



# Al Meezan

Investment Management Ltd

MKT/FMR/01/11

August 05, 2010

Dear Investor,

We are pleased to inform you that for the year ended June 30 2010, the Board of Directors of Al Meezan announced a total payout of **Rs. 112 crore** for its open end funds. The announcement showed remarkable performance of the funds and was very well received by all our investors. The dividend was announced in the form of bonus units to Growth unit holders and Cash dividend to Income unit holders. The Cash dividend to the Income unit holder has been dispatched.

Please note that as per the Federal Budget 2010-2011, Section 37A has been inserted in the Income Tax Ordinance 2010 whereby Capital Gain Tax (CGT) has been imposed on sale of securities w.e.f., July 1, 2010. CGT is also applicable on any gain earned by investors in all mutual funds at the rates specified in Division VII – Part I of the First Schedule of the Income Tax Ordinance, 2001. Accordingly Asset Management Companies have been given the responsibility to withhold CGT at source at the below mentioned rates on redemption / transfer / conversion / merger of units. Furthermore, any capital losses accrued during the tax year can be adjusted against gains earned in the same year by the investors. The rate of tax applicable is given below;

| Investment Holding Period                  | Tax Rate (%) |
|--|--------------|
| Less than 6 months                         | 10%          |
| More than 6 months but less than 12 months | 7.5%         |
| More than 12 months                        | 0%           |

In order to find out about your preference to receive the FMR via email or courier, we have been sending you FMR Subscription forms for the last three months. You are requested to submit the same at your earliest. Please ignore this if you have already submitted the form. In future, the investors will receive FMR as per their instructions in the form (via email or courier) only. We look forward to your cooperation in this regard.

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

Yours truly,

**Muhammad Anas Rehan**

AVP Marketing

# 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. 19 billion as on July 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

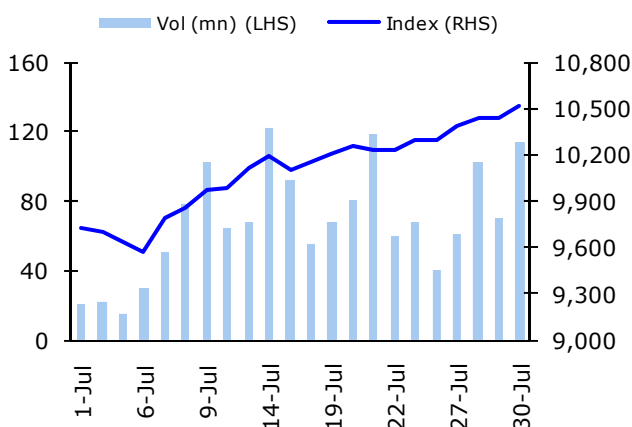
The month of July has been the best month for the calendar year 2010 with a rise of 8.2% in KSE-100 index, becoming the second best performing market in the region. During July, the KSE-100 index closed at 10,519 with the average trading volume of 68 million shares as compared to 98.5 million shares in June 2010.

Initially the activity in the stock market remained extremely low due to implementation issue of capital gain tax. The volumes gradually picked up due to foreign flows, expectation of good corporate results and improvement in macroeconomic indicators. Fertilizer sector and two banking sector blue chips posted decent earnings growth in their first half CY 2010 results. Moreover, the foreigners remained net buyers in the market with total net foreign inflow of US\$ 42 million during the month of July.

However, during the last week of the month, uncertainty regarding any change in the discount rate kept the market volatile. State Bank's bimonthly monetary policy statement was a big surprise, as the central bank increased the discount rate by 50 basis points to 13%.

Going forward, continuation of results season with upbeat earnings expectations, positive foreign flows and implementation of leverage product are expected to keep the market immune to any steep corrections.

