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Our Vision

“To set standards of best practices and performance for the industry through efficient asset allocation & security selection on a SHARIAH COMPLIANT basis.”

Our Mission

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

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
Phone: (9221) 35630722-6, 111-MEEZAN
Fax: (9221) 35676143, 35630808
Web site: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive
Mr. Tasnimul Haq Farooqui	Director
Mr. Aliuddin Ansari	Director
Mr. Rizwan Ata	Director
Mr. Mazhar Sharif	Director
Mr. Pervaiz Ahmed	Director

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)
Bank Islami Pakistan Limited
MCB Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2009

The Board of Directors of Al Meezan Investment Management Limited, the management company of Meezan Capital Protected Fund - I (MCPF-I) is pleased to present the un-audited financial statements of the fund for the quarter ended September 30, 2009.

Economic Review

Pakistan has shown gradual recovery and improvement on the macroeconomic front in the first quarter of fiscal year 2010. Rising year-on-year inflation which averaged 20% last year, eased off to 10.12% at the end of current quarter. Release of IMF tranche and improved balance of trade numbers provided impetus to the economy. As a result, foreign exchange reserves increased from US\$ 11.89 billion in June 2009 to US\$ 14.49 billion at the end of September 2009. This helped in stabilizing rupee against US dollar with the rupee depreciating by only 2% in the period under review. Moreover, remittance inflows made new records, with the first quarter fiscal year 2010 figure totaling US\$ 2.3 billion, providing support to the balance of payment situation. On domestic front, Government of Pakistan has almost achieved the collection target for the quarter of Rs. 270 billion which also helped in providing relief to the government borrowing.

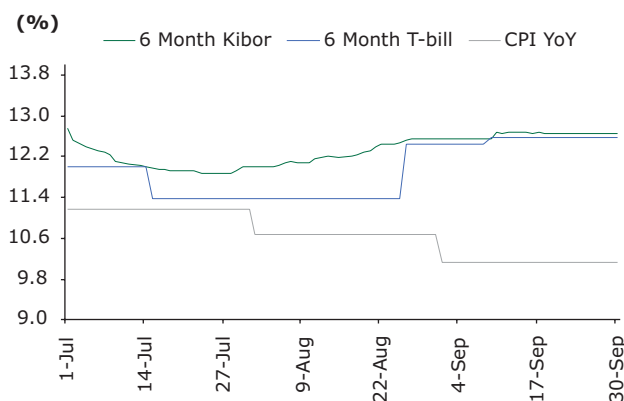
To stabilize the economy and in view of the declining inflation, State Bank reduced the policy rate by 100 bps to 13%. Moreover to meet IMF requirements, the central bank introduced an interest rate corridor, providing a reverse repo facility at 300bps below the repo rate. This helped in maintaining overnight interbank rates within a close band of 11.5% to 12.5%.

Monetary Softening

With the beginning of the new financial year, as the inflation began started easing off, the central bank continued to ease monetary tightening when it reduced the discount rates by another 100bps to 13% in August 2009. Subsequently, due to fear of increase in headline inflation in September, 2009, the central bank kept the policy rate as unchanged in the bimonthly monetary policy review in September 2009, following two consecutive rate cuts in at the April 2009 and August 2009.

The soft monetary stance resulted in six month KIBOR declining by 11bps from June 30, 2009 to close the quarter at 12.65%. However, six month T-bill rate increased by 57bps to close at 12.58%. Moreover, after three successful auctions of the 3-year Ijarah Sukuk, the central bank conducted another auction and accepted Rs. 14.4 billion at the cut off rate to T-bill minus 5bps.

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



Performance Review

MCPF - I, Pakistan's first Shariah compliant capital protected scheme, posted a return of 6.47% and generating an income of Rs.39.81 million for the quarter ended September 30, 2009. The rising equity markets facilitated recovery in the equity segment of the fund. The primary drivers of earnings were the profit on Murabaha agreement of Rs.14.51 million, up from a figure of Rs. 12.69 million last year, and unrealized gains on equity investments of Rs 16.16 million. The net assets of MCPF-I as at September 30, 2009 stood at Rs. 606.73 million which is equivalent to net asset value per unit of Rs 53.02.

