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## *Our Vision*

*“To set standards of best practices and performance for the industry through efficient asset allocation & security selection on a SHARIAH COMPLIANT basis.”*

## *Our Mission*

*“ To be the leading mutual fund in the industry, providing unitholders, in a truly SHARIAH COMPLIANT way, the best combination of current income and future growth on risk adjusted basis.”*

# 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 Sharah-e-Faisal, Karachi.

## 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 ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

Bawaney & Partners  
404, 4<sup>th</sup> 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: 32062891  
Fax: 32552771  
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 Islamic Fund (MIF) 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 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.

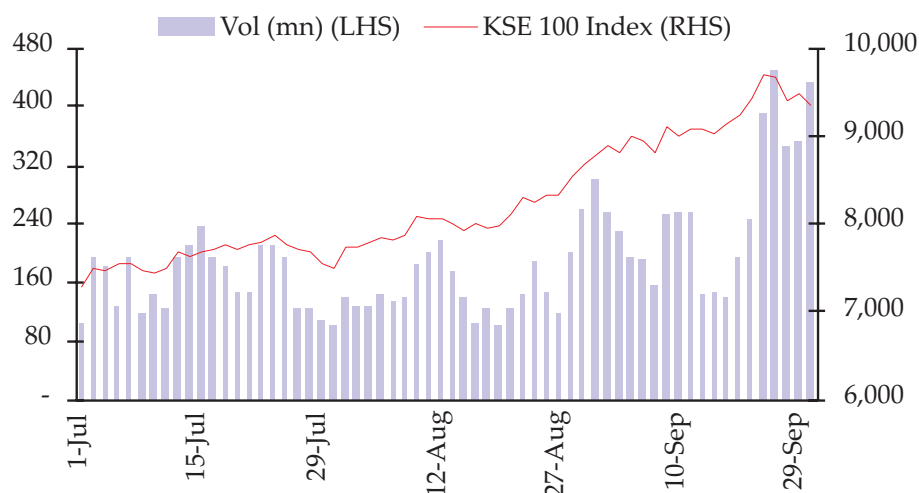
To stabilize the economy and in view of the declining inflation, State Bank reduced the policy rate by 100 bps to 13%. Moreover to meet IMF requirements, the central bank introduced an interest rate corridor, providing a reverse repo facility at 300bps below the repo rate. This helped in maintaining overnight interbank rates within a close band of 11.5% to 12.5%.

### **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%.

A 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, the benchmark index, appreciated by 28.18% to close around 13,600.

### Performance Review

The return on KSE-Meezan Index - 30 (KMI-30) serves as the benchmark for Meezan Islamic Fund (MIF). During the quarter ended September 30, 2009, the net asset value (NAV) of MIF appreciated by 28.12% to Rs. 45.20 per unit as compared to the benchmark which appreciated by 28.18%. The net assets of MIF which were Rs. 3,737 million as on June 30, 2009 increased to Rs. 4,744 million by the end of September 30, 2009, thereby showing healthy increase of 26.9%.

During the quarter ended September 30, 2009, the fund earned gross profit of Rs. 1,051 million (September 30, 2008: Gross loss of Rs. 1,592 million), main contributor of which were capital gain (realized and unrealized) of Rs. 967 million (September 30, 2008: Capital loss of Rs. 1,648 million) and dividend income of Rs. 78 million (September 30, 2008: Rs. 52 million). After accounting for expenses of Rs. 26 million (September 30, 2008: Rs. 35 million) and element of income/ capital gain on purchase and sale of units of Rs. 38 million (September 30, 2008: Rs. 59 million), the fund recorded net profit of Rs. 1,063 million (September 30, 2008: Net loss of Rs. 1,568 million) for the quarter ended September 30, 2009. The net assets of MIF increased from Rs. 3,737 million at the beginning of the quarter to Rs. 4,744 million by the end of it.

