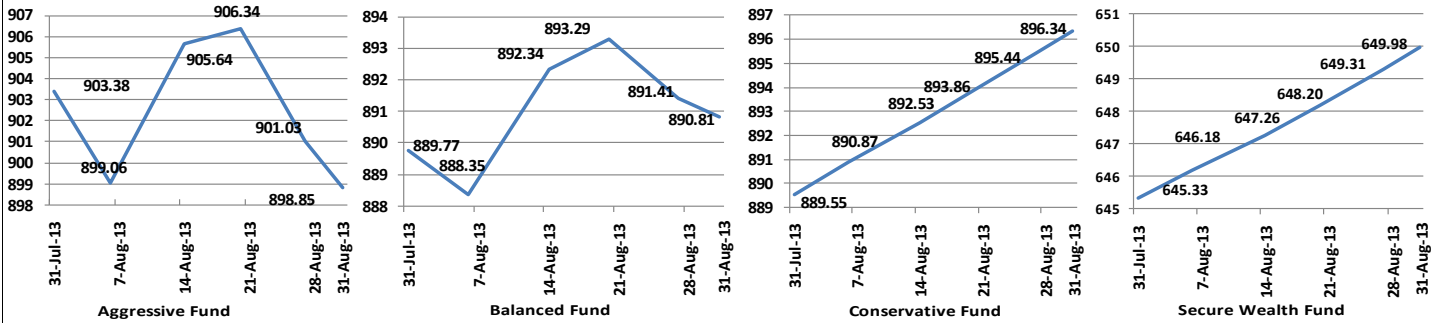


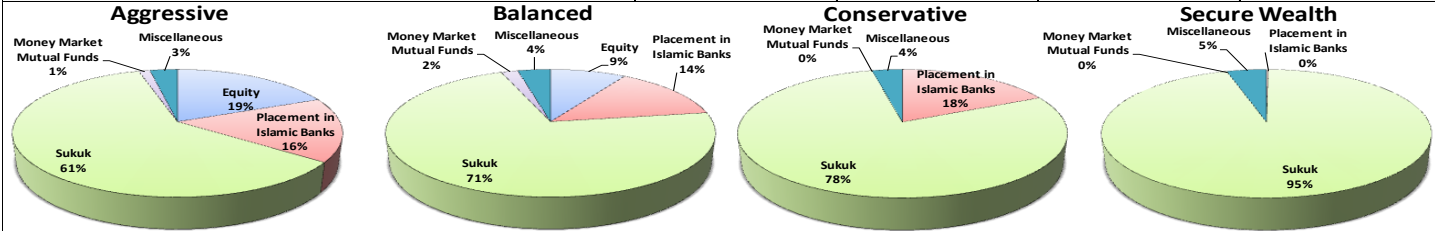


FAMILY TAKAFUL

**Performance of Pak-Qatar Unit Fund as at 31st August 2013**



		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 2012	31-Dec-12	825.25	830.90	847.32	614.22
NAV as at	31-Aug-13	898.85	890.81	896.34	649.98
Assets Under Management		262,491,982	1,544,379,894	199,090,427	64,981,507
Return for the month (annualized) net of IMC	31-Aug-13	-7.41%	-0.12%	7.48%	6.98%
Return since beginning of year (annualized) net of IMC		11.90%	9.33%	7.19%	7.24%



**Commentary**

**Money Market**

The money market remained liquid this month and the State Bank of Pakistan conducted ten OMO's during the month where liquidity was mopped-up on all occasions. Total liquidity mopped out amounted to Rs. 725bn at a weighted average yield of 8.55%. Two T-bill auctions were also conducted during August 2013. The first one was on August 07, 2013 where a collective amount of Rs. 186.76bn was accepted by the central bank at yields of 8.9872% and 8.9836% for 3 and 6 months respectively. The second auction was held on August 21, 2013, where collective amount of Rs. 26.03bn was accepted at yields of 8.9583% and 8.9836% for 3 and 6 months respectively. Bids for 12 month tenor were rejected on both occasions by the central bank.

Going forward, market may witness the yield curve shifting upwards as a result of consecutive mop ups shrinking liquidity in the market. The chance of an upward yield has even more weightage taking into account an expected hike in discount rate to get IMF's approval for the Extended Financing Facility and the high CPI inflation figure for the month of July might also play its part.

**Equity Market**

During the month, KSE-100 retreated 1,152 points and closed at 22,160.85 points posting a negative return of 4.94% for the month as compared to a return of 10.98% in the previous month. The average daily trading volume was 145.94mn shares as compared to 179.22mn shares in the previous month. The highest daily fall was 471.96 (-2.01%) points on August 21, 2013 and the largest increase was 615 (2.72%) points on August 07, 2013. Foreign Investors Portfolio Investment (FIPI) recorded an inflow of more than USD 26.50mn during the month as compared to an outflow of more than USD 112mn during the previous month.

Contributors behind the dismal performance were the market's expectation of discount rate hike, the delay in announcement of monetary policy, unattractive corporate results, higher CPI inflation for the month of July 2013, PKR depreciation due to declining reserves and the current conflict between US and Syria. Going forward the IMF loan approval for Pakistan, the Congress stance on US intended attack over Syria, CPI inflation figures for August and the upcoming monetary policy will decide the fate of the stock market.

Country	Index	Jul-13	Aug-13
UK	FTSE	6.53%	3.14%
USA	Nasdaq	6.56%	-1.01%
USA	Dow DJI	3.96%	4.45%
China	Shanghai	0.74%	5.25%
Hong Kong	Hang Seng	5.19%	0.70%
Japan	Nikkei-225	-0.07%	-2.04%
India	BSE-30	-0.26%	-3.75%
Pakistan	KSE 100	10.98%	-4.94%

**Participant Investment Fund and Secure Wealth Fund**

Aggressive and Balanced fund provided a return of -7.41% and -0.12% (net of 1.5% IMC) during the month. Secure Wealth and Conservative Fund posted a return of 7.48% and 6.98% respectively. Having witnessed some redressing during the month of July, the equity market displayed a declining trend during the month of August due to which the Aggressive and Balanced had negative returns. Returns since beginning of the year were 11.90% and 9.33% (net of IMC) for Aggressive and Balanced Funds respectively. Returns for Conservative and Secure Wealth for the same period were 7.19% and 7.24% (net of IMC) respectively.

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

**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.**