



Contents

Fund Information	02
Report of the Directors of Pension Fund Manager	03
Auditors Report to the Unitholders on Review of Condensed Interim Financial Information	07
Condensed Interim Balance Sheet	08
Condensed Interim Income Statement	09
Condensed Interim Cash Flow Statement	11
Condensed Interim Statement of Movement in Participants' Sub-Funds	13
Condensed Interim Contribution Table	14
Condensed Interim Number of Units in Issue	15
Notes to the Condensed Interim Financial Report	16

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

CFO & COMPANY SECRETARY OF THE PENSION FUND MANAGER

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Aliuddin Ansari	Member
Mr. Mazhar Sharif	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE DIRECTORS OF THE PENSION FUND MANAGER

The Board of Directors of Al Meezan Investment Management Limited, the Pension Fund Manager of Meezan Tahaffuz Pension Fund (MTPF) is pleased to present the un-audited financial statements of the fund for the half year ended December 31, 2009.

Economic Review

Pakistan has shown gradual recovery and improvement on the macroeconomic front in the first half of fiscal year 2010. Average year-on-year inflation during the period eased off to 10.3%, which averaged 24.4% during the same period last year. Release of IMF tranche and improved balance of trade numbers have provided a strong impetus to the economy. As a result, foreign exchange reserves increased from US\$ 11.9 billion in June 2009 to US\$ 13.8 billion at the end of December 2009, which is exclusive of the US\$ 1.2 billion tranche received from IMF at the end of 2009. This helped in stabilizing rupee against US dollar, with the rupee depreciating by 4.3% in the period under review. Moreover, remittance inflows made new records, with the first half fiscal year 2010 figure totaling US\$ 4.5 billion, providing crucial support to the balance of payment situation.

On domestic front, tax collection for the period was approximately Rs. 580 billion, which helped Government of Pakistan limit its borrowing to Rs. 70 billion at the end of December 2009. In view of the declining inflation, State Bank reduced the policy rate by 150bps to 12.5%. Moreover, to meet IMF requirements and to stabilize interest rates, the central bank introduced an interest rate corridor, providing a reverse repo facility at 300bps below the repo rate.

Controlled current account deficit, declining inflation, increasing foreign exchange reserves and improvements in other economic numbers were also acknowledged by International rating agencies as Standard and Poor's upgraded Pakistan's Sovereign rating by one notch to 'B-' and Moody's enhanced its country outlook to 'Stable'.

Equity Market Review

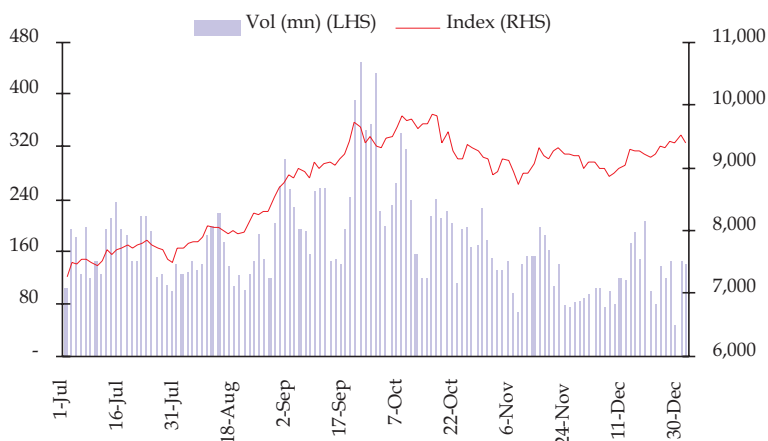
The equity market witnessed a turnaround in the first half ended December 31, 2009 as KSE-100 Index appreciated by 31% or 2,224 points to close the half year at 9,386. This is in sharp contrast to the same period last year when the equity market fell by 52.3%. There was a substantial increase in daily average volume to 172.5 million shares as compared to mere 40.8 million shares in the corresponding period last year during which floor was imposed in the stock market.

At the beginning of the year, uncertainty about the discount rate cut by the Central Bank in the monetary policy statement and late release of IMF tranche caused some concern in the minds of investors and kept market moving at the slow pace. However, it quickly regained its momentum with the discount rate cut, disbursement of IMF tranche and continuous decline in CPI inflation. The growing macro stability is also acknowledged by International rating agencies as Standard and Poor upgraded Pakistan Sovereign rating by one notch to 'B-' and Moody enhanced its outlook to 'Stable'. Later, foreign buying provided impetus to the momentum and made a high of 9,839 in mid of October, 2009.

This momentum was arrested in mid of October as the uncertain law and order situation led to apprehension among investors. Also, on the domestic political front, the uproar from different fronts relating to conditions attached to the Kerry Lugar Bill and later the controversy regarding National Reconciliation Ordinance (NRO) kept the market dull as the focus was diverted from large cap to lower tier stocks and Index dipped below 9,000. However, in the end news about unlocking of NIT LOC units brought about rally in the banking sector and approval of 4th tranche of IMF helped market to close at 9,384 on December 31, 2009. During the same period, KMI-30, the benchmark index, appreciated by 29% to close around 13,754.

