

FUND SELECT

An Investment Guide to Mutual Funds
(An Exclusive Quarterly Issue Jan-Mar 08)

Highlights

Market Roundup

Considering year-to-date performance, KSE has still proven to be the best performing market of ongoing CY2008.

Spotlight on Pure Equity Funds

March 2008 proved to be a fairly decent month for open-end pure equity funds, as the average return of these funds managed to beat returns of KSE-30 as well as KSE-100 index by fairly decent margins.

Islamic Funds: A Performance Snapshot

Average return of Islamic Equity Funds stood at 2.37% which was 109bps higher than that of KSE-100 index.

Best Performing Hybrid Funds

JS Aggressive Asset Allocation (AAA) clinched the top spot followed by UTP Balanced and UTP Capital Protected-1 respectively.

Top Ten Income Funds

During the month under review, average annualized return of income funds hovered around 9.20% which was 8.90% a month earlier, translating into an increase of 30bps month-on-month.

Dawood Islamic Fund (DIF)

Considering consistency in performance, using Standard Deviation, the Fund emerged as the best performing Islamic Fund which takes exposures in equities.

NAFA Cash Fund

Based on Sharpe Ratio, NAFA cash fund emerged as the third best performing income fund of the ongoing FY07-08.

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*"In this issue we present two randomly selected funds namely **Dawood Islamic Fund** and **NAFA Cash Fund**. The idea behind this "product" is to enhance the reader's knowledge about different mutual funds. In our view, this is still a much untapped sector which provides a relatively better investment opportunity to investors. Your suggestions to add value to this product are more than welcome."*

Market Roundup

Economy Snapshot

Pakistan's economy has entered a phase of transition; moderating output growth coupled with high inflation is indicative of a cyclical slowdown, while a new democratic government takes the reins. Political roadblocks to progress have been removed with all major parties forming a federal coalition to pave the way towards a democracy, suggesting the country can get back to business and focus on economic challenges moving forward.

Key economic challenges are the fiscal and external accounts and inflation expectations. Global food and fuel inflation has derailed economic targets bringing CPI inflation to a 4yr high in excess of 9% while the fiscal deficit could cross 5.5% of GDP by Jun08. Meanwhile the trade deficit is likely to push the current account deficit past the 6.5% of GDP level against initial targets of 5%.

Nevertheless, inflation in Pakistan is not an isolated phenomenon. Eurozone inflation hit a record inflation high of 3.5%, China an 11yr high and India a 4yr high of 7% in Mar08. Unanticipated price escalation has cut into the growth and economic targets of most vulnerable economies, pushing their fiscal deficits and balance of payments into the red.

Inflation pressure is likely to correct as global demand stabilizes, although a roll back in the price level is unlikely. Once monetary policy makers are able to loosen monetary controls in the medium term, we can expect a quick rebound in Pakistan's growth dynamics. Pakistan has achieved considerable mileage with regards to both monetary and fiscal policy in the last 7years, which has received a set back in the last year. However, we do not view this as a policy failure, rather a speed bump in a challenging economic scenario.

Total debt at below 60% of GDP is at its lowest point in a decade while externalization of debt at 28% of GDP has also improved substantially since the 1990's. This suggests the twin deficits are sustainable in the medium term. Foreign ownership of the KSE market cap also sits in the 7% range, indicating room for further deepening. Consequently we feel Pakistan's vulnerability to crisis is limited relative to other emerging markets and developing economies.

Money Market Trends

Both the Overnight Repo rate and 6M KIBOR have dipped since the announcement of the last monetary policy statement, with O/N rates dipping towards 2% in Mar08. This suggests the money market remained fairly liquid during the month. However the SBP was vigilantly monitoring interbank liquidity and stepped in to mop up the liquidity when market rates dipped below a desirable margin.

In the case of 6M KIBOR mid rate, the SBP may be pressured to take further action as rates remain consistently below 10% after a minor blip in early Feb08 after the last discount rate hike. During Mar08 secondary market T-bill yields have indicated market anticipation of rate hikes in future auctions, with 6M TB bid rates trading above cut off yields. Although the yield curve has shifted upward by 85-97bps since Jun07, the SBP does not use the T-bill cut off yields as an indication of its future policy. In the event of further externalization of debt or investment inflows, the SBP is likely to reduce auctions rates.

The SBP also held a PIB auction in Mar08, raising PKR 4.4bn and PKR 11bn in total bids against a pre-auction target of PKR 20bn. There were also 2 T-bill auctions in Mar08 raising a total of PKR 28bn, however bids for the auction of Mar 27'08 were rejected.

Equity Market Overview

March CY08, proved to be a fairly decent month for the local bourses as the benchmark KSE-100 and KSE-30 both managed to end the month in a positive zone with a return of 1.28%MoM and 0.39%MoM respectively. Average daily turnover declined 9.95% to 238mn shares from 264mn shares a month ago. Nevertheless, volumes in future counter increased significantly surging to 66.4mn shares from 44.36mn shares a month earlier, translating into a growth of almost 50%MoM.

Table 1: KSE Review March, 2008

	KSE100	KSE30	CFS Amount (PRs bn)	CFS (Rate %)	Market Cap (PRsbn)	Avg. Turnover Ready (mn shares)	Avg. Turnover Futures (mn shares)
31-Jan-08	14,017.01	16,695.92	52.08	10.80	4297.49	238.05	36.55
29-Feb-08	14,934.30	18,367.29	54.36	11.74	4618.94	264.65	44.36
31-Mar-08	15,125.29	18438.14	53.76	11.44	4622.92	238.33	66.40
%Chg MoM	1.28%	0.39%	-1.10%	-2.56%	0.09%	-9.95%	49.68%

Source: KSE

Global Bourses Highlights

Among major global bourses, KSE-100 stood second, only one place behind Taiwan Taiex which beat KSE-100 index by merely 63bps. Apart from Taiwan Taiex and KSE, all major Asian equity markets continued with their lackluster performance and ended the month in the red zone. Shenghai Composite was the biggest loser of the month registering a fall of 20.14%MoM, followed by Sensex30 and Kuala Lumpur Composite, which shed 11.00%MoM and 8.09%MoM respectively.

Table 2: Global Bourses Highlights

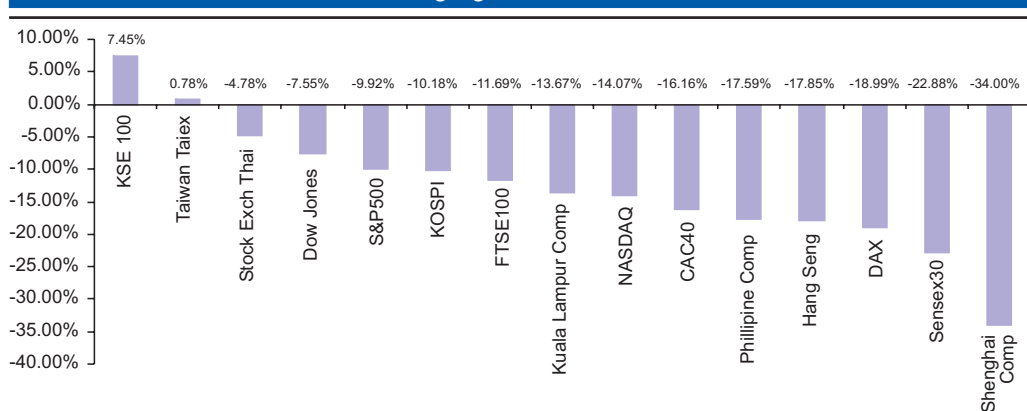
	Index as on		%Chg MoM	Trailing PE (x)	Dividend yield (%)	Avg volumes (mn shares)
	31-Mar-08	29-Feb-08				
Dow Jones	12,262.89	12,266.39	-0.03%	65.63	2.61	273.64
NASDAQ	2,279.10	2,271.48	0.34%	33.74	0.74	762.92
S&P500	1,322.70	1,330.63	-0.60%	19.98	2.23	1,273.70
FTSE100	5,702.10	5,884.30	-3.10%	11.50	4.07	1,413.60
CAC40	4,707.07	4,790.66	-1.74%	11.38	4.04	142.32
DAX	6,534.97	6,748.13	-3.16%	11.22	3.91	129.10
Hang Seng	22,849.20	24,331.67	-6.09%	13.32	3.40	1,816.95
Shenghai Comp	3,472.71	4,348.54	-20.14%	28.07	1.56	4,856.19
Sensex30	15,644.44	17,578.72	-11.00%	21.59	1.24	23.21
Phillipine Comp	2,984.67	3,129.99	-4.64%	12.09	3.61	438.17
Stock Exch Thai	817.03	845.76	-3.40%	16.61	3.87	2,404.53
Taiwan Taiex	8,572.59	8,412.76	1.90%	18.36	4.13	3,564.98
KOSPI	1,703.99	1,711.62	-0.45%	14.23	1.81	298.38
Kuala Lumpur Comp	1,247.52	1,357.40	-8.09%	13.65	4.15	167.87
KSE 100	15,125.89	14,934.30	1.28%	16.27	3.28	129.21

Source: Bloomberg

Considering year-to-date performance, KSE has still proven to be the best performing market of ongoing CY2008. Among major global bourses, KSE-100 index is the only equity market which managed to yield returns over and above investors' expectations. KSE-100, on the back of relatively attractive valuations, improving political scenario and being least vulnerable to US economy fluctuations is likely to remain as a major attraction for foreign as well as local investors in the near future.

US economy influences the equity markets around the world. Across the Atlantic, CAC40 and DAX declined 16.16%QoQ and 18.99%QoQ respectively while FTSE100 shed 11.69%QoQ. Shenghai Composite and Sensex 30 which were respectively the best performing markets of CY07 were the major losers of 1Qtr CY08. Both China and India, being major trading partners of US, are expected to witness a greater adverse impact of sub prime crisis as compared to other Asian countries.

Chart 1: Global Bourses: Performance Highlights 1QCY08



Source: Bloomberg & IGI Fund Select

Spotlight on Pure Equity Funds

A dilemma exists for investors, who aim to gain from the booming equity market, as to whether they invest directly in equities or take exposure indirectly in bourses via investing in pure open-end equity funds. In the recent past, the domestic equity market as well as the mutual fund industry have witnessed some exceptional growth. Nevertheless, pure equity funds grew only at a modest pace. The key reason behind this is the lack of investor knowledge about these funds. In this issue of the monthly bulletin, we present some key findings about pure open-end equity funds and try to address the aforesaid dilemma as to which is the most prudent way to gain from the booming equity market.

The domestic mutual fund industry offers 13 pure open-end equity funds (Islamic funds are not included). Key information about these funds is as follows:

Table 3: Pure Equity Funds

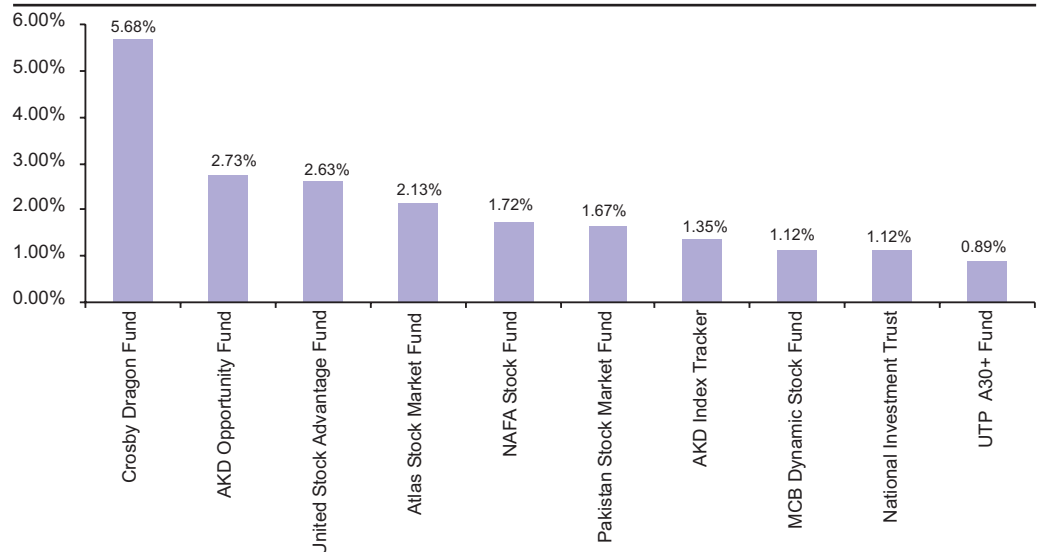
Pure Equity Funds	Date of Inception	Fund Size as on	Benchmark	YTD		Relative Performance	
		March 31, 2008 (Rs.bn)		Return			
AKD Opportunity Fund	Mar-06	1.609	KSE 100	13.8%	3.98%	Outperformed	
AKD Index Tracker Fund	Oct-05	0.397	KSE 100	5.6%	-4.19%	Underperformed	
AMZ Plus Stock Market Fund	24-Jul-06	0.731	KSE 100	10.1%	0.28%	Outperformed	
Atlas Stock Market Fund	23-Nov-04	1.674	KSE 100	11.1%	1.28%	Outperformed	
Crosby Dragon Fund	Dec-03	2.700	KSE 100	36.3%	26.48%	Outperformed	
HBL Stock Fund	1-Sep-07	1.934	KSE 100	9.6%	-0.22%	Underperformed	
KASB Stock Fund	22-Mar-07	0.474	KSE 100	6.4%	-3.42%	Underperformed	
MCB Dynamic Stock Fund	1-Mar-07	1.025	KSE 30	6.4%	-2.10%	Underperformed	
National Investment Trust	12-Nov-62	105.00	KSE 100	12.1%	2.28%	Outperformed	
NAFA Stock Fund	22-Jan-07	2.875	KSE 30	18.6%	10.10%	Outperformed	
Pakistan Stock Market Fund	11-Mar-02	3.650	KSE 100	11.4%	1.58%	Outperformed	
United Stock Advantage Fund	4-Aug-06	2.732	KSE 100	12.9%	3.08%	Outperformed	
UTP A30+ Fund	29-May-06	0.287	KSE 30	6.4%	-2.10%	Underperformed	

Source: IGI Fund Select

Performance Highlights

March 2008 proved to be a fairly decent month for open-end pure equity funds, as the average return of these funds managed to beat returns of KSE-30 as well as KSE-100 index by fairly decent margins. Average return of pure equity funds hovers around 1.70% while KSE-30 and KSE-100 offered returns of 0.39% and 1.28% respectively, thus these funds managed to outperform the index by 131bps and 42bps respectively. Crosby Dragon Fund continued with its robust performance and managed to outperform the benchmark KSE-100 index by a massive margin of 440bps. United Stock Advantage with a return of 3.22% emerged as the second best performing fund in this category followed by AKD Opportunity, Atlas Stock Market and NAFA stock funds respectively.

