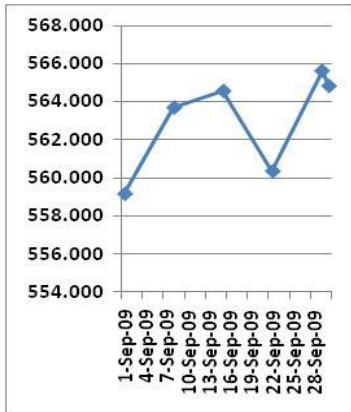
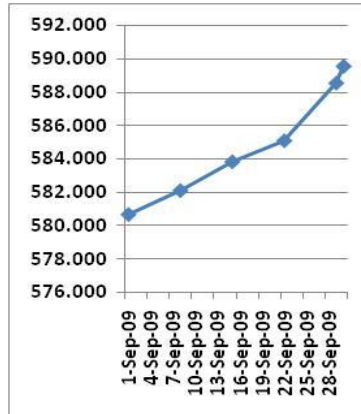




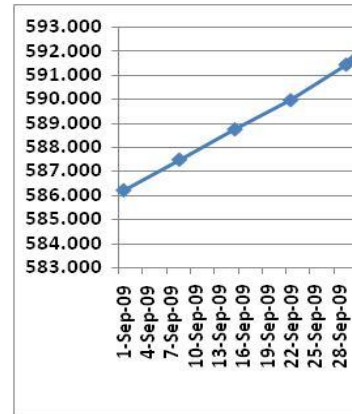
Performance of Pak-Qatar Unit Fund as at 31st October 2009



Aggressive Fund



Balance Fund

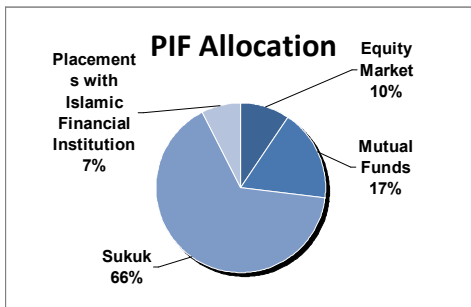


Conservative Fund

		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-09	537.25	532.42	474.46
NAV as at	31-Oct-09	597.84	594.73	576.73
Return since beginning of year (annualized)		13.59%	14.10%	25.97%
Return since inception of the fund (annualized)		12.53%	12.13%	9.83%

Asset Allocation	Conservative	Balanced	Aggressive
Equity Market	0%	8%	27%
Mutual Funds	10%	18%	22%
Sukuk	72%	68%	51%
Placements with Islamic Financial Institution	18%	7%	0%
Strategy	Capital Preservation	Blend of Capital Preservation & Growth	Capital Growth

Commentary



MONEY MARKET

The money market remained tight with the overnight call/repo rates hovering around 12.25 to 12.75%. Interbank rates followed similar trend with six months KIBOR increasing by 19bps to 12.84% during the month. SBP conducted two T-bill auctions in October and accepted Rs. 45 billion worth of bids against a cumulative target of Rs. 55 billion. The cut-off rate for six month T-bill remained flat at 12.59% during the month. On the foreign exchange front, strong foreign exchange reserves balance helped maintain Rupee-Dollar parity. Month-on-month, Rupee depreciated marginally (down 0.6%) against US\$ and closed at Rs. 83.68 to a dollar. Going forward, SBP is going to announce bimonthly monetary policy statement in November in which market expectation is that the policy rate will be cut by 50-100bps which will ease the pressure in the money market. The returns of Islamic Income mutual funds have been high due to the high inflation and dearth of liquidity in the money market. These returns are marked to market and treat the securities as available for sale, thus taking into account the risk factor.

However, falling inflation is exposed to some immediate risks such as rise in international oil prices as well as the impending increase in power tariffs. Also, we expect high government budgetary borrowing from banks will keep T-bill yields on the higher side. Stability in international oil prices and inflows from Friends of Democratic Pakistan and IFIs will remain key factors in determining domestic interest rates and market liquidity.

Equity Market

The first half of October saw the stock market carry forward its bullish mood from last month, before steeply declining in the latter half and eventually ending the month in the negative zone. The benchmark KSE 30 index ended the month at 9,663 points after making a monthly high of 10,508 points leading to a month on month decline of 3.68% (KSE 100 index declined by 2.04%). Average trading volume was relatively modest at 170 mn shares.

The positive sentiment created by FPI inflows seems to have taken a back seat as a deteriorating security situation weighs heavily on investors' minds. While positive news flows within the E&P and Banking sectors have supported the market, we anticipate a bearish trend in the near term. Our view is further endorsed by signs of yet another turmoil brewing on the political front as the NRO related developments create uncertainty about the present political dispensation.

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.