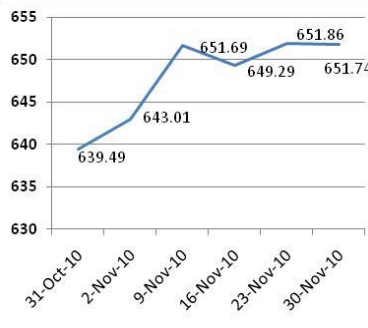
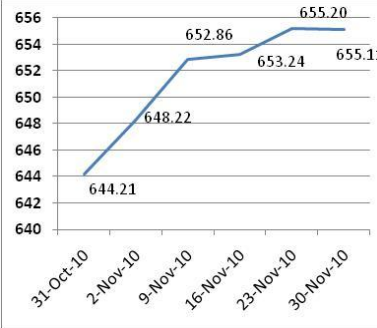




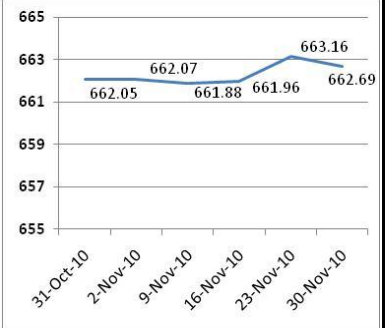
**Performance of Pak-Qatar Unit Fund as at 30th November 2010**



**Aggressive Fund**



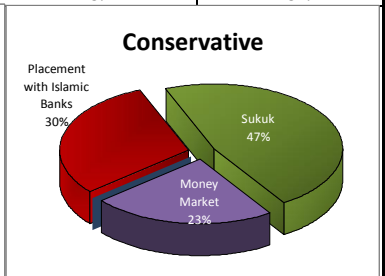
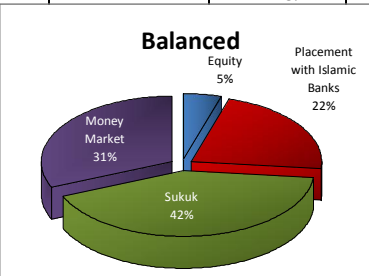
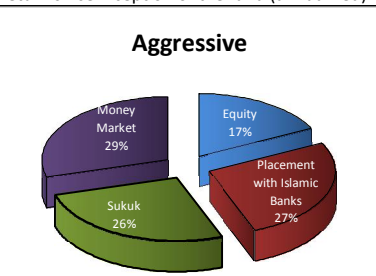
**Balance Fund**



**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	30-Nov-10	651.74	655.11	662.69
Return since beginning of year (annualized)		11.38%	9.15%	10.92%
Return since inception of the fund (annualized)		11.48%	11.73%	12.31%



**Commentary**

**Money Market**

The State Bank of Pakistan increased the discount rate by 50 basis points to 14%. The hike is being blamed on the high and persistent inflation which the SBP forecasts to continue for year 2011 and 2012. The persistency in inflation is due to incorrigible government borrowing which has been highlighted time and again by the SBP. The 6 month and one year KIBOR has shown an increase of 98 and 105 basis points, respectively. Rates on banks are also expected to increase due to demand of deposits by Islamic Banks.

**Equity Market**

During the month, KSE increased from 10,598.4 to 11,234.76, a month on month increase of 6%. This increase was surprising considering the issues that sprung up during the month. These issues were 1) the impending increase of 50 bps in the discount rate 2) RGST Bill issue 3) IMF's rigid standpoint during policy level talks with Pakistan. The average daily trading volume also increased to 125.98 mn (a month on month increase of 17.79%). A spike in POL and other oil shares along with leading cement facilitated by foreign buying were the major factors behind the market surge. Although Pakistan as a whole is facing macroeconomic doldrums but performance of corporates is headed in the right direction, which is being reflected in the market. Looking forward, any progress pertaining to the introduction of Margin Trading System will create excitement in the market, though we expect stock picking will be the key in the current scenario. Keeping that in mind, we continue to trade in high dividend yield and growth stocks such as POL, PPL, NML and FFBL.

**Participant Investment Fund**

The Aggressive fund was the star performer of the month, as the KSE index gained in value and volumes, enhancing confidence in the investors. The decision to invest in equities when the market was down paid dividends in the form of high return over the month. The price movement for the conservative fund was sluggish due to frequent downgrade price revisions by MUFAP. These price movements do not matter to the long term investor as at every principal redemption, the whole par value is received. The proportion of equity in the aggressive fund has been decreased in the anticipation of increase in the discount rate. Placements in Islamic Banks has been increased in the conservative fund to mitigate the price movement in Sukuks.

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.