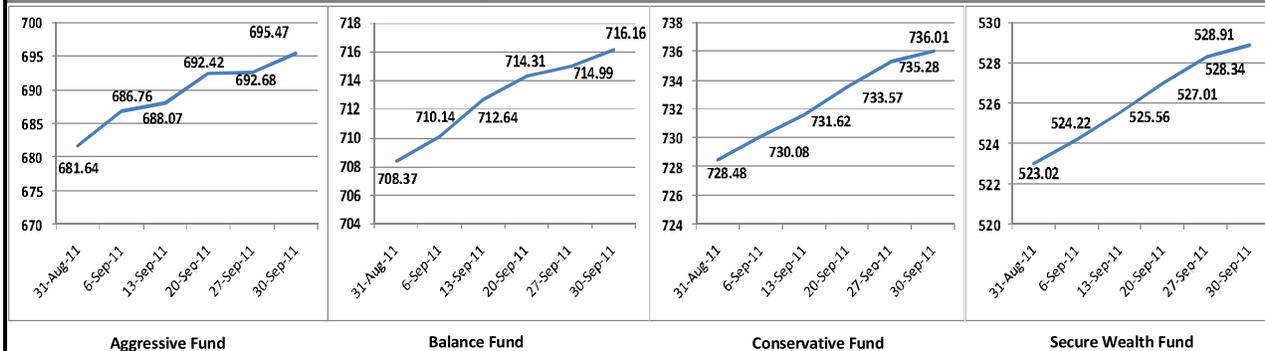
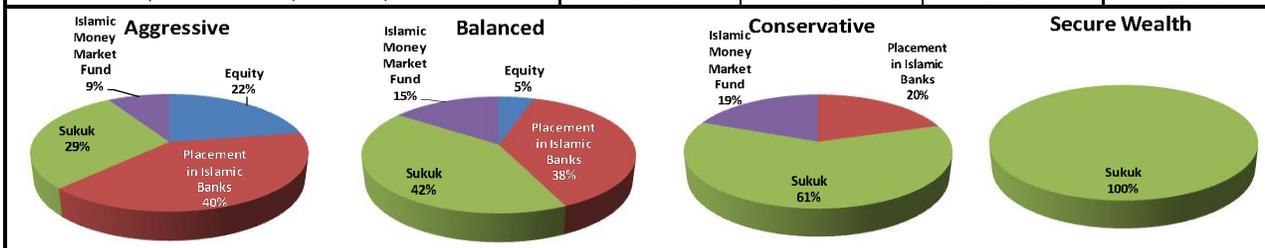




### Performance of Pak-Qatar Unit Fund as at 30th September 2011



	PAK-QATAR UNIT FUND			
	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 2010	31-Dec-10	659.95	663.45	676.07
NAV as at	30-Sep-11	695.47	716.16	736.01
Assets Under Management	30-Sep-11	75,797,545	580,958,351	26,835,445
Return since beginning of year (annualized) net of IMC		5.70%	9.12%	10.35%
Return since inception of the fund (annualized) net of IMC		9.74%	10.93%	12.08%



### Commentary

#### Money market situation

During September the money market remained highly illiquid. The SBP injected more than PKR 1 billion rupees into the system and mopped up about PKR 32 billion via OMOs. The six month KIBOR shows a decreasing trend, decreasing by 13 bps. It is expected that KIBOR will decrease further after a probable discount rate cut in the monetary policy (due 8<sup>th</sup> of October). Inflation figures release showed a massive decrease which will make the State Bank bolder in its discount rate cut. Outlook in inflation is dependent on fiscal stability and government borrowing, these two factors will determine whether the discount rate cut will be long term or short lived.

#### Equity market situation

The local bourse increased 691 points month on month, ending at 11,762. The average volumes were 72 million as opposed to 49 million last month. This is certainly not saying that it was smooth sailing, the highest daily fall was 342 points on the 26<sup>th</sup> of September. Foreigners offloaded net equity worth of USD 11.59 million showing a comparatively slower decreasing trend. Attached is a table showing the performance of the local market as compared to others.

Country	Index	Aug-11	Sep-11
UK	FTSE	-7.23%	-4.93%
USA	NASDAQ	-6.42%	-6.36%
USA	Dow Jones	-4.36%	-6.03%
China	Shanghai	-4.97%	-8.11%
Hong Kong	Hang Seng	-8.49%	-14.33%
Japan	Nikkei	-8.93%	-2.85%
India	BSE Sensex	-8.36%	-1.34%
Pakistan	KSE 100	-9.19%	6.25%

The index has performed exceptionally well as compared to last month. As the result season ended, companies announced better than expected results. There were negative factors impacting the market, the leading reason being the tumultuous relationship between Pakistan and the US. Due to this the market oscillated, decreasing 587 points in just 3 days and increased 497 points in the next 4 days. Inflation figures showed a decrease which led to rally in the stock market. The decrease in inflation was due to change in the base year leading to the high base effect. This affected the yield in PIBs as well as KIBOR which showed a decreasing trend. Pundits are unanimous on a discount rate cut by the SBP; it seems a 100 bps decrease in the discount rate has already been incorporated in the market.

#### Participant Investment Fund and Secure Wealth Fund

The Equity Market increased due to which the return for Aggressive and Balanced Funds were **23.19%**, **11.88%** respectively. Conservative and Secure Wealth Funds return for the month were **11.08%** and **12.20%** respectively. The returns have improved due to improved cash management and profit rates. For the remainder of the year, returns for Secure Wealth and Conservative funds will remain constant. The discount rate cut will bode well for the Aggressive fund. We will continue accumulating Sukuks as well as bank deposits yielding higher rates.

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.