

# AL Meezan Investment Management Limited

Al Meezan Investments, the company in operation since 1995, has one of the longest track record of managing mutual funds in the private sector in Pakistan. Al Meezan Investments manages nine mutual funds; namely Al Meezan Mutual Fund, Meezan Balanced Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Cash Fund, Meezan Sovereign Fund, Meezan Capital Protected Fund (MCPF-II) and KSE Meezan Index Fund.

The total funds under management of Al Meezan, the only full fledged Shariah compliant asset management company in Pakistan, have reached Rs. 41.1 billion as on November 30, 2012. With AM2 rating which denotes high management quality, the company clearly stays well ahead of all its competitors in the Islamic asset management market in Pakistan.

## Stock Market Review

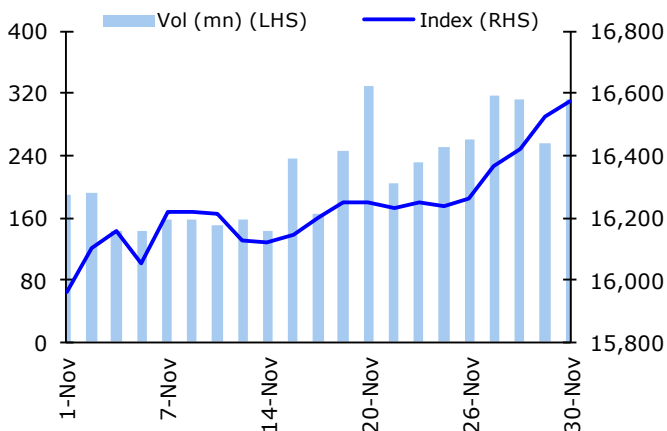
KSE-100 continued its rally despite looming political and economic issues. The index posted a gain of 4.2% over the month taking the CYTD return to 46%. Overall volumes remained healthy clocking in 74% higher MoM to 216mn shares per day while value traded increased by 19%. FIPI flows remained positive with total inflows of USD34.6mn down 10% MoM. Concentration remained in second and third-tier stocks during the month.

Main support to the overall market came on the back of Textiles, Cements, Oil and Gas and Banking stocks, while Industrials and Chemical sectors lagged.

Key issues that influenced the market movement during the month included 1) reduction in age of imported cars which was positive for the Auto sector 2) ongoing dispute regarding resolution of CNG pricing formula which is inadvertently benefiting petrol sales across the country. Other key developments were Unilever's buyback of shares and a number of M&A activities including Citibank's consumer portfolio and Fauji Foundation's take-over of Askari Bank. PTC remained buoyant despite concerns regarding resolution of ICH issue.

Going forward, the upcoming monetary policy will be the key trigger where we expect further monetary easing in the wake of low inflation numbers.

### KSE-100 Index Performance



## Money Market Review

The market returned to slight stability post the 50bps discount rate cut via SBP's last bi-monthly monetary policy statement in October. The 3M and 6M KIBORs witnessed a gradually rising trend during the month of November (6MK up 18 bps to 9.54%) and T-bill yields also followed the same trend a bit more sharply (6M T-bill up 32 bps to 9.42%).

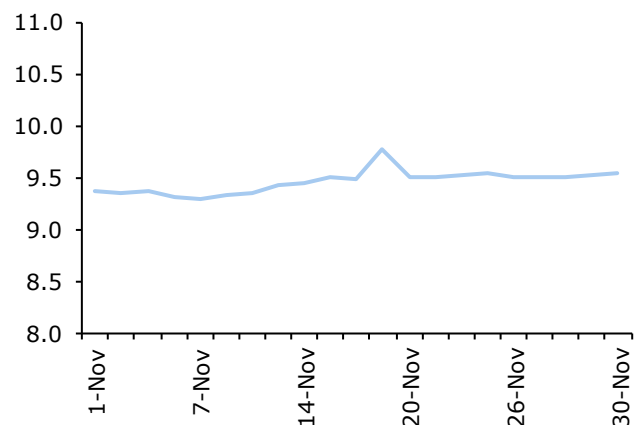
Regular OMOs continued in November whereby around Rs. 2.1 trillion at a weighted average yield of 9.01% was injected in the system causing the market to stay relatively liquid this month.

Two T-bill auctions were also conducted during November in which bids worth Rs. 333 billion were accepted. A PIB auction was also carried out in which around Rs. 20 billion was accepted by the government, majority of which was subscribed in the 3 Years slab (9 billion at a cut off yield of 10.35%).

On the forex front, the rupee stayed under pressure, depreciating by another 80 paises in the interbank market and 160 paises in the open market to end at Rs. 96.65 and 97.60 respectively. This weakening is expected to continue in the coming months in light of the strain on national forex reserves due to IMF loan installments.

With the next monetary policy scheduled in the second week of December 2012, the market appears to have reverted back to its expectation of further monetary softening which shall entail bringing down the discount rate to a single digit figure i.e. below 10%.

### 6 Month KIBOR



## Disclaimer

This publication is for informational purpose only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risk. The NAV based prices of units and any dividends/returns thereon are dependent on force and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

**Fund Review:**

Net assets of Meezan Islamic Fund stood at Rs. 6.51 billion as on November 30, 2012. The fund's NAV increased by 2.5% during the month of November as compared to 2.5% increase in benchmark index (KMI-30) while KSE-100 Index during the same period increased by 4.2%. As on November 30, the fund was 96% invested in equities.

