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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
Mr. Mohammad Shoaib, CFA
Mr. Ariful Islam
Mr. Farhan Malik
Mr. Muhammad Asad
Mr. Imran Iqbal Panjwani
Syed Owais Wasti

Chairman
Chief Executive
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Mr. Ariful Islam
Mr. Imran Iqbal Panjwani
Mr. Muhammad Asad

Chairman

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
Suit#M-13-16, Mezzanine Floor, Progressive plaza,
Beaumont Road, Karachi, Pakistan.

BANKERS

AlBaraka Islamic Bank
Bank AL Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dawood Islamic Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan

REGISTERED OFFICE

Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan
Phone: (9221) 563 0722-26, 111 MEEZAN
Fax: (9221) 567 6143, 563 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) 565 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 Fund for the quarter ended September 30, 2008.

Market Review

Amid increased economic challenges and political uncertainty during the first quarter of FY09, KSE 100 index maintained a relatively bearish trend. Overall, the KSE-100 index during this quarter plunged by 3,110 points or 25.3% to end the quarter at 9,179 points on an average daily turnover of 66.28 million shares.

Economic Review

The macroeconomic outlook remained bearish during the quarter as inflationary pressures mounted and current account deficit continued to widen unabated. The main reason for widening of the deficit was worsening of trade balance. Due to the extraordinary increase in international crude prices which peaked at US\$ 147 per barrel in mid July and hike in food prices, Pakistan's trade deficit for the first quarter FY09 reached US\$ 5.55 billion, an increase of 53% over the corresponding period. As a result, foreign exchange reserves declined from US\$ 11.1 billion in June 2008 to US\$ 8.1 billion at the end of the quarter. This created pressure on rupee against US dollar, which depreciated by 12% to close the quarter at Rs. 78.25.

The economy was further hurt by the uncertain political situation as foreign investors remained cautious during the quarter, resulting in a decline in foreign exchange and foreign portfolio investment. However, the remittance inflows remained strong, with the first quarter FY09 figure totaling US \$ 1.88 billion and provided some support to the balance of payment situation. On domestic front, Government of Pakistan remained ahead of its tax collection target in three months and collected Rs. 253 billion which also helped in providing some relief to the burgeoning government borrowing.

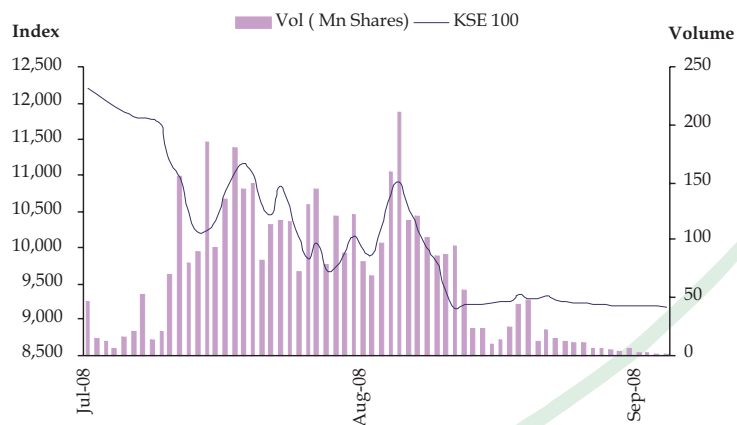
Equity Market Review

The downward trend at KSE that began in the final quarter of last year continued into the 1st quarter of FY09. In order to arrest the sharp decline, Securities and Exchange Commission of Pakistan (SECP) had changed the circuit breakers to a floor of 1% and a cap of 10% on June 24, 2008. This measure, however, did not improve the situation and created a problem for margin traders who wanted an exit. Due to drying up of volumes after the introduction of these circuit breakers, the SECP decided to revert them back to the original 5% level on July 11, 2008.

In order to restore investor confidence, SECP and KSE took some market stabilization measures which provided some support to the market. However, the unabated economic pressures along with Moody's warning to downgrade the country's rating resulted in a market meltdown.

To stem further downside in the market, the KSE Board of Directors on August 27, 2008 decided to place a floor on the index at a level of 9,144 based on the closing prices of securities that day. As a result, investors decided to stay away from the market during the month of September and volumes are down to less than a million shares a day.

The US sub prime mortgages crises resulting in the collapse of Lehman Brothers, the institutions which represented more than a 100 year old legacy of the US financial markets, started the meltdown of the global equities. Even after their governments' continuous liquidity injections, the bearish trend continued so much so that IMF termed this crisis as the worst after Great Depression. In line with increasing outflows from emerging markets, foreigners remained net seller at KSE, with a total net outflow of US\$ 142 million in the first quarter of FY09.



