

# Al Meezan Investment Management Limited

MKT/FMR/07/12,

February 07, 2012

Dear Investor,

By the grace of Almighty Allah, Al Meezan have continued to grow consistently, both in terms of assets under management which on January 31<sup>st</sup>, 2012 stand at Rs 37.7 billion as well as client base owing to the continued trust reposed in us by our valued investors.

## Dividend Payout of Meezan Cash Fund

Continuing with our tradition of keeping investors at fore-front we are pleased to announce interim dividend for MCF for the period ended January 22, 2012 as follows:

Fund	Period	Dividend (Rs.) per unit	% of par value of Rs. 50/-	FYTD Return
Meezan Cash Fund (MCF)	Dec 22,2011- Jan, 22, 2012	0.43	0.86%	11.4%

## Performance of Equity Funds

Positivity surrounded the market with comfort coming in from the softened stance of finance ministry and a much needed breather was provided to the market when all the recommended proposals given by SECP on Capital Gain Tax (CGT) were accepted by the ministry. The policy of frozen CGT rates at current levels; no question on source of funds invested in the stock market till Jun-14; abolishing withholding tax on sale transactions; and centralized collection and calculation of CGT through NCCPL were welcomed with zeal and zest by the investors. This enabled KSE-100 Index to cross the 12,000 level and thereby our equity funds showed phenomenal performance as shown in the table below:

Fund	MoM Return %
MIF	9.75%
AMMF	8.90%
MTPF-Equity Sub Fund	7.80%

We would like to draw your attention towards our specialized long term investment fund to guarantee your expenses post retirement; Meezan Tahaffuz Pension Fund (MTPF). The aim of this fund is to facilitate individuals in a disciplined and systematic manner to save and build wealth with special tax benefits. MTPF is composed of three sub- funds: Equity, Debt & Money Market, each aiming to cater to investor with different risk appetite.

Keeping the investor interest as our top priority, we at Al Meezan, promise that just like the past 16 years, we shall keep on striving for excellence in fund management and superior financial services

The Fund Managers' Report for the month of January 2012 is enclosed for your review.



Yours truly,

**Shahid Gul Motiwala**

SVP- Head of Marketing and Sales



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# Al Meezan Investment Management Limited

12/06/FMR/MKT

07 فروری 2012ء

معزز انویسٹر،

اللہ تعالیٰ کے فضل سے المیزان کا ترقی کا سفر جاری ہے، اس کا ثبوت ہمارے اثاثہ جات اور انویسٹرز کی تعداد میں مستقل اضافہ ہے۔ 31 جنوری 2012ء تک المیزان کے زیر منظمیٹ اثاثہ جات 37.7 ارب روپے تھے۔

## MCF میں ڈیویڈنڈ کی تقسیم

انویسٹرز کے مفاد کو پہلی ترجیح دیتے ہوئے ہم MCF میں ایک اور عبوری ڈیویڈنڈ کا اعلان کرتے ہوئے خوشی محسوس کرتے ہیں۔ اس کی تفصیلات مندرجہ ذیل ہیں:-

فائدہ	مدت	ڈیویڈنڈ روپے	50% روپے کی فیس و پلوی کی %	FY12 کا کل منافع
میزان کیش فنڈ (MCF)	22 دسمبر 2011 - 22 جنوری 2012	0.43	0.86%	11.4%

## ایکویٹی فنڈز کی کارکردگی

SECP کی جانب سے کیپٹل گین ٹیکس (CGT) کے سلسلے میں دی گئی مثبت تجاویز پر وزارت خزانہ کی منظوری کے بعد اسٹاک مارکیٹ میں مثبت رجحان دیکھنے میں آیا۔ اس کے علاوہ اسٹاک مارکیٹ کے سرمایہ کاروں کی جانب سے Jun-14 تک CGT کو حالیہ ریٹس پر منجمد کیا جانا، ذرائع آمدنی کو ظاہر نہ کرنے کا استثنیٰ، شیئرز کی خرید پر WHT میں چھوٹ اور NCCPL کے ذریعے CGT کا تخمینہ اور کٹوتی جیسے اقدام کو سراہا گیا جس کے نتیجے میں ہمارے ایکویٹی فنڈز کی کارکردگی بھی نہایت شاندار رہی۔ ہمارے فنڈز کی جنوری کی کارکردگی کی تفصیلات مندرجہ ذیل ہیں:

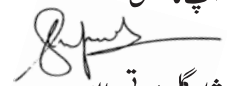
فائدہ	منافع
MIF	9.75%
AMMF	8.90%
Equity Sub Fund-MTPF	7.80%

ہم آپ کی توجہ طویل المدت سرمایہ کاری کے آلہ میزان تحفظ پنشن فنڈ (MTPF) کی جانب مبذول کروانا چاہتے ہیں۔ یہ فنڈ ریٹائرمنٹ کے بعد آپ کی آمدنی کا ضامن ہے۔ اس فنڈ کا مقصد سرمایہ کاروں کو منظم اور خود کار طریقے کے ذریعے بچت، سرمایہ کاری اور ٹیکس میں چھوٹ کے مواقع فراہم کرنا ہے۔ MTPF تین ذیلی فنڈز پر مشتمل ہے:- ایکویٹی، ڈیٹ اور منی مارکیٹ۔ یہ تینوں فنڈز سرمایہ کاروں کی مختلف رسک برداشت کرنے کی صلاحیت کو مد نظر رکھتے ہیں۔

