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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) 5630722-6, 111-MEEZAN
Fax: (9221) 5676143, 5630808
Web site: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam
Mr. Mohammad Shoaib, CFA
Mr. Tasnimul Haq Farooqui
Mr. Aliuddin Ansari
Mr. Rizwan Ata
Mr. Mazhar Sharif
Syed Owais Wasti

Chairman
Chief Executive
Director
Director
Director
Director
Director

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

Chairman
Member
Member

TRUSTEE

Central Depository Company of Pakistan Limited
Suite # M 13-16, Mezzanine Floor, Progressive Plaza,
Beaumont Road, Karachi.

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)
BankIslami 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) 565 7658-59
Fax: (9221) 565 7673
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Meezan Bank Limited
SITE Branch
Plot # B/9-C, Estate Avenue,
SITE, Karachi.
Phone: 2062891
Fax: 2552771
Web site: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



MEEZAN
CAPITAL PROTECTED FUND-I

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2009

The Board of Directors of Al Meezan Investment Management Limited, the management company of Meezan Capital Protected Fund-I, is pleased to present the un-audited financial statements of the fund for the nine months period ended March 31, 2009.

Brief overview

The first nine months of fiscal year 2009 were most volatile for the global economy with challenges involving sub-prime default, financial market crisis, stock market crashes and souring commodity prices including food inflation. The national macroeconomic fundamentals were initially also negatively impacted by global economic downturn in addition to various economic concerns including growing fiscal deficit and widening trade deficit, essentially due to external shocks. This has resulted into decline of KSE-100 Index by 52% in its bearish spell till December 31, 2008. The fund's benchmark DJIMPK fell by 55%.

Consequently, tight monetary stance adopted by SBP and lower commodity prices helped in easing pressure and economic recovery steadily progressed. Lower commodity prices have continued to ease pressure on external accounts, which alongwith 23-month Stand-By Arrangement by IMF and other inflows, have lent some degree of stability to Pak-Rupee. Moreover, rescinding inflation paved the way for decline in interest rates which helped in bringing overall stability. This also helped in recovery of stock market which increased by 43% from the lowest level of 4,815 to close the nine months at 6,860 points.

For the nine months ended March 31, 2009, DJIMPK has declined by 40% closing at 10,913 level.

Economic Review

The macroeconomic outlook mostly remained bearish during the last nine months as inflationary pressures mounted and current account deficit continued to widen unabated. The main reason for widening of the current account deficit was worsening of trade deficit which rose to US\$ 5.84 billion in initial period of fiscal year 09. This was mainly due to the extraordinary increase in international crude prices, which peaked at US\$ 147 per barrel in mid July, and later hike in food prices. As a result, foreign exchange reserves declined from US\$ 11.1 billion in June 2008 to their lowest level of US\$ 6.75 billion as on November 1, 2008.

Subsequently, government took much needed macro stabilization measures like subsidy removal, fiscal deficit management, monetary tightening and tightening of forex market regulations. The impact of these decisions along with reversal in global commodity prices helped in bringing down current account deficit and inflationary pressure. Subsequently, approval of US\$ 7.6 billion 23-month Stand-By Arrangement by IMF along with strong remittance inflows helped in reserve replenishment which crossed US\$ 10 billion again and also helped in stabilization in the rupee-dollar parity. The rupee, however, remained under pressure and closed at Rs. 80.52 versus US\$, depreciating by 15% for the period under review.

On the domestic front, although FBR has so far met its tax collection target during nine months collecting Rs. 810 billion, the tax collection target of Rs 1.3 trillion for fiscal year 09 seems difficult to achieve. Although improvements have been witnessed on many economic fronts, Government revised downward the GDP growth target for fiscal year 09 to 2.5%.

Equity Market Review

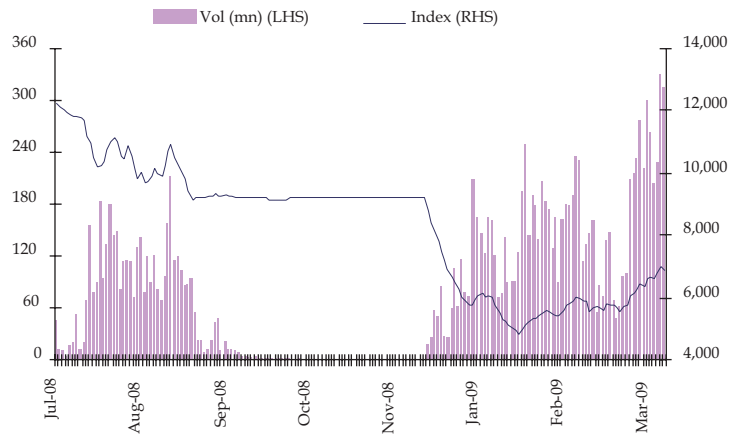
The downward trend at KSE that began towards the end of June fiscal year 08 continued its extension into fiscal year 09. To arrest the sharp decline, Securities and Exchange Commission of Pakistan (SECP) had changed the circuit breakers to a floor of 1% and a cap of 10% at the end of fiscal year 08. This measure, however, did not improve the situation and created a problem for margin traders who wanted an exit. Due to the drying up of volumes after the introduction of these circuit breakers, the SECP decided to revert them back to the original 5% level in early July 2008.