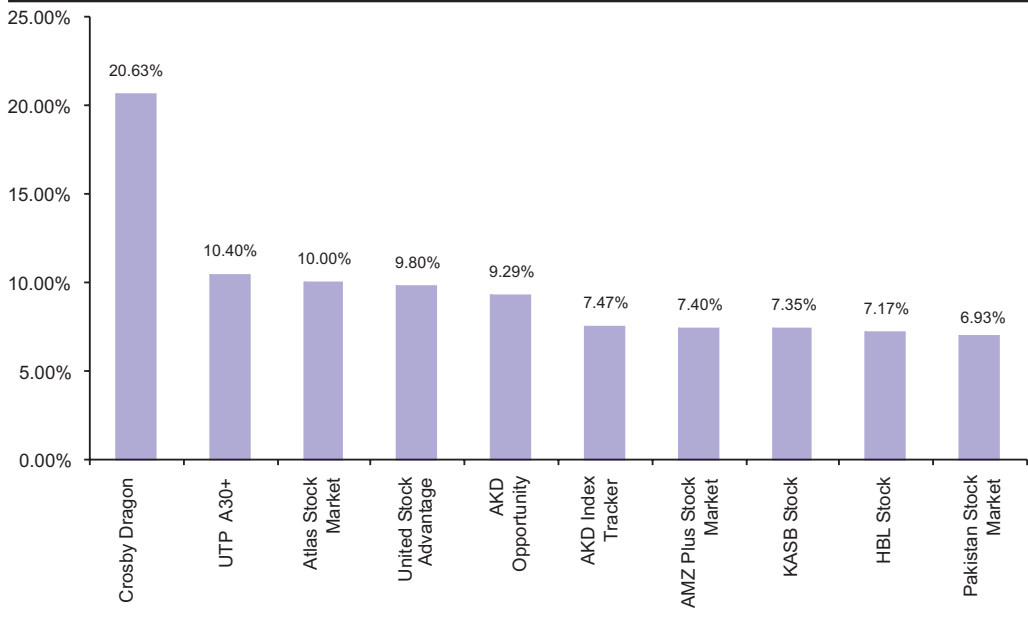
Chart 2: Top Ten Pure Equity Funds of March 2008 (Criteria: Absolute Return during the Month)



Source: IGI Fund Select

During the 1Q08 (Jan-Mar 2008) average return of pure equity funds stood at 8.76% while the benchmark KSE-30 and KSE-100 yielded returns of 10.30% and 7.46% respectively. Crosby Dragon Fund once again emerged as the best performing fund of the quarter with a cumulative return of 20.63%. It can be seen glaringly in the following graph that Crosby Dragon has outperformed its competitors by significant margins. UTP A30+ managed to beat its benchmark KSE-30 and proved to be the second best performing pure equity fund of the quarter with a cumulative return of 10.40%. Atlas Stock Market Fund, United Stock Advantage Fund and AKD Opportunity Fund managed to beat their benchmark KSE100 by fairly decent margins. AKD Index Tracker Fund managed to successfully track the KSE100 index and yielded a return in line with its benchmark.

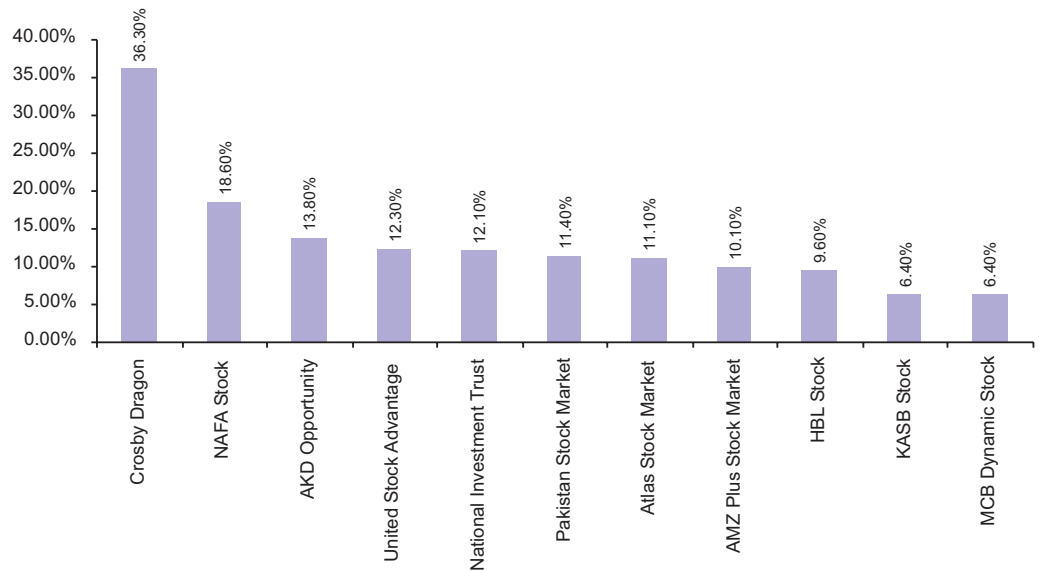
Chart 3: Top Ten Pure Equity Funds of 1QCY08 (Criteria: Return during January-March 2008)



Source: IGI Fund Select

Considering the year-to-date returns, not to be mentioned, Crosby Dragon Fund successfully managed to retain its top spot with the cumulative returns of 36.30%. NAFA Stock Fund and AKD Opportunity Fund also managed to retain their second and third spots respectively. United Stock Advantage Fund, due to its outstanding performance during March 2008, moved up the ladder to fourth spot from seven spot a month earlier. NIT slipped to fifth place while Pakistan Stock Market Fund retained its sixth position. Atlas Stock Fund moved up one notch to seventh spot while AMZ Plus Stock Fund dropped to eight. HBL Stock Fund, despite the fact that it was launched in Sep 2008, managed to make the list of top 10 pure equity funds. MCB Dynamic Stock Fund is the new entry in the list of top ten equity funds and jointly shares the tenth spot with KASB Fund, which retains its last months position.

Chart 4: Top Ten Pure Equity Funds of ongoing FY07-08 (Criteria: YTD Returns July-March 2008)



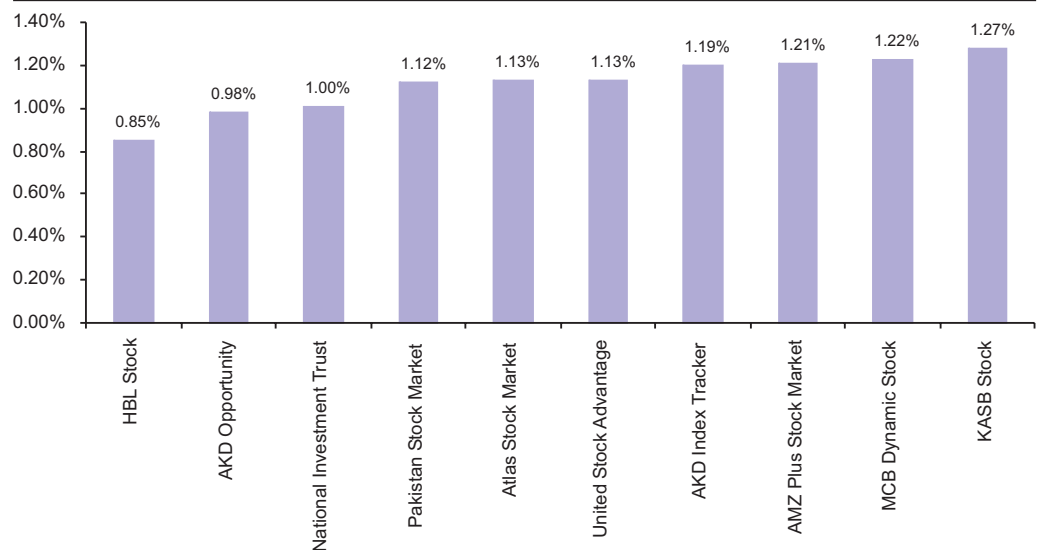
Source: IGI Fund Select

Key Evaluation Criteria

Besides returns, Standard Deviation, sharpe Ratio, tracking error, information ratio etc are some key valuation indicators that need to be looked at carefully for making a prudent investment decision in any open-end mutual fund. In the following paragraphs, we have evaluated pure equity funds on these indicators. It is imperative to note that these key indicators for pure equity funds are calculated on daily returns during the 1Q08 (Jan-March 2008) and couple key ratios such as tracking error and information ratio for each of these funds are calculated against respective benchmarks.

Considering standard deviation, HBL Stock Fund, due to relatively most consistent returns, emerged as the best performing equity fund for the first quarter ended March 31, 2008, followed by AKD Opportunity Fund and National Investment Trust. Pakistan Stock Market Fund and Atlas Stock Market Fund were the fourth and fifth best performing funds based on this key criteria. Moreover, United Stock Advantage Fund, AKD Index Tracker Fund, AMZ Stock Plus Fund, MCB Dynamic Stock Fund and KASB Stock Fund respectively managed to make the list of top ten pure equity funds based on this key evaluation criteria.

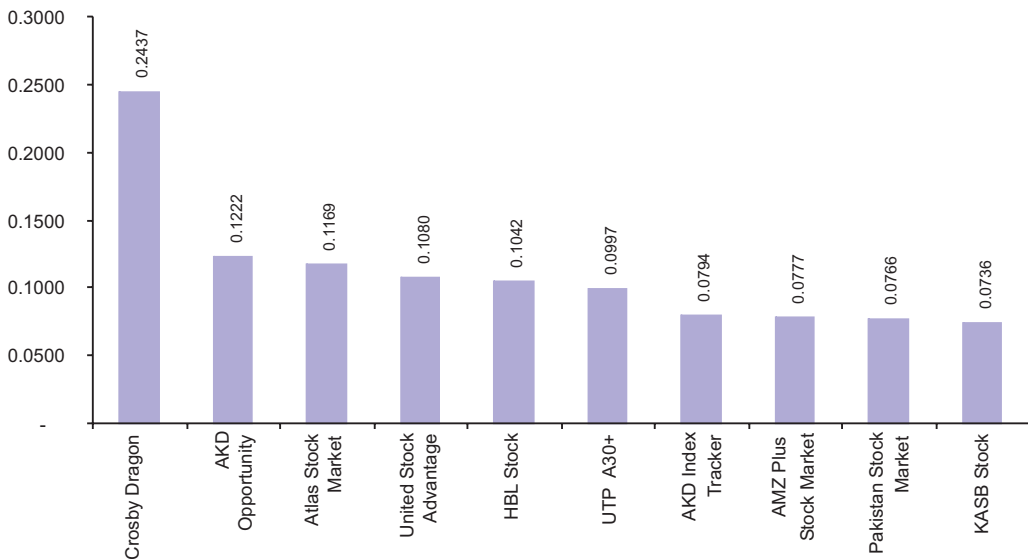
Chart 5: Top Ten Pure Equity Funds of 1QCY08 (Criteria: Standard Deviation during Jan-Mar 2008)



Source: IGI Fund Select

Sharpe Ratio, is developed by Nobel laureate William F. Sharpe to measure the risk-adjusted performance of a portfolio or a fund. This ratio tells us whether a portfolio's returns are due to smart investment decisions or a result of excess risk. This measurement is very useful because although one portfolio or fund can reap higher returns than its competitors, it is only a good investment if those higher returns do not come with too much additional risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been. Keeping in view the sharpe ratio, Crosby Dragon Fund, despite not making the list of top ten funds based on standard deviation, managed to beat its competitors by a massive margin and emerged as the best performing equity fund based on this key evaluation criteria. AKD Opportunity Fund, Atlas Stock Fund, United Stock Advantage Fund and HBL stock Fund respectively managed to make the list of top five funds based on this key criteria.