انویسٹرز کے مفاد کو اولین ترجیح دیتے ہوئے، پچھلے 16 سالوں کی روایت کو برقرار رکھتے ہوئے ہم یہ عہد کرتے ہیں کہ بہترین فنڈ منیجمنٹ اور سروسز فراہم کرنے کے لیے کوشاں رہیں گے۔

ماہ جنوری 2012ء کی فنڈ منیجر رپورٹ آپ کے ریکارڈ کے لیے پیش ہے۔

آپ کا مخلص



شاہد گل موتی والا

ایس وی پی۔ ہیڈ آف مارکیٹنگ اینڈ سٹریٹجی



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# AL Meezan Investment Management Limited

Al Meezan Investments, the company in operation since 1995, has one of the longest track record 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 Cash Fund, Meezan Sovereign Fund and Meezan Capital Protected Fund (MCPF-II).

The total funds under management of Al Meezan, the only full fledged Shariah compliant asset management company in Pakistan, have reached Rs. 37.7 billion as on January 31, 2012. 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.

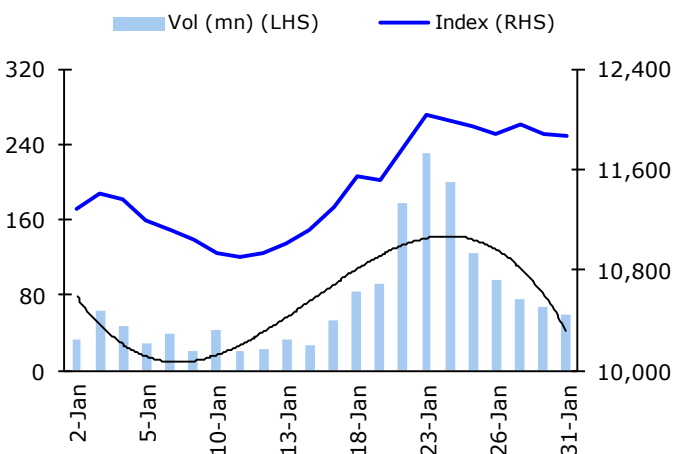
## Stock Market Review

The year 2012 started on a positive note with KSE - 100 index posting a return of 4.6% M-o-M to close at the level of 11,883. The average traded volume during January surged by 79% M-o-M to 75mn shares.

The month started on a dull note as investors remained cautious and sidelined on heightened political noise. However, the much needed breather was provided to the market when Finance minister visited KSE and accepted all the recommended proposals given by SECP on Capital Gain Tax (CGT). The proposal included i) freezing of CGT rates at current levels; ii) no question on source of funds invested in the stock market till Jun-14; iii) abolishing withholding tax on sale transactions; and 4) centralized collection and calculation of CGT through NCCPL. The announcement coincided with onset of result season and provided the required impetus as both locals and foreigners turned active value hunters which enabled the index to cross the psychological barrier of 12,000. Thereafter, some correction in the market was witnessed as investors chose to realize profits and preferred to wait for FBR to issue the SRO which formalizes the Finance Minister's announcement. Foreign investors during the month were net sellers worth USD 0.45 million.

We expect the market to gradually increase on account of the ongoing result season where most of the companies are expected to post healthy earnings. However, the key trigger for the market will remain the issuance of SRO by FBR which will have long term positive effects on the market.

### KSE-100 Index Performance



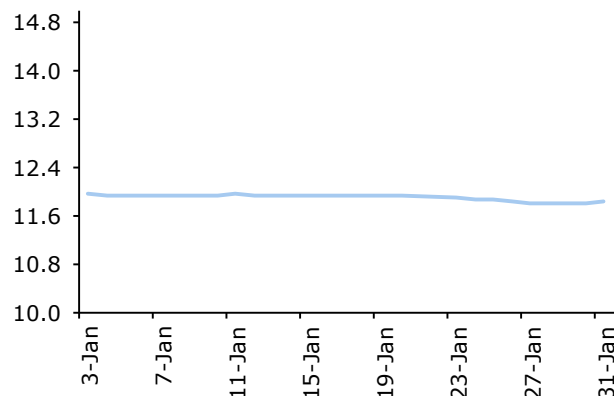
## Money Market Review

During the month of January, money market depicted a mixed trend. To normalize the liquidity situation, State Bank of Pakistan (SBP) conducted OMOs and injected around Rs. 969 billion at weighted average yield of 11.55%. Moreover, banks borrowed Rs. 85 billion through the discounting window and deposited around Rs. 181 billion with the SBP at floor rate. SBP also conducted two T-Bill auctions and accepted around Rs.209 billion against total bid of Rs. 462 billion, while the target of the auctions was Rs.150 billion against maturity of Rs. 149 billion. However, the cut off yield of six-month paper decreased by 4 bps to close at 11.63%.

Furthermore, KIBOR rates depicted downward trend as six month KIBOR rate fell by 20 bps to close at 11.82% in anticipation of a discount rate cut in the upcoming monetary policy which will be announced on 11th Feb, 2012.

On the forex front, rupee remained under pressure against dollar and depreciated by Rs.0.48 to close at Rs. 90.44 per dollar in the interbank market and by Rs. 0.40 in the open market to close at Rs. 90.50.

