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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. Mazhar Sharif	Director
Mr. P. Ahmed	Director
Mr. Rana Ahmed Humayun	Director
Mr. Salman Sarwar Butt	Director
Syed Amir Ali	Director
Mr. Tasnimul Haq Farooqui	Director
Mr. Mohammad Shoaib, CFA	Chief Executive

CFO & COMPANY SECRETARY OF THE PENSION FUND MANAGER

Syed Owais Wasti

AUDIT COMMITTEE

Mr. P. Ahmed	Chairman
Syed Amir Ali	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

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accounts
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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 reviewed financial statements of the fund for the half year ended December 31, 2011.

Brief Overview

During the first half of fiscal year 2012, Meezan Tahaffuz Pension Fund (MTPF) equity sub fund provided a negative return of 4.6% to its participants. The debt sub fund provided an annualized return 8.6% while the money market sub fund provided its participants an annualized return of 11.6%.

Economic Review

From the macroeconomic perspective, the first half of fiscal year 2012 depicted a mixed picture. The year started on a stark note with torrential rains hitting the province of Sindh, but positivity was brought in with inflation pressures easing off. Consumer Price Index (CPI) for the month of December 2011, touched a single digit figure, to post a twenty four month low of 9.75% taking the first half fiscal year 2012 average inflation to 10.9%. In addition to this, with the start of fiscal year, SBP initiated the process of monetary easing, cutting the policy rate by 200 basis points in two phases, to help in reviving the private sector credit off-take. But infrastructural issues and energy crisis continue to plague the economy and thereby no noticeable improvement was observed by the rate cut. The tax collection during the period under review stood at Rs 840 billion, which was up 27% year on year. Moreover, S&P affirmed its sovereign debt rating at B- for the country, reflecting adequate external liquidity in medium term supported by donor support.

On the other hand, country's current account (CA) deficit widened to USD 2.1 billion in six months as against a surplus of USD 8 million in the same period last year. The major reason for the weakness on the external front was the increasing trade gap in the first half of fiscal year, where the country's import bill surged by 17% as against 9% increase in export earnings. Remittances, however, remained robust totaling USD 6.3 billion in first half of fiscal year 2012, which was a 20% growth year on year. However, the impact of deferred import payments coupled with growing tension between Pak-US post NATO attack and end of IMF program, became visible in the form of sharp currency move as rupee lost 4.5% during first half of fiscal year to Rs 89.95/USD. The underlying unease in currency market was also led by the fact that loan repayment to IMF is due to start in February 2012 where cumulative USD 1.2 billion is scheduled to be repaid in the second half of fiscal year 2012. This also leads to concerns over further decline in forex reserves which currently stand at USD16.9 billion.

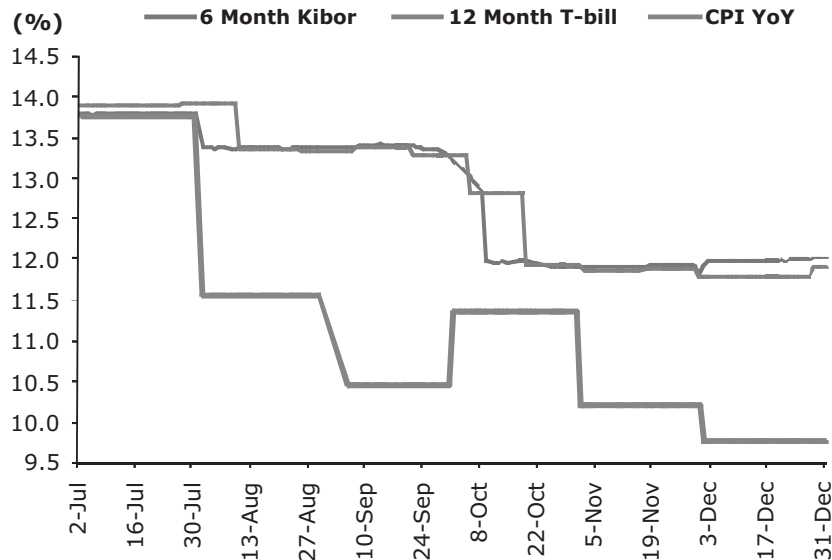
The government on its part remained engaged in talks with the IMF in November under Article IV Consultative meetings where the two sides agreed on policy measures to contain fiscal year 2012 fiscal deficit, a cautious monetary policy, and a responsive exchange rate to contain inflation and protect forex reserves.

Money Market Review

In the first half of fiscal year 2012, the money market remained highly illiquid. To normalize the liquidity situation, State Bank of Pakistan (SBP) regularly conducted open market operations (OMOs). During the period, SBP conducted thirteen T-Bill auctions, five PIB auctions and one Ijarah Sukuk auction. Cumulatively, SBP accepted Rs 1,664 billion and Rs 70 billion in T-Bills and PIBs. In the Ijarah Sukuk auction, SBP accepted Rs 70 billion at par against the total participation of Rs 84 billion. The target of the auction was Rs 50 billion and first rental of the issue was set at 11.94%.

Moreover, lower inflation figures and limited government borrowing from banking sources forced the State Bank to adopt a soft monetary stance reducing the discount rate by a cumulative 200 basis points, in two phases. As a result, the cutoff rates of T-Bill and PIBs declined by 209 basis points and 139 basis points respectively to close at 11.67% and 12.7% as on December 31, 2011. In line with that, six month KIBOR also declined by 176 basis points to close the half year at 12.02%.

