



Al Meezan

Investment Management Ltd

MKT/FMR/038/08

November 03, 2008

Dear Investor,

It gives me immense pleasure to announce the launch of Monthly Income Plan- **Meezan Mahana Kharch Account**. Meezan Mahana Kharch Account has been developed to provide you a stable and Halal regular Income stream to meet your periodic liquidity requirements along with long-term capital preservation. The features of the plan are:

- Competitive Tax Free Profit
- No direct exposure to stock market
- Flexibility to get payment on monthly, quarterly or semi-annual basis
- No penalty on withdrawal
- Minimum amount of investment Rs.100,000/-
- Tax credit upto Rs. 60,000/- (for salaried persons) or Rs. 75,000/- (for self employed).
- Absolutely Free Takaful Coverage

Takaful coverage offered by Meezan Mahana Kharch Account aims at protecting you and your family against any financial difficulty that may arise as a result of an unforeseen event resulting in disability or death. The following Takaful Coverage will be available:

- | | |
|-------------------------------|----------------------|
| • Natural Death | Upto Rs. 1,000,000/- |
| • Accidental Death | Upto Rs. 1,000,000/- |
| • Permanent Total Disability | Upto Rs. 1,000,000/- |
| • Medical Coverage (Accident) | Upto Rs. 200,000/- |

For more details about Mahana Kharch Account, please call 0800 – HALAL (42525).

The return of Meezan Islamic Income Fund (MIIF) has now increased to 12.7% for the month of October 2008 as compared to 10.98% during the month of September 2008. This shows the improved performance of the fund in terms of returns.

We are pleased to announce the opening of our Faisalabad branch at main Kotwali Road, Faisalabad. The opening of this office is part of our commitment to provide Halal and Riba-free investment opportunities along with quality services to you at your door step. The operations at Faisalabad office have commenced from November 01, 2008.

In continuation with our endeavor for quality services we have revamped our website www.almeezangroup.com. The new website provides many new features in the area of customer services. Please feel free to share your experience about our new website by emailing us at info@almeezangroup.com.

Regards,

Muhammad Shoaib, CFA
Chief Executive



AL Meezan Investment Management Limited

October, 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 14.3bn as on October 31st 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.

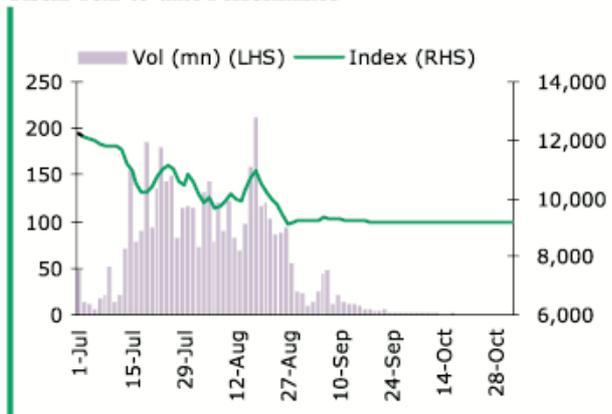
STOCK MARKET REVIEW

The activity during the month of October had been extremely thin as the price floors, which were set at the end of August, were not removed. KSE-100 index posted a nominal 4 points increase to close at 9183 points with an average daily volume of 0.74mn shares as compared to 13mn for the month of September.

The management of KSE and officials of SECP were busy in defining the modalities of the support package and it was assured that the injection of stabilization fund of Rs. 20bn will precede the removal of floor.

On a macroeconomic front, the country's foreign exchange reserves declined to below US\$ 7bn. The high level government officials are in talks with IMF team in Dubai in which they have informally agreed on a US\$ 9.6bn Stand-By Arrangement for a two-year period. Moreover, the meeting of the Friends of Pakistan is due on November 17, 2008 in Abu Dhabi in which further economic support is hoped. All these deliberations are expected to help Pakistan meet its foreign currency debt obligations and stabilize the economy.