### 6 Month KIBOR



### Disclaimer

This publication is for informational purpose only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risk. The NAV based prices of units and any dividends/returns thereon are dependent on force and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

**Fund Review:**

Net assets of Meezan Islamic Fund stood at Rs. 4.7 billion as at January 31, 2012. The fund's NAV increased by 10% during the month of January as compared to 7% increase in benchmark index (KMI-30) while KSE-100 Index during the same period increased by 5%. We expect the market to perform as valuations are attractive. As on January 31, the fund was 96% invested in equities.

**Investment Objective:**

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

**Fund 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
Rating Agency	JCRVIS
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 M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed
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**Fund Asset:**

	Dec' 11	Jan' 12	MoM %
Net Assets (Rs mn)	4,330	4,715	8.9%
NAV Per Unit (Rs)	39.89	43.78	9.7%

**Asset Allocation:**

	Dec' 11	Jan' 12
Equity (%)	95.29	96.03
Cash (%)	4.82	2.05
Other receivables (%)	-0.11	1.92

Expense Ratio*	0.047	0.035
P/E	6.00	6.40

\*Management fee is included in the expense ratio

**Risk Measures–January'12:**

	MIF	KSE-100 index	KMI-30 Index
Standard Deviation (%)	1.03	1.10	1.23
Sharpe Ratio	0.38	0.16	0.24

**Performance - Cumulative Returns:**

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIF	10%	0.5%	5%	5%	10%	173%	61%	292%
Benchmark#	7%	-2%	2%	3%	8%	172%	47%	184%

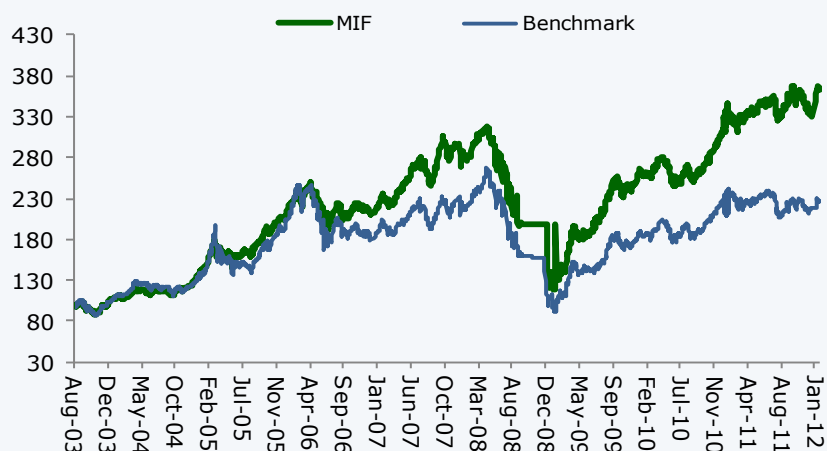
\*\* Performance start date of August 08, 2003,

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

**Annual Returns:**

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MIF	39%	31%	-30%	0.27%	29%	30%	40%
Benchmark	44%	37%	-35%	1%	17%	25%	22%

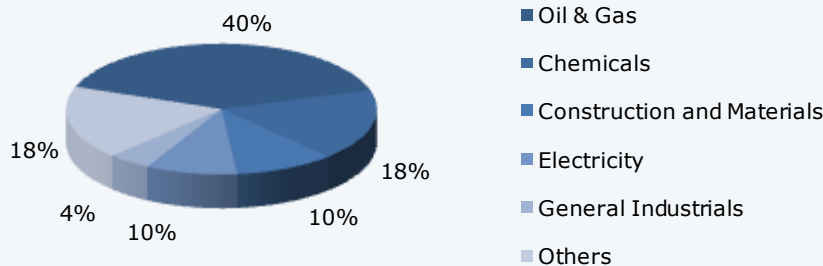
**Fund's Performance:**



**Top Ten Equity holdings:(% of NAV):**

Fauji Fertilizer Co. Ltd.	11%	Pakistan State Oil Co. Ltd.	9%
Oil & Gas Development Co. Ltd.	10%	Lucky Cement	7%
Pakistan Oilfields Ltd.	10%	ICI Pakistan Ltd.	6%
Pakistan Petroleum Ltd.	10%	Meezan Bank Ltd.	5%
The Hub Power Co. Ltd.	10%	DG Khan Cement Co. Ltd.	4%

**Sector Allocation:**



## Fund Review:

The net assets of Al Meezan Mutual Fund (AMMF) as at January 31, 2011 stood at Rs. 1.5 billion. The fund's NAV increased by 9% during the month of January as compared the 7% increase in benchmark index (KMI-30) while KSE-100 Index during the same period increased by 5%. We expect the market to perform market as valuations are attractive. As on January 31, the fund was 93% invested in equities.

