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FUND INFORMATION

PENSION FUND MANAGER

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Shahrah-e-Faisal, Karachi 74400, Pakistan.
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Fax: (9221) 35676143, 35630808
Web site: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE PENSION FUND MANAGER

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive
Mr. Rana Ahmed Humayun	Director
Mr. Aliuddin Ansari	Director
Mr. Rizwan Ata	Director
Mr. Mazhar Sharif	Director
Mr. P. Ahmed	Director

CFO & COMPANY SECRETARY OF THE PENSION FUND MANAGER

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 Sharah-e-Faisal, Karachi.

AUDITORS

A.F. Fergusons & 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

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

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: 32062891
Fax: 32552771
Web site: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE DIRECTORS OF THE PENSION FUND MANAGER

The Board of Directors of Al Meezan Investment Management Limited, the Pension fund manager of Meezan Tahaffuz Pension Fund (MTPF) 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 totalling 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.

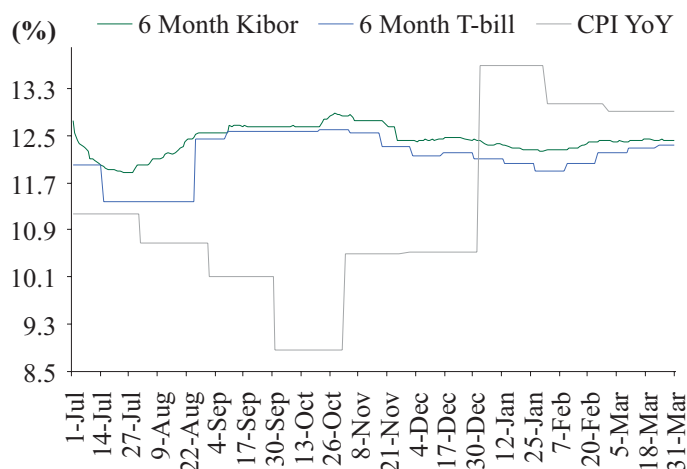
Money Market Review

With the beginning of new financial year, as inflation started easing off, the State Bank continued to ease monetary policy reducing the discount rates by another 150 basis points to 12.5% in first half of fiscal year 2010. However, the 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:



Equity Market Review

The equity market continued to perform well in the nine months ended March 31, 2010 as KSE-100 Index appreciated by 42.1% or 3,016 points to close the period at 10,178. This is in sharp contrast to the same period last year when the equity market fell by 55.8%. Our benchmark KSE-Meezan Index appreciated by 44.9% during the same period. There was a reasonable increase in daily average volume to 171.6 million shares compared to mere 80.2 million shares during the corresponding period last year.

At the beginning of the financial year, uncertainty about the discount rate cut by the State Bank in the monetary policy statement and late release of IMF tranche caused some concern in the minds of investors and hence the market moved at slow pace. However, it quickly regained its momentum with the discount rate cut, disbursement of IMF tranche, continuous decline in inflation and foreign inflows.

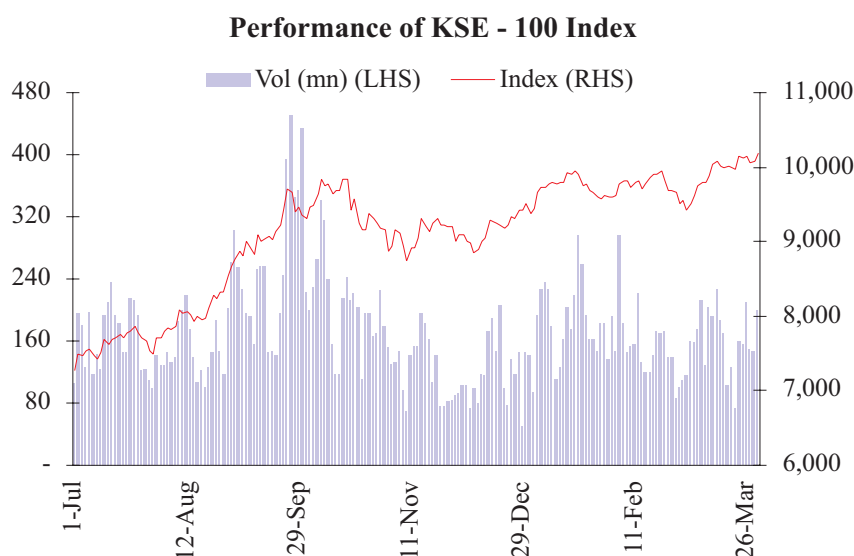
This momentum was arrested in mid October as uncertain law and order situation led to apprehension among investors. Also on the domestic political front, the uproar from different fronts relating to conditions attached to the Kerry Lugar Bill and controversy regarding National Reconciliation Ordinance (NRO) kept the market dull.

