



Quarterly Report March 31, 2012



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Al Meezan Investment Management Limited

A subsidiary of Meezan Bank

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Our Vision

"To promote professional fund management through development and implementation of Shariah compliant investment products, policies and practices designed to meet the investment objectives of the investors".

Our Mission

"To be the leading Shariah compliant asset management company providing quality service to institutional and individual investors utilizing modern techniques of portfolio management, proactive asset allocation and prudent security selection while maintaining high standards of ethical and professional conduct".



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REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY

The Board of Directors of Al Meezan Investment Management Limited, the management company and pension fund manager is pleased to present the unaudited financial statements of the following open end funds, a closed end fund and voluntary pension scheme under its management for the period ended March 31, 2012.

Equity Funds

Meezan Islamic Fund
Al Meezan Mutual Fund

Income Funds

Meezan Islamic Income Fund
Meezan Sovereign Fund

Money Market Fund

Meezan Cash Fund

Meezan Capital Protected Fund- II
Meezan Balanced Fund
Meezan Tahaffuz Pension Fund

Economic Review

Amidst rising macroeconomic challenges, the first nine months of fiscal year 2012 (FY12) witnessed a blend of positives and negatives. On one hand was the easing inflationary environment where the average inflation of 10.8% in nine months remained well within the government's inflation target of 12% for FY12. On the other hand, the daunting task of controlling the fiscal deficit forced the government to rely heavily on borrowing from State Bank of Pakistan (SBP).

The declining inflationary trend enabled the government to cut the discount rate by 50 bps and then by 150 bps respectively in the first two monetary policies of the fiscal year. However slippages on fiscal side and heavy government borrowing posed a key challenge to the liquidity position, thereby limiting further reduction in discount rate in November and February monetary policy reviews where the policy rate was kept unchanged. Despite these structural weaknesses, Federal Board of Revenue (FBR) was able to achieve a considerable growth in its revenue as tax collection during nine months stood at Rs. 1,270 billion, up 25% year on year.

On the current account front, deficit widened to USD 2.8 billion in eight months as against a minimal deficit of USD 189 million in the same period last year. The slowdown in global growth and decline in commodity prices adversely affected exports which decreased by 3.03% YoY to USD 17.2 billion in 9MFY12. On the other hand, total imports increased by 14.7% YoY to USD 33.29 billion with petroleum products imports continuing to be the major contributor. On a positive note, remittances remained robust amounting to USD 8.6 billion; up 23% YoY and provided some ease to the current account head.

While the magnitude of current account deficit is manageable compared to historical highs, subdued foreign investment along with repayment of IMF loan worth USD 432 million dragged foreign exchange reserves down to USD 16.5 billion in March 2012, from USD 18.2 billion level in June 2011. This was also reflected in sharp currency move as rupee lost 5.47% during the nine months of fiscal year to Rs. 90.68/USD.



During the period under review, the government was engaged in talks with IMF where the lending agency suggested of keeping the exchange rate flexible and monetary policy tighter if inflationary pressure rises. At the same time, the already strained Pak-US ties further aggravated after the Salala Post incident in November 2011. This halted all speculations regarding the realization of coalition support fund (CSF) and Kerry-Lugar bill inflows. Despite the risk arising from macroeconomic front and the prevalent political uncertainty, S&P maintained the country's sovereign rating at B- and a stable future outlook which aided in neutralizing the negativity to a large extent.

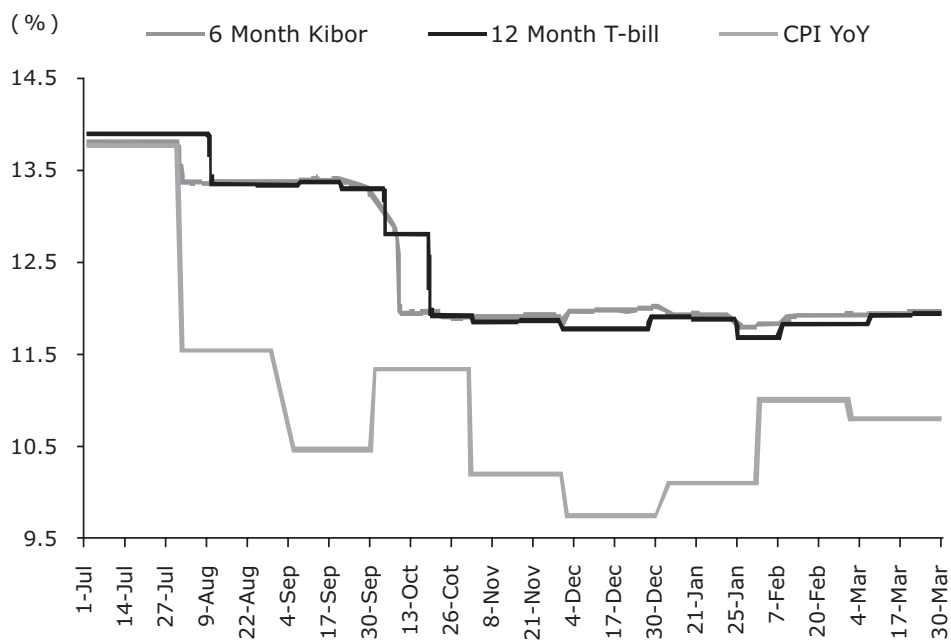
Money Market Review

In the first nine month of FY-12, the money market remained highly illiquid. To normalize the liquidity situation, State Bank of Pakistan (SBP) regularly conducted open market operations (OMOs). During the period, SBP conducted nineteen T-Bill auctions, seven PIB auctions and two Ijarah Sukuk auctions. Cumulatively, SBP accepted Rs 2,230 billion and Rs 148 billion in T-Bills and PIBs respectively. In the Ijarah Sukuk auction, SBP accepted Rs 108 billion at par against the total participation of Rs 140 billion.

Moreover, lower inflation figures and limited government borrowing from banking sources forced the State Bank to adopt a soft monetary stance reducing the discount rate by a cumulative 200 basis points, in two phases. As a result, the cutoff rates of T-Bill and PIBs declined by 179 basis points and 89 basis points respectively to close at 11.94% and 13.2% in first nine months of the FY 2012. In line with that, six months KIBOR also declined by 181 basis points to close at 11.97%.

On the forex front, Rupee remained under immense pressure as it depreciated massively against dollar both in interbank and Kerb market by Rs 4.70 (5.47%) and Rs 5.0 (5.81%) respectively. Rupee also touched an all time low against dollar, both in the interbank and open market at Rs 91.01 and Rs 91.50 per US dollar respectively.

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





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Equity Market Review

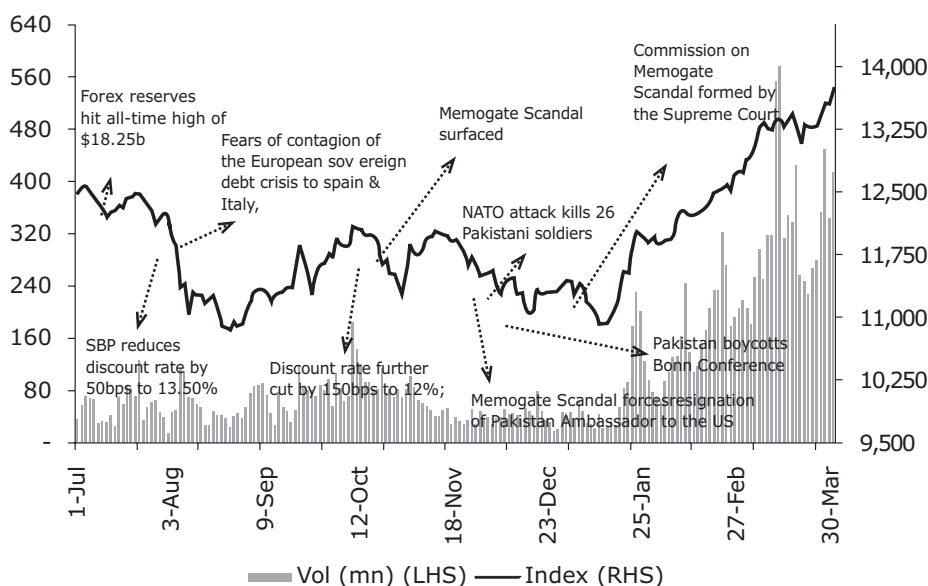
During the first nine months of FY-12, KSE-100 index posted a return of 10.1% to close at the level of 13,762. The performance, however, was completely skewed towards the third quarter of the year. The major impetus for the market remained the Capital Gains Tax (CGT) proposals by SECP. This was in addition to the resilient corporate earnings and healthy payouts which helped the index to close at a 46 month high level of 13,762 at March end. On the flip side, average daily volumes during nine month FY12 remained flat at 103mn shares compared to 107mn shares in the same period last year. KSE Meezan Index (KMI), on other hand, appreciated by 12.6% during the nine months of FY12.

The fiscal year started with the continuation of concerns over CGT issue combined with the lack of leverage product. This pushed the market into a dull phase in the first half of the fiscal year where the market slumped by 7% and the average daily traded volume declining to a paltry 60mn shares a day.

The market however witnessed a revival in fortunes with the start of the calendar year when the Finance Minister announced the relief measures on CGT in mid January, accepting all proposals of the SECP in this regard. The proposals included 1) no questions on source of funds invested in the stock market till Jun-14; 2) freezing of CGT rates at current levels; 3) abolishing withholding tax on sale transactions; and 4) centralized collection and calculation of CGT (shielding individual investors from hassle of paperwork and interaction with tax authorities).

Following the announcement, the market rallied and remained immune to a number of worrying factors including the rising oil prices and noisy politics (both on the domestic and international front). Although there has been a delay in the official notification of the relief of CGT measures announced by the Finance Minister, KSE emerged as one of the best performing markets in the region during January- March 2012, posting a return of 21%. The impressive performance also saw a revival in foreign interest where the KSE saw net inflows of USD 16mn in the period under discussion taking the full year outflow to USD 136mn. .

The sectors that remained in limelight during the nine months were the cement and fertilizers yielding exceptional returns. The only exception was Engro where the company's new plant continued to face the brunt of gas shortage. Oil sector was the major underperformer where all the first tier stocks failed to generate investors' interest on account of various international and domestic issues. In light of these factors, third tier scrips remained in public eye as the preferred stocks to generate market activity.





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Mutual Fund Industry Review

During the nine months of FY12, mutual fund industry witnessed a growth of 34.16% to reach Rs 334 billion. Islamic funds on the other hand grew by 30.8% during the period under review to Rs 51 billion as of March end. This brings contribution of Islamic funds at 15% in the total mutual fund industry.

In terms of growth in net assets, sovereign and money market funds showed phenomenal increase. The combined category showed a staggering 366% growth to reach Rs 177 billion at period end. Islamic funds in the similar category grew by 49.5%. Equity funds depicted a mixed picture where the cumulative equity funds remained relatively flat at Rs 93 billion in March 2012 compared to Rs 92.2 billion at June 30, 2011. Islamic equity funds, on the other hands, showed a modest growth of 8.77% in the period under review and stands at Rs 12.4 billion. Pension Fund category reached a figure of Rs 2.1 billion at March end, up 31% from June, 2011. Islamic Pension Funds also witnessed decent growth of 44% in the period under review to clock in at Rs 0.9 billion as of March end.

We attribute the growth of money market and sovereign fund categories to the uncertainty in international markets and lack of clarity with regard to key triggers in the local market specially the issue of CGT. Asset Management Companies have been catering to this investor demand by launching products in these categories; hence demand is expected to continue in these funds. However, barring any negative developments in international markets and keeping in view of the investor's risk return profile; local equity funds continue to be the right option for the long term horizon.

Performance Review

Meezan Islamic Fund:

During the first nine months of FY12, Meezan Islamic Fund provided a return of 17.1% while the benchmark index KMI-30 appreciated by 12.6%. During the period under review, net assets of the fund increased by 17.3% to stand at Rs 5.3 billion on March 31, 2012. As of period end, the fund was 98% invested in equities with major exposure in oil & gas, construction and material and chemical sectors.

Al Meezan Mutual Fund :

During the period under review, Al Meezan Mutual Fund was converted from a closed end fund to an open end fund effective August 5, 2011. During the first nine months of FY12, the fund provided a return of 16.2% while the benchmark index KMI-30 appreciated by 12.6%. During the period under review, net assets of the fund after adjusting for dividend increased by 11.93% to stand at Rs 1.6 billion on March 31, 2012. As of period end, the fund was 96% invested in equities with major exposure in oil & gas, construction and material and chemical sectors.

Meezan Islamic Income Fund:

During the first nine months of FY12, Meezan Islamic Income Fund provided an annualized return of 7.4% as compared to benchmark return of 6%. Due to redemption and provisioning factor, net assets of the fund decreased by 51.7% in the first nine months of FY12 to stand at Rs 1.2 billion on March 31, 2012. As of period end, the fund was invested 46% in Islamic Corporate Sukuk, 25% in GoP Ijarah Sukuk, 16% in Islamic commercial paper and 9% in Islamic banks. During the period, one of the fund's holdings, Maple Leaf Sukuk defaulted on its payment and was classified as 'non performing asset'. Accordingly as per provisioning policy of the Fund, an amount of Rs 98.1 million has also been provided against the outstanding principal.



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Meezan Sovereign Fund:

During the first nine months of FY12, Meezan Sovereign Fund provided an annualized return of 11.7% as compared to benchmark return of 8.2%. During the period under review, net assets of the fund increased by 50.4% to stand at Rs 18.9 billion. As of the period end, the fund was invested 80% in Ijarah sukus and the remaining 19% in AA and above rated banks.

Meezan Cash Fund:

During the first nine months of FY12, Meezan Cash Fund provided an annualized return of 11.3% as compared to benchmark return of 8.2%. During the period under review, net assets of the fund increased by 30% to stand at Rs 7.7 billion on March 31, 2012. As of the period end, the fund was invested 12.9% in Islamic TDR, 7.8% in Islamic commercial paper and 77.6% in AA and above rated banks.

Meezan Tahaffuz Pension Fund

Meezan Tahaffuz Pension Fund (MTPF) comprises of three sub funds namely Equity sub fund, Debt sub fund and Money market sub fund. Total net assets of MTPF increased by Rs 181 million (43.4%) and stand at Rs 596 million as on March 31, 2012. Performance review of each sub fund for the nine months ended March 31, 2012 is given as under:

Equity Sub Fund:

During the first nine months of FY12, Equity Sub Fund provided a return of 14.7%. The net assets of the sub fund increased by 55.4% to stand at Rs 278 million on March 31, 2012. As of period end, the fund was 94% invested in equities with major exposure in oil & gas, construction and material and chemical sectors.

Debt Sub Fund:

During the first nine months of FY12, Debt Sub Fund provided an annualized return of 9.2%. During the period under review, net assets of the sub fund increased by 35.3% to stand at Rs 195 million. As of period end, the fund was 77% invested in GoP Ijarah Sukuks, 19% in sukuks and 4% in cash and receivables.

Money Market Sub Fund:

During the first nine months of FY12, Money Market Sub Fund provided an annualized return of 11.3%. During the period under review, net assets of the sub fund increased by 32.2% to stand at Rs 123 million. As of period end, the fund was 80% invested in GoP Ijara Sukuks, 16% in corporate sukuks and 4% in cash and receivables.

Meezan Balanced Fund

Meezan Balanced Fund (MBF) is a closed end balanced fund that invests in Shariah compliant listed equity securities and listed or unlisted Islamic fixed income products. As per policy, the fund can invest upto 60% in listed equity securities. During the first nine months of FY12, Meezan Balanced Fund provided a cumulative return of 14% against the benchmark return of 8%.

During the period under review, net assets of the fund after adjusting for dividend increased by 12% to stand at Rs 1.5 billion on March 31, 2012. As of period end, the fund was 58% invested in equities, 14% in Ijarah Sukuks, 18% in commercial paper and 10% in cash and other sukuks.



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Meezan Capital Protected Fund- II

Meezan Capital Protected Fund -II is a listed open end capital protected fund, investing primarily in GoP Ijarah Sukuk, to ensure capital protection and shariah compliant listed equities to attain capital growth. The fund was launched on July 5, 2011. During the first nine months of FY12, the fund provided a return of 10.54%.

During the period under review, net assets of the fund increased by 76.5% to stand at Rs 436 million on March 31, 2012. As of period end, the fund was 69% invested in equities, 22% in GoP Ijarah Sukuks and 9% in cash and cash equivalents.

Outlook

We expect that the concerns on external account along with the upcoming budget will be the key issues to remain in limelight. Also, some important political events including the relation with US in days to come can further dictate the overall investor's sentiment. We are of the view that despite the current easing of inflationary pressures, the government is faced with a tough task to limit the overall inflation in wake of the rising government borrowing for the remaining months for the current fiscal year. Therefore, with respect to the monetary policy we do not expect an easing stance by the State Bank.

The proposals of relaxation in CGT rules are though accepted by the Finance Minister but an official notification through the issuance of presidential ordinance is still awaited by the market. We do not rule out some delay in this respect, but its announcement will bode very well in the long term interest of the market participants. Furthermore, keeping in view of the strong earnings growth of the companies, we believe that our market, trading at a P/E of 6.7x is still offering considerable discount as compared to regional markets.

Our outlook for the remaining months of the fiscal year remains optimistic, though some key risks cannot be ruled out. The management of Al Meezan is fully cognizant of the challenges that lie ahead and is taking all possible measures to tackle them and ensuring its valuable unit holders' interest.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments making it the largest Islamic asset management company in the private sector in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, Trustee, Central Depository Company of Pakistan for their support. Furthermore, we would 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, 2012
Karachi.**

**Mohammad Shoab, CFA
Chief Executive**



Quarterly Report March 31, 2012

FUND INFORMATION**MANAGEMENT COMPANY**

Al Meezan Investment Management Limited
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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 MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoaib, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	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

Allied Bank Limited
Askari Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
MCB Bank Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) 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

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2012 (UNAUDITED - NOTE 3)

	March 31, 2012	June 30, 2011
Note	(Rupees in '000)	
Assets		
Balances with banks	117,133	589,166
Investments	5,153,776	3,932,380
Dividend receivable	70,183	22,196
Deposits, prepayments and other receivables	9,896	42,485
Total assets	5,350,988	4,586,227
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund	11,668	9,524
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund	537	468
Payable to Meezan Bank Limited (MBL)	101	434
Payable to Securities and Exchange Commission of Pakistan (SECP)	3,325	4,063
Payable on redemption of units	20,575	10,627
Payable against purchase of investments	32,248	54,536
Accrued expenses and other liabilities	9,011	9,490
Total liabilities	77,465	89,142
Net assets	5,273,523	4,497,085
Contingency	6	
Unitholders' fund (as per statement attached)	5,273,523	4,497,085
	Number of units	
Number of units in issue	108,323,195	87,206,775
	Rupees	
Net assets value per unit	48.68	51.57

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
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)**

	Nine months ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Income				
Net realised gain on sale of investments	100,681	411,600	77,037	278,732
Dividend income	270,576	220,477	102,005	68,918
Profit on savings accounts with banks	28,594	39,884	6,231	22,328
Other income	3,003	1,643	1,455	669
	<u>402,854</u>	<u>673,604</u>	<u>186,728</u>	<u>370,647</u>
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	140,382	385,771	194,766	67,394
Total income	<u>543,236</u>	<u>1,059,375</u>	<u>381,494</u>	<u>438,041</u>
Expenses				
Remuneration to Al Meezan - management company of the Fund	70,007	63,551	24,146	21,601
Sindh sales tax on management fee	11,202	-	3,864	-
Remuneration to CDC - trustee of the Fund	4,254	3,928	1,457	1,326
Annual fee to SECP	3,325	3,019	1,147	1,026
Auditors' remuneration	508	561	115	159
Fees and subscription	30	30	10	10
Legal and professional charges	139	205	46	43
Brokerage	1,613	2,346	1,056	1,225
Bank and settlement charges	775	676	477	299
Printing charges	539	454	180	47
Impairment loss on 'available for sale' investments	87,089	-	-	-
Reversal of provision for Workers' Welfare Fund	-	(24,242)	-	-
Total expenses	<u>179,481</u>	<u>50,528</u>	<u>32,498</u>	<u>25,736</u>
Net income from operating activities	<u>363,755</u>	<u>1,008,847</u>	<u>348,996</u>	<u>412,305</u>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(20)	(111,039)	(841)	40,252
Net income for the period	<u>363,735</u>	<u>897,808</u>	<u>348,155</u>	<u>452,557</u>
Other comprehensive income for the period				
Unrealised gain / (loss) on available for sale investments	399,123	249,196	600,466	(137,464)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed pertaining to available for sale' investment	7,814	(47,782)	4,506	(32,725)
Total comprehensive income for the period	<u>770,672</u>	<u>1,099,222</u>	<u>953,127</u>	<u>282,368</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
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)**

	Nine months ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Accumulated loss brought forward	(95,409)	(350,397)	(948,589)	(693,223)
Less : Final distribution in the form of bonus units @ 20% for the year ended June 30, 2011 (June 30, 2010 @ 18%)	(871,260)	(771,783)	-	-
Less : Final distribution in the form of 20% cash dividend for the year ended June 30, 2011 (June 30, 2010 @ 18%)	(808)	(1,237)	-	-
Net income for the period	363,735	897,808	348,155	452,557
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed pertaining to 'available for sale' investment	7,814	(47,782)	4,506	(32,725)
Undistributed Loss carried forward	<u>(595,928)</u>	<u>(273,391)</u>	<u>(595,928)</u>	<u>(273,391)</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 UNITHOLDERS' FUNDS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)**

	Nine months ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Net assets at the beginning of the period	4,497,085	3,965,910	4,346,324	4,486,709
Issue of 20,848,672 (March 31, 2011: 9,258,571) units	916,366	406,316	521,647	151,577
Redemption of 20,691,116 (March 31, 2011: 28,336,869) units	(901,998)	(1,252,655)	(543,910)	(536,750)
	14,368	(846,339)	(22,263)	(385,173)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net):				
- transferred to income statement	20	111,039	841	(40,252)
- transferred to other comprehensive income	(7,814)	47,782	(4,506)	32,725
	(7,794)	158,821	(3,665)	(7,527)
Total comprehensive income for the period	770,672	1,099,222	953,127	282,368
Cash distribution during the period	(808)	(1,237)	-	-
Issue of bonus units during the period	(871,260)	(771,783)	-	-
Total comprehensive (loss) / income for the period less distribution	(101,396)	326,202	953,127	282,368
Issue of 20,958,864 bonus units for the year ended June 30, 2011 (2010: 20,763,587 bonus units)	871,260	771,783	-	-
Net assets at the end of the period	5,273,523	4,376,377	5,273,523	4,376,377

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
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)**

	Nine months ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES	..... (Rupees in '000)			
Net income for the period	363,735	897,808	348,155	452,557
Adjustments for:				
Dividend income	(270,576)	(220,477)	(102,005)	(68,918)
Profit on deposit accounts with banks	(28,594)	(39,884)	(6,231)	(22,328)
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	(140,382)	(385,771)	(194,766)	(67,394)
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	20	111,039	841	(40,252)
	87,089	-	-	-
	11,292	338,473	45,994	253,665
(Increase) / decrease / in assets				
Investments at fair value through profit or loss	(768,980)	805,166	(217,023)	433,203
Receivable against sale of investments	-	(1,538)	-	4,435
Deposits, prepayments and other receivables	(55)	19	55	51
	(769,035)	803,647	(216,968)	437,689
Increase / (decrease) in liabilities				
Payable to Al Meezan - management company of the Fund	2,144	184	802	(1,898)
Payable to CDC - trustee of the Fund	69	42	59	(5)
Payable to MBL	(333)	(37)	19	(72)
Payable to SECP	(738)	(1,102)	1,147	1,026
Payable on redemption of units	9,948	(11,886)	9,948	(10,208)
Payable against purchase of investments	(22,288)	(1,468)	28,307	(1,022)
Accrued expenses and other liabilities	(479)	4,034	1,074	1,884
	(11,677)	(10,233)	41,356	(10,295)
Dividend received	222,589	202,615	35,647	34,351
Profit received on deposit accounts with banks	61,238	25,051	19,057	16,050
Dividend paid	(808)	(1,237)	-	-
Net cash (outflow) / inflow from operating activities	(486,401)	1,358,316	(74,914)	731,460
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	916,366	406,316	521,648	151,577
Payments against redemption of units	(901,998)	(1,252,655)	(539,195)	(536,750)
Net cash outflow from financing activities	14,368	(846,339)	(17,547)	(385,173)
Net cash (outflow) / inflow during the period	(472,033)	511,977	(92,461)	346,287
Cash and cash equivalents at the beginning of the period	589,166	352,749	209,594	518,439
Cash and cash equivalents at the end of the period	117,133	864,726	117,133	864,726

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)

1. LEGAL STATUS AND NATURE OF BUSINESS

Meezan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (AMIML) as management company and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). On November 21, 2007 Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulations, 2007) were notified which are now superseded by the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008) issued through S.R.O.1203(I)/2008 on November 21, 2008. The registered office of the management company of the Fund, is situated in Finance & Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.