## 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 Details:

Fund Type:	Open End
Risk Level	High
Launch Date	13th Jul 1995
Trustee	CDC
Auditors	A.F. Ferguson & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B,C and D
Management Fee	2%
Front End Load	2%
Fund Category	Equity
Back End Load	Contingent Load
Benchmark	KMI-30
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
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 M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed
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## Fund Asset:

	Dec' 11	Jan' 12	MoM %
Net Assets (Rs mn)	1,406	1,539	9.4%
NAV Per Unit (Rs)	10.22	11.13	8.9%

## Asset Allocation:

	Dec' 11	Jan' 12
Equity (%)	95.37	93.15
Cash (%)	4.70	4.56
Other receivables (%)	-0.06	2.29
Expense Ratio*	0.019	0.032

\*Management fee is included in the expense ratio

## Risk Measures-January'12:

	AMMF	KSE-100 index	KMI-30 Index
Standard Deviation (%)	0.98	1.10	1.23
Sharpe Ratio	0.37	0.16	0.24

## Performance - Cumulative Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
AMMF	9%	0.3%	3%	4%	9%	166%	56%	944%
Benchmark#	7%	-2%	2%	3%	8%	172%	47%	637%

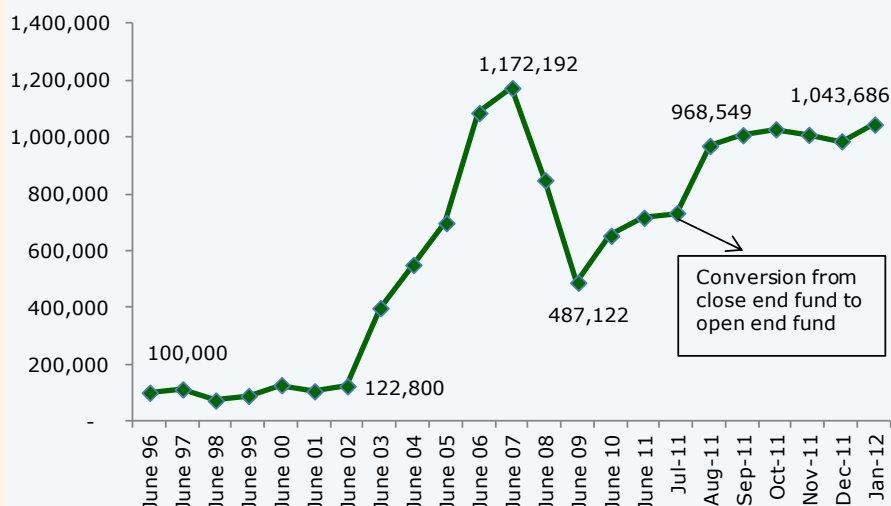
\*\* Performance start date of July 13, 1995,

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

## Annual Returns:

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
AMMF	38%	31%	-32%	0.43%	27%	28%	45%
Benchmark	44%	37%	-35%	1%	17%	25%	22%

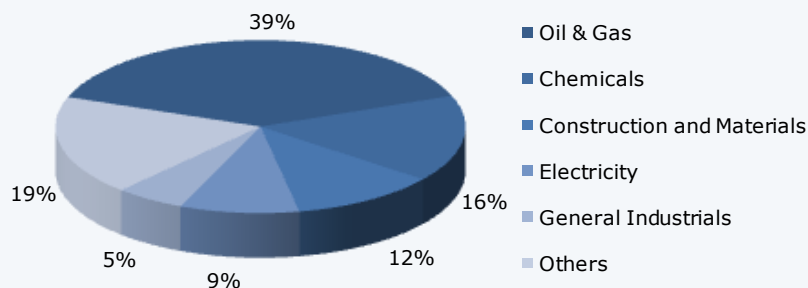
## Investment Growth from FY 1996- 2012 To Date



## Top Ten Equity holdings:(% of NAV):

Fauji Fertilizer Co. Ltd.	10%	Pakistan State Oil Co. Ltd.	8%
Oil & Gas Development Co. Ltd.	10%	Lucky Cement	7%
Pakistan Petroleum Ltd.	10%	ICI Pakistan Ltd.	5%
Pakistan Oilfields Ltd.	10%	DG Khan Cement Co. Ltd.	4%
The Hub Power Co. Ltd.	9%	Meezan Bank Ltd.	3%

## Sector Allocation:



## Fund Review

Net assets of Meezan Islamic Income Fund (MIIF) stood at Rs. 1.5 billion as at January 31, 2012. MIIF has provided an annualized return of 13.2% for the month of January as compared to its benchmark which has provided an annualized return of 6.0% during the same period.

## 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.

## Fund Details:

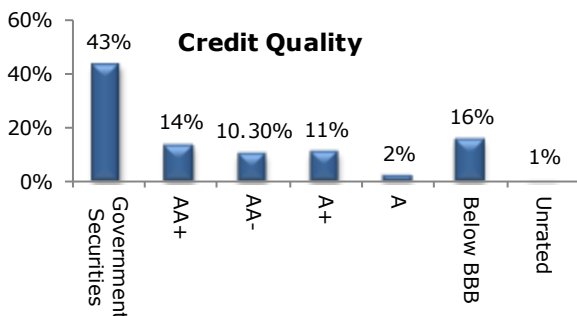
Fund Type:	Open End
Risk Level	Minimal
Launch Date	15-Jan-07
Trustee	CDC
Auditors	A.F. Ferguson & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B and C
Management Fee	1.5%
Front End Load	0.5%
Fund Category	Income
Leverage	Nil
Listing	KSE
AMC Rating	AM2
Rating Agency	JCRVIS
Fund Stability Rating	A(f)
Pricing Mechanism	Forward
Weighted average time to maturity	1.51 Years
Back End Load	Contingent load for Type C investors
Benchmark	Average bank deposit rate of three Islamic banks
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 M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed

## Fund Assets:

	Dec' 11	Jan' 12	MoM %
Net Assets (Rs mn)	1,718	1,527	-11.11%
NAV Per Unit (Rs)	50.76	51.29	1.06%

