



Al Meezan

Investment Management Ltd

MKT/FMR/03/10

October 07, 2009

Dear Investor,

We would like to take this opportunity to wish all of our valued investors a very happy Eid. May Allah Subhanahu accepts your Ibadat and showers his blessings on you and your family.

We are pleased to inform you that at the close of first quarter ended September 30, 2009, Al Meezan Investments has announced an interim dividend of Rs. 1.25 per unit for Pakistan's first and the largest Shariah compliant income fund - Meezan Islamic Income Fund (MIIF). The declaration is in the form of Bonus Units to the Growth unit holders and Cash Dividend to the Income unit holders. A Growth Unit holder having 100 units of MIIF as at September 30, 2009 got 2.4876 additional units at the ex-div NAV of Rs. 50.25, while an Income unit holder got Cash Dividend of Rs. 1.25 per unit. MIIF has provided an annualized return of 10.99% during the first quarter ended September 30, 2009.

Since past few months, the joy-ride at KSE has been continuing with its positive trend on account of improving macro economic indicators of the country, recovery in the global capital markets and the net foreign portfolio inflow of US\$ 235 million during the last three months, which helped KSE-100 Index to cross 9,000 level in September, 2009. This positive trend is reflected in the NAV of Meezan Islamic Fund (MIF), which has increased from Rs. 22.27 per unit (as at January 1, 2009) to Rs. 45.20 per unit (as at September 30, 2009). You can observe more than 100% return in MIF over the past nine months as compared to 59% appreciation in KSE -100 index and 85% in DJIMPK in the same period. We foresee that the positive trend in the market will continue in near future therefore, we advise our investors to keep investing in MIF on a regular basis.

Return	Sep 09	Jul - Sep 09	Jan - Sep 09
MIF	06.28%	28.11%	102.76%
MIIF (Annualized)	0.53%	10.99%	19.53%

Alhamd'o'lilah, the net assets under management of Al Meezan Investments are Rs. 15.65 billion which is reflective of your confidence and trust in our funds. We are thankful for your valuable support and continued patronage. We will continuously strive to give the best Shariah compliant investment management services to all our investors.

A detailed Fund Manager's Report for the month of September 2009 is enclosed for your review and record.

Yours truly,

Muhammad Anas Rehan
AVP Marketing



AL Meezan Investment Management Limited

September, 2009

Al Meezan Investments (AMIM), 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 seven 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 and Meezan Cash Fund. AMIM launched its seventh mutual fund, Meezan Cash Fund (MCF), which is the first Shariah compliant money market fund, in June 2009.

The total size of funds under management of Al Meezan Investments, the only full fledged Shariah compliant asset management company in Pakistan, have reached Rs. 15.65 billion as on September 30, 2009. With AM2 - Management Quality rating, the company clearly stays well ahead of all its competitors in the Islamic asset management market in Pakistan.

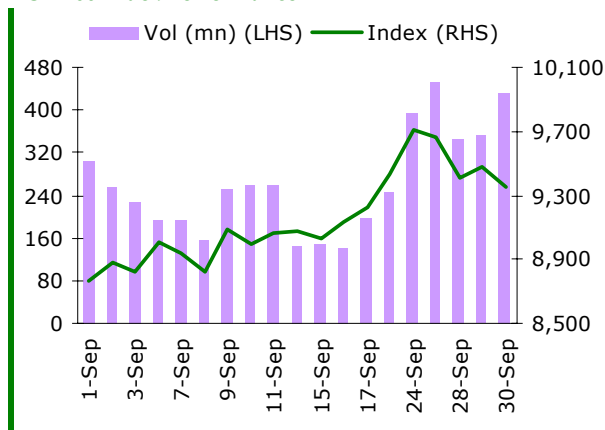
STOCK MARKET REVIEW

In September, KSE-100 Index gained 674pts (7.77% up) to close at 9,350 with the average daily volume of 258 million shares as compared to 155 million shares in August.

