



MKT/FMR/10/10

May 06, 2010

Dear Investor,

It is our pleasure to inform you that by the grace of Almighty Allah, Al Meezan is now the third largest private sector asset management company in Pakistan and the largest Shariah compliant asset management company managing assets of over Rs. 19 billion with an increase of 86% in assets under management within 16 months. With one of the highest Management Quality rating öAM2ö by JCR VIS, Al Meezan has the distinction of managing largest Open end Equity fund in private sector i.e., Meezan Islamic Fund with Net assets of Rs. 4.45 billion as of April 30, 2010.

We would like to encourage our investors to increase their investment in open end Meezan Funds in order to get tax rebate on their income. As per Section 62 of Income Tax Ordinance 2001, an individual investor can claim tax credit upto Rs. 60,000 (in case of salaried person) or Rs. 75,000 (in case of self employed) in a tax year on investment of upto Rs. 300,000/- or 10% of individual's taxable income whichever is lower. Further, as per Section 63 of Income Tax Ordinance 2001, an individual investor of pension fund scheme can claim tax credit upto Rs. 100,000 (in case of salaried person) or Rs. 125,000 (in case of self employed) in a tax year on investment upto Rs. 500,000/- or 20% of individual's taxable income whichever is lower. The details of tax benefit with illustrations are available at our website [www.almeezangroup.com](http://www.almeezangroup.com).

In order to reach all the prospective investors and to provide them the benefits of Shariah compliant investment solutions, we participate in various awareness programs. In this regard during the month of April 2010 Al Meezan participated in a seminar held by Memon Professional Forum on öIslamic Bankingö.

With this FMR you will find two forms (i) Form for subscription to Fund Manager's Report (FMR) and SMS Alert and (ii) Know Your Customer (KYC) Form and a prepaid envelope. Many investors prefer to get FMR in electronic form by email instead of through courier service. Hence effective September 2010, we will send FMR to you by courier only if you have indicated your interest in it by submitting the subscription form included herewith. If you prefer to get it by email, you can also submit the same form indicating the same. So please forward your subscription option to us at the earliest.

Providing KYC details is the regulatory requirement of SECP and mandatory for all mutual fund investors. You are requested to fill in both the forms and send to us through TCS by using prepaid envelope without any cost. We look forward to your cooperation in this regard.

At the end of April 2010, the net assets under management of Al Meezan stood at Rs. 19.3 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. Fund Manager's Report for the month of April 2010 is enclosed for your review and record.

Yours truly,

**Muhammad Anas Rehan**

AVP Marketing

# AL Meezan Investment Management Limited

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 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 demands of its valued investors, Al Meezan launched Pakistan's first Shariah compliant Government securities fund – Meezan Sovereign Fund on February 10, 2010.

The total funds under management of Al Meezan, the only full fledged Shariah compliant asset management company in Pakistan, have reached Rs. 19.3 billion as on April 30, 2010. We are pleased to inform you that JCR-VIS recently upgraded management quality rating of Al Meezan to AM2 which denotes high management quality, as the company clearly stays well ahead of all its competitors in the Islamic asset management market in Pakistan.

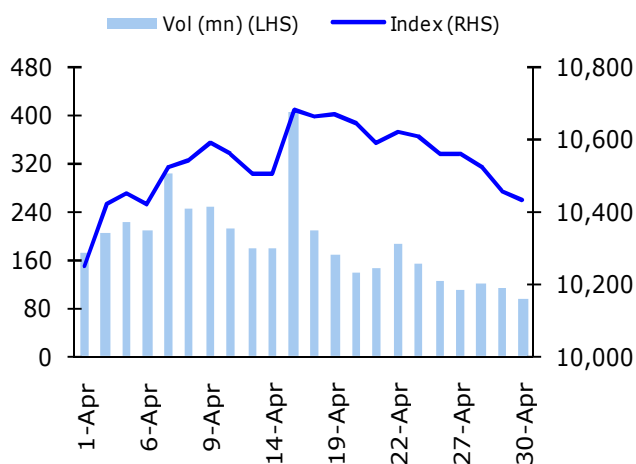
## Stock Market Review

During April, KSE-100 Index increased by 250 point (2.5% up) to close at 10,428. The average daily turnover during the month was 194 million shares as compared to 158 million shares in March. The main factor behind this surge was the net foreign buying activity in major stocks; there was net foreign inflow of US\$ 80 million in April. Moreover, approval of the 18th amendment from the Senate was a positive development on the political front which helped the index to rise to 10,600 level. The corporate announcements were generally above or in line with expectations due to which index showed some resilience.

