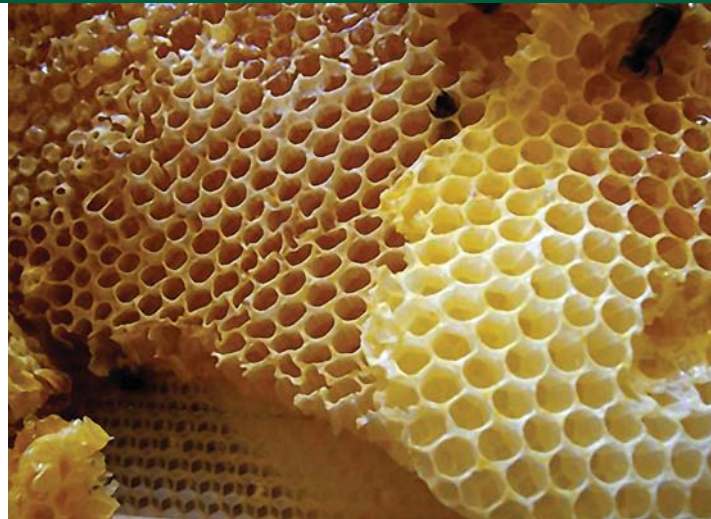


AL MEEZAN
Mutual Fund



Quarterly Report March 31, 2011



Al Meezan Investment Management Limited
A subsidiary of Meezan Bank



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**Our Vision**

To set standards of best practices and performance for the industry through efficient asset allocation & security selection.

Our Mission

To be the leading mutual fund in the industry, outperforming the bench mark on a consistent basis, and providing shareholders with the best combination of current income and future growth on a risk adjusted basis.

FUND INFORMATION

BOARD OF DIRECTORS

Mr. Irfan Siddiqui	Chairman
Mr. Ariful Islam	
Mr. Nabil Daudur Rahman	
Mr. Muhammad Abdul Faisal Khan	
Mr. Muhammad Asad	
Syed Owais Wasti	
Mr. Mohammad Shoaib, CFA	Chief Executive

AUDIT COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Nabil Daudur Rahman	Member
Mr. Muhammad Abdul Faisal Khan	Member

CFO & COMPANY SECRETARY

Syed Owais Wasti

MANAGEMENT COMPANY

Al Meezan Investment Management Limited

AUDITORS

A.F.Ferguson & Co. Chartered Accountants
Statelife Building No.1-C., I.I.Chundrigar Road,
P.O.Box 4716, Karachi:74000, Pakistan.

SHARIAH ADVISOR

Meezan Bank Limited

CUSTODIAN

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

BANKERS

AlBaraka Islamic Bank
Bank Alfalah Limited
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited

REGISTERED OFFICE

Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan
Phone: (9221) 3563 0722-26, 111 MEEZAN
Fax: (9221) 3567 6143, 3563 0808
Web site: www.almeezangroup.com
E-mail: marketing@almeezangroup.com

SHARE REGISTRAR

THK Associates (Pvt.) Limited
Ground Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi 75530
P.O. Box No. 8533
Phone: (9221) 111-000-322
Fax: (9221) 3565 5595



DIRECTORS' REPORT

The Board of Directors of Al Meezan Mutual Fund Limited (AMMF) is pleased to present the un-audited financial statements of the company for the nine months ended March 31, 2011.

Brief Overview

During the first nine months of fiscal year 2011, Al Meezan Mutual Fund Limited (AMMF) provided a return of 26.41% to its investors while the benchmark index, Karachi Meezan Index (KMI-30) increased by 38% to 20,064 points. The KSE 100 index during the same period closed at 11,810 points posting a 21.5% increase.

Economic Review

The economic performance of the country improved significantly after the devastating floods in the first quarter of the fiscal year as most of the macro economic targets which were expected to slump in the aftermath of the floods showed signs of recovery. The revised GDP target for FY11 now stands at ~2.5-3% as compared to the initial target of 1.5%-2%. Inflation pressure eased off with CPI touching a low of 12.91% in February 2011 after recent respite in food inflation. Moreover, the government's commitment to reduce borrowing from SBP did materialize to some extent, where during the eight months total amount borrowed stood at Rs 76 billion and Rs 204 billion from SBP and commercial banks respectively. On account of these favorable developments, the SBP decided to keep the discount rate unchanged at 14% in the last two monetary policy statements against a total increase of 1.5% in the previous three monetary policy statements.