Outlook

After a turbulent 2008, Pakistan's economy has seen a steady turnaround in the year 2009 and all major economic indicators are pointing to greater stability ahead. The S&P rating upgrade has accelerated a pickup in foreign investment in Pakistan's equity market. Since June 2009, when KSE-100 index entered the MSCI Frontier Index, nearly US\$ 235 million has flowed into the stock market, reversing 18 months of capital flight. The significant build up of forex reserves has also improved confidence in country's ability in meeting its commitments. The credit default swap (CDS) on Pakistan 5 year sovereign bond has come down to 650 bps from a peak of 5,000 bps in October 2008.

The medium term economic and equity outlook depends on the materialization of pledged aid and key fiscal reforms to raise taxes and reduce subsidies. The KSE-100 index is currently trading at a P/E multiple of around 7.8, which is at a discount of 35% for the regional markets and offers potential upside. Global equity markets, particularly emerging markets have shown strong performance in the last quarter amid early signs of global economic recovery.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments and making it the largest Shariah compliant asset management company in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan and management of Karachi Stock Exchange for 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 behalf of the Board

Date: October 20, 2009
Karachi

Mohammad Shoaib, CFA
Chief Executive

**CONDENSED INTERIM
STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2009**

	(Unaudited) September 30, 2009	(Audited) June 30, 2009
Assets	Note	(Rupees in '000)
Capital protection segment		
Loans and receivables	5	524,847
Investment segment		
Balances with banks		9,002
Investments at fair value through profit or loss	6	86,123
Receivable against Sale of Investment		1,798
Profit receivable on savings accounts		74
		96,997
Dividend receivable		1,056
Deposit with CDC		100
Preliminary expenses and floatation costs		1,625
Total assets		624,625
Liabilities		
Payable to Al Meezan Investment Management Limited - management company of the Fund		13,297
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund		66
Payable to Meezan Bank Limited - shariah advisor of the Fund		-
Payable to Securities and Exchange Commission of Pakistan		591
Payable on redemption of units		1,983
Payable against purchase of investments		1,402
Accrued expenses and other liabilities		561
Total liabilities		17,900
Net assets		606,725
Unitholders' funds (as per statement attached)		606,725
Number of units		
Number of units in issue		11,443,839
Rupees		
Net assets value per unit		53.02

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

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

Chief Executive

Director

**CONDENSED INTERIM
INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30,	
	2009	2008
	(Rupees in '000)	
Income		
Net realised gain on sale of investments	6,610	-
Dividend income	1,927	1,621
Profit on savings accounts with banks	108	437
Profit on murabaha	14,510	12,692
Back end sales load	492	-
	23,647	14,750
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss (net)	16,159	(27,620)
Total income	39,806	(12,870)
Expenses		
Remuneration to Al Meezan Investment Management Limited - management company of the Fund	1,178	867
Remuneration to Central Depository Company of Pakistan Limited - trustee of the Fund	195	185
Remuneration to Meezan Bank Limited - shariah advisor of the Fund	1,153	1,174
Annual fee to Securities and Exchange Commission of Pakistan	112	143
Auditors' remuneration	51	54
Fees and subscription	9	9
Legal and professional charges	-	-
Amortisation of preliminary expenses and floatation costs	234	234
Brokerage	68	48
Bank and settlement charges	5	16
Printing charges	-	8
Total expenses	3,005	2,738
Net income from operating activities	36,801	(15,608)
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed	(247)	(194)
Net Income / (loss)	36,554	(15,802)

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

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

Chief Executive

Director

**CONDENSED INTERIM
DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009 2008 (Rupees in '000)	
Unappropriated profit / (loss) brought forward	2,041	(2,353)
Less: Final distribution for the year ended June 30, 2009 - bonus units @ 0.70% (June 30, 2008: nil)	(4,062)	-
Net profit / (loss) for the period	36,554	(15,802)
Net profit / (loss) for the period carried forward	<u>34,533</u>	<u>(18,155)</u>

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009	2008
	(Rupees in '000)	
Net assets at the beginning of the period	582,284	579,207
Issue of nil (September 30, 2008: 176,989) units	-	8,655
Redemption of 242,524 (September 30, 2008: nil) units	(16,422)	-
Issue of bonus units 81,511 on July 6, 2009 for the year ended June 30, 2009	4,062	-
Element of loss and capital losses included in prices of units issued less those in units redeemed	247	194
Net Income / (loss) at the end of the period	36,554	(15,802)
Net assets at the end of the period	<u>606,725</u>	<u>572,254</u>
Net assets value per unit at the end of the period	<u>53.02</u>	<u>48.46</u>

