

INVESTORS' OUTLOOK

FOR THE MONTH OF JANUARY 2017



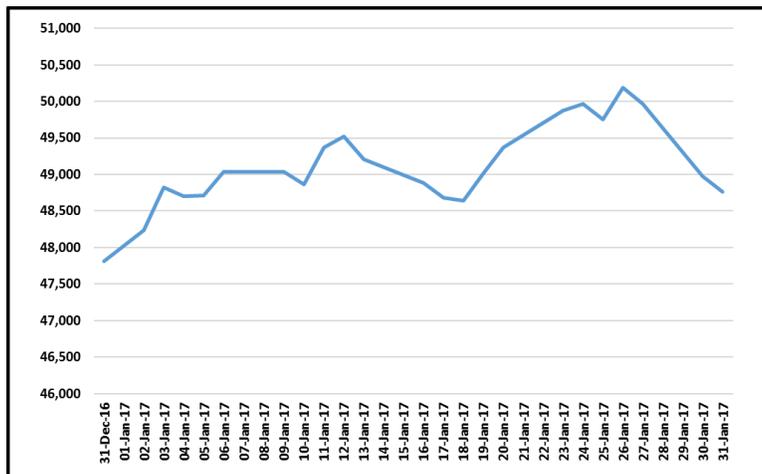
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Equity Market Review

Carrying forward the positive sentiments of CY16, the benchmark KSE 100 Index rose 1.99% in January 2017 to close at 48,757 points before touching an intraday high of 50,192 points. The hike was mainly led by positive sentiments garnering i) excess liquidity with mutual funds & individuals ii) delay in interest rate hike (previously expected in 1HCY17) and iii) industrial relief measures (export package, fertilizer subsidy & anti-dumping duty on steel products) taken by GoP to incentivize local industries. The market remained largely positive by gaining 5.5% till 27thJan'17, however hefty sell-off was witnessed in the last sessions owing to i) newly elected US President's decision to ban visa to 7 Muslim nations, raising concerns for extension of ban to Pakistan, ii) SECP's decision to inquire TREC holders regarding in-house financing and iii) settlement of future roll-over week. The average daily traded volume rose to 449mn, up 28% MoM (351mn in Dec'16) along with average daily traded value that also surged to USD218mn, higher by 32% MoM (USD165mn in Dec'16).

Foreign investors remained net sellers in the market with a sizeable net outflow of USD110 mn. Cumulatively, 7MFY17 total net FIPI outflow now stands at ~USD 408.7mn. Nonetheless the outflows for the month were effortlessly absorbed by local liquidity led by Mutual Funds (+USD 44mn), Individuals (+USD 39.5mn), Companies (+USD 29.9mn), NBFCs (+USD18.4mn) and Brokers (+USD11.2mn) while Banks remained net sellers of USD 40.7mn.



Sector Performance:

- Steel & Engineering sector saw a hefty rise (↑24%) with ASL (↑35%), ISL (↑31%), INIL (↑8%) and ASTL (↑18%) gaining the most due to decision of antidumping duty on CRC, expansion news in ISL, and rise in price of both long rolled & flat products along with talks on lease of Pakistan Steel Mills to consortium of local business groups
- Chemicals sector gained 7.1% on the back of extension of Anti-dumping duty on Hydrogen Peroxide mainly led to appreciation in DOL (↑28%) and EPCL (↑22%) while ICI (↑12%) and ICL (↑12%) gained in expectation of better corporate earnings

