



MKT/FMR/041/09

February 04, 2009

Dear Investor,

We are thankful to all our valued investors for their support and continued patronage. We at Al Meezan Investments are committed to provide the best Shariah compliant investment management services to our investors.

After the removal of floor on December 15, 2008, KSE 100 Index is trading at cheap multiples and is at a discount of 30-35% as compared to the regional markets. The current levels of the market are attractive and we recommend our investors to increase their exposure in Meezan Islamic Fund (MIF), the largest open-end equity fund in the private sector.

The return on Meezan Islamic Income Fund (MIIF) for the month of January 2009 was 15.55%*, showing its consistency. MIIF, which is the largest Islamic Income Fund, offers the highest return in all the Islamic Income Funds for the month. In fact, MIIF NAV based annualized return for the month was 73% due to revaluation of sukuk portfolio. We are also pleased to inform you that because of investment in high quality Islamic instruments and having a sizeable portion of the fund in cash and cash equivalents, the net asset value of MIIF has successfully recovered from the decline due to SECP directive of November 05, 2008.

MIIF Performance	Annualized Returns*
January '09	15.55%
December '08	15.89%
Year-to-date (July 01, 2008 – January 31, 2009)	14.25%

* Return is gross of the valuation impact of repricing Sukuk portfolio

A special note by the CEO about tips on how to avoid investment fraud follows. It provides important advice to all of you.

NOTICE OF BOOK CLOSURE - MEEZAN ISLAMIC INCOME FUND

Unit Holders of **Meezan Islamic Income Fund (MIIF)** are hereby informed that the register of unit holders of the Fund will remain closed from Saturday February 21, 2009 to Monday February 23, 2009 (both days inclusive) for determining the entitlement of distribution, if any, that may be declared by the Board of Directors of Al Meezan Investment Management Limited (The Management Company) in their meeting scheduled for Monday February 23, 2009.

During the period the register of unit holders is closed; there will be no transactions in the units of the Fund. Transactions in units will recommence from Tuesday February 24, 2009.

Regards,

Anas Rehan
AVP Marketing

Tips of Avoiding Investment Fraud

Recent financial crisis has resulted in losses for several individuals and institutions. However, it provides an experience from which we all can get several lessons and tips which we should take into consideration when investing in future. CFA Institute offers certain tips on how to avoid Investment Fraud. We believe that these tips are extremely useful and hence would like to mention few of these tips here in light with their applicability to our local investors.

1. Understand clearly the investment strategy

“Some investment opportunities appear alluring simply because they are described in impressive, complicated terms,” said Stephen Horan, CFA, head of private wealth management content at CFA Institute. We at Al Meezan have clearly communicated our strategy of providing Shariah compliant returns to our investors and never wavered to this commitment. Due to this stance, we have been successful in our strategy and have shared our success with investors by giving dividends consistently for last 5 years.

2. Match investment strategy to reported performance

One of the biggest scams of the international capital market has been one by Bernard Madoff because the reported performance was consistently good and the investors did not pay heed to its investment strategy. We advise our investors to prudently analyze not just the strategy and the reported performance but also if the returns are properly and honestly calculated. We have seen that in the local scenario, banks have been misleading the people with claims of over 15% returns not taking into consideration the compounding factor. We, at Al Meezan, always try to present true and fair picture to our investors and for calculation of returns use standardized methodology.

3. There are no short cuts to success

Legitimate investment professionals do not promise sure bets. Legitimate get-rich-quick schemes simply do not exist. Investors should be highly cautious while investing in such schemes as the recent financial crisis has shown that even the biggest conglomerates are not totally safe. Investors are advised to take long term positions in mutual funds which promise consistent and ethically earned income over the period of time.

4. Assess the operational risk and infrastructure – Any investment management operation should have a physical infrastructure for trading and administration. It is important that a firm have separate, independent operations for asset management, trading, and custody to provide checks and

balances against fraud. Investors should look for asset management companies which have a proven track record of efficient management of funds.

5. Ask about independent audits and who performs them

“Investors should ask for audited financial statements of the organization,” said Horan. “An auditor should be independent, reputable, and congruent with the size and scope of the investment operation.” Al Meezan gets its financial statements audited by top reputed firm, A. F. Ferguson & Co.