### KSE-100 Index Performance



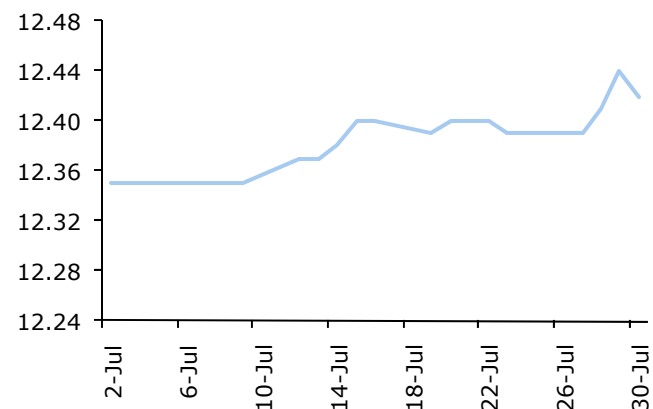
## Money Market Review

In the beginning of the month, money market rates were relatively stable; however in the latter half, rates remained on the higher side due to lack of liquidity. To normalize the liquidity situation, State Bank regularly conducted OMOs and it injected (net) Rs. 54.7 billion at weighted average yield of 12.02%. During the month, State Bank conducted two T-Bill auctions and accepted Rs. 224.1 billion against total bid of Rs. 394.9 billion and maturity of Rs. 170.2 billion. SBP also conducted PIB auction but scrapped all bids. The KIBOR rates remained stable during the month with six month KIBOR increased by 5 bps to close at 12.42%.

The State Bank of Pakistan (SBP) increased the discount rate by 50 bps to 13.0% in the bimonthly monetary policy statement announced on July 30, 2010, to restraint resurgence in inflationary pressures and fiscal imbalances.

On the forex front, rupee depreciated against dollar by Rs.0.18 to close at Rs. 85.70 per dollar in the interbank market. Rupee depreciated due to demand by importers in local market and appreciation of dollar versus other currencies in international 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/<br>Redemption Days      | Mon-Fri 9am – 3pm  |
| Fund Manager                          | Muhammad Asad<br>M. Shoaib, CFA<br>Muhammad Asad<br>Sanam Zaib<br>Madiha Javed |
| Members of<br>Investment<br>Committee |  |

## Fund Assets:

|                         | Jun<br>'10 | Jul<br>'10 | MoM<br>% |
|-------------------------|------------|------------|----------|
| Net Assets (Rs mn)      | 3,966      | 4,341      | 9.5%     |
| NAV Per Unit (Rs)       | 46.17*     | 40.60      | 9.2%     |
| % held in<br>Securities | 91.9       | 92.2       |          |
| % held as Cash          | 8.1        | 7.8        |          |

\*ex-dividend NAV: Rs. 37.17

## Risk Measures – July '10

|               | Standard<br>Deviation | Sharpe<br>Ratio |
|---------------|-----------------------|-----------------|
| MIF           | 0.74                  | 0.50            |
| KSE-100 index | 0.72                  | 0.46            |
| KMI-30 Index  | 0.78                  | 0.50            |

# 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        | 9%  | -0.7% | 5.1% | 9%   | 31% | -0.4% | 58% | 193%  |
| Benchmark# | 10% | 1%    | 12%  | 10%  | 37% | -3%   | 55% | 157%  |

\*\* 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 July 31, 2010 stood at Rs. 4.3 billion. The fund's NAV increased by 9.2% during the period under review against an appreciation of 9.6% in the benchmark index (KMI-30) while KSE-100 Index, during the same period increased by 8.2%.

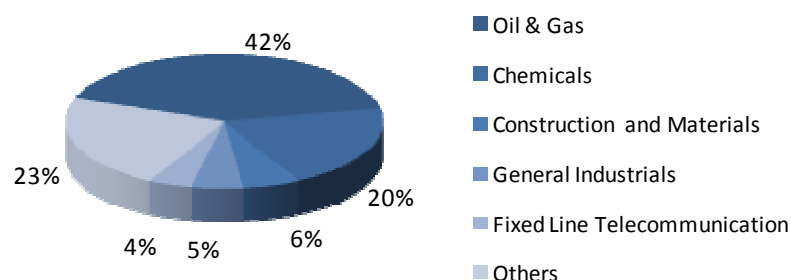
Since the market is trading at attractive multiples, we hold a positive view on the market. As on July 31, the fund was 92% invested in equities.