The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on shariah. The management company has appointed Meezan Bank Limited (MBL) as its shariah adviser to ensure that the activities of the Fund are in compliance with the principles of shariah. The management company of the Fund is registered with SECP as a Non-Banking Finance Company under NBFC Rules.

The Fund is an open-end fund listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The management company of the Fund has been given quality rating of AM2 by JCR-VIS . The Fund is ranked at 'MFR 3-Star' performance ranking 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. 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 for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.
- 3.2 This condensed interim financial report comprises of the condensed interim statement of assets and liabilities as at March 31, 2012 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 six months period ended March 31, 2012 which are not subject to audit. 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, 2012.
- 3.3 The comparative condensed interim statement of assets and liabilities presented in this condensed interim financial report as at June 30, 2011 has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2011 whereas the comparative condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement have been extracted from the condensed interim financial report for the nine months period ended March 31, 2011. The comparative condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement for the quarter ended March 31, 2011 included in this condensed interim financial report.
- 3.4 These condensed interim financial statements are unaudited.
- 3.5 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed:

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the period is recognised in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the period on available for sale securities is included in distribution statement. Previously, the element was recognised based on cumulative values of undistributed income and unrealised gain / (loss) on available for sale securities present in the net asset value of units.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology profit and amount taken to distribution statement for the period would have been lower by Rs.178 million

3.6 Standards, amendments to published approved accounting standards and interpretations effective from July 1, 2011:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial report.

4. 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, 2011.

		March 31, 2012	June 30, 2011
	Note	(Rupees in '000)	
5. INVESTMENTS			
Investments at fair value through profit and loss	5.1	1,242,765	828,071
Investments- 'available for sale'	5.2	3,911,011	3,104,309
		<u>5,153,776</u>	<u>3,932,380</u>
5.1 Investments at 'fair value through profit or loss'			
- Held for trading	5.1.1	942,305	625,584
- Investments at 'fair value through profit or loss upon initial recognition'	5.1.4	300,460	202,487
		<u>1,242,765</u>	<u>828,071</u>

5.1.1 Held for trading - shares of listed companies

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2012	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)
					As at March 31, 2012						
----- Number of Shares -----					----- Rupees in '000 -----						
Automobile and Parts											
Agriauto Industries Limited (note 5.1.2)	609,200	-	-	-	609,200	42,339	40,159	(2,180)	0.76	0.78	2.12
Indus Motor Company Limited	405,944	-	-	-	405,944	89,309	96,615	7,306	1.83	1.87	0.52
Pak Suzuki Motor Company Limited	50,023	-	-	-	50,023	3,129	3,302	173	0.06	0.06	0.06
Chemicals											
Fauji Fertilizer Bin Qasim Limited	-	1,400,000	-	-	1,400,000	57,650	58,198	548	1.10	1.13	0.15
Fauji Fertilizer Company Limited	87,902	620,000	-	87,902	620,000	73,018	77,401	4,383	1.47	1.50	0.05
Construction and Materials											
Attock Cement Pakistan Limited	594	-	-	-	594	29	46	17	-	-	-
DG Khan Cement Company Limited	-	1,000,000	-	-	1,000,000	30,867	36,370	5,503	0.69	0.71	0.21
Lucky Cement Limited	476,821	345,000	-	-	821,821	70,220	93,236	23,016	1.77	1.81	0.25
General Industries											
Thal Limited (note 5.1.2)	286,127	-	57,225	-	343,352	28,910	29,758	848	0.56	0.58	0.47
Tri-pack Films Limited	379,300	-	-	-	379,300	64,956	74,722	9,766	1.42	1.45	1.26
Fixed Line Telecommunication											
Pakistan Telecommunication Company Limited "A"	-	1,300,000	-	-	1,300,000	14,820	16,003	1,183	0.30	0.31	0.03
Oil and gas											
Pakistan Oilfields Limited	263,923	108,000	-	191,064	180,859	64,661	66,057	1,396	1.25	1.28	0.08
Pakistan Petroleum Limited	469,091	-	46,909	84,000	432,000	81,322	78,965	(2,357)	1.50	1.53	0.03
Pakistan State Oil Company Limited	597,300	150,000	-	63,005	684,295	178,789	170,608	(8,181)	3.24	3.31	0.40
National Refinery Limited	-	55,305	-	-	55,305	14,451	13,682	(769)	0.26	0.27	0.07
Oil and Gas Development Company Limited	-	520,000	-	-	520,000	85,428	87,183	1,755	1.65	1.69	0.01
Total						899,898	942,305	42,407			
Total cost of investments							830,607				

5.1.2 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.

5.1.3 233,000 shares of Oil and Gas Development Company Limited, having market value of Rs 35.209 million as at March 31, 2012, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

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

Shares of listed companies and unit of open end fund

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2012	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)
					As at March 31, 2012						
----- Number of Shares -----					----- Rupees in '000 -----						
Banks											
Meezan Bank Limited (an associate of the Fund)	6,199,965	-	775,114	-	6,975,079	108,313	197,395	89,082	3.74	3.83	0.77
Equity Investment Instruments											
Al Meezan Mutual Fund (an associate of the Fund)	8,480,190	-	-	-	8,480,190	94,130	103,034	8,904	1.95	2.00	6.17
General Industrials											
Packages Limited	374	-	-	-	374	41	31	(10)	-	-	-
Grand Total						202,485	300,460	97,975			
Total cost of Investments							188,400				

5.2 Investments categorised as 'available for sale'

5.2.1 Shares of listed companies and a bank

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2012	Carrying value (before impairment)	Impairment for the period	Carrying value / (Cost) (after impairment)	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) -----							
Automobile and Parts													
Indus Motor Company Limited	152,168	20,000	-	-	172,168	39,468	-	39,468	40,976	1,508	0.78	0.80	0.22
Pak Suzuki Motor Company Limited	37,105	20,000	-	-	57,105	4,167	-	4,167	3,769	(398)	0.07	0.07	0.07
Banks													
Meezan Bank Limited (an associate of the Fund)	4,788,291	750,000	647,410	596,011	5,589,690	77,125	-	77,125	158,188	81,063	3.00	3.07	0.62
BankIslami Pakistan Limited	-	500	-	-	500	2	-	2	4	2	-	-	-
Chemicals													
Fauji Fertilizer Bin Qasim Limited (note 5.2.2)	103,142	1,945,790	-	1,737,683	311,249	18,701	5,495	13,206	12,939	(267)	0.25	0.25	0.03
Fauji Fertilizer Company Limited	4,041,250	193,000	1,356,886	1,720,477	3,870,659	397,141	-	397,141	483,213	86,072	9.16	9.38	0.30
ICI Pakistan Limited	2,301,951	126,000	-	276,292	2,151,659	279,668	-	279,668	276,251	(3,417)	5.24	5.36	1.55
Construction and Materials													
Attock Cement Pakistan Limited	304,131	-	-	70,000	234,131	15,241	-	15,241	17,965	2,724	0.34	0.35	0.27
DC Khan Cement Company Limited	3,078,082	4,460,150	-	1,750,000	5,788,232	135,243	-	135,243	210,518	75,275	3.99	4.08	1.32
Lucky Cement Limited	3,076,638	540,000	-	620,000	2,996,638	204,799	-	204,799	339,969	135,170	6.45	6.60	0.93
Electricity													
Hub Power Company Limited	6,083,786	8,462,434	-	1,686,504	12,859,716	476,549	-	476,549	483,911	7,362	9.18	9.39	1.11
Fixed Line Telecommunication													
Pakistan Telecommunication Company Limited "A" (note 5.2.2)	4,279,009	5,331,028	-	815,500	8,794,537	128,012	36,637	91,375	108,261	16,886	2.05	2.10	0.23
General Industries													
Packages Limited (note 5.2.2)	1,144,789	287,990	-	-	1,432,779	163,476	44,957	118,519	120,583	2,064	2.29	2.34	1.70
Thal Limited (note 5.1.2)	24	-	4	-	28	2	-	2	2	0	-	-	-
Tri-Pack Films Limited	10	-	-	-	10	1	-	1	2	1	-	-	-
Personal Goods													
Nishat Mills Limited	-	1,107,103	-	1,107,103	-	1	-	1	2	1	-	-	-
Engineering													
Millat Tractors Ltd	-	25,985	-	-	25,985	11,244	-	11,244	13,065	1,821	0.25	0.25	0.07
Oil and gas													
Attock Petroleum	-	95,366	-	26,000	69,366	26,944	-	26,944	31,440	4,496	0.60	0.61	0.10
National Refinery Limited	-	215,956	-	27,000	188,956	46,130	-	46,130	46,748	618	0.89	0.91	0.24
Oil and Gas Development Company Limited (note 5.1.3)	2,026,958	1,451,063	-	390,687	3,087,334	437,551	-	437,551	517,622	80,071	9.82	10.04	0.07
Pakistan Oilfields Limited	1,074,606	101,450	-	96,868	1,079,188	305,582	-	305,582	394,163	88,581	7.47	7.65	0.46
Pakistan Petroleum Limited	1,909,400	132,521	190,940	228,361	2,004,500	305,231	-	305,231	366,403	61,172	6.95	7.11	0.15
Pakistan State Oil Company Limited	807,646	467,898	-	132,359	1,143,185	294,547	-	294,547	285,017	(9,530)	5.40	5.53	0.67
Grand Total						3,366,825	87,089	3,279,736	3,911,011	631,275			
Total cost of Investments								3,279,736					

6. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs 52.021 million.

There were no other contingencies and commitments outstanding as at March 31, 2012 and June 30, 2011.

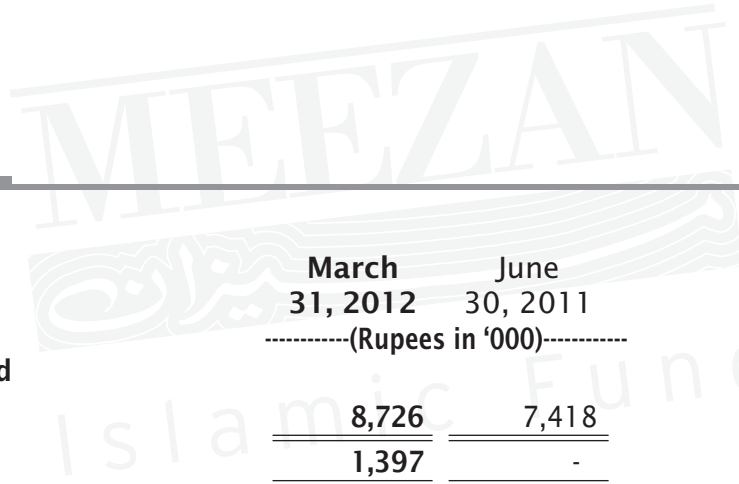
7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, 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 for the period ended March 31, 2012 are as follows:



	March 31, 2012	June 30, 2011
	------(Rupees in '000)-----	
Al Meezan - management company of the Fund		
Remuneration payable	<u>8,726</u>	<u>7,418</u>
Sales tax payable on management fee	<u>1,397</u>	<u>-</u>
Sale load payable	<u>1,540</u>	<u>2,101</u>
Certificate charges payable	<u>5</u>	<u>5</u>
Investment of 121,694 units (June 30, 2011: 1,132,717 units)	<u>5,924</u>	<u>58,414</u>
Al Meezan Mutual Fund		
Investment in 8,480,190 units (June 30, 2011: 8,480,190 shares)	<u>103,034</u>	<u>94,130</u>
Meezan Bank Limited		
Bank balance	<u>24,153</u>	<u>115,346</u>
Sales load payable	<u>101</u>	<u>434</u>
Investment in 12,564,769 shares (June 30, 2011: 10,988,256 shares)	<u>355,583</u>	<u>191,967</u>
Investment of 11,160,074 units (June 30, 2011: 8,996,011 units)	<u>543,272</u>	<u>463,924</u>
Central Depository Company of Pakistan Limited		
Trustee fee payable	<u>521</u>	<u>453</u>
Charges payable	<u>16</u>	<u>15</u>
Directors and executives		
Investment of 3,275,572 units (June 30, 2011: 2,190,174 units)	<u>159,455</u>	<u>112,948</u>
	Nine months ended March 31	
	2012	2011
	------(Rupees in '000)-----	
Al Meezan - management company of the Fund		
Remuneration for the period	<u>70,007</u>	<u>63,551</u>
Bonus units issued: 272,484 units (2011: 889,704 units)	<u>11,327</u>	<u>33,070</u>
Units issued: nil units (2011: 391,689 units)	<u>-</u>	<u>15,000</u>
Redemptions: 1,283,507 units (2011: 4,243,719 units)	<u>52,000</u>	<u>77,775</u>
Meezan Bank Limited		
Bonus units issued: 2,164,063 units (2011: 1,753,608 units)	<u>89,960</u>	<u>65,182</u>

**Nine months ended
March 31**

2012 2011
-----**(Rupees in '000)**-----

Central Depository Company of Pakistan Limited

Trustee fee	<u>4,254</u>	<u>3,928</u>
CDS charges	<u>51</u>	<u>97</u>

Directors and executives

Bonus units issued: 532,756 units (2011: 417,930 units)	<u>22,147</u>	<u>15,535</u>
Units issued: 691,770 units (2011: 56,593 units)	<u>30,525</u>	<u>2,586</u>
Redemptions: 164,246 units (2011: 48,982 units)	<u>7,108</u>	<u>27,286</u>

8. AUTHORISATION

These condensed interim financial statements were authorised for issue on April 27, 2012 by the board of directors of the management company.

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

Chief Executive

Director



Mutual Fund

Quarterly Report March 31, 2012

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. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoaib, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	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
Habib Metropolitan Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
404, 4th 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

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2012 (UNAUDITED - NOTE 3)**

	<i>Note</i>	March 31, 2012 (Rupees in '000)
Assets		
Balances with banks		65,268
Investments	4	1,570,809
Dividend receivable		22,588
Deposits, prepayments and other receivables		5,406
Total assets		<u>1,664,071</u>
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund		3,160
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund		221
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,092
Payable against redemption of units		661
Payable against purchase of investments		7,795
Accrued expenses and other liabilities		4,473
Unclaimed dividend		5,027
Total liabilities		<u>22,429</u>
Net assets		<u>1,641,642</u>
Contingency	5	
Unit holders' fund (as per statement attached)		<u>1,641,642</u>
Number of units in issue		<u>132,591,205</u>
Net assets value per unit (rupees)		<u>12.38</u>

The annexed notes 1 to 7 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 PERIOD FROM AUGUST 05, 2011 TO MARCH 31, 2012 (UNAUDITED - NOTE 3)**

		For the period August 05, 2011 to March 31, 2012	For the quarter ended March 31, 2012
	Note	(Rupees in '000)	
Income			
Net realised gain on sale of investments		69,151	45,451
Dividend income		81,339	32,955
Profit on savings accounts with banks		10,175	2,384
Back end load		14,142	5,163
Other income		325	68
		<u>175,132</u>	<u>86,021</u>
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	4.2	<u>32,323</u>	<u>41,574</u>
Total income		207,455	127,595
Expenses			
Remuneration to Al Meezan - management company of the Fund		19,667	7,736
Sindh sales tax on management fee		3,147	1,238
Remuneration to CDC - trustee of the Fund		1,644	636
Annual fee to SECP		934	367
Auditors' remuneration		593	192
Fees and subscription		54	16
Brokerage		648	409
Bank and settlement charges		271	129
Printing expenses		250	87
Impairment loss on 'available for sale investments'	4.1	28,822	-
Total expenses		<u>56,030</u>	<u>10,810</u>
Net income from operating activities		<u>151,425</u>	<u>116,785</u>
Element of loss and capital losses included in prices of units issued less those in units redeemed		<u>(3,773)</u>	<u>(4,740)</u>
Net Income		147,652	112,045
Other comprehensive income for the period			
Unrealised gain on available for sale investments (net)		96,792	207,110
Impairment of 'available for sale investments' transferred to income statement on disposal		-	(28,822)
Element of loss and capital losses included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments		<u>(1,589)</u>	<u>(2,427)</u>
Total comprehensive income for the period		242,855	287,906

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONSENSUED INTERIM DISTRIBUTION STATEMENT
 FOR THE PERIOD FROM AUGUST 05, 2011 TO MARCH 31, 2012 (UNAUDITED - NOTE 3)**

	For the period August 05, 2011 to March 31, 2012	For the quarter ended March 31, 2012
	(Rupees in '000)	
Accumulated loss brought forward	-	(23,665)
Loss transferred from Al Meezan Mutual Fund Limited	(60,110)	-
Net income for the period	147,652	112,045
Element of loss and capital losses included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments	(1,589)	(2,427)
Accumulated income carried forward	<u>85,953</u>	<u>85,953</u>

The annexed notes 1 to 7 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 PERIOD FROM AUGUST 05, 2011 TO MARCH 31, 2012 (UNAUDITED - NOTE 3)**

For the period August 05, 2011 to March 31, 2012 For the quarter ended March 31, 2012
(Rupees in '000)

Net assets at the beginning of the period	-	1,409,716
Issue of 137,539,986 units against cancellation of 137,539,986 shares of Al Meezan Mutual Fund Limited upon conversion of Al Meezan Mutual Fund Limited into Al Meezan Mutual Fund (open end fund) as per scheme of arrangement	1,450,997	-
Issue of 10,825,489 units and 1,872,234 units for the period August 5, 2011 to March 31, 2012 and quarter ended March 31, 2012 respectively	116,162	21,451
Redemption of 15,774,270 units and 7,178,334 units for the period August 5, 2011 to March 31, 2012 and quarter ended March 31, 2012 respectively	(173,734)	(84,598)
	(57,572)	(63,147)
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		
- transferred to income statement	3,773	4,740
- transferred to other comprehensive income	1,589	2,427
	5,362	7,167
Total comprehensive income for the period less distribution	242,855	287,906
Net assets at the end of the period	1,641,642	1,641,642
Net asset value per unit as at the beginning of the period - Rupees	-	10.22
Net asset value per unit as at the end of the period - Rupees	12.38	12.38

The annexed notes 1 to 7 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 PERIOD FROM AUGUST 05, 2011 TO MARCH 31, 2012 (UNAUDITED - NOTE 3)**

	For the period August 05, 2011 to March 31, 2012	For the quarter ended March 31, 2012
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	147,652	112,045
Adjustments for:		
Dividend income	(81,339)	(32,955)
Profit on savings accounts with banks	(10,175)	(2,384)
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	(32,323)	(41,574)
Element of loss and capital losses included in prices of units issued less those in units redeemed	3,773	4,740
Impairment loss on available for sale investments	-	(28,822)
	<u>(120,064)</u>	<u>(100,995)</u>
(Increase) / decrease in assets		
Investments	(89,302)	22,289
Deposits, prepayments and other receivables	34	14
	<u>(89,268)</u>	<u>22,303</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan - management company of the Fund	(695)	(235)
Payable to CDC - trustee of the Fund	153	13
Payable to SECP	(585)	367
Payable against purchase of investment	7,795	5,868
Accrued expenses and other liabilities	1,867	1,778
Conversion cost payable to the Management Company	(5,423)	-
	<u>3,112</u>	<u>7,791</u>
Dividend received	58,751	11,806
Profit received on savings accounts with banks	11,091	9,348
Net cash inflow from operating activities	<u>11,274</u>	<u>62,298</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	116,162	21,451
Payments against redemption of units	(173,734)	(84,598)
Dividend paid	(239,713)	(113)
Net cash outflow from financing activities	<u>(297,285)</u>	<u>(63,260)</u>
Net cash outflow during the period	<u>(286,011)</u>	<u>(962)</u>
Cash and cash equivalents at the beginning of the period	-	66,230
Cash and cash equivalents transferred from Al Meezan Mutual Fund Limited	351,279	-
Cash and cash equivalents at the end of the period	<u>65,268</u>	<u>65,268</u>

The annexed notes 1 to 7 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 PERIOD FROM AUGUST 5, 2011 TO MARCH 31, 2012 (UNAUDITED - NOTE 3)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan, as management company and CDC as trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).
- 1.2 The Management Company has been licensed by the SECP to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the management company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.3 Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund and an application for listing of the units of the open end fund has been made to the Islamabad Stock Exchange.
- 1.4 Units of the fund 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.
- 1.5 The Fund has been formed to provide the unit holders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the trust deed all 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.
- 1.6 As per the Trust Deed, the Fund has become operative from the "effective date" upon conversion of Al Meezan Mutual Fund Limited to an open end fund. Therefore, these condensed interim financial statements have been prepared from August 5, 2011, i.e., the "effective date" of conversion.
- 1.7 Face value per unit is Rs 10. As per the scheme of arrangement for conversion of investment company into an open end fund, a swap ratio of 1:1 (i.e. for each fully paid-up share of the par value of Rs 10 of Al Meezan Mutual Fund Limited, each shareholder whose name was entered in the Register of Members of Al Meezan Mutual Fund Limited on the effective date was issued one unit of the open end fund of the par value of Rs 10 with no front-end load and upon issuance of the units of the open end fund, the shares of Al Meezan Mutual Fund Limited and the corresponding share certificates were deemed to be cancelled and of no effect) was approved by the shareholders of Al Meezan Mutual Fund Limited vide their special resolution dated April 27, 2011. Hence, the initial issuance of 137,539,986 units of Al Meezan Mutual Fund was made at the net asset value received against each unit (i.e. Rs 10.55 per unit).