In the first week, KSE-100 Index breached the critical level of 9,000 and increased to 9700 on the back of strong foreign inflows as the month witnessed a net inflow of US\$ 128 million bringing the total inflow for the first quarter of FY10 to US\$ 235 million. E&Ps, telecom and banks led the bull run at the market due to rising oil prices and foreign investors' interest. Strong macro news flow of inflation slowing to 10.7% YoY, remittances increasing by 31.8% YoY to US\$781mn and current account surplus of US\$82mn in August also supported the sentiments. Another positive development was the issuance of Rs. 85bn, 5-year TFC by the government to settle the circular debt issue in the energy chain which bode positively for IPPs, OMCs, refineries and E&Ps. Moreover, interest in E&P sector was also generated by increased production from Nashpa field to 7,200bpd of oil (from 4,200bpd).

Towards the end of the month, the market underwent marginal technical correction due to no change in the discount rate and Cash Reserve Requirement in the monetary policy statement and below expectations development in the FoDP meeting in New York.

KSE-100 Index Performance



MONEY MARKET REVIEW

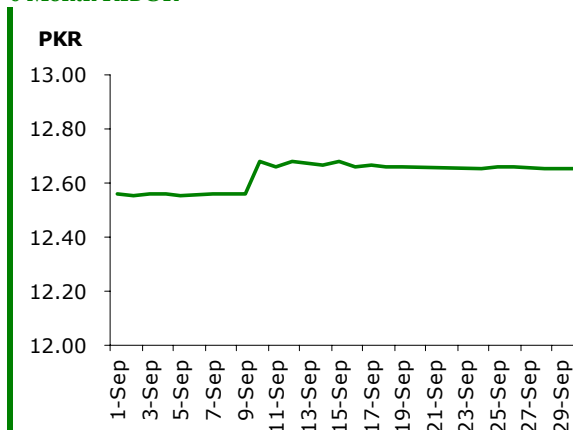
In line with market expectations, central bank maintained its policy rate at 13% in its monetary policy bi-monthly review. Outflows from banks due to Eid kept money market tight. However, due to the interest rate corridor and regular injections from the central bank, overnight call/repo rates were maintained within a range of 11.5% to 12.5%. Interbank market rates also followed a similar trend, with six month KIBOR increasing marginally from 12.56% to 12.65% during the month.

SBP conducted two T-bill auctions and accepted Rs. 115 billion worth of bids against a cumulative target of Rs. 95 billion. Market participants expecting no change in the discount rate in the short term increased their participation in six month paper. The cut off rates for 6-month paper however changed only marginally, increasing by 23bps to 12.78%. For the next quarter, SBP announced an auction target of Rs. 145 billion.

SBP also conducted fourth auction of Ijara Sukuk and accepted Rs. 14.4 billion against a target of Rs 10 billion, while the cut off rate was 6M Tbill – 5bps i.e. 12.53%.

On the foreign exchange front, strong foreign exchange reserves balance helped maintain Rupee-Dollar parity. Month-on-month, Rupee strengthened marginally (up 0.06%) against US\$ and closed at Rs. 83.15 to a dollar.

6 Month KIBOR



Disclaimer

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

MEEZAN ISLAMIC FUND (MIF)



Pakistan's Largest Shariah-compliant Open-End Equity Fund

Fund Statistics:

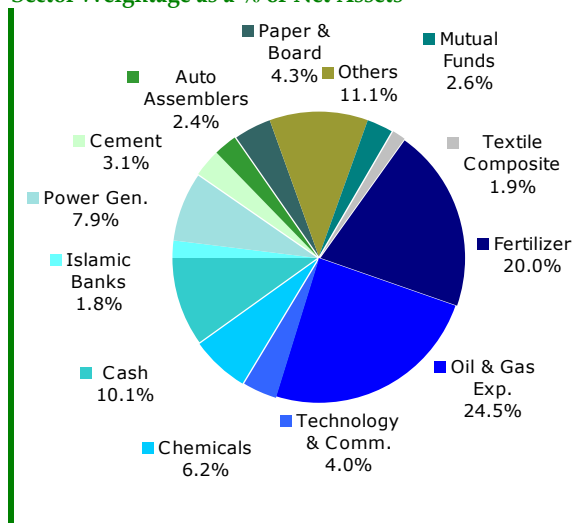
Fund Type:	Equity
Launch Date	8th August 2003
Trustee	Central Depository Company
Auditors	A.F. Ferguson
Management Fee	2%
Front End Load	2%
Benchmark	DJIMPK
Listing	KSE
Fund Rating	3 Star (Long term - JCR-VIS)