Later, investors welcomed the New Year with cautious note as uncertainty gripped the market on mechanism of capital gain tax and resignation of Mr. Shaukat Tarin as Finance Minister which kept the market in the dull phase with index hovering below 10,000 level and volume remained thin.

However, the lackluster behavior did not continue for long. Continuous inflow of foreign funds, improved law and order situation, appointment of Mr. Abdul Hafeez Shaikh as the Advisor to Prime Minister on Finance, coupled with improvements reported in macroeconomic indicators, such as workers' remittances and the continued reduction in the trade deficit, helped KSE 100 index to close above 10,000, for the first time since August 2008 (after 19 months). Another key factor behind the rally in the market was healthy corporate earnings from fertilizer, power and E&P sectors helping the market to close at 10,178 on March 31, 2010.

Foreign Flows

Imposition of the price floor and exclusion from the MSCI Emerging Markets index along with the global financial crisis caused a massive outflow (US\$446 million) of foreign portfolio investments from the equity market in calendar year 2008. However, eventually macro recovery and inclusion in MSCI Frontier Market Index in June 2009 encouraged offshore investors to return to Pakistan with a net inflow of US\$ 432 million in the nine months of fiscal year 2010. With interest rates in most developed countries hitting rock bottom and Pakistan's stock market trading at a significant discount to the regional markets, it seems that foreign investors have realized the growth potential in Pakistani market and foreign portfolio investment will continue to flow.



Investment Objective and Policy

The objective of Meezan Tahaffuz Pension Fund is to provide participants with a Shariah-compliant saving mechanism whereby they can save from their current income in order to gain benefits after retirement or disability or when other income avenues are exhausted. MTPF aims to provide participants a regular Halal income stream after retirement/disability when they no longer can earn regular income to support their living.

Operational Review

Meezan Tahaffuz Pension Fund (MTPF) comprises of three sub funds namely Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund. Performance review for each sub fund is given as under:

Equity Sub Fund

The NAV of Equity Sub Fund appreciated by 43.13% during the nine months under review buoyed by the increasing equity market. The sub fund recorded a gross income of Rs. 28.60 million during the nine months of which Rs. 18.6 million was earned through unrealised gains on investments. The rest of the income was primarily sourced from realised gains on sale of investments and dividend income. The net assets of the sub fund increased from Rs. 61.6 million as on June 30, 2009 to Rs. 96.9 million at the close of period under review.

Debt Sub Fund

For the nine months ended March 31, 2010 the Debt Sub Fund posted an annualised return of 8.12%. The fund earned a gross income of Rs. 7.2 million. Income in this sub fund was primarily generated by profit on Sukuk certificates amounting to Rs. 4.9 million, profit on bank deposits and bank placements totalling to Rs. 1.3 million. The Fund also incurred unrealised losses of Rs. 1.1 million on account of change in valuation of sukuks. A provision worth Rs. 60,000 was created against profit on sukuk certificates. The debt sub fund had net assets worth Rs. 81.9 million on March 31, 2010 which grew from Rs. 70 million at the end of June 2009.

The Board has already approved provisioning policy according to which the provisioning has been done in sukuks of Maple Leaf Cement Factory (MLCF). The MLCF sukuk has now been restructured while the restructuring process of Security Leasing sukuk is underway.

Money Market Sub Fund

The Money Market sub fund of MTPF posted an annualised return of 7.35% for the nine months ending March 31, 2010. The sub fund recorded a gross income of Rs. 4.9 million generated mainly through profit on Islamic Banking Deposits and Sukuk certificates. During the half year, net assets of the sub fund increased to Rs. 66.6 million from Rs. 62 million nine months ago.

Outlook

After a turbulent 2008, Pakistan's economy has seen a steady turnaround in the year 2009, with most 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\$ 431 million has flowed into the stock market, reversing 18 months of capital flight. The significant build up of foreign exchange reserves has also improved confidence in country's ability in meeting its financial commitments.

The consensus achieved by Parliamentary Committee on Constitutional reforms to be included in the draft of 18th amendment to the Constitution will bode positively for the political situation in the country as well as stock market.

One of the major issues for the equity market is the introduction of margin financing product which is expected to be launched soon. The other major issue that investors will likely deal with is the introduction of capital gains tax on stocks in the next federal budget. Currently, Pakistan's stock market is trading at a P/E multiple of around 8, which is almost at a 45% discount to other regional markets. This makes KSE an attractive option for foreign investors, who are expected to continue their investment at the local bourse.

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. 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

Date: April 27, 2010
Karachi.

