



Al Meezan

Investment Management Ltd

MKT/FMR/045/09

June 03, 2009

Dear Investor,

We are pleased to inform you that Al Meezan Investments was conferred “**The Fund Manager of the Year Award for FY 08**” in the ceremony “1st TFD Excellence Awards” organized by The Financial Daily - an independent financial media organization, on May 30, 2009. As a whole, Al Meezan Investments won three awards - Meezan Islamic Fund in the category of best open end Islamic Equity Fund for FY 07, Meezan Islamic Income Fund in the category of best open end Islamic Income Fund for FY 08 and the Fund Manager of the Year for FY 08. The achievement of these milestones is reflective of your confidence and trust in the investment management capability and service quality of Al Meezan Investments. We will endeavor to further improve upon these standards in the future.

Al Meezan Investments is committed to providing a complete range of Shariah compliant Investment solutions to you. In this respect, we are pleased to announce that we are launching Pakistan’s First Shariah compliant Money Market Fund namely **Meezan Cash Fund (MCF)**. MCF aims at providing competitive returns to the investors along with maximum capital preservation by investing in Shariah compliant portfolio of money market securities with low risk and short term maturity while offering high level of liquidity. As you will read these lines, the fund is most likely to be available to you for subscription. The launch of this fund will provide you an opportunity to diversify your investment portfolio for earning stable returns without any volatility of long-term fixed income instruments or stocks and shares.

We are also pleased to inform you that recognizing the good and stable performance of Meezan Islamic Income Fund (MIIF), JCR-VIS Credit Rating Company Ltd. (JCR-VIS), has upgraded the Fund Stability Rating from ‘A(f)’ to ‘A+(f)’. The rating is a composite measure of two factors namely (a) returns and (b) risk associated with the returns measured by Sharpe Ratio (a tool widely accepted for mutual fund performance).

As the financial year is about to close, we are making preparations to announce the results for our open end funds. In this context, we will appreciate if you give us your dividend mandate before June 30, 2009. We will also appreciate if you provide us your Zakat Exemption Declaration, in case you have not submitted it earlier.

A detailed Fund Managers’ Report for the month of May 2009 is enclosed for your review and record. We at Al Meezan Investments are committed to provide the best Shariah compliant investment management services to you.

Regards,

A handwritten signature in black ink, appearing to read 'Anas Rehan'.

Anas Rehan
AVP Marketing



AL Meezan Investment Management Limited

May, 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 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. AMIM is in the process of launching the seventh mutual fund, Meezan Cash Fund (MCF), which is the first Shariah compliant money market fund. The IPO is scheduled for 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. 12.57bn as on May 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 May, the Index gained 72pts (1 % up MoM) to close at 7274pts with the average daily volume declining to 128mn shares as compared to 289mn shares in April.

Throughout the month, cautious tone was visible, with investors remaining wary of the developing political and security situation, as the government built up its pressure in the troubled northern areas. As a result, even Pakistan's inclusion in the MSCI Frontier Index (12 stocks with MCB 22.54% and OGDC 18.44% major weights) failed to excite the market.

On the macro front, CPI for April came down to 17.2% (19.1% in March), owing to base effect and the trade deficit shrunk by 15.9% YoY for 10MFY09. As the market awaits the budget, presumably on 13th June, investors seemed nervous to take major positions on the basis of concerns of imposition of tax in the upcoming budget. Meanwhile, IMF delayed its third tranche of US\$850mn by a month due to non-settlement of key budgetary measures.

Towards the end of the month, oil & gas sector remained in the limelight on the back of rise in international oil prices to over \$65/barrel.

MONEY MARKET REVIEW

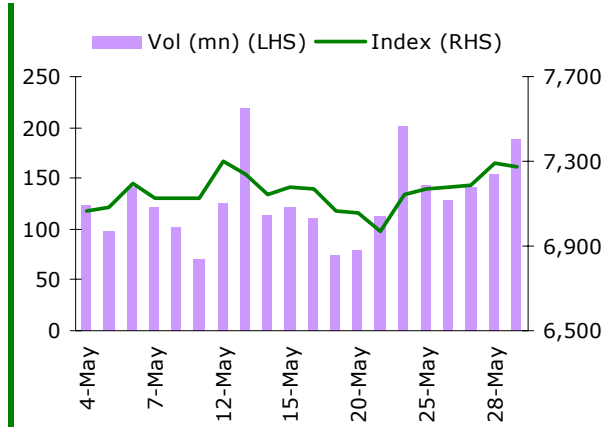
After the reduction in the discount rate in monetary policy statement in April, the money market has remained liquid with overnight call rates remaining stable.

