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Our Vision

“To set standards of best practices and performance for the industry through efficient selection of securities on a SHARIAH COMPLIANT basis.”

Our Mission

“ To be the leading mutual fund in the industry, providing unitholders, with a truly SHARIAH COMPLIANT stable and low risk Halal income stream.”

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone: (9221) 3563 0722-6, 111-MEEZAN
Fax: (9221) 3567 6143, 3563 0808
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. Aliuddin Ansari	Director
Mr. P. Ahmed	Director
Mr. Rana Ahmed Humayun	Director
Mr. Rizwan Ata	Director
Mr. Mazhar Sharif	Director

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Aliuddin Ansari	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-74400

AUDITORS

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

SHARIAH ADVISOR

Meezan Bank Limited

BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)
Askari Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited
Royal Bank of Scotland Limited - Islamic Banking
Soneri Bank Limited - Islamic Banking
UBL Ameen - Islamic Banking

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

Meezan Bank Limited
SITE Branch
Plot # B/9-C, Estate Avenue,
SITE, Karachi.
Phone: 3206 2891
Fax: 3255 2771
Web site: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Al Meezan Investment Management Limited, the management company of Meezan Cash Fund (MCF) is pleased to present the un-audited financial statements of the fund for the nine months ended March 31, 2010.

Economic Review

Pakistan has shown gradual recovery and improvement on the macroeconomic front in the first nine months of fiscal year 2010. Average year-on-year inflation during the period eased off to 11.28%, which averaged 23.03% during the same period last year. The release of funds from IMF and improved balance of trade numbers has provided a strong impetus to the economy. As a result, foreign exchange reserves increased from US\$ 11.9 billion in June 2009 to US\$ 14.94 billion at the end of March 2010. This helped in stabilizing Pak Rupee against US Dollar, which depreciated by 3.2% in the nine months of fiscal year compared to depreciation of 15% in the corresponding period last year. Moreover, remittance inflows made new records, with nine month figure totaling to US\$ 6.55 billion, providing crucial support to the balance of payment situation.

On domestic front, tax collection for the period was approximately Rs. 903 billion, which helped Government of Pakistan limit its incremental borrowing from the State Bank to Rs. 64 billion at the end of March 2010 from Rs. 88 billion in the corresponding period last year. In view of declining inflation, State Bank reduced the policy rate by 150 basis points to 12.5% in November 2009. Moreover, to meet IMF requirements and to stabilize interest rates, the State Bank introduced an interest rate corridor, providing a reverse repo facility at 300 basis points below the repo rate. However, since inflation started to inch up from January 2010, the State Bank has remained cautious in easing the monetary policy.

The gradual improvement in Pakistan's risk perception has resulted in the yield of Pakistan Eurobond, maturing in 2016, to drop below 8% for the first time since May 2008. Likewise, the spread on Pakistan's 5 year credit default swap has also eased off to 775 basis points from over 5000 basis points in late 2008.

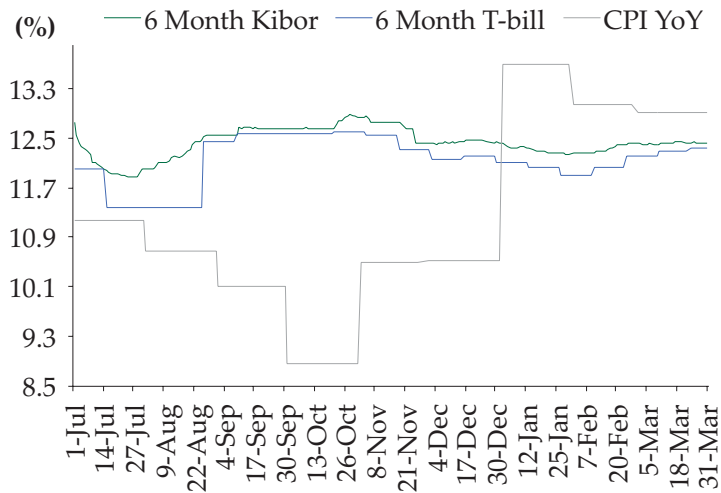
Money Market Review

With the beginning of new financial year, as inflation started easing off, the State Bank continued to ease monetary policy reducing the discount rate by another 150 basis points to 12.5% in first half of fiscal year 2010. However, State Bank maintained an unchanged policy stance throughout the past quarter.