Mohammad Shoaib, CFA
Chief Executive

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2010

	Unaudited				Audited	
	As at March 31, 2010				June 30, 2009	
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total	
<i>Note</i> -----(Rupees in '000)-----						
Assets						
Balances with banks	5	2,234	32,058	46,470	80,762	47,916
Placements		-	-	-	-	27,900
Receivable against sale of investments		-	-	-	-	228
Investments at fair value through profit or loss	6	93,341	48,856	18,818	161,015	114,355
Dividend receivable		1,962	-	-	1,962	363
Profit receivable		95	1,322	1,622	3,039	4,387
Formation costs		18	17	17	52	240
Deposit with Central Depository Company of Pakistan Limited (CDC)		100	100	100	300	300
Total assets		97,750	82,353	67,027	247,130	195,689
Liabilities						
Payable against purchase of investments		287	-	-	287	923
Payable to Al Meezan Investment Management Limited - Pension Fund Manager (Al Meezan)		340	307	277	924	900
Payable to CDC - trustee of the Fund		11	9	9	29	75
Payable to auditors		43	44	44	131	150
Payable to Securities and Exchange Commission of Pakistan (SECP)		21	19	16	56	56
Accrued expenses and other liabilities	7	74	3	3	80	111
Total liabilities		776	382	349	1,507	2,215
Net assets		96,974	81,971	66,678	245,623	193,474
Participants' sub-funds (as per statement attached)		96,974	81,971	66,678	245,623	193,474
Number of units in issue		883,283	646,442	527,157		
Net assets value per unit (Rupees)		109.79	126.80	126.49		

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

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

	For the nine months period ended March 31, 2010				March 31, 2009
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
------(Rupees in '000)-----					
Income					
Profit on sukuk certificates	-	4,933	1,852	6,785	4,905
Profit on savings accounts with banks	385	1,185	2,547	4,117	4,325
Profit on placements	-	188	503	691	1,954
Unrealised gain/(loss) on re-measurement of investments at fair value through profit or loss	18,618	(1,128)	(262)	17,228	(24,952)
Gain on re-measurement of financial instruments sold on deferred settlement basis	-	-	-	-	829
Net realised gain/(loss) on sale of investments	4,630	673	43	5,346	(444)
Dividend income	5,062	-	-	5,062	2,888
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	(72)	1,401	254	1,583	(1,438)
Provision against profit of sukuk certificates	-	(60)	-	(60)	-
Total income/(loss)	<u>28,623</u>	<u>7,192</u>	<u>4,937</u>	<u>40,752</u>	<u>(11,933)</u>
Expenses					
Remuneration of Al Meezan - Pension Fund Manager	917	834	720	2,471	1,884
Remuneration of CDC - trustee of the Fund	90	83	72	245	225
Annual fee of SECP	21	19	16	56	42
Auditors' remuneration	85	86	86	257	165
Amortisation of formation cost	62	63	63	188	188
Securities' transaction cost	76	-	-	76	21
Custody and settlement charges	5	4	4	13	15
Legal advisory fee	-	-	-	-	21
Bank charges	13	6	6	25	3
Total expenses	<u>1,269</u>	<u>1,095</u>	<u>967</u>	<u>3,331</u>	<u>2,564</u>
Net income/(loss)	<u><u>27,354</u></u>	<u><u>6,097</u></u>	<u><u>3,970</u></u>	<u><u>37,421</u></u>	<u><u>(14,497)</u></u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

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

	For the quarter ended March 31, 2010				March 31, 2009
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
----- (Rupees in '000) -----					
Income					
Profit on sukuk certificates	-	1,712	630	2,342	2,017
Profit on savings accounts with banks	176	449	1,097	1,722	1,583
Profit on placements	-	-	-	-	803
Unrealised gain/(loss) on re-measurement of investments at fair value through profit or loss	5,544	(479)	(249)	4,816	13,291
Gain on re-measurement of financial instruments sold on deferred settlement basis	-	-	-	-	829
Net realised gain/(loss) on sale of investments	1,909	632	11	2,552	(652)
Dividend income	2,324	-	-	2,324	1,172
Element of (loss) / income and capital gains/(losses) included in prices of units issued less those in units redeemed	217	1,138	225	1,580	(1,461)
Total income	<u>10,170</u>	<u>3,452</u>	<u>1,714</u>	<u>15,336</u>	<u>17,582</u>
Expenses					
Remuneration of Al Meezan - Pension Fund Manager	335	284	241	860	595
Remuneration of CDC - trustee of the Fund	34	29	25	88	75
Annual fee of SECP	7	6	5	18	13
Auditors' remuneration	26	26	26	78	54
Amortisation of formation cost	21	21	21	63	62
Securities' transaction cost	29	-	-	29	4
Custody and settlement charges	2	-	2	4	6
Bank charges	2	1	1	4	2
Total expenses	<u>456</u>	<u>367</u>	<u>321</u>	<u>1,144</u>	<u>811</u>
Net income	<u><u>9,714</u></u>	<u><u>3,085</u></u>	<u><u>1,393</u></u>	<u><u>14,192</u></u>	<u><u>16,771</u></u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Director

