



### Macro-Environment Review and Outlook

Political environment turned vibrant during the month amid show of power by political parties by staging rallies in various cities as well as continued hearing of memo-gate scandal – involving government and the military leadership. On the macroeconomic front, the downtrend in YoY CPI inflation has continued with Dec'11 inflation came at 9.8%, first single digit level after 24 months, thereby taking the 1H FY12 average to 10.9%. On the contrary, external account volatility continued to surprise the market with Nov'11 current account posting yet another sizeable deficit of US\$ 478 million, taking the 5M FY12 deficit to around US\$ 2.1 billion. Lower financial flows coupled with a sizeable CAD has already put a strain on BOP and FX reserves, where the latter has depleted to around US\$ 16.8 billion – also bringing the local currency to record-low levels. Non-realization of official flows continued to have a bearing on fiscal funding profile as almost the entire budget is being funded through domestic sources.

Despite continued improvement on inflation front, fragile external and fiscal account would continue to keep a check on the SBP's future monetary policy direction. We strongly believe that the realization of sizeable foreign inflows holds the key in rejuvenating economic engine, failure of which would further derail the process of economic recovery.

### Equities Market Performance Review and Outlook

Bearish trend continued at the local bourses during the month with KSE-100 Index slipped further by about 1.6% as average turnover remained abysmally low. CY-2011 ended the local bourse down 5.5% where compelling valuations were marred by dearth of liquidity, extremely volatile global credit and equity markets and fragile domestic economic & geo-political conditions. Volatility on political front, weak external account and uncertainty in International markets kept domestic investors from taking counter positions against foreigners despite steps from the regulator to relax leverage rules.

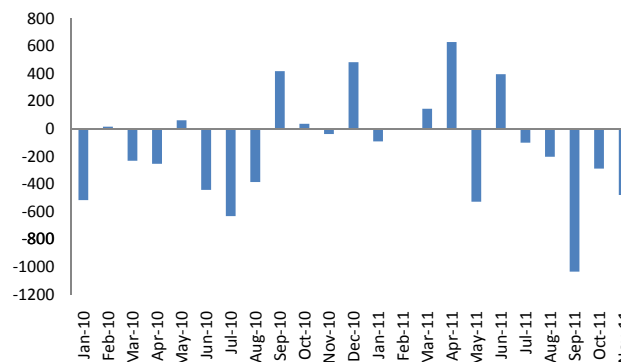
Despite external factor volatility, we would like to highlight that the average risk premium in current equity prices has reached to its two-year high indicating improving risk-return profile of KSE. While external environment may remain challenging, market may find support from the earnings season with focus on dividend laden results including Banking, Electricity and Chemicals Sectors and could redraw attention to the fundamental strength in the listed companies.

### Money Market Performance Review and Outlook

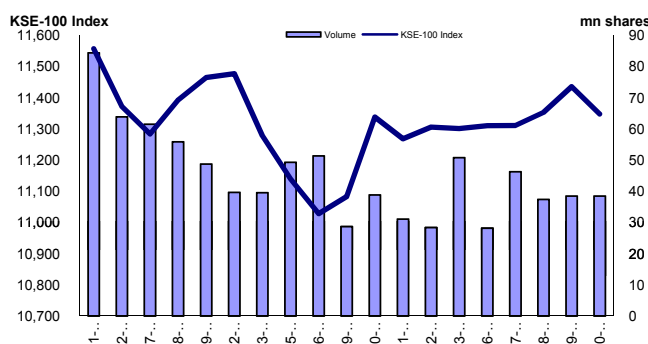
The money market moved in both directions during the month amid fluctuating liquidity scenario as well as no clarity on interest rates outlook post Nov'11 monetary policy. Due to low expectation of interest rate cut going forward, the market reacted aggressively and hence the SBP had to scrap the Treasury Bills auction after a long time. Although the OMO (Injection) quantum has relatively reduced post scrap of T-Bills auction, the outstanding amount is still very high at well over PKR 200 billion. Since the SBP maintained a status-quo in the last policy, entire yield curve has adjusted upwards with 1 Year PKRV closed the month at 12.1%.

Due to the absence of official foreign flows, the government's reliance on the domestic sources has been on a rise with GoP's borrowing from SBP has gone up to PKR 222 billion as of Dec 23, 2011. We feel that the trend of rising government borrowing from the banking system would continue in the near term on the back of no major official flows as well as deteriorating BOP and NFA position, while failure to create fresh liquidity would keep the money market pressured for liquidity.

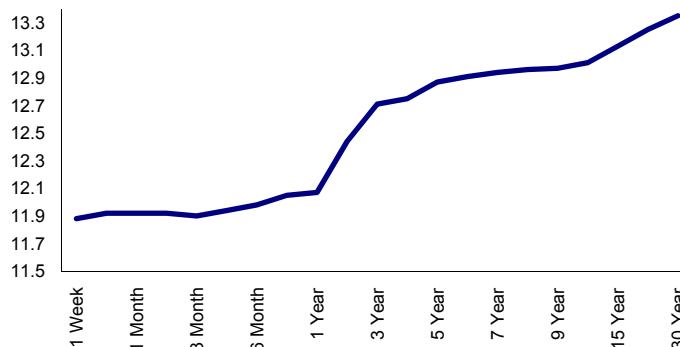
Monthly Trends in Current Account (US\$ Million)



KSE During December 2011



Yield Curve (December 31, 2011)





## Investment Objective

To provide an attractive return for short term investors or investors with a very low appetite for risk while taking into account capital security and liquidity considerations.

## General Information

Fund Type	An Open End Scheme
Category	Income Scheme (SECP categorization in process)
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	A+(f) by PACRA
Risk Profile	Low
Launch Date	1-Mar-07
Fund Manager	Kashif Rafi
Trustee	Central Depository Company of Pakistan Limited
Auditor	M. Yousuf Adil Saleem & Co. Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load	1.5% / 0%
Min. Subscription	
Growth Units	PKR 5,000
Cash Dividend Units	PKR 5,000
Income Units	PKR 100,000
Listing	Lahore Stock Exchange
Benchmark	1 Month KIBOR
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 4:30 PM)
Leverage	Nil

## Manager's Comment

During the month, the fund generated an annualized return of 8.7% as against its benchmark return of 11.8%. Due to no cut in policy DR in Nov'11 MPS, the yield curve adjusted upwards during the month, hence affecting fund's returns. The fund reduced its exposure towards Treasury Bills to around 2% as it diverted a sizeable portion towards TDRs and bank deposits at attractive rates near quarter-end. The fund exposure towards GoP Ijarah Sukuk and PIBs went down to around 24% and 3% respectively, while TFCs exposure remained largely unchanged at around 28% at month-end.

We believe that the fund's exposure towards good quality TFCs along with well-timed accumulation of Government papers should contribute towards decent returns going forward.

Performance Information (%)	MCB DCF	Benchmark
Year to Date Return (Annualized)	11.0	12.6
Month to Date Return (Annualized)	8.7	11.8
Since inception (CAGR) **	10.8	11.8

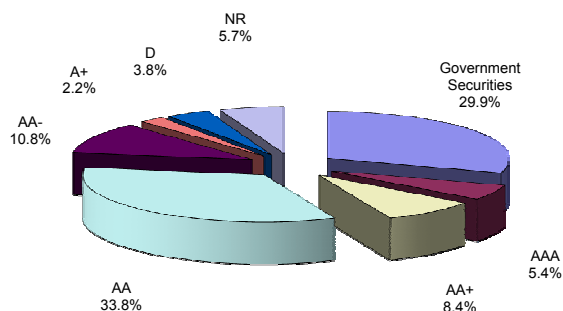
\*\*One off hit of 4% due to SECP directive on TFCs' portfolio  
Adjustment of accumulated WWF since July 1, 2008

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	21.8%	6.9%
Term Deposits with Banks	14.9%	7.2%
PIBs	2.5%	3.6%
TFCs	27.9%	27.1%
National Saving Bonds	1.5%	1.6%
GOP Ijarah Sukuk	24.3%	30.1%
T-Bills	1.6%	18.4%
Others including receivables	5.5%	5.1%

## Top 10 TFC Holdings (%age of Total Assets)

United Bank Limited (14-Feb-2008)	6.9%
Maple Leaf Cement Factory Limited (03-Dec-2007)	3.2%
Askari Bank Limited (18-Nov-2009)	2.0%
Jahangir Siddiqui Company Limited (04-Jul-2007)	2.0%
Askari Bank Limited (23-Dec-2011)	1.7%
Bank Al-Falah Limited (02-Dec-2009)	1.6%
United Bank Limited (08-Sept-2006)	1.3%
NIB Bank Limited (05-Mar-2008)	1.2%
Bank Al-Falah Limited (23-Nov-2004)	1.2%
Askari Bank Limited (04-Feb-2005)	1.1%

