



## Contents

- 02 Vision & Mission Statements
- 03 Fund Information
- 04 Report of the Directors of the Management Company
- 07 Condensed Interim Statement of Assets and Liabilities
- 08 Condensed Interim Income Statement
- 09 Condensed Interim Distribution Statement
- 10 Condensed Interim Statement of Movement in Unit Holders' Fund
- 11 Condensed Interim Cash Flow Statement
- 12 Notes to the Condensed Interim Financial Statements

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

### 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. 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

Al Baraka Islamic Bank B.S.C (E.C)  
Bank Alfalah Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Islami Pakistan 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  
Standard Chartered Bank (Pakistan) Limited - Islamic Banking  
UBL Ameen Islamic Banking

### LEGAL ADVISER

Bawaney & Partners  
404, 4<sup>th</sup> Floor, Beaumont Plaza, 6-CL-10  
Beaumont Road, Civil Lines  
Karachi - 75530

### TRANSFER AGENT

Meezan Bank Limited  
SITE Branch  
Plot # B/9-C, Estate Avenue,  
SITE, Karachi.

### 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, 2010.

### Brief Overview

During the first quarter of fiscal year 2011, Meezan Islamic Fund (MIF) provided a return of 5.57% to its investors while the benchmark index, KSE Meezan Index (KMI-30), increased by 7.6% to 15,683. The KSE 100 index during the same period closed at 10,013 posting a 3% increase quarter on quarter.

### Economic Review

After the consolidating year 2010, the new fiscal year was pinned with hopes of further economic recovery with the GDP target of 4.5%. However, the situation completely changed with the devastating floods in August 2010 in which about one-fifth of the country has been badly effected and 10 percent of the country population has been directly effected. Nearly two million homes have been destroyed or damaged and there is extensive damage to roads, telecom and energy infrastructure, crops and livestock. Precise estimates are not yet available, but it is clear that the costs of humanitarian relief and reconstruction will be in billions of dollars.

As a result all the macroeconomic targets are expected to be missed. The GDP growth target has already been revised down by 1-2% mainly because of sharply lower agricultural output growth estimates which accounts for 21 percent of GDP and 45 percent of employment. Average annual inflation is projected to rise to 13.5% in current fiscal year compared to 11.7% last year and the balance of payments is expected to weaken by US\$1.6 billion (0.8% of GDP) as compared to the pre-flood forecast.

To finance relief and rehabilitation work, government borrowed Rs. 220 billion from the Central bank against IMF's target of zero net borrowing from the SBP. International aid for flood relief namely US\$ 451 million emergency aid by IMF and remittances helped to build the forex reserves which increased to all time high of US\$ 16.78 billion. The country saw the record monthly remittance inflow of US\$ 933 million during August. On domestic front, the provisional tax collection for the quarter was approximately Rs. 290 billion against a target of Rs. 295 billion.

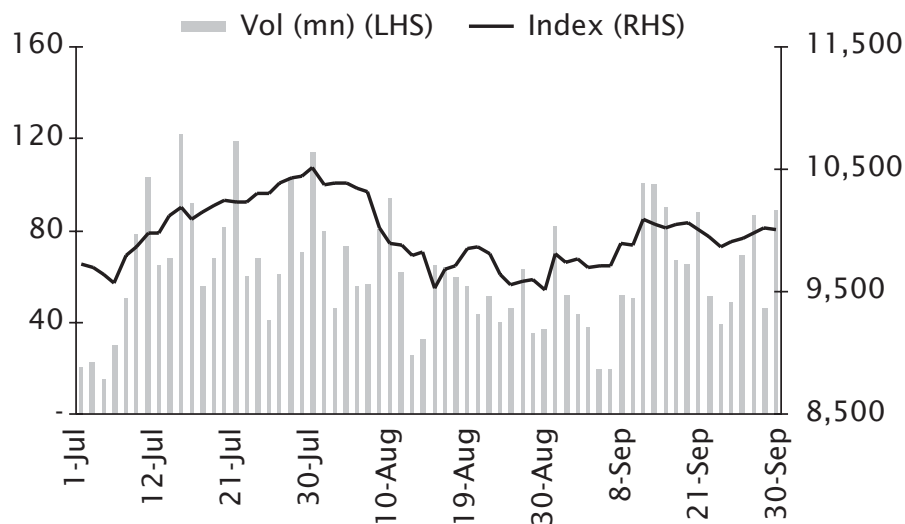
### Equity Market Review

The market remained volatile during the first quarter of fiscal year 2011 due to mixed news flow and uncertain macroeconomic situation. As expected, activity in the market dried up with implementation of capital gain tax (CGT) as the daily average volume shrank to 62mn shares as compared to the 188.6mn shares during the corresponding quarter last year, depicting decline of 67% year on year.

