



Contents

Vision Statement & Mission Statement	02
Fund Information	03
Report of Directors of the Management Company	04
Condensed Interim Statement of Assets and Liabilities	07
Condensed Interim Income Statement	08
Condensed Interim Distribution Statement	09
Condensed Interim Statement of Movement in Equity and Reserves Per Certificate	10
Condensed Interim Cash Flow Statement	11
Notes to the Condensed Interim Financial Statements	12
Statement of Income & Expenditure of Management Company in relation to the Fund	19

Our Vision

To be the leading Islamic closed end balanced scheme in the country, setting performance and best practices standards for the industry.

Our Mission

To provide investors, RIBA Free, stable and regular income from a diversified portfolio of equity securities and Islamic income instruments.

To offer superior financial services to our valued investors, developing, nurturing and maintaining relationship with them and complying with the code of professional and ethical conduct that sets highest standards in corporate ethics and service to society.

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
Web site: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive
Mr. Tasnimul Haq Farooqui	Director
Mr. Aliuddin Ansari	Director
Mr. Rizwan Ata	Director
Mr. Mazhar Sharif	Director
Mr. Pervaiz Ahmed	Director

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member

TRUSTEE

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

AUDITORS

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

BANKERS TO THE FUND

Meezan Bank Limited
MCB Bank Limited
Habib Metropolitan Bank Limited - Islamic Banking Branch
Al Baraka Islamic Bank B.S.C (E.C)
Bank Alfalah - Islamic Banking Branch
Bank Islami Pakistan Limited
UBL Ameen - Islamic Banking Branch
Askari Bank Limited - Islamic Banking
Dawood Islamic Bank Limited
Emirates Global Islamic Bank Limited

SHARIAH ADVISER

Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
404, 4th Floor, Beaumont Plaza, 6-CL-10
Beaumont Road, Civil Lines
Karachi - 75530
Phone: (9221) 3565 7658-59
Fax: (9221) 3565 7673
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

THK Associates (Pvt.) Limited
Ground Floor, State Life Building-3
Dr. Ziauddin Ahmed Road, Karachi-75536
Phone : (9221) 111-000-322
Fax : (9221) 35655595
P.O. Box No. 8533

**REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

The Board of Directors of Al Meezan Investment Management Limited, the management company of Meezan Balanced Fund (MBF) is pleased to present the un-audited financial statements of the fund for the quarter ended September 30, 2009.

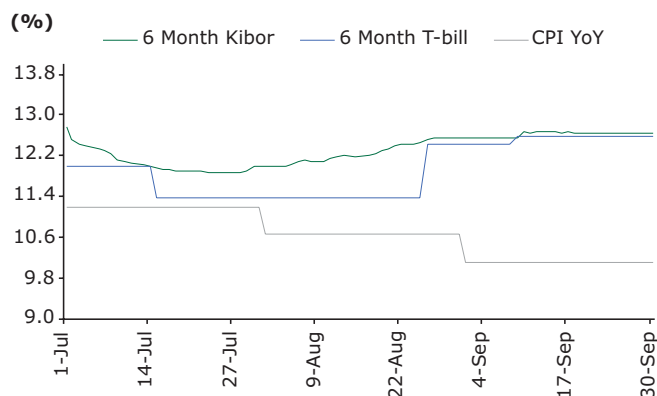
Economic Review

Pakistan has shown gradual recovery and improvement on the macroeconomic front in the first quarter of fiscal year 2010. Rising year-on-year inflation which averaged 20% last year, eased off to around 10.12% at the end of current quarter. Release of IMF tranche and improved balance of trade numbers provided impetus to the economy. As a result, foreign exchange reserves increased from US\$ 11.89 billion in June 2009 to US\$ 14.49 billion at the end of September 2009. This helped in stabilizing rupee against US dollar with the rupee depreciating by only 2% in the period under review. Moreover, remittance inflows made new records, with the first quarter fiscal year 2010 figure totaling US\$ 2.3 billion, providing support to the balance of payment situation. On domestic front, Government of Pakistan has almost achieved the collection target for the quarter of Rs. 270 billion which also helped in providing relief to the government borrowing.

