



Al Meezan

Investment Management Ltd

MKT/SY/FMR/030/08

March 05, 2008

Dear Investor,

السلام عليكم ورحمة الله وبركاته

We are pleased to inform you that the half yearly results of funds of Al Meezan Investments as of December 31, 2007 depict phenomenal growth and performance of all funds. Currently the total assets under management stand at **Rs. 18 billion**. This speaks volumes of confidence and trust of our valued investors in Al Meezan Investments and its products. According to the results the total earning and earning per unit/share/certificate of each fund are as follows:

Fund	Net Income	Earning per unit/share
Meezan Islamic Fund	Rs. 471.94 million	Rs. 6.45 per unit
Meezan Islamic Income Fund	Rs. 285.17 million	Rs. 2.20 per unit
Al Meezan Mutual Fund Limited	Rs. 129.40 million	Rs. 0.94 per share
Meezan Balanced Fund	Rs. 62.75 million	Rs. 0.52 per certificate

As you are aware that Dawn Lifestyle exhibition was held in Karachi, the event was marked with great success and we have received an overwhelming response from visitors. We look forward to the same support from all of our valued investors in the future events as well.

In continuation with our endeavor to provide Shariah compliant investment solutions, Al Meezan Investments, in collaboration with Meezan Bank Limited, is launching Pakistan's first Shariah-compliant Capital Protected Fund - **Meezan Capital Protected Fund-1 (MCPF-1)**. The Trust Deed of the Fund has been signed and the IPO will be offered to the public very soon.

A detailed Fund Manager's Report for the month of February 2008 is enclosed for your review and record. The fund sizes of MIF and MIIF as on 29th February 2008 stood at:

Meezan Islamic Fund (MIF)	Rs. 5,571million
Meezan Islamic Income Fund (MIIF)	Rs. 7,322million

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,

Sohail Yaqoob
SVP & Head of Marketing



AL Meezan Investment Management Limited

February, 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. AMIM currently manages five mutual funds; namely AlMeezan Mutual Fund, Meezan Balanced Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, and Meezan Tahaffuz Pension Fund.

The total funds under management of Al Meezan Investments, the only full fledged Shariah compliant asset management company in Pakistan, have reached PKR 18 billion as on February 29, 2008. With AM2 Management Quality rating and 5-star ranking for all eligible funds, 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, AlMeezan Investments is shortly going to launch Pakistan's first Shariah Compliant Capital Protected Fund – Meezan Capital Protected Fund that will provide investment opportunity to the investors who desire high level of capital protection and also want to get healthy returns from positive stock market developments.

STOCK MARKET REVIEW

The KSE-100 Index increased by 917 points or 6.54% during February 2008 to close at 14,934. The average daily turnover during February was 264 million shares compared to 238 million previous month. The market remained dull and range bound for the first 11 days of the month but staged a rally for the rest of the month due to the pre and post-election euphoria. In addition, the inflows of foreign funds post elections and high oil prices served as an impetus for the continuation of rally. During the month index also crossed 15,000 barrier a few times and made an all time high of 15,074 points on February 28, 2008, however, due to some profit taking closed the month at below 15,000 level.

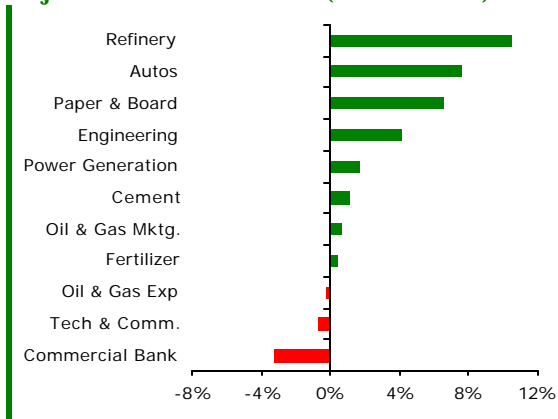
MONEY MARKET REVIEW

Following the increase in discount rate, the money market witnessed shortage of liquidity whereby banks were forced to borrow from the Central Bank's discount window to meet their CRR requirement.