Despite concerns related to CGT, the quarter started on a bullish note on the back of expectations of positive corporate results alongwith foreign interest, which helped the market to post an extraordinary return of 8.2% for the month of July with KSE-100 index making a high of 10,519.

However, this rally was arrested by 50 bps increase in the discount rate by State bank in its bimonthly monetary policy statement at the end of July. Later, the market performance was further derailed by the devastating floods in the country which adversely affected major sectors of the economy leading to 1-2% cut in the GDP growth target of 4.5%. Inflation concerns resurfaced in the market with flood related damage to agriculture sector, jump in government expenditure on relief and rehabilitation, and price hike during Ramadan. In the wake of rising inflation expectations and keeping overall post-flood macroeconomic picture in view, SBP further increased the policy rate by another 50 bps in September 2010 to 13.5%.

Despite all the macroeconomic uncertainties, foreigners remained net buyers in the market on the back of cheap valuations relative to regional markets. Hence, there was a net foreign inflow of US\$ 106 million during the period under review. Moreover, the approval of Margin Trading System (MTS) by SECP along with above expectation payouts and earnings of the oil companies gave some respite to the market and helped KSE-100 index to close the quarter at 10,013.



### Performance Review

The return on Karachi Meezan Index (KMI) serves as the benchmark for Meezan Islamic Fund (MIF). During the quarter ended September 30, 2010, the net asset value (NAV) of MIF appreciated by 5.57% to Rs. 39.24 per unit as compared to the benchmark which appreciated by 7.6%. The net assets of MIF marginally declined by Rs. 3 million in the quarter to Rs. 3,963 million by the end of September 30, 2010.

Meezan Islamic Fund (MIF) during the first quarter ended September 30, 2010 earned a net loss of Rs. 70 million as compared to net profit of Rs. 1,063 million incurred during corresponding period last year. The fund earned gross income of Rs. 158 million in the period under review compared to gross income of Rs. 1,051 million in the corresponding period last year. The main contributor in the gross income was capital gain (realized and unrealized) and dividend income worth Rs. 84 million and Rs. 65 million respectively.



## Outlook

Although the implementation of capital gain tax has negatively impacted volumes, we believe that the introduction of the leverage product in the market will improve the liquidity position and attract the investors back to the equity market. On the basis of earnings multiples and dividend yields, Pakistan remains one of the cheapest emerging market. Pakistan's stock market is trading at a P/E multiple of under 7, which is almost at 45% discount to other frontier markets. This makes KSE an attractive option for foreign investors, who are expected to continue to make investments at the local bourses. Nonetheless, investors will focus on the impact of the floods on the economy with particular reference to the corporate earnings.

Our outlook for the coming year is cautiously optimistic. The management of Al Meezan is fully aware of the challenges that lie ahead and is taking all possible measures to face them.

## 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, Custodian, 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: October 19, 2010  
Karachi.

**Mohammad Shoib, CFA**  
Chief Executive

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2010

	Note	(Unaudited) September 30, 2010 (Rupees in '000)	(Audited) June 30, 2010
<b>Assets</b>			
Balances with banks	5	354,967	352,749
Investments	6	3,541,287	3,644,759
Receivable against sale of investments		40,890	15
Dividend receivable		46,639	18,049
Advances, deposits and other receivables		15,074	10,724
<b>Total assets</b>		<b>3,998,857</b>	<b>4,026,296</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund		8,228	7,404
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund		425	427
Payable to Meezan Bank Limited (MBL)		205	79
Payable to Securities and Exchange Commission of Pakistan (SECP)		979	4,121
Payable on redemption of units		14,276	13,748
Payable against purchase of investments		1,139	1,468
Accrued expenses and other liabilities		10,540	33,139
<b>Total liabilities</b>		<b>35,792</b>	<b>60,386</b>
<b>Net assets</b>		<b>3,963,065</b>	<b>3,965,910</b>
<b>Unitholders' fund (as per statement attached)</b>		<b>3,963,065</b>	<b>3,965,910</b>
<b>Number of units</b>			
<b>Number of units in issue</b>		<b>100,988,987</b>	<b>85,891,040</b>
<b>Rupees</b>			
<b>Net assets value per unit</b>		<b>39.24</b>	<b>46.17</b>