Nonetheless, the unabated economic pressures continued to create further downward pressure. To stem further downside in the market, KSE Board of Directors on August 27, 2008 decided to place a floor on the index at a level of 9,144 based on the closing prices of August 27. As a result, investors decided to stay away from the regular market and trading mainly took place in off the market counter at 20%-50% discount from the floor prices.

After 110 days, the floor was finally removed on December 15, 2008 with the KSE-100 Index undergoing heavy correction falling to the lowest level of 4,815 by the end of January 2009. With the removal of the price floors, the brokers, who got margin calls from the financiers and were on the verge of default, were ultimately bailed out by financiers and government institutions. Initially trading in the ready market was nominal as prices corrected by 5% daily downward limit for several days.

Subsequently, Government administered macro stabilization measures began to lead to some recovery. Consequently, stock started improving in beginning of calendar year 2009. The major booster for the market came in March with the restoration of the judges and anticipation of political stability. This provided a further impetus to the market with index breaching psychological barrier of 7,000 points and appreciated 19% in the last 15 days of March 2009 with staggered rise in market volumes touching a high of 330 million shares. Other factors contributing to the bull run were inclusion of KSE in MSCI Frontier Index, incentive driven petroleum policy, and encouraging prospects of funding from the Friends of Democratic Pakistan meeting in April.

Since normalization of market activity, KSE-100 index appreciated 17% and closed at 6,860 level with the average trading volume of 161 million shares as compared to just 12.6 million shares during the period when market was on floor.



Performance Review

For the nine months period ended March 31, 2009, the Fund incurred a total loss of Rs 3.32 million, main contributor of which was profit on Murabaha of Rs 39.47 million and revaluation loss of Rs 29.92 million. After accounting for expenses of Rs 8.04 million the Fund recorded a net loss of Rs 11.36 million for the period. This translates into loss per Unit of Rs 0.96. The net assets of MCPF-I as at March 31, 2009 stood at Rs 569.18 million which translate into net asset value per unit of Rs 48.83.

Future Outlook

With greater financial discipline, tight monetary policy, stabilization of the rupee and sustained weakness in international commodity prices, the government has now firmed up its grip on underlying economic fundamentals through the help of various multilateral donor agencies particularly IMF which is spearheading Pakistan's economic revival. We expect that these corrective measures will bring back the country into more stable economic territory. With expectation of decline in inflation rate during the next quarter, we anticipate that central bank will ease monetary policy. This will lead to further decline in interest rates and financial costs for listed companies and also lead to continued recovery in stock market.

Acknowledgement

We thank all our investors who have placed their confidence in us. We also offer our sincere gratitude to the Securities and Exchange Commission of Pakistan, the Trustee - Central Depository Company of Pakistan Limited and the management of the Karachi Stock Exchange. We also wish to place on record our appreciation for the personnel of the Management Company.

April 15, 2009
Karachi.

For and on behalf of the Board
Mohammad Shoaib, CFA
Chief Executive



**CONDENSED INTERIM
STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2009**

	Note	Un-audited March 31, 2009 (Rupees in '000)	Audited June 30, 2008
Assets			
Capital protection segment			
Loans and receivables	5	496,380	346,220
Investment segment			
Balances with banks		11,553	142,831
Profit receivable on savings accounts		60	498
Investments at fair value through profit or loss	6	61,765	96,243
Derivative financial instruments	7	1,884	-
		<u>75,262</u>	<u>239,572</u>
Dividend receivable		1,720	2,052
Receivable against Sale of Investment		3,446	
Deposit with CDC		100	100
Preliminary expenses and floatation costs		2,090	2,784
Total assets		<u>578,998</u>	<u>590,728</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - management company of the Fund		5,388	4,988
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund		56	77
Payable to Meezan Bank Limited		3,437	5,604
Payable to Securities and Exchange Commission of Pakistan		367	59
Accrued expenses and other liabilities		567	793
Total liabilities		<u>9,815</u>	<u>11,521</u>
Net assets		<u>569,183</u>	<u>579,207</u>
Unitholders' funds (as per statement attached)		<u>569,183</u>	<u>579,207</u>
		Number of units	
Number of units in issue		<u>11,655,341</u>	<u>11,631,196</u>
		Rupees	
Net assets value per unit		<u>48.83</u>	<u>49.80</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM
INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009**