As far as macroeconomics of the country are concerned, although CPI inflation rose to 11.3% for 9MFY10, it was negated by the positives namely 14.3% YoY decline in trade deficit to US\$14.2bn and remittances growing by 16% to US\$6.5bn.

Going forward, with the end of the result season, the most important news is budget which is expected to be announced in early June. The investors are keenly waiting to know the modalities of capital gain tax to be imposed in this budget.

## KSE-100 Index Performance



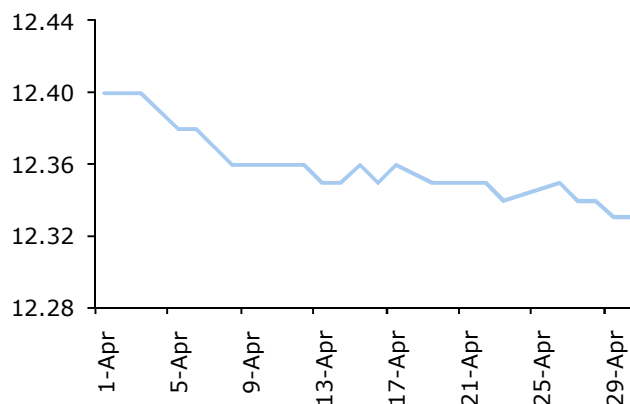
## Money Market Review

During the month, money market was initially illiquid with overnight call and repo markets going up to 12.4%. The State Bank regularly conducted OMOs and injected Rs. 138 billion to normalize the rates. As a result the rates came down to 10%. To prevent the rates from sliding further down, towards the end of the month, State Bank conducted one OMO in which it mopped up Rs. 16 billion.

In April, State Bank conducted two T Bill auction and accepted Rs. 155 billion against a maturity of Rs. 135 billion. The cut off rate for six-month paper declined by 7 bps to close at 12.28%. The KIBOR rates remained stable during April with six month KIBOR declining by 8 bps to close the month at 12.33%.

On the forex front, rupee remained flat vis-à-vis dollar, appreciating marginally by 0.05% to close at Rs. 84.04 to a dollar in the interbank market. The forex reserves of the country are expected to further inch up with the release of IMF tranche and coalition support fund, and this will help in stabilizing rupee dollar parity.

## 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.

## 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%
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

## Fund Assets:

	Mar '10	Apr '10	MoM %
Net Assets (Rs mn)	4,436	4,447	0.26%
NAV Per Unit (Rs)	50.29	50.81	1.02%
% held in Securities	97.7	92.5	
% held as Cash	2.3	7.5	

## Risk Measures – Apr '10

	Standard Deviation	Sharpe Ratio
MIF	0.62	0.02
KSE-100 index	0.63	0.13
KMI-30 Index	0.66	0.11

## Performance

## Cumulative Returns

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIF	1%	6%	13%	44%	84%	12%	73%	194%
Benchmark	2%	11%	19%	48%	88%	-16%*	47%*	148%*

\*\* Performance start date of August 08, 2003,

\* KSE-100 Index

## Annual Returns

	FY09	FY08	FY07	FY06	FY05	FY04
MIF	-30%	0.27%	29%	30%	40%	24%*
Benchmark	-29%	-1%	17%	25%	22%	26%*

\* Return from inception date

## Fund Review

Net assets of Meezan Islamic Fund as at April 30, 2010 stood at Rs. 4.4 billion. The fund's NAV increased by 1.02% during the period under review against an appreciation of 2.3% in the benchmark index (KMI-30) while KSE-100 Index, during the same period increased by 2.5%.