The following graph shows the trend in interest rate during the period:



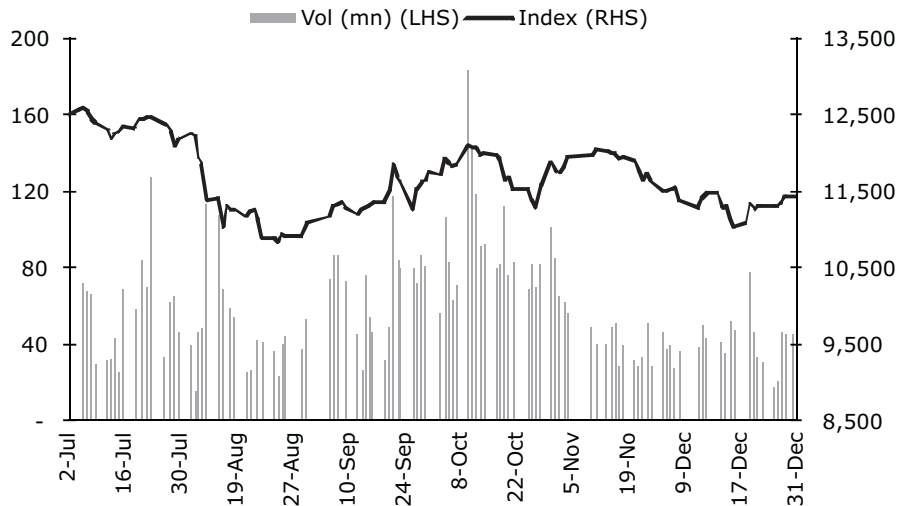
Equity Market Review

The first half of the fiscal year 2012 proved to be a challenging period for the market as KSE-100 posted a negative return of 9.2% to close at the level of 11,348. Along with that, the average daily turnover hit a thirteen years low to 60 million shares, as compared to 92 million shares in the previous year, declining 35% year on year. The major underlying reason for the dismal market performance remained the net foreign portfolio outflow, weak economic numbers of the country, political uncertainty, strained Pak US relations and lack of clarity about Capital gain Tax (CGT) deduction. The index followed a range bound trajectory moving within a wide band of 12,576 and 10,842. On the other hand, Karachi Meezan Index (KMI-30) declined by 3.9% and closed at the level of 20,138.

The fiscal year started on an uncertain ground as the US economic slowdown and debt situation of some Euro zone countries resulted in massive selling in global equity markets with its repercussions on the local market as well. The lackluster market got some support from the monetary policy where the discount rate was revised downwards by a cumulative 200 basis points to 12%. However, the momentum in the market was short lived as the already strained Pak - US relationship took a further hit after NATO attacks along with uncertainty on political canvas arising from 'Memo gate Scandal' and NRO cases. The ramifications of all these events thus downplayed the investors' confidence.

The tense political situation and strained ties with US resulted in lack of materialization of capital inflows which exerted pressure on the balance of payment situation. This led to significant depreciation in the value of rupee which shed 4% against the USD during the period under review. As a result, the market reaction to the unexpected 200 basis points rate cut was largely muted and KSE-100 went down below the psychological level of 11,000 and made a low of 10,842. Later, news of correspondence between SECP and FBR regarding simplification of Capital Gain Tax (CGT) rules provided much needed respite to the market with the index marginally recovering and closing at the level of 11,347 on December 31, 2011. Foreigners were net sellers during the period under review, offloading USD 152 million worth of shares as against a net purchase of shares worth USD 238 million in the same period last year.

Fertilizer sector led by FFC, FFBL and Fatima remained in limelight on account of issue of gas curtailment and the resultant product price increase. The companies were among the top gainers appreciating by 6%, 11% and 38% respectively during the period. The only exception was Engro whose price depreciated by 41%. On the other hand, banking and telecom sectors were the major underperformers.



Performance 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 for the half year ended December 31, 2011 is given as under:

Equity Sub Fund

For the half year ended December 31, 2011, equity sub fund posted a gross loss of Rs 8 million. The main reason was the unrealized loss of Rs 16 million. After accounting for expenses of Rs 2 million, equity sub fund recorded a net loss of Rs 10 million, for the period under review.

During the period under review, net assets of the sub fund increased by 10.95% to stand at Rs 199 million on December 31, 2011. Net asset value (NAV) per unit at period end was at Rs. 131.12.

Debt Sub Fund

For the half year under review, debt sub fund earned gross income of Rs 9 million. The main contributor was profit on sukuk certificates of Rs 7 million and profit on bank deposits of Rs 2 million. After accounting for expenses of Rs 2 million, the sub fund recorded a net profit of Rs 7 million, for the period under review.

During the period under review, net assets of the sub fund increased by 18.3% to stand at Rs 170 million on December 31, 2011. Net asset value (NAV) per unit at period end was at Rs 150.07.

Money Market Sub Fund

For the half year under review, money market sub fund earned gross income of Rs7 million. Major contribution was from profit on bank deposits of Rs 4 million and profit on sukuk certificates worth Rs 3 million. After accounting for expenses of Rs 1 million, the fund recorded net profit of Rs 6 million, for the period under review.

During the period under review, net assets of the sub fund increased by 14.16% to stand at Rs 107 million on December 31, 2011. Net asset value (NAV) per unit at period end was at Rs 151.13.

Outlook

Going forward, the key challenges grappling the economy remain the dwindling current account position and deterioration of the local currency. In addition to that, the prevalent political uncertainty will play a major role in setting forth the path to be taken. With some comfort from the inflationary concerns and monetary policy decision round the corner, we are of the view that the pressure on interest rate is expected to ease off. Restoring cordial ties with US and a positive report from IMF with regard to the letter of comfort can further add in the much needed positivity.

Lately, the finance minister agreed to some of the key proposals of SECP regarding the change in modalities of CGT. The implementation of the said measures, though will take some time, but will provide a great impetus to our stock market. Also, this will help in restoring the shaken investors' confidence along with the resurgence of volumes in the market. On the basis of earnings multiples and dividend yield, Pakistan continues to remain one of the cheapest market in the region, trading at a P/E multiple of 6.2x.

