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# INVESTORS' OUTLOOK

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FOR THE MONTH OF JANUARY 2015

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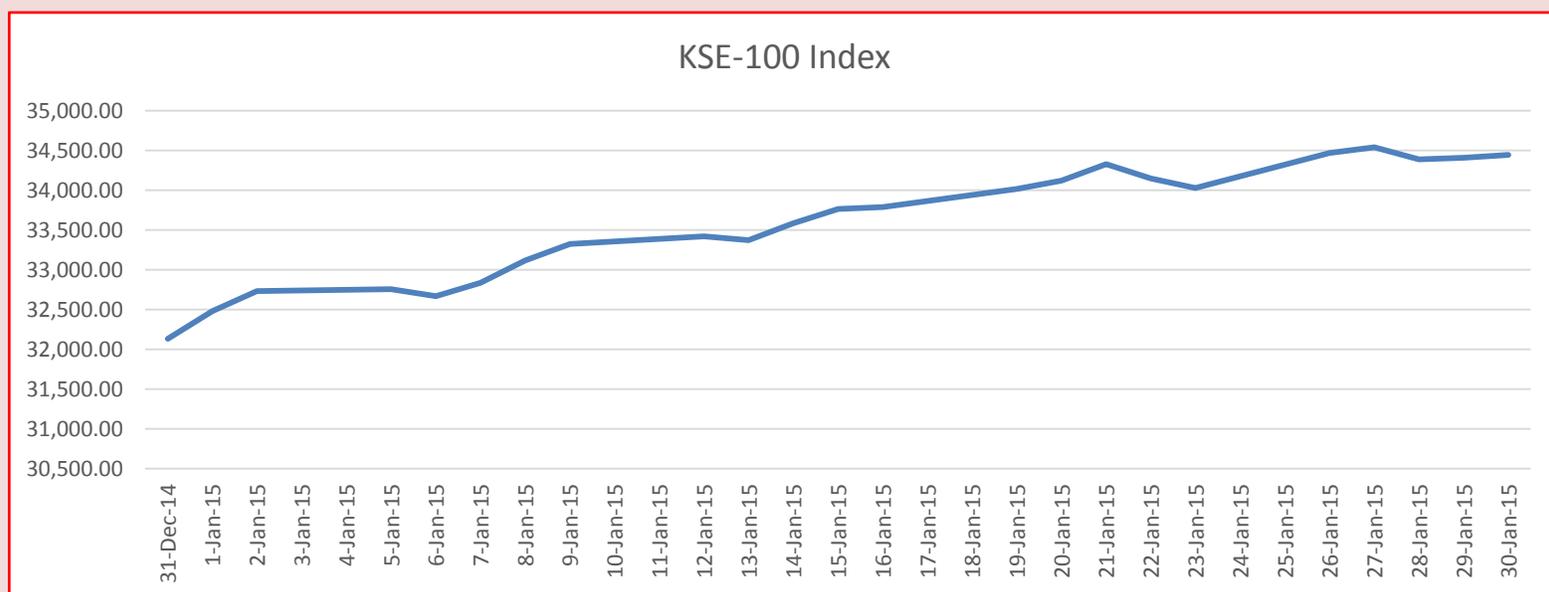
# Market Review

## January 2015

### Equity Market

The KSE-100 Index closed January at 34,444 up 7.20% MoM, amidst improvement in macroeconomic fundamentals. Average volume improved to 201m compared to 170m a month earlier. Foreign investors were net buyers at US\$2.80m for the month.