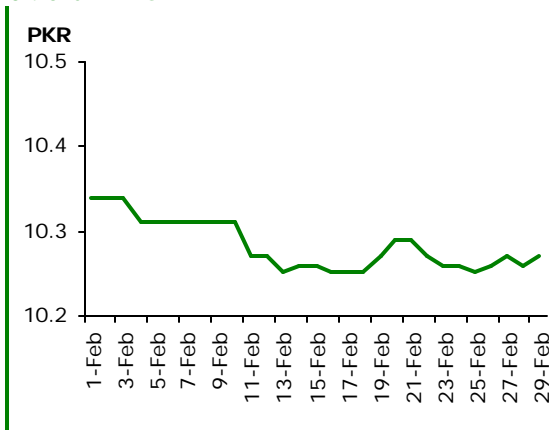
In the T-Bill market the cut-off yields on all tenures increased by 35 to 50 bps during the month. The Central Bank raised Rs 45bn through the auction held on 13th February and Rs 35bn in the second auction held on 27th February.

Similarly, six month KIBOR hovered in the range of 10.25% to 10.34% and closed the month at 10.27% up by 21 basis points from the previous month. Dealers expect market to remain range bound amid inflows expected from Government securities during March.

Major Out & Under Performers (KSE 100 Index)



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	AF Ferguson
Management Fee	3%
Front End Load	2%
Benchmark	DJIMPK
Listing	KSE
Rating	5 Star

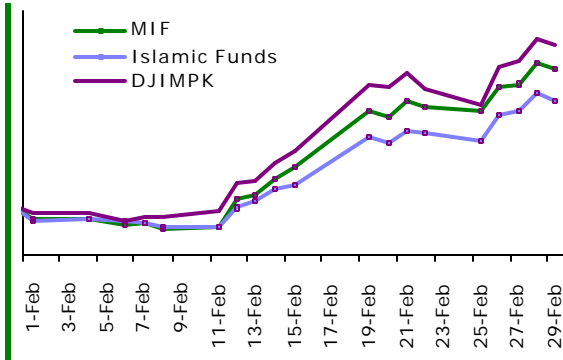
Risk Measures

Beta	0.66
Correlation	0.91
Standard Deviation	0.68%
Semi Variance	0.002%
Information Ratio	-0.21
Sharp Ratio	0.39

Fund Assets:

	Jan '08	Feb '08	MoM %
Net Assets (mn)	5,238	5,571	6.36%
NAV Per Unit	63.22	66.80	5.66%
KSE-100 Index	14,017	14,934	6.54%
DJIMPK	18,298	19,514	6.65%

RELATIVE PERFORMANCE – FEBRUARY '08



Performance

Month on Month	Jan '08	Feb '08
Return on MIF	0.29%	5.66%
Return on KSE-100 index	-0.42%	6.54%
Return on DJIMPK	1.57%	6.65%

Year – to – date (FY)

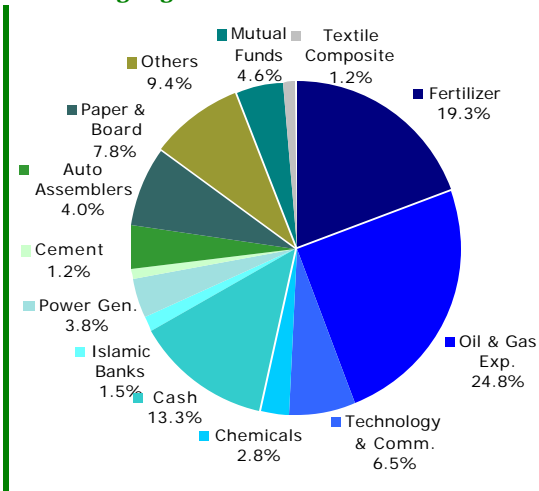
Return on MIF	5.56%	11.54%
Return on KSE-100 index	1.78%	8.44%
Return on DJIMPK	2.03%	8.80%

Cumulative return since inception

Return on MIF	205%	223%
Return on KSE-100 index *	233%	255%

*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

During February, net assets under management reached PKR 5,571 million. The NAV during the month appreciated by 5.66%, while the bench mark Dow Jones Islamic Index Pakistan (DJIMPK) was up by 6.65%. The KSE 100 index during the same period was up 6.54%. The fund was 87% invested in shares at the end of Feb'08 as compared to 85% of net assets at the end of Jan'08.