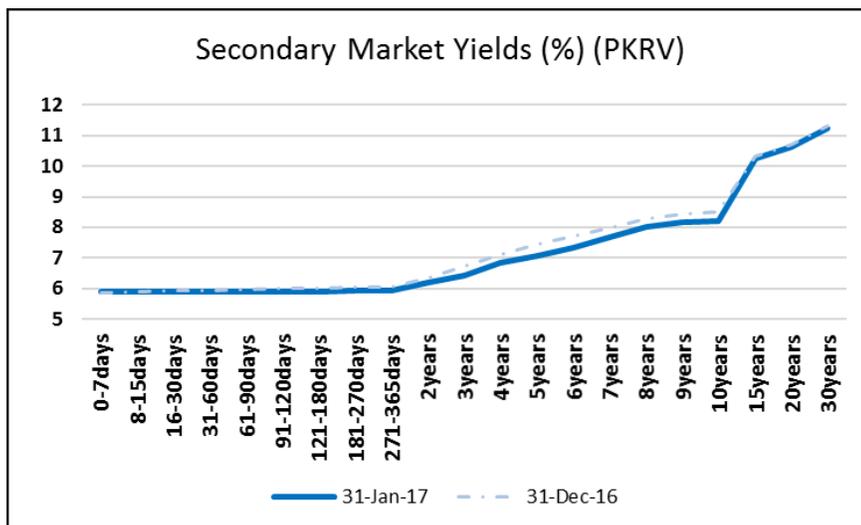
- Auto Assemblers & Parts gained 7.1% MoM, where GHNI (↑34.7%), MTL (↑19.4%), PSMC (↑8.5%) and HCAR (↑7%) added to the rally on the back of higher auto-sales and anticipation of new model launch
- Telecom was the next best performer in the month posting a return of 6.5%
- Power sector gained 7.9% during the month where HUBC (↑12%) and KEL (↑11%) were major contributors
- Fertilizer sector returned to limelight with a positive return of 6.2%, led by GoP decision to restore fertilizer subsidy, which was earlier withdrawn
- Cement sector gained 2.9% on the back of greater dispatches and stability in International coal prices
- Banking and Oil & Gas sector remained laggard with a monthly return of -1.2% and -2.4% respectively

Money Market Review

The CPI Inflation increased 0.2% MoM to clock at 3.66% for the month of January'16 mainly due to increase in Petroleum prices and seasonal increase in housing and utility. Core Inflation stood at 5.4%.

In the PIB auction held during the month, the SBP picked up around Rs. 39bn against a target of Rs. 50bn and bids of around Rs. 137bn. The yield-curve took an upward shift as the cut-off yields for 3-year, 5-year and 10-year bonds inched up to 6.3304%, 6.8998% and 7.9414% respectively.

During the month, State Bank of Pakistan also announced Monetary Policy in which the committee decided to keep the discount rate intact at 5.75%. Prime reasons to maintain the discount rate were cited as concerns on growing CPEC-related imports, decline in exports, absence of Coalition Support Fund, and slowdown in remittances. The results of the last MTB auction of January 2017 showed a downward trend as the cut offs for 3month, 6month and 12month declined to 5.9017%, 5.9258% and 5.9598% respectively. The target for the auction amounted to Rs 450 bn against which a total of Rs 519 bn was accepted.



Fund Objective

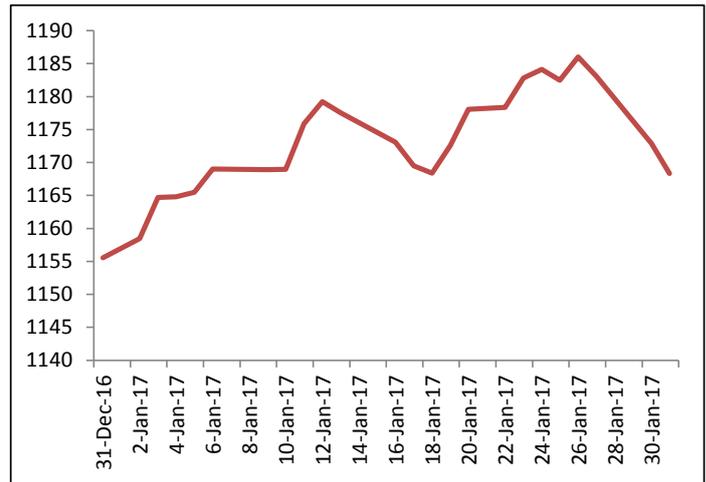
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

Fund Information

Description	Information
Fund Name	Managed Fund
Fund Size	PKR 68,361 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.01.2017)	PKR 1,168.32
Category	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 January 2017 Managed Fund's (MF) Unit Price increased by PKR 12.76 (1.1%) net of fund management fee.



