



Al Meezan
Investment Management Ltd

MKT/FMR/07/10

March 05, 2010

Dear Investor,

We are pleased to inform you that Al Meezan has got management quality rating of “AM2” assigned by JCR-VIS. This rating denotes High Management Quality with a “Stable” outlook. AM2 is the Highest Management Quality Rating ever assigned by JCR-VIS to any Asset Management Company in Pakistan, This rating signifies the strength of Al Meezan in maintaining a smooth flow of operations and its prudent liquidity management during the current economic environment, ensuring that customers’ requests are serviced well within time. Professional and prudent management at Al Meezan has not only enabled us to retain our existing investors but we also managed to increase the investor base significantly. We are grateful to our individual and institutional investors for their confidence and trust which enabled us to achieve this milestone.

We have received a very positive and heartening response from individual as well as institutional investors during the launch of Pakistan’s First Shariah Compliant Government Securities Fund- Meezan Sovereign Fund (MSF). We are very thankful to all our investors who have invested in this fund and made the launch a real success. The net assets of MSF stood at Rs. 608 million as at February 28 2010.

At the end of February 2010, the net assets under management of Al Meezan stood at Rs. 18.45 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. Fund Managers’ Report for the month of February 2010 is enclosed for your review and record.

Yours truly,

A handwritten signature in black ink, appearing to read 'ARL' with a flourish underneath.

Muhammad Anas Rehan
AVP Marketing

AL Meezan Investment Management Limited

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 eight 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. To cater to demands of its valued investors, Al Meezan launched Pakistan's first Shariah compliant Government securities fund – Meezan Sovereign Fund on February 10, 2010.

The total funds under management of Al Meezan, the only full fledged Shariah compliant asset management company in Pakistan, have reached Rs. 18.5 billion as on February 28, 2010. We are pleased to inform you that JCR-VIS recently upgraded management quality rating of Al Meezan to AM2 which denotes high management quality, as the company clearly stays well ahead of all its competitors in the Islamic asset management market in Pakistan.

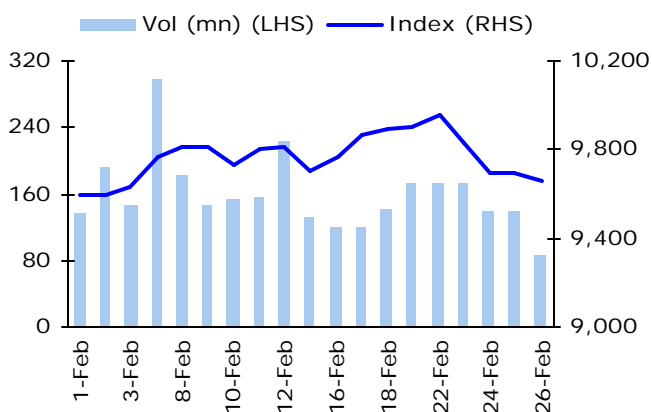
Stock Market Review

During February, KSE-100 index increased by 48 points (0.45%) to close at 9,658. The average daily turnover during February was 164 million shares compared to 187 million shares in January.

The volumes remained low throughout the month with activity mainly taking place in lower tier stocks. Although the corporate results were mostly in line or better than the expectations, the market remained lack luster on the back of political uncertainty and no progress being made regarding leverage product. Later in the month, KSE-100 Index failed to cross 10,000 level due to resignation of Shaukat Tarin as Finance Minister with no successor appointed as yet. This has caused some uncertainty regarding modalities of Capital Gain Tax (CGT) and overall economic policy direction. Hence the market slid down to close at 9,658. Nonetheless, foreigners remained net buyers in the market with net foreign portfolio inflow of US\$ 16.7 million in February.

Overall the corporate announcements (half year / full year) were above expectations and market is expected to regain its momentum with the appointment of new Finance Minister, introduction of leverage product and probable resolution of the inter-corporate debt issue (which will provide a trigger to energy stocks).