Monetary Softening

With the beginning of the new financial year, as the inflation began started easing off, the central bank continued to ease monetary tightening when it reduced the discount rates by another 100bps to 13% in August 2009. Subsequently, due to fear of increase in headline inflation in September, 2009, the central bank kept the policy rate as unchanged in the bimonthly monetary policy review in September 2009, following two consecutive rate cuts in at the April 2009 and August 2009.

The soft monetary stance resulted in six month KIBOR declining by 11bps from June 30, 2009 to close the quarter at 12.65%. However, six month T-bill rate increased by 57bps to close at 12.58%. Moreover, after three successful auctions of the 3-year Ijarah Sukuk, the central bank conducted another auction and accepted Rs. 14.4 billion at the cut off rate to T-bill minus 5bps.

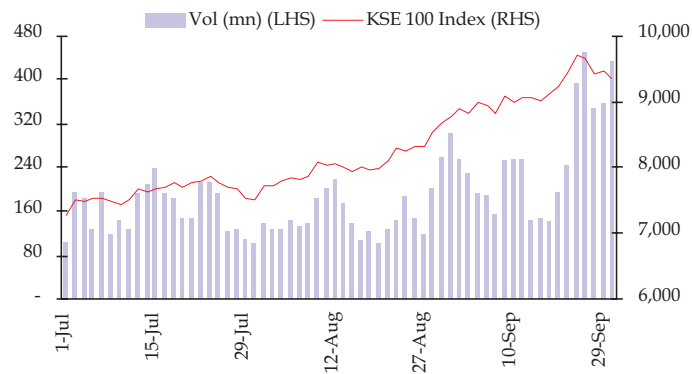


Equity Market Review

The market witnessed a turnaround in the first quarter ended September 30, 2009 as KSE-100 Index appreciated 2,188 points to close the quarter at 9,350 marking 31% improvement from 7,162 levels on June 30, 2009. This was the highest return posted by the KSE-100 index in single quarter since calendar year 2002. This is in sharp contrast to the same period last year when the equity market fell by 24.9%. There was a substantial increase in daily average volume to 188.6 million shares as compared to 66 million shares during the corresponding period last year, an increase of 186%.

At the beginning of the quarter, there was uncertainty about the discount rate cut by the Central Bank in the monetary policy statement which was scheduled on July 25, 2009 but was later delayed to August 15, 2009. This delay caused some concern in the market regarding any possible discount rate cut and the release of IMF third tranche. However, the market soon recovered in the beginning of August with the disbursement of IMF tranche, continuous decline in the CPI inflation and improved balance of trade numbers. Moreover, better than expected corporate results were another booster for the market.

Later in August 2009, 100bps cut in discount rate coupled with improvement in Pakistan's rating by Moody's and Standard & Poor improved the foreigners' confidence in Pakistan's stock market. Hence, the quarter witnessed a net foreign inflow of US\$ 235 million as compared to a net outflow of US\$ 445 million in the fiscal year 2009. As a result of these inflows, the market broke the critical level of 9,000 and reached to the highest level of 9,700.



However, towards the end of the quarter, the market underwent marginal technical correction due to below expectations development in the Friend of Democratic Pakistan (FoDP) meeting in New York and KSE-100 index closed the quarter at the level of 9,350. During the same period, KMI-30 Index appreciated by 28.18% to close around 13,600.

Performance Review

The Fund, during the quarter ended September 30, 2009 earned a total gross income of Rs. 207 million. A major chunk amounting to Rs. 143 million of income during the period was generated by marking the investments to market value while realized gains were recorded at Rs. 28 million. The dividend income for the period was Rs. 17 million and income on debt securities and profit on bank deposits was Rs.18 million. All these accounted for a net income of Rs. 196 million which translates into an earning per certificate of Rs. 1.64 as on September 30, 2009.

The net assets of the fund at the end of the quarter were at Rs. 1,340 million as compared to Rs.1,143 million as at June 30, 2009. The net asset value of the fund as at September 30, 2009 was Rs. 11.16 per certificate as compared to Rs. 9.52 per certificate as on June 30, 2009. The fund has been able to show immaculate growth during the quarter with a return of 17.23% as compared to its hybrid benchmark (50% return of KMI-30 and 50% return on Islamic Bank Deposits) of 14.78% thus outperforming the benchmark by 2.45%.