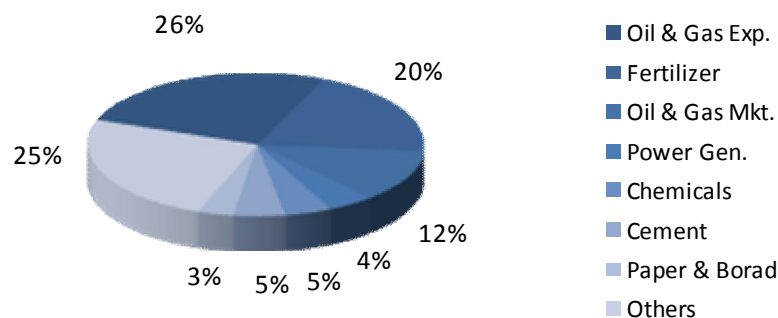
Since the market is relatively attractive on multiples as compared to regional markets, we hold a positive stance on the future performance. As of April 30, the fund was 93% invested in equities.

## Portfolio

## Top Ten Holdings

Company Name(in alphabetical order)	Sectors
Fauji Fertilizer Bin Qasim Limited	Fertilizer
Fauji Fertilizer Company Limited	Fertilizer
ICI Pakistan Limited	Chemicals
Lucky Cement Limited	Cement
Oil & Gas Development Company Limited	E&P
Pakistan Oilfields Limited	E&P
Pakistan Petroleum Limited	E&P
Pakistan State Oil Company Limited	OMC
Pakistan Telecommunication Company Limited	Telecom
The Hub Power Company Limited	Power

## 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%
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	87 days
AMC Rating	AM2
Fund Stability Rating	A+ (f)
Pricing Mechanism	Forward
Valuation Days	Mon-Sat
Subscription/Redemption Days	Mon-Fri 9am-3 pm Sat 9am-12:30 pm
Fund Manager	Muhammad Asad
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed

### Fund Assets:

	Mar '10	Apr '10	MoM %
Net Assets (Rs mn)	3,738	3,649	-2.36%
NAV Per Unit (Rs)	50.75	51.25	0.98%

### Rating Distribution of assets

AAA (GoP Issued/backed)	42.5%
AA+	11.4%
AA	8.2%
AA-	4.1%
A+	2.4%
A	1.3%
A-	10.6%
BBB+	5.4%
BBB and below	7.2%
Unrated	6.9%

### Performance

#### Cumulative Returns (annualized)

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIIF	12.66%	10.49%	4.72%	7.27%	8.21%	9.07%	-	9.13%
Benchmark	5.88%	5.87%	5.87%	5.77%	5.71%	5.89%	-	5.71%

\*\* Performance start date of Jan 15, 2007

#### Annual Returns

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

#### Fund Review

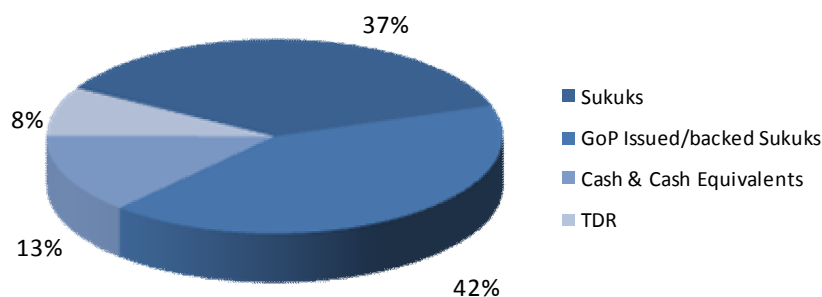
Net assets of Meezan Islamic Income Fund (MIIF) as at April 30, 2010 stood at Rs. 3.6 billion. For the month, MIIF has provided an annualized return of 12.7% as compared to its benchmark which has provided an annualized return of 5.9% during the same period.