Our outlook for the remaining half of the fiscal year remains optimistic. The management of Al Meezan is fully cognizant of the challenges that lie ahead and is taking all possible measures to tackle them and ensuring its valuable unit holders' interest.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments making it the largest Islamic Pension Fund Manager in the private sector in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, Trustee, Central Depository Company of Pakistan for their support. Furthermore, we would like to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued assistance and support on Shariah aspects of fund management.

For and on behalf of the Board

Date: February 23, 2012
Karachi.

Mohammad Shoaib, CFA
Chief Executive



AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim Balance Sheet **Meezan Tahaffuz Pension Fund** (the Fund) as at **31 December 2011**, and the related condensed interim Income Statement, condensed interim Statement of Cash Flows, condensed interim Statement of Movement in Participants' Sub-Funds, condensed interim Contribution Table and condensed interim Statement of Number of Units in Issue for the half-year then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial information"). The Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 8 to the accompanying condensed interim financial information which refers to an uncertainty relating to the future outcome of the litigation regarding contribution to the Workers' Welfare Fund which is currently pending adjudication at the Honorable High Court of Sindh.

Our conclusion is not qualified in respect of the above matter.

Chartered Accountants

Date: **23 February 2012**

Karachi

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2011

	Note	December 31, 2011				(Audited)
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	June 30, 2011 Total
(Rupees in '000)						
Assets						
Bank balances	5	15,898	7,602	1,103	24,603	81,964
Investments at fair value through profit or loss	6	183,075	159,567	99,745	442,387	327,300
Dividend receivable		156	-	-	156	759
Profit receivable		406	3,446	5,867	9,719	7,704
Deposit with Central Depository Company (CDC) of Pakistan Limited		100	100	100	300	300
Total assets		<u>199,635</u>	<u>170,715</u>	<u>106,815</u>	<u>477,165</u>	<u>418,027</u>
Liabilities						
Payable to Al Meezan Investment Management Limited (Al Meezan) - Pension Fund Manager	9	278	239	151	668	1,034
Payable to CDC - trustee of the Fund		24	21	13	58	47
Payable to auditors		87	87	87	261	235
Payable to Securities and Exchange Commission of Pakistan (SECP)		31	26	16	73	108
Other liabilities	7	465	97	30	592	260
Total liabilities		<u>885</u>	<u>470</u>	<u>297</u>	<u>1,652</u>	<u>1,684</u>
Net assets		<u>198,750</u>	<u>170,245</u>	<u>106,518</u>	<u>475,513</u>	<u>416,343</u>
Participants' Sub-Funds (as per statement attached)		<u>198,750</u>	<u>170,245</u>	<u>106,518</u>	<u>475,513</u>	<u>416,343</u>
Number of units in issue		<u>1,515,832</u>	<u>1,134,428</u>	<u>704,831</u>		
Net assets value per unit (Rupees)		<u>131.12</u>	<u>150.07</u>	<u>151.13</u>		
Contingencies	8					

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


**For Al Meezan Investment Management Limited
(Management Company)**
**Mohammad Shoaib, CFA
Chief Executive**


**Syed Amir Ali
Director**

CONDENSED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 (UN-AUDITED)

	For the six months period ended December 31, 2011				For the six months ended December 31, 2010
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note -----(Rupees in '000)-----					
Income					
Profit on sukuk certificates	-	7,251	2,561	9,812	5,293
Profit on savings accounts with banks	803	1,975	3,518	6,296	5,406
Profit on placements	-	-	-	-	490
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	(15,760)	(1,534)	2	(17,292)	19,906
Net realised gain on sale of investments	2,190	250	456	2,896	1,898
Dividend income	5,420	-	-	5,420	4,641
Other income	-	-	-	-	759
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	4 (227)	518	233	524	2,204
Total (loss) / income	(7,574)	8,460	6,770	7,656	40,597
Expenses					
Remuneration of Al Meezan - pension fund manager	1,405	1,163	744	3,312	2,254
Remuneration of CDC - trustee of the Fund	143	117	75	335	225
Annual fee of SECP	45	26	16	87	50
Auditors' remuneration	74	75	75	224	256
Sales tax on management fee	9 226	185	119	530	-
Securities' transaction cost	116	2	4	122	56
Custody and settlement charges	5	3	3	11	8
Bank charges	1	7	7	15	8
Total expenses	2,015	1,578	1,043	4,636	2,857
Net (loss) / income	(9,589)	6,882	5,727	3,020	37,740
(Loss) / earnings per unit - basic and diluted (Rupees)	10 (6.33)	6.07	8.13		

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


**For Al Meezan Investment Management Limited
(Management Company)**
**Mohammad Shoab, CFA
Chief Executive**


**Syed Amir Ali
Director**

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2011 (UN-AUDITED)

	For the quarter ended December 31, 2011				For the quarter ended December 31, 2010
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note -----(Rupees in '000)-----					
Income					
Profit on sukuk certificates	-	3,925	1,040	4,965	3,222
Profit on savings accounts with banks	457	1,186	2,007	3,650	2,282
Profit on placements	-	-	-	-	366
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	(15,380)	(1,527)	(1)	(16,908)	17,404
Net realised gain on sale of investments	1,503	202	421	2,126	1,770
Dividend income	2,979	-	-	2,979	2,995
Other income	-	-	-	-	759
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(130)	450	208	528	942
Total (loss)/income	(10,571)	4,236	3,675	(2,660)	29,740
Expenses					
Remuneration of Al Meezan - pension fund manager	720	603	383	1,706	1,170
Remuneration of CDC - trustee of the Fund	73	59	39	171	118
Annual fee of SECP	30	13	8	51	26
Auditors' remuneration	37	38	38	113	149
Sales tax on management fee	123	100	66	289	-
Securities' transaction cost	82	2	4	88	27
Custody and settlement charges	3	1	1	5	5
Bank charges	1	5	7	13	6
Total expenses	1,069	821	546	2,436	1,501
Net (loss) / income	(11,640)	3,415	3,129	(5,096)	28,239
(Loss) / earnings per unit outstanding - basic (Rupees)	10 (6.33)	6.07	8.13		