KSE-100 Index Performance



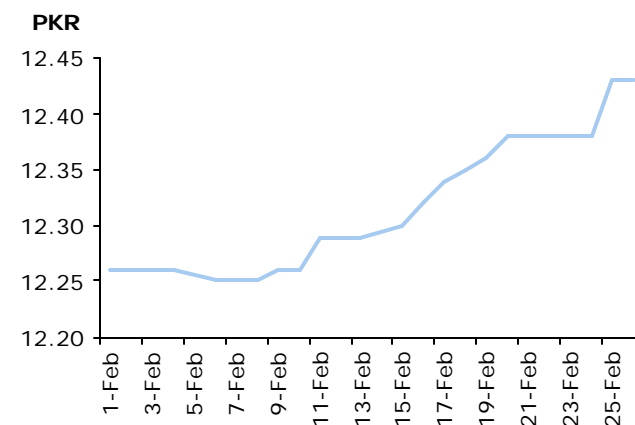
Money Market Review

The maintenance of discount rate at 12.5%, higher energy tariffs and increasing oil prices kept the inflation numbers strong for the previous month. Consequently, market participants anticipated increasing rates going forward. Interbank call and repo markets remained illiquid, with overnight rates hovering within a narrow band of 12.20% to 12.45%. During the period, SBP regularly conducted OMOs to normalize money markets and injected Rs. 316 billion. Six month KIBOR also inched up by 20 bps to close at the highest level of 12.43%.

As per the pre-announced schedule, the central bank conducted two T-bill auctions and accepted a total of Rs. 210 billion, increasing the cut-off rates for six-month paper by 38bps to 12.28%. In regards to monetary policy, a reversal in monetary stance may not be palatable to central bank as IMF expects monetary policy to focus on price stability. Going forward, we believe that the SBP would maintain the status quo, i.e. a cautious easing of monetary policy if inflation pressures continue. Taking this view, we expect the stability of interest rates in the short term.

Growing uncertainty about foreign inflows under the coalition support fund and delay in aid promised by friends of democratic Pakistan resulted in continued pressure on rupee, which depreciated 0.4% month on month against the greenback and closed the period at Rs. 84.98.

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.

INVESTMENT OBJECTIVE

To maximize total investor returns by investing in Shariah Compliant equities focusing on both capital gains and dividend income.

Funds Details

Fund Type:	Open End
Risk Level	High
Launch Date	8th Aug 2003
Trustee	CDC
Auditors	A.F. Ferguson & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B and C
Management Fee	2%
Front End Load	2%
Back End Load	Nil
Benchmark	KMI-30
Leverage	Nil
Listing	KSE
AMC Rating	AM2
Pricing Mechanism	Forward
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 3pm
Fund Manager	Muhammad Asad
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Syed Talal Mehdi

Fund Assets:

	Jan '10	Feb '10	MoM %
Net Assets (Rs mn)	4,455	4,348	-2.42%
NAV Per Unit (Rs)	47.99	47.99	0.01%
% held in Securities	97.0	97.8	
% held as Cash	3.0	2.2	

Risk Measures – Feb '10

	Standard Deviation	Sharpe Ratio
MIF	0.70	-0.04
KSE-100 index	0.75	-0.01
KMI-30 Index	0.85	0.17

Performance

Cumulative Returns

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIF	0.01%	5%	13%	36%	84%	15%	56%	178%
Benchmark	1.0%	7%	11%	35%	88%	-14%*	17%*	129%*

** Performance start date of August 08, 2003,

* KSE-100 Index

Annual Returns

	FY09	FY08	FY07	FY06	FY05	FY04
MIF	-30%	0.27%	29%	30%	40%	24%*
Benchmark	-29%	-1%	17%	25%	22%	26%*

* Return from inception date

Fund Review

Net assets of Meezan Islamic Fund as at February 28, 2010 stood at Rs. 4.3 billion. The fund's NAV increased by marginally (by 0.01%) during the period under review against an appreciation of 1% in the benchmark index (KMI-30) while KSE-100 Index, during the same period increased by 0.45%.