## Portfolio

Top Ten Holdings  
Company Name(in alphabetical order)

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

## Sector Allocation



**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             |
| Management Fee                  | 1.5%   |
| Benchmark                       | Average bank deposit rate of three Islamic banks |
| Leverage                        | Nil  |
| Auditors                        | A.F. Ferguson & Co.                              |
| Portfolio Duration              | 27 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                    | Muhammad Asad<br>M. Shoaib, CFA                  |
| Members of Investment Committee | Muhammad Asad<br>Sanam Zaib<br>Madiha Javed      |

### Fund Assets:

|                    | Jun '10 | Jul '10 | MoM %  |
|--------------------|---------|---------|--------|
| Net Assets (Rs mn) | 3,394   | 3,303   | -2.68% |
| NAV Per Unit (Rs)  | 51.87 * | 51.20   | 1.15%  |

\* ex-dividend NAV: Rs 50.62

### Rating Distribution of assets

|                         |       |
|-------------------------|-------|
| AAA (GoP Issued/backed) | 32.1% |
| AA+                     | 0.2%  |
| AA                      | 15.0% |
| AA-                     | 13.2% |
| A+                      | 3.1%  |
| A                       | 20.9% |
| A-                      | 1.8%  |
| BBB and below           | 12.0% |
| Unrated                 | 1.7%  |

## Performance

### Cumulative Returns (annualized)

|           | 1M     | 3M    | 6M     | FYTD   | 1Yr   | 3Yr   | 5Yr | PSD** |
|-----------|--------|-------|--------|--------|-------|-------|-----|-------|
| MIIF      | 14.98% | 9.92% | 10.20% | 14.98% | 7.42% | 9.00% | -   | 9.18% |
| Benchmark | 5.87%  | 5.88% | 5.87%  | 5.87%  | 5.80% | 5.89% | -   | 5.74% |

\*\* 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 July 31, 2010 stood at Rs. 3.3 billion. MIIF has provided an annualized return of 15% for the month of July as compared to its benchmark which has provided an annualized return of 5.87% during the same period.

## Portfolio

### Top Ten Sukuk Holdings

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

### Portfolio Composition

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

### Details of Non Compliant Investment

| Name of Non-compliant investment | Type of Investment | Value of Investment before provision | Provision held if any | Value of investment after provision | % of Net assets | % of gross Assets |
|----------------------------------|--------------------|--------------------------------------|-----------------------|-------------------------------------|-----------------|-------------------|
| Arzoo Textile Mills Ltd.         | Sukuk              | 70,000,000                           | 39,200,000            | 30,800,000                          | 0.93%           | 0.92%             |
| Eden Housing Ltd.                | Sukuk              | 222,750,000                          | 65,027,556            | 157,722,444                         | 4.78%           | 4.72%             |
| Mapl Leaf Cement Ltd.            | Sukuk              | 331,864,000                          | 99,559,200            | 232,304,800                         | 7.03%           | 6.95%             |
| Security Leasing Ltd. - II       | Sukuk              | 34,375,000                           | 8,593,750             | 25,781,250                          | 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            |
| Fund Category                         | Money Market                                |
| Management Fee                        | 1%  |
| Auditors                              | A.F. Ferguson & Co.                         |
| Leverage                              | Nil   |
| Portfolio Duration                    | 11 Days                                     |
| AMC Rating                            | AM2   |
| Fund Stability Rating                 | AA (f)                                      |
| Pricing Mechanism                     | Forward                                     |
| Valuation Days                        | Mon-Fri                                     |
| Subscription/<br>Redemption Days      | Mon-Fri 9am-3pm                             |
| Fund Manager                          | M. Ali, CFA, FRM<br>M. Shoaib, CFA          |
| Members of<br>Investment<br>Committee | Muhammad Asad<br>Sanam Zaib<br>Madiha Javed |

## Fund Assets:

|                    | Jun '10 | Jul '10 | MoM % |
|--------------------|---------|---------|-------|
| Net Assets (Rs mn) | 5,224   | 5,993   | 14.7% |
| NAV Per Unit (Rs)  | 51.69*  | 50.39   | 0.8%  |

