

July 31, 2011

## PERSPECTIVE



### Macro-Environment Review and Outlook

Political environment remained very vibrant throughout the month with several ups and downs between government, judiciary and allied parties. Pakistan FM's recent visit to India could be termed as silver lining in improving long-strained relations between the two neighbors. On the macroeconomic front, the country witnessed major set-backs amid resignation of SBP governor coupled with the revenue collection fiasco, both of which appeared to have halted the discussions with donor agencies including IMF. Moreover, shortfall in revenue collection target coupled with higher expenditures during 4Q, including energy related payments, is expected to have taken FY11 fiscal deficit to over 6% of the GDP. External account, which has remained a savior during FY11, has ended the year on a higher note by posting a current account surplus of US\$ 501 million during Jun'11 alone, thereby taking the FY11 current account balance to a surplus of US\$ 542 million, first after FY04. Strong balance of payment position of US\$ 1.1 billion during Jun'11 coupled with SBP quarter profit adjustments has led to a sizeable reduction in the stock of GoP borrowing from SBP – eventually taking it to a net retirement of Rs. 16 billion during FY11. Citing improvement in these factors, the SBP decided to cut its policy DR by 50 bps to 13.5% in Jul'11 MPS.

We continue to flag realization of foreign flows as the single most important factor for determining liquidity and interest rates outlook.

### Equities Market Performance Review and Outlook

Activities at KSE remained lackluster where average daily volumes lessen further to 58 million, while index remained within a narrow range. During the month, positive news-flow on macroeconomic front including record FX reserves, current account surplus & contained CPI inflation level helped consolidating market sentiments which, on the other hand, were dampened due to volatile political and law & order situation in the economic capital. Foreigners were net sellers during the month which, at least for the latter part, could be attributed to nervousness on US National Debt debates that also resulted in outflows from other regional markets.

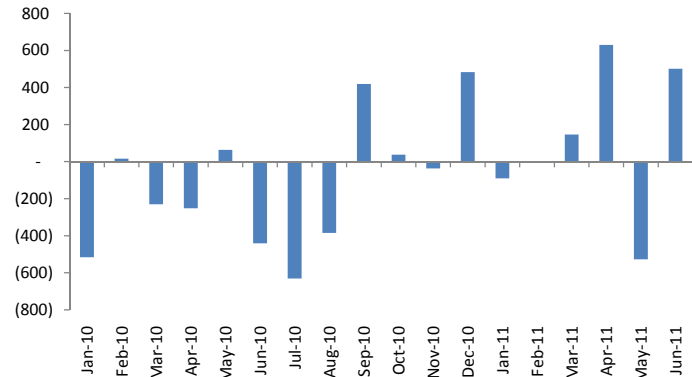
With the end of June-Quarter, stocks with strong expected payouts elicited major interest and activities remained concentrated in few selected stocks within Chemical, Construction Materials, Oil and Gas and Electricity Sectors. An unexpected 50 bps DR cut by the SBP bodes well for the market, however, a ballooning fiscal deficit would continue to 'crowd out' domestic capital markets. Decent earnings growth, high dividend yields and relatively cheaper PE valuations warrant decent returns for long term investors in our view.

### Money Market Performance Review and Outlook

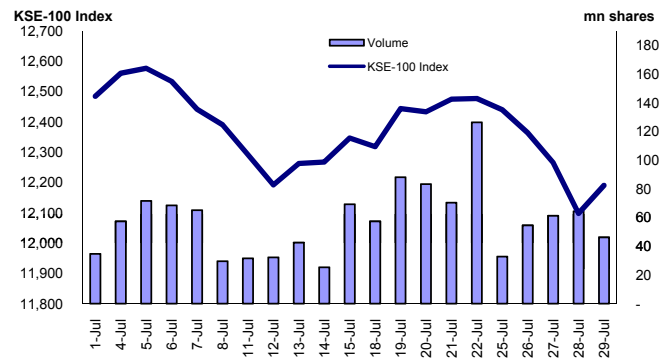
The short-end money market rates remained largely on the higher side during the month owing to relatively tight liquidity position in the system. Money supply (M2) growth, which increased significantly towards the latter part of Jun'11 on the back sizeable improvement in NFA, has turned negative as well during the month of July this year. Overall, average 1 month PKRV went up by 21 bps to 13.4% during the month, while average 1 year PKRV also inched upwards by 3 bps to around 13.9%.

Going forward, liquidity and interest rates direction will be dependent on the magnitude and sources of fiscal funding. In the absence of foreign flows materialization, greater reliance will be made on domestic sources – which would keep inflation and interest rates level at higher levels.

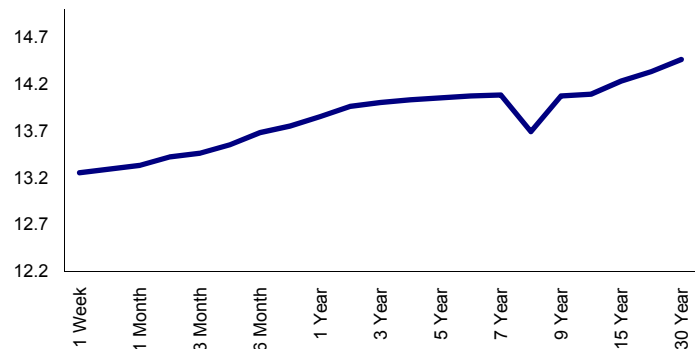
Monthly Trends in Current Account (US\$ Million)



KSE During July 2011



Yield Curve (July 31, 2011)





## Investment Objective

To provide an attractive return to 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	A. F. Ferguson & Co.
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 - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 4:30 PM), Sat (9:00AM to 1:00 PM)
Leverage	Nil

## Manager's Comment

During the month, the fund increased its exposure significantly towards Treasury Bills to around 28% with a focus on keeping its duration at higher levels while keeping fund's allocation towards Term Finance Certificates (TFCs) unchanged at 26%. During the month, the fund accumulated GoP Ijarah Sukuk further thereby taking its exposure to around 30% 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)	10.2	13.5
Month to Date Return (Annualized)	10.2	13.5
Since inception (CAGR) **	10.7	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)	Jul-11	Jun-11
Cash	9.6%	39.6%
PIBs	1.4%	1.4%
TFCs	26.2%	26.1%
National Saving Bonds	1.9%	1.9%
GOP Ijarah Sukuk	30.1%	25.4%
T-Bills	28.2%	3.9%
Others including receivables	2.6%	1.7%

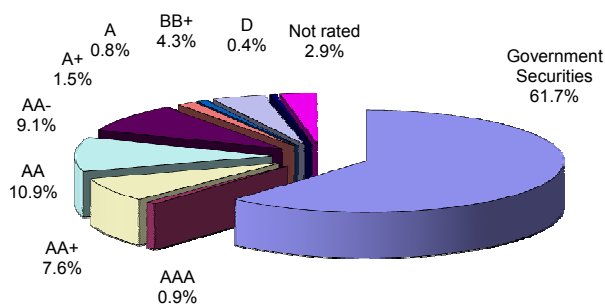
## Fund Facts / Technical Information

NAV per Unit (PKR)	102.1988
Net Assets (PKR M)	5,280
Weighted average time to maturity (Year)	2.2
Duration (Year)	2.0
Sharpe Measure*	0.021
Correlation*	-0.6%
Standard Deviation	0.13
Alpha*	0.00%
*as against benchmark	