## Asset Quality (%age of Total Assets)



## Fund Facts / Technical Information

NAV per Unit (PKR)	103.5014
Net Assets (PKR M)	5,801
Weighted average time to maturity (Years)	2.2
Duration (Years)	2.0
Sharpe Measure*	0.02
Correlation*	-0.3%
Standard Deviation	0.12
Alpha*	0.31%

\*as against benchmark

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

## Details of non-compliant investments with the investment criteria of assigned category (securities below investment grade - Rs. in millions)

Name & Type of Non-Compliant Investment	Outstanding face value	Value of investment before provision	Provision held, if any	Value of investment after provision	% of Net Assets	% of Gross Assets
Maple Leaf Cement Factory Limited - Sukuk	354.40	216.89	26.57	190.32	3.28%	3.24%
Maple Leaf Cement Factory Limited - Sukuk II	13.31	9.35	-	9.35	0.16%	0.16%
Saudi Pak Leasing Company Limited - TFC	32.79	21.20	-	21.20	0.37%	0.36%
Security Leasing Corporation Limited - Sukuk	8.79	6.15	-	6.15	0.11%	0.10%
Security Leasing Corporation Limited - TFC	10.55	7.35	-	7.35	0.13%	0.13%
New Allied Electronics Industries - TFC	21.98	21.98	21.98	-	0.00%	0.00%
New Allied Electronics Industries - Sukuk	35.23	35.23	35.23	-	0.00%	0.00%

MUFAP's Recommended Format.

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# Pakistan Income Fund

December 31, 2011

NAV - PKR 53.56



## Investment Objective

The objective of the Fund is to deliver returns primarily from debt and fixed income investments without taking excessive risk.

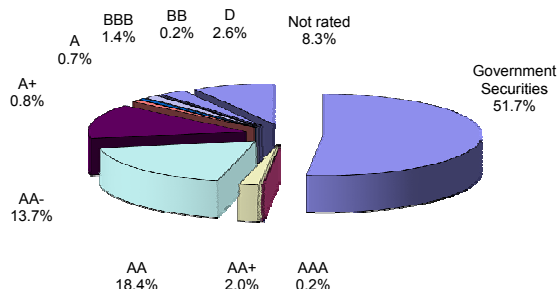
## General Information

Fund Type	An Open End Scheme
Category	Income Scheme
Asset Manager Rating	AM2 (AM Two ) with Positive Outlook by PACRA
Stability Rating	AA-(f) by (PACRA)
Risk Profile	Low
Launch Date	11-Mar-2002
Fund Manager	Umair Khan
Trustee	Central Depository Company of Pakistan Limited
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load	1.35%/0%
Min. Subscription	PIF PKR 5,000 PIF-CD PKR 10,000,000
Listing	Karachi Stock Exchange
Benchmark	75% KIBOR (6Month) + 25% PKRV (3Month)
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	Nil

## Top 10 TFC Holdings (%age of Total Assets)

Engro Fertilizer Limited - Perpetual (18-Mar-08)	7.1%
Bank Al-Habib Limited (30-Jun-11)	4.7%
United Bank Limited (08-Sep-06)	4.6%
Askari Bank Limited (04-Feb-05)	4.1%
Askari Bank Limited (23-Dec-11)	3.8%
Bank Al-Falah Limited(Floating) (02-Dec-09)	2.1%
Bank Alfalah Limited(Fixed) (02-Dec-09)	1.8%
Askari Bank Limited (18-Nov-09)	1.8%
Pace Pakistan Limited (15-Feb-08)	1.8%
Bank Al-Habib Limited (07-Feb-07)	1.7%

## Asset Quality (%age of Total Assets)



## Manager's Comment

During the month, the fund generated an annualized return of 12.2% as against its benchmark return of 8.2%. During the month, the fund kept its exposure largely unchanged in Treasury Bills at around 21% while selling some of its holding in GoP Ijarah Sukuk at attractive rates. The fund's exposure has increased marginally towards TFCs to the tune of around 37% at month-end, while PIB exposure was brought down to around 3% from 6% a month ago.

We believe that the fund's exposure towards good quality TFCs along with well-timed accumulation of Government papers should contribute towards decent returns going forward.

Performance Information (%)	PIF	Benchmark
Year to Date Return (Annualized)	9.2	10.8
Month to Date Return (Annualized)	12.2	8.2
Since inception (CAGR)	10.6	8.7

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	3.2%	2.6%
TFCs	36.8%	34.7%
GOP Ijarah Sukuk	27.5%	31.6%
T-Bills	21.4%	22.1%
PIB	2.8%	5.8%
Others including receivables	8.3%	3.2%

## Fund Facts / Technical Information

NAV per Unit (PKR)	53.56
Net Assets (PKR M)	1,685
Weighted average time to maturity (Years)	2.7
Duration (Years)	2.5
Sharpe Measure	-0.03
Correlation	-0.5%
Standard Deviation	2.6
Alpha	-6.2%

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst
Umair Khan	Research Analyst

## Details of non-compliant investments with the investment criteria of assigned category (securities below investment grade -Rs. in millions)

Name & Type of Non-Compliant Investment	Outstanding face value	Value of investment	Provision held, if any	Value of investment after provision	% of Net Assets	% of Gross Assets
Maple Leaf Cement Factory Limited Sukuk	9.98	5.81	0.40	5.41	0.32%	0.32%
Pace Pakistan Limited TFC	49.93	29.96	-	29.96	1.78%	1.77%
Maple Leaf Cement Factory Limited Sukuk-II	0.38	0.26	-	0.26	0.02%	0.02%
Telecard Limited- TFC	26.06	12.25	3.50	8.75	0.52%	0.52%
Escorts Investment Bank Limited-TFC	4.52	3.33	-	3.33	0.20%	0.20%

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## MUFAP's Recommended Format.

# Pakistan Income Enhancement Fund

December 31, 2011 NAV - PKR 52.20



## Investment Objective

The objective of the Fund is to deliver returns from aggressive investment strategy in the debt and fixed income markets.

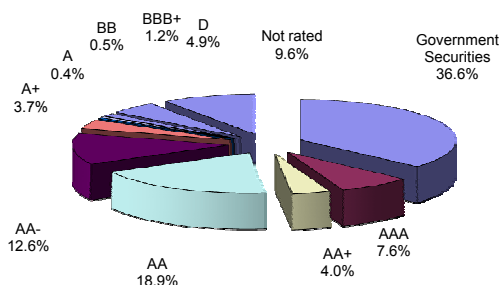
## General Information

Fund Type	An Open End Scheme
Category	Aggressive Fixed Income Scheme
Asset Manager	AM2 (AM Two ) with Positive Outlook by
Rating	PACRA
Stability Rating	AA-(f) by (PACRA)
Risk Profile	Low
Launch Date	28-Aug-2008
Fund Manager	Umair Khan
Trustee	Central Depository Company of Pakistan
Auditor	Limited
Management Fee	A. F. Ferguson & Co., Chartered Accountants
Front / Back end Load	1.5% p.a.
Min. Subscription	1.35%/0%
	A----PKR 5,000
	B----PKR 10,000,000
Benchmark	Islamabad Stock Exchange
Pricing Mechanism	90% KIBOR (1 Year) + 10% PKRV (3 Month)
Dealing Days	Forward
Cut Off Timing	Monday - Friday
Leverage	Mon-Fri (9:00AM to 5:00 PM)
	Nil

## Top 10 TFC Holdings (%age of Total Assets)

Engro Fertilizer Limited (18-Mar-08)	8.5%
Bank Al-Habib Limited (30-Jun-11)	5.9%
Bank Alfalah Limited-Floating (02-Dec-09)	4.1%
Askari Bank Limited (23-Dec-11)	3.4%
Pace Pakistan Limited (15-Feb-08)	3.4%
NIB Bank Limited (05-Mar-08)	2.7%
Bank Alfalah Limited-Fixed (02-Dec-09)	2.3%
Askari Bank Limited (31-Oct-05)	2.2%
Bank Al-Habib Limited (07-Feb-07)	1.9%
Eden Housing Limited -PP Sukuk (31-Mar-08)	1.5%

## Asset Quality (%age of Total Assets)



## Manager's Comment

During the month, the fund generated an annualized return of 12.7% as against its benchmark return of 7.7%, a significant out-performance of 5.0%.

During the month, the fund reduced its exposure towards Government papers to around 37% from 49% a month ago. The fund exposure towards Term Finance Certificates has remained largely unchanged at around 42% at month-end.

