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# 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. 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 PENSION FUND MANAGER

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 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, 4<sup>th</sup> 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 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 unaudited 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.

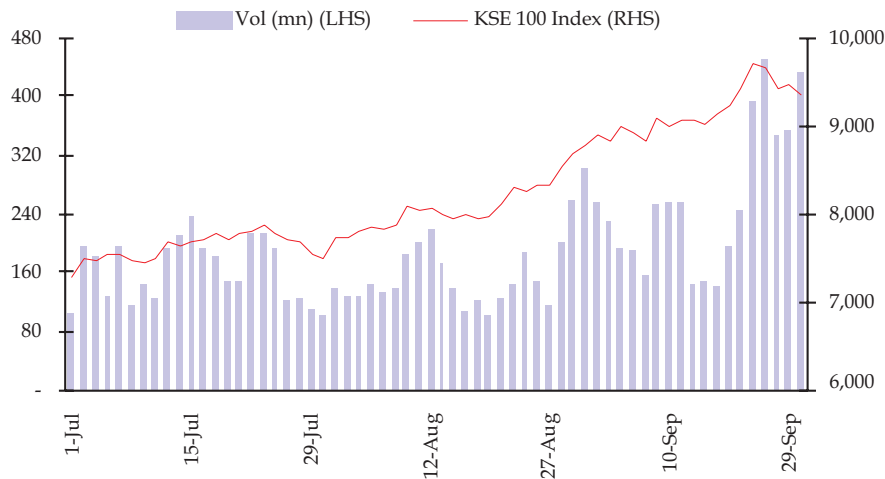
To stabilize the economy and in view of the declining inflation, State Bank reduced the policy rate by 100 bps to 13%. Moreover to meet IMF requirements, the central bank introduced an interest rate corridor, providing a reverse repo facility at 300bps below the repo rate. This helped in maintaining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

### **Equity Market Review**

The market witnessed a turnaround in the first quarter ended September 30, 2009 as KSE-100 Index appreciated 2,188 points to close the quarter at 9,350 marking 31% improvement from 7,162 levels on June 30, 2009. This was the highest return posted by the KSE-100 index in single quarter since calendar year 2002. This is in sharp contrast to the same period last year when the equity market fell by 24.9%. There was a substantial increase in daily average volume to 188.6 million shares as compared to 66 million shares during the corresponding period last year, an increase of 186%.

At the beginning of the quarter, there was uncertainty about the discount rate cut by the Central Bank in the monetary policy statement which was scheduled on July 25, 2009 but was later delayed to August 15, 2009. This delay caused some concern in the market regarding any possible discount rate cut and the release of IMF third tranche. However, the market soon recovered in the beginning of August with the disbursement of IMF tranche, continuous decline in the CPI inflation and improved balance of trade numbers. Moreover, better than expected corporate results were another booster for the market.

Later in August 2009, 100bps cut in discount rate coupled with improvement in Pakistan's rating by Moody's and Standard & Poor improved the foreigners' confidence in Pakistan's stock market. Hence, the quarter witnessed a net foreign inflow of US\$ 235 million as compared to a net outflow of US\$ 445 million in the fiscal year 2009. As a result of these inflows, the market broke the critical level of 9,000 and reached to the highest level of 9,700.