Outlook

After a turbulent 2008, Pakistan's economy has seen a steady turnaround in the year 2009 and all major economic indicators are pointing to greater stability ahead. The S&P rating upgrade has accelerated a pickup in foreign investment in Pakistan's equity market. Since June 2009, when KSE-100 index entered the MSCI Frontier Index, nearly US\$ 235 million has flowed into the stock market, reversing 18 months of capital flight. The significant build up of forex reserves has also improved confidence in country's ability in meeting its commitments. The credit default swap (CDS) on Pakistan 5 year sovereign bond has come down to 650 bps from a peak of 5,000 bps in October 2008.

The medium term economic and equity outlook depends on the materialization of pledged aid and key fiscal reforms to raise taxes and reduce subsidies. The KSE-100 index is currently trading at a P/E multiple of around 7.8, which is at a discount of 35% to the regional markets and offers potential upside. Global equity markets, particularly emerging markets have shown strong performance in the last quarter amid early signs of global economic recovery.

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, Central Depository Company of Pakistan and management of Karachi Stock Exchange for all their support and guidance. We also take this opportunity to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued guidance and support on Shariah aspects of fund management.

For and behalf of the Board

Date: October 20, 2009
Karachi

Mohammad Shoaib, CFA
Chief Executive

**CONDENSED INTERIM
STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2009**

	Note	(Un-audited) September 30, 2009	(Audited) June 30, 2009
(Rupees in '000)			
Assets			
Balances with banks		65,025	144,241
Investments	5	1,255,431	992,205
Dividend receivable		9,454	6,156
Advances, deposits, prepayments and other receivables		21,725	18,254
Total assets		<u>1,351,636</u>	<u>1,160,856</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - management company of the Fund		3,311	4,488
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund		126	114
Payable to Securities and Exchange Commission of Pakistan		1,277	1,008
Payable to Meezan Bank Limited - shariah adviser of the Fund		-	434
Payable against purchase of investments		191	5,702
Accrued expenses and other liabilities		1,864	614
Unclaimed dividend		5,234	5,653
Total liabilities		<u>12,003</u>	<u>18,013</u>
Net assets		<u>1,339,633</u>	<u>1,142,843</u>
Certificate holders' equity (as per statement attached)			
Issued, subscribed and paid-up capital			
120,000,000 ordinary certificates of Rs 10 each		1,200,000	1,200,000
Unappropriated income / (loss)		144,074	(52,208)
Deficit on revaluation of available for sale investments		(4,441)	(4,949)
		<u>1,339,633</u>	<u>1,142,843</u>
Net assets value per certificate (Rupees)		<u>11.16</u>	<u>9.52</u>

The annexed notes 1 to 7 form an integral part of these financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM
INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30,	
	2009	2008
	(Rupees in '000)	
Income		
Net realised gain / (loss) on sale of investments	28,427	(1,087)
Dividend income	17,235	10,308
Profit on savings accounts with banks	5,827	97
Profit on sukuk certificates	9,470	9,376
Profit on musharaka certificates	3,047	4,359
	64,006	23,053
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	143,342	(231,517)
	143,342	(231,517)
Total income	207,348	(208,464)
Expenses		
Remuneration to Al Meezan Investment Management Limited - management company of the Fund	9,720	9,378
Remuneration to Central Depository Company of Pakistan Limited - trustee of the Fund	372	377
Annual fee to Securities and Exchange Commission of Pakistan	268	321
Remuneration to Meezan Bank Limited - shariah adviser of the Fund	-	63
Auditors' remuneration	110	84
Fees and subscription	167	32
Amortisation of preliminary expenses and floatation costs	-	420
Brokerage	330	238
Legal and professional charges	-	56
Bank and settlement charges	98	80
Total expenses	11,066	11,049
Net income / (loss) for the period	196,282	(219,513)
Earnings / (loss) per certificate (Rupees)	1.64	(1.83)