**Investment Objective:**

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

**Fund Details:**

Fund Type:	Open End
Risk Level	High
Launch Date	8th Aug 2003
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B and C
Management Fee	2%
Front End Load	2%
Fund Category	Equity
Back End Load	Nil
Benchmark	KMI-30
Leverage	Nil
Listing	KSE
AMC Rating	AM2
Rating Agency	JCRVIS
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, CFA Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik
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**Fund Assets:**

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)	6,383	6,513	2.0%
NAV Per Unit (Rs)	47.40	48.57	2.5%

**Asset Allocation:**

	Oct' 12	Nov' 12
Equity (%)	95.13	96.24
Cash (%)	3.64	3.51
Other receivables (%)	1.23	0.25
Expense Ratio*	2.72%	2.68%
P/E	7.0	7.1

\*Management fee is included in the expense ratio

**Risk Measures–November`12:**

	MIF	KSE-100 index	KMI-30 Index
Standard Deviation (%)	0.41	0.40	0.46
Sharpe Ratio	0.22	0.42	0.20

**WWF Disclosure :** The Fund/Scheme has not made provisions amount to Rs.83.75mn against Workers' Welfare Fund liability, if the same were made the NAV per unit/returns of the Scheme would be lower by Rs.0.62/1.28%. For details, investors are advised to read Financial Statements of the Scheme for FY2012.

**Performance - Cumulative Returns:**

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIF	2%	4%	16%	17%	39%	97%	65%	421%
Benchmark#	2%	5%	19%	20%	35%	112%	68%	274%

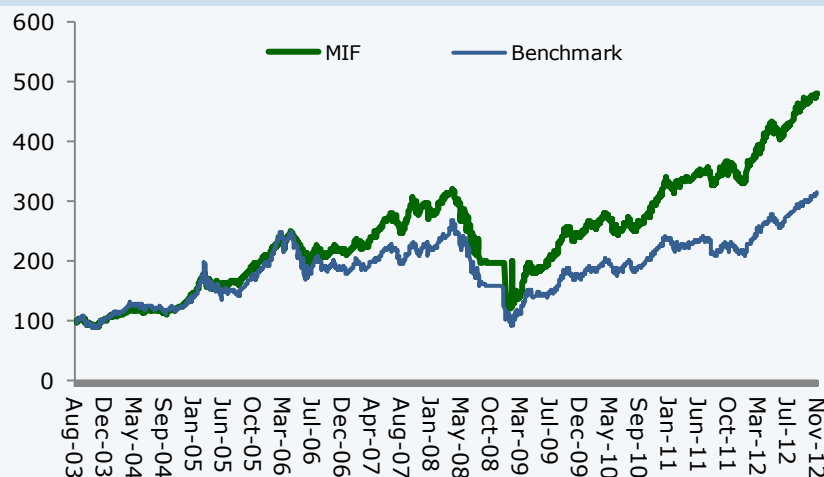
\*\* Performance start date of August 08, 2003,

# KMI-30 replaced DJIIMP as the Fund's benchmark from July 01, 2009, while KSE-100 index remained as the benchmark till June 30, 2006

**Annual Returns:**

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MIF	19%	39%	31%	-30%	0%	29%	30%	40%
Benchmark	14%	44%	37%	-35%	1%	17%	25%	22%

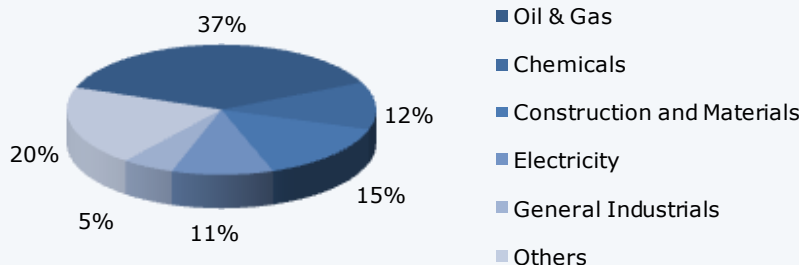
**Fund's Performance:**



**Top Ten Equity holdings:(% of NAV):**

The Hub Power Co. Ltd.	11%	Pakistan State Oil Co. Ltd.	7%
Oil & Gas Development Co. Ltd.	10%	DG Khan Cement Co. Ltd.	7%
Pakistan Petroleum Ltd.	10%	Lucky Cement Ltd.	7%
Pakistan Oilfields Ltd.	9%	Meezan Bank Ltd.	5%
Fauji Fertilizer Co. Ltd.	8%	Packages Ltd.	4%

**Sector Allocation:**



## Fund Review:

The net assets of Al Meezan Mutual Fund (AMMF) as at November 30, 2012 stood at Rs. 1.63 billion. The fund's NAV increased by 2.4% during the month of November as compared the 2.5% increase in benchmark index (KMI-30) while KSE-100 Index during the same period increased by 4.2%. As on November 30, the fund was 95.8% invested in equities.

## 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 Details:

Fund Type:	Open End
Risk Level	High
Launch Date	13th Jul 1995
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B,C and D
Management Fee	2%
Front End Load	2%
Fund Category	Equity
Back End Load	Contingent Load
Benchmark	KMI-30
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Pricing Mechanism	Forward
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 3pm
Fund Manager	Dr. Gohar Rasool
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib, CFA Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik

## Performance - Cumulative Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
AMMF	2%	4%	16%	18%	40%	95%	40%	1,200%
Benchmark#	2%	5%	19%	20%	35%	112%	68%	872%