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

United Bank Limited (14-Feb-2008)	4.8%
Maple Leaf Cement (03-Dec-2007)	4.1%
Jahangir Siddiqui Company Limited (04-Jul-2007)	2.2%
Askari Bank Limited (18-Nov-2009)	2.2%
Bank Al-Falah Limited (23-Nov-2004)	2.1%
United Bank Limited (08-Sept-2006)	1.4%
NIB Bank Limited (05-Mar-2008)	1.3%
Askari Bank Limited (04-Feb-2005)	1.2%
Allied Bank Limited (06-Dec-2006)	1.1%
Bank Al-Falah Limited (02-Dec-2009)	1.1%

## 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 Pervez	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	354.55	216.91	-	216.91	4.11%	4.05%
Maple Leaf Cement Factory Limited - Sukuk II	13.31	9.32	-	9.32	0.18%	0.17%
Saudi Pak Leasing Company Limited - TFC	35.09	22.67	-	22.67	0.43%	0.42%
Security Leasing Corporation Limited - Sukuk	10.42	6.11	-	6.11	0.12%	0.11%
Security Leasing Corporation Limited - TFC	12.50	8.69	-	8.69	0.16%	0.16%
New Allied Electronics Industries - TFC	21.98	21.98	21.98	-	-	-
New Allied Electronics Industries - Sukuk	35.23	35.23	35.23	-	-	-

MUFAP's Recommended Format.

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# Pakistan Income Fund

July 31, 2011

NAV - PKR 52.43



## Investment Objective

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

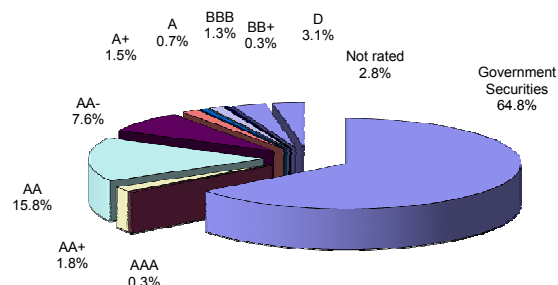
## General Information

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% of 6M KIBOR + 25% of 3M PKRV
Pricing Mechanism	Forward
Dealing Days	Monday - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM), Sat (9:00AM to 12:15 PM)
Leverage	Nil

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

Engro Fertilizer Limited - Perpetual	18-Mar-08	7.7%
United Bank Limited	8-Sep-06	4.3%
Askari Bank Limited	4-Feb-05	3.9%
Bank Al-Falah Limited	2-Dec-09	2.0%
Pace Pakistan Limited	15-Feb-08	1.8%
Askari Bank Limited	18-Nov-09	1.7%
Bank Al-Habib Limited	7-Feb-07	1.6%
KASB Securities	27-Jun-07	1.5%
Bank Al-Habib Limited	30-Jun-11	1.4%
Telecard Limited	27-May-05	1.3%

## Asset Quality (%age of Total Assets)



## Manager's Comment

During the month, the fund generated an annualized return of 10.7% as against its benchmark return of 12.8%, an under performance of 2.1%. During the month, the fund shifted its exposure significantly towards GOP Ijarah Sukuk from T-Bills to take benefit of the expected run-up in its market price.

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)	10.7	12.8
Month to Date Return (Annualized)	10.7	12.8
Since inception (CAGR)	10.7	8.5

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Cash	2.9%	1.8%
TFCs	29.5%	28.2%
GOP Ijarah Sukuk	28.6%	2.8%
T-Bills	36.2%	63.3%
Others including receivables	2.8%	3.9%

## Fund Facts / Technical Information

NAV per Unit (PKR)	52.43
Net Assets (PKR M)	1,794
Weighted average time to maturity (Year)	2.2
Duration (Years)	2.0
Sharpe Measure*	0.04
Correlation*	7.2%
Standard Deviation	0.15
Alpha	0.73%

## 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 Pervez	Senior Research Analyst
Umair Khan	Research Analyst

## Details of non-compliant investments with the investment criteria or assigned category (securities below investment grade - less than 10%)

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 Limited Sukuk	9.99	6.11	-	6.11	0.34%	0.34%
Pace Pakistan Limited TFC	49.94	32.94	-	32.94	1.84%	1.83%
Maple Leaf Cement Limited Sukuk-II	0.38	0.26	-	0.26	0.01%	0.01%
Telecard Limited	32.30	24.22	-	24.22	1.35%	1.35%

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## MUFAP's Recommended Format.

# Pakistan Income Enhancement Fund

July 31, 2011  
NAV - PKR 51.99



## Investment Objective

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

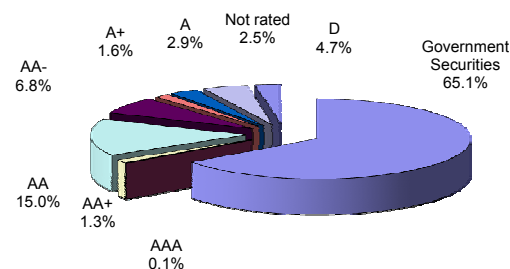
## General Information

Fund Type	An Open End Scheme
Category	Aggressive Fixed Income Scheme
Asset Manager Rating	AM2 (AM Two ) with Positive Outlook by 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 Limited
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load	1.35%/0%
Min. Subscription	A----PKR 5,000 B----PKR 10,000,000
Listing	Islamabad Stock Exchange
Benchmark	90% of 12 M KIBOR + 10% of 3M PKRV
Pricing Mechanism	Forward
Dealing Days	Monday - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM), Sat (9:00AM to 12:15 PM)
Leverage	Nil

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

Engro Fertilizer Limited (18-Mar-08)	8.0%
Bank Alfalah Limited (02-Dec-09)	3.5%
Pace Pakistan Limited (15-Feb-08)	3.1%
Askari Bank Limited (31-Oct-05)	1.9%
KASB Securities (27-Jun-07)	1.6%
Bank Al-Habib Limited (07-Feb-07)	1.6%
Eden Housing Limited - Sukuk (31-Mar-08)	1.6%
Bank Al-Habib Limited (30-Jun-11)	1.6%
United Bank Limited (14-Feb-08)	1.5%
Askari Bank Limited (18-Nov-09)	1.3%

## Asset Quality (%age of Total Assets)



## Manager's Comment

During the month, the fund generated an annualized return of 12.0% as against its benchmark return of 12.5%.

The fund marginally increased its TFCs exposure mainly of banking sector while the exposure towards Commercial Paper remained unchanged. The fund reduced its T-bills exposure significantly and brought down to 38% while the exposure increased towards GOP Ijarah Sukuk from 3% to 27% on the expectations of its higher demand and subsequently up run in its price in the near future.