6. Assess the personnel

Ultimately, the reliability of any operation is predicated on the integrity and competence of its people. So find out who makes investment decisions and who implements the investment strategy. They should be separate people with relevant experience, education, and training. Look for recognized professional credentials, like the Chartered Financial Analyst (CFA) designation. Al Meezan has a team of qualified individuals who abide by the CFA Code of Conduct. We believe that all investment is made in people and not in funds or companies. So, select the right people to manage your money!

7. Limit your exposure

“One of the surest ways to avoid the catastrophe associated with investment fraud is to limit the amount you invest,” said Horan. “Diversification is one of the most fundamental and enduring investment principles. Investors often expose themselves to unnecessary risks by concentrating their funds in one or two securities. Investment in equity market through mutual funds would indeed be the ideal means to have a diversified portfolio. While making a selection of the fund to invest in, the above mentioned tips should be kept in mind so that hard earned money do not get lost by unethical practices by investment managers.

Mohammad Shoaib, CFA
Chief Executive, Al Meezan Investments



AL Meezan Investment Management Limited

January, 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. With the launch of Meezan Capital Protected Fund – I in the month of May 2008, AMIM now manages six mutual funds; namely Al Meezan Mutual Fund, Meezan Balanced Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund and Meezan Capital Protected Fund - I.

The total funds under management of Al Meezan Investments, the only full fledged Shariah compliant asset management company in Pakistan, have reached Rs. 11.22bn as on January 31, 2009. With a proven performance record, the company clearly stays well ahead of all its competitors in the Islamic asset management market in Pakistan.

STOCK MARKET REVIEW

During the month of January, the activity in the stock market normalized to some extent after the removal of the floor in mid December. The KSE-100 Index lost 487 pts in January to close at 5377 pts (8.31% decline) with average volumes improving to 142.39mn shares as compared 39.8mn shares in December.

During January, the market seemed to be in search for its bottom with the Index making its low of 4815 pts. NIT-Strategic Enterprise Fund did provide some support to the market but foreign selling pressure diluted its efforts. The month witnessed a net outflow of portfolio investment of US\$ 149.5mn. Moreover, corporate results of the fertilizer sector and PPL were announced which were below market expectations. The strong earnings performance by Engro was marred by higher than expected dilution through a proposed 40% right issue at Rs50.

Towards the end of the month market rebounded to some extent led by the banking sector; mainly due to a regulatory change imposed by the central bank which now allows 30% of forced sale value (FSV) benefit against provisions by banks for a period of three years.

MONEY MARKET REVIEW

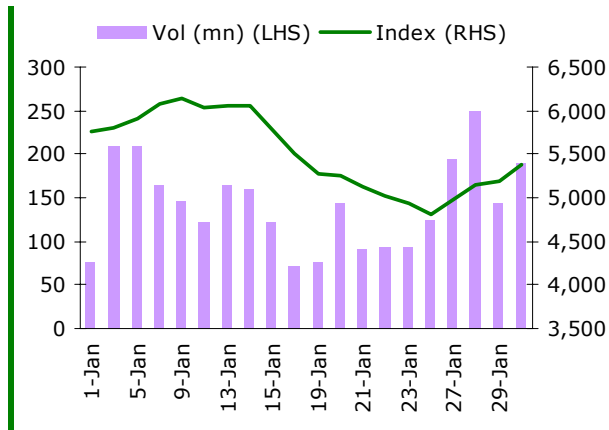
The Central Bank, in its monetary policy announcement, kept the discount rate unchanged, while increasing the limits for the Export Finance Scheme and Long Term Finance Facility. SBP also announced that, going forward, T-bill/PIB auctions will be made more volume based and the Ministry of Finance will determine the cut-off rates.

Call markets, during the month of January, remained fairly liquid, with overnight offer rates hovering between 12-14%. To mop up excess liquidity, SBP conducted two T-bill auctions, accepting a total of Rs. 170bn. Out of the total auction, SBP sold Rs. 91bn worth of 3-month paper as the participants maintained their interest in short tenor. The cut-off yield for three month paper declined by 21bps and closed the month at 13.76%, whereas the cut-off rates for 6 month and 12 month papers stood at 14.01% and 14.21% respectively.