Foreign Flows

Imposition of the price floor and exclusion from the MSCI Emerging Markets index along with the global financial crisis had caused a massive exodus (US\$446 mn) of foreign portfolio investments from the equity market in 2008. However, eventually macro recovery and inclusion in MSCI Frontier Market Index encouraged offshore investments to return to Pakistan with a net foreign inflow of US\$ 291 million in the first half of fiscal year 2010. With the interest rates in most developed countries hitting rock bottom and Pakistan stock market trading at a significant discount to the regional markets, it is expected that foreign portfolio investment will continue to flow in the local market.



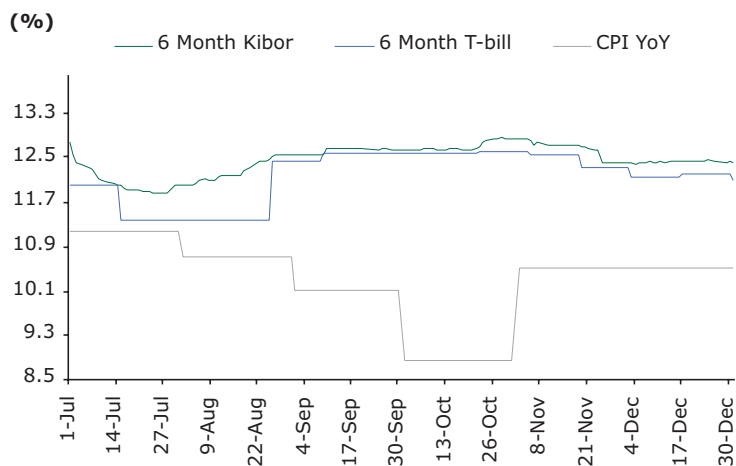
Monetary Softening

With the beginning of the new financial year, as inflation started easing off, the central bank continued to ease monetary tightening when it reduced the discount rates by another 150 bps to 12.5% in first half of fiscal year 2010.

The soft monetary stance resulted in six month KIBOR to decline by 33bps to close the half year at 12.43%. However, six month T-bill rate increased by 10bps to close at 12.10%. Moreover, the introduction of interest rate corridor stabilized the overnight call and repo rates within a narrow range of 11.5% to 12.5%.

To reduce government borrowing from SBP and to promote Islamic mode of financing, Central Bank conducted fourth Ijarah Sukuk auction and accepted Rs. 14.4 billion at the cut off rate to T-bill minus 5bps (current coupon of 12.53%). With this auction, the total size of Ijarah Sukuks issued increased to Rs. 42 billion.

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



Investment Objective and Policy

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

Operational Review

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

Equity Sub Fund

The NAV of Equity Sub Fund appreciated by 28.72% during the six months under review buoyed by the increasing equity market. The sub fund recorded a gross income of Rs. 18.4 million during the half year of which Rs. 13 million was earned through unrealised gains on investments. The rest of the income was mainly sourced from realised gains on sale of investments and dividend. The net assets of the sub fund increased from Rs. 61.6 million to Rs. 83.8 million during the period under review.

Debt Sub Fund

For the six months ended December 31, 2009 the debt sub fund posted an annualised return of 7.76%. The fund earned a gross income of Rs. 3.7 million as compared to a figure of Rs. 3.9 million in the same period last year. Income in this sub fund was primarily generated by profit on Sukuk certificates amounting to Rs. 3.2 million and profit on bank deposits totalling to Rs.0.7 million. The debt sub fund had net assets worth Rs. 74.4 million on December 31, 2009 which grew from Rs. 70 million at the end of June 2009.

Money Market Sub Fund

The Money Market sub fund of MTPF posted an annualised return of 8.23% for the six months ending December 31, 2009. The sub fund recorded a gross income of Rs. 3.2 million generated mainly through profit on Islamic Banking Deposits and Sukuk certificates. During the half year, net assets of the sub fund increased to Rs. 64.4 million from Rs. 61.7 million six months ago.

Outlook

After turbulence in the year 2008, Pakistan's economy has seen a steady turnaround in 2009 with all major economic indicators pointing to greater stability ahead. This will bode well for the manufacturing sector profitability and hence would reduce the risk of credits in the economy. Moreover, as the inflation resumes its rising trend, interest rates will likely remain sticky on the higher side for the short term. On the medium to long term, however, as economy improves and the central bank cuts the policy rate, we expect the interest rates to marginally decline going forward.

On the equity market front, the introduction of a margin financing product, that would hopefully be launched soon, is expected to give a boost to the equity market. The other major issue that investors will likely deal with is the introduction of capital gains tax on stocks in the next federal budget. However, Pakistan's capital market is currently trading at a P/E multiple of around 7.2, which is almost at a 47% discount to the regional markets. This makes KSE an attractive option for the foreign investors, who are expected to continue their investment at the local bourse.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments and making it the largest Shariah Compliant Pension Fund Manager. We also thank the regulator, Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan and management of Karachi Stock Exchange for all their support and guidance. We also take this opportunity to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued guidance and support on shariah aspects of fund management.