On the external front, the country's current account position showed a healthy picture with an overall deficit of USD 98 million in the eight months as compared to a massive deficit of USD 3 billion in the same period last year. The overall figure was bolstered by remittances (↑20.3% YoY) and exports which crossed USD 2 billion each for four consecutive months. These positive developments helped the country's FX reserves to hit an all time high of USD 17.9 billion as the currency showed a steady trend during the period under review.

On the fiscal side, the government's revenue collection crossed the Rs 1 trillion mark for the nine months of the fiscal year. To ensure the collection of the revised target of Rs 1,588 billion, some new tax measures were introduced for the remaining months of fiscal year including 15% flood surcharge, increase in special excise duty (SED) from 1% to 2.5% and withdrawal of zero rating facility to some key sectors including fertilizers. During the period under review, a single round of talks was held between government of Pakistan (GoP) and International Monetary Fund (IMF), where the parties principally agreed to enhance the fiscal deficit target to 5.3% of GDP for FY11.

Despite the government's effort to increase the tax base, implement RGST from the next fiscal year and limit the fiscal deficit, the talks with IMF regarding the release of last two tranches remained inconclusive with the next meeting likely in May 2011.

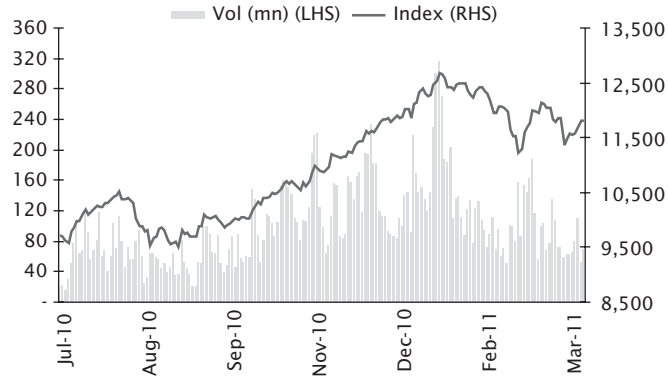
Equity Market Review

The stock market performed well during the first nine months of fiscal year 2011 primarily due to improved corporate earnings and continuing foreign inflows with the KSE-100 index rising by 21.47% to close at 11,810 points despite some correction seen in the last quarter. However, trading volumes remained low due to imposition of capital gains tax (CGT) from July and absence of a leveraged product. Average daily trading volume during the period under review declined by 51% to 85 million shares as compared to 172 million shares in the corresponding period last year.

The start of the fiscal year was initially bullish on the back of expectations of positive corporate results along with foreign interest, which helped the market to post an extraordinary return of 8.2% for the month of July. However, this rally was arrested by the unexpected 50 bps increase in the discount rate by State Bank in its bimonthly monetary policy statement at the end of July. Later, the market performance was further derailed by the devastating floods in the country which adversely affected major sectors of the economy leading to 1-2% cut in the GDP growth target of 4.5%. However, even after another 50 bps increase in discount rate in September, the investors shunned macroeconomic concerns and the sentiments remained bullish due to positive flows and positive corporate results. Since then the market witnessed a broad-based rally which was extended in the new calendar year as positive developments inched up investors' hopes of good result and payout expectations. Foreigners' net buying position boosted optimism in market as the third hike in the discount rate of 50bps in this fiscal year did not break the momentum of the market and KSE-100 rallied to year's peak of 12,768 points in mid of January, 2011.

The market underwent a correction of 12% since then as there was profit taking activity initiated by institutional investors. This was seen due to heightened political noise and strained foreign relations due to the Raymond Davis case in courts along with the uprising in the MENA region and the natural calamity in Japan. Subsequently, foreign investment which was the major trigger of the market rally in last few quarters remained at subdued levels of USD 52.5 million in third quarter of FY11, slightly thinning the fiscal year to date inflow to USD 302 million, while registering first monthly negative number of USD 16.2 million since May 09 in March FY 11.