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

	For the nine months period ended March 31, 2010				March 31, 2009
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss)	27,354	6,097	3,970	37,421	(14,497)
Adjustments for :					
Dividend income	(5,062)	-	-	(5,062)	(2,888)
Profit on sukuk certificates	-	(4,933)	(1,852)	(6,785)	(4,905)
Profit on savings accounts with banks	(385)	(1,185)	(2,547)	(4,117)	(4,325)
Profit on placements	-	(188)	(503)	(691)	(1,954)
Unrealised (gain)/loss on re-measurement of investments at fair value through profit or loss	(18,618)	1,128	262	(17,228)	24,952
Gain on re-measurement of financial instruments sold on deferred settlement basis	-	-	-	-	(829)
Amortisation of formation cost	62	63	63	188	188
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	72	(1,401)	(254)	(1,583)	1,438
	3,423	(419)	(861)	2,143	(2,820)
(Increase) / decrease in assets					
Placements	-	13,950	13,950	27,900	(750)
Receivable against sale of investments	228	-	-	228	751
Investments at fair value through profit or loss	(17,823)	(11,996)	387	(29,432)	(31,907)
Financial instruments sold on deferred settlement basis	-	-	-	-	251
Other receivables	-	-	-	-	1,603
	(17,595)	1,954	14,337	(1,304)	(30,052)
(Decrease) / increase in liabilities					
Payable against purchase of investments	(636)	-	-	(636)	(2,631)
Payable to Al Meezan - Pension Fund Manager	(73)	-	97	24	68
Payable to CDC - trustee of the Fund	(11)	(19)	(16)	(46)	-
Payable to SECP	5	(2)	(3)	-	(17)
Payable to auditors	(7)	(6)	(6)	(19)	(27)
Accrued expenses and other liabilities	(35)	2	2	(31)	(1,545)
	(757)	(25)	74	(708)	(4,152)
Dividend received	3,463	-	-	3,463	2,368
Profit received on savings accounts with banks	390	985	1,816	3,191	3,633
Profit received on sukuk certificates	-	5,630	2,446	8,076	4,440
Profit received on placements	-	426	1,248	1,674	2,605
Net cash outflow from operating activities	(11,076)	8,551	19,060	16,535	(23,978)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	10,839	7,567	1,398	19,804	6,281
Payment against withdrawal	(2,893)	(464)	(136)	(3,493)	(746)
Net cash inflow from financing activities	7,946	7,103	1,262	16,311	5,535
Net cash (outflow) / inflow during the period	(3,130)	15,654	20,322	32,846	(18,443)
Cash and cash equivalents at the beginning of the period	5,364	16,404	26,148	47,916	58,985
Cash and cash equivalents at the end of the period	2,234	32,058	46,470	80,762	40,542

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

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

	For the quarter ended March 31, 2010				March 31, 2009
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	9,714	3,085	1,393	14,192	16,771
Adjustments for :					
Dividend income	(2,324)	-	-	(2,324)	(1,172)
Profit on sukuk certificates	-	(1,712)	(630)	(2,342)	(2,017)
Profit on savings accounts with banks	(176)	(449)	(1,097)	(1,722)	(1,583)
Profit on placements	-	-	-	-	(803)
Unrealised (gain)/loss on re-measurement of investments at fair value through profit or loss	(5,544)	479	249	(4,816)	(13,291)
Gain on re-measurement of financial instruments sold on deferred settlement basis	-	-	-	-	(829)
Amortisation of formation cost	21	21	21	63	62
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(217)	(1,138)	(225)	(1,580)	1,461
	1,474	286	(289)	1,471	(1,401)
Decrease / (increase) in assets					
Placements	-	-	-	-	(12,000)
Receivable against sale of investments	-	-	-	-	-
Investments at fair value through profit or loss	(10,347)	15,420	106	5,179	(1,097)
Other receivables	127	98	25	250	(5)
	(10,220)	15,518	131	5,429	(13,102)
(Decrease) / increase in liabilities					
Payable against purchase of investments	287	-	-	287	-
Payable to Al Meezan - Pension Fund Manager	35	13	(5)	43	19
Payable to CDC - trustee of the Fund	2	-	2	4	-
Payable to SECP	8	6	5	19	14
Payable to auditors	(1)	(2)	(2)	(5)	54
Accrued expenses and other liabilities	(74)	(13)	(4)	(91)	(41)
	257	4	(4)	257	46
Dividend received	1,051	-	-	1,051	426
Profit received on savings accounts with banks	211	667	1,057	1,935	2,424
Profit received on sukuk certificates	-	3,086	1,219	4,305	3,105
Profit received on placements	-	-	-	-	1,657
Net cash (outflow) / inflow from operating activities	(7,227)	19,561	2,114	14,448	(6,845)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	6,454	6,034	1,183	13,671	2,341
Payment against withdrawal	(2,812)	(416)	(91)	(3,319)	(48)
Net cash inflow from financing activities	3,642	5,618	1,092	10,352	2,293
Net cash inflow / (outflow) during the period	(3,585)	25,179	3,207	24,801	(4,552)
Cash and cash equivalents at the beginning of the period	5,819	6,879	43,264	55,962	45,094
Cash and cash equivalents at the end of the period	2,234	32,058	46,470	80,762	40,542