Performance Information (%)	PIEF	Benchmark
Year to Date Return (Annualized)	12.0	12.5
Month to Date Return (Annualized)	12.0	12.5
Since inception (CAGR)	14.8	12.7

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Cash	1.5%	2.0%
MTS	0.0%	0.5%
TFCs	29.7%	27.3%
Commercial Papers	1.2%	1.2%
GOP Ijarah Sukuk	27.4%	3.1%
T-Bills	37.7%	62.0%
Others including receivables	2.5%	3.9%

## Fund Facts / Technical Information

NAV per Unit (PKR)	51.9900
Net Assets (PKR M)	1,587
Weighted average time to maturity (Year)	2.3
Duration (Days)	2.1
Sharpe Measure*	0.07
Correlation*	16.9%
Standard Deviation	0.15
Alpha	0.70%
*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 Pervez	Senior Research Analyst
Umair Khan	Research Analyst

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# MetroBank-Pakistan Sovereign Fund

July 31, 2011 NAV - PKR 50.19



## 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.
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	12 M PKRV
Pricing Mechanism	Forward
Dealing Days	Monday - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM), Sat (9:00AM to 12:15 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 11.6% as against its benchmark return of 12.8%. The fund reduced its exposure towards T-Bills to around 88% and switched that portion towards GoP Ijarah Sukuk taking its exposure to 7.5%. Investment in sub-scheme (12/12) remained largely unchanged at 3.9% 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

NAV per Unit (PKR)	50.19
Net Assets (PKR M)	2,945
Weighted average time to maturity (Days)	243
Sharpe Measure	-0.02
Correlation	0.4%
Standard Deviation	2.02
Alpha	-5.17%

## 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 Pervez	Senior Research Analyst

## Asset Allocation (%age of Total Assets)

	Jul-11	Jun-11
Cash	0.5%	0.1%
T-Bills	87.9%	94.3%
PIBs	0.0%	0.0%
MSF 12/12 Sub-Fund	3.9%	3.8%
GOP Ijarah sukuk	7.5%	1.7%
Others including Receivables	0.2%	0.1%

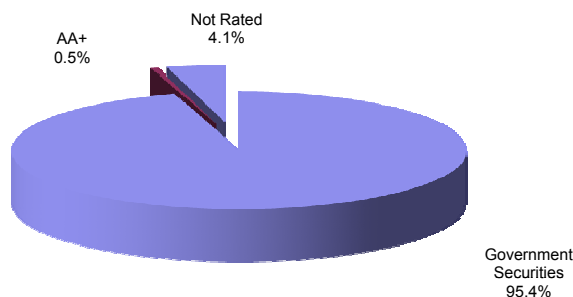
## Performance Information (%)

	MSF-Perpetual	MSF 12/12
Year to Date Return (Annualized)	11.6	13.7
Month to Date Return (Annualized)	11.6	13.7
Since inception (CAGR)	5.8	6.8

## Performance Information (%)

	Benchmark
Year to Date Return (Annualized)	12.8
Month to Date Return (Annualized)	12.8
Since inception (CAGR)	9.2

## Asset Quality (%age of Total Assets)



MUFAP's Recommended Format.

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# MCB Islamic Income Fund

July 31, 2011

NAV - PKR 101.1224



## 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	N/A
Risk Profile	Low
Launch Date	16-June-2011
Fund Manager	Syed Akbar Ali, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	A. F. Ferguson & Co.
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 redemtion in the 1st year from the date of investment. 1.0% on redemtion in the 2nd year from the date of investment. 0.0% on redemptions 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 - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 4:30 PM), Sat (9:00AM to 1:00 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 13.4% as against its benchmark return of 8.5%, a significant out-performance of 4.9% over its benchmark. The fund has gradually been building its exposure in GoP Ijarah Sukuk (GIS), which has gone up further to 66% at month-end while 32% 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)	101.1224
Net Assets (PKR M)	199
Weighted average time to maturity (Years)	1.62
Sharpe Measure	0.37
Correlation	-23.84%
Standard Deviation	0.07
Alpha	2.550%

## 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 Pervez	Senior Research Analyst

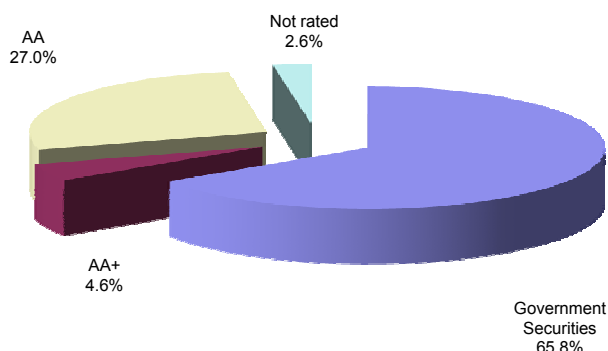
## Asset Allocation (%age of Total Assets)

	Jul-11	Jun-11
Cash	31.6%	42.4%
GoP Ijarah Sukuk	65.8%	55.6%
Others including receivables	2.6%	2.0%

## Performance Information (%)

	MCB IIF	Benchmark
Year to Date Return	13.4	8.5
Month to Date Return	13.4	8.5
Since inception	12.0	8.5

## Asset Quality (%age of Total Assets)



MUFAP's Recommended Format.

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# MCB Cash Management Optimizer

July 31, 2011 NAV - PKR 101.2033



## 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	AA+(f) by PACRA
Risk Profile	Low
Launch Date	1-Oct-09
Fund Manager	Kashif Rafi
Trustee	Central Depository Company of Pakistan Limited
Auditor	A. F. Ferguson & Co.
Management Fee	10% of Gross earnings
Front / Back end Load	0%
Min. Subscription	
Growth Units	PKR 5,000
Cash Dividend Units	PKR 5,000
Income Units	PKR 100,000
Listing	Lahore Stock Exchange
Benchmark	Avg. 3 Month deposit rates of AA and above rated scheduled banks, net of expenses
Pricing Mechanism	Backward
Dealing Days	Monday - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 4:30 PM), Sat (9:00AM to 1:00 PM)
Leverage	Nil

## 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's exposure in Government papers went up significantly to around 92% with a continued focus on keeping its duration at higher levels. The fund's exposure towards TDRs, which went up significantly last month amid attractive opportunities near Jun-quarter end, has gone down to 0% as TDRs were matured during the month. The portfolio WAM at month-end was 88 days.

The fund plans to keep its portfolio duration at higher levels while keeping a close track of changes in key macroeconomic variables.

