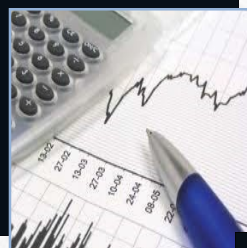


(WINDOW TAKAFUL OPERATIONS)



(TAKAFUL FUNDS)

FOR THE MONTH OF FEBRUARY 2017



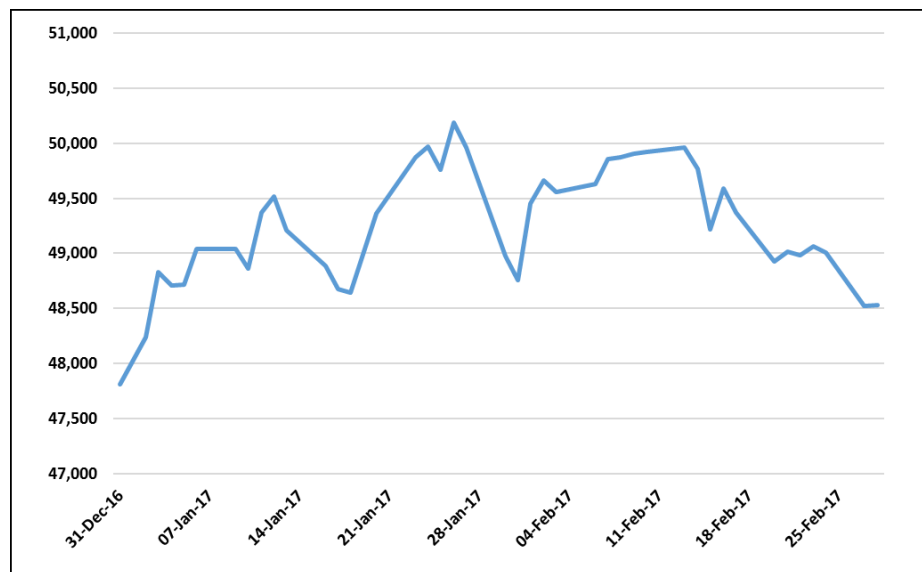
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Equity Market Review

After positive sentiments witnessed in previous three months, the benchmark KSE 100 Index took a toll in February 2017, dropping by 0.46% MoM to close at 48,534 points before touching an intraday high of 49,845 points. The hefty sell-off as witnessed in the last sessions of January'17, carried forward its impact in February'17 as two brokers defaulted. On account of implementing stringent rules, the SECP's drive towards regulating in-house financing and margin selling emerged as key highlights of the month. The average daily traded volume declined to 348mn, dropping by 21% MoM along with average daily traded value which also dipped to USD161 mn, lower by 26% MoM (USD218mn in Jan'17).

After three consecutive months of net foreign selling in excess of USD 100 mn, the number eased to USD 30 mn during the month of February'17. Cumulatively, 8MFY17 total net FIPI outflow now stands at ~USD 438.4mn. Nonetheless the outflows for the month were effortlessly absorbed by local liquidity led by Mutual Funds (+USD 47.9mn), Insurance (+USD 16mn), Companies (+USD 9.5mn) and NBFCs (+USD 2.1mn) while sell-off was led by Individuals (- USD 43.3mn) followed by Banks and Brokers with net outflow of USD 10.1mn and USD 2.6 mn respectively.



Sector Performance:

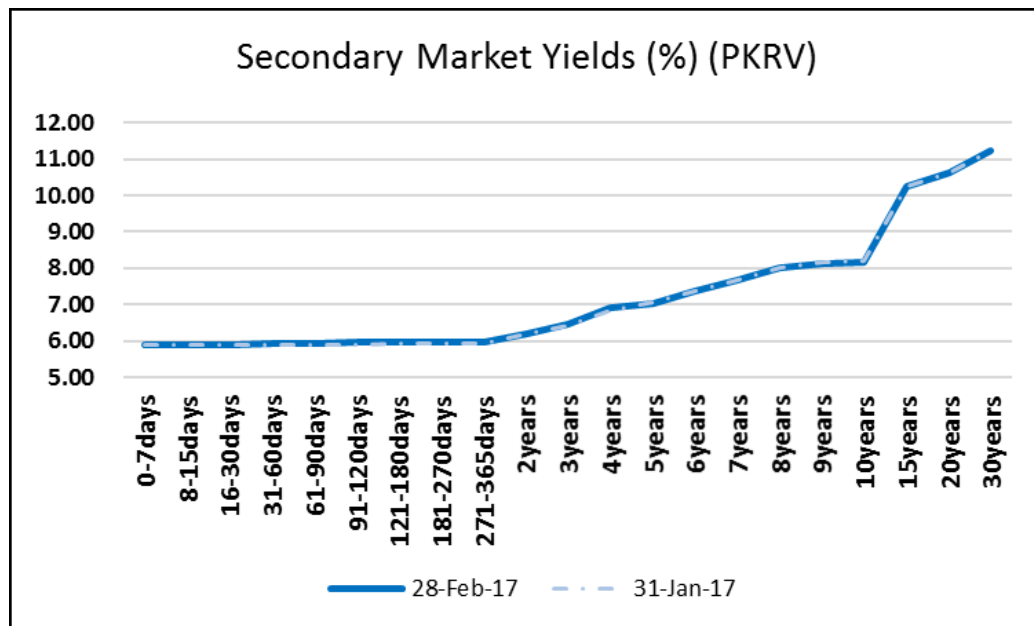
Sectoral Performances put OMC sector (↑6.35%) as leading the charts, on the back of rally in SNGP due to announcements of plan to award contract for a second gas pipeline from Karachi to Lahore. Cement sector increased 2.48% due to decrease in international coal prices by ~5% during the month. Next outperformer was Paper & Board (↑2.87%) followed by Tobacco (↑1.43%) and Insurance (↑1.24%), triggered by above market expected corporate results. Apart from these, Banks (↓1.26%), Autos (↓4.18%), Pharmaceuticals (↓4.45%) and Power (↓5.71%) were major laggards during the month.

Money Market Review

The CPI Inflation increased 0.3% MoM to clock at 4.22% for the month of February'17 mainly due to increase in Petroleum prices and seasonal increase in housing and utility. Core Inflation stood at 5.3%.

In the PIB auction held during the month, most of the participation was witnessed in 3-yr bonds as the SBP picked up around Rs. 59.7bn against a target of Rs. 50bn and bids of around Rs. 115.2bn. The yield-curve remained relatively flat, declining by 1bps across all tenors as the cut-off yields for 3-year, 5-year and 10-year bonds stood at 6.4066%, 6.8994% and 7.9406% respectively.

Two T-bills auctions were conducted in February in which hefty participation was witnessed as Rs. 1,220 bn was accepted, against bids of around Rs. 1,475 bn and a target of Rs. 1,110 bn. On monthly basis, the yields increased across all tenors where weighted average yields for 3-months,6-month and 12-month papers stood at 5.9440% (↑72 bps MoM), 5.9895% (↑107 bps MoM) and 5.9931% (↑56 bps MoM) respectively.





MANAGED TAKAFUL FUND

Fund Objective

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved Shariah compliant avenues.

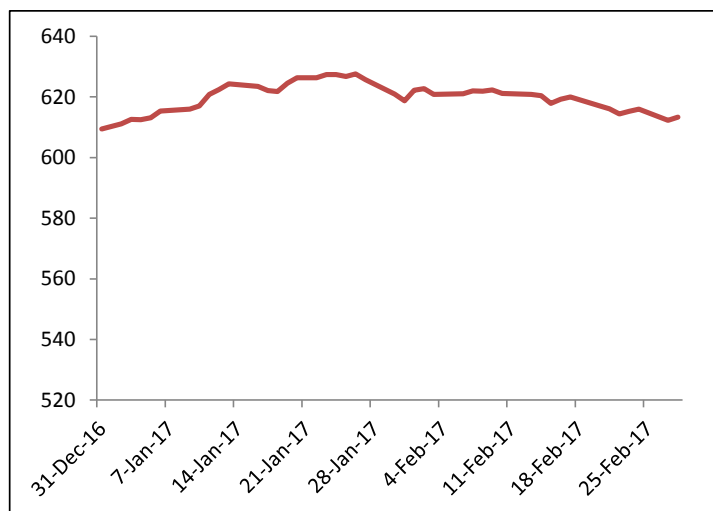
The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Managed Takaful Fund
Fund Size	PKR 614 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (28.02.2017)	PKR 613.29
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	KPMG
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