Performance Information (%)	PIEF	Benchmark
Year to Date Return (Annualized)	10.5	12.2
Month to Date Return (Annualized)	12.7	7.7
Since inception (CAGR)	14.2	12.7

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	4.7%	6.7%
PIBs	3.6%	7.3%
TFCs	41.6%	41.8%
GOP Ijara Sukuk	25.5%	30.9%
T-Bills	7.5%	10.9%
Term Deposit Receipts	7.5%	0.0%
Others including receivables	9.6%	2.4%

## Fund Facts / Technical Information

NAV per Unit (PKR)	52.20
Net Assets (PKR M)	1,332
Weighted average time to maturity (Years)	3.0
Duration (Years)	2.8
Sharpe Measure*	0.06
Correlation*	14.9%
Standard Deviation	0.14
Alpha	0.37%
*as against benchmark	

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst
Umair Khan	Research Analyst

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# MetroBank-Pakistan Sovereign Fund

December 31, 2011



## General Information

Fund Type	An Open End Scheme
Category	Income Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	AA(f) by PACRA
Risk Profile	Low to Moderate
Launch Date	1-Mar-2003
Fund Manager	Kashif Rafi
Trustee	Central Depository Company of Pakistan Limited
Auditor	A. F. Ferguson & Co., Chartered Accountants
Management Fee	Lower of 10% of Operating Revenue or 1.5% of average daily net assets subject to minimum fee of 0.5% of average daily Net Assets
Front / Back end Load	0.1% / 0%
Min. Subscription	MSF-Perpetual 100 units MSF-12/12 100 units
Listing	Islamabad Stock Exchange
Benchmark	6 Month T- Bill Rate
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The objective of the fund is to deliver income primarily from investment in Government securities.

## Manager's Comment

During the month, the fund generated an annualized return of 5.3% as against its benchmark return of 8.1%. Due to no cut in policy DR in Nov'11 MPS, the yield curve adjusted upwards during the month, hence affecting fund's returns. The fund's exposure towards T-Bills at month-end was increased to a level of 82.4%, while it marginally reduced its exposure towards PIBs to 8.2% at month-end. Considering the current monetary scenario and interest rate outlook, the fund marginally reduced its portfolio WAM to 383 days at month-end.

The fund would remain vigilant towards changes in macroeconomic environment with a view of exploiting attractive opportunities in government papers.

Fund Facts / Technical Information	MSF- Perpetual
NAV per Unit (PKR)	51.21
Net Assets (PKR M)	6,001
Weighted average time to maturity (Days)	383
Duration (Years)	298
Sharpe Measure*	-0.02
Correlation	-0.02%
Standard Deviation	1.980
Alpha	-0.85%

## Members of the Investment Committee

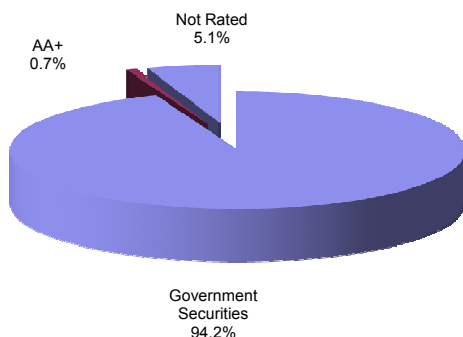
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Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	MSF-Perpetual Dec-11	Nov-11
Cash	0.7%	15.7%
T-Bills	82.4%	70.2%
MSF 12/12 Sub-Fund	2.0%	1.6%
GOP Ijara sukuk	3.6%	3.0%
PIBs	8.2%	8.8%
Others including Receivables	3.1%	0.7%

Performance Information (%)	MSF-Perpetual	Benchmark
Year to Date Return (Annualized)	12.3	11.0
Month to Date Return (Annualized)	5.3	8.1
Since inception (CAGR)	6.1	8.8

Performance Information (%)	MSF 12/12 Sub Fund
Year to Date Return (Annualized)	14.1
Month to Date Return (Annualized)	8.6
Since inception (CAGR)	7.2
NAV Per Unit (PKR)	49.82
Net Assets (PKR M)	302

Asset Quality (%age of Total Assets)



MUFAP's Recommended Format.

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# MCB Islamic Income Fund

December 31, 2011

NAV - PKR 105.6795



## General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant (Islamic) Income Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Rated
Risk Profile	Low
Launch Date	20-June-2011
Fund Manager	Syed Akbar Ali, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	A. F. Ferguson & Co., Chartered Accountants
Management Fee	10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets
Front end load	Class "A" 1.5%, Class "B" 0%
Back end Load	Class "A" 0%, Class "B" Units: 1.5% on redemption in the 1st year from the date of investment. 1.0% on redemption in the 2nd year from the date of investment. 0.0% on redemption after completion of 2 year from the date of Investment
Min. Subscription	Growth Units PKR 500 Income Units PKR 100,000 Cash Dividend Units PKR 500
Listing	Lahore Stock Exchange
Benchmark	Average of the most recently published three-month profit rates of three Islamic Banks rated A and above.
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 4:30 PM)
Leverage	Nil

## Investment Objective

To generate superior risk adjusted returns by investing in short, medium and long-term Shariah Compliant Fixed income instruments.

## Manager's Comment

During the month, the fund generated an annualized return of 9.3% as against its benchmark return of 5.8%, a significant out-performance of 3.5% over its benchmark. The fund has been maintaining its exposure in GoP Ijarah Sukuk (GIS) at higher levels, which has marginally been increased to around 72% at month-end while around 27% was kept in bank deposits.

We believe that well-timed accumulation of GoP Ijarah Sukuk should contribute towards healthy fund returns going forward, while the fund would remain cognizant of the changes in the macroeconomic environment in order to deploy assets efficiently in shariah compliant instruments.

## Fund Facts / Technical Information

NAV per Unit (PKR)	105.6795
Net Assets (PKR M)	645
Weighted average time to maturity (Years)	1.53
Sharpe Measure	0.43
Correlation	0.25%
Standard Deviation	0.04
Alpha	1.88%

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

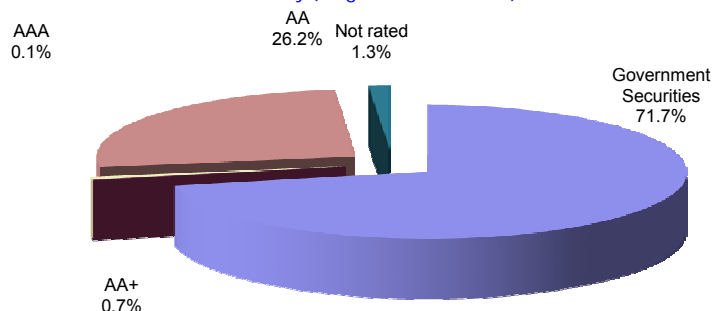
## Asset Allocation (%age of Total Assets)

	Dec-11	Nov-11
Cash	27.0%	29.9%
GoP Ijarah Sukuk	71.7%	69.1%
Others including receivables	1.3%	1.0%

## Performance Information (%)

	MCB IIF	Benchmark
Year to Date Return	11.3	6.0
Month to Date Return	9.3	5.8
Since inception	11.3	6.1

## Asset Quality (%age of Total Assets)



MUFAP's Recommended Format.

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# MCB Cash Management Optimizer

December 31, 2011 NAV - PKR 102.9440



## General Information

Fund Type	An Open End Scheme
Category	Money Market Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	PACRA
Risk Profile	AA+(f) by PACRA
Launch Date	Low
Fund Manager	1-Oct-09
Trustee	Kashif Rafi
Auditor	Central Depository Company of Pakistan Limited
Management Fee	A. F. Ferguson & Co. , Chartered Accountants
Front / Back end Load	10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets
Min. Subscription	0%
Growth Units	
Cash Dividend Units	
Income Units	PKR 5,000
Listing	PKR 5,000
Benchmark	PKR 100,000
	Lahore Stock Exchange
Pricing Mechanism	An Average of 3 Month deposit rates of AA and above rated scheduled banks, net of expenses
Dealing Days	Backward
Cut Off Timing	Monday - Friday
Leverage	Mon-Fri (9:00AM to 4:30 PM)

## Investment Objective

To provide unit-holders competitive returns from a low risk portfolio of short duration assets while maintaining high liquidity.

## Manager's Comment

During the month, the fund generated an annualized return of 9.9% as against its benchmark return of 6.0%. The fund's exposure towards Treasury Bills was significantly reduced to around 30% as the fund diverted a sizeable portion towards TDRs and bank deposits at attractive rates near quarter-end. Due to the prevailing monetary scenario and interest rate outlook, the fund has lowered its portfolio WAM to lower levels with a month-end level of 40 days.

The fund would remain vigilant towards the changes in key macroeconomic variables and would adjust its portfolio WAM accordingly.