Fund Facts / Technical Information	MCB CMOP	Benchmark
NAV per Unit (PKR)	101.2033	
Net Assets (PKR M)	10,808	
Weighted average time to maturity (Days)	88	
Sharpe Measure*	0.19	-2.33
Correlation*	-18%	6%
Standard Deviation	0.021	0.002
Alpha*	0.005	-0.02
*as against 3 month PKRV net of expenses		

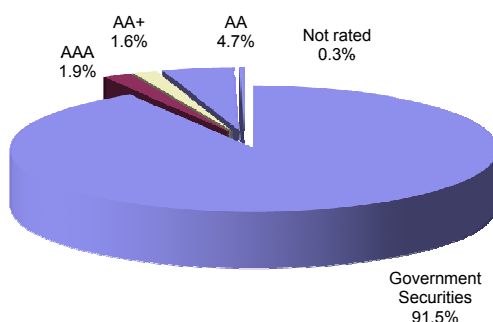
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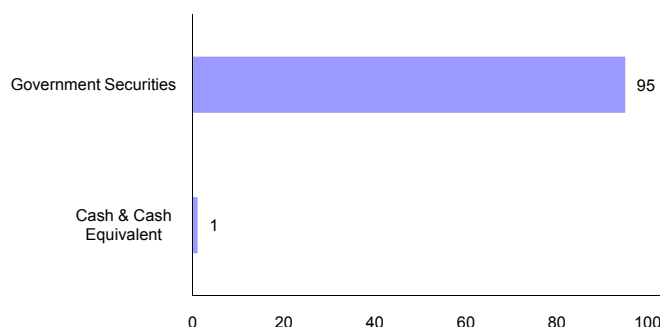
Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Cash	8.2%	24.2%
Term Deposits with banks	0.0%	10.8%
T-Bills	91.5%	64.6%
Others including receivables	0.3%	0.4%

Performance Information (%)	MCB CMOP	Benchmark
Year to Date Return (Annualized)	11.2	6.0
Month to Date Return (Annualized)	11.2	6.0
Since inception (CAGR)*	11.3	5.8
*Adjustment of accumulated WWF since Oct 1, 2009		

## Asset Quality (%age of Total Assets)



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



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# Pakistan Cash Management Fund

July 31, 2011 NAV - PKR 50.1377



## 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	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.
Management Fee	10% of Gross Earning 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 - Saturday
Cut Off Timing	Mon-Sat (9:00AM to 10:00 AM)
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's exposure in Government papers increased to around 99%, while its exposure to bank deposits went down to 0%. As highlighted last month, the fund is focusing on increasing its portfolio duration gradually in the anticipation of flat to declining trend in DR in the near term and therefore it increased its WAM to 59 days from 48 days a month ago.

The fund plans to keep its portfolio duration at higher levels while remains vigilant on the changes in key macroeconomic variables.

Fund Facts / Technical Information	PCF	Benchmark
NAV per Unit (PKR)	50.1377	
Net Assets (PKR M)	1,868	
Weighted average time to maturity (Days)	60	
Sharpe Measure*	-0.01	0.06
Correlation*	56.9%	
Standard Deviation	0.02	0.03
Alpha*	-0.20%	
*as against 3 month PKRV net of expenses		

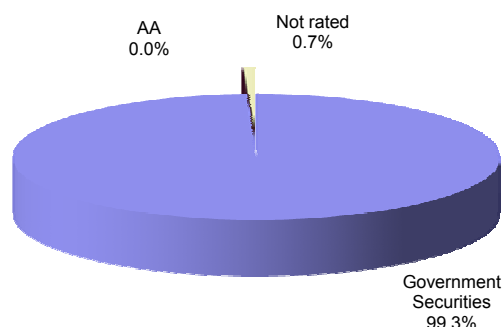
Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Cash	0.0%	3.4%
T-Bills	99.3%	96.5%
Others including receivables	0.7%	0.1%

Performance Information (%)	PCF	Benchmark
Year to Date Return (Annualized)	11.6	12.9
Month to Date Return (Annualized)	11.6	12.9
Since inception (CAGR)	11.5	12.3

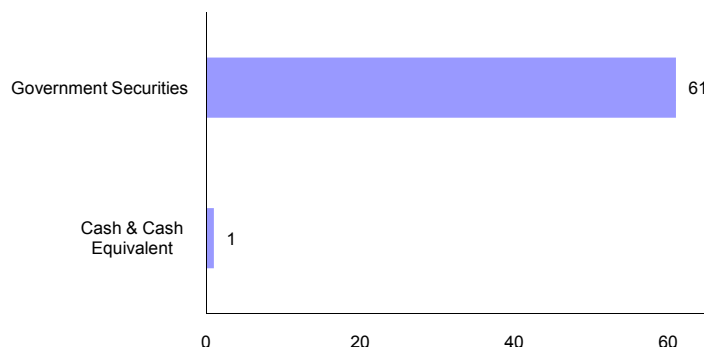
## Members of the Investment Committee

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

## Asset Quality (%age of Total Assets)



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



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# Pakistan Capital Protected Fund-Fixed Income Securities

July 31, 2011

NAV - PKR 10.22



## Investment Objective

The objective of the Fund is to provide 100% capital protection (net of front -end load) and maximise the returns by investing in Fixed Income, Money and Debt market instruments.

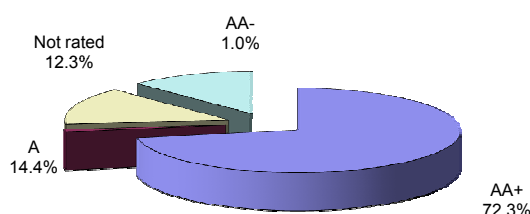
## General Information

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 - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM), Sat (9:00AM to 12:15 PM)
Leverage	Nil

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

Pak Electron Limited (28-Sep-2007)	3.9%
Bank Al-Falah Limited(02-Dec-2009)	1.0%
Escorts Investment Bank Limited(15-Mar-07)	2.4%

## Asset Quality (%age of Total Assets)



## Manager's Comment

During the month, the fund generated an annualized return of 0.4% as against its benchmark return of 0.9%, an under-performance by 0.5%.

Allocation-wise, the fund kept its allocation to around 67% in TDRs, while the exposure towards Commercial Papers and TFCs largely remained unchanged at a level of 8% and 7% respectively.

## Performance Information (%)

	PCPF-FIS	Benchmark
Year to Date Return	0.4	0.9
Month to Date Return	0.4	0.9
Since inception	14.7	16.0

## Asset Allocation (%age of Total Assets)

	Jul-11	Jun-11
Cash	5.1%	5.3%
Term Deposits with Banks	67.2%	67.3%
Commercial Papers	8.1%	8.1%
TFCs	7.3%	6.9%
Others including receivables	12.3%	12.4%

## Fund Facts / Technical Information

	PCPF-FIS	Benchmark
NAV per Unit (PKR)	10.22	
Net Assets (PKR M)	237	
Sharpe Measure	-0.056	0.045
Correlation	16%	
Standard Deviation	0.086	0.022
Alpha	1.1%	

## 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 Pervez	Senior Research Analyst
Zaid Hidayatullah	Research Analyst

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# MCB Dynamic Allocation Fund

July 31, 2011

NAV - PKR 69.2148



## 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.
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 to take advantage of short term opportunities on the back of strong expected corporate result season at the local bourse. The fund increased its exposure mainly in Construction Materials, Oil & Gas, Chemicals and Personal Goods amid strong earnings growth expectations, while the exposures were marginally shed in Banks for profit-taking.

On the fixed income side, TFC allocations were marginally increased while allocation in Treasury bills was reduced in order to increase exposure in GOP Ijara Sukuk.