The annexed notes 1 to 7 form an integral part of these financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM
DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009 2008 (Rupees in '000)	
Unappropriated (loss) / income brought forward	(52,208)	223,683
Less: Nil dividend for the period ended June 30, 2009 (comparative: June 30, 2008 @ 10%)	-	(120,000)
Net income / (loss) for the period	196,282	(219,513)
Unappropriated income / (loss) carried forward	<u>144,074</u>	<u>(115,830)</u>

The annexed notes 1 to 7 form an integral part of these financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN
EQUITY AND RESERVES PER CERTIFICATE (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009 2008 (Rupees in '000)	
Net assets per certificate at the beginning of the period	9.52	11.86
Net realised gain on sale of investments	0.24	(0.01)
Dividend income	0.14	0.09
Profit on savings accounts with banks	0.05	-
Profit on sukuk certificates	0.08	0.08
Profit on musharaka certificates	0.03	0.04
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	1.19	(1.93)
Expenses	(0.09)	(0.09)
Net income / (loss) for the period	1.64	(1.83)
Nil Dividend (June 30, 2008: Re. 1) for the year ended June 30, 2009	-	(1.00)
Net assets per certificate at the end of the period	11.16	9.03

The annexed notes 1 to 7 form an integral part of these financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30,	
	2009	2008
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss)	196,282	(219,513)
Adjustments for:		
Dividend income	(17,235)	(10,308)
Profit on savings accounts with banks	(5,827)	(97)
Profit on sukuk certificates	(9,470)	(9,376)
Profit on musharika certificates	(3,047)	(4,359)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss	(143,342)	231,517
Amortisation of preliminary expenses and floatation costs	-	420
	17,361	(11,716)
(Increase) / decrease in assets		
Investments - at fair value through profit or loss	(119,375)	468
Advances, deposits, prepayments and other receivables	(137)	(597)
	(119,512)	(129)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - management company of the Fund	(1,177)	(539)
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund	12	(18)
Payable to Securities and Exchange Commission of Pakistan	269	(1,193)
Payable to Meezan Bank Limited - shariah adviser of the Fund	(434)	63
Payable against purchase of investments	(5,511)	-
Accrued expenses and other liabilities	1,250	(317)
	(5,591)	(2,004)
Dividend income received	13,937	11,186
Profit received on savings accounts with banks	3,126	5,543
Profit received on sukuk certificates	11,882	9,376
Net cash inflow / (outflow) from operating activities	(78,797)	12,256
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(419)	-
Net cash outflow from financing activities	(419)	-
Net (decrease) / increase in cash and cash equivalents	(79,216)	12,256
Cash and cash equivalents at the beginning of the period	144,241	10,462
Cash and cash equivalents at the end of the period	65,025	22,718

The annexed notes 1 to 7 form an integral part of these financial statements.

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Balanced Fund (the Fund) was established as a closed-end scheme under a Trust Deed executed between Al Meezan Investment Management Limited (AMIML) as management company and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). On November 21, 2007 the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulations, 2007) were notified which are now superseded by the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008) issued through S.R.O. 1203(I)/2008 on November 21, 2008. The registered office of the management company of the Fund, is situated in Finance and Trade Centre, Sharah-e-Faisal, Karachi, Pakistan.
- 1.2** The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and islamic income instruments such as term finance certificates, certificates of islamic investment, musharika certificates, islamic sukuk certificates and other shariah compliant instruments. Under the trust deed all the conducts and acts of the Fund are based on shariah. The management company has appointed Meezan Bank Limited (MBL) as shariah adviser to ensure that the activities of the Fund are in compliance with the principles of islamic shariah. The management company of the Fund is registered with the SECP as a Non-Banking Finance Company under NBFC Rules.

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

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan, the Trust Deed, NBFC Rules, NBFC Regulations, 2007, NBFC Regulations, 2008 and the directives issued by SECP. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as are notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, NBFC Rules, NBFC Regulations, 2007, NBFC Regulations,

2008 and the said directives differ with requirements of these standards, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations, 2007, NBFC Regulations, 2008 and the said directives take precedence. The disclosures made in these condensed interim financial statements have, however been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'.

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, 2009.