## Credit Quality of portfolio:

Government Securities	43%
AA+	14%
AA-	10%
A+	11%
A	2%
Below BBB	16%
Unrated	1%



## Performance - Annualized Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIIF	13.2%	-0.02%	2.5%	4.2%	8.9%	9.3%	9.0%	9.0%
Benchmark	6.0%	6.0%	6.0%	6.0%	5.9%	5.9%	5.9%	5.9%

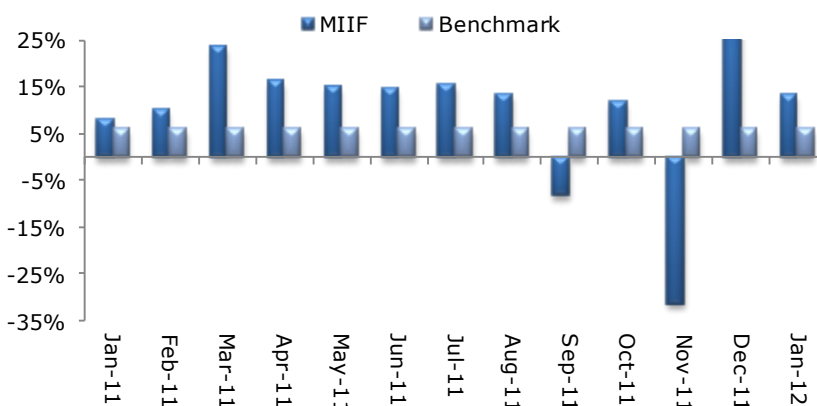
\*\* Performance start date of Jan 15, 2007

## Annual Returns:

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MIIF	11.8%	7.31%	10.15%	9.28%	10.07%*	-	-
Benchmark	5.9%	5.75%	6.54%	5.75%	4.66%	-	-

\* 163 days of operations

## Monthly Performance:



## Top Ten Portfolio holdings:(% of NAV):

GoP Ijarah Sukuk III	18%	Century Paper & Board Mills Ltd.	8%
GoP Ijarah Sukuk IX	16%	Maple Leaf Sukuk -I	7%
Engro Fertilizer Ltd.	10%	HUBCO (Commercial Paper)	7%
GoP Ijarah Sukuk IV	9%	KAPCO (Commercial Paper)	6%
Eden Housing Ltd.	8%	Sitara Chemicals Ltd. - III	3%

## Sector Allocation:

	Dec'11	Jan'12
Sukuk	36%	39%
Government backed / Guaranteed Securities	39%	43%
Cash	12%	1%
Commercial Paper	11%	13%
Others Including receivables	3%	3%

## Details of Non Performing Investments:

Name of Non-compliant investments	Type of Investments	Value of Investments before provision	Provision held if any / Diminishing Market Value	Value of investments after provision	% of Net Assets	% of Gross Assets
Arzoo Textile Mills Ltd.	Sukuk	70,000,000	70,000,000	0.00	0.00%	0.00%
Eden Housing Limited	Sukuk	186,553,125	56,965,491	129,587,634	8.48%	8.45%
Maple Leaf Cement - I	Sukuk	319,456,000	217,230,080	102,225,920	6.69%	6.67%
Maple Leaf Cement - II	Sukuk	12,000,000	3,551,280	8,448,720	0.55%	0.55%
Security Leasing Corporation Ltd. - II	Sukuk	20,312,500	5,955,097	14,357,403	0.94%	0.94%

## Fund Review

Net assets of Meezan Cash Fund (MCF) stood at Rs. 6.6 billion as at January 31, 2012. MCF has provided an annualized return of 10.9% for the month of January as compared to its benchmark which has provided an annualized return of 8.0% during the same period.

## 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.

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	15-Jun-09
Trustee	CDC
Auditors	A.F. Ferguson & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B and C
Management Fee	1%
Front End Load	Nil
Back End Load*	0.1% if redemption within 3 days
Fund Category	Money Market
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Fund Stability Rating	AA (f)
Pricing Mechanism	Forward
Weighted average time to maturity	15.65 Days
Benchmark	Average return on 6-month Islamic bank deposits
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 M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed
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## Fund Assets:

	Dec' 11	Jan' 12	MoM %
Net Assets (Rs mn)	6,601	6,621	0.30%
NAV Per Unit (Rs) *	50.15	50.16	0.88%

\*Ex-Dividend NAV

## Rating Exposure:

AA+	73%
AA	26%
AA-	0.2%##

##Account with Meezan Bank is being maintained only for collection /redemption purposes as Meezan Bank is the distributor for all Meezan Funds.

## Portfolio Composition:

	Dec'11	Jan'12
Placements with Banks and DFIs	15%	15%
Commercial Paper	8%	8%
Cash	75%	76%
Other Including receivables	2%	1%

## Performance – Annualized Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MCF	10.9%	11.0%	11.3%	11.4%	11.5%	-	-	10.7%
Benchmark	8.0%	8.1%	8.2%	8.2%	8.3%	-	-	7.9%