Fund Facts / Technical Information	MCB CMOP	Benchmark
NAV per Unit (PKR)	102.9440	
Net Assets (PKR M)	11,216	
Weighted average time to maturity (Days)	40	
Sharpe Measure*	0.23	-1.97
Correlation*	-27%	-1%
Standard Deviation	0.023	0.002
Alpha*	0.66%	-1.55%
*as against 3 month PKRV net of expenses		

## Members of the Investment Committee

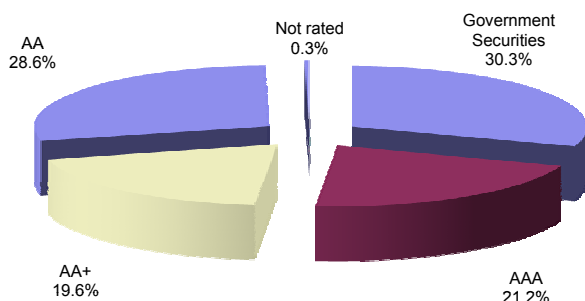
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Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	25.8%	5.7%
Term Deposits with Banks	43.6%	3.8%
T-Bills	30.3%	93.2%
Others including receivables	0.3%	-2.7%

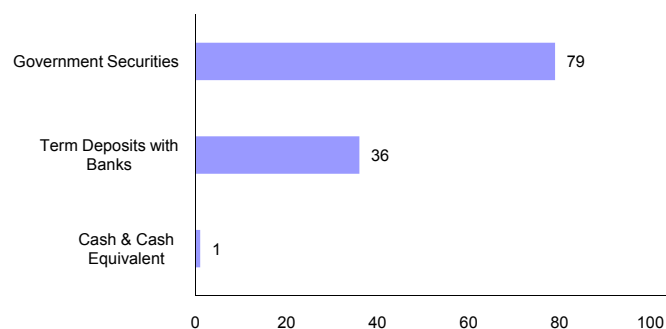
Performance Information (%)	MCB CMOP	Benchmark
Year to Date Return (Annualized)	11.7	6.0
Month to Date Return (Annualized)	9.9	6.0
Since inception (CAGR)*	11.5	5.9

\*Adjustment of accumulated WWF since Oct 1, 2009

## Asset Quality (%age of Total Assets)



## Asset-wise Maturity (No. of Days)



MUFAP's Recommended Format.

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# Pakistan Cash Management Fund

December 31, 2011 NAV - PKR 50.3103



## General Information

Fund Type	An Open End Scheme
Category	Money Market Scheme
Asset Manager	AM2 (AM Two) with Positive Outlook by
Rating	PACRA
Stability Rating	AAA(f) by PACRA
Risk Profile	Low
Launch Date	20-March-2008
Fund Manager	Umair Khan
Trustee	Habib Metropolitan Bank Limited
Auditor	A. F. Ferguson & Co., Chartered Accountants
Management Fee	10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets
Front / Back end Load	0% / 0.1% if redeemed within 3 days & if converted within 30 days
Min. Subscription	A PKR 5,000 B PKR 10,000,000
Listing	Islamabad Stock Exchange
Benchmark	3-Month T-Bill return
Pricing Mechanism	Backward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The Fund aims to deliver regular income and provide high level of liquidity, primarily, from short duration government securities investments.

## Manager's Comment

During the month, the fund generated an annualized return of 10.1% as against its benchmark return of 8.5%. The fund's exposure towards Treasury Bills and bank deposits remained largely unchanged at around 93% and 4% respectively. Due to the prevalent monetary scenario and interest rate outlook, the fund reduced its portfolio WAM to lower levels and has been maintained at 38 days as of month-end.

The fund would remain vigilant towards the changes in key macroeconomic variables and would continue to exploit attractive opportunities in the market.

Fund Facts / Technical Information	PCF	Benchmark
NAV per Unit (PKR)	50.3103	
Net Assets (PKR M)	1,896	
Weighted average time to maturity (Days)	38	
Sharpe Measure*	0.03	0.07
Correlation*	53.2%	
Standard Deviation	0.02	0.03
Alpha*	-0.14%	
*as against 3 month PKRV net of expenses		

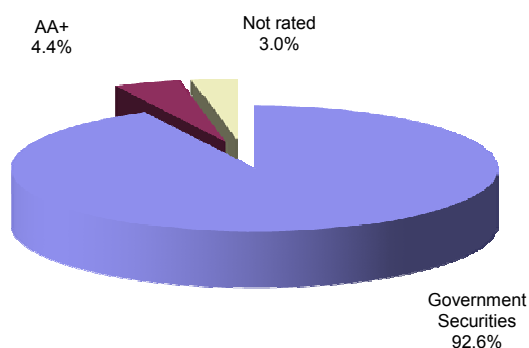
Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	4.4%	5.8%
T-Bills	92.6%	94.1%
Others including receivables	3.0%	0.1%

Performance Information (%)	PCF	Benchmark
Year to Date Return (Annualized)	11.7	10.2
Month to Date Return (Annualized)	10.1	8.5
Since inception (CAGR)	11.6	12.1

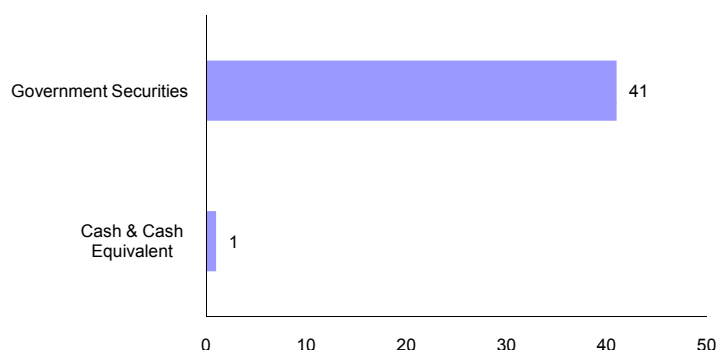
## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst
Umair Khan	Research Analyst

## Asset Quality (%age of Total Assets)



## Asset-wise Maturity (No. of Days)



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MUFAP's Recommended Format.

# Pakistan Capital Protected Fund-Fixed Income Securities

December 31, 2011

NAV - PKR 10.49



## Investment Objective

The objective of the Fund is to pay investors (with certain conditions) whole of their initial investment (net of Front End Load) i.e. Rs. 10 per unit back over the term of its life in the form of dividend or return on capital on its termination and to maximize return by investing in fixed income instruments, money market and debt market instruments.

## General Information

Fund Type	An Open End Scheme
Category	Capital Protected Scheme
Asset Manager Rating	AM2 (AM Two ) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Risk Profile	Low
Launch Date	16-Feb-2010
Fund Manager	Zaid Hidayatullah
Trustee	MCB Financials Service (Pvt) Limited
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Management Fee	1.5% per annum
Front end Load	3%
Back end Load	5% of NAV per unit in 1st year 4% of NAV per unit in 2nd year 3% of NAV per unit in 3rd year
Min. Subscription	PKR 5,000
Listing	Islamabad Stock Exchange
Benchmark	Average PKRV Yield (for 2.5 years) + 200 basis points (For investment Segment only)
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	

## Top TFC Holdings (%age of Total Assets)

Pak Electron Limited (28-Sep-2007)	3.7%
Escorts Investment Bank Limited(15-Mar-07)	1.8%
Bank Al-Falah Limited(02-Dec-2009)	1.0%

## Manager's Comment

During the month, the fund generated an annualized return of 5.6% as against its benchmark return of 7.6%.

Allocation-wise, the fund kept its allocation to around 65% in TDRs, while its exposure towards Treasury Bills and TFCs largely remained unchanged at around 9% and 7% respectively at month-end.

Performance Information (%)	PCPF-FIS	Benchmark
Year to Date Return (Annualized)	6.0	12.0
Month to Date Return (Annualized)	5.6	7.6
Since inception (CAGR)	9.1	11.1

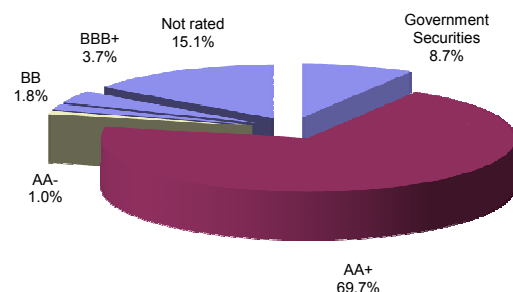
Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	4.6%	4.7%
Term Deposits with Banks	65.1%	65.5%
Commercial Papers	0.0%	0.0%
TFCs	6.5%	6.6%
T-Bills	8.7%	8.7%
Others including receivables	15.1%	14.5%

Fund Facts / Technical Information	PCPF-FIS	Benchmark
NAV per Unit (PKR)	10.49	
Net Assets (PKR M)	241	
Sharpe Measure	-0.05	0.19
Correlation	12.6%	
Standard Deviation	0.11	0.03
Alpha	1.3%	

## Details of non-compliant investments with the investment criteria of assigned category (securities below investment grade - Rs. in millions)

Name & Type of Non-Compliant Investment	Outstanding face value	Value of investment	Provision held, if any	Value of investment after	% of Net Assets	% of Gross Assets
Escort Investment Bank Limited	6.02	4.43	-	4.43	1.84%	1.80%

## Asset Quality (%age of Total Assets)



## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst
Zaid Hidayatullah	Research Analyst

## DISCLAIMER

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MUFAP's Recommended Format.