SBP conducted a PIB auction during the month and accepted Rs. 19.9bn worth of bids. Yields on PIBs have been slashed across the board for all tenure of the bonds reflecting the gradual declining trend of interest rate. Rate for the 10-year paper declined by 61bps, closing the month at 12.63%.

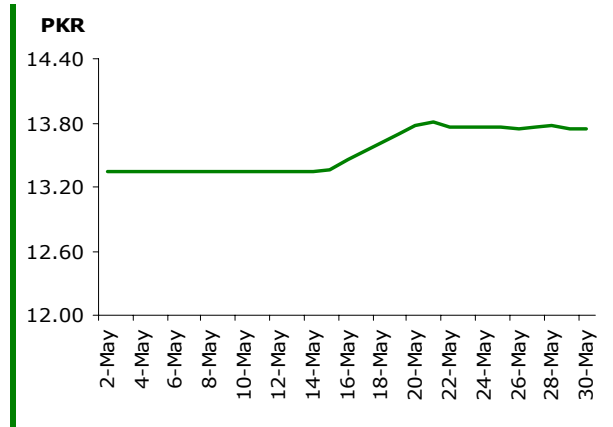
SBP also mopped up excess market liquidity and conducted two T-bill auctions, accepting a total of Rs. 101bn. In anticipation of a declining interest rate environment, once again the participants showed greater interest in the long tenor paper. Cut-off rates for 6-month paper increased by 11bps to 13.19%. The increase in T-bill rates pushed up KIBOR as well. Benchmark rate (6-month KIBOR) closed the month at 13.75%, up 39bps MoM.

On the foreign exchange front, rupee depreciated against the greenback in the interbank market and closed at Rs. 81.20 to a dollar (depreciating 0.7% MoM).

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:

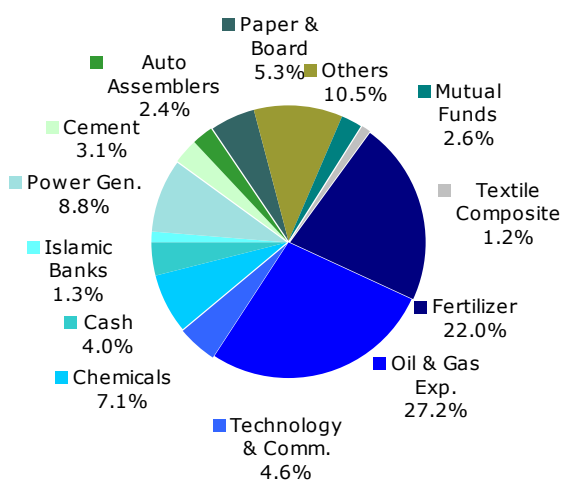
Fund Type:	Equity
Launch Date	8th August 2003
Trustee	Central Depository Company
Auditors	A.F. Ferguson
Management Fee	2%
Front End Load	2%
Benchmark	DJIMPK
Listing	KSE
Fund Rating	5 Star (Long term - JCR-VIS)

Performance

Month on Month	Apr '09	May '09
Return on MIF	5.13%	4.21%
Return on KSE-100 index	4.98%	1.03%
Return on DJIMPK	5.73%	4.68%
Year - to - date (FY)		
Return on MIF	-32.29%	-29.45%
Return on KSE-100 index	-41.39%	-40.27%
Return on DJIMPK	-36.24%	-33.26%
Cumulative return since inception		
Return on MIF	96%	105%
Return on KSE-100 index *	71%	73%

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

Sector Weightage as a % of Net Assets



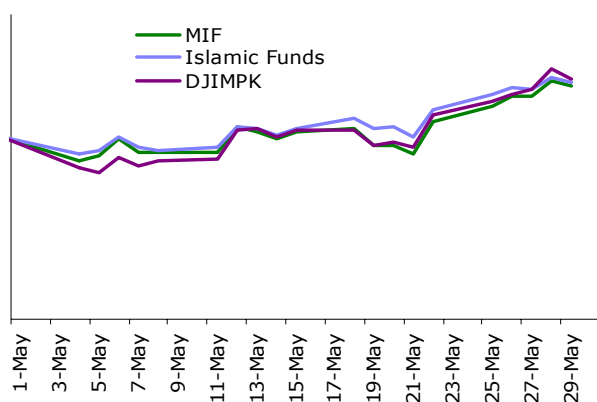
Top Ten Holdings

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

Fund Assets:

	Apr '09	May '09	MoM %
Net Assets (mn)	3,617	3,775	4.36%
NAV Per Unit	33.89	35.31	4.21%
KSE-100 Index	7,202	7,274	1.03%
DJIMPK	11,538	12,078	4.68%

RELATIVE PERFORMANCE – MAY '09



FUND REVIEW

Net assets of Meezan Islamic Fund as at May 31, 09 stood at Rs. 3.8bn. The fund's NAV appreciated by 4.21% during the period under review against an appreciation of 4.68% in the benchmark index (DJIMPK) while KSE 100 Index, during the same period, increased by 1.03%.

