



AI Meezan Investment Management Limited

MKT/FMR/02/11

September 06, 2010

Dear Investor,

Eid Mubarak to you and your family! May Almighty Allah accept your prayers, bestow His blessings and fill your life with prosperity, success, happiness and peace.

We are pleased to inform you that the Board of Directors of AI Meezan Mutual Fund Limited and AI Meezan Investment Management Limited declared final cash dividend @ 8.5% i.e., Rs. 0.85 per share for AI Meezan Mutual Fund Limited (AMMF) and 5.5% i.e., Rs. 0.55 per certificate for Meezan Balanced Fund (MBF). These dividends are in addition to interim cash dividend of Rs.1.00 each per share / certificate announced for both the funds earlier during the year.

Meezan Islamic Fund (MIF), the largest open end equity fund in private sector with net assets of Rs. 4 billion, has posted the highest return of 31% in the Shariah compliant equity fund category and the second highest return amongst all equity funds for the FY 2010. AI Meezan Mutual Fund (AMMF), with a track record of 14 years and a history of paying consistent dividends has posted the highest return of 31.23% in the Shariah compliant closed end equity fund category for the FY 2010. Similarly, Meezan Capital Protected Fund-I (MCPF-I) and Meezan Tahaffuz Pension Fund (MTPF) have also posted the highest returns for the year of 14% and 32% respectively in the capital protected and pension fund categories for the same period.

AI Meezan is committed to provide best possible services for your convenience. In this respect, we are pleased to announce the forthcoming launch of new facilities i.e., Internet Banking and ATM services. These facilities will be available for the common investors of AI Meezan and Meezan Bank. By registering your investment account at AI Meezan with MBL Internet Banking facility and ATM card, you will be able to perform paperless investment, redemption and conversion transactions directly from the website of MBL and would be able to immediately redeem your funds through ATM card. The Internet Banking facility will provide you the convenience of accessing your account globally at any time, while redemption through MBL's ATM card will fulfill your immediate cash requirements. These facilities will be available to you soon. Please keep visiting our website at www.almeezangroup.com for further updates in this regard.

In order to find out about your preference to receive the FMR via email or courier, we have sent you FMR Subscription forms. From this month, investors will receive the FMR as per their instructions. Investors, who have not submitted their instructions form as yet, are requested to submit it at their earliest. Please ignore this if you have already submitted the form. We look forward to your cooperation in this regard.

Fund Managers' Report for the month of August 2010 is enclosed for your review and record.

Yours truly,

Muhammad Anas Rehan
AVP Marketing

Al Meezan Investment Management Limited

10/10/FMR/MKT

06 ستمبر 2010ء

معزز انویسٹرز،

آپ کو اور آپ کے اہل خانہ کو المیزان کی جانب سے عید مبارک ہو۔ اللہ سبحانہ تعالیٰ آپ کی عبادات کو قبول فرمائے، اپنی نعمتوں سے نوازے اور آپ کو خوشحالی، کامیابی اور امن و چین عطا فرمائے۔

ہم یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ المیزان میوچل فنڈ لمیٹڈ اور المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے المیزان میوچل فنڈ لمیٹڈ (AMMF) میں 8.5 فیصد کے حساب سے 0.85 روپے فی شیئر کا اور المیزان بیلسڈ فنڈ (MBF) میں 5.5 فیصد کے حساب سے 0.55 روپے فی سٹریٹجک کے فائل کیش ڈیویڈنڈ کا اعلان کیا ہے۔ یہ ڈیویڈنڈ اس سال کے دوران دونوں فنڈز میں دیے جانے والے 1 روپے فی شیئر اسٹریٹجک انڈر کم کیش ڈیویڈنڈ کے علاوہ ہے۔

میزان اسلامک فنڈ (MIF) 4 روپے کے کل اثاثہ جات کے ساتھ پرائیوٹ سکیمز میں سب سے بڑا اوپن اینڈ ایکویٹی فنڈ ہے۔ شرعی اصولوں کے مطابق چلنے والے اوپن اینڈ ایکویٹی فنڈز کی کیٹیگری میں MIF مئی 2010 کے اختتام پر 31% منافع کے ساتھ سرفہرست رہا۔ جبکہ تمام ایکویٹی فنڈز میں دوسرے نمبر پر ہے۔ المیزان میوچل فنڈ (AMMF)، اپنی 14 سالہ کارکردگی اور مستقل ڈیویڈنڈ کی ادائیگی کا ریکارڈ رکھتے ہوئے، شرعی اصولوں کے مطابق چلنے والے لیکوڈ اینڈ ایکویٹی فنڈز کی کیٹیگری میں گزشتہ مئی سال میں 31.23% منافع کے ساتھ سرفہرست رہا۔ مزید برآں گزشتہ مئی سال میں، میزان کیٹیوئل پروڈیکٹڈ فنڈ (MCPF-I) اور میزان تحفظ منیجمنٹ فنڈ (MTPF) بھی بالترتیب 14% اور 32% منافع کے ساتھ کیٹیوئل پروڈیکٹڈ اور منیجمنٹ فنڈ کیٹیگریز میں سرفہرست رہے۔