Fiscal Year-to-date Performance



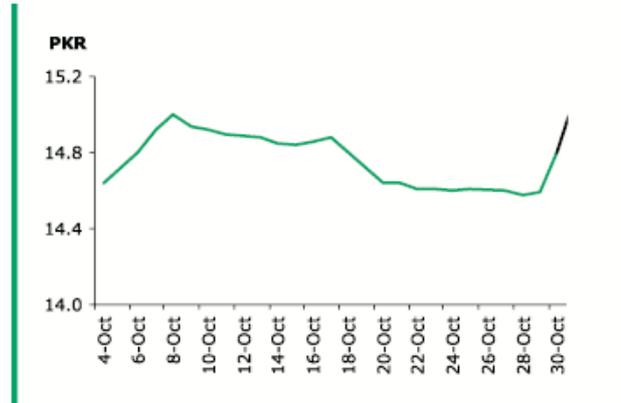
MONEY MARKET REVIEW

The interbank market was extremely illiquid during the month of October, with KIBOR (6-month rate) closing at month's high of 15.1% (an increase of 58bps MoM). Pressure mounted in the call markets pushing up overnight rates as high as 40%. However, subsequent steps taken by the central bank namely reduction in CRR (for deposits of less than 1-year) by 3% to 6%, relaxation of SLR for deposits of over 1-year, and a commitment to slash CRR by another 100bps to 5% in November provided the markets with ample liquidity and eased the rates in call as well as money markets.

During the month, the SBP conducted two T-bill auctions and managed to mop up Rs. 112bn out of which the major share was for 3 month paper of Rs. 111bn at a cut-off yield of 12.56%. The investors showed no appetite for longer terms papers due to interest rate uncertainty. In the interbank market, Pak-rupee remained under pressure and lost 4% against the greenback, closing the month at Rs. 81.50 to a dollar.

Going forward, with Pakistan going to IMF for financial assistance, the interest rates are expected to remain firm.

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 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	5 Star

Fund Assets:			
	Sep '08	Oct 6 th '08	MoM %
Net Assets (mn)	4,320	4,314	NA
NAV Per Unit	36.72	36.71	NA
KSE-100 Index*	9,180	9,183	0.03%
DJIMPK*	13,041	12,959	-0.63%

* Values as of Oct 31st

Performance	
Year - to - date (FY)	Oct 6 th '08
Return on MIF	-26.7%
Return on KSE-100 index	-25.3%
Return on DJIMPK	-28.4%
Cumulative return since inception	
Return on MIF	113%
Return on KSE-100 index *	118%

*Since DJIMPK was launched in July'04, MIF is compared to KSE-100 index.

Regional Markets		
	YTD*	MoM
US Markets		
USA	-30%	-14.8%
American Markets		
Argentina	-48%	-30.4%
Brazil	-42%	-24.8%
Asia/Pacific		
Singapore	-48%	-23.9%
China	-66%	-23.1%
Hong Kong	-50%	-22.5%
India	-52%	-23.9%
Indonesia	-54%	-31.4%
Japan	-44%	-23.8%
South Korea	-41%	-23.1%
Taiwan	-43%	-14.8%
Malaysia	-40%	-15.2%
Australia	-38%	-14.0%
Pakistan**	-35%	0.03%
European Markets		
UK	-32%	-10.7%
Germany	-38%	-14.5%
France	-38%	-13.5%
Middle East/ Africa		
UAE	-51%	-28.2%
Saudi Arabia	-50%	-25.8%

* YoY (CY08)

** Price floor was enforced on Aug 27, '08

FUND REVIEW AND GLOBAL MARKETS MELTDOWN

The world markets which witnessed major financial downturn in the previous month, initially triggered by subprime mortgage debts and later on increasing recession fears, extended its fall in the month of October 2008. Near month end, some recovery was triggered by central banks cutting key interest rates and injecting liquidity in the markets. Major equity indices around the globe registered a decline of 15- 25% during the month of October. China leads the year-to-date fall with a decline of 66%, followed by Indonesia, India, UAE, and Saudi Arabia with an average decline of over 50%.

