



Contents

Vision & Mission Statements	02
Fund Information	03
Directors' Report	04
Condensed Interim Statement of Assets and Liabilities	07
Condensed Interim Income Statement	08
Condensed Interim Distribution Statement	09
Condensed Interim Statement of Movement in Equity and Reserves Per Share	10
Condensed Interim Statement of Changes in Equity	11
Condensed Interim Cash Flow Statement	12
Notes to the Condensed Interim Financial Statements	13
Statement of Income & Expenditure of the Management Company in relation to the Fund	20

Our Vision

To set standards of best practices and performance for the industry through efficient asset allocation & security selection.

Our Mission

To be the leading mutual fund in the industry, outperforming the bench mark on a consistent basis, and providing shareholders with the best combination of current income and future growth on a risk adjusted basis.

FUND INFORMATION

BOARD OF DIRECTORS

Mr. Irfan Siddiqui
Mr. Mohammad Shoaib, CFA
Mr. Ariful Islam
Mr. Nabil Daudur Rahman
Mr. Muhammad Abdul Faisal Khan
Mr. Muhammad Asad
Syed Owais Wasti

Chairman
Chief Executive

AUDIT COMMITTEE

Mr. Ariful Islam
Mr. Nabil Daudur Rahman
Mr. Muhammad Abdul Faisal Khan

Chairman

CFO & COMPANY SECRETARY

Syed Owais Wasti

MANAGEMENT COMPANY

Al Meezan Investment Management Limited

AUDITORS

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

SHARIAH ADVISOR

Meezan Bank Limited

CUSTODIAN

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

BANKERS

AlBaraka Islamic Bank
Bank Alfalah Limited
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
Dawood Islamic Bank Limited
National Bank of Pakistan

REGISTERED OFFICE

Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan
Phone: (9221) 3563 0722-26, 111 MEEZAN
Fax: (9221) 3567 6143, 3563 0808
Web site: www.almeezangroup.com
E-mail: marketing@almeezangroup.com

SHARE REGISTRAR

THK Associates (Pvt.) Limited
Ground Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi 75530
P.O. Box No. 8533
Phone: (9221) 111-000-322
Fax: (9221) 3565 5595

DIRECTORS' REPORT

The Board of Directors of Al Meezan Mutual Fund Limited (AMMF) is pleased to present the un-audited financial statements of the company for the nine months ended March 31, 2010.

Economic Review

Pakistan has shown gradual recovery and improvement on the macroeconomic front in the first nine months of fiscal year 2010. Average year-on-year inflation during the period eased off to 11.28%, which averaged 23.03% during the same period last year. The release of funds from IMF and improved balance of trade numbers have provided a strong impetus to the economy. As a result, foreign exchange reserves increased from US\$ 11.9 billion in June 2009 to US\$ 14.94 billion at the end of March 2010. This helped in stabilizing Pak Rupee against US Dollar, which depreciated by 3.2% in the nine months of fiscal year compared to depreciation of 15% in the corresponding period last year. Moreover, remittance inflows made new records, with nine month figure totaling US\$ 6.55 billion, providing crucial support to the balance of payment situation.

On domestic front, tax collection for the period was approximately Rs. 903 billion, which helped Government of Pakistan limit its incremental borrowing from the State Bank to Rs. 64 billion at the end of March 2010 from Rs. 88 billion in the corresponding period last year. In view of declining inflation, State Bank reduced the policy rate by 150 basis points to 12.5% in November 2009. Moreover, to meet IMF requirements and to stabilize interest rates, the State Bank introduced an interest rate corridor, providing a reverse repo facility at 300 basis points below the repo rate. However, since inflation started to inch up from January 2010, State Bank has remained cautious in easing the monetary policy.

The gradual improvement in Pakistan's risk perception has resulted in the yield of Pakistan Eurobond, maturing in 2016, to drop below 8% for the first time since May 2008. Likewise, the spread on Pakistan's 5 year credit default swap has also eased off to 775 basis points from over 5000 basis points in late 2008.

Equity Market Review

The equity market continued to perform well in the nine months ended March 31, 2010 as KSE-100 Index appreciated by 42.1% or 3,016 points to close the period at 10,178. This is in sharp contrast to the same period last year when the equity market fell by 55.8%. Our benchmark KSE-Meezan Index appreciated by 44.9% during the same period. There was a reasonable increase in daily average volume to 171.6 million shares compared to mere 80.2 million shares during the corresponding period last year.