The soft monetary stance resulted in six month KIBOR to decline by 35 basis points to close the nine months at 12.41%. However, six month T-bill cut off rate increased by 33 basis points to close at 12.34%. Moreover, the introduction of interest rate corridor stabilized the overnight call and repo rates within a narrow band of 11.5% to 12.5%. In the nineteen T-bill auctions conducted by the State Bank during the current fiscal year, a sum of Rs. 921 billion was mopped up from the market, while T-bills worth Rs. 645 billion matured in the same period.

To reduce government borrowing from State Bank and to promote Islamic mode of financing, State Bank conducted fourth Ijarah Sukuk auction in September 2009 and accepted Rs. 14.4 billion at the cut off rate of T-bill minus 5 basis points (current coupon of 12.25%). With this auction, the total size of Ijarah Sukuks issued increased to Rs. 42 billion. The government is also planning to make another Ijarah Sukuk issue before June 30, with a target issue size of Rs. 100 billion.

The following graph shows the trend in interest rates during the period under review:



Performance Review

Meezan Cash Fund (MCF) earned a total income of Rs. 222 million in the period under review. Profits from saving accounts at banks were the prime contributor to total income, thereby contributing Rs. 173 million. A sum of Rs. 39 million was generated from income on bank placements. On the expenses side, the fund incurred Rs. 26 million under various heads. For the period under review, the fund reported a net income of Rs. 291 million.

The net assets of the Fund showed a massive increase of 670% from Rs. 0.62 billion as on June 30, 2009 to Rs. 4.80 billion. The NAV per unit recorded an increase of 7.4%, after adjusting for two interim dividends of Rs. 1.75 and Rs. 1.5 per unit respectively to close the period at a value of Rs. 51.97. This translates into an annualized return of 10.11% for investors during this period.

Outlook

After a turbulent 2008, Pakistan's economy has seen a steady turnaround in 2009 with most economic indicators pointing to greater stability ahead. The improvement in economic and industrial activity will lead to improvement in corporate profitability and hence would reduce the corporate credit risk. Moreover, as the inflation is likely to remain high, interest rates will likely remain sticky on the higher side for the short term. MCF is well placed to benefit from the upturn in the economy and higher rates. On a medium to long term, however, as economy improves and the State Bank eases monetary policy, we expect the interest rates to marginally decline going forward.

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, Trustee, Central Depository Company of Pakistan and management of Islamabad 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 27, 2010
Karachi.

Mohammad Shoaib, CFA
Chief Executive

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2010

		(Unaudited) March 31, 2010	(Audited) June 30, 2009
	Note	(Rupees in '000)	
Assets			
Balances with banks		3,547,438	622,016
Placements with banks	5	900,000	-
Loans and receivables	6	309,493	-
Profit receivable		95,783	2,958
Preliminary expenses and floatation costs		2,526	2,976
Total assets		4,855,240	627,950
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the fund		7,321	3,012
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the fund		517	34
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,518	13
Payable on redemption of units		43,713	100
Brokerage Payable		45	
Accrued expenses and other liabilities		416	934
Total liabilities		53,530	4,093
Net assets		4,801,710	623,857
Contingencies	7		
Unitholders' funds (as per statement attached)		4,801,710	623,857
Number of units			
Number of units in issue		92,399,660	12,436,145
Rupees			
Net asset value per unit		51.97	50.16