## Fund Facts / Technical Information

NAV per Unit (PKR)	69.2148
Net Assets (PKR M)	327
Sharp Measure*	-0.051
Beta**	0.45
Max draw up	80.0%
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	-0.9%
Month to Date Return	-0.9%
Since inception*	-6.4%

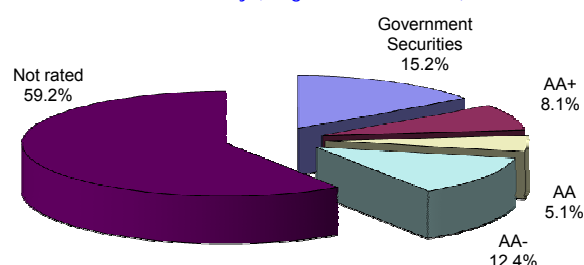
\*Adjustment of accumulated WWF since July 1, 2008

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 Pervez	Senior Research Analyst

## Asset Quality (%age of Total Assets)



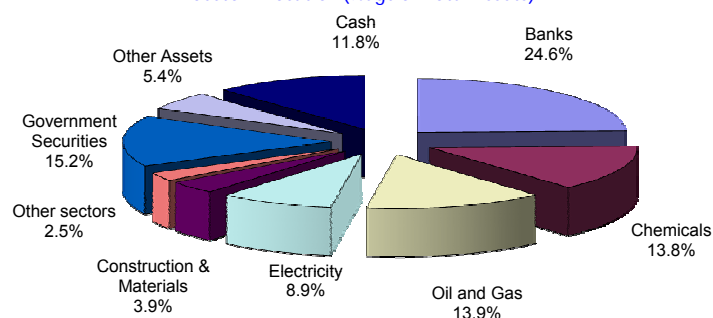
## Asset Allocation (%age of Total Assets)

	Jul-11	Jun-11
Cash	11.8%	30.5%
T-Bills	0.0%	7.3%
TFCs	13.8%	13.5%
GoP Ijara Sukuk	15.2%	0.0%
Stocks / Equities	53.7%	44.6%
CFS (Margin Trading)	0.1%	0.9%
Others including receivables	5.4%	3.2%

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

Askari Bank Limited (18-Nov-2009)	TFC	7.8%
Pakistan Oil Fields Limited	Equity	5.9%
Engro Corporation Limited	Equity	5.0%
Fauji Fertilizer Company Limited	Equity	4.9%
Pakistan State Oil Company Limited	Equity	4.0%
Lucky Cement Limited	Equity	3.9%
Fatima Fertilizer Limited	Equity	3.8%
Pakistan Petroleum Limited	Equity	3.3%
Kott Addu Power Company Limited	Equity	3.1%
Bank Al Falah Limited (23-Nov-2004)	TFC	3.0%

## Sector Allocation (%age of Total Assets)



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# Pakistan Capital Market Fund

July 31, 2011

NAV - PKR 7.32



## 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.
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), Sat (9:00AM to 12:15 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 investment.

## Manager's Comment

PCM return declined by 1.9% vis-à-vis benchmark return of -1.4% in the month of July 2011. Fund increased its equity allocations marginally to 59% by the end of the month. Fund took new exposure in MCB, MEBL, PTCL and FFC while increased some exposure in ENGRO. Among the major holdings ABL, KAPCO, LUCK, POL, PPL and FATIMA outperformed KSE 100 index while PSO, SURG, ENGRO and PKGS underperformed the market.

Fund maintained its TFC and Preference share holdings which stood at 11.4% and 2.2% at the end of the month while T-Bills allocation reduced to 0% as the fund took exposure in GoP Ijarah Sukuk.

Fund Facts / Technical Information	PCM	Benchmark
NAV per Unit (PKR)	7.32	
Net Assets (PKR M)	377	
Sharp Measure	0.03	0.02
Beta	0.92	
Max draw up	179.7%	136.7%
Max draw down	-44.7%	-46.2%
Standard Deviation	0.93	0.90
Alpha	0.01%	

Performance Information (%)	PCM	Benchmark
Year to Date Return	-1.9	-1.4
Month to Date Return	-1.9	-1.4
Since inception	144.9	133.1

## 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 Pervaz	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Cash	9.6%	2.3%
T-Bills	0.0%	24.6%
TFCs	11.4%	11.2%
Stocks / Equities	59.4%	55.6%
Preference Shares	2.2%	4.2%
GoP Ijarah Sukuk	13.2%	0.0%
Others including receivables	4.2%	2.1%

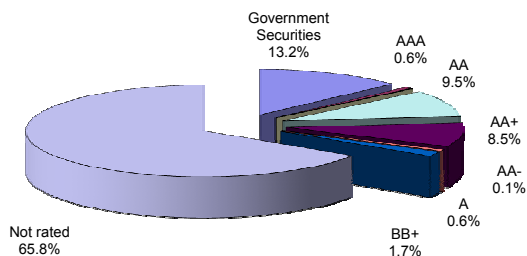
## Top 10 Holdings (%age of Total Assets)

United Bank Limited (08-Sept-06)	TFC	9.1%
Pakistan State Oil Company Limited	Equity	7.4%
Pakistan Oilfields Limited	Equity	7.4%
Kot Addu Power Company Limited	Equity	6.0%
Packages Limited	Equity	5.7%
Allied Bank Limited	Equity	5.7%
Pakistan Petroleum Limited	Equity	5.6%
Engro Corporation Limited	Equity	5.2%
Lucky Cement Limited	Equity	3.9%
Fatima Fertilizer Limited	Equity	3.4%

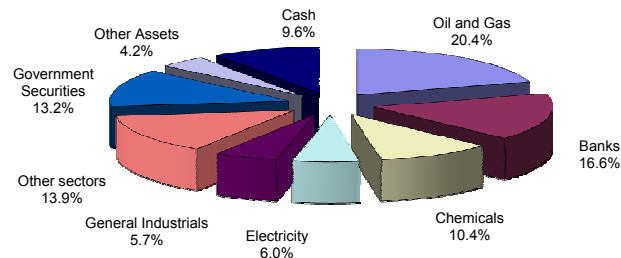
## Details of non-compliant investments with the investment criteria of assigned category (securities below investment grade - Rs. In millions)

Name & Type of Non-Compliant Investment	Outstanding face	Value of investment	Provision held, if any	Value of investment after	% of Net Assets	% of Gross Assets
	value	before provision		provision		
Maple Leaf Cement Factory Limited - Sukuk	9.99	6.11	-	6.11	1.62%	1.60%
Maple Leaf Cement Factory Limited - Sukuk- II	0.37	0.26	-	0.26	0.07%	0.07%

## Asset Quality (%age of Total Assets)



## Sector Allocation (%age of Total Assets)



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# Pakistan International Element Islamic Asset Allocation Fund

July 31, 2011

NAV - PKR 37.7883



## General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant 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	KPMG Taseer Hadi & 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 return declined by 0.9% as compared to benchmark return of 0.1%. Overall equity exposure was marginally to around 80%. The fund added MEBL to its portfolio while increase some allocation in FFC. The fund, on the other hand, reduced exposure in POL, PPL and PSO during Jul'11. Amongst major holdings MEBL, HUBC, LUCK, POL, PPL and FFC outperformed the benchmark while NML, PSO and PKGS remained major underperformers.

On the fixed income side, the fund increased its exposure towards GoP Ijarah Sukuk to around 12% as compared to 0% a month ago.