At the beginning of the financial year, uncertainty about the discount rate cut by the State Bank in the monetary policy statement and late release of IMF tranche caused some concern in the minds of investors and hence the market moved at slow pace. However, it quickly regained its momentum with the discount rate cut, disbursement of IMF tranche, continuous decline in inflation and foreign inflows.

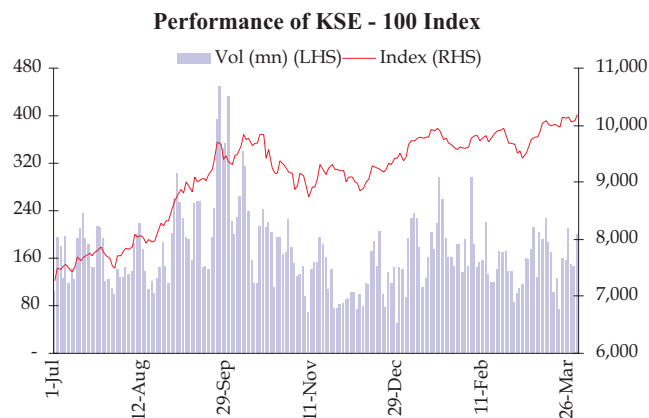
This momentum was arrested in mid October as uncertain law and order situation led to apprehension among investors. Also on the domestic political front, the uproar from different fronts relating to conditions attached to the Kerry Lugar Bill and controversy regarding National Reconciliation Ordinance (NRO) kept the market dull.

Later, investors welcomed the New Year with cautious note as uncertainty gripped the market on mechanism of capital gain tax and resignation of Mr. Shaukat Tarin as Finance Minister which kept the market in the dull phase with index hovering below 10,000 level and volume remained thin.

However, the lackluster behavior did not continue for long. Continuous inflow of foreign funds, improved law and order situation, appointment of Mr. Abdul Hafeez Shaikh as the Advisor to Prime Minister on Finance, coupled with improvements reported in macroeconomic indicators, such as workers' remittances and the continued reduction in the trade deficit, helped KSE 100 index to close above 10,000, for the first time since August 2008 (after 19 months). Another key factor behind the rally in the market was healthy corporate earnings from fertilizer, power and E&P sectors helping the market to close at 10,178 on March 31, 2010.

Foreign Flows

Imposition of the price floor and exclusion from the MSCI Emerging Markets index along with the global financial crisis caused a massive outflow (US\$446 million) of foreign portfolio investments from the equity market in calendar year 2008. However, eventually macro recovery and inclusion in MSCI Frontier Market Index in June 2009 encouraged offshore investors to return to Pakistan with a net inflow of US\$ 432 million in the nine months of fiscal year 2010. With interest rates in most developed countries hitting rock bottom and Pakistan's stock market trading at a significant discount to the regional markets, it seems that foreign investors have realized the growth potential in Pakistani market and foreign portfolio investment will continue to flow.



Performance Review

The KSE-Meezan Index (KMI-30) is the benchmark for Al Meezan Mutual Fund (AMMF). The Fund posted a return of 42.34% in the first nine months as compared to its benchmark which rose by 44.9%.

The performance of Al Meezan Mutual Fund improved considerably as the Fund recorded a total income of Rs. 480 million in the nine months of the fiscal year 2010, compared to a total loss of Rs. 637 million in the same period last year. The income comprised primarily of the realized gains on investments, which totalled to Rs. 213 million, and unrealized gains on investment of Rs. 177 million. Dividend Income contributed Rs. 82 million to the total figure. After adjusting for expenses worth Rs. 26 million, the net income of the fund aggregated to Rs. 454 million, which translates into net earnings of Rs. 3.30 per share. This is a complete turnaround from last year's performance when the fund incurred a net loss of Rs. 4.81 per share. The net assets of the fund showed a healthy gain of 29.5%, ending the period at an aggregate value of Rs. 1.52 billion, up from Rs. 1.17 billion at the end of June 2009. The fund has also approved an interim 10% cash dividend for its shareholders for the year ending June 30, 2010.

