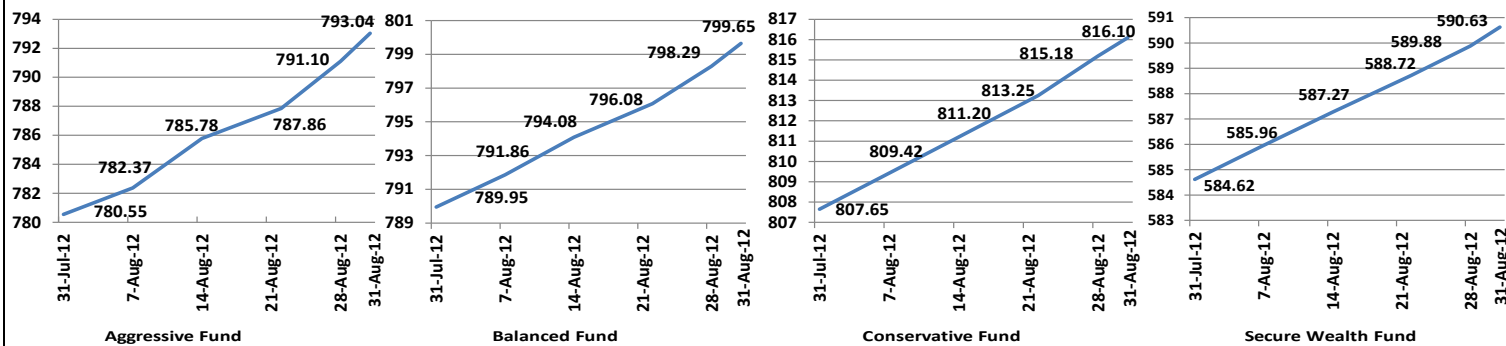
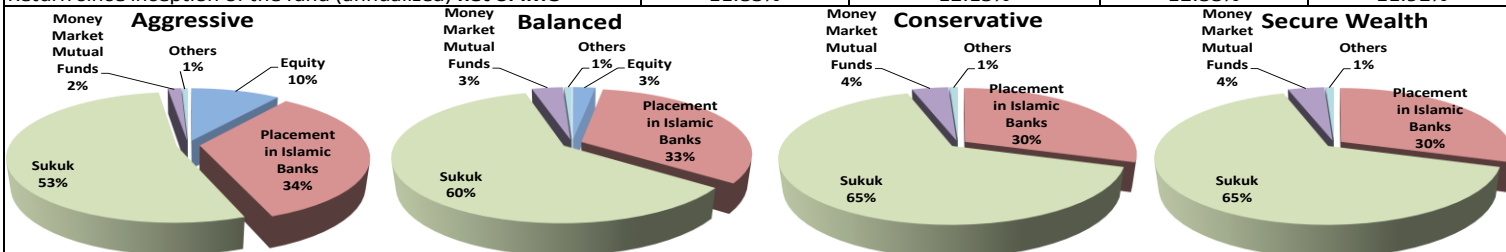




Performance of Pak-Qatar Unit Fund as at 31st August 2012



	Aggressive	Balanced	Conservative	Secure Wealth
Net Asset Value (NAV) at inception	500.00	500.00	500.00	500.00
Inception Date		09-Apr-08		26-Apr-11
Net Asset Value (NAV) at end of 2011	702.84	735.78	758.56	547.33
NAV as at 31-Aug-12	793.04	799.65	816.10	590.63
Assets Under Management 31-Aug-12	155,510,224	973,504,667	69,425,851	56,393,957
Return since beginning of year (annualized) net of IMC	17.70%	11.49%	9.85%	10.33%
Return for the month (annualized) net of IMC	17.34%	12.96%	10.82%	10.60%
Return since inception of the fund (annualized) net of IMC	11.83%	12.13%	12.88%	11.92%



Commentary

Money market

Discount rate was cut in August by 150 basis points and yields moved downwards immediately. The Central Bank conducted two T-bills auctions during the month of August. The weighted yields were 10.40%, 10.43% and 10.46% for 3, 6 and 12 months respectively. The SBP conducted 9 OMOs during the month where liquidity was on all occasions.

Equity market

The KSE 100 index increased by 815 points (5.59% month on month), closing in at 15,392. The average volume was 153 million as opposed to 90 million last month. The highest daily fall was 83 (-0.57%) points on the 29th of August; the largest increase was 148 points (+1.01%) on the 13th of August. Foreigners purchased equity in excess of \$ 49 million which was a significant change and a positive for the market as compared to last month's sale of more than \$ 31 million.

The State Bank announced a 150 basis points cut in discount rate in its latest monetary policy in August 2012. CPI inflation figures were in single digit this month (two months in a row now), which provide an indication of further discount rate cut in the future. The SBP cited low inflation as the primary reason for the discount rate cut; the report also stressed the need to break the inertia of high inflation and low growth. The results season was in progress where companies posted handsome growth. All results were in line with expectations. In the future, the monetary policy, local political situation and the verdict on the Pakistani market by the MSCI will shape the direction of the market. Following is a comparison of equity markets:

Country	Index	Jul-12	Aug-12
UK	FTSE	1.15%	1.35%
USA	Nasdaq	-1.12%	2.66%
USA	Dow DJI	1.00%	0.63%
China	Shanghai	-5.47%	-2.67%
Hong Kong	Hang Seng	1.83%	-1.59%
Japan	Nikkei-225	-3.46%	1.67%
India	BSE-30	-1.11%	0.84%
Pakistan	KSE 100	5.62%	5.59%

Participant Investment Fund and Secure Wealth Fund

Return for the month of Aggressive and Balanced Fund was 17.34% and 12.96% respectively. The main reason was the performance of the stock market. Conservative and Secure Wealth provided a return of 10.82% and 10.60% respectively. The impact on the portfolios was mostly due to the upward price revision of GoP Ijaras after the discount rate cut. Further discount rate cut would improve the returns further for the year.

$$\left[\frac{(\text{Ending value of unit price} - \text{Beginning value of unit price})}{\text{Beginning value of unit price}} \times \frac{365}{\text{no. of days invested}} \right] \% = 1.5\%$$

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.