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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 provide investors, in a shariah compliant manner, capital protection at maturity of the Fund and maximize returns through investments in Pakistani equity markets.”

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. 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 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 Islami Pakistan Limited
MCB Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

Bawany & 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: bawany@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 Capital Protected Fund - I (MCPF-I) 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 have 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.

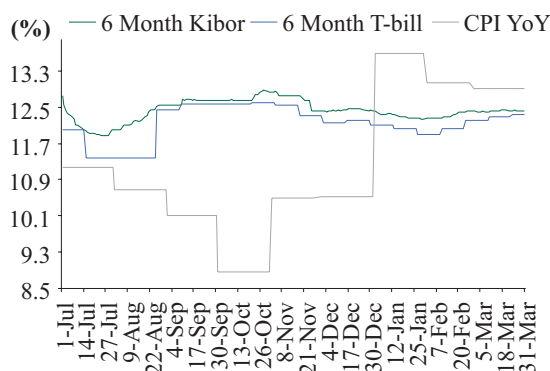
Money Market Review

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:



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.

Performance Review

Meezan Capital Protected Fund - I earned a total income of Rs. 85 million in the first nine months of the current fiscal year. The earnings were primarily driven by profit received on Murabahah agreement amounting to Rs. 44 million. Cumulative gains on investments, both realised and unrealised, aggregated to Rs. 33 million. After deducting expenses worth Rs. 10 million, the fund recorded a net profit of Rs. 74 million.

The net assets of the fund as at the end of the period under review were at Rs. 634 million, leading to a NAV of Rs. 56.36 per unit. The NAV per unit during the nine months increased by 13.11%, up from a value of Rs. 49.83 at the beginning of the current fiscal year.

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 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 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 Shoib, CFA
Chief Executive

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

		(Unaudited) March 31, 2010	(Audited) June 30, 2009
Assets	Note	(Rupees in '000)	
Capital protection segment			
Loans and receivables	5	554,775	510,337
Investment segment			
Balances with banks		913	1,773
Investments at fair value through profit or loss	6	93,998	80,020
Receivable against Sale of Investment		-	283
Profit receivable on savings accounts		100	115
		95,011	82,191
Dividend receivable		2,743	631
Deposit with Central Depository Company of Pakistan Limited (CDC)		100	100
Preliminary expenses and floatation costs		1,162	1,859
Total assets		653,791	595,118
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund		18,370	10,714
Payable to CDC - trustee of the Fund		70	62
Payable to Meezan Bank Limited (MBL)		-	252
Payable to Securities and Exchange Commission of Pakistan (SECP)		342	479
Payable on redemption of units		26	1
Payable against purchase of investments		362	865
Accrued expenses and other liabilities		438	461
Total liabilities		19,608	12,834
Net assets		634,183	582,284
Contingencies			
	7		
Unitholders' funds (as per statement attached)		634,183	582,284
Number of units			
Number of units in issue		11,252,410	11,604,852
Rupees			
Net assets value per unit		56.36	50.18