Outlook

After a turbulent 2008, Pakistan's economy has seen a steady turnaround in the year 2009, with most 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\$ 431 million has flowed into the stock market, reversing 18 months of capital flight. The significant build up of foreign exchange reserves has also improved confidence in country's ability in meeting its financial commitments.

The consensus achieved by Parliamentary Committee on Constitutional reforms to be included in the draft of 18th amendment to the Constitution will bode positively for the political situation in the country as well as stock market.

One of the major issues for the equity market is the introduction of margin financing product which is expected to be launched soon. The other major issue that investors will likely deal with is the introduction of capital gains tax on stocks in the next federal budget. Currently, Pakistan's stock market is trading at a P/E multiple of around 8, which is almost at a 45% discount to other regional markets. This makes KSE an attractive option for foreign investors, who are expected to continue their investment at the local bourse.

Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments and making it the largest Shariah Compliant asset management company in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, Custodian, Central Depository Company of Pakistan and management of Karachi Stock Exchange for their support. We would also 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: April 28, 2010
Karachi.**

**Mohammad Shoaib, CFA
Chief Executive**

**CONDENSED INTERIM STATEMENT
OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2010**

	(Unaudited) March 31, 2010	(Audited) June 30, 2009
Note	(Rupees in '000)	
Assets		
Balances with banks	32,605	35,681
Investments	5 1,478,534	1,122,298
Receivable against sale of investments	-	9,103
Dividend receivable	24,659	10,015
Advances, deposits, prepayments and other receivables	7,577	8,001
Total assets	1,543,375	1,185,098
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - management company of the fund	2,588	1,029
Payable to the Central Depository Company of Pakistan Limited (CDC) - custodian of the fund	57	46
Payable to the Securities and Exchange Commission of Pakistan (SECP)	1,025	1,243
Payable to Meezan Bank Limited (MBL)	-	434
Payable against purchase of investments	11,177	2,539
Accrued expenses and other liabilities	2,809	2,084
Unclaimed dividend	4,603	3,549
Total liabilities	22,259	10,924
Net assets	1,521,116	1,174,174
Shareholders' equity		
Authorised share capital 150,000,000 (June 30, 2009: 150,000,000) ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up share capital 137,539,986 (June 30, 2009: 137,539,986) ordinary shares of Rs. 10 each	1,375,400	1,375,400
Unappropriated income/ (loss)	91,668	(224,797)
Surplus on revaluation of investments	54,048	23,571
	1,521,116	1,174,174
Net assets value per share (Rupees)	11.06	8.54

The annexed notes 1 to 8 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010
(UNAUDITED)

	Nine months period ended March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
----- (Rupees in '000) -----				
Income				
Net realised gain/ (loss) on sale of investments	213,011	(263,345)	31,496	(243,703)
Dividend income	81,954	60,486	33,568	20,185
Profit on savings accounts with banks	7,062	3,690	2,289	1,196
	<u>302,027</u>	<u>(199,169)</u>	<u>67,353</u>	<u>(222,322)</u>
Unrealised gain/ (loss) on re-measurement of investments at fair value through profit or loss (net)	177,626	(466,115)	26,020	530,097
Gain on re-measurement of derivative financial instruments (net)	-	27,905	-	27,875
	<u>177,626</u>	<u>(438,210)</u>	<u>26,020</u>	<u>557,972</u>
Total income/ (loss)	<u>479,653</u>	<u>(637,379)</u>	<u>93,373</u>	<u>335,650</u>
Expenses				
Remuneration to Al Meezan - management company of the fund	21,571	19,523	7,280	5,275
Remuneration to CDC - custodian of the fund	594	467	191	122
Annual fee to SECP	1,025	966	346	255
Shariah advisory fee to MBL	-	184	-	58
Auditors' remuneration	470	409	134	90
Fees and subscription	95	95	31	31
Brokerage	1,099	853	125	611
Legal and professional charges	171	219	56	88
Bank and settlement charges	327	75	80	51
Printing expenses	296	130	238	122
Stamp duty	-	649	-	446
Advance tax written off	-	709	-	-
Total expenses	<u>25,648</u>	<u>24,279</u>	<u>8,481</u>	<u>7,149</u>
Net income/ (loss)	<u>454,005</u>	<u>(661,658)</u>	<u>84,892</u>	<u>328,501</u>
Other comprehensive income/ (loss) for the period				
Surplus/ (Deficit) on available for sale investments	36,150	(9,592)	45,891	19,795
Total comprehensive income/ (loss) for the period	<u>490,155</u>	<u>(671,250)</u>	<u>130,783</u>	<u>348,296</u>
Earnings/ (loss) per share - basic (Rupees)	<u>3.30</u>	<u>(4.81)</u>	<u>0.62</u>	<u>2.39</u>