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

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

	For the nine months period ended March 31, 2010				March 31, 2009
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
Net assets at the beginning of the period	61,602	70,172	61,700	193,474	180,958
Amount received on issue of units (2010: Equity sub fund: 107,711 units; Debt sub fund: 60,718 units; Money market sub fund: 11,170 units) (2009: Equity sub fund: 52,043 units; Debt sub fund: 18,051 units; Money market sub fund: 7,071 units)	10,839	7,567	1,398	19,804	6,281
Amount paid on redemption of units (2010: Equity sub fund: 27,520 units; Debt sub fund: 3,702 units; Money market sub fund: 1,086 units) (2009: Equity sub fund: 5,264 units; Debt sub fund: 1,793 units; Money market sub fund: 178 units)	(2,893) 7,946	(464) 7,103	(136) 1,262	(3,493) 16,311	(746) 5,535
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	72	(1,401)	(254)	(1,583)	1,438
Net income/(loss) for the period	27,354	6,097	3,970	37,421	(14,497)
Net assets at the end of the period	<u>96,974</u>	<u>81,971</u>	<u>66,678</u>	<u>245,623</u>	<u>173,434</u>

FOR THE QUARTER ENDED

	March 31, 2010				March 31, 2009
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
Net assets at the beginning of the quarter	83,835	74,406	64,418	222,659	152,909
Amount received on issue of units (2010: Equity sub fund: 60,773 units; Debt sub fund: 47,976 units; Money market sub fund: 9,396 units) (2009: Equity sub fund: 17,600 units; Debt sub fund: 4,258 units; Money market sub fund: 213 units)	6,454	6,034	1,183	13,671	2,341
Amount paid on redemption of units (2010: Equity sub fund: 26,517; Debt sub fund: 3,181 units; Money market sub fund: 720 units) (2009: Equity sub fund: 1 units; Debt sub fund: 501 units; Money market sub fund: 366 units)	(2,812) 3,642	(416) 5,618	(91) 1,092	(3,319) 10,352	(48) 2,293
Element of (income)/loss and capital (gains)/loss included in prices of units issued less those in units redeemed	(217)	(1,138)	(225)	(1,580)	1,461
Net income for the quarter	9,714	3,085	1,393	14,192	16,771
Net assets at the end of the quarter	<u>96,974</u>	<u>81,971</u>	<u>66,678</u>	<u>245,623</u>	<u>173,434</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

**CONDENSED INTERIM CONTRIBUTION TABLE
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

Contributions net of front end fee received during the period	For the nine months period ended March 31, 2010							March 31, 2009
	Equity sub found		Debt sub found		Money Market Sub Fund		Total (Rupees in '000)	Total (Rupees in '000)
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
	------(Rupees in '000)-----							
Individuals - issue of units	107,711	10,839	60,718	7,567	11,170	1,398	19,804	6,281
Issue of core units to Pension Fund Manager	-	-	-	-	-	-	-	-
Total	<u>107,711</u>	<u>10,839</u>	<u>60,718</u>	<u>7,567</u>	<u>11,170</u>	<u>1,398</u>	<u>19,804</u>	<u>6,281</u>

FOR THE QUARTER ENDED

Contributions net of front end fee received during the period	March 31, 2010							March 31, 2009
	Equity sub found		Debt sub found		Money Market Sub Fund		Total (Rupees in '000)	Total (Rupees in '000)
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
	------(Rupees in '000)-----							
Individuals - issue of units	<u>60,773</u>	<u>6,454</u>	<u>47,976</u>	<u>6,034</u>	<u>9,396</u>	<u>1,183</u>	<u>13,671</u>	<u>2,341</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director