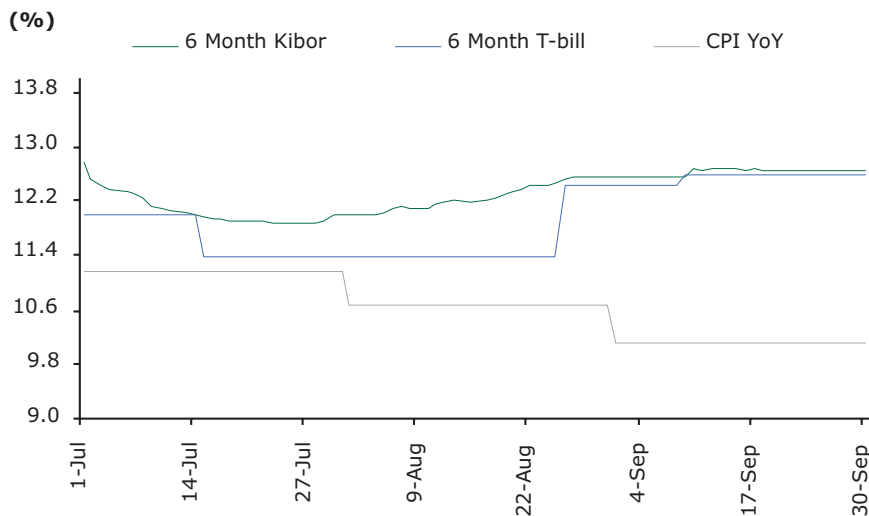


However, towards the end of the quarter, the market underwent marginal technical correction due to below expectations development in the Friend of Democratic Pakistan (FoDP) meeting in New York and KSE-100 index closed the quarter at the level of 9,350. During the same period, KMI-30 Index appreciated by 28.18% to close around 13,600.

### 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.



## **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 Equity Sub Fund reported a return of 27.7% during the quarter under review buoyed by the increasing equity market. The sub fund recorded a gross income of Rs. 17.4 million during the quarter of which 85% i.e. Rs. 14.7 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 income. The net assets of the sub fund increased from Rs. 61.6 million to Rs. 81.5 million during the period under review.

### **Debt Sub Fund**

For the quarter ended September 30, 2009 the debt sub fund posted an annualised return of 10.2% earning a gross income of Rs.2.3 million as compared to a gross income of Rs.1.8 million in the same quarter last year. Income in this sub fund was majorly generated by profit on Sukuk certificates amounting to Rs.1.3 million and profit on bank deposits and placements amounting to Rs.0.7 million. The debt sub fund had net assets worth Rs. 72.9 million on September 30, 2009 which grew from Rs.70.2 million at the end of June 30, 2009.

### **Money Market Sub Fund**

The Money Market sub fund of MTPF posted an annualised return of 10.7% for the quarter ending September 30, 2009. The sub fund recorded a gross income of Rs. 1.9 million generated mainly through profit on Islamic Banking Deposits. During the quarter the net assets of the sub fund increased to Rs. 63.5 million from Rs. 62 million three months ago.

## **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 pension fund manager in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, and Central Depository Company of Pakistan 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: October 20, 2009**  
**Karachi.**

**Mohammad Shoaib, CFA**  
**Chief Executive**

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2009 (UNAUDITED)

	(Unaudited)				(Audited)	
	September 30, 2009				June 30, 2009	
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total	
	----- <i>Note</i> ----- <b>(Rupees in '000)</b> -----					
<b>Assets</b>						
Balances with banks	5	10,530	5,068	29,090	44,688	47,916
Placements	6	-	-	13,500	13,500	27,900
Receivable against sale of investments		1,452	-	-	1,452	228
Investments at fair value through profit or loss	7	72,219	65,771	19,202	157,192	114,355
Dividend receivable		1,315	-	-	1,315	363
Profit receivable		165	2,190	1,754	4,109	4,387
Formation costs		60	59	59	178	240
Deposit with Central Depository Company of Pakistan Limited		100	100	100	300	300
Other receivables		-	37	52	89	-
<b>Total assets</b>		<u>85,841</u>	<u>73,225</u>	<u>63,757</u>	<u>222,823</u>	<u>195,689</u>
<b>Liabilities</b>						
Payable against purchase of investments		3,740	-	-	3,740	923
Payable to Al Meezan Investment Management Limited - Pension Fund Manager		329	168	157	654	900
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund		17	18	14	49	75
Payable to auditors		67	68	68	203	150
Payable to Securities and Exchange Commission of Pakistan		22	27	25	74	56
Accrued expenses and other liabilities	8	214	1	-	215	111
<b>Total liabilities</b>		<u>4,389</u>	<u>282</u>	<u>264</u>	<u>4,935</u>	<u>2,215</u>
<b>Net assets</b>		<u>81,452</u>	<u>72,943</u>	<u>63,493</u>	<u>217,888</u>	<u>193,474</u>
<b>Participants' sub-funds (as per statement attached)</b>		<u>81,452</u>	<u>72,943</u>	<u>63,493</u>	<u>217,888</u>	<u>193,474</u>
<b>Number of units in issue</b>		<u>831,428</u>	<u>597,890</u>	<u>518,634</u>		
<b>Net assets value per unit (Rupees)</b>		<u>97.97</u>	<u>122.00</u>	<u>122.42</u>		