Towards the end of the period under review, introduction of Margin Trading System (MTS) coupled with better than expected corporate results gave some support to the market and eventually helped the KSE 100 index to close at 11,810.



Performance Review

During the nine months of fiscal year 2011, Al Meezan Mutual Fund (AMMF) earned a gross income of Rs. 264 million as compared to an income of Rs. 480 million in the same period last year. The major sources of income were realized and unrealized capital gains of Rs. 126 million and Rs. 42 million respectively. Dividend income contributed Rs. 80 million, while profit on savings account at banks added Rs. 17 million. After accounting for expenses of Rs. 24 million, AMMF posted net profit of Rs. 240 million. This translates into earnings per share of Rs. 1.75 as compared to an earning per shares of Rs. 3.30 in the corresponding period last year. The net assets of the fund were Rs. 1,658 million as at period ended March 31, 2011 as compared to Rs. 1,521 as at the same period last year. The net asset value (NAV) per share appreciated from Rs. 10.21 as at June 30, 2010 to Rs. 12.05 as at March 31, 2011.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments making it the largest asset management company in the private sector in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, Custodian, Central Depository Company of Pakistan and management of Karachi Stock Exchange for their support. We would also like to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued assistance and support on Shariah aspects of fund management.

For and on behalf of the Board

Date: April 20, 2011
Karachi.

Mohammad Shoaib, CFA
Chief Executive

**CONDENSED INTERIM STATEMENT
OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2011**

	Note	(Unaudited) March 31, 2011 (Rupees in '000)	(Audited) June 30, 2010
Assets			
Balances with banks		389,273	131,182
Investments	5	1,324,386	1,274,965
Receivable against sale of investments		-	407,206
Dividend receivable		13,217	7,047
Advances, deposits, prepayments and other receivables		11,871	8,793
Total assets		1,738,747	1,829,193
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund		2,849	2,324
Payable to the Central Depository Company of Pakistan Limited (CDC) - custodian of the Fund		55	53
Payable to the Securities and Exchange Commission of Pakistan (SECP)		1,119	1,369
Payable against purchase of investments		-	406,958
Accrued expenses and other liabilities		4,512	10,203
Dividend payable		72,465	4,365
Total liabilities		81,000	425,272
Net assets		1,657,747	1,403,921
Contingency	8		
Shareholders' equity			
Authorised share capital 150,000,000 (June 30, 2010: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
Issued, subscribed and paid-up share capital		1,375,400	1,375,400
Accumulated Profit		48,185	(6,223)
Surplus on revaluation of investments categorised as 'available for sale investments'		234,162	34,744
		1,657,747	1,403,921
Net assets value per share (Rupees)		12.05	10.21

The annexed notes 1 to 10 form an integral part of this condensed interim financial report.

Chief Executive

Director



CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Nine months period ended March 31		Quarter ended March 31	
	2011	2010	2011	2010
----- (Rupees in '000) -----				
Income				
Net realised gain on sale of investments	125,607	213,011	75,266	31,496
Dividend income	79,943	81,954	26,583	33,568
Profit on savings accounts with banks	16,930	7,062	9,134	2,289
	<u>222,480</u>	<u>302,027</u>	<u>110,983</u>	<u>67,353</u>
Unrealised gain/ (loss) on re-measurement of investments at fair value through profit or loss (net)	41,641	177,626	(31,534)	26,020
Total income	<u>264,121</u>	<u>479,653</u>	<u>79,449</u>	<u>93,373</u>
Expenses				
Remuneration to Al Meezan - management company of the Fund	23,443	21,571	8,178	7,280
Remuneration to CDC - custodian of the Fund	591	594	204	191
Annual fee to SECP	1,119	1,025	394	346
Auditors' remuneration	511	470	141	134
Fees and subscription	161	95	59	31
Brokerage	679	1,099	313	125
Legal and professional charges	100	171	25	56
Bank and settlement charges	305	327	117	80
Printing expenses	451	296	86	238
Advance tax written off	3,796	-	-	-
Reversal of provision for Workers' Welfare Fund (WWF)	(7,122)	-	-	-
Total expenses	<u>24,034</u>	<u>25,648</u>	<u>9,517</u>	<u>8,481</u>
Net income	<u>240,087</u>	<u>454,005</u>	<u>69,932</u>	<u>84,892</u>
Other comprehensive income for the year				
Surplus on investments categorised as 'available for sale investments'	199,418	36,150	10,427	45,891
Total comprehensive income for the year	<u>439,505</u>	<u>490,155</u>	<u>80,359</u>	<u>130,783</u>
Earnings per share - basic (Rupees)	<u>1.75</u>	<u>3.30</u>	<u>0.51</u>	<u>0.62</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial report.