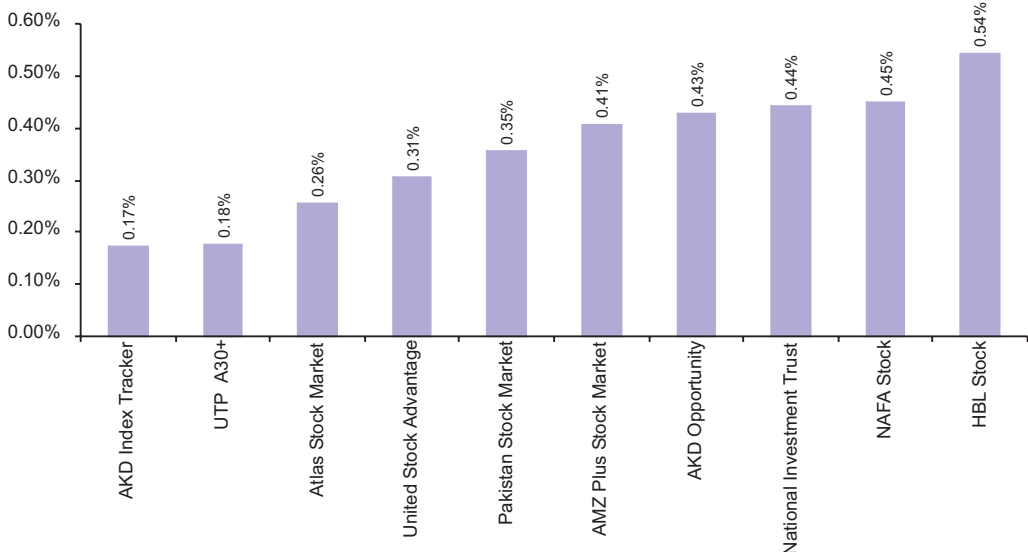
Chart 6: Top Ten Pure Equity Funds of 1QCY08 (Criteria: Sharpe Ratio during Jan-Mar 2008)



Source: IGI Fund Select

Tracking error is a measure that reports the difference between the return the investor receives and that of the benchmark, and is another pivotal evaluation indicator for equity funds. Based on tracking error, AKD Index Tracker Fund topped the list while, UTP A30+ Fund and Atlas Stock Market Fund respectively appeared to be the second and third best performing fund for the quarter ended March 31, 2008. United Stock Advantage Fund and Pakistan Stock Market Fund managed to hit the list of top five best performing pure equity funds for the quarter ended January-March 2008.

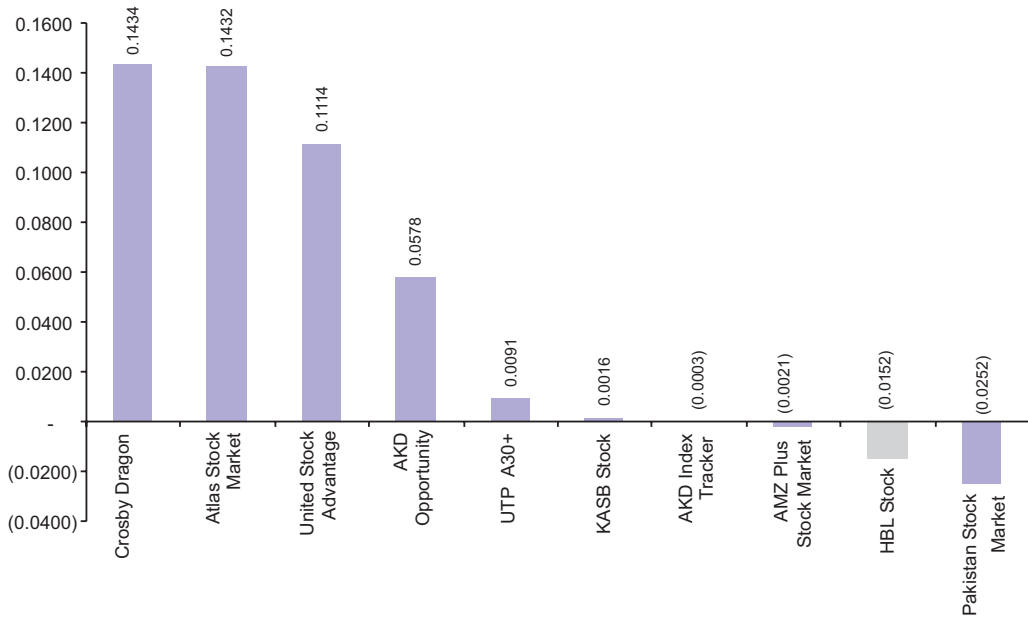
Chart 7: Top Ten Pure Equity Funds of 1QCY08 (Criteria: Tracking Error during Jan-Mar 2008)



Source: IGI Fund Select

Information Ratio is considered to be a pivotal measure for evaluating the performance of an equity fund. This ratio is a measure of portfolio management's performance against risk and return, relative to a benchmark or alternative measure. This ratio was developed by Nobel laureate William Sharpe and is considered to be a straightforward way to evaluate the return a fund manager achieves, given the risk they take on. Based on this key criteria, Crosby Dragon Fund and Atlas Stock Market Fund, jointly share the top position and emerged as the best performing pure equity funds for the quarter ended March 31, 2008. United Stock Advantage Fund, AKD Opportunity Fund and UTP A30+ Fund respectively managed to make the list of top five pure equity funds for the first quarter CY2008 based on this key evaluation criteria.

Chart 8: Top Ten Pure Equity Funds of 1Q CY08 (Criteria: Information Ratio during Jan-March 08)



Source: IGI Fund Select

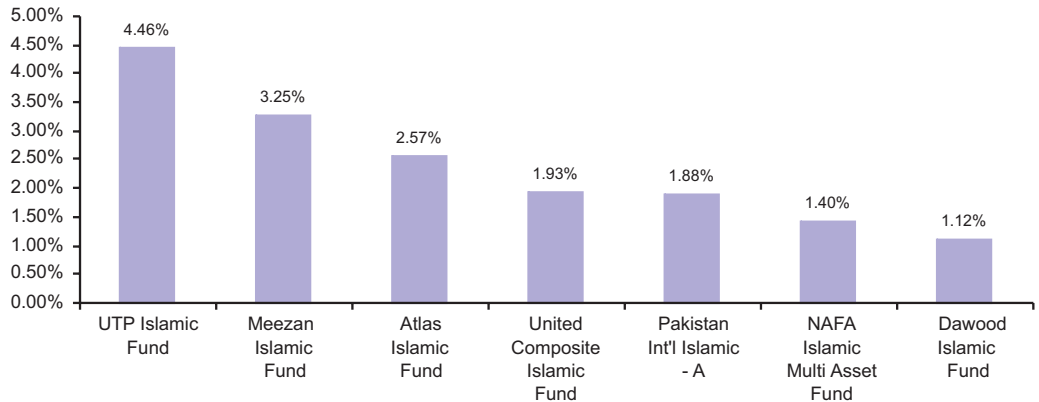
The bottomline: An Investment Perspective

From the aforesaid analysis, it can easily be concluded that there are pure equity funds that managed to offers returns over and above market return and at the same time managed risks in the best possible way. However, selecting the right fund is a key for achieving desirable return and IGI Fund Select is there to help you in this respect. We believe that getting ahead in the financial world can be a challenge and only the right partner can help you become a winner.

Islamic Funds: A Performance Snapshot

March 2008 proved to be a fabulous month for Islamic Equity Funds as the average monthly return of these funds managed to beat the KSE-100 index by significant margins. Average return of Islamic Equity Funds stood at 2.37% which was 109bps higher than that of KSE-100 index. Moreover, except for only one fund, all other funds managed to outperform the benchmark KSE-100 index. UTP Islamic fund emerged as the best performing fund in the category, followed by Meezan Islamic and Atlas Islamic funds which respectively stood at second and third place.

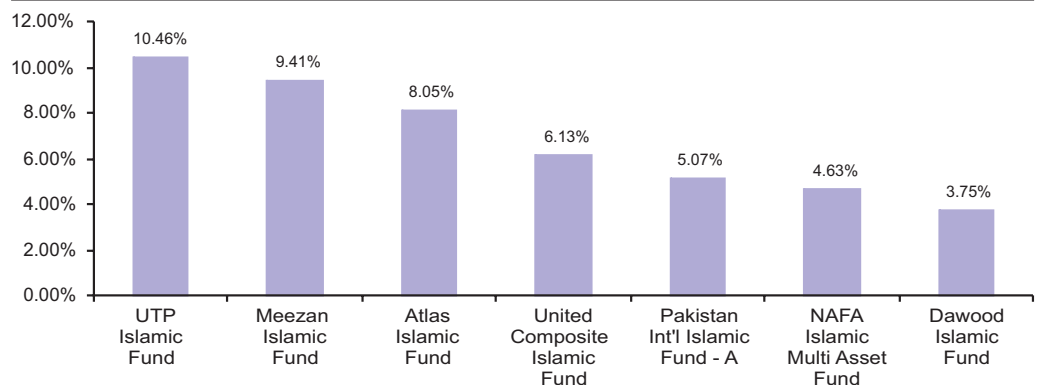
Chart 9: Islamic Funds: Performance Snapshot March 2008



Source: IGI Fund Select

Keeping in view the performance of these funds during the 1st Qtr CY08, average return of these funds hovered around 6.79% which is 67bps lower than that of the KSE-100 index. Only the top three funds managed to outperform the KSE-100 index while rest of the three underperformed the index. UTP Islamic Fund, which stood at number one place, was the only fund that managed to beat the KSE-30 index. Meezan Islamic and Atlas Islamic funds respectively stood at second and third places and managed to beat the KSE-100 index.

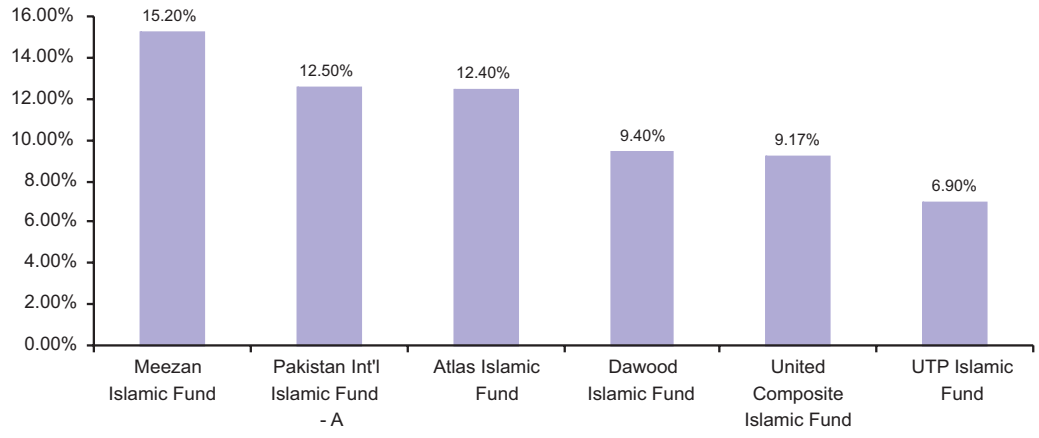
Chart 10: Islamic Funds: 1Qtr CY08 Performance Snapshot



Source: IGI Fund Select

Considering the year-to-date returns, Meezan, Pakistan International and Atlas Islamic funds respectively retained their top three places. Gap between United Composite and Dawood Islamic funds have reduced to only 20bps which was more than 100bps a month earlier. UTP Islamic fund, despite its robust performance during the 1Qtr CY08, could not manage to beat any of its competitors and still stuck to sixth position.

Chart 11: Islamic Funds: YTD Performance Snapshot



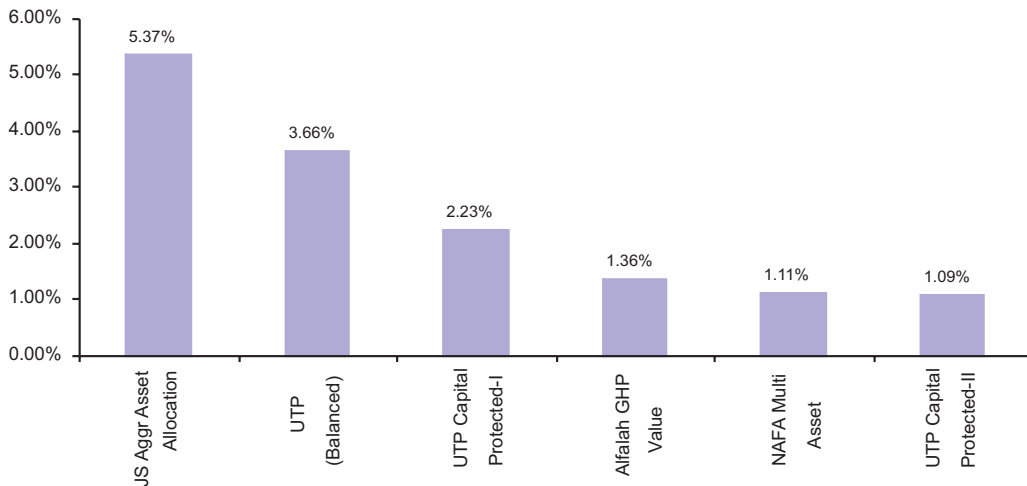
Source: IGI Fund Select

Best Performing Hybrid Funds

Multi, Hybrid, Balanced and Asset Allocation Funds

Funds falling in this category have continued with their fairly decent performance during the month under review. Funds under the management of JS Investments Limited have demonstrated robust performance and managed to outperform its peers by a fairly good margin. JS Aggressive Asset Allocation (AAA) clinched the top spot with a total return of 5.37%MoM. UTP Balanced Fund and UTP Capital Protected-1 Fund respectively stood at second and third positions.