	Nine months period ended	Quarter ended
	March 31, 2009	
	(Rupees in '000)	
Income		
Net realised gain on sale of investments	(20,450)	(20,450)
Dividend income	4,693	1,623
Profit on savings accounts with banks	642	77
Profit on murabaha	39,470	13,427
Back end sales load	366	75
	24,721	(5,248)
Unrealised loss on re-measurement of investments at fair value through profit or loss (net)	(29,920)	39,157
Unrealised gain on re-measurement of derivative financial instruments (net)	1,884	1,878
	(28,036)	41,035
Total income	(3,315)	35,787
Expenses		
Remuneration to Al Meezan Investment Management Limited - management company of the Fund	2,467	731
Remuneration to Central Depository Company of Pakistan Limited - trustee of the Fund	544	171
Remuneration to Meezan Bank Limited	3,404	1,046
Annual fee to Securities and Exchange Commission of Pakistan	368	99
Auditors' remuneration	305	49
Fees and subscription	26	8
Legal and professional charges	30	10
Amortisation of preliminary expenses and floatation costs	694	229
Brokerage	101	53
Bank and settlement charges	23	6
Printing charges	79	22
Total expenses	8,041	2,424
Net loss from operating activities	(11,356)	33,363
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed	126	96
Net loss	(11,230)	33,459
Loss per unit outstanding - basic (Rupees)	(0.96)	2.86

The annexed notes 1 to 10 form an integral part of these financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM
DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009**

	Nine months period ended March 31, 2009 (Rupees in '000)	Quarter ended March 31, 2009 (Rupees in '000)
Unappropriated loss brought forward	(2,353)	(47,042)
Net loss for the period	(11,230)	33,459
Net loss for the period carried forward	<u>(13,583)</u>	<u>(13,583)</u>

The annexed notes 1 to 10 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 UNITHOLDERS' FUNDS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009**

	Nine months period ended March 31, 2009 (Rupees in '000)	Quarter ended March 31, 2009 (Rupees in '000)
Net assets at the beginning of the period	579,207	537,321
Issue of 176,989 units	8,655	-
Redemption of 152,844 units	(7,323)	(1,501)
Element of loss and capital losses included in prices of units issued less those in units redeemed	(126)	(96)
Net loss for the period	(11,230)	33,459
Net assets at the end of the period	<u>569,183</u>	<u>569,183</u>
Net assets value per unit at the end of the period	<u>48.83</u>	<u>49.80</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009**

	Nine months period ended	Quarter ended
	March 31, 2009 (Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(11,230)	33,459
Adjustments for:		
Dividend income	(4,693)	(1,623)
Profit on savings accounts with banks	(642)	(77)
Profit on murabaha	(39,470)	(13,427)
Unrealised loss on re-measurement of investments at fair value through profit or loss (net)	29,920	(39,157)
Un realised gain on re-measurement of derivative financial instruments (net)	(1,884)	(1,878)
Amortisation of preliminary expenses and floatation costs	694	229
Element of loss and capital losses included in prices of units issued less those in units redeemed	(126)	(96)
	(27,431)	(22,570)
Increase/Decrease in assets		
Loans and receivables	(110,690)	-
Derivative financial instruments	(1,884)	(1,884)
Receivable against sale of investment	(3,446)	(3,446)
Investments at fair value through profit or loss	6,319	37,466
	(109,701)	32,136
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - management company of the Fund	400	670
Payable to Central Depository Company of Pakistan Limited - trustee of the Fund	(21)	(7)
Payable to Meezan Bank Limited	(2,167)	861
Payable to Securities and Exchange Commission of Pakistan	308	98
Accrued expenses and other liabilities	(225)	217
	(1,705)	1,839
Dividend received	5,148	1,092
Profit received on savings accounts with banks	1,079	160
	(132,610)	12,657
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	8,655	-
Payments against redemption of units	(7,323)	(1,501)
Net cash inflow from financing activities	1,332	(1,501)
Net cash inflow during the period	(131,278)	11,161
Cash and cash equivalents at the beginning of the year	142,831	392
Cash and cash equivalents at the end of the period	11,553	11,553

The annexed notes 1 to 10 form an integral part of these financial statements.

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

Chief Executive

Director



**CONDENSED INTERIM NOTES TO THE
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 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, 2007 (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.

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, 2008.

5. LOANS AND RECEIVABLES

	March 31, 2009	June 30, 2008
	(Rupees in '000)	
5.1 Principal amount	453,720	343,030
Profit receivable	42,660	3,190
Total	<u>496,380</u>	<u>346,220</u>

- 5.2 For the purpose of capital protection, the Fund will allocate 76% of the initial fund size in murabaha with Meezan Bank Limited (an associated undertaking) such that it fulfills the requirement of capital protection as outlined in the trust deed and the offering document.

