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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 quarter ended September 30, 2010.

Brief Overview

During the first quarter of fiscal year 2011, Al Meezan Mutual Fund (AMMF) provided a return of 5.16% to its investors while the benchmark index, Karachi Meezan Index (KMI-30), increased by 7.61% to 15,683. The KSE 100 index during the same period closed at 10,013 posting a 3% increase quarter on quarter.

Economic Review

After the consolidating year 2010, the new fiscal year was pinned with hopes of further economic recovery with the GDP target of 4.5%. However, the situation completely changed with the devastating floods in August 2010, in which about one-fifth of the country has been badly affected and 10 percent of the country population has been directly affected. Nearly two million homes have been destroyed or damaged and there is extensive damage to roads, telecom and energy infrastructure, crops and livestock. Precise estimates are not yet available, but it is clear that the costs of humanitarian relief and reconstruction will be in billions of dollars.

As a result all the macroeconomic targets are expected to be missed. The GDP growth target has already been revised down by 1-2% mainly because of sharply lower agricultural output growth estimates which accounts for 21 percent of GDP and 45 percent of employment. Average annual inflation is projected to rise to 13.5% in current fiscal year compared to 11.7% last year and the balance of payments is expected to weaken by US\$1.6 billion (0.8% of GDP) as compared to the pre-flood forecast.

To finance relief and rehabilitation work, government borrowed Rs. 220 billion from the Central bank against IMF's target of zero net borrowing from the SBP. International aid for flood relief namely US\$ 451 million emergency aid by IMF and remittances helped to build the forex reserves which increased to all time high of US\$ 16.78 billion. The country saw the record monthly remittance inflow of US\$ 933 million during August. On domestic front, the provisional tax collection for the quarter was approximately Rs. 290 billion against a target of Rs. 295 billion.

Equity Market Review

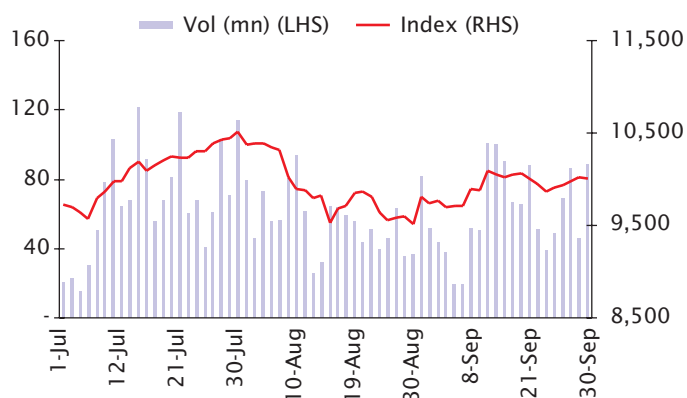
The market remained volatile during the first quarter of fiscal year 2011 due to mixed news flow and uncertain macroeconomic situation. As expected, activity in the market dried up with implementation of capital gain tax (CGT) as the daily average volume shrank to 62mn shares as compared to the 188.6mn shares during the corresponding quarter last year, depicting decline of 67% year on year.

Despite concerns related to CGT, the quarter started on a bullish note on the back of expectations of positive corporate results alongwith foreign interest, which helped the market to post an extraordinary return of 8.2% for the month of July with KSE-100 index making a high of 10,519.



However, this rally was arrested by 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%. Inflation concerns resurfaced in the market with flood related damage to agriculture sector, jump in government expenditure on relief and rehabilitation, and price hike during Ramzan. In the wake of rising inflation expectations and keeping overall post-flood macroeconomic picture in view, SBP further increased the policy rate by another 50 bps in September 2010 to 13.5%.

Despite all the macroeconomic uncertainties, foreigners remained net buyers in the market on the back of cheap valuations relative to regional markets. Hence, there was a net foreign inflow of US\$ 106 million during the period under review. Moreover, the approval of Margin Trading System (MTS) by SECP along with above expectation payouts and earnings of the oil companies gave some respite to the market and helped KSE-100 index to close the quarter at 10,013.