**CONDENSED INTERIM NUMBER OF UNITS IN ISSUE
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

For the nine months period ended March 31, 2010			
Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	
-----Number of units-----			
Total units outstanding at the beginning of the period	803,092	589,426	517,073
Add: Units issued during the period	107,711	60,718	11,170
Less: Units redeemed during the period	(27,520)	(3,702)	(1,086)
Total units in issue at the end of the period	<u>883,283</u>	<u>646,442</u>	<u>527,157</u>

For the quarter ended March 31, 2010			
Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	
-----Number of units-----			
Total units outstanding at the beginning of the period	849,027	601,647	518,481
Add: Units issued during the period	60,773	47,976	9,396
Less: Units redeemed during the period	(26,517)	(3,181)	(720)
Total units in issue at the end of the period	<u>883,283</u>	<u>646,442</u>	<u>527,157</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

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 Tahaffuz Pension Fund (the Fund) was established under a trust deed executed between Al Meezan as pension fund manager and CDC as trustee. The trust deed was executed and approved by the SECP on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the pension fund manager of the Fund, is situated in Finance and Trade Centre Shariah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund offers a saving mechanism where an individual saves from his/her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund initially comprises of three sub funds namely equity sub-fund, debt sub-fund and money market sub-fund. Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and any unique circumstances. Allocation scheme can be selected initially at the time of opening of account and subsequently at anniversary of the account. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimisation through diversification.
- 1.3 The Fund has been formed to enable the participants to contribute 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 pension fund manager has appointed MBL as its shariah adviser to ensure that the activities of the Fund are in compliance with the principles of shariah. The pension fund manager of the Fund is registered with SECP as a Non-Banking Finance Company under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.4 The Fund is an open-ended un listed fund. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

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 aforementioned 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 Trust Deed, the VPS Rules and the directives issued by the SECP.

Wherever, the requirements of the Trust Deed, the VPS rules or the said directives differ with the requirements of IFRSs, the requirements of the Trust Deed, the VPS Rules 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 year ended June 30, 2009, whereas the comparative condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the condensed interim financial report for the nine months period ended March 31, 2009. The comparative condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement for the quarter ended March 31, 2009 are also included in this condensed interim financial report.

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 year ended June 30, 2009.

5. BALANCES WITH BANKS

	March 31, 2010				June 30, 2009
	Equity Sub Fund	Debt Sub	Money	Total	Total
	(Rupees in '000)				
Current accounts	229	10	9	248	87
Savings accounts	1,966	32,009	46,422	80,397	47,829
	<u>2,195</u>	<u>32,019</u>	<u>46,431</u>	<u>80,645</u>	<u>47,916</u>

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	March 31, 2010			June 30, 2009
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
		(Rupees in '000)			
Held for trading - shares of listed companies	6.1	93,341	-	-	93,341
- sukuk certificates	6.2	-	28,630	17,500	46,130
		93,341	28,630	17,500	139,471
Investments at fair value through profit or loss upon initial recognition	6.3	-	20,226	1,318	21,544
		<u>93,341</u>	<u>48,856</u>	<u>18,818</u>	<u>161,015</u>
					<u>114,355</u>