For and on behalf of the Board

**Date: February 15, 2010
Karachi.**

**Mohammad Shoaib, CFA
Chief Executive**

AUDITORS' REPORT TO THE PARTICIPANTS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of Meezan Tahaffuz Pension Fund (the Fund) as at December 31, 2009 and the related condensed interim income statement, condensed interim statement of movement in participants' sub-funds, condensed interim cash flow statement, condensed interim contribution table and condensed interim number of units in issue together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the 'condensed interim financial information'). Pension Fund Manager is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim financial information for the quarters ended December 31, 2009 and 2008 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2009.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of the condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.


Chartered Accountants
Karachi, February 17, 2010

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2009 (UNAUDITED)

	As at December 31, 2009				June 30, 2009	
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total	
<i>Note</i>	----- (Rupees in '000) -----					
Assets						
Balances with banks	5	5,819	6,879	43,264	55,962	47,916
Placements		-	-	-	-	27,900
Receivable against sale of investments		-	-	-	-	228
Investments at fair value through profit or loss	6	77,450	64,755	19,173	161,378	114,355
Dividend receivable		689	-	-	689	363
Profit receivable		130	2,914	2,171	5,215	4,387
Formation costs		39	38	38	115	240
Deposit with Central Depository Company of Pakistan Limited (CDC)		100	100	100	300	300
Other receivables		127	98	25	250	-
Total assets		<u>84,354</u>	<u>74,784</u>	<u>64,771</u>	<u>223,909</u>	<u>195,689</u>
Liabilities						
Payable against purchase of investments		-	-	-	-	923
Payable to Al Meezan Investment Management Limited (Al Meezan) - Pension Fund Manager		305	294	282	881	900
Payable to CDC - trustee of the Fund		9	9	7	25	75
Payable to auditors		44	46	46	136	150
Payable to Securities and Exchange Commission of Pakistan (SECP)		13	13	11	37	56
Accrued expenses and other liabilities	7	148	16	7	171	111
Total liabilities		<u>519</u>	<u>378</u>	<u>353</u>	<u>1,250</u>	<u>2,215</u>
Net assets		<u>83,835</u>	<u>74,406</u>	<u>64,418</u>	<u>222,659</u>	<u>193,474</u>
Participants' sub-funds (as per statement attached)		<u>83,835</u>	<u>74,406</u>	<u>64,418</u>	<u>222,659</u>	<u>193,474</u>
Number of units in issue		<u>849,027</u>	<u>601,647</u>	<u>518,481</u>		
Net assets value per unit (Rupees)		<u>98.74</u>	<u>123.67</u>	<u>124.24</u>		

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2009 (UNAUDITED - NOTE 3)

	For the six months period ended December 31, 2009				December 31, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
----- (Rupees in '000) -----					
Income					
Profit on sukuk certificates	-	3,221	1,222	4,443	2,888
Profit on savings accounts with banks	209	736	1,450	2,395	2,742
Profit on placements	-	188	503	691	1,151
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	13,074	(649)	(13)	12,412	(38,243)
Net realised gain on sale of investments	2,721	41	32	2,794	208
Dividend income	2,738	-	-	2,738	1,716
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(289)	263	29	3	23
Provision against profit of sukuk certificates	-	(60)	-	(60)	-
Total income	<u>18,453</u>	<u>3,740</u>	<u>3,223</u>	<u>25,416</u>	<u>(29,515)</u>
Expenses					
Remuneration of Al Meezan - Pension Fund Manager	582	550	479	1,611	1,289
Remuneration of CDC - trustee of the Fund	56	54	47	157	150
Annual fee of SECP	14	13	11	38	29
Auditors' remuneration	59	60	60	179	111
Amortisation of formation cost	41	42	42	125	126
Securities' transaction cost	47	-	-	47	17
Custody and settlement charges	3	4	2	9	9
Legal advisory fee	-	-	-	-	21
Bank charges	11	5	5	21	1
Total expenses	<u>813</u>	<u>728</u>	<u>646</u>	<u>2,187</u>	<u>1,753</u>
Net income / (loss)	<u>17,640</u>	<u>3,012</u>	<u>2,577</u>	<u>23,229</u>	<u>(31,268)</u>
Earnings per unit outstanding - basic (Rupees)	9 <u>20.78</u>	<u>5.01</u>	<u>4.97</u>		

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2009 (UNAUDITED - NOTE 3)