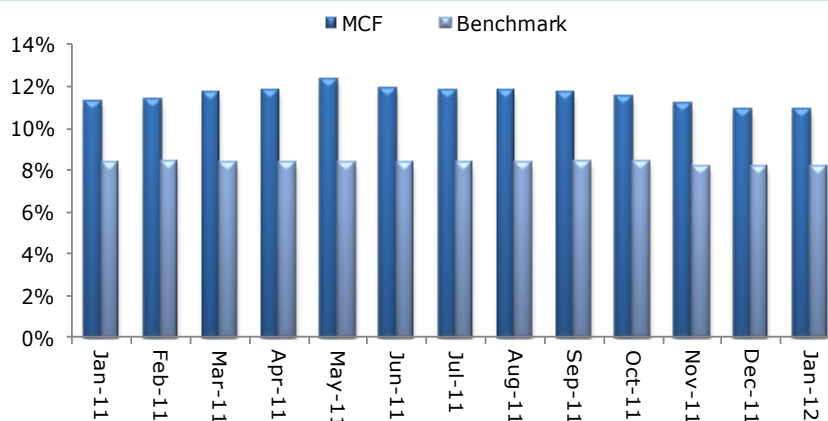
\*\* Performance start date of June 15, 2009

## Annual Returns:

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MCF	11.0%	10.10%	8.08%#	-	-	-	-
Benchmark	8.2%	7.48%	7.6%	-	-	-	-

#15 days of operations

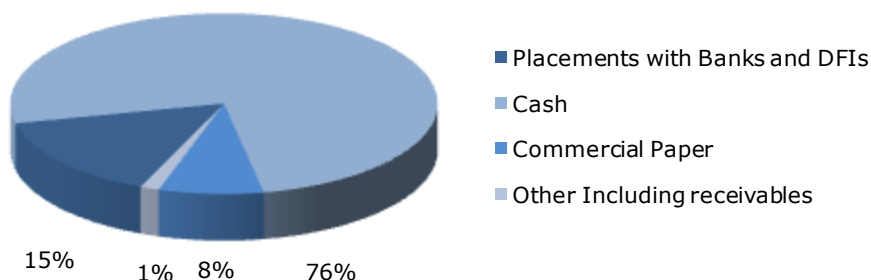
## Monthly Performance:



## 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) Tax Credit as per tax laws
Investment Policy and Strategy	Investments in High Grade & Liquid avenues: Instrument/Issuer Rating : <b>Minimum 'AA'</b> Maximum Maturity of Instruments : <b>Six Months</b> Average Time to Maturity of Portfolio : <b>Three Months</b>
Benchmark	Average return on 6-month Islamic bank deposits

## Asset Allocation:



## Fund Review

Net assets of Meezan Sovereign Fund (MSF) stood at Rs. 19.27 billion as at January 31, 2012. For the month of January, the fund has provided an annualized return of 10.9% as compared to its benchmark which has provided an annualized return of 8.0% during the same period.

## Investment Objective:

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

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	10-Feb-10
Trustee	CDC
Auditors	A.F. Ferguson & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B, C and D
Management Fee	1%
Front End Load	0.5%
Back End Load	Nil
Fund Category	Income
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Fund Stability Rating	AA+ (f)
Pricing Mechanism	Forward
Weighted average time to maturity	1.81 Years
Benchmark	Average return on 6-month Islamic bank deposits
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 M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed
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## Fund Assets:

	Dec' 11	Jan' 12	MoM %
Net Assets (Rs mn)	18,798	19,265	2.48%
NAV Per Unit (Rs) *	50.33	50.78	0.88%

\*Ex-Dividend NAV

## Asset Rating:

Government Guaranteed	78%
AA+	10%
AA	10%

## Asset Allocation:

	Dec '11	Jan '12
Government Guaranteed	80%	78%
Cash	18%	20%
Other Including receivables	2%	2%

## Performance - Annualized Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MSF	10.9%	11.6%	11.9%	12.0%	12.0%	-	-	11.3%
Benchmark	8.0%	8.1%	8.2%	8.2%	8.3%	-	-	8.1%

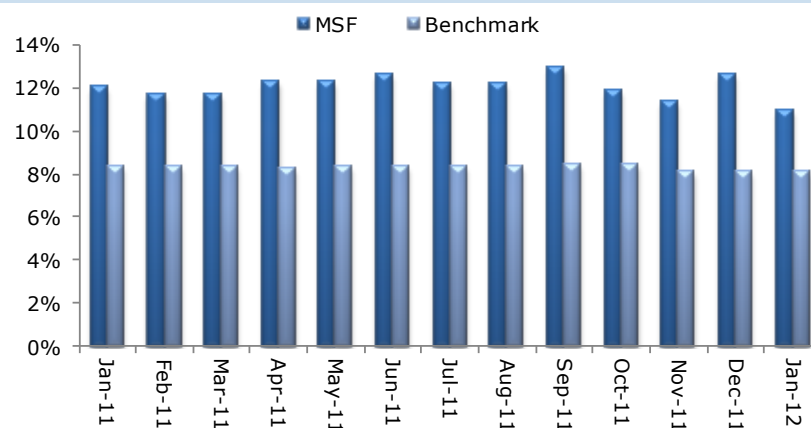
\*\* Performance start date of Feb 10, 2010,

## Annual Returns:

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MSF	11.5%	9.76%*	-	-	-	-	-
Benchmark	8.2%	7.48%	-	-	-	-	-

\* 140 days of operations

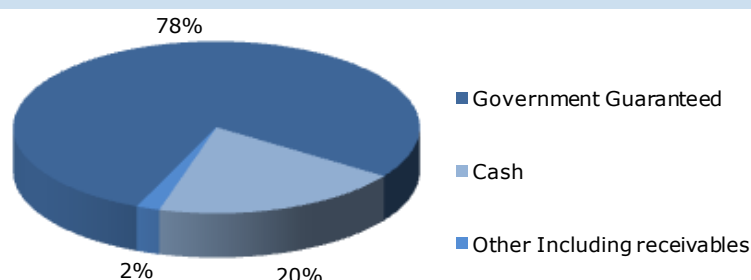
## Monthly Performance:



## Portfolio: Salient Features

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

## Asset Allocation:





## Fund Review:

The fund was launched on July 5, 2011. As at January 31, the net assets of Meezan Capital Protected Fund (MCPF-II) stood at Rs. 419 million. For the month of January 2012, MCPF-II provided a return of 2.8%.