Performance

Month on Month	Aug '09	Sep '09
Return on MIF	10.67%	6.28%
Return on KSE-100 index	12.37%	7.77%
Return on DJIMPK	7.96%	8.68%
Year - to - date (FY)		
Return on MIF	20.55%	28.11%
Return on KSE-100 index	21.13%	30.54%
Return on DJIMPK	18.83%	29.15%
Cumulative return since inception		
Return on MIF	146%	162%
Return on KSE-100 index *	106%	122%

*since DJIMPK was launched in July 2004, MIF is compared to KSE-100 index.

Sector Weightage as a % of Net Assets



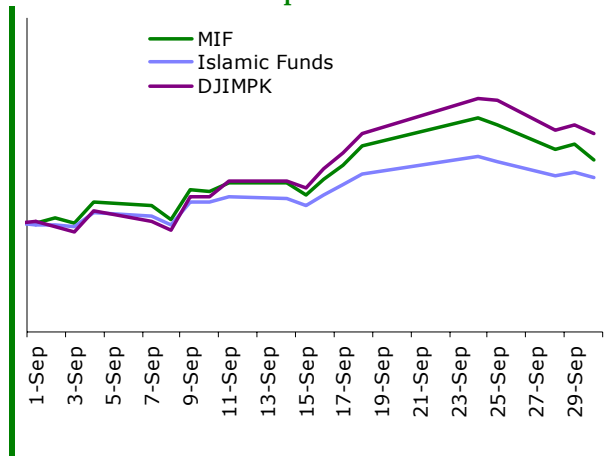
Top Ten Holdings (in alphabetical order)

Fauji Fertilizer Bin Qasim	Packages Limited
Fauji Fertilizer Co.	Pakistan Telecom
Hub Power Co. Ltd	Pakistan Oilfields
ICI Pakistan Limited	Pakistan Petroleum Ltd.
Oil & Gas Development Co.	Pakistan State Oil

Fund Assets:

	Aug '09	Sep '09	MoM %
Net Assets (mn)	4,333	4,744	9.47%
NAV Per Unit	42.53	45.20	6.28%
KSE-100 Index	8,676	9,350	7.77%
DJIMPK	13,885	15,090	8.68%

Relative Performance - September '09



FUND REVIEW

Net assets of Meezan Islamic Fund as at September 30, 09 stood at Rs. 4.7 billion. The fund's NAV appreciated by 6.28% during the period under review against an appreciation of 8.68% in the benchmark index (DJIMPK) while KSE 100 Index, during the same period increased by 7.77%.

The positive news from the macro economic front kept market sentiments bullish throughout the month. Foreign investors' confidence in the market remained positive as they continued to be net buyers in September. However, towards month end, the market underwent some correction. As of September 30th, the fund is 90% invested in equities.

MEEZAN ISLAMIC INCOME FUND (MIIF)

Pakistan's First Shariah-compliant Open-End Income Fund

Fund Statistics:

Fund Type	Open End
Risk Level	Minimal
Launch Date	15-Jan-07
Trustee	Central Depository Company
Unit Types	A, B & C
Auditors	A.F. Ferguson & Co.
Portfolio Duration	67 Days
Fund Stability Rating	A+ (f)

Fund Assets:

	Aug '09	Sep '09	MoM %
Net assets (Rs mn)	5,760	5,820	1.04%
NAV per unit (Rs)	51.08	51.50	0.83%

Performance

Month on Month	Aug '09	Sep '09
Return on MIIF	0.76%	0.83%
Return on MIIF (annualized)	9.37%	10.53%