	For the quarter ended December 31, 2009				For the quarter ended December 31, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
----- (Rupees in '000) -----					
Income					
Profit on sukuk certificates	-	1,961	601	2,562	2,274
Profit on savings accounts with banks	50	189	522	761	1,131
Profit on placements	-	-	189	189	472
Unrealised (loss) on re-measurement of investments at fair value through profit or loss	(1,646)	(713)	(28)	(2,387)	(19,971)
Net realised gain / (loss) on sale of investments	1,231	10	1	1,242	(250)
Dividend income	1,450	-	-	1,450	1,016
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(14)	86	(4)	68	(5)
Provision against profit of sukuk certificates	-	(60)	-	(60)	-
Total income	<u>1,071</u>	<u>1,473</u>	<u>1,281</u>	<u>3,825</u>	<u>(15,333)</u>
Expenses					
Remuneration of Al Meezan - Pension Fund Manager	310	280	242	832	635
Remuneration of CDC - trustee of the Fund	30	28	24	82	75
Annual fee of SECP	8	7	6	21	14
Auditors' remuneration	42	42	41	125	57
Amortisation of formation cost	21	21	21	63	63
Securities' transaction cost	24	-	-	24	-
Custody and settlement charges	2	3	2	7	3
Bank charges	10	4	5	19	1
Total expenses	<u>447</u>	<u>385</u>	<u>341</u>	<u>1,173</u>	<u>848</u>
Net income / (loss)	<u>624</u>	<u>1,088</u>	<u>940</u>	<u>2,652</u>	<u>(16,181)</u>
Earnings per unit outstanding - basic (Rupees)	<u>0.73</u>	<u>1.81</u>	<u>1.81</u>		

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2009 (UNAUDITED - NOTE 3)

	For the six months period ended December 31, 2009				December 31, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss)	17,640	3,012	2,577	23,229	(31,268)
Adjustments for :					
Dividend income	(2,738)	-	-	(2,738)	(1,716)
Profit on sukuk certificates	-	(3,221)	(1,222)	(4,443)	(2,888)
Profit on savings accounts with banks	(209)	(736)	(1,450)	(2,395)	(2,742)
Profit on placements	-	(188)	(503)	(691)	(1,151)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss	(13,074)	649	13	(12,412)	38,243
Amortisation of formation cost	41	42	42	125	126
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	289	(263)	(29)	(3)	(23)
	1,949	(705)	(572)	672	(1,419)
(Increase) / decrease in assets					
Placements	-	13,950	13,950	27,900	11,250
Receivable against sale of investments	228	-	-	228	751
Investments at fair value through profit or loss	(7,476)	(27,416)	281	(34,611)	(30,810)
Financial instruments sold on deferred settlement basis	-	-	-	-	251
Other receivables	(127)	(98)	(25)	(250)	1,608
	(7,375)	(13,564)	14,206	(6,733)	(16,950)
(Decrease) / increase in liabilities					
Payable against purchase of investments	(923)	-	-	(923)	(2,631)
Payable to Al Meezan - Pension Fund Manager	(108)	(13)	102	(19)	49
Payable to CDC - trustee of the Fund	(13)	(19)	(18)	(50)	-
Payable to SECP	(3)	(8)	(8)	(19)	(31)
Payable to auditors	(6)	(4)	(4)	(14)	(81)
Accrued expenses and other liabilities	39	15	6	60	(1,504)
	(1,014)	(29)	78	(965)	(4,198)
Dividend received	2,412	-	-	2,412	1,942
Profit received on savings accounts with banks	179	318	759	1,256	1,209
Profit received on sukuk certificates	-	2,544	1,227	3,771	1,335
Profit received on placements	-	426	1,248	1,674	948
Net cash (outflow) / inflow from operating activities	(3,849)	(11,010)	16,946	2,087	(17,133)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	4,385	1,533	215	6,133	3,940
Payment against withdrawal	(81)	(48)	(45)	(174)	(698)
Net cash inflow from financing activities	4,304	1,485	170	5,959	3,242
Net cash inflow / (outflow) during the period	455	(9,525)	17,116	8,046	(13,891)
Cash and cash equivalents at the beginning of the period	5,364	16,404	26,148	47,916	58,985
Cash and cash equivalents at the end of the period	5,819	6,879	43,264	55,962	45,094

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2009 (UNAUDITED - NOTE 3)