# MCB Dynamic Allocation Fund

December 31, 2011

NAV - PKR 66.3559



## General Information

Fund Type	An Open End Scheme
Category	Asset Allocation Scheme (SECP categorization in process)
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not applicable
Risk Profile	Moderate to High
Launch Date	17-Mar-08
Fund Manager	M.Asim, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	A. F. Ferguson & Co., Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load	3% / 0%
Min. Subscription	PKR 5,000
Listing	Lahore Stock Exchange
Benchmark	Proposed, SECP's approval pending
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 4:30 PM)
Leverage	Nil

## Investment Objective

MCB Dynamic Allocation Fund is an asset allocation fund and its objective is to aim at providing a high absolute return by investing in equity and debt markets.

## Manager's Comment

During the month, equity exposure has been increased from 51% to 55% following the improving market sentiments due to expectations regarding relaxed MTS rules by the SECP. Therefore the fund increased its exposure in Oil & Gas sector, Chemical and Power sector on the back of attractive valuation of few scrips, while reducing exposure in Banking and Cement sector on the back of mature valuation.

On the fixed income side, TFC allocations were marginally increased to around 12.9% while GoP Ijara Sukuk allocations were slightly increased to 16.1% at month-end.

## Fund Facts / Technical Information

MCB DAF

NAV per Unit (PKR)	66.3559
Net Assets (PKR M)	309
Sharp Measure*	-0.06
Beta**	0.44
Max draw up	83.0%
Max draw down	-48.6%
Standard Deviation	0.8
Alpha	0.01%

\*as against 3 Year PIB, \*\* against KSE 30

## Performance Information (%)

MCB DAF

Year to Date Return	-5.0%
Month to Date Return	-3.6%
Since inception*	-10.2%

\*Adjustment of accumulated WWF since July 1, 2008

Benchmark is proposed to SECP and is currently under consideration of SECP

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

## Asset Allocation (%age of Total Assets)

Dec-11

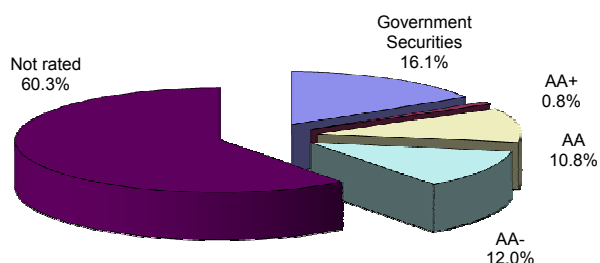
Nov-11

Cash	10.7%	14.2%
T-Bills	0.0%	0.0%
TFCs	12.9%	12.5%
GoP Ijara Sukuk	16.1%	15.5%
Stocks / Equities	55.2%	51.3%
Spread Transactions	0.0%	0.0%
Others including receivables	5.1%	6.5%

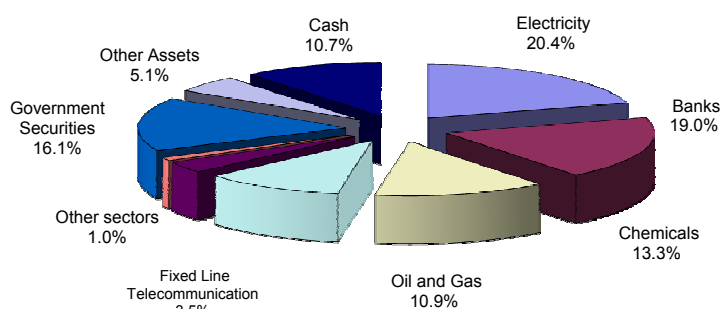
## Top 10 Holdings (%age of Total Assets)

Hub Power Company Limited	Equity	9.7%
Askari Bank Limited (18-Nov-2009)	TFC	8.2%
Fauji Fertilizer Company Limited	Equity	7.6%
Kott Addu Power Company Limited	Equity	5.7%
Nishat Power Limited	Equity	5.0%
Engro Corporation Limited	Equity	3.6%
Pakistan Telecommunication Limited	Equity	3.5%
Pakistan Petroleum Limited	Equity	3.3%
Attock Petroleum Limited	Equity	3.2%
Pakistan State Oil Company Limited	Equity	3.1%

## Asset Quality (%age of Total Assets)



## Sector Allocation (%age of Total Assets)



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# Pakistan Capital Market Fund

December 31, 2011

NAV - PKR 7.00



## General Information

Fund Type	An Open End Scheme
Category	Balanced Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	24-Jan-2004
Fund Manager	Mohsin Pervaiz
Trustee	Central Depository Company of Pakistan Limited
Auditor	A. F. Ferguson & Co., Chartered Accountants
Management Fee	2.0% p.a.
Front / Back end Load	2.0% / 0%
Min. Subscription	PCM PKR 5,000 PCM-CD PKR 10,000,000
Listing	Karachi Stock Exchange, Lahore Stock Exchange & Islamabad Stock Exchange
Benchmark	50% KSE 100 Index + 50% 1 Year T-Bill
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00 AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The objective of the Fund is to provide investors a mix of income and capital growth over medium to long term from equity and debt investments.

## Manager's Comment

PCM delivered -3.7% return against benchmark return of -0.4%. Allocation of equity portion was remained unchanged at 63% during the month. Sector allocation of Chemical sector was increase from 11% to 14% while allocation in Electricity sector was marginally increased to 16% on the back of attractive valuation. However allocation in Banking sector was reduced marginally to 17%.

On the fixed income side, the fund maintained its TFC/ GIS positions during the month.

Fund Facts / Technical Information	PCM	Benchmark
NAV per Unit (PKR)	7.00	
Net Assets (PKR M)	332	
Sharp Measure	0.02	0.02
Beta	0.92	
Max draw up	179.7%	137.0%
Max draw down	-44.7%	-46.2%
Standard Deviation	0.92	0.88
Alpha	0.47%	

Performance Information (%)	PCM	Benchmark
Year to Date Return	-6.0	-2.3
Month to Date Return	-3.7	-0.4
Since inception	134.6	130.9

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	9.0%	4.0%
T-Bills	0.0%	0.0%
TFCs	11.7%	11.4%
Stocks / Equities	63.3%	63.7%
Preference Shares	2.4%	2.3%
GoP Ijara Sukuk	11.7%	11.3%
Others including receivables	1.9%	7.3%

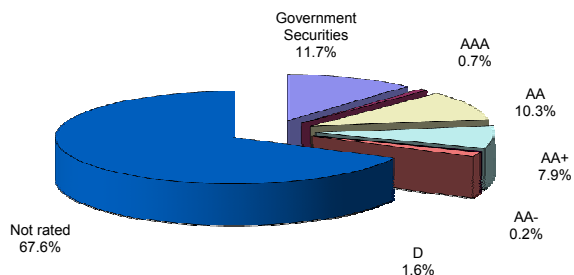
## Top 10 Holdings (%age of Total Assets)

United Bank Limited (08-Sept-06)	TFC	10.1%
Hub Power Company Limited	Equity	9.6%
Fatima Fertilizer Company Limited	Equity	9.4%
Pakistan State Oil Company Limited	Equity	5.8%
Kot Addu Power Company Limited	Equity	5.6%
Pakistan Petroleum Limited	Equity	5.4%
Pakistan Oilfields Limited	Equity	5.4%
Engro Corporation Limited	Equity	3.2%
Allied Bank Limited	Equity	3.0%
Attock Petroleum Limited	Equity	3.0%

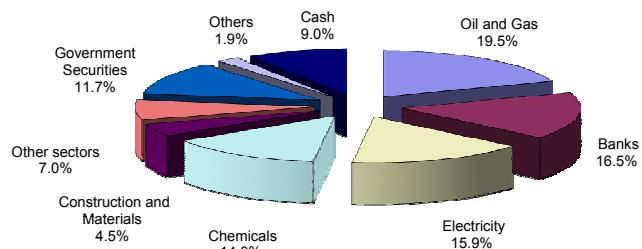
## Details of non-compliant investments with the investment criteria of assigned category (securities below investment grade - Rs. in millions)

Name & Type of Non-Compliant Investment	Outstanding face value	Value of investment before provision	Provision held, if any	Value of investment after provision	% of Net Assets	% of Gross Assets
Maple Leaf Cement Factory Limited - Sukuk	9.98	6.11	0.70	5.41	1.63%	1.56%
Maple Leaf Cement Factory Limited - Suku	0.38	0.26	-	0.26	0.08%	0.08%

## Asset Quality (%age of Total Assets)



## Sector Allocation (%age of Total Assets)



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# Pakistan International Element Islamic Asset Allocation Fund

December 31, 2011

NAV - PKR 35.6632



## General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant Islamic Asset Allocation
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	2-May-2006
Fund Manager	Syed Akbar Ali, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	A. F. Ferguson & Co., Chartered Accountants
Management Fee	Type A & B: 3% Type C & D: 2%
Front end Load	Type A: 2% Type B, C & D: None
Back end Load	Type A: None
	Type B, C & D: Yr 1:3%, Yr 2:2%, Yr 3:1%
Min. Subscription	A & B PKR 5,000 C & D PKR 10,000,000
Listing	Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange.
Benchmark	70% KMI-30 Index + 30% DJIM-World Index
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00 AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The objective of the fund is to provide medium to long term capital appreciation through investing in Shariah compliant investments in Pakistan and Internationally .