6.1 Held for trading - shares of listed companies

Name of the investee company	As at July 1, 2009	Purchases during the year	Cost of purchase	Bonus / rights issue	Sales during the year	As at 31 March, 2010	Carrying value as at 31 March, 2010 value	Market value as at 31 March, 2010	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.3 below)	Percentage of paid up capital of investee company
	Number of shares	Rs in '000	Rs in '000		Number of shares		Rupees in '000				
EQUITY SUB FUND											
Automobile assembler											
Indus Motor Company Limited	8,846	9,000	-	-	1,000	16,846	2,623	3,506	883	3.62	0.45
Pak Suzuki Motor Company Limited	14,000	22,000	1,184	-	13,000	23,000	1,935	1,830	(105)	1.89	0.22
Paper and board											
Packages Limited	23,400	5,000	-	-	-	28,400	4,464	3,692	(772)	3.81	0.44
Power generation and distribution											
The Hub Power Company Limited	196,500	22,000	676	-	-	218,500	5,955	7,488	1,533	7.72	0.06
Oil and gas exploration companies											
Oil and Gas Development Company Limited	72,200	10,000	-	-	16,000	66,200	5,597	8,597	3,000	8.87	0.02
Pakistan Oilfields Limited	31,400	11,000	806	-	12,000	30,400	4,798	7,109	2,311	7.33	0.30
Pakistan Petroleum Limited	21,780	13,150	784	4,956	1,000	38,886	6,547	7,599	1,052	7.84	0.08
Oil and gas marketing companies											
Pakistan State Oil Company Limited	26,400	13,800	780	-	11,400	28,800	7,015	8,922	1,907	9.20	0.52
Shell Pakistan Limited.		1,330	-	-	-	1,330	360	400	40	0.41	0.18
Sui Northern Gas Pipeline Limited	31,800	-	-	-	31,800	-	-	-	-	-	-
Chemicals											
ICI Pakistan Limited	31,200	5,200	-	-	4,300	32,100	4,633	5,204	571	5.37	0.37
Technology and communication											
Pakistan Telecommunication Company Limited	179,500	30,000	-	-	-	209,500	3,682	4,401	719	4.54	0.01
Fertilizer											
Engro Chemical Pakistan Limited	16,380	-	-	-	16,380	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	235,000	121,000	1,899	-	79,000	277,000	5,498	8,817	3,319	9.09	0.09
Fauji Fertilizer Company Limited	64,475	21,000	-	-	-	85,475	7,823	9,376	1,553	9.67	0.14
Cement											
Attock Cement Pakistan Limited	21,800	-	-	-	-	21,800	1,531	1,860	329	1.92	0.21
DG Khan Cement Company Limited	4,100	-	-	-	4,100	-	-	-	-	-	-
Lucky Cement Limited	55,800	67,400	-	-	11,000	112,200	7,312	9,121	1,809	9.41	0.28
Miscellaneous											
Tri-Pack Films Limited	7,000	20,000	662	-	-	27,000	2,923	2,785	(138)	2.87	0.93
Taxtile Composite											
Nishat Mills Limited		51,150	-	-	51,150	-	-	-	-	-	-
Food & Personal Care Products											
Unilever Pakistan Limited.	-	676	-	-	-	676	1,738	2,345	607	2.42	1.76
Refinery											
National Refinery Limited.	-	1,600	-	-	-	1,600	289	289	-	0.30	0.04
Total							74,723	93,341	18,618		

6.1.2 All shares have a nominal value of Rs 10 each.

6.1.3 Net assets are as defined in rule 2(1)(m) of Voluntary Pension System Rules, 2005.

6.2 Held for trading - sukuk certificates

Name of the investee company	Maturity date	Profit rate	As at July 1, 2009	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at March 31, 2010	Carrying value as at March 31, 2010	Market value as at March 31, 2010	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.3 above)
			Number of certificates	Rs in '000	-----Number of certificates-----	-----Rupees in '000-----						
Debt Sub Fund												
GoP - Ijara sukuk (note 6.2.1)	September 25, 2011	13.03%	150	-	-	150	-	-	-	-	-	-
GoP - Ijara sukuk (note 6.2.1)	September 17, 2012	12.53%	-	280	28,000	-	-	280	28,000	28,630	630	34.93
					28,000			28,000		28,630	630	
Money Market Sub Fund												
GoP - Ijara sukuk (note 6.2.1)	September 25, 2011	13.03%	175	-	-	-	-	175	17,500	17,500	-	21.35
			175	-	-	-	-	175	17,500	17,500	-	

6.2.1 The nominal value of the sukuk certificates of GoP Ijara Sukuk is Rs 100,000 each.

6.3 Investments at fair value through profit or loss upon initial recognition - sukuk certificates

Name of the investee company	Maturity date	Profit rate	As at July 1, 2009	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at March 31, 2010	Carrying value as at March 31, 2010	Market value as at March 31, 2010	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.3 above)
			Number of certificates	Rs in '000	-----Number of certificates-----	-----Rupees in '000-----						
Debt Sub Fund												
Dawood Hercules Chemicals Limited (note 6.3.1)	September 18, 2012	6 months Kibor plus base rate of 1.2%	50	-	-	-	-	50	2,412	2,426	14	2.96
Eden Housing Limited (note 6.3.3)	April 2, 2013	6 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	2,120	1,641	(479)	2.00
Karachi Shipyard & Engineering Works Limited (note 6.3.3)	November 2, 2015	6 months Kibor plus base rate of 0.4%	2,000	-	-	-	-	2,000	9,805	9,696	(109)	11.83
Maple Leaf Cement Factory Limited (note 6.3.3)	December 1, 2013	6 months Kibor plus base rate of 1.7%	1,000	-	-	-	-	1,000	4,500	3,550	(950)	4.33
Security Leasing Corporation Limited II (note 6.3.3)	September 19, 2012	6 months Kibor plus base rate of 1.95%	437	-	-	-	85	352	1,581	1,318	(263)	1.61
Shahmurad Sugar Mills Limited (note 6.3.2)	September 30, 2012	6 months Kibor plus base rate of 2.25%	2	-	-	-	-	2	1,567	1,595	28	1.95
			3,989	-	-	-	85	3,904	21,985	20,226	(1,759)	
Money Market Sub Fund												
Security Leasing Corporation Limited II (note 6.3.3)	September 19, 2012	6 months Kibor plus base rate of 1.95%	437	-	-	-	85	352	1,582	1,318	(264)	1.98
Total			437				85	352	1,582	1,318	(264)	