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


For Al Meezan Investment Management Limited
(Management Company)
Mohammad Shoab, CFA
Chief Executive


Syed Amir Ali
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 (UNAUDITED)

	For the six months period ended December 31, 2011				For the six months ended December 31, 2010
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
<i>Note</i>	------(Rupees in '000)-----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) / income	(9,589)	6,882	5,727	3,020	37,740
Adjustments for:					
Dividend income	(5,420)	-	-	(5,420)	(4,641)
Profit on sukuk certificates	-	(7,251)	(2,561)	(9,812)	(5,293)
Profit on savings accounts with banks	(803)	(1,975)	(3,518)	(6,296)	(5,406)
Profit on placements	-	-	-	-	(490)
Unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss	15,760	1,534	(2)	17,292	(19,906)
Element of loss / (income) and capital (gains) / losses included in prices of units issued less those in units redeemed	227	(518)	(233)	(524)	(2,204)
	175	(1,328)	(587)	(1,740)	(200)
(Increase) / decrease in assets					
Placements	-	-	-	-	6,000
Investments at fair value through profit or loss	(35,518)	(43,526)	(53,335)	(132,379)	(66,943)
	(35,518)	(43,526)	(53,335)	(132,379)	(60,943)
(Decrease) / increase in liabilities					
Payable against purchase of investments	-	-	-	-	(1,303)
Payable to Al Meezan - Pension Fund Manager	(111)	(110)	(145)	(366)	457
Payable to CDC - trustee of the Fund	4	5	2	11	9
Payable to SECP	(13)	(11)	(11)	(35)	(27)
Payable to auditors	9	8	9	26	31
Other liabilities	207	96	29	332	997
	96	(12)	(116)	(32)	164
Dividend received	6,023	-	-	6,023	5,038
Profit received on savings accounts with banks	651	1,225	3,291	5,167	4,240
Profit received on sukuk certificates	-	8,339	587	8,926	4,093
Profit received on placements	-	-	-	-	549
Net cash outflow from operating activities	(28,573)	(35,302)	(50,160)	(114,035)	(47,059)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	31,157	23,838	9,198	64,193	16,411
Payment against withdrawal	(2,178)	(3,865)	(1,476)	(7,519)	(4,732)
Net cash inflow from financing activities	28,979	19,973	7,722	56,674	11,679
Net cash inflow / (outflow) during the period	406	(15,329)	(42,438)	(57,361)	(35,380)
Cash and cash equivalents at the beginning of the period	15,492	22,931	43,541	81,964	97,628
Cash and cash equivalents at the end of the period	5 15,898	7,602	1,103	24,603	62,248

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Syed Amir Ali
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED DECEMBER 31, 2011 (UN-AUDITED)

	For the quarter ended December 31, 2011				For the quarter ended December 31, 2010
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note(Rupees in '000).....					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) / income	(11,640)	3,415	3,129	(5,096)	28,239
Adjustments for:					
Dividend income	(2,979)	-	-	(2,979)	(2,995)
Workers' Welfare Fund	-	-	-	-	(759)
Profit on sukuk certificates	-	(3,925)	(1,040)	(4,965)	(3,222)
Profit on savings accounts with banks	(457)	(1,186)	(2,007)	(3,650)	(2,282)
Profit on placements	-	-	-	-	(366)
Unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss	15,380	1,527	1	16,908	(17,404)
Element of loss / (income) and capital gains / (losses) included in prices of units issued less those in units redeemed	130	(450)	(208)	(528)	(942)
	434	(619)	(125)	(310)	269
(Increase) / decrease in assets					
Placements	-	-	-	-	(14,000)
Investments at fair value through profit or loss	(30,367)	(43,825)	(70,918)	(145,110)	(53,501)
	(30,367)	(43,825)	(70,918)	(145,110)	(67,501)
(Decrease) / increase in liabilities					
Payable to Al Meezan - Pension Fund Manager	(58)	(52)	(63)	(173)	275
Payable to CDC - trustee of the Fund	1	2	2	5	7
Payable to SECP	16	14	8	38	(51)
Payable to auditors	(29)	(29)	(29)	(87)	(77)
Other liabilities	180	91	24	295	1,724
	110	26	(58)	78	1,878
Dividend received	4,762	-	-	4,762	4,294
Profit received on savings accounts with banks	443	921	1,541	2,905	2,749
Profit received on sukuk certificates	-	5,781	(2,170)	3,611	286
Net cash outflow from operating activities	(24,618)	(37,716)	(71,730)	(134,064)	(58,025)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	21,559	18,084	7,248	46,891	7,937
Payment against withdrawal	(552)	(3,288)	(1,354)	(5,194)	(3,385)
Net cash inflow from financing activities	21,007	14,796	5,894	41,697	4,552
Net cash (outflow) during the period	(3,611)	(22,920)	(65,836)	(92,367)	(53,473)
Cash and cash equivalents at the beginning of the period	19,509	30,522	66,939	116,970	115,721
Cash and cash equivalents at the end of the period	5 15,898	7,602	1,103	24,603	62,248

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Syed Amir Ali
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2011 (UN-AUDITED)