المیزان آپ کی سہولت کے لیے بہترین ممکنہ سروسز کی فراہمی کے لیے کوشاں ہے۔ اس سلسلے میں ہم آپ کو یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ المیزان آپ کے لیے عنقریب دو نئی سہولتوں یعنی انٹرنیٹ بینکنگ اور ATM سروسز کا آغاز کرنے جا رہا ہے۔ یہ سہولتیں المیزان اور میزان بینک کے مشترکہ انویسٹرز کو میسر ہوگی۔ آپ اپنا المیزان کا انویسٹمنٹ اکاؤنٹ، میزان بینک کی انٹرنیٹ بینکنگ اور ATM کارڈ کے ساتھ رجسٹر کرا کے میزان بینک کی ویب سائٹ سے براہ راست انویسٹمنٹ، ریڈیمپشن اور کنورژن کی ٹرانزیکشنز اور ATM کارڈ کے ذریعہ فوری کیش حاصل کر سکیں گے۔ انٹرنیٹ بینکنگ کی بدولت آپ با آسانی دنیا بھر میں کسی بھی وقت اپنے اکاؤنٹ تک رسائی حاصل کر سکیں گے۔ آپ سے گزارش ہے کہ اس سلسلے میں صورت حال سے آگاہ رہنے کے لیے ہماری ویب سائٹ www.almeezangroup.com وزٹ کرتے رہیں۔

FMR بذریعہ email یا ڈاک وصول کرنے سے متعلق آپ کی خواہش جاننے کے لیے ہم نے آپ کو FMR سوسلر پیش فارم بھجوائے تھے۔ اس مہینے سے انویسٹرز کو FMR فارم میں درج ہدایت کے مطابق وصول ہوئی ہے۔ وہ انویسٹرز جنہوں نے اب تک یہ فارم جمع نہیں کرایا ہمارے مہربانی جلد از جلد جمع کرا دیں بصورت دیگر اس پیغام کو نظر انداز کریں۔ اس سلسلے میں ہم آپ کے بیش قیمت تعاون کے متنبی ہیں۔

ماہ اگست 2010ء کی فنڈ مینجمنٹ رپورٹ آپ کی معلومات اور ریکارڈ کے لیے پیش ہے۔

آپ کا مخلص



Al Meezan Investment Management Limited

Al Meezan Investments, the company in operation since 1995, has one of the longest track records of managing mutual funds in the private sector in Pakistan. Al Meezan Investments manages eight mutual funds; namely Al Meezan Mutual Fund, Meezan Balanced Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund – I, Meezan Cash Fund and Meezan Sovereign Fund. To cater to demand of its valued investors, Al Meezan launched Pakistan's first Shariah compliant Government securities fund – Meezan Sovereign Fund this year.

The total funds under management of Al Meezan, the only full fledged Shariah compliant asset management company in Pakistan, have reached Rs. 18.6 billion as on August 31, 2010. With AM2 rating which denotes high management quality, the company clearly stays well ahead of all its competitors in the Islamic asset management market in Pakistan.

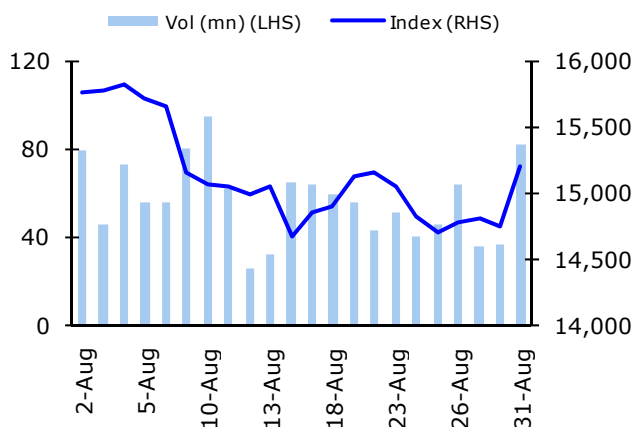
Stock Market Review

The month of August witnessed one of the thinnest volumes in the last decade with the average daily volumes declining to 57 million shares as compared to 68 million shares in July 2010. The KSE-100 index shed 705 points (6.7%) to close at 9,813.

The activity during the month was marred initially by the unexpected 50 bps increase in the discount rate and later on by the devastating floods in the country. The loss estimates due to floods are massive but actual values will take time to come. Investors are also tracking the international commitments and relief efforts. To give some breather to the country, the international rating agencies (S&P and Moody's) indicated that the Pakistan's current rating would remain intact and foreign flows will be a key determinant in future. Although the corporate results were mostly in line/better than the expectations, that did not help to generate any local interest in the market. Nonetheless, the foreigners remained net buyers in the market with net foreign inflow of US \$ 41 million

The month ended with KSE-100 posting its best day with index increasing by 3.1% on a single day on the back of the news that SECP has called a meeting with KSE directors and stakeholders to discuss the leverage product.

