



MKT/FMR/01/10

August 04, 2009

Dear Investor,

The results for open end funds of Meezan family of funds were announced last month. Meezan Islamic Income Fund provided a total return of 10.15% during the year ended June 30, 2009. A total of Rs. 4.77 per unit was paid out as dividend in the form of interim dividends and final dividend. Meezan Cash Fund which was launched during the month of June posted annualized return of 11.27% since the close of IPO. A payout of Rs. 0.15 per unit was made to the unit holders.

One of the value added service being provided to you as a unit holder of Meezan Mahana Kharch Account (MMKA) and Meezan Tahaffuz Pension Fund (MTPF) is Takaful coverage for medical expenses and accidental death. This coverage is being provided without any cost or obligation to you and Al Meezan is paying all costs related to the coverage. We will encourage you benefit from this service by submitting the Health Declaration Form in case you have not submitted it so far. You can download the form from our website [www.almeezangroup.com](http://www.almeezangroup.com).

The month of Ramadan is just round the corner as you know, we need to deduct Zakat from your investments with us unless you have submitted Declaration for Zakat Exemption. If not provided earlier, we will encourage you to submit the Zakat Exemption Declaration at the earliest otherwise Zakat will be applicable on your investment and it will be deducted at the time of redemption of units or distribution of cash dividend.

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

Alhamd'o'lilah, the net assets under management of Al Meezan Investments are Rs.13.7 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.

Yours truly,

**Muhammad Anas Rehan**  
AVP Marketing



## AL Meezan Investment Management Limited

July, 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 complaint 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. 13.7bn as on July 31, 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 July 09, the KSE-100 Index gained 558pts (7.8% up) to close at 7,720 level with the average daily volume of 160mn shares as compared to 111mn shares in June 09.

Initially in the month, the market remained buoyant due to the likely announcement of the discount rate cut by Central Bank in the monetary policy statement which was scheduled on July 25, 2009. Moreover, the dividend of Rs. 1.5 by PTCL, the downward revision in National Savings Scheme rate, CPI inflation for June declining to 13.1% and re-introduction of deliverable futures were all the positive news helping the market to go above 7,900 level on intraday basis. However, the unexpected delay in the announcement of monetary policy to August 15, 2009 raised some concerns regarding the release of IMF third tranche and any possible cut in discount rate. As a result the market underwent correction of around 5% before it rebounded on the last day by over 200pts on the back of positive statements from IMF and SBP Governor. The month witnessed a net foreign portfolio inflow of \$12mn. Going forward, we expect the release of IMF tranche, monetary policy announcement, recent judgment by Supreme Court and favourable corporate results to keep the market sentiments positive.

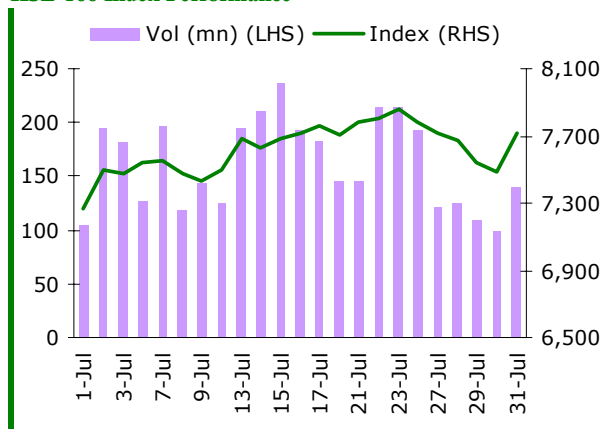
### MONEY MARKET REVIEW

There were strong market expectations about 100 to 150bps cut in discount rate at the start of the month, resulting in considerable decline in secondary market and interbank market yields. However, the news of 20-day delay in the monetary announcement gave some support. Thus, after making a low of 11.87% (down 89bps during the month), the benchmark interbank rate (6-month KIBOR) recovered and closed the month at 11.99% (down 77bps MoM).