\* ex-dividend NAV: Rs. 50

## Rating Exposure

|     |       |
|-----|-------|
| AA+ | 58.4% |
| AA  | 41.6% |

|                        | Jun'10 | Jul'10 |
|------------------------|--------|--------|
| TDR                    | 40%    | 18%    |
| Cash & Cash Equivalent | 60%    | 82%    |

## Performance

### Cumulative Returns (annualized)

|           | 1M     | 3M     | 6M     | FYTD   | 1Yr    | 3Yr | 5Yr | PSD**  |
|-----------|--------|--------|--------|--------|--------|-----|-----|--------|
| MCF       | 10.03% | 10.07% | 10.11% | 10.03% | 10.07% | -   | -   | 10.02% |
| Benchmark | 7.70%  | 7.57%  | 7.47%  | 7.7%   | 7.49%  | -   | -   | 7.50%  |

\*\* 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

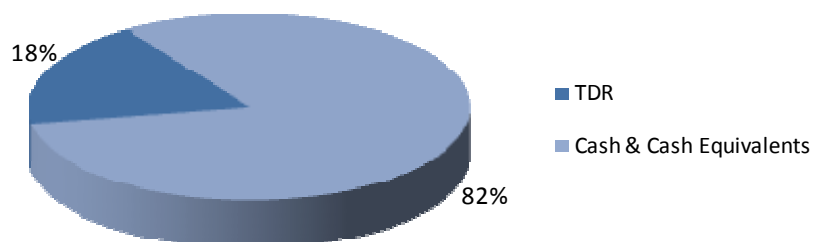
Net assets of Meezan Cash Fund (MIIF) as at July 31, 2010 stood at Rs. 6 billion. MCF has provided an annualized return of 10% for the month of July as compared to its benchmark which has provided an annualized return of 7.7% during the same period.

## Portfolio

### Salient Features

|                                |   |
|--------------------------------|---|
| Key Benefits                   | <ul style="list-style-type: none"> <li>Maximum Preservation of Principal Investment</li> <li>High Liquidity (Redemption within Two working days)</li> <li>Tax-free Returns</li> <li>No Sales Load (No Entry or Exit charges)*</li> <li>Tax Credit as per tax laws</li> </ul>                |
| Investment Policy and Strategy | <ul style="list-style-type: none"> <li>Investments in High Grade &amp; Liquid avenues:</li> <li>Instrument/Issuer Rating : <b>Minimum 'AA'</b></li> <li>Maximum Maturity of Instruments : <b>Six Months</b></li> <li>Average Time to Maturity of Portfolio : <b>Three Months</b></li> </ul> |
| Benchmark                      | 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   |
| Management Fee                  | 1%  |
| Auditors                        | A.F. Ferguson & Co.   |
| Benchmark                       | Average return on 6-month Islamic bank deposits               |
| Leverage                        | Nil   |
| Portfolio Duration              | 20 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                    | Ayesha Irfan  |
| Members of Investment Committee | M. Shoaib, CFA<br>Muhammad Asad<br>Sanam Zaib<br>Madiha Javed |

## Fund Assets:

|                    | Jun '10 | Jul '10 | MoM %   |
|--------------------|---------|---------|---------|
| Net Assets (Rs mn) | 971     | 668     | -31.21% |
| NAV Per Unit (Rs)  | 51.82*  | 50.44   | 0.84%   |

\* ex-dividend NAV: Rs 50.02

## Asset Rating

|                         |       |
|-------------------------|-------|
| AAA (GoP issued/backed) | 47.4% |
| AA+                     | 25.8% |
| AA                      | 26.8% |

|            | Jun' 10 | Jul' 10 |
|------------|---------|---------|
| GoP Ijarah | 29%     | 44%     |
| KSEW II    | 2%      | 4%      |

## Performance

### Cumulative Returns (annualized)

|           | 1M     | 3M     | 6M | FYTD   | 1Yr | 3Yr | 5Yr | PSD** |
|-----------|--------|--------|----|--------|-----|-----|-----|-------|
| MIIF      | 10.69% | 10.20% | -  | 10.69% | -   | -   | -   | 9.68% |
| Benchmark | 7.70%  | 7.57%  | -  | 7.70%  | -   | -   | -   | 7.48% |