The annexed notes 1 to 8 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

**CONDENSED INTERIM
DISTRIBUTION STATEMENT**
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Nine months period ended March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
	----- (Rupees in '000) -----			
(Loss) / unappropriated income brought forward	(224,797)	487,925	6,776	(639,774)
Less: Interim distribution in the form of cash dividend for the year ending June 30, 2010 @ 10 % (June 30, 2009: 10 %)	(137,540)	(137,540)	-	-
Net income/ (loss)	454,005	(661,658)	84,892	328,501
Unappropriated income/ (loss) carried forward	91,668	(311,273)	91,668	(311,273)

The annexed notes 1 to 8 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN EQUITY AND RESERVES PER SHARE
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Nine months period ended March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
----- (Rupees) -----				
Net assets value per share at the beginning of the period	8.54	13.86	10.15	5.45
Net realised gain/ (loss) on sale of investments	1.55	(1.91)	0.23	(1.77)
Dividend income	0.60	0.44	0.24	0.15
Profit on savings accounts with banks	0.05	0.03	0.02	0.01
Unrealised gain/ (loss) on re-measurement of investments at fair value through profit or loss (net)	1.29	(3.39)	0.19	3.85
Loss on re-measurement of derivative financial instruments (net)	-	0.20	-	0.20
Expenses	(0.19)	(0.18)	(0.07)	(0.05)
Net gain/ (loss) for the period (based on weighted average number of shares outstanding)	3.30	(4.81)	0.62	2.39
Dividend declared and paid	(1.00)	(1.00)	-	-
Other comprehensive income/ (loss) for the period	0.22	(0.07)	0.29	0.14
Net assets value per share at the end of the period	<u>11.06</u>	<u>7.98</u>	<u>11.06</u>	<u>7.98</u>

The annexed notes 1 to 8 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY**
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Share capital	Unappropriated profit	Surplus / (deficit) on revaluation of investments	Total
	----- (Rupees in '000) -----			
Balance as at July 1, 2008	1,375,400	487,925	43,091	1,906,416
Comprehensive income for the period				
Net loss for the six months period ended December 31, 2008		(990,159)	-	(990,159)
Other comprehensive income				
- Deficit on revaluation of available for sale investment		-	(29,387)	(29,387)
Total other comprehensive income			(29,387)	(29,387)
Total comprehensive loss for the six months period ended December 31, 2008		(990,159)	(29,387)	(29,387)
Final dividend for the year ended June 30, 2008		(137,540)	-	(137,540)
Total transactions with owners		(137,540)	-	(137,540)
Balance as at December 31, 2008	1,375,400	(639,774)	13,704	749,330
Comprehensive income for the period				
Net income for the six months period ended June 30, 2009		414,977	-	414,977
Other comprehensive income				
- Surplus on revaluation of available for sale investment		-	25,983	25,983
Surplus realised on available for sale investments transferred to income statement on disposal		-	(16,116)	(16,116)
Total other comprehensive income		-	9,867	9,867
Total comprehensive income for the six months period ended June 30, 2009	-	414,977	9,867	9,867
Balance as at June 30, 2009	1,375,400	(224,797)	23,571	1,174,174
Comprehensive income for the period				
Net income for the nine months period ended March 31, 2010		454,005	-	454,005
Other comprehensive income				
- Surplus on revaluation of available for sale investment		-	36,150	36,150
Surplus realised on available for sale investments transferred to income statement on disposal		-	(5,673)	(5,673)
Total other comprehensive income		-	30,477	30,477
Total comprehensive income for the nine months period ended March 31, 2010		454,005	30,477	30,477
Interim dividend for the year ending June 30, 2010		(137,540)	-	(137,540)
Total transactions with owners		(137,540)	-	(137,540)
Balance as at March 31, 2010	1,375,400	91,668	54,048	1,521,116