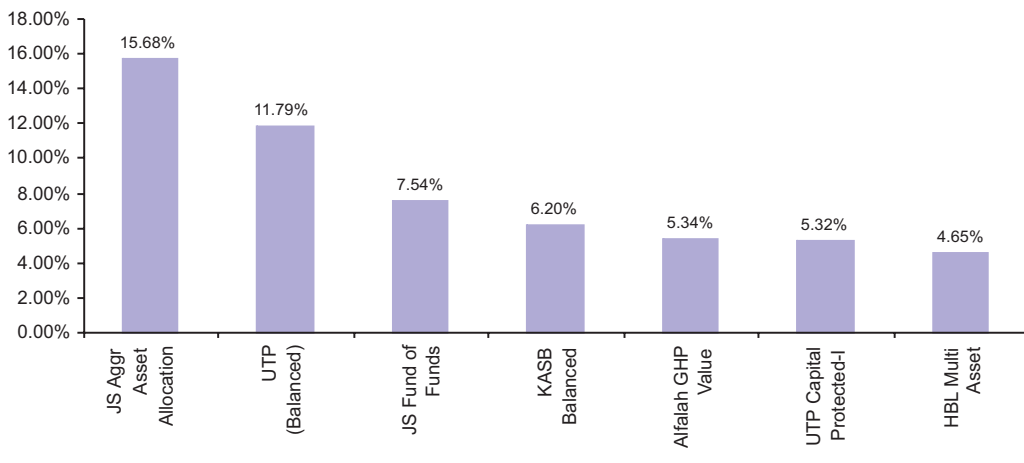
Chart 12: Best Performing Multi Asset (hybrid, Asset Allocation and Balanced) Funds of March 2008



Source: IGI Fund Select

Keeping in view returns for the 1st Qtr CY08, funds under the management of JS Investment Limited have once again clinched all top three positions with JS AAA being the number one followed by UTP balanced Fund and JS Fund of Funds respectively. KASB Balanced Fund and HBL Multi Asset Fund, being launched just a few months ago, have managed to make the list of best performing funds. KASB Balanced Fund with a return of 6.20% stood at fourth place followed by Alfalah GHP Value Fund, UTP Capital Protected-1 Fund and HBL Multi Asset Fund respectively.

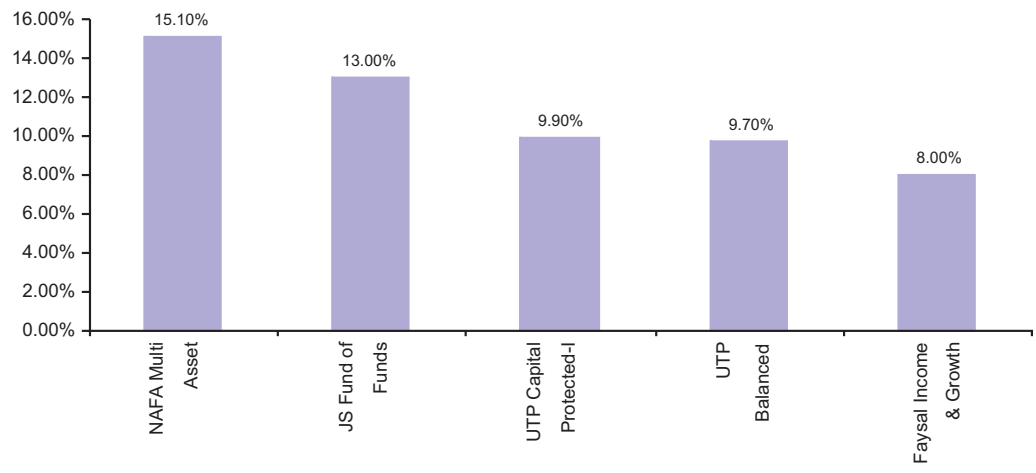
Chart 13: Best Performing Multi Asset (hybrid, Asset Allocation and Balanced) Funds of 1Qtr (Jan-March) 2008



Source: IGI Fund Select

Considering year-to-date returns, NAFA Multi Asset Fund still manages to retain its top position followed by JS Fund of Funds. Competition for the third place is heating up and there is likelihood that UTP Balanced Fund will surpass UTP Capital Protected-1 Fund, going forward. Couple of multi-asset funds managed by Faysal Asset Management namely Faysal Income & Growth Fund and Faysal Balanced Growth Fund with their fairly decent performance managed to make the list of best performing multi-asset funds.

Chart 14: Best Performing Multi Asset (hybrid, Asset Allocation and Balanced) Funds of Year-to-date (July-March) 2008

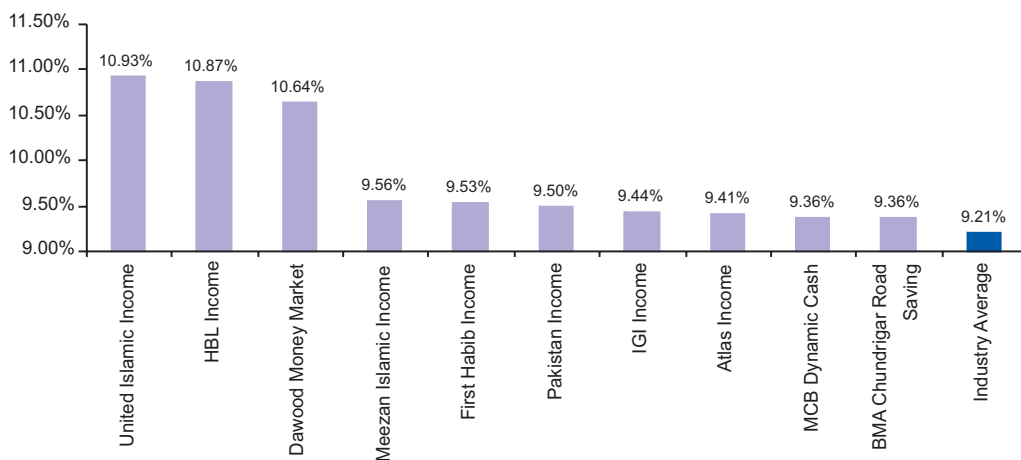


Source: IGI Fund Select

Top Ten Income Fund

March 2008 proved to be an outstanding month for Islamic Income funds as two funds namely United Islamic Income Fund and Meezan Islamic Income Fund managed to make the list top five funds. During the month under review, average annualized return of income funds hovered around 9.20% which was 8.90% a month earlier, translating into an increase of 30bps month-on-month. United Islamic Income Fund emerged as the best performing fund of the month followed by HBL Income Fund which stood second with an annualized return of 10.87%. Dawood Money Market Fund continued with its outstanding performance and managed to offer return above 10% continuously for the third time in a row and stood third among its peers.

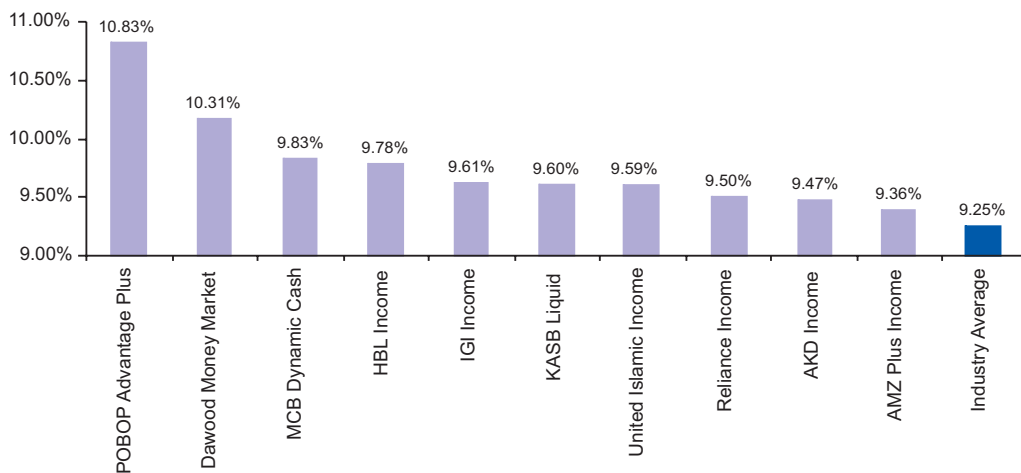
Chart 15: Top Ten Income Funds of March 2008 (Criteria: Annualized Return during the month)



Source: IGI Fund Select

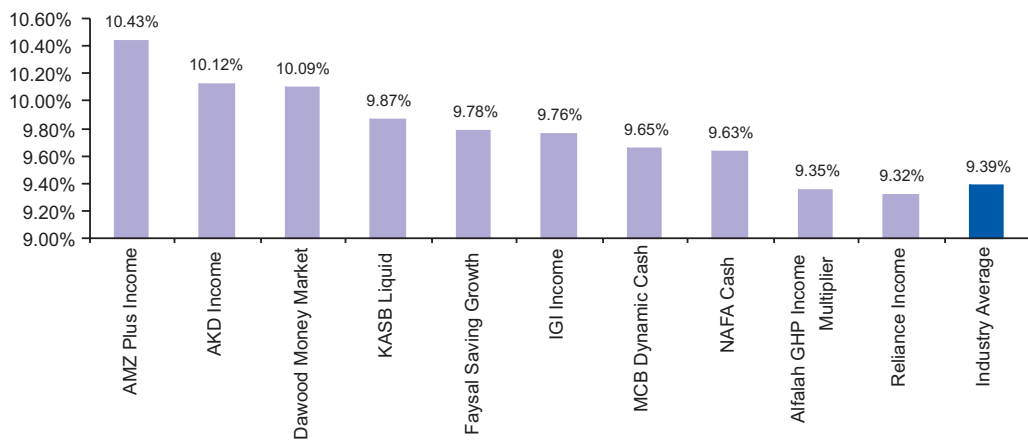
During the 1st Quarter CY08, average annualized industry return stood at 9.25%, with couple of funds managed to offer annualized return above 10%. POBOP Advantage Plus Fund, due to its phenomenal performance in January 2008 mainly on the back of capital, emerged as the best performing income fund of the quarter. Dawood Money Market Fund was the only fund in the category which managed to offer annualized returns over 10% consistently in all three months and came out to be the second best performing fund of the quarter under review. MCB Dynamic Cash Fund and HBL Income Fund managed to offer returns over 9.75% and respectively clinched third and fourth places. IGI Income Fund continued with its consistent returns and took the fifth place.

Chart 16: Top Ten Income Funds of 1Qtr CY08



Source: IGI Fund Select

Chart 17: Top Ten Income Funds of 9month FY07-08



Source: IGI Fund Select

Considering year-to-date annualized returns, AMZ Plus Income Fund managed to retain its top spot followed by AKD Income Fund and Dawood Money Market Fund respectively. The gap between AKD Income Fund and Dawood Money Market Fund squeezed significantly in March and Dawood Money Market Fund is set to take the second place. KASB Liquid Fund, Faysal Saving Growth Fund and IGI Income Fund managed to retain their fourth, fifth and sixth spots respectively. IGI Income Fund is closely following Faysal Saving Growth Fund and the gap between the two reduced to merely 2bps in March CY08 which was 9bps a month earlier. There is the probability that we might see IGI Income Fund moving up the ladder in the months to come. MCB Dynamic Cash Fund moved up one place to seventh spot as NAFA Cash Fund slipped to eighth place. Alfalah GHP Income Fund Multiplier moved up one spot to ninth place. Reliance Income Fund managed to make the list of top ten income funds with an average annualized return of 9.32%.

Dawood Islamic Fund (DIF)

Company Snapshot

Table 4: Fact Sheet

Name of the Fund	Dawood Islamic Fund
Structure	Open-end Scheme
Industry Category	Shariah Compliant Islamic
Shariah Board	Mufti Muneer ur Rehman Mufti Maulana Sabir Hussein
Net Assets - 31 Mar-08	PKR. 540 million
Major Sponsors	First Dawood Investment Bank Ltd. Dawood Islamic Bank Ltd.
Registered Address	1500-A Saima Trade Tower, I.I.Chundrigar Road, Karachi
Trustee and Custodian	CDC
Registrar	Gangjees Registrar Services (Pvt) Limited
IPO Date	14 July, 2007
Legal Advisor	Bawaney & Partners
Listing	Karachi Stock Exchange
Duration	Perpetual
Governing Law	Non-Banking Finance Companies (NBFC) Rules, 2003
Governing Body	Securities & Exchange Commission of Pakistan
Management Fee	1.5% per annum
Min. Initial Investment	Rs. 5,000/-
Min. Additional Investment	Rs. 500/- and above

Source: DIF FMR

Dawood Capital Management (DCM) commenced operations in May 2003 by floating its first open-end money market fund namely 'Dawood Money Market Fund' (DMMF) with a record core capital of PRs300mn. Since DMMF became eligible for rating by the Pakistan Credit Rating Agency (PACRA), the fund has always maintained the highest possible 5 star rating. In March 2005, DCM floated its first close-end balanced fund 'First Dawood Mutual Fund' (FDMF) with PRs500 million. FDMF has been given a 4-Star Rating by PACRA. On July 12, 2007, DCM floated its first Shariah-Compliant open-end fund 'Dawood Islamic Fund' (DIF), which offers 'Riba-free' returns to its valued investors. All funds are listed on the Karachi Stock Exchange. DCM is the first Asset Management Company to be listed on the Karachi Stock Exchange and currently has over PR5bn assets under the management.