### 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 on behalf of the Board

**Mohammad Shoaib, CFA**  
**Chief Executive**

**October 20, 2009**  
**Karachi.**

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

		(Unaudited) September 30, 2009	(Audited) June 30, 2009
	Note	(Rupees in '000)	
<b>Assets</b>			
Balances with banks	5	451,152	142,537
Investments	6	4,262,156	3,568,703
Receivable against sale of investments		-	6,076
Dividend receivable		49,107	36,020
Advances, deposits and other receivables		8,829	9,588
<b>Total assets</b>		<b>4,771,244</b>	<b>3,762,924</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - management company of the Fund		8,439	6,666
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund		466	397
Payable to Meezan Bank Limited - shariah adviser of the Fund		296	1,223
Payable to Securities and Exchange Commission of Pakistan		1,012	3,867
Payable on redemption of units		7,372	5,609
Payable against purchase of investments		1,646	5
Accrued expenses and other liabilities		8,024	7,864
<b>Total liabilities</b>		<b>27,255</b>	<b>25,631</b>
<b>Net assets</b>		<b>4,743,989</b>	<b>3,737,293</b>
<b>Commitments</b>			
<b>Unit holders' fund (as per statement attached)</b>		<b>4,743,989</b>	<b>3,737,293</b>
<b>Number of units</b>			
<b>Number of units in issue</b>		<b>104,953,060</b>	<b>105,920,317</b>
<b>Rupees</b>			
<b>Net assets value per unit</b>		<b>45.20</b>	<b>35.28</b>

The annexed notes 1 to 10 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 (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	September 30	
	2009	2008
	(Rupees in '000)	
<b>Income</b>		
Net realised gain / (loss) on sale of investments	143,144	(75,085)
Dividend income	78,028	52,252
Profit on savings accounts with banks	5,654	1,845
Other income	612	1,344
	227,438	(19,642)
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss (net)	823,876	(1,572,423)
<b>Total income / (loss)</b>	<b>1,051,314</b>	<b>(1,592,065)</b>
<b>Expenses</b>		
Remuneration to Al Meezan Investment Management Limited - management company of the Fund	21,297	30,628
Remuneration to Central Depository Company of Pakistan Limited - trustee of the Fund	1,317	1,503
Remuneration to Meezan Bank Limited - shariah adviser of the Fund	-	148
Annual fee to Securities and Exchange Commission of Pakistan	1,012	1,251
Auditors' remuneration	130	175
Fees and subscription	10	9
Legal and professional charges	111	47
Brokerage	1,593	1,109
Bank and settlement charges	300	180
Printing charges	156	96
<b>Total expenses</b>	<b>25,926</b>	<b>35,146</b>
<b>Net income / (loss) from operating activities</b>	<b>1,025,388</b>	<b>(1,627,210)</b>
Element of income and capital gains included in prices of units issued less those in units redeemed	37,374	58,923
<b>Net income / (loss)</b>	<b>1,062,762</b>	<b>(1,568,288)</b>

The annexed notes 1 to 10 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 (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	<b>September 30</b>	
	<b>2009</b>	<b>2008</b>
	<b>(Rupees in '000)</b>	
Undistributed (loss) / income brought forward	<b>(1,558,724)</b>	1,010,031
Less : Final distribution in the form of bonus units for the year ended June 30, 2009 (comparative June 30, 2008)	-	(1,004,058)
Less : Final distribution in the form of cash dividend for the year ended June 30, 2009 (comparative June 30, 2008)	-	(829)
	-	(1,004,887)
Element of income and capital gains included in prices of units sold less those in units redeemed (net)	<b>703</b>	-
Net income / (loss)	<b>1,062,762</b>	(1,568,288)
Undistributed loss carried forward	<b>(495,259)</b>	(1,563,144)

The annexed notes 1 to 10 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 UNIT  
HOLDERS' FUND (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30	
	2009	2008
	(Rupees in '000)	
Net assets at the beginning of the period	3,737,293	6,034,468
Issuance of 5,692,381 (September 30, 2008: 12,353,849) units	256,755	536,709
Redemption of 6,659,638 ((September 30, 2008: 15,231,617) units	(267,041) (10,286)	(622,677) (85,968)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed:		
- transferred to income statement	(37,374)	(58,923)
- transferred directly to distribution statement	(703) (38,077)	- (58,923)
Unrealised loss on re-measurement of investments available for sale	(8,406)	-
Net income / (loss) for the period	1,062,762	(1,568,288)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	703	-
Cash distribution during the period	-	(829)
Issue of bonus units during the period	-	(1,004,058)
<b>Net income / (loss) for the quarter less distribution</b>	<b>1,063,465</b>	<b>(2,573,175)</b>
Issue of Nil bonus units for the year ended June 30, 2009 (June 30, 2008: 20,061,107 bonus units)	-	1,004,058
Net assets at the end of the period	4,743,989	4,320,460
Net asset value per unit at the beginning of the quarter - Rupees	35.28	60.05
Net asset value per unit at the end of the quarter - Rupees	45.20	36.72

