



MEEZAN
CAPITAL PROTECTED FUND-I



annual **report 2011**

Al Meezan Investment Management Limited
A subsidiary of Meezan Bank

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FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
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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. Rana Ahmed Humayun	Director
Mr. P. Ahmed	Director
Mr. Salman Sarwar Butt	Director
Mr. Rizwan Ata	Director
Mr. Mazhar Sharif	Director
Mr. Mohammad Shoab, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Ariful Islam	Chairman
Mr. P. Ahmed	Member
Mr. Mazhar Sharif	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Meezan Bank Limited
Al Baraka Islamic Bank B.S.C (E.C)

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
SITE Branch
Plot # B/9-C, Estate Avenue,
SITE, Karachi.
Phone: 32062891
Fax: 32552771
Web site: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Al Meezan Investment Management Limited, the management company of Meezan Capital Protected Fund -I (MCPF-I) is pleased to present the audited annual financial statements of the fund for the period ended June 29, 2011.

Brief overview

The Fund after completing its tenure of three years and six weeks matures on June 29, 2011. The fund provided annualized return of 14.14% (NAV based return) for the period from July 1, 2010 to June 29, 2011.

Market Review

Fiscal year 2011 was another challenging year on economic front for Pakistan. Despite persistent pressures from fiscal constraints, energy crisis, vulnerability to commodity price and volatile law and order situation, the country managed to post GDP growth of 2.4% in FY11.

During 1HFY11, the devastating floods posed a significant threat to the country's economic and fiscal position leading to excessive Government borrowing from State Bank of Pakistan (SBP) which peaked at Rs. 1,463 billion in November, 2010. The resultant impact was on CPI inflation which touched a high of 15.7% during 1HFY11. Consequently, the State Bank was forced to adopt a tight monetary stance and raised the discount rate by 150bps in 1HFY11. On the other hand, a major highlight of 2HFY11 was the improvement in external account. During FY11, current account posted a surplus of US\$ 542 million as against deficit of US\$ 3.4 billion in the same period last year. The improvement was primarily attributed to the 29% rise in exports and surge in worker remittances to US\$11.2 billion for the full year. These positive developments helped the country's forex reserves to reach all time of US\$ 17.5 billion and thus kept the rupee stable against the US dollar, depreciating by a mere 0.5%.

On the monetary front, the heightened Government borrowing from SBP for the financing of fiscal deficit forced SBP to continue with its tight stance of monetary policy. The central bank increased the discount rate by a cumulative 150 bps to 14% in its three consecutive monetary policy statements. The average inflation for FY12 thus averaged 13.92%, higher than SBP initial estimates and as compared to 11.7% in FY10.

Pakistan stock market, posted a double digit return for the second consecutive year in FY11 with KSE-100 rising by 28.5% to close at a level of 12,496. The healthy performance of the KSE-100 index was reflective of improved corporate earnings as well as the continuation of foreign flows. Trading volumes however, remained extremely low due to imposition of Capital Gains Tax (CGT) in July with average daily trading volume in shares and value declining by 66% and 40% to 97 million shares and Rs. 4 billion respectively.

Outlook

Going forward, the key challenge for the Government remains the continuation of IMF standby facility for the release of last two tranches and the implementation of reforms. The mounting circular debt affecting the entire energy chain also continues to pose threat to the overall economy. In line with the Government's commitment to keep SBP borrowing within limits, and as inflation has tapered off from its peak, we are of the view that the Government will continue its 'wait and watch' policy before adjusting the discount rate. This bodes well for fixed income allocations.

On the equity front, although the implementation of CGT has negatively impacted volumes, however, we believe that the introduction of the leverage and derivative products in the market may improve the liquidity position and attract investors back to the equity market. On the basis of earnings multiples and dividend yields, Pakistan remains one of the cheapest markets. Pakistan's stock market is trading at a P/E multiple of 7.2x, which is almost at a 38% discount to other frontier markets. This makes KSE an attractive option for foreign investors.

Compliance with Code of Corporate Governance

Al Meezan Investment Management Limited strives to maintain the highest standards of corporate governance. In compliance with the Code of Corporate Governance, the Board of Directors declares that:

- These financial statements, prepared by the management company of the Fund, present fairly the state of affairs of the Fund, the result of its operations, cash flows and movement in unit holder's fund.
- The Fund has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The Board of Directors and employees of the management company have signed "Statement of Ethics and Business Practices".
- There is no sale and repurchase of units of the fund carried out by the directors, CEO, CFO and Company Secretary of the management company including their spouses and minor children.
- Pattern of holding of units is given on page number 06 of the financial statements.
- Financial highlights are given in note 19 to the financial statements.



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CAPITAL PROTECTED FUND-I

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Board Meetings

Please refer to note 23 provided in the financial statements.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments making it the largest 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 and management of Karachi Stock Exchange for their support. We would also like to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued assistance and support on Shariah aspects of fund management.

For and on behalf of the Board

Date: August 16, 2011
Karachi.

Mohammad Shoaib, CFA
Chief Executive

**PATTERN OF HOLDINGS (UNITS) AS PER THE REQUIREMENT
OF CODE OF CORPORATE GOVERNANCE
AS AT JUNE 29, 2011**

Units Held by	Units Held	%
Associated Companies		
Al Meezan Investment Management Limited	329,107	2.27
Meezan Bank Limited	6,532,587	45.12
Chief Executive		
Mr. Mohammad Shoib, CFA	12,685	0.09
Insurance Companies	761,080	5.26
Individuals	3,246,905	22.43
Retirement trusts	719,320	4.97
Others	2,874,815	19.86
Total	14,476,499	100



REPORT OF THE FUND MANAGER

Meezan Capital Protected Fund - I (MCPF-1) is a listed open end capital protected fund, investing primarily in a Murabaha Structure to ensure capital protection and Shariah compliant listed equities to attain capital growth.

The primary objective of MCPF-I is to provide the maximum total return to the share holders from investment in Shariah Compliant investments while guaranteeing the initial principal amount invested upon maturity. The investments are made by giving due consideration to the Non-Banking Finance Companies Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 and any other prevailing rules and regulations. Total return refers to returns from capital gains, realized and unrealized, and dividend income (from investment in secondary and primary equities - Musharaka), rental income (from operating leases - Ijara), mark-up (from cost-plus sales - Murabaha), and other Shariah Compliant investments.

Strategy and Investment Policy

Being a capital protected fund, majority of the funds have been invested in a Murabaha (Cost plus profit basis) structure with Meezan Bank Limited. Al Meezan Investment Management Limited actively manages the remaining funds with an aim to provide maximum risk adjusted total return to the investors. This involves a combination of stock selection, sector allocation, and asset allocation. Therefore, the fund manager aims to reduce exposure to equities in times when the market risk increases. While this may result in temporary underperformance as exposure is increased in a rising market, it pays off when the market corrects.

MCPF - I after completing its tenure of three years and six weeks matured on June 29, 2011.