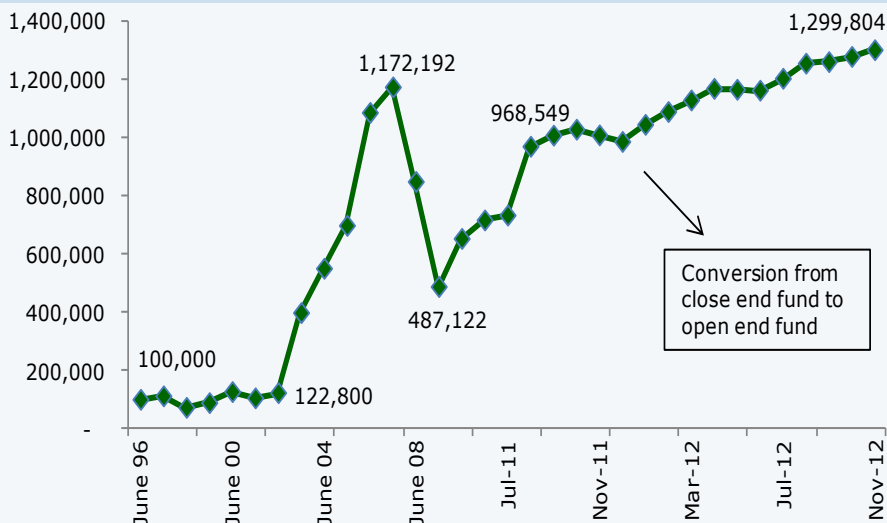
\*\* Performance start date of July 13, 1995,

# KMI-30 replaced DJIIMPK as the Fund's benchmark from July 01, 2009, while KSE-100 index remained as the benchmark till June 30, 2006.

## Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
AMMF	19%	38%	31%	-32%	0%	27%	28%	45%
Benchmark	14%	44%	37%	-35%	1%	17%	25%	22%

## Investment Growth from FY 1996 - 2012 To Date



## Fund Asset:

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)	1,595	1,630	2.2%
NAV Per Unit (Rs)	12.27	12.56	2.4%

## Asset Allocation:

	Oct' 12	Nov' 12
Equity (%)	95.79	95.76
Cash (%)	2.20	3.39
Other receivables (%)	2.01	0.85
Expense Ratio*	2.90%	2.87%

\*Management fee is included in the expense ratio

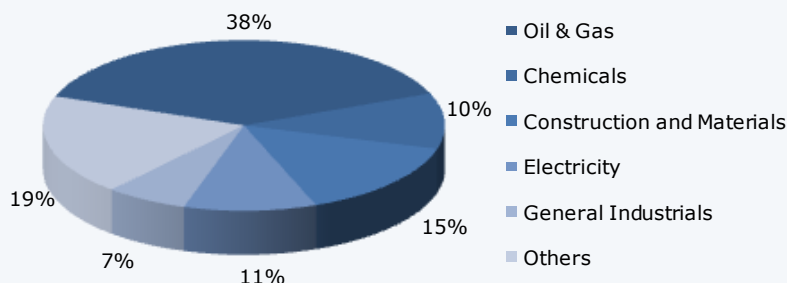
## Risk Measures – November'12:

	AMMF	KSE-100 index	KMI-30 Index
Standard Deviation (%)	0.41	0.40	0.46
Sharpe Ratio	0.21	0.42	0.20

## Top Ten Equity holdings:(% of NAV):

The Hub Power Co. Ltd.	11%	Pakistan State Oil Co. Ltd.	7%
Pakistan Petroleum Ltd.	10%	DG Khan Cement Co. Ltd.	7%
Oil & Gas Development Co. Ltd.	10%	Lucky Cement Ltd.	7%
Pakistan Oilfields Ltd.	10%	Packages Ltd.	5%
Fauji Fertilizer Co. Ltd.	8%	Engro Food Ltd.	4%

## Sector Allocation:



**WWF Disclosure :** The Fund/Scheme has not made provisions amount to Rs.23.63mn against Workers' Welfare Fund liability, if the same were made the NAV per unit/returns of the Scheme would be lower by Rs.0.18/1.43%. For details investors are advised to read Financial Statements of the Scheme for FY2012.

## Fund Review

Net assets of Meezan Islamic Income Fund (MIIF) stood at Rs. 1.6 billion as on November 30, 2012. MIIF has provided an annualized return of 13.7% for the month of November as compared to its benchmark which has provided an annualized return of 6.3% during the same period.

## 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.

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	15-Jan-07
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B and C
Management Fee	1.5%
Front End Load	0.5%
Fund Category	Income
Leverage	Nil
Listing	KSE
AMC Rating	AM2
Rating Agency	JCRVIS
Fund Stability Rating	A(f)
Pricing Mechanism	Forward
Weighted average time to maturity	1.69 Years
Back End Load	Contingent load for Type C investors
Benchmark	Average bank deposit rate of three Islamic banks
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 3pm
Fund Manager	Zain Malik

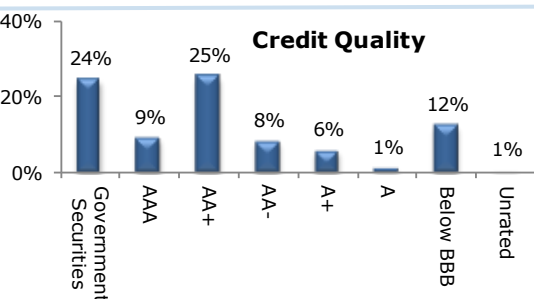
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib, CFA Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik
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## Fund Assets:

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)	1,443	1,611	11.71%
NAV Per Unit (Rs)	52.38	52.93	1.06%

## Credit Quality of portfolio:

Government Securities	24%
AAA	9%
AA+	25%
AA-	8%
A+	6%
A	1%
Below BBB	12%
Unrated	1%