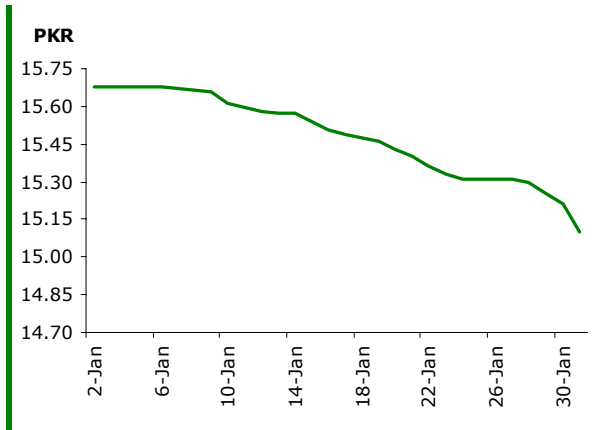
In addition to this, the benchmark KIBOR (6-month rate) also eased up, closing the month at 15.10%.

On the forex front, Pak Rupee remained extremely stable and closed the month at Rs. 79.0 to a dollar.

KSE-100 Index Performance



6 Month KIBOR



Disclaimer

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MEEZAN ISLAMIC FUND (MIF)

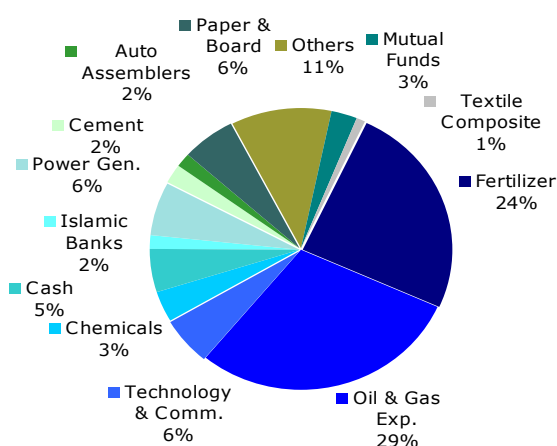


Pakistan's First Shariah-compliant Open-End Equity Fund

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	Rating watch

Performance		
Month on Month	Dec '08	Jan '09
Return on MIF	-39.27%	10.99%
Return on KSE-100 index	-36.10%	-8.31%
Return on DJIMPK	-37.49%	4.79%
Year - to - date (FY)		
Return on MIF	-55.46%	-50.57%
Return on KSE-100 index	-52.27%	-56.24%
Return on DJIMPK	-54.97%	-52.82%
Cumulative return since inception		
Return on MIF	29%	43%
Return on KSE-100 index *	40%	28%

Sector Weightage as a % of Net Assets



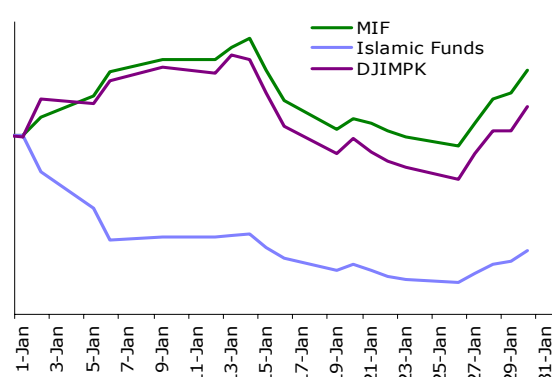
Top Ten Holdings

Engro Chemical	Pakistan Oilfields
Fauji Fertilizer Bin Qasim	Pakistan Petroleum Ltd.
Fauji Fertilizer Co.	Pakistan State Oil
Oil & Gas Development Co.	Pakistan Telecom
Packages	The Hub Power Co. Ltd.

Fund Assets:

	Dec '08	Jan '09	MoM %
Net Assets (mn)	2,538	2,844	12.03%
NAV Per Unit	22.29	24.74	10.99%
KSE-100 Index	5,865	5,377	-8.31%
DJIMPK	8,149	8,539	4.79%

RELATIVE PERFORMANCE – JANUARY '09



FUND REVIEW

The net assets of Meezan Islamic Fund as at January 31, 2009 stood at Rs. 2.84bn and the fund was 94.89% invested.

We expect market to stabilize around current level as the monetary policy showed stabilization of interest rates and foreign selling pressure will lessen. Hence, we would advise our investors to increase exposure in MIF due to their high expected yields.