The annexed notes 1 to 8 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, 2010

	September 30	
	2010	2009
	(Rupees in '000)	
<b>Income</b>		
Net realised gain on sale of investments	28,965	143,144
Dividend income	65,037	78,028
Profit on savings accounts with banks	8,320	5,654
Other income	503	612
	<u>102,825</u>	<u>227,438</u>
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	55,161	823,876
<b>Total income</b>	<u>157,986</u>	<u>1,051,314</u>
<b>Expenses</b>		
Remuneration to Al Meezan	20,620	21,297
Remuneration to CDC	1,283	1,317
Annual fee to SECP	980	1,012
Auditors' remuneration	143	130
Fees and subscription	10	10
Legal and professional charges	42	111
Brokerage	422	1,593
Bank and settlement charges	151	300
Printing charges	77	156
<b>Total expenses</b>	<u>23,728</u>	<u>25,926</u>
<b>Net income from operating activities</b>	<u>134,258</u>	<u>1,025,388</u>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(203,887)	37,374
<b>Net (loss) / income</b>	<u>(69,629)</u>	<u>1,062,762</u>
<b>Other comprehensive income for the period</b>		
Unrealised gain / (loss) on available for sale investments	61,819	(8,406)
Element of (loss) / gain and capital (losses) / gains included in prices of units sold less those in units redeemed pertaining to 'available for sale' investment	(8,737)	703
<b>Total comprehensive (loss) / income for the period</b>	<u>(16,547)</u>	<u>1,055,059</u>

The annexed notes 1 to 8 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, 2010

	September 30	
	2010	2009
	(Rupees in '000)	
Accumulated loss	(350,397)	(1,558,724)
Less : Final distribution in the form of bonus units @ 18% for the year ended June 30, 2010 (June 30, 2009 @ nil)	(771,783)	-
Less : Final distribution in the form of 18% cash dividend for the year ended June 30, 2010 (June 30, 2009 @ nil)	(1,237)	-
Net (loss) / income for the period	(69,629)	1,062,762
Element of (loss) / gain and capital (losses) / gains included in prices of units sold less those in units redeemed pertaining to 'available for sale' investment	(8,737)	703
Reversal of provision of Workers' Welfare Fund	24,242	-
Undistributed Loss carried forward	<u>(1,177,541)</u>	<u>(495,259)</u>

The annexed notes 1 to 8 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, 2010

	September 30	
	2010	2009
	(Rupees in '000)	
Net assets at the beginning of the period	3,965,910	3,737,293
Issue of 2,906,473 (September 30, 2009: 5,692,381) units	113,213	256,755
Redemption of 8,572,113 (September 30, 2009: 6,659,638) units	(335,140)	(267,041)
	(221,927)	(10,286)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net):		
- transferred to income statement	203,887	(37,374)
- transferred to other comprehensive income	8,737	(703)
	212,624	(38,077)
Reversal of provision of Workers' Welfare Fund	24,242	-
Total comprehensive income / (loss) for the period	(16,547)	1,055,059
Cash distribution during the period	(1,237)	-
Issue of bonus units during the period	(771,783)	-
Total comprehensive income / (loss) for the period less distribution	(789,567)	1,055,059
Issue of 20,763,587 bonus units for the year ended June 30, 2010 (2009: nil bonus units)	771,783	-
Net assets at the end of the period	3,963,065	4,743,989
Net asset value per unit at the beginning of the period - Rupees	46.17	35.28
Net asset value per unit at the end of the period - Rupees	39.24	45.20

The annexed notes 1 to 8 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, 2010