## Performance - Annualized Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MIIF	13.7%	20.1%	14.3%	15.0%	15.0%	9.5%	9.9%	9.7%
Benchmark	6.3%	6.3%	6.3%	6.3%	6.1%	6.0%	6.0%	5.9%

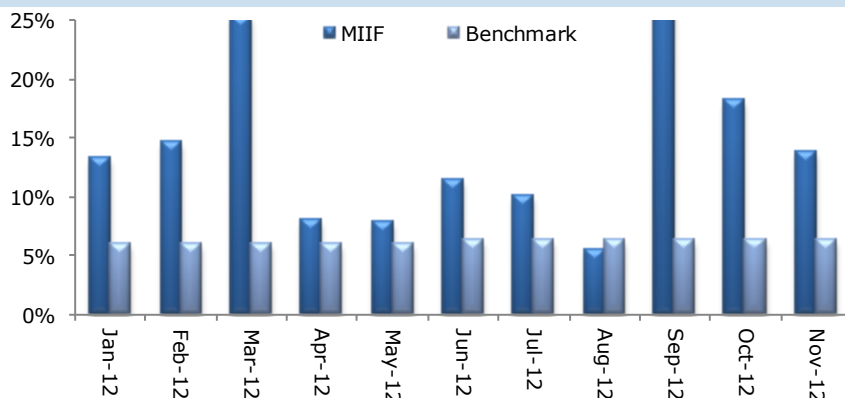
\*\* Performance start date of Jan 15, 2007

## Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MIIF	7.8%	11.8%	7%	10%	9%	10.07%*	-	-
Benchmark	6.0%	5.9%	6%	7%	6%	5%	-	-

\* 163 days of operations

## Monthly Performance:



## Top Ten Portfolio holdings:(% of NAV):

GoP Ijarah Sukuk IX	11%	HUBCO (Commercial Paper)	6%
Engro Fertilizer Ltd.	8%	Maple Leaf Sukuk -I	6%
GoP Ijarah Sukuk XIII	8%	Century Paper & Board Ltd.	5%
Eden Housing Ltd.	6%	Eden Builders Limited	1%
GoP Ijarah Sukuk XII	6%	Sitara Chemicals Ltd. - III	1%

## Sector Allocation:

	Oct'12	Nov'12
Sukuks	31%	28%
Government backed / Guaranteed Securities	27%	24%
Cash	35%	28%
Commercial Paper	7%	6%
Others Including receivables	1%	14%

## Details of Non Performing Investments:

Name of Non -compliant investments	Type of Investments	Value of Investments before provision	Provision held if any / Diminishing Market Value	Value of investments after provision	% of Net Assets	% of Gross Assets
Arzoo Textile Mills Ltd.	Sukuk	70,000,000	70,000,000	0.00	0.00%	0.00%
Eden Housing Ltd	Sukuk	144,787,500	44,212,021	100,575,479	6.24%	6.13%
Maple Leaf Cement - I	Sukuk	311,320,000	211,697,600	99,622,400	6.18%	0.00%
Maple Leaf Cement - II	Sukuk	6,666,668	6,666,668	0.00	0.00%	0.00%
Security Leasing Corporation Ltd - II	Sukuk	18,619,790	9,419,919	9,199,871	0.57%	0.56%

**WWF Disclosure:** The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.25.05mn. If the same were not made the NAV per Unit/return of the Scheme would be higher by Rs.0.82/1.55%. For details investors are advised to read Financial Statements of the Scheme for FY2012.

## Fund Review

Net assets of Meezan Cash Fund (MCF) stood at Rs. 6.6 billion as at November 30, 2012. MCF has provided an annualized return of 8.6% for the month of November as compared to its benchmark which has provided an annualized return of 6.9% during the same period.

## 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.

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	15-Jun-09
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B and C
Management Fee	1%
Front End Load	Nil
Back End Load*	0.1% if redemption within 3 days
Fund Category	Money Market
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Fund Stability Rating	AA (f)
Pricing Mechanism	Forward
Weighted average time to maturity	12 Days
Benchmark	Average return on 6-month Islamic bank deposits
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 3pm
Fund Manager	Zain Malik

Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib, CFA Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik
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## Fund Assets:

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)	6,811	6,646	-2.43%
NAV Per Unit (Rs) *	50.13	50.11	0.68%

\*Ex-Dividend NAV

## Rating Exposure:

AAA	34%
AA+	29%
AA	34%
AA-	1%##

##Account with Meezan Bank is being maintained only for collection /redemption purposes as Meezan Bank is the distributor for Al Meezan Funds.

## Portfolio Composition:

	Oct'12	Nov'12
Placements with Banks and DFIs	13%	14%
Commercial Paper	4%	5%
Cash	81%	80%
Other Including receivables	1%	1%

## Performance – Annualized Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MCF	8.6%	9.5%	9.2%	9.9%	10.0%	10.6%	-	10.5%
Benchmark	6.9%	7.1%	7.6%	7.3%	7.8%	7.9%	-	7.9%

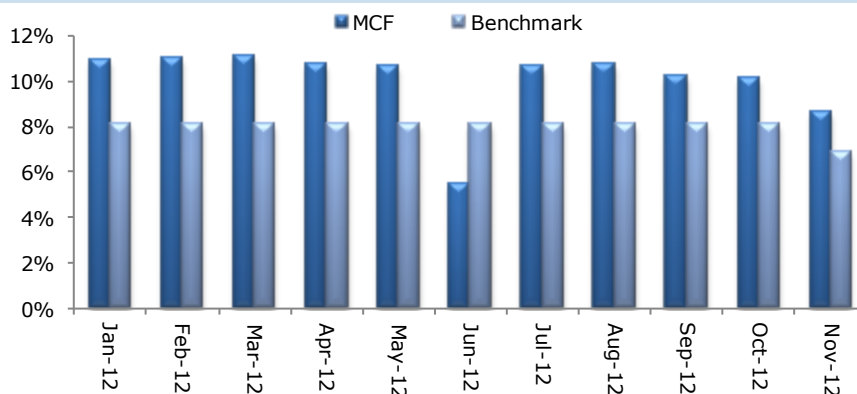
\*\* Performance start date of June 15, 2009

## Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MCF	10.7%	11.0%	10%	8.08%#	-	-	-	-
Benchmark	8.1%	8.2%	7%	8%	-	-	-	-

#15 days of operations

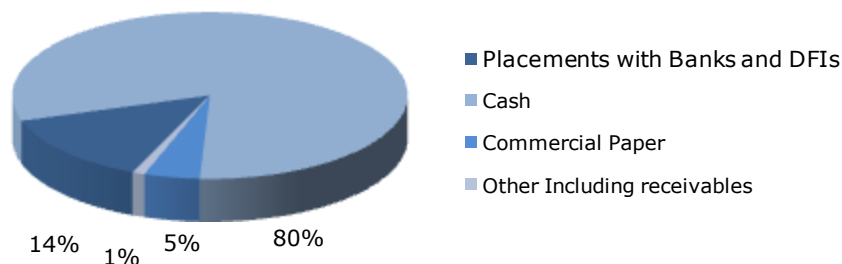
## Monthly Performance:



## Portfolio: Salient Features

Key Benefits	<ul style="list-style-type: none"> <li>Maximum Preservation of Principal Investment</li> <li>High Liquidity (Redemption within Two working days)</li> <li>*No Sales Load (No Entry or Exit charges)</li> <li>Tax Credit as per tax laws</li> </ul>
Investment Policy and Strategy	<ul style="list-style-type: none"> <li>Investments in High Grade &amp; Liquid avenues:</li> <li>Instrument/Issuer Rating : <b>Minimum 'AA'</b></li> <li>Maximum Maturity of Instruments : <b>Six Months</b></li> <li>Average Time to Maturity of Portfolio : <b>Three Months</b></li> </ul>
Benchmark	Average return on 6-month Islamic bank deposits

## Asset Allocation:



**WWF Disclosure:** The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.40.03mn, if the same were not made the NAV per Unit/return of the Scheme would be higher by Rs.0.30/0.60%. For details investors are advised to read Financial Statements of the Scheme for FY2012.

## Fund Review

Net assets of Meezan Sovereign Fund (MSF) stood at Rs. 19.48 billion as on November 30, 2012. For the month of November, the fund has provided an annualized return of 9.1% as compared to its benchmark which has provided an annualized return of 6.9% during the same period.

## Investment Objective:

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

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	10-Feb-10
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B, C and D
Management Fee	1%
Front End Load	0.5%
Back End Load	Nil
Fund Category	Income
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Fund Stability Rating	AA
Pricing Mechanism	Forward
Weighted average time to maturity	1.18 Years
Benchmark	Average return on 6-month Islamic bank deposits
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 3pm
Fund Manager	Zain Malik

Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik
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## Fund Assets:

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)	19,228	19,478	1.30%
NAV Per Unit (Rs)	50.57	50.95	0.74%

## Asset Rating:

Government Guaranteed	70%
AAA	11%
AA+	8%
AA	8%

## Asset Allocation:

	Oct '12	Nov '12
Government Guaranteed	71%	70%
Cash	26%	27%
Other Including receivables	3%	3%

**WWF Disclosure:** The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.70.96mn, if the same were not made the NAV per Unit/return of the Scheme would be higher by Rs.0.19/0.37%. For details investors are advised to read Financial Statements of the Scheme for the FY2012.

## Performance - Annualized Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MSF	9.1%	10.1%	9.9%	10.5%	10.5%	-	-	11.0%
Benchmark	6.9%	7.1%	7.6%	7.3%	7.8%	-	-	8.0%

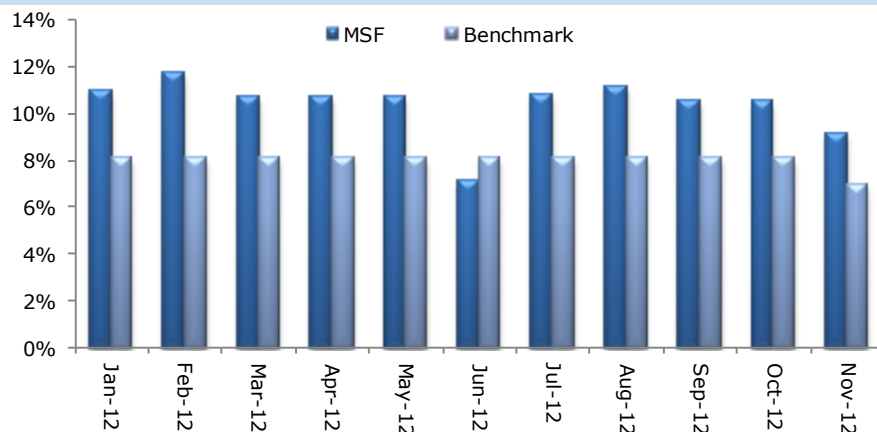
\*\* Performance start date of Feb 10, 2010,

## Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MSF	11.2%	11.5%	9.76%*	-	-	-	-	-
Benchmark	8.1%	8.2%	7.48%	-	-	-	-	-