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 March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
----- (Rupees in '000) -----				
Income				
Net realised gain on sale of investments	16,300	(20,450)	4,529	(20,450)
Dividend income	6,220	4,693	3,216	1,623
Profit on savings accounts with banks	406	642	105	77
Profit on murabaha	44,437	39,470	15,007	13,427
Back end sales load	912	366	362	75
	<u>68,275</u>	<u>24,721</u>	<u>23,219</u>	<u>(5,248)</u>
Unrealised gain/ (loss) on re-measurement of investments at fair value through profit or loss (net)	16,509	(29,920)	3,004	39,157
Unrealised gain/ (loss) on re-measurement of Derivative financial Instrument	-	1,884	-	1,878
Total income/(loss)	<u>84,784</u>	<u>(3,315)</u>	<u>26,223</u>	<u>35,787</u>
Expenses				
Remuneration to Al Meezan - management company of the Fund	7,656	2,467	2,773	731
Remuneration to CDC - trustee of the Fund	598	544	202	171
Remuneration to MBL	-	3,404	-	1,046
Annual fee to SECP	342	368	116	99
Auditors' remuneration	293	305	71	49
Fees and subscription	26	26	8	8
Legal and professional charges	-	30	-	10
Amortisation of preliminary expenses and floatation costs	696	694	228	229
Brokerage	159	101	38	53
Bank and settlement charges	31	23	14	6
Printing charges	124	79	-	22
Total expenses	<u>9,925</u>	<u>8,041</u>	<u>3,450</u>	<u>2,424</u>
Net income/(loss) from operating activities	<u>74,859</u>	<u>(11,356)</u>	<u>22,773</u>	<u>33,363</u>
Element of (loss)/Income and capital (losses)/gains included in prices of units issued less those in units redeemed	(1,277)	126	(932)	96
Net Income/(loss)	<u>73,582</u>	<u>(11,230)</u>	<u>21,841</u>	<u>33,459</u>

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 March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
	----- (Rupees in '000) -----			
Undistributed income / (loss) brought forward	2,041	(2,353)	49,720	(47,042)
Less: Final distribution in the form of bonus units @ 0.70% for the year ended June 30, 2009 (June 30, 2008: nil %)	(4,062)	-	-	-
Net income / (loss) for the period	73,582	(11,230)	21,841	33,459
Undistributed income / (accumulated losses) carried forward	<u>71,561</u>	<u>(13,583)</u>	<u>71,561</u>	<u>(13,583)</u>

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 March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
----- (Rupees in '000) -----				
Net assets at the beginning of the period	582,284	579,207	620,545	537,321
Issue of nil units (March 31, 2009: 176,988 units)	-	8,655	-	-
Redemption of 433,953 units (March 31, 2009: 152,844 units)	(22,960)	(7,323)	(9,135)	(1,501)
	(22,960)	1,332	(9,135)	(1,501)
Net income / (loss) at the end of the period	73,582	(11,230)	21,841	33,459
Issue of 81,511 bonus units for the year ended June 30, 2009	(4,062)		-	
	69,520	(11,230)	21,841	33,459
Issue of 81,511 bonus units for the year ended June 30, 2009	4,062	-	-	-
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	1,277	(126)	932	(96)
Net assets at the end of the period	634,183	<u>569,183</u>	634,183	<u>569,183</u>
Net assets value per unit at the end of the period	56.36	<u>48.83</u>	54.36	<u>45.97</u>

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 March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit / (loss)	73,582	(11,230)	21,841	33,459
Adjustments for:				
Dividend income	(6,220)	(4,693)	(3,216)	(1,623)
Profit on savings accounts with banks	(406)	(642)	(105)	(77)
Profit on murabaha	(44,437)	(39,470)	(15,007)	(13,427)
Unrealised loss on re-measurement of investments at fair value through profit or loss (net)	(16,509)	29,920	(3,004)	(39,157)
Unrealised loss on re-measurement of derivative financial Instrument	-	(1,884)	-	(1,878)
Amortisation of preliminary expenses and floatation costs	696	694	228	229
Element of loss/(Income) and capital losses/(gains) included in prices of units issued less those in units redeemed	1,277	(126)	932	(96)
	7,983	(27,431)	1,669	(22,570)
Increase/Decrease in assets				
Loans and receivables	-	(110,690)	-	-
Derivative financial Instrument	-	(1,884)	-	(1,884)
Receivable against Sale of Investment	283	(3,446)	-	(3,446)
Investments at fair value through profit or loss	2,531	6,319	(4,053)	37,466
	2,814	(109,701)	(4,053)	32,136
Increase in liabilities				
Payable to Al Meezan - management company of the Fund	7,656	400	2,773	670
Payable to CDC - trustee of the Fund	8	(21)	2	(7)
Payable to MBL	(252)	(2,167)	-	861
Payable to SECP	(137)	308	116	98
Payable on redemption of units	25	-	21	-
Payable against purchase of investments	(503)	-	362	-
Accrued expenses and other liabilities	(23)	(225)	(141)	217
	6,774	(1,705)	3,133	1,839
Profit received on savings accounts with banks	421	1,079	186	160
Dividend received	4,108	5,148	1,114	1,092
Net cash inflow / (outflow) from operating activities	22,100	(132,610)	2,049	12,657
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	-	8,655	-	-
Payments against redemption of units	(22,960)	(7,323)	(9,135)	(1,501)
Net cash (outflow) / inflow from financing activities	(22,960)	1,332	(9,135)	(1,501)
Net cash inflow / (outflow) during the period	(860)	(131,278)	(7,086)	11,161
Cash and cash equivalents at the beginning of the period	1,773	142,831	7,999	392
Cash and cash equivalents at the end of the period	913	11,553	913	11,553