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 for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.
- 3.2 This condensed interim financial report comprises of the condensed interim statement of assets and liabilities as at March 31, 2012, 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 period August 5 to March 31, 2012, which are not subject to audit. 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, 2012, which are not audited.

	<i>Note</i>	March 31, 2012 (Rupees in '000)
4. INVESTMENTS		
Investment categorised as 'available for sale'	4.1	1,272,460
Investment at 'fair value through profit or loss'	4.2	298,349
		<u>1,570,809</u>

4.1 Investments categorised as 'available for sale'

Shares of listed companies and a bank

Name of the investee company	Transferred from AMMFL as on August 05, 2011	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2012	Carrying value as at March 31, 2012 (before impairment)	Impairment during the period	Carrying value (cost) as at March 31, 2012 (after impairment)	Market value as at March 31, 2012	Unrealised gain / (loss) as at March 31, 2012	Percentage in relation to		
											Number of Shares					Rupees in '000					Net Assets of the Fund on the basis of market value (note 4.4)	Paid - up capital of investee company (with face value of investment)	Total market value of investments
Sector / companies													
Banks													
Meezan Bank Limited (an associate of the Fund)	837,016	250,000	135,877	-	1,222,893	18,704	-	18,704	34,608	15,904	2.11	0.14	2.20
BankIslami Pakistan Limited	-	500	-	-	500	2	-	2	4	2	-	-	-
											2.11	0.14	2.20
Construction and Materials													
Attock Cement Pakistan Limited	10,000	-	-	10,000	-	206	206	-	-	-	-	-	-
Lucky Cement Company Limited	951,469	273,101	-	264,000	960,570	65,928	-	65,928	108,977	43,049	6.64	0.30	6.94
D.G. Khan Cement Company Limited	1,175,000	1,741,000	-	662,000	2,254,000	55,501	11,531	43,970	81,978	38,008	4.99	0.51	5.22
											11.63	0.81	12.16
Power generation & distribution													
The Hub Power Company Limited	2,092,500	2,836,000	-	811,000	4,117,500	152,529	-	152,529	154,942	2,413	9.44	0.36	9.86
Oil & gas													
Pakistan State Oil Company Limited	473,043	57,000	-	70,500	459,543	120,623	-	120,623	114,573	(6,050)	6.98	0.27	7.29
Oil & Gas Development Company Limited	847,140	321,794	-	130,000	1,038,934	148,680	-	148,680	174,188	25,508	10.61	0.02	11.09
Pakistan Oilfields Limited	321,900	38,500	-	35,060	325,340	83,974	-	83,974	118,827	34,853	7.24	0.14	7.56
Pakistan Petroleum Limited	530,308	-	50,530	131,016	449,822	66,839	-	66,839	82,223	15,384	5.01	0.03	5.23
National Refinery Limited	-	66,246	-	-	66,246	15,966	-	15,966	16,389	423	1.00	0.08	1.04
Attock Petroleum	-	33,500	-	10,000	23,500	9,748	-	9,748	10,651	903	0.65	0.03	0.68
											31.49	0.57	32.89
Automobile and parts													
Agriauto Industries Limited (note 4.3)	700,000	-	-	-	700,000	46,690	-	46,690	46,144	(546)	2.81	2.43	2.94
Indus motor company Limited	31,200	-	-	-	31,200	7,629	-	7,629	7,426	(203)	0.45	0.04	0.47
Pak Suzuki motor company Limited	20,000	-	-	-	20,000	1,484	303	1,181	1,320	139	0.08	0.02	0.08
											3.34	2.49	3.49
Fixed Line and telecommunication													
Pakistan Telecommunication Company Limited "A"	1,270,000	1,250,000	-	535,080	1,984,920	26,543	-	26,543	24,435	(2,108)	1.49	0.05	1.56
Pharma and Bio tech													
GlaxoSmithKline (Pakistan) Limited	18,224	-	1,822	-	20,046	1,275	-	1,275	1,243	(32)	0.08	0.01	0.08
Chemicals													
Fauji Fertilizer Company Limited	1,518,982	14,256	430,619	782,000	1,181,857	92,653	-	92,653	147,543	54,890	8.99	0.09	9.39
Fauji Fertilizer Bin Qasim Limited	-	619,500	-	359,000	260,500	13,219	-	13,219	10,829	(2,390)	0.66	0.03	0.69
ICI Pakistan Limited	729,515	25,000	-	181,275	573,240	72,151	-	72,151	73,598	1,447	4.48	0.41	4.69
											14.13	0.53	14.77
General Industrials													
Packages Limited	416,356	75,022	-	-	491,378	57,429	16,782	40,647	41,354	707	2.52	0.58	2.63
Tri-Pack Films Limited	100,000	-	-	-	100,000	9,710	-	9,710	19,700	9,990	1.20	0.33	1.25
											3.72	0.91	3.88
Personal Goods													
Nishat Mills Limited	-	445,000	-	445,000	-	-	-	-	-	-	-	-	-
Automobile Assembler													
Millat Tractors Company Limited	-	3,000	-	-	3,000	1,300	-	1,300	1,508	208	0.09	0.01	0.10
Total						1,068,783	28,822	1,039,961	1,272,460	232,499			
Total cost of investments - 'available for sale'						1,068,783							

4.2 Investments at 'fair value through profit or loss'

Shares of listed companies and a bank - held for trading

Name of the investee company	Transferred from AMMFL as on August 05, 2011	Purchases during the period	Bonus shares	Sales during the period	As at March 31, 2012	Carrying value as at March 31, 2012 (before impairment)	Market value as at March 31, 2012	Unrealised gain / (loss) as at March 31, 2012	Percentage in relation to		
									Net Assets of the Fund on the basis of market value (note 4.4)	Paid - up capital of investee company (with face value of investment)	Total market value of investment
-----Number of Shares-----						----- (Rupees in '000) -----					
Banks											
Meezan Bank Limited (an associate of the Fund)	1,262,805	-	132,850	200,000	1,195,655	20,353	33,837	13,484	2.06	0.13	2.15
Construction and Materials											
Attock Cement Pakistan Limited	115,305	-	-	45,000	70,305	3,142	5,395	2,253	0.33	0.08	0.34
Lucky Cement Company Limited	198,190	160,000	-	-	358,190	31,298	40,637	9,339	2.48	0.11	2.59
D.G. Khan Cement Company Limited	-	25,000	-	-	25,000	625	909	284	0.06	0.01	0.06
									2.87	0.20	2.99
Oil & gas											
Pakistan State Oil Company Limited	-	30,000	-	-	30,000	7,406	7,480	74	0.46	0.02	0.48
Oil & Gas Development Company Limited	-	108,000	-	-	108,000	17,750	18,107	357	1.10	0.00	1.15
Pakistan Oilfields Limited	142,951	-	-	92,000	50,951	18,077	18,609	532	1.13	0.02	1.18
Pakistan Petroleum Limited	275,770	-	27,577	10,400	292,947	55,489	53,548	(1,941)	3.26	0.02	3.41
National Refinery Limited	-	20,000	-	-	20,000	5,212	4,948	(264)	0.30	0.03	0.31
									5.79	0.07	6.05
Automobile and Parts											
Indus Motor Company Limited	125,464	-	-	-	125,464	25,656	29,860	4,204	1.82	0.16	1.90
Pak Suzuki Motor Company Limited	58,980	-	-	-	58,980	3,877	3,893	16	0.24	0.07	0.25
Agriauto Industries Limited (note 4.3)	8,960	-	-	-	8,960	605	591	(14)	0.04	0.03	0.04
									2.10	0.26	2.19
Fixed Line and telecommunication											
Pakistan Telecommunication Company Limited "A"	671,750	450,000	-	183,000	938,750	10,785	11,556	771	0.70	0.02	0.74
Chemicals											
Fauji Fertilizer Company Limited	-	222,000	12,500	-	234,500	27,994	29,275	1,281	1.78	0.02	1.86
Fauji Fertilizer Bin Qasim Limited	-	195,000	-	-	195,000	7,880	8,106	226	0.49	0.02	0.52
ICI Pakistan Limited	600	1,686	-	-	2,286	320	293	(27)	0.02	-	0.02
									2.29	0.04	2.40
General Industrials											
Thal Limited (note 4.3)	294,751	-	58,950	-	353,701	28,950	30,655	1,705	1.87	0.48	1.95
Tri-Pack Films Limited	3,300	-	-	-	3,300	607	650	43	0.04	0.01	0.04
									1.91	0.49	1.99
Total						266,026	298,349	32,323			
Total cost of investments - 'held for trading'						266,026					

4.3 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.

4.4 Net assets are as defined in regulation 66 of NBFC regulations.

5. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 is Rs 17.181 million which includes Rs 14.286 million, being a contingent liability on account of the Al Meezan Investment Management Limited, transferred from the Fund.

6. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan being the management company, CDC being the trustee, MBL being the shariah adviser and holding company of the management company, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Balanced Fund, Meezan Tahaffuz Pension Fund, Meezan Cash Fund, Meezan Sovereign Fund and Meezan Capital Protected Fund - II being the funds under the common management of the management company, directors and officers 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 provisions of NBFC Rules and the NBFC Regulations.

**March 31, 2012
 (Rupees in '000)**

Al Meezan - management company of the Fund

Remuneration payable	<u>2,724</u>
Sindh sales tax payable on management fee	<u>436</u>
Investment as at March 31, 2012: 7,055,590 units	<u>87,348</u>

MBL

Balances with bank	<u>5,960</u>
Profit receivable on savings account	<u>76</u>

CDC - trustee of the Fund

Remuneration payable	<u>221</u>
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Directors and officers

Investment as at March 31, 2012: 945,213 units	<u>11,702</u>
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For the period August
 05, to March 31, 2012
 (Rupees in '000)

Al Meezan - management company of the Fund

Remuneration for the period	<u>19,667</u>
Sindh general sales tax for the period	<u>3,147</u>
Units issued: 7,055,590	<u>74,000</u>

MBL

Profit on savings account with bank	<u>112</u>
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CDC - trustee of the Fund

Remuneration for the period	<u>1,644</u>
CDS charges for the period	<u>20</u>

Directors and officers

Units Issued: 945,213	<u>10,941</u>
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7. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These condensed interim financial statements have been authorised for issue on April 27, 2012 by the Board of Directors of the company.

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

Chief Executive

Director



Quarterly Report March 31, 2012

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone: (9221) 3563 0722-6, 111-MEEZAN
Fax: (9221) 3567 6143, 3563 0808
Web site: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoaib, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	Member

TRUSTEE

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal, Karachi-74400.

AUDITORS

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

SHARIAH ADVISOR

Meezan Bank Limited

BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)
Allied Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
HBL - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited
National Bank of Pakistan - Islamic Banking
Soneri Bank Limited - Islamic Banking
Standard Chartered Bank (Pakistan) Limited - Islamic Banking
UBL Ameen Islamic Banking

LEGAL ADVISER

Bawaney & Partners
404, 4th Floor, Beaumont Plaza, 6-CL-10
Beaumont Road, Civil Lines
Karachi - 75530
Phone: (9221) 3565 7658-59
Fax: (9221) 3565 7673
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Meezan Bank Limited
SITE Branch
Plot # B/9-C, Estate Avenue, SITE, Karachi.
Phone: (9221) 3206 2891
Fax: (9221) 3255 2771
Web site: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2012 (UNAUDITED - NOTE 3)

	Note	March 31, 2012	June 30, 2011
		(Rupees in '000)	
Assets			
Balances with banks		117,296	426,592
Investments	5	1,066,167	2,016,720
Receivable against sale of investments		50,308	-
Deposits, prepayments and other receivables (net)		21,576	109,070
Total assets		1,255,347	2,552,382
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund		2,094	3,401
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund		170	246
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,209	2,237
Payable to Meezan Bank Limited (MBL)		-	97
Payable on redemption of units		9,837	2,897
Dividend payable		12,786	-
Accrued expenses and other liabilities		1,385	1,569
Total liabilities		27,481	10,447
Net assets		1,227,866	2,541,935
Contingencies	6		
Unitholders' funds (as per statement attached)		1,227,866	2,541,935
		Number of units	
Number of units in issue		24,172,815	49,783,807
		Rupees	
Net asset value per unit		50.80	51.06

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 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)

Note	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
..... (Rupees in '000)				
Income				
Profit on savings accounts with banks	45,559	79,467	2,199	18,127
Profit on sukuk certificates	184,639	234,200	59,717	81,633
Realised gain on sale of sukuk certificates	18,554	13,565	3,897	5,147
	<u>248,752</u>	<u>327,232</u>	<u>65,813</u>	<u>104,907</u>
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss (net)	1,646	(41,132)	(3,066)	(1,102)
Provision for accrued profit on investments 5.1.2.4	(38,562)	-	-	-
Reversal of provision against sukuk certificate	-	7,593	-	-
Provision against sukuk certificates 5.1.2.1	(98,099)	(32,200)	21	-
	<u>(135,015)</u>	<u>(65,739)</u>	<u>(3,045)</u>	<u>(1,102)</u>
Total income	<u>113,737</u>	<u>261,493</u>	<u>62,768</u>	<u>103,805</u>
Expenses				
Remuneration to Al Meezan - management company of the Fund	24,173	34,959	5,585	10,631
Sindh sales tax on management fee	3,868	-	894	-
Remuneration to CDC - trustee of the Fund	2,010	2,938	528	812
Annual fee to SECP	1,209	1,748	280	531
Auditors' remuneration	435	446	103	105
Fees and subscription	184	183	61	57
Legal and professional charges	15	-	-	-
Amortisation of preliminary expenses and floatation costs	-	375	-	123
Brokerage	72	61	29	14
Bank and settlement charges	59	60	21	24
Printing expense	92	632	55	176
Reversal of provision for Workers' Welfare Fund (WWF)	-	(15,649)	-	-
Total expenses	<u>32,117</u>	<u>25,753</u>	<u>7,556</u>	<u>12,473</u>
Net income from operating activities	<u>81,620</u>	<u>235,740</u>	<u>55,212</u>	<u>91,332</u>
Element of loss and capital losses included in prices of units sold less those in units redeemed (net)	(15,785)	(14,214)	(12,976)	(4,982)
Net income for the period	<u>65,835</u>	<u>221,526</u>	<u>42,236</u>	<u>86,350</u>
Other comprehensive income for the period				
Unrealised gain / (loss) on available for sale investments	1,562	(1,455)	1,562	(1,455)
Element of loss and capital losses included in prices of units sold less those in units redeemed pertaining to available for sale investment	(337)	-	(337)	-
Total comprehensive income for the period	<u>67,060</u>	<u>220,071</u>	<u>43,461</u>	<u>84,895</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 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Undistributed income brought forward	54,307	122,521	28,122	23,519
Less: Final distribution for the year ended June 30, 2011				
- bonus units @ 2% (June 30, 2010: 2.5%)	(23,672)	(55,493)	-	-
- cash dividend @ 2%(June 30, 2010: 2.5%)	(26,112)	(26,298)	-	-
Less: Interim distribution for the quarter ended September 30, 2011				
- bonus units @ nil (September 30, 2009: 3%)	-	(61,353)	-	-
- cash dividend @ nil (September 30, 2009: 3%)	-	(31,558)	-	-
Less: Interim distribution for the quarter ended December 31, 2011				
- bonus units @ nil (December 31, 2010: 2%)	-	(32,387)	-	-
- cash dividend @ nil (December 31, 2010: 2%)	-	(27,089)	-	-
Less: Interim distribution for the quarter ended March 31, 2012				
- bonus units @ 4% (March 31, 2011: 3.5%)	(36,470)	(48,187)	(36,470)	(48,187)
- cash dividend @ 4% (March 31, 2011: 3.5%)	(12,788)	(45,707)	(12,788)	(45,707)
Net income for the period	65,835	221,526	42,236	86,350
Element of loss and capital losses included in prices of units sold less those in units redeemed (net)	(337)	-	(337)	-
Undistributed income carried forward	<u>20,763</u>	<u>15,975</u>	<u>20,763</u>	<u>15,975</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

**For AI 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, 2012 (UNAUDITED - NOTE 3)**

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Net assets at the beginning of the period	2,541,935	3,394,034	1,718,219	3,022,577
Issue of 4,748,383 units (2011: 20,099,736 units) and 1,155,284 units (2011: 4,767,603 units) for the nine months and quarter respectively	241,576	1,036,434	59,378	244,587
Redemption of 31,560,048 units (2011: 34,861,497 units) and 11,562,571 units (2011: 11,134,214 units) for the nine months and quarter respectively	(1,599,927) (1,358,351)	(1,790,858) (754,424)	(593,717) (534,339)	(568,091) (323,504)
Element of loss and capital losses included in prices of units sold less those in units redeemed				
- transferred to income statement	15,785	14,214	12,976	4,982
- transferred directly to distribution statement	337	-	337	-
	16,122	14,214	13,313	4,982
Total comprehensive income for the period less distribution	(31,982)	(108,001)	(5,797)	(8,999)
Issue of 472,871 bonus units (2010: 1,096,257 bonus units) for the year ended June 30, 2011	23,672	55,493	-	-
Issue of nil bonus units (2010: 1,206,545 bonus units) for the quarter ended September 30, 2010	-	61,353	-	-
Issue of nil bonus units (2010: 643,248 bonus units) for the quarter ended December 31, 2010	-	32,387	-	-
Issue of 727,802 bonus units (2011: 959,902 bonus units) for the period ended March 31, 2012	36,470	48,187	36,470	48,187
Net assets at the end of the period	<u>1,227,866</u>	<u>2,743,243</u>	<u>1,227,866</u>	<u>2,743,243</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 CASH FLOW STATEMENT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
..... (Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	65,835	221,526	42,236	86,350
Adjustments for non-cash items				
Profit on savings accounts with banks	(45,559)	(79,467)	(2,199)	(18,127)
Profit on sukuk certificates	(184,639)	(234,200)	(59,717)	(81,633)
Reversal of provision for WWF	-	(15,649)	-	-
Unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss (net)	(1,646)	41,132	3,066	1,102
Amortisation of preliminary expenses and floatation costs	-	375	-	123
Provision for accrued profit on investments	38,562	-	-	-
Provision against sukuk certificate	98,099	32,200	(21)	-
Reversal of provision against sukuk certificate	-	(7,593)	-	-
Element of loss and capital losses included in prices of units sold less those in units redeemed	15,785	14,214	12,976	4,982
	(79,398)	(248,988)	(45,895)	(93,553)
Decrease / (increase) in assets				
Investments	855,662	(83,730)	404,201	(2,760)
Receivable against sale of investments	(50,308)	-	(50,308)	-
Deposits and prepayments	(9)	(7)	6	8
	805,345	(83,737)	353,899	(2,752)
(Decrease) / increase in liabilities				
Payable to Al Meezan - management company of the Fund	(1,307)	(1,430)	(1,105)	(794)
Payable to CDC - trustee of the Fund	(76)	(85)	(53)	(72)
Payable to SECP	(1,028)	(1,691)	280	532
Payable to MBL	(97)	(46)	-	(76)
Accrued expenses and other liabilities	(184)	864	64	475
	(2,692)	(2,388)	(814)	65
Profit received on savings accounts with banks	60,978	90,357	19,811	38,597
Profit received on sukuk certificates	218,159	220,939	80,288	79,663
Net cash inflow from operating activities	1,068,227	197,709	449,525	108,370
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issuance of units	241,576	1,036,434	59,378	244,587
Payments against redemption of units	(1,592,987)	(1,799,143)	(597,561)	(576,893)
Dividend paid	(26,112)	(84,945)	-	(27,089)
Net cash outflow from financing activities	(1,377,523)	(847,654)	(538,183)	(359,395)
Net cash outflow during the period	(309,296)	(649,945)	(88,658)	(251,025)
Cash and cash equivalents at the beginning of the period	426,592	1,132,702	205,954	733,782
Cash and cash equivalents at the end of the period	117,296	482,757	117,296	482,757

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Islamic Income Fund (the Fund) was established under a trust deed executed between Al Meezan as the management company and CDC as the trustee. The trust deed was executed on September 13, 2006 and was approved by the SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the management company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to provide the unit holders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the trust deed all 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 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 has been given a stability rating of A-(f) by JCR - VIS.
- 1.4 Title to the assets of the Fund are held in the name of CDC as 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 aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

3. STATEMENT OF COMPLIANCE

This condensed interim financial report has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

- 3.1 This condensed interim financial report comprises of the condensed interim statement of assets and liabilities as at March 31, 2012, 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, 2012, which are not audited. 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, 2012 which are not audited.