Fund Facts / Technical Information	PIEIF	Benchmark
NAV per Unit (PKR)	37.7883	
Net Assets (PKR M)	326	
Price to Earning (x)	5.7	6.9*
Dividend Yield (%)	7.3	7.8*
No. of Holdings	12	30*
Wt. Avg Mkt Cap (PKR Bn)	70.73	438.73*
Sharpe Measure	0.00	0.04
Beta	0.61	1.00
Correlation	81.4%	
Max draw up	88.2%	184.2%
Max draw Down	-28.9%	-39.65%
Standard Deviation	0.86	1.14
Alpha	-1.40%	
* KMI 30 Index		

Performance Information (%)	PIEIF	Benchmark
Year to Date Return	-0.9	0.1
Month to Date Return	-0.9	0.1
Since inception	25.0	N/A

## Members of the Investment Committee

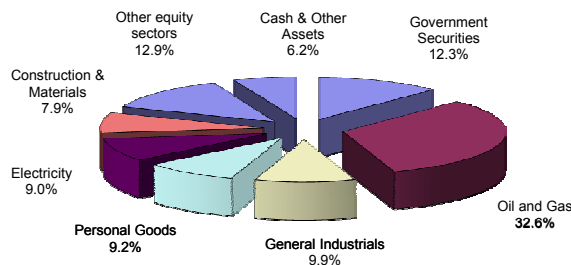
Yasir Qadri	Chief Executive Officer
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervez	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Cash	4.5%	14.5%
Stock /Equities	79.7%	81.4%
Sukuk	1.8%	1.6%
GOP Ijarah Sukuk	12.3%	0.0%
Others including receiveables	1.7%	2.5%

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

Pakistan Petroleum Limited	Equity	11.3%
Pakistan State Oil Company Limited	Equity	10.8%
Pakistan Oil Fields Limited	Equity	10.6%
Packages Limited	Equity	9.9%
Nishat Mills Limited	Equity	9.2%
Hub Power Company Limited	Equity	9.0%
Lucky Cement Limited	Equity	7.9%
Fauji Fertilizer Company Limited	Equity	4.2%
Meezan Bank Limited	Equity	2.8%
Pak Electron Limited	Equity	2.1%

## Sector Allocation (%age of Total Assets)



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# MCB Dynamic Stock Fund

July 31, 2011

NAV - PKR 82.2647



## 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	A. F. Ferguson & Co.
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

The fund under-performed its benchmark marginally by 0.3% while the market remained lackluster during the month.

Allocations were increased during the month in selected sectors in the anticipation of better corporate results. The fund increased its exposure in Construction Materials, Banks, Oil & Gas, and Electricity on better earnings expectations while trimmed its exposure in selected stocks within Chemicals mainly in Engro due to concerns over gas curtailment.

Fund Facts / Technical Information	MCB DSF	KSE-30
NAV per Unit (PKR)	82.2647	
Net Assets (PKR M)	641	
Price to Earning (x)*	5.77	6.59
Dividend Yield (%)	9.3	8.3
No. of Holdings	23	30
Wt. Avg Mkt Cap (PKR Bn)	84.329	194.16
Sharpe Measure**	0.012	-0.022
Beta	0.77	1.00
Correlation	95.0%	
Max draw up	179.8%	181.75%
Max draw Down	-60.4%	-76.69%
Standard Deviation	1.34	1.66
Alpha	0.05%	

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

Performance Information (%)	MCB DSF	Benchmark
Year to Date Return	-0.5	-0.2
Month to Date Return	-0.5	-0.2
Since Inception*	56.9	-17.7

\*Adjustment of accumulated WWF since July 1,2008

## Members of the Investment Committee

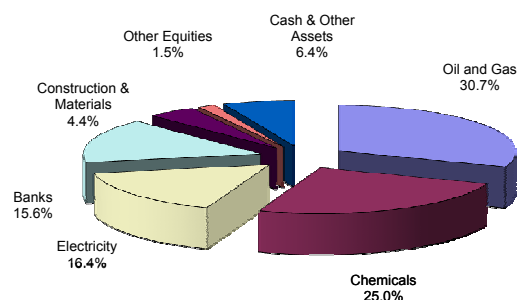
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervez	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Stock / Equities	93.6%	86.3%
Cash	3.7%	8.5%
Others including receivables	2.7%	5.2%

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

Fauji Fertilizer Company Limited	10.2%
Hub Power Company Limited	8.6%
Pakistan Oil Fields Limited	8.1%
Pakistan State Oil Company Limited	8.0%
Pakistan Petroleum Limited	7.8%
Engro Corporation Limited	5.6%
Fauji Fertilizer Bin Qasim Limited	4.9%
Lucky Cement Limited	4.4%
Attock Petroleum Limited	4.3%
Fatima Fertilizer Limited	4.3%

## Sector Allocation (%age of Total Assets)



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# Pakistan Premier Fund

July 31, 2011

NAV - PKR 9.27



## 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 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	Lahore 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 investments in Pakistani equities.

## Manager's Comment

During the month of July, PPF delivered -1.7% returns as compared to KSE 100 return of -2.4%, an outperformance by 0.7%.

The fund increased its equity allocation from 78% last month to around 87% at the end of the month. Fund took new positions in PSO and MEBL while increased its allocation in LUCK. On the other hand, the fund reduced exposure in HMB, KML, NML, KOHE and ENGRO. Amongst major holdings ABL, HUBC, KAPCO, LUCK, POL, PPL and FFC outperformed KSE 100 index. Major underperformers of fund remained NML, PICT, ENGRO and PKGS.

Fund Facts / Technical Information	PPF	KSE-100
NAV per Unit (PKR)	9.27	
Net Assets (PKR M)	649	
Price to Earning (x)	5.0	6.9
Dividend Yield (%)	7.4	7.5
No. of Holdings	21	100
Wt. Avg Mkt Cap (PKR Bn)	48.6	2976.9
Sharpe Measure	0.05	0.03
Beta	0.27	1.00
Correlation	50.1%	
Max draw up	490.1%	553.41%
Max draw Down	-59.7%	-69.28%
Standard Deviation	1.4	2.6
Alpha	6.74%	

Performance Information (%)	PPF	Benchmark
Year to Date Return	-1.7	-2.4
Month to Date Return	-1.7	-2.4
Since inception	425.0	357.2

## Members of the Investment Committee

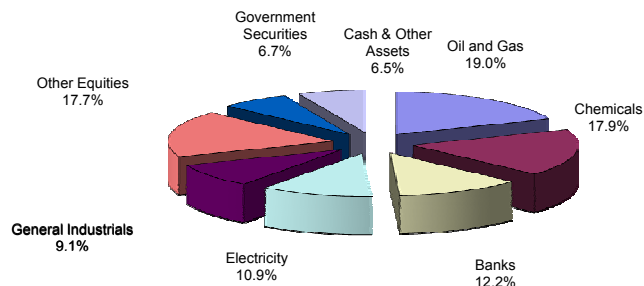
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervez	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Stock / Equities	86.8%	78.3%
Cash	3.0%	6.7%
T-Bills	6.7%	14.0%
Others including receivables	3.5%	1.0%

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

Fauji Fertilizer Company Limited	11.8%
Packages Limited	9.1%
Pakistan Oil Fields Limited	8.7%
Allied Bank Limited	8.4%
Pakistan Petroleum Limited	7.4%
Nishat Mills Limited	5.7%
Engro Corporation Limited	5.1%
Pakistan International Container Terminal	4.8%
Kot Addu Power Company Limited	4.6%
Lucky Cement Company Limited	4.5%

## Sector Allocation (%age of Total Assets)



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# Pakistan Stock Market Fund

July 31, 2011

NAV - PKR 52.98



## 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

During the month of July, PSM delivered -1.5% returns as compared to KSE 100 return of -2.4%.