Performance Review

The Fund, during the quarter ended September 30, 2010 earned a total gross income of Rs.54 million. The dividend income for the period was Rs.22 million and realized gains amounted to Rs. 8 million. Unrealized profits added Rs. 20 million to total income. After accounting for expenses of Rs. 12 million, the fund earned a net income of Rs. 42 million which translates into an earning per share of Rs.0.30 for the quarter ended September 30, 2010.

The net assets of the fund at the end of the quarter stood at Rs.1,476 million as compared to Rs.1,404 million as at June 30, 2010. The net asset value of the fund as at September 30, 2010 was Rs.10.73 per share as compared to Rs.10.21 per share as on June 30, 2010. The fund has been able to show reasonable growth during the quarter with a return of 5.16% as compared to its benchmark (KMI-30) return of 7.61% thus underperforming the benchmark by around 2.45%.

Outlook

Although the implementation of capital gain tax has negatively impacted volumes, we believe that the introduction of the leverage product in the market will improve the liquidity position and attract the investors back to the equity market. On the basis of earnings multiples and dividend yields, Pakistan remains one of the cheapest frontier market. Pakistan's stock market is trading at a P/E multiple of under 7, which is almost at 45% discount to other regional markets. This makes KSE an attractive option for foreign investors, who are expected to continue to make investments at the local bourses. Nonetheless, investors will focus on the impact of the floods on the economy with particular reference to the corporate earnings.

Our outlook for the coming year is cautiously optimistic. The management of Al Meezan is fully aware of the challenges that lie ahead and is taking all possible measures to face them.

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, 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: October 20, 2010
Karachi.

Mohammad Shoaib, CFA
Chief Executive



**CONDENSED INTERIM
STATEMENT OF ASSETS AND LIABILITIES**
AS AT SEPTEMBER 30, 2010

	(Un-audited) September 30, 2010	(Audited) June 30, 2010
Note	(Rupees in '000)	
Assets		
Balances with banks	177,539	131,182
Investments	1,275,320	1,274,965
Receivable against sale of investments	12,188	407,206
Dividend receivable	15,849	7,047
Advances, deposits, prepayments and other receivables	6,014	8,793
Total assets	1,486,910	1,829,193
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund	2,431	2,324
Payable to the Central Depository Company of Pakistan Limited (CDC) - custodian of the Fund	54	53
Payable to the Securities and Exchange Commission of Pakistan (SECP)	357	1,369
Payable against purchase of investments	-	406,958
Accrued expenses and other liabilities	3,531	10,203
Unclaimed dividend	4,232	4,365
Total liabilities	10,605	425,272
Net assets	1,476,305	1,403,921
Shareholders' equity		
Authorised share capital 150,000,000 (June 30, 2009: 150,000,000) ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up share capital 137,539,986 (June 30, 2009: 137,539,986) ordinary shares of Rs. 10 each	1,375,400	1,375,400
Accumulated income/ (loss)	42,748	(6,223)
Surplus on revaluation of investments categorised as 'available for sale investments'	58,157	34,744
	1,476,305	1,403,921
Net assets value per share (Rupees)	10.73	10.21

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	September 30,	
	2010	2009
	(Rupees in '000)	
Income		
Net realised gain on sale of investments	8,188	42,102
Dividend income	22,432	24,015
Profit on savings accounts with banks	3,489	1,333
	<u>34,109</u>	<u>67,450</u>
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	<u>20,054</u>	<u>270,787</u>
	<u>20,054</u>	<u>270,787</u>
Total income	<u>54,163</u>	<u>338,237</u>
Expenses		
Remuneration to Al Meezan - management company of the Fund	7,516	7,085
Remuneration to CDC - custodian of the Fund	188	201
Annual fee to SECP	357	337
Auditors' remuneration	161	146
Fees and subscription	43	32
Brokerage	110	625
Legal and professional charges	57	58
Bank and settlement charges	86	107
Advance tax written off	3,796	-
Total expenses	<u>12,314</u>	<u>8,591</u>
Net income	<u>41,849</u>	<u>329,646</u>
Other comprehensive income for the year		
Surplus / (deficit) on investments categorised as 'available for sale investments'	23,413	3,742
Total comprehensive income for the year	<u>23,413</u>	<u>3,742</u>
Earnings per share - basic (Rupees)	<u>0.30</u>	<u>2.40</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Executive