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**

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

	September 30, 2009				September 30, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
----- <b>(Rupees in '000)</b> -----					
<b>Income</b>					
Profit on sukuk certificates	-	1,260	621	1,881	614
Profit on savings accounts with banks	159	547	928	1,635	1,611
Profit on placements	-	188	314	502	679
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	14,720	64	15	14,798	(18,272)
Net realised (loss) / gain on sale of investments	1,490	31	31	1,552	458
Dividend income	1,288	-	-	1,288	700
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(274)	177	33	(64)	28
<b>Total income</b>	<u>17,383</u>	<u>2,267</u>	<u>1,942</u>	<u>21,592</u>	<u>(14,182)</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - Pension Fund Manager	272	270	237	779	653
Remuneration of Central Depository Company of Pakistan Limited - trustee of the Fund	26	26	23	75	75
Annual fee of Securities and Exchange Commission of Pakistan	6	6	5	17	15
Auditors' remuneration	17	18	19	54	54
Amortisation of formation cost	20	21	21	62	63
Securities' transaction cost	24	-	-	24	18
Custody and settlement charges	1	1	-	2	6
Legal advisory fee	-	-	-	-	-
Bank charges	1	1	-	2	-
<b>Total expenses</b>	<u>367</u>	<u>343</u>	<u>305</u>	<u>1,015</u>	<u>905</u>
<b>Net income / (loss)</b>	<u>17,016</u>	<u>1,924</u>	<u>1,637</u>	<u>20,577</u>	<u>(15,087)</u>
<b>Income per unit outstanding - basic (Rupees)</b>	<u>9</u>	<u>20.47</u>	<u>3.22</u>	<u>3.16</u>	

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT OF  
MOVEMENT IN PARTICIPANTS' SUB-FUNDS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (UNAUDITED)**

	September 30, 2009				September 30, 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 (September 2009: Equity sub fund: 29,338 units; Debt sub fund: 8,484 units; Money market sub fund: 1,561 units) (September 2008: Equity sub fund: 652,992 units; Debt sub fund: 564,745 units; Money market sub fund: 514,766 units)	2,640	1,026	189	3,855	3,928
Amount paid on redemption/conversion of units (September 2009: Equity sub fund: 1002 units; Debt sub fund: 20 units; Money market sub fund: nil units) (September 2008: Equity sub fund: 4,937 units; Debt sub fund: 1,711 units; Money market sub fund: 178 units)	(81)	(2)	-	(83)	(700)
	2,559	1,024	189	3,772	3,228
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	275	(177)	(33)	65	(28)
Net income / (loss) for the period	17,016	1,924	1,637	20,577	(15,087)
Net assets at the end of the period	<u>81,452</u>	<u>72,943</u>	<u>63,493</u>	<u>217,888</u>	<u>169,071</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**