Investment Objective

Dawood Islamic Fund's (DIF) objective is to provide investors the opportunity to earn Riba-free Halal income through investment. DIF is an Asset Allocation Fund, the first of its kind in Pakistan, allowing investors an alternative to the traditional 100% equity exposure Islamic Funds. It is the intention of the fund manager to limit its exposure to the equity market to a maximum of 25% of the Net Assets of the fund, placing it in the moderate risk category. DIF shall be invested in the following asset classes; a) Equity including depositary receipts such as Global Depositary Receipts and American Depositary Receipts, b) Participation Term Certificates, c) Modaraba Certificates, d) Musharika, Murahaba, Sukuk and Term Finance Certificates, e) Sukuk Islamic Bonds and other types of Islamic bonds, f) Any other asset-backed securities, g) Mutual funds and other managed accounts and co-mingled accounts and schemes outside Pakistan, h) Any other securities or instruments that may be permitted by the Commission and the Shariah Council, i) The above and other Shariah- Compliant Investments available outside Pakistan.

Performance Highlights

Since inception, the Fund has performed consistently, even through the turbulent phases of the market in August and December. The high portion of non equity investments provides the fund with stability, whilst providing Halal Munafa. The fund maintained one of the lowest standard deviations in the Islamic Funds category. In March 2008, the fund offered a return of 1.12% and has underperformed the KSE 100 index by merely 16bps. During the 1st Qtr CY08, the Fund yielded a return of 3.75% which was significantly lower than KSE-100 index returns. Considering the return since inception, despite somewhat dismal performance during the 1Qtr CY08, the Fund offered a return of 9.40% which is almost in line with the KSE-100 index returns and the Fund stood fourth among its competitors. In our view, this is a big achievement for the Fund to offer return inline with the KSE100 index despite the fact that it takes only 15%-20% exposure in equities and being an Islamic Fund, it is restricted to take exposure in some attractive sectors such as banking and insurances which have outperformed the index in recent past.

Table 5: Monthly Snapshot

Financial year return (annualised)	13.12%
Monthly return March 2008	1.12%
1-M KIBOR	9.90%
KSE Financial year to date	9.83%
Standard Deviation	0.93%

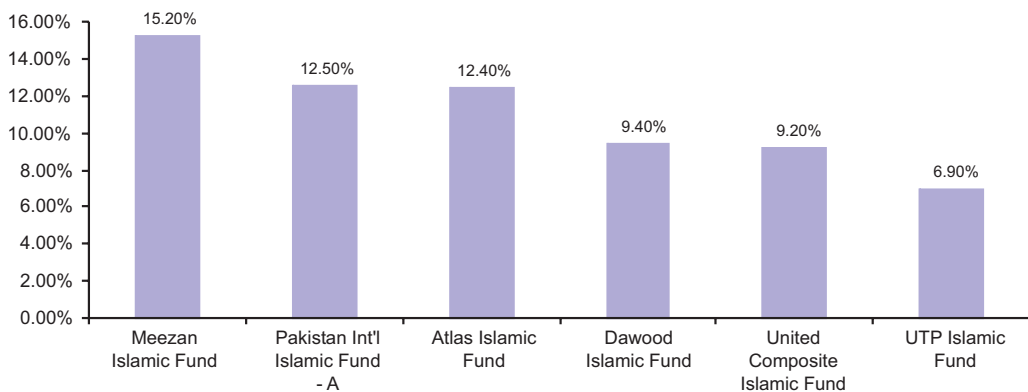
Source: DIF FMR

Table 6: Rolling Returns

Rolling Returns	1 Month	2 Month	3 Month	6 Month	12 Month
DIF (Annualised)	13.13%	15.70%	15.81%	13.37%	N/A
KIBOR	9.90%	9.94%	9.83%	9.81%	9.62%
KSE-100 (total)	1.28%	7.91%	7.45%	13.27%	9.83%

Source: DIF FMR (Fund Manager Report)

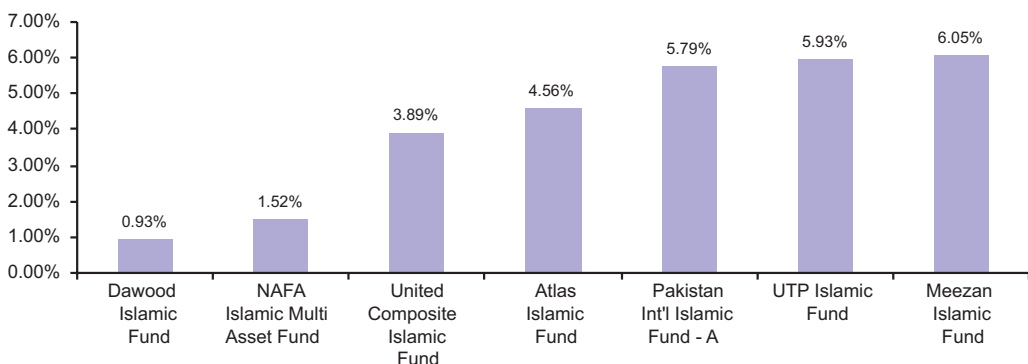
Chart 18: Islamic Funds: YTD Performance Snapshot



Source: IGI Fund Select

Considering consistency in performance, using standard deviation, the Fund emerged as the best performing Islamic Fund which takes exposures in equities.

Chart 19: Performance Highlights Islamic Fund (Criteria: Standard Deviation)

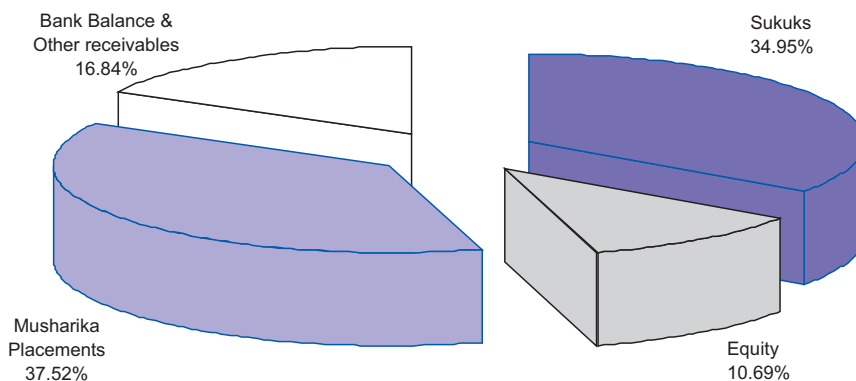


Source: IGI Fund Select

Asset Allocation

As on March 31, 2008, the fund had only 10.69% exposure in equities while the rest is invested in Musharaka, Sukuks, Banks balances and other receivables.

Chart 20: Assets Allocation as on March 31, 2008



Source: DIF FMR

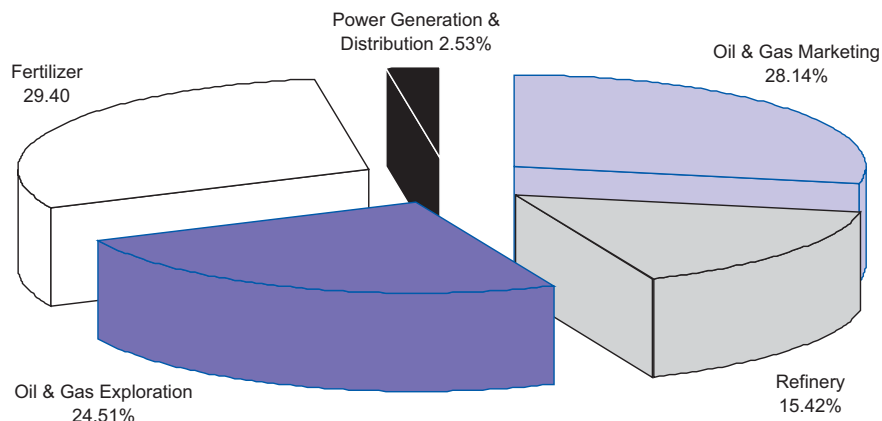
Table 4: Top five holdings

Engro Chemical Pakistan Limited
Shell Pakistan Limited
O.G.D.C.
National Refinery
Pakistan Refinery

Source: DIF FMR

In equities, the fund has exposures in sectors which are relatively less vulnerable to economy performance. In our view, this is a prudent investment strategy because sectors not depended on economic indicators are likely to offer relatively better returns in the near future. Massive exposure in Oil & Gas sectors is likely to offer good return mainly on the back of expected better results for the quarter ended March 31, 2008 and this will enable the fund to yield even better returns, going forward.

Chart 21: Major Sector Allocation



Source: DIF FMR

Target Market

The fund offers an ideal investment opportunity to investors whose key objective is to take exposure in Shariah Complaint Fund which offers fairly decent returns coupled with maximum protection of their investments.

Bottomline: An Investment Perspective

We view this fund as a long term defensive player having potential to offer returns above investor’s expectation in a truly Islamic way.

Table 7: General Information

Launch Date	April 22, 2006
Fund Size	Rs. 25.1 billion
Type	Open-end-Fixed Income Fund
Dealing	Daily
Settlement	2-3 business days
Load	No entry or exit load
Management Fee	1.5% per annum
Fund Stability Rating	A(f)
Performance	5-Star (JCR-VIS)
Listing	Lahore Stock Exchange
Custodian & Turstee	Central Depository Company (CDC)
Auditors	A. F. Ferguson & Co
Benchmark	3-Month T-Bills
Fund Manager	Ms. Rukhsana Narejo, CFA
Minimum Subscription	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-

Source: NAFA FMR

NAFA Cash Fund

Company Snapshot

National Fullerton Assets Management Limited (NAFA), is a joint venture between three financial power houses; National Bank of Pakistan (NBP), NIB Bank and the global expertise of Fullerton Fund Management Group, Singapore. Presently, NAFA has five funds with US\$500mn assets under management. Within few years of commencing its operations, NAFA has become one of the three largest AMC's operating in Pakistan.

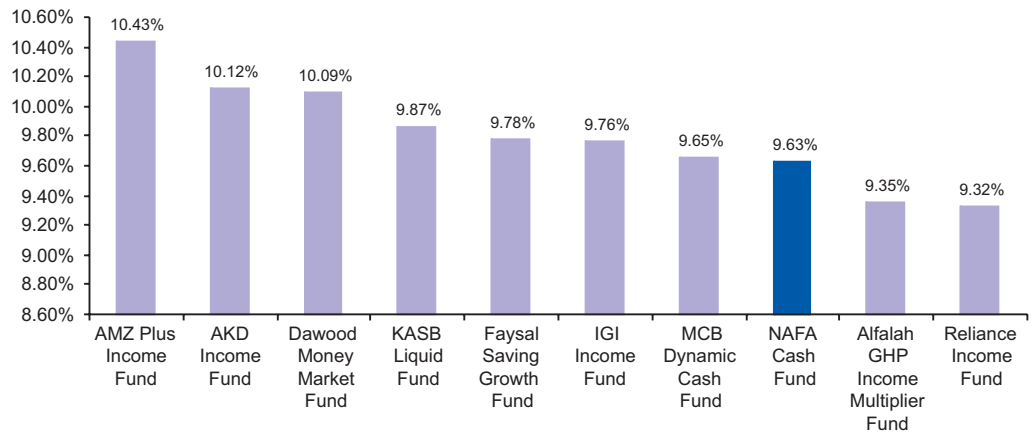
Investment Objective

To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.

Performance Highlights

NAFA cash fund is the largest money market / income fund in Pakistan with cumulative assets under management standing at PRs 25.1 billion while fund size has increased by 2% alone in March 2008. Since inception, the fund has offered an average annualized return of 10.8%, managing to beat its benchmark by a hefty 100bps. The fund remained one of the best performing funds in terms of risk-adjusted returns amongst its competitors being 2nd in terms of Standard Deviation at just 0.29% and 8th in YTD annualized returns of 9.63%.