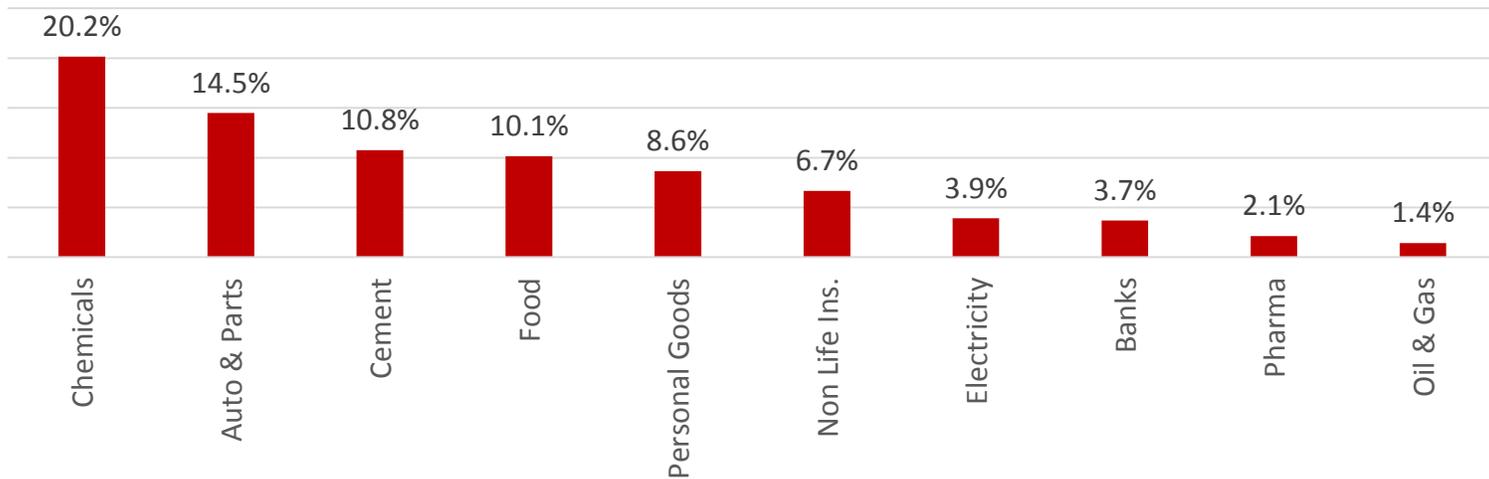
The market welcomed the New Year by setting new highs and remaining unidirectional the entire month. The initial momentum was set by the announcement of the December CPI, which although was higher YoY, it was 1% lower MoM. With the widening gap between the discount rate and the CPI, the market started expecting a larger discount rate cut of up to 100 bps in the monetary policy review in the latter half of the month. With international oil prices continuing their downslide, expectations of another petroleum product price rate cut at the beginning of February started building and kept investor sentiment positive.



Amongst the key sectors, performance was led by the Chemicals sector (+20%), with almost the entire sector (excluding ICI & Archroma Pakistan) outperforming the index in anticipation of good dividend payouts. Auto sector also rallied during the month with continuous weakening of Yen against the dollar. Cements outperformed the index in anticipation that oil price decline is likely to improve profit margins of these companies. Food sector rally was led by EFOODS (+26%) following its results announcement which showed hefty growth in the bottom-line. Personal Goods sector outperformance was led by Kohinoor Textile Mills (+52%) in anticipation of its first dividend payout in a long time.

Oil and Gas sector remained a laggard during the month with the continuous weakening of international oil prices, which dampened profitability prospects in the short term.