	September 30	
	2010	2009
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year	(69,629)	1,062,762
<b>Adjustments for:</b>		
Dividend income	(65,037)	(78,028)
Profit on deposit accounts with banks	(8,320)	(5,654)
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	(55,161)	(823,876)
Reversal of provision of Workers' Welfare Fund	24,242	-
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	203,887	(37,374)
	29,982	117,830
<b>Decrease / (increase) in assets</b>		
Investments at fair value through profit or loss	220,452	122,017
Receivable against sale of investments	(40,875)	6,076
Advances, deposits and other receivables	(29)	(30)
	179,548	128,063
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan - management company of the Fund	824	1,773
Payable to CDC - trustee of the Fund	(2)	69
Payable to MBL	126	(927)
Payable to SECP	(3,142)	(2,855)
Payable on redemption of units	528	1,763
Payable against purchase of investments	(329)	1,641
Accrued expenses and other liabilities	(22,599)	160
	(24,594)	1,624
Dividend received	36,447	64,941
Profit received on deposit accounts with banks	3,999	6,443
Dividend paid	(1,237)	-
<b>Net cash inflow from operating activities</b>	224,145	318,901
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from sale of units	113,213	256,755
Payments against redemption of units	(335,140)	(267,041)
<b>Net cash outflow from financing activities</b>	(221,927)	(10,286)
Net cash outflow during the period	2,218	308,615
Cash and cash equivalents at the beginning of the period	352,749	142,537
Cash and cash equivalents at the end of the period	354,967	451,152

The annexed notes 1 to 8 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 STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2010

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Meezan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Meezan 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). 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 by JCR-VIS. The Fund is ranked at 'MFR 5-Star' for one year, two years and three years performance rankings by JCR-VIS Credit Rating Company Limited.

Title to the assets of the Fund are 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, NBFC Rules, NBFC Regulations, 2008 and the said directives take precedence.

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, 2010.

### 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, 2010.

### 5. BALANCES WITH BANKS

	(Unaudited) September 30, 2010	(Audited) June 30, 2010
Note	(Rupees in '000)	
On current accounts	3,509	1,648
On savings accounts	351,458	351,101
	<u>354,967</u>	<u>352,749</u>

### 6. INVESTMENTS

Investments at fair value through profit and loss	6.1	1,748,530	1,987,091
Investments- 'available for sale'	6.2	1,792,757	1,657,668
		<u>3,541,287</u>	<u>3,644,759</u>

#### 6.1 Investments at 'fair value through profit or loss'

- Held for trading	6.1.1	1,599,125	1,763,080
- Investments at 'fair value through profit or loss upon initial recognition'	6.1.4	149,405	224,011
		<u>1,748,530</u>	<u>1,987,091</u>



### 6.1.1 Held for Trading - Shares of listed companies

Name of the investee company	As at July 1, 2010	Purchases during the year	Bonus / rights issue	Sales during the year	As at September 30, 2010	Carrying value	Market value	Unrealised gain / (loss)	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total market value of investments	Paid-up capital of investee company (with face value of investment)
----- Number of Shares -----						----- Rupees in '000 -----					
<b>General Industrials</b>											
Thal Limited (note 6.1.2)	331,256	-	-	-	331,256	31,449	35,166	3,717	0.89	0.99	0.65
Tri-Pack Films Limited	389,300	-	-	-	389,300	37,968	38,541	573	0.97	1.09	1.30
<b>Construction and Materials</b>											
Attock Cement Pakistan Limited	219,520	-	-	-	219,520	14,379	14,124	(255)	0.36	0.40	0.25
Lucky Cement Limited	1,135,800	-	-	400,000	735,800	45,723	50,888	5,165	1.28	1.44	0.23
<b>Oil and gas</b>											
Pakistan State Oil Company Limited	951,300	-	-	142,000	809,300	210,580	217,459	6,879	5.49	6.14	0.47
Oil and Gas Development Company Limited (note 6.1.3)	157,077	-	-	140,000	17,077	2,420	2,488	68	0.06	0.07	-
Pakistan Oilfields Limited	1,355,740	-	-	183,375	1,172,365	253,114	278,003	24,889	7.01	7.85	0.50
Pakistan Petroleum Limited	1,062,214	-	212,442	207,000	1,067,656	163,814	184,075	20,261	4.64	5.20	0.09
<b>Automobile and Parts</b>											
Indus Motor Company Limited	451,135	-	-	-	451,135	118,369	97,711	(20,658)	2.46	2.76	0.57
Pak Suzuki Motor Company Limited	181,163	-	-	100,000	81,163	6,434	5,624	(810)	0.14	0.16	0.10
Agriauto Industries Limited (note 6.1.2)	679,200	-	-	-	679,200	46,865	47,544	679	1.20	1.34	2.36
<b>Fixed Line Telecommunication</b>											
Pakistan Telecommunication Company Limited "A"	65,981	-	-	-	65,981	1,174	1,240	66	0.03	0.04	-
<b>Chemicals</b>											
Fauji Fertilizer Company Limited	5,837,146	-	-	526,537	5,310,609	547,363	556,764	9,401	14.05	15.72	0.78
Fauji Fertilizer Bin Qasim Limited	2,502,062	-	-	50,000	2,452,062	63,852	66,451	2,599	1.68	1.88	0.26
ICI Pakistan Limited	26,017	-	-	-	26,017	3,085	3,047	(38)	0.08	0.09	0.02
<b>Total</b>						<b>1,546,589</b>	<b>1,599,125</b>	<b>52,536</b>			
<b>Total cost of investments</b>							<b>1,404,433</b>				

