763	-	17,865	17,865	-	8,149	8,149	-	54,530	54,530
Interim distribution for the year ended June 30, 2020	-	(2,276)	(2,276)	-	(599)	(599)	-	-	-	-	(2,872)	(2,872)	-	(5,747)	(5,747)
Net income for the year less distribution	-	13,477	13,477	-	12,164	12,164	-	17,865	17,865	-	5,277	5,277	-	48,783	48,783
Net assets at the end of the year	251,746	30,994	282,740	70,980	47,589	118,569	86,818	57,061	143,879	257,512	60,607	318,119	667,056	196,251	863,307
Undistributed income brought forward															
- Realised income	101,711			67,539			62,595			196,400			428,245		
- Unrealised loss	(83,876)			(31,489)			(18,974)			(141,046)			(275,385)		
	17,835			36,050			43,621			55,354			152,860		
Accounting income available for distribution															
- Relating to capital gains	4,929			9,628			16,112			1,504			32,173		
- Excluding capital gains	10,506			2,510			(2,672)			6,621			16,965		
	15,435			12,138			13,440			8,125			49,138		
Distribution during the year ended June 30, 2020															
@Re 0.5000 per unit (Aggressive Allocation Plan)	(2,276)												(2,276)		
@Re 0.3000 per unit (Moderate Allocation Plan)				(599)			-						(599)		
@Re 0.4533 per unit (Meezan Asset Allocation Plan - I)										(2,872)			(2,872)		
Undistributed income carried forward	30,994			47,589			57,061			60,607			196,251		
Undistributed income carried forward															
- Realised income	42,079			50,810			59,029			55,354			207,272		
- Unrealised (loss) / income	(11,085)			(3,221)			(1,968)			5,253			(11,021)		
	30,994			47,589			57,061			60,607			196,251		
Rupees	58,1924			53,9707			54,6004			47,7447			49,9777		
Net asset value per unit as at the beginning of the year	61.6837			59.1490			60.6014			49.9777					

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

		For the year ended June 30, 2021				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the year before taxation	75,070	24,348	18,806	72,410	190,634	
Adjustments for						
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	6.1	4,566	1,309	971	(14,311)	(7,465)
	79,636	25,657	19,777	58,099	183,169	
(Increase) / decrease in assets						
Investments - net	(63,142)	(30,730)	(84,083)	175,407	(2,548)	
Profit receivable on saving accounts with banks	3	(2)	(22)	8	(13)	
	(63,139)	(30,732)	(84,105)	175,415	(2,561)	
Increase / (decrease) in liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	31	42	12	(11)	74	
Payable to Central Depository Company of Pakistan Limited - Trustee	4	1	5	2	12	
Payable to Meezan Bank Limited	13	10	3	-	26	
Payable to the Securities and Exchange Commission of Pakistan (SECP)	3	(1)	(1)	(22)	(21)	
Accrued expenses and other liabilities	1,256	409	377	1,170	3,212	
	1,307	461	396	1,139	3,303	
Net cash generated from / (used in) operating activities	17,804	(4,614)	(63,932)	234,653	183,911	
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	154,247	101,343	255,213	611	511,414	
Payments against redemption and conversion of units	(167,154)	(98,617)	(197,810)	(234,895)	(698,476)	
Dividend paid	(40)	(112)	-	(1,184)	(1,336)	
Net cash (used in) / generated from financing activities	(12,947)	2,614	57,403	(235,468)	(188,398)	
Net increase / (decrease) in cash and cash equivalents during the year						
	4,857	(2,000)	(6,529)	(815)	(4,487)	
Cash and cash equivalents at the beginning of the year	1,858	2,265	7,687	1,318	13,128	
Cash and cash equivalents at the end of the year	5	6,715	265	1,158	503	8,641

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021



Meezan
Financial Planning
Fund of Funds

		For the year ended June 30, 2020					
Note		Aggressive	Moderate	Conservative	MAAP-I	Total	
		(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES							
	Net income for the year before taxation	15,753	12,763	17,865	8,149	54,530	
	Adjustments for						
	Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	6	11,085	3,221	1,968	(5,253)	11,021
		26,838	15,984	19,833	2,896	65,551	
	Decrease / (increase) in assets						
	Investments - net	63,871	78,461	73,860	279,535	495,727	
	Receivable against investments	-	-	-	-	-	
	Profit receivable on saving accounts with banks	22	19	7	(8)	40	
		63,893	78,480	73,867	279,527	495,767	
	(Decrease) / increase in liabilities						
	Payable to Al Meezan Investment Management Limited - Management Company	(37)	(12)	10	(25)	(64)	
	Payable to Central Depository Company of Pakistan Limited - Trustee	(16)	(11)	(9)	(35)	(71)	
	Payable to Meezan Bank Limited	2	1	2	-	5	
	Payable to the Securities and Exchange Commission of Pakistan (SECP)	(379)	(204)	(203)	(627)	(1,413)	
	Accrued expenses and other liabilities	664	377	395	413	1,849	
		234	151	195	(274)	306	
	Net cash generated from operating activities	90,965	94,615	93,895	282,149	561,624	
CASH FLOWS FROM FINANCING ACTIVITIES							
	Receipts against issuance and conversion of units	124,355	28,772	99,301	1,419	253,847	
	Payments against redemption and conversion of units	(216,991)	(125,001)	(190,370)	(281,287)	(813,649)	
	Dividend paid	(2,236)	(487)	-	(1,688)	(4,411)	
	Net cash used in financing activities	(94,872)	(96,716)	(91,069)	(281,556)	(564,213)	
	Net (decrease) / increase in cash and cash equivalents during the year	(3,907)	(2,101)	2,826	593	(2,589)	
	Cash and cash equivalents at the beginning of the year	5,765	4,366	4,861	725	15,717	
	Cash and cash equivalents at the end of the year	5	1,858	2,265	7,687	1,318	13,128

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on July 27, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Fund is registered as a Notified entity under the NBFC Regulations issued through S.R.O.1203(I)/2008 on November 21, 2008. The registered office of the Management Company of the Fund, is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for Meezan Asset Allocation Plan-I (MAAP-I) in which the offer of units is discontinued after the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unit holders. The units of plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** Title to the assets of the Fund are held in the name of CDC as Trustee of the Fund. The Fund property of different types of allocation plans shall be accounted for and maintained separately in books of accounts, which shall collectively constitute the Fund property of the Scheme.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under the Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Act for registration.
- 1.7** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and Meezan Asset Allocation Plan - I by investing in Shariah compliant income, money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP. A brief description of the plans are as follows:

Aggressive Allocation Plan (Aggressive)	High risk - Long term investor This plan invests at least 65 percent of its net assets in Shariah Compliant Equity Funds and the remaining portion in Shariah Compliant Fixed Income Funds.
Moderate Allocation Plan (Moderate)	Moderate risk - Medium and long term investor This plan invests at least 45 percent of its net assets in Shariah Compliant Equity Funds and at the remaining portion in Shariah Compliant Fixed Income Funds.
Conservative Allocation Plan (Conservative)	Low risk - Medium and short term investor This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds and the remaining portion in Shariah Compliant Fixed Income Funds.
Meezan Asset Allocation Plan I (MAAP-I)	Low risk - High return through asset allocation The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2018, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan had a revised maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017). During the current year, the SECP approved the extension of the plan by one year vide its letter No. SCD / AMCW / MFPFEF / 137 / 2019 dated November 13, 2019. Further, after the expiry of first extension, during the current year, the SECP again approved the extension of the plan further by one year vide its letter dated November 24, 2020.

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

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These 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, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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

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

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

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments 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 judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6) and provision for taxation (note 4.14 and 14).

3.5 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 are measured at their respective fair values.

3.6 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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 presented.

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification

4.3.2.1 Debt instruments

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

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

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.3 Subsequent measurement

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

Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme 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.

4.3.4 Impairment

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

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

4.3.5 Regular way contracts

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

4.3.6 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.

4.3.7 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.

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 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.

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan 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.

4.9 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 applications are received. The offer price of each allocation plan represents the net assets value (NAV) 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 (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 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 the 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 year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

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

4.12 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) 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.
- (iii) Profit on balances with banks is recognised on a time proportion basis using the effective yield method.
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

4.13 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.

4.14 Taxation

Current

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

Deferred

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

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

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

4.15 Earnings / (loss) per unit

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

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

4.16 Foreign currency translation

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

5 BALANCES WITH BANKS

		As at June 30, 2021				
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Saving accounts	5.1	6,288	255	1,148	493	8,184
Current accounts		427	10	10	10	457
		<u>6,715</u>	<u>265</u>	<u>1,158</u>	<u>503</u>	<u>8,641</u>
		As at June 30, 2020				
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Saving accounts	5.1	1,431	2,255	7,677	1,308	12,671
Current accounts		427	10	10	10	457
		<u>1,858</u>	<u>2,265</u>	<u>7,687</u>	<u>1,318</u>	<u>13,128</u>

- 5.1 These includes a balance of Rs. 7.814 million (2020: Rs. 12.333 million) maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.5% (2020: 3.00%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 1.50% to 7.32% per annum (2020: 1.50% to 7.50% per annum).

6 INVESTMENTS

		As at June 30, 2021				
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Investments - 'at fair value through profit or loss'	6.1	<u>347,785</u>	<u>150,037</u>	<u>226,644</u>	<u>168,374</u>	<u>892,840</u>
		As at June 30, 2020				
	Note	Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Investments - 'at fair value through profit or loss'	6.1	<u>289,209</u>	<u>120,616</u>	<u>143,532</u>	<u>329,470</u>	<u>882,827</u>

6.1 At fair value through profit or loss - Units of mutual Funds

Name of investee Funds	As at July 1, 2020	Purchases during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised appreciation / (diminution) as at June 30, 2021	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of investments
	----- (Number of units) -----					----- (Rupees in '000) -----			(Percentage)
Aggressive Allocation Plan									
Meezan Islamic Fund	4,834,002	4,403,495	5,115,292	4,122,205	265,829	261,249	(4,580)	75.09	75.12
Meezan Islamic Income Fund	1,226,417	2,201,104	1,746,351	1,681,170	86,522	86,536	14	24.87	24.88
					<u>352,351</u>	<u>347,785</u>	<u>(4,566)</u>	<u>99.96</u>	<u>100.00</u>
Moderate Allocation Plan									
Meezan Islamic Fund	1,412,939	1,715,548	1,941,046	1,187,441	76,575	75,255	(1,320)	51.55	50.16
Meezan Islamic Income Fund	1,059,598	3,599,442	3,206,209	1,452,831	74,771	74,782	11	51.23	49.84
					<u>151,346</u>	<u>150,037</u>	<u>(1,309)</u>	<u>102.78</u>	<u>100.00</u>
Conservative Allocation Plan									
Meezan Islamic Fund	880,333	1,366,521	1,348,577	898,278	57,927	56,929	(998)	25.37	25.12
Meezan Islamic Income Fund	1,988,863	5,120,907	3,812,648	3,297,122	169,688	169,715	27	75.65	74.88
					<u>227,615</u>	<u>226,644</u>	<u>(971)</u>	<u>101.02</u>	<u>100.00</u>
Meezan Asset Allocation Plan I									
Al Meezan Mutual Fund	3,382,999	7,452,703	7,077,440	3,758,262	67,436	66,321	(1,115)	42.45	39.39
Meezan Islamic Fund	1,984,594	1,148,071	3,132,666	-	-	-	-	-	-
Meezan Sovereign Fund	-	1,925,349	1,925,349	-	-	-	-	-	-
Meezan Islamic Income Fund	1,740,037	3,401,172	4,300,785	840,423	43,253	43,260	7	27.69	25.69
Meezan Dedicated Equity Fund	2,948,758	-	1,695,344	1,253,414	43,374	58,793	15,419	37.63	34.92
					<u>154,063</u>	<u>168,374</u>	<u>14,311</u>	<u>107.77</u>	<u>100.00</u>

Name of investee Funds	As at July 1, 2020	Purchases during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised appreciation / (diminution) as at June 30, 2021	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of investments
	----- (Number of units) -----				----- (Rupees in '000) -----			(Percentage)	
Total investments in units of mutual Funds									
Al Meezan Mutual Fund	3,382,999	7,452,703	7,077,440	3,758,262	67,436	66,321	(1,115)	7.58	7.43
Meezan Islamic Fund	9,111,868	8,633,635	11,537,581	6,207,924	400,331	393,433	(6,898)	44.99	44.07
Meezan Sovereign Fund	-	1,925,349	1,925,349	-	-	-	-	-	-
Meezan Islamic Income Fund	6,014,915	14,322,626	13,065,994	7,271,546	374,234	374,293	59	42.8	41.92
Meezan Dedicated Equity Fund	2,948,758	-	1,695,344	1,253,414	43,374	58,793	15,419	6.72	6.58
					885,375	892,840	7,465	102.09	100.00

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	As at June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Remuneration payable	4	3	8	1	16
Sindh Sales Tax on remuneration of Management Company	1	-	1	-	2
Sales load payable	28	35	-	-	63
Sindh Sales Tax on sales load	4	5	-	-	9
Allocated expenses payable	17	13	34	15	79
	54	56	43	16	169
Note	As at June 30, 2020				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Remuneration payable	3	1	4	1	9
Sindh Sales Tax on remuneration of Management Company	1	-	1	-	2
Sales load payable	9	2	-	-	11
Sindh Sales Tax on sales load	1	1	-	-	2
Allocated expenses payable	9	10	26	26	71
	23	14	31	27	95

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2020: 1%) per annum of the daily bank balance of the Fund during the year ended June 30, 2021. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** During the year, an amount of Rs 0.023 million (2020: Rs 0.040 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2020: 13%) and an amount of Rs. 0.023 million (2020: Rs. 0.035 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has charged 0.1% of the average annual net assets of the Fund for allocation of such expenses to the Fund from July 1, 2020 till March 9, 2021 and 0.11% with effect from March 10, 2021 subject to not being higher than the actual expense. These expenses have also been approved by the Board of Directors of the Management Company. (2020: 0.1%).

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		As at June 30, 2021				
Note		Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Remuneration payable	8.1	23	7	20	10	60
Sindh Sales Tax on remuneration payable to the Trustee	8.2	3	1	3	1	8
		<u>26</u>	<u>8</u>	<u>23</u>	<u>11</u>	<u>68</u>
		As at June 30, 2020				
Note		Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Remuneration payable	8.1	19	6	16	8	49
Sindh Sales Tax on remuneration payable to the Trustee	8.2	3	1	2	1	7
		<u>22</u>	<u>7</u>	<u>18</u>	<u>9</u>	<u>56</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at 0.07% (2020: 0.07%) per annum based on the daily net assets of the Fund.

8.2 During the current year, an amount of Rs 0.08 million (2020: Rs. 0.09 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2020: 13%) and an amount of Rs. 0.079 million (2020: Rs. 0.106 million) was paid to the Trustee which acts as a collecting agent.

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

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

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (2020: 0.02%) of net assets during the current year.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		As at June 30, 2021				
Note		Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Withholding tax payable		-	409	-	93	502
Capital gain tax payable		125	69	18	327	539
Provision for Sindh Workers' Welfare Fund	10.1	5,233	2,673	1,963	8,530	18,399
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	368	497	528	3,295	4,688
Shariah advisor fee payable		59	24	29	33	145
Auditors' remuneration payable		132	56	68	104	360
Printing charges payable		93	63	47	159	362
		<u>6,082</u>	<u>3,831</u>	<u>2,689</u>	<u>12,557</u>	<u>25,159</u>
		As at June 30, 2020				
Note		Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
Withholding tax payable		310	505	-	359	1,174
Capital gain tax payable		115	69	35	318	537
Provision for Sindh Workers' Welfare Fund	10.1	3,701	2,176	1,579	7,052	14,508
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	368	497	528	3,295	4,688
Shariah advisor fee payable		50	21	24	53	148
Auditors' remuneration payable		117	51	63	135	366
Printing charges payable		93	63	47	159	362
		<u>4,826</u>	<u>3,422</u>	<u>2,312</u>	<u>11,387</u>	<u>21,947</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2021, the net asset value (NAV) per unit of the Fund as at June 30, 2021 would have been higher by Re 1.18 / 1.50%, 1.31 / 1.83%, 0.60 / 0.87%, 3.47 / 5.46%, for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I, respectively. (2020: by Re 0.81 / 50%, 0.47 / 13%, 0.34 / 32% and 1.54 / 3% for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I, respectively).

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.44 million, Rs 0.537 million, Rs 0.564 million and Rs 3.31 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I respectively is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision of FED not been made, the Net Asset Value of the Fund as at June 30, 2021 would have been higher by Re. 0.10, Re 0.26, Re. 0.17 and Re.1.35 per unit in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I (2020: Re 0.10, Re 0.27, Re 0.24 and Re 0.52 per unit) respectively.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

12 AUDITORS' REMUNERATION

	For the year ended June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Statutory audit fee	139	59	72	115	385
Half year review fee	50	21	24	56	151
Out of pocket expenses	10	4	5	11	30
	<u>199</u>	<u>84</u>	<u>101</u>	<u>182</u>	<u>566</u>
	For the year ended June 30, 2020				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Statutory audit fee	128	52	70	141	391
Half year review fee	45	25	25	70	165
Out of pocket expenses	8	5	5	15	33
	<u>181</u>	<u>82</u>	<u>100</u>	<u>226</u>	<u>589</u>

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2021 are:

	As at June 30, 2021			
	Aggressive	Moderate	Conservative	MAAP-I
Total Expense Ratio (TER)	0.82%	0.73%	0.60%	0.90%
Government levies	0.51%	0.40%	0.27%	0.60%

	As at June 30, 2020			
	Aggressive	Moderate	Conservative	MAAP-I
Total Expense Ratio (TER)	0.41%	0.51%	0.54%	0.37%
Government levies	0.13%	0.22%	0.25%	0.08%

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

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. No provision for taxation has been made in these financial statements during the year since the income of the Fund mostly pertains to capital gains (realised and unrealised).

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

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

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

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

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

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

Balances	As at June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Al Meezan Investment Management Limited - Management Company					
Remuneration payable to the Management Company (Rs in '000)	4	3	8	1	16
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	1	-	1	-	2
Sales load payable (Rs in '000)	28	35	-	-	63
Sindh Sales Tax on sales load payable (Rs in '000)	4	5	-	-	9
Allocated expenses payable (Rs in '000)	17	13	34	15	79
Investment (Rs in '000)	-	-	8,582	-	8,582
Investment (Units)	-	-	125,407	-	125,407

Balances**As at June 30, 2021****Meezan Bank Limited**

Bank balance (Rs in '000)

Profit receivable (Rs in '000)

Sales load payable (Rs in '000)

Aggressive	Moderate	Conservative	MAAP-I	Total
6,459	30	948	377	7,814
4	12	32	4	52
16	11	5	-	32

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee (Rs in '000)

Sindh Sales Tax on remuneration of the Trustee (Rs in '000)

23	7	20	10	60
3	1	3	1	8

Meezan Islamic Fund

Investment (Rs in '000)

Investment (Units)

261,249	75,255	56,929	-	393,433
4,122,205	1,187,441	898,278	-	6,207,924

Al Meezan Mutual Fund

Investment (Rs in '000)

Investment (Units)

-	-	-	66,321	66,321
-	-	-	3,758,262	3,758,262

Meezan Islamic Income Fund

Investment (Rs in '000)

Investment (Units)

86,536	74,782	169,715	43,260	374,293
1,681,170	1,452,831	3,297,122	840,423	7,271,546

Meezan Dedicated Equity Fund

Investment (Rs in '000)

Investment (Units)

-	-	-	58,793	58,793
-	-	-	1,253,414	1,253,414

Unit Holders holding 10% or more units of the Fund

Investment (Rs in '000)

Investment (Units)

198,218	-	94,731	96,074	389,023
2,526,030	-	1,384,210	1,510,678	5,420,919

Balances**As at June 30, 2020****Al Meezan Investment Management Limited - Management Company**

Remuneration payable to the Management Company (Rs in '000)

Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)

Sales load payable (Rs in '000)

Sindh Sales Tax on sales load payable (Rs in '000)

Allocated expenses payable (Rs in '000)

Investment (Rs in '000)

Investment (Units)

Aggressive	Moderate	Conservative	MAAP-I	Total
3	1	4	1	9
1	-	1	-	2
9	2	-	-	11
1	1	-	-	2
9	10	26	26	71
-	-	7,600	-	7,600
-	-	125,407	-	125,407

Meezan Bank Limited

Bank balance (Rs in '000)

Profit receivable (Rs in '000)

Sales load payable (Rs in '000)

1,611	2,037	7,484	1,201	12,333
10	7	11	15	43
3	1	2	-	6

Balances
Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee (Rs in '000)

Sindh Sales Tax on remuneration of the Trustee (Rs in '000)

Directors and Executives of the Management Company

Investment (Rs in '000)

Investment (Units)

Meezan Islamic Fund

Investment (Rs in '000)

Investment (Units)

Al Meezan Mutual Fund

Investment (Rs in '000)

Investment (Units)

Meezan Islamic Income Fund

Investment (Rs in '000)

Investment (Units)

Meezan Dedicated Equity Fund

Investment (Rs in '000)

Investment (Units)

Unit Holders holding 10% or more units of the Fund

Investment (Rs in '000)

Investment (Units)

Transactions
Al Meezan Investment Management Limited - Management Company

Remuneration to the Management Company (Rs in '000)

Sindh Sales Tax on remuneration of the Management Company (Rs in '000)

Allocated expenses (Rs in '000)

Meezan Bank Limited

Profit on saving account (Rs in '000)

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee (Rs in '000)

Sindh Sales Tax on remuneration of the Trustee (Rs in '000)

Directors and Executives of the Management Company

Invested during the year (Rs in '000)

Invested during the year (Units)

Redeemed during the year (Rs in '000)

Redeemed during the year (Units)

As at June 30, 2020

Aggressive	Moderate	Conservative	MAAP-I	Total
19	6	16	8	49
3	1	2	1	7

1,194,752	6,211	31,876	-	1,232,839
19,369	105	526	-	20,000

226,091	66,084	41,174	92,821	426,170
4,834,002	1,412,939	880,333	1,984,594	9,111,868

-	-	-	45,057	45,057
-	-	-	3,382,999	3,382,999

63,118	54,532	102,358	89,552	309,560
1,226,417	1,059,598	1,988,863	1,740,037	6,014,915

-	-	-	58,793	102,040
-	-	-	1,253,414	2,948,758

156,621	12,713	52,946	161,801	384,081
2,539,103	214,928	873,679	3,237,467	6,865,177

For the year ended June 30, 2021

Aggressive	Moderate	Conservative	MAAP-I	Total
52	44	65	12	173
7	6	8	2	23
333	141	171	266	911

133	136	186	35	490
-----	-----	-----	----	-----

226	96	116	182	620
29	12	15	24	80

43,894	137	39,787	-	83,818
617,496	2,049	613,438	-	1,232,983
44,555	145	39,791	-	84,491
617,681	2,152	612,151	-	1,231,984