## Manager's Comment

PIEIF NAV declined by -4.6% as compared to its benchmark return of -3.8%. Overall equity exposure was reduced to around 82%. The fund increased its exposure in Oil & Gas sector from 29% to 31% on the back of strong earnings outlook while reduced its exposure mainly in Personal Goods sector from 3.9% to 0.01% on the back of mature valuation during the month of December'11.

On the fixed income side, the fund remained stable towards Sukuk while slightly increased allocation towards GOP Ijara Sukuk to around 9.3% during the month.

Fund Facts / Technical Information	PIEIF	Benchmark
NAV per Unit (PKR)	35.6632	
Net Assets (PKR M)	272	
Price to Earning (x)	5.4	5.7*
Dividend Yield (%)	10.9	9.5*
No. of Holdings	14	30*
Wt. Avg Mkt Cap (PKR Bn)	83.41	388.55*
Sharpe Measure	-0.01	0.02
Beta	0.62	1.00
Correlation	80.9%	
Max draw up	88.2%	188.2%
Max draw Down	-28.9%	-39.6%
Standard Deviation	0.88	1.15
Alpha	-1.62%	
* KMI 30 Index		

Performance Information (%)	PIEIF	Benchmark
Year to Date Return	-6.5	-4.5
Month to Date Return	-4.6	-3.8
Since inception	17.9	N/A

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Cash	1.1%	3.3%
Stock /Equities	81.8%	83.6%
Sukuk	2.1%	1.9%
GOP Ijara Sukuk	9.3%	8.5%
Others including receivables	5.7%	2.7%

Top 10 Holdings (%age of Total Assets)		
Hub Power Company Limited	Equity	10.6%
Pakistan Telecommunication Company Limit	Equity	9.8%
Meezan Bank Limited	Equity	9.7%
Fauji Fertilizer Company Limited	Equity	9.4%
Lucky Cement Limited	Equity	8.2%
Pakistan Petroleum Limited	Equity	7.7%
Attock Petroleum Limited	Equity	7.4%
Pakistan Oil Fields Limited	Equity	6.4%
Pakistan State Oil Company Limited	Equity	6.3%
Oil & Gas Development Company Limited	Equity	3.0%

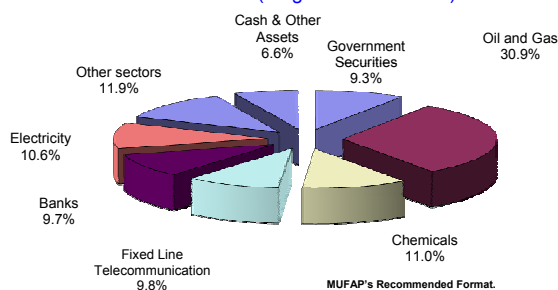
## Details of non-compliant investments with the investment criteria of assigned category (Rs. in millions)

Name & Type of Non-Compliant Investment	Outstanding face value	Value of investment before provision	Provision held, if any	Value of investment after provision	% of Net Assets	% of Gross Assets
Pak Electron Limited- Sukuk	6.43	5.80	-	5.80	2.13%	2.11%

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

## Sector Allocation (%age of Total Assets)



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# MCB Dynamic Stock Fund

December 31, 2011

NAV - PKR 78.1886



## General Information

Fund Type	An Open End Scheme
Category	Equity Scheme (SECP categorization in process)
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	1-Mar-07
Fund Manager	M. Asim, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Management Fee	3.0% p.a.
Front / Back end Load	2.5% / 0%
Min. Subscription	PKR 5,000
Listing	Lahore Stock Exchange
Benchmark	KSE 30 Index
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00 AM to 4:30 PM)
Leverage	Nil

## Investment Objective

MCB Dynamic Stock Fund is an equity fund and its objective is to provide long term capital appreciation.

## Manager's Comment

MCB-DSF ended delivering -4.9% return vis-à-vis KSE30 index return of -5.8% in December, 2011. Fund increased its overall equity allocation to around 87.2% from previous 86.5%. Fund generally maintained sector and company allocations during the month. However, allocations in Chemicals and Oil and Gas were increased and allocation in Banks was slightly decreased. In Banks BAHF was increased while NBP was reduced to zero. In Oil and Gas sector OGDC and PSO were decreased while POL and APL were increased.

Fund Facts / Technical Information	MCB DSF	KSE-30
NAV per Unit (PKR)	78.1886	
Net Assets (PKR M)	691	
Price to Earning (x)*	5.2	5.73
Dividend Yield (%)	10.5	9.63
No. of Holdings	24	30
Wt. Avg Mkt Cap (PKR Bn)	91.7	190.28
Sharpe Measure**	0.006	-0.028
Beta	0.77	1.00
Correlation	95.1%	
Max draw up	190.3%	181.7%
Max draw Down	-60.4%	-76.7%
Standard Deviation	1.32	1.64
Alpha	0.05%	

\*prospective earnings, \*\*as against 3 Year PIB

Performance Information (%)	MCB DSF	Benchmark
Year to Date Return	-5.5	-12.1
Month to Date Return	-4.9	-5.8
Since inception*	49.1	-27.5

\*Adjustment of accumulated WWF since July 1,2008

## Members of the Investment Committee

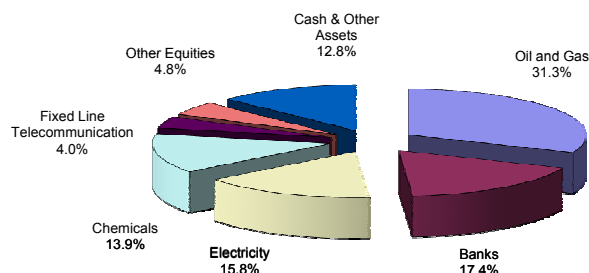
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Stock / Equities	87.2%	86.5%
Cash	12.0%	7.5%
Others including receivables	0.8%	6.0%

## Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	9.6%
Fauji Fertilizer Company Limited	8.4%
Pakistan Petroleum Limited	8.0%
Pakistan Oil Fields Limited	7.0%
Attock Petroleum Limited	6.8%
Pakistan State Oil Company Limited	5.4%
Pakistan Telecommunication Company Limited	4.0%
MCB Bank Limited	3.9%
Oil & Gas Development Company Limited	3.8%
Kot Addu Power Company Limited	3.7%

## Sector Allocation (%age of Total Assets)



MUFAP's Recommended Format.

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# Pakistan Premier Fund

December 31, 2011

NAV - PKR 8.61



## General Information

Fund Type	An Open End Scheme
Category	Equity Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	01-Jan-2003
Fund Manager	M. Asim, CFA
Trustee	Central Depository Company of Pakistan
Auditor	Limited
Management Fee	A. F. Ferguson & Co., Chartered Accountants
Front / Back end Load	2.0% p.a.
Min. Subscription	2.0% / 0%
Listing	PKR 5,000
Benchmark	Lahore Stock Exchange
Pricing Mechanism	KSE 100 Index
Dealing Days	Forward
Cut Off Timing	Monday - Friday
Leverage	Mon-Fri (9:00 AM to 5:00 PM)
	Nil

## Investment Objective

The objective of the Fund is to provide investors long term capital appreciation from its investments in Pakistani equities.

## Manager's Comment

PPF underperformed the market by delivering -4.5% return vis-à-vis KSE100 index return of -1.6%. Fund decreased its overall equity allocation from 89.14% end November to around 83.9% end December. Many changes were done in company and sector allocations during the month. Major sector changes include decrease in Banks, Personal Goods and Oil and Gas while increasing Fixed Line Telecommunication and Chemicals. In Banks ABL, HMB and NBP were reduced while MCB was added. In Oil and Gas POL and PSO were reduced and in Chemicals ENGRO and FATIMA were increased.