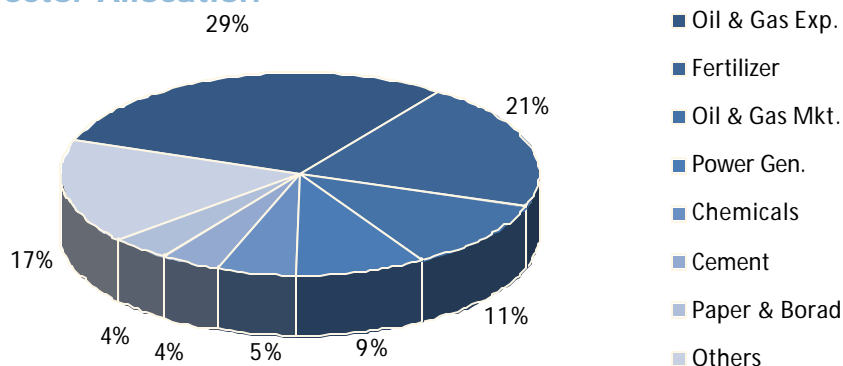
Since the market is relatively attractive on multiples as compared to regional markets, we hold a positive stance on the future performance. As of February 28, the fund was 98% invested in equities.

Portfolio

Top Ten Holdings

Company Name(in alphabetical order)	Sectors
Fauji Fertilizer Bin Qasim Limited	Fertilizer
Fauji Fertilizer Company Limited	Fertilizer
ICI Pakistan Limited	Chemicals
Lucky Cement Limited	Cement
Oil & Gas Development Company Limited	E&P
Packages Limited	Paper
Pakistan Oilfields Limited	E&P
Pakistan Petroleum Limited	E&P
Pakistan State Oil Company Limited	OMC

Sector Allocation



INVESTMENT OBJECTIVE: To provide investors with a high and stable rate of current income consistent with long term preservation of capital in a Shariah compliant way. A secondary objective is to take advantage of opportunities to realize capital appreciation.

Funds Details

Fund Type	Open End
Risk Level	Minimal
Launch Date	15-Jan-07
Trustee	CDC
Registrar	Meezan Bank Ltd
Unit Types	A, B & C
Front End Load	0.5%
Back End Load	Contingent load for Type C investors
Management Fee	1.5%
Benchmark	Average bank deposit rate of three Islamic banks
Leverage	Nil
Auditors	A.F. Ferguson & Co.
Portfolio Duration	31 days
AMC Rating	AM2
Fund Stability Rating	A+ (f)
Pricing Mechanism	Forward
Valuation Days	Mon-Sat
Subscription/Redemption Days	Mon-Fri 9am-3 pm Sat 9am-12:30 pm
Fund Manager	Muhammad Asad
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Syed Talal Mehdi Madiha Javed

Fund Assets:

	Jan '10	Feb '10	MoM %
Net Assets (Rs mn)	4,299	3,972	-7.61%
NAV Per Unit (Rs)	50.14	50.36*	0.73%

*Ex- Div NAV

Rating Distribution

Government (AAA)	39.0%
A	11.2%
AA+	1.6%
AA	18.5%
AA-	4.0%
A-	1.8%
BBB+	4.9%
BBB-	0.8%
Others	12.0%

Performance

Cumulative Returns (annualized)

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIIF	9.53%	-0.78%	4.76%	6.37%	9.09%	8.88%	-	9.02%
Benchmark	5.99%	5.89%	5.79%	5.75%	5.77%	5.89%	-	5.73%

** Performance start date of Jan 15, 2007

Annual Returns

	FY09	FY08	FY07	FY06	FY05	FY04
MIIF	10.15%	9.15%	9.93%	-	-	-
Benchmark	6.54%	5.75%	4.66%	-	-	-