MEEZAN ISLAMIC INCOME FUND (MIIF)

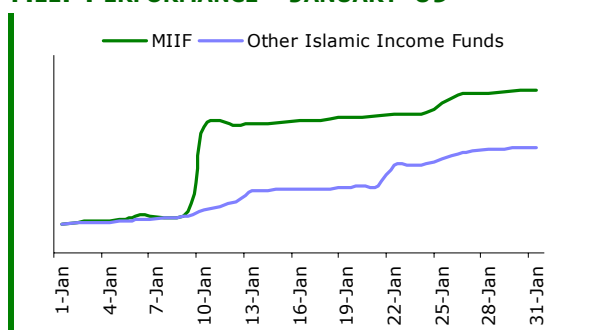


Pakistan's First Shariah-compliant Open-End Income Fund

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	1.07 months
Fund Stability Rating	Rating Watch

MIIF PERFORMANCE – JANUARY '09



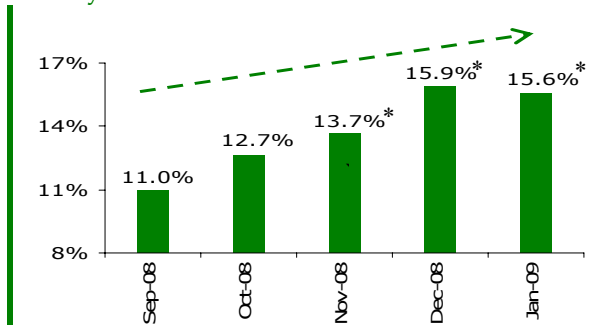
Fund Assets:

	Dec '08	Jan '09	MoM %
Net assets (Rs mn)	4,297	4,539	5.64%
NAV per unit (Rs)	48.27	50.57	4.78%

Performance

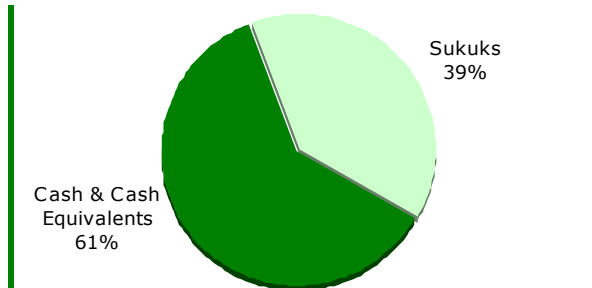
Month on Month	Dec '08	Jan '09
Return on MIIF	1.30%	4.78%
Return on MIIF (annualized)	15.89%*	15.55%*
Year - to - date (FY)	Dec '08	Jan '09
Return on MIIF	6.94%	8.79%
Return on MIIF (annualized)	14.22%	14.25%*
Cumulative return since inception (annualized)	Dec '08	Jan '09
Return on MIIF	10.58%*	11.18%*

Monthly Annualized Returns

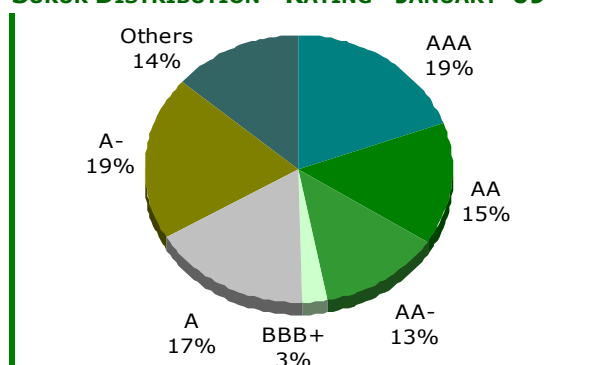


* Return is gross of the valuation impact of repricing Sukuk portfolio

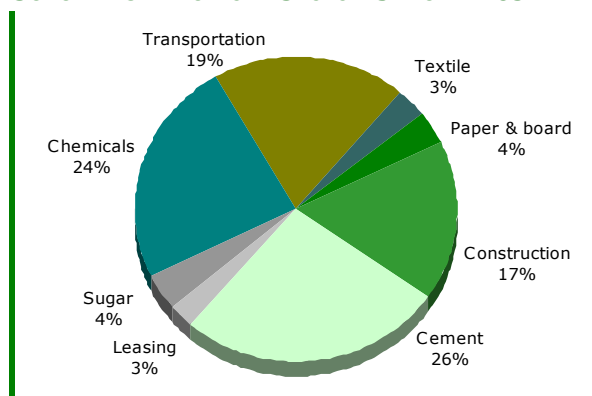
MIIF Assets Distribution – JANUARY '09



SUKUK DISTRIBUTION - RATING- JANUARY '09



SUKUK DISTRIBUTION- SECTOR JANUARY '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 return of the Meezan Islamic Income Fund (MIIF) has been 15.6%* for the month of January 2009 as compared to 15.89%* in the month of December 2008, with net assets of the fund at Rs. 4.5bn. With discount rate maintained at 15%, the return on your fund is expected to remain stable.