However, in Pakistan the activity remained on the lower side due to flooring of the scrip prices at August 27, 2008 level and hence the impact of the global fall has not been felt on the KSE 100 Index. However, the management of KSE is considering various options to support the market before removing the price floors which will help improve activity. KSE 100 Index trading at a PE multiple of 6.5 and a dividend yield of over 10%, the market is still at a discount of 25 to 30% compared to regional markets.

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	0.88 Months
Fund Rating	A(f)

Fund Assets:

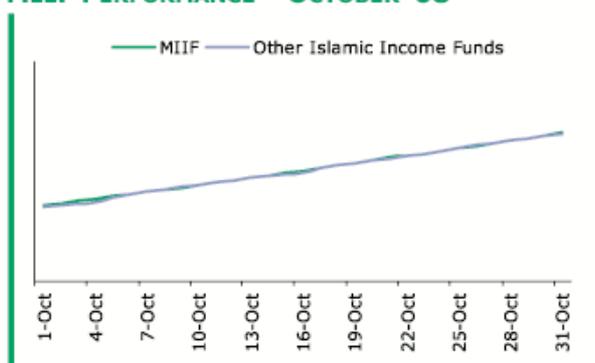
	Sep '08	Oct '08	MoM %
Net assets (PKRmn)	5,295	5,009	-5.41%
NAV per unit (PKR)	51.28	50.52*	1.02%

* ex-dividend price

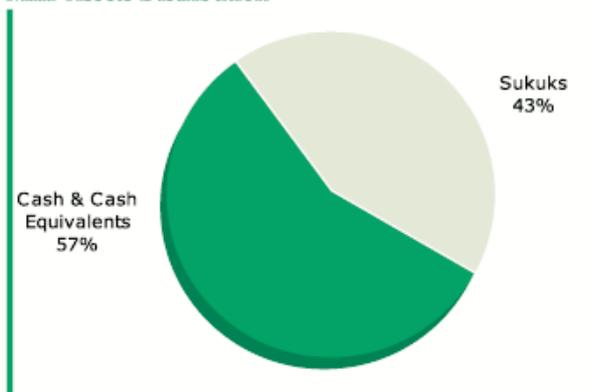
Performance

Month on Month	Sep '08	Oct '08
Return on MIIF	0.86%	1.02%
Return on MIIF (annualized)	10.98%	12.70%
Year - to - date (FY)		
Return on MIIF	2.54%	3.58%
Return on MIIF (annualized)	10.45%	11.01%
Cumulative return since inception (annualized)		
Return on MIIF	9.65%	9.80%

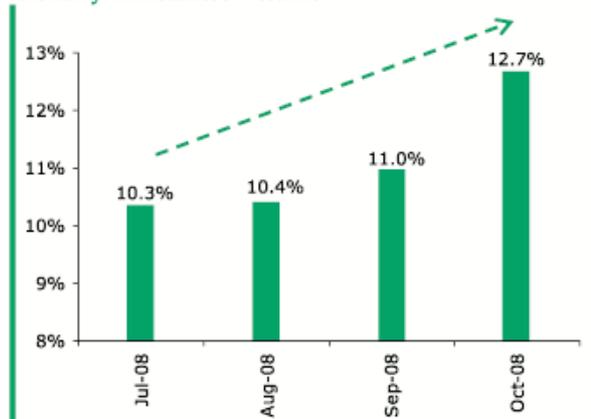
MIIF PERFORMANCE – OCTOBER '08



MIIF Assets Distribution



Monthly Annualized Returns



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. Major portion of the fund is invested in liquid Islamic income avenues.

The return of the Meezan Islamic Income Fund (MIIF) has now increased to 12.7% for the month of October 2008 as compared to 10.98% in the month of September 2008, with net assets of the fund valuing at over Rs. 5bn. Due to a rising interest rate environment, the returns on your fund is expected to improve further.