\*\* Performance start date of Feb 10, 2010

## Fund Review

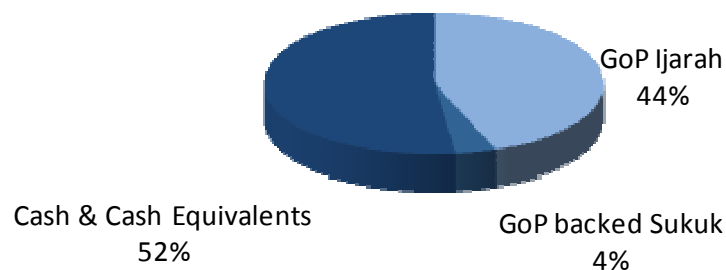
Meezan Sovereign Fund (MSF) was launched during February, 2010. As of July 31, 2010, the net assets of the fund stood at Rs. 668 million, showing a decline of 31% month on month. For the month of July, the fund has provided an annualized return of 10.7% against a return of 7.7% of its benchmark.

## Portfolio

### Salient Features

|                                |   |
|--------------------------------|---|
| Key Benefits                   | Maximum Preservation of Principal Investment                                  |
|                                | Primary Investments in securities issued by Government of Pakistan            |
|                                | Very Low Risk   |
| Investment Policy and Strategy | Liquidity (Redemption on average in 2-3 working days)                         |
|                                | Tax-free Returns  |
|                                | Tax Credit as per tax laws  |
| Benchmark                      | 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        |
|                                | 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/<br>Redemption Day       | Mon-Fri 9 am – 3 pm                         |
| Fund Manager                          | M. Ali, CFA, FRM<br>M. Shoaib, CFA          |
| Members of<br>Investment<br>Committee | Muhammad Asad<br>Sanam Zaib<br>Madiha Javed |

## Funds Assets

| Rs (Mn)           | Jun '10    | Jul '10    | MoM %       |
|-------------------|------------|------------|-------------|
| MTPF- Equity      | 104        | 113        | 8.6%        |
| MTPF- Debt        | 98         | 100        | 1.1%        |
| MTPF- MMkt        | 74         | 75         | 1.1%        |
| <b>Total Fund</b> | <b>277</b> | <b>288</b> | <b>3.9%</b> |

## NAV per unit

| Rs           | Jun'10 | Jul'10 | MoM % |
|--------------|--------|--------|-------|
| MTPF- Equity | 101.0  | 109.7  | 8.6%  |
| MTPF- Debt   | 129.7  | 131.2  | 1.1%  |
| MTPF- MMkt   | 128.9  | 130.4  | 1.1%  |

## 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

## Performance

### Cumulative Returns

|              | 1M    | 3M    | 6M    | YTD   | 1Yr   | 3Yr  | 5Yr | PSD** |
|--------------|-------|-------|-------|-------|-------|------|-----|-------|
| MTPF- Equity | 8.6%  | -0.8% | 6.5%  | 8.6%  | 30.7% | 8.0% | -   | 9.48% |
| MTPF- Debt*  | 14.7% | 9.9%  | 11.7% | 14.7% | 9.07% | 9.1% | -   | 9.10% |
| MTPF- MMkt*  | 14.4% | 9.6%  | 8.9%  | 14.4% | 8.29% | 8.9% | -   | 8.89% |

\*\* Performance start date of June 28, 2007,

\* annualized return

### Annual Returns

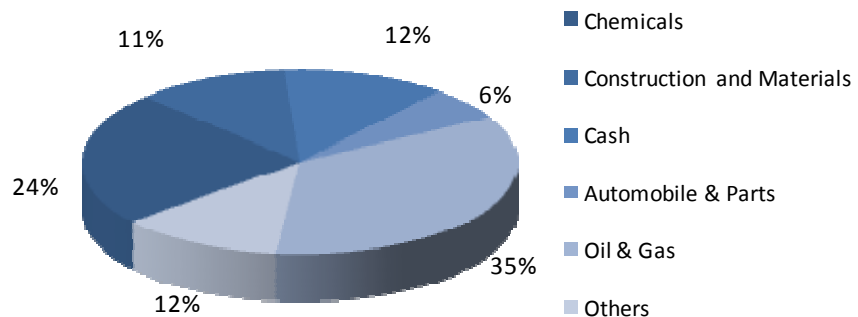
|              | FY10   | FY09    | FY08  | FY07 | FY06 | FY05 | FY04 |
|--------------|--------|---------|-------|------|------|------|------|
| MTPF- Equity | 31.50% | -25.80% | 3.10% | -    | -    | -    | -    |
| MTPF- Debt   | 8.50%  | 10.20%  | 8.30% | -    | -    | -    | -    |
| MTPF- MMkt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