MEEZAN TAHAFFUZ PENSION FUND (MTPF)

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

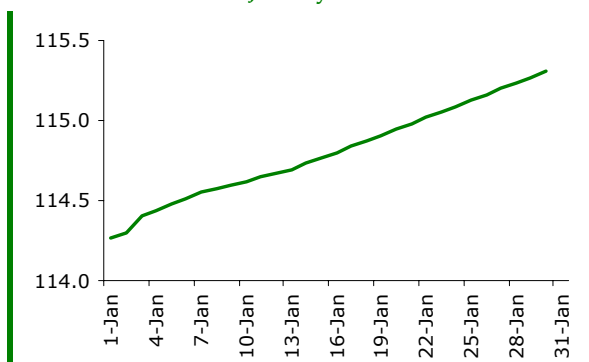
Fund Statistics:

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	Rating Watch

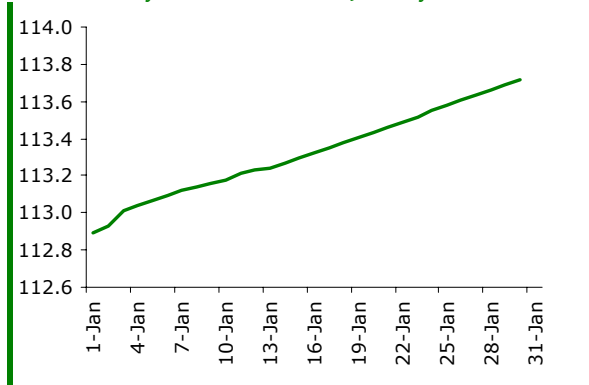
MTPF Equity Sub Fund January 2009



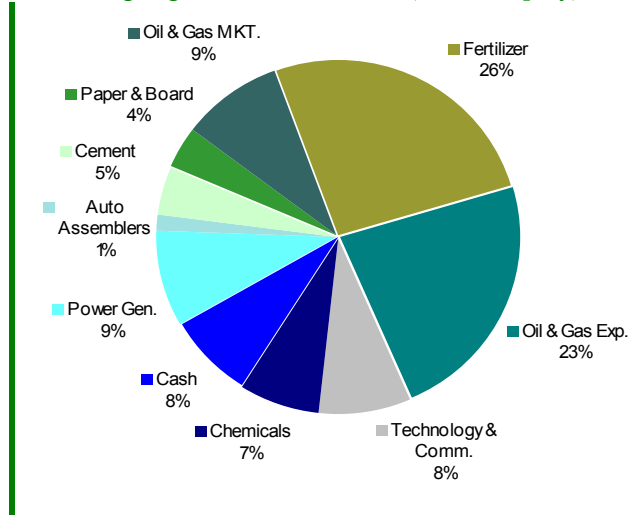
MTPF Debt Sub Fund January 2009



MTPF Money Market Sub Fund January 2009



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



Performance

	MoM	YTD	Since Inception
MTPF- Equity	9.41%	-50.89%	-49.36%
MTPF- Debt*	12.13%	12.71%	9.20%
MTPF- Money Market*	9.55%	10.90%	8.25%

* at annualized rates

Fund Assets:

PKRmn	Dec'08	Jan'09	MoM %
MTPF- Equity	30.29	34.19	12.85%
MTPF- Debt	64.51	65.37	1.33%
MTPF- Money Market	58.10	58.54	0.75%

FUND REVIEW

As at January 31 2008, total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 158mn.

The annualized MoM returns on Debt and Money Market sub funds were 12.13% and 9.55% respectively. After the floor removal, the equity sub-fund yielded has showed a positive return of 9.41%.

MUHAMMAD ASAD
CHIEF INVESTMENT OFFICER