## Investment Objective:

The objective of this fund is to provide investors 100% protection of their capital while offering competitive returns by participating in the equity market.

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	5-Jul-11
Trustee	CDC
Auditors	A.F. Ferguson & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B,C and D
Management Fee	1.5%
Front End Load	3%
Fund Category	Capital Protected
Back End Load	Contingent Load
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Pricing Mechanism	Forward
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 3pm
Fund Manager	M. Farhan Lakhani
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed

## Funds Asset:

	Dec' 11	Jan' 12	MoM %
Net Assets (Rs mn)	408	419	2.79%
NAV Per Unit (Rs)	51.63	53.07	2.79%

## Asset Allocation:

Equity (%)	23.5
GoP Guaranteed Securities (%)	67.3
Cash & Cash Equivalents (%)	9.2

## Performance - Cumulative Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MCPF-II	2.8%	1.6%	5.5%	6.1%	-	-	-	6.1%

\*\* Performance start date of Jul 5, 2011,

## Annual Returns:

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MCPF-II	-	-	-	-	-	-	-

## Portfolio: Salient Features

### Key Benefits

- 100% Capital Protection.
- Optimal Halal returns while remaining in Capital Protection structure.
- Tax exempt returns (under applicable Tax Laws)
- Tax Credit ( as per Tax Law)
- Professional Fund Management by the largest asset management company in private sector in Pakistan

### Investment Policy and Strategy

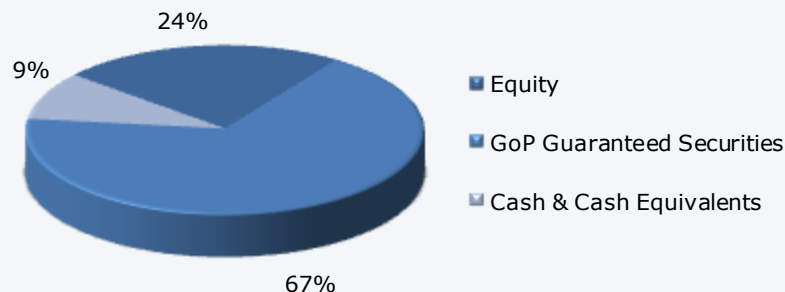
#### Capital Protection Segment

Approximately 75.5% of the Fund would be allocated to Capital Protection Segment which will grow to initial investment, at maturity of life of the Fund. The investment will be made in 'AAA' rated Government of Pakistan Ijarah Sukuk.

#### Investment Segment

24.5% of the Fund would be allocated to Investment Segment that is expected to provide the upside over and above principal at the time of maturity. This amount will be invested in Shariah compliant equity securities listed on Pakistani Stock Exchanges.

## Asset Allocation:



## Fund Review:

As at January 31, 2012, total size of Meezan Tahaffuz Pension Fund (MTPF) reached Rs. 500 million. For the month of January, the NAV of equity sub fund increased by 8% while the NAV of debt and money sub funds provided an annualized return of 10.2% and 11.1% respectively.

## 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.

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	28-Jun-07
Trustee	CDC
Auditors	Ford Rhodes Siddat Hyder & Co.
Registrar	Meezan Bank Ltd.
Fund Category	Pension
Leverage	Nil
AMC Rating	AM2
Rating Agency	JCRVIS
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 M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed
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## FUND ASSETS:

Rs (Mn)	Dec '11	Jan '12	MoM %
MTPF- Equity	199	218	9.6%
MTPF- Debt	170	174	2.1%
MTPF- MMkt	107	108	1.4%
<b>Total Fund</b>	<b>476</b>	<b>500</b>	<b>5.1%</b>

## NAV per unit:

Rs	Dec '11	Jan '12	MoM %
MTPF- Equity	131.1	141.3	7.8%
MTPF- Debt	150.1	151.3	0.8%
MTPF- MMkt	151.1	152.5	0.9%

## Sukuk Holdings – MTPF(Debt fund):

GoP Ijarah Sukuk V	33.4%
GoP Ijarah Sukuk IX	31.1%
GoP Ijarah Sukuk IV	16.1%
GoP Ijarah Sukuk VIII	7.5%
GoP Ijarah Sukuk VI	1.7%
Maple Leaf Cement	1.0%
Eden Housing Limited	0.6%
Security Leasing Sukuk II	0.4%

## Performance – Cumulative Returns:

	1M	3M	6M	YTD	1Yr	3Yr	5Yr	PSD**
MTPF- Equity	7.8%	-0.03%	2.1%	2.9%	6.6%	204.6%	-	41.0%
MTPF- Debt*	10.2%	7.4%	8.4%	8.8%	10.2%	9.8%	-	9.4%
MTPF- MMkt*	11.0%	12.0%	11.5%	11.5%	11.3%	10.5%	-	9.6%