The annexed notes 1 to 8 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT**
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Nine months period ended March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income/ (loss) for the period	454,005	(661,658)	84,892	328,501
Adjustments for non-cash items				
Dividend income	(81,954)	(60,486)	(33,568)	(20,185)
Advance tax written off	-	709	-	-
Profit on savings accounts with banks	(7,062)	(3,690)	(2,289)	(1,196)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss (net)	(177,626)	466,115	(26,020)	(530,097)
Gain on re-measurement of derivative financial instruments (net)	-	(27,905)	-	(27,875)
Loss realised on sale of available for sale investments	-	-	(215)	-
	187,363	(286,915)	22,800	(250,852)
(Increase) / decrease in assets				
Investments	(148,133)	398,550	(93,502)	351,492
Receivable against sale of investments	9,103	(30,476)	7,107	(30,476)
Deposits, prepayments and other receivables	(97)	(508)	56	502
	(139,127)	367,566	(86,339)	321,518
Increase / (decrease) in liabilities				
Payable to Al Meezan - management company of the fund	1,559	(1,352)	212	(233)
Payable to CDC - custodian of the fund	11	(47)	1	(8)
Payable to SECP	(218)	(1,101)	346	255
Payable to MBL	(434)	183	-	57
Payable against purchase of investments	8,638	2,035	11,177	2,035
Accrued expenses and other liabilities	725	108	611	449
	10,281	(174)	12,347	2,555
Cash generated from / (used in) operations	58,517	80,477	(51,192)	73,221
Dividend received	67,310	64,274	21,458	12,895
Profit received on savings accounts with banks	7,583	5,678	4,355	944
Net cash inflow / (outflow) from operating activities	133,410	150,429	(25,379)	87,060
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(136,486)	(135,699)	(14,323)	(20,689)
Net cash (outflow) from financing activities	(136,486)	(135,699)	(14,323)	(20,689)
Net (decrease)/ increase in cash and cash equivalents during the period	(3,076)	14,730	(39,702)	66,371
Cash and cash equivalents at the beginning of the period	35,681	63,366	72,307	11,725
Cash and cash equivalents at the end of the period	32,605	78,096	32,605	78,096

The annexed notes 1 to 8 form an integral part of this condensed interim financial report.

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

Chief Executive

Director

**NOTES TO THE CONDENSED
INTERIM FINANCIAL REPORT**
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Meezan Mutual Fund Limited (the Fund) was incorporated in Pakistan on July 13, 1995 as a public limited company under the Companies Ordinance, 1984 (the Ordinance) having its registered office at Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The Fund is listed on the Karachi Stock Exchange.
- 1.2 The Fund is registered as an 'investment company' under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) vide License no. NBFC -II\11 AMMFL-IC-04\05 issued by the SECP.
- 1.3 The Fund has an agreement with Al Meezan, an associated undertaking, to provide asset management services.
- 1.4 The objective of the Fund is to carry on the business of a closed-end mutual fund and to invest its assets in securities, which are listed or proposed to be listed on the stock exchanges.

2. BASIS OF MEASUREMENT

The transaction 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

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

Wherever, the requirements of the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules, the NBFC Regulations or the said directives differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the said directives take precedence. The disclosures made in this condensed interim financial report have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2009 except for the change in accounting policy as referred to in note 4.1 below:

4.1 Change in accounting policy

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present one performance statement. As a result non-owner changes in equity which were previously credited directly in the statement of movement in shareholders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as income statement in this condensed interim financial report). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented.