3.2 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed:

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the period is recognised in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the period on available for sale securities is included in distribution statement. Previously, the element was recognised based on cumulative values of undistributed income and unrealised gain / (loss) on available for sale securities present in the net asset value of units.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology, income for the period and amount taken to distribution statement would have decreased by Rs 1.537 million.

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, 2011.

5. INVESTMENTS

	Note	March 31, 2012 (Rupees in '000)	June 30, 2011
Investments at fair value through profit or loss	5.1	1,066,167	1,941,720
Investments - available for sale	5.2	-	75,000
		<u>1,066,167</u>	<u>2,016,720</u>
5.1 Investments at fair value through profit or loss			
- Held for trading	5.1.1	325,357	1,045,803
- Investments at fair value through profit or loss upon initial recognition	5.1.2	740,810	895,917
		<u>1,066,167</u>	<u>1,941,720</u>

5.1.1 Held for trading

5.1.1.1 Sukuk certificates

Name of the investee company	Maturity date	Profit rate	As at July 1, 2011	Purchases during the period	Sales / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain as at March 31, 2012	Percentage in relation to		
										Number of Certificates	(Rupees in '000)	Net assets of the Fund on the basis of market value (see note 5.3 below)	Paid-up capital of investee company (with face value of investment)	Total market value of investment
Century Paper & Board Mills Limited (note 5.1.1.3)	September 25, 2014	6 months Kibor plus base rate of 1.35%	5,985	-	1,710	4,275	20,573	21,357	784	1.74	N/A	2.01
GoP Ijarah Sukuk Certificates - III (note 5.1.1.2)	March 11, 2012	Weighted average 6 months T-Bills	2,000	-	2,000	-	-	-	-	-	N/A	-
GoP Ijarah Sukuk Certificates - IV (note 5.1.1.2)	September 17, 2012	Weighted average 6 months T-Bills less 5 basis points	1,370	-	830	540	54,000	54,000	-	4.40	N/A	5.07
GoP Ijarah Sukuk Certificates - V (note 5.1.1.2)	November 15, 2013	Weighted average 6 months T-Bills	5,300	-	5,300	-	-	-	-	-	N/A	-
GoP Ijarah Sukuk Certificates - VII (note 5.1.1.2)	March 7, 2014	Weighted average 6 months T-Bills	1,500	-	1,500	-	-	-	-	-	N/A	-
GoP Ijarah Sukuk Certificates - IX (note 5.1.1.2)	December 26, 2014	6 months PKRV	-	2,500	-	2,500	250,000	250,000	-	20.36	N/A	23.45
							<u>324,573</u>	<u>325,357</u>	<u>784</u>			
Total cost of investments							<u>324,573</u>					

5.1.1.2 The nominal value of the sukuk certificates of GoP Ijarah is Rs 100,000 each.

5.1.1.3 The nominal value of these sukuk certificates is Rs 5,000 each.

5.1.2 Investments at fair value through profit or loss upon initial recognition

5.1.2.1 Sukuk certificates

Name of the investee company	Maturity date	Profit rate	As at July 1, 2011	Purchases during the period	Sales / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Provision / (reversal of provision) for the period	Market value as at March 31, 2012	Unrealised gain / (loss) as at March 31, 2012	Percentage in relation to		
											Number of Certificates	(Rupees in '000)	Net assets of the Fund on the basis of market value (see note 5.3 below)	Paid-up capital of investee company (with face value of investment)	Total market value of investment
Arzoo Textile Mills Limited (note 5.1.1.3)	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	-	10.20	-
Century Paper & Board Mills Limited (note 5.1.1.3)	September 25, 2014	6 months Kibor plus base rate of 1.35%	13,170	8,340	5,152	16,358	80,006	-	81,720	1,714	6.66	11.57	7.67
Eden Builders Limited (note 5.1.1.3)	March 8, 2014	3 months Kibor plus base rate of 2.3%	6,600	-	1,800	4,800	23,429	-	23,942	513	1.95	2.09	2.25
Eden Housing Limited (note 5.1.2.2)	September 29, 2014	3 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	119,917	-	119,917	-	9.77	12.41	11.25
Engro Fertilizers Limited (note 5.1.1.3)	September 1, 2015	6 months Kibor plus base rate of 1.5%	40,500	-	10,000	30,500	152,500	-	154,758	2,258	12.60	4.65	14.52
Maple Leaf Cement Factory Limited (note 5.1.1.3)	December 3, 2018	3 months Kibor plus base rate of 1%	63,918	-	40	63,878	200,303	98,099	102,204	-	8.32	6.07	9.59
Maple Leaf Cement Factory Limited II (note 5.1.1.3)	March 30, 2012	3 months Kibor plus base rate of 1%	2,400	-	-	2,400	8,449	-	8,449	-	0.69	0.23	0.80
Security Leasing Corporation Limited II (note 5.1.1.3)	March 19, 2014	Nil	5,156	-	1,161	3,995	14,069	-	9,869	(4,200)	0.80	5.50	0.93
Sitara Chemical Industries Limited III (note 5.1.1.3)	December 31, 2012	3 months Kibor plus base rate of 1%	15,750	-	6,750	9,000	44,374	-	44,951	577	3.66	21.31	4.22
Hub Power Company Sukuk (note 5.1.1.3)	February 3, 2012	6 months Kibor plus base rate of 1.1%	-	20,000	-	20,000	100,000	-	100,000	-	8.14	47.35	9.38
Kot Addu Power Sukuuk (note 5.1.1.3)	December 27, 2011	6 months Kibor plus base rate of 1.1%	30,000	-	30,000	-	-	-	-	-	-	-	-
Kot Addu Power Sukuuk (note 5.1.1.3)	June 27, 2012	6 months Kibor plus base rate of 1.1%	-	19,000	-	19,000	95,000	-	95,000	-	7.74	44.33	8.92
Grand Total							838,047	98,099	740,810	862			
Total cost of investments									838,089				

5.1.2.2 The nominal value of the sukuk certificates of Eden Housing Limited is Rs 2,906.25 each.

5.1.2.3 On May 6, 2011, Eden Housing sukuk certificates have been classified as non-performing by MUFAP. Accordingly, fund has valued the sukuks at the price last quoted by MUFAP. Although, the fund has received all the installments due as per the restructured terms, accrual of profit has been stopped and all income have been recognised on cash basis from August 19, 2011.

5.1.2.4 On September 3, 2011 i.e. the scheduled redemption date, principal repayment alongwith the accrued profit aggregating Rs 0.068 million and Rs 23.492 million respectively was not received by the Fund from Maple Leaf Cement Factory Limited. In accordance with the requirements of the Circular No.1, the sukuk certificates had been classified as 'non performing assets' and no further profit has been accrued thereafter. Further, the accrued profit amounting to Rs 38.562 million on these sukuku has also been provided for in full. On December 3, 2011 i.e. the second schedule redemption date, principal repayment alongwith the accrued profit aggregating Rs 0.068 million and Rs 11.392 million was not received by the Fund. Subsequently, principal repayment and profit was received amounting to Rs 0.136 million and Rs 14.155 million. On March 3, 2012 i.e. the third schedule redemption date, principal repayment alongwith the accrued profit aggregating Rs 0.068 million and Rs 10.270 million was not received by the Fund. Subsequently, principal repayment and profit was received amounting to Rs. 0.068 million and Rs. 15.198 million. Further, in accordance with the provisioning policy of the Fund, an amount of Rs 98.099 million has also been provided against the outstanding principal as at March 31, 2012.

5.2 Investments - available for sale

Name of the issuer	Maturity date	Profit rate	As at July 1, 2011	Purchases during the period	Sales / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss) as at March 31, 2012	Percentage in relation to		
			Number of Certificates			(Rupees in '000)			Net assets of the Fund on the basis of market value (see note 5.3 below)	Paid-up capital of investee company (with face value of investment)	Total market value of investment	
GoP Ijarah Sukuk Certificates - III (note 5.1.1.2)	March 11, 2012	13.65%	750	-	750	-	-	-	-	-	-	-

5.3 Net assets are as defined in regulation 66 of NBFC Regulations.

5.4 Following investments of the Fund are in the sukuk which are below 'investment grade' securities:

Name of the investee company	Type of investments	Value of investment before provision	Provision held as at March 31, 2012	Value of investment after provision	Percentage of net assets	Percentage of total assets
		(Rupees in '000)			%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	32,200	32,200	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	129,588	-	129,588	10.55	10.32
Maple Leaf Cement Factory Limited	Non-traded sukuk certificates	200,345	98,099	102,246	8.33	8.14
Maple Leaf Cement Factory Limited II	Non-traded sukuk certificates	8,449	-	8,449	0.69	0.67
Security Leasing Corporation Limited II	Non-traded sukuk certificates	14,910	-	14,910	1.21	1.19
		<u>385,492</u>	<u>130,299</u>	<u>255,193</u>		

6 CONTINGENCIES

- 6.1 As explained in note 14 to the financial statements of the Fund for the year ended June 30, 2011, WAPDA First Sukuk Company Limited (WFSCCL) had claimed a profit installment of Rs. 13.6 million, received by MIIF on WAPDA sukuk certificates. The decisions in respect of the suit filed by Al Meezan, the management company of the Fund, and CDC, as trustee of the Fund, against WFSCCL on October 2009 in the High Court of Sindh (the High Court) for declaration, injunction and damages against the defendants claim for return of the aforementioned rental payments and the interpleader suit filed on December 2009 by defendants (i.e. WAPDA and WFSCCL) against Al Meezan, CDC in its capacity as the trustee of the Fund and some other parties in the senior civil court of Lahore (the Court) are pending.

The Fund based on the advice of its legal consultant is confident that the Fund will not be liable to return the amount of profit received by it, as the Fund was a legitimate and bonafide owner of those sukuk from the date it acquired them till such time those sukuk were sold in the normal course of business and accordingly it is not liable to return the aforementioned amount of rental (Rs 13.6 million) received by it.

- 6.2 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 amounting to Rs 22.70 million.

There were no other contingencies and commitments outstanding as at March 31, 2012 and June 30, 2011.

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, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Balanced Fund, Meezan Capital Protected Fund - II, Meezan Cash Fund, Al Meezan Mutual Fund and Meezan Sovereign Fund being the Funds under the common management of the management company.

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 provisions of NBFC Regulations and the trust deed respectively.

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

	(Unaudited) March 31, 2012	(Audited) June 30, 2011
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration payable	1,735	3,102
Sales tax payable on management fee	278	-
Sales load payable	80	298
Certificate charges payable	1	1
Investments as at March 31, 2012: 421,342 units (June 30, 2011: nil units)	21,404	-
MBL		
Sales load payable	-	97
Balances with bank	1	10,386
Profit receivable on savings account	37	156
Investments as at March 31, 2012: nil units (June 30, 2011: 17,642,001 units)	-	900,801
CDC - trustee of the Fund		
Trustee fee payable	170	246
Deposits	2,600	2,600
Directors and executives		
Investments as at March 31, 2012: 14,855 units (June 30, 2011: 314,219 units)	755	16,044

Nine months period ended
March 31,

2012 2011

(Rupees in '000)

Al-Meezan - management company of the Fund

Remuneration for the period	<u>24,173</u>	<u>34,959</u>
Units issued: 405,171 units (March 31, 2011: 4,668,353 units)	<u>21,000</u>	<u>240,000</u>
Redemptions: nil units (March 31, 2011: 4,560,769 units)	<u>-</u>	<u>234,003</u>
Bonus units issued: 16,171 units (March 31, 2011: 497,354 units)	<u>810</u>	<u>726</u>

MBL

Profit on savings accounts	<u>199</u>	<u>338</u>
Cash dividend paid	<u>-</u>	<u>97,031</u>

CDC - trustee of the Fund

Remuneration for the period	<u>2,010</u>	<u>2,938</u>
CDS Charges for the period	<u>5</u>	<u>5</u>

Directors and officers of the management company

Units issued: 40,126 units (2011: 7,919 units)	<u>2,031</u>	<u>400</u>
Redemptions: 59,364 units (2011: 53,775 units)	<u>3,022</u>	<u>2,759</u>
Bonus units issued: 1,228 units (2011: 66,626 units)	<u>53</u>	<u>2,333</u>

8. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 27, 2012 by the board of directors of the management company.

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

Chief Executive

Director



MEEZAN

SOVEREIGN FUND

Quarterly Report March 31, 2012

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. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoaib, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	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

Askari Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Faysal Bank Limited
Habib Bank Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited
National Bank of Pakistan - Islamic Banking
Standard Chartered Bank (Pakistan) Limited - Islamic Banking
UBL Ameen Islamic Banking

LEGAL ADVISER

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

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

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2012 (UN-AUDITED-NOTE 3)

<i>Note</i>	March 31, 2012 (Rupees in '000)	June 30, 2011
Assets		
Balances with banks	3,504,741	3,031,769
Investments	5 15,070,937	9,235,000
Deposits, prepayments and other receivables	584,971	340,874
Preliminary expenses and floatation costs	1,462	1,847
Total assets	19,162,111	12,609,490
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund	20,917	10,968
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund	1,303	762
Payable to Securities and Exchange Commission of Pakistan (SECP)	9,241	4,728
Payable to Meezan Bank Limited (MBL)	156	420
Payable on redemption of units	15,235	45,973
Dividend Payable	242,041	-
Accrued expenses and other liabilities	683	978
Total liabilities	289,576	63,829
Net assets	18,872,535	12,545,661
Contingency	6	
Unitholders' funds (as per statement attached)	18,872,535	12,545,661
Number of Units		
Number of units in issue	374,926,080	247,712,653
Rupees		
Net asset value per unit	50.34	50.65

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 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UN-AUDITED-NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Income				
Profit on savings accounts with banks	404,280	130,458	112,691	83,598
Profit on sukuk certificates	1,093,448	322,235	448,824	216,424
Realised gain on sale of sukuk certificates	25,311	799	-	980
	<u>1,523,039</u>	<u>453,492</u>	<u>561,515</u>	<u>301,002</u>
Unrealised loss on re-measurement of investments at fair value through profit or loss (net)	(1,086)	(12,290)	-	(5,600)
Total income	<u>1,521,953</u>	<u>441,202</u>	<u>561,515</u>	<u>295,402</u>
Expenses				
Remuneration to Al Meezan - management company of the Fund	123,209	36,377	48,349	23,919
Sindh sales tax	19,714	-	7,736	-
Remuneration to CDC - trustee of the Fund	9,806	3,749	3,813	2,069
Annual fee to SECP	9,241	2,728	3,626	1,794
Auditors' remuneration	339	268	107	67
Fees and subscription	153	71	53	48
Amortisation of premium on investments	1,813	-	129	-
Amortisation of preliminary expenses and floatation costs	385	384	127	126
Brokerage	255	152	-	143
Bank and settlement charges	118	35	41	13
Printing expense	207	48	66	-
Total expenses	<u>165,240</u>	<u>43,812</u>	<u>64,047</u>	<u>28,179</u>
Net income from operating activities	<u>1,356,713</u>	<u>397,390</u>	<u>497,468</u>	<u>267,223</u>
Element of income and capital gains included in prices of units in prices of units sold less those in units redeemed	58,764	150,974	8,510	33,248
Net income	<u>1,415,477</u>	<u>548,364</u>	<u>505,978</u>	<u>300,471</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 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UN-AUDITED-NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Undistributed income brought forward	160,028	34,077	123,254	123,469
Less: Final distribution for the year endend June 30, 2011				
- bonus units @ 1.28% (June 30,2010 : 3.60%)	(68,000)	(33,725)	-	-
- cash dividend @ 3.5%(June 30, 2010: NIL)	(90,537)	-	-	-
Less : Interim distribution for the quarter ended September 30, 2011				
- bonus units @ 2.6% (September 30, 2010 : 2.5%)	(185,368)	(17,545)	-	-
- cash dividend @ 2.6 % (September 30, 2010 : NIL)	(186,478)	-	-	-
Less : Interim distribution for the quarter ended December 31, 2011				
- bonus units @ 2.6% (December 31, 2010 : 1.30 %)	(225,591)	(28,095)	-	-
- cash dividend @ 2.6 % (Decemeber 31, 2010 : 1.30%)	(190,299)	(79,134)	-	-
Less : Interim distribution for the quarter ended March 31, 2012				
- bonus units @ 2.6% (March 31, 2011 : 4.20 %)	(262,232)	(247,286)	(262,232)	(247,286)
- cash dividend @ 2.6% (March 31, 2011 : 4.20%)	(242,041)	(165,367)	(242,041)	(165,367)
Net income	1,415,477	548,362	505,978	300,471
Undistributed income carried forward	<u>124,959</u>	<u>11,287</u>	<u>124,959</u>	<u>11,287</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 UNITHOLDERS' FUNDS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UN-AUDITED-NOTE 3)**

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Net assets at the beginning of the period	12,545,661	970,896	18,798,100	8,399,341
Issue of 274,713,586 units (2011 : 225,457,147 Units) and 67,784,764 units (2011 : 64,460,401 units) for the nine months and quarter respectively	13,887,324	11,482,653	3,436,864	3,300,443
Redemption of 162,286,204 units (2011 : 59,489,702 Units) and 71,557,314 units (2011 : 43,695,712 units) for the nine months and quarter respectively	(8,207,808)	(3,033,767)	(3,617,856)	(2,228,972)
	5,679,516	8,448,886	(180,992)	1,071,471
Element of income and capital gains included in prices of units sold less those in units redeemed	(58,764)	(150,974)	(8,510)	(33,248)
Net loss for the period less distribution	(35,069)	(22,791)	1,705	(112,182)
Issue of 1,359,720 bonus units for the period ended June 30, 2011 (June 30, 2010 : 674,240 Units)	68,000	33,725	-	-
Issue of 3,702,923 bonus units for the quarter ended September 30, 2011 (September 30, 2010 : 350,683 Units)	185,368	17,545	-	-
Issue of 4,496,534 bonus units for the quarter ended December 31, 2011 (December 31, 2010 : 553,810 Units)	225,591	28,095	-	-
Issue of 5,226,869 bonus units for the quarter ended March 31, 2012 (March 31, 2011 : 3,306,687 Units)	262,232	165,366	262,232	165,366
Net assets at the end of the period	<u>18,872,535</u>	<u>9,490,748</u>	<u>18,872,535</u>	<u>9,490,748</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 CASH FLOW STATEMENT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UN-AUDITED-NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	1,415,477	548,362	505,978	300,471
Adjustments for non-cash items				
Profit on savings accounts with banks	(404,280)	(130,458)	(112,691)	(83,598)
Profit on sukuk certificates	(1,093,448)	(322,235)	(448,824)	(216,424)
Unrealised loss on re-measurement of investments at fair value through profit or loss (net)	(1,086)	(12,290)	-	(5,600)
Amortisation of preliminary expenses and floatation costs	385	384	126	126
Element of income and capital gains included in prices of units sold less those in units redeemed	(58,764)	(150,974)	(8,510)	(33,248)
	(1,557,193)	(615,573)	(569,899)	(338,744)
(Increase) / decrease in assets				
Investments	(5,834,851)	(7,761,301)	(937)	(2,251,050)
Deposits, prepayments and other receivables	(57)	(124)	1,119	48
	(5,834,908)	(7,761,425)	182	(2,251,002)
Increase / (decrease) in liabilities				
Payable to Al Meezan - management company of the Fund	9,949	8,455	2,403	1,952
Payable to CDC - trustee of the Fund	541	641	163	27
Payable to SECP	4,513	2,571	3,626	1,794
Payable to MBL	(264)	149	(131)	129
Payable on redemption of units	(30,738)	(3,546)	548	(2,527)
Accrued expenses and other liabilities	(295)	477	(772)	79
	(16,294)	8,747	5,837	1,454
Profit received on savings accounts with banks	441,469	62,759	198,068	40,478
Profit paid on purchase of sukuk certificates	812,219	39,012	113,522	20,686
Net cash outflow from operating activities	(4,739,230)	(7,718,118)	253,688	(2,226,657)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	13,887,324	11,482,652	3,436,864	3,300,443
Payments against redemption of units	(8,207,808)	(3,033,767)	(3,617,856)	(2,228,972)
Dividend paid	(467,314)	(79,157)	-	(79,157)
Net cash inflow from financing activities	5,212,202	8,369,728	(180,992)	992,314
Net cash inflow during the period	472,972	651,611	72,696	(1,234,343)
Cash and cash equivalents at the beginning of the period	3,031,769	646,710	3,432,045	2,532,664
Cash and cash equivalents at the end of the period	3,504,741	1,298,321	3,504,741	1,298,321

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 FINANCIAL STATEMENTS FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UN-AUDITED-NOTE 3)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Sovereign Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the management company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The trust deed was executed on May 14, 2009 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). The registered office of the management company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders maximum possible preservation of capital along with Halal and reasonable returns by investing primarily in a portfolio of shariah compliant government securities thus minimizing the credit risk of investments. The Fund shall also keep an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalize on exceptional returns if available at any given point of time. Under the trust deed all 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 listed on the Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The management company of the Fund has been given a quality rating of AM2. The JCR-VIS Credit Rating Company (Pvt) Limited due to change in fund stability rating methodology has harmonized the fund stability rating (FSR) of Meezan Sovereign Fund to AA(f).
- 1.5 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 for interim financial reporting. Approved accounting standards for interim financial reporting comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

3.2 This condensed interim financial report comprises of the condensed interim statement of assets and liabilities as at March 31, 2012 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, 2012, which are not audited. 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, 2012 which is not audited.

3.3 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed:

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the period is recognised in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the period on available for sale securities is included in distribution statement. Previously, the element was recognised based on cumulative values of undistributed income and unrealised gain / (loss) on available for sale securities present in the net asset value of units.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology, income for the period and amount taken to distribution statement would have been higher by Rs 1.27 million.

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, 2011.

