

MetroBank - Pakistan Sovereign Fund (MSF)

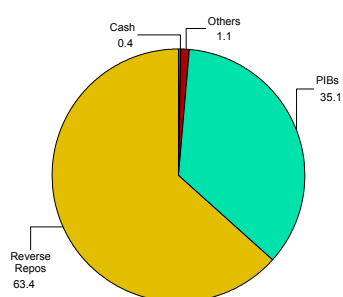
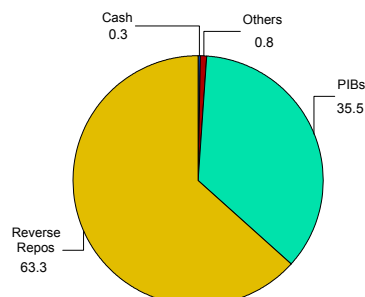
Management Quality Rating: AM2 (Outlook:+ve)
Fund Rating: 4 Star Normal, 3 Star Long Term (PACRA)

Performance Review

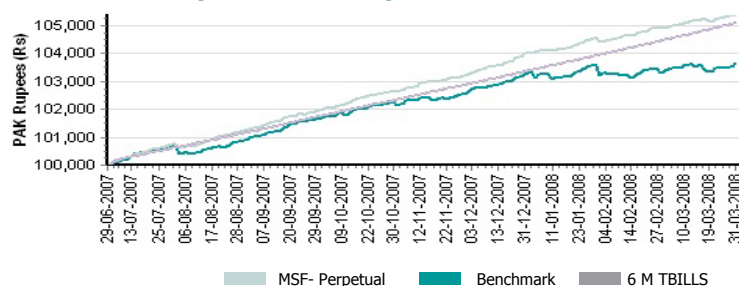
During the month of March, 08, MSF (perpetual) earned a total annualized return of 6.44% as compared to previous month return of 5.89%. The Fund has posted a return of 7.25% during nine months (July-Mar). The total return has remained depressed due to unrealized loss on the values of its PIB portfolio due to continuous rising trend in yields. The total increase in yield on 10 year PIBs since Jun, 07 has been over 117bp. The MSF has however hedged itself partially from valuation knocks due to yield changes by holding 63% of its portfolio in very short duration repo transactions of treasury securities.

The Net Assets of MSF (perpetual) grew by 0.56% to PKR 835 million.

The average duration of MSF (perpetual) portfolio is less than one year, which has the capacity to absorb high interest rate volatility, expected to continue during this fiscal year.

Asset Allocation of MSF (Perpetual) % - March

Asset Allocation of MSF (Perpetual) % - February


Performance Graph of MSF-Perpetual Year to Date



Investment Objective & Policy

The MetroBank-Pakistan Sovereign Fund (MSF) is an open-end fund, investing primarily in government securities.

Investment Strategy

The Fund seeks to achieve return available from investment in government securities. These returns are effectively net-of-tax returns.

Profile of Investment Manager

Arif Habib Investment Management Limited is an asset management and investment advisory company, managing seven open-end and three closed-end mutual funds with total assets under management of Rs. 25.78 billion. AHIML has an investment committee approach for taking all investment decisions. Mr. Zafar Rehman is the designated Fund Manager and Mr. Nadeem Khan is Sub Fund Manager. Details regarding the investment committee are available on our website.

	Return of Fund (%)		
	Mar	Feb	BM**
Month on Month	6.44	5.89	3.96
Quarter on Quarter	5.66	6.44	1.57
July 07 to Date	7.25	7.31	4.87
Since Inception(1st March 2003)*	2.73	2.66	-

* CAGR

** Internal Benchmark - Mar

Portfolio Characteristics

	Mar	Feb
Standard Deviation (%)	1.60	2.21
Sharpe Ratio x	-1.19	-0.59
Net Assets (Rs. mn)	835.46	830.81
NAV (Rs. per unit)	49.75	49.48

FUND INFORMATION

Fund Type: Open-end Fixed Income
Fund Launch Date: 1st March 2003
Currency: PKR

Fund Manager: Arif Habib Investment Management Limited
Registrar: Gangjees Registrar Services (Pvt.) Ltd.
Trustee: Metropolitan Bank Limited
Auditors: KPMG Taseer Hadi & Co.

Front-end load: 0.1%
Management Fee: 5% of Operating Income
Minimum Investment: 100 Units.

Valuation Days: Daily (Monday to Saturday) except public holidays.
Redemption Days: Daily (Monday to Saturday) except public holidays.
Subscription Days: Each valuation day.
Initial Public Offer: PKR 50.00

All investments in mutual funds and securities are subject to market risk. The NAV based price of these units and any dividends and return thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and the risk involved.

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