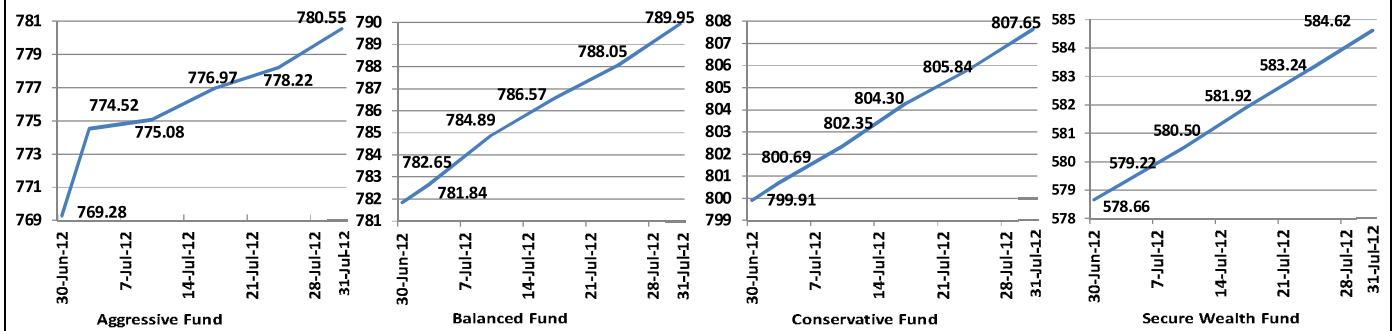
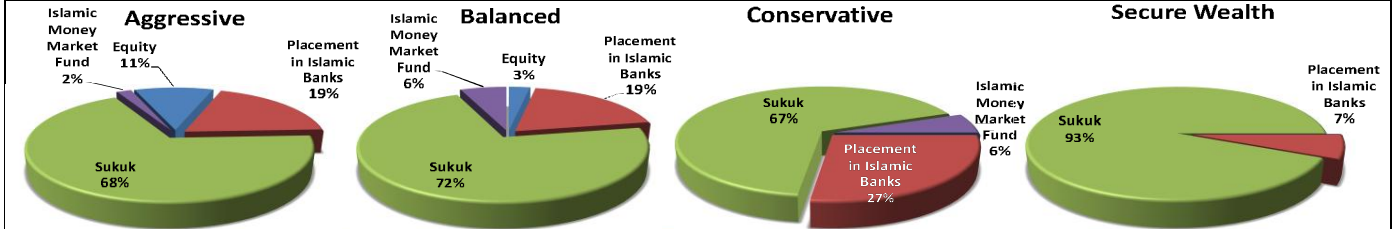




**Performance of Pak-Qatar Unit Fund as at 31st July 2012**



	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-Jul-12	780.55	789.95	584.62
Assets Under Management	31-Jul-12	146,100,720	936,884,399	65,889,724
Return since beginning of year (annualized) net of IMC	17.45%	11.12%	9.59%	10.17%
Return for the month (annualized) net of IMC	15.78%	10.73%	9.90%	10.64%
Return since inception of the fund (annualized) net of IMC	11.51%	11.95%	12.77%	11.87%



**Commentary**

**Money market**

Money market was illiquid in the month of July. There were 5 OMOs conducted during the month where liquidity was injected into the system on all occasions. Following the inflation figures being released, there is a high probability of a discount rate cut in the upcoming monetary policy. This will affect the return on all Islamic fixed income instruments as all rates are floating.

**Equity market situation**

The KSE 100 index increased by 776 points (5.62% month on month), closing in at 14,577. The average volume was 90 million as opposed to 42 million last month. The highest daily fall was 69 (-0.50%) points on the 13th of July; the largest increase was 342 points (+2.47%) on the 2nd of July. Foreigners purchased equity in excess of \$ 31 million which was a significant change and a positive for the market as compared to last month's sale of more than \$ 100 million. On the political front, thawing of relations between Pakistan and United States led to the release of the coalition support fund of about \$ 1.1 billion which would stabilize the Pakistani Rupee to a certain extent. Moody's downgraded credit risk of Pakistan to its lowest levels, it stated that the deteriorating Balance of Payments situation is a point of concern for the country. Inflation has been lower than expected at 9.6% in the month of July. This can provide an impetus for the reduction of discount rate. Last time the discount rate was cut, inflation was comparatively low as the year was rebased. Going forward, standoff between the executive and legislative branch, monetary policy and corporate results will explain the direction of the market. Following is the equity market performance of various bourses:

Country	Index	Jun-12	Jul-12
UK	FTSE	4.70%	1.15%
USA	Nasdaq	4.04%	-1.12%
USA	Dow DJI	3.93%	1.00%
China	Shanghai	-6.19%	-5.47%
Hong Kong	Hang Seng	4.36%	1.83%
Japan	Nikkei-225	5.43%	-3.46%
India	BSE-30	7.47%	-1.11%
Pakistan	KSE 100	0.11%	5.62%

**Participant Investment Fund and Secure Wealth Fund**

Return for the month has been favorable for Aggressive and Balanced Funds as has been the return for 7 months up till July. We have taken a cautious stance on the specific stock exposure and will increase systematic risk going forward. Return for the month of Aggressive and Balanced Fund was 15.78% and 10.73% respectively. Return for fixed income funds was better than average, Conservative and Secure Wealth provided a return of 9.90% and 10.64% respectively.

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

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.