On the basis of our expectation of a strong market going forward after the budget, we increased equity exposure. Simultaneously, we have ensured that we maintain a mix of defensive and growth stocks to provide stable and maximum upside to our investors in periods ahead.

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	57 Days
Fund Stability Rating	Rating watch

Fund Assets:

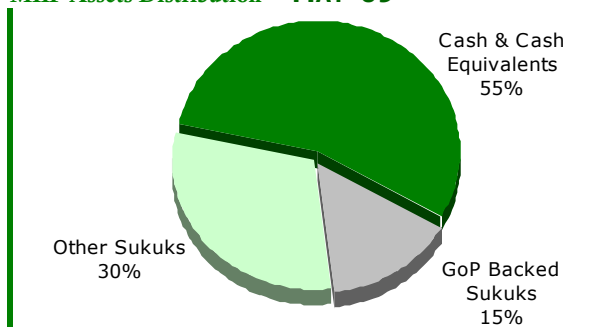
	Apr '09	May '09	MoM %
Net assets (Rs mn)	5,901	5,000	-15.27%
NAV per unit (Rs)	50.87	51.30	0.85%

Performance

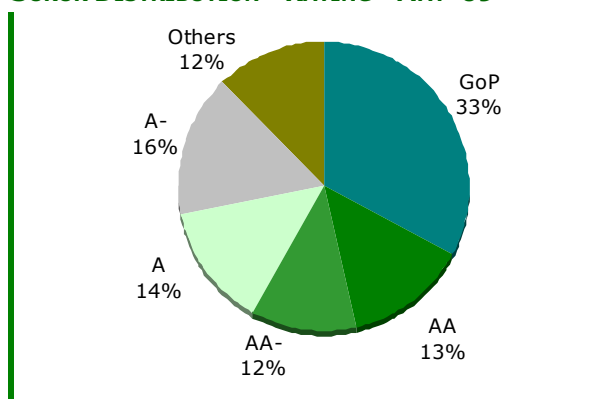
Month on Month	Apr '09	May '09
Return on MIIF	0.01%	0.85%
Return on MIIF (annualized)*	12.86%	12.69%
Year - to - date (FY)		
Return on MIIF (annualized)*	12.19%	12.68%
Cumulative return since inception (annualized)		
Return on MIIF *	11.42%	11.61%

* adjusted for revaluation impact

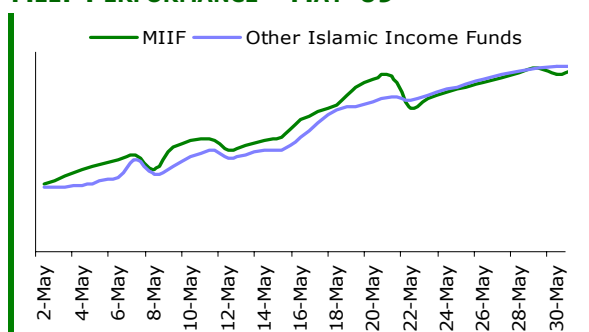
MIIF Assets Distribution – MAY '09



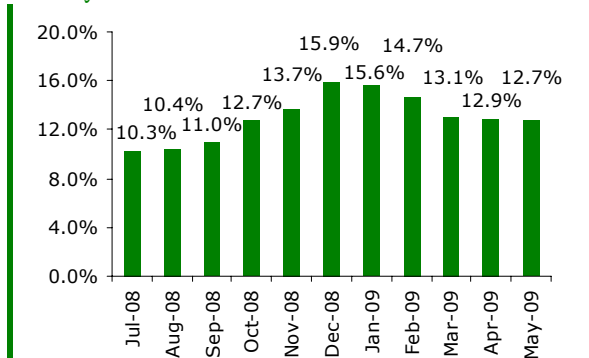
SUKUK DISTRIBUTION - RATING- MAY '09



MIIF PERFORMANCE – MAY '09

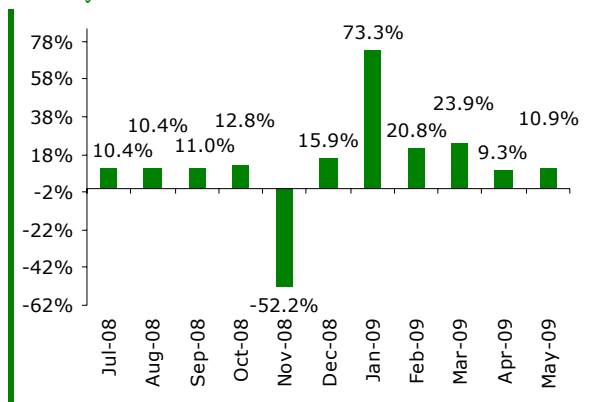


Monthly Annualized Returns



* adjusted for revaluation impact

Monthly Annualized Returns – Nav base



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 10.9% for the month of May 09, with net assets of the fund at Rs. 5bn.