KSE-100 Index Performance

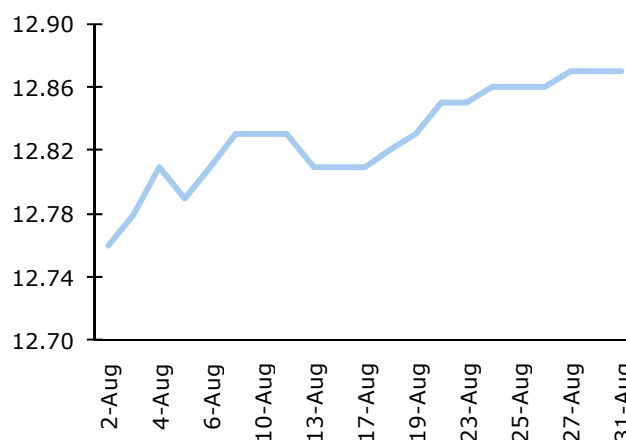


Money Market Review

During the month, money market was highly illiquid with overnight call and repo rates remaining on the higher side and went up to 13%. Banks borrowed Rs. 82 billion from State Bank of Pakistan (SBP) through discounting window at 13%. To normalize the rates, the State Bank regularly conducted OMOs and injected Rs. 183 billion at weighted average rate of 12.34%. During the month, State Bank also conducted two T-Bill auctions and accepted Rs.199 billion against total bid of Rs. 310 billion. The target of the auctions was Rs. 200 billion against maturity of Rs. 208 billion. Since SBP last month raised discount rate by 50 bps, the cut off yield of six-month paper during August increased by 56 bps to close at 12.66%. SBP had also conducted PIB auction but scrapped all bids. In line with increase in discount rate, six month KIBOR also increased by 45 bps and closed at 12.87% in August.

On the forex front rupee remained stable against dollar and appreciated by Rs. 0.07 to close at Rs. 85.63 to a dollar in the interbank market.

6 Month KIBOR



Disclaimer

This report has been prepared by Al Meezan Investments for information purposes only. Reasonable care has been taken in the preparation of the report. However, Al Meezan Investments nor any of its employees or affiliated entities takes any responsibility for any loss that may be incurred by any user of this report.

INVESTMENT OBJECTIVE

To maximize total investor returns by investing in Shariah Compliant equities focusing on both capital gains and dividend income.

Funds Details

| | |
|---------------------------------------|---|
| Fund Type: | Open End |
| Risk Level | High |
| Launch Date | 8th Aug 2003 |
| Trustee | CDC |
| Auditors | A.F. Ferguson & Co. |
| Registrar | Meezan Bank Ltd. |
| Unit Types | A, B and C |
| Management Fee | 2% |
| Front End Load | 2% |
| Fund Category | Equity |
| Back End Load | Nil |
| Benchmark | KMI-30 |
| Leverage | Nil |
| Listing | KSE |
| AMC Rating | AM2 |
| Pricing Mechanism | Forward |
| Valuation Days | Mon-Fri |
| Subscription/ Redemption Days | Mon-Fri 9am – 3pm |
| Fund Manager | Muhammad Asad |
| Members of Investment Committee | M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed Ayesha Irfan M. Ali, CFA, FRM |

Fund Assets:

| | Jul '10 | Aug '10 | MoM % |
|-------------------------|------------|------------|----------|
| Net Assets (Rs mn) | 4,341 | 4,062 | -6.4% |
| NAV Per Unit (Rs) | 40.60 | 38.65 | -4.8% |
| % held in Securities | 92.2 | 92.7 | |
| % held as Cash | 7.8 | 7.3 | |

Risk Measures – August '10

| | Standard Deviation | Sharpe Ratio |
|---------------|-----------------------|-----------------|
| MIF | 1.22 | -0.21 |
| KSE-100 index | 1.36 | -0.25 |
| KMI-30 Index | 1.34 | -0.19 |

KMI-30 replaced DJIIMPK as the Fund's benchmark in FY10 while KSE-100 index remained as the benchmark till FY06

Performance

Cumulative Returns

| | 1M | 3M | 6M | FYTD | 1Yr | 3Yr | 5Yr | PSD** |
|------------|-----|----|-------|------|-----|-----|-----|-------|
| MIF | -5% | 5% | 0.02% | 4% | 13% | 4% | 50% | 179% |
| Benchmark# | -5% | 6% | 6% | 4% | 18% | 3% | 28% | 100% |

** Performance start date of August 08, 2003,

Annual Returns

| | FY10 | FY09 | FY08 | FY07 | FY06 | FY05 | FY04 |
|------------|------|------|-------|------|------|------|------|
| MIF | 31% | -30% | 0.27% | 29% | 30% | 40% | 24%* |
| Benchmark# | 37% | -35% | -1% | 17% | 25% | 22% | 26%* |

* Return from inception date

Fund Review

Net assets of Meezan Islamic Fund as at August 31, 2010 stood at Rs. 4.1 billion. The fund's NAV decreased by 4.8% during the period under review against a decline of 5% in the benchmark index (KMI-30) while KSE-100 Index, during the same period decreased by 6.7%.

Since the market is trading at attractive multiples, we hold a positive view on the market. As on August 31, the fund was 93% invested in equities.