Fund Returns

During the month of February 2017 Managed Takaful Fund's (MTF) Unit Price decreased by PKR 5.45 (-0.88%) net of fund management fee.



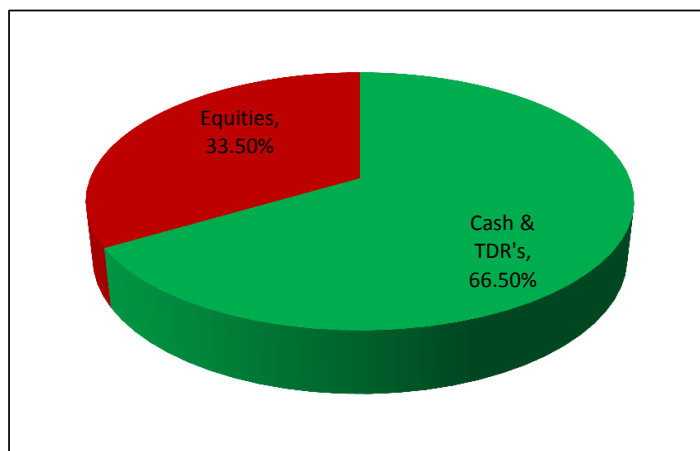
Investment Committee Members

Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

Period	Rate of Return
1 month	-0.88%
3 months	1.46%
12 months	15.39%
Calendar YTD	0.64%
Since Inception	22.66%

Assets	February-17	January-17
Government Sukuks	0.00%	0.00%
Cash and Short Term Deposits	66.50%	72.72%
Stocks	33.50%	27.28%





CAPITAL GROWTH TAKAFUL FUND

Fund Objective

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks.

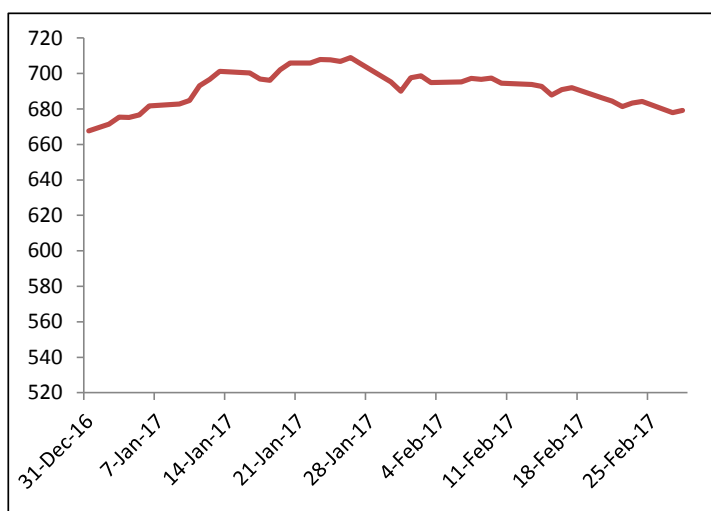
The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 918 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (28.02.2017)	PKR 679.15
Category	Shariah Compliant Equity Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	KPMG
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

Fund Returns

During the month of February 2017 Capital Growth Takaful Fund's (CGTF) Unit Price decreased by PKR 10.79 (-1.56%) net of fund management fee.



Investment Committee Members

Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

Period	Rate of Return
1 month	-1.56%
3 months	4.38%
12 months	27.93%
Calendar YTD	1.72%
Since Inception	35.83%

Assets	February-17	January-17
Government Securities	0.00%	0.00%
Cash and Short Term Deposits	45.25%	48.32%
Stocks	54.75%	51.68%