Performance Review

For the three months ended September 30, 2008 the Fund incurred a net loss of Rs. 500 million, mainly because of un-realised loss on re-measurement of investments at 'fair value through profit or loss' of around Rs. 490 million and net realised loss on sale of investments of Rs. 19 million. Other income of Rs. 17.5 million was earned through dividend income and profit on savings accounts with banks. The expenses for the period amounted to Rs. 9 million. The loss per share for the period was of Rs.3.64. The net assets of the Fund as at September 30, 2008 were Rs. 1.39 billion and net asset value per share was Rs.10.13.

The return on Dow Jones Islamic Markets Pakistan Index serves as the benchmark for Al Meezan Mutual Fund Ltd. During the quarter ended September 30, 2008 AMMF declined by 26.91% as compared to the benchmark which declined by 27.94% thus outperforming the benchmark by 1.03% during the quarter.

A New Initiative - Launching of the Islamic Index

The KSE and Al Meezan Investments launched the first co-branded Islamic Index "KSE-Meezan Index (KMI)" on the 1st Ramadan (September 2, 2008). The index comprises of thirty companies which qualify KMI Shariah screening criteria and are weighted by float adjusted market capitalisation subject to a 12% cap on weights of individual securities.

Investment Policy

The objective of AMMF is to provide the maximum total return to the share holders from investment in "Shariah compliant" investments for the given level of risk, while abiding by the

"Non-Banking Finance Companies Rules, 2003" and "Non-Banking Finance Companies and Notified Entities Regulations, 2007", and any other prevailing rules and regulations. Total return refers to returns from capital gains (realized and unrealized) and dividend income (from investment in secondary and primary equities - Musharaka), rental income (from operating leases - Ijara), mark-up (from cost-plus sales - Murabaha), and other Shariah compliant investments.

Fund Rating

Pakistan Credit Rating Agency (PACRA) has assigned 5-Star normal rating which denotes superior performance and 4-Star long term rating to AMMF which denotes good performance of the Fund versus its peers. The management of the Fund is striving to improve this rating further in the future.

Future Outlook

Despite a challenging economic outlook, we are optimistic about the long term growth trend of the country and remain confident about the future prospects of the stock market in general and of Al Meezan Mutual Fund in particular. Going forward, it is expected that price floor mechanism would be removed along with the establishment of a stabilization fund, which will help to improve investor confidence.

Future direction of the market is likely to be driven by growth prospects, political stability, level of balance of payment and foreign investment in the country. We anticipate growing interest from foreign and local investors in the equity market as it is currently trading at a PE multiple discount of 25% as compared to the regional markets.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments and making it the largest Shariah compliant asset management company in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, AMMF's custodian, Central Depository Company of Pakistan and management of Karachi Stock Exchange for all their support and guidance. Last but not the least, we would like to place on record our gratitude for Justice (Retd.) Muhammad Taqi Usmani and other members of the Shariah Board of Meezan Bank for their continued guidance on Shariah aspects of fund management.

For and on behalf of the Board

Karachi.
October 23, 2008

Mohammad Shoaib, CFA
Chief Executive

**CONDENSED INTERIM
STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2008**

	Note	Unaudited September 30, 2008 (Rupees in '000)	Audited June 30, 2008
Assets			
Balances with banks	5	56,595	63,366
Investments - available for sale	6	39,839	52,764
Investments at fair value through profit or loss	7	1,285,820	1,770,335
Dividend receivable		9,349	18,398
Advances, deposits and other receivables		8,476	10,832
Total assets		<u>1,400,079</u>	<u>1,915,695</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - management company of the Fund		2,412	3,221
Payable to the Central Depository Company of Pakistan Limited - custodian of the Fund		58	86
Payable to the Securities and Exchange Commission of Pakistan		377	2,067
Payable to Meezan Bank Limited - Shariah adviser of the Fund		313	250
Accrued expenses and other liabilities		1,795	1,747
Unclaimed dividend		1,907	1,908
Total liabilities		<u>6,862</u>	<u>9,279</u>
Net assets		<u>1,393,217</u>	<u>1,906,416</u>
Shareholders' Equity			
Authorised share capital 150,000,000 (June 30, 2007: 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
Unappropriated (loss)/ gain		(12,349)	487,925
Surplus on revaluation of investments		30,166	43,091
		<u>1,393,217</u>	<u>1,906,416</u>
Net assets value per share (Rupees)		<u>10.13</u>	<u>13.86</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