	For the quarter ended December 31, 2009				December 31, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss)	624	1,088	940	2,652	(16,181)
Adjustments for :					
Dividend income	(1,450)	-	-	(1,450)	(1,016)
Profit on sukuk certificates	-	(1,961)	(601)	(2,562)	(2,274)
Profit on savings accounts with banks	(50)	(189)	(522)	(761)	(1,131)
Profit on placements	-	-	(189)	(189)	(472)
Unrealised loss on re-measurement of investments at fair value through profit or loss	1,646	713	28	2,387	19,971
Amortisation of formation cost	21	21	21	63	63
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	14	(86)	4	(68)	5
	805	(414)	(319)	72	(1,035)
Decrease / (increase) in assets					
Placements	-	-	13,500	13,500	11,250
Receivable against sale of investments	1,452	-	-	1,452	-
Investments at fair value through profit or loss	(6,877)	304	1	(6,572)	(9,749)
Other receivables	(127)	(61)	27	(161)	31
	(5,552)	243	13,528	8,219	1,532
(Decrease) / increase in liabilities					
Payable against purchase of investments	(3,740)	-	-	(3,740)	-
Payable to Al Meezan - Pension Fund Manager	(24)	126	125	227	-
Payable to CDC - trustee of the Fund	(8)	(9)	(7)	(24)	1
Payable to Securities and Exchange Commission of Pakistan	(9)	(14)	(14)	(37)	14
Payable to auditors	(23)	(22)	(21)	(66)	(135)
Accrued expenses and other liabilities	(66)	15	7	(44)	35
	(3,870)	96	90	(3,684)	(85)
Dividend received	2,076	-	-	2,076	1,265
Profit received on savings accounts with banks	85	102	580	767	231
Profit received on sukuk certificates	-	1,323	(1)	1,322	404
Profit received on placements	-	-	315	315	633
Net cash (outflow) / inflow from operating activities	(6,456)	1,350	14,193	9,087	2,945
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	1,745	507	26	2,278	14
Payment against withdrawal	-	(46)	(45)	(91)	-
Net cash inflow / (outflow) from financing activities	1,745	461	(19)	2,187	14
Net cash (outflow) / inflow during the period	(4,711)	1,811	14,174	11,274	2,959
Cash and cash equivalents at the beginning of the period	10,530	5,068	29,090	44,688	42,135
Cash and cash equivalents at the end of the period	5,819	6,879	43,264	55,962	45,094

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2009 (UNAUDITED - NOTE 3)**

	For the six months period ended December 31, 2009				December 31, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
Net assets at the beginning of the period	61,602	70,172	61,700	193,474	180,958
Amount received on issue of units (2009: Equity sub fund: 46,938 units; Debt sub fund: 12,742 units; Money market sub fund: 1,774 units) (2008: Equity sub fund: 19,562 units; Debt sub fund: 12,917 units; Money market sub fund: 6,530 units)	4,385	1,533	215	6,133	3,940
Amount paid on redemption of units (2009: Equity sub fund: 1,003 units; Debt sub fund: 521 units; Money market sub fund: 366 units) (2008: Equity sub fund: 4,936 units; Debt sub fund: 1,710 units; Money market sub fund: 178 units)	(81)	(48)	(45)	(174)	(698)
	4,304	1,485	170	5,959	3,242
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	289	(263)	(29)	(3)	(23)
Net income / (loss) for the period	17,640	3,012	2,577	23,229	(31,268)
Net assets at the end of the period	<u>83,835</u>	<u>74,406</u>	<u>64,418</u>	<u>222,659</u>	<u>152,909</u>

FOR THE QUARTER ENDED

	December 31, 2009				December 31, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
	----- (Rupees in '000) -----				
Net assets at the beginning of the quarter	81,452	72,943	63,493	217,888	169,071
Amount received on issue of units (2009: Equity sub fund: 17,600 units; Debt sub fund: 4,258 units; Money market sub fund: 213 units) (2008: Equity sub fund: 123 units; Debt sub fund: 42 units; Money market sub fund: 16 units)	1,745	507	26	2,278	14
Amount paid on redemption of units (2009: Equity sub fund: 1 unit; Debt sub fund: 501 units; Money market sub fund: 366 units) (2008: Equity sub fund: nil units; Debt sub fund: nil units; Money market sub fund: nil units)	-	(46)	(45)	(91)	-
	1,745	461	(19)	2,187	14
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	14	(86)	4	(68)	5
Net income / (loss) for the quarter	624	1,088	940	2,652	(16,181)
Net assets at the end of the quarter	<u>83,835</u>	<u>74,406</u>	<u>64,418</u>	<u>222,659</u>	<u>152,909</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

CONDENSED INTERIM CONTRIBUTION TABLE
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2009 (UNAUDITED - NOTE 3)

Contributions net of front end fee received during the period	For the six months period ended December 31, 2009							December 31, 2008
	Equity sub found		Debt sub found		Money Market Sub Fund		Total (Rupees in '000)	Total (Rupees in '000)
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
	------(Rupees in '000)-----							
Individuals - issue of units	46,938	4,385	12,742	1,533	1,774	215	6,133	3,940

FOR THE QUARTER ENDED

Contributions net of front end fee received during the period	December 31, 2009							December 31, 2008
	Equity sub found		Debt sub found		Money Market Sub Fund		Total (Rupees in '000)	Total (Rupees in '000)
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
	------(Rupees in '000)-----							
Individuals - issue of units	17,600	1,745	4,258	507	213	26	2,278	14

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

**CONDENSED INTERIM NUMBER OF UNITS IN ISSUE
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2009 (UNAUDITED - NOTE 3)**

For the six months period ended December 31, 2009			
Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	
-----Number of units-----			
Total units outstanding at the beginning of the period	803,092	589,426	517,073
Add: Units issued during the period	46,938	12,742	1,774
Less: Units redeemed during the period	(1,003)	(521)	(366)
Total units in issue at the end of the period	<u>849,027</u>	<u>601,647</u>	<u>518,481</u>

For the quarter ended December 31, 2009			
Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	
-----Number of units-----			
Total units outstanding at the beginning of the period	831,428	597,890	518,634
Add: Units issued during the period	17,600	4,258	213
Less: Units redeemed during the period	(1)	(501)	(366)
Total units in issue at the end of the period	<u>849,027</u>	<u>601,647</u>	<u>518,481</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF MEASUREMENT

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

3. STATEMENT OF COMPLIANCE

- 3.1 This condensed interim financial report has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Trust Deed, the VPS Rules and the directives issued by the SECP.