Performance Review

Meezan Capital Protected Fund - I posted a total income of Rs. 104 million in the period ended June 29, 2011 as compared to a profit of Rs. 93 million in the last fiscal year. The main contributors to total income were profit on Murabaha placement, realized gain on investments and dividend income amounting to Rs. 67 million, Rs. 27 million and Rs. 5 million respectively. After accounting for the expenses and adjusting for element of income and capital income in prices of units issued less those in units redeemed, the net income recorded by the Fund was Rs. 91 million. The net assets of the fund amounted to Rs. 724 million, equivalent to a pre-dividend NAV per unit of Rs. 57.97.

According to the offering document dated May 16, 2008, the Fund had a maturity period of three years and six weeks ending on June 29, 2011. The fund has automatically dissolved after the said maturity period.

Economic Review

Fiscal year 2011 was another challenging year for Pakistan on economic front. Despite persistent pressures from fiscal constraints, energy crisis, vulnerability to commodity price and volatile law and order situation, the country managed to post GDP growth of 2.4%.

During 1HFY11, the devastating floods posed a significant threat to the country's economic and fiscal position leading to excessive Government borrowing from State Bank of Pakistan (SBP) which peaked at Rs. 1,463 billion in November, 2010. The resultant impact was on CPI inflation which touched a high of 15.7% during 1HFY11. Consequently, the State Bank was forced to adopt a tight monetary stance and raised the discount rate by 150bps in first half of FY11.

On the other hand a major highlight of 2HFY11 was the improvement in external account. During FY11, current account posted a surplus of US\$ 542 million as against deficit of US\$ 3.4 billion in the same period last year. The improvement was primarily attributed



to i) 29% rise in exports to US\$25 billion on account of favourable cotton prices, ii) 26% surge in worker remittances to US\$11.2 billion for the full year and iii) US\$743 million inflows under Coalition Support Fund (CSF). These positive developments helped the country's forex reserves to reach all time of US\$ 17.5 billion and thus kept the rupee stable against the US dollar. During the year, rupee depreciated by a mere 0.5% to close the year at Rs 86.2 versus US dollar.

In addition, the rebound in agri commodity prices provided a boost to rural income and hence domestic demand, which saw growth momentum revived in the second half of fiscal year. While inflation stood at 13.9% for FY11, the Government was able to retire the excessive borrowing from SBP in earlier part of the year and contain the same to levels agreed with the State Bank. The combination of the above factors provided SBP the comfort to maintain discount rate at 14% during the second half of the fiscal year.

During the period under review, the IMF standby arrangement remained virtually suspended due to slow implementation of tax and power sector reforms. With the last two tranches at stake, the Government and IMF team are due to meet tentatively towards the end of July, 2011 to review FY11 performance and FY12 budgetary targets. With an impressive performance on the external account and commitment for power sector reforms, the country's economic managers are targeting a continuation of the IMF standby facility.

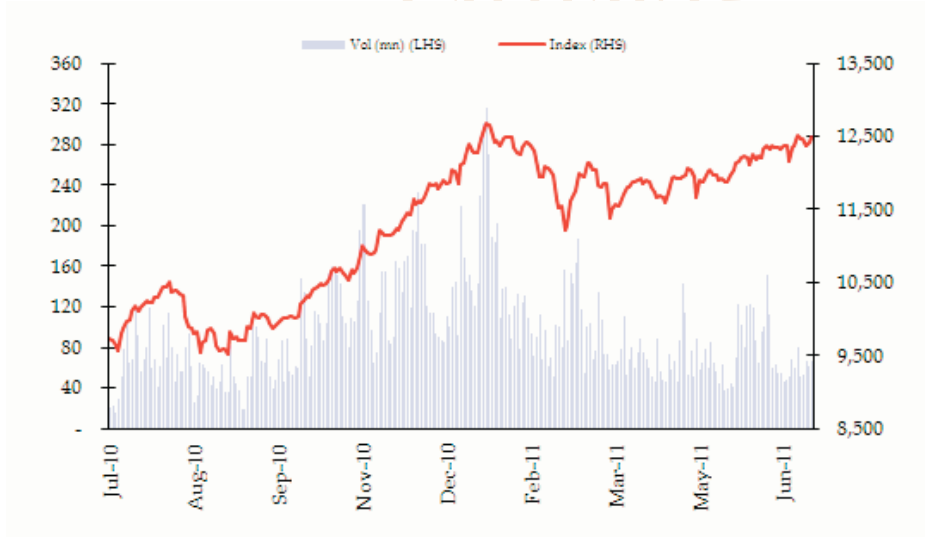
Equity Market Review

Pakistan stock market posted a double digit return for the second consecutive year in FY11 with KSE-100 rising by 28.5% to close at a level of 12,496. The healthy performance of the KSE-100 index was reflective of improved corporate earnings as well as the continuation of foreign flows. Trading volumes however, remained extremely low due to imposition of CGT in July with average daily trading volume in shares and value declining by 66% and 40% to 97 million shares and Rs. 4 billion respectively.

The year started with a positive sentiment where on the back of introduction of CGT, investors anticipated the introduction of Margin Trading System (MTS). This, coupled with investors' expectations of good corporate results helped the market to post phenomenal return of 8.2% for the month of July. However, the euphoria was short lived, ending with the onslaught of the worst floods of the country threatened key macroeconomic targets including downward revision in GDP estimates by 1-2%. To add to the worries, SBP, in an unexpected move, raised the discount rate by 50bps on inflationary concerns in its monetary policy statement of July end. However, even after another 50 bps increase in discount rate in September, the investors shunned macroeconomic concerns and the sentiments remained bullish due to positive foreign flows. Since then the market witnessed a broad-based rally which was extended in the new calendar year as positive developments inched up investors' hopes of good result and payout expectations. Foreigners' net buying position boosted optimism in the market as the third hike in the discount rate of 50bps in this fiscal year did not break the momentum of the market and KSE-100 rallied to the year's peak of 12,768 in mid of January, an appreciation of 3,046 points from June 30, 2010.

The second half of the fiscal year was a period of high volatility which culminated into consolidation. The market underwent a correction of 12% since then and touched a low of 11,200 as profit taking activity was initiated by institutional investors. This was seen due to heightened political noise, strained foreign relations with USA due to the Raymond Davis case, killing of Osama Bin Laden by US forces, uprising in the MENA region and the disastrous earthquake in Japan. On the domestic side, the rally in international crude prices, lukewarm response to MTS, and cumbersome working of capital gain tax kept retail investors on the sidelines leading to one of the lowest volumes in the decade. Subsequently, foreign investment which was the major impetus of the market remained at USD 30.19 million in second half of FY11, slightly narrowing the fiscal year to date inflows to USD 279million.

Towards the end of the period under review, introduction of Margin Trading System (MTS) coupled with better than expected corporate results gave some support to the market and eventually helped the KSE 100 index to close at 12,496 on June 30, 2011.



Federal Budget 2012

The market staged a brief rally in the immediate run up to the budget as well as post budget. Despite no relief on CGT in the federal budget on June 3, the reaction remained positive due to absence of new tax measures. In addition, discontinuation of flood surcharge, deduction of FED on cement and no change in corporate tax on banks led to a buying spree in the market.

Foreign flows and Behavior of local investors

All the categories of local investors except banks remained net sellers throughout FY11. Individual and mutual funds sold highest worth of shares amounting to US\$144 million and US\$76 million respectively, followed by NBFC and companies which sold shares worth US\$55 million and US\$33 million respectively. Banks during the period bought shares worth US\$28 million during FY11, while foreigners remained net buyers of US\$279 million during the period.