**CONDENSED INTERIM
INCOME STATEMENT (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2008**

	Note	September 30, 2008	September 30, 2007
		(Rupees in '000)	
Income			
Net realised (loss) / gain on sale of investments		(19,059)	20,942
Dividend income		16,760	13,657
Profit on savings accounts with banks		773	9,863
		<u>(1,526)</u>	<u>44,462</u>
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss (net)		(489,759)	51,099
(Loss) on re-measurement of derivative financial instruments (net)		-	(17,418)
		<u>(489,759)</u>	<u>33,681</u>
Total (loss) / income		<u>(491,285)</u>	<u>78,143</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited - management company of the Fund		7,548	10,681
Remuneration to Central Depository Company of Pakistan Limited - custodian of the Fund		188	276
Annual fee to the Securities and Exchange Commission of Pakistan		377	537
Shariah advisory fee to Meezan Bank Limited - Shariah adviser of the Fund		63	63
Auditors' remuneration		98	76
Fees and subscription		32	391
Brokerage		241	1,148
Legal and professional charges		56	38
Bank and settlement charges		23	118
Printing expenses		8	-
Reversal of advance tax		355	-
Total expenses		<u>8,989</u>	<u>13,328</u>
Net (loss) / income		<u>(500,274)</u>	<u>64,815</u>
(Loss) / earnings per share (Rupees)	8	<u>(3.64)</u>	<u>0.47</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

**CONDENSED INTERIM
DISTRIBUTION STATEMENT (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2008**

	September 30,	
	2008	2007
	(Rupees in '000)	
Unappropriated income brought forward	487,925	977,863
Less: Final distribution in the form of cash dividend for the year ended June 30, 2007 @ 25%	-	(299,000)
Less: Issue of bonus shares for the year ended June 30, 2007 @ 15%	-	(179,400)
Net (loss)/ income for the period	(500,274)	64,815
Unappropriated loss carried forward	<u>(12,349)</u>	<u>564,278</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN EQUITY AND RESERVES PER SHARE (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2008**

	September 30,	
	2008	2007
	(Rupees)	
Net assets value per share at the beginning of the period	13.86	16.13
Net realised (loss) / gain on sale of investments	(0.14)	0.15
Dividend income	0.12	0.10
Profit on savings accounts with banks	0.01	0.07
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss (net)	(3.56)	0.37
(Loss) on re-measurement of derivative financial instruments (net)	-	(0.13)
Operating expenses	(0.07)	(0.10)
Net income for the period	(3.64)	0.47
Dividend declared and paid @ 25 %	-	(2.17)
Net changes in surplus on revaluation of available for sale investments	(0.09)	(0.02)
Net assets value per share at the end of the period	<u>10.13</u>	<u>14.41</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2008**

	Share capital	Unappropriated profit	Surplus on revaluation of available-for- sale financial assets	Total
	(Rupees in '000)			
Balance as at July 1, 2007	1,196,000	977,863	44,729	2,218,592
Final dividend for the year ended June 30, 2007 @ 25%	-	(299,000)	-	(299,000)
Issue of bonus shares for the year ended June 30, 2007 @ 15%	179,400	(179,400)	-	-
Net income for the quarter ended September 30, 2007	-	64,815	-	64,815
Surplus on revaluation of available for sale investments	-	-	311	311
Surplus realised on available for sale investments transferred to income statement on disposal	-	-	(2,813)	(2,813)
Balance as at September 30, 2007	<u>1,375,400</u>	<u>564,278</u>	<u>42,227</u>	<u>1,981,905</u>
Balance as at July 1, 2008	1,375,400	487,925	43,091	1,906,416
Net (loss) for the quarter ended September 30, 2008	-	(500,274)	-	(500,274)
(Loss) on revaluation of available for sale investments	-	-	(12,925)	(12,925)
Balance as at September 30, 2008	<u>1,375,400</u>	<u>(12,349)</u>	<u>30,166</u>	<u>1,393,217</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2008**