	Note	March 31, 2010	June 30, 2009
		(Rupees in '000)	
5 INVESTMENTS			
Investments - available for sale	5.1	707,507	30,113
Investments - held for trading	5.2	771,027	1,092,185
		<u>1,478,534</u>	<u>1,122,298</u>

	Note	March 31, 2010	June 30, 2009
		(Rupees in '000)	
5.1 INVESTMENTS - AVAILABLE FOR SALE			
Shares of listed companies	5.1	<u>707,507</u>	<u>30,113</u>

5.1.1 Shares of listed companies/ banks - available for sale

Name of the investee company	As at July 1, 2009	Purchase during the period	Bonus issue	Sales during the period	As at March 31, 2010	Carrying value as at March 31, 2010	Market value as at March 31, 2010	Unrealised gain/ (loss) as at March 31, 2010	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.2.3 below)	Paid-up capital of investee company (with face value of investments)	Total market value
----- Number of shares -----						----- Rupees in '000 -----					
Sector / companies											
Commercial Banks											
Meezan Bank Limited	-	188,522	9,426	-	197,948	3,171	3,430	259	0.23	0.03	0.23
Cement											
Lucky Cement Company Limited	-	468,166	-	0.000	468,166	33,054	38,057	5,003	2.50	0.14	2.57
Refinery											
National Refinery limited	-	42,000	-	-	42,000	7,547	7,580	33	0.50	0.05	0.51
Power generation & distribution											
The Hub Power Company Limited	-	320,000	-	0.000	320,000	10,047	10,966	919	0.72	0.03	0.74
Oil and gas marketing company											
Pakistan State Oil Company Limited	1,043	596,500	-	66,200.00	531,343	177,562	164,605	(12,957)	10.82	0.31	11.13
Oil & gas exploration companies											
Oil & Gas Development Company Limited	-	285,000	-	-	285,000	32,392	37,010	4,618	2.43	0.01	2.50
Pakistan Oilfields Limited	-	257,000	-	-	257,000	55,154	60,097	4,943	3.95	0.11	4.06
Pakistan Petroleum Limited	-	353,815	13,000	-	366,815	70,310	71,683	1,373	4.71	0.04	4.85
									11.09	0.16	11.41
Automobile parts & accessories											
Agriauto Industries Limited (note 5.2.2)	-	700,000	-	-	700,000	46,690	44,800	(1,890)	2.95	2.43	3.03
Technology & communication											
Pakistan Telecommunication Company Limited "A"	-	150,000	-	-	150,000	2,794	3,152	358	0.21	0.00	0.21
Fertilizer											
Fauji Fertilizer Company Limited	343,769	1,600,000	-	-	1,943,769	189,957	213,212	23,255	14.00	0.29	14.42
Fauji Fertilizer Bin Qasim Limited	-	1,444,000	-	-	1,444,000	34,883	45,963	11,080	3.02	0.15	3.11
									17.02	0.44	17.53
Paper & Board											
Packages Limited	-	5,869	-	-	5,869	1,005	763	(242)	0.05	0.01	0.05
Miscellaneous											
Tri-Pack Films Limited	-	60,000	-	-	60,000	6,791	6,189	(602)	0.41	0.20	0.42
						<u>671,357</u>	<u>707,507</u>	<u>36,150</u>			
Total cost of investments - available for sale											<u>677,264</u>

Note **March 31, 2010** **June 30, 2009**
(Rupees in '000)