## Key Sector returns



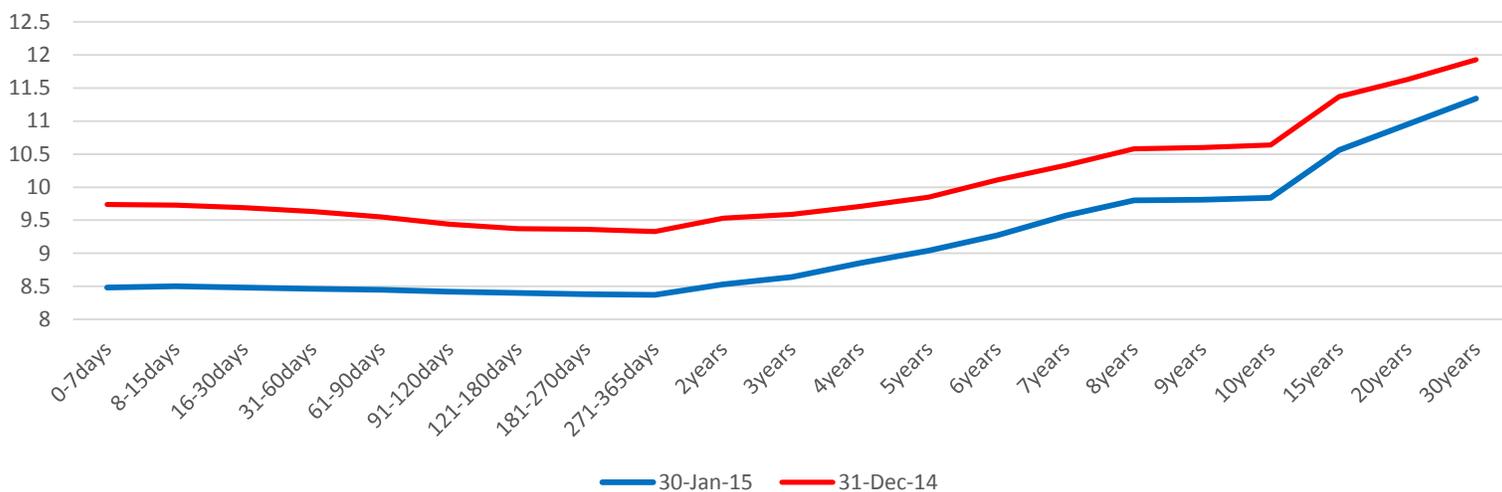
## Money Market

The State Bank of Pakistan (SBP) reduced the discount rate by 100bps to 8.5% in its January 24, monetary policy review, sighting low inflation, contained fiscal deficit, and improved foreign inflows as the key drivers for this rate revision. With average CPI of 5.8% in the first seven months of the ongoing fiscal year (2014-2015), real interest rate (discount rate minus average inflation) has reduced to 2.7%, from around 3.4% a month earlier.

Two T-bill Auctions were conducted in January, both of them before the announcement of the monetary policy. Weighted average yield reduced by 56bps and 52bps, respectively for 3-months (8.92%) and 6-month (8.96%) tenors. The 1-year T-Bill average yield fell 84bps to 8.64%. Total amount of Rs. 397b was picked up against a target of Rs. 400b.

A PIB Auction was also conducted post the announcement of the monetary policy. Cut-off yields for 3-year and 10-year tenors dropped 171bps and 170bps, respectively to 8.89% and 10.01%. Cut-off for 5-year bond fell 105bps to 9.75%. A small amount Rs. 604m was also picked up for 20 years at cut-off of 10.9995% Total amount of Rs. 78b was accepted in the auction against a target of Rs. 50b.