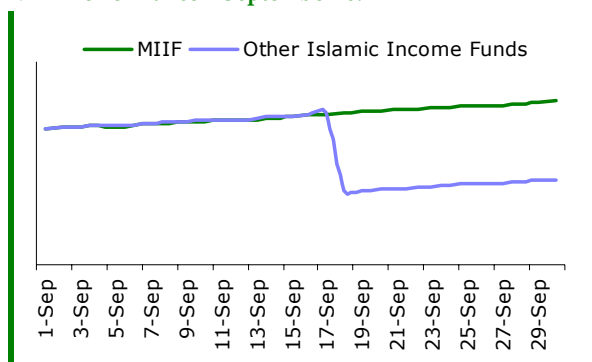
Year - to - date (FY)

Return on MIIF (annualized)	11.21%	10.99%
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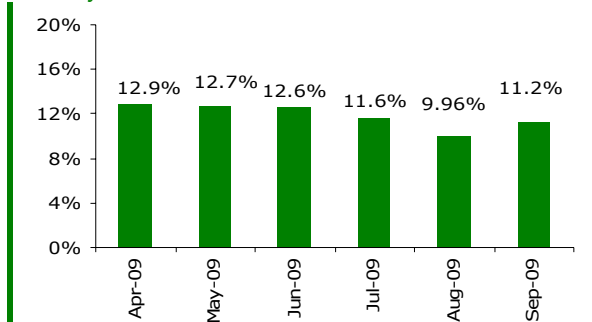
Cumulative return since inception (annualized)

Return on MIIF	9.86%	9.88%
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MIIF Performance - September '09

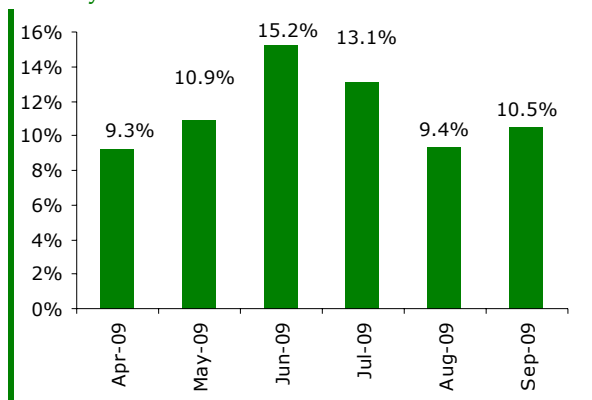


Monthly Annualized Returns* for last 6 months

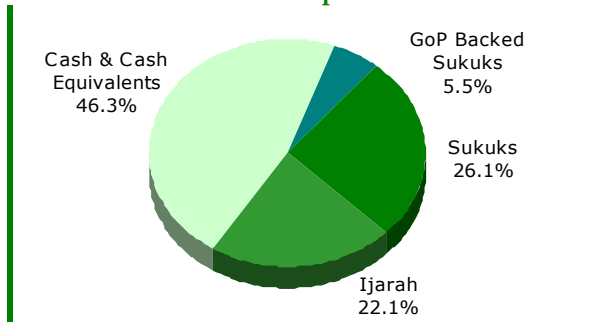


* adjusted for revaluation impact

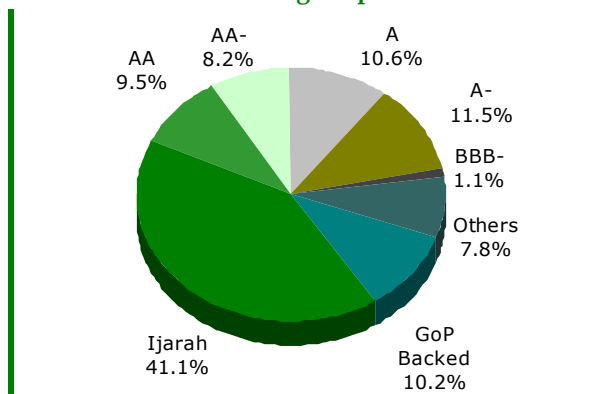
Monthly Annualized Returns - NAV based



MIIF Assets Distribution - September '09



Sukuk Distribution - Rating- September '09



FUND REVIEW

MIIF is aimed at providing our valued customers with a consistent stream of income that not only complies with Shariah, but also focuses on long term preservation of capital. Major portion of the fund is invested in liquid Islamic income avenues.

The annualized return of Meezan Islamic Income Fund (MIIF) was 10.5% for September 09, with net assets of the fund at Rs. 5.8 billion.