Transactions
Meezan Islamic Fund

Invested during the year (Rs in '000)

Invested during the year (Units)

Redeemed during the year (Rs in '000)

Redeemed during the year (Units)

Meezan Sovereign Fund

Invested during the year (Rs in '000)

Invested during the year (Units)

Redeemed during the year (Rs in '000)

Redeemed during the year (Units)

Al Meezan Mutual Fund

Invested during the year (Rs in '000)

Invested during the year (Units)

Redeemed during the year (Rs in '000)

Redeemed during the year (Units)

Meezan Islamic Income Fund

Invested during the year (Rs in '000)

Invested during the year (Units)

Redeemed during the year (Rs in '000)

Redeemed during the year (Units)

Dividend received during the year (Rs. in '000)

Dividend received during the year (Units)

Refund of capital during the year (Rs. in '000)

Refund of capital during the year (Units)

Meezan Dedicated Equity Fund

Invested during the year (Rs in '000)

Invested during the year (Units)

Redeemed during the year (Rs in '000)

Redeemed during the year (Units)

Transactions
Al Meezan Investment Management Limited - Management Company

Remuneration for the year / period (Rs in '000)

Sindh Sales Tax on management fee (Rs in '000)

Allocated expense (Rs in '000)

Meezan Bank Limited

Profit on saving account (Rs in '000)

Central Depository Company of Pakistan Limited - Trustee

Trustee fee for the year (Rs in '000)

Sindh Sales Tax on trustee fee (Rs in '000)

For the year ended June 30, 2021				
Aggressive	Moderate	Conservative	MAAP-I	Total
283,230	107,984	87,219	66,200	544,634
4,403,495	1,715,548	1,366,521	1,148,071	8,633,635
320,608	119,628	83,392	184,862	708,489
5,115,292	1,941,046	1,348,577	3,132,666	11,537,581
-	-	-	101,785	101,785
-	-	-	1,925,349	1,925,349
-	-	-	102,346	102,346
-	-	-	1,925,349	1,925,349
-	-	-	131,376	131,376
-	-	-	7,452,703	7,452,703
-	-	-	124,208	124,208
-	-	-	7,077,440	7,077,440
119,121	123,287	278,431	181,009	701,848
2,201,104	3,599,442	5,120,907	3,401,172	14,322,626
95,363	102,694	208,207	228,479	634,743
1,746,351	3,206,209	3,812,648	4,300,785	13,065,994
38	33	74	19	164
733	635	1,446	369	3,183
5,342	4,617	10,477	2,670	23,106
103,802	89,702	203,569	51,889	448,962
-	-	-	-	-
-	-	-	-	-
-	-	-	73,560	73,560
-	-	-	1,695,344	1,695,344
For the year ended June 30, 2020				
Aggressive	Moderate	Conservative	MAAP-I	Total
62	44	54	119	279
8	6	7	15	36
312	139	169	370	990
590	451	499	1,777	3,317
218	97	118	259	692
28	13	15	34	90

Transactions
Directors and Executives of the Management Company

Invested during the year / period (Rs in '000)

Invested during the year / period (Units)

Amount redeemed during the year / period (Rs in '000)

Redeemed during the year / period (Units)

For the year ended June 30, 2020				
Aggressive	Moderate	Conservative	MAAP-I	Total
81,517	6,745	73,226	-	161,489
1,275,810	117,647	1,245,604	-	2,639,060
79,888	6,730	75,082	-	161,700
1,258,259	117,545	1,274,766	-	2,650,569

Meezan Islamic Fund

Invested during the year / period (Rs. in '000)

Invested during the year / period (Units)

Redeemed during the year / period (Rs. in '000)

Redeemed during the year / period (Units)

Dividend received during the year / period (Rs. in '000)

Dividend received during the year / period (Units)

288,357	84,951	56,968	206,887	637,163
5,970,312	1,789,819	1,210,084	4,194,111	13,164,326
332,203	122,363	73,304	117,598	645,468
6,842,744	2,493,194	1,478,778	2,380,890	13,195,606
11,471	3,353	2,089	4,709	21,622
245,698	71,816	44,745	100,871	463,129

Meezan Sovereign Fund

Invested during the year / period (Rs. in '000)

Invested during the year / period (Units)

Redeemed during the year / period (Rs. in '000)

Redeemed during the year / period (Units)

-	-	-	284,149	284,149
-	-	-	5,128,218	5,128,218
-	-	-	489,976	489,976
-	-	-	8,903,500	8,903,500

Meezan Cash Fund

Invested during the year / period (Rs. in '000)

Invested during the year / period (Units)

Redeemed during the year / period (Rs. in '000)

Redeemed during the year / period (Units)

-	-	-	196,312	196,312
-	-	-	3,821,029	3,821,029
45,839	50,914	83,034	199,399	379,186
898,802	999,999	1,628,812	3,829,477	7,357,090

Al Meezan Mutual 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 during the year / period (Rs. in '000)

Dividend received during the year / period (Units)

-	-	-	112,472	112,472
-	-	-	4,360,492	4,360,492
-	-	-	61,000	61,000
-	-	-	4,360,492	4,360,492
-	-	-	1,473	1,473
-	-	-	110,736	110,736

Meezan Islamic Income Fund

Invested during the year / period (Rs. in '000)

Invested during the year / period (Units)

Redeemed during the year / period (Rs. in '000)

Redeemed during the year / period (Units)

Dividend received during the year / period (Rs. in '000)

Dividend received during the year / period (Units)

Refund of capital during the year / period (Rs. in '000)

Refund of capital during the year / period (Units)

132,159	101,946	184,329	377,008	795,441
2,529,578	1,963,666	3,556,659	7,160,104	15,210,007
122,360	104,931	176,897	291,700	695,888
2,185,175	1,885,388	3,166,184	5,420,067	12,656,814
44	38	71	62	215
856	739	1,388	1,214	4,197
6,434	5,559	10,434	9,129	31,554
125,081	108,068	202,842	177,474	613,465

Meezan Dedicated Equity Fund

Invested during the year / period (Rs. in '000)

Invested during the year / period (Units)

Redeemed during the year / period (Rs. in '000)

Redeemed during the year / period (Units)

-	-	-	89,630	89,630
-	-	-	2,108,051	2,108,051
-	-	-	382,316	382,316
-	-	-	10,428,442	10,428,442

Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2021			2020		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000			Rupees in '000		
Financial assets						
Balances with banks	8,641	-	8,641	13,128	-	13,128
Investments	-	892,840	892,840	-	882,827	882,827
Receivable against conversion of units	376	-	376	193	-	193
Profit receivable on saving accounts with banks	57	-	57	44	-	44
	<u>9,074</u>	<u>892,840</u>	<u>901,914</u>	<u>13,365</u>	<u>882,827</u>	<u>896,192</u>
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	169	-	169	95	-	95
Payable to Central Depository Company of Pakistan Limited - Trustee	68	-	68	56	-	56
Payable to Meezan Bank Limited	32	-	32	6	-	6
Payable on redemption and conversion of units	1,826	-	1,826	9,248	-	9,248
Dividend Payable	-	-	-	1,336	-	1,336
Accrued expenses and other liabilities	867	-	867	876	-	876
	<u>2,962</u>	<u>-</u>	<u>2,962</u>	<u>11,617</u>	<u>-</u>	<u>11,617</u>

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 interest rates. As of June 30, 2021, 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. 0.082 million (2020: Rs. 0.127 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, 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 and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 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, 2021 can be determined as follows:

----- As at June 30, 2021 -----					
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					
Balance with banks	1.50% to 7.32%	8,184	-	457	8,641
Investments		-	-	892,840	892,840
Receivable against conversion of units		-	-	376	376
Profit receivable on saving accounts with banks		-	-	57	57
		8,184	-	893,730	901,914
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	169	169
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	68	68
Payable to Meezan Bank Limited		-	-	32	32
Payable on redemption and conversion of units		-	-	1,826	1,826
Accrued expenses and other liabilities		-	-	867	867
		-	-	2,962	2,962
On-balance sheet gap (a)		8,184	-	890,768	898,952
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		8,184	-	-	-
Cumulative profit rate sensitivity gap		8,184	8,184	8,184	-

----- As at June 30, 2020 -----					
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					
Balance with banks	1.50% to 7.50%	12,671	-	457	13,128
Investments		-	-	882,827	882,827
Receivable against conversion of units		-	-	193	193
Profit receivable on saving accounts with banks		-	-	44	44
		12,671	-	883,521	896,192
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	95	95
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	56	56
Payable to Meezan Bank Limited		-	-	6	6
Payable on redemption and conversion of units		-	-	9,248	9,248
Dividend Payable		-	-	1,336	1,336
Accrued expenses and other liabilities		-	-	876	876
		-	-	11,617	11,617
On-balance sheet gap (a)		12,671	-	871,904	884,575
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		12,671	-	-	-
Cumulative profit rate sensitivity gap		12,671	12,671	12,671	-

17.1.1 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.

17.1.2 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.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by the SECP from time to time.

In case of 1% increase / decrease in equity prices as at June 30, 2021 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 8.928 million (2020: Rs. 8.828 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

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:

	Maturity up to						2021
One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total	
----- (Rupees in '000) -----							
Financial assets							
Balances with banks	8,641	-	-	-	-	8,641	
Investments	-	-	-	-	892,840	892,840	
Receivable against conversion of units	376	-	-	-	-	376	
Profit receivable on saving accounts with banks	57	-	-	-	-	57	
	9,074	-	-	-	892,840	901,914	
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	169	-	-	-	-	169	
Payable to Central Depository Company of Pakistan Limited - Trustee	68	-	-	-	-	68	
Payable to Meezan Bank Limited	32	-	-	-	-	32	
Payable on redemption and conversion of units	1,826	-	-	-	-	1,826	
Accrued expenses and other liabilities	362	505	-	-	-	867	
	2,457	505	-	-	-	2,962	
	6,617	(505)	-	-	892,840	898,952	

	Maturity up to						2020
	One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)							
Financial assets							
Balances with banks	13,128	-	-	-	-	-	13,128
Investments	-	-	-	-	-	882,827	882,827
Receivable against conversion of units	193	-	-	-	-	-	193
Profit receivable on saving accounts with banks	44	-	-	-	-	-	44
	13,365	-	-	-	-	882,827	896,192
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	95	-	-	-	-	-	95
Payable to Central Depository Company of Pakistan Limited - Trustee	56	-	-	-	-	-	56
Payable to Meezan Bank Limited	6	-	-	-	-	-	6
Payable on redemption and conversion of units	9,248	-	-	-	-	-	9,248
Dividend payable	1,336	-	-	-	-	-	1,336
Accrued expenses and other liabilities	362	514	-	-	-	-	876
	11,103	514	-	-	-	-	11,617
	2,262	(514)	-	-	-	882,827	884,575

17.3 Credit risk

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:

2021		2020	
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)			
8,641	8,641	13,128	13,128
892,840	-	882,827	-
376	376	193	193
57	57	44	44
901,914	9,074	896,192	13,365

Financial assets

Balances with banks
Investments
Receivable against conversion of units
Profit receivable on saving accounts

17.3.1 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, receivable against sale of units and receivable against sale of investments. The credit rating profile of balances with banks is as follows:

	As at June 30, 2021		As at June 30, 2020	
	(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AAA	7,357	85.15	-	-
AA+	818	9.47	12,679	96.58
AA	461	5.34	446	3.40
AA-	-	-	-	-
A+	5	0.04	3	0.02
	8,641	100.00	13,128	100.00

None of the financial assets were considered to be past due or impaired as on June 30, 2021.

The Fund does not have any collateral against any of the aforementioned assets.

18 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the '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, 2008 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.

19 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

	2021			2020		
	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	-	892,840	-	-	882,827	-
	-	892,840	-	-	882,827	-

20 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty One years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Five years
Mr. Taha Javed	Head of Equity	CFA / MBA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fourteen years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Eleven years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Fourteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Twelve years
Mr. Ali Asghar	Head of Research	CFA / MBA (in progress)	Ten years

CONSERVATIVE						
----- As at June 30, 2021 -----			----- As at June 30, 2020 -----			
Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	
Individuals	340	104,814	46.72	296	76,998	53.52
Associated company	1	8,582	3.83	1	7,600	5.28
Retirement Funds	5	110,852	49.40	4	59,188	41.14
Others	1	104	0.05	1	93	0.06
Total	347	224,352	100.00	302	143,879	100.00

MAAP-I						
----- As at June 30, 2021 -----			----- As at June 30, 2020 -----			
Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	
Individual	112	60,171	38.51	156	101,935	32.04
Retirement Funds	-	-	-	4	131,341	41.29
Others	3	96,074	61.49	5	84,843	26.67
Total	115	156,245	100.00	165	318,119	100.00

23 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.

24 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company on Aug 9, 2021 and further amended on Sep 14, 2021 to incorporate the subsequent event as disclosed in note 25.3 of the financial statements.

25 GENERAL

25.1 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

25.3 Subsequent events

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF not been incorporated in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2021, the net asset value (NAV) of the Fund as at June 30, 2021 would have been higher by Re 1.18 / 1.50%, 1.31 / 1.83%, 0.60 / 0.87%, 3.47 / 5.46%, for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I, respectively. (2020: by Re 0.81 / 50%, 0.47 / 13%, 0.34 / 32% and 1.54 / 3% for Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I, respectively).

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

Chief Executive

Chief Financial Officer

Director

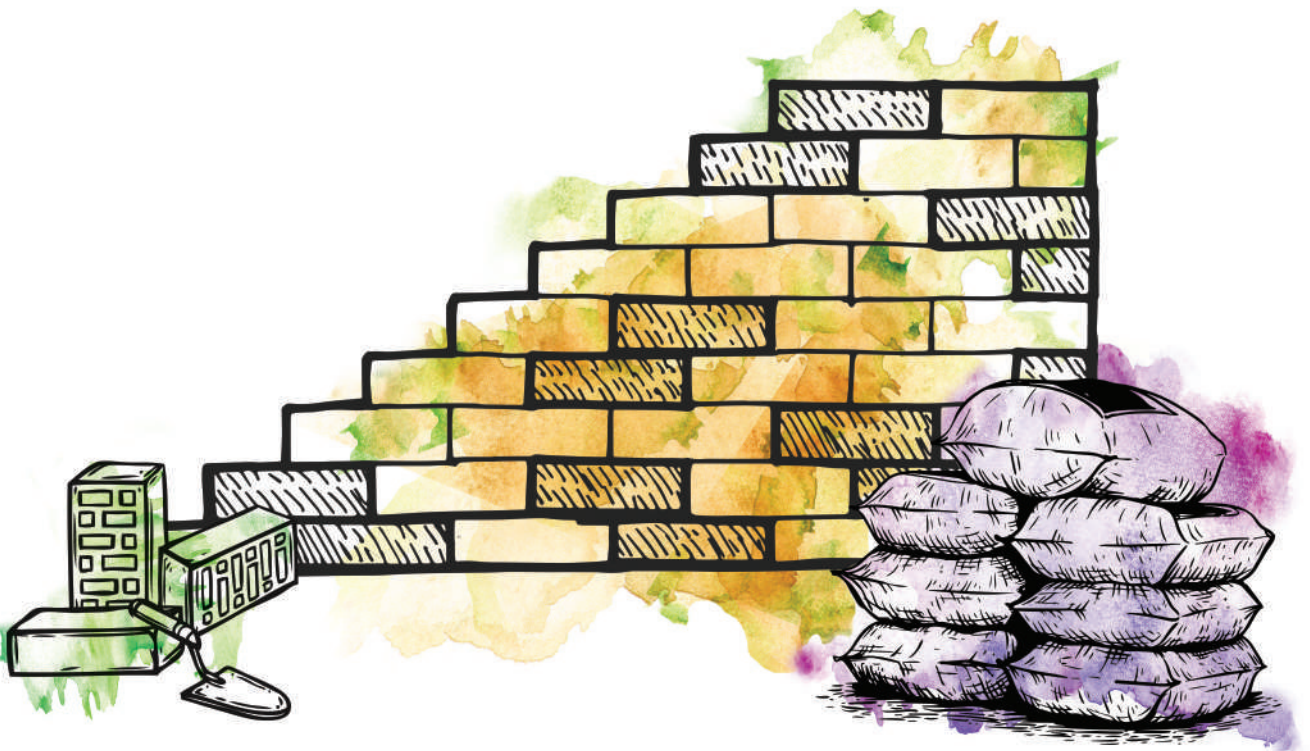


Al Meezan
Investment Management Ltd.

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.



CEMENT SECTOR REPORTED A SURGE OF



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

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

REPORT OF THE FUND MANAGER

Meezan Strategic Allocation Fund (MSAF)

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 - FY21	
MSAP I	26.96%
Benchmark	30.07%
MSAPII	26.29%
Benchmark	29.94%
MSAP III	27.13%
Benchmark	29.92%
MSAP IV	27.49%
Benchmark	30.08%
MSAP V	28.25%
Benchmark	29.80%
MCPPIII	7.72%
Benchmark	3.98%

Meezan Strategic Allocation Plan - I

The Meezan Strategic Allocation Plan – I posted a total income of Rs. 210 million in FY21 as compared to total income of Rs. 60 million last year. Total income comprised of realized and unrealized gains on investments of Rs. 174 million and Rs. 36 million respectively. Dividend income comprised of Rs. 0.58 million. After accounting for expenses of Rs. 6 million, the Fund posted a net income of Rs. 204 million. The net assets of the Fund as at June 31, 2021 were Rs. 674 million as compared to Rs. 793 million at the end of last year depicting a decline of 15%.

Meezan Strategic Allocation Plan - II

The Meezan Strategic Allocation Plan – II posted a total income of Rs. 111 million in FY21 as compared to total income of Rs. 32 million last year. Total income comprised of realized gain and unrealized loss on investments of Rs. 111 million and Rs. 0.70 million respectively. Dividend income comprised of Rs. 0.40 million. After accounting for expenses of Rs. 3 million, the Fund posted a net income of Rs. 108 million. The net assets of the Fund as at June 30, 2021 were Rs. 452 million as compared to Rs. 453 million at the end of last year depicting a decline of 0.22%.

Meezan Strategic Allocation Plan - III

The Meezan Strategic Allocation Plan – III posted a total income of Rs. 158 million in FY21 as compared to total gain of Rs. 58 million last year. Total income comprised of realized and unrealized gain on investments of Rs. 125 million and Rs. 32 million respectively. Dividend income comprised of Rs. 0.39 million. After accounting for expenses of Rs. 5 million, the Fund posted a net income of Rs. 153 million. The net assets of the Fund as at June 30, 2021 were Rs. 501 million as compared to Rs. 746 million at the end of last year depicting a decline of 33%.

Meezan Strategic Allocation Plan - IV

The Meezan Strategic Allocation Plan – IV posted a total income of Rs. 125 million in FY21 as compared to total income of Rs. 68 million last year. Total profit comprised of realized and unrealized gain on investments of Rs. 96 million and Rs. 28 million respectively. Dividend income comprised of Rs. 0.21 million. After accounting for expenses of Rs. 3 million, the Fund posted a net income of Rs. 121 million. The net assets of the Fund as at June 30, 2021 were Rs. 213 million as compared to Rs. 751 million at the end of last year depicting a decline of 72%

Meezan Strategic Allocation Plan - V

The Meezan Strategic Allocation Plan – V posted a total income of Rs. 36 million in FY21 as compared to total income of Rs. 12 million last year. Total income comprised of realized and unrealized gain on investments of Rs. 25 million and Rs. 11 million respectively. Dividend income comprised of Rs. 0.05 million. After accounting for expenses of Rs. 1 million, the Fund posted a net income of Rs. 35 million. The net assets of the Fund as at June 30, 2021 were Rs. 63 million as compared to Rs. 196 million at the end of last year depicting a decline of 68%.

Meezan Capital Preservation Plan – III

The Meezan Capital Preservation Plan – III posted a total income of Rs. 28 million in FY21 as compared to total income of Rs. 22 million last year. Total income comprised of realized and unrealized gain on investments and Rs. 22 million and Rs. 1 million respectively. Dividend income and profit on saving account with banks comprised of Rs. 5 million and 0.08 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net income of Rs. 27 million. The net assets of the Fund as at June 30, 2021 were Rs. 265 million as compared to Rs. 416 million at the end of last year depicting a decline of 36%.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2021 was nil.

Breakdown of unit holdings by size

(As on June 30, 2021)

Range (Units)	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III
	No. of investor	No. of investors	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	118	155	71	74	37	171
10,000 - 49,999	87	62	68	60	18	52
50,000 - 99,999	20	15	18	13	4	16
100,000 - 499,999	24	9	23	10	3	8
500,000 and above	5	4	3	0	0	0
Total	254	245	183	157	62	247



Meezan Bank
The Premier Islamic Bank



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

August 2, 2021/ Dhu Al-Hijjah 22, 1442

Alhamdulillah, the period from July 1, 2020 to June 30, 2021 was the Fifth 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 *Shariah* 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 *Shariah* 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, 2021 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
Shariah Advisor

Meezan Bank Ltd.

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
PABX: (92-21) 38103500 UAN:111-331-331 & 111-331-332 www.meezanbank.com

Head Office:

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S.M.C.H.S., Main Shakra-e-Faisal
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Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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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, 2021 in accordance with the provisions of the following:

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

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

Karachi, September 16, 2021

INDEPENDENT AUDITOR'S REPORT

To the Unit holders 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, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year 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, 2021, and of its financial performance and its cash flows for the year 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 is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2021 amounted to Rs 2,189.463 million. The proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> Tested the design and operating effectiveness of the key controls for valuation of investments; 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.

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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>



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.

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.

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A.F. FERGUSON & Co.

- 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.

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 Requirements

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.