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Nine months ended	Quarter ended
	March 31, 2010	
	(Rupees in '000)	
Income		
Profit on savings accounts with banks	172,686	95,278
Profit on placements with banks	39,491	22,900
Profit on loans and receivables	9,493	8,544
Back end load	4	2
Other Income	18	-
Total income	221,692	126,724
Expenses		
Remuneration to Al Meezan - management company of the fund	20,181	11,436
Remuneration to CDC - trustee of the fund	2,736	1,389
Annual fee to SECP	1,523	858
Auditor's remuneration	389	61
Fees and subscription	9	2
Amortisation of preliminary expenses and floatation costs	449	146
Bank charges	20	7
Brokerage	109	-
Printing charges	459	148
Total expenses	25,875	14,047
Net income from operating activities	195,817	112,677
Element of income and capital gains included in prices of units issued less those in units redeemed	94,983	23,497
Net income	290,800	136,174

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Nine months ended	Quarter ended
	March 31, 2010 (Rupees in '000)	
Net profit for the period brought forward	2,050	154,811
Less : Final distribution in the form of bonus units for the period ended June 30, 2009.	(1,865)	-
Less: Interim distribution for the six months period ended December 31, 2009		
- bonus units @ 3.5% per unit	(105,915)	(105,915)
- cash dividend @ 3.5% per unit	(3,342)	(3,342)
Net income	290,800	136,174
Net profit for the period carried forward	181,728	181,728

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN
UNITHOLDERS' FUNDS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Nine months ended	Quarter ended
	March 31, 2010 (Rupees in '000)	
Net assets at the beginning of the period	623,857	3,276,466
Issue of 170,879,696 units and 83,131,135 units for the nine months and quarter respectively	8,788,609	4,258,134
Redemption of 93,041,299 units and 55,252,397 units for the nine months and quarter respectively	(4,803,231)	(2,842,225)
	3,985,378	1,415,909
Element of income and capital gains included in prices of units issued less those in units redeemed	(94,983)	(23,497)
Net income for the period	290,800	136,174
Issue of 37,308 bonus units on July 6, 2009 for the period ended June 30, 2009	(1,865)	-
Less: Interim distribution for the six months period ended December 31, 2009		
- Issue of 2,087,811 bonus units	(105,915)	(105,915)
- Cash dividend	(3,342)	(3,342)
Net profit for the period less distribution	179,678	26,917
Issue of 37,308 bonus units on July 6, 2009 for the period ended June 30, 2009	1,865	-
Issue of 2,087,811 bonus units for the six months period ended December 31, 2009	105,915	105,915
	107,780	105,915
Net assets at the end of the period	4,801,710	4,801,710

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Nine months ended	Quarter ended
	March 31, 2010	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	290,800	136,174
Adjustments for:		
Profit on savings accounts with banks	(172,686)	(95,278)
Profit on placements	(39,491)	(22,900)
Profit on loans and receivables	(9,493)	(8,544)
Amortisation of preliminary expenses and floatation costs	449	146
Element of loss and capital losses included in prices of units issued less those in units redeemed	(94,983)	(23,497)
	(25,404)	(13,899)
Increase in assets		
Loans and receivables	(300,000)	-
Increase in liabilities		
Payable to Al Meezan - management company of the Fund	4,309	1,411
Payable to CDC - trustee of the Fund	483	141
Payable to SECP	1,505	858
Payable on redemption of units	43,613	(12,390)
Brokerage Payable	45	(40)
Accrued expenses and other liabilities	(518)	(100)
	49,437	(10,120)
Profit received on savings accounts with banks	94,778	91,493
Profit received on placements	24,575	16,263
Net cash inflow from operating activities	(156,614)	83,737
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	8,788,609	4,258,134
Payment against redemption of units	(4,803,231)	(2,842,225)
Dividend paid	(3,342)	(3,342)
Net cash inflow from financing activities	3,982,036	1,412,567
Net cash inflow during the period	3,825,422	1,496,304
Cash and cash equivalents at the beginning of the period	622,016	2,951,134
Cash and cash equivalents at the end of the period	4,447,438	4,447,438