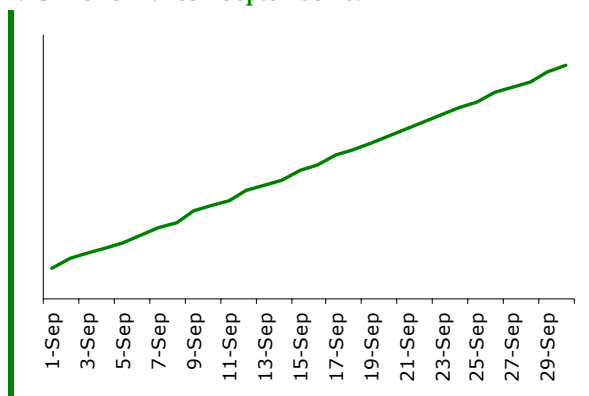
MEEZAN CASH FUND (MCF)

Pakistan's First Shariah-compliant Money Market Fund

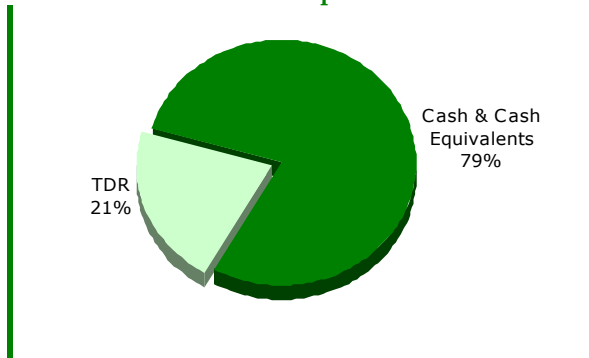
Fund Statistics:

Fund Type	Open End
Risk Level	Minimal
Launch Date	15-Jun-09
Trustee	Central Depository Company
Unit Types	C
Auditors	A.F. Ferguson
AMC Rating	AM2 -
Fund Stability Rating	AA (f)

MCF Performance - September '09



MCF Assets Distribution - September '09



FUND REVIEW

Al Meezan Investments launched the first Shariah compliant money market fund – Meezan Cash Fund (MCF) during June. The fund provides our valued investors with the opportunity to park their excess liquidity in secure high quality instruments. To minimize the impact of interest rate volatility, the investment policy limits the investment avenues to short term, i.e. to a maximum maturity of six months. Moreover, to ensure security of investment, rating of instruments must at least be 'AA'.

As of September 30, 2009, net assets of the fund were Rs. 1.4bn, showing a growth of over 24% month-on-month. For the month, MCF earned a profit of 9.94%.

Fund Assets:

	Aug '09	Sep '09	MoM %
Net assets (Rs mn)	1,141	1,418	24.23%
NAV per unit (Rs)	50.84	51.24	0.78%

Performance

Month on Month	Aug '09	Sep '09
Return on MCF	0.81%	0.78%
Return on MCF (annualized)	10.00%	9.94%
Year – to – date (FY)		
Return on MCF (annualized)	10.15%	10.08%
Cumulative return since inception		
Return on MCF (annualized)	10.30%	10.19%

Salient Features

Maximum Preservation of Principal Investment

High Liquidity (Redemption within Two working days)

Key Benefits

Tax-free Returns

No Sales Load (No Entry or Exit charges)*

Tax Credit as per tax laws

Investments in High Grade & Liquid avenues:

Investment Policy and Strategy

Instrument/Issuer Rating : **Minimum 'AA'**

Maximum Maturity of Instruments : **Six Months**

Average Time to Maturity of Portfolio : **Three Months**

Benchmark

Average Return on 3 month deposit with Islamic Banks

* Back End Load: 0.1% if redeemed within first 3 working days of Investment

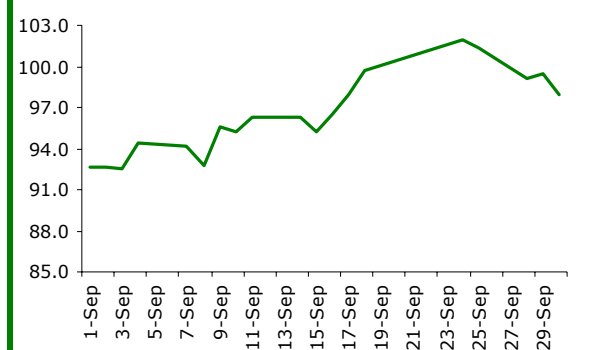
MEEZAN TAHAFFUZ PENSION FUND (MTPF)

