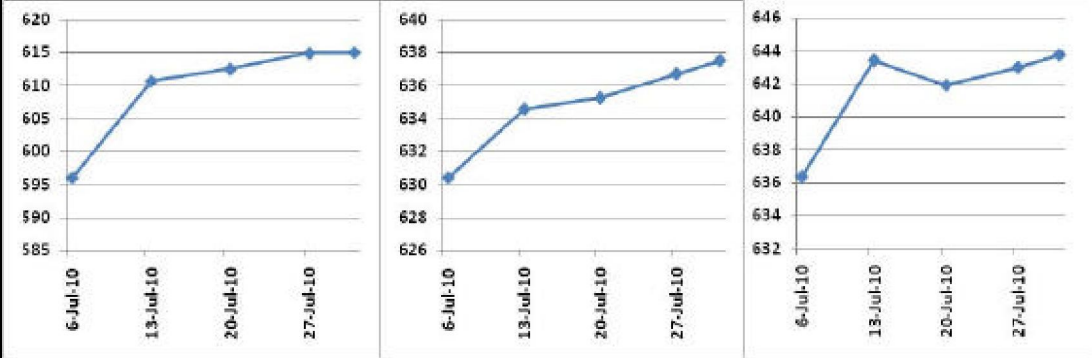




Performance of Pak-Qatar Unit Fund as at 31st July 2010



Aggressive Fund

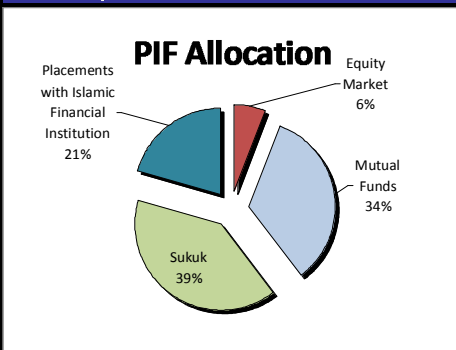
Balance Fund

Conservative Fund

		PAK-QATAR UNIT FUND		
		Aggressive	Balanced	Conservative
Net Asset Value (NAV) at inception	09-Apr-08	500.00	500.00	500.00
Net Asset Value (NAV) at beginning of year	01-Jan-10	590.42	604.65	602.66
NAV as at	31-Jul-10	615.08	637.51	643.76
Return since beginning of year (annualized)		7.23%	9.40%	11.80%
Return since inception of the fund (annualized)		9.97%	11.91%	12.45%

Asset Allocation	Aggressive	Balanced	Conservative
Equity Market	19%	4%	0%
Mutual Funds	45%	33%	24%
Sukuk	36%	39%	67%
Placements with Islamic Financial Institution	0%	24%	9%
Strategy	Capital Growth	Blend of Capital Preservation & Growth	Capital Preservation

Commentary



MONEY MARKET

During the month The SBP increased the discount rate by 50 basis points to 13%. This was due to inflationary pressures, high fiscal deficit and high government borrowing. KIBOR has slowly crept up this month due to lack of liquidity in the market. The State Bank conducted Open Market Operations, to ease the liquidity in the market and keep the interest rates stable. Going forward, the timely realization of foreign inflows, inflationary trend and fiscal management will continue to have a bearing on the future monetary policy direction and the pace of economic growth.

EQUITY MARKET

Market showed improvement in returns, increasing by 8.2% month on month and 12.1% Year to date, with benchmark KSE-100 index closing at 10,519 points, despite implementation of Capital Gain

Tax (CGT) effective July 01, 2010. Nevertheless, volumes remained comparatively dull (with average volume trading around 68mn in July as against Jan-June 2010 average volumes of 150mn). Foreign investors continued to show interest, as foreign portfolio investment witnessed net inflow of USD42mn in July, up 42% month on month. Decent index gain was further supported by corporates' results season. However, during the last week of the month, uncertainty regarding any change in the Discount Rate (DR), kept the market volatile. SBP's July-August Monetary Policy Statement was a big surprise, as the Central Bank increased the DR by 50bps to 13%.

PARTICIPANT INVESTMENT FUND

Despite the volatility and uncertainty in the market, our funds are consistently earning returns, the operative word being *consistently*. The sukuk based funds are marred with high volatility since December 2009's sukuk defaults. Our investors were saved from this misfortune, because of the early initiative of the fund managers. Due to the long term nature of the funds, we can invest in relatively illiquid securities and compensate it with higher returns.

Past performance is not indicative of future performance. Market volatility can significantly affect short-term performance. The value of investment can fall as well as rise.