	<i>Note</i>	(Un-audited) March 31, 2012	(Audited) June 30, 2011
(Rupees in '000)			
5. INVESTMENTS			
Investments at 'fair value through profit or loss'	5.1	14,795,000	9,235,000
Investments - 'available for sale'	5.2	275,937	-
		<u>15,070,937</u>	<u>9,235,000</u>
5.1 Investments at 'fair value through profit or loss'			
- Held for trading	5.1.1	14,795,000	9,235,000
		<u>14,795,000</u>	<u>9,235,000</u>

5.1.1 Held for trading

Name of the Issuer	Maturity date	Profit rate	As at July 1, 2011	Purchases during the period	Sale / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised (loss)	Percentage in relation to	
										Number of Certificates	Rupees in '000	Net assets of the fund on the basis of market value (see note 5.1.3 below)	Total market value of investments
GoP Ijarah Sukuk Certificates - IV (note 5.1.2)	September 17, 2012	Weighted average 6 months T-Bills less 5 basis points	5,350	-	-	5,350	535,000	535,000	-	2.83	3.55
GoP Ijarah Sukuk Certificates - V (note 5.1.2)	November 15, 2013	Weighted average 6 months T-Bills	49,560	-	-	49,560	4,956,000	4,956,000	-	26.26	32.88
GoP Ijarah Sukuk Certificates - VI (note 5.1.2)	December 20, 2013	Weighted average 6 months T-Bills	7,570	-	-	7,570	757,000	757,000	-	4.01	5.02
GoP Ijarah Sukuk Certificates - VII (note 5.1.2)	March 7, 2014	Weighted average 6 months T-Bills	24,870	-	13,000	11,870	1,187,000	1,187,000	-	6.29	7.88
GoP Ijarah Sukuk Certificates - VIII (note 5.1.2)	May 16, 2014	Weighted average 6 months T-Bills	5,000	2,000	3,000	4,000	401,086	400,000	(1,086)	2.12	2.65
GoP Ijarah Sukuk Certificates - IX (note 5.1.2)	December 26, 2014	6 months PKRV	-	69,600	-	69,600	6,960,000	6,960,000	-	36.88	46.18
							<u>14,796,086</u>	<u>14,795,000</u>	<u>(1,086)</u>		
Total cost of investments							<u>14,808,476</u>				

5.1.2 The nominal value of the sukuk certificates is Rs 100,000 each.

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

5.2 Investment - Available for sale

Name of the Issuer	Maturity date	Profit rate	As at July 1, 2011	Purchases during the period	Sale / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss)	Percentage in relation to	
										Number of Certificates	Rupees in '000	Net assets of the fund on the basis of market value (see note 5.3 below)	Total market value of investments
GoP Ijarah Sukuk Certificates - V (note 5.1.2)	November 15, 2013	Weighted average 6 months T-Bills	-	5,000	2,250	2,750	275,937	275,937	-	0.01	1.83
GoP Ijarah Sukuk Certificates - VII (note 5.1.2)	March 7, 2014	Weighted average 6 months T-Bills	-	500	500	-	-	-	-	-	-
							<u>275,937</u>	<u>275,937</u>			
Total cost of investments							<u>275,000</u>				

6. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs 45.76 million.

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, Al Meezan Mutual Fund, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Islamic Income fund, Meezan Balanced Fund, Meezan Capital Protected Fund - I, Meezan Capital Protected Fund - II and Meezan Cash Fund being the Funds under the common management of the management company.

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 provisions of NBFC Regulations and the trust deed respectively.

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

	March 31, 2012	June 30, 2011
	(Rupees in '000)	
Al-Meezan - management company of the Fund		
Remuneration payable	<u>16,519</u>	<u>9,340</u>
Sales load payable	<u>1,911</u>	<u>1,628</u>
Sindh sales tax	<u>2,487</u>	<u>-</u>
Investments as at March 31, 2012: 13,530,430 units (June 30, 2011: 11,561,754 Units)	<u>681,122</u>	<u>585,603</u>
MBL		
Sales load payable	<u>156</u>	<u>420</u>
Balances with bank	<u>24,179</u>	<u>16,471</u>
Profit receivable on savings account	<u>209</u>	<u>84</u>
Investments as at March 31, 2012: 138,275,433 units (June 30, 2011: 98,474,437 Units)	<u>6,960,785</u>	<u>4,987,730</u>
CDC - trustee of the Fund		
Trustee fee payable	<u>1,303</u>	<u>762</u>
Directors and executives		
Investments as at March 31, 2012: 3,433,563 units (June 30, 2011: 2,630,520 Units)	<u>172,846</u>	<u>133,236</u>

Nine months period ended
March 31

2012 2011

(Rupees in '000)

Al-Meezan - management company of the Fund

Remuneration for the period	<u>123,209</u>	<u>36,377</u>
Preliminary expenses and floatation costs	<u>385</u>	<u>384</u>
Units issued 2,271,580 (March 31, 2011: 4,843,652 Units)	<u>116,000</u>	<u>245,500</u>
Units redeemed 1,473,660 units (March 31, 2011: NIL Units)	<u>75,000</u>	<u>-</u>
Bonus units issued 1,170,756 (March 31, 2011: 352,821 Units)	<u>58,675</u>	<u>17,675</u>

MBL

Profit on savings accounts	<u>1,213</u>	<u>682</u>
Units issued 39,800,995 (March 31, 2011: 98,474,437 Units)	<u>2,000,000</u>	<u>5,750,000</u>
Units redeemed NIL (March 31, 2011: 14,711,652 Units)	<u>-</u>	<u>14,712</u>
Cash dividend	<u>498,815</u>	<u>280,367</u>

CDC - trustee of the Fund

Remuneration for the period	<u>9,806</u>	<u>3,749</u>
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Directors and executives

Units issued 1,455,984 (March 31, 2011: 2,952,946 Units)	<u>74,129</u>	<u>150,151</u>
Units redeemed 909,564 (March 31, 2011: 7,155 Units)	<u>45,884</u>	<u>368</u>
Bonus units issued 256,623 (March 31, 2011: 147,605 Units)	<u>12,862</u>	<u>7,396</u>

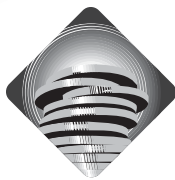
8. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 27, 2012 by the board of directors of the management company.

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

Chief Executive

Director



MEEZAN

CASH FUND

Quarterly Report March 31, 2012



MEEZAN **CASH FUND**

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone: (9221) 3563 0722-6, 111-MEEZAN
Fax: (9221) 3567 6143, 3563 0808
Web site: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoab, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	Member

TRUSTEE

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi-74400

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Askari Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Faysal Bank Limited
Habib 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

LEGAL ADVISER

Bawaney & Partners
404, 4th Floor, Beaumont Plaza, 6-CL-10
Beaumont Road, Civil Lines, Karachi - 75530
Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2012 (UNAUDITED-NOTE 3)

	March 31, 2012	June 30, 2011
	Note	..... (Rupees in '000)
Assets		
Balances with banks	6,012,559	3,666,697
Placements	5 1,000,000	1,950,000
Investments	6 603,500	225,000
Profit receivable	154,333	151,784
Preliminary expenses and floatation costs	1,320	1,773
Deposits and prepayments	132	290
Total assets	7,771,844	5,995,544
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund	7,374	4,634
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund	581	456
Payable to Securities and Exchange Commission of Pakistan (SECP)	3,689	4,620
Payable on redemption of units	4,089	21,876
Brokerage payable	-	45
Accrued expenses and other liabilities	957	656
Dividend payable	13,089	7,428
Total liabilities	29,778	39,715
Net assets	7,742,065	5,955,829
Contingency	7	
Unitholders' fund (as per statement attached)	7,742,065	5,955,829
	Number of units	
Number of units in issue	154,313,848	119,042,374
	Rupees	
Net assets value per unit	50.17	50.03

The annexed notes 1 to 9 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED-NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Income				
Profit on savings accounts with banks	398,590	373,713	155,237	118,637
Profit on placements	139,893	162,994	30,323	68,473
Profit on sukuk certificates	52,423	-	17,868	-
Other income	45	-	-	-
Total income	590,952	536,707	203,429	187,110
Expenses				
Remuneration to Al Meezan - management company of the Fund	49,181	46,786	17,480	15,546
Sindh sales tax on management fee	7,869	-	2,797	-
Remuneration to CDC - trustee of the Fund	4,648	5,108	1,622	1,481
Annual fee to SECP	3,689	3,511	1,311	1,169
Auditors' remuneration	341	271	116	67
Fees and subscription	166	151	55	51
Amortisation of preliminary expenses and floatation costs	452	453	149	148
Bank and settlement charges	84	58	29	15
Legal and professional charges	5	-	5	-
Printing expense	153	94	107	20
Total expenses	66,587	56,432	23,670	18,497
Net income from operating activities	524,365	480,275	179,759	168,613
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	12,212	(11,457)	5,098	(724)
Net income	536,577	468,818	184,857	167,889

The annexed notes 1 to 9 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED-NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Net profit for the period brought forward	3,711	170,821	19,954	7,213
Less : Final distribution @ 3.38% - June 30, 2010 - bonus units	-	(170,806)	-	-
Less : Interim Distribution @ 1.7% - August 23, 2011 - bonus units - cash dividend	(97,720) (10,890)	-	-	-
Less : Interim Distribution @ 0.9% - September 23, 2011 - bonus units - cash dividend	(46,330) (10,289)	-	-	-
Less : Interim Distribution @ 2.45% - September 30, 2010 - bonus units	-	(139,774)	-	-
Less : Interim Distribution @ 0.88% - October 20, 2011 - bonus units - cash dividend	(46,186) (10,024)	-	-	-
Less : Interim Distribution @ 0.98% - November 22, 2011 - bonus units - cash dividend	(50,785) (11,163)	-	-	-
Less : Interim Distribution @ 0.80% - December 21, 2011 - bonus units - cash dividend	(42,980) (9,110)	-	-	-
Less : Interim Distribution @ 2.5% - December 31, 2010 - bonus units - cash dividend	- -	(139,430) (14,527)	- -	- -
Less : Interim Distribution @ 0.86% - January 22, 2012 - bonus units - cash dividend	(47,552) (9,801)	-	(47,552) (9,801)	-
Less : Interim Distribution @ 0.88% - February 22, 2012 - bonus units - cash dividend	(51,088) (10,029)	-	(51,088) (10,029)	-
Less : Interim Distribution @ 2.7% - March 28, 2011 - bonus units - cash dividend	- -	(150,115) (17,290)	- -	(150,115) (17,290)
Less : Interim Distribution @ 0.80% - March 19, 2012 - bonus units - cash dividend	(47,934) (13,091)	-	(51,908) (9,117)	-
Net income for the period	536,577	468,818	184,857	167,889
Net profit for the period carried forward	<u>25,316</u>	<u>7,697</u>	<u>25,316</u>	<u>7,697</u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED-NOTE 3)**

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	(Rupees in '000)			
Net assets at the beginning of the period	5,955,829	5,224,268	6,601,069	6,158,991
Issue of 153,244,323 units (2011: 120,709,544) units and 70,355,722 (2011: 26,497,321) units for the nine months and quarter respectively	7,704,719	6,106,147	3,534,680	1,339,239
Redemption of 126,581,663 (2011: 106,412,263) units and 50,586,383 (2011: 28,068,897) units for the nine months and quarter respectively	(6,358,451)	(5,402,911)	(2,540,522)	(1,418,602)
	1,346,268	703,236	994,158	(79,363)
Element of (income) / losses and capital (gains) / losses included in prices of units issued less those in units redeemed:	(12,212)	11,457	(5,098)	724
Net income for the period less distribution	21,605	(163,124)	5,362	6,065
Issue of 3,416,130 bonus units - June 30, 2010	-	170,806	-	-
Issue of 1,954,007 bonus units - August 23, 2011	97,720	-	-	-
Issue of 926,235 bonus units - September 23, 2011	46,330	-	-	-
Issue of 2,795,532 bonus units - September 30, 2010	-	139,774	-	-
Issue of 923,709 bonus units - October 20, 2011	46,186	-	-	-
Issue of 1,015,710 bonus units - November 22, 2011	50,785	-	-	-
Issue of 859,420 bonus units - December 21, 2011	42,980	-	-	-
Issue of 2,786,311 bonus units - December 31, 2010	-	139,430	-	139,430
Issue of 950,272 bonus units - January 22, 2012	47,552	-	47,552	-
Issue of 1,020,949 bonus units - February 22, 2012	51,088	-	51,088	-
Issue of 3,001,173 bonus units - March 28, 2011	-	150,115	-	150,115
Issue of 958,512 bonus units - March 19, 2012	47,934	-	47,934	-
	430,575	600,125	146,574	289,545
Net assets as at the end of the period	7,742,065	6,375,962	7,742,065	6,375,962

The annexed notes 1 to 9 form an integral part of this condensed interim financial report.

**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, 2012 (UNAUDITED-NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
..... (Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	536,577	468,818	184,857	167,889
Adjustments for non-cash items				
Profit on savings accounts with banks	(398,590)	(373,713)	(155,237)	(118,637)
Profit on placements	(139,893)	(162,994)	(30,323)	(68,473)
Profit on sukuk certificates	(52,423)	-	(17,868)	-
Amortisation of preliminary expenses and floatation costs	452	453	149	148
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(12,212)	11,457	(5,098)	724
	(66,090)	(55,979)	(23,521)	(18,349)
(Increase) / decrease in assets				
Loans and receivables	-	-	-	-
Deposits and prepayments	158	144	52	48
Investments	(378,500)	-	(78,500)	-
Placements	950,000	(550,000)	-	450,000
	571,658	(549,856)	(78,448)	450,048
Increase / (decrease) in liabilities				
Payable to Al Meezan - management company of the Fund	2,740	878	949	(172)
Payable to CDC - trustee of the Fund	125	(19)	57	(127)
Payable to SECP	(931)	934	1,311	1,164
Payable on redemption of units	-	(23,078)	-	5,203
Brokerage payable	(45)	-	-	-
Accrued expenses and other liabilities	301	2,086	354	(357)
	2,189	(19,199)	2,670	5,711
Profit received on savings accounts with banks	391,623	456,315	156,841	251,490
Profit received on sukuk certificates	38,681	-	21,884	-
Profit received on placements	158,054	108,939	30,682	20,560
Net cash (outflow) / inflow from operating activities	1,096,115	(59,780)	110,108	709,460
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	7,704,719	6,106,147	3,534,680	1,339,239
Payment against redemption of units	(6,376,238)	(5,402,911)	(2,558,175)	(1,418,602)
Dividend Paid	(78,735)	(14,527)	(19,831)	(14,527)
Net cash inflow / (outflow) from financing activities	1,249,746	688,709	956,674	(93,890)
Net cash inflow during the period	2,345,862	628,929	1,066,783	615,570
Cash and cash equivalents at the beginning of the period	3,666,697	2,942,794	4,945,776	2,956,153
Cash and cash equivalents at the end of the period	6,012,559	3,571,723	6,012,559	3,571,723

The annexed notes 1 to 9 form an integral part of this condensed interim financial report.

**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, 2012 (UNAUDITED-NOTE 3)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Cash Fund (the Fund) was established under a trust deed executed between Al Meezan as the management company and CDC as the trustee. The trust deed was executed on May 14, 2009 and was approved by the SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the Management Company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. Under the trust deed all the conducts and acts of the Fund are based on shariah. Meezan Bank Limited (MBL) acts as its shariah advisor to ensure that the activities of the Fund are in compliance with the principles of shariah. The management company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an open-end fund listed on the Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The management company of the fund has been given quality rating of AM2 and the stability rating of the Fund is AA(f) given by JCR - VIS.
- 1.5 Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.

2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the shariah adviser are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

3. STATEMENT OF COMPLIANCE

- 3.1 This condensed interim financial report has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

- 3.2 This condensed interim financial report comprises of the condensed interim statement of assets and liabilities as at March 31, 2012 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 quarter ended March 31, 2012 which are not audited.
- 3.3 The comparative condensed interim statement of assets and liabilities presented in this condensed interim financial report as at June 30, 2011 has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2011 whereas the comparative condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement have been extracted from the condensed interim financial report for the nine months and quarter ended March 31, 2011.
- 3.4 Element of Income / Loss and capital gains / losses included in prices of units issued less those in units redeemed

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognised in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities is included in distribution statement. Previously, the element was recognised based on cumulative values of undistributed income and unrealised gain / loss on available for sale securities present in the net asset value of units.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology profit and amount taken to distribution statement for the period would have been lower by Rs.1.06 million

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, 2011.

5. PLACEMENTS

Placements carry expected profit rates ranging from 12% to 12.25 % per annum (June 30, 2011: 12.10% to 13.02% per annum) and are due to mature from April 06 to June 30, 2012.

6. INVESTMENTS

Name of the issuer	Maturity	Profit rate	As at July 01, 2011	Purchases during the quarter	Sales / redemptions during the quarter	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss)	Percentage in relation to		
										Net assets of the Fund on the basis of market value	Paid up capital of investee company (with face value of investment)	Total market value of investments
			-----Number of Certificate-----			-----Rupees in '000-----						
Kot Addu Power Company Limited - Sukuk	December 27, 2011	6 months KIBOR + 1.1%	45,000	-	45,000	-	-	-	-	-	-	-
Kot Addu Power Company Limited - Sukuk	June 27, 2012	6 months KIBOR + 1.1%	-	45,000	-	45,000	225,000	225,000	-	2.91	2.56	37.28
HUB Power Company Limited - Sukuk	August 3, 2012	6 months KIBOR + 1.1%	-	60,000	-	60,000	300,000	300,000	-	3.87	2.59	49.71
Engro Fertilizers Limited - sukuk	September 21, 2012	6 months KIBOR + 1.60%	-	15,700	-	15,700	78,500	78,500	-	1.01	1.54	13.01
							603,500	603,500	-			

7. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs.

The Fund has received a notice of demand under section 137 of the Income Tax Ordinance, 2001 for the payment of levy amounting to Rs. 41,000 for the period ended June 30, 2009. The management company has filed an appeal against such notice to the Commission Inland Revenue (Appeals). The appeal is without prejudice to the constitutional petition filed by CISs with the superior court in respect of WWF levy.

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs. 30.985 million.

8. 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, Pakistan Kuwait Investment Company (Private) Limited, directors and officers of the management company and Al Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - I, Meezan Islamic Fund, Meezan Sovereign Fund and Meezan Balanced Fund being the funds under the common management of the management company.

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 and the Trust Deed respectively.

	March 31, 2012	June 30, 2011
	(Rupees in '000)	
AI Meezan- management company of the Fund		
Remuneration payable	<u>6,357</u>	<u>4,634</u>
Sindh sales tax payable on mangement fee	<u>1,017</u>	<u>-</u>
MBL		
Balances with bank	<u>5,747</u>	<u>35,667</u>
Profit receivable on savings accounts	<u>180</u>	<u>116</u>
CDC - trustee of the Fund		
Trustee fee payable	<u>581</u>	<u>456</u>
Deposits	<u>100</u>	<u>100</u>
Directors and officers of the management company		
Investments as at March 31, 2012: 425,441 units (June 30, 2011: 452,804 units)	<u>21,343</u>	<u>22,654</u>
	Nine months period ended March 31,	
	2012	2011
	(Rupees in '000)	
AI Meezan - management company of the Fund		
Remuneration for the period	<u>49,181</u>	<u>46,786</u>
Sindh sales tax on management fee	<u>7,869</u>	<u>-</u>
Units issued: nil units (2011: 396,747)	<u>-</u>	<u>20,000</u>
Redemptions: nil units (2011: 2,085,149)	<u>-</u>	<u>105,812</u>
Bonus units issued: nil units (2011: 173,641)	<u>-</u>	<u>8,684</u>
MBL - shariah advisor of the Fund		
Profit on savings accounts	<u>722</u>	<u>1,059</u>
CDC - trustee of the Fund		
Trustee fee	<u>4,648</u>	<u>5,108</u>
Directors and officers of the management company		
Units issued: 280,290 units (2011: 228,874)	<u>12,421</u>	<u>11,540</u>
Redemptions: 341,122 units (2011: 871,238)	<u>17,099</u>	<u>44,041</u>
Bonus units issued: 33,469 units (2011: 90,692)	<u>1,667</u>	<u>4,535</u>

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on April 27, 2012 by the Board of Directors of the management company.