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


Chartered Accountants

Karachi

Date: September 15, 2021

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021**



Meezan
Strategic Allocation Fund

		June 30, 2021						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total	
----- (Rupees in '000) -----								
Assets								
Balances with banks	5	1,136	201	51	56	1,389	859	3,692
Investments	6	683,177	455,168	505,400	216,718	63,274	265,726	2,189,463
Profit receivable on saving account with banks		5	1	-	1	3	2	12
Total assets		684,318	455,370	505,451	216,775	64,666	266,587	2,193,167
Liabilities								
Payable to AI Meezan Investment Management Limited - Management Company	7	69	42	46	19	7	25	208
Payable to Central Depository Company of Pakistan Limited - Trustee	8	49	31	33	15	4	17	149
Payable to the Securities and Exchange Commission of Pakistan	9	166	91	113	70	21	71	532
Payable against redemption and conversion of units		-	-	-	-	710	-	710
Accrued expenses and other liabilities	10	10,370	3,003	4,474	4,002	1,051	1,704	24,604
Total liabilities		10,654	3,167	4,666	4,106	1,793	1,817	26,203
NET ASSETS		673,664	452,203	500,785	212,669	62,873	264,770	2,166,964
UNIT HOLDERS' FUND (as per statement attached)		673,664	452,203	500,785	212,669	62,873	264,770	2,166,964
CONTINGENCIES AND COMMITMENTS	11	----- (Number of units) -----						
NUMBER OF UNITS IN ISSUE		14,390,571	9,732,527	11,059,083	4,595,508	1,162,592	4,834,137	
----- (Rupees) -----								
NET ASSET VALUE PER UNIT		46.8129	46.4631	45.2827	46.2775	54.0799	54.7709	

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021**

		June 30, 2020					
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)							
Assets							
Balances with banks	5	3,633	59	51	958	725	6,477
Investments	6	804,843	457,410	754,757	758,874	196,368	3,389,974
Receivable against sale of investments		130	-	-	-	490	620
Profit receivable on saving account with banks		27	12	5	9	1	110
Total assets		808,633	457,481	754,813	759,841	197,094	3,397,181
Liabilities							
Payable to AI Meezan Investment Management Limited - Management Company	7	67	37	63	65	22	290
Payable to Central Depository Company of Pakistan Limited - Trustee	8	52	29	49	48	12	217
Payable to the Securities and Exchange Commission of Pakistan	9	179	104	161	171	46	815
Payable against purchase of investments		130	-	-	52	-	182
Payable against redemption and conversion of units		-	48	50	-	1,484	1,582
Dividend Payable		1,493	1,367	807	651	150	4,468
Accrued expenses and other liabilities	10	13,366	3,278	7,676	7,676	1,275	34,602
Total liabilities		15,287	4,863	8,806	8,663	1,505	42,156
NET ASSETS		793,346	452,618	746,007	751,178	195,589	3,355,025
UNIT HOLDERS' FUND (as per statement attached)		793,346	452,618	746,007	751,178	195,589	3,355,025
CONTINGENCIES AND COMMITMENTS	11	----- (Number of units) -----					
NUMBER OF UNITS IN ISSUE		21,516,084	12,302,840	20,944,130	20,694,885	4,638,354	8,186,979
		----- (Rupees) -----					
NET ASSET VALUE PER UNIT		36.8722	36.7897	35.6189	36.2977	42.1678	50.8475

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021



For the year ended June 30, 2021							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
(Rupees in '000)							
Income							
Net realised gain on sale of investments	173,629	111,242	125,322	95,971	25,061	21,645	552,870
Profit on saving accounts with banks	80	47	102	66	25	87	407
Dividend income	584	403	390	211	57	4,847	6,492
	174,293	111,692	125,814	96,248	25,143	26,579	559,769
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	36,094	(705)	32,181	28,360	11,047	1,411
Total income	210,387	110,987	157,995	124,608	36,190	27,990	668,157
Expenses							
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	34	13	12	19	17	111
Sindh Sales Tax on remuneration of the Management Company	7.2	4	2	2	2	2	14
Allocated expenses	7.3	855	469	580	361	106	2,735
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	581	318	394	247	73	1,861
Sindh Sales Tax on remuneration of the Trustee	8.2	76	41	51	32	9	241
Annual fee to the Securities and Exchange Commission of Pakistan	9	166	91	113	71	71	533
Auditors' remuneration	12	169	92	121	80	55	540
Fees and subscription		121	66	82	51	53	388
Provision for Sindh Workers' Welfare Fund	10.1	4,167	2,196	3,132	2,475	543	13,231
Bank and settlement charges		27	73	31	15	1	158
Total expenses		6,200	3,361	4,518	3,353	994	19,812
Net income for the year before taxation		204,187	107,626	153,477	121,255	35,196	648,345
Taxation	14	-	-	-	-	-	-
Net income for the year after taxation		204,187	107,626	153,477	121,255	35,196	648,345
Allocation of net income for the year							
Net income for the year after taxation		204,187	107,626	153,477	121,255	35,196	648,345
Income already paid on units redeemed		(61,136)	(13,555)	(46,810)	(75,465)	(7,598)	(225,911)
		143,051	94,071	106,667	45,790	13,849	422,434
Accounting income available for distribution							
- Relating to capital gains		143,051	94,071	106,667	45,790	13,849	422,434
- Excluding capital gains		-	-	-	-	-	-
		143,051	94,071	106,667	45,790	13,849	422,434

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

MEEZAN STRATEGIC ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

For the year ended June 30, 2020							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
(Rupees in '000)							
Income							
Net realised (loss) / gain on sale of investments	(7,933)	17,546	23,124	35,734	5,005	(27,727)	45,749
Profit on saving accounts with banks	431	226	263	413	296	1,226	2,855
Dividend income	55,360	26,547	43,339	43,133	11,217	44,915	224,511
Other income	-	-	-	-	-	3,222	3,222
	47,858	44,319	66,726	79,280	16,518	21,636	276,337
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	12,668	(12,642)	(8,846)	(10,875)	148	(24,382)
Total income		60,526	31,677	57,880	68,405	11,683	251,955
Expenses							
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	42	29	26	17	55	239
Sindh Sales Tax on remuneration of the Management Company	7.2	5	3	3	2	7	29
Allocated expenses	7.3	884	511	797	847	229	4,025
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	619	358	558	593	160	2,818
Sindh Sales Tax on remuneration of the Trustee	8.2	80	47	73	77	21	367
Annual fee to Securities and Exchange Commission of Pakistan	9	179	104	161	171	46	815
Auditors' remuneration	12	144	85	126	134	37	641
Fees and subscription		66	38	59	62	17	297
Provision for Sindh Workers' Welfare Fund	10.1	1,170	610	1,121	1,330	222	4,852
Bank and settlement charges		6	5	-	-	3	46
Total expenses		3,195	1,790	2,924	3,233	797	14,129
Net income for the year before taxation		57,331	29,887	54,956	65,172	10,886	237,826
Taxation	14	-	-	-	-	-	-
Net income for the year after taxation		57,331	29,887	54,956	65,172	10,886	237,826
Allocation of net income for the year							
Net income for the year after taxation		57,331	29,887	54,956	65,172	10,886	237,826
Income already paid on units redeemed		(961)	(120)	(956)	(811)	(770)	(23,212)
		56,370	29,767	54,000	64,361	10,116	214,614
Accounting income available for distribution							
- Relating to capital gains		4,735	4,904	14,278	24,859	170	48,946
- Excluding capital gains		51,635	24,863	39,722	39,502	9,946	165,668
		56,370	29,767	54,000	64,361	10,116	214,614

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**



Meezan
Strategic Allocation Fund

	For the year ended June 30, 2021						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
	(Rupees in '000)						
Net income for the year after taxation	204,187	107,626	153,477	121,255	35,196	26,604	648,345
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	204,187	107,626	153,477	121,255	35,196	26,604	648,345

	For the year ended June 30, 2020						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
	(Rupees in '000)						
Net income for the year after taxation	57,331	29,887	54,956	65,172	10,886	19,594	237,826
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	57,331	29,887	54,956	65,172	10,886	19,594	237,826

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021		
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
Net assets at beginning of the year	1,349,651	(556,305)	793,346	847,501	(394,883)	452,618	1,221,095	(475,088)	746,007	1,245,128	(493,950)	751,178
Issuance of units:												
MSAP - I: nil units / MSAP - II: nil units												
MSAP - III: nil units / MSAP - IV: nil units												
MSAP - V: nil units / MCPP - III: nil units												
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of units:												
MSAP - I: 7,125,513 units / MSAP - II: 2,570,312 units												
MSAP - III: 9,885,047 units / MSAP - IV: 16,099,377 units												
MSAP - V: 3,475,762 units / MCPP - III: 3,352,842 units												
- Capital value (at net asset value per unit at the beginning of the year)	262,733	-	262,733	94,486	-	94,486	351,889	-	351,889	584,299	-	584,299
- Element of (income) / loss	-	61,136	61,136	-	13,555	13,555	-	46,810	46,810	-	75,465	75,465
Total payments on redemption of units	262,733	61,136	323,869	94,486	13,555	108,041	351,889	46,810	398,699	584,299	75,465	659,764
Total comprehensive income for the year	-	204,187	204,187	-	107,626	107,626	-	153,477	153,477	-	121,255	121,255
Distribution during the year	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	204,187	204,187	-	107,626	107,626	-	153,477	153,477	-	121,255	121,255
Net assets at end of the year	1,086,918	(413,254)	673,664	753,015	(300,812)	452,203	869,206	(368,421)	500,785	660,829	(448,160)	212,669
(Accumulated loss) / undistributed income brought forward												
- Realised (loss) / income		(568,973)			(382,241)			(466,242)			(483,075)	
- Unrealised income / (loss)		12,668			(12,642)			(8,846)			(10,875)	
		(556,305)			(394,883)			(475,088)			(493,950)	
Accounting income available for distribution												
- Relating to capital gains		143,051			94,071			106,667			45,790	
- Excluding capital gains		-			-			-			-	
		143,051			94,071			106,667			45,790	
(Accumulated loss) / undistributed income carried forward	-	(413,254)			(300,812)			(368,421)			(448,160)	
(Accumulated loss) / undistributed income carried forward												
- Realised (loss) / income		(449,348)			(300,107)			(400,602)			(476,520)	
- Unrealised income / (loss)		36,094			(705)			32,181			28,360	
		(413,254)			(300,812)			(368,421)			(448,160)	
		(Rupees)			(Rupees)			(Rupees)			(Rupees)	
Net asset value per unit at beginning of the year		36.8722			36.7897			35.6189			36.2977	
Net asset value per unit at end of the year		46.8129			46.4631			45.2827			46.2775	

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	June 30, 2021			June 30, 2021			June 30, 2021		
	MSAP-V			MCPPI-III			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Accumulated loss	Total	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total
Net assets at beginning of the year	271,498	(75,909)	195,589	395,243	21,044	416,287	5,330,116	(1,975,091)	3,355,025
Issuance of units:									
MSAP - I: nil units / MSAP - II: nil units									
MSAP - III: nil units / MSAP - IV: nil units									
MSAP - V: nil units / MCPPI - III: nil units									
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-
Redemption of units:									
MSAP - I: 7,125,513 units / MSAP - II: 2,570,312 units									
MSAP - III: 9,885,047 units / MSAP - IV: 16,099,377 units									
MSAP - V: 3,475,762 units / MCPPI - III: 3,352,842 units									
- Capital value (at net asset value per unit at the beginning of the year)	146,565	-	146,565	170,523	-	170,523	1,610,495	-	1,610,495
- Element of (income) / loss	-	21,347	21,347	-	7,598	7,598	-	225,911	225,911
Total payments on redemption of units	146,565	21,347	167,912	170,523	7,598	178,121	1,610,495	225,911	1,836,406
Total comprehensive income for the year	-	35,196	35,196	-	26,604	26,604	-	648,345	648,345
Distribution during the year	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	35,196	35,196	-	26,604	26,604	-	648,345	648,345
Net assets at end of the year	124,933	(62,060)	62,873	224,720	40,050	264,770	3,719,621	(1,552,657)	2,166,964
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(71,074)			20,896			(1,950,709)	
- Unrealised income / (loss)		(4,835)			148			(24,382)	
		(75,909)			21,044			(1,975,091)	
Accounting income available for distribution									
- Relating to capital gains		13,849			19,006			422,434	
- Excluding capital gains		-			-			-	
		13,849			19,006			422,434	
(Accumulated loss) / undistributed income carried forward		(62,060)			40,050			(1,552,657)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(73,107)			38,639			(1,661,045)	
- Unrealised income / (loss)		11,047			1,411			108,388	
		(62,060)			40,050			(1,552,657)	
Net asset value per unit at beginning of the year			(Rupees) 42.1678			(Rupees) 50.8475			
Net asset value per unit at end of the year			54.0799			54.7709			

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020		
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
Net assets at beginning of the year	1,629,216	(561,733)	1,067,483	1,131,721	(403,923)	727,798	1,380,178	(489,047)	891,131	1,521,504	(518,730)	1,002,774
Issuance of units:												
MSAP - I: 1,150,847 units / MSAP - II: 473,961 units												
MSAP - III: 923,727 units / MSAP - IV: 1,040,703 units												
MSAP - V: 141,361 units / MCPP - III: nil												
- Capital value (at net asset value per unit at the beginning of the year)	41,984	-	41,984	17,065	-	17,065	32,400	-	32,400	37,105	-	37,105
- Element of (loss) / income	418	-	418	415	-	415	502	-	502	726	-	726
Total proceeds on issuance of units	42,402	-	42,402	17,480	-	17,480	32,902	-	32,902	37,831	-	37,831
Redemption of units:												
MSAP - I: 8,896,851 units / MSAP - II: 8,384,840 units												
MSAP - III: 5,385,837 units / MSAP - IV: 8,471,154 units												
MSAP - V: 3,250,058 units / MCPP - III: 13,275,322 units												
- Capital value (at net asset value per unit at the beginning of the year)	321,967	-	321,967	301,700	-	301,700	191,483	-	191,483	313,481	-	313,481
- Element of (income) / loss	-	961	961	-	120	120	502	956	1,458	726	811	1,537
Total payments on redemption of units	321,967	961	322,928	301,700	120	301,820	191,985	956	192,941	314,207	811	315,018
Total comprehensive income for the year	-	57,331	57,331	-	29,887	29,887	-	54,956	54,956	-	65,172	65,172
Distribution during the year	-	(50,942)	(50,942)	-	(20,727)	(20,727)	-	(40,041)	(40,041)	-	(39,581)	(39,581)
Net income for the year less distribution	-	6,389	6,389	-	9,160	9,160	-	14,915	14,915	-	25,591	25,591
Net assets at end of the year	<u>1,349,651</u>	<u>(556,305)</u>	<u>793,346</u>	<u>847,501</u>	<u>(394,883)</u>	<u>452,618</u>	<u>1,221,095</u>	<u>(475,088)</u>	<u>746,007</u>	<u>1,245,128</u>	<u>(493,950)</u>	<u>751,178</u>
(Accumulated loss) / undistributed income brought forward												
- Realised (loss) / income		(351,036)			(252,922)			(309,831)			(313,601)	
- Unrealised (loss) / income		(210,697)			(151,001)			(179,216)			(205,129)	
		<u>(561,733)</u>			<u>(403,923)</u>			<u>(489,047)</u>			<u>(518,730)</u>	
Accounting income available for distribution												
- Relating to capital gains		4,735			4,904			14,278			24,859	
- Excluding capital gains		51,635			24,863			39,722			39,502	
		<u>56,370</u>			<u>29,767</u>			<u>54,000</u>			<u>64,361</u>	
Net (loss) / income for the year after taxation		-			-			-			-	
Distribution during the year		(50,942)			(20,727)			(40,041)			(39,581)	
(Accumulated loss) / undistributed income carried forward		<u>(556,305)</u>			<u>(394,883)</u>			<u>(475,088)</u>			<u>(493,950)</u>	
(Accumulated loss) / undistributed income carried forward												
- Realised (loss) / income		(568,973)			(382,241)			(466,242)			(483,075)	
- Unrealised (loss) / income		12,668			(12,642)			(8,846)			(10,875)	
		<u>(556,305)</u>			<u>(394,883)</u>			<u>(475,088)</u>			<u>(493,950)</u>	
		(Rupees)			(Rupees)			(Rupees)			(Rupees)	
Net asset value per unit at beginning of the year		<u>36.4801</u>			<u>36.0051</u>			<u>35.0753</u>			<u>35.6538</u>	
Net asset value per unit at end of the year		<u>36.8722</u>			<u>36.7897</u>			<u>35.6189</u>			<u>36.2977</u>	

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021**

Net assets at beginning of the year

Issuance of units:

- MSAP - I: 1,150,847 units / MSAP - II: 473,961 units
- MSAP - III: 923,727 units / MSAP - IV: 1,040,703 units
- MSAP - V: 141,361 units / MCPP - III: nil
- Capital value (at net asset value per unit at the beginning of the year)
- Element of (loss) / income

Total proceeds on issuance of units

Redemption of units:

- MSAP - I: 8,896,851 units / MSAP - II: 8,384,840 units
- MSAP - III: 5,385,837 units / MSAP - IV: 8,471,154 units
- MSAP - V: 3,250,058 units / MCPP - III: 13,275,322 units
- Capital value (at net asset value per unit at the beginning of the year)
- Element of (income) / loss

Total payments on redemption of units

Total comprehensive income for the year

Distribution during the year

Net income for the year less distribution

Net assets at end of the year

(Accumulated loss) / undistributed income brought forward

- Realised (loss) / income
- Unrealised (loss) / income

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

Net (loss) / income for the year after taxation

Distribution during the year

(Accumulated loss) / undistributed income carried forward

(Accumulated loss) / undistributed income carried forward

- Realised (loss) / income
- Unrealised (loss) / income

Net asset value per unit at beginning of the year

Net asset value per unit at end of the year

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

June 30, 2020			June 30, 2020			June 30, 2020		
MSAP-V			MCPP-III			Total		
(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Capital value	Accumulated loss	Total	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total
395,264	(79,268)	315,996	1,077,850	21,044	1,098,894	7,135,733	(2,031,657)	5,104,076
5,766	-	5,766	-	-	-	134,320	-	134,320
153	-	153	-	-	-	2,214	-	2,214
5,919	-	5,919	-	-	-	136,534	-	136,534
129,685	-	129,685	682,607	-	682,607	1,940,923	-	1,940,923
-	770	770	-	19,594	19,594	1,228	23,212	24,440
129,685	770	130,455	682,607	19,594	702,201	1,942,151	23,212	1,965,363
-	10,886	10,886	-	19,594	19,594	-	237,826	237,826
-	(6,757)	(6,757)	-	-	-	-	(158,048)	(158,048)
-	4,129	4,129	-	19,594	19,594	-	79,778	79,778
271,498	(75,909)	195,589	395,243	21,044	416,287	5,330,116	(1,975,091)	3,355,025
(16,156)			45,593			(1,197,953)		
(63,112)			(24,549)			(833,704)		
(79,268)			21,044			(2,031,657)		
170			-			48,946		
9,946			-			165,668		
10,116			-			214,614		
-			-			-		
(6,757)			-			(158,048)		
(75,909)			21,044			(1,975,091)		
(71,074)			20,896			(1,950,709)		
(4,835)			148			(24,382)		
(75,909)			21,044			(1,975,091)		
	(Rupees)			(Rupees)				
	40.7893			51.2011				
	42.1678			50.8475				

**MEEZAN STRATEGIC ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

		For the year ended June 30, 2021						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year before taxation	204,187	107,626	153,477	121,255	35,196	26,604	648,345	
Adjustments for:								
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	(36,094)	705	(32,181)	(28,360)	(11,047)	(108,388)	
		168,093	108,331	121,296	92,895	24,149	539,957	
Decrease / (increase) in assets								
Investments		157,760	1,537	281,538	570,516	144,141	1,308,899	
Receivable against sale of investments		130	-	-	-	490	620	
Profit receivable on saving account with banks		22	11	5	8	(2)	98	
		157,912	1,548	281,543	570,524	144,139	1,309,617	
Increase / (decrease) in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company		2	5	(17)	(46)	(15)	(82)	
Payable to Central Depository Company of Pakistan Limited - Trustee		(3)	2	(16)	(33)	(8)	(68)	
Payable to the Securities and Exchange Commission of Pakistan		(13)	(13)	(48)	(101)	(25)	(283)	
Payable against purchase of investments		(130)	-	-	(52)	-	(182)	
Accrued expenses and other liabilities		(2,996)	(275)	(3,202)	(3,674)	(224)	(9,998)	
		(3,140)	(281)	(3,283)	(3,906)	(272)	(10,613)	
Net cash generated from operating activities		322,865	109,598	399,556	659,513	168,016	1,838,961	
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance and conversion of units		-	-	-	-	-	-	
Payments against redemption and conversion of units		(323,869)	(108,089)	(398,749)	(659,764)	(167,202)	(1,837,278)	
Dividend paid		(1,493)	(1,367)	(807)	(651)	(150)	(4,468)	
Net cash used in financing activities		(325,362)	(109,456)	(399,556)	(660,415)	(167,352)	(1,841,746)	
Net (decrease) / increase in cash and cash equivalents during the year								
		(2,497)	142	-	(902)	664	(2,785)	
Cash and cash equivalents at beginning of the year		3,633	59	51	958	725	6,477	
Cash and cash equivalents at end of the year	5	1,136	201	51	56	1,389	3,692	

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

		For the year ended June 30, 2020						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total	
<hr/> <div>(Rupees in '000)</div> <hr/>								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year before taxation	57,331	29,887	54,956	65,172	10,886	19,594	237,826	
Adjustments for:								
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	(12,668)	12,642	8,846	10,875	4,835	(148)	24,382
		44,663	42,529	63,802	76,047	15,721	19,446	262,208
Decrease / (increase) in assets								
Investments	271,519	254,968	115,892	238,297	101,885	685,387	1,667,948	
Receivable against sale of investments	(130)	-	-	-	-	(490)	(620)	
Profit receivable on saving account with banks	27	(1)	8	2	10	(47)	(1)	
	271,416	254,967	115,900	238,299	101,895	684,850	1,667,327	
Increase / (decrease) in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	(37)	(29)	(17)	(26)	(11)	(58)	(178)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(32)	(26)	(19)	(28)	(12)	(57)	(174)	
Payable to the Securities and Exchange Commission of Pakistan	(1,312)	(928)	(1,003)	(1,121)	(368)	(1,070)	(5,802)	
Payable against purchase of investments	130	-	-	52	-	-	182	
Accrued expenses and other liabilities	8,629	3,086	7,481	7,282	1,193	474	28,145	
	7,378	2,103	6,442	6,159	802	(711)	22,173	
Net cash generated from operating activities	323,457	299,599	186,144	320,505	118,418	703,585	1,951,708	
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance of units	42,402	17,480	32,902	37,831	5,919	-	136,534	
Payments against redemption and conversion of units	(324,747)	(302,037)	(192,941)	(318,783)	(130,455)	(703,682)	(1,972,645)	
Dividend paid	(49,449)	(19,360)	(39,234)	(38,930)	(6,607)	-	(153,580)	
Net cash used in financing activities	(331,794)	(303,917)	(199,273)	(319,882)	(131,143)	(703,682)	(1,989,691)	
Net increase / (decrease) in cash and cash equivalents during the year								
	(8,337)	(4,318)	(13,129)	623	(12,725)	(97)	(37,983)	
Cash and cash equivalents at beginning of the year	11,970	4,377	13,180	335	13,450	1,148	44,460	
Cash and cash equivalents at end of the year	5	3,633	59	51	958	725	1,051	6,477

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on September 08, 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to 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. The subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. However, subscription hasn't been re-opened during the current year. 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 has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020) for registration to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act, 2020.
- 1.7** 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.