	September 30,	
	2008	2007
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income	(500,274)	64,815
Adjustments for non-cash items		
Dividend income	(16,760)	(13,657)
Profit on savings accounts with banks	(773)	(9,863)
Unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss (net)	489,759	(51,099)
Loss on re-measurement of derivative financial instruments (net)	-	17,418
Surplus realised on sale of available for sale investments	-	(2,813)
	472,226	(60,014)
	(28,048)	4,801
(Increase) / decrease in assets		
Investments - available for sale	-	8,085
Investments at fair value through profit or loss	(5,244)	(212,452)
Receivable against sale of investments	-	18,400
Advances, deposits and other receivables	185	(170)
	(5,059)	(186,137)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - management company of the Fund	(809)	(27,659)
Payable to Central Depository Company of Pakistan Limited - custodian of the Fund	(28)	(32)
Payable to the Securities and Exchange Commission of Pakistan	(1,690)	537
Payable to Meezan Bank Limited - Shariah adviser of the Fund	63	(187)
Payable against purchase of investments	-	5,276
Accrued expenses and other liabilities	48	128
	(2,416)	(21,937)
Cash (used in) / generated from operations	(35,523)	(203,273)
Dividend received	25,809	7,829
Profit received on savings accounts with banks	2,944	14,648
Net cash (outflow) / inflow from operating activities	(6,770)	(180,796)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1)	(41)
Net cash (outflow) from financing activities	(1)	(41)
Net (decrease)/ increase in cash and cash equivalents during the period	(6,771)	(180,837)
Cash and cash equivalents at the beginning of the period	63,366	590,523
Cash and cash equivalents at the end of the period - note 5	56,595	409,686

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

**CONDENSED INTERIM
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2008**

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 at 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). On November 21, 2007 Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulations) were notified.
- 1.3 The Fund has an agreement with Al Meezan Investment Management Limited (AMIML), an associated undertaking, to provide asset management services. AMIML has been rated AM 2 by JCR-VIS.
- 1.4 The objective of the Fund is to carry on the business as a closed-end mutual fund and to invest its assets in securities, which are listed or proposed to be listed on the stock exchanges. The Fund has been rated five star and four star for normal and long-term rating respectively by Pakistan Credit Rating Agency.

2. BASIS OF MEASUREMENT

The transactions 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

- 3.1 These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, the Companies Ordinance, 1984, the NBFC Rules and NBFC Regulations and the directives issued by the SECP. Approved accounting standards comprise of such International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules and NBFC Regulations and the said directives differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the NBFC Rules and NBFC Regulations and the said directives take precedence.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are same as those applied in the preparation of financial statements for the preceding year ended June 30, 2008.

**September 30, June 30,
2008 2008**

5. BALANCES WITH BANKS

Note (Rupees in '000)

On current accounts		2,303	2,273
On savings accounts	5.1	54,292	61,093
		56,595	63,366

5.1 These represent deposits payable on demand and carry return at approximately 3% to 12.5% per annum (2007: 3% to 9.5% per annum).

6. INVESTMENTS - AVAILABLE FOR SALE

6.1 Shares of listed companies - available for sale

Name of the investee company	As at July 01, 2008	Purchases during the quarter	Bonuses/ rights issue	Sales during the quarter	As at Sep 30, 2008	Carrying value as at Sep 30, 2008	Market value as at Sep 30, 2008	Unrealised (loss) as at Sep 30, 2008	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 (carrying value of investments)
	-----Number of shares of listed companies-----				-----Rupees in '000-----						

Sector / companies

Oil and gas marketing companies											
Pakistan State Oil Company Limited	1,043	-	-	-	1,043	435	292	(143)	0.02	0.00	0.02
Fertilizer											
Fauji Fertilizer Company Limited	395,469	-	-	-	395,469	52,329	39,547	(12,782)	2.84	0.08	2.98
Total						52,764	39,839	(12,925)			
Total cost of investments - available for sale									9,673		

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

7.1 Shares of listed companies - held for trading

Name of the investee company	As at July 01, 2008	Purchases during the quarter	Bonuses/ rights issue	Sales during the quarter	As at Sep 30, 2008	Carrying value as at Sep 30, 2008	Market value as at Sep 30, 2008	Unrealised gain / (loss) as at Sep 30, 2008	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 (carrying value of investments)
	-----Number of shares of listed companies-----				-----Rupees in '000-----						

Commercial Banks

Meezan Bank Limited (an associate of the Fund)	1,349,640	-	-	-	1,349,640	41,151	36,710	(4,441)	2.63	0.30	2.77
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Open End Mutual Funds