The annexed notes 1 to 10 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 (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	September 30	
	2009	2008
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss)	1,062,762	(1,568,288)
<b>Adjustments for:</b>		
Net realised (gain) / loss on sale of investments	(143,144)	75,085
Dividend income	(78,028)	(52,252)
Profit on savings accounts with banks	(5,654)	(1,845)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss (net)	(823,876)	1,572,423
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(37,374)	(58,924)
	(25,314)	(33,801)
<b>Decrease / (increase) in assets</b>		
Investments	264,144	(108,775)
Receivable against sale of investments	6,076	-
Advances, deposits and other receivables	(30)	(26)
	270,190	(108,801)
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - management company of the Fund	1,773	(7,709)
Payable to the Central Depository Company of Pakistan Limited - trustee of the Fund	69	(129)
Payable to Meezan Bank Limited - shariah adviser of the Fund	(927)	(471)
Payable to Securities and Exchange Commission of Pakistan	(2,855)	(3,789)
Payable on redemption of units	1,763	(17,348)
Payable against purchase of investments	1,641	(11,531)
Accrued expenses and other liabilities	160	(910)
	1,624	(41,887)
Dividend received	65,958	72,921
Profit received on saving accounts with banks	6,443	7,488
Dividend paid	-	(829)
Net cash inflow / (outflow) from operating activities	318,901	(104,909)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from sale of units	256,755	536,709
Payments against redemption of units	(267,041)	(622,677)
<b>Net cash (outflow) / inflow from financing activities</b>	(10,286)	(85,968)
Net cash inflow / (outflow) during the period	308,615	(190,877)
Cash and cash equivalents at the beginning of the year	142,537	264,232
Cash and cash equivalents at the end of the year	451,152	73,355

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

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

**Chief Executive**

**Director**



Islamic Fund

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2009

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Meezan Islamic Fund (the Fund) was established 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 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 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, 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 & Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.

The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are shariah compliant. 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 its shariah adviser 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 SECP as a Non-Banking Finance Company under NBFC Rules.

The Fund is an open-end fund listed on the Karachi 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 management company of the Fund has been given quality rating of AM2- and credit rating of A and the Fund is rated (category: open-end Islamic stock fund), at 'MFR 3-Star' for the one and two year periods ended March 31, 2009 by JCR-VIS Credit Rating Company Limited.

Title to the assets of the Fund is held in the name of CDC as a trustee of the Fund.

### 2. STATEMENT OF COMPLIANCE

These financial statements have 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, 2008 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations, 2008 or the said directives differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations, 2008 and the said directives take precedence.

2.2 These condensed interim financial statements are unaudited.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements and the significant judgements made by management in applying those 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.

### 4. FINANCIAL RISK

The fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2009.

## 5. BALANCES WITH BANKS

		(Unaudited) September 30, 2009	(Audited) June 30, 2009
	Note	(Rupees in '000)	
On current accounts		1,249	127
On saving accounts	5.1	<u>449,903</u>	<u>142,410</u>
		<u>451,152</u>	<u>142,537</u>

5.1 The balances in saving accounts bears expected profit which ranges from 5.12% to 10% (June 30, 2009 : 4.97 % to 15 %) per annum.

## 6. INVESTMENTS

Investments at 'at fair value through profit or loss':

- Held for trading	6.1	3,647,358	3,194,878
- Investments 'at fair value through profit or loss upon initial recognition.'	6.2	417,307	373,825
Investments - available for sale	6.3	<u>197,491</u>	<u>-</u>
		<u>4,262,156</u>	<u>3,568,703</u>