Chart 22: Top Ten Income Funds of Ongoing FY07-08 (Criteria: Annualized YTD Returns)



Source: IGI Fund Select

Table 8: Performance

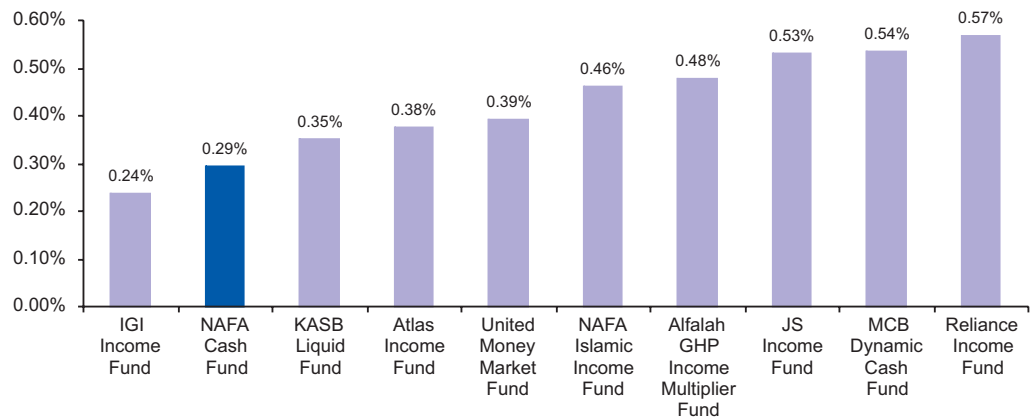
Annualized Performance (%) *	Jan-Dec 2007	Oct -Mar 2007-08	Jan-Mar 2008	March 2008	Since Launch
NAFA Cash Fund	10.3%	9.4%	9.3%	9.1%	10.8%
Benchmark	9.4%	9.6	9.6%	9.7%	9.8%
Monthly profit on Rs. 100,000 invested	Rs.857	Rs.785	Rs.771	Rs.772	**Rs.21,065

* Returns are net of management fee & all other expenses

** Represents cumulative profit since inception

Source: NAFA FMR (Fund Manager Report)

Chart 23: Top Ten Income Funds of Ongoing FY07-08 (Criteria: Standard Deviation)

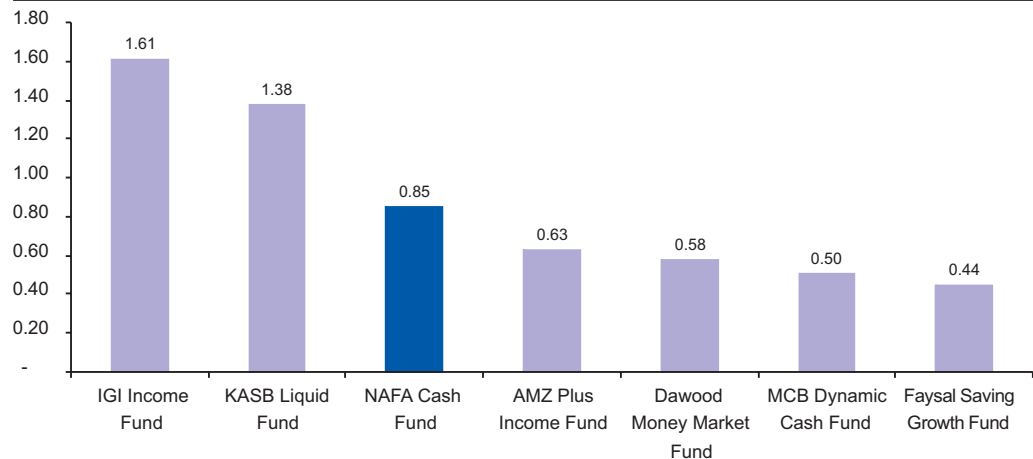


Note: Standard Deviation is calculated for monthly returns during July 2007 - March 2008

Source: IGI Fund Select

NAFA Cash Fund has benefited from the rising interest rate environment by investing in short term and floating rate instruments. Meanwhile fixed income investments have been reserved for growing and profitable sectors to improve asset quality. Based on Sharpe Ratio, (which is considered to be one of the best ratios for evaluating performance of mutual funds particularly income funds) out of 23 income funds, NAFA Cash Fund emerged as the third best performing income fund of ongoing FY07-08.

Chart 24: Top Seven Income Funds of Ongoing FY07-08 (Criteria: Sharp Ratio)



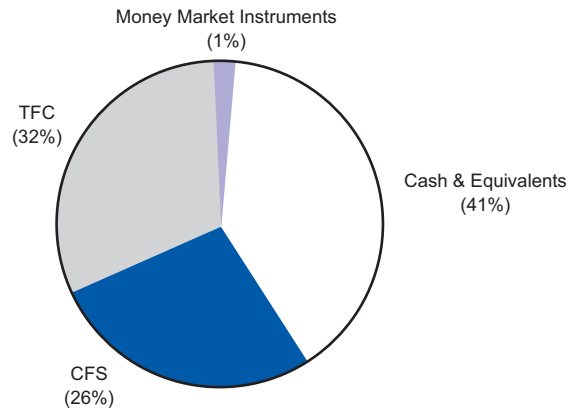
Note: Average monthly rate of 6 month T-bills is used as a risk free rate for calculating Sharpe Ratio

Source: IGI Fund Select

Asset Allocation

Asset Allocation as of March 31, 2008 suggests that the largest proportion of funds at 41% are being held in cash & equivalents, followed by TFCs at 32% and CFS instruments at 26% with the remaining funds allocated to money market instruments. Keeping in view rising interest rate scenario likely to prevail in near future, we believe that excess liquidity would enable the Fund to yield even better returns going forward.

Chart 25: Asset Allocation (as of March 31, 2008)



Source: NAFA FMR

Target Market

The fund offers an outstanding investment opportunity to investors whose prime objective is capital protection coupled with smooth capital appreciation.

Bottomline: An Investment Perspective

We view this fund as a defensive long term growth player having potential to offer returns over and above investor's expectations consistently.

Relative Ranking

Open End Income/Money Market Funds								
Income Funds		YTD Returns Annualized	Income Funds		Standard Deviation	Income Funds	Sharpe Ratio	
1	AMZ Plus Income Fund	10.43%	1	IGI Income Fund	0.24%	1	IGI Income Fund	1.61
2	AKD Income Fund	10.12%	2	NAFA Cash Fund	0.29%	2	KASB Liquid Fund	1.38
3	Dawood Money Market Fund	10.09%	3	KASB Liquid Fund	0.35%	3	NAFA Cash Fund	0.85
4	KASB Liquid Fund	9.87%	4	Atlas Income Fund	0.38%	4	AMZ Plus Income Fund	0.63
5	Faysal Saving Growth Fund	9.78%	5	United Money Market Fund	0.39%	5	Dawood Money Market Fund	0.58
6	IGI Income Fund	9.76%	6	NAFA Islamic Income Fund	0.46%	6	MCB Dynamic Cash Fund	0.50
7	MCB Dynamic Cash Fund	9.65%	7	Alfalsh GHP Income Multiplier Fund	0.48%	7	Faysal Saving Growth Fund	0.44
8	NAFA Cash Fund	9.63%	8	JS Income Fund	0.53%	8	AKD Income Fund	0.28
9	Alfalsh GHP Income Multiplier Fund	9.35%	9	MCB Dynamic Cash Fund	0.54%	9	POBOP Advantage Plus Fund	(0.04)
10	Reliance Income Fund	9.32%	10	Reliance Income Fund	0.57%	10	Alfalsh GHP Income Multiplier Fund	(0.06)
11	HBL Income Fund	9.32%	11	United Growth & Income Fund	0.70%	11	HBL Income Fund	(0.07)
12	JS Income Fund	9.31%	12	First Habib Income Funds	0.75%	12	Askari Income Fund	(0.08)
13	POBOP Advantage Plus Fund	9.31%	13	BMA Chundrigar Road Saving Fund	0.75%	13	Reliance Income Fund	(0.11)
14	Askari Income Fund	9.28%	14	Pakistan Income Fund	0.79%	14	JS Income Fund	(0.13)
15	First Habib Income Funds	9.24%	15	HBL Income Fund	0.84%	15	United Islamic Income Fund	(0.17)
16	Atlas Income Fund	9.21%	16	Meezan Islamic Income Fund	0.87%	16	First Habib Income Funds	(0.19)
17	Pakistan Income Fund	9.20%	17	Faysal Saving Growth Fund	0.90%	17	Pakistan Income Fund	(0.23)
18	United Growth & Income Fund	9.13%	18	Askari Income Fund	1.21%	18	United Growth & Income Fund	(0.36)
19	United Money Market Fund	9.09%	19	Dawood Money Market Fund	1.23%	19	BMA Chundrigar Road Saving Fund	(0.44)
20	United Islamic Income Fund	9.09%	20	AMZ Plus Income Fund	1.67%	20	Atlas Income Fund	(0.44)
21	BMA Chundrigar Road Saving Fund	9.05%	21	United Islamic Income Fund	1.69%	21	Meezan Islamic Income Fund	(0.50)
22	Meezan Islamic Income Fund	8.94%	22	POBOP Advantage Plus Fund	1.94%	22	United Money Market Fund	(0.74)
23	NAFA Islamic Income Fund	7.70%	23	AKD Income Fund	2.62%	23	NAFA Islamic Income Fund	(3.63)
Asset Allocation and Balanced Funds		YTD Returns	Asset Allocation and Balanced Funds		Std Deviation	Asset Allocation and Balanced Funds		Sharpe Ratio
1	NAFA Multi Asset Fund	15.10%	1	Faysal Income & Growth Fund	0.53%	1	UTP Capital Protected Fund-I	3.20
2	JS Fund of Funds	13.00%	2	UTP Capital Protected Fund-I	0.89%	2	NAFA Multi Asset Fund	2.07
3	UTP Capital Protected Fund-I	9.90%	3	Askari Asset Allocation fund	1.57%	3	Faysal Income & Growth Fund	1.83
4	UTP (Balanced Fund)	9.70%	4	Alfalsh GHP Value Fund	3.19%	4	JS Fund of Funds	1.72
5	Faysal Income & Growth Fund	8.00%	5	Faysal Balanced Growth Fund	3.23%	5	UTP (Balanced Fund)	0.66
6	Pakistan Capital Market Fund	7.00%	6	JS Fund of Funds	3.47%	6	Pakistan Capital Market Fund	(0.01)
7	Faysal Balanced Growth Fund	6.80%	7	NAFA Multi Asset Fund	3.89%	7	Faysal Balanced Growth Fund	(0.07)
8	Alfalsh GHP Value Fund	5.50%	8	UTP (Balanced Fund)	4.06%	8	Alfalsh GHP Value Fund	(0.48)
9	Askari Asset Allocation fund	2.40%	9	JS Aggr Asset Alloc Fund	5.64%	9	JS Aggr Asset Alloc Fund	(1.12)
10	JS Aggr Asset Alloc Fund	0.70%	10	Pakistan Capital Market Fund	5.93%	10	Askari Asset Allocation fund	(2.96)
Islamic Funds		YTD Returns	Islamic Funds		Std Deviation	Islamic Funds		Sharpe Ratio
1	Meezan Islamic Fund	15.20%	1	Dawood Islamic Fund	0.93%	1	Dawood Islamic Fund	2.54
2	Pakistan Int'l Islamic Fund - A	12.50%	2	United Composite Islamic Fund	3.90%	2	Meezan Islamic Fund	1.35
3	Atlas Islamic Fund	12.40%	3	Atlas Islamic Fund	4.56%	3	Atlas Islamic Fund	1.18
4	Dawood Islamic Fund	9.40%	4	Pakistan Int'l Islamic Fund - A	5.79%	4	Pakistan Int'l Islamic Fund - A	0.94
5	United Composite Islamic Fund	9.17%	5	UTP Islamic Fund	5.93%	5	United Composite Islamic Fund	0.55
6	UTP Islamic Fund	6.91%	6	Meezan Islamic Fund	6.05%	6	UTP Islamic Fund	(0.02)
Equity Funds		YTD Returns	Equity Funds		Std Deviation	Equity Funds		Sharpe Ratio
1	Crosby Dragon Fund	36.30%	1	HBL Stock Fund	3.44%	1	Crosby Dragon Fund	2.96
2	NAFA Stock Fund	18.60%	2	KASB Stock Fund	5.04%	2	NAFA Stock Fund	1.74
3	AKD Opportunity Fund	13.80%	3	United Stock Advantage Fund	5.26%	3	AKD Opportunity Fund	1.09
4	United Stock Advantage Fund	12.30%	4	Atlas Stock Market Fund	5.40%	4	United Stock Advantage Fund	1.00
5	National Investment Trust	12.10%	5	National Investment Trust	5.95%	5	National Investment Trust	0.85
6	Pakistan Stock Market Fund	11.40%	6	AMZ Plus Stock Market Fund	6.13%	6	Atlas Stock Market Fund	0.75
7	Atlas Stock Market Fund	11.10%	7	AKD Opportunity Fund	6.18%	7	HBL Stock Fund	0.75
8	AMZ Plus Stock Market Fund	10.10%	8	MCB Dynamic Stock Fund	6.35%	8	Pakistan Stock Market Fund	0.69
9	HBL Stock Fund	9.60%	9	Pakistan Stock Market Fund	6.36%	9	AMZ Plus Stock Market Fund	0.50
10	KASB Stock Fund	6.40%	10	NAFA Stock Fund	6.65%	10	UTP A30+ Fund	(0.09)
11	MCB Dynamic Stock Fund	6.40%	11	AKD Index Tracker Fund	6.75%	11	MCB Dynamic Stock Fund	(0.10)
12	UTP A30+ Fund	6.40%	12	UTP A30+ Fund	6.98%	12	KASB Stock Fund	(0.13)
13	AKD Index Tracker Fund	5.63%	13	Crosby Dragon Fund	9.89%	13	AKD Index Tracker Fund	(0.21)

Please Note: Funds launched after October 2007 are not included in the above table.

Standard Deviation and Sharpe Ratio are calculated on monthly returns during July 2007 - March 2008.
6 months T-Bill rates have been used as a risk free rate for calculating Sharpe Ratio.