Fund Facts / Technical Information	PPF	KSE-100
NAV per Unit (PKR)	8.61	
Net Assets (PKR M)	517	
Price to Earning (x)	5.2	6.3
Dividend Yield (%)	10.8	8.2
No. of Holdings	26	100
Wt. Avg Mkt Cap (PKR Bn)	65.9	2726.1
Sharpe Measure	0.04	0.03
Beta	0.28	1.00
Correlation	50.8%	
Max draw up	490.1%	553.4%
Max draw Down	-59.7%	-69.3%
Standard Deviation	1.4	2.5
Alpha	6.07%	

Performance Information (%)	PPF	Benchmark
Year to Date Return	-8.7	-9.2
Month to Date Return	-4.5	-1.6
Since inception	387.6	325.6

## Members of the Investment Committee

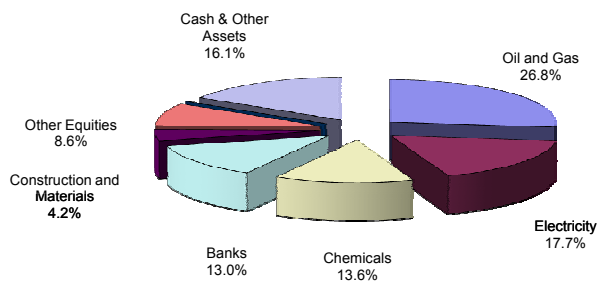
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Stock / Equities	83.9%	89.1%
Cash	14.2%	4.6%
T-Bills	0.0%	0.0%
Others including receivables	1.9%	6.4%

## Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	10.3%
Pakistan Petroleum Limited	9.0%
Fauji Fertilizer Company Limited	8.4%
Pakistan Oil Fields Limited	8.1%
Allied Bank Limited	6.8%
Attock Petroleum Limited	5.1%
Kot Addu Power Company	4.6%
Lucky Cement Limited	4.2%
Pakistan State Oil Company Limited	4.2%
Nishat Mills Limited	3.3%

## Sector Allocation (%age of Total Assets)



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# Pakistan Stock Market Fund

December 31, 2011

NAV - PKR 48.38



## General Information

Fund Type	An Open End Scheme
Category	Equity Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	11-Mar-2002
Fund Manager	Syed Akbar Ali, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Management Fee	2.0% p.a.
Front / Back end Load	2.0% / 0%
Min. Subscription	PSM PKR 5,000 PSM CD PKR 10,000,000
Listing	Karachi Stock Exchange
Benchmark	KSE 100 Index
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00 AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The objective of the fund is to provide investors long term capital appreciation from its investment in Pakistani equities

## Manager's Comment

In December 2011, PSM delivered -3.5% return as compared to KSE100 return of -1.6%. Fund increased its overall equity allocation by around 2% during the month to around 91.4%. Many changes in sector and company allocations were made in response to changing sector and company fundamentals. Some of the major changes include reduction in allocation in Banks and increase in allocation in Oil & Gas and Chemicals. In Banks MCB and SNBL allocations were increased while ABL, NBP and UBL were reduced. In Oil and Gas sector APL allocation was increased while POL was reduced. In Chemicals allocations of FFC, ENGRO and FATIMA were increased.

Fund Facts / Technical Information	PSM	KSE-100
NAV per Unit (PKR)	48.38	
Net Assets (PKR M)	941	
Price to Earning (x)	5.3	6.3
Dividend Yield (%)	10.5	8.2
No. of Holdings	30	100
Wt. Avg Mkt Cap (PKR Bn)	82.2	2,726.1
Sharpe Measure	0.05	0.04
Beta	0.72	1.0
Correlation	92.2%	
Max draw up	837.6%	926.2%
Max draw Down	-56.2%	-69.3%
Standard Deviation	1.2	1.5
Alpha	2.70%	

Performance Information (%)	PSM	Benchmark
Year to Date Return	-10.1	-9.2
Month to Date Return	-3.5	-1.6
Since inception	620.7	505.9

## Members of the Investment Committee

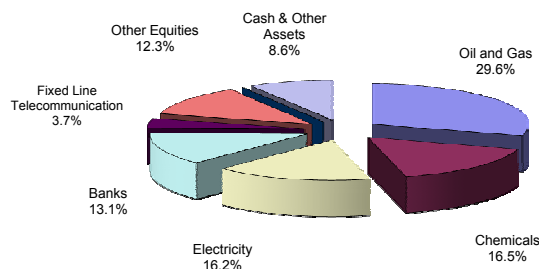
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Stock / Equities	91.4%	89.4%
Cash	6.6%	4.0%
T-Bills	0.0%	0.0%
Others including receivables	2.0%	6.6%

## Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	10.0%
Pakistan Petroleum Limited	9.3%
Fauji Fertilizer Company Limited	8.7%
Pakistan Oil Fields Limited	8.0%
Pakistan State Oil Company Limited	4.8%
Attock Petroleum Limited	4.7%
Allied Bank Limited	4.6%
Pakistan Telecommunication Company Limited	3.7%
Kott Addu Power Company Limited	3.5%
Lucky Cement Limited	3.3%

## Sector Allocation (%age of Total Assets)



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# Pakistan Strategic Allocation Fund

December 31, 2011

NAV - PKR 7.82



## General Information

Fund Type	An Open End Scheme
Category	Equity Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	11-Sept-2004
Fund Manager	Mohsin Pervaiz
Trustee	Central Depository Company of Pakistan Limited
Auditor	M. Yousuf Adil Saleem & Co., Chartered Accountants
Management Fee	2.0% p.a.
Front / Back end Load	2.0% / 0%
Min. Subscription	PKR 5,000
Listing	Karachi Stock Exchange
Benchmark	KSE 100 Index
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00 AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The objective of the Fund is to provide investors capital growth over medium to long term primarily from investment in more liquid Pakistani equities

## Manager's Comment

PSAF delivered -4.2% return as compared to KSE100 return of -1.6%. Overall equity allocation of the fund was increased from 74.3% to 77.3% during the month. Major allocation increase was in Chemicals, although Banks, Fixed Line Telecommunication and Oil and Gas were also increased. In Banks NBP was decreased while SNBL was increased. In Oil and Gas sector POL and PPL were increased while PSO was reduced and in Chemicals ENGRO and FATIMA were increased.

Fund Facts / Technical Information	PSAF	KSE-100
NAV per Unit (PKR)	7.82	
Net Assets (PKR M)	541	
Price to Earning (x)	5.2	6.3
Dividend Yield (%)	10.7	8.2
No. of Holdings	23	100
Wt. Avg Mkt Cap (PKR Bn)	97.26	2,726.12
Sharpe Measure	0.01	0.02
Beta	0.76	1.00
Correlation	90.6%	
Max draw up	146.1%	220.6%
Max draw Down	-60.1%	-69.3%
Standard Deviation	1.26	1.49
Alpha	0.36%	

Performance Information (%)	PSAF	Benchmark
Year to Date Return	-5.7	-9.2
Month to Date Return	-4.2	-1.6
Since inception	92.5	113.3

## Members of the Investment Committee

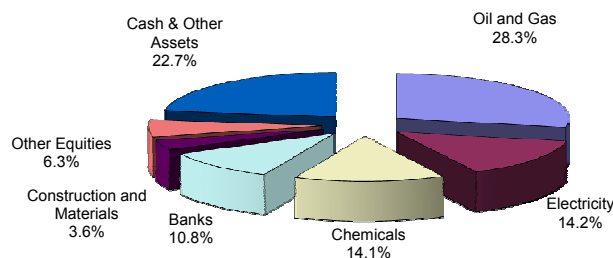
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Dec-11	Nov-11
Stock / Equities	77.3%	74.3%
Cash	21.9%	10.5%
T-Bills	0.0%	12.7%
Others including receivables	0.8%	2.5%

## Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	9.6%
Pakistan Petroleum Limited	8.3%
Fauji Fertilizer Company Limited	7.1%
Pakistan State Oil Company Limited	6.1%
Pakistan Oil Fields Limited	6.3%
Allied Bank Limited	5.0%
Kott Addu Power Company Limited	4.6%
Engro Corporation Limited	3.9%
Oil & Gas Development Company Limited	3.7%
Lucky Cement Limited	3.6%

## Sector Allocation (%age of Total Assets)



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# AH Dow Jones SAFE Pakistan Titans 15 Index Fund

December 31, 2011

NAV - PKR 49.50



## General Information

Fund Type	An Open End Scheme
Category	Index Tracker Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not applicable
Risk Profile	High
Launch Date	14-Oct-2010
Fund Manager	Junaid Khalid, FRM
Trustee	MCB Financial Services (Pvt) Limited
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Management Fee	1% p.a.
Front / Back end Load	2% / 0%
Min. Subscription	PKR 5,000
Listing	Karachi Stock Exchange
Benchmark	Dow Jones SAFE Pakistan Titans 15 Index
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 1:00 PM)
Leverage	Nil

## Investment Objective

The Fund aims to provide investors with a total return that before expenses closely corresponds to the return of the Dow Jones SAFE Pakistan Titans 15 index by tracking the returns of Dow Jones SAFE Pakistan Titans 15 Index, thus providing exposure to the constituents of Dow Jones SAFE Pakistan Titans 15 Index in a single security.