Wherever, the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRSs, the requirements of the Trust Deed, the VPS Rules or the said directives take precedence. The disclosures made in this condensed interim financial report have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'.

- 3.2 This condensed interim financial report comprise of the condensed interim balance sheet as at December 31, 2009 and the condensed interim income statement, condensed interim statement of movement in participants' sub funds, condensed interim cash flow statement, condensed interim contribution table, condensed interim number of units in issue and notes thereto for the six months period ended December 31, 2009, which have been subject to a review but not audited. This condensed interim financial report also include condensed interim income statement, condensed interim statement of movement in participants' sub fund, condensed interim cash flow statement, condensed interim contribution table, condensed interim number of units in issue and notes thereto for the quarter ended December 31, 2009 which is not subjected to review.
- 3.3 The comparative balance sheet in this condensed interim financial report has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2009, whereas the comparative condensed interim income statement, condensed interim statement of movement in participants' sub fund, condensed interim cashflow statement, condensed interim contribution table and condensed interim number of units in issue have been extracted from the condensed interim financial report for the six months period ended December 31, 2008 which were subjected to a review but not audited. The comparative condensed interim income statement, condensed interim statement of movement in participants' sub fund ,and condensed interim cashflow statement,condensed interim contribution table and condensed interim number of units in issue for the quarter ended December 31, 2008 included in this condensed interim financial report were not subjected to a review.
- 3.4 Standards, amendments and interpretations effective from July 1, 2009:
- a) IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14 and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segment information is therefore reported in a manner that is more consistent with the internal reporting provided to the fund manager. The adoption of this standard would not have any impact on this condensed interim financial report.
 - b) IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position as at the beginning comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period. The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present one statements (the income statement and statement of comprehensive income).
 - c) IAS 39 (amendment), 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have any impact on the Fund's financial statements.
 - d) IFRS 7 (amendment) 'Financial instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, which would be detailed in the financial statements for the year ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

Certain standards and interpretations to the approved accounting standards were mandatory for accounting periods beginning on or after July 1, 2009 but are considered not to be relevant or have any significant effect on the Fund's operations and are therefore not detailed in these condensed interim financial statements.

- 3.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on or after July 1, 2009 but are considered not to be relevant or have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2009.

5. BALANCES WITH BANKS

	December 31, 2009				June 30, 2009
	Equity Sub Fund	Debt Sub	Money	Total	Total
	----- (Rupees in '000) -----				
Current accounts	208	10	9	227	87
Savings accounts (note 5.1 and 5.2)	5,611	6,869	43,255	55,735	47,829
	<u>5,819</u>	<u>6,879</u>	<u>43,264</u>	<u>55,962</u>	<u>47,916</u>

- 5.1 The balances in savings accounts bear expected profit which ranges from 5.86 % to 11.75 % (2009 : 4.97 % to 15 %) per annum.
- 5.2 Includes an aggregate amount of Rs 0.362 million (June 30, 2009: Rs 5.913 million) received in the Fund's collection account which was subsequently transferred to these sub-funds.

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Note	December 31, 2009				June 30, 2009	
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total	
	----- (Rupees in '000) -----					
Held for trading - shares of listed companies	6.1	77,450	-	-	77,450	56,900
- sukuk certificates	6.2	-	43,000	17,500	60,500	32,500
		<u>77,450</u>	<u>43,000</u>	<u>17,500</u>	<u>137,950</u>	<u>89,400</u>
Investments at fair value through profit or loss upon initial recognition	6.3	-	21,755	1,673	23,428	24,955
		<u>77,450</u>	<u>64,755</u>	<u>19,173</u>	<u>161,378</u>	<u>114,355</u>