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

Chief Executive

Director



MEEZAN
CAPITAL PROTECTED FUND-II

Quarterly Report March 31, 2012

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. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoab, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	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

Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

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

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2012 (UNAUDITED - NOTE 3)**

March 31,
2012

	Note	--- (Rupees in '000) ---
Assets		
Capital protection segment		
Investments - 'available for sale'	5	303,909
Profit receivable from Government of Pakistan (GoP) Ijara Sukuk		13,072
		<u>316,981</u>
Investment segment		
Balances with banks		18,990
Investments - 'fair value through profit or loss'	6	97,623
Profit receivable on savings accounts		422
		117,035
Dividend receivable		1,657
Deposits with Central Depository Company of Pakistan Limited (CDC)		100
Deposits, prepayments and other receivables		59
Preliminary expenses and floatation costs		1,716
Total assets		<u>437,548</u>
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund		710
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund		59
Payable to Securities and Exchange Commission of Pakistan (SECP)		220
Accrued expenses and other liabilities		989
Total liabilities		<u>1,978</u>
Net assets		<u>435,570</u>
Contingency	7	
Unitholders' funds (as per statement attached)		<u>435,570</u>
		Number of units
Number of units in issue		<u>7,880,209</u>
		Rupees
Net assets value per unit		<u>55.27</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 INCOME STATEMENT

FOR THE PERIOD JULY 05, 2011 TO MARCH 31, 2012 AND QUARTER ENDED MARCH 31, 2012
(UNAUDITED - NOTE 3)

	From July 05, 2011 to March 31, 2012	For the Quarter ended March 31, 2012
	----- (Rupees in '000) -----	
Income		
Net realised gain on sale of investments	5,934	3,363
Dividend income	5,750	2,057
Profit on savings accounts with banks	5,731	477
Profit Income - GOP Ijara Sukuk	23,502	8,849
Back end load	249	53
	<u>41,166</u>	<u>14,799</u>
Unrealised gain on re-measurement of investments at fair value through profit or loss	7,822	16,724
Total income	<u>48,988</u>	<u>31,523</u>
Expenses		
Remuneration to Al Meezan - management company of the Fund	4,422	1,612
Sindh sales tax on management fee	707	257
Remuneration to CDC - trustee of the Fund	520	175
Annual fee to SECP	220	79
Auditors' remuneration	267	86
Fees and subscription	45	15
Amortisation of preliminary expenses and floatation costs	536	180
Amortization of Premium -GOP Ijara Sukuks	676	198
Brokerage	487	110
Legal and professional charges	131	43
Bank and settlement charges	105	23
Printing charges	111	38
Total expenses	<u>8,227</u>	<u>2,816</u>
Net income from operating activities	<u>40,761</u>	<u>28,707</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	798	(95)
Net Income	<u>41,559</u>	<u>28,612</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 PERIOD JULY 05, 2011 TO MARCH 31, 2012 AND QUARTER ENDED MARCH 31, 2012
(UNAUDITED - NOTE 3)

	From July 05, 2011 to March 31, 2012	For the Quarter ended March 31, 2012
	----- (Rupees in '000) -----	
Undistributed income at the beginning of the period	-	12,947
Net income for the period	41,559	28,612
Undistributed income carried forward as at March 31, 2012	<u>41,559</u>	<u>41,559</u>

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS
FOR THE PERIOD JULY 05, 2011 TO MARCH 31, 2012 AND QUARTER ENDED MARCH 31, 2012
(UNAUDITED - NOTE 3)**

	From July 05, 2011 to March 31, 2012	For the Quarter ended March 31, 2012
	(Rupees in '000)	
Net assets at the beginning of the period	-	407,965
Issue of 7,900,661 units	395,926	-
Redemption of 20,452 units	(1,117)	(1,102)
	394,809	(1,102)
Net income at the end of the period	41,559	28,612
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(798)	95
Net assets at the end of the period	<u>435,570</u>	<u>435,570</u>
Net asset value per unit at the beginning of the period - Rupees	<u>-</u>	<u>51.64</u>
Net asset value per unit at the end of the period - Rupees	<u>55.27</u>	<u>55.27</u>

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

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD JULY 05, 2011 TO MARCH 31, 2012 AND QUARTER ENDED MARCH 31, 2012
(UNAUDITED - NOTE 3)

	From July 05, 2011 to March 31, 2012	For the Quarter ended March 31, 2012
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the period	41,559	28,612
Adjustments for:		
Dividend income	(5,750)	(2,057)
Profit on savings accounts with banks	(5,731)	(477)
Profit Income - GoP Ijara Sukuk	(23,502)	(8,849)
Unrealised gain on re-measurement of investments at fair value through profit or loss	(7,822)	(16,724)
Amortisation of preliminary expenses and floatation costs	536	180
Amortisation of GoP Ijarah sukuks Premium	676	198
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(798)	95
	(832)	978
(Increase)/Decrease in assets		
Investments	(394,386)	6,688
Deposits with CDC	(100)	-
Deposits, prepayments and other receivables	(59)	58
Preliminary expenses and floatation costs	(2,252)	-
	(396,797)	6,746
Increase/(Decrease) in liabilities		
Payable to Al Meezan- management company of the Fund	710	80
Payable to CDC- trustee of the Fund	59	-
Payable to SECP	220	79
Accrued expenses and other liabilities	989	71
	1,978	230
Profit received on savings accounts with banks	5,309	3,972
Profit received on purchase of GoP Ijara Sukuk	10,430	-
Dividend received	4,093	436
Net cash (outflow) / inflow from operating activities	(375,819)	12,362
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	395,926	-
Payments against redemption of units	(1,117)	(1,102)
Net cash inflow during the period	18,990	11,260
Cash and cash equivalents at the beginning of the period	-	7,730
Cash and cash equivalents at the end of the period	18,990	18,990

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 PERIOD JULY 5 TO MARCH 31, 2012 AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED - NOTE 3)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Capital Protected Fund-II (the Fund) was established under a trust deed executed between Al Meezan as the management company and CDC as the trustee. The trust deed was executed on May 12, 2011 and was approved by the SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the management company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund 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 Shariah Compliant GoP Ijarah Sukuk. Alternatively, the assets of the Fund may be placed with a Scheduled Islamic Bank or Islamic windows having at least minimum rating A- (A minus) at the time of placement as directed by the SECP. The remaining assets of the Fund will be allocated to the Investment Segment and may be invested in assets with minimum investment grade wherever applicable that have the potential to give a high return to investors. Under the trust deed all the conducts and acts of the Fund are based on shariah. Meezan Bank Limited (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 Islamabad Stock Exchange. The issuance of units has been discontinued since August 15, 2011. The management company of the Fund has been given quality rating of AM2 by JCR - VIS. The units are transferable and can be redeemed by surrendering them to the Fund.
- 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 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 for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.
- 3.2 This condensed interim financial report comprises of the condensed interim statement of assets and liabilities as at March 31, 2012, 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 period July 5 to March 31, 2012, which are not subject to audit. 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, 2012, which are not audited.

4. 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 period ended December 31, 2011.

5. INVESTMENTS - 'AVAILABLE-FOR-SALE'

Name of the issuer	Maturity date	Profit rate	Purchases during the period	Sale / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss)	Percentage in relation to total Market value of investment	Percentage in relation to net asset of the fund
			----- Number of certificates -----					----- Rupees in '000 -----		
GoP Ijarah Sukuks Certificates - VIII	May 16, 2014	Weighted average 6 months T-Bills	2,800	-	2,800	281,909	281,909	-	70.21	64.72
GoP Ijara Sukuk Certificates - IX	December 25, 2014	6 months PKRV	220	-	220	22,000	22,000	-	5.48	5.05
Total						303,909	303,909	-		

5.1. The nominal value of the sukuk certificates is Rs 100,000 each.

5.2. The above securities fulfills the capital protection requirements as outlined in the trust deed and offering document.

6. Investments 'HELD FOR TRADING' (Shares of listed companies)

Name of the investee company	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss) as at March 31, 2012	Percentage in relation to		
								----- Number of shares -----	----- Rupees in '000 -----	Net assets of the Fund on basis of market value (see note 5.2 below)	Paid-up capital of investee company (with face value of investment)	Total market value of investments
Construction and Materials										
DG Khan Cement Co. Limited	363,500	-	176,000	187,500	4,344	6,819	2,475	1.57	0.04	1.70
Lucky Cement Limited	328,848	-	213,500	115,348	9,526	13,086	3,561	3.00	0.04	3.26
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited "A"	1,115,000	-	170,810	944,190	11,676	11,623	(53)	2.67	0.03	2.89
Electricity										
The Hub Power Company Limited	662,500	-	370,000	292,500	10,687	11,007	319	2.53	0.03	2.74
Oil and Gas										
Attock Petroleum Limited	27,700	-	13,700	14,000	5,529	6,346	817	1.46	0.02	1.58
National Refinery Limited.	45,323	-	42,500	2,823	851	698	(152)	0.16	0.00	0.17
Oil and Gas Development Co. Limited	71,300	-	33,000	38,300	5,799	6,421	623	1.47	0.00	1.60
Pak OilFields Limited	55,900	-	39,900	16,000	5,745	5,844	98	1.34	0.01	1.46
Pakistan Petroleum Limited	76,700	2,500	57,000	22,200	3,982	4,058	76	0.93	0.00	1.01
Pakistan State Oil Co. Limited	67,707	-	34,300	33,407	8,490	8,329	(161)	1.91	0.02	2.07
Chemicals										
Fauji Fertilizer Bin Qasim Limited	503,680	-	445,200	58,480	3,021	2,431	(590)	0.56	0.01	0.61
Fauji Fertilizer Company Limited	335,834	-	199,834	136,000	15,947	16,978	1,032	3.90	0.01	4.23
ICI Pakistan Limited	22,000	-	-	22,000	3,207	2,825	(382)	0.65	0.02	0.70
Personal Goods										
Nishat Mills Limited	96,000	-	96,000	-	-	-	-	-	-	-
Automobile assembler										
Millat Tractors Limited	2,302	-	-	2,302	998	1,157	159	0.27	0.01	0.29
Total					89,801	97,623	7,822			
Total cost of investments					89,801					

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

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

7. CONTIGENCIES

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, during the year ended June 30, 2010, a constitutional petition had been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company and the legal counsel believe that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs. 0.81 million.

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, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Balanced Fund, Meezan Cash 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, 2012 --- (Rupees in '000) ---
Al Meezan - management company of the Fund	
Remuneration payable	587
Sales tax payable on management fee	94
Sales load payable	29
Investment of 2,000,000 Units	110,540
MBL	
Balances with bank	90
Investment of 2,000,000 units	110,540
CDC - trustee of the Fund	
Trustee fee payable	59
Officers of the management company	
Investment of 1,000 units	55

From July 05,
2011 to
March 31,
2012

--- (Rupees in '000) ---

Al Meezan - management company of the Fund

Remuneration for the period

4,422

Sindh sales tax on management fee

707

Investment of 2,000,000 units

100,000

MBL

Profit on savings accounts

73

Investment of 2,000,000 units

100,000

CDC - trustee of the Fund

Trustee fee

520

CDS charges

13

Officers of the management company

Investment of 1,000 units

50

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 27, 2012 by the Board of Directors of the management company.

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

Chief Executive

Director



Balanced Fund

Quarterly Report March 31, 2012

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. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoaib, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	Member

TRUSTEE

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan.

AUDITORS

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

BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)
Askari Bank Limited - Islamic Banking
Bank Alfalah - Islamic Banking Branch
Bank Islami Pakistan Limited
Dubai Islamic Bank
Habib Metropolitan Bank Limited - Islamic Banking Branch
MCB Bank Limited
Meezan Bank Limited
UBL Ameen - Islamic Banking Branch

SHARIAH ADVISER

Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines
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TRANSFER AGENT

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Fax : (9221) 35655595
P.O. Box No. 8533

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2012 (UNAUDITED - NOTE 3)

	March 31, 2012	June 30, 2011
<i>Note</i>	(Rupees in '000)	
Assets		
Balances with banks	99,794	42,186
Investments	5 1,402,377	1,465,941
Dividend receivable	14,975	3,573
Advances, deposits, prepayments and other receivables	16,023	30,048
Total assets	<u>1,533,169</u>	<u>1,541,748</u>
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the Fund	2,882	2,507
Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund	140	141
Payable to Securities and Exchange Commission of Pakistan (SECP)	912	1,191
Payable against purchase of investments	12,452	41
Accrued expenses and other liabilities	3,606	2,868
Unclaimed dividend	16,419	11,568
Total liabilities	<u>36,411</u>	<u>18,316</u>
Net assets	<u>1,496,758</u>	<u>1,523,432</u>
Contingency	6	
Certificate holders' equity (as per statement attached)		
Issued, subscribed and paid-up capital		
120,000,000 ordinary certificates of Rs 10 each	1,200,000	1,200,000
Unappropriated income	169,022	236,138
Surplus on revaluation of available for sale investments	127,737	87,294
	<u>1,496,758</u>	<u>1,523,432</u>
Net assets value per certificate (Rupees)	<u>12.47</u>	<u>12.70</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 INCOME STATEMENT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED NOTE 3)

Note	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Income				
Net realised gain on sale of investments	57,415	68,778	24,211	45,635
Dividend income	47,262	43,238	20,782	13,892
Profit on savings accounts with banks	7,442	15,013	1,277	4,195
Profit on sukuk certificates	60,419	48,177	18,529	19,311
Other Income	52	-	104	-
	<u>172,589</u>	<u>175,206</u>	<u>64,902</u>	<u>83,032</u>
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	5	11,825	14,834	(24,192)
Provision against non-performing debt securities		(11,500)	-	-
	<u>11,825</u>	<u>(972)</u>	<u>14,834</u>	<u>(24,192)</u>
Total income	<u>184,414</u>	<u>174,234</u>	<u>79,736</u>	<u>58,840</u>
Expenses				
Remuneration to Al Meezan - management company of the Fund	21,454	20,586	7,056	7,031
Sindh sales tax on management fee	3,433	-	1,129	-
Remuneration to CDC - trustee of the Fund	1,216	1,178	401	403
Annual fee to SECP	912	873	300	304
Auditors' remuneration	397	371	96	85
Fees and subscription	263	162	87	57
Brokerage	373	405	171	153
Printing charges	226	384	74	74
Legal & Professional charges	5	-	-	-
Bank and settlement charges	308	385	145	110
Reversal of WWF	-	(4,967)	-	-
Impairment loss on 'available for sale' investments	12,943	-	-	-
Total expenses	<u>41,530</u>	<u>19,377</u>	<u>9,459</u>	<u>8,216</u>
Net income for the period	<u>142,884</u>	<u>154,857</u>	<u>70,277</u>	<u>50,624</u>
Other comprehensive income for the period				
Deficit realised on impairment of 'available for sale' investments transferred to income statement		12,942	-	-
Surplus on revaluation of available for sale investments		40,443	112,430	10,805
Total comprehensive income for the period		<u>196,269</u>	<u>182,707</u>	<u>61,429</u>
Earnings per certificate (Rupees)		<u>1.19</u>	<u>0.59</u>	<u>0.42</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
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED NOTE 3)**

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
Unappropriated income brought forward	236,138	76,119	98,850	114,352
Less: Final distribution in the form of cash dividend @ 17.5% for the year ended June 30, 2011 (June 30, 2010: @ 5.5%)	(210,000)	(66,000)	-	-
Net income for the period	142,884	154,857	70,172	50,624
Unappropriated income carried forward	<u>169,022</u>	<u>164,976</u>	<u>169,022</u>	<u>164,976</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 EQUITY
AND RESERVES PER CERTIFICATE**
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	(Rupees)			
Net assets per certificate at the beginning of the period	12.70	10.65	11.06	11.78
Net realised gain on sale of investments	0.48	0.57	0.20	0.38
Dividend income	0.39	0.36	0.17	0.12
Profit on savings accounts with banks	0.06	0.13	0.01	0.03
Profit on sukuk certificates	0.50	0.40	0.15	0.16
Unrealised gain / (loss) on re-measurement of investments at at fair value through profit or loss	0.10	0.09	0.12	(0.20)
Provision against non-performing debt securities	-	(0.10)	-	-
Reversal of Workers Welfare Fund (WWF)	-	0.04	-	-
Expenses	(0.35)	(0.20)	(0.08)	(0.07)
Net income for the period	1.19	1.29	0.58	0.42
Less: Final distribution in the form of cash dividend @ 17.5% for the year ended June 30, 2011 (June 30, 2010: @ 5.5%)	(1.75)	(0.55)	-	-
Surplus on revaluation of available for sale investments	0.34	0.90	0.84	0.09
Net assets per certificate at the end of the period	<u>12.47</u>	<u>12.29</u>	<u>12.47</u>	<u>12.29</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 CASH FLOW STATEMENT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED NOTE 3)

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	..... (Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	142,884	154,857	70,172	50,624
Adjustments for:				
Dividend income	(47,262)	(43,238)	(20,782)	(13,892)
Profit on savings accounts with banks	(7,442)	(15,013)	(1,277)	(4,195)
Profit on sukuk certificates	(60,419)	(48,177)	(18,529)	(19,311)
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	(11,825)	(10,528)	(14,834)	24,192
Provision against non-performing debt securities	-	11,500	-	-
Impairment loss on 'available for sale' investments	-	-	(12,942)	-
Reversal of WWF	-	(4,967)	-	-
	15,936	44,435	1,808	37,419
Decrease / (Increase) in assets				
Investments - at fair value through profit or loss	115,832	(210,326)	8,638	(376)
Receivable against sale of investments	-	449	-	1,860
Advances, deposits, prepayments and other receivables	9,501	(58)	9,674	57
	125,333	(209,935)	18,312	1,541
Increase / (decrease) in liabilities				
Payable to Al Meezan - management company of the Fund	375	362	240	69
Payable to CDC - trustee of the Fund	(1)	13	9	5
Payable to SECP	(279)	(220)	300	303
Payable against purchase of investments	12,411	(566)	12,452	92
Accrued expenses and other liabilities	738	885	267	345
	13,244	474	13,268	815
Cash generated from / (utilised in) operations	154,514	(165,026)	33,389	39,774
Dividend income received	35,860	39,091	6,363	7,018
Profit received on savings accounts with banks	11,785	16,338	2,684	8,453
Profit received on sukuk certificates	60,599	44,594	14,067	19,276
Net cash inflow / (outflow) from operating activities	262,757	(65,003)	56,502	74,521
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(205,149)	(67,972)	(878)	(2,491)
Net cash outflow from financing activities	(205,149)	(67,972)	(878)	(2,491)
Net decrease in cash and cash equivalents	57,608	(132,975)	55,624	72,030
Cash and cash equivalents at the beginning of the period	42,186	292,188	44,170	87,184
Cash and cash equivalents at the end of the period	99,794	159,213	99,794	159,213

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 REPORT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012 (UNAUDITED NOTE 3)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Balanced Fund (the Fund) was established as a closed-end scheme under a trust deed executed between Al Meezan as management company and CDC as the trustee. The trust deed was executed on June 15, 2004 and was approved by the SECP on September 8, 2004 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 and Trade Centre, Sharah-e-Faisal, Karachi, Pakistan.
- 1.2 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and islamic income instruments such as term finance certificates, certificates of islamic investment, musharika certificates, islamic sukuk certificates and other Shariah compliant instruments. 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 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.
- 1.3 The Fund is a closed-end scheme (mutual fund) and its certificates are listed on the Karachi Stock Exchange. The management company of the Fund has been given quality rating of AM2 by JCR - VIS Credit Rating Company (Pvt.) Limited.
- 1.4 The objective of the Fund is to carry on the business of a closed-end mutual fund and to invest its assets in debt securities and in equity securities, which are listed or proposed to be listed on the stock exchanges.
- 1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.
- 1.6 According to clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations), a closed-end fund or an investment company shall, upon expiry of every five years from November 21, 2007 or the date of launch of the fund whichever is later, hold a meeting of certificateholders within one month of such period to seek approval of the certificateholders (by special resolution), to convert into an open-end scheme or revoke the closed-end scheme or wind up the investment company. Accordingly the Board of Directors of Al Meezan Investment Management Limited, the management company of the Fund has decided to hold the meeting of the certificate holders tentatively on Thursday, December 13, 2012.

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 for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

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, 2012 and the condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in equity and reserves per share, condensed interim statement of changes in equity and condensed interim cash flow statement, for the nine months period ended March 31, 2012, which are not audited. This condensed interim financial report also includes condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in equity and reserves per share, condensed interim statement of changes in equity and condensed interim cash flow statement for the quarter ended March 31, 2012 which are not audited.

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, 2011.

	<i>Note</i>	March 31, 2012	June 30, 2011
(Rupees in '000)			
5. INVESTMENTS			
Investments at fair value through profit or loss	5.1	709,522	847,532
Investments - 'available for sale'	5.2	692,855	618,409
		<u>1,402,377</u>	<u>1,465,941</u>
5.1 Investments at fair value through profit or loss			
Held for trading	5.1.1	337,065	569,393
Investments at fair value through profit or loss - upon initial recognition	5.1.2	372,457	278,139
		<u>709,522</u>	<u>847,532</u>

March 31, **June 30,**
2012 **2011**
Note **(Rupees in '000)**

5.1.1 Held for trading

Shares of listed companies	5.1.1.1	147,065	79,393
Sukuk certificates	5.1.1.4	190,000	490,000
		337,065	569,393

5.1.2 Investments at fair value through profit or loss upon initial recognition

Shares of listed companies	5.1.2.1	19,199	43,789
Sukuk Certificates	5.1.2.2	353,259	168,244
		372,457	212,033

5.1.1.1 Held for trading - Shares of listed companies

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2012	Carrying value As at March 31, 2012	Market value As at March 31, 2012	Unrealised gain / (loss) As at March 31, 2012	Percentage in relation to			
	----- Number of Shares -----					----- Rupees in '000 -----			Net assets of the Fund on the basis of investments (see note 5.1.1.3 below)	Paid-up capital of investee company (with face value of investments)	Total market value of investments	
General Industrials												
Thal Limited (note 5.1.1.2)	197,935	-	39,587	-	237,522	19,999	20,586	587	1.38	4.27	1.47	
Tri-Pack Films Limited	83,400	-	-	-	83,400	14,282	16,430	2,148	1.10	0.28	1.17	
									2.48	4.54	2.64	
Construction and Materials												
Attock Cement Pakistan Limited	125,000	-	-	-	125,000	6,066	9,591	3,525	0.64	0.14	0.68	
Lucky Cement Limited	35,000	75,000	-	-	110,000	10,548	12,480	1,932	0.83	0.03	0.89	
									1.47	0.18	1.57	
Automobile and Parts												
Pak Suzuki Motor Company Limited	26,800	-	-	-	26,800	1,676	1,769	92	0.12	0.03	0.13	
Oil and Gas												
National Refinery Limited	-	12,900	-	-	12,900	3,364	3,191	(172)	0.21	0.02	0.23	
Pakistan State Oil Company Limited	-	30,000	-	-	30,000	7,515	7,480	(35)	0.50	0.02	0.53	
Pakistan Oilfields Limited	44,275	17,500	-	17,000	44,775	16,352	16,354	2	1.09	0.02	1.17	
Oil and Gas Development Company Limited	-	89,000	-	-	89,000	14,717	14,922	205	1.00	0.00	1.06	
Pakistan Petroleum Limited	78,440	-	7,844	27,500	58,784	11,066	10,745	(321)	0.72	0.00	0.77	
									3.52	0.06	3.76	
Fixed Line and telecommunication												
Pakistan Telecommunication Company Limited	158,365	300,000	-	-	458,365	5,672	5,642	(29)	0.38	0.01	0.40	
Chemical												
Fauji Fertilizer Bin Qasim Company Limited	-	300,000	-	-	300,000	12,452	12,471	19	0.83	0.03	0.89	
Fauji Fertilizer Company Limited	-	120,000	-	-	120,000	14,159	14,981	822	1.00	0.01	1.07	
ICI Pakistan Limited	3,300	-	-	-	3,300	501	424	(77)	0.03	0.00	0.03	
									1.86	0.04	1.99	
Total						138,370	147,065	8,695				
Total cost of investments						131,536						

5.1.1.2 All shares have a face value of Rs 10 each except for the shares of Thal Limited which has a face value of Rs 5 each.