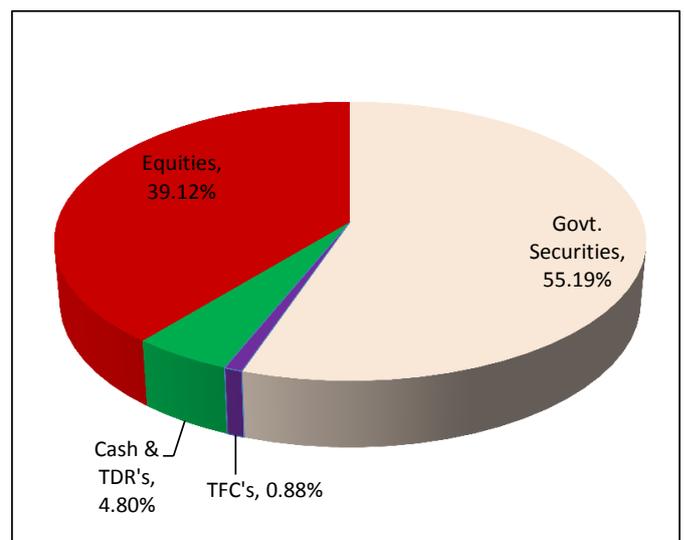
Investment Committee Members

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

Assets	January-17	December-16
Government Securities	55.19%	53.38%
Term Finance Securities	0.88%	0.91%
Cash and Short Term Deposits	4.80%	6.09%
Stocks & Mutual Funds	39.12%	39.62%

Fund Returns

Period	Rate of Return
1 month	1.10%
3 months	9.31%
12 months	20.15%
Calendar YTD	1.10%
Since Inception	1074.19%
Since Inception (annualized)	13.04%
5 Years	95.91%
10 Years	205.81%





CAPITAL GROWTH FUND

Fund Objective

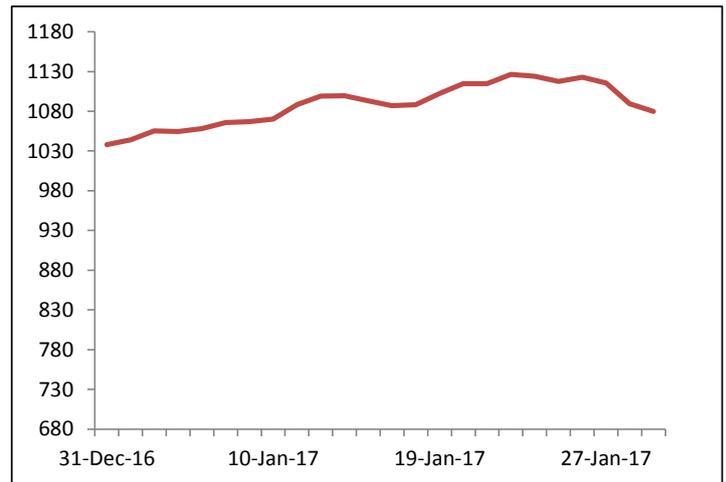
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

Fund Information

Description	Information
Fund Name	Capital Growth Fund
Fund Size	PKR 10,373 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100.00
Bid Price (31.01.2017)	PKR 1,079.65
Category	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 January 2017 Capital Growth Fund's (CGF) Unit Price increased by PKR 41.49 (4.00%) net of fund management fee.