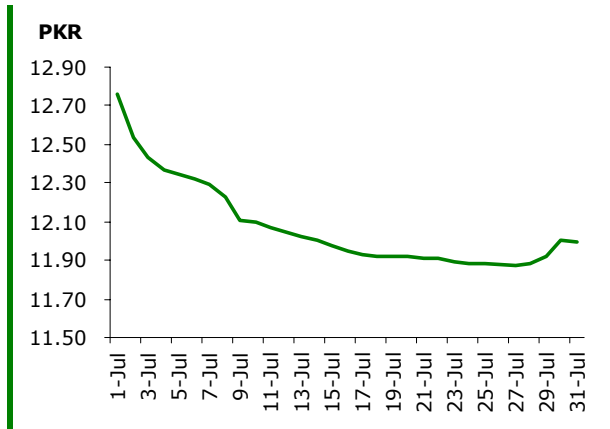
As per the T-bill auction schedule issued by MoF, SBP mopped up Rs. 111bn against a target of Rs. 90bn. Since participants were anticipating a rate cut next month, the share of 1 year paper was the highest (80% of the total accepted amount). During the month, the cut-off rates for 1- year paper declined to 11.87% (down 36bps). On the money market front, over night call and repo rates remained range bound and hovered in comfortable range of 10-12.5%

Delay of IMF's decision regarding the release of the third tranche (amounting US\$ 850mn) to August 7 and SBP's announcement to arrange dollars for diesel import from the interbank market pushed Rupee to record low. Month-on-month, Rupee lost 2% against the green-back, closing at 83.23 to a dollar.

#### KSE-100 Index Performance



#### 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:

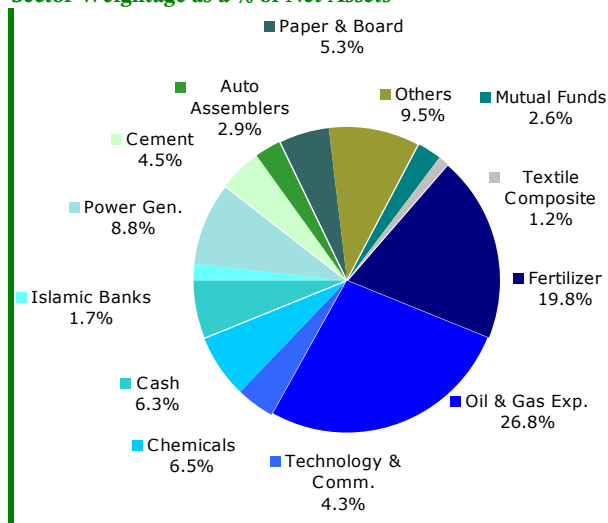
Fund Type:	Equity
Launch Date	8th August 2003
Trustee	Central Depository Company
Auditors	A.F. Ferguson
Management Fee	2%
Front End Load	2%
Benchmark	DJIMPK
Listing	KSE
Fund Rating	5 Star (Long term - JCR-VIS)

## Performance

Month on Month	June '09	July '09
Return on MIF	-0.08%	8.92%
Return on KSE-100 index	-1.57%	7.80%
Return on DJIMPK	-3.26%	10.07%
Year - to - date (FY)		
Return on MIF	-29.50%	8.92%
Return on KSE-100 index	-41.72%	7.80%
Return on DJIMPK	-35.44%	10.07%
Cumulative return since inception		
Return on MIF	104%	104%
Return on KSE-100 index *	70%	70%

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

## Sector Weightage as a % of Net Assets



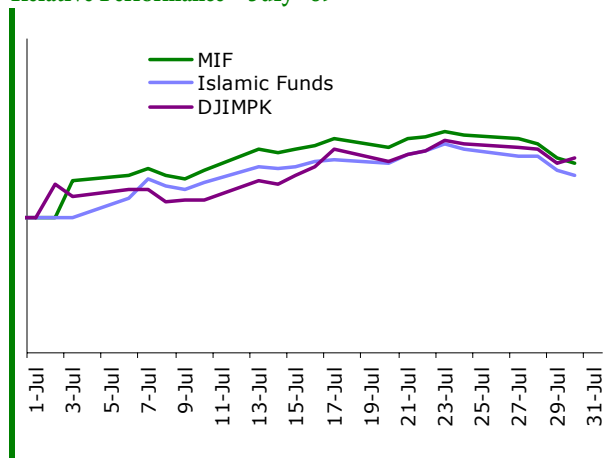
## Top Ten Holdings (in alphabetical order)

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

## Fund Assets:

	June '09	July '09	MoM %
Net Assets (mn)	3,737	4,044	8.33%
NAV Per Unit	35.28	38.43	8.92%
KSE-100 Index	7,162	7,721	7.80%
DJIMPK	11,684	12,861	10.07%

## Relative Performance – July '09



## FUND REVIEW

Net assets of Meezan Islamic Fund as at July 31, 09 stood at Rs. 4bn. The fund's NAV appreciated by 9% during the period under review against an appreciation of 10% in the benchmark index (DJIMPK) while KSE 100 Index, during the same period increased by 7.8%.