Pakistan's First Shariah-compliant Open-End Pension Fund

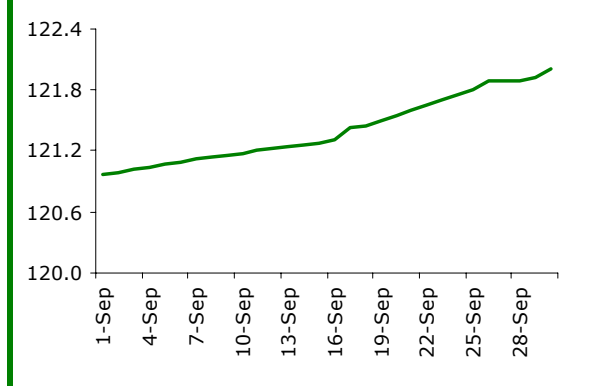
Fund Statistics:

Fund Type	Open End
Risk Level	Minimal
Launch Date	28-Jun-07
Trustee	Central Depository Company
Unit Types	A
Auditors	A.F. Ferguson
AMC Rating	AM2 -

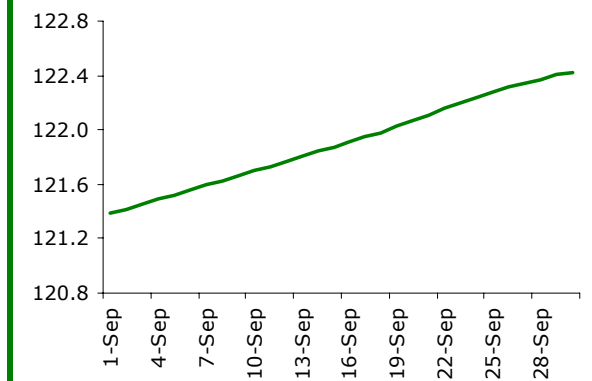
MTPF Equity Sub Fund September 2009



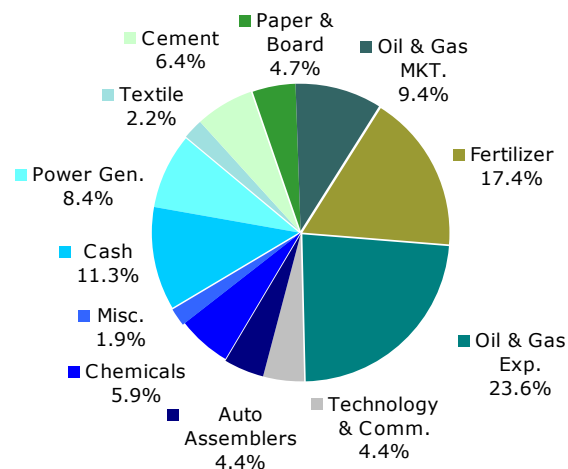
MTPF Debt Sub Fund September 2009



MTPF Money Market Sub Fund September 2009



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



Performance

	MoM	FYTD	Since Inception
MTPF- Equity	5.74%	27.72%	-2.24%
MTPF- Debt*	11.25%	8.26%	9.09%
MTPF- Money Market*	11.32%	8.50%	9.26%

* at annualized rate

Fund Assets:

Rs (Mn)	Aug'09	Sep'09	MoM %
MTPF- Equity	75.39	81.45	8.03%
MTPF- Debt	71.71	72.94	1.72%
MTPF- Money Market	62.85	63.49	1.02%

FUND REVIEW

As at September 30, 2009, total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 218mn.

The annualized MoM returns on Debt and Money Market sub funds were 11.25% and 11.32% respectively. Furthermore, equity sub-fund has appreciated by 5.74% MoM.

MUHAMMAD ASAD
CHIEF INVESTMENT OFFICER