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 Capital Protected Fund-I (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 February 25, 2008 and was approved by the Securities and Exchange Commission of Pakistan (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) notified through of, S.R.O. 1203 (1)/2008 on November 21, 2008. 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 consists of two segments, a capital protection segment and an investment segment. The capital protection segment aims at protecting investors' capital by placing the assets of the segment in murabaha arrangement with a scheduled islamic bank having atleast 'A' rating at the time of the arrangement. The investment segment generally invests in high return / high risk investments with an objective of providing unitholders a higher return than the minimum protection provided by the capital protection segment. Under the trust deed all the conducts and acts of the Fund are based on shariah. MBL acts 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 the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an open-end fund with maturity of three years and six weeks and is listed on the Karachi Stock Exchange. The Fund shall cease to operate on maturity. The units are transferable and can be redeemed by surrendering them to the Fund. The issuance of units have been discontinued since July 31, 2008. The rating of the Fund has not been conducted as at December 31, 2009.
- 1.4 Title to the assets of the Fund are held in the name of CDC as a 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 Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP.

Wherever, the requirements of the Trust Deed, the NBFC rules, the NBFC Regulations or the said directives differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the 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, 2009.
- 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 included in this condensed interim financial report.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 4.1 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. LOANS AND RECEIVABLES

	March 31, 2010	June 30, 2009
	(Rupees in '000)	
5.1 Principal amount	453,720	453,720
Profit receivable	101,055	56,617
Total	554,775	510,337