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

	September 30, 2009				September 30, 2008
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total
----- <b>(Rupees in '000)</b> -----					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income / (loss)	17,016	1,924	1,637	20,577	(15,087)
<b>Adjustments for :</b>					
Dividend income	(1,288)	-	-	(1,288)	(700)
Profit on sukuk certificates	-	(1,260)	(621)	(1,881)	(614)
Profit on savings accounts with banks	(159)	(547)	(928)	(1,635)	(1,611)
Profit on placements	-	(188)	(314)	(502)	(679)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss	(14,720)	(64)	(15)	(14,798)	18,272
Amortisation of formation cost	20	21	21	62	63
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	274	(177)	(33)	64	(28)
	1,143	(291)	(253)	599	(384)
<b>(Increase) / decrease in assets</b>					
Placements	-	13,950	450	14,400	-
Receivable against sale of investments	(1,224)	-	-	(1,224)	751
Investments at fair value through profit or loss	(599)	(27,720)	280	(28,039)	(21,061)
Financial instruments sold on deferred settlement basis	-	-	-	-	251
Other receivables	-	(37)	(52)	1,577	1,577
	(1,823)	(13,807)	678	(13,286)	(18,482)
<b>(Decrease) / increase in liabilities</b>					
Payable against purchase of investments	2,817	-	-	2,817	(2,631)
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	(84)	(139)	(23)	(246)	49
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund	(5)	(10)	(11)	(26)	(1)
Payable to Securities and Exchange Commission of Pakistan	6	6	6	18	(45)
Payable to auditors	17	18	18	53	54
Accrued expenses and other liabilities	105	-	(1)	104	(1,539)
	2,856	(125)	(11)	2,720	(4,113)
Dividend received	336	-	-	336	677
Profit received on savings accounts with banks	95	216	179	490	978
Profit received on sukuk certificates	-	1,221	1,228	2,449	931
Profit received on placements	-	426	933	1,359	315
<b>Net cash outflow from operating activities</b>	2,607	(12,360)	2,753	(5,334)	(20,078)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipts of contribution	2,640	1,026	189	3,855	3,928
Payment against withdrawal	(81)	(2)	-	(83)	(700)
<b>Net cash inflow from financing activities</b>	2,559	1,024	189	3,772	3,228
Net cash (outflow) / inflow during the period	5,166	(11,336)	2,942	(3,228)	(16,850)
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	10,530	5,068	29,090	44,688

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CONTRIBUTION TABLE FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (UNAUDITED)

Contributions net of front end fee received during the quarter	September 30, 2009						September 30 2008	
	Equity sub found		Debt sub found		Money Market Sub Fund		Total (Rupees in '000)	
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
	------(Rupees in '000)-----							
Individuals - issue of units	29,338	2,640	8,484	1,026	1,561	189	3,855	175,157
- reallocation of units	-	-	-	-	-	-	-	-
	<u>29,338</u>	<u>2,640</u>	<u>8,484</u>	<u>1,026</u>	<u>1,561</u>	<u>189</u>	<u>3,855</u>	<u>175,157</u>
Issue of core units to Pension Fund Manager	-	-	-	-	-	-	-	-
<b>Total</b>	<u><u>29,338</u></u>	<u><u>2,640</u></u>	<u><u>8,484</u></u>	<u><u>1,026</u></u>	<u><u>1,561</u></u>	<u><u>189</u></u>	<u><u>3,855</u></u>	<u><u>175,157</u></u>

The annexed notes 1 to 11 form an integral part of these financial statements.

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

**Chief Executive**

**Director**

**CONDENSED INTERIM NUMBER OF UNITS IN ISSUE**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (UNAUDITED)

	September 30, 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	29,338	8,484	1,561
Less: Units redeemed / converted during the period	(1,002)	(20)	-
Total units in issue at the end of the period	<u>831,428</u>	<u>597,890</u>	<u>518,634</u>