	September 30, 2009	June 30, 2009
Note	(Rupees in '000)	
5. INVESTMENTS		
Investments at fair value through profit or loss		
Investments - 'available for sale'	5.2	95,051
	<u>1,255,431</u>	<u>992,205</u>
5.1 Investments at fair value through profit or loss		
Held for trading	5.1.1	629,640
Investments at fair value through profit or loss upon initial recognition	5.1.2	267,514
	<u>1,129,380</u>	<u>897,154</u>
5.1.1 Held for trading		
Shares / units of listed companies / funds	5.1.1.1	604,640
Sukuk certificates	5.1.1.4	25,000
	<u>861,228</u>	<u>629,640</u>

5.1.1.1 Held for trading - Shares / units of listed companies / funds

Name of the investee company	As at July 1, 2009	Purchases during the period	Bonus / rights issue	Sales during the period	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised gain (loss) as at September 30, 2009	Percentage of market value of total investment
	Number of shares				Rupees in '000				
Nishat Mills Limited	174,400	70,200	-	87,000	157,600	6,150	10,482	4,332	0.83
Jute									0.83
Thal Limited (note 5.1.1.2)	161,761	-	-	-	161,761	12,528	19,963	7,435	1.59
Cement									1.59
Attock Cement Pakistan Limited	160,000	10,000	-	20,000	150,000	10,680	12,926	2,245	1.03
Cherat Cement Company Limited	3,882	-	-	3,882	-	-	-	-	-
Fauji Cement Limited	-	-	-	-	-	-	-	-	-
Lucky cement	265,000	52,000	-	127,000	190,000	11,318	14,239	2,920	1.13
Automobile Assembler									1.03
Pak Suzuki Motor Company Limited	76,800	-	-	-	76,800	5,215	6,685	1,470	0.53
Power generation and distribution									0.53
The Hub Power Company Limited	3,420,500	-	-	394,000	3,026,500	81,988	95,002	13,014	7.57
Oil and gas marketing companies									7.57
Pakistan State Oil Company Limited	188,500	61,500	-	65,500	184,500	41,110	57,769	16,659	4.60
Sui northern Gas Pipeline Ltd	98,700	-	-	98,700	-	-	-	-	-
Oil and gas exploration companies									4.60
Oil and Gas Development Company Limited (note 5.1.1.3)	807,166	92,000	-	439,000	460,166	36,829	49,413	12,583	3.94
Pakistan Oilfields Limited	226,600	30,675	-	22,500	234,775	35,307	48,976	13,670	3.90
Pakistan Petroleum Limited	318,500	26,000	65,300	35,000	374,800	58,499	70,833	12,334	5.64
Technology and communication									13.48
Pakistan Telecommunication Company Limited	2,730,500	-	-	725,000	2,005,500	34,575	40,090	5,515	3.19
Chemical									3.19
ICI Pakistan Limited	285,300	5,000	-	57,000	233,300	32,736	41,721	8,986	3.32
Fertilizer									3.32
Engro Chemical (Pakistan) Limited	283,671	-	-	283,671	-	-	-	-	-
Fauji Fertilizer Bin Qasim Company Limited	1,688,500	50,000	-	-	1,738,500	30,845	39,934	9,089	3.18
Fauji Fertilizer Company Limited	1,136,187	125,000	-	-	1,261,187	110,251	129,587	19,336	10.32
Miscellaneous									13.50
Tri-Pack Films Limited	83,400	-	-	-	83,400	8,331	10,110	1,779	0.81
Total						<u>516,362</u>	<u>647,728</u>	<u>131,367</u>	
Total cost of investments						<u>571,731</u>			

5.1.1.2 All shares have a face value of Rs 10 each except for the shares of Thal Limited which have a face value of Rs 5 each.