Meezan Strategic Allocation Plan-I (MSAP-I)	<p>Medium to high risk - High return through asset allocation</p> <p>The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. December 2, 2016). During the year ended June 30, 2019, the SECP approved the extension of the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-I/178/2018 dated November 16, 2018; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-I/142/2019 dated November 19, 2019. A further extension of one year which shall close on December 2, 2021 has been approved through ninth supplemental offering document by SECP.</p>
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Meezan Strategic Allocation Plan-II (MSAP-II)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. Units are subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. January 31, 2017). During the year ended June 30, 2019, the SECP approved the extension of the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-II/250/2019 dated January 14, 2019; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-I/206/2020 dated January 24, 2020. A further extension of one year has been approved which shall close on January 31, 2022 by SECP through letter no. SCD/AMCW/MSAF/167/2021.</p>
Meezan Strategic Allocation Plan-III (MSAP-III)	<p>Medium to high risk - High return through asset allocation</p> <p>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 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. April 3, 2017). Units are subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2019, the SECP approved the extension of the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-III/337/2019 dated March 19, 2019; and a further extension of one year was approved on March 30, 2020. A further extension of one year which shall close on April 3, 2022 has been approved by SECP through letter no. ACD/AMCW/MSAF/205/2021.</p>
Meezan Strategic Allocation Plan-IV (MSAP-IV)	<p>Medium to high risk - High return through asset allocation</p> <p>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 95 percent. Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. June 30, 2017). During the year ended June 30, 2019, the SECP approved the extension of the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-IV/431/2019 dated May 30, 2019; and a further extension of one year was approved vide letter no. SCD/AMCW/MSAF/MSAP-IV/322/2020 dated June 16, 2020. A further extension of one year which shall close on June 30, 2022 has been approved by SECP through letter no. SCD/AMCW/MSAF/270/2021.</p>
Meezan Strategic Allocation Plan-V (MSAP-V)	<p>Medium to high risk - High return through asset allocation</p> <p>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 95 percent. Units are subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. October 19, 2017). During the year ended June 30, 2020, the SECP approved the extension for the plan by one year vide its letter no. SCD/AMCW/AMIML/109/2019 dated October 11, 2019 and a further extension of one year was approved by SECP vide its letter no. SCD/AMCW/MSAF/MSAP-V/65/2020 which shall close on October 19, 2021.</p>
Meezan Capital Preservation Plan-III (MCPPIII)	<p>Medium risk - High return through asset allocation</p> <p>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 50 percent in equity schemes and up to 100 percent in money market schemes. Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. February 16, 2018). During the year ended June 30, 2020, the SECP approved the extension for the plan by one year vide its letter no. SCD/AMCW/MSAF/MSAP-I/205/2020 dated January 24, 2020 and a further extension of one year which shall close on February 16, 2022 has been approved through Third Supplemental to the Sixth Supplemental Offering Document offering document by SECP.</p>

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

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Standards, interpretations and amendments to published accounting and reporting 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, 2020 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.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of 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 4.3 and 6).

3.5 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.

3.6 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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 presented.

4.2 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.

4.3 Financial instruments

4.3.1 Classification

4.3.1.1 Debt instruments

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

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

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.2 Subsequent measurement

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

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme 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.

4.3.3 Impairment

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

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

4.3.4 Regular way contracts

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

4.3.5 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.

4.3.6 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.

4.3.7 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.

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 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.

4.8 Unit holders' fund

Unit holders' 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.

4.9 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 (NAV) 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 applications during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 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 the 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 year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

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

4.12 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 recognised when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee fund declaring the dividend.
- Profit on bank deposit is recognised on a time proportion basis using the effective yield method.

4.13 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.

4.14 Taxation

Current

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the 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 utilized. 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. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.15 Earnings / (loss) per unit

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

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

4.16 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.

5 BALANCES WITH BANKS

Note	June 30, 2021						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(Rupees in '000)						
Saving accounts	5.1	1,126	191	41	46	746	2,999
Current accounts		10	10	10	643	10	693
		<u>1,136</u>	<u>201</u>	<u>51</u>	<u>56</u>	<u>1,389</u>	<u>3,692</u>

Note	June 30, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(Rupees in '000)						
Saving accounts	5.1	3,622	49	41	948	82	5,148
Current accounts		11	10	10	643	645	1,329
		<u>3,633</u>	<u>59</u>	<u>51</u>	<u>958</u>	<u>1,051</u>	<u>6,477</u>

- 5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.5% (2020: 3%) per annum. Other balance in saving accounts have an expected profit ranging from 2.40% to 3.86% per annum (2020: 2.31% to 3.40% per annum).

6 INVESTMENTS

Note	June 30, 2021						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(Rupees in '000)						
At fair value through profit or loss							
Units of mutual funds	6.1	683,177	455,168	505,400	216,718	63,274	2,189,463

Note	June 30, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	
	(Rupees in '000)						
At fair value through profit or loss							
Units of mutual funds	6.1	804,843	457,410	754,757	758,874	196,368	3,389,974

6.1 Units of mutual funds

Name of investee funds	As at July 1, 2020	Purchases during the year	Redemptions during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised (diminution)/ appreciation as at June 30, 2021	Percentage in relation to	
								net assets of the fund on the basis of market value	total market value of investments
	----- (Number of units) -----					----- (Rupees in '000) -----			----- (Percentage) -----
Meezan Strategic Allocation Plan-I									
AI Meezan Mutual Fund	9,865,833	10,655,004	10,989,924	9,530,913	171,018	168,188	(2,830)	23.00	24.63
KSE Meezan Index Fund	4,311	70,915	4,489	70,737	4,987	5,155	168	1.00	0.75
Meezan Dedicated Equity Fund	6,022,570	-	2,625,619	3,396,951	117,549	159,339	41,790	24.00	23.32
Meezan Islamic Fund	5,317,944	4,804,288	7,391,639	2,730,593	176,089	173,055	(3,034)	26.00	25.33
Meezan Islamic Income Fund	4,198,624	1,913,152	6,111,776	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	3,836,605	287,800	3,548,805	177,440	177,440	-	26.00	25.97
					647,083	683,177	36,094	100.00	100.00

Name of investee funds	As at July 1, 2020	Purchases during the year	Redemptions during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised (loss) / gain as at June 30, 2021	Percentage in relation to	
								Net assets of the Fund on the basis of market	total market value of investments
								(Percentage)	
Meezan Strategic Allocation Plan-II									
AI Meezan Mutual Fund	12,644,000	15,530,373	16,187,399	11,986,974	215,088	211,529	(3,559)	46.00	46.48
KSE Meezan Index Fund	137,526	368,595	346,356	159,765	11,264	11,642	378	3.00	2.56
Meezan Dedicated Equity Fund	320,475	96,045	20,355	396,165	14,352	18,583	4,231	4.00	4.08
Meezan Islamic Fund	3,124,685	2,683,757	4,228,867	1,579,575	101,863	100,108	(1,755)	22.00	21.99
Meezan Islamic Income Fund	2,417,776	1,067,723	3,485,499	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	2,374,117	108,000	2,266,117	113,306	113,306	-	25.00	24.89
					455,873	455,168	(705)	100.00	100.00
Meezan Strategic Allocation Plan-III									
AI Meezan Mutual Fund	563,466	5,130,299	2,992,304	2,701,461	48,473	47,672	(801)	9.00	9.43
KSE Meezan Index Fund	374,075	229,952	444,990	159,037	11,970	11,589	(381)	2.00	2.29
Meezan Dedicated Equity Fund	2,872,358	423,194	-	3,295,552	118,396	154,583	36,187	31.00	30.59
Meezan Islamic Fund	9,045,807	3,001,806	9,506,141	2,541,472	163,892	161,068	(2,824)	32.00	31.87
Meezan Islamic Income Fund	3,979,255	1,386,262	5,365,517	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	2,617,164	7,400	2,609,764	130,488	130,488	-	26.00	25.82
					473,219	505,400	32,181	100.00	100.00
Meezan Strategic Allocation Plan-IV									
AI Meezan Mutual Fund	7,770,394	3,319,721	8,315,963	2,774,152	49,778	48,954	(824)	22.00	22.59
KSE Meezan Index Fund	396,682	70,915	453,962	13,635	961	994	33	-	0.46
Meezan Dedicated Equity Fund	2,690,111	-	318,469	2,371,642	82,069	111,246	29,177	52.00	51.33
Meezan Islamic Fund	7,145,017	790,608	7,913,117	22,508	1,453	1,427	(26)	1.00	0.66
Meezan Islamic Income Fund	4,020,730	1,202,649	5,223,379	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	1,114,551	32,600	1,081,951	54,097	54,097	-	25.00	24.96
					188,358	216,718	28,360	100.00	100.00
Meezan Strategic Allocation Plan-V									
AI Meezan Mutual Fund	160,990	399,627	430,249	130,368	2,339	2,300	(39)	3.00	3.62
KSE Meezan Index Fund	56,517	28,366	56,589	28,294	1,995	2,062	67	3.00	3.26
Meezan Dedicated Equity Fund	1,001,742	-	103,665	898,077	31,077	42,126	11,049	67.00	66.58
Meezan Islamic Fund	2,205,831	126,685	2,306,231	26,285	1,696	1,666	(30)	3.00	2.64
Meezan Islamic Income Fund	1,037,053	350,016	1,387,069	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	313,399	11,000	302,399	15,120	15,120	-	24.00	23.90
					52,227	63,274	11,047	100.00	100.00
Meezan Capital Preservation Plan - MCPP-III									
Meezan Dedicated Equity Fund	-	1,617,588	551,273	1,066,315	48,606	50,017	1,411	19.00	18.82
Meezan Rozana Amdani Fund	-	5,469,268	1,155,086	4,314,182	215,709	215,709	-	81.00	81.18
Meezan Sovereign Fund	8,103,630	948,831	9,052,461	-	-	-	-	-	-
					264,315	265,726	1,411	100.00	100.00
Total investments in units of mutual funds									
AI Meezan Mutual Fund	31,004,683	35,035,024	38,915,839	27,123,868	486,696	478,643	(8,053)	21.00	21.86
KSE Meezan Index Fund	969,111	768,743	1,306,386	431,468	31,177	31,442	265	1.00	1.44
Meezan Dedicated Equity Fund	12,907,256	2,136,827	3,619,381	11,424,702	412,049	535,894	123,845	25.00	24.48
Meezan Islamic Fund	26,839,284	11,407,144	31,345,995	6,900,433	444,993	437,324	(7,669)	20.00	19.97
Meezan Islamic Income Fund	15,653,438	5,919,802	21,573,240	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	15,725,104	1,601,886	14,123,218	706,160	706,160	-	33.00	32.25
Meezan Sovereign Fund	8,103,630	948,831	9,052,461	-	-	-	-	-	-
					2,081,075	2,189,463	108,388	100.00	100.00

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	June 30, 2021						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	(Rupees in '000)						
Management fee payable	7.1	1	-	-	-	1	3
Sindh Sales Tax payable on remuneration of the Management company	7.2	-	-	-	-	-	-
Allocated expense payable	7.3	68	42	46	19	6	205
		69	42	46	19	7	208
Note	June 30, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	(Rupees in '000)						
Management fee payable	7.1	1	-	1	1	5	9
Sindh Sales Tax payable on remuneration of the Management company	7.2	-	-	-	1	-	1
Allocated expense payable	7.3	66	37	62	16	35	280
		67	37	63	22	36	290

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2020: 1%) per annum of the daily bank balance of the Fund during the year ended June 30, 2021. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs 0.014 million (2020: Rs 0.029 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.015 million (2020: Rs 0.033 million) has been paid to the Management Company which acts as a collecting agent.

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

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021 and at 0.11% per annum of the average annual net assets of the scheme from March 10, 2021 till June 30, 2021 (2020: 0.1%).

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	June 30, 2021						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	(Rupees in '000)						
Trustee fee payable	8.1	43	27	29	13	4	131
Sindh Sales Tax payable on trustee fee	8.2	6	4	4	2	-	18
		49	31	33	15	4	149
Note	June 30, 2020						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
	(Rupees in '000)						
Trustee fee payable	8.1	46	26	43	43	11	193
Sindh Sales Tax payable on trustee fee	8.2	6	3	6	5	1	24
		52	29	49	48	12	217

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.070% (2020: 0.070%) of average annual net assets of the fund.

8.2 During the year, an amount of Rs 0.241 million (2020: Rs. 0.367 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. 0.0247 million (2020: Rs. 0.388 million) was paid to the Trustee which acts as a collecting agent.

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

In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as Fund of Fund Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2020: 0.02%) per annum of average annual net assets of the Fund.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2021					
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
		(Rupees in '000)					
Note							Total
	Auditors' remuneration payable	114	62	76	46	14	48
	Shariah advisory fee payable	38	28	25	15	4	20
	Zakat Payable	-	-	-	2	-	-
	Printing fee payable	155	105	118	132	47	110
	Capital gain tax payable	245	2	2	3	46	1
	Provision for Sindh Workers' Welfare Fund	9,818	2,806	4,253	3,804	940	1,525
10.1		10,370	3,003	4,474	4,002	1,051	1,704
							23,146
							24,604

		June 30, 2020					
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
		(Rupees in '000)					
Note							Total
	Auditors' remuneration payable	85	48	77	81	23	80
	Shariah advisory fee payable	31	24	28	28	6	21
	Zakat Payable	-	11	-	-	-	55
	Printing fee payable	155	106	117	131	45	109
	Capital gain tax payable	1	2	-	-	-	84
	Withholding tax payable	7,443	2,477	6,333	6,106	979	-
	Provision for Sindh Workers' Welfare Fund	5,651	610	1,121	1,330	222	982
10.1		13,366	3,278	7,676	7,676	1,275	1,331
							9,916
							34,602

- 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 with effect from the date of enactment of the SWWF Act.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPPIII as at June 30, 2021 would have been higher by Re. 0.682, Re. 0.288, Re. 0.385, Re. 0.828, Re. 0.809 and Re. 0.315 per unit respectively (2020: Re. 0.263, Re. 0.050, Re. 0.054, Re. 0.064, Re. 0.048 and Re. 0.120 per unit respectively).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

12 AUDITORS' REMUNERATION

		June 30, 2021					
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
		(Rupees in '000)					
							Total
	Annual audit fee	122	67	87	55	16	48
	Half yearly review	45	24	32	24	7	6
	Out of pocket expenses	2	1	2	1	-	1
		169	92	121	80	23	55
							540

	June 30, 2020					
	MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	MCP - III
	(Rupees in '000)					
Annual audit fee	107	64	87	55	16	48
Half yearly review	35	20	32	24	7	6
Out of pocket expenses	2	1	7	55	14	61
	144	85	126	134	37	115
	641					

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2021 are:

	MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	MCP - III
	Percentage (%)					
Total Expense Ratio (TER)	0.75	0.74	0.80	0.95	0.95	0.39
Government levy and SECP fee	0.53	0.51	0.58	0.73	0.72	0.18

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2020 are:

	MSAP - I	MSAP - II	MSAP - III	MSAP - IV	MSAP - V	MCP - III
	Percentage (%)					
Total Expense Ratio (TER)	0.36	0.35	0.37	0.38	0.35	0.29
Government levy and SECP fee	0.16	0.15	0.17	0.19	0.13	0.08

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

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, 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 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 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:

Balances	June 30, 2021						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
AI Meezan Investment Management Limited - Management Company							
Management fee payable (Rs in '000)	1	-	-	-	1	1	3
Sindh Sales Tax payable on management fee (Rs in '000)	-	-	-	-	-	-	-
Allocated expenses payable (Rs in '000)	68	42	46	19	6	24	205
Meezan Bank Limited							
Bank balance (Rs in '000)	1,066	201	51	56	1,389	848	3,611
Profit receivable (Rs in '000)	5	1	-	1	3	2	12
Shariah advisory fee payable	38	28	25	15	4	20	130
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee payable (Rs. in '000)	43	27	29	13	4	15	131
Sindh Sales Tax payable on trustee fee (Rs. in '000)	6	4	4	2	-	2	18
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	16,731	-	-	-	16,731
Investment (Units)	-	-	369,471	-	-	-	369,471
AI Meezan Mutual Fund							
Investment (Rs in '000)	168,188	211,529	47,672	48,954	2,300	-	478,643
Investment (Units)	9,530,913	11,986,974	2,701,461	2,774,152	130,368	-	27,123,868
KSE Meezan Index Fund							
Investment (Rs in '000)	5,155	11,642	11,589	994	2,062	-	31,442
Investment (Units)	70,737	159,765	159,037	13,635	28,294	-	431,468
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	159,339	18,583	154,583	111,246	42,126	50,017	535,894
Investment (Units)	3,396,951	396,165	3,295,552	2,371,642	898,077	1,066,315	11,424,702
Meezan Islamic Fund							
Investment (Rs in '000)	173,055	100,108	161,068	1,427	1,666	-	437,324
Investment (Units)	2,730,593	1,579,575	2,541,472	22,508	26,285	-	6,900,433
Meezan Rozana Amdani Fund							
Investment (Rs in '000)	177,440	113,306	130,488	54,097	15,120	215,709	706,160
Investment (Units)	3,548,805	2,266,117	2,609,764	1,081,951	302,399	4,314,182	14,123,218
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	128,852	180,134	50,964	-	17,634	-	377,584
Investment (Units)	2,752,499	3,876,917	1,125,472	-	326,070	-	8,080,958
	June 30, 2020						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
AI Meezan Investment Management Limited - Management Company							
Management fee payable (Rs in '000)	1	-	1	1	5	1	9
Sindh Sales Tax payable on management fee (Rs in '000)	-	-	-	-	1	-	1
Allocated expenses (Rs in '000)	66	37	62	64	16	35	280
Meezan Bank Limited							
Bank balance (Rs in '000)	3,566	59	51	958	725	1,040	6,399
Profit receivable (Rs in '000)	27	12	5	9	1	56	110
Shariah advisory fee payable	31	24	28	28	6	21	138
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee payable (Rs in '000)	46	26	43	43	11	24	193
Sindh Sales Tax on trustee fee payable (Rs in '000)	6	3	6	5	1	3	24
Directors and Executives of the management company							
Investment (Rs in '000)	-	-	12,561	-	-	-	12,561
Investment (Units)	-	-	352,640	-	-	-	352,640
AI Meezan Mutual Fund							
Investment (Rs in '000)	131,395	168,395	7,504	103,488	2,144	-	412,926
Investment (Units)	9,865,833	12,644,000	563,466	7,770,394	160,990	-	31,004,683

	June 30, 2020						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
KSE Meezan Index Fund							
Investment (Rs in '000)	230	7,346	19,980	21,188	3,019	-	51,763
Investment (Units)	4,311	137,526	374,075	396,682	56,517	-	969,111
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	208,407	11,090	99,396	93,090	34,665	-	446,648
Investment (Units)	6,022,570	320,475	2,872,358	2,690,111	1,001,742	-	12,907,256
Meezan Islamic Fund							
Investment (Rs in '000)	248,726	146,144	423,082	334,179	103,169	-	1,255,300
Investment (Units)	5,317,944	3,124,685	9,045,807	7,145,017	2,205,831	-	26,839,284
Meezan Islamic Income Fund							
Investment (Rs in '000)	216,085	124,435	204,795	206,929	53,371	-	805,615
Investment (Units)	4,198,624	2,417,776	3,979,255	4,020,730	1,037,053	-	15,653,438
Meezan Sovereign Fund							
Investment (Rs in '000)	-	-	-	-	-	417,722	417,722
Investment (Units)	-	-	-	-	-	8,103,630	8,103,630
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	182,460	101,247	248,015	379,597	69,610	-	980,929
Investment (Units)	4,948,436	2,752,039	6,963,017	10,457,891	1,650,791	-	26,772,174
For the year ended June 30, 2021							
Transactions during the year	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
AI Meezan Investment Management Limited - Management Company							
Remuneration of AI Meezan Investment Management Limited - Management Company (Rs in '000)	34	13	12	19	16	17	111
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	4	2	2	2	2	2	14
Allocated expenses (Rs in '000)	855	469	580	361	106	364	2,735
Meezan Bank Limited							
Profit on saving accounts with banks (Rs in '000)	80	47	102	66	25	87	407
Shariah advisor fee (Rs in '000)	85	47	57	34	10	36	269
Central Depository Company of Pakistan Limited - Trustee							
Remuneration of Central Depository Company of Pakistan Limited - Trustee (Rs in '000)	581	318	394	247	73	248	1,861
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	76	41	51	32	9	32	241
AI Meezan Mutual Fund							
Invested during the year (Rs in '000)	188,725	274,991	89,359	62,327	6,968	-	622,370
Invested during the year (Units)	10,655,004	15,530,373	5,130,299	3,319,721	399,627	-	35,035,024
Redeemed during the year (Rs in '000)	193,018	282,088	53,474	143,378	7,639	-	679,597
Redeemed during the year (Units)	10,989,924	16,187,399	2,992,304	8,315,963	430,249	-	38,915,839
KSE Meezan Index Fund							
Invested during the year (Rs in '000)	5,000	26,000	16,970	5,000	2,000	-	54,970
Invested during the year (Units)	70,915	368,595	229,952	70,915	28,366	-	768,743
Redeemed during the period (Rs in '000)	320	24,811	31,452	31,775	4,033	-	92,391
Redeemed during the period (Units)	4,489	346,356	444,990	453,962	56,589	-	1,306,386
Meezan Dedicated Equity Fund							
Invested during the year (Rs in '000)	-	4,000	19,000	-	-	73,600	96,600
Invested during the year (Units)	-	96,045	423,194	-	-	1,617,588	2,136,827
Redeemed during the year (Rs in '000)	107,310	930	-	14,750	4,830	25,090	152,910
Redeemed during the year (Units)	2,625,619	20,355	-	318,469	103,665	551,273	3,619,381
Meezan Islamic Fund							
Invested during the year (Rs in '000)	287,088	163,817	189,147	45,252	7,195	-	692,498
Invested during the year (Units)	4,804,288	2,683,757	3,001,806	790,608	126,685	-	11,407,144
Redeemed during the year (Rs in '000)	459,548	255,462	552,842	430,252	128,885	-	1,826,988
Redeemed during the year (Units)	7,391,639	4,228,867	9,506,141	7,913,117	2,306,231	-	31,345,998



For the year ended June 30, 2021

Meezan Islamic Income Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)

MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
103,100	56,400	72,900	63,000	18,370	-	313,770
1,913,152	1,067,723	1,386,262	1,202,649	350,016	-	5,919,802
332,546	187,990	286,958	276,009	73,443	-	1,156,946
6,111,776	3,485,499	5,365,517	5,223,379	1,387,069	-	21,573,240

Meezan Rozana Amdani Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)
Dividend received during the year (Rs. In '000)

191,830	118,706	130,858	55,728	15,670	273,463	786,255
3,836,605	2,374,117	2,617,164	1,114,551	313,399	5,469,268	15,725,104
14,390	5,400	370	1,630	550	57,754	80,094
287,800	108,000	7,400	32,600	11,000	1,155,086	1,601,886
584	403	390	211	57	4,847	6,492

Meezan Sovereign Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)

-	-	-	-	-	51,384	51,384
-	-	-	-	-	948,831	948,831
-	-	-	-	-	490,656	490,656
-	-	-	-	-	9,052,461	9,052,461