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

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

Chief Executive

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30,	
	2009	2008
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss)	36,554	(15,802)
Adjustments for:		
Dividend income	(1,927)	(1,621)
Profit on savings accounts with banks	(108)	(437)
Profit on murabaha	(14,510)	(12,692)
Unrealised loss on re-measurement of investments at fair value through profit or loss (net)	(16,159)	27,620
Amortisation of preliminary expenses and floatation costs	234	234
Element of loss and capital losses included in prices of units issued less those in units redeemed	247	194
	4,331	(2,504)
Increase/Decrease in assets		
Loans and receivables	-	(110,690)
Receivable against Sale of Investment	(1,515)	-
Investments at fair value through profit or loss	10,026	(31,153)
	8,511	(141,843)
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - management company of the Fund	6,181	(1,138)
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund	4	(15)
Payable to Meezan Bank Limited - Shariah adviser of the Fund	(252)	(4,214)
Payable to Securities and Exchange Commission of Pakistan	112	84
Payable on redemption of units	1,982	-
Payable against purchase of investments	537	-
Accrued expenses and other liabilities	100	(569)
	8,664	(5,852)
Profit received on savings accounts with banks	149	543
Dividend received	1,502	3,131
Net cash inflow / (outflow) from operating activities	23,157	(146,525)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	-	8,655
Payments against redemption of units	(15,928)	-
Net cash (outflow) / inflow from financing activities	(15,928)	8,655
Net cash inflow during the period	7,229	(137,870)
Cash and cash equivalents at the beginning of the period	1,773	142,831
Cash and cash equivalents at the end of the period	9,002	4,961

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

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

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 Investment Management Limited (AMIML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The trust deed was executed on February 25, 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the management company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund consists of two segments, a capital protection segment and an investment segment. The capital protection segment aims at protecting investors' capital by placing the assets of the segment in murabaha arrangement with a scheduled islamic bank having atleast 'A' rating at the time of the arrangement. The investment segment generally invests in high return / high risk investments with an objective of providing unitholders a higher return than the minimum protection provided by the capital protection segment. Under the trust deed all the conducts and acts of the Fund are based on shariah. Meezan Bank Limited (MBL) acts as its shariah adviser to ensure that the activities of the Fund are in compliance with the principles of shariah. The management company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an open-end fund with maturity of three years and six weeks and is listed on the Karachi Stock Exchange. The Fund shall cease to operate on maturity. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF MEASUREMENT

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

3. STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, the trust deed, the NBFC Rules and NBFC Regulations and directives issued by the SECP. Approved accounting standards comprise of such International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as notified under the provisions of the Companies Ordinance, 1984. Whenever the requirements of the trust deed, the NBFC Rules and NBFC Regulations and the said directives differ with the requirements of these standards, the requirements of the trust deed, the NBFC Rules and NBFC Regulations and the said directives take precedence.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted for the preparation of these financial statements are same as those applied in the preparation of financial statements for the preceding year ended June 30, 2009.

5. LOANS AND RECEIVABLES ORIGINATED BY THE ENTERPRISE

	September 30, 2009	June 30, 2009
Note	(Rupees in '000)	
5.1 Principal amount	453,720	453,720
Profit receivable	71,127	56,617
Total	524,847	510,337

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

6.1 Shares in listed companies

Name of the investee company	As at July 1, 2009	Purchases during the period	Bonus / rights issue	Sales during the period	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised loss as at September 30, 2009	Percentage of market value of total investment
	Number of shares					Rupees in '000			
Commercial Bank									
Meezan Bank Limited (an associate of Fund)	221,381	-	-	-	221,381	2,435	3,110	675	0.51
Automobile assembler									
Indus Motor Company Limited	16,190	5,400	-	8,000	13,590	1,648	2,382	734	0.39
Textile Composite									
Nishat Mills Limited	51,000	-	-	14,000	37,000	1,400	2,461	1,061	0.40
Cement									
DG Khan Cement Company Limited	9,580	-	-	9,580	-	-	-	-	-
Lucky Cement Limited	30,000	5,000	-	20,000	15,000	898	1,124	226	0.18
Attock Cement	-	3,000	-	2,500	500	42	43	1	0.01
									0.18