The market participants showed some nervousness on the macroeconomic front after the delay in the announcement of the monetary policy. However, clarity and positive news from IMF have helped the investors gain confidence. Going forward, with the cut in the policy rate after an expected decline in CPI inflation for July 2009, we anticipate improved market sentiments and hence have maintained our equity exposure at 93%.

# 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	26 Days
Fund Stability Rating	A+ (f)

## Fund Assets:

	Jun '09	Jul '09	MoM %
Net assets (Rs mn)	4,873	5,530	13.48%
NAV per unit (Rs)	51.91	50.69	1.05%

## Performance

Month on Month	Jun '09	Jul '09
Return on MIIF	1.17%	1.05%
Return on MIIF (annualized)	15.19%	13.09%

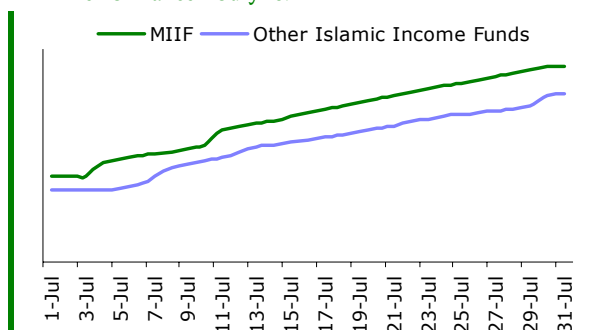
## Year - to - date (FY)

Return on MIIF (annualized)	10.15%	13.09%
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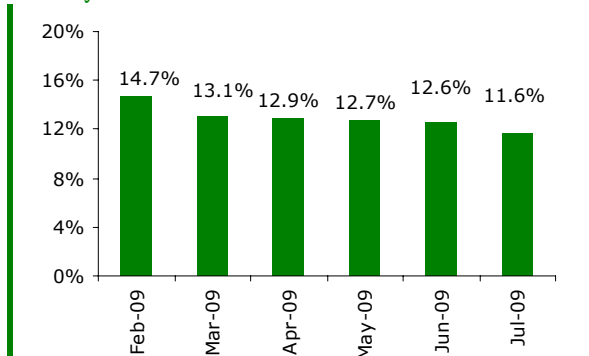
## Cumulative return since inception (annualized)

Return on MIIF	9.77%	9.88%
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## MIIF Performance – July '09

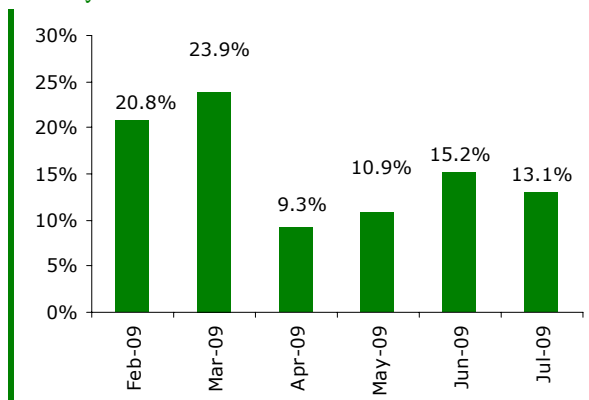


## Monthly Annualized Returns\* for last 6 months

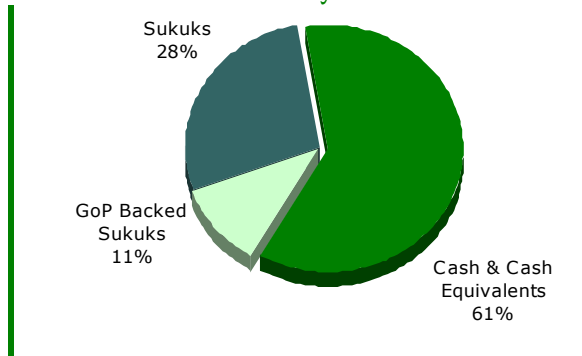


\* adjusted for revaluation impact

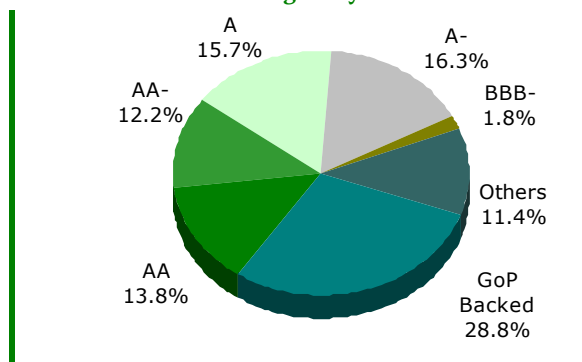
## Monthly Annualized Returns – NAV base



## MIIF Assets Distribution – July '09



## Sukuk Distribution - Rating– July '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 13.1% for July 09, with net assets of the fund at Rs. 5.5bn.

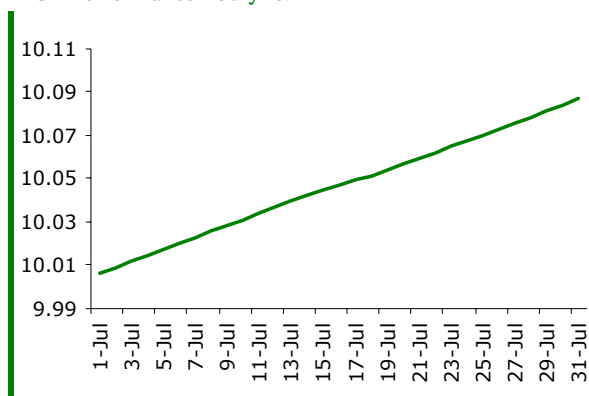
# MEEZAN CASH FUND (MCF)

*Pakistan's First Shariah-compliant Money Market Fund*

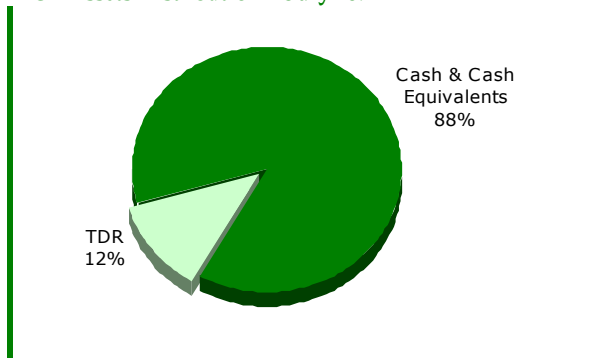
## Fund Statistics:

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

## MCF Performance – July '09



## MCF Assets Distribution – July '09



## FUND REVIEW

Al Meezan Investments launched the first Shariah compliant money market fund – Meezan Cash Fund (MCF) last month (June 09). 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 July 31 2009, the net assets of the fund were Rs. 828mn, showing a growth of 33% month-on-month. For July 09, the fund earned a profit of 10.29%.

## Fund Assets:

	Jun '09	Jul '09	MoM %
Net assets (Rs mn)	624	828	32.68%
NAV per unit (Rs)	50.15	50.43	0.87%

## Performance

Month on Month	Jul '09
Return on MCF	0.84%
Return on MCF (annualized)	10.29%
Year – to – date (FY)	
Return on MIIF (annualized)	10.29%
Cumulative return since inception (annualized)	
Return on MCF	10.54%

## Salient Features

	Maximum Preservation of Principal Investment
	High Liquidity (Redemption within Two working days)
<b>Key Benefits</b>	Tax-free Returns
	No Sales Load (No Entry or Exit charges)*
	Tax Credit as per tax laws
	Investments in High Grade & Liquid avenues:
<b>Investment Policy and Strategy</b>	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>
<b>Benchmark</b>	Average Return on 3 month deposit with Islamic Banks