Monetary Review

The year started with a positive sentiment with July CPI touching a new low and Government targeting single digit inflation for FY12. The euphoria, however, proved to be short lived as the fiscal weakness and rising total debt started to overshadow the improvement in current account and economic recovery. The situation further aggravated with the devastating floods in July-August that proved to be the worst in country's history. The unwanted yet unavoidable impact was seen on the inflation figures which touched a new high of 15.48% in the month of November, on account of the sharp increase in commodity prices. Along with that, the heightened Government borrowing from SBP for the financing of fiscal deficit forced the central bank to continue with its tight stance of monetary policy. The central bank thus increased the discount rate by cumulative 150 bps to 14% in its three consecutive monetary policy statements. The average inflation for FY12 thus averaged 13.92%, higher than SBP initial estimates and as compared to 11.7% in FY10.

The hike in the policy rate transcended into proportionate hike in KIBOR, Treasury bills (T-bills) and Pakistan Investment Bond (PIBs) rates. The benchmark 6-month KIBOR, 6-month T-bill and 10-year PIBs rose by 150bps, 145bps and 142bps to 13.64%, 13.75% and 14.10%, respectively. In the 25 T-Bills auction conducted in FY11, SBP accepted Rs 3,459 billion against the maturity of Rs 3,255 billion, thus creating a liquidity drain of Rs 204 billion. In FY11 State bank has also conducted nine PIB auctions, target of the auctions were around Rs.181 billion while they accepted around Rs.167 billion. Similarly, State bank conducted 4 Ijarah Sukuk auctions in FY11, the target of which was Rs 170 billion while they accepted stood at Rs 182 billion.

Charity Statement

According to the Trust Deed of MCPF - I, charity refers to the amount paid by Management Company out of the income of the Trust to a charitable / welfare organization, in consultation with Shariah Advisor, representing income that is Haram. During the period ended June 29, 2011 an amount of Rs. 76 thousand was accrued as charity payable.

Distribution

The Fund made distributions amounting to Rs. 7.97 per unit out of the profits during the period ended June 29, 2011. The Fund after completing its tenure of three years and six weeks matures on the above date. The fund provided annualized return of 14.14% (NAV based return) for the period from July 1, 2010 to June 29, 2011.

Break Down of units

Range of units	Number of unitholders
1 - 9,999	485
10,000 - 49,999	70
50,000 - 99,999	7
100,000 - 499,999	13
500,000 and above	4
Total	579



Outlook

Going forward, the key challenge for the Government remains the continuation of IMF standby facility for the release of last two tranches and the implementation of reforms. The mounting circular debt affecting the entire energy chain also continues to pose threat to the overall economy. In line with the Government's commitment to keep SBP borrowing within limits, and as inflation has tapered off from its peak, we are of the view that the Government will continue its 'wait and watch' policy before adjusting the discount rate. This bodes well for fixed income allocations.

On the equity front, although the implementation of CGT has negatively impacted volumes, however, we believe that the introduction of the leverage and derivative products in the market may improve the liquidity position and attract investors back to the equity market. On the basis of earnings multiples and dividend yields, Pakistan remains one of the cheapest markets. Pakistan's stock market is trading at a P/E multiple of 7.2x, which is almost at a 38% discount to other frontier markets. This makes KSE an attractive option for foreign investors.



Meezan Bank
The Premier Islamic Bank

Report of the *Shar'iah* Advisor – Meezan Capital Protected Fund-I

August 22, 2011/ Ramadan 21, 1432 A.H.

Alhamdulillah, the period from July 01, 2010 to June 29, 2011 was the last year of operations of Meezan Capital Protected Fund-I (MCPF - I) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shar'iah* Advisor of the Fund and are issuing the report in accordance with clause 7.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the shari'ah Compliance of the Fund's activity.

In the capacity of *Shar'iah* Advisor, we have prescribed criteria and procedure to be followed in ensuring Shar'iah Compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shar'iah compliance with the Shar'iah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MCPF-I in light of the Shar'iah guidelines.
- ii. All the provisions of the scheme and investments made on account of MCPF-I by Al Meezan are Shar'iah Compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MCPF-I for the year ended June 29, 2011 have been in compliance with Shar'iah principles.

May Allah bless us with best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.



Dr. Muhammad Iqbal Ashraf Usmani
For and on behalf of Meezan Bank Limited
Shar'iah Advisor

Meezan Bank Ltd.

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CAPITAL PROTECTED FUND-I

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Meezan Capital Protected Fund-I (the Fund), an open-end scheme was established under a trust deed dated February 25, 2008, executed between Al Meezan Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from July 1, 2010 to June 29, 2011 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.



Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 12, 2011

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE PERIOD JULY 01, 2010 To JUNE 29, 2011

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of Listing Regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance. The board of directors (the Board) of Al-Meezan Investment Management Limited, the management company, which is an unlisted public company, manages the affairs of Meezan Capital Protected Fund - I (the Fund). The Fund being a unit trust scheme does not have its own board of directors. The management company has applied the principles contained in the code to the Fund, whose units are listed as a security on the Karachi Stock Exchange, in the following manner:

1. The management company encourages representation of independent non-executive directors. At present the board consists of seven directors, including two independent directors, all other directors except the Chief Executive Officer (CEO) are non-executive directors. The management company of the Fund is not listed at any stock exchange and therefore, does not have any minority interest.
2. The existing directors have confirmed that none of them is serving as a director in more than ten listed companies, including the management company.
3. All the existing resident directors of the management company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the Directors of the management company of the Fund is a member of a stock exchange.
4. During the year a casual vacancy occurred on the BoD. Mr. Salman Sarwar Butt was appointed as an independent director in place of Aliuddin Ansari after an approval from SECP on June 17, 2011 for the remaining term of the board.
5. The board has formulated a Statement of Ethics and Business Practices for the management company, which has been signed by the existing directors and employees of the management company.
6. The board of the management company has developed a vision and mission statement. The investment policy of the Fund has been disclosed in the offering document, while other significant policies have also been formalized and have been adopted by the board.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and terms and conditions of employment of the CEO of the management company, have been taken by the board.
8. The meetings of the board were presided over by the Chairman. The board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings, except for the emergent meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors of the board are aware of their responsibilities, an orientation course was held during previous years. The new Directors as and when appointed are provided with all the relevant statutory laws, rules and regulations to keep themselves acquainted.