5.2 INVESTMENTS - HELD FOR TRADING

Shares of listed companies 5.2 771,027 1,092,185

5.2.1 Shares of listed companies/ banks - held for trading

Name of the investee company	As at July 1, 2009	Purchase during the period	Bonus issue	Sales during the period	As at March 31, 2010	Carrying value as at March 31, 2010	Market value as at March 31, 2010	Unrealised gain/ (loss) as at March 31, 2010	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.2.3 below)	Paid-up capital of investee company (with face value of investments)	Total market value
					----- Number of shares -----			----- Rupees in '000 -----			
Commercial banks											
Meezan Bank Limited (an associate of the fund)	1,978,707	-	90,385	171,000	1,898,092	19,885	32,894	13,009	2.16	0.27	2.22
Textile composite											
Nishat Mills Limited	264,255	240,000	-	504,255	-	-	-	-	0.00	0.00	0.00
Jute											
Thal Limited (note 5.2.2)	223,300	1,000	44,660	1,000	267,960	17,317	21,702	4,385	1.43	0.52	1.47
Cement											
Attock Cement Company Limited	191,600	-	38,020	94,315	135,305	7,918	9,619	1,701	0.63	0.16	0.65
Lucky Cement Limited	505,700	285,690	-	388,200	403,190	25,190	32,775	7,585	2.15	0.12	2.22
D G Khan Cement Company Limited	720	-	-	720	-	-	-	-	0.00	0.00	0.00
									2.79	0.28	2.87
Power generation & distribution											
The Hub Power Company Limited	3,186,000	102,760	-	-	3,288,760	89,391	112,706	23,315	7.41	0.28	7.62
Oil & gas marketing companies											
Pakistan State Oil Company Limited	331,300	71,000	-	402,300	-	-	-	-	0.00	0.00	0.00
Sui Northern Gas Pipelines Limited	232,200	-	-	232,200	-	-	-	-	0.00	0.00	0.00
									0.00	0.00	0.00
Oil & gas exploration companies											
Oil & Gas Development Company Limited	1,687,300	107,000	-	1,200,676	593,624	47,125	77,088	29,963	5.07	0.01	5.21
Pakistan Oilfields Limited	553,500	188,951	-	280,500	461,951	73,438	108,023	34,585	7.10	0.20	7.31
Pakistan Petroleum Limited	556,071	49,500	110,954	226,800	489,725	76,617	95,702	19,085	6.29	0.05	6.47
									18.46	0.26	18.99
Automobile assembler											
Indus Motor Company Limited	196,092	-	-	38,350	157,742	16,992	32,834	15,842	2.16	0.20	2.22
Pak Suzuki Motor Company Limited	185,980	-	-	40,000	145,980	9,912	11,616	1,704	0.76	0.18	0.79
									2.92	0.38	3.01
Automobile parts & accessories											
Agriauto Industries Limited (note 5.2.2)	708,960	-	-	700,000	8,960	293	574	281	0.04	0.03	0.04
Technology & communication											
Pakistan Telecommunication Company Limited "A"	4,126,200	-	-	1,520,000	2,606,200	44,931	54,756	9,825	3.60	0.07	3.70

Name of the investee company	As at July 1, 2009	Purchase during the period	Bonus issue	Sales during the period	As at March 31, 2010	Carrying value as at March 31, 2010	Market value as at March 31, 2010	Unrealised gain (loss) as at March 31, 2010	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.2.3 below)	Paid-up capital of investee company (with face value of investments)	Total market value
----- Number of shares -----						----- Rupees in '000 -----					
Fertilizer											
Engro Chemical Pakistan Limited	526,393	-	-	526,393	-	-	-	-	0.00	0.00	0.00
Fauji Fertilizer Company Limited	1,278,227	381,190	-	1,600,000	59,417	5,241	6,518	1,277	0.43	0.01	0.44
Fauji Fertilizer Bin Qasim Limited	2,870,500	298,061	-	1,765,000	1,403,561	25,026	44,675	19,649	2.94	0.15	3.02
									3.37	0.16	3.46
Pharmaceutical											
Glaxo SmithKline (Pakistan) Limited	43,906	-	-	-	43,906	5,260	4,259	(1,001)	0.28	0.03	0.29
Chemicals											
ICI Pakistan Limited	416,600	-	-	43,000	373,600	52,397	60,568	8,171	3.98	0.27	4.10
Sitara Chemical Industries Limited	62,460	-	-	62,460	-	-	-	-	0.00	0.00	0.00
									3.98	0.27	4.10
Paper & Board											
Packages Limited	488,987	-	-	43,000	445,987	70,038	57,978	(12,060)	3.81	0.53	3.92
Glass & Ceramics											
Ghani Glass Limited	36,922	-	3,692	-	40,614	2,105	2,274	169	0.15	0.04	0.15
Miscellaneous											
Tri-Pack Films Limited	68,300	-	-	25,000	43,300	4,325	4,466	141	0.29	0.14	0.30
						593,401	771,027	177,626			

Total cost of investments - held for trading

728,297

5.2.2 All shares have a nominal value of Rs 10 each except for shares of Agriauto Industries Limited & Thal Limited which have a face value of Rs 5 each.

5.2.3 Net assets are as defined in Regulation 66 of NBFC Regulations, 2008.

5.2.4 190,000 shares of Oil & Gas Development Company Limited having market value of Rs 24.673 million (June 30, 2009: 14.942 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited (NCCPL) against exposure margins and mark-to-market losses.