5.1.1.3 225,000 shares of Oil and Gas Development Company Limited, having market value of Rs 24.2 million as at September 30, 2009, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

5.1.1.4 Held for trading - Sukuk certificates

Name of the investee company	Maturity	Profit rate	As at July 1, 2009	Purchases during the period	Sales during the period	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised gain (loss) as at September 30, 2009	Percentage of market value of total investment
Secured										
GoP Ijarah Sukuk Certificates (note 5.1.1.5)	March 11, 2012	12.96%	250	-	-	250	25,000	25,500	500	2.03
GoP Ijarah Sukuk Certificates (note 5.1.1.5)	March 11, 2012	12.53%	-	1,880	-	1,880	188,000	188,000	-	14.97
							<u>213,000</u>	<u>213,500</u>	<u>500</u>	
Total cost of investments								<u>213,000</u>		

5.1.1.5 The nominal value of the sukuk certificates of GoP Ijarah is Rs 100,000 each.

(Unaudited) (Audited)
September June
30, 2009 30, 2009

Note (Rupees in '000)

5.1.2 Investments at fair value through profit or loss upon initial recognition

Shares of listed companies	5.1.2.1	62,291	51,659
Sukuk Certificates	5.1.2.2	205,861	215,855
		<u>268,152</u>	<u>267,514</u>

5.1.2.1 Shares of listed companies

Name of the investee company	As at July 1, 2009	Purchases during the period	Bonuses / rights issue	Sales during the period	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised gain (loss) as at September 30, 2009	Percentage of market value of total investment	
										Number of shares
Automobile assembler										
Indus Motor Company Limited	188,055	-	-	23,000	165,055	17,780	28,924	11,145	2.30	
Paper and board										
Packages Limited	177,473	-	-	-	177,473	27,870	28,855	985	2.30	
Commercial bank										
Meezan Bank Limited (an associate of the Fund)	321,075	-	-	-	321,075	3,532	4,511	979	0.36	
						<u>49,182</u>	<u>62,291</u>	<u>13,109</u>		
Total cost of investments							<u>84,503</u>			

5.1.2.2 Sukuk certificates

Name of the investee company	Maturity	Profit rate	As at July 1, 2009	Purchases during the period	Sales during the period	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised gain (loss) as at September 30, 2009	Percentage of market value of total investment
			Number of certificates			Rupees in '000				
Sitara Chemical Industries Limited - II (note 5.1.2.3)	December 17, 2011	3 months KIBOR plus base rate of 1.7%	11,250	-	1,125	10,125	49,949	49,549	(401)	3.95
Engro Chemical Pakistan Limited (note 5.1.2.3)	September 1, 2015	6 months KIBOR plus base rate of 1.5%	15,000	-	-	15,000	73,695	73,727	32	5.87
Security Leasing Corporation Limited II (note 5.1.2.3)	September 19, 2012	6 months KIBOR plus base rate of 1.95%	4,375	-	625	3,750	16,860	16,816	(44)	1.34
Century Paper & Board Mills Limited (note 5.1.2.3)	September 25, 2014	6 months KIBOR plus base rate of 1.35%	5,000	-	-	5,000	24,388	24,504	117	1.95
Eden Housing Limited (note 5.1.2.3)	April 2, 2013	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	23,853	23,766	(87)	1.89
Arzoo Textile Mills Limited (note 5.1.2.3)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	18,750	17,500	(1,250)	1.39
							<u>207,494</u>	<u>205,861</u>	<u>(1,633)</u>	
Total cost of investments								<u>219,375</u>		

5.1.2.3 The nominal value of these sukuk certificates is Rs 5,000 each.

5.2 Investments - 'available for sale'

Name of the investee company	Maturity date	Profit rate	As at July 1, 2009	Purchases during the period	Sales during the period	Redemptions during the period	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised gain (loss) as at September 30, 2009	Percentage of market value of total investment
			Number of certificates / shares			Rupees in '000					
D.G Khan Cement - Diminishing Musharaka (note 5.2.1)	May 8, 2010	6 months KIBOR plus base rate of 0.5%	1,000	-	-	-	1,000	100,000	96,815	(3,185)	7.71
Oil and Gas Development Company			-	70,000	-	-	70,000	7,940	7,517	(423)	0.60
Pakistan Petroleum Limited			-	35,000	-	-	35,000	8,030	7,938	(92)	0.63
Fauji Fertilizer Bin Qasim Company Limited			-	600,000	-	-	600,000	14,522	13,782	(740)	1.10
							<u>130,492</u>	<u>126,051</u>	<u>(4,441)</u>		
Total cost of investments								<u>130,492</u>			

5.2.1 The nominal value of the diminishing musharika certificates is Rs 100,000 each.

6. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AMIML being the management company, CDC being the trustee, Meezan Bank Limited being the shariah adviser of the Fund and holding company of the management company, directors and officers of the management company, Meezan Islamic Fund, Meezan Islamic Income Fund, Al Meezan Mutual Fund, Meezan Tahaffuz Pension Fund and Meezan Capital Protected Fund - I, being the funds under the common management of the management company and Pakistan Kuwait Investment Company (Private) Limited.