The fund reduced its equity allocation from 87% to 82% at the end of the month by reducing exposure in KML, NML, LUCK, POL, INIL, PICT, ENGRO, FATIMA, FFC and PKGS. Amongst major holdings ABL, HUBC, KAPCO, LUCK, POL, PPL, INIL, FATIMA, FFC and SITC outperformed KSE 100 index. Major underperformers of fund remained NML, PSO, PICT, ENGRO and PKGS.

Fund Facts / Technical Information	PSM	KSE-100
NAV per Unit (PKR)	52.98	
Net Assets (PKR M)	1,209	
Price to Earning (x)	7.4	7.6
Dividend Yield (%)	5.5	6.4
No. of Holdings	22	100
Wt. Avg Mkt Cap (PKR Bn)	59.7	3,049.2
Sharpe Measure	0.06	0.04
Beta	0.71	1.0
Correlation	92.1%	
Max draw up	837.6%	926.22%
Max draw Down	-56.2%	-69.28%
Standard Deviation	1.2	1.5
Alpha	0.03%	

Performance Information (%)	PSM	Benchmark
Year to Date Return	-1.5	-2.4
Month to Date Return	-1.5	-2.4
Since inception	689.3	550.9

## Members of the Investment Committee

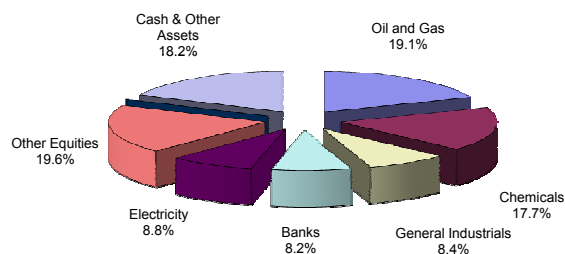
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervez	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Stock / Equities	81.8%	87.4%
Cash	13.0%	2.2%
T-Bills	0.0%	7.7%
Others including receivables	5.2%	2.7%

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

Packages Limited	8.4%
Pakistan Petroleum Limited	8.3%
Pakistan Oil Fields Limited	7.5%
Fauji Fertilizer Company Limited	7.4%
Allied Bank Limited	6.4%
Engro Corporation Limited	5.1%
Nishat Mills Limited	4.1%
Hub Power Company Limited	3.8%
Kot Addu Power Company Limited	3.7%
Pakistan International Container Terminal	3.6%

## Sector Allocation (%age of Total Assets)



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# Pakistan Strategic Allocation Fund

July 31, 2011

NAV - PKR 8.13



## 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	A. F. Ferguson & Co.
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

During the month of July, PSAF delivered -1.9% returns as compared to KSE 100 return of -2.4%.

The fund maintained its equity allocations to around 92% during the month. The fund took new positions in FFC and MEBL while increased its allocation in PTCL. On the other hand, the fund reduced exposure in ENGRO, FATIMA, PKGS and POL. Amongst major holdings ABL, HUBC, KAPCO, LUCK, POL, PPL, FATIMA and FFC outperformed KSE 100 index. Major holdings that underperformed index were UBL, NML, PSO, ENGRO and PKGS.

Fund Facts / Technical Information	PSAF	KSE-100
NAV per Unit (PKR)	8.13	
Net Assets (PKR M)	594	
Price to Earning (x)	5.4	6.9
Dividend Yield (%)	9.1	7.5
No. of Holdings	19	100
Wt. Avg Mkt Cap (PKR Bn)	58.96	2,976.90
Sharpe Measure	0.02	0.02
Beta	0.76	1.00
Correlation	90.5%	
Max draw up	146.1%	220.57%
Max draw Down	-60.1%	-69.28%
Standard Deviation	1.27	1.51
Alpha	0.00%	

Performance Information (%)	PSAF	Benchmark
Year to Date Return	-1.9	-2.4
Month to Date Return	-1.9	-2.4
Since inception	100.2	129.1

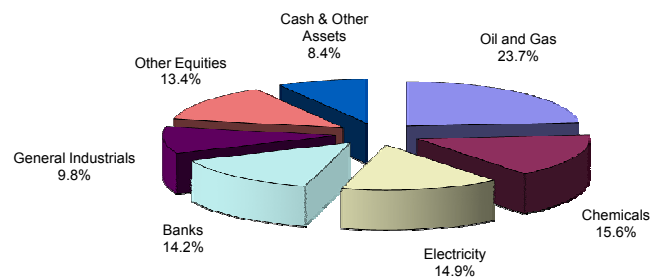
## Members of the Investment Committee

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 Pervez	Senior Research Analyst

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Stock / Equities	91.6%	91.3%
Cash	6.5%	6.8%
Others including receivables	1.9%	1.9%

Top 10 Equity Holdings (%age of Total Assets)	
Packages Limited	9.8%
Hub Power Company Limited	9.4%
Pakistan Petroleum Limited	9.3%
Pakistan Oil Fields Limited	8.9%
Allied Bank Limited	8.8%
Lucky Cement Limited	5.7%
Pakistan State Oil Company Limited	5.6%
Engro Corporation Limited	5.6%
Nishat Mills Limited	5.6%
Kot Addu Power Company Limited	5.5%

## Sector Allocation (%age of Total Assets)



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# AH Dow Jones SAFE Pakistan Titans 15 Index Fund

July 31, 2011

NAV - PKR 55.34



## General Information

Fund Type	An Open End Scheme
Category	Index Tracker Fund
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 - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 1:00 PM), Sat (9:00AM to 12:15 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

Return of AHDJPF declined by 0.9% as compared to benchmark's return of -1.6%. Under SECP regulations an equity fund is not allowed to keep more than 10% holdings in group companies while AHDJPF index have around 21.5% allocation in MCB Bank. To remain compliant with SECP regulations fund had to keep its exposure lower in MCB Bank. Due this act, the fund had around 13% in cash at the end of the month. Out of major holdings OGDC, POL, PPL and FFC outperformed the benchmark while MCB, PSO and ENGRO underperformed the benchmark.