6. CONTINGENCIES

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it can be constructed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year may have been brought within the purview and scope of the WWF Ordinance,

thus rendering them liable to pay two percent of their total income (as defined in section 4 of the Workers' Welfare Fund Ordinance, 1971). However, during the period the Mutual Funds Association of Pakistan (MUFAP), of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that CIS are not liable to pay contribution to the WWF on the grounds that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.

The Management Company based on the advice of the MUFAP's legal counsel, is confident of a favorable decision and accordingly no provision for the aforementioned liability which has an impact of Rs 0.07 per share as of March 31, 2010 has been made in this condensed interim financial report.

There were no other contingencies and commitments outstanding as at March 31, 2010 and June 30, 2009.

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

	March 31, 2010	June 30, 2010
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration payable	<u>2,588</u>	<u>1,029</u>
Investment of 23,205,692 shares (June 30, 2009: 23,205,692 shares)	<u>143,875</u>	<u>120,670</u>
Meezan Islamic Fund		
Investment of 19,570,700 shares (June 30, 2009: 19,570,700 shares)	<u>121,338</u>	<u>101,768</u>
MBL		
Balances with bank	<u>1,973</u>	<u>1,928</u>
Shariah advisory fee payable	<u>-</u>	<u>434</u>
Investment of 5,561,607 shares (June 30, 2009: 5,561,607 shares)	<u>34,482</u>	<u>28,920</u>
Investment in 2,096,040 shares (June 30, 2009: 1,978,707 shares)	<u>36,324</u>	<u>21,766</u>
CDC - custodian of the Fund		
Deposits	<u>138</u>	<u>138</u>
Remuneration payable	<u>57</u>	<u>46</u>
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 shares (June 30, 2009: 16,895,690 shares)	<u>104,753</u>	<u>87,858</u>
Directors and officers		
Investment of 372,878 shares (June 30, 2009: 356,878 shares)	<u>2,312</u>	<u>1,858</u>

	Nine months period ended March 31,	
	2010	2009
	(Rupees in '000)	
Al Meezan - management company of the Fund		
Remuneration for the period	<u>21,571</u>	<u>19,523</u>
Dividend for the period	<u>23,206</u>	<u>23,206</u>
Meezan Islamic Fund		
Dividend for the period	<u>19,571</u>	<u>19,571</u>
MBL		
Profit on deposit accounts with bank	<u>3</u>	<u>1</u>
Shariah advisory fee for the period	<u>-</u>	<u>184</u>
Shares purchased during the period : 188,522 shares (March 31, 2009: nil shares)	<u>3,171</u>	<u>-</u>
Shares sold during the period : 171,000 shares (March 31, 2009: nil shares)	<u>2,944</u>	<u>-</u>
Dividend for the period	<u>5,562</u>	<u>5,562</u>
CDC - custodian of the Fund		
Charges for the period	<u>594</u>	<u>467</u>
Pakistan Kuwait Investment Company (Private) Limited		
Dividend for the period	<u>16,896</u>	<u>16,896</u>
Directors and officers		
Shares purchase during the period : 16,000 shares (March 31, 2009: nil shares)	<u>106</u>	<u>-</u>
Dividend for the period	<u>373</u>	<u>349</u>

8. DATE OF AUTHORISATION

This condensed interim financial report was authorised for issue on April 28, 2010 by the board of directors of the fund.

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

Chief Executive

Director

**STATEMENT OF THE INCOME & EXPENDITURE OF
THE MANAGEMENT COMPANY IN RELATION TO THE FUND
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

**March 31,
2010 2009
(Rupees in '000)**

INCOME

Remuneration from Al Meezan Mutual Fund Limited	21,571	19,523
Dividend income	23,206	23,206
	44,777	42,729

OPERATING EXPENSES

Salaries and other benefits	7,107	3,555
Motor vehicle running expenses	133	130
Fees and subscription	150	148
Insurance expense	56	20
Printing and stationery	70	153
Communication	438	209
Depreciation	460	560
Travelling and conveyance	52	56
Entertainment	22	11
Legal and professional charges	262	246
Repair and maintenance	36	21
Office supplies	50	33
Training and development	18	44
Rent, rates and taxes	466	479
Utilities	62	79
Shariah advisory fee	188	0
Miscellaneous expenses	13	22
	9,583	5,766
OPERATING PROFIT	35,194	36,963

Note : Other revenue and expenditure not related to the Fund has not been included in the above statement.