Fund Review

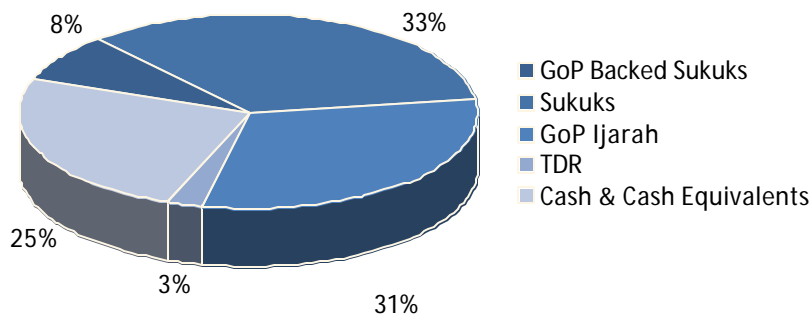
Net assets of Meezan Islamic Income Fund (MIIF) as at February 28, 2010 stood at Rs. 4 billion. Fiscal year to date, MIIF has provided an annualized return of 6.3% as compared to its benchmark which has provided an annualized return of 5.8% during the same period.

Portfolio

Top Ten Sukuk Holdings

Sukuks Names	Sectors	%
Century Paper & Board	Paper	2%
DG Cement	Cement	5%
Eden Housing Limited	Construction	5%
Engro Chemical Pakistan	Chemicals	7%
GoP Ijarah Sukuks III	GoP Ijarah	7%
GoP Ijarah Sukuks IV	GoP Ijarah	24%
KSEW - II	GoP Backed	7%
Maple Leaf Cement	Cement	6%
Shahmurad Sugar Mills	Sugar	2%
Sitara Chemicals Ltd. III	Chemicals	3%

Portfolio Composition



INVESTMENT OBJECTIVE: To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and debt securities.

Funds Details

Fund Type	Open End
Risk Level	Minimal
Launch Date	15-Jun-09
Trustee	CDC
Registrar	Meezan Bank Ltd
Unit Types	A, B and C
Front End Load	Nil
Back End Load	0.1% if redemption within 3 days
Management Fee	1%
Auditors	A.F. Ferguson & Co.
Leverage	Nil
Portfolio Duration	14 Days
AMC Rating	AM2
Fund Stability Rating	AA (f)
Pricing Mechanism	Forward
Valuation Days	Mon-Sat
Subscription/ Redemption Days	Mon-Fri 9am-3pm Sat 9am-12:30 pm
Fund Manager	Syed Talal Mehdi
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Syed Talal Mehdi Madiha Javed

Fund Assets:

	Jan '10	Feb '10	MoM %
Net Assets (Rs mn)	4,421	4,828	9.21%
NAV Per Unit (Rs)	51.16	51.51	0.68%

Rating Exposure

AA+	63.7%
AA	36.3%

Performance

Cumulative Returns (annualized)

	1M	3M	6M	YTD	1Yr	2Yr	5Yr	PSD**
MCF	10.12%	10.05%	10.05%	10.09%	-	-	-	9.92%
Benchmark	7.54%	7.47%	7.50%	7.51%	-	-	-	7.52%

** Performance start date of June 15, 2009

Annual Returns

	FY09	FY08	FY07	FY06	FY05	FY04
MCF (Annualized)	8.08%*	-	-	-	-	-
Benchmark	7.60%	-	-	-	-	-

* 15 days of operations.

Fund Review

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 investment avenues to short tenure, i.e. to a maximum maturity of six months. Moreover, to ensure security of investment, rating of instruments must at least be 'AA'.

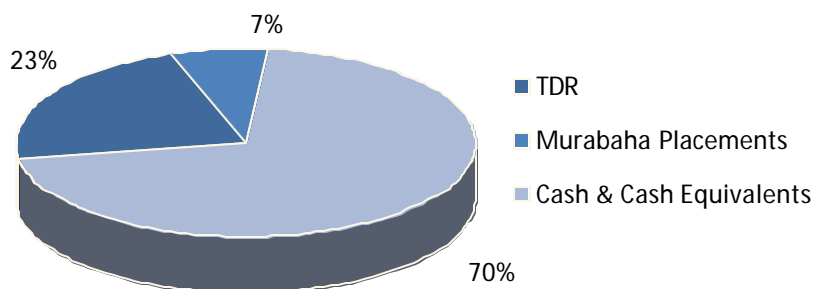
As of February 28, 2010, net assets of the fund were Rs. 4.83 billion, showing a growth of over 9.2% month-on-month. For the month, MCF provided an annualized return of 10.1% to its investors.