For the year ended June 30, 2020

**Al Meezan Investment Management Limited
- Management Company**

Remuneration of Al Meezan Investment
Management Limited - Management
Company (Rs in '000)
Sindh Sales Tax on remuneration of the
Management Company (Rs in '000)
Allocated expenses (Rs in '000)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)

MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
42	29	26	17	55	70	239
5	3	3	2	7	9	29
884	511	797	847	229	757	4,025
-	68,876	-	-	-	-	68,876
-	1,999,600	-	-	-	-	1,999,600

Meezan Bank Limited

Profit on saving account (Rs in '000)
Shariah advisor fee

428	226	263	413	296	1,226	2,852
60	34	54	57	15	49	269

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

Remuneration of Central Depository Company of
Pakistan Limited - Trustee (Rs in '000)
Sindh Sales Tax on remuneration of the
Trustee (Rs in '000)

619	358	558	593	160	530	2,818
80	47	73	77	21	69	367

Al Meezan Mutual Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)
Dividend received during the year (Rs. In '000)

143,526	177,691	14,740	188,742	4,212	-	528,911
10,488,716	12,955,442	1,108,489	13,408,706	316,711	-	38,278,064
255,703	308,947	7,495	103,360	2,141	-	677,646
19,471,353	23,130,041	545,023	7,516,046	155,721	-	50,818,184
4,294	5,504	245	3,382	70	-	13,495

KSE Meezan Index Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)

-	-	10,000	10,000	-	-	20,000
-	-	206,406	206,406	-	-	412,812
10,000	18	-	-	7	-	10,025
197,269	345	-	-	142	-	197,756

Meezan Cash Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)

596,752	-	-	-	-	2,375,547	2,972,299
11,301,674	-	-	-	-	45,907,961	57,209,635
597,678	83	5,962	8,081	40,264	2,399,864	3,051,932
11,301,674	1,615	116,448	158,201	786,420	45,907,961	58,272,319

Meezan Dedicated Equity Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)

152,000	-	113,000	149,000	27,000	470,400	911,400
5,251,784	-	3,501,696	4,530,839	792,958	12,671,265	26,748,542
275,200	38,302	93,500	142,433	29,650	614,406	1,193,491
7,953,695	918,352	2,609,468	3,581,305	769,702	18,315,886	34,148,408

Meezan Islamic Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)
Dividend received during the year (Rs. In '000)

533,959	223,833	578,390	488,550	146,243	-	1,970,975
10,859,097	4,469,702	11,868,525	9,640,178	2,950,222	-	39,787,724
429,740	221,048	677,285	752,318	212,949	-	2,293,340
8,899,323	4,328,798	13,771,817	14,984,258	4,379,399	-	46,363,595
12,619	7,415	21,465	16,955	5,234	-	63,688

	For the year ended June 30, 2020						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
Meezan Islamic Income Fund							
Invested during the year (Rs in '000)	531,193	310,249	490,773	503,456	126,444	-	1,962,115
Invested during the year (Units)	9,902,983	5,794,550	9,143,864	9,386,616	2,350,255	-	36,578,268
Redeemed during the year (Rs in '000)	578,346	365,174	500,473	538,456	114,763	-	2,097,212
Redeemed during the year (Units)	10,688,322	6,784,865	9,221,520	9,949,333	2,100,267	-	38,744,307
Dividend received during the year (Rs. In '000)	151	87	143	144	37	-	562
Refund of Capital during the year (Rs. In '000)	22,054	12,684	20,875	21,093	5,440	-	82,146
Meezan Rozana Amdani Fund							
Invested during the year (Rs in '000)	1,263,067	240,300	360,136	377,830	115,487	2,114,707	4,471,527
Invested during the year (Units)	25,261,350	4,805,998	7,202,722	7,556,604	2,309,749	42,294,146	89,430,569
Redeemed during the year (Rs in '000)	1,337,392	291,016	421,256	446,753	126,491	2,340,772	4,963,680
Redeemed during the year (Units)	26,747,836	5,820,330	8,425,122	8,935,056	2,529,829	46,815,439	99,273,612
Dividend received during the year (Rs. In '000)	38,296	13,542	21,485	22,651	5,876	44,688	146,538
Meezan Sovereign Fund							
Invested during the year (Rs in '000)	-	-	-	-	-	843,105	843,105
Invested during the year (Units)	-	-	-	-	-	15,605,745	15,605,745
Redeemed during the year (Rs in '000)	-	-	-	-	-	1,106,373	1,106,373
Redeemed during the year (Units)	-	-	-	-	-	20,640,348	20,640,348
Dividend received during the year (Rs. In '000)	-	-	-	-	-	227	227
Refund of Capital during the year (Rs. In '000)	-	-	-	-	-	41,454	41,454
Directors and Executives of the management company							
Dividend received during the year (Rs. In '000)	-	-	705	-	-	-	705

16 FINANCIAL INSTRUMENTS BY CATEGORY

2021		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
Balances with banks	3,692	3,692
Investments	-	2,189,463
Profit receivable on saving account with banks	12	12
3,704	2,189,463	2,193,167

2021		
At fair value through profit or loss	At amortised cost	Total
(Rupees in '000)		
Payable to Al Meezan Investment Management Limited - Management Company	-	208
Payable to Central Depository Company of Pakistan Limited - Trustee	-	149
Payable against redemption and conversion of units	-	710
Accrued expenses and other liabilities	-	1,157
-	2,224	2,224

2020		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
Balances with banks	6,477	6,477
Investments	-	3,389,974
Receivable against sale of investments - net	620	620
Profit receivable on saving account with banks	110	110
7,207	3,389,974	3,397,181

2020		
At fair value through profit or loss	At amortised cost	Total
(Rupees in '000)		
-	290	290
-	217	217
-	182	182
-	1,582	1,582
-	4,468	4,468
-	1,195	1,195
-	7,934	7,934

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	-	290	290
Payable to Central Depository Company of Pakistan Limited - Trustee	-	217	217
Payable against purchase investments - net	-	182	182
Payable against redemption and conversion of units	-	1,582	1,582
Dividend Payable	-	4,468	4,468
Accrued expenses and other liabilities	-	1,195	1,195
	-	<u>7,934</u>	<u>7,934</u>

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, 2021, 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. 0.030 million (2020: Rs. 0.051 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, 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 and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 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, 2021 can be determined as follows:

As at June 30, 2021					
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	2.40% to 3.86%	2,999	-	693	3,692
Investments		-	-	2,189,463	2,189,463
Profit receivable on saving account with banks		-	-	12	12
		2,999	-	2,190,168	2,193,167
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	208	208
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	149	149
Payable against redemption and conversion of units		-	-	710	710
Accrued expenses and other liabilities		-	-	1,157	1,157
		-	-	2,224	2,224
On-balance sheet gap		2,999	-	2,187,944	2,190,943
Off-balance sheet financial instruments					
Off-balance sheet gap		-	-	-	-
Total profit rate sensitivity gap		2,999	-	-	-
Cumulative profit rate sensitivity gap		2,999	2,999	2,999	-

As at June 30, 2020					
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	2.31% to 3.40%	5,148	-	1,329	6,477
Investments		-	-	3,389,974	3,389,974
Receivable against sale of investments		-	-	620	620
Profit receivable on saving account with banks		-	-	110	110
		5,148	-	3,392,033	3,397,181
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	290	290
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	217	217
Payable against purchase investments - net		-	-	182	182
Payable against redemption and conversion of units		-	-	1,582	1,582
Dividend Payable		-	-	4,468	4,468
Accrued expenses and other liabilities		-	-	1,195	1,195
		-	-	7,934	7,934
On-balance sheet gap		5,148	-	3,384,099	3,389,247
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total profit rate sensitivity gap		5,148	-	-	-
Cumulative profit rate sensitivity gap		5,148	5,148	5,148	-

(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 as a result 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.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in equity prices as at June 30, 2021 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 21.895 million (2020: Rs. 33.900 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

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:

	2021						
	Within 1 month	More than one month and upto three months	More than three months and upto 1 year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	(Rupees in '000)						
Financial assets							
Balances with banks	3,692	-	-	-	-	-	3,692
Investments	-	-	-	-	-	2,189,463	2,189,463
Profit receivable on saving account with banks	12	-	-	-	-	-	12
	3,704	-	-	-	-	2,189,463	2,193,167
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	208	-	-	-	-	-	208
Payable to Central Depository Company of Pakistan Limited - Trustee	149	-	-	-	-	-	149
Payable against redemption and conversion of units	710	-	-	-	-	-	710
Accrued expenses and other liabilities	-	1,157	-	-	-	-	1,157
	1,067	1,157	-	-	-	-	2,224
Net assets / (liabilities)	2,637	(1,157)	-	-	-	2,189,463	2,190,943

	Within 1 month	More than one month and upto three months	More than three month and upto 1 year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	(Rupees in '000)						
Financial assets							
Balances with banks	6,477	-	-	-	-	-	6,477
Investments	-	-	-	-	-	3,389,974	3,389,974
Receivable against sale of investments - net	620	-	-	-	-	-	620
Profit receivable on saving account with banks	110	-	-	-	-	-	110
	7,207	-	-	-	-	3,389,974	3,397,181
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	290	-	-	-	-	-	290
Payable to Central Depository Company of Pakistan Limited - Trustee	217	-	-	-	-	-	217
Payable against purchase of investments - net	182	-	-	-	-	-	182
Payable against redemption and conversion of units	1,582	-	-	-	-	-	1,582
Dividend payable	4,468	-	-	-	-	-	4,468
Accrued expenses and other liabilities	-	1,195	-	-	-	-	1,195
	6,739	1,195	-	-	-	-	7,934
Net assets / (liabilities)	468	(1,195)	-	-	-	3,389,974	3,389,247

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:

	2021		2020	
	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	3,692	3,692	6,477	6,477
Investments	2,189,463	-	3,389,974	-
Profit receivable on saving account with banks	12	12	110	110
	2,193,167	3,704	3,397,181	7,207

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 2,189.463 million (2020: Rs 3,389.974 million) are not exposed to credit

17.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2021	2020
AAA	98.11	-
AA+	1.89	100
	100	100

18 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

	2021			2020		
	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	-	2,189,463	-	-	3,389,974	-
	-	2,189,463	-	-	3,389,974	-

19 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the '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 2021			MSAP I 2020		
	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	232	282,534	41.93	341	373,698	47.11
Retirement funds	13	153,778	22.83	15	150,331	18.95
Private limited companies	7	221,755	32.92	7	176,062	22.19
Others	2	15,597	2.32	4	93,255	11.75
Total	254	673,664	100.00	367	793,346	100.00

	MSAP II			MSAP II		
	2021			2020		
	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	230	190,775	42.18	306	205,347	45.37
Retirement funds	5	85,951	19.01	5	68,072	15.04
Private limited companies	3	149,812	33.13	4	120,719	26.67
Others	7	25,665	5.68	7	58,480	12.92
Total	245	452,203	100.00	322	452,618	100.00

	MSAP III			MSAP III		
	2021			2020		
	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	175	362,784	72.44	232	384,975	51.61
Director	1	16,731	3.34	1	13,160	1.76
Retirement funds	5	60,842	12.15	5	48,636	6.52
Private limited companies	2	60,427	12.07	2	47,532	6.37
Others	-	-	-	2	251,704	33.74
Total	183	500,785	100.00	242	746,007	100.00

	MSAP IV			MSAP IV		
	2021			2020		
	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	151	186,223	87.56	218	317,462	42.27
Retirement funds	3	17,374	8.17	4	27,900	3.71
Private limited companies	2	7,207	3.39	2	5,653	0.75
Others	1	1,865	0.88	3	400,163	53.27
Total	157	212,669	100.00	227	751,178	100.00

	MSAP V			MSAP V		
	2021			2020		
	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	57	34,640	55.10	91	119,214	60.96
Retirement funds	3	18,688	29.72	5	25,096	12.83
Private limited companies	1	2,812	4.47	1	2,193	1.12
Public limited companies	-	-	-	1	43,837	22.41
Others	1	6,732	10.71	1	5,249	2.68
Total	62	62,873	100.00	99	195,589	100.00

	MCPPII			MCPPII		
	2021			2020		
	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	223	144,039	54.40	333	236,100	56.72
Retirement funds	14	84,320	31.85	17	141,827	34.07
Others	10	36,411	13.75	6	38,360	9.21
Total	247	264,770	100.00	356	416,287	100.00

21 INVESTMENT COMMITTEE MEMBERS

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

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty one years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty five years
Mr. Taha Javed	Head of Equity	CFA / MBA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fourteen years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Eleven years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Fourteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Twelve years
Mr. Ali Asghar	Head of Research	CFA / MBA (in progress)	Ten 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 Strategic Allocation Fund - III
- Meezan Financial Planning Fund of Funds
- Meezan Balanced Fund
- Meezan Asset Allocation Fund

22 DETAILS OF MEETINGS OF BOARD OF DIRECTORS

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on					
		August 13, 2020	September 17, 2020	October 21, 2020	February 15, 2021	April 12, 2021	June 21, 2021
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	No	No	-	-	-
Mr. Moin M. Fudda (Appointed in place of Mr Ijaz Farooq as nominee director of Meezan Bank Limited)*	Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Saima Shaukat Khan (Kamila)	Director	Yes	Yes	Yes	-	-	-
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Arshad Majeed	Director	Yes	Yes	No	-	-	-
Mr. Naeem Abdul Sattar	Director	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	-	-	-
Mr. Mubashar Maqbool (Appointed in place of Syed Amir Ali Zaidi)*	Director	-	-	-	Yes	Yes	Yes
Mr. Tariq Mairaj (Appointed in place of Mr. Arshad Majeed)*	Director	-	-	-	Yes	Yes	Yes
Mr. Feroz Rizvi (Appointed in place of Mr. Moin M Fudda who continued as nominee director of MBL)*	Director	-	-	-	Yes	Yes	Yes
Ms. Danish Zuberi (Appointed in place of Ms. Saima Shaukat Khan)*	Director	-	-	-	Yes	Yes	Yes

* The effective date of start of tenure of new board, after re-election is December 31, 2020

23 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.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on Aug 9, 2021 and further amended on Sep 14, 2021 to incorporate the subsequent event as disclosed in note 25.3 of the financial statements.

25 GENERAL

25.1 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

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

25.3 Subsequent events

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF not been incorporated in the financial statements of the Fund, the net asset value of MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPP-III as at June 30, 2021 would have been higher by Re. 0.682, Re. 0.288, Re. 0.385, Re. 0.828, Re. 0.809 and Re. 0.315 per unit respectively (2020: Re. 0.263, Re. 0.050, Re. 0.054, Re. 0.064, Re. 0.048 and Re. 0.120 per unit respectively).

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

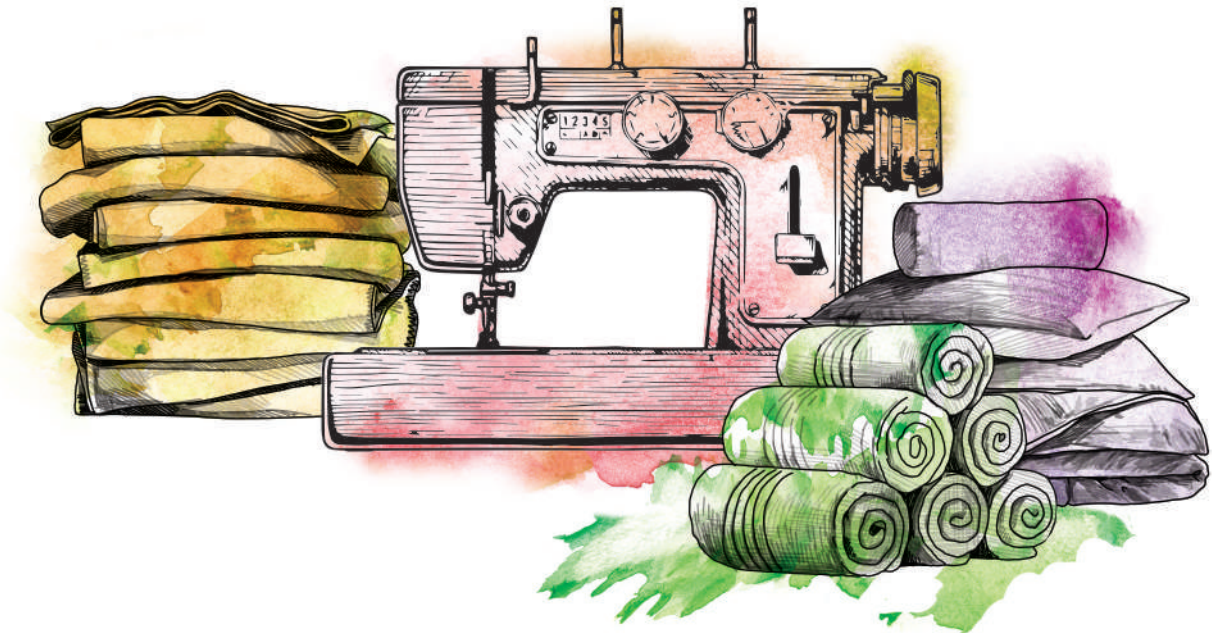


Al Meezan
Investment Management Ltd.

MEEZAN

STRATEGIC ALLOCATION FUND II (MSAF II)

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



TEXTILE GROUP EXPORTS REGISTERED AN INCREASE OF



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

Meezan Strategic Allocation Fund – II (MSAF – II)

Type of Fund

MSAF – II 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 – II has two 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 - MCPP-IV	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - MCPP-V	
Meezan Strategic Allocation Plan - MCPP-VI	
Meezan Strategic Allocation Plan - MCPP-VII	
Meezan Strategic Allocation Plan - MCPP-VIII	



Pure. Profit.



Performance Table with Benchmark

	Returns - FY21
MCPPIV	12.24%
Benchmark	9.08%
MCPPIV	8.18%
Benchmark	4.34%
MCPPIV	7.42%
Benchmark	3.76%
MCPPIV	7.45%
Benchmark	3.52%
MCPPIV	7.36%
Benchmark	3.76%

Meezan Capital Preservation Plan – IV

The Meezan Capital Preservation Plan – IV posted a total gain of Rs. 109 million in FY21. Total gain comprised of realized and unrealized gain on investments of Rs. 99 million. Dividend income and profit on saving account with banks comprised of Rs. 10 million and 0.07 million respectively. After accounting for expenses of Rs. 4.6 million, the Fund posted a net income of Rs. 105 million. The net assets of the Fund as at June 30, 2021 were Rs. 767 million.

Meezan Capital Preservation Plan – V

The Meezan Capital Preservation Plan – V posted total gain of Rs. 13 million in FY21. Total gain comprised of realized and unrealized gain on investments of Rs. 7 million. Dividend income and profit on saving account with banks comprised of Rs. 6 million and 0.07 million respectively. After accounting for expenses of Rs. 0.70 million, the Fund posted a net income of Rs. 12 million. The net assets of the Fund as at June 30, 2021 were Rs. 94 million.

Meezan Capital Preservation Plan – VI

The Meezan Capital Preservation Plan – VI posted total gain of Rs. 12 million in FY21. Total gain comprised of realized gain on investments of Rs. 10 million. Dividend income and profit on saving account with banks comprised of Rs. 2 million and 0.03 million respectively. After accounting for expenses of Rs. 0.70 million, the Fund posted a net income of Rs. 12 million. The net assets of the Fund as at June 30, 2021 were Rs. 93 million.

Meezan Capital Preservation Plan – VII

The Meezan Capital Preservation Plan – VII posted total gain of Rs. 9 million in FY21. Total gain comprised of realized and unrealized gain on investments of Rs. 7 million. Dividend income and profit on saving account with banks comprised of Rs. 2 million and 0.01 million respectively. After accounting for expenses of Rs. 0.54 million, the Fund posted a net income of Rs. 9 million. The net assets of the Fund as at June 30, 2021 were Rs. 104 million.



Pure. Profit.



Meezan Capital Preservation Plan – VIII

The Meezan Capital Preservation Plan – VIII posted total gain of Rs. 4 million in FY21. Total gain comprised of realized gain on investments of Rs. 3 million. Dividend income and profit on saving account with banks comprised of Rs. 0.76 million and 0.01 million respectively. After accounting for expenses of Rs. 0.24 million, the Fund posted a net income of Rs. 4 million. The net assets of the Fund as at June 30, 2021 were Rs. 35 million.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2021 was Rs. 0.10 per unit (0.20%), in MCPP-V. Total distribution made by the fund was Rs. 0.17 million in MCPP-V.

Breakdown of unit holdings by size

(As on June 30, 2021)

Range (Units)	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII
	No. of investors	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	262	131	233	218	227
10,000 - 49,999	97	44	30	25	15
50,000 - 99,999	19	3	4	2	1
100,000 - 499,999	22	2	1	2	0
500,000 and above	3	0	0	1	0
Total	403	180	268	248	243



Meezan Bank
The Premier Islamic Bank



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

August 2, 2021 / Dhu Al-Hijjah 22, 1442

Alhamdulillah, the period from July 1, 2020 to June 30, 2021 was the Third year of operation of Meezan Strategic Allocation Fund-II (MSAF-II) under management of Al Meezan Investment Management Limited (Al Meezan). The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity.

In the capacity of *Shari'ah* Advisor, I 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, I hereby certify that:

- i. I have reviewed and approved the modes of investments of MSAF-II in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF-II 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-II for the year ended June 30, 2021 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
Shariah Advisor

Meezan Bank Ltd.

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PABX: (92-21) 38103500 UAN:111-331-331 & 111-331-332 www.meezanbank.com

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Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND – II

Report of the Trustee pursuant to Regulation 41(h) 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 – II (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 16, 2021

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Strategic Allocation Fund II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Strategic Allocation Fund II (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year 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, 2021, and of its financial performance and its cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2021 amounted to Rs 1,097.473 million. The proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Tested the design and operating effectiveness of the key controls for valuation of investments; andRe-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.

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>



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.

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.

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A.F. FERGUSON & Co.

- 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.

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 Requirements

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.