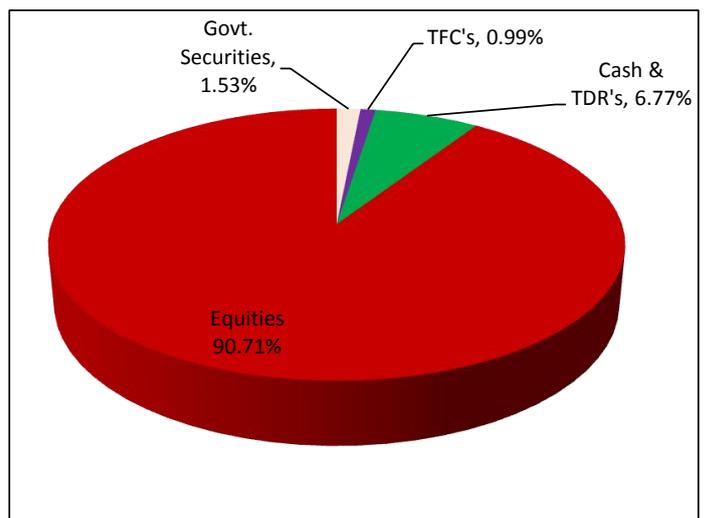
Investment Committee Members

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	4.00%
3 months	22.62%
12 months	50.42%
Calendar YTD	4.00%
Since Inception	979.65%
Since Inception (annualized)	20.93%
5 Years	343.08%
10 Years	477.26%

Assets	January-17	December-16
Government Securities	1.53%	1.70%
Term Finance Securities	0.99%	1.14%
Cash and Short Term Deposits	6.77%	5.93%
Stocks & Mutual Funds	90.71%	91.23%



Fund Objective

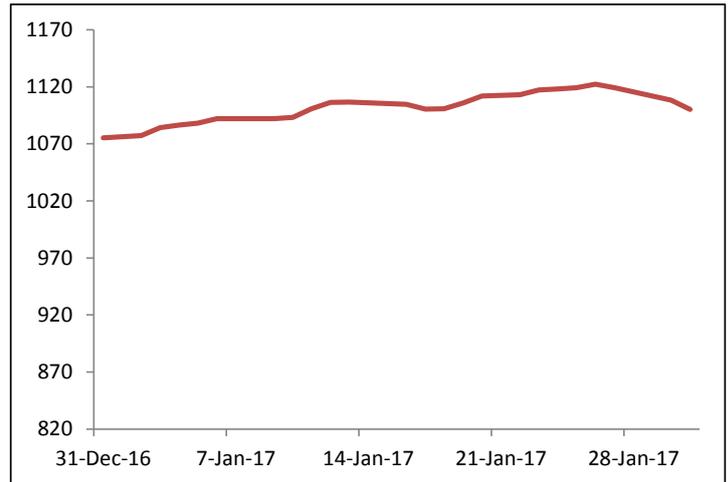
The objective of the Meesaq fund is to provide an opportunity to investors who want interest free returns. The instruments in which the Meesaq fund invests are selective stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

Fund Information

Description	Information
Fund Name	Meesaq Fund
Fund Size	PKR 9,517 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.01.2017)	PKR 1,100.30
Category	Non-interest bearing Investment portfolio
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 January 2017 Meesaq Fund's (MEF) Unit Price increased by PKR 25.01 (2.33%) net of fund management fee.



Investment Committee Members

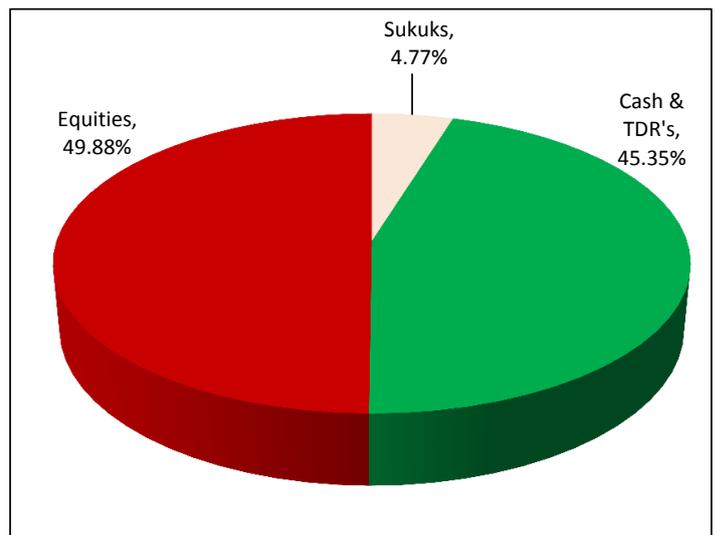
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Assets

	January-17	December-16
Sukuks	4.77%	4.93%
Cash and Short Term Deposits	45.35%	45.73%
Stocks & Mutual Funds	49.88%	49.34%