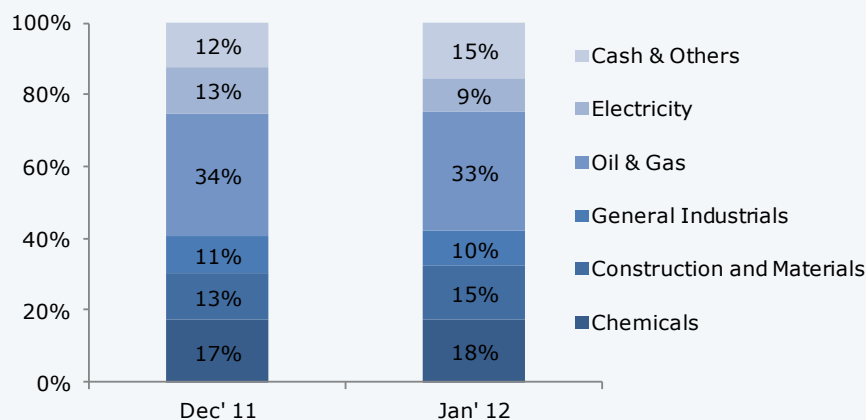
\*\* Performance start date of June 28, 2007,

\* annualized return

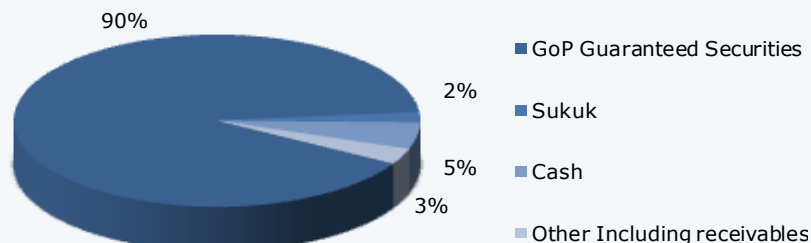
## Annual Returns:

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MTPF- Equity	36.0%	31.5%	25.8%	3.10%	-	-	-
MTPF- Debt	10.9%	8.50%	10.2%	8.30%	-	-	-
MTPF- MMkt	10.7%	8.50%	11.1%	7.70%	-	-	-

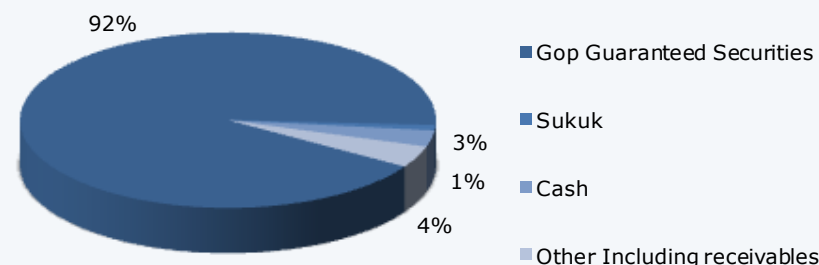
## Sector Weightage as % of Net Assets (MTPF – Equity):



## MTPF Debt Sub Fund:



## MTPF Money Market Sub Fund:





## PAKISTAN'S ONLY SHARIAH-COMPLIANT CLOSED-END FUND

### Fund Review:

Net assets of Meezan Balanced Fund (MBF) as at January 31, 2012 stood at Rs. 1.40 billion. The fund's NAV increased by 5.6% during the month.

### 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 Details:

Fund Type:	Close End
Risk Level	Minimal
Launch Date	20-Dec-2004
Trustee	CDC
Auditors	A.F. Ferguson & Co.
Registrar	THK Associates
Management Fee	2%
Fund Category	Balanced
Leverage	Nil
Listing	KSE
AMC Rating	AM2
Rating Agency	JCRVIS
Benchmark	50% KMI-30 Index 50% Average bank Deposit rate of three Islamic banks
Fund Manager	M. Farhan Lakhani
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib M. Ali, CFA, FRM M. Farhan Lakhani Bushra Tariq Shakil Ahmed

### Funds Asset:

	Dec' 11	Jan' 12	MoM %
Net Assets (Rs mn)	1,327	1,402	5.59%
NAV Per Unit (Rs)	11.06	11.68	5.59%

### Performance - Cumulative Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MBF	6%	1%	5%	7%	12%	115%	71%	156%
Benchmark	4%	-0.5%	2%	3%	7%	86%	24%	63%

\*\* Performance start date of Dec 20, 2004

### Annual Returns:

	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MBF	25%	23%	-11%	1%	26%	23%	2%*
Benchmark	25%	21%	-14%	3%	11%	15%	13%

\* Performance start date of Dec 20, 2004

### Top Ten Portfolio holdings:(% of NAV):

	Equity	Sukuk
Fauji Fertilizer Co. Ltd.	8%	KAPCO (Commercial Paper) 12%
Hub Power Co. Ltd.	7%	HUBCO (Commercial Paper) 7%
Pakistan Oilfields Ltd.	6%	GoP Ijarah Sukuk -IV 7%
Pakistan Petroleum Ltd.	5%	Engro Fertilizer Ltd. 4%
Pakistan State Oil Co. Ltd.	5%	GoP Ijarah Sukuk -III 2%

### Sector Allocation:

	Dec'11	Jan'12
Equity	54%	56%
GoP Guaranteed Securities	9%	9%
Sukuk	6%	6%
Commercial Paper	21%	20%
Cash	10%	9%

### Sector Performance:

