



MKT/FMR/034/08

July 05, 2008

**Dear Investor,**

We are pleased to inform you that the Board of Directors of Al Meezan Investments announced a distribution of dividend for Meezan Islamic Fund (MIF) of **Rs.10 per unit** (i.e., 16.70% on the opening ex-div NAV of Rs. 59.89 and 20% on face value of Rs. 50/unit).

Similarly, a final distribution of **Rs.1.35 per unit** has been announced for Meezan Islamic Income Fund (MIIF) This final dividend is in addition to an interim dividend of Rs. 3.25 per unit, making a total payout of Rs. 4.60 per unit which translates to MIIF's return of 9.19% on the opening ex-div NAV of Rs. 50.03 and 9.2% on the face value of Rs. 50/unit for the year ended June 30, 2008.

The declarations were in the form of Bonus Units to the Growth Unit holders and Cash Dividend to the Income Unit holders. A Growth Unit holder of MIF having 100 units as on June 30, 2008 will get 19.98 additional units at the ex-div. NAV of Rs. 50.05, while an Income Unit holder will get Cash Dividend of Rs. 10 / unit. A Growth Unit holder of MIIF having 100 units as on June 30, 2008 will get 2.6994 additional units at the ex-div. NAV of Rs. 50.01, while an Income Unit holder will get Cash Dividend of Rs. 1.35 / unit.

Al Meezan Investments has the distinction of managing 5-Star rated funds- Al Meezan Mutual Fund (AMMF) and Meezan Balanced Fund (MBF) have been assigned 5-star by PACRA while Meezan Islamic Fund (MIF) has been assigned 5 Star rating by both PACRA and JCR-VIS. Now JCR-VIS has assigned Fund Stability Rating **A(f)** to Meezan Islamic Income Fund (MIIF).

Please note that to provide opportunity to our investors to invest more in Meezan Capital Protected Fund-I, we have extended the open period for subscription of MCPF-I unto July 31, 2008. Thus, you have more chance to get benefit of capital protection along-with potentially good return of stock market on your long term investment.

Alhamd'o'lillah, at the close of June 30, 2008 the assets under management of Al Meezan Investments are **Rs. 17.4 billion**, as compared to Rs. 12.2 billion as on June 30, 2007 reflecting a substantial increase of **42.62%**. This success is reflective of the confidence and trust of both individual and institutional investors.

A detailed Fund Manager's Report for the month of June 2008 is enclosed for your review and record. The fund sizes of MIF and MIIF as on June 30, 2008 stood at:

<b>Meezan Islamic Fund (MIF)</b>	<b>Rs. 6,035 million</b>
<b>Meezan Islamic Income Fund (MIIF)</b>	<b>Rs. 5,737 million</b>

We are optimistic that with your continued support and patronage we will continue to be the largest Shariah compliant asset management company in Pakistan providing the best investment management services to all our investors.

Yours truly,

**Muhammad Anas Rehan**  
**Assistant Vice President Marketing**

## AL Meezan Investment Management Limited

June, 2008

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, 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 PKR 17.37 billion as on June 30, 2008. With AM2 Management Quality rating and 5-star ranking for all eligible funds (maintained for the past three years), the company clearly stays well ahead of all its competitors in the Islamic asset management market in Pakistan.

In line with the philosophy of developing Shariah compliant products to meet the investors' need, Al Meezan Investments in collaboration with Meezan Bank has launched Pakistan's first Shariah compliant Capital Protected Fund – Meezan Capital Protected Fund – I (MCPF – I). **To give our valuable investors an investment opportunity, we have extended the subscription period for MCPF – I up to July 31<sup>st</sup>, '08 so investors are encouraged to invest now in order to avoid missing this golden chance.**

### STOCK MARKET REVIEW

During June, the market gained 1.31% (158 points), closing the month at 12,289. The average daily volumes declined to 140mn shares, 22% lower as compared to previous month's average.

The announcement of budget, though in line with market expectations, did not improve investor sentiments, therefore, the activity during the first half of June remained range bound. Later in the second half, the market witnessed sharp declines primarily due to sustained uncertain political scenario and lack of positive news on the economic front. Moreover, foreign flows remained negative, posting a net outflow of US\$ 114mn, which further weakened investor confidence. The market stabilization steps taken by SECP later in the month, however, gave some support to the declining trend.

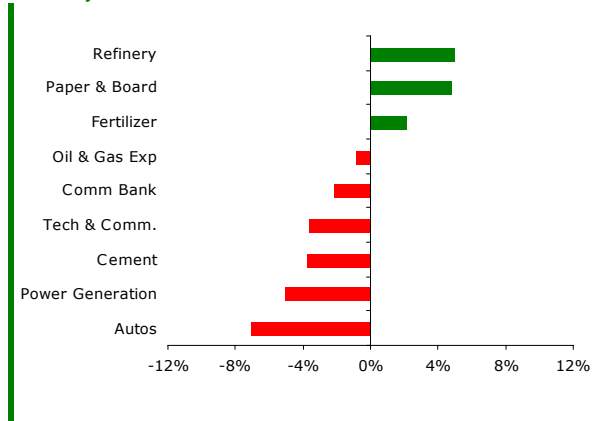
### MONEY MARKET REVIEW

The SBP maintained its tight stance on the money supply and conducted T-bill auctions fortnightly, mopping up over PKR 78bn during the month of June, with the cutoff rates (on 6M T-bills) closing at 11.47%. During June, KIBOR increased 112bps and closed the month at 14.19%.

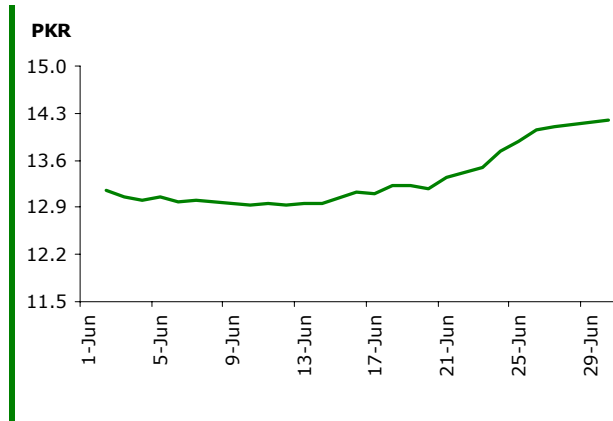
In its PIB auction on June 28th, the central bank managed to sell only PKR 4.3bn worth of PIBs against a target of PKR 20bn. Banks restricted their participation owing to an expectation of further monetary tightening.

In the FX market, Rupee regained some of its lost ground and stabilized within the range of 66.70 and 67.70 PKR/US\$ during the first twenty days of the month. However, during last week, slight pressure was witnessed in the PKR/US\$ parity which closed at PKR 68.43.

### Monthly Sector 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)



## Fund Statistics:

Fund Type:	Equity
Launch Date	8th August 2003
Trustee	Central Depository Company
Auditors	A.F. Ferguson
Management Fee	3%
Front End Load	2%
Benchmark	DJIMPK
Listing	KSE
Rating	5 Star

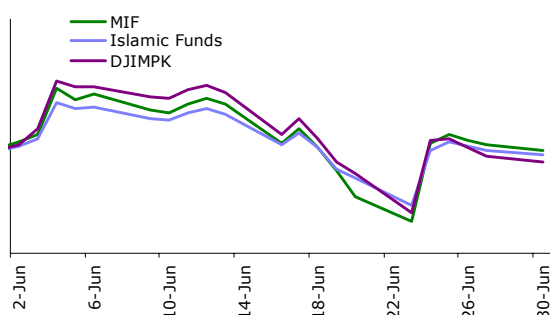
## Risk Measures

Beta	0.9
Correlation	0.92
Standard Deviation	0.93%
Semi Variance	0.04%
Information Ratio	0.10
Sharp Ratio	0.018

## Fund Assets:

	May '08	Jun '08	MoM %
Net Assets (mn)	5,744	6,035	5.06%
NAV Per Unit	59.47	60.05	0.98%
KSE-100 Index	12,131	12,289	1.31%
DJIMPK	18,146	18,097	-0.27%

## RELATIVE PERFORMANCE – JUNE '08



## Performance

Month on Month	May '08	Jun '08
Return on MIF	-13.22%	0.98%
Return on KSE-100 index	-19.78%	1.31%
Return on DJIMPK	-13.47%	-0.27%

## Year - to - date (FY)

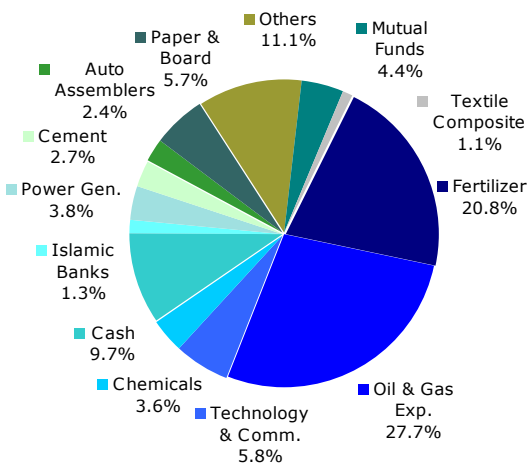
Return on MIF	-0.70%	0.27%
Return on KSE-100 index	-11.92%	-10.77%
Return on DJIMPK	1.19%	0.92%

## Cumulative return since inception

Return on MIF	187%	190%
Return on KSE-100 index *	189%	192%

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

## Sector Weightage as a % of Net Assets



## Top Ten Holdings

Al-Meezan Mutual Fund	Packages
Engro Chemical	Pakistan Oilfields
Fauji Fertilizer Co.	Pakistan Petroleum Ltd.
Fauji Fertilizer Bin Qasim	Pakistan State Oil
Oil & Gas Development Co.	Pakistan Telecom

## FUND REVIEW

Net Assets for the fund crossed PKR 6bn mark and closed the year 2008 (FY) at PKR 6,035bn, an increase of PKR 2.36bn or 64% yoy. The NAV closed at PKR 60.05/unit, an increase of 0.27% during the year as compared to benchmark Dow Jones Islamic Index Pakistan (DJIMPK) which increased by 0.92%. However, KSE 100 Index was down by 10.77% during the same period. As of June 30<sup>th</sup>, the fund was 90% invested in equities.

We expect range bound activity going forward. We recommend our investors to take equity exposure through mutual funds instead of taking direct positions in the equity market.

# 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
Portfolio Duration	3.41 Months
AMC Rating	AM2 (High Quality)

## Fund Assets:

	May '08	Jun '08	MoM %
Net assets (PKRmn)	5,664	5,737	1.3%
NAV per unit (PKR)	50.97	51.36	0.77%

\* ex-dividend price

## Performance

Month on Month	May '08	Jun '08
Return on MIIF	0.81%	0.77%
Return on MIIF (annualized)	9.72%	9.31%

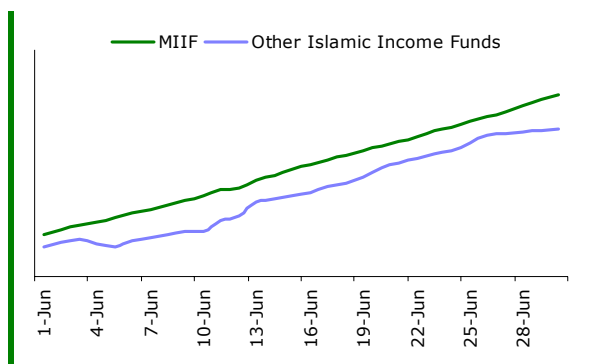
## Year - to - date (FY)

Return on MIIF	8.37%	9.15%
Return on MIIF (annualized)	9.10%	9.15%

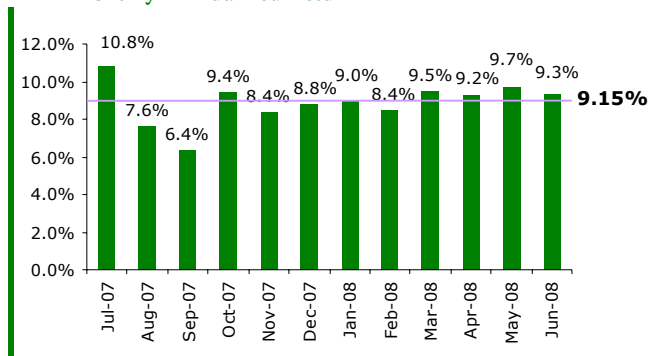
## Cumulative return since inception (annualized)

Return on MIIF	9.65%	9.70%
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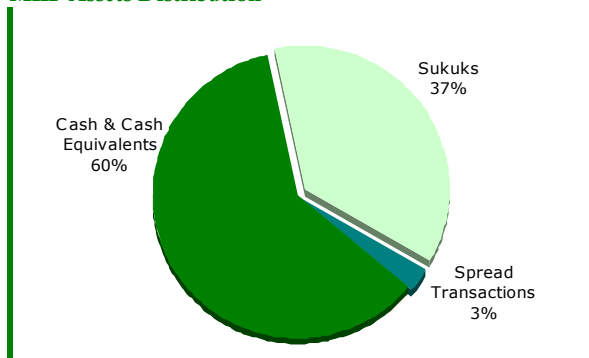
## MIIF PERFORMANCE – JUNE '08



## MIIF Monthly Annualized Return



## MIIF Assets Distribution



## FUND REVIEW

MIIF is aimed at providing our valued customers with a consistent stream of income that not only complies with the rules of Shariah, but also focuses at long term preservation of capital. The fund comprises of Shariah compliant spread transactions, Sukuk & other Islamic fixed income instruments

During the month the fund provided an annualized return of 9.31% to its unit holders, with net assets of the fund standing at PKR 5.7 billion. For FY08, the fund has provided an annualized return of 9.15%.

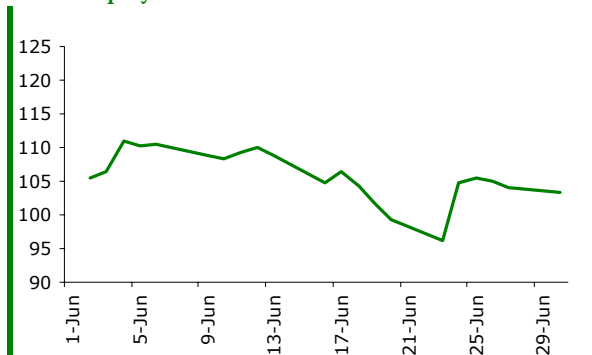
# MEEZAN TAHAFFUZ PENSION FUND (MTPF)

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

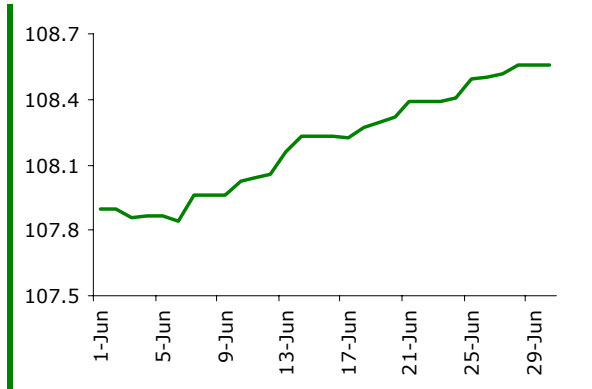
## Fund Statistics:

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 (High Quality)

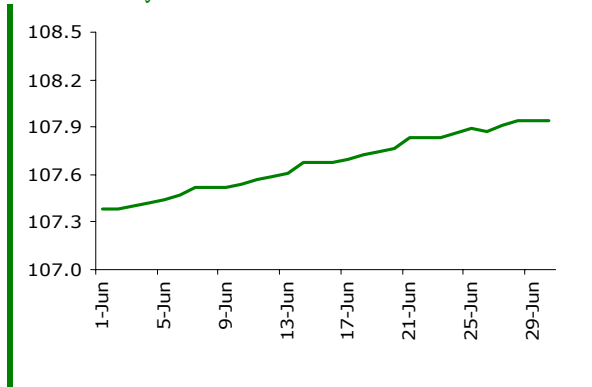
## MTPF Equity Sub Fund June 2008



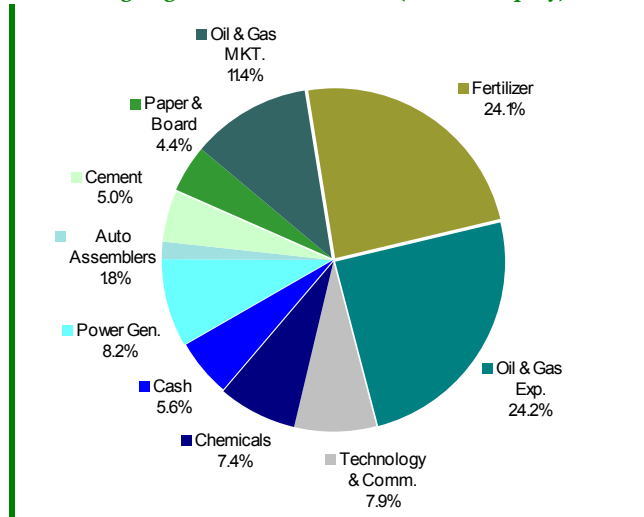
## MTPF Debt Sub Fund June 2008



## MTPF Money Market Sub Fund June 2008



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



## Performance

	MoM	YTD	Since Inception
MTPF- Equity	-0.18%	3.20%	3.12%
MTPF- Debt*	7.45%	8.29%	8.33%
MTPF- Money Market*	6.96%	7.75%	7.71%

\* at annualized rates

## Fund Assets:

PKR Millions	May'08	Jun'08	MoM %
MTPF- Equity	64.20	65.98	2.77%
MTPF- Debt	58.33	60.09	3.02%
MTPF- Money Market	54.03	54.88	1.57%

## FUND REVIEW

Meezan Tahaffuz Pension Fund (MTPF) was launched in June 2007 and has completed one year of operation. As of June 30, 2008, total size of the fund reached PKR 181mn.

The year-to-date FY08 return on Debt and Money Market sub funds was 8.29% and 7.75% respectively. Despite a negative return in the equity market, the year to date return of MTPF Equity sub fund stood at 3.2%.

**MUHAMMAD ASAD**  
CHIEF INVESTMENT OFFICER