### Portfolio

#### Top Ten Sukuk Holdings

Sukuks Names	Sectors	%
Century Paper & Board	Paper	2%
DG Cement	Cement	5%
Eden Housing Limited	Construction	5%
Engro Chemical Pakistan	Chemicals	8%
GoP Ijarah Sukuks III	GoP Ijarah	8%
GoP Ijarah Sukuks IV	GoP Ijarah	26%
KSEW - I	GoP Backed	2%
KSEW - II	GoP Backed	7%
Maple Leaf Cement	Cement	6%
Sitara Chemicals Ltd. III	Chemicals	3%

#### Portfolio Composition



**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
Management Fee	1%
Auditors	A.F. Ferguson & Co.
Leverage	Nil
Portfolio Duration	19 Days
AMC Rating	AM2
Fund Stability Rating	AA (f)
Pricing Mechanism	Forward
Valuation Days	Mon-Sat
Subscription/Redemption Days	Mon-Fri 9am-3pm Sat 9am-12:30 pm
Fund Manager	Muhammad Ali. CFA, FRM
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed

### Fund Assets:

	Mar '10	Apr '10	MoM %
Net Assets (Rs mn)	4,633	5,789	25.0%
NAV Per Unit (Rs)	51.97	50.87	0.8%

## Performance

### Cumulative Returns (annualized)

	1M	3M	6M	YTD	1Yr	2Yr	5Yr	PSD**
MCF	10.06%	10.15%	10.07%	10.11%	-	-	-	10.01%
Benchmark	7.36%	7.37%	7.42%	7.48%	-	-	-	7.48%

\*\* Performance start date of June 15, 2009

### Annual Returns

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

\* 15 days of operations.

### Fund Review

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 investment avenues to short tenure, i.e. to a maximum maturity of six months. Moreover, to ensure security of investment, rating of instruments must at least be 'AA'.

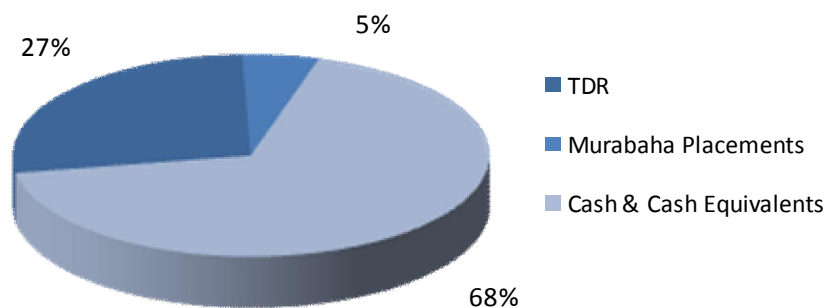
As of April 30, 2010, net assets of the fund were Rs. 5.79 billion, showing an increase of over 25% month-on-month. For the month, MCF provided an annualized return of 10.1% to its investors.

## Portfolio

### Salient Features

Key Benefits	Maximum Preservation of Principal Investment
	High Liquidity (Redemption within Two working days)
	Tax-free Returns
	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 : <b>Minimum 'AA'</b>
	Maximum Maturity of Instruments : <b>Six Months</b>
Benchmark	Average Time to Maturity of Portfolio : <b>Three Months</b>
	Average Return on 3 month deposit with three Islamic Banks

### Portfolio Composition



### Rating Exposure

AA+	59.24%
AA	40.76%

**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%
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	7 Days
AMC Rating	AM2
Fund Stability Rating	AA+ (f)
Pricing Mechanism	Forward
Valuation Days	Mon-Sat
Subscription/Redemption Days	Mon-Fri 9am-3pm Sat 9am-12:30 pm
Fund Manager	Ayesha Irfan
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed

## Fund Assets:

	Mar '10	Apr '10	MoM %
Net Assets (Rs mn)	536	558	4.12%
NAV Per Unit (Rs)	50.61	51.00	0.78%

## Asset Rating

AAA (GoP issued/backed)	4.6%
AA+	69.1%
AA	26.3%

## Performance

### Cumulative Returns (annualized)

	1M	3M	6M	YTD	1Yr	2Yr	5Yr	PSD**
MSF	9.90%	-	-	-	-	-	-	9.48%
Benchmark	7.36%	-	-	-	-	-	-	7.37%

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

## Fund Review

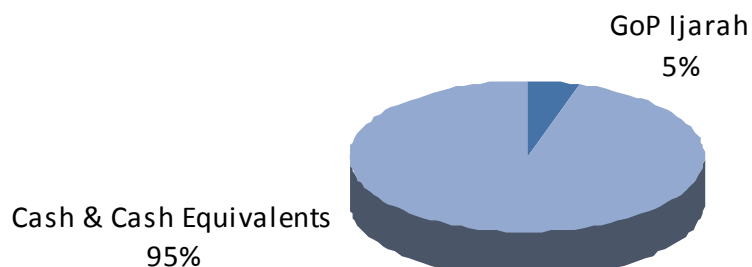
Meezan Sovereign Fund (MSF) was launched during February. As of April 30, 2010, the net assets of the fund stood at 558 million, showing an increase of 4.12%. For the month of April, the fund has provided an annualized return of 9.9% against a return of 7.36% of its benchmark.