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Nine months period ended March 31		Quarter ended March 31	
	2011	2010	2011	2010
	----- (Rupees in '000) -----			
Unappropriated (loss)/ income brought forward	(6,223)	(224,797)	47,023	6,776
Less: Final distribution in the form of cash dividend for the year ended June 30, 2010 @ 8.5% (June 30, 2009: nil)	(116,909)	-	-	-
Less: Interim distribution in the form of cash dividend for the year ending June 30, 2011 @ 5% (June 30, 2010 @ 10%)	(68,770)	(137,540)	(68,770)	-
Net income for the period	240,087	454,005	69,932	84,892
Unappropriated income carried forward	<u>48,185</u>	<u>91,668</u>	<u>48,185</u>	<u>91,668</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial report.

Chief Executive

Director



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN
EQUITY AND RESERVES PER SHARE (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011**

	Nine months period ended March 31		Quarter ended March 31	
	2011	2010	2011	2010
	----- (Rupees in '000) -----			
Net assets value per share at the beginning of the period	10.21	8.54	11.90	10.15
Net realised gain on sale of investments	0.91	1.55	0.54	0.23
Dividend income	0.58	0.60	0.19	0.24
Profit on savings accounts with banks	0.12	0.05	0.06	0.02
Unrealised gain/ (loss) on re-measurement of investments at fair value through profit or loss (net)	0.30	1.29	(0.23)	0.19
Operating expenses	(0.17)	(0.19)	(0.06)	(0.07)
Net income for the period (based on weighted average number of shares outstanding)	1.74	3.30	0.50	0.62
Dividend declared and paid	(1.35)	(1.00)	(0.50)	-
Net changes in surplus on revaluation of available for sale investments	1.45	0.22	0.15	0.29
Net assets value per share at the end of the period	<u>12.05</u>	<u>11.06</u>	<u>12.05</u>	<u>11.06</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial report.

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Share capital	Unappropriated income / (accumulated loss)	Surplus / (deficit) on revaluation of investments	Total
	----- (Rupees in '000) -----			
Balance as at July 1, 2009	1,375,400	(224,797)	23,571	1,174,174
Net income for the six months and period ended December 31, 2009	-	369,113	-	369,113
other comprehensive income				
-Deficit on revaluation of available for sale investments	□	-	(9,741)	(9,741)
-Loss realised on available for sale investments transferred to income statement on disposal	□	-	215	215
Total other comprehensive income		-	(9,526)	(9,526)
Total comprehensive income for the six months period ended December 31, 2009	-	369,113	(9,526)	359,587
Transaction with owners				
Interim dividend for the year ending June 30,2010	□	(137,540)	-	(137,540)
Total transactions with owners		(137,540)	-	(137,540)
Balance as at December 31, 2009	<u>1,375,400</u>	<u>6,776</u>	<u>14,045</u>	<u>1,396,221</u>
Comprehensive income for the period				
Net income for the six period ended December 31, 2009		(12,999)	-	(12,999)
other comprehensive income				
-Deficit on revaluation of available for sale investments	□	-	19	19
-Surplus realised on available for sale investments transferred to income statement on disposal	□	-	20,680	20,680
Total other comprehensive income		-	20,699	20,699
Total comprehensive income for the six months period ended June 30, 2010	<u>1,375,400</u>	<u>(6,223)</u>	<u>34,744</u>	<u>1,403,921</u>
Net income for the nine months and quarter ended March 31, 2011	-	240,087	-	240,087
Transaction with owners				
Interim dividend for the year ending June 30,2011	□	(185,679)	-	(185,679)
Surplus on revaluation of available for sale investments	□	-	199,418	199,418
Total Transactions with owners	-	(185,679)	199,418	13,739
Balance as at March 31, 2011	<u>1,375,400</u>	<u>48,185</u>	<u>234,162</u>	<u>1,657,747</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial report.