6.1.2 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.

6.1.3 210,000 shares of Oil and Gas Development Company Limited, having market value of Rs 30.599 million as at September 30, 2010, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

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

Name of the investee company	As at July 1, 2010	Purchases during the year	Bonus / rights issue	Sales during the year	As at September 30, 2010	Carrying value	Market value	Unrealised gain / (loss)	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total market value of investments	Paid-up capital of investee company (with face value of investment)
----- Number of Shares -----						----- Rupees in '000 -----					
<b>Equity Investment Instruments</b>											
Al Meezan Mutual Fund Limited (an associate of the Fund)	19,570,700	-	-	11,058,309	8,512,391	56,607	58,821	2,214	1.48	1.66	6.19
<b>Banks</b>											
Meezan Bank Limited (an associate of the Fund)	6,442,118	-	-	253,838	6,188,280	90,040	90,472	432	2.28	2.55	0.89
<b>Pharma and Bio Tech</b>											
Glaxosmithkline Pakistan Limited	1,093	-	-	-	1,093	89	74	(15)	-	-	-
<b>General Industrials</b>											
Packages Limited	374	-	-	-	374	44	38	(6)	-	-	-
<b>Grand Total</b>						<b>146,780</b>	<b>149,405</b>	<b>2,625</b>			
<b>Total cost of Investments</b>							<b>197,618</b>				

