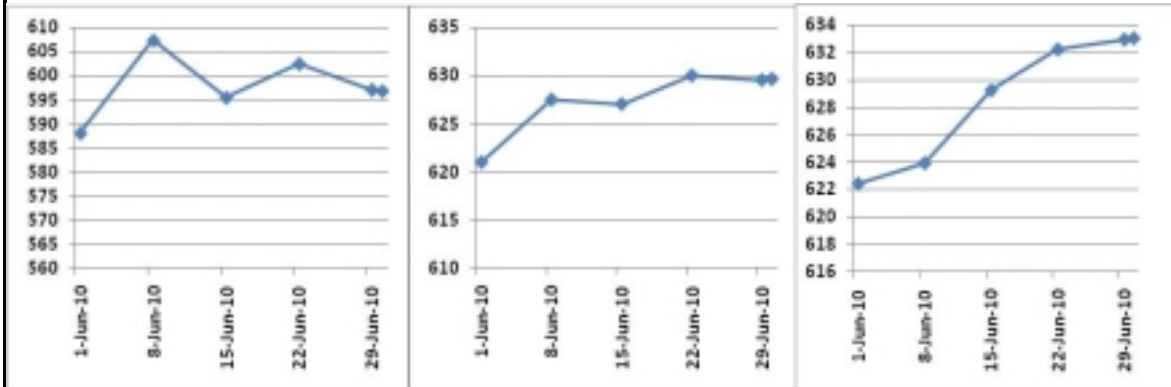




Performance of Pak-Qatar Unit Fund as at 30th June 2010



Aggressive Fund

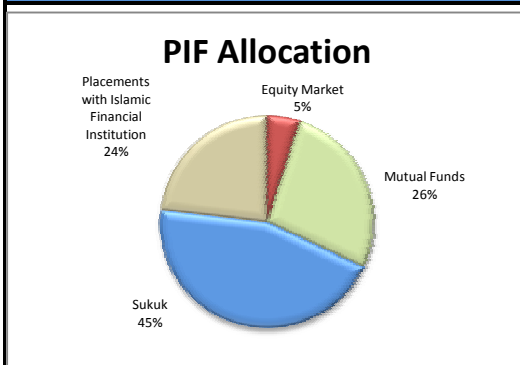
Balance Fund

Conservative Fund

		PAK-QATAR UNIT FUND		
		Conservative	Balanced	Aggressive
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	602.66	604.65	590.42
NAV as at	30-Jun-10	633.04	629.64	596.85
Return since beginning of year (annualized)		10.22%	8.38%	2.21%
Return since inception of the fund (annualized)		11.96%	11.65%	8.71%

Asset Allocation	Conservative	Balanced	Aggressive
Equity Market	0%	3%	23%
Mutual Funds	24%	26%	30%
Sukuk	67%	44%	47%
Placements with Islamic Financial Institution	10%	27%	0%
Strategy	Capital Preservation	Blend of Capital Preservation & Growth	Capital Growth

Commentary



MONEY MARKET

The money market remained stable during May-10 with a few exceptions where the market was buoyant with excess liquidity as a result of IMF inflows. The persistently high inflation has been the cause of not decreasing discount rates. Although it is expected that inflation will decrease, increasing power tariffs have dashed hopes of a discount rate cut. The KIBOR of all tenors have inched up slightly on an average basis and is set to close at 12.31% of 1M, 12.16% of 3M and 6M KIBOR closed at 12.27%. The monetary policy is anticipated by the end of July 2010. General expectations are that the discount rate may increase or will remain the same. We lean towards the later as the SBP will try to balance between reducing inflation and increasing economic growth.

EQUITY MARKET

The market underwent a bear spell in the month of June, decreasing more than 10% primarily due to ambiguity concerning the imposition of Capital Gains Tax (CGT). The FY11 budget initiated CGT on equities; however market participants eagerly awaited clarification from tax authorities concerning CGT dynamics, specifically submission of Advance Tax, quarterly tax filing and tax treatment of capital gains preceding July, 1, 2010. Even after the finalization of the procedure of CGT, investors have shirked from investing in large volumes which are virtually nonexistent. Moreover, the recent increase in fixed income instruments yields implies possible hike in interest rates in the upcoming monetary policy statement (end of July), which has further dampened investor sentiment. In midst of all these uncertainties foreign inflows continued at healthy levels and sustained the market during the month. Progress has been sluggish in regards to the introduction of the leverage product, which leads to low volumes. Local interest will be rejuvenated in case of foreign inflows or if the market becomes cheaper.

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.