	September 30, 2008		
	Equity Sub Fund	Debt Sub Fund	Money market Sub Fund
	-----Number of units-----		
Total units outstanding at the beginning of the period	638,489	553,580	508,430
Add: Units issued during the period	19,439	12,875	6,514
Less: Units redeemed / converted during the period	(4,936)	(1,710)	(178)
Total units in issue at the end of the period	<u>652,992</u>	<u>564,745</u>	<u>514,766</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED SEPTEMBER 30, 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 Investment Management Limited (AMIML) as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2007 under the Voluntary Pension System Rules, 2005. The registered office of the Pension Fund Manager of the Fund, is situated in Finance and Trade Centre Shahrah-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 Meezan Bank Limited (MBL) as its shariah adviser to ensure that the activities of the Fund are in compliance with the principles of shariah. The Pension Fund Manager of the Fund is registered with SECP as a Non-Banking Finance Company under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.4 The Fund is an open-ended 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 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan, the Companies Ordinance 1984, (the Ordinance), Voluntary Pension System Rules, 2005 (VPS Rules), the Trust Deed and the directives issued by the SECP. Approved accounting standards comprise of such International Accounting Standards and International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Ordinance, the VPS Rules, the Trust Deed, and the said directives differ with the requirements of these standards, the requirements of the Ordinance, VPS Rules, the Trust Deed and the said directives take precedence. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'.

3.2 These condensed interim financial statements comprise of the condensed interim Balance Sheet as at September 30, 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 quarter ended September 30, 2009.

3.3 The comparative balance sheet presented in these condensed interim financial statements has been extracted from the audited financial statements of the Fund for the year ended June 30, 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 financial statements for the quarter ended September 30, 2008.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 5. BALANCES WITH BANKS

	September 30, 2009				June 30, 2009
	Equity Sub Fund	Debt Sub	Money	Total	Total
	----- <b>(Rupees in '000)</b> -----				
Current accounts	506	11	11	528	87
Savings accounts	10,024	5,057	29,079	44,160	47,829
	<u>10,530</u>	<u>5,068</u>	<u>29,090</u>	<u>44,688</u>	<u>47,916</u>

#### 6. PLACEMENTS

Placements carry expected profit at rates 10.50% per annum (June 30, 2009: 9.85% to 13.75 % per annum) and are due to mature on November 25, 2009.

#### 7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Note	September 30, 2009				June 30, 2009	
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Total	
	----- <b>(Rupees in '000)</b> -----					
Held for trading - shares of listed companies	7.1	72,219	-	-	72,219	56,900
- sukuk certificates	7.2	-	43,000	17,500	60,500	32,500
		<u>72,219</u>	<u>43,000</u>	<u>17,500</u>	<u>132,719</u>	<u>89,400</u>
Investments at fair value through profit or loss upon initial recognition	7.3	-	22,771	1,702	24,473	24,955
		<u>72,219</u>	<u>65,771</u>	<u>19,202</u>	<u>157,192</u>	<u>114,355</u>