10. The Board of Directors of the Management Company had, in earlier years, approved the appointment of the Chief Financial Officer (CFO) and the Company Secretary and the Head of Internal Audit including their remuneration and terms and conditions of employment, as determined by the CEO
11. The directors' report relating to the Fund, for the year ended June 30, 2011 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and the CFO of the management company before approval by the Board.
13. The interest of the CEO, Directors and the Executives in the units of the Fund is disclosed in the pattern of unit holdings.
14. The management company has complied with all the applicable corporate and financial reporting requirements of the code.
15. The board has formed an audit committee. It comprises of three non-executive directors of the management company as its members including chairman of the audit committee. The CFO and the Company Secretary is the Secretary of the audit committee.
16. The meetings of the audit committee were held once in every quarter prior to the approval of interim and final results of the Fund and as required by the Code. The terms of reference of the audit committee have been framed and approved by the Board of the management company and advised to the committee for compliance.
17. The board has set up an effective internal audit function headed by the Head of Internal Audit & Compliance. The staff of the Fund is considered to be suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Fund and is involved in the internal audit function of the Fund on a full time basis.
18. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the management company or units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The related party transactions entered during the period ended June 29, 2011 have been placed before the audit committee and approved by the board in its subsequent meetings.
21. We confirm that all other material principles contained in the Code have been complied with.

Syed Owais Wasti
Chief Financial Officer
Karachi.
August 16, 2011

Mohammad Shoaib, CFA
Chief Executive

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the period July 1, 2010 to June 29, 2011 prepared by the Board of Directors of Al Meezan Investment Management Limited (the management company) of Meezan Capital Protected Fund - I (the Fund) to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the management company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the management company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii a) of Listing Regulation No. 35 of the Karachi Stock Exchange (Guarantee) Limited requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required to check the approval of the related party transaction from the Board of Directors and placements of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the management company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the period ended June 29, 2011.


Chartered Accountants
Karachi, September 16, 2011

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938; <www.pwc.com/pk>*

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INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT COMPANY

We have audited the accompanying financial statements of **Meezan Capital Protected Fund - I**, which comprise the statement of assets and liabilities as at June 29, 2011, and the related income statement, distribution statement, statement of movement in unit holders' fund and cash flow statement for the period July 1, 2010 to June 29, 2011, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 29, 2011, and of its financial performance, cash flows and transactions for the period July 1, 2010 to June 29, 2011 in accordance with approved accounting standards as applicable in Pakistan.

Am.

Emphasis of matter

We draw attention to note 1.5 to the annexed financial statements which inter alia states that the annexed financial statements are not prepared on the going concern basis as the Fund has matured on June 29, 2011 in accordance with the constitutive documents of the Fund. However, no adjustments are required as the assets and liabilities are stated at values at which these are expected to be realised or settled.

Our opinion is not qualified in respect of the aforementioned matter.

Other matters

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

A. Ferguson & Co.
Chartered Accountants
Karachi, September 16, 2011

Audit Engagement Partner: Saad Kaliya

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 29, 2011**

	Note	June 29, 2011 (Rupees in '000)	June 30, 2010
Assets			
Capital protection segment			
Loans and receivables	5	-	570,373
Investment segment			
Balances with banks	6	747,894	18,901
Investments at fair value through profit or loss	7	-	67,489
Profit receivable on savings accounts		-	207
		747,894	86,597
Dividend receivable		-	175
Deposit with Central Depository Company of Pakistan Limited (CDC)		100	100
Preliminary expenses and floatation costs	8	-	931
Total assets		747,994	658,176
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan)- management company of the Fund	9	19,566	18,744
Payable to CDC - trustee of the Fund	10	75	63
Payable to Securities and Exchange Commission of Pakistan (SECP)	11	511	459
Accrued expenses and other liabilities	12	4,016	2,269
Total liabilities		24,168	21,535
Net assets		723,826	636,641
Unit holders' fund (as per statement attached)		723,826	636,641
		Number of units	
Number of units in issue	14	14,476,499	11,200,846
		Rupees	
Net assets value per unit		50.00	56.84

The annexed notes 1 to 24 form an integral part of these financial statements.

Mohammad Shoib, CFA
Chief Executive

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

Mazhar Sharif
Director



INCOME STATEMENT
FOR THE PERIOD JULY 1, 2010 TO JUNE 29, 2011

		For the period July 1, 2010 to June 29, 2011	For the year ended June 30, 2010
	Note	(Rupees in '000)	
Income			
Net realised gain on sale of investments		27,307	20,930
Dividend income		4,962	7,067
Profit on savings accounts with banks		4,640	616
Profit on murabaha		66,710	60,036
Back end load		79	1,024
		<u>103,698</u>	<u>89,673</u>
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)		-	3,340
Total income		<u>103,698</u>	<u>93,013</u>
Expenses			
Remuneration to Al Meezan - management company of the Fund	9.1	8,756	8,030
Remuneration to CDC - trustee of the Fund	10	891	799
Annual fee to SECP	11	511	459
Auditors' remuneration	13	414	357
Fees and subscription		40	35
Amortisation of preliminary expenses and floatation costs	8	931	928
Brokerage		237	196
Bank and settlement charges		54	37
Workers' welfare fund - current	12.2	1,813	1,574
Workers' welfare fund - prior		-	86
Printing charges		238	270
		<u>13,885</u>	<u>12,771</u>
Total expenses		<u>13,885</u>	<u>12,771</u>
Net income from operating activities		<u>89,813</u>	<u>80,242</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)		821	(1,623)
Net income		<u>90,634</u>	<u>78,619</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

Mohammad Shoab, CFA
Chief Executive

For Al Meezan Investment Management Limited
(Management Company)

Mazhar Sharif
Director



**DISTRIBUTION STATEMENT
FOR THE PERIOD JULY 1, 2010 TO JUNE 29, 2011**

	For the period July 1, 2010 to June 29, 2011			For the year ended June 30, 2010		
	Unrealised gains / (losses)	Realised gains / (losses)	Total	Unrealised gains / (losses)	Realised gains / (losses)	Total
	------(Rupees in '000)-----					
Undistributed income brought forward as at July 1	(4,576)	81,174	76,598	(18,607)	20,648	2,041
Net income for the period / year	-	90,634	90,634	3,340	75,279	78,619
Less: Final distribution for the year ended June 30, 2010 - bonus units @ 12.10% (June 30, 2009: 0.70%)	-	(67,765)	(67,765)	-	(4,062)	(4,062)
Less: Final distribution on June 29, 2011 - bonus units @ 15.94% (June 29, 2010: nil)	-	(99,467)	(99,467)			
Loss realised on disposal of investments	4,576	(4,576)	-	10,691	(10,691)	-
Undistributed income carried forward as at June 29 / June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,576)</u>	<u>81,174</u>	<u>76,598</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

Mohammad Shoaib, CFA
Chief Executive

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

Mazhar Sharif
Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE PERIOD JULY 1, 2010 TO JUNE 29, 2011**

	For the period July 1, 2010 to June 29, 2011 (Rupees in '000)	For the year ended June 30, 2010
Net assets at the beginning of the period / year	636,641	582,284
Redemption of 47,899 (2010: 485,517) units	<u>(2,628)</u>	<u>(25,885)</u>
	634,013	556,399
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(821)	1,623
Net income for the period / year less distribution	(76,598)	74,557
Issue of 1,334,221 bonus units for the year ended June 30, 2010	67,765	4,062
Issue of 1,989,331 bonus units for the period ended June 29, 2011	99,467	-
Net assets at the end of the period / year	<u><u>723,826</u></u>	<u><u>636,641</u></u>
Net assets value per unit at the beginning of the period / year - Rupees	56.84	50.18
Net assets value per unit at the end of the period / year - Rupees	<u><u>50.00</u></u>	<u><u>56.84</u></u>

The annexed notes 1 to 24 form an integral part of these financial statements.