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


Chartered Accountants
Karachi

Date: September 15, 2021

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

June 30, 2021						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Assets						
Balances with banks	5	587	754	518	349	751
Investments	6	770,586	94,642	93,190	104,349	34,706
Profit receivable		2	3	1	1	3
Total assets		771,175	95,399	93,709	104,699	35,460
Liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	7	73	29	10	10	15
Payable to Central Depository Company of Pakistan Limited - Trustee	8	52	7	7	7	2
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	181	30	31	24	10
Payable against redemption and conversion of units		51	87	62	36	-
Dividend payable		-	16	-	-	-
Accrued expenses and other liabilities	10	4,028	810	566	311	159
Total liabilities		4,385	979	676	388	186
NET ASSETS		766,790	94,420	93,033	104,311	35,274
UNIT HOLDERS' FUND (as per statement attached)		766,790	94,420	93,033	104,311	35,274
CONTINGENCIES AND COMMITMENTS	11					
(Number of units)						
NUMBER OF UNITS IN ISSUE		13,753,675	1,739,188	1,727,570	1,972,703	669,672
(Rupees)						
NET ASSET VALUE PER UNIT		55.7516	54.2898	53.8520	52.8771	52.6736

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

		June 30, 2020					
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
(Rupees in '000)							
Assets							
Balances with banks	5	1,366	2,299	692	175	339	4,871
Investments	6	1,119,695	217,726	213,216	137,116	63,829	1,751,582
Receivable against sale of investments		1,190	3,120	-	100	-	4,410
Profit receivable		118	46	46	27	20	257
Total assets		1,122,369	223,191	213,954	137,418	64,188	1,761,120
Liabilities							
Payable to AI Meezan Investment Management Limited - Management Company	7	95	18	19	12	18	162
Payable to Central Depository Company of Pakistan Limited - Trustee	8	72	15	14	9	4	114
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	265	66	57	34	18	440
Payable against redemption and conversion of units		1,292	4,608	78	131	110	6,219
Dividend payable		2,190	744	25	1,242	16	4,217
Accrued expenses and other liabilities	10	6,070	1,377	281	386	151	8,265
Total liabilities		9,984	6,828	474	1,814	317	19,417
NET ASSETS		1,112,385	216,363	213,480	135,604	63,871	1,741,703
UNIT HOLDERS' FUND (as per statement attached)		1,112,385	216,363	213,480	135,604	63,871	1,741,703
CONTINGENCIES AND COMMITMENTS	11						
(Number of units)							
NUMBER OF UNITS IN ISSUE		22,393,842	4,303,353	4,258,282	2,755,688	1,301,802	
(Rupees)							
NET ASSET VALUE PER UNIT		49.6737	50.2777	50.1329	49.2089	49.0635	

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021



For the year ended June 30, 2021						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Income						
Net realised gain on sale of investments	56,174	6,249	10,017	7,213	3,220	82,873
Profit on saving accounts with banks	66	71	32	10	14	193
Dividend income	10,353	5,724	2,305	2,064	757	21,203
	66,593	12,044	12,354	9,287	3,991	104,269
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	42,576	859	-	150	-
						43,585
Total income		109,169	12,903	12,354	9,437	3,991
						147,854
Expenses						
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	21	10	10	6	5
						52
Sindh Sales Tax on remuneration of the Management Company	7.2	3	1	1	1	1
						7
Allocated expenses	7.3	928	153	159	125	53
						1,418
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	632	105	109	85	36
						967
Sindh Sales Tax on remuneration of trustee	8.2	82	14	14	11	5
						126
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	181	30	31	24	10
						276
Auditors' remuneration	12	301	56	56	47	18
						478
Fees and subscription		308	71	75	52	29
						535
Legal and professional charges		35	6	7	5	2
						55
Provision for Sindh Workers' Welfare Fund		2,133	249	238	181	77
						2,878
Bank and settlement charges		10	6	3	6	2
						27
Total expenses		4,634	701	703	543	238
						6,819
Net income for the year before taxation		104,535	12,202	11,651	8,894	3,753
						141,035
Taxation	13	-	-	-	-	-
						-
Net income for the year after taxation		104,535	12,202	11,651	8,894	3,753
						141,035
Allocation of net income for the year						
Net income for the year after taxation		104,535	12,202	11,651	8,894	3,753
						141,035
Income already paid on units redeemed		(20,941)	(5,013)	(5,182)	(1,646)	(1,324)
						(34,106)
		83,594	7,189	6,469	7,248	2,429
						106,929
Accounting income available for distribution						
- Relating to capital gains		83,594	7,108	6,469	7,248	2,429
						106,848
- Excluding capital gains		-	81	-	-	-
						81
		83,594	7,189	6,469	7,248	2,429
						106,929

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

For the year ended June 30, 2020						
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
----- (Rupees in '000) -----						
Income						
Net realised loss on sale of investments	(41,360)	(5,843)	(11,860)	(7,827)	(3,732)	(70,622)
Profit on saving accounts with banks	314	170	223	85	306	1,098
Dividend income	81,689	21,816	19,451	11,003	6,616	140,575
	40,643	16,143	7,814	3,261	3,190	71,051
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1	(470)	77	76	49	23
		(470)	77	76	49	23
Total income		40,173	16,220	7,890	3,310	3,213
		40,173	16,220	7,890	3,310	3,213
Expenses						
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	19	11	18	12	29
Sindh Sales Tax on remuneration of the Management Company	7.2	2	1	2	2	4
Allocated expenses	7.3	1,307	326	283	166	91
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	916	228	198	116	64
Sindh Sales Tax on remuneration of trustee	8.2	119	30	26	15	8
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	265	66	57	34	18
Auditors' remuneration	12	330	88	76	45	24
Fees and subscription		394	96	75	40	21
Provision for Sindh Workers' Welfare Fund		736	307	142	58	59
Bank and settlement charges		16	4	8	1	1
Total expenses		4,104	1,157	885	489	319
		4,104	1,157	885	489	319
Net income for the year before taxation		36,069	15,063	7,005	2,821	2,894
		36,069	15,063	7,005	2,821	2,894
Taxation	13	-	-	-	-	-
Net income for the year after taxation		36,069	15,063	7,005	2,821	2,894
		36,069	15,063	7,005	2,821	2,894
Allocation of net income for the year						
Net income for the year after taxation		36,069	15,063	7,005	2,821	2,894
Income already paid on units redeemed		(1,171)	(9,092)	(6,762)	(46)	(2,440)
		34,898	5,971	243	2,775	454
		34,898	5,971	243	2,775	454
Accounting income available for distribution						
- Relating to capital gains		-	-	-	-	-
- Excluding capital gains		34,898	5,971	243	2,775	454
		34,898	5,971	243	2,775	454

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021



Meezan
 Strategic Allocation Fund-II

	For the year ended June 30, 2021				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
	(Rupees in '000)				
Net income for the year after taxation	104,535	12,202	11,651	8,894	3,753
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	104,535	12,202	11,651	8,894	3,753

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	For the year ended June 30, 2020				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
	(Rupees in '000)				
Net income for the year after taxation	36,069	15,063	7,005	2,821	2,894
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	36,069	15,063	7,005	2,821	2,894

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021 MCPP-IV (Rupees in '000)			June 30, 2021 MCPP-V (Rupees in '000)			June 30, 2021 MCPP-VI (Rupees in '000)			June 30, 2021 MCPP-VII (Rupees in '000)			June 30, 2021 MCPP-VIII (Rupees in '000)			June 30, 2021 Total (Rupees in '000)		
	Capital value	Undistribut ed income	Total	Capital value	Undistribut ed income	Total	Capital value	Undistribut ed income	Total	Capital value	Undistribut ed income	Total	Capital value	Accumulate d loss	Total	Capital value	Undistribut ed income	Total
Net assets at the beginning of the year	1,122,392	(10,007)	1,112,385	215,481	882	216,363	214,933	(1,453)	213,480	137,452	(1,848)	135,604	67,469	(3,598)	63,871	1,757,727	(16,024)	1,741,703
Issuance of units:																		
MCPP-IV: nil, MCPP-V: 2,381																		
MCPP-VI: nil, MCPP-VII: nil, MCPP-VIII: nil																		
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	120	-	120	-	-	-	-	-	-	-	-	-	120	-	120
- Element of income	-	-	-	9	-	9	-	-	-	-	-	-	-	-	-	9	-	9
Total proceeds on issuance of units	-	-	-	129	-	129	-	-	-	-	-	-	-	-	-	129	-	129
Redemption of units:																		
MCPP-IV: 8,640,167, MCPP-V: 2,566,546																		
MCPP-VI: 2,530,712, MCPP-VII: 782,985																		
MCPP-VIII: 632,130																		
- Capital value (at net asset value per unit at the beginning of the year)	429,189	-	429,189	129,040	-	129,040	126,872	-	126,872	38,530	-	38,530	31,014	-	31,014	754,645	-	754,645
- Element of loss	-	20,941	20,941	47	5,013	5,060	44	5,182	5,226	11	1,646	1,657	12	1,324	1,336	114	34,106	34,220
Total payments on redemption of units	429,189	20,941	450,130	129,087	5,013	134,100	126,916	5,182	132,098	38,541	1,646	40,187	31,026	1,324	32,350	754,759	34,106	788,865
Total comprehensive income for the year	-	104,535	104,535	-	12,202	12,202	-	11,651	11,651	-	8,894	8,894	-	3,753	3,753	-	141,035	141,035
Distribution during the year	-	-	-	-	(174)	(174)	-	-	-	-	-	-	-	-	-	-	(174)	(174)
Net income for the year less distribution	-	104,535	104,535	-	12,028	12,028	-	11,651	11,651	-	8,894	8,894	-	3,753	3,753	-	140,861	140,861
Net assets at the end of the year	693,203	73,587	766,790	86,523	7,897	94,420	88,017	5,016	93,033	98,911	5,400	104,311	36,443	(1,169)	35,274	1,003,097	90,731	1,093,828
(Accumulated loss) / undistributed income brought forward																		
- Realised (loss) / income		(9,537)			805			(1,529)			(1,897)			(3,621)			(15,779)	
- Unrealised (loss) / income		(470)			77			76			49			23			(245)	
		(10,007)			882			(1,453)			(1,848)			(3,598)			(16,024)	
Accounting income available for distribution																		
- Relating to capital gains		83,594			7,108			6,469			7,248			2,429			106,848	
- Excluding capital gains		-			81			-			-			-			81	
		83,594			7,189			6,469			7,248			2,429			106,929	
Distribution during the year		-			(174)			-			-			-			(174)	
Undistributed income / (accumulated loss) carried forward		73,587			7,897			5,016			5,400			(1,169)			90,731	
Undistributed income / (accumulated loss) carried forward																		
- Realised income / (loss)		31,011			7,038			5,016			5,250			(1,169)			47,146	
- Unrealised income		42,576			859			-			150			-			43,585	
		73,587			7,897			5,016			5,400			(1,169)			90,731	
	Rupees			Rupees			Rupees			Rupees			Rupees					
Net asset value per unit as at the beginning of the year	49.6737			50.2777			50.1329			49.2089			49.0635					
Net asset value per unit as at the end of the year	55.7516			54.2898			53.8520			52.8771			52.6736					

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020			June 30, 2020		
	MCPPIV			MCPPIV			MCPPIV			MCPPIV			MCPPIV			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Accumulated loss	Total	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
Net assets at the beginning of the year	1,563,055	(10,007)	1,553,048	473,102	805	473,907	385,555	(1,529)	384,026	209,309	(1,897)	207,412	134,344	(3,620)	130,724	2,765,365	(16,248)	2,749,117
Issuance of units:																		
MCPPIV: 567,866, MCPPIV: 84,080, MCPPIV: 2,284																		
MCPPIV: 24,190, MCPPIV: 6,994																		
- Capital value (at net asset value per unit at the beginning of the year)	28,462	-	28,462	4,214	-	4,214	114	-	114	1,210	-	1,210	343	-	343	34,343	-	34,343
- Element of (loss) / income	(254)	-	(254)	14	-	14	-	-	-	(20)	-	(20)	1	-	1	(259)	-	(259)
Total proceeds on issuance of units	28,208	-	28,208	4,228	-	4,228	114	-	114	1,190	-	1,190	344	-	344	34,084	-	34,084
Redemption of units:																		
MCPPIV: 9,159,786, MCPPIV: 5,237,332																		
MCPPIV: 3,430,875, MCPPIV: 1,413,495																		
MCPPIV: 1,373,136																		
- Capital value (at net asset value per unit at the beginning of the year)	459,099	-	459,099	262,462	-	262,462	171,402	-	171,402	70,731	-	70,731	67,281	-	67,281	1,030,975	-	1,030,975
- Element of (loss) / income	9,772	1,171	10,943	(613)	9,092	8,479	(666)	6,762	6,096	2,316	46	2,362	(62)	2,440	2,378	10,747	19,511	30,258
Total payments on redemption of units	468,871	1,171	470,042	261,849	9,092	270,941	170,736	6,762	177,498	73,047	46	73,093	67,219	2,440	69,659	1,041,722	19,511	1,061,233
Total comprehensive income for the year	-	36,069	36,069	-	15,063	15,063	-	7,005	7,005	-	2,821	2,821	-	2,894	2,894	-	63,852	63,852
Distribution during the year	-	(34,898)	(34,898)	-	(5,894)	(5,894)	-	(167)	(167)	-	(2,726)	(2,726)	-	(432)	(432)	-	(44,117)	(44,117)
Net income for the year less distribution	-	1,171	1,171	-	9,169	9,169	-	6,838	6,838	-	95	95	-	2,462	2,462	-	19,735	19,735
Net assets at the end of the year	1,122,392	(10,007)	1,112,385	215,481	882	216,363	214,933	(1,453)	213,480	137,452	(1,848)	135,604	67,469	(3,598)	63,871	1,757,727	(16,024)	1,741,703
(Accumulated loss) / undistributed income brought forward																		
- Realised income / (loss)	26,661			13,730			10,331			4,551			(3,616)			51,657		
- Unrealised loss	(36,668)			(12,925)			(11,860)			(6,448)			(4)			(67,905)		
	(10,007)			805			(1,529)			(1,897)			(3,620)			(16,248)		
Accounting income available for distribution																		
- Relating to capital gains	-			-			-			-			-			-		
- Excluding capital gains	34,898			5,971			243			2,775			454			44,341		
	34,898			5,971			243			2,775			454			44,341		
Distribution during the year	(34,898)			(5,894)			(167)			(2,726)			(432)			(44,117)		
(Accumulated loss) / undistributed income carried forward	(10,007)			882			(1,453)			(1,848)			(3,598)			(16,024)		
(Accumulated loss) / undistributed income carried forward																		
- Realised (loss) / income	(9,537)			805			(1,529)			(1,897)			(3,621)			(15,779)		
- Unrealised (loss) / income	(470)			77			76			49			23			(245)		
	(10,007)			882			(1,453)			(1,848)			(3,598)			(16,024)		
Rupees				Rupees			Rupees			Rupees			Rupees			Rupees		
Net asset value per unit as at the beginning of the year	50.1213			50.1139			49.9586			50.0391			48.9980			49.0635		
Net asset value per unit as at the end of the year	49.6737			50.2777			50.1329			49.2089			49.0635					

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021



Meezan
 Strategic Allocation Fund-II

For the year ended June 30, 2021						
Note	MCCP-IV	MCCP-V	MCCP-VI	MCCP-VII	MCCP-VIII	Total
------(Rupees in '000)-----						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the year before taxation	104,535	12,202	11,651	8,894	3,753	141,035
Adjustments for:						
Net unrealised appreciation on re-measurement of investments 'at fair value through profit or loss'	6.1 (42,576)	(859)	-	(150)	-	(43,585)
	61,959	11,343	11,651	8,744	3,753	97,450
Decrease / (increase) in assets						
Investments - net	391,685	123,943	120,026	32,917	29,123	697,694
Receivable against sale of investments	1,190	3,120	-	100	-	4,410
Profit receivable	116	43	45	26	17	247
	392,991	127,106	120,071	33,043	29,140	702,351
Increase / (decrease) in liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	(22)	11	(9)	(2)	(3)	(25)
Payable to Central Depository Company of Pakistan Limited - Trustee	(20)	(8)	(7)	(2)	(2)	(39)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(84)	(36)	(26)	(10)	(8)	(164)
Accrued expenses and other liabilities	(2,042)	(567)	285	(75)	8	(2,391)
	(2,168)	(600)	243	(89)	(5)	(2,619)
Net cash generated from operating activities	452,782	137,849	131,965	41,698	32,888	797,182
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	-	129	-	-	-	129
Payments against redemption and conversion of units	(451,371)	(138,621)	(132,114)	(40,282)	(32,460)	(794,848)
Dividend paid	(2,190)	(902)	(25)	(1,242)	(16)	(4,375)
Net cash used in financing activities	(453,561)	(139,394)	(132,139)	(41,524)	(32,476)	(799,094)
Net (decrease) / increase in cash and cash equivalents during the year	(779)	(1,545)	(174)	174	412	(1,912)
Cash and cash equivalents at the beginning of the year	1,366	2,299	692	175	339	4,871
Cash and cash equivalents at the end of the year	587	754	518	349	751	2,959

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

MEEZAN STRATEGIC ALLOCATION FUND - II
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

For the year ended June 30, 2020							
Note	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total	
------(Rupees in '000)-----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	36,069	15,063	7,005	2,821	2,894	63,852	
Adjustments for:							
Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'	6.1	470	(77)	(76)	(49)	(23)	245
		36,539	14,986	6,929	2,772	2,871	64,097
Decrease / (increase) in assets							
Investments - net		448,476	256,460	169,683	67,644	64,745	1,007,008
Receivable against sale of investments		(1,190)	(3,120)	-	(100)	-	(4,410)
Profit receivable		(66)	(41)	(25)	(15)	(13)	(160)
		447,220	253,299	169,658	67,529	64,732	1,002,438
Increase / (decrease) in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company		(42)	(26)	(26)	(8)	(7)	(109)
Payable to Central Depository Company of Pakistan Limited - Trustee		(51)	(25)	(22)	(8)	(6)	(112)
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(1,538)	(560)	(410)	(142)	(38)	(2,688)
Payable against purchase of investments		-	(252)	-	(35)	-	(287)
Accrued expenses and other liabilities		5,325	1,224	216	363	131	7,259
		3,694	361	(242)	170	80	4,063
Net cash generated from operating activities		487,453	268,646	176,345	70,471	67,683	1,070,598
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units		28,208	4,228	114	1,190	344	34,084
Payments against redemption and conversion of units		(483,463)	(266,333)	(177,470)	(72,962)	(69,558)	(1,069,786)
Dividend paid		(32,708)	(5,150)	(142)	(1,484)	(416)	(39,900)
Net cash used in financing activities		(487,963)	(267,255)	(177,498)	(73,256)	(69,630)	(1,075,602)
Net (decrease) / increase in cash and cash equivalents during the year							
		(510)	1,391	(1,153)	(2,785)	(1,947)	(5,004)
Cash and cash equivalents at the beginning of the year		1,876	908	1,845	2,960	2,286	9,875
Cash and cash equivalents at the end of the year	5	1,366	2,299	692	175	339	4,871

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund - II (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 15, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Fund is registered as a Notified entity under the NBFC Regulations issued through S.R.O.1203(I)/2008 on October 10, 2016. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of Equity Schemes and Fixed Income / Money Market Schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unit holders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Capital Preservation Plan-IV (MCPPIV), Meezan Capital Preservation Plan-V (MCPPIV), Meezan Capital Preservation Plan-VI (MCPPIV), Meezan Capital Preservation Plan-VII (MCPPIV) and Meezan Capital Preservation Plan-VIII (MCPPIV) by investing in Shariah compliant Fixed Income / Money Market and Equity Mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020) to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act, 2020.
- 1.8** A brief description of the plans is as follows:

Meezan Capital Preservation Plan-IV (MCPPIV)	Low risk - High return through asset allocation This allocation plan commenced its operations from March 06, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period. During the current year, SECP approved the extension of the plan by one year vide its letter dated October 24, 2020. Units shall be subject to front end load.
Meezan Capital Preservation Plan-V (MCPPIV)	Low risk - High return through asset allocation This allocation plan commenced its operations from May 04, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. During the current year, SECP approved the extension of the plan by one year. Units shall be subject to front end load.

Meezan Capital Preservation Plan-VI (MCPV-VI)	Low risk - High return through asset allocation This allocation plan commenced its operations from July 10, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period. Units shall be subject to front end load. During the current year, SECP approved the extension of the plan by one year vide its letter dated February 25, 2021. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VII (MCPV-VII)	Low risk - High return through asset allocation This allocation plan commenced its operations from September 26, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period. During the current year, SECP approved the extension of the plan by one year vide its letter dated May 18, 2021. Units shall be subject to front end load.
Meezan Capital Preservation Plan-VIII (MCPV-VIII)	Low risk - High return through asset allocation This allocation plan commenced its operations from December 17, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period i.e. February 2019. Units shall be subject to front end load.

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

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These 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, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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

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

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

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments 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 judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6) and provision of taxation (note 4.14 and 13).

3.5 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.

3.6 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years.

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification

a) Debt instruments

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

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

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.3 Subsequent measurement

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

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme 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.

4.3.4 Impairment

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

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

4.3.5 Regular way contracts

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

4.3.6 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.

4.3.7 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.

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 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.

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan 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.

4.9 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 applications are received. The offer price of each allocation plan represents the net assets value (NAV) 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 (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 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 the 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 year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

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

4.12 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Dividend income is recognised when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- (iii) Profit on bank deposit is recognised on a time proportion basis using the effective yield method.
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

4.13 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.

4.14 Taxation

Current

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

Deferred

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

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

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

4.15 Earnings / (loss) per unit

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

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

4.16 Foreign currency translation

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

5 BALANCES WITH BANKS

		June 30, 2021				
Note		MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Saving accounts	5.1	577	754	518	349	2,949
Current accounts		10	-	-	-	10
		<u>587</u>	<u>754</u>	<u>518</u>	<u>349</u>	<u>2,959</u>
		June 30, 2020				
Note		MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Saving accounts	5.1	1,356	2,299	692	175	4,861
Current accounts		10	-	-	-	10
		<u>1,366</u>	<u>2,299</u>	<u>692</u>	<u>175</u>	<u>4,871</u>

- 5.1 These includes a balance of Rs. 2.939 million (2020: Rs. 9.875 million) maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.5% (2020: 3.00%) per annum. Other profit and loss sharing account of the Fund have expected profit rate of 3.86% per annum (2020: 3.40% per annum).