## 7.1 Held for trading - shares of listed companies

Name of the investee company	As at July 1, 2009	Purchases during the year	Cost of purchase	Bonus / rights issue	Sales during the year	As at September 30, 2009	Carrying value as at September 30, 2009	Market value as at September 30, 2009	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 7.1.2 below)	Percentage of paid up capital of investee company
	Number of shares		Rs in '000		Number of shares		Rupees in '000				
<b>EQUITY SUB FUND</b>											
<b>Automobile assembler</b>											
Indus Motor Company Limited	8,846	-	-	-	-	8,846	953	1,550	597	2.52	0.20
Pak Suzuki Motor Company Limited	14,000	13,000	1,184	-	4,000	23,000	1,864	2,002	138	3.25	0.24
<b>Paper and board</b>											
Packages Limited	23,400	-	-	-	-	23,400	3,675	3,805	130	6.18	0.45
<b>Power generation and distribution</b>											
The Hub Power Company Limited	196,500	22,000	676	-	-	218,500	5,955	6,858	903	11.13	0.06
<b>Oil and gas exploration companies</b>											
Oil and Gas Development Company Limited	72,200	-	-	-	1,000	71,200	5,599	7,645	2,046	12.41	0.02
Pakistan Oilfields Limited	31,400	5,000	806	-	8,000	28,400	4,207	5,925	1,718	9.62	0.25
Pakistan Petroleum Limited	21,780	4,000	784	4,956	1,000	29,736	4,721	5,620	899	9.12	0.06
<b>Oil and gas marketing companies</b>											
Pakistan State Oil Company Limited	26,400	3,000	780	-	4,900	24,500	5,363	7,671	2,308	12.45	0.45
Sui Northern Gas Pipeline Limited	31,800	-	-	-	31,800	-	-	-	-	-	-
<b>Chemicals</b>											
ICI Pakistan Limited	31,200	-	-	-	4,300	26,900	3,773	4,811	1,038	7.81	0.35
<b>Technology and communication</b>											
Pakistan Telecommunication Company Limited	179,500	-	-	-	-	179,500	3,094	3,588	494	5.82	0.01
<b>Fertilizer</b>											
Engro Chemical Pakistan Limited	16,380	-	-	-	16,380	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	235,000	92,000	1,899	-	-	327,000	6,044	7,511	1,467	12.19	0.08
Fauji Fertilizer Company Limited	64,475	-	-	-	-	64,475	5,606	6,625	1,019	10.75	0.10
<b>Cement</b>											
Attock Cement Pakistan Limited	21,800	-	-	-	-	21,800	1,531	1,879	348	3.05	0.22
DG Khan Cement Company Limited	4,100	-	-	-	4,100	-	-	-	-	-	-
Lucky Cement Limited	55,800	-	-	-	11,000	44,800	2,622	3,357	735	5.45	0.10
<b>Miscellaneous</b>											
Tri-Pack Flims Limited	7,000	6,000	662	-	-	13,000	1,362	1,576	214	2.56	0.53
<b>Taxtile Composite</b>											
Nishat Mills Limited	-	39,000	1,632	-	12,000	27,000	1,130	1,796	666	2.92	0.07
<b>Total</b>		<b>184,000</b>	<b>8,423</b>	<b>4,956</b>	<b>98,480</b>	<b>1,132,057</b>	<b>57,499</b>	<b>72,219</b>	<b>14,720</b>		

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

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

## 7.2 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 September 30, 2009	Cost as at September 30, 2009	Market value as at September 30, 2009	Percentage of net assets on the basis of market value
	Number of shares		Rs in '000					Rupees in '000			
<b>Debt Sub Fund</b>											
GoP - Ijara sukuk (note 7.2.1)											
	September 25, 2011	12.34%	150	-	-	-	-	150	15,000	15,000	20.56
GoP - Ijara sukuk (note 7.2.1)											
	September 17, 2012	12.58%	-	280	28,000	-	-	280	28,000	28,000	38.39
			150		28,000				43,000	43,000	
<b>Money Market Sub Fund</b>											
GoP - Ijara sukuk (note 7.2.1)											
	September 25, 2011	12.34%	175	-	-	-	-	175	17,500	17,500	27.56
			175	-	-	-	-	175	17,500	17,500	

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

### 7.3 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 September 30, 2009	Cost as at September 30, 2009	Market value as at September 30, 2009	Percentage of net assets on the basis of market value
<b>Debt Sub Fund</b>											
Dawood Hercules Chemicals Limited (note 7.3.1)	September 18, 2012	6 months Kibor plus base rate of 1.2%	50	-	-	-	-	50	2,412	2,416	3.31
Eden Housing Limited (note 7.3.2)	April 2, 2013	6 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	2,423	2,410	3.30
Karachi Shipyard & Engineering Works Limited (note 7.3.2)	November 2, 2015	6 months Kibor plus base rate of 0.4%	2,000	-	-	-	-	2,000	9,805	9,808	13.45
Maple Leaf Cement Factory Limited (note 7.3.2)	December 1, 2013	6 months Kibor plus base rate of 1.7%	1,000	-	-	-	-	1,000	4,501	4,550	6.24
Security Leasing Corporation Limited II (note 7.3.2)	September 19, 2012	6 months Kibor plus base rate of 1.95%	438	-	-	-	63	375	1,686	1,701	2.33
Shahmurad Sugar Mills Limited (note 7.3.3)	September 30, 2012	6 months Kibor plus base rate of 2.25%	2	-	-	-	-	2	1,880	1,886	2.59
			3,990	-	-	-	63	3,927	22,707	22,771	
<b>Money Market Sub Fund</b>											
Security Leasing Corporation Limited II (note 7.3.2)	September 19, 2012	6 months Kibor plus base rate of 1.95%	438	-	-	-	-	438	1,686	1,701	2.68
<b>Total</b>			438	-	-	-	-	438	1,686	1,701	