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Nine months period ended March 31		Quarter ended March 31	
	2011	2010	2011	2010
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	240,087	454,005	69,932	84,892
Adjustments for non-cash items				
Dividend income	(79,943)	(81,954)	(26,583)	(33,568)
Advance tax written off	3,796	-	-	-
Profit on savings accounts with banks	(16,930)	(7,062)	(9,134)	(2,289)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss (net)	(41,641)	(177,626)	31,534	(26,020)
Loss realised on sale of available for sale investments	-	-	-	(215)
Reversal of provision against WWF	(7,122)	-	-	-
	<u>(141,840)</u>	<u>187,363</u>	<u>65,749</u>	<u>22,800</u>
(Increase) / decrease in assets				
Investments	191,638	(148,133)	93,985	(93,502)
Receivable against sale of investments	407,206	9,103	3,027	7,107
Deposits, prepayments and other receivables	(84)	(97)	82	56
	<u>598,760</u>	<u>(139,127)</u>	<u>97,094</u>	<u>(86,339)</u>
Increase / (decrease) in liabilities				
Payable to Al Meezan - management company of the Fund	525	1,559	64	212
Payable to CDC - custodian of the Fund	2	11	(6)	1
Payable to SECP	(250)	(218)	394	346
Payable to MBL	-	(434)	-	-
Payable against purchase of investments	(406,958)	8,638	-	11,177
Accrued expenses and other liabilities	1,431	725	528	611
	<u>(405,250)</u>	<u>10,281</u>	<u>980</u>	<u>12,347</u>
Cash generated from operations	291,757	58,517	163,823	(51,192)
Dividend received	73,773	67,310	13,797	21,458
Profit received on savings accounts with banks	10,140	7,583	7,124	4,355
Net cash inflow from operating activities	<u>375,670</u>	<u>133,410</u>	<u>184,743</u>	<u>(25,379)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(117,579)	(136,486)	(1,430)	(14,323)
Net cash (outflow) from financing activities	(117,579)	(136,486)	(1,430)	(14,323)
Net increase/ (decrease) in cash and cash equivalents during the period	258,091	(3,076)	183,314	(39,702)
Cash and cash equivalents at the beginning of the period	131,182	35,681	205,959	72,307
Cash and cash equivalents at the end of the period	<u>389,273</u>	<u>32,605</u>	<u>389,273</u>	<u>32,605</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial report.

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Meezan Mutual Fund Limited (the Fund) was incorporated in Pakistan on July 13, 1995 as a public limited company under the Companies Ordinance, 1984 having its registered office Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The Fund is listed on the Karachi Stock Exchange.
- 1.2 The Fund is registered as an 'investment company' under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) vide License no. NBFC -II\11 AMMFL-IC-04\05 issued by the Securities and Exchange Commission of Pakistan (SECP).
- 1.3 The Fund has an agreement with Al Meezan Investment Management Limited ("Al Meezan"), an associated undertaking, to provide asset management services. Al Meezan has been rated AM2 by JCR-VIS.
- 1.4 The objective of the Fund is to carry on the business of a closed-end mutual fund and to invest its assets in securities, which are listed or proposed to be listed on the stock exchanges.

2. BASIS OF MEASUREMENT

The transaction undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the shariah adviser 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 approved accounting standards as applicable in Pakistan.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the NBFC Rules, NBFC Regulations and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IFRSs, NBFC Rules, NBFC Regulations and the said directives take precedence.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements and the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2010.