6.1 Held for trading - shares of listed companies

Name of the investee company	As at July 1, 2009	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at December 31, 2009	Carrying value as at December 31, 2009 value	Market value as at December 31, 2009	Unrealised gain / (loss)	Percentage in relation to	
	Number of shares		Rs in '000		Number of shares			Rupees in '000		Net assets of the Fund on the basis of market value (see note 6.1.2 below)	Paid up capital of investee company
EQUITY SUB FUND											
Automobile assembler											
Indus Motor Company Limited	8,846	4,000	774	-	-	12,846	1,727	2,524	797	3.01	0.32
Pak Suzuki Motor Company Limited	14,000	22,000	1,985	-	13,000	23,000	1,935	2,046	111	2.44	0.25
Paper and board											
Packages Limited	23,400	5,000	790	-	-	28,400	4,464	4,090	(374)	4.88	0.48
Power generation and distribution											
The Hub Power Company Limited	196,500	22,000	676	-	-	218,500	5,955	6,791	836	8.10	0.06
Oil and gas exploration companies											
Oil and Gas Development Company Limited	72,200	-	-	-	16,000	56,200	4,420	6,216	1,796	7.41	0.01
Pakistan Oilfields Limited	31,400	11,000	2,048	-	12,000	30,400	4,798	7,015	2,217	8.37	0.30
Pakistan Petroleum Limited	21,780	4,000	784	4,956	1,000	29,736	4,721	5,638	917	6.73	0.06
Oil and gas marketing companies											
Pakistan State Oil Company Limited	26,400	12,300	3,539	-	11,400	27,300	6,557	8,120	1,563	9.69	0.47
Sui Northern Gas Pipeline Limited	31,800	-	-	-	31,800	-	-	-	-	-	-
Chemicals											
ICI Pakistan Limited	31,200	-	-	-	4,300	26,900	3,773	4,533	760	5.41	0.33
Technology and communication											
Pakistan Telecommunication Company Limited	179,500	-	-	-	-	179,500	3,094	3,168	74	3.78	0.01
Fertilizer											
Engro Chemical Pakistan Limited	16,380	-	-	-	16,380	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	235,000	92,000	1,899	-	5,000	322,000	5,952	8,414	2,462	10.04	0.09
Fauji Fertilizer Company Limited	64,475	12,000	1,239	-	-	76,475	6,845	7,872	1,027	9.39	0.12
Cement											
Attock Cement Pakistan Limited	21,800	-	-	4,360	-	26,160	1,531	1,360	(171)	1.62	0.16
DG Khan Cement Company Limited	4,100	-	-	-	4,100	-	-	-	-	-	-
Lucky Cement Limited	55,800	24,000	1,627	-	11,000	68,800	4,249	4,557	308	5.44	0.14
Miscellaneous											
Tri-Pack Films Limited	7,000	16,000	1,772	-	-	23,000	2,472	2,369	(103)	2.83	0.79
Textile Composite											
Nishat Mills Limited	-	51,150	2,385	-	12,000	39,150	1,883	2,737	854	3.26	0.11
Total			<u>19,518</u>				<u>64,376</u>	<u>77,450</u>	<u>13,074</u>		

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

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

6.1.3 The SECP through its letter No. SCD/PW/IP/(R-24) dated December 10, 2009 has revised the investment limits prescribed in its letter No. 24(3) SEC/SCD/PW-AMIML/2007 dated June 27, 2007.

6.2 Held for trading - sukuk certificates

Name of the investee company	Maturity date	Profit rate	As at July 1, 2009	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at December 31, 2009	Carrying value as at December 31, 2009	Market value as at December 31, 2009 (see note 6.3.4 below)	Unrealised gain / (loss)	Percentage of net assets on the basis of market value
			Number of shares		Rs in '000		Number of shares				Rupees in '000	
Debt Sub Fund												
GoP - Ijara sukuk (note 6.2.1)	September 25, 2011	13.03%	150	-	-	-	-	150	15,000	15,000*	-	20.16
GoP - Ijara sukuk (note 6.2.1)	September 17, 2012	12.53%	-	280	28,000	-	-	280	28,000	28,000*	-	37.63
			<u>150</u>	<u>280</u>	<u>28,000</u>	<u>-</u>	<u>-</u>	<u>430</u>	<u>43,000</u>	<u>43,000</u>	<u>-</u>	
Money Market Sub Fund												
GoP - Ijara sukuk (note 6.2.1)	September 25, 2011	13.03%	175	-	-	-	-	175	17,500	17,500*	-	27.17
			<u>175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>	

*This represents cost as the rate was not quoted as of December 31, 2009 on MUFAP.

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

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

Name of the investee company	Maturity date	Profit rate	As at July 1, 2009	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at December 31, 2009	Carrying value as at December 31, 2009	Market value as at December 31, 2009 (see note 6.3.4 below)	Unrealised gain / (loss)	Percentage of net assets on the basis of market value
			Number of shares	Rs in '000	-----Number of shares-----		----Rupees in '000----					
Debt Sub Fund												
Dawood Hercules Chemicals Limited (note 6.3.1)	September 18, 2012	6 months Kibor plus base rate of 1.2%	50	-	-	-	-	50	2,412	2,431	19	3.27
Eden Housing Limited (note 6.3.3)	April 2, 2013	6 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	2,120	2,113	(7)	2.85
Karachi Shipyard & Engineering Works Limited (note 6.3.3)	November 2, 2015	6 months Kibor plus base rate of 0.4%	2,000	-	-	-	-	2,000	9,805	9,886	81	13.18
Maple Leaf Cement Factory Limited (note 6.3.3)	December 1, 2013	6 months Kibor plus base rate of 1.7%	1,000	-	-	-	-	1,000	4,501	3,750	(751)	6.05
Security Leasing Corporation Limited II (note 6.3.3)	September 19, 2012	6 months Kibor plus base rate of 1.95%	437	-	-	-	63	374	1,686	1,673	(13)	2.27
Shahmurad Sugar Mills Limited (note 6.3.2)	September 30, 2012	6 months Kibor plus base rate of 2.25%	2	-	-	-	-	2	1,880	1,902	22	2.53
			<u>3,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>3,926</u>	<u>22,404</u>	<u>21,755</u>	<u>(649)</u>	
Money Market Sub Fund												
Security Leasing Corporation Limited II (note 6.3.3)	September 19, 2012	6 months Kibor plus base rate of 1.95%	437	-	-	-	63	374	1,686	1,673	(13)	2.62
Total			<u>437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>374</u>	<u>1,686</u>	<u>1,673</u>	<u>(13)</u>	