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

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

7.3.3 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.



## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2009			June 30, 2009	
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total
-----Rupees in '000 -----					
Withholding tax payable	9	-	-	9	2
Charity payable	131	1	-	132	109
Payable to Equity sub-fund	-	-	-	-	-
Payable to Debt sub-fund	27	-	-	27	-
Payable to Money Market sub-fund	44	-	-	44	-
Payable on withdrawal	3	-	-	3	-
	214	1	-	215	111

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

	September 30, 2009			September 30, 2008		
	Equity sub fund	Debt sub fund	Money market sub fund	Equity sub3 fund	Debt sub fund	Money market sub fund
----- Rupees in '000 -----						
Net income / (loss) for the period	17,016	1,924	1,637	(17,793)	1,480	1,226
----- Number of units -----						
Units outstanding	831,428	597,890	518,634	652,992	564,745	514,766
----- Rupees -----						
(Loss) / earnings per unit outstanding - basic	20.47	3.22	3.16	(27.25)	2.62	2.38

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AMIML 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:

September 30, 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  
- Pension Fund Manager**

(Equity sub fund: 500,000 units; Debt sub fund:  
500,000 units; Money Market sub fund: 500,000 units)

48,983	61,000	61,212	171,195	157,545
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**Directors and executives of the Pension Fund Manager**

As at September 30, 2009

(Equity sub fund: 42,739 units; Debt sub fund: 9,587 units,  
Money Market sub fund: 2,720 units)

(June 30, 2009: Equity sub fund: 47,164 units; Debt sub-  
fund: 9,883 units, Money Market sub fund: 6,875 units)

4,187	1,170	333	5,690	5,070
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September 30, 2009				September 30, 2008
Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total

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

Units issued during the period

(Equity sub fund: 15 units; Debt sub fund: 413 units,  
Money Market sub fund: 412 units)

(2008: Equity sub fund: 823 units; Debt sub fund: 2,489 units,  
Money Market sub fund: 2,319 units)

1	50	50	101	600
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September 30, 2009				June 30, 2009
Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total

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

Transactions and balances with connected persons:

**Al Meezan Investment Management Limited**

**- Pension Fund Manager**

Remuneration payable at the beginning of the period	69	84	76	229	222
Formation cost payable at the beginning of the period	79	79	79	237	237
Front-end fee payable at the beginning of the period	265	144	25	434	140
Remuneration for the period	272	270	237	779	2,560
Front-end fee for the period	10	10	9	29	293
	695	587	426	1,708	3,452
Amount paid during the period	(366)	(419)	(269)	(1,054)	(2,552)
Balance at the end of the period	329	168	157	654	900

**Meezan Bank Limited**

Bank balance	1,564	1,661	1,175	4,400	8,723
Profit on savings accounts	43	22	79	144	1,813

September 30, 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	26	26	23	75	299
CDS charges for the period	1	1	-	2	19
	49	55	48	152	343
Amount paid during the period	(32)	(37)	(34)	(103)	(268)
Balance at the end of the period	17	18	14	49	75

**11. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised on October 20, 2009 by the board of directors of the Pension Fund Manager.

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

**Chief Executive**

**Director**