## Portfolio

### Salient Features

Key Benefits	Maximum Preservation of Principal Investment
	Primary Investments in securities issued by Government of Pakistan
	Very Low Risk
	Liquidity (Redemption on average in 2-3 working days)
Investment Policy and Strategy	Tax-free Returns
	Tax Credit as per tax laws
	Investments in High Grade & Liquid avenues:
	Minimum 70% Investment in Government backed / issued securities (rated 'AAA')
Benchmark	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
Auditors	A.F. Ferguson & Co.
AMC Rating	AM2
Pricing Mechanism	Forward
Valuation Days	Mon-Fri
Subscription/Redeem	Mon-Fri 9 am – 3 pm
Fund Manager	Muhammad Al, CFA, FRM
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Madiha Javed

## Performance

### Cumulative Returns

	1M	3M	6M	YTD	1Yr	3Yr	5Yr	PSD**
MTPF- Equity	0.7%	7.3%	14.9%	44.1%	48.8%	-	-	10.32%
MTPF- Debt*	13.5%	13.6%	8.1%	8.6%	8.9%	-	-	9.03%
MTPF- MMkt*	9.4%	8.2%	7.9%	7.6%	8.1%	-	-	8.83%

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

\* at annualized rate

### Annual Returns

	FY09	FY08	FY07	FY06	FY05	FY04
MTPF- Equity	-25.8%	3.1%	-	-	-	-
MTPF- Debt	10.2%	8.3%	-	-	-	-
MTPF- MMkt	11.1%	7.7%	-	-	-	-

### Fund Review

As at April 30, 2010, total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 253 million. The Debt sub fund posted an annualized return of 13.5% whereas the Money Market sub funds posted a return of 9.4%. Moreover, equity sub-fund appreciated marginally by 0.7% MoM.

## Funds Assets

Rs (Mn)	Mar'10	Apr'10	MoM %
MTPF- Equity	97	100	2.9%
MTPF- Debt	82	85	4.2%
MTPF- MMkt	67	68	2.4%
Total Fund	246	253	3.2%

## NAV per unit

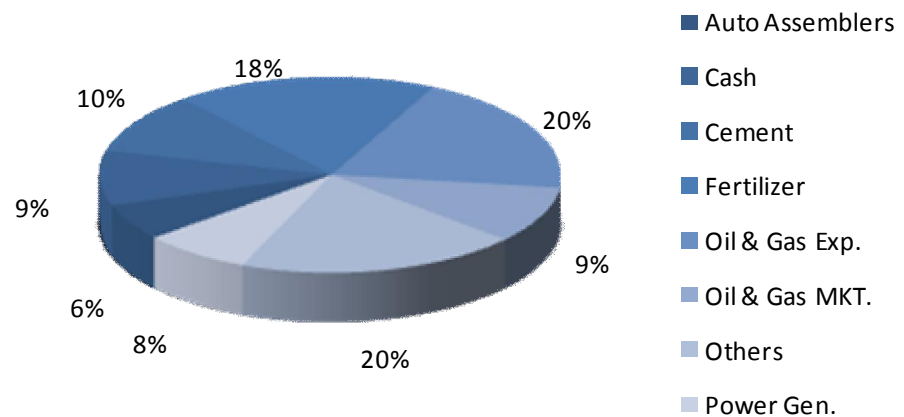
Rs	Mar'10	Apr'10	MoM %
MTPF- Equity	109.8	110.5	0.7%
MTPF- Debt	126.8	128.2	1.1%
MTPF- MMkt	126.5	127.5	0.8%