	For the six months period ended December 31, 2011				For the six months ended December 31, 2010
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note	----- (Rupees in '000) -----				
Net assets at the beginning of the period	179,133	143,908	93,302	416,343	276,847
Amount received on issue of units (2011: Equity sub fund: 226,984 units; Debt sub fund: 160,779 units; Money market sub fund: 62,311 units) (2010: Equity sub fund: 66,579 units; Debt sub fund: 49,015 units; Money market sub fund: 17,952 units)	31,157	23,838	9,198	64,193	16,411
Amount paid on redemption of units (2011: Equity sub fund: 15,140 units; Debt sub fund: 25,857 units; Money market sub fund: 9,943 units) (2010: Equity sub fund: 22,217 units; Debt sub fund: 12,916 units; Money market sub fund: 3,662 units)	(2,178)	(3,865)	(1,476)	(7,519)	(4,732)
	28,979	19,973	7,722	56,674	11,679
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	227	(518)	(233)	(524)	(2,204)
Net income for the period	(9,589)	6,882	5,727	3,020	37,740
	(9,589)	6,882	5,727	3,020	37,740
Net assets at the end of the period	198,750	170,245	106,518	475,513	324,062

	For the quarter ended December 31, 2011				For the quarter ended December 31, 2010
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note	----- (Rupees in '000) -----				
Net assets at the beginning of the quarter	189,253	152,484	97,703	439,440	292,972
Amount received on issue of units (2011: Equity sub fund: 157,125 units; Debt sub fund: 121,513 units; Money market sub fund: 48,852 units) (2010: Equity sub fund: 36,225 units; Debt sub fund: 21,182 units; Money market sub fund: 5,945 units)	21,559	18,084	7,248	46,891	7,937
Amount paid on redemption of units (2011: Equity sub fund: 4,022; Debt sub fund: 22,071 units; Money market sub fund: 9,092 units) (2010: Equity sub fund: 15,584; Debt sub fund: 8,501 units; Money market sub fund: 2,101 units)	(552)	(3,288)	(1,354)	(5,194)	(3,385)
	21,007	14,796	5,894	41,697	4,552
Element of (income) / loss and capital (gains) / loss included in prices of units issued less those in units redeemed	130	(450)	(208)	(528)	(942)
Reversal of WWF	-	-	-	-	(759)
Net income for the quarter	(11,640)	3,415	3,129	(5,096)	28,239
	(11,640)	3,415	3,129	(5,096)	27,480
Net assets at the end of the quarter	198,750	170,245	106,518	475,513	324,062

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


For Al Meezan Investment Management Limited
(Management Company)
Mohammad Shoaib, CFA
Chief Executive


Syed Amir Ali
Director

CONDENSED INTERIM CONTRIBUTION TABLE FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2011 (UN-AUDITED)

Contributions net of front end fee received during the period	For the six months ended December 31, 2011							For the six months ended December 31, 2010 (Rupees in '000)
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total (Rupees in '000)	
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
Individuals - issue of units	226,984	31,157	160,779	23,838	62,311	9,198	64,193	16,411
Total	<u>226,984</u>	<u>31,157</u>	<u>160,779</u>	<u>23,838</u>	<u>62,311</u>	<u>9,198</u>	<u>64,193</u>	<u>16,411</u>

Contributions net of front end fee received during the period	For the quarter ended December 31, 2011							For the quarter ended December 31, 2010 (Rupees in '000)
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total (Rupees in '000)	
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
Individuals - issue of units	157,125	21,559	121,513	18,084	48,852	7,248	46,891	7,937
Total	<u>157,125</u>	<u>21,559</u>	<u>121,513</u>	<u>18,084</u>	<u>48,852</u>	<u>7,248</u>	<u>46,891</u>	<u>7,937</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


**For Al Meezan Investment Management Limited
(Management Company)**
Mohammad Shoaib, CFA
Chief Executive


Syed Amir Ali
Director

CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 (UN-AUDITED)

For the six months ended December 31, 2011			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
-----Number of units-----			
Total units outstanding at the beginning of the period	1,303,988	999,506	652,463
Add: Units issued during the period	226,984	160,779	62,311
Less: Units redeemed during the period	(15,140)	(25,857)	(9,943)
Total units in issue at the end of the period	1,515,832	1,134,428	704,831

For the six months ended December 31, 2010			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
-----Number of units-----			
Total units outstanding at the beginning of the period	1,028,569	758,549	576,499
Add: Units issued during the period	66,579	49,015	17,952
Less: Units redeemed during the period	(22,217)	(12,916)	(3,662)
Total units in issue at the end of the period	1,072,931	794,648	590,789

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


For Al Meezan Investment Management Limited
(Management Company)
Mohammad Shoab, CFA
Chief Executive



Syed Amir Ali
Director

CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE FOR THE QUARTER ENDED DECEMBER 31, 2011 (UN-AUDITED)

	For the quarter ended December 31, 2011		
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	-----Number of units-----		
Total units outstanding at the beginning of the period	1,362,730	1,034,986	665,071
Add: Units issued during the period	157,125	121,513	48,852
Less: Units redeemed during the period	(4,022)	(22,071)	(9,092)
Total units in issue at the end of the period	<u><u>1,515,833</u></u>	<u><u>1,134,428</u></u>	<u><u>704,831</u></u>

	For the quarter ended December 31, 2010		
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	-----Number of units-----		
Total units outstanding at the beginning of the period	1,052,290	781,967	588,005
Add: Units issued during the period	36,225	21,182	5,945
Less: Units redeemed during the period	(15,584)	(8,501)	(3,161)
Total units in issue at the end of the period	<u><u>1,072,931</u></u>	<u><u>794,648</u></u>	<u><u>590,789</u></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Mohammad Shoab, CFA
 Chief Executive

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


Syed Amir Ali
 Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 (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 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, Sharah-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 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 unlisted 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 interim condensed financial statements of the Fund for the six months period ended December 31, 2011 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, 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 and the said directives take precedence.