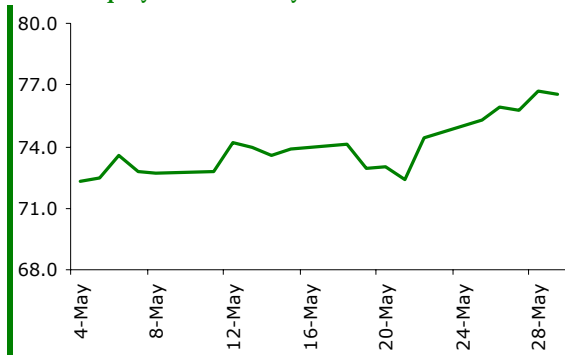
MEEZAN TAHAFFUZ PENSION FUND (MTPF)

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

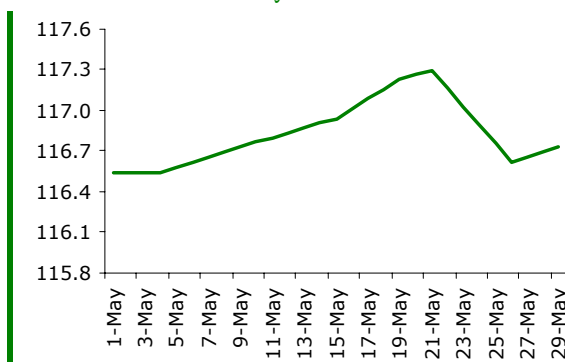
Fund Statistics:

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 -

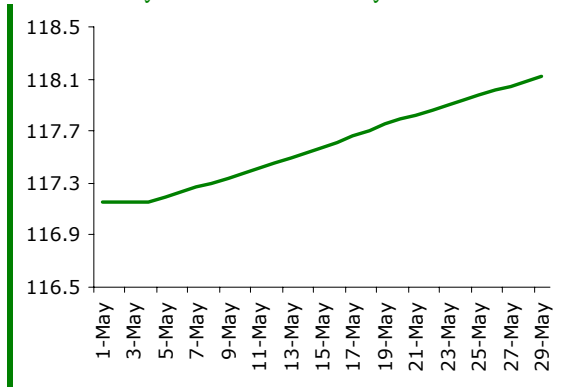
MTPF Equity Sub Fund May 2009



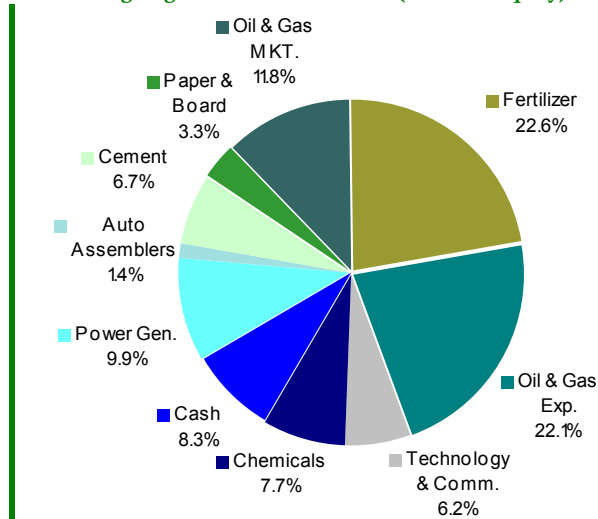
MTPF Debt Sub Fund May 2009



MTPF Money Market Sub Fund May 2009



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



Performance

	MoM	YTD	Since Inception
MTPF- Equity	3.73%	-25.92%	-23.61%
MTPF- Debt*	5.95%**	8.27%	8.27%
MTPF- Money Market*	12.31%	10.38%	8.94%

* at annualized rates

** adjusted for revaluation impact

Fund Assets:

PKRmn	Apr'09	May'09	MoM %
MTPF- Equity	50.86	53.29	4.77%
MTPF- Debt	66.54	66.82	0.43%
MTPF- Money Market	60.36	60.91	0.93%

FUND REVIEW

As at May 31, 2009 total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 181mn.

The annualized MoM returns on Debt and Money Market sub funds were 5.95% and 12.31% respectively. Furthermore, equity sub-fund has shown an appreciation of 3.73% MoM.

MUHAMMAD ASAD
CHIEF INVESTMENT OFFICER