## Manager's Comment

AHDJPF delivered -6.1% return as compared to benchmark return of -6.8%. Overall equity allocation at the end of December was 95.6% vis-à-vis 94.9% at the beginning of the month. Around 3.3% of total assets remained stuck in receivables which increased tracking error of the fund. None of the fund holdings could deliver positive return during the month.

Fund Facts / Technical Information	AHDJPF	Benchmark
NAV per Unit (PKR)	49.50	
Net Assets (PKR M)	106	
Price to Earning (%)	1.8	5.7
Dividend Yield (%)	3.1	9.5
Sharpe Measure	-0.02	-0.01
Beta	0.94	1
Correlation	97.5%	
Max draw up	22.1%	23.4%
Max draw Down	-15.5%	-14.9%
Standard Deviation	1.08	1.11
Alpha	-0.6%	

Performance Information (%)	AHDJPF	Benchmark
Year to Date Return	-11.0	-11.9
Month to Date Return	-6.1	-6.8
Since inception	3.3	5.4

## Members of the Investment Committee

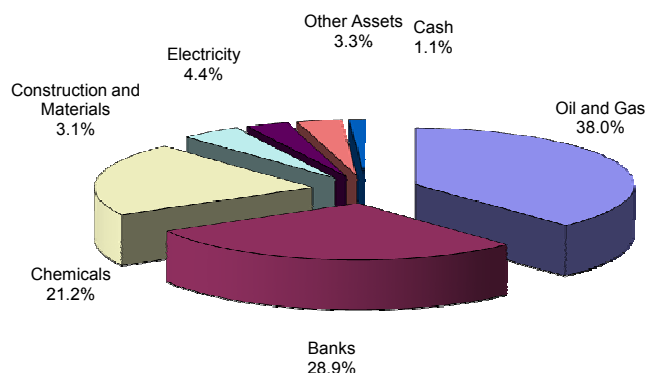
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst
Junaid Khalid, FRM	Head of PD & ALM

Asset Allocation (%age of Total As	Dec-11	Nov-11
Cash	1.1%	1.7%
Stocks / Equities	95.6%	94.9%
Others including receivables	3.3%	3.4%

## Top 10 Equity Holdings (%age of Total Assets)

Oil & Gas Development Company Limited	17.5%
MCB Bank Limited	17.1%
Fauji Fertilizer Company Limited	12.7%
Pakistan Petroleum Limited	8.6%
Pakistan Oilfields Limited	6.8%
Pakistan State Oil Company Limited	5.2%
Hub Power Company Limited	4.4%
Engro Corporation Limited	4.0%
Bank AL-Habib Limited	3.7%
Lucky Cement Limited	3.1%

## Sector Allocation (%age of Total Assets)



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# Pakistan Pension Fund

December 31, 2011



## General Information

Fund Type	An Open End Scheme
Category	Voluntary Pension Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Launch Date	29-June-2007
Fund Manager	M. Asim, CFA
Trustee	Habib Metropolitan Bank Limited
Auditor	M.Yousuf Adil Saleem & Co., Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load	3% / 0%
Min. Subscription	PKR 1,000
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The investment objective of the fund is to seek steady returns with a moderate risk for investors by investing in a portfolio of equity, short-medium term debt and money market instruments

## Manager's Comment

Equities sub-fund generated a negative return of 3% during the month while KSE-100 index declined by 1.6%. The overall exposure to equities stands at 94% compared to 86% last month. The fund increased exposure in Oil & Gas, Banking, Electricity, Chemicals sector and divested Industrial Metals and General Industrial sector.

Debt sub-fund generated an annualized return of 7.4% during the month. The overall allocation in TFCs, GoP Ijara Sukuk, PIB and T-bill stands at around 10%, 5.8%, 34% and 45% respectively.

Money Market sub-fund generated an annualized return of 8.7% during the month. Investment in T-bills stands at around 96%, while exposure to cash stands at around 3%.

## Top 10 Equity Holdings (%age of Total Assets)

Oil & Gas Development Company Limited	5.6%
Pakistan Telecommunication Limited	5.2%
Pakistan Oilfields Limited	5.1%
Meezan Bank Limited	5.0%
Attock Petroleum Limited	5.0%
Hub Power Company Limited	5.0%
Lucky Cement Limited	4.9%
Bank Al Habib Limited	4.9%
Kot Addu Power Company Limited	4.9%
Pakistan Petroleum Limited	4.9%

Performance Information & Net Assets	PPF-EQ*	PPF-DT**	PPF-MM**
Year to Date Return (%)	-8.2	13.1	10.5
Month to Date Return (%)	-3.0	7.4	8.7
Since inception (%)	-6.7	9.6	10.7
Net Assets (PKR M)	51.23	86.55	67.35
NAV (Rs. Per unit)	93.32	143.05	148.26
* Total Return    ** Annualized return			

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervaiz	Senior Research Analyst

PPF -Money Market ( %age of Total Ass	Dec-11	Nov-11
Cash	3.3%	1.0%
T-Bills	95.6%	98.1%
Others including receivables	1.1%	0.9%

PPF-Debt (%age of Total Assets)	Dec-11	Nov-11
Cash	2.0%	1.3%
PIBs	33.8%	44.8%
GoP Ijara Sukuk	5.8%	5.8%
TFCs	10.1%	9.9%
T-Bills	45.1%	35.1%
Others including receivables	3.2%	3.1%

PPF-Equity (%age of Total Assets)	Dec-11	Nov-11
Cash	0.4%	5.9%
Oil and Gas	29.4%	21.9%
Banks	21.9%	20.0%
Chemicals	14.1%	11.3%
Electricity	9.9%	9.3%
Fixed Line Telecommunication	5.2%	4.5%
Other equity sectors	13.4%	19.0%
Others including receivables	5.7%	8.1%

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# Pakistan Islamic Pension Fund

December 31, 2011



## General Information

Fund Type	An Open End Scheme
Category	Islamic Voluntary Pension Scheme
Asset Manager Rating	AM2 (AM Two) with Positive Outlook by PACRA
Stability Rating	Not Applicable
Launch Date	15-Nov-2007
Fund Manager	Syed Akbar Ali, CFA
Trustee	Habib Metropolitan Bank Limited
Auditor	M.Yousuf Adil Saleem & Co., Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load	3% / 0%
Min. Subscription	PKR 1,000
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	Nil

## Investment Objective

The investment objective of the fund is to seek steady returns with a moderate risk for investors by investing in a portfolio of equity, short medium term debt and money market instruments

## Manager's Comment

Equities sub-fund generated a negative return of 4.2% while KSE-100 index declined by 1.6% during the month. The overall exposure to equities stands at around 93% compared to 88% last month. The Fund increased its exposure in Banking, Telecommunications, Electricity and Construction sector while divesting from Automobile and Parts sector.

Debt sub-fund generated an annualized return of 5.9% during the month. The fund exposure towards GoP Ijarah Sukuk and other corporate Sukuk stands at around 92% and 2% respectively with cash exposure of around 3%.

Money Market sub-fund generated an annualized return of around 4% during the month. Exposure to cash, GOP Ijarah Sukuk and bank deposits stands at around 23%, 59% and 15% respectively at month end.

## Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	9.9%
Pakistan Petroleum Limited	9.9%
Meezan Bank Limited	9.4%
Lucky Cement Limited	9.3%
Fauji Fertilizer Company Limited	8.6%
Pakistan Telecommunication Limited	8.5%
Pakistan Oilfields Limited	7.2%
Tri Pack Films	7.1%
Oil & Gas Development Company Limited	5.8%
Pakistan State Oil Company Limited	5.7%

PIPF -Money Market ( %age of Total Assets)	Dec-11	Nov-11
Cash	23.3%	3.0%
GoP Ijarah Sukuk	59.1%	54.8%
Others including receivables	2.9%	3.6%
Bank Deposits	14.7%	38.6%

PIPF-Debt (%age of Total Assets)	Dec-11	Nov-11
Cash	2.6%	2.7%
GoP Ijarah Sukuk	91.9%	92.6%
Sukuk	2.2%	2.2%
Others including receivables	3.3%	2.5%

Performance Information & Net Assets	PIPF-EQ*	PIPF-DT**	PIPF-MM**
Year to Date Return (%)	-2.5	10.5	8.2
Month to Date Return (%)	-4.2	5.9	3.9
Since inception (%)	6.1	10.2	7.3
Net Assets (PKR M)	38.80	48.81	40.73
NAV (Rs. Per unit)	106.28	142.84	130.52
* Total Return    ** Annualized return			

PIPF-Equity (%age of Total Assets)	Dec-11	Nov-11
Oil and Gas	33.5%	32.0%
Chemicals	11.2%	11.7%
Electricity	9.9%	8.6%
General Industrials	9.4%	6.6%
Banks	9.4%	8.0%
Other equity sectors	19.3%	21.4%
Cash	0.1%	4.3%
Others including receivables	7.2%	7.4%

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
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