Meezan Islamic Income Fund (an associate of the Fund)	-	1,045,622	-	13,752	1,031,870	52,303	52,873	570	3.80	19.49	3.99
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Name of the investee company	As at July 01, 2008	Purchases during the quarter	Bonuses/ rights issue	Sales during the quarter	As at Sep 30, 2008	Carrying value as at Sep 30, 2008	Market value as at Sep 30, 2008	Unrealised (loss) as at Sep 30, 2008	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 (carrying value of investments)
-----Number of shares of listed companies-----					-----Rupees in '000-----						
Continued...											
Textile composite											
Nishat Mills Limited	186,170	50,000	-	-	236,170	19,047	11,031	(8,016)	0.79	0.15	0.83
Jute											
Thal Limited (note 7.2)	153,000	-	-	-	153,000	29,991	19,416	(10,575)	1.39	0.50	1.46
Cement											
Attock Cement Pakistan Limited	370,600	-	-	-	370,600	28,584	16,836	(11,748)	1.21	0.51	1.27
D.G. Khan Cement Company Limited	315,000	230,000	-	-	545,000	34,617	21,408	(13,209)	1.54	0.21	1.61
Fauji Cement Company Limited	124,355	100,000	-	-	224,355	2,057	1,548	(509)	0.11	0.03	0.12
									2.86		3.00
Power generation & distribution											
The Hub Power Company Limited	2,533,500	-	-	-	2,533,500	72,458	54,369	(18,089)	3.90	0.22	4.10
Oil & gas marketing companies											
Pakistan State Oil Company Limited	204,500	-	-	27,000	177,500	74,060	49,698	(24,362)	3.57	0.10	3.75
Sui Northern Gas Pipelines Limited	232,200	-	-	-	232,200	10,117	7,293	(2,824)	0.52	0.03	0.55
									4.09		4.30
Oil & gas exploration companies											
Oil & Gas Development Company Limited	1,708,000	-	-	550,000	1,158,000	144,009	109,350	(34,659)	7.85	0.03	8.25
Pakistan Oilfields Limited	312,000	-	-	35,000	277,000	101,061	67,450	(33,611)	4.84	0.14	5.09
Pakistan Petroleum Limited	951,610	-	90,961	42,000	1,000,571	223,755	193,761	(29,994)	13.91	0.12	14.62
									26.60		27.95
Automobile assembler											
Indus Motor Company Limited	196,092	-	-	-	196,092	39,228	28,100	(11,128)	2.02	0.25	2.12
Pak Suzuki Motor Company Limited	185,980	-	-	-	185,980	22,279	15,583	(6,696)	1.12	0.23	1.18
									3.14		3.30
Automobile parts & accessories											
Agriauto Industries Limited (note 7.2)	590,800	-	-	-	590,800	48,889	26,113	(22,776)	1.87	2.46	1.97
Technology & communication											
Pakistan Telecommunication Company Limited "A"	2,357,000	-	-	-	2,357,000	91,074	74,245	(16,829)	5.33	0.06	5.60
TRG Pakistan Limited - Class 'A'	4,095,000	100,000	-	-	4,195,000	26,069	16,025	(10,044)	1.15	1.12	1.21
									6.48		6.81
Fertilizer											
Engro Chemical Pakistan Limited	669,038	125,000	-	-	794,038	214,206	143,276	(70,930)	10.28	0.37	10.81
Fauji Fertilizer Company Limited	908,086	-	-	-	908,086	120,158	90,809	(29,349)	6.52	0.18	6.85
Fauji Fertilizer Bin Qasim Limited	3,885,500	440,000	-	-	4,325,500	151,332	98,524	(52,808)	7.07	0.46	7.43
									23.86		25.09
Pharmaceutical											
GlaxoSmithKline (Pakistan) Limited	103,906	-	-	-	103,906	17,664	11,295	(6,369)	0.81	0.06	0.85
Chemicals											
ICI Pakistan Limited	336,600	-	-	-	336,600	54,317	42,745	(11,572)	3.07	0.24	3.22
Sitara Chemical Industries Limited	62,460	-	-	-	62,460	15,768	13,672	(2,096)	0.98	0.31	1.03
									4.05		4.26
Paper & Board											
Packages Limited	503,987	-	-	-	503,987	126,949	71,435	(55,514)	5.13	0.60	5.39
Glass & Ceramics											
Ghani Glass Limited	54,212	-	-	-	54,212	6,118	4,866	(1,252)	0.35	0.06	0.37
Miscellaneous											
Tri-Pack Films Limited	48,300	-	-	-	48,300	8,318	7,389	(929)	0.53	0.16	0.56
Total						1,775,579	1,285,820	(489,759)			
Total cost of investments - held for trading							1,742,821				

- 7.2 All shares have a nominal value of Rs 10 each except for the shares of Agriauto Industries Limited and Thal Limited which have a face value of Rs 5 each.
- 7.3 Net assets are as defined in regulation 2(xxvi) of NBFC Regulations.
- 7.4 The SECP through its letter No. NBFC-II/AD/AMIML/97/2008 dated February 22, 2008 has relaxed the investment limits prescribed in regulations 64(5) and (8) of NBFC Regulations to fifteen percent and thirty percent respectively.