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 trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations, 2007 and NBFC Regulations, 2008 and the Trust Deed respectively.

Details of balances with connected persons and transactions with them for the period are as follows:

	September 30, 2009	June 30, 2009
	(Rupees in '000)	
Al Meezan Investment Management Limited - management company of the Fund		
Remuneration payable	3,311	2,826
Preliminary expenses and floatation costs payable	-	1,662
Investment of 3,821,824 certificates (June 30, 2009: 3,821,824)	22,931	22,090
Central Depository Company of Pakistan Limited - trustee of the Fund		
Remuneration payable	126	114
Charges payable	37	1
Meezan Bank Limited - shariah adviser of the Fund		
Bank balance and placements	1,055	856
Shariah advisory fee payable	-	434
Investment in 321.075 shares (June 30, 2009: 321,075 shares)	4,511	3,532
Investment of 16,134,468 certificates (June 30, 2009: 16,134,468 certificates)	96,807	93,257
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 11,057,791 certificates (June 30, 2009: 11,057,791 certificates)	66,347	63,914
Directors and officers of the management company		
Investment of 21,975 certificates (June 30, 2009: 21,975 certificates)	192	127
	For the Quarter ended September 30	
	2009	2008
	(Rupees in '000)	
Meezan Islamic Income Fund		
Investment of Nil units (September 30, 2008 864,138 units)	-	39,000
Redemption of Nil units (September 30, 2008 2,568,576 units)	-	129,500

	For the Quarter ended September 30	
	2009	2008
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- management company of the Fund		
Remuneration for the period	<u>9,720</u>	<u>9,378</u>
Preliminary expenses and floatation costs for the period	<u>-</u>	<u>420</u>
Dividend for the period	<u>-</u>	<u>4,822</u>
Central Depository Company of Pakistan Limited		
- trustee of the Fund		
Remuneration for the period	<u>372</u>	<u>377</u>
Charges for the period	<u>45</u>	<u>45</u>
Meezan Bank Limited - shariah adviser of the Fund		
Profit on savings account	<u>5</u>	<u>1</u>
Shariah advisory fee for the period	<u>-</u>	<u>63</u>
Dividend for the period	<u>-</u>	<u>16,134</u>
Pakistan Kuwait Investment Company (Private) Limited		
Dividend for the period	<u>-</u>	<u>11,058</u>
Directors and officers of the management company		
Dividend for the period	<u>-</u>	<u>22</u>

7. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These condensed interim financial statements have been authorised on October 20, 2009 by the Board of Directors of the management company of the Fund.

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

Chief Executive

Director

**STATEMENT OF INCOME & EXPENDITURE OF
MANAGEMENT COMPANY IN RELATION TO THE FUND
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30,	
	2009	2008
	(Rupees in '000)	
INCOME		
Remuneration from Meezan Balanced Fund	9,720	9,379
OPERATING EXPENSES		
Salaries and other benefits	976	1,291
Motor vehicle running expenses	41	38
Fees and subscription	90	30
Insurance expense	25	13
Printing and stationery	29	61
Communication	95	56
Depreciation	137	181
Travelling and conveyance	12	24
Entertainment	5	7
Legal and professional charges	56	41
Repair and maintenance	12	7
Office supplies	14	7
Training and development	8	12
Rent, rates and taxes	150	162
Utilities	13	26
Miscellaneous expenses	7	3
	1,671	1,959
NET INCOME FOR THE PERIOD	8,049	7,420

Note: The above expenses are allocated based on the average net assets of the respective funds managed by the Management Company. Other revenue and expense not relating to the fund has not been included in the above statement.

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

Chief Executive

Director