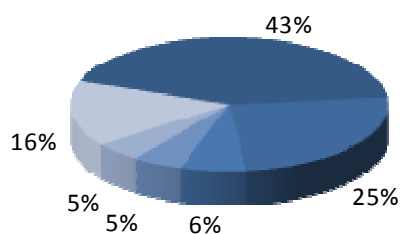
Portfolio

Top Ten Holdings

Company Name(in alphabetical order)

| | |
|---------------------------------------|------------------------------|
| Fauji Fertilizer Company Limited | Chemicals |
| Pakistan Petroleum Limited | Oil & Gas |
| Pakistan Oilfields Limited | Oil & Gas |
| Pakistan State Oil Company Limited | Oil & Gas |
| Oil & Gas Development Company Limited | Oil & Gas |
| Lucky Cement | Construction and Materials |
| ICI Pakistan Limited | Chemicals |
| Fauji Fertilizer Bin Qasim Limited | Chemicals |
| Pak. Telecommunication. Co. Ltd | Fixed line Telecommunication |
| Packages Limited | General Industrials |

Sector Allocation



- Oil & Gas
- Chemicals
- Construction and Materials
- General Industrials
- Fixed Line Telecommunication
- Others

INVESTMENT OBJECTIVE: To provide investors with a high and stable rate of current income consistent with long term preservation of capital in a Shariah compliant way. A secondary objective is to take advantage of opportunities to realize capital appreciation.

Funds Details

| | |
|---------------------------------|--|
| Fund Type | Open End |
| Risk Level | Minimal |
| Launch Date | 15-Jan-07 |
| Trustee | CDC |
| Registrar | Meezan Bank Ltd |
| Unit Types | A, B & C |
| Front End Load | 0.5% |
| Fund Category | Income |
| Back End Load | Contingent load for Type C investors |
| Listing | KSE |
| Management Fee | 1.5% |
| Benchmark | Average bank deposit rate of three Islamic banks |
| Leverage | Nil |
| Auditors | A.F. Ferguson & Co. |
| Portfolio Duration | 22 days |
| AMC Rating | AM2 |
| Fund Stability Rating | A+ (f) |
| Pricing Mechanism | Forward |
| Valuation Days | Mon-Fri |
| Subscription/Redemption Days | Mon-Fri 9am-3 pm |
| Fund Manager | M. Ali, CFA, FRM |
| Members of Investment Committee | M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed Ayesha Irfan M. Ali, CFA, FRM |

Fund Assets:

| | Jul '10 | Aug '10 | MoM % |
|--------------------|---------|---------|--------|
| Net Assets (Rs mn) | 3,303 | 3,236 | -2.03% |
| NAV Per Unit (Rs) | 51.20 | 51.55 | 0.67% |

Rating Distribution of assets

| | |
|-------------------------|-------|
| AAA (GoP Issued/backed) | 32.8% |
| AA+ | 9.6% |
| AA | 20.8% |
| AA- | 12.8% |
| A+ | 4.5% |
| A | 3.9% |
| A- | 1.8% |
| BBB and below | 12.2% |
| Unrated | 1.6% |

Performance

Cumulative Returns (annualized)

| | 1M | 3M | 6M | FYTD | 1Yr | 3Yr | 5Yr | PSD** |
|-----------|-------|-------|-------|--------|-------|-------|-----|-------|
| MIIF | 7.97% | 8.73% | 9.92% | 11.31% | 7.33% | 9.01% | - | 9.15% |
| Benchmark | 5.88% | 5.87% | 5.87% | 5.88% | 5.83% | 5.89% | - | 5.76% |

** Performance start date of Jan 15, 2007

Annual Returns

| | FY10 | FY09 | FY08 | FY07 | FY06 | FY05 | FY04 |
|-----------|-------|--------|-------|-------|------|------|------|
| MIIF | 7.31% | 10.15% | 9.15% | 9.93% | - | - | - |
| Benchmark | 5.75% | 6.54% | 5.75% | 4.66% | - | - | - |

Fund Review

Net assets of Meezan Islamic Income Fund (MIIF) as at August 31, 2010 stood at Rs. 3.2 billion. MIIF has provided an annualized return of 8% for the month of August as compared to its benchmark which has provided an annualized return of 5.88% during the same period.

Portfolio

Top Ten Sukuk Holdings

| Sukuks Names | Sectors | % |
|----------------------------------|----------------------------|-----|
| GoP Ijarah Sukuk IV | GoP Ijarah | 14% |
| GoP Ijarah Sukuk III | GoP Ijarah | 9% |
| Engro Fertilizer Limited | Chemical | 9% |
| KSEW - II | GoP Backed | 8% |
| Maple Leaf Cement | Construction and Materials | 7% |
| Eden Housing Limited | Construction and Materials | 5% |
| Century Paper & Board Mills Ltd. | Forestry and Paper | 4% |
| Sitara Chemicals Ltd. - III | Chemical | 3% |
| KSEW - I | GoP Backed | 2% |
| Shahmurad Sugar Mills Limited | Food Producers | 2% |

Portfolio Composition

| | Jul'10 | Aug'10 |
|--------------------------|--------|--------|
| Corporate Sukuks | 33% | 34% |
| GoP Issued/backed Sukuks | 32% | 33% |
| Cash & Cash Equivalents | 35% | 33% |

Details of Non Compliant Investment

| Name of Non - compliant investment | Type of Investment | Value of Investment before provision (PKR) | Provision held if any (PKR) | Value of investment after provision (PKR) | % of Net assets | % of gross Assets |
|------------------------------------|--------------------|--|-----------------------------|---|-----------------|-------------------|
| Arzoo Textile Mills Ltd. | Sukuk | 70,000,000 | 45,500,000 | 24,500,000 | 0.76% | 0.74% |
| Eden Housing Ltd. | Sukuk | 222,750,000 | 65,027,556 | 157,722,444 | 4.87% | 4.79% |
| Mapl Leaf Cement Ltd. | Sukuk | 331,864,000 | 99,559,200 | 232,304,800 | 7.18% | 7.06% |
| Security Leasing Ltd. - II | Sukuk | 33,593,750 | 8,398,438 | 25,195,313 | 0.78% | 0.77% |

INVESTMENT OBJECTIVE: To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and debt securities.