Mohammad Shoab, CFA
Chief Executive

For Al Meezan Investment Management Limited
(Management Company)



Mazhar Sharif
Director



CASH FLOW STATEMENT
FOR THE PERIOD JULY 1, 2010 TO JUNE 29, 2011

	Note	For the period July 1, 2010 to June 29, 2011	For the year ended June 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		90,634	78,619
Adjustments for:			
Dividend income		(4,962)	(7,067)
Profit on savings accounts with banks		(4,640)	(616)
Profit on murabaha		(66,710)	(60,036)
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)		-	(3,340)
Amortisation of preliminary expenses and floatation costs		931	928
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)		(821)	1,623
		<u>14,432</u>	<u>10,111</u>
Decrease in assets			
Loans and receivables		453,720	-
Receivable against sale of investments		-	283
Investments at fair value through profit or loss		67,489	15,871
		<u>521,209</u>	<u>16,154</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan - management company of the Fund		822	8,030
Payable to CDC - trustee of the Fund		12	1
Payable to MBL		-	(252)
Payable to SECP		52	(20)
Payable against purchase of investments		-	(865)
Accrued expenses and other liabilities		1,747	1,808
		<u>2,633</u>	<u>8,702</u>
Profit received on murabaha agreement		183,363	-
Profit received on savings accounts with banks		4,847	524
Dividend received		5,137	7,523
Net cash inflow from operating activities		<u>731,621</u>	<u>43,014</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments against redemption of units		(2,628)	(25,886)
Net cash outflow from financing activities		<u>(2,628)</u>	<u>(25,886)</u>
Net cash inflow during the period / year		<u>728,993</u>	<u>17,128</u>
Cash and cash equivalents at the beginning of the period / year		18,901	1,773
Cash and cash equivalents at the end of the period / year	6	<u>747,894</u>	<u>18,901</u>

Mohammad Shoab, CFA
Chief Executive

For Al Meezan Investment Management Limited
(Management Company)

Mazhar Sharif
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JULY 1, 2010 TO JUNE 29, 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Capital Protected Fund-I (the Fund) was established under a trust deed executed between Al Meezan as the management company and CDC as the trustee. The trust deed was executed on February 25, 2008 and was approved by the 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 murabaha arrangement with a scheduled islamic bank having atleast 'A' rating at the time of the arrangement. The investment segment generally invests in high return / high risk investments with an objective of providing unit holders a higher return than the minimum protection provided by the capital protection segment. Under the trust deed all the conducts and acts of the Fund are based on shariah. 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 was an open-end fund with maturity of three years and six weeks and was listed on the Karachi Stock Exchange. The Fund has ceased to operate on maturity. The units were transferable and could be redeemed by surrendering them to the Fund. The issuance of units had been discontinued since July 31, 2008. The management company of the Fund has been given quality rating of AM2 by JCR - VIS.
- 1.4 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.
- 1.5 According to the offering document dated May 16, 2008, the Fund had a maturity period of three years and six weeks which ended on June 29, 2011. The Fund has automatically dissolved after the said maturity period. Since, the Fund will not be able to continue as a going concern atleast for the next twelve months, accordingly, these financial statements are not prepared on a going concern basis. The management has assessed that the dissolution will not result in any impact on the carrying amount of the assets and liabilities of the Fund as these are already stated at the amounts expected to be realised or settled.

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 financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations and the directives issued by the SECP.

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

- 3.2 Standards, amendments to published approved accounting standards and interpretations becoming effective in the period ended June 29, 2011 but are not relevant:

There are certain new standards, amendments and IFRIC interpretations that became effective during the period and are mandatory for the Fund's accounting period beginning July 1, 2010 but are considered not to be relevant or have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

- 3.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Fund:

There are certain amendments to the standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2011 but are considered not to be relevant and are, therefore, not detailed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Accounting Convention

As stated in note 1.5, the Fund had a maturity period which ended on June 29, 2011, accordingly, these financial statements have been prepared on the following basis:

- All assets are stated at their net realisable value; and
- All liabilities are stated at the amount payable.

4.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of critical accounting estimates. It also requires the management company to exercise its judgment in the process of applying its accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to the financial statements, are as follows:

- (a) Classification and valuation of financial instruments (notes 4.3 and 7)
- (b) Impairment (note 4.3.5)
- (c) Recognition of provision for current taxation (current and prior year) and deferred taxation (note 4.10)
- (d) Amortisation of preliminary expenses and floatation costs (notes 4.8 and 8)

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4.3 Financial instruments

4.3.1 The Fund classifies its financial instruments in the following categories:

a) Investments 'at fair value through profit or loss'

- Financial instruments categorised as 'held for trading'

These include financial instruments acquired principally for the purpose of generating profit from short-term fluctuations in prices or dealers' margins or are securities included in a portfolio in which a pattern of short-term profit taking exists.

- Financial instruments designated 'at fair value through profit or loss upon initial recognition'

These include investments that are designated as investments 'at fair value through profit or loss upon initial recognition'.

b) Held to maturity

These are securities acquired by the Fund with the intention and ability to hold them up to maturity.

c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as fair value through profit or loss or available for sale.

d) Available for sale

These are non-derivatives financial assets that are either designated in this category or are not classified in any of the other categories mentioned in (a) to (c) above.

4.3.2 Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

The Fund follows trade date accounting for purchase and sale of investments. Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.3.3 Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial asset or financial liability not at 'fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on 'financial asset or financial liability at 'fair value through profit or loss' are charged to the income statement immediately.

Subsequent to initial recognition, instruments classified as 'financial assets at fair value through profit or loss' and 'available for sale' are measured at fair value. Gains or losses arising from changes in the fair value of the financial assets at 'fair value through profit or loss' are recognised in the income statement. The changes in the fair value of instruments classified as 'available for sale' are recognised in other comprehensive income until derecognised or impaired when the accumulated fair value adjustments recognised in other comprehensive income are transferred to the income statement.

Financial assets classified as 'loans and receivables' and 'held-to-maturity' are carried at amortised cost using the effective yield method, less impairment losses, if any.

Financial liabilities, other than those at 'fair value through profit or loss', are measured at amortised cost using the effective yield method.

4.3.4 Fair value measurement principles

The fair value of shares of listed companies / units of funds, derivatives and financial instruments sold on deferred settlement basis is based on their price quoted on the Karachi Stock Exchange at the balance sheet date without any deduction for estimated future selling costs. Financial assets and financial liabilities are priced at their fair market value.

4.3.5 Impairment

Impairment loss on investments other than 'available for sale' is recognised in the income statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised previously decreases, such a decrease is reversed through the income statement.

In case of investment classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from other comprehensive income and recognised in the income statement. However, the decrease in impairment loss on equity securities classified as 'available for sale' is recognised in other comprehensive income.

4.3.6 Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

The Fund uses weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.4 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

4.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the applications received by the distributors during business hours of the day when the application is received. The offer price represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. Consistent with prior years, the sales load is treated as income of the Fund.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption application during business hours on that date. The redeemed price represents the net assets value per unit less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

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

The net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and redeemed during an accounting period is taken to the income statement.