Fund Returns

Period	Rate of Return
1 month	2.33%
3 months	13.49%
12 months	27.80%
Calendar YTD	2.33%
Since Inception	131.64%
Since Inception (annualized)	9.95%
5 Years	95.11%





YAQEEN GROWTH FUND

Fund Objective

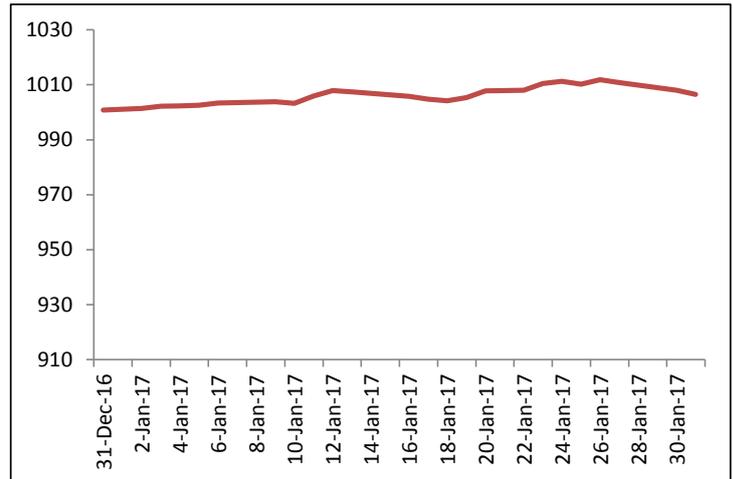
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum risk of capital erosion.

Fund Information

Description	Information
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 1,467 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.01.2017)	PKR 1,006.54
Category	Capital Protected 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 January 2017 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 5.73 (0.57%) net of fund management fee.



Investment Committee Members

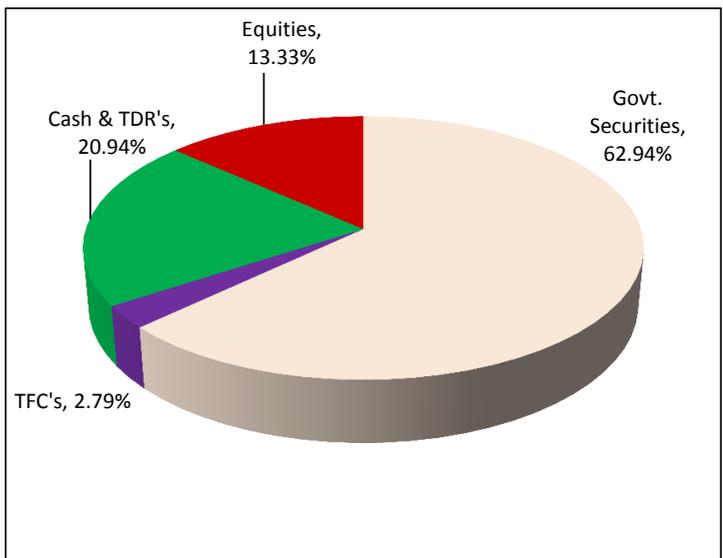
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Assets

	January-17	December-16
Government Securities	62.94%	63.84%
Term Finance Securities	2.79%	2.93%
Cash and Short Term Deposits	20.94%	19.76%
Stocks & Mutual Funds	13.33%	13.46%

Fund Returns

Period	Rate of Return
1 month	0.57%
3 months	3.77%
12 months	9.43%
Calendar YTD	0.57%
Calendar YTD (annualized)	6.74%
Since Inception	111.90%
Since Inception (annualized)	10.28%
5 Years	63.68%