Director

AL MEEZAN
Mutual Fund



CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	September 30, 2010 2009 (Rupees in '000)	
Unappropriated (loss) brought forward	(6,223)	(224,797)
Reversal of provision against WWF	7,122	-
Net income for the period	41,849	329,646
Unappropriated income carried forward	<u>42,748</u>	<u>104,849</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN
EQUITY AND RESERVES PER SHARE (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	September 30, 2010 2009 (Rupees)	
Net assets value per share at the beginning of the period	10.21	8.54
Reversal of WWF	0.05	-
Net realised gain on sale of investments	0.06	0.31
Dividend income	0.16	0.17
Profit on savings accounts with banks	0.03	0.01
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	0.15	1.97
Operating expenses	(0.10)	(0.07)
Net income for the period (based on weighted average number of shares outstanding)	0.30	2.39
Net changes in surplus on revaluation of available for sale investments	0.17	0.03
Net assets value per share at the end of the period	10.73	10.96

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Executive

Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	Share capital	Unappro- priated income / (accumu- lated 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 quarter ended September 30, 2009	-	329,646	-	329,646
Surplus on revaluation of available for sale investments	-	-	3,742	3,742
Balance as at September 30, 2009	<u>1,375,400</u>	<u>104,849</u>	<u>27,313</u>	<u>1,507,562</u>
Balance as at July 1, 2010	1,375,400	(6,223)	34,744	1,403,921
Net income for the quarter ended September 30, 2010	-	41,849	-	41,849
Reversal of provision against WWF	-	7,122	-	7,122
Surplus on revaluation of available for sale investments	-	-	23,413	23,413
Balance as at September 30, 2010	<u>1,375,400</u>	<u>42,748</u>	<u>58,157</u>	<u>1,476,305</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	September 30,	
	2010	2009
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	41,849	329,646
Adjustments for non-cash items		
Dividend income	(22,432)	(24,015)
Advance tax written off	3,796	-
Reversal of provision against WWF	7,122	-
Profit on savings accounts with banks	(3,489)	(1,333)
Unrealised (gain) on re-measurement of investments at fair value through profit or loss (net)	(20,054)	(270,787)
	<u>6,792</u>	<u>33,511</u>
(Increase) / decrease in assets		
Investments	43,113	265
Receivable against sale of investments	395,018	9,103
Deposits and prepayments	(32)	(110)
	<u>438,099</u>	<u>9,258</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan - management company of the Fund	107	1,453
Payable to CDC - custodian of the Fund	1	10
Payable to SECP	(1,012)	336
Payable to MBL	-	(434)
Payable against purchase of investments	(406,958)	(1,835)
Accrued expenses and other liabilities	(6,672)	680
	<u>(414,534)</u>	<u>210</u>
Cash generated from operations	30,357	42,979
Dividend received	13,630	19,381
Profit received on savings accounts with banks	2,504	1,834
Net cash inflow / (outflow) from operating activities	<u>46,490</u>	<u>64,194</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(133)	(9)
Net cash (outflow) from financing activities	(133)	(9)
Net (decrease) in cash and cash equivalents during the period	46,357	64,185
Cash and cash equivalents at the beginning of the period	131,182	35,681
Cash and cash equivalents at the end of the period	<u>177,539</u>	<u>99,866</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Executive

Director

AL MEEZAN
Mutual Fund



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2010

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.