### Fund Review

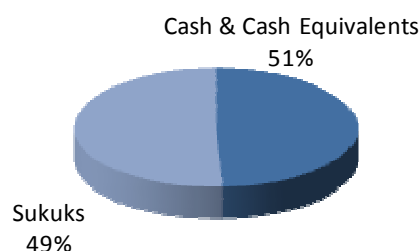
As at July 31, 2010, total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 288 million. For the month of July, the equity sub fund provided a return of 8.6% to its investors while debt and money sub funds posted an annualized return of 14.7% and 14.4% respectively.

## Portfolio

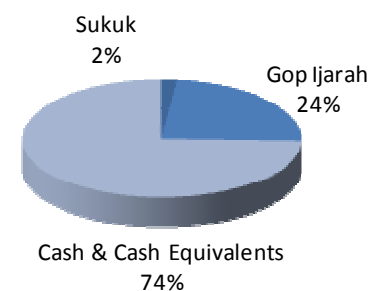
### Sector Weightage as a % of Net Assets (MTPF – Equity)



### MTPF Debt Sub Fund



### MTPF Money Market Sub



**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 Management Fee          | Contingent Load<br>3% of equity<br>Segment<br>1% of Capital<br>Protected Segment |
| Auditors                              | A.F. Ferguson & Co.  |
| Leverage                              | Nil  |
| AMC Rating                            | AM2  |
| Fund Stability Rating                 | AA+ (f)  |
| Pricing Mechanism                     | Forward  |
| Valuation Days                        | Mon-Fri  |
| Subscription/<br>Redemption Days      | Mon-Fri 9am-3pm  |
| Fund Manager                          | Ayesha Irfan<br>M. Shoaib, CFA   |
| Members of<br>Investment<br>Committee | Muhammad Asad<br>Sanam Zaib<br>Madiha Javed                                      |

## Fund Assets:

|                    | Jun<br>'10 | Jul<br>'10 | MoM % |
|--------------------|------------|------------|-------|
| Net Assets (Rs mn) | 637        | 649        | 2.0%  |
| NAV Per Unit (Rs)  | 56.84 *    | 51.82      | 2.0%  |

\*ex-dividend NAV: Rs 50.79

|                     | Jun<br>'10 | Jul<br>'10 |
|---------------------|------------|------------|
| Equity              | 13.2%      | 14.2%      |
| Murabahah Placement | 86.8%      | 85.8%      |

## Performance

### Cumulative Returns

|        | 1M    | 3M     | 6M     | FYTD  | 1Yr    | 3Yr | 5Yr | PSD**  |
|--------|-------|--------|--------|-------|--------|-----|-----|--------|
| MCPF-1 | 2.02% | 14.00% | 13.38% | 2.02% | 14.22% | -   | -   | 16.62% |

\*\* 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

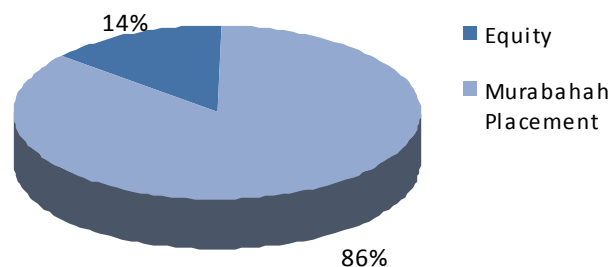
As at July 31, the net assets of Meezan Capital Protected Fund (MCPF-1) stood at Rs. 649 million, showing an increase of 2% month-on-month. For July 2010, MCPF-1 provided a return of 2%.