4.7 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of three years and six weeks commencing from May 8, 2008 in accordance with the requirements of the trust deed of the Fund.



4.9 Net assets value per unit

The net assets value (NAV) per unit is calculated by dividing the net assets of the Fund by the number of units in issue at period end.

4.10 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Accordingly, the Fund has not recorded a tax liability in respect of income relating to the current period as the Fund intends to avail this exemption.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that these will be available for set off against future taxable profits. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount of deferred tax in these financial statements as the Fund has ceased to operate on maturity as per the offering document of the Fund.

4.11 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in income currently and are recognised on the date at which the transaction takes place.
- (ii) Unrealised gains / (losses) arising on revaluation of securities classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- (iii) Unrealised gains / (losses) arising on revaluation of securities classified as 'available for sale' are included in the other comprehensive income in the period in which they arise.
- (iv) Profit on savings accounts with banks is recorded on an accrual basis.
- (v) Dividend income is recognised when the Fund's right to receive the dividend is established.
- (vi) Profit on murabaha is recognised on an accrual basis over the term of the murabaha.

4.12 Expenses

All expenses, including management fee and trustee fee, are recognised in the income statement on an accrual basis.



4.13 Offsetting of financial instruments

A financial asset and financial liability is set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.14 Zakat

Units held by resident Pakistani unit holders are subject to Zakat at 2.5% of the face value or redemption value, whichever is lower, of units, under the Zakat and Ushr Ordinance, 1980 (XVII of 1980), except those exempted. Zakat is deducted at source from the dividend amount or from the redemption payment, if units are redeemed during the zakat year before payment of dividend after it becomes leviable.

4.15 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of assets and liabilities at cost. Cash comprises current and savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.16 Dividend and bonus units

Dividends declared (including distribution in the form of bonus units) subsequent to the balance sheet are considered as a non-adjusting event and are recognised in the period in which they are authorised or approved.

	Note	June 29, 2011	June 30, 2010
5. LOANS AND RECEIVABLES		(Rupees in '000)	
Principal amount		-	453,720
Profit receivable	5.1	-	116,653
Total		<u>-</u>	<u>570,373</u>

5.1 For the purpose of capital protection, the Fund had allocated 76% of the initial fund size in murabaha with MBL (an associated undertaking) such that it fulfills the requirement of capital protection as outlined in the trust deed and the offering document. Upon its maturity, the Fund has realised the amount invested under the said arrangement together with the profit due thereon.

	Note	June 29, 2011	June 30, 2010
6. BALANCES WITH BANKS		(Rupees in '000)	
On savings account	6.1	747,893	18,678
On current account		<u>1</u>	<u>223</u>
		<u>747,894</u>	<u>18,901</u>



6.1 The balances in savings account bear expected profit which ranges from 5.66% to 12.25% (2010: 5% to 11.25%) per annum.

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

7.1 Shares in listed companies

Name of the investee company	As at July 1, 2010	Purchases during the year	Bonus / rights issue	Sales during the period	As at June 29, 2011	Carrying value /market value as at June 29, 2011
	-----Number of shares-----					(Rupees in '000)
Banks						
Meezan Bank Limited (an associate of Fund)	151,600	57,000	22,740	231,340	-	-
Construction and Materials						
Attock Cement Pakistan Limited	600	-	-	600	-	-
Lucky Cement Limited	67,500	33,000	-	100,500	-	-
Power generation and distribution						
The Hub Power Company Limited	-	75,000	-	75,000	-	-
Oil and gas						
Oil and Gas Development Company Limited	61	110,000	-	110,061	-	-
Pakistan Petroleum Limited	30,660	-	6,132	36,792	-	-
Pak Oil Fields Limited	40,700	10,000	-	50,700	-	-
Pakistan State Oil Company Limited	47,950	56,875	-	104,825	-	-
National Refinery Limited	14,000	4,500	-	18,500	-	-
Automobile and parts						
Indus Motor Company Limited	9,514	-	-	9,514	-	-
Fixed line telecommunication						
Pakistan Telecommunication Company Limited 'A'	100,000	150,000	-	250,000	-	-
Chemical						
Fauji Fertilizer Bin Qasim Company Limited	204,340	-	-	204,340	-	-
Fauji Fertilizer Company Limited	121,775	-	10,568	132,343	-	-
ICI Pakistan Limited	13,677	34,000	-	47,677	-	-
Lotte Pakistan PTA Limited	-	225,000	-	225,000	-	-
General Industrials						
Tri Pack Films Limited	80,000	-	-	80,000	-	-
Packages Limited	-	9,000	-	9,000	-	-
Total						-
Total cost of investment						-

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

	Note	June 29, 2011	June 30, 2010
8. PRELIMINARY EXPENSES AND FLOATATION COSTS			
(Rupees in '000)			
Preliminary expenses and floatation costs		931	1,859
Less: Amortisation during the period / year		931	928
		-	931
9. PAYABLE TO (Al Meezan)			
- management company of the Fund			
Management fee	9.1 and 9.2	16,645	15,823
Preliminary expenses and floatation costs		2,921	2,921
		19,566	18,744
9.1 Under the provisions of NBFC Regulations, the management company is entitled to a remuneration of an amount not exceeding three percent of the average annual net assets of the Fund during the first five years of the Fund's existence, and thereafter, of an amount equal to two percent of such assets of the Fund. The remuneration of the management company has been charged at the rate of three percent per annum of average annual net assets invested under the investment segment.			
9.2 Further, an amount equal to one percent per annum of the average annual net assets invested under the capital protected segment has been charged by the management company to the Fund which will be paid by the management company to MBL.			
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC)			
- TRUSTEE OF THE FUND			
The trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed in accordance with the tariff specified therein, based on the daily net assets value of the Fund.			
11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
This represents annual fee payable to the SECP at the rate of 0.075% of the average annual net assets of the Fund under regulation 62 read with Schedule II of NBFC Regulations.			
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
	Note	June 29, 2011	June 30, 2010
(Rupees in '000)			
Auditors' remuneration		325	245
Charity payable	12.1	-	212
Workers' welfare fund	12.2	3,473	1,660
Printing charges payable		217	121
CDS charges payable		1	-
Annual listing fee payable		-	30
Zakat payable		-	1
		4,016	2,269

- 12.1 According to the instructions of the shariah adviser, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. Accordingly, an amount of Rs Nil (2010: Rs 0.212 million) is outstanding in this regard after making charity payments of Rs 0.288 million (2010: Rs 0.100 million) to renowned charitable institutions. None of the directors of the management company were interested in any of the donees.
- 12.2 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, 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. However, without prejudice to the above, the management company had made a provision for WWF contribution in the books of account of the Fund for the year ended June 30, 2010.

During the year, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR), being the collecting agency of WWF on behalf of the Ministry, to its members for necessary action.

On December 14, 2010, the Ministry has filed its response against the constitutional petition requesting the Court to dismiss the petition. As the matter relating to levy of WWF is currently pending in the Court, the management company, as a matter of prudence, has decided to retain a provision for WWF amounting to Rs 3.473 million in the books of account of MCPF as at June 29, 2011.