5. Investments categorised as 'available for sale'

5.1 Shares of listed companies and a bank

Name of the investee company	As at July 1, 2010	Purchases during the period	Bonus/right shares	Sales during the period	As at September 30, 2010	Carrying value as at September 30, 2010	Market value as at September 30, 2010	Unrealised gain / (loss) as at September 30, 2010	Percentage of market value of total investment
	----- Number of shares -----				----- Rupees in '000 -----				
Sector / companies									
Banks									
Meezan Bank Limited (an associate of the fund)	197,948	-	-	-	197,948	3,171	2,894	(277)	0.00
Construction and Materials									
Attock Cement Company Limited	10,000	-	-	-	10,000	716	643	(73)	0.00
Lucky Cement Limited	712,469	135,000	-	-	847,469	54,505	58,611	4,106	0.07
Oil and Gas									
Oil & Gas Devp. Company Limited	436,976	253,883	-	248,883	441,976	57,283	64,400	7,117	0.07
Pakistan Oilfields Limited	292,900	-	-	49,000	243,900	53,192	57,836	4,644	0.07
Pakistan Petroleum Limited	433,315	-	86,663	20,000	499,978	76,946	86,201	9,255	0.10
Pakistan State Oil Company Limited	577,043	-	-	30,000	547,043	144,062	146,991	2,929	0.17
National Refinery Limited	149,909	-	-	-	149,909	27,958	30,291	2,333	0.03
Automobile and Parts									
Indus Motor Company Limited	-	14,000	-	-	14,000	3,524	3,032	(492)	0.00
Agriauto Industries Limited (note 6.2)	700,000	-	-	-	700,000	46,690	49,000	2,310	0.06
Fixed Line and telecommunication									
Pakistan Telecommunication Company Limited "A"	1,090,000	130,000	-	-	1,220,000	22,191	22,936	745	0.03
Chemicals									
Fauji Fertilizer Company Limited	1,943,769	1,943,769	-	1,943,769	1,943,769	39,124	43,468	4,344	0.05
Fauji Fertilizer Bin Qasim Limited	1,604,000	-	-	-	1,604,000	172,059	203,785	31,726	0.23
ICI Pakistan Limited	390,400	40,196	-	-	430,596	51,523	50,423	(1,100)	0.06
Pharma and Bio tech									
Glaxo SmithKline (Pakistan) Limited	40,000	-	-	-	40,000	3,220	2,696	(524)	0.00
General Industrials									
Packages Limited	450,369	-	-	-	450,369	54,563	45,487	(9,076)	0.05
Tri-Pack Films Limited	100,000	-	-	-	100,000	9,710	9,900	190	0.01
Total									
						<u>820,437</u>	<u>878,594</u>	<u>58,157</u>	
Total cost of investments - available for sale						<u>820,437</u>			



6. Investments at 'fair value through profit or loss'

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

Name of the investee company	As at July 1, 2010	Purchases during the period	Bonus/right shares	Sales during the period	As at September 30, 2010	Carrying value as at September 30, 2010	Market value as at September 30, 2010	Unrealised gain / (loss) as at September 30, 2010	Percentage of market value of total investment
	Number of shares				Rupees in '000				
Banks									
Meezan Bank Limited (an associate of the fund)	1,898,092	-	-	700,000	1,198,092	17,432	17,516	84	0.04
Construction and Materials									
Attock Cement Company Limited	135,305	-	-	-	135,305	8,863	8,705	(158)	0.02
Lucky Cement Limited	358,190	-	-	160,000	198,190	12,316	13,707	1,391	0.03
									0.06
Oil and Gas									
Oil & Gas Development Company Limited	120,915	-	-	97,500	23,415	3,318	3,412	94	0.01
Pakistan Oilfields Limited	461,951	-	-	10,000	451,951	97,576	107,171	9,595	0.27
Pakistan Petroleum Limited	437,725	-	87,545	-	525,270	80,594	90,562	9,968	0.23
									0.51
Automobile and Parts									
Indus Motor Company Limited	157,742	-	-	-	157,742	41,388	34,165	(7,223)	0.09
Pak Suzuki Motor Company Limited	128,980	-	-	70,000	58,980	4,675	4,087	(588)	0.01
Agriauto Industries Limited (note 6.2)	8,960	-	-	-	8,960	618	627	9	0.00
									0.10
Fixed Line and telecommunication									
Pakistan Telecommunication Company Limited "A"	2,606,200	-	-	130,000	2,476,200	44,076	46,553	2,477	0.12
Chemicals									
Fauji Fertilizer Company Limited	59,417	-	-	-	59,417	6,124	6,229	105	0.02
Fauji Fertilizer Bin Qasim Limited	1,343,561	-	-	60,000	1,283,561	33,424	34,784	1,360	0.09
ICI Pakistan Limited	600	-	-	-	600	71	70	(1)	0.00
									0.10
Pharma and Bio tech									
Glaxo SmithKline (Pakistan) Limited	3,906	-	-	-	3,906	317	263	(54)	0.00
General Industrials									
Packages Limited	987	-	-	-	987	117	100	(17)	0.00
Thal Limited (note 6.2)	267,960	-	-	-	267,960	25,440	28,447	3,007	0.07
Tri-Pack Films Limited	3,300	-	-	-	3,300	322	327	5	0.07
Total						376,671	396,725	20,054	
Total cost of investments - held for trading							386,549		