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Cash Fund (the Fund) was established under a trust deed executed between Al Meezan as the management company and CDC as the trustee. The trust deed was executed on May 14, 2009 and was approved by the SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the Management Company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. Under the trust deed all the conducts and acts of the Fund are based on shariah. MBL acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of shariah. The management company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an open-end fund listed on the Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The rating of the Fund is AA(f) given by JCR - VIS Credit Rating Company Limited dated May 22, 2009.
- 1.4 Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.

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 This condensed interim financial report has been prepared in accordance with the 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 requirements of the Trust Deed, 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, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence. The disclosures made in this condensed interim financial report have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'

- 3.2 This condensed interim financial report comprises of the condensed interim statement of assets and liabilities as at March 31, 2010 and the condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes thereto for the nine months period ended March 31, 2010. This condensed interim financial report also includes condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the quarter ended March 31, 2010.
- 3.3 The comparative statement of assets and liabilities presented in this condensed interim financial report as at June 30, 2009 has been extracted from the annual audited financial statements of the Fund for the period June 5 to June 30, 2009.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the period June 5 to June 30, 2009.

5. PLACEMENTS

Placements carry expected profit at rates ranging from 11.00 % per annum to 11.50 % per annum and are due to mature from April 8, 2010 to May 22, 2010.

6. LOANS AND RECEIVABLES

The Fund has entered into Commodity Murabaha with Allied Bank Limited for a period of six months. The profit will be received at the rate of 11.55% per annum on maturity. The murabaha will mature on June 22, 2010.

7. CONTINGENCIES

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to an establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year may have been brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the Workers' Welfare Fund Ordinance, 1971). However, during the period the Mutual Funds Association of Pakistan (MUFAP), of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that CIS are not liable to pay contribution to the WWF on the grounds that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.

The Management Company based on the advice of the MUFAP's legal counsel, is confident of a favorable decision and accordingly no provision for the aforementioned liability which has an impact of Rs 0.06 per unit as of March 31, 2010 has been made in this condensed interim financial report.

There were no other contingencies and commitments outstanding as at March 31, 2010 and June 30, 2009.

8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTY

The connected persons include Al Meezan being the management company, CDC being the trustee, Meezan Bank Limited (MBL) being the holding company of the management company and Al Meezan Mutual Fund Limited, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - I, Meezan Islamic Fund, Meezan Sovereign Fund and Meezan Balanced Fund 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 and NBFC Regulations and the trust deed respectively.

Details of balances and transactions with connected persons at period end are as follows:

	March 31, 2010	June 30, 2009
	(Rupees in '000)	
Al Meezan- management company of the Fund		
Remuneration payable	4,319	-
Preliminary expenses and floatation costs payable	3,002	3,002
Other Payables	-	10
Investments of 3,108,799 units (June 30, 2009: 1,900,180 units)	161,564	95,313
MBL		
Balances with bank	50,748	15,604
Profit receivable	157	58
CDC - trustee of the Fund		
Trustee fee payable	517	34
Directors and executives		
Investments of 675,048 units (June 30, 2009: 79,968 units)	35,426	4,011

**Nine months
period ended
March 31, 2010
(Rupees in '000)**

Al Meezan - management company of the Fund

Remuneration for the period	20,181
Units issued: 3,083,580 units	159,273
Redemptions: 1,992,314 units	101,503
Bonus Units issued: 117,353 units	3,275

MBL

Profit on savings accounts	673
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CDC - trustee of the Fund

Trustee fee	2,736
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Directors and executives

Units issued: 917,627 units	46,845
Redemptions: 174,524 units	8,961
Bonus units issued: 23,395 units	1,186

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on April 27, 2010 by the Board of Directors of the management company.

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

Chief Executive

Director