In the event the matter is decided in favour of the Fund, the amount will be distributed amongst the unit holders' existing as on the date of the book closure of June 29, 2011.

	For the period July 1, 2010 to June 29, 2011	For the year ended June 30, 2010
--	--	--

(Rupees in '000)

13. AUDITORS' REMUNERATION

Audit fee	145	120
Half yearly review	60	60
Other certifications	180	150
Out of pocket expenses	29	27
	<u>414</u>	<u>357</u>

14. CLASSES OF UNITS IN ISSUE

14.1 Units of the fund have been classified as follows:

Class	Description
A	Units that shall be charged with front-end and back-end load.
B	Units that shall be offered for subscription if and when the Fund is re-opened for subscription and shall be charged with front-end and back-end load.
C	Units that shall be announced from time to time and shall be charged with back-end load.

14.2 The units in issue as at June 29, 2011 and June 30, 2010 and their par values were as follows:

	June 29, 2011		June 30, 2010	
	Number of units in issue	Rupees in '000	Number of units in issue	Rupees in '000
Class A units	14,476,499	723,825	11,200,846	560,042

The par value of each unit is Rs 50. The management company of the Fund has set a minimum initial investment limit of Rs 5,000. All units carry equal rights and are entitled to dividends and payment of net asset value on liquidation. The units were continuously offered for public subscription till July 31, 2008.

15. 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 of the Fund and holding company of the management company, Al Meezan Mutual Fund Limited, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Balanced Fund, Meezan Cash Fund, Meezan Sovereign Fund, Meezan Islamic Income Fund and Meezan Capital Protected Fund - II being the Funds under the common management of the management company and the directors and officers 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 Rules, NBFC Regulations and the trust deed respectively.

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

	2011 (Rupees in '000)	2010
Al Meezan - management company of the Fund		
Remuneration payable	<u>16,645</u>	<u>15,823</u>
Preliminary expenses and floatation cost payable	<u>2,921</u>	<u>2,921</u>
Investment of 329,107 units (June 30, 2010: 253,666 units)	<u>16,455</u>	<u>14,418</u>
MBL		
Balances with bank	<u>1</u>	<u>351</u>
Investment - loans and receivables	<u>-</u>	<u>570,373</u>
Investment in Nil shares (June 30, 2010: 151,600)	<u>-</u>	<u>2,206</u>
Investment of 6,532,587 units (June 30, 2010: 5,035,120 units)	<u>326,629</u>	<u>286,196</u>
CDC - trustee of the Fund		
Trustee fee payable	<u>75</u>	<u>63</u>
Director of the management company		
Investment of 12,685 units (June 30, 2010: 9,777 units)	<u>634</u>	<u>556</u>
	For the period July 1, 2010 to June 29, 2011	For the year ended June 30, 2010
Al Meezan - management company of the Fund		
Remuneration for the period / year	<u>8,756</u>	<u>8,030</u>
Bonus units issued: 75,441 units (2010: 1,272 units)	<u>3,796</u>	<u>63</u>
Units issued: Nil units (2010: 71,297)	<u>-</u>	<u>3,955</u>
MBL		
Profit on savings account	<u>31</u>	<u>6</u>
Investment - loans and receivables	<u>66,710</u>	<u>60,036</u>
Bonus units issued: 1,497,467 units (2010: 35,120 units)	<u>75,347</u>	<u>1,750</u>
Shares purchased during the period: 57,000 shares (2010: nil shares)	<u>992</u>	<u>-</u>
Bonus shares received during the period: 22,740 shares (2010: 7,219 shares)	<u>-</u>	<u>-</u>
Shares sold during the period: 231,340 shares (2010: 77,000 shares)	<u>4,059</u>	<u>1,329</u>
CDC - trustee of the Fund		
Trustee fee	<u>891</u>	<u>799</u>
CDS charges	<u>10</u>	<u>8</u>
Director of the management company		
Bonus units issued: 2,908 units (2010: 68 units)	<u>146</u>	<u>3</u>

16. FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables	Financial assets at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
2011				
------(Rupees in '000)-----				
On balance sheet - financial assets				
Balances with banks	747,894	-	-	747,894
Deposit with CDC	100	-	-	100
	<u>747,994</u>	<u>-</u>	<u>-</u>	<u>747,994</u>
On balance sheet - financial liabilities				
Payable to AI Meezan				
- management company of the Fund	-	-	19,566	19,566
Payable to CDC - trustee of the Fund	-	-	75	75
Accrued expenses and other liabilities	-	-	543	543
	<u>-</u>	<u>-</u>	<u>20,184</u>	<u>20,184</u>
2010				
------(Rupees in '000)-----				
On balance sheet - financial assets				
Investments	570,373	67,489	-	637,862
Balances with banks	18,901	-	-	18,901
Profit receivable on savings accounts	207	-	-	207
Dividend receivable	175	-	-	175
Deposit with CDC	100	-	-	100
	<u>589,756</u>	<u>67,489</u>	<u>-</u>	<u>657,245</u>
On balance sheet - financial liabilities				
Payable to AI Meezan				
- management company of the Fund	-	-	18,744	18,744
Payable to CDC - trustee of the Fund	-	-	63	63
Accrued expenses and other liabilities	-	-	366	366
	<u>-</u>	<u>-</u>	<u>19,173</u>	<u>19,173</u>

17. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance.

Risk of the Funds are being managed by the fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk and interest rate risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations and the directives issued by SECP.

Risks managed and measured by the Fund are explained as follows:

17.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted.

Credit risk arises from deposits with banks and financial institutions.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of counter parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the board of directors on a quarterly basis.

The percentage of bank balances along with credit ratings are tabulated below:

	2011	2010
	(%)	
AA+	-	0.14
A	100.00	98.00
A-	-	1.86
	<u>100.00</u>	<u>100.00</u>

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. However, as disclosed in note 1.5, the Fund has matured on June 29, 2011, therefore, the Fund's portfolio of financial instruments mainly comprises of balances with banks.

The maximum exposure to credit risk as at June 29, 2011 along with comparative, is tabulated below:

	June 29, 2011	June 30, 2010
	(Rupees in '000)	
Financial assets		
Loans and receivables	-	570,373
Balances with banks	747,894	18,901
Profit receivable on savings accounts	-	207
Dividend receivable	-	175
Deposit with CDC	100	100
	<u>747,994</u>	<u>589,756</u>

The Fund does not have any collateral against any of the aforementioned assets .

17.2 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for daily creation and cancellation of units and it is, therefore, exposed to the liquidity risk of meeting unit holder's redemptions at any time. The Fund's investments are considered to be readily realisable as they are all listed on stock exchanges of the country. The Fund manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

In accordance with the regulation 58(1)(k) of the NBFC Regulations, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the trustee, for a period not exceeding three months to the extent of fifteen per cent of the net assets which amounts to Rs 108.574 million as on June 29, 2011 (2010: Rs 95.496 million). However, no such borrowing has been obtained during the period.

Further, the Fund is also allowed, in accordance with regulation 57(10) of the NBFC Regulations, to defer redemption requests to next dealing day, had such requests exceed ten percent of the total numbers.