Fund Objective

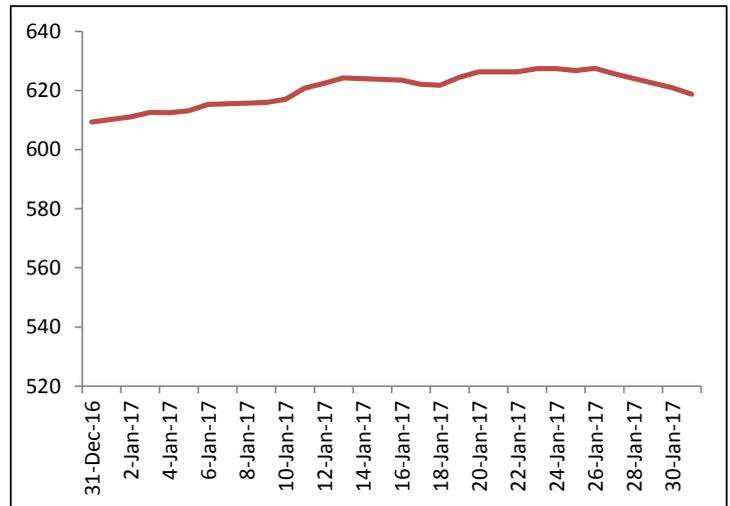
To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved Shariah compliant avenues. The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Managed Takaful Fund
Fund Size	PKR 564 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.01.2017)	PKR 618.74
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 January 2017 Managed Takaful Fund's (MTF) Unit Price increased by PKR 9.36 (1.54%) net of fund management fee.



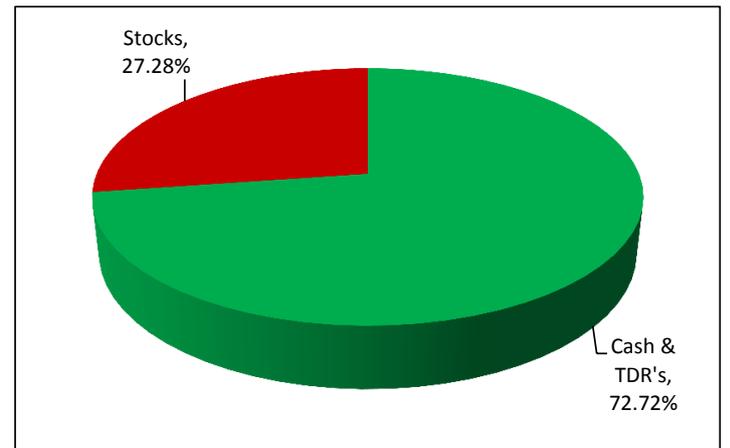
Investment Committee Members

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	1.54%
3 months	6.91%
12 months	16.47%
Calendar YTD	1.54%
Since Inception	23.75%

Assets	January-17	December-16
Government Sukuks	0.00%	0.00%
Cash and Short Term Deposits	72.72%	75.10%
Stocks	27.28%	24.90%





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.

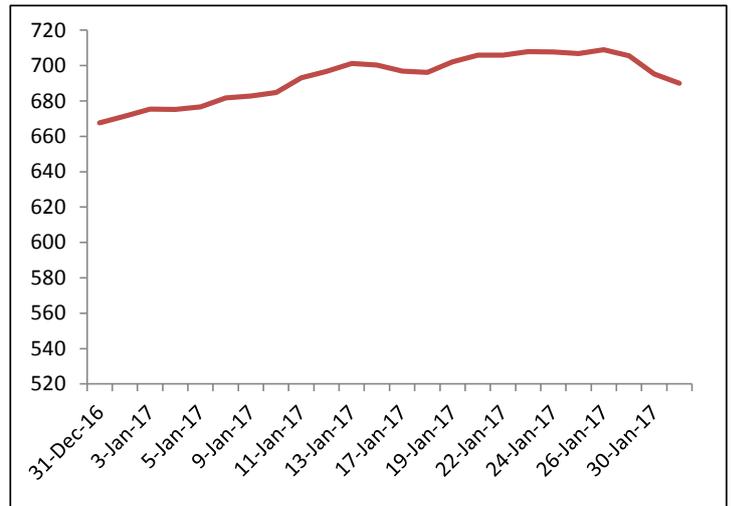
The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 791 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.01.2017)	PKR 689.93
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 January 2017 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 22.28 (3.34%) 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

Assets	January-17	December-16
Government Securities	0.00%	0.00%
Cash and Short Term Deposits	48.32%	44.40%
Stocks	51.68%	55.60%

Fund Returns

Period	Rate of Return
1 month	3.34%
3 months	14.54%
12 months	29.92%
Calendar YTD	3.34%
Since Inception	37.99%