	Note	March 31, 2011 (Rupees in '000)	June 30, 2010
5. INVESTMENTS			
Investments categorised as 'available for sale'	6.1	1,068,588	852,767
Investments at 'fair value through profit or loss'	7.1	255,798	422,198
		<u>1,324,386</u>	<u>1,274,965</u>

6. INVESTMENTS - AVAILABLE FOR SALE

6.1 Shares of listed companies and a bank - available for sale

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2011	Carrying value as at March 31, 2011	Market value as at March 31, 2011	Unrealised gain / (loss) as at March 31, 2011	Percentage in relation to			
									Net Assets of the Fund on the basis of market value of investments (see note 7.3 below)	Paid up capital of investee company with face value of investments	Total market value	
					Number of shares	Rupees in '000						
Sector / companies												
Banks												
Meezan Bank Limited (an associate of the fund)	197,948	-	29,692	-	227,640	3,171	3,870	699	0.23	0.03	0.29	
Construction and Materials												
Attock Cement Company Limited	10,000	-	-	-	10,000	716	524	(192)	0.03	0.01	0.04	
D.G. Khan Cement Company Limited	-	125,000	-	125,000	-	-	-	-	-	-	-	
Lucky Cement Limited	712,469	239,000	-	-	951,469	62,117	64,205	2,088	3.87	0.29	4.85	
									3.90	0.30	4.89	
Power generation & distribution												
The Hub Power Company Limited	-	2,292,500	-	-	2,292,500	84,248	86,290	2,042	5.21	0.20	6.52	
KAPCO Limited	-	160,000	-	-	160,000	6,857	6,589	(268)	0.40	0.02	0.50	
Oil and Gas												
Oil & Gas Devp. Company Limited	436,976	326,883	-	484,619	279,240	37,570	37,884	314	2.29	0.01	2.86	
Pakistan Oilfields Limited	292,900	-	-	49,000	243,900	53,192	79,289	26,097	4.78	0.10	5.99	
Pakistan Petroleum Limited	433,315	20,000	86,663	20,000	519,978	81,252	109,929	28,677	6.63	0.04	8.30	
Pakistan State Oil Company Limited	577,043	10,000	-	114,000	473,043	124,838	131,274	6,436	7.92	0.28	9.91	
National Refinery Limited	149,909	7,382	-	157,291	-	-	-	-	-	-	-	
Automobile and Parts												
Indus Motor Company Limited	-	21,200	-	-	21,200	5,396	4,458	(938)	0.27	0.03	0.34	
Agriauto Industries Limited (note 7.2)	700,000	-	-	-	700,000	46,690	49,707	3,017	3.00	2.43	3.75	
Fixed Line and telecommunication												
Pakistan Telecommunication Company Limited "A"	1,090,000	180,000	-	250,000	1,020,000	18,520	17,340	(1,180)	1.05	0.03	1.31	
Chemicals												
Fauji Fertilizer Company Limited	1,943,769	1,943,769	375,796	2,404,352	1,858,982	131,643	256,316	124,673	15.46	0.22	19.35	
Fauji Fertilizer Bin Qasim Limited	1,604,000	-	-	1,161,439	442,561	10,795	18,331	7,536	1.11	0.05	1.38	
ICI Pakistan Limited	390,400	264,115	-	-	654,515	79,171	108,113	28,942	6.52	0.47	8.16	
Lotte Pakistan PTA	-	1,551,571	-	1,551,571	-	-	-	-	-	-	-	

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2011	Carrying value as at March 31, 2011	Market value as at March 31, 2011	Unrealised gain / (loss) as at March 31, 2011	Percentage in relation to		
									Net Assets of the Fund on the basis of market value of investments (see note 7.3 below)	Paid up capital of investee company with face value of investments	Total market value
					Number of shares	Rupees in '000					
Pharma and Bio tech											
Glaxo SmithKline (Pakistan) Limited	40,000	-	-	24,153	15,847	1,276	1,385	109	0.08	0.01	0.10
Textile Composite											
Nishat Mills Limited	-	443,000	-	-	443,000	26,950	28,791	1,841	1.74	0.13	2.17
General Industrials											
Packages Limited	450,369	10,000	-	44,013	416,356	50,314	49,093	(1,221)	2.96	0.49	3.71
Tri-Pack Films Limited	100,000	-	-	-	100,000	9,710	15,200	5,490	0.92	0.33	1.15
						834,426	1,068,588	234,162			