5.1.1.3 Net assets are defined in Regulation 66 of NBFC Regulations.

5.1.1.4 Held for trading - Sukuk certificates

Name of the Issuer	Maturity date	Profit rate	As at July 1, 2011	Purchases during the period	Maturity / Sales / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / loss as at March 31, 2012	Percentage in relation to	
			-----Number of Certificates-----			-----Rupees in '000-----			Net assets of the Fund on the basis of investments (see note 5.1.1.3 above)	Total market value of investments	
Secured											
GoP Ijarah Sukuk Certificates - III (note 5.1.1.5)	March 11, 2012	Weighted Average 6 months T-Bills	250	-	250	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - IV (note 5.1.1.5)	September 17, 2012	Weighted Average 6 months T-Bills less 5 basis points	1,880	-	950	930	93,000	93,000	-	6.21	6.63
GoP Ijarah Sukuk Certificates - V (note 5.1.1.5)	November 15, 2013	Weighted Average 6 months T-Bills	2,020	-	2,000	20	2,000	2,000	-	0.13	0.14
GoP Ijarah Sukuk Certificates - VII (note 5.1.1.5)	March 7, 2014	Weighted Average 6 months T-Bills	750	-	750	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - IX (note 5.1.1.5)	December 26, 2014	6 months PKRV	-	950	-	950	95,000	95,000	-	6.35	6.77
Total							<u>190,000</u>	<u>190,000</u>	<u>-</u>		
Total cost of investments								<u>190,000</u>			

5.1.1.5 The nominal value of the sukuk certificates is Rs 100,000 each.

5.1.2.1 Shares of listed companies - at fair value through profit or loss upon initial recognition

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2012	Carrying value As at March 31, 2012	Market value As at March 31, 2012	Unrealised gain / (loss) As at March 31, 2012	Percentage in relation to		
	----- Number of Shares -----				----- Rupees in '000 -----			Net assets of the Fund on the basis of investments (see note 5.1.1.3 below)	Paid-up capital of investee company (with face value of investments)	Total market value of investments	
Automobile and Parts											
Indus Motor Company Limited	50,055	-	-	-	50,055	11,012	11,913	901	0.80	0.06	0.85
General Industrials											
Packages Limited	2,473	-	-	-	2,473	272	208	(64)	0.01	0.00	0.01
Banks											
Meezan Bank Limited (an associate of the Fund)	222,297	-	27,787	-	250,084	3,884	7,077	3,194	0.47	0.03	0.50
Total						<u>15,168</u>	<u>19,199</u>	<u>4,031</u>			
Total cost of investments							<u>12,894</u>				

5.1.2.2 Sukuk certificates

Name of the Issuer	Maturity date	Profit rate	As at July 1, 2011	Purchases during the period	Sales / redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss) as at March 31, 2012	Percentage in relation to		
										Net assets of the Fund on the basis of investments (see note 5.1.1.3 above)	Paid-up capital of investee company (with face value of investments)	Percentage of market value of total investment
-----Number of Certificates-----						-----Rupees in '000-----						
Engro Fertilizer Limited (note 5.1.2.3)	September 1, 2015	6 months Kibor plus base rate of 1.5%	10,000	-	-	10,000	50,000	50,740	740	3.39	1.68	3.62
Security Leasing Corporation Limited II (note 5.1.2.3)	March 19, 2014	Nil	2,578	-	581	1,997	7,034	4,934	(2,100)	0.33	2.75	0.35
Century Paper & Board Mills Limited (note 5.1.2.3)	September 25, 2014	6 months Kibor plus base rate of 1.35%	3,500	-	1,000	2,500	12,031	12,490	458	0.83	1.77	0.89
Eden Housing Limited (note 5.1.2.3)	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	10,094	10,094	-	0.67	1.43	0.72
Arzoo Textile Mills Limited (note 5.1.2.3)	April 15, 2014	6 months Kibor plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	-	-
Kot Addu Power Company Limited (note 5.1.2.3)	June 26, 2012	6 months Kibor plus base rate of 1.1%	35,000	35,000	35,000	35,000	175,000	175,000	-	11.69	1.99	12.48
The Hub Power Company Limited Sukus (note 5.1.2.3)	February 4, 2012	6 months Kibor plus base rate of 1.1%	-	40,000	20,000	20,000	100,000	100,000	-	6.68	0.86	7.13
Total							<u>354,160</u>	<u>353,259</u>	<u>(901)</u>			
Total cost of investments								<u>381,867</u>				

5.1.2.3 The nominal value of these sukuk certificates is Rs 5,000.

5.1.2.4 The nominal value of sukuk certificates of Eden Housing Limited has a face value of Rs 2,906 (December 31, 2011: Rs 3,141).

5.1.2.5 On May 6, 2011, Eden Housing sukuk certificates have been classified as non-performing by MUFAP. Accordingly, fund has valued the sukuk at the price last quoted by MUFAP. Although, the fund has received all the installments due as per the restructured terms, accrual of profit has been stopped and income have been recognised on cash basis from September 30, 2011.

5.2 Investments - 'available for sale'

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2012	Carrying value (cost) as at March 31, 2012 (before impairment)	Impairment during the period	Carrying value (cost) as at March 31, 2012 (after impairment)	Market value as at March 31, 2012	Unrealised gain / (loss) as at March 31, 2012	Percentage in relation to		
											Number of Shares	Rupees in '000		Net assets of the Fund on the basis of investments (see note 5.1.1.3 below)	Paid-up capital of investee company (with face value of investments)	Total market value of investments
Banks													
Meezan Bank Limited (an associate of the Fund)	312,159	-	39,019	-	351,178	5,449	-	5,449	9,938	4,490	0.66	0.04	0.71
Bankislami Pakistan Limited	-	500	-	-	500	2	-	2	4	3	-	0.00	0
											0.66	0.04	0.71
Oil and Gas													
Oil and Gas Development Company (note 5.2.1)	332,166	83,500	-	20,000	395,666	54,070	-	54,070	66,337	12,267	4.43	0.01	4.73
National Refinery Limited	-	20,000	-	-	20,000	4,998	-	4,998	4,948	(50)	0.33	0.03	0.35
Pakistan Oilfields Limited	184,750	10,000	-	17,500	177,250	44,151	-	44,151	64,739	20,588	4.33	0.07	4.62
Pakistan Petroleum Limited	355,120	5,000	35,512	111,000	284,632	43,156	-	43,156	52,028	8,872	3.48	0.02	3.71
Pakistan State Oil Company Limited	215,100	60,000	-	23,500	251,600	67,331	-	67,331	62,729	(4,602)	4.19	0.15	4.47
											16.76	0.28	17.88
Chemical													
Fauji Fertilizer Bin Qasim Company Limited	142,500	142,877	-	282,000	3,377	120	-	120	140	20	0.01	0.00	0.01
Fauji Fertilizer Company Limited	1,050,233	42,500	278,866	595,000	776,599	62,558	-	62,558	96,951	34,393	6.48	0.06	6.91
ICI Pakistan Limited	395,000	-	-	-	395,000	49,810	-	49,810	50,714	904	3.39	0.28	3.62
											9.88	0.35	10.54
Construction and Materials													
Lucky Cement	605,421	171,200	-	185,900	590,721	40,652	-	40,652	67,017	26,365	4.48	0.18	4.78
Attock Cement	45,000	-	-	10,000	35,000	1,785	705	1,080	2,686	1,606	0.18	0.04	0.19
DG Khan Cement Co. Limited	673,749	902,000	-	300,000	1,275,749	30,229	-	30,229	46,399	16,170	3.10	0.29	3.31
											7.76	0.51	8.28
Electricity													
The Hub Power Co. Limited.	1,209,500	2,186,550	-	425,000	2,971,050	109,826	-	109,826	111,801	1,974	7.47	0.26	7.97
Personal Goods													
Nishat Mills Limited	-	225,000	-	225,000	-	-	-	-	-	-	-	-	-
Automobile and Parts													
Indus Motor Company Limited	52,375	10,000	-	-	62,375	13,641	-	13,641	14,845	1,204	0.99	0.08	1.06
Pak Suzuki Motors Company Limited	11,260	-	-	-	11,260	833	-	833	743	(90)	0.05	0.01	0.05
											1.04	0.09	1.11
General Industrials													
Packages Limited	150,000	70,000	-	-	220,000	18,198	6,491	11,707	18,515	6,808	1.24	0.26	1.32
Tri-Pack Films Limited	10,000	-	-	-	10,000	1,132	-	1,132	1,970	838	0.13	0.03	0.14
											1.37	0.29	1.46
Fixed Line and telecommunication													
Pakistan Telecommunication Company Limited	359,900	1,451,058	-	157,813	1,653,145	17,176	5,746	11,430	20,350	8,920	1.36	0.04	1.45
Total						565,118	12,942	552,176	692,855	140,679			
Total cost of investments													565,118

5.2.1 100,000 shares of Oil and Gas Development Company Limited, having market value of Rs 16.77 million as at March 31, 2012, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

6. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs 12.10 million.

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, directors and officers of the management company and Al Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, Meezan Cash Fund, Meezan Sovereign Fund, Al Meezan Mutual Fund and Meezan Islamic Fund being the funds under the common management of the management company and Pakistan Kuwait Investment Company (Private) Limited being the associated company of the management company.

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 and the Trust Deed respectively.

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

	March 31, 2012	June 30, 2011
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration payable	<u>2,882</u>	<u>2,507</u>
Sindh general sales tax payable	<u>398</u>	<u>-</u>
Investment of 3,821,824 certificates (June 30, 2011: 3,821,824)	<u>37,836</u>	<u>35,925</u>
CDC - trustee of the Fund		
Remuneration payable	<u>140</u>	<u>139</u>
Charges payable	<u>1</u>	<u>2</u>
MBL		
Bank balance	<u>9,337</u>	<u>2,925</u>
Investment of 601,262 shares (June 30, 2011: 534,456 shares)	<u>17,016</u>	<u>9,337</u>
Investment of 16,134,468 certificates (June 30, 2011: 16,134,468 certificates)	<u>159,731</u>	<u>151,664</u>
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 11,057,791 certificates (June 30, 2011: 11,057,791 certificates)	<u>109,472</u>	<u>103,943</u>
Directors and officers of the management company		
Investment of 32,975 certificates (June 30, 2011: 32,975 certificates)	<u>326</u>	<u>310</u>

Nine months period ended
March 31

2012 2011

(Rupees in '000)

Al Meezan - management company of the Fund

Remuneration for the period	<u>21,454</u>	<u>20,586</u>
Sindh general sales tax for the period	<u>3,433</u>	<u>-</u>
Dividend for the period	<u>6,688</u>	<u>2,102</u>

CDC - trustee of the Fund

Remuneration for the period	<u>1,216</u>	<u>1,178</u>
Charges for the period	<u>87</u>	<u>115</u>

MBL

Profit on savings account	<u>28</u>	<u>6</u>
Dividend for the period	<u>28,235</u>	<u>8,874</u>

Pakistan Kuwait Investment Company (Private) Limited

Dividend for the period	<u>19,351</u>	<u>6,082</u>
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Directors and officers of the management company

Dividend for the period	<u>58</u>	<u>18</u>
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8. DATE OF AUTHORISATION FOR ISSUE OF CONDENSED INTERIM INANCIAL STATEMENTS

These condensed interim financial statements have been authorised on April 27, 2012 by the Board of Directors of the management company of the Fund.

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

Chief Executive

Director

STATEMENT OF THE INCOME & EXPENDITURE OF THE MANAGEMENT COMPANY IN RELATION TO THE FUND FOR THE PERIOD ENDED MARCH 31, 2012

March 31, March 31,
2012 2011
(Rupees in '000)

INCOME

Remuneration from Meezan Balanced Fund
Dividend income

21,454	20,586
6,688	2,102
28,142	22,688

OPERATING EXPENSES

Salaries and other benefits
Motor vehicle running expenses
Fees and subscription
Insurance expense
Printing and stationery
Communication
Depreciation
Travelling and conveyance
Entertainment
Legal and professional charges
Repair and maintenance
Office supplies
Training and development
Rent, rates and taxes
Utilities
Shariah advisory fee
Miscellaneous expenses

4,585	5,597
150	144
161	105
71	59
31	79
191	220
322	344
13	13
26	28
61	138
83	115
52	51
12	12
335	303
54	66
95	126
9	11
6,251	7,412

OPERATING PROFIT

21,891	15,276
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Note: The above expenses are allocated based on the average net assets of the respective funds managed by the Management Company. Other revenue and expense not relating to the fund have not been included in the above statement.



M E E Z A N

T A H A F F U Z

P E N S I O N F U N D

Quarterly Report March 31, 2012

FUND INFORMATION

PENSION FUND MANAGER

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 PENSION FUND MANAGER

Mr. Ariful Islam	Chairman
Mr. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Syed Amir Ali Zaidi	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoaib, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE PENSION FUND MANAGER

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Mr. Mazhar Sharif	Member
Syed Amir Ali	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

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accounts
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012 (UN-AUDITED)

	Note	March 31, 2012				(Audited)
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	June 30, 2011 Total
(Rupees in '000)						
Assets						
Bank balances	5	19,667	37,690	19,898	77,255	81,964
Investments at fair value through profit or loss	6	261,528	151,821	102,679	516,028	327,300
Dividend receivable		5,038	-	-	5,038	759
Profit receivable		244	5,583	906	6,733	7,704
Deposit with Central Depository Company (CDC) of Pakistan Limited		100	100	100	300	300
Total assets		<u>286,577</u>	<u>195,194</u>	<u>123,583</u>	<u>605,354</u>	<u>418,027</u>
Liabilities						
Payable against purchase of investment		7,062	2	-	7,064	-
Payable to Al Meezan Investment Management Limited (Al Meezan) - Pension Fund Manager	9	375	269	170	814	1,034
Payable to CDC - trustee of the Fund		32	23	15	70	47
Payable to auditors		64	65	65	194	235
Payable to Securities and Exchange Commission of Pakistan (SECP)		51	41	25	117	108
Other liabilities	7	548	81	-	629	260
Total liabilities		<u>8,132</u>	<u>481</u>	<u>275</u>	<u>8,888</u>	<u>1,684</u>
Net assets		<u>278,445</u>	<u>194,713</u>	<u>123,308</u>	<u>596,466</u>	<u>416,343</u>
Participants' Sub-Funds (as per statement attached)		<u>278,445</u>	<u>194,713</u>	<u>123,308</u>	<u>596,466</u>	<u>416,343</u>
Number of units in issue		<u>1,767,564</u>	<u>1,265,529</u>	<u>795,737</u>		
Net assets value per unit (Rupees)		<u>157.53</u>	<u>153.86</u>	<u>154.96</u>		
Contingencies	8					

The annexed notes from 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 ENDED MARCH 31, 2012 (UN-AUDITED)

	For the nine months period ended March 31, 2012				For the nine months ended March 31, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note -----(Rupees in '000)-----					
Income					
Profit on sukuk certificates	-	12,074	5,788	17,862	9,436
Profit on savings accounts with banks	1,091	2,387	3,629	7,107	7,475
Profit on placements	-	-	-	-	887
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	19,320	(28)	(24)	19,268	18,023
Net realised gain / (loss) on sale of investments	4,552	(1,160)	473	3,865	8,831
Dividend income	11,603	-	-	11,603	7,087
Other income	-	-	-	-	759
Element of income and capital gains included in prices of units issued less those in units redeemed	4 2,232	1,666	1,252	5,150	4,986
Total income	38,798	14,939	11,118	64,855	57,484
Expenses					
Remuneration of Al Meezan - pension fund manager	2,281	1,832	1,161	5,274	3,493
Sales tax on management fee	9 366	294	186	846	-
Remuneration of CDC - trustee of the Fund	230	184	117	531	348
Annual fee of SECP	64	40	26	130	78
Auditors' remuneration	89	91	90	270	309
Securities' transaction cost	231	5	4	240	112
Custody and settlement charges	7	5	5	17	14
Bank charges	4	14	11	29	19
Total expenses	3,272	2,465	1,600	7,337	4,373
Net income	35,526	12,474	9,518	57,518	53,111
Earnings per unit - basic and diluted (Rupees)					
	10 20.10	9.86	11.96		

The annexed notes from 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 QUARTER ENDED MARCH 31, 2012 (UN-AUDITED)

	For the quarter ended March 31, 2012				For the quarter ended March 31, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note -----(Rupees in '000)-----					
Income					
Profit on sukuk certificates	-	4,823	3,227	8,050	4,143
Profit on savings accounts with banks	288	412	111	811	2,069
Profit on placements	-	-	-	-	397
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	35,080	1,506	(26)	36,560	(1,883)
Net realised gain / (loss) on sale of investments	2,362	(1,410)	17	969	6,933
Dividend income	6,183	-	-	6,183	2,446
Element of income and capital gains included in prices of units issued less those in units redeemed	2,459	1,148	1,019	4,626	2,782
Total income	46,372	6,479	4,348	57,199	16,887
Expenses					
Remuneration of Al Meezan - pension fund manager	876	669	417	1,962	1,239
Sales tax on management fee	140	109	67	316	-
Remuneration of CDC - trustee of the Fund	87	67	42	196	123
Annual fee of SECP	19	14	10	43	28
Auditors' remuneration	15	16	15	46	53
Securities' transaction cost	115	3	-	118	56
Custody and settlement charges	2	2	2	6	6
Bank charges	3	7	4	14	11
Total expenses	1,257	887	557	2,701	1,516
Net income	45,115	5,592	3,791	54,498	15,371
Earnings per unit outstanding - basic (Rupees)	10 <u>25.52</u>	<u>4.42</u>	<u>4.76</u>		

The annexed notes from 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 CASH FLOWS FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UNAUDITED)

	For the nine months period ended March 31, 2012				For the nine months ended March 31, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	Note -----(Rupees in '000)-----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	35,526	12,474	9,518	57,518	53,111
Adjustments for:					
Dividend income	(11,603)	-	-	(11,603)	(7,087)
Profit on sukuk certificates	-	(12,074)	(5,788)	(17,862)	(9,436)
Profit on savings accounts with banks	(1,091)	(2,387)	(3,629)	(7,107)	(7,475)
Profit on placements	-	-	-	-	(887)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss	(19,320)	28	24	(19,268)	(18,023)
Element of income and capital gains included in prices of units issued less those in units redeemed	(2,232)	(1,666)	(1,252)	(5,150)	(4,986)
	1,280	(3,625)	(1,127)	(3,472)	5,217
(Increase) / decrease in assets					
Placements	-	-	-	-	6,000
Investments at fair value through profit or loss	(78,891)	(34,274)	(56,295)	(169,460)	(94,667)
	(78,891)	(34,274)	(56,295)	(169,460)	(88,667)
(Decrease) / increase in liabilities					
Payable against purchase of investments	7,062	2	-	-	(1,303)
Payable to Al Meezan - Pension Fund Manager	(14)	(80)	(126)	(220)	603
Payable to CDC - trustee of the Fund	12	7	4	23	11
Payable to SECP	7	4	(2)	9	1
Payable to auditors	(14)	(14)	(13)	(41)	(23)
Other liabilities	290	80	(1)	369	(640)
	7,343	(1)	(138)	140	(1,351)
Dividend received	7,324	-	-	7,324	5,374
Profit received on savings accounts with banks	1,101	(500)	8,363	8,964	7,051
Profit received on sukuk certificates	-	13,162	3,814	16,976	8,236
Profit received on placements	-	-	-	-	946
Net cash outflow from operating activities	(61,843)	(25,238)	(45,383)	(139,528)	(63,194)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	69,965	57,400	25,118	152,483	31,663
Payment against withdrawal	(3,947)	(17,403)	(3,378)	(24,728)	(9,692)
Net cash inflow from financing activities	66,018	39,997	21,740	127,755	21,971
Net cash inflow / (outflow) during the period	4,175	14,759	(23,643)	(4,709)	(41,223)
Cash and cash equivalents at the beginning of the period	15,492	22,931	43,541	81,964	97,628
Cash and cash equivalents at the end of the period	5 19,667	37,690	19,898	77,255	56,405

The annexed notes from 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 CASH FLOWS FOR THE QUARTER ENDED MARCH 31, 2012 (UN-AUDITED)

	For the quarter ended March 31, 2012				For the quarter ended March 31, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
<i>Note</i>	----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	45,115	5,592	3,791	54,498	15,371
Adjustments for:					
Dividend income	(6,183)	-	-	(6,183)	(7,087)
Workers' Welfare Fund	-	-	-	-	-
Profit on sukuk certificates	-	(4,823)	(3,227)	(8,050)	(4,143)
Profit on savings accounts with banks	(288)	(412)	(111)	(811)	(2,069)
Profit on placements	-	-	-	-	(397)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss	(35,080)	(1,506)	26	(36,560)	1,883
Element of income and capital gains included in prices of units issued less those in units redeemed	(2,459)	(1,148)	(1,019)	(4,626)	(2,782)
	1,105	(2,297)	(540)	(1,732)	776
(Increase) / decrease in assets					
Placements	-	-	-	-	-
Investments at fair value through profit or loss	(43,373)	9,252	(2,960)	(37,081)	(27,724)
	(43,373)	9,252	(2,960)	(37,081)	(27,724)
(Decrease) / increase in liabilities					
Payable against purchase of investments	7,062	2	-	7,064	-
Payable to Al Meezan - Pension Fund Manager	97	30	19	146	146
Payable to CDC - trustee of the Fund	8	2	2	12	2
Payable to SECP	20	15	9	44	28
Payable to auditors	(23)	(22)	(22)	(67)	(54)
Other liabilities	83	(16)	(30)	37	(1,637)
	7,247	11	(22)	7,236	(1,515)
Dividend received	1,301	-	-	1,301	336
Profit received on savings accounts with banks	450	(1,725)	5,072	3,797	2,811
Profit received on sukuk certificates	-	4,823	3,227	8,050	4,143
Profit received on placements	-	-	-	-	397
Net cash (outflow) / inflow from operating activities	(33,270)	10,064	4,777	(18,429)	(20,776)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	38,808	33,562	15,920	88,290	15,252
Payment against withdrawal	(1,769)	(13,538)	(1,902)	(17,209)	(4,960)
Net cash inflow from financing activities	37,039	20,024	14,018	71,081	10,292
Net cash inflow / (outflow) during the period	3,769	30,088	18,795	52,652	(5,843)
Cash and cash equivalents at the beginning of the period	15,898	7,602	1,103	24,603	62,247
Cash and cash equivalents at the end of the period	5 19,667	37,690	19,898	77,255	56,405