In accordance with the risk management policy of the Fund, the fund manager monitors the liquidity position on a daily basis, which is reviewed by the board of directors of the management company on a quarterly basis.

An analysis of the Fund's liabilities into relevant maturity grouping as at June 29, 2011 and June 30, 2010 is tabulated below:

	2011				Total	2010
	Maturity upto					
	Three months	six months	one year	More than one year		
	----- (Rupees in '000) -----					
Payable to Al Meezan - management company of the Fund	19,566	-	-	-	19,566	18,744
Payable to CDC - trustee of the Fund	75	-	-	-	75	63
Accrued expenses and other liabilities 2011	543	-	-	-	543	366
	<u>20,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,184</u>	<u>19,173</u>
June 30, 2010	<u>16,252</u>	<u>-</u>	<u>2,921</u>	<u>-</u>	<u>19,173</u>	

17.3 Market risk

17.3.1 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the unit holders from investment in shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the fund manager in accordance with the policies and procedures laid down by SECP. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in NBFC Regulations.

The Fund's overall market positions are monitored on a quarterly basis by the board of directors of the management company of the Fund.

The Fund manages its exposure to price risk by analysing its investment portfolio by industrial sector and benchmarking the sector weighting to that of the Karachi Meezan Index (KMI) 30 index. The Fund's policy is to concentrate the investment portfolio in sectors where management believe the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. At June 29, the Fund does not hold any investment exposed to price risk, accordingly, there shall be no impact on the net assets of the Fund if the prices of equity vary due to increase / decrease in KMI 30 index (2010: increase / decrease Rs 0.05 million).

17.3.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which effects cashflows pertaining to financial instruments and their fair values.

Cash flow interest rate risk

The fund's interest risk arises from the balances in savings accounts.

During the period ended June 29, 2011, the net income would have increased / decreased by Rs 7.479 million (2010: Rs 0.187 million) had the interest rates on profit and loss savings account increased / decreased by 100 basis points.

18. CAPITAL RISK MANAGEMENT

The Fund's capital is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objectives when managing capital is to safeguard its ability to continue returns for units holders and to maintain a strong capital base to meet unexpected losses or opportunities.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain whether realised or unrealised as reduced by such expenses as are chargeable to the Fund.

19. PERFORMANCE TABLE	2011	2010	2009	2008
Net assets value (Rs '000) (ex-distribution)*	723,826	636,641	582,284	579,207
Net assets value per unit as at June 29 / June 30 (Rs) (ex-distribution)*	50.00	50.79	49.83	49.80
Offer price per unit as at June 29 / June 30 (Rs) (ex-distribution)*	N/A	N/A	51.32	51.29
Redemption price per unit as at June 29 / June 30 (Rs) (ex-distribution)*	48.50	49.27	47.84	47.31
Distribution (%)				
- Interim	15.94	-	-	-
- Annual	-	12.10	0.70	-
Date of distribution (annual)	June 29, 2011	July 7, 2010	July 6, 2009	-
Highest offer price per unit (Rs)	N/A	N/A	51.69	51.69
Lowest offer price per unit (Rs)	N/A	N/A	47.33	50.32
Highest redemption price per unit (Rs)	56.23	55.22	48.17	50.18
Lowest redemption price per unit (Rs)	48.50	48.71	43.65	48.85
Total return (%)	14.14	14.07	0.76	(2.81)

* The distribution for the year ended June 30, 2010 is not accounted for in the corresponding figures of these financial statements.

	One Year	Two Years	Three Years	Four Years
Average annual return (%)	14.14	14.10	9.47	6.26

Investment portfolio composition of the Fund

Investment portfolio composition of the Fund is as described in note 7.

20. INVESTMENT COMMITTEE MEMBERS

20.1 Details of members of investment committee of the Fund are as follow:

	Designation	Qualification	Experience in years
1. Mr. Mohammad Shoaib, CFA	Chief Executive Officer	CFA / MBA	Twenty one years
2. Mr. Muhammad Asad	Chief Investment Officer	CFA Level 2 / MBA	Fifteen years
3. Ms. Sanam Ali Zaib	Head of Research	CFA Level 2 / MBA	Seven years
4. Ms. Madiha Jawed	Manager Research and Product Development	CFA / FRM / BBA	Four years
5. Mr. Muhammad Ali	AVP Investments	CFA / FRM / MBA / MS	Seventeen years
6. Mr. M. Farhan Lakhani	Manager Research and Investment	CFA Level 2 / BBA	Two years

20.2 The Fund Manager of the Fund is Mr. M. Farhan Lakhani. Other fund being managed by the Fund Manager is Meezan Balanced Fund.

21. TOP TEN BROKERAGE COMMISSION BY PERCENTAGE

	2011
	%
Broker's name	
Invest & Finance Securities Limited	12.75
BMA Capital Management Limited	10.67
Taurus Securities Limited	9.68
Invisor Securities (Private) Limited	8.61
Topline Securities (Private) Limited	8.59
Invest Capital Investment Bank Limited	8.15
KASB Securities Limited	7.56
JS Global Capital Limited	6.28
Global Securities Pakistan Limited	5.93
Elixir Securities Pakistan (Private) Limited	3.84
	2010
	%
Broker's name	
KASB Securities Limited	15.32
Invisor Securities (Private) Limited	13.32
Invest Capital Investment Bank Limited	12.25
Invest & Finance Securities Limited	10.35
Foundation Securities (Private) Limited	8.43
Ample Securities (Private) Limited	6.06
JS Global Capital Limited	4.95
Fortune Securities Limited	4.49
Arif Habib Securities Limited	4.30
Ismail Iqbal (Private) Limited	4.28



22. PATTERN OF UNITHOLDING

As at June 29, 2011

	Number of investors	Investment amount (Rupees in '000)	% of total investment
Individuals	551	153,086	21.15
Associated companies / directors	3	352,978	48.77
Insurance companies	4	38,054	5.26
NBFCs	2	6,342	0.87
Retirement funds	12	35,966	4.97
Others	7	137,400	18.98
Total	579	723,826	100.00

As at June 30, 2010

	Number of investors	Investment amount (Rupees in '000)	% of total investment
Individuals	553	143,392	22.52
Associated companies/directors	4	286,745	45.04
Insurance companies	4	33,342	5.24
Bank / DFIs	1	568	0.09
NBFCs	2	19,975	3.14
Retirement funds	12	31,540	4.95
Others	8	121,079	19.02
Total	584	636,641	100.00

23. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

Name	Designation	Dates of Board of Directors Meetings and Directors' present therein-----					
		July 7, 2010	August 17, 2010	September 28, 2010	October 19, 2010	January 24, 2011	April 21, 2011
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Aliuddin Ansari	Director	No	Yes	Yes	Yes	Yes	Yes
Mr. P. Ahmed	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rana Ahmed Humayun	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mazhar Sharif	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rizwan Ata	Director	No	No	Yes	No	No	No

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 16, 2011 by the Board of Directors of the management company.

Mohammad Shoaib, CFA
Chief Executive

For Al Meezan Investment Management Limited
(Management Company)

Mazhar Sharif
Director



Pure. Profit.

(AM2 rating by JCR-VIS)

AI Meezan Investment Management Ltd.
A subsidiary of Meezan Bank

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