Total cost of investments - available for sale

834,426

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

7.1 Shares of listed companies and a bank - held for trading

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2011	Carrying value as at March 31, 2011	Market value as at March 31, 2011	Unrealised gain / (loss) as at March 31, 2011	Percentage in relation to		
									Net Assets of the Fund on the basis of market value of investments (see note 7.3 below)	Paid up capital of investee company with face value of investments	Total market value
					Number of shares	Rupees in '000					
Banks											
Meezan Bank Limited (an associate of the fund)	1,898,092	-	164,713	800,000	1,262,805	15,977	21,468	5,491	1.30	0.16	1.62
Construction and Materials											
Attock Cement Company Limited	135,305	-	-	20,000	115,305	7,552	6,047	(1,505)	0.36	0.13	0.46
Lucky Cement Limited	358,190	-	-	160,000	198,190	12,316	13,374	1,058	0.81	0.06	1.01
Oil and Gas											
Oil & Gas Development Company Limited	120,915	-	-	120,915	-	-	-	-	-	-	-
Pakistan Oilfields Limited	461,951	-	-	273,000	188,951	40,795	61,426	20,631	3.71	0.08	4.64
Pakistan Petroleum Limited	437,725	-	87,545	249,500	275,770	42,312	58,300	15,988	3.52	0.02	4.40
Automobile and Parts											
Indus Motor Company Limited	157,742	-	-	32,278	125,464	32,919	26,385	(6,534)	1.59	0.16	1.99
Pak Suzuki Motor Company Limited	128,980	-	-	70,000	58,980	4,675	4,097	(578)	0.25	0.07	0.31
Agriauto Industries Limited (note 7.2)	8,960	-	-	-	8,960	618	636	18	0.04	0.03	0.05
Fixed Line and telecommunication											
Pakistan Telecommunication Company Limited "A"	2,606,200	-	-	736,550	1,869,650	33,280	31,784	(1,496)	1.92	0.05	2.40
Chemicals											
Fauji Fertilizer Company Limited	59,417	-	-	59,417	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	1,343,561	-	-	1,343,561	-	-	-	-	-	-	-
ICI Pakistan Limited	600	-	-	-	600	71	99	28	0.01	0.00	0.01
Pharma and Bio tech											
Glaxo SmithKline (Pakistan) Limited	3,906	-	-	3,906	-	-	-	-	-	-	-
General Industrials											
Packages Limited	987	-	-	987	-	-	-	-	-	-	-
Thal Limited (note 7.2)	267,960	-	53,592	26,801	294,751	23,320	31,680	8,360	1.91	0.48	2.39
Tri-Pack Films Limited	3,300	-	-	-	3,300	322	502	180	0.03	0.01	0.04
						214,157	255,798	41,641			

Total cost of investments - held for trading

223,758



- 7.2 All shares have a nominal value of Rs 10 each except for shares of Agriauto Industries Limited & Thal Limited which have a face value of Rs 5 each.
- 7.3 Net assets are as defined in Regulation 66 of NBFC Regulations, 2008.
- 7.4 190,000 shares of Oil & Gas Development Company Limited having market value of Rs 25.777 million (June 30, 2010: 26.921 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited (NCCPL) against exposure margins and mark-to-market losses.

8 CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. No such notice was received by the Fund.

On December 14, 2010, the Ministry has filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

However, the Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. Accordingly, the management has reversed the liability recognised as at June 30, 2010 amounting to Rs 7.122 million, during the current period. The aggregate unrecognised amount of WWF as at March 31, 2011 amounted to Rs 11.690 million.

There were no other contingencies and commitments outstanding as at March 31, 2011 and June 30, 2010.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected person include Al Meezan being the management company, CDC being the custodian, MBL being the shariah adviser and holding company of the management company, Pakistan Kuwait Investment Company (Private) Limited and Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Balanced Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - I, Meezan Cash Fund and Meezan Sovereign Fund being the funds under the common management of the management company.

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

Remuneration payable to the management company and the custodian is determined in accordance with the provisions of NBFC Rules and Regulations.