6.3.1 The nominal value of the sukuk certificates of Dawood Hercules Chemicals Limited is Rs. 50,000 each.

6.3.2 The nominal value of the sukuk certificates of Shahmurad Sugar Mills Limited is Rs. 1,000,000 each.

6.3.3 The nominal value of the sukuk certificates of Eden Housing Limited, Karachi Shipyard & Engineering Works Limited, Maple Leaf Cement Factory Limited and Security Leasing Corporation Limited is Rs 5,000 each.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2010			June 30, 2009	
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total
	-----Rupees in '000 -----				
Withholding tax payable	3	2	3	8	2
Charity payable	71	1	-	72	109
	74	3	3	80	111

8 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 any 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 out come 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 0.36 per certificate 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.

9 EARNINGS / (LOSS) PER UNIT OUTSTANDING - BASIC

	Nine months period ended			Nine months period ended		
	March 31, 2010			March 31, 2009		
	Equity sub fund	Debt sub fund	Money market sub fund	Equity sub3 fund	Debt sub fund	Money market sub fund
	----- Rupees in '000 -----					
Net income / (loss) for the period	27,354	6,097	3,970	(23,087)	4,460	4,130
	----- Number of units -----					
Units outstanding as at March 31, 2010	883,283	646,442	527,157	684,876	569,911	515,443
	----- Rupees -----					
Earnings / (loss) per unit outstanding - basic	30.97	9.43	7.53	(33.71)	7.83	8.01

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan being the Pension Fund Manager, CDC being the trustee, MBL being the holding company of the Pension Fund Manager, funds under management of the Pension Fund Manager and directors of the Pension Fund Manager.

Remuneration payable to the Pension Fund Manager and the trustee is determined in accordance with the provisions of VPS Rules and the trust deed respectively. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

March 31, 2010				June 30, 2009
Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total

-----Rupees in '000-----

Investment by:

Al Meezan

(Equity sub fund: 500,000 units; debt sub fund: 500,000 units; money market sub fund: 500,000 units)

54,895	63,400	63,245	181,540	157,545
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Directors and executives of the Pension Fund Manager

As at March 31, 2010

(Equity sub fund: 48,572 units; debt sub fund: 13,377 units, money market sub fund: 3,116 units)

(June 30, 2009: Equity sub fund: 47,164 units; debt fund: 9,883 units; Money Market sub fund: 2,307)

5,333	1,696	394	7,423	5,070
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Units issued during the period

(Equity sub fund: 1,924 units; debt sub fund: 2,962 units, money market sub fund: 397 units)

727	408	56	1,191	2,479
-----	-----	----	-------	-------

Units redeemed during the period

(Equity sub fund: 2,168 units; debt sub fund: 2,321 units, money market sub fund: nil units)

273	290	-	563	
-----	-----	---	-----	--

March 31, 2010				June 30, 2009
Equity sub fund	Debt sub Fund	Money Market sub fund	Total	Total

-----Rupees in '000-----

Transactions and balances with connected persons:

Al Meezan - Pension Fund Manager

Remuneration payable at the beginning of the period

68	83	76	227	362
----	----	----	-----	-----

Formation cost payable at the beginning of the period

79	79	79	237	237
----	----	----	-----	-----

Remuneration for the period

917	834	720	2,471	2,560
-----	-----	-----	-------	-------

Front-end fee for the period

39	39	39	117	293
----	----	----	-----	-----

1,103	1,035	914	3,052	3,452
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Amount paid during the period

(763)	(728)	(607)	(2,098)	(2,552)
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Balance at the end of the period

340	307	307	954	900
-----	-----	-----	-----	-----

	March 31, 2010			June 30, 2009	
	Equity sub fund	Debt sub Fund	Money Market sub fund	Total	Total
-----Rupees in '000-----					
MBL					
Bank balance	913	6	274	1,193	8,723
Profit on savings accounts	-	-	2	2	438
CDC - trustee of the Fund					
Balance at the beginning of the period	22	28	25	75	25
Remuneration for the period	90	83	72	245	299
CDS charges for the period	5	4	4	13	19
	117	115	101	333	336
Amount paid during the period	(106)	(106)	(92)	(304)	(268)
Balance at the end of the period	11	9	9	29	75

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values as these financial assets and liabilities are short term in nature.

12 DATE OF AUTHORISATION

These condensed interim financial statements were authorised on April 27, 2010 by the Board of Directors of the Pension Fund Manager.

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Director