- 3.2 These condensed interim financial statements comprise of the condensed interim balance sheet as at December 31, 2011 and the condensed interim income statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of cash flows, condensed interim contribution table, condensed interim number of units in issue and notes thereto for the six months and quarter ended December 31, 2011. They do not include all the disclosures required for annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2011.
- 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, 2011 whereas the comparative condensed interim income statement, condensed interim statement of movement in participants' sub fund, condensed interim cash flow statement, condensed interim contribution table and condensed interim number of units in issue have been extracted from the financial statements for the six months and quarter ended December 31, 2010.
- 3.4 The condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2011 except as follows:

New and amended standards and interpretations

During the period, following amendments, interpretations and improvements to the accounting standards became effective:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instrument Disclosures - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments / improvements and interpretations does not have any effect on the financial statements.

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

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

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised calculation, element of income / (loss) and capital gains / (losses) included in price of units sold less those in units redeemed is arrived at by comparing closing NAV at the end of the financial year and recognised in the income statement except to the extent that the amount represented by unrealised appreciation / (diminution) arising during the period on available-for-sale securities is included in distribution statement. Previously, the Fund used to calculate element of income / (loss) and capital gain / (loss) included in price of units sold less those in units redeemed by comparing with the face value of units.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology, profit for the period and earnings per unit would have been higher as follows:

	Effect on profit for the period	Effect on earnings per unit
- Equity Sub Fund	7.92 million	7.38
- Debt Sub Fund	5.93 million	4.51
- Money Market Sub Fund	2.25 million	6.59

December 31, 2011				(Audited)
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	June 30, 2011

----- (Rupees in '000) -----

5. BANK BALANCES

Current accounts	292	-	-	292	219
Savings accounts (see note 5.1)	15,606	7,602	1,103	24,311	81,745
	<u>15,898</u>	<u>7,602</u>	<u>1,103</u>	<u>24,603</u>	<u>81,964</u>

5.1 The balances in savings accounts earn profit which ranges from 5.65% to 12.10% (June 30, 2011: 5.65% to 12.90%) per annum.

December 31, 2011				June 30, 2011
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	

------(Rupees in '000)-----

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Held-for-trading

- shares of listed companies	6.1	183,075	-	-	183,075	163,317
- sukuk certificates	6.2	-	156,000	99,000	255,000	155,500
		183,075	156,000	99,000	438,075	318,817

Investments designated at fair value through

profit or loss upon initial recognition	6.3	-	3,567	745	4,312	8,483
		183,075	159,567	99,745	442,387	327,300

6.1 'Held-for-trading' - shares of listed companies

Name of the investee company	As at July 1, 2011	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at December 31, 2011	Carrying value as at December 31, 2011	Market value as at December 31, 2011	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2 below)	Percentage of paid up capital of investee company
	Number of shares	Rs in '000	-----Number of shares-----	-----Rupees in '000-----							
Equity Sub Fund											
Automobile and parts											
Indus Motor Company Limited	20,846	4,809	991	-	-	25,655	5,577	5,260	(317)	2.65	0.03
Pak Suzuki Motor Company Limited	49,733	-	-	-	-	49,733	3,111	2,936	(175)	1.48	0.08
Agriauto Industries Limited (note 6.1.1)	25,000	-	-	-	-	25,000	1,737	1,438	(299)	0.72	0.08
Chemicals											
Fauji Fertilizer Bin Qasim Limited	33,669	184,000	8,633	-	97,669	120,000	5,539	5,092	(447)	2.56	0.01
Fauji Fertilizer Company Limited	111,458	12,000	1,834	-	-	123,458	18,591	18,462	(129)	9.29	0.02
ICI Pakistan Limited	92,101	-	-	-	3,200	88,901	13,500	10,692	(2,808)	5.38	0.06
Construction and materials											
Attock Cement Pakistan Limited	53,441	-	-	-	19,449	33,992	1,650	1,734	84	0.87	0.04
DG Khan Cement Company Limited	239,300	212,000	4,982	-	-	451,300	10,484	8,588	(1,896)	4.32	0.10
Lucky Cement Limited	149,700	84,000	6,544	-	33,000	200,700	14,770	15,061	291	7.58	0.06
Electricity											
Hub Power Company Limited	411,075	366,000	13,604	-	245,000	532,075	19,813	18,197	(1,616)	9.16	0.05
Fixed line telecommunication											
Pakistan Telecommunication Company Limited "A"	159,500	248,000	2,925	-	57,800	349,700	4,417	3,633	(784)	1.83	0.01
Food producers											
Unilever Pakistan Limited (note 6.1.1)	526	-	-	-	-	526	2,749	2,928	179	1.47	0.00

Name of the investee company	As at July 1, 2011	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at December 31, 2011	Carrying value as at December 31, 2011	Market value as at December 31, 2011	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2 below)	Percentage of paid up capital of investee company
	Number of shares		Rs in '000		Number of shares		Rupees in '000				
General industrials											
Packages Limited	71,851	29,000	2,400	-	-	100,851	10,304	8,342	(1,962)	4.20	0.12
Thal Limited (note 6.1.1)	44,808	-	-	8,961	-	53,769	4,527	4,398	(129)	2.21	0.07
Tri-Pack Films Limited	50,687	500	90	-	-	51,187	8,770	8,205	(565)	4.13	0.17
Oil and gas											
Oil and Gas Development											
Company Limited	90,500	13,400	1,949	-	-	103,900	15,794	15,753	(41)	7.93	0.00
Pakistan Oilfields Limited	45,650	3,500	1,295	-	-	49,150	17,684	17,028	(656)	8.57	0.02
Pakistan Petroleum Limited	70,363	26,441	4,985	7,936	3,500	101,240	18,894	17,041	(1,853)	8.57	0.00
Pakistan State Oil Company Limited	50,800	12,800	3,349	-	2,800	60,800	16,054	13,814	(2,240)	6.95	0.03
Attock Petroleum Limited	-	5,000	1,968	-	1,000	4,000	1,638	1,650	12	0.83	0.00
Pharma and bio tech											
Glaxo Smithkline Pakistan Limited	42,091	-	-	-	-	42,091	3,232	2,823	(409)	1.42	0.02
Total						<u>55,549</u>	<u>198,835</u>	<u>183,075</u>	<u>(15,760)</u>		

6.1.1 All shares have a nominal value of Rs.10 each except Thal Limited and Agriauto Industries Limited of Rs.5 each and Unilever Pakistan Limited having nominal value of Rs.50 each.