	(Unaudited) March 31, 2011	(Audited) June 30, 2010
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration payable	2,849	2,324
Investment of 34,019,850 shares (June 30, 2010: 23,205,692 shares)	345,642	154,318
Meezan Islamic Fund		
Investment of 8,480,190 shares (June 30, 2010: 19,570,700 shares)	86,159	130,145
MBL		
Balances with bank	3,915	2,408
Investment in 1,490,445 shares (June 30, 2010: 2,096,040 shares)	25,338	30,497
Investment of 5,561,607 shares (June 30, 2010: 5,561,607 shares)	56,506	36,985
CDC - custodian of the Fund		
Deposits	138	138
Remuneration payable	55	53



	(Unaudited) March 31, 2011	(Audited) June 30, 2010
	(Rupees in '000)	
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 shares (June 30, 2010: 16,895,690 shares)	<u>171,660</u>	<u>112,356</u>
Directors and officers		
Investment of 356,878 shares (June 30, 2010: 372,878 shares)	<u>3,626</u>	<u>2,480</u>
	Nine months period ended March 31,	
	2011	2010
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration for the period	<u>23,443</u>	<u>21,571</u>
Shares purchased during the period: 10,814,158 (March 31, 2010: Nil)	<u>75,840</u>	<u>-</u>
Dividend for the period	<u>45,838</u>	<u>23,206</u>
Meezan Islamic Fund		
Shares sold during the period: 11,090,510 (March 31, 2010: Nil Shares)	<u>77,663</u>	<u>-</u>
Dividend for the period	<u>11,465</u>	<u>19,571</u>
MBL		
Profit on deposit accounts with bank	<u>3</u>	<u>3</u>
Shares purchased during the period: Nil (March 31, 2010: 188,522 shares)	<u>-</u>	<u>3,171</u>
Dividend for the period	<u>7,508</u>	<u>5,562</u>

	Nine months period ended March 31,	
	2011	2010
	(Rupees in '000)	
CDC - custodian of the Fund		
Charges for the period	<u>591</u>	<u>594</u>
Pakistan Kuwait Investment Company (Private) Limited		
Dividend for the period	<u>22,809</u>	<u>16,896</u>
Directors and officers		
Shares purchased during the period: Nil (March 31, 2010: 16,000 shares)	<u>-</u>	<u>106</u>
Shares sold during the period: 16,000 (March 31, 2010: Nil Shares)	<u>106</u>	<u>-</u>
Dividend for the period	<u>495</u>	<u>373</u>

10. DATE OF AUTHORISATION

These condensed interim financial statements have been authorised for issue on April 20, 2011 by the board of directors of the Fund.

Chief Executive

Director



**STATEMENT OF THE INCOME & EXPENDITURE OF THE MANAGEMENT
COMPANY IN RELATION TO THE FUND.
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	March 31,	
	2011	2010
	(Rupees in '000)	
INCOME		
Remuneration from Al Meezan Mutual Fund Limited	23,142	21,571
Dividend income	45,838	23,206
	68,980	44,777
OPERATING EXPENSES		
Salaries and other benefits	6,292	7,107
Motor vehicle running expenses	162	133
Fees and subscription	118	150
Takaful	66	56
Printing and stationery	89	70
Communication	248	438
Depreciation	387	460
Travelling and conveyance	14	52
Entertainment	31	22
Legal and professional charges	155	262
Repair and maintenance	129	36
Office supplies	57	50
Training and development	13	18
Rent, rates and taxes	341	466
Utilities	74	62
Shariah advisory fee	142	188
Miscellaneous expenses	12	13
	8,331	9,583
OPERATING PROFIT	<u>60,649</u>	<u>35,194</u>

Note : Other revenue and expenditure not related to the Fund has not been included in the above statement.



Pure. Profit.

Registered Office

Al Meezan Investment Management Limited

Ground Floor, Block 'B' Finance & Trade Centre, Shahrah-e-Faisal, Karachi-74400, Pakistan.

Tel: 92-21-3563 0722-26, Fax: 92-21-3567 6143,

UAN: 92-21-111-633-926(111-MEEZAN), Toll Free: 0800-HALAL (42525),

E-mail: info@almeezangroup.com, Website: www.almeezangroup.com