The duration of capital protection segment is 3 years and 6 weeks from first day of initial offering period with profit receivable @ 11.75% on maturity.

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

6.1 Shares in listed companies

Name of the investee company	As at July 01, 2008	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2009	Carrying value as at March 31, 2009	Market value as at March 31, 2009	Unrealised gain / (loss) as at March 31, 2009	Percentage of net assets on the basis of market value (see note 6.3)	Percentage of total investment
	----- Number of shares of listed companies -----					Rupees in '000				
Automobile assembler										
Indus Motor Company Limited	6,190	-	-	-	6,190	1,238	457	(781)	0.08	0.74
Commercial Banks										
Meezan Bank Limited	-	151,000	12,986	-	163,986	4,407	2,214	(2,193)	0.39	3.58
Textile Composite										
Nishat Mills Limited	45,000	22,500	-	16,500	51,000	3,124	1,546	(1,578)	0.27	2.50
Cement										
DG Khan Cement Company Limited	32,000	82,000	-	114,000	-	-	-	-	-	-
Lucky Cement Limited	-	30,000	-	-	30,000	879	1,482	603	0.26	2.40
Chemical										
ICI Pakistan Limited	14,800	-	-	-	14,800	2,388	1,423	(965)	0.25	2.30
Technology and communication										
Pakistan Telecommunication Company Limited 'A'	126,000	448,000	-	275,000	299,000	6,515	4,987	(1,528)	0.88	8.07
Oil and gas exploration companies										
Oil and Gas Development Company Limited	150,000	35,000	-	35,000	150,000	16,828	10,811	(6,017)	1.90	17.50
Pakistan Petroleum Limited	150,000	25,000	15,000	100,000	90,000	18,986	15,594	(3,392)	2.74	25.25
Miscellaneous										
Tri Pack Films Limited	-	80,000	-	-	80,000	13,028	7,876	(5,152)	1.38	12.75
Fertilizer										
Engro Chemical Pakistan Limited	33,000	11,000	-	6,000	38,000	10,541	5,497	(5,044)	0.97	8.90
Fauji Fertilizer Bin Qasim Company Limited	323,000	100,000	-	223,000	200,000	6,849	3,424	(3,425)	0.60	5.54
Fauji Fertilizer Company Limited	40,000	19,400	14,850	-	74,250	6,902	6,454	(448)	1.13	10.45
Total						<u>91,685</u>	<u>61,765</u>	<u>(29,920)</u>		

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.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Type of contract	Settlement	Underlying	Notional amount	March 31, 2009	
				Fair value	
				(Assets)	(Liabilities)
(Rupees in '000)					
Letter of right	March 2009	Equity indices	-	1,884	-

* Derivative financial instruments outstanding as at June 30, 2008 amounted to Rs.NIL).

8. LOSS PER UNIT

	March 31, 2009 (Rupees in '000)	
	Nine Months period ended	Quarter ended
Net loss for the period	(11,230)	33,386
Number of units		
Number of units in issue	11,655,341	11,631,196
Rupees		
Loss per unit outstanding - Basic	(0.96)	2.86

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

	March 31, 2009	June 30, 2008
Al Meezan Investment Management Limited		
- management company of the Fund		
Remuneration payable	2,467	339
Sales load payable	-	1,728
Preliminary expenses and floatation cost payable	2,921	2,921
Investment of 175,528 Units (June 30, 2008: NIL Units)	8,571	-
Meezan Bank Limited - shariah adviser of the Fund		
Balances with bank	160	11,399
Remuneration payable	3,185	386
Shariah advisory fee payable	252	33
Sales load payable	-	5,185
Investment of 5,000,000 units	244,150	248,989

	March 31, 2009	June 30, 2008
Central Depository Company of Pakistan Limited - trustee of the Fund		
Trustee fee payable	<u>56</u>	<u>77</u>
Director		
Investment of 9,709 units	<u>474</u>	<u>483</u>
		For the Nine months period ended March 31, 2009 (Rupees in '000)
Al Meezan Investment Management Limited - management company of the Fund		
Remuneration for the period		<u>2,467</u>
Meezan Bank Limited - shariah adviser of the Fund		
Profit on savings accounts		<u>42</u>
Remuneration for the period		<u>3,185</u>
Shariah advisory fee		<u>219</u>
Units issued: 5,000,000 units		<u>-</u>
Central Depository Company of Pakistan Limited - trustee of the Fund		
Trustee fee		<u>544</u>
CDS charges		<u>6</u>

10. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 15, 2009 by the Board of Directors of the management company.

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

Chief Executive

Director