\* 140 days of operations

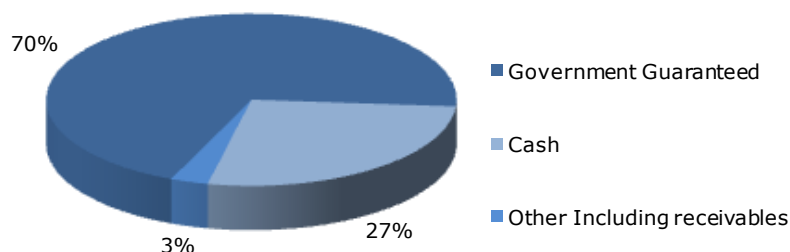
## Monthly Performance:



## Portfolio: Salient Features

Key Benefits	<ul style="list-style-type: none"> <li>Maximum Preservation of Principal Investment</li> <li>Primary Investments in securities issued by Government of Pakistan</li> <li>Very Low Risk</li> <li>Liquidity (Redemption on average in 2-3 working days)</li> <li>Tax Credit as per tax laws</li> </ul>
Investment Policy and Strategy	<ul style="list-style-type: none"> <li>Investments in High Grade &amp; Liquid avenues:</li> <li>Minimum 70% Investment in Government backed / issued securities (rated 'AAA')</li> <li>Placements in top rated banks and financial institutions</li> <li>Weighted Average Time to Maturity of Portfolio : Not more than 4 years</li> </ul>
Benchmark	Average return on 6-month Islamic bank deposits

## Asset Allocation:



## Fund Review:

For the month of November 2012, MCPF-II provided a return of 1.3%. The net assets of Meezan Capital Protected Fund (MCPF-II) have grown to Rs. 470 million during the same period.

## Investment Objective:

The objective of this fund is to provide investors 100% protection of their capital while offering competitive returns by participating in the equity market.

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	5-Jul-11
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A, B,C and D
Management Fee	1.5%
Front End Load	3%
Fund Category	Capital Protected
Back End Load	Contingent Load
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Pricing Mechanism	Forward
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 3pm
Fund Manager	Ahmed Hassan, CFA
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib, CFA Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik

## Fund Assets:

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)	465	470	1.18%
NAV Per Unit (Rs)	53.07	53.77	1.32%

## Asset Allocation:

GoP Guaranteed Securities (%)	70.9
Equity (%)	21.1
Cash (%)	6.6
Other Including receivables (%)	1.4

**WWF Disclosure:** The Fund/Scheme has not made provisions amount to Rs.1.59mn against Workers' Welfare Fund liability, if the same were made the NAV per unit/returns of the Scheme would be lower by Rs.0.18/0.33%. For details investors are advised to read Financial Statements of the Scheme for the FY2012.

## Performance - Cumulative Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MCPF-II	1.3%	2.5%	7.0%	6.5%	16.3%	-	-	20.8%

\*\* Performance start date of Jul 5, 2011,

## Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MCPF-II	13.5%	-	-	-	-	-	-	-

## Portfolio: Salient Features

### Key Benefits

100% Capital Protection.

Optimal Halal returns while remaining in Capital Protection structure.

Tax exempt returns (under applicable Tax Laws)

Tax Credit ( as per Tax Law)

Professional Fund Management by the largest asset management company in private sector in Pakistan

### Investment Policy and Strategy

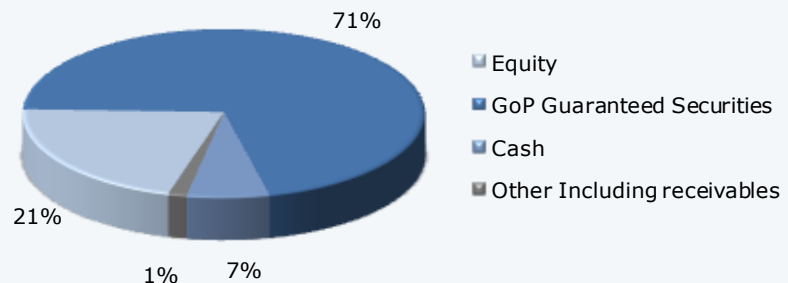
#### Capital Protection Segment

Approximately 75.5% of the Fund would be allocated to Capital Protection Segment which will grow to initial investment, at maturity of life of the Fund. The investment will be made in 'AAA' rated Government of Pakistan Ijarah Sukuk.

#### Investment Segment

24.5% of the Fund would be allocated to Investment Segment that is expected to provide the upside over and above principal at the time of maturity. This amount will be invested in Shariah compliant equity securities listed on Pakistani Stock Exchanges.

## Asset Allocation:



## Fund Review:

As at November 30, 2012, total size of net assets of Meezan Tahaffuz Pension Fund (MTPF) stood at Rs. 1,085 million. For the month of November, the NAV of equity sub fund increased by 3.1% while the NAV of debt and money sub funds provided an annualized return of 8.5% and 7.9% respectively.

## 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.

## Fund Details:

Fund Type:	Open End
Risk Level	Minimal
Launch Date	28-Jun-07
Trustee	CDC
Auditors	Ernst & Young & Co.
Registrar	Meezan Bank Ltd.
Fund Category	Pension
Leverage	Nil
AMC Rating	AM2
Rating Agency	JCRVIS
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 Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik

## FUND ASSETS:

Rs (Mn)	Oct '12	Nov '12	MoM %
MTPF- Equity	408	429	5.2%
MTPF- Debt	396	412	4.0%
MTPF- MMkt	236	244	3.5%
<b>Total Fund</b>	<b>1,040</b>	<b>1,085</b>	<b>4.3%</b>

## NAV per unit:

Rs	Oct '12	Nov '12	MoM %
MTPF- Equity	184.9	190.7	3.1%
MTPF- Debt	162.7	163.8	0.7%
MTPF- MMkt	163.5	164.5	0.6%