Going forward, we expect politics to remain in the forefront till the formation of government. Once the formation of a new government takes place, we expect the market to sustain its rising trend. Hence we advise our investors to take exposure through mutual funds rather than taking exposure directly 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	AF Ferguson
Portfolio Duration	2.09 Months
AMC Rating	AM2 (High Quality)

Fund Assets:

	Jan-08	Feb-08	MoM %
Net assets (PKRmn)	7,331	7,322	-0.13%
NAV per unit (PKR)	52.60	52.97	0.70%

Performance

Month on Month	Jan '08	Feb '08
Return on MIIF	0.75%	0.70%
Return on MIIF (annualized)	9.00%	8.86%

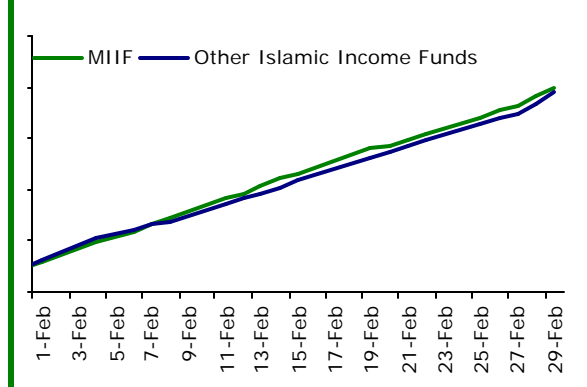
Year – to - date (FY)

Return on MIIF	5.14%	5.88%
Return on MIIF (annualized)	7.71%	8.82%

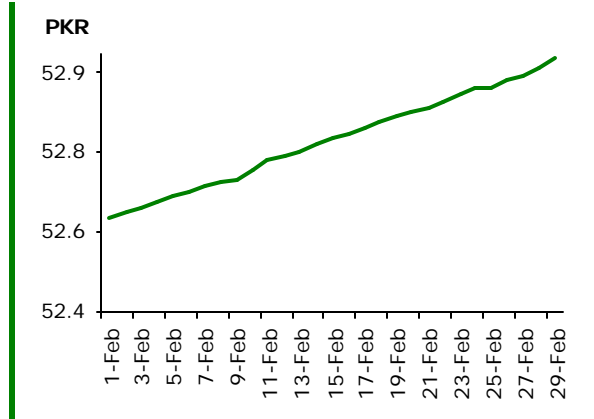
Cumulative return since inception

Return on MIIF	9.40%	9.43%
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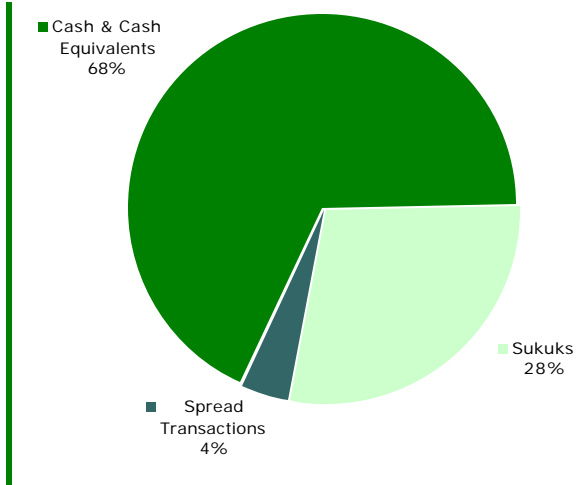
RELATIVE PERFORMANCE – FEBRUARY '08



MIIF NAV February 2008



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.

During the month net assets of the fund reached PKR 7.32 billion, a decline of 0.13% over previous month. The fund comprises of Shariah compliant spread transactions, Sukuk & other Islamic fixed income instruments. The fund has provided annualized return of 9.43% since inception. Going forward, we anticipate a return of approximately 9%.