6.1.2 Net assets are as defined in rule 2(1)(m) of VPS Rules.

6.2 'Held for trading' - sukuk certificates

Name of the investee company	Maturity date	Profit rate per annum	As at July 1, 2011	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at December 31, 2011	Carrying value as at December 31, 2011	Market value as at December 31, 2011	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2)
			Number of certificates		Rupees in '000		Number of certificates		Rupees in '000			
Debt Sub Fund												
GoP - Ijara sukuk	September 17, 2012	13.21%	280	-	-	-	-	280	28,000	28,000	-	16.45
GoP - Ijara sukuk	November 15, 2013	11.79%	580	-	-	-	-	580	58,000	58,000	-	34.07
GoP - Ijara sukuk	December 20, 2013	11.87%	30	-	-	-	-	30	3,000	3,000	-	1.76
GoP - Ijara sukuk	March 07, 2014	13.28%	80	-	-	80	-	-	-	-	-	-
GoP - Ijara sukuk	May 16, 2014	11.79%	130	-	-	-	-	130	13,000	13,000	-	7.64
GoP - Ijara sukuk	December 26, 2014	11.94%	-	540	54,000	-	-	540	54,000	54,000	-	31.72
			<u>1,100</u>	<u>540</u>	<u>54,000</u>	<u>80</u>	<u>-</u>	<u>1,560</u>	<u>156,000</u>	<u>156,000</u>	<u>-</u>	
Money Market Sub Fund												
GoP - Ijara sukuk	September 25, 2011	14.06%	175	-	-	-	175	-	-	-	-	-
GoP - Ijara sukuk	November 15, 2013	11.79%	40	-	-	20	-	20	2,000	2,000	-	1.88
GoP - Ijara sukuk	March 07, 2014	13.28%	220	-	-	220	-	-	-	-	-	-
GoP - Ijara sukuk	May 16, 2014	11.79%	20	-	-	-	-	20	2,000	2,000	-	1.88
GoP - Ijara sukuk	September 17, 2012	11.94%	-	950	95,000	-	-	950	95,000	95,000	-	89.19
			<u>455</u>	<u>950</u>	<u>95,000</u>	<u>240</u>	<u>175</u>	<u>990</u>	<u>99,000</u>	<u>99,000</u>	<u>-</u>	

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

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

Name of the investee company	Maturity date	Profit rate per annum	As at July 1, 2011	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at December 31, 2011	Carrying value as at December 31, 2011	Market value as at December 31, 2011	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2)
			Number of certificates	Rupees in '000	Number of certificates	Rupees in '000	Number of certificates	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%	44	-	-	-	44	-	-	-	-	-
Eden Housing Limited (note 6.3.2)	April 02, 2013	6 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	1,091	1,091	-	0.64
Maple Leaf Cement Factory Limited (note 6.3.3)	December 03, 2018	3 months Kibor plus base rate of 1.0%	999	-	-	-	1	998	3,130	1,597	(1,533)	0.94
Maple Leaf Cement Factory Limited (note 6.3.3)	March 31, 2012	3 months Kibor plus base rate of 1.0%	38	-	-	-	-	38	137	134	(3)	0.08
Security Leasing Corporation Limited II (note 6.3.3)	March 19, 2014	3% on cash and 3% on actual basis	258	-	-	-	47	211	743	745	2	0.44
			<u>1,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92</u>	<u>1,747</u>	<u>5,101</u>	<u>3,567</u>	<u>(1,534)</u>	
Money Market Sub Fund												
Security Leasing Corporation Limited II (note 6.3.3)	March 19, 2014	3% on cash and 3% on actual basis	258	-	-	-	47	211	743	745	2	0.70
			<u>258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>211</u>	<u>743</u>	<u>745</u>	<u>2</u>	

6.3.1 The nominal value of the sukuk certificates is Rs.50,000 each.

6.3.2 The principal buy out reduces the face value per certificate instead of number of certificates. The face value of the sukuk certificates is Rs.3,141 each.

6.3.3 The nominal value of these sukuk certificates is Rs.5,000 each.

7. OTHER LIABILITIES

	December 31, 2011				June 30, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	(Rupees in '000)				
Payable on redemption of units	117	97	30	244	2
Charity payable	348	-	-	348	258
	<u>465</u>	<u>97</u>	<u>30</u>	<u>592</u>	<u>260</u>

8. CONTINGENCIES

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all pension funds under Voluntary Pension system (VPS) Rules, 2005 whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain VPS through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the VPS, which is pending adjudication. However, without prejudice to the above, the pension fund manager made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which states that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. No such notice was received by the Fund. Hence, the Management Company decided not to accrue WWF with effect from July 01, 2009 and the amount already booked amounting to Rs.0.759 million was reversed in the financial statements for the year period ended December 31, 2010.

On December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the current period, in August 2011, the Lahore High Court (LHC) has issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 are declared unconstitutional and therefore struck down.

Based on the above judgment of the LHC and the opinion of the legal counsel handling the case, the pension fund manager believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. The aggregate unrecognised amount of WWF as at December 31, 2011 amounted to Rs.2.392 million (June 30, 2011: Rs.2.333 million).

9. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED

Note	December 31, 2011				June 30, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	------(Rupees in '000)-----				
Remuneration payable (including sales tax on management fee) 9.1 & 9.2	278	239	151	668	484

9.1 During the current period, with effect from July 01, 2011, sales tax on management fee was levied through Sindh Sales Tax on Services Act, 2011.