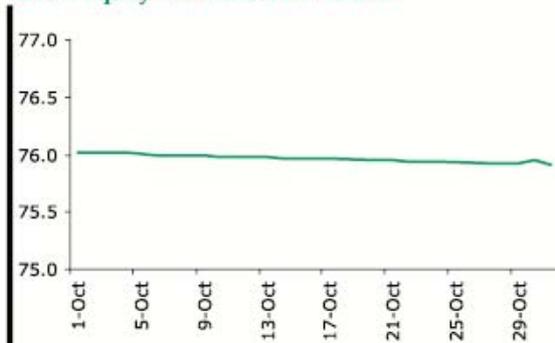
MEEZAN TAHAFUZ PENSION FUND (MTPF)

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

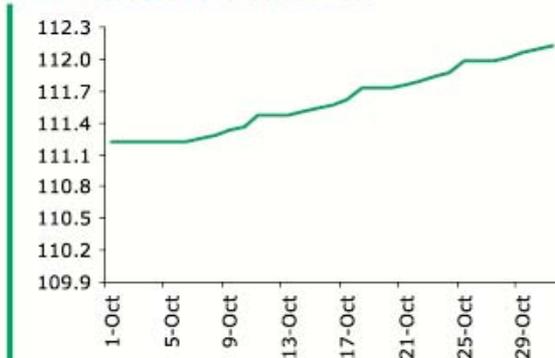
Fund Statistics:

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)

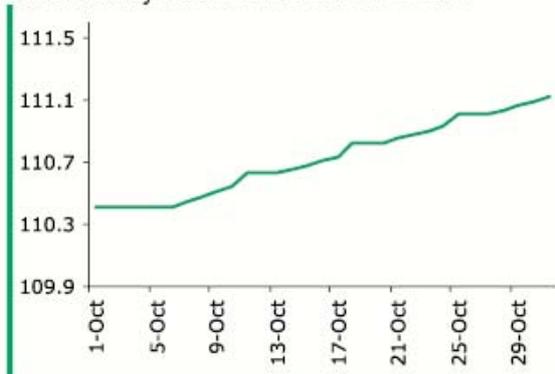
MTPF Equity Sub Fund October 2008



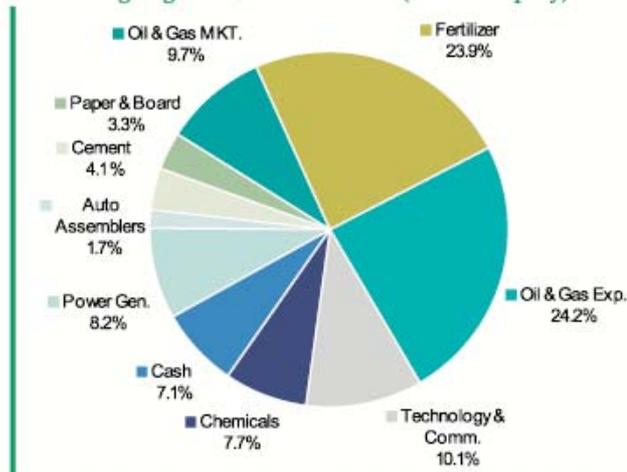
MTPF Debt Sub Fund October 2008



MTPF Money Market Sub Fund October 2008



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



Performance

	MoM	YTD	Since Inception
MTPF- Equity	-0.14%	-26.54%	-24.25%
MTPF- Debt*	12.60%	10.08%	8.72%
MTPF- Money Market*	10.00%	9.00%	7.99%

* at annualized rates

Fund Assets:

PKR Millions	Sep'08	Oct'08	MoM %
MTPF- Equity	49.64	49.58	-0.13%
MTPF- Debt	62.69	63.33	1.02%
MTPF- Money Market	56.74	57.20	0.81%

FUND REVIEW

As of October 31, 2008, total size of Meezan Tahaffuz Pension Fund (MTPF) stood at PKR 170mn.

The MoM returns on Debt and Money Market sub funds were 12.6% and 10% respectively. However, due to weak sentiments in the equity market, the equity sub-fund yielded a negative return of 0.14%.

MUHAMMAD ASAD
CHIEF INVESTMENT OFFICER