## Sukuk Holdings – MTPF (Debt fund)

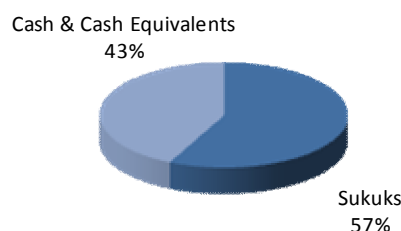
Dawood Hercules  
Eden Housing Limited  
GoP Ijarah Sukuks IV  
KSEW – II  
Maple Leaf Cement  
Security Leasing Sukuk II  
Shahmurad Sugar Mills

## Portfolio

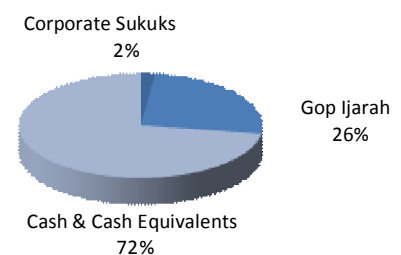
### Sector Weightage as a % of Net Assets (MTPF – Equity)



### MTPF Debt Sub Fund



### MTPF Money Market Sub





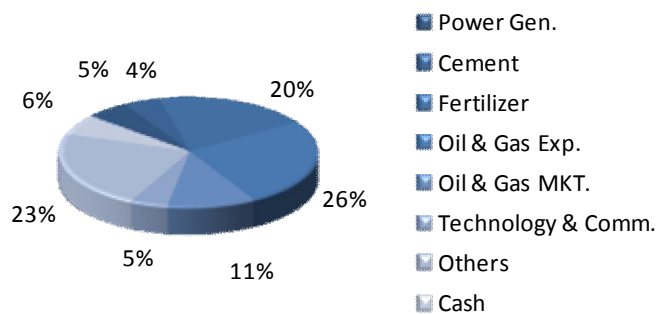
## Al Meezan Mutual Fund

### Performance

Month on Month	Mar '10	Apr '10
Return on AMMF	4.83%	1.24%
Return on KSE-100 index	5.39%	2.45%
Return on KMI-30 Index*	7.43%	2.25%
<b>Year - to - date (FY)</b>		
Return on AMMF	41.21%	42.81%
Return on KSE-100 index	42.11%	45.60%
Return on KMI-30 Index*	44.91%	48.17%

\* Benchmark

### AMMF Assets Distribution – April '10



### Fund Assets:

	Mar '10	Apr '10	MoM %
Net Assets (mn)	1,521	1,540	1.24%
NAV Per Unit (Rs)	11.06	11.20	1.24%

### 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 April 30, 2010 stood at Rs. 1.54 billion. The fund's NAV appreciated by 1.24% during the period under review against a rise of 2.3% in the benchmark index (KMI-30) while KSE-100 Index, during the same period increased by 2.5%.

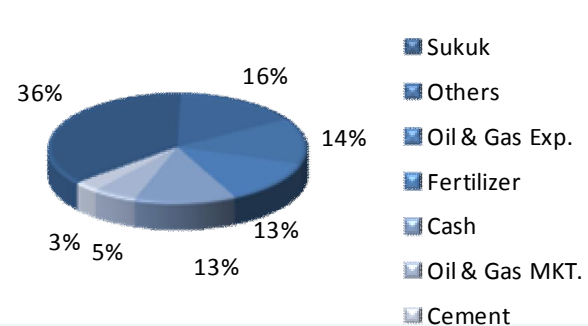
## Meezan Balanced Fund

### Performance

Month on Month	Mar '10	Apr '10
Return on MBF	3.23%	1.06%
Benchmark Return*	3.95%	1.37%
Return on KMI-30 Index	7.43%	2.25%
<b>Year - to - date (FY)</b>		
Return on MBF	25.95%	27.17%
Benchmark Return*	24.62%	26.49%
Return on KMI-30 Index	44.91%	48.17%

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

### MBF Assets Distribution – April '10



### Fund Assets:

	Mar '10	Apr '10	MoM %
Net Assets (mn)	1,319	1,333	1.06%
NAV Per Unit (Rs)	10.99	11.11	1.06%

### 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 March 31, 2010 stood at Rs. 1.33 billion. The fund's NAV appreciated by 1.06% during the month.