### 6.1 Held for trading - shares of listed companies

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)	Percentage of total investments
	----- Number of Shares -----					----- Rupees in '000 -----			
<b>Textile composite</b>									
Nishat Mills Limited	1,213,750	677,000	-	535,000	1,355,750	54,074.0	90,171	36,097	2.12
<b>Jute</b>									
Thal Limited (note 6.1.1)	301,047	20,000	-	20,000	301,047	23,827.0	37,152	13,325	0.87
<b>Cement</b>									
Attock Cement Pakistan Limited	414,400	25,000	-	-	439,400	31,285.0	37,863	6,578	0.89
D. G. Khan Cement Company Limited	62,880	-	-	62,880	-	-	-	-	-
Fauji Cement Company Limited	790,510	-	-	775,000	15,510	102.0	121	19	0.00
Lucky Cement Limited	2,021,900	106,600	-	657,600	1,470,900	86,590.0	110,229	23,639	
<b>Refinery</b>									
Pakistan Refinery Limited	238,300	-	-	223,300	15,000	1,347.0	1,755	408	0.04
<b>Power generation and distribution</b>									
The Hub Power Company Limited	11,933,000	279,889	-	342,860	11,870,029	322,818.0	372,600	49,782	8.74
<b>Oil and gas marketing companies</b>									
Pakistan State Oil Company Limited	1,113,300	258,700	-	188,500	1,183,500	262,831.0	370,566	107,735	8.69
Sui Northern Gas Pipelines Limited	788,400	70,000	-	858,400	-	-	-	-	-
<b>Oil and gas exploration companies</b>									
Oil and Gas Development Company Limited	5,875,766	250,000	-	3,041,500	3,084,266	243,869.0	331,189	87,320	7.77
Pakistan Oilfields Limited	1,519,080	450,000	-	76,000	1,893,080	296,200.0	394,915	98,715	9.27
Pakistan Petroleum Limited	1,701,062	306,200	323,452	486,500	1,844,214	292,323.0	348,538	56,215	8.18
<b>Automobile assembler</b>									
Indus Motor Company Limited	532,577	-	-	67,000	465,577	50,152.0	81,588	31,436	1.91
Pak Suzuki Motor Company Limited	370,910	-	-	-	370,910	25,185.0	32,284	7,099	0.76
<b>Automobiles parts and accessories</b>									
Agriauto Industries Limited (note 6.1.1)	679,200	-	-	-	679,200	22,169.0	38,884	16,715	0.91
<b>Technology and communication</b>									
Pakistan Telecommunication Company Limited "A"	10,065,900	-	-	500,000	9,565,900	164,916.0	191,222	26,306	4.49

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)	Percentage of total investments
	----- Number of Shares -----					----- Rupees in '000 -----			
<b>Fertilizer</b>									
Engro Chemicals Pakistan Limited	795,873	-	-	795,873	-	-	-	-	-
Fauji Fertilizer Company Limited	6,044,529	250,000	-	21,000	6,273,529	546,916.0	644,605	97,689	15.12
Fauji Fertilizer Bin Qasim Limited	8,823,500	875,000	-	200,000	9,498,500	169,998.0	218,181	48,183	5.12
<b>Chemical</b>									
Sitara Chemical Industries Limited	87,690	-	-	-	87,690	13,680.0	16,065	2,385	0.38
ICI Pakistan Limited	1,715,600	20,000	-	170,900	1,564,700	219,516.0	279,815	60,299	6.57
<b>Miscellaneous</b>									
Tri-Pack Films Limited	409,300	-	-	-	409,300	40,885.0	49,615	8,730	1.16
<b>Total</b>						<b>2,868,683</b>	<b>3,647,358</b>	<b>778,675</b>	
<b>Total cost of Investments</b>							<b>3,466,325</b>		

6.1.1 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.

## 6.2 Investments 'at fair value through profit or loss' upon initial recognition

### 6.2.1 Shares of listed companies

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)	Percentage of total investments
	----- Number of Shares -----					----- Rupees in '000 -----			
<b>Closed-end mutual funds</b>									
Al Meezan Mutual Fund Limited (an associate of the Fund)	19,570,700	-	-	-	19,570,700	101,768	122,121	20,353	2.87
<b>Commercial banks</b>									
Meezan Bank Limited (an associate of the Fund)	6,507,016	-	-	371,710	6,135,306	67,488	86,201	18,713	2.02
<b>Pharmaceutical</b>									
Glaxosmithkline Pakistan Limited	41,093	-	-	-	41,093	4,923	4,264	(659)	0.10
<b>Paper and board</b>									
Packages Limited	1,245,269	43,850	-	30,000	1,259,119	197,927	204,721	6,794	4.80
<b>Grand Total</b>						<b>372,106</b>	<b>417,307</b>	<b>45,201</b>	
<b>Total cost of Investments</b>							<b>627,956</b>		