Funds Details

| | |
|---------------------------------------|---|
| Fund Type | Open End |
| Risk Level | Minimal |
| Launch Date | 15-Jun-09 |
| Trustee | CDC |
| Registrar | Meezan Bank Ltd |
| Unit Types | A, B and C |
| Front End Load | Nil |
| Back End Load | 0.1% if redemption within 3 days |
| Listing | ISE |
| Fund Category | Money Market |
| Management Fee | 1% |
| Auditors | A.F. Ferguson & Co. |
| Leverage | Nil |
| Portfolio Duration | 10 Days |
| AMC Rating | AM2 |
| Fund Stability Rating | AA (f) |
| Pricing Mechanism | Forward |
| Valuation Days | Mon-Fri |
| Subscription/ Redemption Days | Mon-Fri 9am-3pm |
| Fund Manager | M. Ali, CFA, FRM |
| Members of Investment Committee | M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed Ayesha Irfan M. Ali, CFA, FRM |

Fund Assets:

| | Jul '10 | Aug '10 | MoM % |
|--------------------|---------|---------|-------|
| Net Assets (Rs mn) | 5,993 | 5,882 | -1.9% |
| NAV Per Unit (Rs) | 50.39 | 50.83 | 0.9% |

Rating Exposure

| | |
|-----|-------|
| AA+ | 63.6% |
| AA | 36.4% |

| | Jul'10 | Aug'10 |
|-------------------------|--------|--------|
| TDR | 18% | 24% |
| Cash & Cash Equivalents | 82% | 76% |

Performance

Cumulative Returns (annualized)

| | 1M | 3M | 6M | FYTD | 1Yr | 3Yr | 5Yr | PSD** |
|-----------|--------|--------|--------|--------|--------|-----|-----|--------|
| MCF | 10.29% | 10.15% | 10.04% | 10.17% | 10.10% | - | - | 10.04% |
| Benchmark | 8.19% | 7.86% | 7.60% | 8.19% | 7.54% | - | - | 7.55% |

** Performance start date of June 15, 2009

Annual Returns

| | FY10 | FY09 | FY08 | FY07 | FY06 | FY05 | FY04 |
|------------------|--------|--------|------|------|------|------|------|
| MCF (Annualized) | 10.10% | 8.08%* | - | - | - | - | - |
| Benchmark | 7.48% | 7.60% | - | - | - | - | - |

* 15 days of operations.

Fund Review

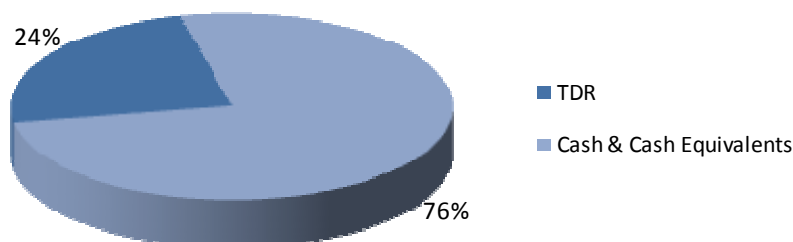
Net assets of Meezan Cash Fund (MCF) as at August 31, 2010 stood at Rs. 5.9 billion. MCF has provided an annualized return of 10.3% for the month of August as compared to its benchmark which has provided an annualized return of 8.19% during the same period.

Portfolio

Salient Features

| | |
|--------------------------------|---|
| Key Benefits | Maximum Preservation of Principal Investment |
| | High Liquidity (Redemption within Two working days) |
| | No Sales Load (No Entry or Exit charges)* |
| Investment Policy and Strategy | Tax Credit as per tax laws |
| | Investments in High Grade & Liquid avenues: |
| | Instrument/Issuer Rating : Minimum 'AA' |
| | Maximum Maturity of Instruments : Six Months |
| Benchmark | Average Time to Maturity of Portfolio : Three Months |
| | Average return on 6-month Islamic bank deposits |

Portfolio Composition



INVESTMENT OBJECTIVE: To seek maximum possible preservation of capital and a reasonable rate of return

Funds Details

| | |
|---------------------------------|---|
| Fund Type | Open End |
| Risk Level | Minimal |
| Launch Date | 10-Feb-10 |
| Trustee | CDC |
| Registrar | Meezan Bank Ltd |
| Unit Types | A, B , C & D |
| Front End Load | 0.5% |
| Fund Category | Income |
| Back End Load | Nil |
| Listing | ISE |
| Management Fee | 1% |
| Auditors | A.F. Ferguson & Co. |
| Benchmark | Average return on 6-month Islamic bank deposits |
| Leverage | Nil |
| Portfolio Duration | 12 Days |
| AMC Rating | AM2 |
| Fund Stability Rating | AA+ (f) |
| Pricing Mechanism | Forward |
| Valuation Days | Mon-Fri |
| Subscription/ Redemption Days | Mon-Fri 9am-3pm |
| Fund Manager | M. Ali, CFA, FRM |
| Members of Investment Committee | M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed Ayesha Irfan M. Ali, CFA, FRM |