Portfolio

Salient Features

Key Benefits	Maximum Preservation of Principal Investment
	High Liquidity (Redemption within Two working days)
	Tax-free Returns
	No Sales Load (No Entry or Exit charges)*
Investment Policy and Strategy	Tax Credit as per tax laws
	Investments in High Grade & Liquid avenues:
	Instrument/Issuer Rating : Minimum 'AA'
	Maximum Maturity of Instruments : Six Months
Benchmark	Average Time to Maturity of Portfolio : Three Months
	Average Return on 3 month deposit with three Islamic Banks

Portfolio Composition



INVESTMENT OBJECTIVE: To seek maximum possible preservation of capital and a reasonable rate of return

Funds Details

Fund Type	Open End
Risk Level	Minimal
Launch Date	10-Feb-10
Trustee	CDC
Registrar	Meezan Bank Ltd
Unit Types	A, B , C & D
Front End Load	0.5%
Back End Load	Nil
Management Fee	1%
Auditors	A.F. Ferguson & Co.
Benchmark	Average return on 6-month Islamic bank deposits
Leverage	Nil
Portfolio Duration	2 Days
AMC Rating	AM2
Fund Stability Rating	AA+ (f)
Pricing Mechanism	Forward
Valuation Days	Mon-Sat
Subscription/Redemption Days	Mon-Fri 9am–3pm Sat 9am–12:30 pm
Fund Manager	Ayesha Irfan
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Syed Talal Mehdi Madiha Javed

Fund Assets:

	Feb '10
Net Assets (Rs mn)	608
NAV Per Unit (Rs)	50.16

Asset Rating

GoP Backed (AAA)	4%
AA+	62.8%
AA	33.2%

Performance

Cumulative Returns (annualized)

	1M	3M	6M	YTD	1Yr	2Yr	5Yr	PSD**
MSF	8.96%	-	-	-	-	-	-	8.96%
Benchmark	7.52%	-	-	-	-	-	-	7.52%

** Performance start date of Feb 10, 2010

Annual Returns

	FY09	FY08	FY07	FY06	FY05	FY04
MSF (Annualized)	-	-	-	-	-	-
Benchmark	-	-	-	-	-	-

* one month operations

Fund Review

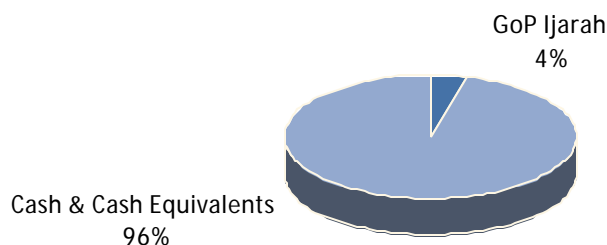
Meezan Sovereign Fund (MSF) was launched during February and since its launch, its assets have increased to Rs. 608 million. Since the closing of IPO, the fund has provided an annualized return of 9% against an appreciation of 7.52% in benchmark for the month.

Portfolio

Salient Features

Key Benefits	Maximum Preservation of Principal Investment
	Primary Investments in securities issued by Government of Pakistan
	Very Low Risk
	Liquidity (Redemption on average in 2-3 working days)
Investment Policy and Strategy	Tax-free Returns
	Tax Credit as per tax laws
	Investments in High Grade & Liquid avenues: Minimum 70% Investment in Government backed / issued securities (rated 'AAA')
	Placements in top rated banks and financial institutions
Benchmark	Average Time to Maturity of Portfolio : Three months
	Average return on 6-month Islamic bank deposits

Sector Allocation



INVESTMENT OBJECTIVE: To provide participants a regular Halal income stream after retirement/disability when they can no longer earn regular income to support their living so that they are not dependent on other members of the society.