## 6.3 Investments - available for sale

### 6.3.1 Shares of listed companies

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)	Percentage of total investments
	----- Number of Shares -----					----- Rupees in '000 -----			
<b>Oil and gas exploration companies</b>									
Oil and Gas Development Company Limited	-	400,000	-	-	400,000	45,411	42,952	(2,459)	1.01
Pakistan Petroleum Limited	-	231,600	-	-	231,600	44,187	43,770	(417)	1.03
<b>Oil and gas marketing companies</b>									
Pakistan State Oil Company Limited	-	75,000	-	-	75,000	23,992	23,483	(509)	0.55
<b>Fertilizer</b>									
Fauji Fertilizer Bin Qasim Limited	-	3,800,000	-	-	3,800,000	92,307	87,286	(5,021)	2.05
<b>Grand Total</b>						<b>205,897</b>	<b>197,491</b>	<b>(8,406)</b>	
<b>Total cost of Investments</b>							<b>205,897</b>		

	<b>September 30</b>	
	<b>2009</b>	<b>2008</b>
	<b>(Rupees in '000)</b>	
<b>7. EARNINGS PER UNIT OUTSTANDING</b>		
Net income / (loss) for the quarter	<u>1,062,762</u>	<u>(1,568,288)</u>
	<b>(Number of units)</b>	
Weighted average number of units for the quarter ended September 30	<u>103,622,732</u>	<u>120,496,253</u>
	<b>(Rupees)</b>	
Earnings / (loss) per unit	<u>10.26</u>	<u>(13.02)</u>

**8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

The connected persons include AMIML being the management company, CDC being the trustee, 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 Cash 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 Regulations and the Trust Deed respectively.

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

	<b>September 30, 2009</b>	<b>June 30, 2009</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - management company of the fund</b>		
Remuneration payable	<u>7,504</u>	<u>6,084</u>
Sale load payable	<u>931</u>	<u>578</u>
Certificate charges payable	<u>4</u>	<u>4</u>
<b>Meezan Bank Limited</b>		
Bank balance	<u>8,718</u>	<u>14,439</u>
Shariah advisory fee payable	<u>-</u>	<u>1,044</u>
Sales load payable	<u>296</u>	<u>179</u>
<b>Central Depository Company of Pakistan Limited</b>		
Trustee fee payable	<u>457</u>	<u>386</u>
Charges payable	<u>9</u>	<u>11</u>

	Quarter ended September 30	
	2009	2008
<b>Al Meezan Investment Management Limited</b> <b>- Investment adviser of the company</b>		
	<b>(Rupees in '000)</b>	
Remuneration for the period	21,297	30,628
Bonus units issued: Nil units (2008: 1,057,976 units)	-	52,952
Units issued: Nil units (2008: 1,208,819 units)	-	52,000
Redemptions: 634,398 units (2008: Nil units)	27,000	-
<b>Meezan Bank Limited</b>		
Shariah advisory fee	-	148
Bonus units issued: Nil units (2008: 1,206,062 units)	-	60,363
Units issued: Nil units (2008: Nil units)	-	-
Redemptions: Nil units (2008: Nil units)	-	-
<b>Central Depository Company of Pakistan Limited</b>		
Trustee fee	1,317	1,503
CDS charges	27	25
<b>Directors and executives</b>		
Bonus units issued: Nil units (2008: 109,439 units)	-	5,477
Units issued: 19,143 units (2008: 55,627 units)	767	2,272
Redemptions: 51,605 units (2008: 17,005 units)	2,259	577

## 9. CORRESPONDING FIGURES

- 9.1 For better presentation of cash flow arising from investments in cash flow statement the amount of realized gain Rs. 143,144 (September 30, 2008: Realized loss of Rs. 75,085) is shown as a separate line item and adjusted in investments to reflect cash flow under direct method.
- 9.2 For better presentation of cash flow arising from dividend in cash flow statement the amount of adjustment made to the cost of investments Rs. 1,017 (September 30, 2008: Rs 1,239) is included in the dividend received and excluded from investments.
- 9.3 Prior quarter figures are adjusted accordingly.

## 10. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 20, 2009 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**