Fund Assets:

| | Jul '10 | Aug '10 | MoM % |
|--------------------|---------|---------|-------|
| Net Assets (Rs mn) | 668 | 711 | 6.48% |
| NAV Per Unit (Rs) | 50.44 | 50.85 | 0.83% |

Asset Rating

| | |
|-------------------------|-------|
| AAA (GoP issued/backed) | 43.5% |
| AA+ | 31.7% |
| AA | 24.5% |
| AA- | 0.3% |

| | Jul' 10 | Aug' 10 |
|-------------------------|---------|---------|
| GoP Ijarah | 44% | 40% |
| KSEW II | 4% | 3% |
| Cash & Cash Equivalents | 52% | 57% |

Performance

Cumulative Returns (annualized)

| | 1M | 3M | 6M | FYTD | 1Yr | 3Yr | 5Yr | PSD** |
|-----------|-------|--------|--------|--------|-----|-----|-----|-------|
| MSF | 9.82% | 10.13% | 10.12% | 10.24% | - | - | - | 9.70% |
| Benchmark | 8.19% | 7.86% | 7.60% | 8.19% | - | - | - | 7.60% |

** Performance start date of Feb 10, 2010

Fund Review

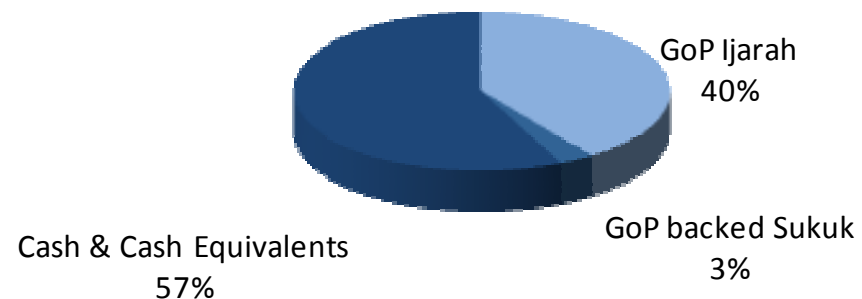
Meezan Sovereign Fund (MSF) was launched during February, 2010. As of August 31, 2010, the net assets of the fund stood at Rs. 711 million, showing an increase of 6.5% month on month. For the month of August, the fund has provided an annualized return of 9.8% against a return of 8.19% of its benchmark.

Portfolio

Salient Features

| | |
|--------------------------------|--|
| Key Benefits | <ul style="list-style-type: none"> Maximum Preservation of Principal Investment Primary Investments in securities issued by Government of Pakistan Very Low Risk Liquidity (Redemption on average in 2-3 working days) Tax Credit as per tax laws |
| Investment Policy and Strategy | <ul style="list-style-type: none"> Investments in High Grade & Liquid avenues: Minimum 70% Investment in Government backed / issued securities (rated 'AAA') Placements in top rated banks and financial institutions Weighted Average Time to Maturity of Portfolio : Not more than 4 years |
| Benchmark | Average return on 6-month Islamic bank deposits |

Sector Allocation



INVESTMENT OBJECTIVE: To provide participants a regular Halal income stream after retirement/disability when they can no longer earn regular income to support their living so that they are not dependent on other members of the society.

Funds Details

| | |
|---------------------------------------|---|
| Fund Type | Open End |
| Risk Level | Minimal |
| Launch Date | 28-Jun-07 |
| Trustee | CDC |
| Registrar | Meezan Bank Ltd |
| Fund Category | Pension |
| Auditors | A.F. Ferguson & Co. |
| AMC Rating | AM2 |
| Pricing Mechanism | Forward |
| Valuation Days | Mon-Fri |
| Subscription/ Redemption Day | Mon-Fri 9 am – 3 pm |
| Fund Manager | Muhammad Asad |
| Members of Investment Committee | M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed Ayesha Irfan M. Ali, CFA, FRM |

Performance

Cumulative Returns

| | 1M | 3M | 6M | YTD | 1Yr | 3Yr | 5Yr | PSD** |
|--------------|-------|------|-------|-------|-------|-------|-----|-------|
| MTPF- Equity | -4.8% | 4.5% | 0.8% | 3.4% | 12.7% | 10.3% | - | 4.2% |
| MTPF- Debt* | 8.1% | 9.1% | 10.9% | 11.2% | 9.2% | 9.4% | - | 9.1% |
| MTPF- MMkt* | 9.9% | 9.7% | 9.1% | 12.0% | 8.3% | 9.3% | - | 8.9% |

** Performance start date of June 28, 2007,

* annualized return

Annual Returns

| | FY10 | FY09 | FY08 | FY07 | FY06 | FY05 | FY04 |
|--------------|--------|---------|-------|------|------|------|------|
| MTPF- Equity | 31.50% | -25.80% | 3.10% | - | - | - | - |
| MTPF- Debt | 8.50% | 10.20% | 8.30% | - | - | - | - |
| MTPF- MMkt | 8.50% | 11.10% | 7.70% | - | - | - | - |

Fund Review

As at August 31, 2010, total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 289 million. For the month of August, the equity sub fund posted a negative return of 4.8% while debt and money sub funds posted an annualized return of 8.1% and 9.9% respectively.