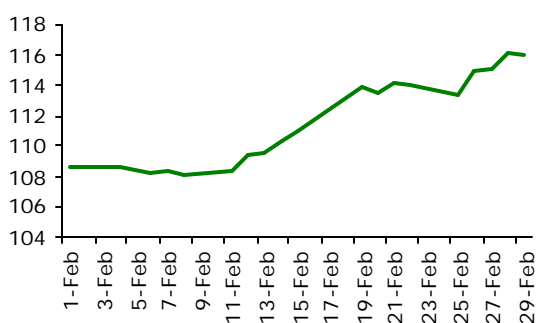
MEEZAN TAHAFFUZ PENSION FUND (MTPF)

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

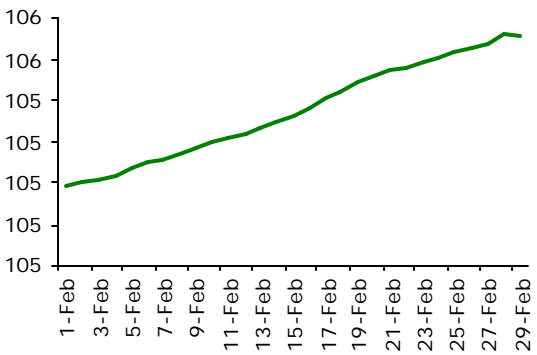
Fund Statistics:

Fund Type	Open End
Risk Level	Minimal
Launch Date	28-Jun-07
Trustee	Central Depository Company
Unit Types	A
Auditors	AF Ferguson
AMC Rating	AM2 (High Quality)

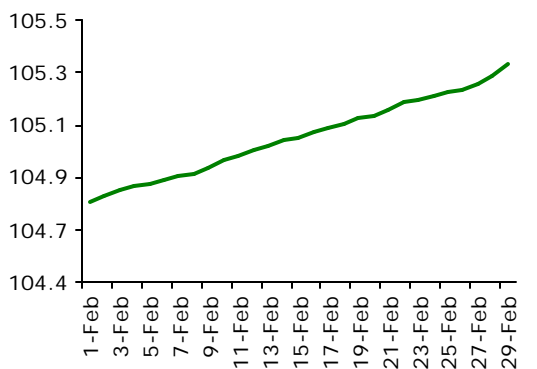
MTPF Equity Sub Fund February 2008



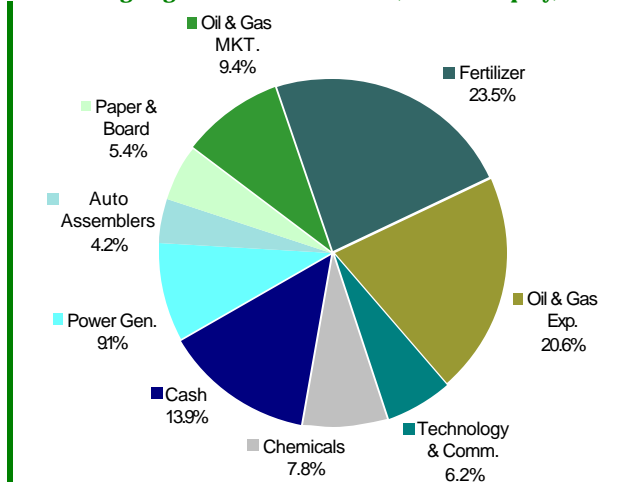
MTPF Debt Sub Fund February 2008



MTPF Money Market Sub Fund February 2008



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



Performance

	MoM	YTD	Since Inception
MTPF - Equity	6.31%	15.76%	15.68%
MTPF - Debt *	8.81%	8.18%	8.24%
MTPF - Money Market *	7.55%	7.77%	7.73%

* at annualized rates

Fund Assets:

PKR Millions	Jan '08	Feb '08	MoM %
MTPF - Equity	63.8	68.6	7.61%
MTPF - Debt	55.3	56.0	1.40%
MTPF - Money Market	52.6	52.9	0.72%

FUND REVIEW

AMIM manages an Islamic pension fund, Meezan Tahaffuz Pension Fund (MTPF), which was launched in June 2007. As of Feb 29, 2007, total size of the fund increased to PKR 177mn.

During the month, MTPF Equity sub fund appreciated by 6.31%, while Debt and Money Market sub funds earned 0.70% (8.81% annualized) and 0.60% (7.55% annualized) respectively.

MUHAMMAD ASAD
CHIEF INVESTMENT OFFICER