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

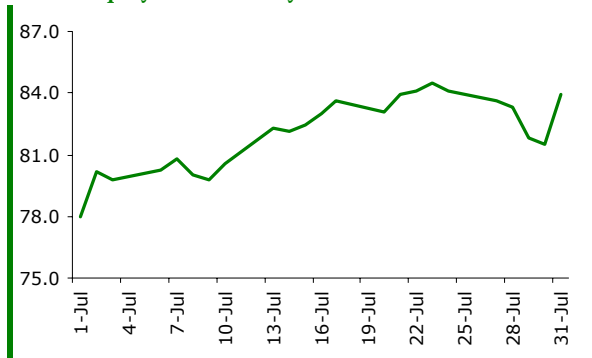
# MEEZAN TAHAFFUZ PENSION FUND (MTPF)

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

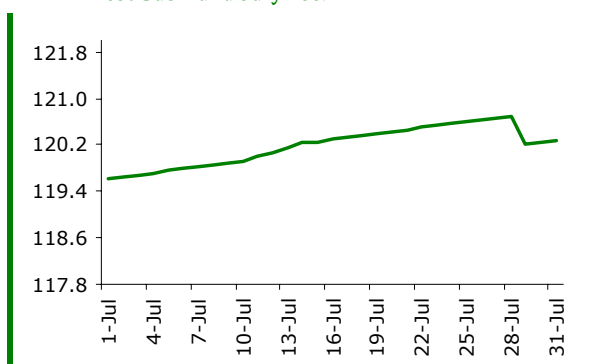
## Fund Statistics:

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 -

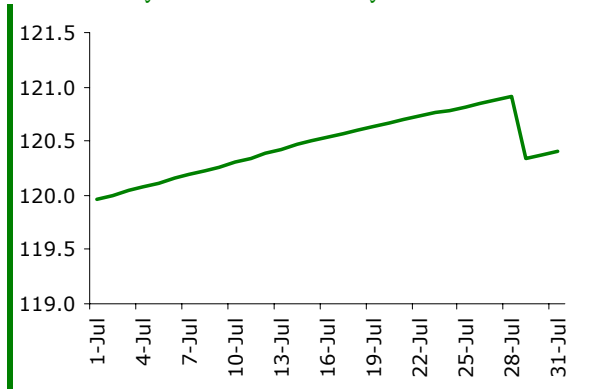
## MTPF Equity Sub Fund July 2009



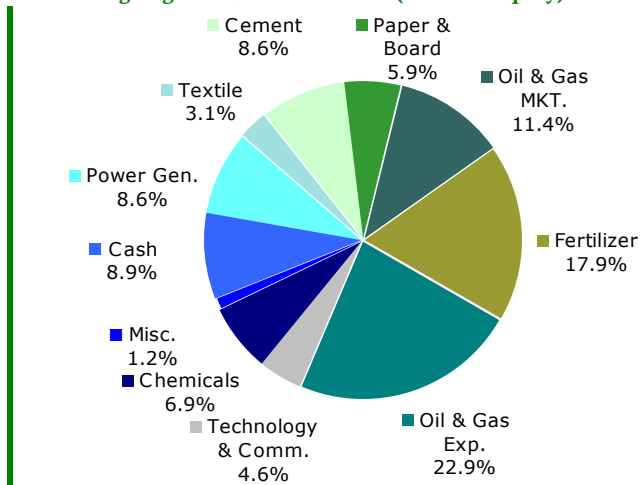
## MTPF Debt Sub Fund July 2009



## MTPF Money Market Sub Fund July 2009



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



## Performance

	MoM	YTD	Since Inception
MTPF- Equity	9.41%	9.41%	-16.25%
MTPF- Debt*	6.98%	6.98%	9.11%
MTPF- Money Market*	4.71%	4.71%	9.17%

\* at annualized rate

## Fund Assets:

PKRmn	June'09	July'09	MoM %
MTPF- Equity	61.11	67.48	10.43%
MTPF- Debt	70.09	70.96	1.23%
MTPF- Money Market	61.91	62.30	0.62%

## FUND REVIEW

As at July 31, 2009 total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 201mn.

The annualized MoM returns on Debt and Money Market sub funds were 6.98% and 4.71% respectively. Furthermore, equity sub-fund has appreciated by 9.41% MoM.

**MUHAMMAD ASAD**  
CHIEF INVESTMENT OFFICER