Funds Assets

| Rs (Mn) | Jul '10 | Aug '10 | MoM % |
|-------------------|------------|------------|-------------|
| MTPF- Equity | 113 | 110 | -2.5% |
| MTPF- Debt | 100 | 102 | 2.9% |
| MTPF- MMkt | 75 | 77 | 2.0% |
| Total Fund | 288 | 289 | 0.6% |

NAV per unit

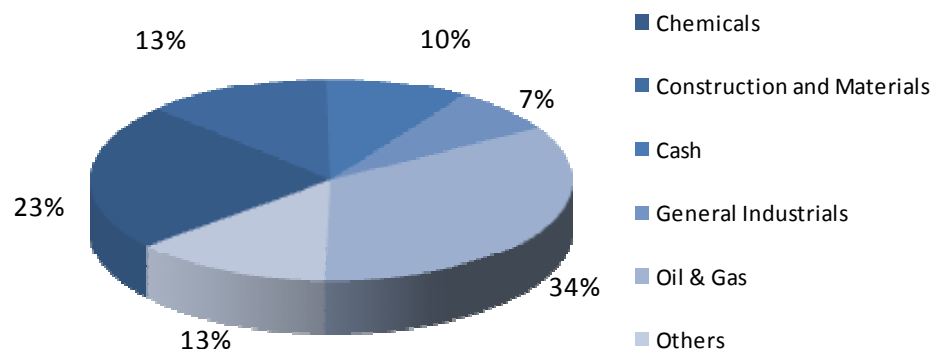
| Rs | Jul'10 | Aug'10 | MoM % |
|--------------|--------|--------|-------|
| MTPF- Equity | 109.7 | 104.4 | -4.8% |
| MTPF- Debt | 131.2 | 132.1 | 0.7% |
| MTPF- MMkt | 130.4 | 131.5 | 0.8% |

Sukuk Holdings – MTPF (Debt fund)

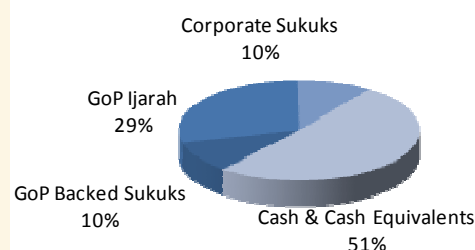
| |
|---------------------------|
| Dawood Hercules |
| Eden Housing Limited |
| GoP Ijarah Sukuks IV |
| KSEW – II |
| Maple Leaf Cement |
| Security Leasing Sukuk II |
| Shahmurad Sugar Mills |

Portfolio

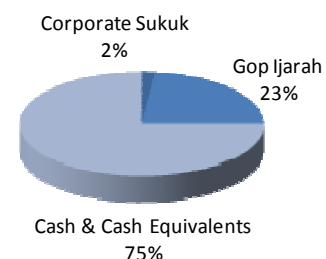
Sector Weightage as a % of Net Assets (MTPF – Equity)



MTPF Debt Sub Fund



MTPF Money Market Sub Fund



INVESTMENT OBJECTIVE: To protect investors' principal investment till the maturity of the fund and provide a reasonable return

Funds Details

| | |
|---------------------------------------|---|
| Fund Type | Open End |
| Risk Level | Minimal |
| Launch Date | 19-May-08 |
| Trustee | CDC |
| Registrar | Meezan Bank Ltd |
| Unit Types | A, B, C & D |
| Front End Load | 3% |
| Fund Category | Capital Protected |
| Back End Load | Contingent Load |
| Listing | KSE |
| Management Fee | 3% of equity Segment 1% of Capital Protected Segment |
| Auditors | A.F. Ferguson & Co. |
| Leverage | Nil |
| AMC Rating | AM2 |
| Pricing Mechanism | Forward |
| Valuation Days | Mon-Fri |
| Subscription/ Redemption Days | Mon-Fri 9am-3pm |
| Fund Manager | Ayesha Irfan |
| Members of Investment Committee | M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed Ayesha Irfan M. Ali, CFA, FRM |

Fund Assets:

| | Jul '10 | Aug '10 | MoM % |
|--------------------|------------|------------|-------|
| Net Assets (Rs mn) | 649 | 650 | 0.04% |
| NAV Per Unit (Rs) | 51.82 | 51.85 | 0.1% |

| | Jul '10 | Aug '10 |
|---------------------|------------|------------|
| Equity | 14.2% | 13.4% |
| Murabahah Placement | 85.8% | 86.6% |

Performance

Cumulative Returns

| | 1M | 3M | 6M | FYTD | 1Yr | 3Yr | 5Yr | PSD** |
|--------|-------|-------|--------|-------|--------|-----|-----|--------|
| MCPF-1 | 0.07% | 3.13% | 12.60% | 2.09% | 11.30% | - | - | 16.70% |

** Performance start date of May 19, 2008

Annual Returns

| | FY10 | FY09 | FY08 | FY07 | FY06 | FY05 | FY04 |
|--------|--------|-------|---------|------|------|------|------|
| MCPF-1 | 14.07% | 0.75% | -0.54%* | - | - | - | - |

* 41 days of operations.

Fund Review

As at August 31, the net assets of Meezan Capital Protected Fund (MCPF-1) stood at Rs. 650 million, showing a marginal increase of 0.04% month-on-month. For August 2010, MCPF-1 provided a return of 0.07%.

Portfolio

Salient Features

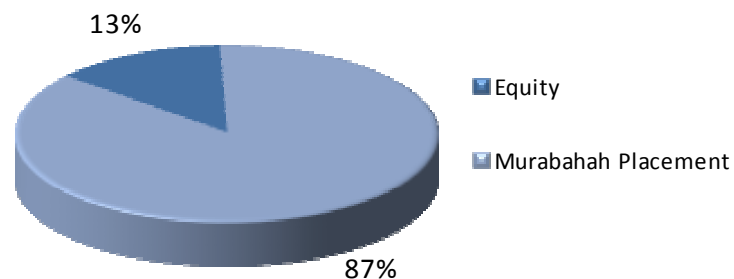
Key Benefits

- Preservation of Principal Investment upon maturity of investment
- Primary Investment in Murabahah
- Exposure to equity coupled with capital protection
- Very Low Risk
- Tax-free Returns (for holdings till maturity)
- Tax Credit as per tax laws

Investment Policy and Strategy

- Upto 23% exposure to equity
- 77% of Investment in Capital Protected segment
- Murabahah Placement with a top rated Islamic bank

Sector Allocation



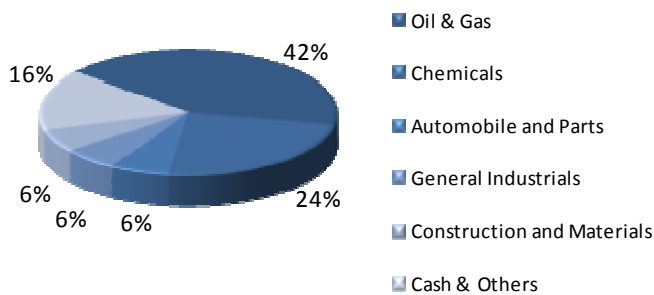
Al Meezan Mutual Fund

Performance

| Month on Month | Jul '10 | Aug '10 |
|------------------------------|---------|---------|
| Return on AMMF | 9.37% | -5.37% |
| Return on KSE-100 index | 8.20% | -6.71% |
| Return on KMI-30 Index* | 9.61% | -4.81% |
| Year - to - date (FY) | | |
| Return on AMMF | 9.37% | 3.50% |
| Return on KSE-100 index | 8.20% | -2.11% |
| Return on KMI-30 Index* | 9.61% | 1.14% |

* Benchmark

AMMF Assets Distribution – August '10



Fund Assets:

| | Jul'10 | Aug'10 | MoM % |
|-------------------|--------|--------|--------|
| Net Assets (mn) | 1,535 | 1,453 | -5.37% |
| NAV Per Unit (Rs) | 11.16 | 10.56 | -5.37% |

Investment Objective

The objective of Al Meezan Mutual Fund is to optimize the total investment returns, both capital gains and dividend income, through prudent investment management.

Fund Review

Net assets of Al Meezan Mutual Fund (AMMF) as at August 31, 2010 stood at Rs. 1.5 billion. The fund's NAV declined by 5.4% during the month of August against a decrease of 5% in the benchmark index (KMI-30) while KSE-100 Index, during the same period declined by 6.7%.

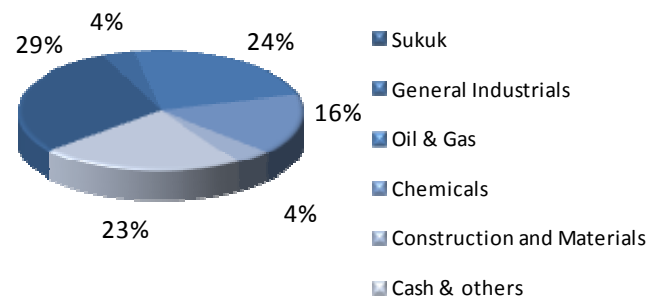
Meezan Balanced Fund

Performance

| Month on Month | Jul '10 | Aug '10 |
|------------------------------|---------|---------|
| Return on MBF | 5.19% | -2.61% |
| Benchmark Return* | 5.05% | -2.16% |
| Return on KMI-30 Index | 9.61% | -4.81% |
| Year - to - date (FY) | | |
| Return on MBF | 5.19% | 2.45% |
| Benchmark Return* | 5.05% | 1.06% |
| Return on KMI-30 Index | 9.61% | 1.14% |

*50% return on Islamic deposits and 50% return on KMI-30

MBF Assets Distribution – August '10



Fund Assets:

| | Jul'10 | Aug'10 | MoM % |
|-------------------|--------|--------|--------|
| Net Assets (mn) | 1,344 | 1,309 | -2.61% |
| NAV Per Unit (Rs) | 11.20 | 10.91 | -2.61% |

Investment Objective

The objective of Meezan Balanced Fund is to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and Islamic Income Instruments such as TFCs, COIs, Certificates of Musharika, Islamic Sukuk, Ready-future hedges, and other Shariah compliant instruments.

Fund Review

Net assets of Meezan Balanced Fund (MBF) as at August 31, 2010 stood at Rs. 1.3 billion. The fund's NAV decreased by 2.6% during the month.