## Sukuk Holdings – MTPF(Debt fund):

GoP Ijarah Sukuks X	17.98%
GoP Ijarah Sukuks XI	14.58%
GoP Ijarah Sukuks V	14.09%
GoP Ijarah Sukuks XII	12.15%
GoP Ijarah Sukuks XIII	10.37%
GoP Ijarah Sukuks IX	7.05%
GoP Ijarah Sukuks VIII	3.16%
GoP Ijarah Sukuks VII	1.21%
GoP Ijarah Sukuks VI	0.73%
Eden Housing Limited	0.21%

## MTPF - Allocation Schemes

	1M	3M	6M	YTD	1Yr	3Yr	5Yr	PSD**
High Volatility	3%	5%	14%	16%	34%	83%	65%	85%
Medium Volatility	2%	4%	10%	11%	25%	64%	63%	77%
Low Volatility	1%	3%	8%	8%	17%	48%	61%	70%
Lower Volatility	1%	2%	5%	4%	10%	32%	60%	64%

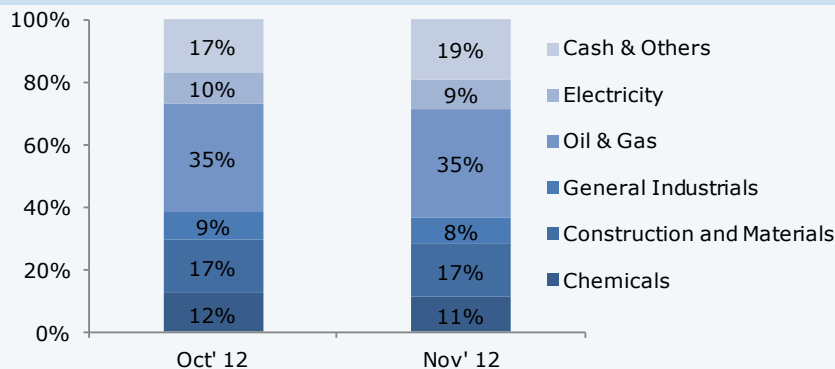
\*\* Performance start date of June 28, 2007.

Allocation Scheme	Equity	Debt	Money Market
High Volatility	80%	20%	0%
Medium Volatility	50%	40%	10%
Low Volatility	25%	60%	15%
Lower Volatility	0%	60%	40%

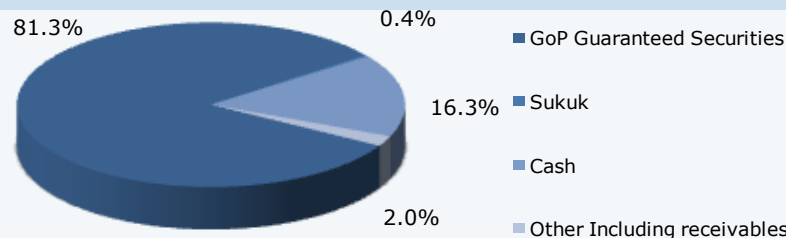
## Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MTPF- Equity	16.8%	36.0%	31.5%	-25.8%	3.1%	-	-	-
MTPF- Debt	9.5%	10.9%	8.5%	10.2%	8.3%	-	-	-
MTPF- MMkt	10.9%	10.7%	8.5%	11.1%	7.7%	-	-	-

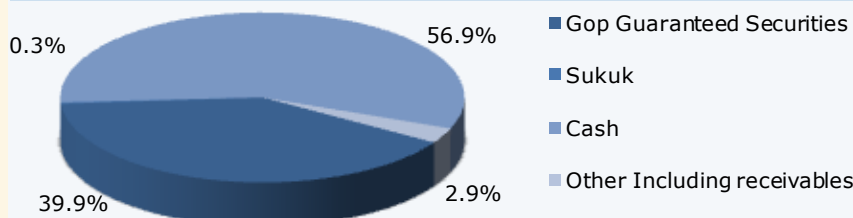
## Sector Weightage as % of Net Assets (MTPF – Equity):



## MTPF Debt Sub Fund:



## MTPF Money Market Sub Fund:



**WWF Disclosure:** The Fund/Scheme has not made provisions amount to Rs.3.58mn (Equity), Rs. 1.64mn (Debt) and Rs. 1.05mn (MMKT) against Workers' Welfare Fund liability, if the same were made the NAV per unit/returns of the Scheme would be lower by Rs.1.59/0.83% (Eq.), 0.65/0.40%(Dt.) and 0.71/0.43%(MM). For details, investors are advised to read Financial Statements of the Scheme for FY2012.



## Fund Review:

The fund was launched on May 23, 2012. As at November 30, the net assets of KSE-Meezan Index Fund (KMIF) stood at Rs. 304 million. For the month of November 2012, KMIF provided a return of 2.3%.

## Investment Objective:

KSE Meezan Index Fund (KMIF) is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the Index in proportion to their weightages.

## Fund Details:

Fund Type:	Open End
Risk Level	High
Launch Date	23-May-12
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	Meezan Bank Ltd.
Unit Types	A and B
Management Fee	1%
Front End Load	2%
Fund Category	Index Tracker Scheme
Back End Load	Nil
Leverage	Nil
Listing	ISE
AMC Rating	AM2
Rating Agency	JCRVIS
Pricing Mechanism	Forward
Benchmark	KMI-30 Index
Valuation Days	Mon-Fri
Subscription/ Redemption Days	Mon-Fri 9am – 1pm
Fund Manager	Dr. Gohar Rasool
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib, CFA Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik

## Fund Assets:

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)	317	304	-4.02%
NAV Per Unit (Rs)	56.79	58.10	2.31%

**WWF Disclosure:** The Fund/Scheme has not made provisions amount to Rs.0.95mn against Workers' Welfare Fund liability, if the same were made the NAV per unit/returns of the Scheme would be lower by Rs.0.18/0.31%. For details investor are advised to read Financial Statements of the Scheme for the FY2012.