Funds Details

Fund Type	Open End
Risk Level	Minimal
Launch Date	28-Jun-07
Trustee	CDC
Registrar	Meezan Bank Ltd
Auditors	A.F. Ferguson & Co.
AMC Rating	AM2
Pricing Mechanism	Forward
Valuation Days	Mon-Fri
Subscription/Redeem	Mon-Fri 9 am – 3 pm
Fund Manager	Syed Talal Mehdi
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Syed Talal Mehdi Madiha Javed

Performance

Cumulative Returns

	1M	3M	6M	YTD	1Yr	3Yr	5Yr	PSD**
MTPF- Equity	0.5%	6.5%	11.8%	35.1%	90.8%	-	-	3.4%
MTPF- Debt*	13.1%	2.9%	7.5%	7.3%	9.7%	-	-	8.7%
MTPF- MMkt*	8.8%	8.2%	7.5%	7.4%	9.8%	-	-	8.9%

** Performance start date of June 28, 2007,

* at annualized rate

Annual Returns

	FY09	FY08	FY07	FY06	FY05	FY04
MTPF- Equity	-25.8%	3.1%	-	-	-	-
MTPF- Debt	10.2%	8.3%	-	-	-	-
MTPF- MMkt	11.1%	7.7%	-	-	-	-

Fund Review

As at February 28, 2010, total size of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 232.8 million. The Debt sub fund posted an annualized return of 13% whereas the Money Market sub funds posted a return of 8.8%. Moreover, equity sub-fund appreciated by 0.5% MoM.

Funds Assets

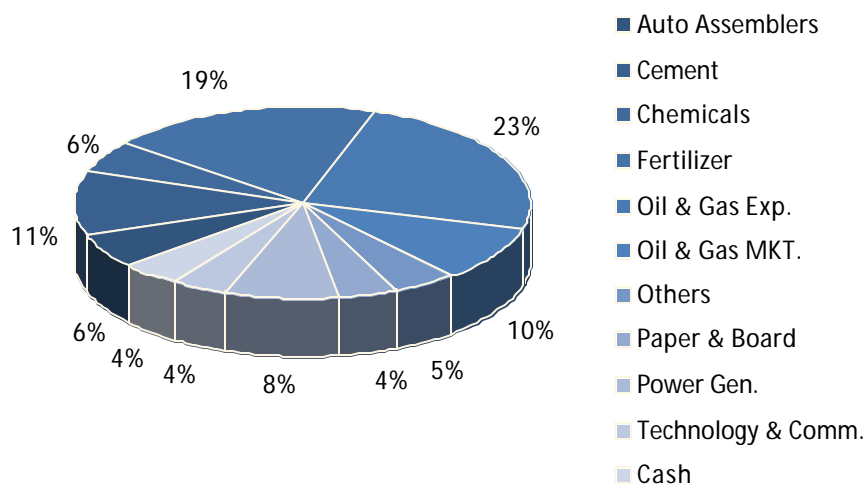
Rs (Mn)	Jan'10	Feb'10	MoM %
MTPF- Equity	89	91	2.1%
MTPF- Debt	75	77	2.0%
MTPF- MMkt	65	65	0.9%
Total Fund	229	233	1.7%

Sukuk Holdings – MTPF (Debt fund)

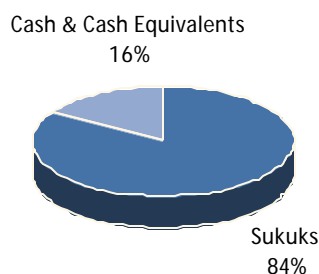
Dawood Hercules
Eden Housing Limited
GoP Ijarah Sukuks IV
KSEW – II
Maple Leaf Cement
Security Leasing Sukuk II
Shahmurad Sugar Mills

Portfolio

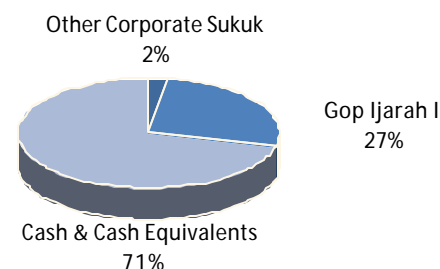
Sector Weightage as a % of Net Assets (MTPF – Equity)



MTPF Debt Sub Fund



MTPF Money Market Sub



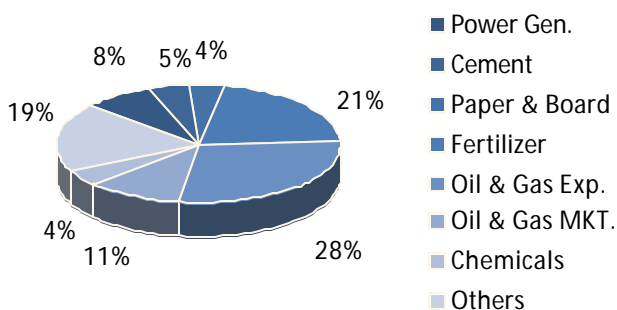
Al Meezan Mutual Fund

Performance

Month on Month	Jan '10	Feb '10
Return on AMMF	3.61%	0.30%
Return on KSE-100 index	2.42%	0.45%
Return on KMI-30 Index *	3.44%	0.09%
Year – to - date (FY)		
Return on AMMF	34.88%	35.25%
Return on KSE-100 index	34.24%	34.84%
Return on KMI-30 Index *	33.51%	34.89%

** Benchmark

AMMF Assets Distribution – February '10



Fund Assets:

	Jan '10	Feb '10	MoM %
Net Assets (mn)	1,447	1,451	0.30%
NAV Per Unit (Rs)	10.52	10.55	0.30%

Investment Objective

The objective of Al Meezan Mutual Fund is to optimize the total investment returns, both capital gains and dividend income, through prudent investment management

Fund Review

Net assets of Al Meezan Mutual Fund (AMMF) as at February 28, 2010 stood at Rs. 1.45 billion. The fund's NAV appreciated by 0.3% during the period under review against a rise of 1% in the benchmark index (KMI-30) while KSE-100 Index, during the same period increased by 0.45%.

Meezan Balanced Fund

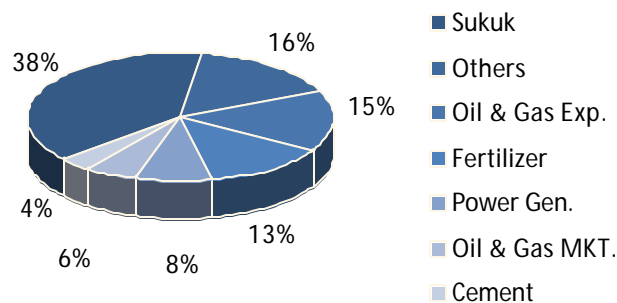
Performance

Month on Month	Jan '10	Feb '10
Return on MBF	2.27%	0.70%
Benchmark Return	2.2%	1.0%
Return on KMI-30 Index	3.44%	0.09%
Year – to - date (FY)		
Return on MBF	21.51%	22.33%
Benchmark Return	18.66%	19.42%
Return on KMI-30 Index	33.51%	34.89%

MBF Assets Distribution – February '10

*50% return on Islamic deposits and 50% return on KMI-30%

MBF Assets Distribution – February '10



Fund Assets:

	Jan '10	Feb '10	MoM %
Net Assets (mn)	1,269	1,278	0.70%
NAV Per Unit (Rs)	10.57	10.65	0.70%

Investment Objective

The objective of Meezan Balanced Fund is to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and Islamic Income Instruments such as TFCs, COIs, Certificates of Musharika, Islamic Sukuk, Ready-future hedges, and other Shariah compliant instruments.

Fund Review

Net assets of Meezan Balanced Fund (MBF) as at February 28, 2010 stood at Rs. 1.28 billion. The fund's NAV appreciated by 0.7% during the month.