8. (LOSS) / EARNINGS PER SHARE	September 30,	
	2008	2007
	(Rupees in '000)	
Net (loss) / income for the period	<u>(500,274)</u>	<u>64,815</u>
	(In numbers)	
Number of ordinary shares outstanding during the year - restated	<u>137,539,986</u>	<u>137,539,986</u>
	(Rupees)	
(Loss) / earnings per share (Rupees) - restated	<u>(3.64)</u>	<u>0.47</u>

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

	September 30,	June 30,
	2008	2008
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- management company of the Fund		
Remuneration payable	<u>2,412</u>	<u>3,221</u>
Investment of 23,205,692 shares (June 30, 2008: 22,755,692 shares)	<u>185,646</u>	<u>311,753</u>
Meezan Bank Limited - Shariah adviser		
of the Fund		
Balance with bank	<u>2,365</u>	<u>2,262</u>
Investment of 5,561,607 shares (June 30, 2008: 5,561,607 shares)	<u>44,493</u>	<u>76,194</u>
Investment in 1,349,640 shares (June 30, 2008: 1,349,640 shares)	<u>36,710</u>	<u>41,150</u>

	September 30, 2008	June 30, 2008
	(Rupees in '000)	
Meezan Islamic Fund		
Investment of 19,570,700 shares (June 30, 2008: 19,570,700 shares)	<u>156,566</u>	<u>268,119</u>
Pak-Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 shares (June 30, 2008: 16,895,690 shares)	<u>135,166</u>	<u>231,471</u>
Central Depository Company of Pakistan Limited - custodian of the Fund		
Remuneration payable	<u>58</u>	<u>86</u>
Directors and officers		
Investment of 349,440 shares (June 30, 2008: 349,440 shares)	<u>2,796</u>	<u>4,787</u>
	For the quarter ended September 30	
	2008	2007
	(Rupees in '000)	
Al Meezan Investment Management Limited - management company of the Fund		
Remuneration for the year	<u>7,548</u>	<u>10,681</u>
Dividend for the year	<u>-</u>	<u>49,469</u>
Meezan Bank Limited - shariah adviser of the Fund		
Profit on deposit accounts with bank	<u>193</u>	<u>9,863</u>
Shariah advisory fee for the year	<u>63</u>	<u>63</u>
Dividend for the year	<u>-</u>	<u>12,090</u>
Meezan Islamic Fund		
Dividend for the year	<u>-</u>	<u>42,545</u>
Pak-Kuwait Investment Company (Private) Limited		
Dividend for the year	<u>-</u>	<u>46,568</u>

	For the quarter ended September 30	
	2008	2007
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - custodian of the Fund		
Remuneration for the year	<u>188</u>	<u>276</u>
Directors and officers		
Dividend for the year	<u>-</u>	<u>760</u>

10. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue on October 23, 2008 by the Board of Directors of the company.

میزان

Chief Executive Officer

Director

**STATEMENT OF THE INCOME & EXPENDITURE OF THE MANAGEMENT
COMPANY IN RELATION TO THE FUND.
FOR THE PERIOD ENDED SEPTEMBER 30, 2008**

	September 30,	
	2008	2007
	(Rupees in '000)	
INCOME	(Restated)	
Remuneration receivable from Al Meezan MutualFund Limited	7,437	10,681
Dividend income	-	49,469
	7,437	60,150
OPERATING EXPENSES		
Salaries and other benefits	1,494	975
Motor vehicle running expenses	44	46
Fees and subscription	34	204
Insurance expense	15	20
Printing and stationery	71	21
Financial charges	470	3
Telephone, fax, postage & stamps	65	79
Depreciation	209	224
Travelling and conveyance	27	44
Entertainment	8	19
Legal and professional charges	48	174
Repair and maintenance	8	30
Office supplies	8	19
Training and development	14	32
Rent, rates and taxes	187	197
Utilities	30	35
Miscellaneous expenses	4	3
	2,736	2,125
OPERATING PROFIT	4,701	58,025

Note: Other revenue not relating to the Fund has not been included in the above statement.