6 INVESTMENTS

		June 30, 2021				
Note		MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Investments - 'at fair value through profit or loss'	6.1	<u>770,586</u>	<u>94,642</u>	<u>93,190</u>	<u>104,349</u>	<u>1,097,473</u>
		June 30, 2020				
Note		MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
(Rupees in '000)						
Investments - 'at fair value through profit or loss'	6.1	<u>1,119,695</u>	<u>217,726</u>	<u>213,216</u>	<u>137,116</u>	<u>1,751,582</u>

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

Name of investee funds	As at July 1, 2020	Purchases during the year	Redemptions during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised appreciation as at June 30, 2021	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of invest- ments
					----- (Rupees in '000) -----			(Percentage)	
Meezan Capital Preservation Plan - IV									
Meezan Dedicated Equity Fund	1,007,398	10,961,236	4,477,210	7,491,424	308,822	351,398	42,576	45.83	45.60
Meezan Cash Fund	-	3,239,124	3,239,124	-	-	-	-	-	-
Meezan Sovereign Fund	21,045,293	6,613,909	27,659,202	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	14,821,458	6,437,694	8,383,764	419,188	419,188	-	54.67	54.40
					728,010	770,586	42,576	100.50	100.00
Meezan Capital Preservation Plan - V									
Meezan Dedicated Equity Fund	-	710,138	380,708	329,430	14,593	15,452	859	16.37	16.33
Meezan Cash Fund	-	569,301	569,301	-	-	-	-	-	-
Meezan Sovereign Fund	4,223,792	2,725,068	6,948,860	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	5,724,751	4,140,957	1,583,794	79,190	79,190	-	83.87	83.67
					93,783	94,642	859	100.24	100.00
Meezan Capital Preservation Plan - VI									
Meezan Sovereign Fund	4,136,293	470,015	4,606,308	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	2,624,278	760,476	1,863,802	93,190	93,190	-	100.17	100.00
					93,190	93,190	-	100.17	100.00
Meezan Capital Preservation Plan - VII									
Meezan Dedicated Equity Fund	-	197,472	15,621	181,851	8,380	8,530	150	8.18	8.17
Meezan Sovereign Fund	2,659,990	376,011	3,036,001	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	2,337,000	420,621	1,916,379	95,819	95,819	-	91.86	91.83
					104,199	104,349	150	100.04	100.00
Meezan Capital Preservation Plan - VIII									
Meezan Sovereign Fund	1,238,243	188,101	1,426,344	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	907,536	213,414	694,122	34,706	34,706	-	98.39	100.00
					34,706	34,706	-	98.39	100.00
Total investments in units of mutual funds (2021)									
Meezan Dedicated Equity Fund	1,007,398	11,868,846	4,873,539	8,002,705	331,795	375,380	43,585	34.32	34.20
Meezan Cash Fund	-	3,808,425	3,808,425	-	-	-	-	-	-
Meezan Sovereign Fund	33,303,611	10,373,104	43,676,715	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	26,415,023	11,973,162	14,441,861	722,093	722,093	-	66.02	65.80
Total as at June 30, 2021					1,053,888	1,097,473	43,585	100.34	100.00
Total as at June 30, 2020					1,751,827	1,751,582	(245)	100.57	100.00

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT - MANAGEMENT COMPANY

		June 30, 2021					
	Note	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
(Rupees in '000)							
Remuneration payable	7.1	2	1	1	1	11	16
Sindh Sales Tax on remuneration payable	7.2	-	-	-	-	1	1
Allocated expenses payable	7.3	71	28	9	9	3	120
		<u>73</u>	<u>29</u>	<u>10</u>	<u>10</u>	<u>15</u>	<u>137</u>
		June 30, 2020					
	Note	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	Total
(Rupees in '000)							
Remuneration payable	7.1	2	-	1	1	11	15
Sindh Sales Tax on remuneration payable	7.2	1	-	-	-	2	3
Allocated expenses payable	7.3	92	18	18	11	5	144
		<u>95</u>	<u>18</u>	<u>19</u>	<u>12</u>	<u>18</u>	<u>162</u>

- 7.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2020: 1%) per annum of the daily bank balance of the Fund during the year ended June 30, 2021. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** During the year, an amount of Rs 0.007 million (2020: Rs 0.012 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.009 million (2020: Rs 0.013 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has charged 0.1% of the average annual net assets of the Fund for allocation of such expenses to the Fund from July 1, 2020 till March 9, 2021 and 0.11% with effect from March 10, 2021 subject to not being higher than the actual expense. These expenses have also been approved by the Board of Directors of the Management Company. (2020: 0.1%).

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	June 30, 2021					
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
	(Rupees in '000)					
Remuneration payable	46	6	6	6	2	66
Sindh Sales Tax on remuneration of the Trustee	6	1	1	1	-	9
	52	7	7	7	2	75
Note	June 30, 2020					
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
	(Rupees in '000)					
Remuneration payable	64	13	12	8	3	100
Sindh Sales Tax on remuneration of the Trustee	8	2	2	1	1	14
	72	15	14	9	4	114

- 8.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at 0.07% (2020: 0.07%) per annum of the daily net assets of the Fund.
- 8.2** During the current year, an amount of Rs 0.126 million (2020: Rs 0.198 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 0.131 million (2020: Rs. 0.210 million) was paid to the Trustee which acts as a collecting agent.

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

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

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (2020: 0.02%) of net assets during the current year.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	June 30, 2021					
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
	(Rupees in '000)					
Auditors' remuneration payable	209	34	36	35	12	326
Withholding tax payable	16	29	-	-	-	45
Shariah advisory fee payable	105	13	14	13	5	150
Printing charges payable	212	9	8	-	2	231
Provision for Sindh Workers' Welfare Fund	3,179	611	380	239	136	4,545
Capital gain tax payable	307	59	80	24	4	474
Zakat Payable	-	55	48	-	-	103
	4,028	810	566	311	159	5,874

Note	June 30, 2020					Total
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	
	(Rupees in '000)					
Auditors' remuneration payable	188	43	39	23	12	305
Withholding tax payable	4,514	922	27	294	73	5,830
Shariah advisory fee payable	101	18	16	10	5	150
Printing charges payable	212	9	8	-	2	231
Provision for Sindh Workers' Welfare Fund	10.1	1,046	367	142	58	1,672
Capital gain tax payable	9	18	1	1	-	29
Zakat Payable	-	-	48	-	-	48
	<u>6,070</u>	<u>1,377</u>	<u>281</u>	<u>386</u>	<u>151</u>	<u>8,265</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2021, the net asset value of MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII, MCPP-VIII as at June 30, 2021 would have been higher by Re. 0.23, Re. 0.35, Re. 0.22, Re.0.12 and Re 0.20 per unit respectively (2020: Re.0.05, Re. 0.09, Re. 0.03, Re.0.02 and Re 0.05 per unit respectively).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

12 AUDITORS' REMUNERATION

	June 30, 2021					Total
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	
	(Rupees in '000)					
Annual audit fee	230	43	43	32	14	362
Half yearly review fee	71	13	13	15	4	116
	<u>301</u>	<u>56</u>	<u>56</u>	<u>47</u>	<u>18</u>	<u>478</u>

	June 30, 2020					Total
	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII	MCPP-VIII	
	(Rupees in '000)					
Annual audit fee	261	69	60	36	19	445
Half yearly review fee	69	19	16	9	5	118
	<u>330</u>	<u>88</u>	<u>76</u>	<u>45</u>	<u>24</u>	<u>563</u>

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, 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 Finance Act, 2015 is also not applicable on Funds as per Income Tax Ordinance, 2001.

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2021 are;

	June 30, 2021				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV
Total Expense ratio (including government levies)	0.51%	0.47%	0.45%	0.45%	0.46%
Government levies	0.27%	0.19%	0.18%	0.18%	0.18%

	June 30, 2020				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV
Total Expense ratio (including government levies)	0.31%	0.36%	0.31%	0.29%	0.35%
Government levies	0.09%	0.12%	0.08%	0.06%	0.10%

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

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

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

Balances	June 30, 2021				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
Al Meezan Investment Management Limited					
- Management Company					
Remuneration payable to the Management Company (Rs in '000)	2	1	1	1	16
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	1
Allocated expenses (Rs in '000)	71	28	9	9	120
Meezan Bank Limited					
Bank balance (Rs in '000)	577	744	518	349	2,939
Profit receivable (Rs in '000)	2	4	1	1	11
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable to the Trustee (Rs. in '000)	46	6	6	6	66
Sindh Sales Tax on remuneration of the Trustee (Rs. in '000)	6	1	1	1	9



Balances

June 30, 2021

Directors and Executives of the Management Company

	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
Investment (Rs in '000)	5,715	-	-	-	-	5,715
Investment (Units)	102,501	-	-	-	-	102,501

Meezan Dedicated Equity Fund

Investment (Rs in '000)	351,398	15,452	-	8,530	-	375,380
Investment (Units)	7,491,424	329,430	-	181,851	-	8,002,705

Meezan Rozana Amdani Fund

Investment (Rs in '000)	419,188	79,190	93,190	95,819	34,706	722,093
Investment (Units)	8,383,764	1,583,794	1,863,802	1,916,379	694,122	14,441,861

Unit holders holding 10% or more units of the Fund

Investment (Rs in '000)	188,223	-	12,510	52,196	3,371	256,300
Investment (Units)	3,376,099	-	232,300	987,119	63,996	4,659,514

Balances

June 30, 2020

AI Meezan Investment Management Limited - Management Company

Remuneration payable (Rs in '000)	2	-	1	1	11	15
Sindh Sales Tax on management fee (Rs in '000)	1	-	-	-	2	3
Allocated expenses (Rs in '000)	92	18	18	11	5	144

Meezan Bank Limited

Bank balance (Rs in '000)	1,356	2,289	692	175	339	4,851
Profit receivable (Rs in '000)	3	2	4	1	2	12

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable (Rs. in '000)	64	13	12	8	3	100
Sindh Sales Tax on trustee fee payable (Rs. in '000)	8	2	2	1	1	14

Directors and Executives of the Management Company

Investment (Rs in '000)	5,092	-	-	-	-	5,092
Investment (Units)	102,501	-	-	-	-	102,501

Meezan Dedicated Equity Fund

Investment (Rs in '000)	34,860	-	-	-	-	34,860
Investment (Units)	1,007,398	-	-	-	-	1,007,398

Meezan Sovereign Fund

Investment (Rs in '000)	1,084,835	217,726	213,216	137,116	63,829	1,716,722
Investment (Units)	21,045,293	4,223,792	4,136,293	2,659,990	1,238,243	33,303,611

Unit holders holding 10% or more units of the Fund

Investment (Rs in '000)	167,703	-	24,728	48,575	-	241,007
Investment (Units)	3,376,099	-	493,254	987,119	-	4,856,472

Transactions during the year

For the year ended June 30, 2021

AI Meezan Investment Management Limited - Management Company

Remuneration to the Management Company (Rs in '000)	21	10	10	6	5	52
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	3	1	1	1	1	7
Allocated expenses (Rs in '000)	928	153	159	125	53	1,418

Transactions during the year

	For the year ended June 30, 2021				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
Meezan Bank Limited					
Profit on saving account (Rs in '000)	66	71	32	10	193
Central Depository Company of Pakistan Limited - Trustee					
Remuneration of the Trustee (Rs in '000)	632	105	109	85	967
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	82	14	14	11	126
Meezan Dedicated Equity Fund					
Invested during the year (Rs. in '000)	449,182	30,750	-	9,100	489,032
Invested during the year (Units)	10,961,236	710,138	-	197,472	11,868,847
Redeemed during the year (Rs. in '000)	186,632	16,716	-	750	204,098
Redeemed during the year (Units)	4,477,210	380,708	-	15,621	4,873,538
Meezan Cash Fund					
Invested during the year (Rs. in '000)	165,000	29,000	-	-	194,000
Invested during the year (Units)	3,239,124	569,301	-	-	3,808,424
Redeemed during the year (Rs. in '000)	165,077	29,014	-	-	194,091
Redeemed during the year (Units)	3,239,124	569,301	-	-	3,808,425
Meezan Sovereign Fund					
Invested during the year (Rs. in '000)	352,575	146,752	25,414	20,331	555,242
Invested during the year (Units)	6,613,909	2,725,069	470,015	376,011	10,373,104
Redeemed during the year (Rs. in '000)	1,482,095	370,154	248,647	164,630	2,342,745
Redeemed during the year (Units)	27,659,202	6,948,860	4,606,308	3,036,001	43,676,715
Meezan Rozana Amadani Fund					
Invested during the year (Rs. in '000)	741,073	286,238	131,214	116,850	1,320,751
Invested during the year (Units)	14,821,458	5,724,751	2,624,278	2,337,000	26,415,023
Redeemed during the year (Rs. in '000)	321,885	207,048	38,024	21,031	598,658
Redeemed during the year (Units)	6,437,694	4,140,957	760,476	420,621	11,973,163
Dividend received during the period (Rs. in '000)	10,353	5,724	2,305	2,064	21,203
Dividend received during the period (Units)	1,035,325	114,484	46,109	41,283	1,252,347

Transactions during the year

	For the year ended June 30, 2020				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
Al Meezan Investment Management Limited - Management Company					
Remuneration for the year (Rs in '000)	19	11	18	12	89
Sindh Sales Tax on management fee (Rs in '000)	3	1	2	2	12
Allocated expenses (Rs in '000)	1,307	326	283	166	2,173
Meezan Bank Limited					
Profit on saving account (Rs in '000)	314	170	223	85	1,098
Central Depository Company of Pakistan Limited - Trustee					
Trustee Fee for the year (Rs in '000)	916	228	198	116	1,522
Sindh Sales Tax on trustee fee (Rs in '000)	119	30	26	15	198
Meezan Dedicated Equity Fund					
Invested during the year (Rs. in '000)	438,970	76,882	58,200	47,000	724,802
Invested during the year (Units)	11,323,232	1,989,241	1,458,405	1,197,147	18,897,576
Redeemed during the year (Rs. in '000)	688,423	174,575	139,351	89,075	1,208,548
Redeemed during the year (Units)	20,360,026	5,070,502	4,203,715	2,674,544	35,756,904
Meezan Cash Fund					
Invested during the year (Rs. in '000)	3,195,300	766,228	510,222	291,943	5,037,180
Invested during the year (Units)	60,130,394	14,518,639	9,715,078	5,533,525	95,183,783
Redeemed during the year (Rs. in '000)	3,215,119	770,234	512,660	293,228	5,065,388
Redeemed during the year (Units)	60,130,394	14,518,639	9,715,078	5,533,525	95,183,783

Transactions during the year
For the year ended June 30, 2020
Meezan Sovereign Fund

	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV	Total
Invested during the year (Rs. in '000)	2,301,132	488,568	448,851	288,077	135,933	3,662,562
Invested during the year (Units)	40,595,658	8,619,038	7,918,847	5,082,410	2,398,196	64,614,149
Redeemed during the year (Rs. in '000)	2,027,369	515,374	430,908	252,929	153,493	3,380,073
Redeemed during the year (Units)	37,183,424	9,535,589	7,945,024	4,641,152	2,852,234	62,157,423
Dividend received during the year (Rs. in '000)	588	121	116	74	35	934
Dividend received during the year (Units)	11,412	2,344	2,246	1,443	681	18,125
Refund of capital during the year (Rs. in '000)	107,522	22,083	21,157	13,595	6,413	170,770
Refund of capital during the year (Units)	2,086,583	428,555	410,589	263,835	124,444	3,314,006

16 FINANCIAL INSTRUMENTS BY CATEGORY

2021			2020		
At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Rupees in '000			Rupees in '000		

Financial assets

Balances with banks	2,959	-	2,959	4,871	-	4,871
Investments	-	1,097,473	1,097,473	-	1,751,582	1,751,582
Receivable against sale of investments	-	-	-	4,410	-	4,410
Profit receivable	10	-	10	12	-	12
	2,969	1,097,473	1,100,442	9,293	1,751,582	1,760,875

2021			2020		
At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Rupees in '000			Rupees in '000		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	137	-	137	162	-	162
Payable to Central Depository Company of Pakistan Limited - Trustee	75	-	75	114	-	114
Payable against redemption and conversion of units	236	-	236	6,219	-	6,219
Dividend payable	16	-	16	4,217	-	4,217
Accrued expenses and other liabilities	707	-	707	686	-	686
	1,171	-	1,171	11,398	-	11,398

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) **Yield / profit rate risk**

Yield / 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, 2021, 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. 0.029 million (2020: Rs 0.049 million).

b) **Sensitivity analysis for fixed rate instruments**

As at June 30, 2021, 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, 2021 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, 2021 can be determined as follows:

As at June 30, 2021					
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	2.50% to 3.86%	2,959	-	-	2,959
Investments		-	-	-	1,097,473
Profit receivable		-	-	-	10
		2,959	-	-	1,097,483
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	137
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	75
Payable on redemption and conversion of units		-	-	-	236
Dividend payable		-	-	-	16
Accrued expenses and other liabilities		-	-	-	707
		-	-	-	1,171
On-balance sheet gap		2,959	-	-	1,096,312
Off-balance sheet financial instruments					
Off-balance sheet gap		-	-	-	-
Total profit rate sensitivity gap		2,959	-	-	-
Cumulative profit rate sensitivity gap		2,959	-	-	-

As at June 30, 2020					
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	3.00% to 3.40%	4,871	-	-	4,871
Investments		-	-	1,751,582	1,751,582
Receivable against sale of investments		-	-	4,410	4,410
Profit receivable		-	-	12	12
		4,871	-	1,756,004	1,760,875
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	162	162
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	114	114
Payable on redemption and conversion of units		-	-	6,219	6,219
Dividend payable		-	-	4,217	4,217
Accrued expenses and other liabilities		-	-	686	686
		-	-	11,398	11,398
On-balance sheet gap		4,871	-	1,744,606	1,749,477
Off-balance sheet financial instruments					
Off-balance sheet gap		-	-	-	-
Total profit rate sensitivity gap		4,871	-	-	-
Cumulative profit rate sensitivity gap		4,871	-	-	-

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.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by the SECP from time to time.

In case of 1% increase / decrease in equity prices as at June 30, 2021 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 10.975 million (2020: Rs. 17.516 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

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 for any of the sub-funds.

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:

----- 2021 -----					
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	Total
----- Rupees in '000 -----					
Financial assets					
Balances with banks	2,959	-	-	-	2,959
Investments	-	-	-	1,097,473	1,097,473
Profit receivable	10	-	-	-	10
	2,969	-	-	1,097,473	1,100,442
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	137	-	-	-	137
Payable to Central Depository Company of Pakistan Limited - Trustee	75	-	-	-	75
Payable against redemption and conversion of units	236	-	-	-	236
Dividend payable	16	-	-	-	16
Accrued expenses and other liabilities	-	707	-	-	707
	464	707	-	-	1,171
Net assets / (liabilities)	<u>2,505</u>	<u>(707)</u>	<u>-</u>	<u>1,097,473</u>	<u>1,099,271</u>

----- 2020 -----					
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	Total
----- Rupees in '000 -----					
Financial assets					
Balances with banks	4,871	-	-	-	4,871
Investments	-	-	-	1,751,582	1,751,582
Receivable against sale of investments - net	4,410	-	-	-	4,410
Profit receivable	12	-	-	-	12
	9,293	-	-	1,751,582	1,760,875
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	162	-	-	-	162
Payable to Central Depository Company of Pakistan Limited - Trustee	114	-	-	-	114
Payable against redemption and conversion of units	6,219	-	-	-	6,219
Dividend payable	4,217	-	-	-	4,217
Accrued expenses and other liabilities	-	686	-	-	686
	10,712	686	-	-	11,398
Net assets / (liabilities)	<u>(1,419)</u>	<u>(686)</u>	<u>-</u>	<u>1,751,582</u>	<u>1,749,477</u>

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:

	2021		2020	
	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 -----		----- Rupees in '000 -----	
Balances with banks	2,959	2,959	4,871	4,871
Investments	1,097,473	-	1,751,582	-
Receivable against sale of investments - net	-	-	4,410	4,410
Profit receivable	10	10	12	12
	<u>1,100,442</u>	<u>2,969</u>	<u>1,760,875</u>	<u>9,293</u>

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:

Bank	Amount of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2021	2020	2021	2020
AAA	2,959	-	100.00%	-
AA+	-	4,871	-	100.00%
	<u>2,959</u>	<u>4,871</u>	<u>100.00%</u>	<u>100.00%</u>

18 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

Level 3: inputs for the asset or liability that are not based on observable market data

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

2021			2020		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Rupees in '000			Rupees in '000		
-	1,097,473	-	-	1,751,582	-
-	1,097,473	-	-	1,751,582	-

Financial assets

At fair value through profit or loss

19 UNIT HOLDERS' FUND RISK MANAGEMENT

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

	MCPP IV			MCPP IV		
	2021			2020		
	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	372	312,692	40.78	613	612,725	55.08
Director	1	5,715	0.75	1	5,092	0.46
Retirement funds	22	385,953	50.33	27	424,370	38.15
Others	8	62,430	8.14	8	70,198	6.31
Total	403	766,790	100.00	649	1,112,385	100.00

	MCPP V			MCPP V		
	2021			2020		
	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	174	73,469	77.81	303	190,355	87.98
Retirement funds	3	11,742	12.44	5	17,194	7.95
Others	3	9,209	9.75	5	8,814	4.07
Total	180	94,420	100.00	313	216,363	100.00

	MCPPI VI			MCPPI VI		
	2021			2020		
	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	265	82,495	88.67	416	168,731	79.04
Retirement funds	2	10,021	10.77	4	43,351	20.31
Others	1	517	0.56	3	1,398	0.65
Total	268	93,033	100.00	423	213,480	100.00

	MCPPI VII			MCPPI VII		
	2021			2020		
	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	245	102,338	98.11	353	133,768	98.65
Retirement funds	1	1,962	1.88	1	1,826	1.35
Others	2	11	0.01	2	10	-
Total	248	104,311	100.00	356	135,604	100.00

	MCPPI VIII			MCPPI VIII		
	2021			2020		
	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	242	34,867	98.84	335	58,574	91.70
Retirement funds	-	-	-	1	4,916	7.70
Others	1	407	1.16	1	381	0.60
Total	243	35,274	100.00	337	63,871	100.00

21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty one years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty five years
Mr. Taha Javed	Head of Equity	CFA / MBA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fourteen years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Eleven years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Fourteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Twelve years
Mr. Ali Asghar	Head of Research	CFA / MBA (in progress)	Ten years

21.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund manager are as follows :

- Meezan Balanced Fund
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Fund
- Meezan Strategic Allocation Fund
- KSE Meezan Index Fund
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund

22 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on					
		August 13, 2020	September 17, 2020	October 21, 2020	February 15, 2021	April 12, 2021	June 21, 2021
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	No	No	-	-	-
Mr. Moin M. Fudda (Appointed in place of Mr. Ijaz Farooq as nominee director of Meezan Bank Limited)	Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Saima Shaukat Khan (Kamila)	Director	Yes	Yes	Yes	-	-	-
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Arshad Majeed	Director	Yes	Yes	No	-	-	-
Mr. Naeem Abdul Sattar	Director	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	-	-	-
Mr. Mubashar Maqbool (Appointed in place of Syed Amir Ali Zaidi)*	Director	-	-	-	Yes	Yes	Yes
Mr. Tariq Mairaj (Appointed in place of Mr. Arshad Majeed)*	Director	-	-	-	Yes	Yes	Yes
Mr. Feroz Rizvi (Appointed in place of Mr. Moin M Fudda who continued as nominee director of Meezan Bank Limited)*	Director	-	-	-	Yes	Yes	Yes
Ms. Danish Zuberi (Appointed in place of Ms. Saima Shaukat Khan)*	Director	-	-	-	Yes	Yes	Yes

* The effective date of start of tenure of new board, after re-election is December 31, 2020

23 CORRESPONDING FIGURES

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

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on Aug 9, 2021 and further amended on Sep 14, 2021 to incorporate the subsequent event as disclosed in note 25.3 of the financial statements.