Fund Facts / Technical Information	AHDJPF	Benchmark
NAV per Unit (PKR)	55.34	
Net Assets (PKR M)	121	
Price to Earning (%)	6.6	6.64
Dividend Yield (%)	8.1	8
Sharpe Measure	0.04	0.05
Beta	0.96	1
Correlation	96.7	
Max draw up	22.1%	23.4%
Max draw Down	-13.0%	-12.74%
Standard Deviation	0.94	0.95
Alpha	-0.8%	

Performance Information (%)	AHDJPF	Benchmark
Year to Date Return	-0.9	-1.6
Month to Date Return	-0.9	-1.6
Since inception	15.0	17.7

## Members of the Investment Committee

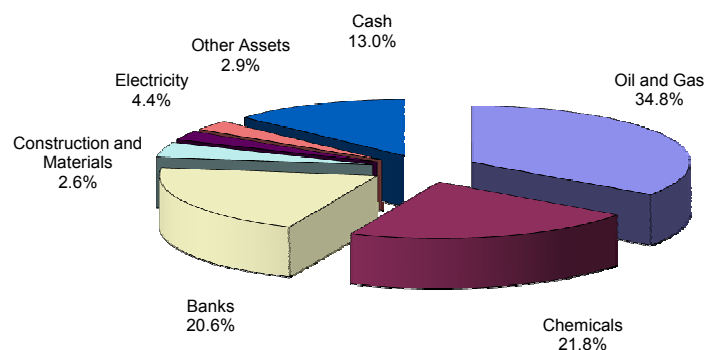
Yasir Qadri	Chief Executive Officer
Ahsan Mehanti	Director Wealth Management
Kashif Rafi	Fund Manager
Muhammad Asim, CFA	Fund Manager
Syed Akbar Ali, CFA	Senior Research Analyst
Mohsin Pervez	Senior Research Analyst
Junaid Khalid, FRM	Head of PD & ALM

Asset Allocation (%age of Total Assets)	Jul-11	Jun-11
Cash	13.00	1.30
Stocks / Equities	84.10	85.50
Others including receivables	2.90	13.20

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

Oil & Gas Development Company Limited	15.5%
Fauji Fertilizer Company Limited	11.7%
MCB Bank Limited	8.9%
Pakistan Petroleum Limited	8.4%
Pakistan Oilfields Limited	6.1%
Engro Corporation Limited	5.4%
Pakistan State Oil Company Limited	4.9%
Hub Power Company Limited	4.4%
National Bank of Pakistan	3.5%
Bank AL-Habib Limited	3.2%

## Sector Allocation (%age of Total Assets)



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# Pakistan Pension Fund

July 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	MCB Financial Services (Pvt) 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
Listing	-
Benchmark	-
Pricing Mechanism	Forward
Dealing Days	Monday - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM), Sat (9:00AM to 12:15 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 return of -1.3% during the month while KSE-100 index went down by 2.4%. Out-performance by some of the major holdings including FFC, POL, PPL, HUBC, and LUCK was the primary cause of better returns. The fund increased its overall allocation especially in FFC within the Chemical sector, while reducing its exposure to Engro and PTC during the month.

Debt sub-fund generated an annualized return of 9.7% during the month. The fund shed its T-Bills holdings to around 32% while increased its exposure towards GoP Ijarah Sukuk to around 5.7%.

Money Market sub-fund generated an annualized return of 10.5% during the month. The fund increased its T-bills allocation to around 90%, while its bank deposits exposure went down to 9%.

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

Fauji Fertilizer Company Limited	5.6%
Pakistan Oilfields Limited	5.3%
Hub Power Company Limited	5.3%
Lucky Cement Limited	5.1%
International Industries Limited	4.9%
Allied Bank Limited	4.8%
Pakistan Petroleum Limited	4.6%
Meezan Bank Limited	4.6%
Packages Limited	4.4%
Thal Limited	4.3%

## Performance Information & Net Assets

	PPF-EQ*	PPF-DT**	PPF-MM**
Year to Date Return (%)	-1.3	9.7	10.5
Month to Date Return (%)	-1.3	9.7	10.5
Since inception (%)	0.3	8.6	10.3
Net Assets (PKR M)	57.74	87.11	68.70
NAV (Rs. Per unit)	100.30	135.29	142.03
* 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 Pervez	Senior Research Analyst

## PPF -Money Market (%age of Total Assets)

	Jul-11	Jun-11
Cash	9.3	16.7
T-Bills	90.0	79.3
Others including receivables	0.7	4.0

## PPF -Debt (%age of Total Assets)

	Jul-11	Jun-11
Cash	5.0	1.1
PIBs	43.5	40.6
GoP Ijarah Sukuk	5.7	0.0
TFCs	9.9	9.1
T-Bills	32.0	41.6
Others including receivables	3.9	7.6

## PPF -Equity (%age of Total Assets)

	Jul-11	Jun-11
Cash	3.8	6.6
Banks	20.7	19.8
Chemicals	15.5	13.5
Oil and Gas	14.2	13.1
Electricity	9.1	8.5
General Industrials	8.7	8.1
Other equity sectors	24.8	26.1
Others including receivables	3.3	4.3

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# Pakistan Islamic Pension Fund (PIPF)

July 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	MCB Financial Services (Pvt) 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
Listing	-
Benchmark	-
Pricing Mechanism	Forward
Dealing Days	Monday - Saturday
Cut Off Timing	Mon-Fri (9:00AM to 5:00 PM), Sat (9:00AM to 12:15 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 return of 0.7% while KSE-100 index went down by 2.4% during the month. Out-performance by some of the major holdings including POL, LUCK, PPL, and HUBC was the primary cause of better returns during the month. The overall equities allocations were increased to 92% at month-end.

Debt sub-fund generated an annualized return of 10.8% during the month. The fund marginally increased its exposure towards GoP Ijarah Sukuk to 89% while keeping its exposure towards corporate Sukuk and cash largely unchanged.

Money Market sub-fund generated an annualized return of 8.9% during the month. The fund's exposure to GoP Ijara Sukuk went up marginally to 51%. Rest of the fund was largely kept in bank deposits.

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

Pakistan Oilfields Limited	10.3%
Lucky Cement Limited	9.0%
Pakistan Petroleum Limited	8.6%
Hub Power Company Limited	8.2%
Fauji Fertilizer Company Limited	7.3%
Packages Limited	6.8%
Nishat Mills Limited	5.3%
Pakistan State Oil Company Limited	5.1%
Meezan Bank Limited	4.9%
Thal Limited	4.8%

## PIPF -Money Market ( %age of Total Assets)

	Jul-11	Jun-11
Cash	45.8	46.1
GoP Ijara Sukuk	50.6	49.9
Others including receivables	3.6	4.0

## PIPF-Debt (%age of Net Assets)

	Jul-11	Jun-11
Cash	4.1	4.7
GoP Ijara Sukuk	88.5	86.9
Sukuk	2.3	2.0
Others including receivables	5.1	6.4

Performance Information & Net Assets	PIPF-EQ*	PIPF-DT**	PIPF-MM**
Year to Date Return (%)	0.7	10.8	8.9
Month to Date Return (%)	0.7	10.8	8.9
Since inception (%)	9.6	9.8	6.9
Net Assets (PKR M)	40.22	47.45	39.50
NAV (Rs. Per unit)	109.78	136.91	126.28
* Total Return    ** Annualized return			

## PPF-Equity (%age of Total Assets)

	Jul-11	Jun-11
Oil and Gas	24.0	24.2
General Industrials	15.9	16.1
Chemicals	15.3	12.9
Construction and Materials	9.0	7.8
Electricity	8.2	7.2
Other equity sectors	19.2	20.6
Cash	5.0	8.9
Others including receivables	3.4	2.3

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