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

6.1 Shares in listed companies

Name of the investee company	As at July 1, 2009	Purchase during the period	Bonus / rights issue during the period	Sales during the period	As at March 31, 2010	Carrying value as at March 31, 2010	Market value as at March 31, 2010 value	Unrealised gain / (loss) as at March 31, 2010	Percentage in relation to			
									Net assets of the Fund on the basis of market value (see note 6.3 below)	Paid-up capital of investee company (with face value of investments)	Total market value of investments	
					Number of shares	Rupees in '000						
Commercial Bank												
Meezan Bank Limited (an associate of Fund)	221,381	-	7,219	77,000	151,600	1,588	2,627	1,039	0.41	0.02	2.79	
Automobile assembler												
Indus Motor Company Limited	16,190	10,800	-	17,400	9,590	1,391	1,996	605	0.31	0.01	2.12	
Textile Composite												
Nishat Mills Limited	51,000	-	-	51,000	-	-	-	-	-	-	-	
Cement												
DG Khan Cement Company Limited	9,580	-	-	9,580	-	-	-	-	-	-	-	
Lucky Cement Limited	30,000	57,500	-	20,000	67,500	4,585	5,487	902	0.87	0.02	5.84	
Attock Cement	-	3,000	-	2,500	500	42	43	1	0.01	-	0.05	
									0.88	0.02	5.90	
Chemical												
ICI Pakistan Limited	14,800	18,877	-	20,000	13,677	2,184	2,217	33	0.35	0.01	2.36	
Power generation and distribution												
The Hub Power Company Limited	198,000	115,500	-	207,900	105,600	7,715	9,253	1,538	1.46	0.01	9.84	
Technology and communication												
Pakistan Telecommunication Company Limited 'A'	307,900	-	-	207,900	100,000	1,724	2,101	377	0.33	-	2.24	
Miscellaneous												
Tri Pack Films Limited	80,000	-	-	-	80,000	7,991	8,252	261	1.30	0.27	8.78	
Oil and gas exploration companies												
Oil and Gas Development Company Limited	110,000	100,000	-	107,000	103,000	5,572	8,181	2,609	1.29	-	8.70	
Pakistan Petroleum Limited	43,500	7,000	9,860	4,700	55,660	9,035	10,877	1,842	1.72	0.01	11.57	
Pak Oil Fields Limited	64,900	29,000	-	56,200	37,700	6,472	8,816	2,344	1.39	0.02	9.38	
									4.40	0.03	29.65	
Oil and gas marketing companies												
Pakistan State Oil Company Limited	19,000	73,500	-	47,550	44,950	13,268	13,925	657	2.20	0.03	14.81	
Fertilizer												
Engro Chemical Pakistan Limited	40,600	-	-	40,600	-	-	-	-	-	-	-	
Fauji Fertilizer Bin Qasim Company Limited	415,000	255,340	-	466,000	204,340	4,143	6,504	2,361	1.03	0.02	6.92	
Fauji Fertilizer Company Limited	93,775	47,000	-	19,000	121,775	11,417	13,358	1,941	2.11	0.02	14.21	
									3.13	0.04	21.13	
Refinery												
National Refinery Limited.	-	2,000	-	-	2,000	362	361	(1)	0.06	-	0.38	
Total						<u>77,489</u>	<u>93,998</u>	<u>16,509</u>				
Total cost of investments						<u>85,953</u>						

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

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

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 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 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 0.13 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.

8. TRANSACTIONS WITH CONNECTED PERSONS

The connected persons include Al Meezan being the management company, CDC being the trustee, MBL being the shariah adviser of the Fund and holding company of the management company, Al Meezan Mutual Fund Limited, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Balanced Fund, Meezan Cash Fund, Meezan Sovereign Fund and Meezan Islamic Income 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 at period end are as follows:

	March 31, 2010	June 30, 2009
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration payable	15,449	7,793
Preliminary expenses and floatation cost	<u>2,921</u>	<u>2,921</u>
Investment of 195,004 Units (June 30, 2009: 181,097 Units)	<u>10,990</u>	<u>9,087</u>

	March 31, 2010	June 30, 2009
(Rupees in '000)		
MBL		
Balances with bank	492	114
Shariah advisory fee Payable	-	252
Investment - Loans and receivables	554,775	510,337
Investment in 5,035,119 units (June 30, 2009: 5,000,000)	283,778	250,880
CDC - trustee of the Fund		
Trustee fee payable	70	62
Deposit with CDC	100	100
Directors and other officers of the management company		
Investment of 9,777 units (June 30, 2009: 9,709 units)	551	487
Bonus units issued: 68 units (June 30, 2009: nil units)	3	-
Nine months period ended March 31,		
	2010	2009
(Rupees in '000)		
Al Meezan - management company of the Fund		
Remuneration for the period	7,656	2,467
Bonus units issued: 1,272 units (March 31, 2009: nil units)	63	-
Transferred during the period: 12,635 units (March 31, 2009: nil units)	641	-
MBL		
Profit on savings accounts	5	42
Shariah advisory fee	-	219
Remuneration for the period	-	3,185
Profit on murabaha	44,437	39,470
Shares purchased during the period : nil (March 31, 2009: 151,000 shares)	-	4,407
Shares sold during the period : 77,000 (March 31, 2009: nil shares)	1,329	-
Bonus units issued: 35,119 units (March 31, 2009: nil units)	1,750	-
CDC - trustee of the Fund		
Trustee fee	598	544
CDS charges	7	6

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were 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