9.2 The above amount includes amount payable in respect of sales tax on management fee amounting to Rs.92,000 (Equity sub fund Rs.38,000, Debt sub fund Rs.33,000 and Money Market sub fund Rs.21,000).

10. (LOSS) / EARNINGS PER UNIT - BASIC

	December 31, 2011			December 31, 2010		
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	------(Number of units)-----					
Units outstanding as at December 31, 2011	1,515,832	1,134,428	704,831	1,072,931	794,648	590,789

	December 31, 2011			December 31, 2011		
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	----- (Rupees in '000) -----					
Net (loss) / income for the six months ended December 31, 2011	(9,589)	6,882	5,727	27,553	5,807	4,380
Net (loss) / income for the quarter ended December 31, 2011	(11,640)	3,415	3,129	23,621	2,398	2,220
	----- (Rupees) -----					
(Loss)/Earnings per unit for the six months ended December 31, 2011 - basic	(6.33)	6.07	8.13	25.68	7.31	7.41
(Loss)/Earnings per unit for the quarter ended December 31, 2011 - basic	(7.68)	3.01	4.44	22.02	3.02	3.76

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the pension fund manager, CDC being the trustee, MBL being the shariah advisor of the Fund and the holding company of the pension fund manager, directors and officers of the pension fund manager, Meezan Islamic Fund, Meezan Islamic Income Fund, Al Meezan Mutual Fund, Meezan Balanced Fund, Meezan Capital Protected Fund-II, Meezan Cash Fund and Meezan Sovereign Fund being the funds under the common management 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 carried out in the normal course of business at contracted rates.

Details of transactions with connected persons and balances with them as of December 31, 2011 and for the year then ended are as follows:

	December 31, 2011				June 30, 2011
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	----- (Rupees in '000) -----				
Investment by:					
Al Meezan - pension fund manager					
(Equity sub fund: 500,000 units; debt sub fund: 500,000 units; money market sub fund: 500,000 units)	65,558	75,036	75,563	216,157	212,175
Directors and executives of the Pension Fund Manager					
As at December 31, 2011					
(Equity sub fund: 98,690 units; debt sub fund: 28,885 units, money market sub fund: 6,744 units)					
(June 30, 2011: Equity sub fund: 67,357 units; Debt sub fund: 20,325 units Money market sub fund: 4,270 units)	12,940	4,335	1,019	18,294	12,790
Units issued during the period					
(Equity sub fund: 30,261 units; debt sub fund: 9481 units, money market sub fund: 2,571 units)	4,104	1,399	373	5,875	2,216
Units reallocated during the period					
(Equity sub fund: 1,072 units; debt sub fund: (920) units, money market sub fund: 43 units)	144	(139)	(10)	(5)	(1)

December 31, 2011				Total	June 30, 2011
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total		

Al Meezan Investment Management Limited
Pension Fund Manager

(Rupees in '000)

Remuneration

Remuneration payable at the beginning of the period / year	206	166	112	484	1,330
Front-end fee at the beginning of the period	104	104	105	313	-
Formation cost payable at the beginning of the period	79	79	79	-	237
Remuneration for the period	1,405	1,163	744	3,312	2,254
Front-end fee for the period / year	-	-	-	-	1,141
	1,794	1,512	1,040	4,109	4,962
Amount paid during the period	(1,554)	(1,306)	(910)	(3,533)	(3,175)
Balance at the end of the period	240	206	130	576	1,787

Sales Tax on management fee

Sales tax payable at the beginning of the period	-	-	-	-	-
Sales tax for the period	226	185	119	530	-
	226	185	119	530	-
Amount paid during the period	(188)	(152)	(98)	(438)	-
Balance at the end of the period	38	33	21	92	-
Total payable at the end of the period	278	239	151	668	1,787

Meezan Bank Limited

Bank balances	4,445	1,189	86	5,720	353
Profit on bank balances	1	-	56	57	31

Central Depository Company Limited - trustee of the Fund

Balance at the beginning of the period / year	20	16	11	47	32
Remuneration for the period / year	143	117	75	335	225
CDS charges for the period / year	5	3	3	11	8
	168	136	89	393	265
Amount paid during the period / year	(144)	(115)	(76)	(335)	(224)
Balance at the end of the period / year	24	21	13	58	41

12. 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.

The Fund classifies fair value measurements of its investments using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

An analysis of the Fund's financial assets into relevant groupings is tabulated below:

	December 31, 2011 (Un-audited)		
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
Assets			
Financial assets 'held-for-trading'			
- Equity securities	183,075	-	-
- Debt securities	-	-	255,000
Financial assets designated at 'fair value through profit or loss at initial recognition'			
- Debt securities	-	1,624	2,688
	<u>183,075</u>	<u>1,624</u>	<u>257,688</u>

	June 30, 2011 (Audited)		
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
Assets			
Financial assets 'held-for-trading'			
- Equity securities	163,317	-	-
- Debt securities	-	-	155,500
Financial assets designated at 'fair value through profit or loss at initial recognition'			
- Debt securities	-	5,462	3,021
	<u>163,317</u>	<u>5,462</u>	<u>158,521</u>

During the six-month period ended December 31, 2011, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements except as follows:

	(Un-audited) December 31, 2011	(Audited) June 30, 2011
	(Rupees in '000)	
Opening balance	3,021	7,752
Transfers into / (from) level 3	107	(3,629)
Sales / redemptions	(330)	(186)
Gains and losses recognised in income statement	(110)	(916)
Closing balance	<u>2,688</u>	<u>3,021</u>

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 23, 2012 by the Board of Directors of the Pension Fund Manager.

14. GENERAL

14.1 Figures for the quarter ended December 31, 2011 and the corresponding figures for the quarter ended December 31, 2010 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

14.2 Figures have been rounded off to the nearest thousand rupees.



Mohammad Shoaib, CFA
Chief Executive

For Al Meezan Investment Management Limited
(Management Company)



Syed Amir Ali
Director