Performance Profile

Annualized Month on Month Returns August 2007- March 2008

	August	September	October	November	December	January	February	March
Open End Income/Money Market Fund	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return
AMZ Plus Income Fund	13.71%	10.04%	9.90%	8.42%	8.96%	8.92%	9.79%	9.18%
Askari Income Fund	10.09%	10.20%	9.72%	9.00%	8.87%	8.36%	8.04%	6.59%
Atlas Income Fund	8.53%	9.35%	9.28%	9.07%	8.98%	8.96%	8.38%	9.41%
Dawood Money Market Fund	9.65%	8.81%	8.49%	10.15%	9.13%	10.44%	12.59%	10.64%
KASB Liquid Fund	10.01%	9.75%	9.27%	9.15%	9.58%	9.39%	10.08%	9.13%
NAFA Cash Fund	9.53%	9.30%	9.56%	8.98%	9.13%	9.10%	9.45%	9.09%
Pakistan Income Fund	10.47%	8.63%	8.70%	7.99%	9.26%	7.84%	8.80%	9.50%
United Growth & Income Fund	9.69%	7.88%	8.90%	8.34%	8.69%	9.20%	7.89%	9.10%
United Money Market Fund	9.13%	8.57%	8.87%	8.31%	8.85%	9.52%	8.45%	8.41%
JS Income Fund	9.26%	9.21%	9.62%	8.53%	8.18%	9.68%	8.61%	8.98%
Reliance Income Fund	7.88%	9.08%	9.91%	8.98%	8.86%	9.33%	9.60%	9.35%
Meezan Islamic Income Fund	7.46%	8.27%	9.22%	8.51%	8.63%	8.80%	8.85%	9.56%
MCB Dynamic Cash Fund	9.77%	9.01%	8.90%	8.43%	9.08%	9.91%	9.98%	9.36%
HBL Income Fund	8.75%	8.05%	9.03%	8.50%	8.39%	9.46%	8.72%	10.87%
AKD Income Fund	14.37%	4.29%	9.93%	9.56%	10.45%	9.83%	9.26%	9.10%
IGI Income Fund	9.92%	9.29%	9.27%	9.22%	9.49%	9.76%	9.36%	9.44%
Faysal Saving Growth Fund	10.25%	10.10%	9.62%	9.28%	8.34%	9.41%	8.67%	8.94%
First Habib Income Funds	10.50%	9.35%	8.49%	7.89%	8.83%	8.54%	8.94%	9.53%
Alfalah GHP Income Multiplier Fund	9.17%	9.26%	9.32%	9.08%	9.91%	8.84%	9.27%	8.11%
BMA Chundrigar Road Saving Fund			9.10%	7.47%	8.92%	9.63%	9.00%	9.36%
NAFA Islamic Income Fund			-	6.87%	7.64%	7.90%	8.05%	7.82%
POBOP Advantage Plus Fund			-	7.28%	8.87%	12.51%	9.07%	8.65%
United Islamic Income Fund			5.62%	8.67%	8.47%	8.57%	8.11%	10.93%

Month on Month Returns Aug-2007- Mar-2008

Asset Allocation and Balanced Funds

Alfalah GHP Value Fund	-3.14%	4.92%	4.40%	-1.50%	-1.92%	-0.60%	4.55%	1.36%
Faysal Balanced Growth Fund	-5.68%	4.70%	5.29%	-1.10%	0.83%	0.21%	1.89%	-0.20%
NAFA Multi Asset Fund	-5.05%	5.95%	6.84%	0.50%	-0.71%	-1.23%	3.13%	1.11%
UTP (Balanced Fund)	-7.59%	5.21%	2.43%	-0.40%	0.75%	2.36%	5.36%	3.66%
Pakistan Capital Market Fund	-8.01%	9.73%	8.28%	-1.60%	-5.57%	-2.54%	3.95%	0.24%
JS Aggr Asset Alloc Fund	-11.86%	2.88%	0.63%	-2.10%	0.88%	2.21%	7.41%	5.37%
Askari Asset Allocation fund			0.05%	-1.50%	-0.96%	0.52%	2.72%	-1.21%

Sector Specific and Hybrid Funds

JS Fund of Funds	-4.07%	4.27%	2.58%	1.37%	0.34%	2.31%	4.14%	0.93%
Faysal Income & Growth Fund	0.63%	1.08%	1.03%	0.84%	1.00%	0.65%	2.37%	0.74%
UTP Capital Protected Fund-I	-0.92%	1.04%	1.56%	0.94%	0.55%	1.81%	1.19%	2.23%
UTP Capital Protected Fund-II				0.26%	2.88%	2.60%	1.10%	1.09%
UTP Capital Protected Fund-III				0.94%	0.60%	1.00%	0.91%	0.82%

Islamic Funds

Meezan Islamic Fund	-8.65%	10.68%	8.38%	-1.80%	-3.62%	0.29%	5.66%	3.25%
Pakistan Int'l Islamic Fund - A	-7.13%	9.27%	8.75%	-2.50%	-5.44%	-1.23%	4.41%	1.88%
United Composite Islamic Fund	-6.40%	5.95%	5.21%	-1.50%	-1.28%	-0.16%	4.29%	1.93%
UTP Islamic Fund	-12.99%	6.36%	5.60%	0.60%	-2.99%	2.13%	3.53%	4.46%
Atlas Islamic Fund	-8.30%	6.46%	6.38%	-1.90%	-0.82%	1.63%	3.65%	2.57%
NAFA Islamic Multi Asset Fund				-0.40%	-2.15%	0.75%	1.45%	1.40%
Dawood Islamic Fund						1.14%	2.42%	1.12%

Equity Funds

AKD Opportunity Fund	-10.14%	9.77%	7.87%	-1.00%	-2.35%	-0.17%	7.56%	2.73%
AMZ Plus Stock Market Fund	-10.73%	9.39%	7.47%	-1.00%	-1.98%	0.55%	7.04%	-0.22%
Atlas Stock Market Fund	-8.60%	8.11%	7.06%	-1.20%	-2.61%	0.92%	6.72%	2.13%
Crosby Dragon Fund	-10.50%	14.87%	13.51%	10.50%	7.78%	-2.92%	11.54%	5.68%
KASB Stock Fund	-1.40%	8.45%	8.36%	-3.70%	-1.33%	-1.03%	8.43%	0.03%
MCB Dynamic Stock Fund	-9.20%	10.17%	6.56%	-2.40%	-2.51%	-2.78%	8.61%	1.12%
National Investment Trust	-9.03%	7.27%	7.59%	-0.50%	0.34%	0.00%	4.01%	1.12%
NAFA Stock Fund	-10.21%	9.90%	11.38%	-0.50%	-1.69%	-0.74%	4.25%	1.72%
Pakistan Stock Market Fund	-9.22%	11.16%	8.22%	-1.50%	-3.84%	-1.23%	6.49%	1.67%
United Stock Advantage Fund	-7.73%	8.17%	7.14%	-0.80%	-2.76%	0.16%	6.81%	2.63%
UTP A30+ Fund	-11.36%	10.13%	6.32%	-3.10%	0.02%	-0.44%	9.91%	0.89%
HBL Stock Fund			4.96%	-2.20%	-2.43%	0.64%	5.64%	0.80%
AKD Index Tracker Fund	-10.99%	9.40%	6.37%	-3.10%	-1.27%	-8.00%	6.11%	1.35%

N/L = Not Launched

Source: IGI Fund Select

Dividend Display

S #	Mutual Fund	Inception Date	2002-03	2003-04	2004-05	2005-06	2006-07	Dividend Detail 2006-07 (PRs Per Unit)
Equity Funds								
1	Atlas Stock Market Fund	22-Nov-04	-	-	12.50%	25.00%	20.00%	100.00
2	Crosby Dragon Fund	24-Dec-03	-	2%	10.5%	15.00%	38.00%	38.00
3	National Investment Trust	12-Nov-62	17.50%	25.50%	33.00%	58.00%	62.00%	6.20
4	Pakistan Stock Market Fund	12-Mar-02	40.00%	60.00%	70.00%	60.00%	50.00%	25.00
5	AMZ Plus Stock Fund	24-Jul-06	-	-	-	-	19.00%	13.00 Cash + 6 bonus units per 100 units
6	AKD Opportunity Fund	1-Mar-06	-	-	-	0.00%	10.00%	5.00
7	KASB Stock Fund	22-Mar-07	-	-	-	-	9.74%	4.87
8	MCB Dynamic Stock Fund	1-Mar-07	-	-	-	-	25.00%	20.00 Cash + 5.00 Bonus = 25.00
9	United Stock Advantage Fund	4-Aug-06	-	-	-	-	22.30%	22.30
10	UTP-A30+ Fund	29-May-06	-	-	-	0.50%	25.00%	7.50 Interim + 5.00 Final = 12.50
11	NAFA Stock Fund	22-Jan-07	-	-	-	-	22.60%	2.26
Islamic Funds								
1	Meezan Islamic Fund	8-Aug-03	-	15.00%	35.00%	35.00%	31.20%	15.60
2	UTP Islamic Fund	27-Dec-02	8.00%	17.00%	10.00%	37.50%	29.73%	148.63
3	Pakistan Int'l Islamic Elmnt. Fund	2-May-06	-	-	-	-	17.50%	8.75
4	Atlas Islamic Fund	15-Jan-07	-	-	-	-	3.00%	15.00
5	United Composite Islamic Fund	24-Dec-06	-	-	-	-	10.35%	10.35
Hybrid Funds								
1	Faysal Income & Growth Fund	10-Oct-05	-	-	-	5.50%	12.75%	12.75
2	UTP-Capital Protected Fund	21-Feb-07	-	-	-	-	4.50%	4.50
3	UTP-Capital Protected Fund II	18-Jun-07	-	-	-	-	0.20%	0.20
Funds of Funds								
1	UTP - Fund of funds	31-Oct-05	-	-	-	8.00%	15.10%	7.55
Asset Allocation								
1	Pakistan Capital Market Fund	31-Jan-04	-	8.25%	30.00%	30.00%	30.00%	3.00
2	UTP Aggr Asset Alloc Fund	28-Jun-05	-	-	-	65.00%	26.72%	13.36
3	Alfalah GHP Value Fund	28-Oct-05	-	-	-	1.00%	10.44%	5.22 Interim
Balanced Funds								
1	Faysal Balanced Growth Fund	17-May-04	-	-	12.50%	26.00%	18.00%	18.00
2	UTP (Balanced Fund)	27-Oct-97	25.00%	30.00%	20.00%	40.00%	40.21%	2,010.70
3	NAFA Multi Asset Fund	22-Jan-07	-	-	-	-	16.40%	1.64
Money Market Funds								
1	Dawood Money Market Fund	11-May-03	1.10%	7.00%	9.70%	11.50%	10.91%	10.91 bonus units per 100 units
2	United Money Market Fund	7-Aug-02	10.00%	4.85%	4.08%	10.00%	10.10%	10.10
3	KASB Liquid Fund	9-May-06	-	-	-	1.40%	10.72%	10.72
4	NAFA Cash Fund	21-Apr-06	-	-	-	1.90%	10.50%	1.05
Income Funds								
1	Atlas Income Fund	22-Mar-04	-	-	9.75%	11.50%	10.00%	50.00
2	AMZ Plus Income Fund	25-Feb-06	-	-	-	4.14%	11.60%	11.6 bonus units per 100 units
3	Askari Income Fund	16-Mar-06	-	-	-	4.49%	11.06%	11.06
4	Pakistan Income Fund	12-Mar-02	12.00%	9.00%	9.60%	10.00%	10.50%	5.25
5	United Growth & Income Fund	3-Mar-06	-	-	-	9.25%	11.40%	11.40
6	UTP Income Fund	26-Aug-02	9.50%	6.20%	10.25%	12.10%	10.66%	53.30
7	Meezan Islamic Income Fund	15-Jan-07	-	-	-	-	4.40%	2.20
8	MCB Dynamic Cash Fund	1-Mar-07	-	-	-	-	3.38%	3.38
9	HBL Income Fund	19-Mar-07	-	-	-	-	2.65%	2.65
10	AKD Income Fund	1-Mar-07	-	-	-	-	3.19%	1.59
11	IGI Income Fund	16-Apr-07	-	-	-	-	1.95%	1.944 bonus units per 100 units
12	Faysal Saving Growth fund	14-May-07	-	-	-	-	1.25%	1.25
13	First Habib Income Fund	30-May-07	-	-	-	-	1.50%	1.5 bonus units per 100 units