The annexed notes from 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, 2012 (UN-AUDITED)

	For the nine months period ended March 31, 2012				For the nine months ended March 31, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	----- (Rupees in '000) -----				
Net assets at the beginning of the period	179,133	143,908	93,302	416,343	276,847
Amount received on issue of units (2012: Equity sub fund: 490,912 units; Debt sub fund: 380,796 units; Money market sub fund: 165,665 units) (2011: Equity sub fund: 109,883 units; Debt sub fund: 104,784 units; Money market sub fund: 31,667 units)	69,965	57,400	25,118	152,483	31,663
Amount paid on redemption of units (2012: Equity sub fund: 27,336 units; Debt sub fund: 114,773 units; Money market sub fund: 22,391 units) (2011: Equity sub fund: 53,473 units; Debt sub fund: 17,105 units; Money market sub fund: 5,852 units)	(3,947)	(17,403)	(3,378)	(24,728)	(9,692)
	66,018	39,997	21,740	127,755	21,971
Element of income and capital gains included in prices of units issued less those in units redeemed	(2,232)	(1,666)	(1,252)	(5,150)	(4,986)
Net income for the period	35,526	12,474	9,518	57,518	53,111
	35,526	12,474	9,518	57,518	53,111
Net assets at the end of the period	278,445	194,713	123,308	596,466	346,943

	For the quarter ended March 31, 2012				For the quarter ended March 31, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	----- (Rupees in '000) -----				
Net assets at the beginning of the quarter	198,750	170,245	106,518	475,513	324,062
Amount received on issue of units (2012: Equity sub fund: 263,928 units; Debt sub fund: 220,017 units; Money market sub fund: 103,354 units) (2011: Equity sub fund: 43,304 units; Debt sub fund: 55,769 units; Money market sub fund: 13,716 units)	38,808	33,562	15,920	88,290	15,252
Amount paid on redemption of units (2012: Equity sub fund: 12,196; Debt sub fund: 88,916 units; Money market sub fund: 12,448 units) (2011: Equity sub fund: 31,256; Debt sub fund: 4,189 units; Money market sub fund: 2,191 units)	(1,769)	(13,538)	(1,902)	(17,209)	(4,960)
	37,039	20,024	14,018	71,081	10,292
Element of income and capital gains included in prices of units issued less those in units redeemed	(2,459)	(1,148)	(1,019)	(4,626)	(2,782)
Net income for the quarter	45,115	5,592	3,791	54,498	15,371
	45,115	5,592	3,791	54,498	15,371
Net assets at the end of the quarter	278,445	194,713	123,308	596,466	346,943

The annexed notes from 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, 2012 (UN-AUDITED)

Contributions net of front end fee received during the period	For the nine months ended March 31, 2012							For the nine months ended March 31, 2011 Rs. in '000
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total (Rupees in '000)	
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
Individuals - issue of units	490,912	69,965	380,796	57,400	165,665	25,118	152,483	31,663
Total	490,912	69,965	380,796	57,400	165,665	25,118	152,483	31,663

Contributions net of front end fee received during the period	For the quarter ended March 31, 2012							For the quarter ended March 31, 2011 Rs. in '000
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total (Rupees in '000)	
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
Individuals - issue of units	263,928	38,808	220,017	33,562	103,354	15,920	88,290	15,252
Total	263,928	38,808	220,017	33,562	103,354	15,920	88,290	15,252

The annexed notes from 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 NUMBER OF UNITS IN ISSUE FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)

For the nine months ended March 31, 2012			
Equity Sub Fund		Debt Sub Fund	Money Market Sub Fund
-----Number of units-----			
Total units outstanding at the beginning of the period	1,303,988	999,506	652,463
Add: Units issued during the period	490,912	380,796	165,665
Less: Units redeemed during the period	(27,336)	(114,773)	(22,391)
Total units in issue at the end of the period	<u>1,767,564</u>	<u>1,265,529</u>	<u>795,737</u>

For the nine months ended March 31, 2011			
Equity Sub Fund		Debt Sub Fund	Money Market Sub Fund
-----Number of units-----			
Total units outstanding at the beginning of the period	1,028,569	758,549	576,499
Add: Units issued during the period	109,883	104,784	31,667
Less: Units redeemed during the period	(53,473)	(17,105)	(5,852)
Total units in issue at the end of the period	<u>1,084,979</u>	<u>846,228</u>	<u>602,314</u>

The annexed notes from 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 NUMBER OF UNITS IN ISSUE FOR THE QUARTER ENDED MARCH 31, 2012 (UN-AUDITED)

For the quarter ended March 31, 2012			
Equity Sub Fund		Debt Sub Fund	Money Market Sub Fund
-----Number of units-----			
Total units outstanding at the beginning of the period	1,515,832	1,134,428	704,831
Add: Units issued during the period	263,928	220,017	103,354
Less: Units redeemed during the period	(12,196)	(88,916)	(12,448)
Total units in issue at the end of the period	<u>1,767,564</u>	<u>1,265,529</u>	<u>795,737</u>

For the quarter ended March 31, 2011			
Equity Sub Fund		Debt Sub Fund	Money Market Sub Fund
-----Number of units-----			
Total units outstanding at the beginning of the period	1,072,931	794,648	590,789
Add: Units issued during the period	43,304	55,769	13,716
Less: Units redeemed during the period	(31,256)	(4,189)	(2,191)
Total units in issue at the end of the period	<u>1,084,979</u>	<u>846,228</u>	<u>602,314</u>

The annexed notes from 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 STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2012 (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 Investment Management Limited 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, Sharah-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 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 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 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 unlisted 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 participants.

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 These interim condensed financial statements of the Fund for the nine months period ended March 31, 2012 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, 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 and the said directives take precedence.

- 3.2 These condensed interim financial statements comprise of the condensed interim balance sheet as at March 31, 2012 and the condensed interim income statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of cash flows, condensed interim contribution table, condensed interim number of units in issue and notes thereto for the nine months and quarter ended March 31, 2012, which are not subject to audit. They do not include all the disclosures required for annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2011.
- 3.3 The comparative balance sheet presented in these condensed interim financial statements has been extracted from the audited financial statements of the Fund for the year ended June 30, 2011 whereas the comparative condensed interim income statement, condensed interim statement of movement in participants' sub fund, condensed interim cash flow statement, condensed interim contribution table and condensed interim number of units in issue have been extracted from the financial statements for the nine months and quarter ended March 31, 2011.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2011 except as follows:

4.1 **Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised calculation, element of income / (loss) and capital gains / (losses) included in price of units sold less those in units redeemed is arrived at by comparing closing NAV at the end of the financial year and recognised in the income statement except to the extent that the amount represented by unrealised appreciation / (diminution) arising during the period on available-for-sale securities is included in distribution statement. Previously, the Fund used to calculate element of income / (loss) and capital gain / (loss) included in price of units sold less those in units redeemed by comparing with the face value of units.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology, profit for the period and earnings per unit would have been higher as follows:

	Effect on profit for the period	Effect on earnings per unit
- Equity Sub Fund	17.32 million	9.80
- Debt Sub Fund	11.70 million	9.24
- Money Market Sub Fund	6.16 million	7.74

March 31, 2012				(Audited)
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	June 30, 2011

------(Rupees in '000)-----

5. BANK BALANCES

Current accounts	34	-	-	34	219
Savings accounts (see note 5.1)	19,633	37,690	19,898	77,221	81,745
	<u>19,667</u>	<u>37,690</u>	<u>19,898</u>	<u>77,255</u>	<u>81,964</u>

5.1 The balances in savings accounts earn profit which ranges from 5.65% to 12.10% (June 30, 2011: 5.65% to 12.90%) per annum.

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

March 31, 2012					June 30, 2011
Note	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	

------(Rupees in '000)-----

Held-for-trading - shares of listed companies	6.1	261,528	-	-	261,528	163,317
- sukuk certificates	6.2	-	150,000	102,000	252,000	155,500
		261,528	150,000	102,000	513,528	318,817
Investments designated at fair value through profit or loss upon initial recognition	6.3	-	1,821	679	2,500	8,483
		<u>261,528</u>	<u>151,821</u>	<u>102,679</u>	<u>516,028</u>	<u>327,300</u>

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

Name of the investee company	As at July 1, 2011	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2 below)	Percentage of paid up capital of investee company
	Number of shares		Rs in '000	-----Number of shares-----			-----Rupees in '000-----				
Equity Sub Fund											
Automobile and parts											
Indus Motor Company Limited	20,846	4,809	991	-	-	25,655	5,577	6,106	529	2.19	0.03
Pak Suzuki Motor Company Limited	49,733	-	-	-	-	49,733	3,111	3,282	171	1.18	0.06
Agriauto Industries Limited (note 6.1.1)	25,000	-	-	-	-	25,000	1,737	1,648	(89)	0.59	0.09
Chemicals											
Fauji Fertilizer Bin Qasim Limited	33,669	298,000	13,604	-	97,669	234,000	10,509	9,727	(782)	3.49	0.03
Fauji Fertilizer Company Limited	111,458	87,000	11,461	55,729	24,000	230,187	24,605	28,737	4,132	10.32	0.02
ICI Pakistan Limited	92,101	13,000	1,950	-	3,200	101,901	15,450	13,083	(2,367)	4.70	0.07
Construction and material											
Attock Cement Pakistan Limited	53,441	34,000	2,041	-	29,449	57,992	3,148	4,450	1,302	1.60	0.07
DG Khan Cement Company Limited	239,300	390,000	9,740	-	50,000	579,300	14,090	21,069	6,979	7.57	0.12
Lucky Cement Limited	149,700	133,000	11,765	-	39,100	243,600	19,541	27,636	8,095	9.93	0.08
Electricity											
The Hub Power Company Limited	411,075	419,500	15,486	-	245,000	585,575	21,695	22,035	340	7.91	0.05
Fixed line telecommunication											
Pakistan Telecommunication Company Limited "A"	159,500	348,000	4,065	-	57,800	449,700	5,557	5,536	(21)	1.99	0.01
Food producers											
Unilever Pakistan Limited (note 6.1.1)	526	-	-	-	-	526	2,749	2,946	197	1.06	-
General industrials											
Packages Limited	71,851	29,000	2,400	-	-	100,851	10,304	8,488	(1,816)	3.05	0.12
Thal Limited (note 6.1.1)	44,808	-	-	8,961	-	53,769	4,527	4,660	133	1.67	0.07
Tri-Pack Films Limited	50,687	500	90	-	-	51,187	8,770	10,084	1,314	3.62	0.17
Oil and gas											
Oil and Gas Development Company Limited	90,500	40,400	6,196	-	-	130,900	20,042	21,947	1,905	7.88	-
Pakistan Oilfields Limited	45,650	9,500	3,488	-	-	55,150	19,877	20,143	266	7.23	0.02
Pakistan Petroleum Limited	70,363	26,441	4,985	7,936	3,500	101,240	18,894	18,506	(388)	6.65	0.01
Pakistan State Oil Company Limited	50,800	26,300	6,743	-	7,800	69,300	18,133	17,278	(855)	6.21	0.04
National Refinery Limited	-	25,350	6,366	-	15,695	9,655	2,424	2,388	(36)	0.86	0.01
Attock Petroleum Limited	-	14,000	5,962	-	1,000	13,000	5,631	5,892	261	2.12	0.02
Personal Goods											
Nishat Mills Limited	-	114,000	5,096	-	114,000	-	-	-	-	-	-
Automobile Assembler											
Millat Tractors Limited	-	6,000	2,603	-	-	6,000	2,604	3,017	413	1.08	0.02
Pharma and Bio Tech											
Glaxo Smithkline Pakistan Limited	42,091	-	-	4,209	-	46,300	3,233	2,870	(363)	1.03	0.02
Total			<u>115,031</u>				<u>242,208</u>	<u>261,528</u>	<u>19,320</u>		

6.1.1 All shares have a nominal value of Rs.10 each except Thal Limited and Agriauto Industries Limited of Rs.5 each and Unilever Pakistan Limited having nominal value of Rs.50 each.

6.1.2 Net assets are as defined in rule 2(1)(m) of VPS Rules.

6.2 'Held-for-trading' - sukuk certificates

Name of the investee company	Maturity date	Profit rate per annum	As at July 1, 2011	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2)
			Number of certificates	Rupees in '000	Number of certificates	Rupees in '000						
Debt Sub Fund												
GoP - Ijara sukuk	September 17, 2012	11.82%	280	-	-	250	-	30	3,000	3,000	-	1.54
GoP - Ijara sukuk	November 15, 2013	11.79%	580	-	-	-	-	580	58,000	58,000	-	29.79
GoP - Ijara sukuk	December 20, 2013	11.87%	30	-	-	-	-	30	3,000	3,000	-	1.54
GoP - Ijara sukuk	March 07, 2014	11.81%	80	50	-	80	-	50	5,000	5,000	-	2.57
GoP - Ijara sukuk	May 16, 2014	11.79%	130	-	-	-	-	130	13,000	13,000	-	6.68
GoP - Ijara sukuk	December 26, 2014	11.94%	-	540	54,000	-	-	540	54,000	54,000	-	27.73
GoP - Ijara sukuk	March 02, 2015	11.81%	-	140	14,000	-	-	140	14,000	14,000	-	7.19
			<u>1,100</u>	<u>730</u>	<u>68,000</u>	<u>330</u>	<u>-</u>	<u>1,500</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	
Money Market Sub Fund												
GoP - Ijara sukuk	September 25, 2011	14.06%	175	-	-	-	175	-	-	-	-	-
GoP - Ijara sukuk	November 15, 2013	11.79%	40	-	-	20	-	20	2,000	2,000	-	1.62
GoP - Ijara sukuk	March 07, 2014	13.28%	220	-	-	220	-	-	-	-	-	-
GoP - Ijara sukuk	May 16, 2014	11.79%	20	-	-	-	-	20	2,000	2,000	-	1.62
GoP - Ijara sukuk	September 17, 2012	11.82%	-	950	95,000	-	-	950	95,000	95,000	-	77.04
GoP - Ijara sukuk	March 02, 2015	11.81%	-	30	3,000	-	-	30	3,000	3,000	-	1.54
			<u>455</u>	<u>980</u>	<u>98,000</u>	<u>240</u>	<u>175</u>	<u>1,020</u>	<u>102,000</u>	<u>102,000</u>	<u>-</u>	

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

6.3 Investments designated 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, 2011	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at March 31, 2012	Carrying value as at March 31, 2012	Market value as at March 31, 2012	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2)
			Number of certificates	Rupees 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%	44	-	-	-	44	-	-	-	-	-
Eden Housing Limited (note 6.3.2)	April 02, 2013	6 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	1,009	1,009	-	0.52
Maple Leaf Cement Factory Limited (note 6.3.3)	December 03, 2018	3 months Kibor plus base rate of 1.0%	999	-	-	998	1	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 6.3.3)	March 31, 2012	3 months Kibor plus base rate of 1.0%	38	-	-	-	-	38	137	133	(4)	0.07
Security Leasing Corporation Limited II (note 6.3.3)	March 19, 2014	3% on cash and 3% on actual basis	258	-	-	-	58	200	703	679	(24)	0.35
			<u>1,839</u>	<u>-</u>	<u>-</u>	<u>998</u>	<u>103</u>	<u>738</u>	<u>1,849</u>	<u>1,821</u>	<u>(28)</u>	
Money Market Sub Fund												
Security Leasing Corporation Limited II (note 6.3.3)	March 19, 2014	3% on cash and 3% on actual basis	258	-	-	-	58	200	703	679	(24)	0.55
			<u>258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>	<u>200</u>	<u>703</u>	<u>679</u>	<u>(24)</u>	

6.3.1 The nominal value of the sukuk certificates is Rs.50,000 each.

6.3.2 The principal buy out reduces the face value per certificate instead of number of certificates. The face value of the sukuk certificates is Rs.2,906 each.

6.3.3 The nominal value of these sukuk certificates is Rs.5,000 each.

7. OTHER LIABILITIES

	March 31, 2012				June 30, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	(Rupees in '000)				
Payable on redemption of units	357	82	-	439	2
Charity payable	191	-	-	191	258
	<u>548</u>	<u>82</u>	<u>-</u>	<u>630</u>	<u>260</u>

8. CONTINGENCIES

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all pension funds under Voluntary Pension system (VPS) Rules, 2005 whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain VPS through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the VPS, which is pending adjudication.

The pension fund manager and the legal council believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs.3.461 million (June 30, 2011: Rs.2.333 million).

9. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED

Note	March 31, 2012				June 30, 2011	
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total		
	(Rupees in '000)					
Remuneration payable (including sales tax on management fee)	9.1 & 9.2	375	269	170	814	484

9.1 During the current period, with effect from July 01, 2011, sales tax on management fee was levied through Sindh Sales Tax on Services Act, 2011.

9.2 The above amount includes amount payable in respect of sales tax on management fee amounting to Rs.112,000 (Equity sub fund Rs.52,000, Debt sub fund Rs.37,000 and Money Market sub fund Rs.23,000).

10. EARNINGS PER UNIT - BASIC

	March 31, 2012			March 31, 2011		
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	(Number of units)					
Units outstanding as at March 31, 2012	1,767,564	1,265,529	795,737	1,084,979	846,228	602,314
	(Rupees in '000)					
Net income for the nine months ended March 31, 2012	35,526	12,474	9,518	35,380	10,965	6,766
Net income for the quarter ended March 31, 2012	45,115	5,592	3,791	7,827	5,158	2,386
	(Rupees)					
Earnings per unit for the nine months ended March 31, 2012 - basic	20.10	9.86	11.96	32.61	12.96	11.23
Earnings per unit for the quarter ended March 31, 2012 - basic	25.52	4.42	4.76	7.21	6.10	3.96

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the pension fund manager, CDC being the trustee, MBL being the holding company of the pension fund manager, directors and officers of the pension fund manager, Meezan Islamic Fund, Meezan Islamic Income Fund, Al Meezan Mutual Fund, Meezan Balanced Fund, Meezan Capital Protected Fund-II, Meezan Cash Fund and Meezan Sovereign Fund being the funds under the common management 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 carried out in the normal course of business at contracted rates.

Details of transactions with connected persons and balances with them as of March 31, 2012 and for the year then ended are as follows:

	March 31, 2012				June 30, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	(Rupees in '000)				
Investment by:					
Al Meezan - pension fund manager					
(Equity sub fund: 500,000 units; debt sub fund: 434,529 units; money market sub fund: 500,000 units)	78,765	66,856	77,480	223,102	212,175
Directors and executives of the Pension Fund Manager					
As at March 31, 2012					
(Equity sub fund: 215,716 units; debt sub fund: 58,927 units, money market sub fund: 8,536 units)					
(June 30, 2011: Equity sub fund: 67,357 units; Debt sub fund: 20,325 units Money market sub fund: 4,270 units)	33,982	9,066	1,323	44,371	12,790
Units issued during the period					
(Equity sub fund: 147,289 units; debt sub fund: 39,522 units, money market sub fund: 4,308 units)	17,414	17,009	648	35,071	2,216
Units reallocated during the period					
(Equity sub fund: 1,070 units; debt sub fund: (920) units, money market sub fund: (43) units)	144	(138)	(6)	-	(1)

March 31, 2012				June 30, 2011
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	

Al Meezan Investment Management Limited
Pension Fund Manager

(Rupees in '000)

Remuneration

Remuneration payable at the beginning of the period / year	206	166	112	484	1,330
Front-end fee at the beginning of the period	104	104	105	313	-
Formation cost payable at the beginning of the period	79	79	79	237	237
Remuneration for the period	2,281	1,832	1,161	5,274	4,883
Front-end fee for the period / year	-	-	-	-	1,950
	<u>2,670</u>	<u>2,181</u>	<u>1,457</u>	<u>6,308</u>	<u>8,400</u>
Amount paid during the period	(2,347)	(1,950)	(1,310)	(5,607)	(7,366)
Balance at the end of the period	<u>323</u>	<u>231</u>	<u>147</u>	<u>701</u>	<u>1,034</u>

Sales Tax on management fee

Sales tax payable at the beginning of the period	-	-	-	-	-
Sales tax for the period	366	294	186	846	-
	<u>366</u>	<u>294</u>	<u>186</u>	<u>846</u>	<u>-</u>
Amount paid during the period	(314)	(256)	(163)	(733)	-
Balance at the end of the period	<u>52</u>	<u>38</u>	<u>23</u>	<u>113</u>	<u>-</u>
Total payable at the end of the period	<u><u>375</u></u>	<u><u>269</u></u>	<u><u>170</u></u>	<u><u>814</u></u>	<u><u>1,034</u></u>

Meezan Bank Limited

Bank balances	<u>191</u>	<u>187</u>	<u>95</u>	<u>473</u>	<u>1,254</u>
Profit on bank balances	<u>1</u>	<u>8</u>	<u>2</u>	<u>11</u>	<u>39</u>

Central Depository Company Limited - trustee of the Fund

Balance at the beginning of the period / year	20	16	11	47	32
Remuneration for the period / year	230	184	117	531	485
CDS charges for the period / year	<u>7</u>	<u>5</u>	<u>5</u>	<u>17</u>	<u>20</u>
	<u>257</u>	<u>205</u>	<u>133</u>	<u>595</u>	<u>537</u>
Amount paid during the period / year	(225)	(182)	(76)	(483)	(490)
Balance at the end of the period / year	<u>32</u>	<u>23</u>	<u>15</u>	<u>70</u>	<u>47</u>

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 27, 2012 by the Board of Directors of the Pension Fund Manager.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Director



Pure. Profit.

(AM2 rating by JCR-VIS)

Al Meezan Investment Management Ltd.
A subsidiary of Meezan Bank

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