Name of the investee company	As at July 1, 2009	Purchases during the period	Bonus / rights issue	Sales during the period	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised loss as at September 30, 2009	Percentage of market value of total investment
	Number of shares					Rupees in '000			
Chemical									
ICI Pakistan Limited	14,800	10,000	-	20,000	4,800	759	858	99	0.14
Power generation and distribution									
The Hub Power Company Limited	198,000	-	-	-	198,000	5,364	6,215	851	1.02
Technology and communication									
Pakistan Telecommunication Company Limited 'A'	307,900	-	-	207,900	100,000	1,724	1,999	275	0.33
Miscellaneous									
Tri Pack Films Limited	80,000	-	-	-	80,000	7,991	9,698	1,707	1.59
Oil and gas exploration companies									
Oil and Gas Development Company Limited	110,000	50,000	-	90,000	70,000	5,800	7,517	1,717	1.23
Pakistan Petroleum Limited	43,500	7,000	9,860	4,700	55,660	9,035	10,519	1,484	1.72
Pak Oil Fields Limited	64,900	26,500	-	31,200	60,200	10,170	12,558	2,388	2.06
									5.01
Oil and gas marketing companies									
Pakistan State Oil Company Limited	19,000	8,000	-	9,500	17,500	3,912	5,479	1,567	0.90
Fertilizer									
Engro Chemical Pakistan Limited	40,600	-	-	40,600	-	-	-	-	-
Fauji Fertilizer Bin Qasim Company Limited	415,000	175,000	-	-	590,000	11,502	13,552	2,050	2.22
Fauji Fertilizer Company Limited	93,775	-	-	10,000	83,775	7,284	8,608	1,324	1.41
									3.63
Total					1,547,406	69,964	86,123	16,159	
Total cost of investments							83,192		

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

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

September 30, September 30,
2009 2008
(Rupees in '000)

7. EARNINGS / (LOSS) PER UNIT

Net loss for the period	<u>36,554</u>	<u>(15,802)</u>
	----- (Number of units) -----	
Number of units in issue	<u>11,443,839</u>	<u>11,808,185</u>
	----- (Rupees) -----	
Earnings / (loss) per unit outstanding - Basic	<u>3.19</u>	<u>(1.34)</u>

8. TRANSACTIONS WITH CONNECTED PERSONS

The connected persons include AMIML 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 and Meezan Islamic Income Fund being the funds under the common management of the management company and Pakistan Kuwait Investment Company (Private) Limited.

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

Remuneration payable to the management company and the trustee is determined in accordance with the provision of NBFC Rules and Regulations and the trust deed respectively.

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

	September 30, 2009	June 30, 2009
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- management company of the Fund		
Remuneration payable	<u>13,297</u>	<u>7,793</u>
Preliminary expenses and floatation cost	<u>234</u>	<u>2,921</u>
Investment of 195,004 Units (June 30, 2009: 181,097 Units)	<u>10,339</u>	<u>9,087</u>
Meezan Bank Limited - shariah adviser		
of the Fund		
Balances with bank	<u>403</u>	<u>114</u>
Investment - Loans and receivables	<u>524,847</u>	<u>510,337</u>
Investment in 5,035,119 units (June 30, 2009: 5,000,000)	<u>266,950</u>	<u>250,880</u>
Central Depository Company of Pakistan Limited		
- trustee of the Fund		
Trustee fee payable	<u>66</u>	<u>62</u>

	September 30, 2009	September 30, 2008
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- management company of the Fund		
Remuneration for the period	<u>1,178</u>	<u>867</u>
Meezan Bank Limited - shariah adviser		
of the Fund		
Profit on savings accounts	<u>-</u>	<u>43</u>
Remuneration for the period	<u>-</u>	<u>1,098</u>
Shariah advisory fee	<u>-</u>	<u>76</u>
Central Depository Company of		
Pakistan Limited - trustee of the Fund		
Trustee fee	<u>195</u>	<u>185</u>
CDS charges	<u>1</u>	<u>3</u>
Director		
Investment of nil units (June 30, 2009: 9,709 units)	<u>-</u>	<u>470</u>

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 20, 2009 by the Board of Directors of the management company.

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

Chief Executive

Director