Source: IGI Fund Select

Rating Guide

Open End Mutual Fund	Inception dates	Bench Mark	AMC Rating		Fund Rating
AKD Income Fund	Mar-07	6 M KIBOR	AM3+	JCR-VIS	Not rated as yet
AMZ Plus Income Fund	25-Feb-06	1 M KIBOR	AM3+	JCR-VIS	A(F) JCR-VIS
Askari Income Fund	16-Mar-06	3 M KIBOR	AM3	PACRA & JCR-VIS	A(F) JCR-VIS & 5 Star PACRA
Atlas Income Fund	22-Mar-04	3 M KIBOR	AM3+	PACRA	5 Star PACRA
Dawood Money Market Fund	18-Apr-03	1 M KIBOR	AM3	PACRA	5 Star PACRA
Faysal Income & Growth Fund	10-Oct-05	6 M KIBOR	AM3	JCR-VIS	A+ JCR-VIS
HBL Income Fund	19-Mar-07	1 M KIBOR			Not rated as yet
KASB Liquid Fund	9-May-06	1 M KIBOR	AM3+	PACRA	5 Star PACRA
MCB Dynamic Cash Fund	1-Mar-07	1 M KIBOR	AM3	PACRA	Not rated as yet
Meezan Islamic Income Fund	15-Jan-07		AM2	PACRA	Not rated as yet
NAFA Cash Fund	22-Apr-06	3 M T BILLS	AM2	JCR-VIS	A(F) JCR-VIS
Pakistan Income Fund	11-Mar-02	6 M KIBOR	AM2	PACRA	4 Star PACRA
Reliance Income Fund	19-Oct-06	6 M KIBOR			Not rated as yet
United Growth & Income Fund	2-Mar-06	1 & 3 Yr. KIBOR	AM2-	JCR-VIS	A JCR-VIS
United Money Market Fund	5-Nov-02	1 M KIBOR	AM2-	JCR-VIS	A+ JCR-VIS
JS Income Fund	26-Aug-02	1 M KIBOR	AM2+	PACRA	5 Star PACRA
IGI Income Fund	16-Apr-07	1 M KIBOR	AM3-	PACRA	Not rated as yet
Faysal Savings Growth Fund	14-May-07	1 M KIBOR	AM3	JCR-VIS	Not rated as yet
First Habib Income Funds	30-May-07	1 M KIBOR	AM3-	PACRA	Not rated as yet
Alfalah GHP Income Multiplier Fund	15-Jun-07	1 M KIBOR	AM3	PACRA	Not rated as yet
BMA Chundrigar Road Saving Fund	23-Aug-07	1 M KIBOR			Not rated as yet
NAFA Islamic Income Fund	29-Oct-07	Avg. 1 M Deposit Rate of 4 Islamic Bank	AM2	JCR-VIS	Not rated as yet
POBOP Advantage Plus Fund	25-Oct-07	3 M KIBOR			Not rated as yet
AMZ Plus Stock Fund	24-Jul-06	KSE 100	AM3+	JCR-VIS	Not rated as yet
AKD Opportunity Fund	Mar-06	KSE 100	AM3+	JCR-VIS	Not rated as yet
AKD Index Tracker Fund	Oct-05	KSE 100			
Alfalah GHP Value Fund	28-Oct-05	KSE 100	AM3	PACRA	5 Star PACRA
Alfalah GHP Islamic Fund	3-Sep-07		AM3	PACRA	Not rated as yet
Atlas Islamic Fund	15-Jan-07	KSE 100	AM3+	PACRA	Not rated as yet
Atlas Stock Market Fund	23-Nov-04	KSE 100	AM3+	PACRA	5 Star PACRA
Askari Asset Allocation Fund	10-Sep-07	KSE 100	AM3	PACRA & JCR-VIS	Not rated as yet
Crosby Dragon Fund	Dec-03	KSE 100	AM4-	JCR-VIS	
Dawood Islamic Fund	14-Jul-07	KSE 100	AM3	PACRA	Not rated as yet
Faysal Balanced Growth Fund	14-Apr-04	KSE 100	AM3	JCR-VIS	3 Star JCR-VIS
HBL Stock Fund	1-Sep-07	KSE 100			Not rated as yet
KASB Stock Fund	22-Mar-07	KSE 100	AM3+	PACRA	Not rated as yet
MCB Dynamic Stock Fund	1-Mar-07	KSE 30	AM3	PACRA	Not rated as yet
Meezan Islamic Fund	8-Aug-03	KSE 100	AM2	PACRA	5 Star PACRA
NAFA Multi Asset Fund	22-Jan-07	50% KSE & 50% 1 M KIBOR	AM2	JCR-VIS	Not rated as yet
NAFA Stock Fund	22-Jan-07	KSE 30	AM2	JCR-VIS	Not rated as yet
NAFA Islamic Multi Asset Fund	29-Oct-07	50% Dow Jones Islamic Pakistan Index & 50% Avg. 1 M Deposit rate of 4 Islamic Bank	AM2	JCR-VIS	Not rated as yet
National Investment Trust	12-Nov-62		AM2-	PACRA	3 Star PACRA
Pakistan Capital Market Fund	24-Jan-04	KSE 100	AM2	PACRA	Not rated as yet
Pakistan Int'l Islamic Fund	2-May-06	KSE 100	AM2	PACRA	5 Star PACRA
Pakistan Stock Market Fund	11-Mar-02	KSE 100	AM2	PACRA	Not rated as yet
United Composite Islamic Fund	24-Dec-06	KSE 100	AM2-	JCR-VIS	Not rated as yet
United Stock Adv. Fund	4-Aug-06	KSE 100	AM2-	JCR-VIS	Not rated as yet
UTP - A30+ Fund	29-May-06	A 30 index	AM2+	PACRA	Not rated as yet
UTP - Fund of Funds	31-Oct-05	Composite BM of Top 10 open end funds with equal weightage	AM2+	PACRA	5 Star PACRA
UTP (Balanced Fund)	27-Oct-97	30% 6 M KIBOR % 70% KSE 30	AM2+	PACRA	5 Star PACRA
UTP Aggr Asset Alloc Fund	28-Jun-05	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	Not rated as yet
UTP Islamic Fund	27-Dec-02	Dow Jones Islamic Market Index	AM2+	PACRA	Not rated as yet
UTP-CPF I	21-Feb-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	Not rated as yet
UTP-CPF II	18-Jun-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	Not rated as yet
UTP-CPF III	28-Sep-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	Not rated as yet

Source: IGI Fund Select

Sector Snapshot

Open End Mutual Fund	Fund Sizes as at 29 February, 08 (PRsbn)	Fund Sizes as at 31 March, 08 (PRsbn)	%Growth in Fund Sizes MoM	Front-end Load	Back-end Load	Mgt Fee
AKD Income Fund	6.170	6.223	0.86%	1.00%	Nil	1.10%
AMZ Plus Income Fund	6.008	5.635	-6.21%	Nil	Nil	1.25%
Askari Income Fund	13.50	13.52	0.16%	Nil	0.25%	1.50%
Atlas Income Fund	5.31	5.544	4.41%	2.00%	Nil	1.00%
Dawood Money Market Fund	3.60	3.54	-1.69%	1.00%	Nil	1.00%
Faysal Income & Growth Fund	3.52	3.37	-4.29%	1.00%	2%2	1.25%
HBL Income Fund	6.39	6.47	1.31%	Nil	Nil	1.50%
KASB Liquid Fund	9.80	9.36	-4.46%	Nil	Nil3	1.30%
MCB Dynamic Cash Fund	12.990	14.225	9.51%	Nil	Nil	1.50%
Meezan Islamic Income Fund	7.322	6.614	-9.67%	0.50%	1%4	1.00%
NAFA Cash Fund	24.60	25.10	2.03%	Nil	Nil	1.50%
Pakistan Income Fund	9.05	11.19	23.65%	1.35%	Nil	1.50%
Reliance Income Fund	1.47	1.39	-5.77%	1.50%	Nil	1.50%
United Growth & Income Fund	15.780	16.912	7.17%	1.50%	Nil5	1.50%
United Money Market Fund	9.850	10.315	4.72%	Nil	Nil	1.50%
JS Income Fund	11.90	13.88	16.66%	1.50%	Nil	1.50%
IGI Income Fund	3.22	4.05	25.62%	Nil	Nil	1.25%
Faysal Savings Growth Fund	3.71	3.45	-7.09%	Nil	Nil	1.50%
First Habib Income Funds	2.63	2.71	3.04%	Nil	Nil6	1.50%
Alfalah GHP Income Multiplier Fund	4.480	4.398	-1.83%	Nil	Nil	1.25%
BMA Chundrigar Road Saving Fund	3.47	3.97	14.28%	1.00%	Nil	1.50%
NAFA Islamic Income Fund	1.13	1.070	-5.31%	1.00%	Nil	1.50%
POBOP Advantage Plus Fund	2.58	2.52	-2.33%	1.00%	Nil	1.50%
United Islamic Income Fund	2.090	1.973	-5.60%	1%9	1%10	1.25%
Totals	170.58	177.43	4.02%			
AMZ Plus Stock Fund	0.624	0.731	17.15%	3.00%	Nil	3.00%
AKD Opportunity Fund	1.560	1.609	3.14%	3.00%	Nil	3.00%
AKD Index Tracker Fund	0.392	0.397	1.28%	1.00%	2%7	0.75%
Alfalah GHP Value Fund	0.626	0.635	1.37%	2.50%	Nil	2.50%
Alfalah GHP Islamic Fund	0.359	0.440	22.42%	2.50%	Nil	2.25%
Atlas Islamic Fund	0.685	0.662	-3.36%	1.00%	1.5%8	3.00%
Atlas Stock Market Fund	1.710	1.674	-2.11%	2.00%	Nil	3.00%
Askari Asset Allocation Fund	0.642	0.637	-0.78%	2.50%	Nil	3.00%
Crosby Dragon Fund	2.420	2.700	11.57%	2.00%	Nil	2.50%
Dawood Islamic Fund	0.482	0.540	12.03%	1.00%	Nil	1.50%
Faysal Balanced Growth Fund	1.134	1.168	3.00%	2.25%	Nil	2.25%
HBL Stock Fund	1.990	1.934	-2.81%	2.50%	Nil	3.00%
HBL Multi Asset Fund	0.616	0.591	-4.06%			
KASB Stock Fund	0.457	0.474	3.72%	2.50%	Nil	3.00%
KASB Balanced Fund	0.868	0.866	-0.23%			
MCB Dynamic Stock Fund	1.068	1.025	-4.03%	2.50%	Nil	3.00%
Meezan Islamic Fund	5.571	5.901	5.92%	2.00%	Nil	3.00%
NAFA Multi Asset Fund	2.461	2.688	9.22%	3.00%	Nil	2.50%
NAFA Stock Fund	2.524	2.875	13.91%	3.00%	Nil	3.00%
NAFA Islamic Multi Asset Fund	0.792	0.830	4.80%	3.00%	Nil	2.50%
National Investment Trust	103.800	105.000	1.16%	2.50%	1.00%	1.00%
Pakistan Capital Market Fund	1.090	1.090	0.00%	2.50%	Nil	3.00%
Pakistan Int'l Islamic Fund	0.990	1.050	6.06%	*	**	***
Pakistan Stock Market Fund	3.610	3.650	1.11%	2.50%	Nil	2.00%
United Composite Islamic Fund	1.185	1.248	5.32%	2.50%	Nil	3.00%
United Stock Adv. Fund	2.552	2.732	7.05%	2.50%	Nil	3.00%
UTP - A30+ Fund	0.344	0.287	-16.57%	-	Nil	1.50%
UTP - Fund of Funds	0.163	0.218	33.74%	3.00%	Nil	1.00%
UTP (Balanced Fund)	4.831	5.844	20.97%	3.00%	Nil	2.00%
UTP Aggr Asset Alloc Fund	0.639	0.627	-1.88%	3.00%	Nil	3.00%
UTP Islamic Fund	0.887	0.927	4.51%	3.00%	Nil	3.00%
UTP-CPF I	1.131	1.165	3.01%	3.00%	5.00%	1.25%
UTP-CPF II	1.604	1.610	0.37%	2.00%	5.00%	1.50%
UTP-CPF III	1.399	1.418	1.36%	2.00%	3.00%	1.50%
Totals	151.21	155.24	2.67%			
Grand Total	321.79	332.67	6.69%			

Source: IGI Fund Select

Load

- 0.25% if redeemed within 2 month
- If redeem within a year and 1% if redeem in the 2nd year of investment and 1% if redeem in the 3rd year of investment and after that no load
- 0.5% if redeemed within 15 days
- If redeem within 6 month and after that .5% load
- Back end load charge on Growth fund: 1 yr 3%, yr 2 2% and yr 1%
- 0.5% if redeemed within 15 days
- Only for seed investors
- If redeem within a year and 1% if redeem in the 2nd year of investment and .5% if redeem in the 3rd year of investment and after that no load
- 1% Frond End load on Income Fund, No. load on Growth
- No Back End load on Income, and on Growth, if redeem < 6 month 1% if redeem = 1 year 0.5 %, after that no load
- Type A 2.5% and Type B, C and D None
- Type A None and B, C, D: 1 yr 3%, yr 2 2% and yr 3 1%
- Type A & B: 3% and Type C&D: 2%

Glossary

Standard Deviation

A measure of the dispersion of a set of data from its mean. The more spread apart the data is, the higher the deviation. In mutual funds, the standard deviation tells us how much the return on the fund is deviating from the expected normal returns.

Sharpe Ratio

A ratio developed by Nobel laureate William F. Sharpe to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.

The Sharpe ratio tells us whether the returns of portfolio are due to smart investment decisions or a result of excess risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been.

Tracking Error

The percentage difference in total return between an index fund and the benchmark index the fund was designed to replicate. This definition of tracking error is best used for evaluation of a passive manager such as an index fund.

$$TE = \sqrt{\frac{\sum_{i=1}^n (R_P - R_B)^2}{N - 1}}$$

Where:

TE = Tracking Error

R_P = Return of Manager or Fund

R_B = Return of Benchmark

N = Number of Return Periods

Information Ratio

The selection Sharpe ratio also known as the information ratio is a measure of active (residual) or selection return per unit of active (residual) risk.

$$IR = \frac{R_P - R_B}{\sqrt{\frac{\sum_{i=1}^n (R_P - R_B)^2}{N - 1}}}$$

Where:

IR = Information Ratio

R_P = Manager or Fund Return

R_B = Return of Benchmark

N = Number of Return Periods

The information ratio is considered a risk-adjusted measure of performance focusing on residual (active) return to residual (active) risk. This is useful ratio for comparing skill across managers.

Source: Investopedia & Tracking Error and the Information Ratio (June 2000- The Journal of Investment Consulting)

IGI

Investment Bank

I, **Tahir Hussein Ali**, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject, securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, relates to the specific recommendations or views expressed in this research report.

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