6.2 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.

6.3 Net assets are as defined in Regulation 66 of NBFC Regulations, 2008.

6.4 190,000 shares of Oil & Gas Development Company Limited having market value of Rs 27.685 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.

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected person include AMIML 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 and Meezan Capital Protected Fund - I, Meezan Cash Fund, 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) September 30, 2010	(Audited) June 30, 2010
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- management company of the Fund		
Remuneration payable	<u>2,431</u>	<u>2,324</u>
Investment of 33,915,550 shares (June 30, 2010: 23,205,692 shares)	<u>234,356</u>	<u>154,318</u>
Central Depository Company of Pakistan Limited		
- custodian of the Fund		
Remuneration payable	<u>54</u>	<u>53</u>
Meezan Bank Limited - shariah adviser of the Fund		
Balances with bank	<u>2,409</u>	<u>2,408</u>
Investment in 1,978,707 shares (June 30, 2010: 2,096,040 shares)	<u>20,410</u>	<u>30,497</u>
Investment of 5,561,607 shares (June 30, 2010: 5,561,607 shares)	<u>38,431</u>	<u>36,985</u>
Meezan Islamic Fund		
Investment of 8,524,364 shares (June 30, 2010: 19,570,700 shares)	<u>58,903</u>	<u>130,145</u>
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 shares (June 30, 2010: 16,895,690 shares)	<u>116,749</u>	<u>112,356</u>
Directors and officers		
Investment of 372,878 shares (June 30, 2010: 372,878 shares)	<u>2,577</u>	<u>2,480</u>



	For the Quarter ended September 30	
	2010	2009
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration for the period	<u>7,516</u>	<u>7,085</u>
CDC - custodian of the Fund		
Remuneration for the period	<u>188</u>	<u>201</u>
MBL		
Profit on savings accounts with bank	<u>1</u>	<u>1</u>

8. DATE OF AUTHORISATION

These condensed interim financial statements have been authorised for issue on October 20, 2010 by the board of directors of the Fund.

Chief Executive

Director

**STATEMENT OF INCOME & EXPENDITURE OF MANAGEMENT COMPANY
IN RELATION TO THE FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	September 30,	
	2010	2009
	(Rupees in '000)	
INCOME		
Remuneration from Al Meezan Mutual Fund Limited	7,516	7,085
OPERATING EXPENSES		
Salaries and other benefits	1,654	1,099
Motor vehicle running expenses	55	46
Fees and subscription	134	101
Insurance expense	23	29
Printing and stationery	19	33
Communication	118	107
Depreciation	231	155
Travelling and conveyance	0	13
Entertainment	15	5
Legal and professional charges	62	63
Repair and maintenance	12	13
Office supplies	18	16
Training and development	6	9
Rent, rates and taxes	151	169
Utilities	38	15
Shariah advisory fee	65	0
Miscellaneous expenses	10	8
	<u>2,611</u>	<u>1,881</u>
OPERATING PROFIT	<u>4,905</u>	<u>5,204</u>

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