25 GENERAL

- 25.1** The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

25.3 Subsequent events

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF not been incorporated in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2021, the net asset value of MCPP-IV, MCPP-V, MCPP-VI, MCPP-VII, MCPP-VIII as at June 30, 2021 would have been higher by Re. 0.23, Re. 0.35, Re. 0.22, Re.0.12 and Re 0.20 per unit respectively (2020: Re.0.05, Re. 0.09, Re. 0.03, Re.0.02 and Re 0.05 per unit respectively).

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

MEEZAN

STRATEGIC ALLOCATION FUND III (MSAF III)

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



THE INDUSTRIAL SECTOR REGISTERED A GROWTH OF



AGAINST
A TARGET
OF 0.1%

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited

LEGAL ADVISER

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

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

Meezan Strategic Allocation Fund – III (MSAF – III)

Type of Fund

MSAF – III 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 – III has one 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 – III (MCPPIX)	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual Allocation.
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Performance Table with Benchmark

	Returns - FY21
MCPPIX	18.36%
Benchmark	17.14%

The Meezan Capital Preservation Plan – IX posted total gain of Rs. 17 million FY 21. Total gain comprised of realized gain on investments of Rs. 8.72 million while the unrealized gain on investments of Rs. 7.09 million. Dividend income and profit on saving account with banks amounted to Rs. 1.15 million and Rs. 0.005 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net income of Rs. 16 million. The net assets of the Plan as at June 30, 2021 were Rs. 99.92 million. The net asset value per unit as at June 30, 2021 was Rs. 57.5234

Distributions

The interim Pay out by the Plan during the fiscal year ended June 30, 2021 was nil. Total distribution made by the fund was nil.



Pure. Profit.



Breakdown of unit holdings by size

(As on June 30, 2021)

Range (Units)	MSAF- III- MCPP-IX
	No. of investors
1 - 9,999	156
10,000 - 49,999	4
50,000 - 99,999	1
100,000 - 499,999	0
500,000 and above	1
Total	162



Meezan Bank
The Premier Islamic Bank



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

August 2, 2021/ Dhu Al-Hijjah 22, 1442

Alhamdulillah, the period from July 01, 2020 to June 30, 2021 was the Third year of operations of Meezan Strategic Allocation Fund-III (MSAF-III) under management of Al Meezan Investment Management Limited (Al Meezan). The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity.


In the capacity of *Shari'ah* Advisor, I 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, I hereby certify that:

- i. I have reviewed and approved the modes of investments of MSAF-III in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF-III 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-III for the year ended June 30, 2021 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
Shariah Advisor

Meezan Bank Ltd.

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PABX: (92-21) 38103500 UAN:111-331-331 & 111-331-332 www.meezanbank.com

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Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND – III

**Report of the Trustee pursuant to Regulation 41(h) 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 – III (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 16, 2021

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Strategic Allocation Fund - III

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Strategic Allocation Fund - III (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year 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, 2021, and of its financial performance and its cash flows for the year 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 is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2021 amounted to Rs 100.108 million. The proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments; 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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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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.

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.

AM 1 ~



A.F. FERGUSON & Co.

- 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.

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 Requirements

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.

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


Chartered Accountants

Karachi

Date: September 15, 2021

MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021



Meezan
 Strategic Allocation Fund-III

		2021	2020
	Note	MCCP-IX	
		----- (Rupees in '000) -----	
Assets			
Balances with banks	5	508	447
Investments	6	100,108	89,540
Profit accrued on balances with banks		2	2
Total assets		<u>100,618</u>	<u>89,989</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	7	11	7
Payable to Central Depository Company of Pakistan Limited - Trustee	8	7	6
Payable to the Securities and Exchange Commission of Pakistan	9	19	18
Accrued expenses and other liabilities	10	660	963
Total liabilities		<u>697</u>	<u>994</u>
NET ASSETS		<u><u>99,921</u></u>	<u><u>88,995</u></u>
CONTINGENCIES AND COMMITMENTS	11		
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u><u>99,921</u></u>	<u><u>88,995</u></u>
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u><u>1,737,054</u></u>	<u><u>1,831,230</u></u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		<u><u>57.5234</u></u>	<u><u>48.5984</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

MEEZAN STRATEGIC ALLOCATION FUND - III
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
Note	MCPPI-IX	
	(Rupees in '000)	
Income		
Dividend income	1,157	6,159
Realised gain / (loss) on sale of investments	8,725	(1,611)
Profit on balance with banks	5	240
	9,887	4,788
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	6.1 7,097	988
Total income	16,984	5,776
Expenses		
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1 3	26
Sindh Sales Tax on remuneration of the Management Company	7.2 -	3
Allocated expenses	7.3 100	92
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 68	65
Sindh Sales Tax on remuneration of the Trustee	8.2 9	8
Annual fee to the Securities and Exchange Commission of Pakistan	9 19	18
Auditors' remuneration	12 144	92
Fees and subscription	297	368
Bank and settlement charges	1	7
Provision for Sindh Workers' Welfare Fund	10.1 327	102
Total expenses	968	781
Net income for the year before taxation	16,016	4,995
Taxation	14 -	-
Net income for the year after taxation	16,016	4,995
Allocation of net income for the year		
Net income for the year after taxation	16,016	4,995
Income already paid on units redeemed	(513)	(48)
	15,503	4,947
Accounting income available for distribution		
- Relating to capital gains	15,503	-
- Excluding capital gains	-	4,947
	15,503	4,947

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021



Meezan
 Strategic Allocation Fund-III

	2021	2020
	MCPPI-IX	
	----- (Rupees in '000) -----	
Net income for the year after taxation	16,016	4,995
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>16,016</u></u>	<u><u>4,995</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	MCPPI-IX					
	Capital value	Undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the year	88,323	672	88,995	34,246	(316)	33,930
Issuance of units:						
Issuance of nil units (2020: 1,883,988 units)						
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	90,879	-	90,879
- Element of income	-	-	-	306	-	306
Total proceeds on issuance of units	-	-	-	91,185	-	91,185
Redemption of units:						
Redemption of 94,176 units (2020: 756,154 units)						
- Capital value (at net asset value per unit at the beginning of the year)	4,577	-	4,577	36,475	-	36,475
- Element of loss	-	513	513	633	48	681
Total payments on redemption of units	4,577	513	5,090	37,108	48	37,156
Total comprehensive income for the year	-	16,016	16,016	-	4,995	4,995
Distribution during the year	-	-	-	-	(3,959)	(3,959)
Net income for the year less distribution	-	16,016	16,016	-	1,036	1,036
Net assets at the end of the year	83,746	16,175	99,921	88,323	672	88,995
Undistributed income / (accumulated loss) brought forward						
- Realised loss		(316)			(105)	
- Unrealised income / (loss)		988			(211)	
		672			(316)	
Accounting income available for distribution						
- Relating to capital gains	15,503			-		
- Excluding capital gains	-			4,947		
	15,503			4,947		
Interim distribution during the year ended June 30, 2020 at Rs. 2.2453 per unit i.e. 4.50% of the par value of Rs. 50 each		-			(3,959)	
Undistributed income carried forward	16,175			672		
Undistributed income carried forward						
- Realised income / (loss)	9,078			(316)		
- Unrealised income	7,097			988		
	16,175			672		
	Rupees			Rupees		
Net asset value per unit as at the beginning of the year	48.5984			48.2374		
Net asset value per unit as at the end of the year	57.5234			48.5984		

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - III
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021



Meezan
 Strategic Allocation Fund-III

	2021	2020
	MCPPI-IX	
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	16,016	4,995
Adjustment for non-cash items:		
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	6.1 (7,097)	(988)
	8,919	4,007
(Increase) / decrease in assets		
Investments - net	(3,471)	(69,608)
Profit accrued on balances with banks	-	24
	(3,471)	(69,584)
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	4	(859)
Payable to Central Depository Company of Pakistan Limited - Trustee	1	5
Payable to the Securities and Exchange Commission of Pakistan	1	17
Accrued expenses and other liabilities	(303)	883
	(297)	46
Net cash generated from / (used in) operating activities	5,151	(65,531)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	-	91,185
Payments against redemption and conversion of units	(5,090)	(37,156)
Dividend paid	-	(3,959)
Net cash (used in) / generated from financing activities	(5,090)	50,070
Net increase / (decrease) in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	447	15,908
Cash and cash equivalents at the end of the year	5 508	447

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director

MEEZAN STRATEGIC ALLOCATION FUND - III
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund - III (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on January 24, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the 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 i.e. July 31, 2019. The subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. However, subscription hasn't been re-opened during the current year. 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 has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020) for registration to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act, 2020.
- 1.7** A brief description of the plan is as follows:

Meezan Capital Preservation Plan-IX (MCPPI-IX)	Low risk - High return through asset allocation This allocation plan commenced its operations from May 14, 2019 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes. The initial maturity of this plan is two and a half years from the close of the subscription period i.e. January 29, 2022. Units shall be subject to front end load.
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2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These 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, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of 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 4.3 and 6).

3.5 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.

3.6 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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 presented.

4.2 Cash and cash equivalents

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

4.3 Financial instruments

4.3.1 Classification

4.3.1.1 Debt instruments

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

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

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.2 Subsequent measurement

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

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme 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.

4.3.3 Impairment

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

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

4.3.4 Regular way contracts

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

4.3.5 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.

4.3.6 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.

4.3.7 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.

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan 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.

4.9 Issue 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.

4.10 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.

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

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

4.12 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 commencement of date of book closure of the investee fund declaring the dividend.
- Profit on balances with banks is recognised on a time proportion basis using the effective yield method.

4.13 Expenses

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

4.14 Taxation

Current

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the 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 utilized. 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. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.15 Earnings / (loss) per unit

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

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

4.16 Foreign currency translation

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

	Note	2021	2020
		MCCP-IX	
		----- (Rupees in '000) -----	
5 BALANCES WITH BANKS			
Saving accounts	5.1	508	447
5.1			
This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 2.5% (2020: 3%) per annum. Other profit and loss sharing accounts have an expected profit which ranges from 2.5% to 6.60% per annum (2020: 3.00% to 7.5% per annum).			

	Note	2021	2020
		MCCP-IX	
		----- (Rupees in '000) -----	
6 INVESTMENTS			
At fair value through profit or loss			
Units of mutual funds	6.1	100,108	89,540

6.1 Units of mutual funds

Name of investee funds	As at July 1, 2020	Purchases during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised appreciation as at June 30, 2021	Percentage in relation to	
								net assets of the Fund	total market value of invest-ments
	----- (Number of units) -----				----- (Rupees in '000) -----			(Percentage)	
Meezan Capital Preservation Plan - IX									
Meezan Dedicated Equity Fund	1,024,922	1,184,731	1,244,410	965,243	38,180	45,277	7,097	45.31	45.23
Meezan Sovereign Fund	1,048,980	911,852	1,960,832	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	1,469,861	373,233	1,096,628	54,831	54,831	-	54.87	54.77
Total as at June 30, 2021					93,011	100,108	7,097		
Total as at June 30, 2020					88,552	89,540	988		

	Note	2021	2020
		MCCP-IX	
		----- (Rupees in '000) -----	
7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable	7.1	-	-
Sindh Sales Tax payable on remuneration of the Management Company	7.2	-	-
Allocated expenses payable	7.3	11	7
		11	7

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2020: 1%) per annum of the daily bank balances of the Fund during the year ended June 30, 2021. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** During the year, Sindh Sales Tax at the rate of 13% (2020: 13%) was charged on the remuneration of the Management Company.
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion has charged allocated expenses at the rate of 0.1% from July 1, 2020 till March 9, 2021 and at 0.11% from March 10, 2021 till June 30, 2021 (2020: 0.1%) of the average annual net assets.

	Note	2021	2020
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	MCPPI-IX	
		----- (Rupees in '000) -----	
Trustee fee payable	8.1	6	5
Sindh Sales Tax payable on trustee fee	8.2	1	1
		<u>7</u>	<u>6</u>

- 8.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.070% (2020: 0.070%) of average annual net assets of the Fund.

- 8.2** During the year, an amount of Rs. 0.009 million (2020: Rs. 0.008 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a Fund of Fund Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2020: 0.02%) per annum of average annual net assets of the Fund.

	Note	2021	2020
10	ACCRUED EXPENSES AND OTHER LIABILITIES	MCPPI-IX	
		----- (Rupees in '000) -----	
Auditors' remuneration payable		80	50
Shariah advisory fee payable		147	147
Capital gain tax payable		4	1
Provision for Sindh Workers' Welfare Fund	10.1	429	102
Withholding tax payable		-	604
Dividend payable		-	59
		<u>660</u>	<u>963</u>

- 10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act. Since, the Plan (MCPPI-IX) has commenced operations from May 20, 2019, therefore, the provision has been recognised from May 20, 2019 to June 30, 2021.

Had the provision for SWWF not been recorded for the period from May 20, 2019 to June 30, 2021, the net asset value of the plan (MCPPI IX) as at June 30, 2021 would have been higher by Re. 0.25 per unit (2020: Re. 0.06 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

12 AUDITORS' REMUNERATION

Annual audit fee
Half yearly review
Out of pocket expenses

2021	2020
MCPPI-IX	
----- (Rupees in '000) -----	
100	58
32	32
12	2
<u>144</u>	<u>92</u>

13 TOTAL EXPENSE RATIO

The Total Expense Ratio of the Plan (MCPPI-IX) for the year ended June 30, 2021 is 1.00% (2020: 0.85%) which include 0.37% (2020: 0.25%) representing government levies such as Sindh Worker Welfare Fund and SECP fee. 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 Funds Scheme.

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 the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unitholders in the manner as explained above, 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 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:

Balances
Al Meezan Investment Management Limited - Management Company

Allocated expenses payable
Investment of 1,478,213 units (2020: 1,478,213 units)

2021	2020
MCPPI IX	
----- (Rupees in '000) -----	
11	7
<u>85,032</u>	<u>71,839</u>

Meezan Bank Limited

Bank balance
Profit receivable
Shariah advisory fee payable

488	427
<u>2</u>	<u>2</u>
<u>147</u>	<u>147</u>

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable
Sindh Sales Tax on trustee fee payable

6	5
<u>1</u>	<u>1</u>

	2021	2020
Balances		
	MCPPIX	
	----- (Rupees in '000) -----	
Meezan Dedicated Equity Fund		
Investment of 965,243 units (2020: 1,024,922 units)	45,277	35,468
Meezan Sovereign Fund		
Investment of nil units (2020: 1,048,980 units)	-	54,072
Meezan Rozana Amdani Fund		
Investment of 1,096,628 units (2020: nil units)	54,831	-
Transactions during the year		
	MCPPIX	
	----- (Rupees in '000) -----	
Al Meezan Investment Management Limited - Management Company		
Remuneration of Al Meezan Investment Management Limited - Management Company	3	26
Sindh Sales Tax on remuneration of the Management Company	-	3
Allocated expenses	100	92
Invested during the year	-	68,876
Invested during the year (Units)	-	1,422,356
Dividend paid during the year	-	125
Dividend paid during the year (Units)	-	55,857
Meezan Bank Limited		
Profit on balance with banks	5	240
Shariah advisor fee	269	269
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	68	65
Sindh Sales Tax on remuneration of the Trustee	9	8
Meezan Dedicated Equity Fund		
Invested during the year	48,400	136,800
Invested during the year (Units)	1,184,731	3,967,681
Redeemed during the year	51,497	105,450
Redeemed during the year (Units)	1,244,410	3,096,183
Meezan Cash Fund		
Invested during the year	-	127,049
Invested during the year (Units)	-	2,417,601
Redeemed during the year	-	130,549
Redeemed during the year (Units)	-	2,482,228
Meezan Sovereign Fund		
Invested during the year	48,437	120,546
Invested during the year (Units)	911,852	2,241,976
Redeemed during the year	105,424	77,179
Redeemed during the year (Units)	1,960,832	1,391,816
Meezan Rozana Amdani Fund		
Invested during the year	73,493	238,271
Invested during the year (Units)	1,469,861	4,765,329
Redeemed during the year	18,662	238,271
Redeemed during the year (Units)	373,233	4,765,329
Dividend received during the year	1,157	6,130
Dividend received during the year (Units)	23,140	122,591

16 FINANCIAL INSTRUMENTS BY CATEGORY
Financial assets

Balances with banks
Investments
Profit accrued on balances with banks

2021		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
508	-	508
-	100,108	100,108
2	-	2
510	100,108	100,618

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

2021		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
11	-	11
7	-	7
227	-	227
245	-	245

Financial assets

Balances with banks
Investments
Profit accrued on balances with banks

2020		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
447	-	447
-	89,540	89,540
2	-	2
449	89,540	89,989

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

2020		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
7	-	7
6	-	6
256	-	256
269	-	269

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, 2021, 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. 0.005 million (2020: Rs. 0.004 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, 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, profit 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, 2021 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, 2021 can be determined as follows:

As at June 30, 2021					
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	2.50% to 6.60%	508	-	-	-	508
Investments		-	-	-	100,108	100,108
Profit accrued on balances with banks		-	-	-	2	2
		508	-	-	100,110	100,618

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	11	11
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	7	7
Accrued expenses and other liabilities	-	-	-	227	227
				245	245

On-balance sheet gap	508	-	-	99,865	100,373
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Off-balance sheet financial instruments	-	-	-	-	-
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Off-balance sheet gap	-	-	-	-	-
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Total profit rate sensitivity gap	508	-	-		
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Cumulative profit rate sensitivity gap	508	508	508		
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As at June 30, 2020					
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	3.00% to 7.50%	447	-	-	-	447
Investments		-	-	-	89,540	89,540
Profit accrued on balances with banks		-	-	-	2	2
		447	-	-	89,542	89,989

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	7	7
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	6	6
Accrued expenses and other liabilities		-	-	-	256	256
					269	269

On-balance sheet gap		447	-	-	89,273	89,720
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Off-balance sheet financial instruments

		-	-	-	-	-
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Off-balance sheet gap		-	-	-	-	-
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Total profit rate sensitivity gap		447	-	-		
--	--	-----	---	---	--	--

Cumulative profit rate sensitivity gap		447	447	447		
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(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.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in equity prices as at June 30, 2021 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 1.001 million (2020: Rs. 0.895 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

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 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:

----- 2021 -----					
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	Total
----- Rupees in '000 -----					
Financial assets					
Balances with banks	508	-	-	-	508
Investments	-	-	-	100,108	100,108
Profit accrued on balances with banks	2	-	-	-	2
	510	-	-	100,108	100,618
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	11	-	-	-	11
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	-	-	7
Accrued expenses and other liabilities	-	227	-	-	227
	18	227	-	-	245
Net assets / (liabilities)	492	(227)	-	100,108	100,373
----- 2020 -----					
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	Total
----- Rupees in '000 -----					
Financial assets					
Balances with banks	447	-	-	-	447
Investments	-	-	-	89,540	89,540
Profit accrued on balances with banks	2	-	-	-	2
	449	-	-	89,540	89,989
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	7	-	-	-	7
Payable to Central Depository Company of Pakistan Limited - Trustee	6	-	-	-	6
Accrued expenses and other liabilities	-	256	-	-	256
	13	256	-	-	269
Net assets / (liabilities)	436	(256)	-	89,540	89,720

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:

	2021		2020	
	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		Rupees in '000	
Balances with banks	508	508	447	447
Investments	100,108	-	89,540	-
Profit accrued on balances with banks	2	2	2	2
	<u>100,618</u>	<u>510</u>	<u>89,989</u>	<u>449</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 100.108 million (2020: Rs 89.540 million) are not exposed to credit risk.

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. The credit rating profile of balances with banks is as follows:

Rating	2021		2020	
	Amount of financial assets exposed to credit risk	% of financial assets exposed to credit risk	Amount of financial assets exposed to credit risk	% of financial assets exposed to credit risk
	Rupees in '000		Rupees in '000	
AAA	498	98.03%	-	-
AA+	-	-	437	97.76%
AA	10	1.97%	10	2.24%
	<u>508</u>	<u>100%</u>	<u>447</u>	<u>100%</u>

18 UNIT HOLDERS' FUND RISK MANAGEMENT

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

As required under the NBFC Regulations, 2008 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. However, during the year on certain days and since June 28, 2021, the Fund is below the minimum requirement of Rs 100 million. However, the Fund is required to comply with this requirement within three months of non-compliance.

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.

19 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

Financial assets

At fair value through profit or loss

----- 2021 -----		
Level 1	Level 2	Level 3
----- Rupees in '000 -----		
-	100,108	-
-	100,108	-

Financial assets

At fair value through profit or loss

----- 2020 -----		
Level 1	Level 2	Level 3
----- Rupees in '000 -----		
-	89,540	-
-	89,540	-

20 UNIT HOLDING PATTERN OF THE FUND

	MCPPI IX 2021			MCPPI IX 2020		
	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
Individuals	161	14,889	14.90	203	17,156	19.28
Associated Companies	1	85,032	85.10	1	71,839	80.72
Total	162	99,921	100	204	88,995	100

21 INVESTMENT COMMITTEE MEMBERS

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

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty one years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty five years
Mr. Taha Javed	Head of Equity	CFA / MBA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fourteen years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Eleven years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Fourteen years
Mr. Asif Imtiaz	AVP Investments	CFA / MBA - Finance	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Twelve years
Mr. Ali Asghar	Head of Research	CFA / MBA (in progress)	Ten years

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

- Meezan Balanced Fund
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Fund
- Meezan Strategic Allocation Fund
- KSE Meezan Index Fund
- Meezan Strategic Allocation Fund-II; and
- Meezan Dedicated Equity Fund

22 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

22.1 The date of the meeting of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on					
		August 13, 2020	September 17, 2020	October 21, 2020	February 15, 2021	April 12, 2021	June 21, 2021
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ijaz Farooq	Director	Yes	No	No	-	-	-
Mr. Moin M. Fudda (Appointed in place of Mr Ijaz Farooq as nominee director of Meezan Bank Limited)*	Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Saima Shaukat Khan (Kamila)	Director	Yes	Yes	Yes	-	-	-
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Arshad Majeed	Director	Yes	Yes	No	-	-	-
Mr. Naeem Abdul Sattar	Director	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	-	-	-
Mr. Mubashar Maqbool (Appointed in place of Syed Amir Ali Zaidi)*	Director	-	-	-	Yes	Yes	Yes
Mr. Tariq Mairaj (Appointed in place of Mr. Arshad Majeed)*	Director	-	-	-	Yes	Yes	Yes
Mr. Feroz Rizvi (Appointed in place of Mr. Moin M Fudda who continued as nominee director of MBL)*	Director	-	-	-	Yes	Yes	Yes
Ms. Danish Zuberi (Appointed in place of Ms. Saima Shaukat Khan)*	Director	-	-	-	Yes	Yes	Yes

* The effective date of start of tenure of new board, after re-election is December 31, 2020

23 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.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on Aug 9, 2021 and further amended on Sep 14, 2021 to incorporate the subsequent event as disclosed in note 25.3 of the financial statements.

25 GENERAL

25.1 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CIs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

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

25.3 Subsequent events

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF not been incorporated in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.25 per unit (2020: Re 0.06 per unit).

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

Chief Executive

Chief Financial Officer

Director