## 6.2 Investments 'available for sale'

### 6.2.1 Shares of listed companies

Name of the investee company	As at July 1, 2010	Purchases during the year	Bonus / rights issue	Sales during the year	As at September 30, 2010	Carrying value	Market value	Unrealised gain / (loss)	Percentage in relation to			
									Number of Shares	Net assets of the Fund on the basis of market value	Total market value of investments	Paid-up capital of investee company (with face value of investment)
<b>General Industrials</b>												
Packages Limited	1,201,745	-	-	-	1,201,745	145,512	121,376	(24,136)	3.06	3.43	1.42	
Thal Limited (note 6.1.2)	20	-	-	-	20	2	2	-	-	-	-	
Tri-Pack Films Limited	10	-	-	-	10	1	1	-	-	-	-	
<b>Construction and Materials</b>												
Attock Cement Pakistan Limited	282,631	20,000	-	-	302,631	19,703	19,471	(232)	0.49	0.55	0.35	
Lucky Cement Limited	2,007,720	640,440	-	-	2,648,160	171,291	183,147	11,856	4.62	5.17	0.82	
<b>Fixed Line Telecommunication</b>												
Pakistan Telecommunication Company Limited "A"	9,440,672	930,000	-	250,000	10,120,672	180,009	190,269	10,260	4.80	5.37	0.27	
<b>Oil and gas</b>												
Pakistan State Oil Company Limited	727,646	-	-	35,000	692,646	182,556	186,114	3,558	4.70	5.26	0.40	
Oil and Gas Development Company Limited (note 6.1.3)	1,379,000	259,256	-	320,500	1,317,756	162,989	192,010	29,021	4.84	5.42	0.03	
Pakistan Oilfields Limited	761,800	-	-	90,000	671,800	145,776	159,304	13,528	4.02	4.50	0.28	
Pakistan Petroleum Limited	1,347,000	-	269,400	65,000	1,551,400	238,819	267,477	28,658	6.75	7.55	0.13	
National Refinery Limited	404,351	-	-	-	404,351	75,123	81,703	6,580	2.06	2.31	0.51	
<b>Chemicals</b>												
Fauji Fertilizer Company Limited	105,000	-	-	-	105,000	10,707	11,008	301	0.28	0.31	0.02	
Fauji Fertilizer Bin Qasim Limited	4,750,000	-	-	-	4,750,000	116,256	128,725	12,469	3.25	3.63	0.51	
ICI Pakistan Limited	1,400,000	315,000	-	-	1,715,000	205,403	200,827	(4,576)	5.07	5.67	1.24	
<b>Automobile and Parts</b>												
Indus Motor Company Limited	5,000	46,402	-	-	51,402	12,594	11,133	(1,461)	0.28	0.31	0.07	
<b>Pharma and Bio Tech</b>												
Glaxosmithkline Pakistan Limited	40,000	-	-	-	40,000	3,213	2,696	(517)	0.07	0.08	0.02	
<b>Banks</b>												
Meezan Bank Limited (an associate of the Fund)	1,906,917	657,655	-	-	2,564,572	39,230	37,494	(1,736)	0.95	1.06	0.37	
<b>Grand Total</b>						<b>1,709,184</b>	<b>1,792,757</b>	<b>83,573</b>				
<b>Total cost of Investments</b>							<b>1,709,184</b>					

## 7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan 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 Sovereign Fund, Meezan Cash Fund and Meezan Balanced Fund being the Funds under the management of the management company and Pakistan Kuwait Investment Company (Private) Limited.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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



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

	<b>(Unaudited) September 30, 2010</b>	<b>(Audited) June 30, 2010</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan - management company of the Fund</b>		
Remuneration payable	<u>6,636</u>	<u>6,607</u>
Sale load payable	<u>1,587</u>	<u>792</u>
Certificate charges payable	<u>5</u>	<u>5</u>
Investment of 4,955,342 units (June 30, 2010: 3,674,477 units)	<u>194,448</u>	<u>169,651</u>
<b>Al Meezan Mutual Fund Limited</b>		
Investment in 8,512,391 shares (June 30, 2009: 19,570,700 shares)	<u>58,821</u>	<u>130,145</u>
<b>Meezan Bank Limited</b>		
Bank balance	<u>6,738</u>	<u>18,762</u>
Sales load payable	<u>205</u>	<u>79</u>
Investment in 8,752,852 shares (June 30, 2010: 8,413,933 shares)	<u>127,966</u>	<u>121,479</u>
Investment of 8,996,011 units (June 30, 2010: 7,242,403 units)	<u>353,003</u>	<u>334,382</u>
<b>Central Depository Company of Pakistan Limited</b>		
Trustee fee payable	<u>414</u>	<u>413</u>
Charges payable	<u>11</u>	<u>14</u>
<b>Directors and executives</b>		
Investment of 2,149,097 units (June 30, 2010: 1,678,992 units)	<u>84,331</u>	<u>77,519</u>



**For the quarter ended  
September 30**

	2010	2010
	(Rupees in '000)	
<b>Al Meezan - management company of the Fund</b>		
Remuneration for the period	20,620	21,297
Bonus units issued: 889,704 units (2009: nil units)	33,070	-
Units issued: 391,689 units (2009: nil units)	15,000	-
Redemptions: 528 units (2009: 634,398 units)	20	27,000
<b>Meezan Bank Limited</b>		
Bonus units issued: 1,753,608 units (2009: nil units)	65,182	-
<b>Central Depository Company of Pakistan Limited</b>		
Trustee fee	1,283	1,317
CDS charges	39	27
<b>Directors and executives</b>		
Bonus units issued: 417,930 units (2009: nil units)	15,535	-
Units issued: 10,250 units (2009: 19,143 units)	400	767
Redemptions: 5,098 units (2009: 51,605 units)	198	2,259

## 8. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 19, 2010 by the board of directors of the management company.

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

**Chief Executive**

**Director**