## Performance - Cumulative Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
KMIF	2.3%	4.2%	17.7%	19.0%	-	-	-	16.2%
Benchmark	2.5%	4.7%	18.9%	19.9%	-	-	-	17.7%

\*\* Performance start date of May 23, 2012.

## Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
KMIF*	-2.4%	-	-	-	-	-	-	-

\* 38 days of operations.

## Portfolio: Salient Features

### Key Benefits

- Pakistan's only tracker Fund - KMIF, which tracks Pakistan's only Shariah Compliant Index, the KMI 30
- The KMI 30 Index has outperformed KSE 100 every year since its launch in 2009
- A one-stop solution for putting your money into every single company of the KMI 30 Index
- Passive investment philosophy, hence low operating expenses compared to actively managed funds, and little potential for underperformance (relative to benchmark)
- No Lock-in Period - Invest Today, En-cash whenever you like

### Investment Policy

The Fund shall strive to remain fully invested in accordance with the stated index; however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index during the year based on monthly average investment calculated on daily basis. The un-invested amount shall be kept in Cash and/ or near cash instruments where near cash instruments include cash in Islamic bank accounts or Islamic Banking windows (excluding TDRs)

The Fund will invest in the KMI-30 equity stock in order to achieve the investment objective. The fund manager would monitor the performance of the Fund and the benchmark index on a continuous basis. Upon Rebalancing of the Index the Management Company may also rebalance the portfolio within 30 Days with the objective to minimize, before expenses, the tracking error of the Fund



## PAKISTAN'S ONLY SHARIAH-COMPLIANT CLOSED-END FUND

### Fund Review:

Net assets of Meezan Balanced Fund (MBF) as at November 30, 2012 stood at Rs. 1.48 billion. The fund's NAV increased by 1.7% during the month.

### 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 Details:

Fund Type:	Closed End
Risk Level	Minimal
Launch Date	20-Dec-2004
Trustee	CDC
Auditors	KPMG Taseer Hadi & Co.
Registrar	THK Associates
Management Fee	2%
Fund Category	Balanced
Leverage	Nil
Listing	KSE
AMC Rating	AM2
Rating Agency	JCRVIS
Benchmark	50% KMI-30 Index 50% Average bank Deposit rate of three Islamic banks
Fund Manager	Ahmed Hassan, CFA
Members of Investment Committee	M. Shoaib, CFA Muhammad Asad Sanam Zaib, CFA Ahmed Hassan, CFA Dr. Gohar Rasool Zain Malik

### Funds Asset:

	Oct' 12	Nov' 12	MoM %
Net Assets (Rs mn)*	1,457	1,483	1.73%
NAV Per Unit (Rs)	12.15	12.36	1.73%
*Ex-Dividend Net Assets			

**WWF Disclosure:** The Fund/Scheme has not made provisions amount to Rs.16.70mn against Workers' Welfare Fund liability, if the same were made the NAV per unit/returns of the Scheme would be lower by Rs.0.14/1.13%. For details investor are advised to read Financial Statements.

### Performance - Cumulative Returns:

	1M	3M	6M	FYTD	1Yr	3Yr	5Yr	PSD**
MBF	2%	3%	12%	12%	27%	84%	70%	214%
Benchmark	2%	3%	11%	11%	20%	59%	37%	102%

\*\* Performance start date of Dec 20, 2004

### Annual Returns:

	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
MBF	17%	25%	23%	-11%	1%	26%	23%	2%*
Benchmark	8%	25%	21%	-14%	3%	11%	15%	13%

\* Performance start date of Dec 20, 2004

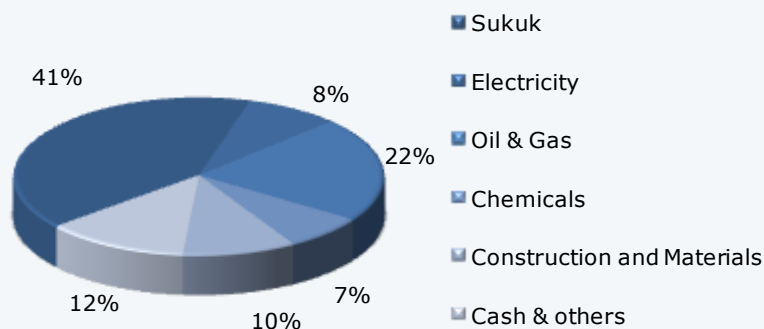
### Top Ten Portfolio holdings:(% of NAV):

	Equity	Sukuk	
Hub Power Co. Ltd.	8%	GoP Ijarah Sukuk -XII	19%
Oil & Gas Development Co. Ltd.	6%	Hub Power Co. Ltd.	7%
Pakistan Oilfields Ltd.	6%	GoP Ijarah Sukuk -IX	6%
Pakistan Petroleum Ltd.	5%	GoP Ijarah Sukuk -XI	4%
Fauji Fertilizer Co. Ltd.	5%	Engro Fertilizer Ltd.	3%

### Sector Allocation:

	Oct'12	Nov'12
Equity	58%	57%
Govt. Backed / GoP Guaranteed	30%	29%
Sukuk	12%	11%
Cash	1%	2%

### Sector Performance:



- Sukuk
- Electricity
- Oil & Gas
- Chemicals
- Construction and Materials
- Cash & others