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

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

6.3.3 The nominal value of the sukuk certificates of Engro Chemical Pakistan Limited, Karachi Shipyard & Engineering Works Limited, Maple Leaf Cement Factory Limited and Security Leasing Corporation Limited is Rs 5,000 each except for Eden Housing Limited whose face value is Rs 4,375 each.

6.3.4 In accordance with VPS Rules debt security not listed or quoted on a stock exchange shall be valued at fair value determined to the satisfaction of the trustee. The trustee through its letter CDC/T&C/A2/0462/2009 dated February 10, 2009 has confirmed the valuation of debt securities on the basis of rates quoted by the Mutual Fund Association of Pakistan (MUFAP) and where no rates are quoted the debt securities should be carried at cost.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2009			June 30, 2009	
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	
-----Rupees in '000 -----					
Withholding tax payable	-	15	7	22	2
Charity payable	148	1	-	149	109
	148	16	7	171	111

8. CONTINGENCIES

The Finance Act, 2008 has amended the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment all pension funds whose income exceeds Rs 0.5 million in a tax year have been brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance). However, during the period the Mutual Fund Association of Pakistan (MUFAP), of which the Pension Fund Manager of the Fund is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that pension funds are not liable to pay contribution to the WWF on the ground that pension funds do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.

The Pension Fund Manager based on the advice of MUFAP's legal counsel, is confident of a favourable decision and accordingly no provision for the aforementioned which has an impact of Rs. 0.24 per unit as of December 31, 2009 has been made in these condensed interim financial statements.

There were no other contingencies and commitments outstanding as at December 31 and June 30, 2009.

9. EARNINGS / (LOSS) PER UNIT OUTSTANDING - BASIC

	December 31, 2009			December 31, 2008		
	Equity sub fund	Debt sub fund	Money market sub fund	Equity sub fund	Debt sub fund	Money market sub fund
----- Rupees in '000 -----						
Net income / (loss) for the period	17,640	3,012	2,577	(37,152)	3,296	2,588
----- Number of units -----						
Units outstanding	849,027	601,647	518,481	653,115	564,787	514,782
----- Rupees -----						
Earnings / (loss) per unit outstanding - basic	20.78	5.01	4.97	(56.88)	5.84	5.03

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

	December 31, 2009			June 30, 2009	
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total
-----Rupees in '000-----					
Investment by:					
Al Meezan Investment Management Limited					
(Equity sub fund: 500,000 units; debt sub fund: 500,000 units; money market sub fund: 500,000 units)	49,370	61,835	62,120	173,325	157,545
Directors and executives of the Pension Fund Manager					
As at December 31, 2009 (Equity sub fund: 46,648 units; debt sub fund: 10,415 units, money market sub fund: 2,719 units)					
(June 30, 2009: Equity sub fund: 47,164 units; debt fund: 9,883 units; Money Market sub fund: 2,307)	4,606	1,288	338	6,232	5,070
Units issued during the period (Equity sub fund: 3,924 units; debt sub fund: 1,244 units, money market sub fund: 412 units)	406	152	50	608	2,479
Units redeemed during the period (Equity sub fund: 4,440 units; debt sub fund: 712 units, money market sub fund: Nil units)	341	85	-	426	-
Transactions and balances with connected persons:					
Al Meezan Investment Management Limited					
- Pension Fund Manager					
Remuneration payable at the beginning of the period	68	83	76	227	362
Formation cost payable at the beginning of the period	79	79	79	237	237
Remuneration for the period	582	550	479	1,611	2,560
Front-end fee for the period	20	21	21	62	293
Collection account	100	100	100	300	-
	849	833	755	2,437	3,452
Amount paid during the period	(544)	(539)	(473)	(1,556)	(2,552)
Balance at the end of the period	305	294	282	881	900
Meezan Bank Limited					
Bank balance	495	109	149	753	8,723
Profit on savings accounts	-	-	1	1	438

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

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

**Central Depository Company of Pakistan Limited
- trustee of the Fund**

Balance at the beginning of the period	22	28	25	75	25
Remuneration for the period	56	54	47	157	299
CDS charges for the period	4	3	2	9	19
	82	85	74	241	336
Amount paid during the period	(73)	(76)	(67)	(216)	(268)
Balance at the end of the period	9	9	7	25	75

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

12. DATE OF AUTHORISATION

These condensed interim financial statements were authorised on February 15, 2010 by the Board of Directors of the Pension Fund Manager.

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

Chief Executive

Director