## Portfolio

### Salient Features

|                                       |  |
|---------------------------------------|--|
| <b>Key Benefits</b>                   | Preservation of Principal Investment upon maturity of investment |
|                                       | Primary Investment in Murabahah                                  |
|                                       | Exposure to equity coupled with capital protection               |
|                                       | Very Low Risk  |
| <b>Investment Policy and Strategy</b> | Tax-free Returns (for holdings till maturity)                    |
|                                       | Tax Credit as per tax laws                                       |
|                                       | Upto 23% exposure to equity                                      |
|                                       | 77% of Investment in Capital Protected segment                   |
|                                       | Murabahah Placement with a top rated Islamic bank                |

### Sector Allocation





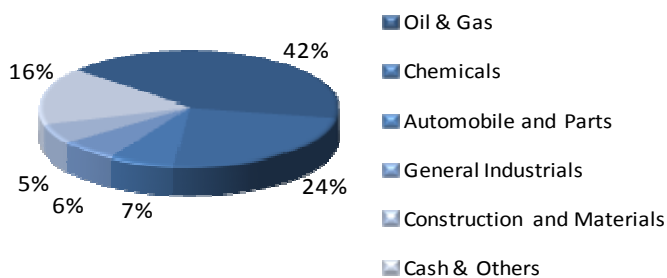
## Al Meezan Mutual Fund

### Performance

| Month on Month               | Jun '10 | Jul '10 |
|------------------------------|---------|---------|
| Return on AMMF               | 0.29%   | 9.37%   |
| Return on KSE-100 index      | 4.24%   | 8.20%   |
| Return on KMI-30 Index*      | 1.83%   | 9.61%   |
| <b>Year - to - date (FY)</b> |         |         |
| Return on AMMF               | 31.23%  | 9.37%   |
| Return on KSE-100 index      | 35.74%  | 8.20%   |
| Return on KMI-30 Index*      | 36.87%  | 9.61%   |

\* Benchmark

### AMMF Assets Distribution – July '10



### Fund Assets:

|                   | Jun '10 | Jul '10 | MoM % |
|-------------------|---------|---------|-------|
| Net Assets (mn)   | 1,404   | 1,535   | 9.37% |
| NAV Per Unit (Rs) | 10.21   | 11.16   | 9.37% |

### 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 July 31, 2010 stood at Rs. 1.5 billion. The fund's NAV appreciated by 9.4% during the month of July against an increase of 9.6% in the benchmark index (KMI-30) while KSE-100 Index, during the same period increased by 8.2%.

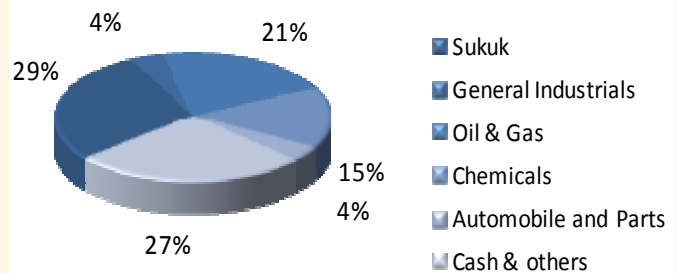
## Meezan Balanced Fund

### Performance

| Month on Month               | Jun '10 | Jul '10 |
|------------------------------|---------|---------|
| Return on MBF                | 0.30%   | 5.19%   |
| Benchmark Return*            | 1.16%   | 5.05%   |
| Return on KMI-30 Index       | 1.83%   | 9.61%   |
| <b>Year - to - date (FY)</b> |         |         |
| Return on MBF                | 22.35%  | 5.19%   |
| Benchmark Return*            | 21.33%  | 5.05%   |
| Return on KMI-30 Index       | 36.87%  | 9.61%   |

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

### MBF Assets Distribution – July '10



### Fund Assets:

|                   | Jun '10 | Jul '10 | MoM % |
|-------------------|---------|---------|-------|
| Net Assets (mn)   | 1,278   | 1,344   | 5.19% |
| NAV Per Unit (Rs) | 10.65   | 11.20   | 5.19% |

### 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 July 31, 2010 stood at Rs. 1.34 billion. The fund's NAV increased by 5.2% during the month.