## Secondary Market Yields (%) (PKRV)



# Managed Fund

## Fund Objective

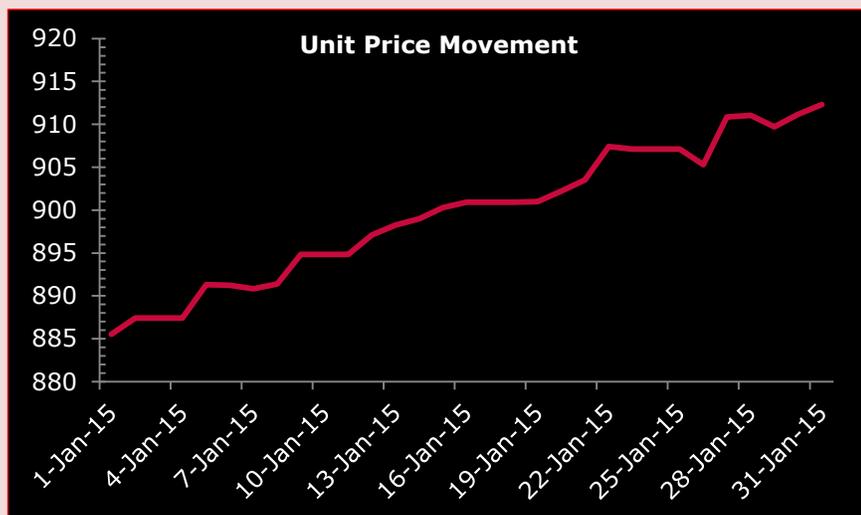
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Fund
<b>Fund Size</b>	PKR 36,178 Million
<b>Launch date</b>	31.12.1996
<b>Bid Price (31.12.1996)</b>	PKR 99.50
<b>Bid Price (31.01.2015)</b>	PKR 912.29
<b>Category</b>	Balanced Fund
<b>Pricing Mechanism</b>	Back-ward on daily basis
<b>Management fee</b>	1.50% p.a.
<b>Pricing days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

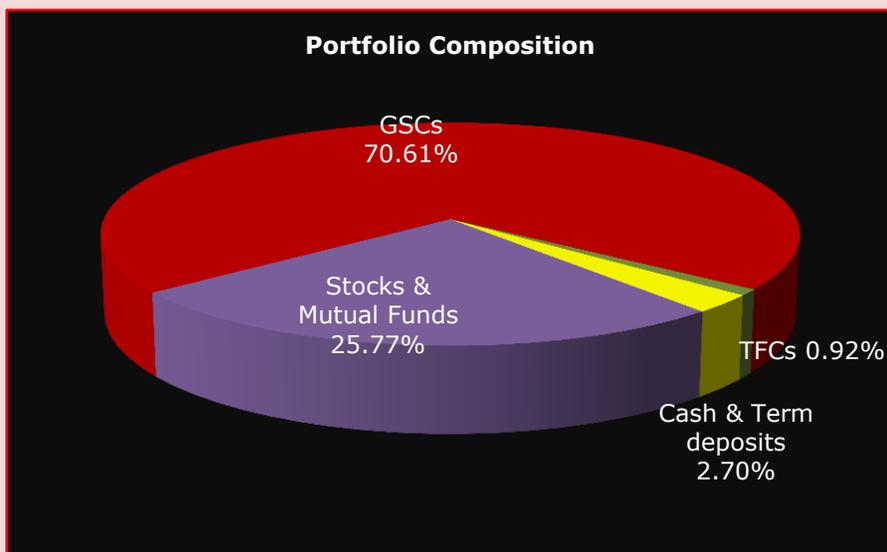
During the month of January 2015, Managed Fund's (MF) Unit Price increased by PKR 26.76 (3.02%) net of fund management fee. On YTD basis unit price has increased 41.98% (annualized).



Investment Committee Members	
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Sultan Ali Akbar Allana</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Nurallah Merchant</b>	Member
<b>Manzoor Ahmed</b>	Member/ Secretary

Assets	January 2015	December 2014
<b>Government Securities</b>	70.61%	72.18%
<b>Term Finance Certificates</b>	0.92%	0.98%
<b>Cash &amp; Short Term Deposits</b>	2.70%	2.92%
<b>Stocks &amp; Mutual Funds</b>	25.77%	23.92%

Fund Returns	
Period	Rate of Return
<b>1 month</b>	3.02%
<b>3 months</b>	7.14%
<b>12 months</b>	18.10%
<b>YTD</b>	3.02%
<b>Since Inception</b>	816.87%



Fund Size	
January 2015	December 2014
PKR 36,178 Million	PKR 34,459 Million

# Capital Growth Fund

## Fund Objective

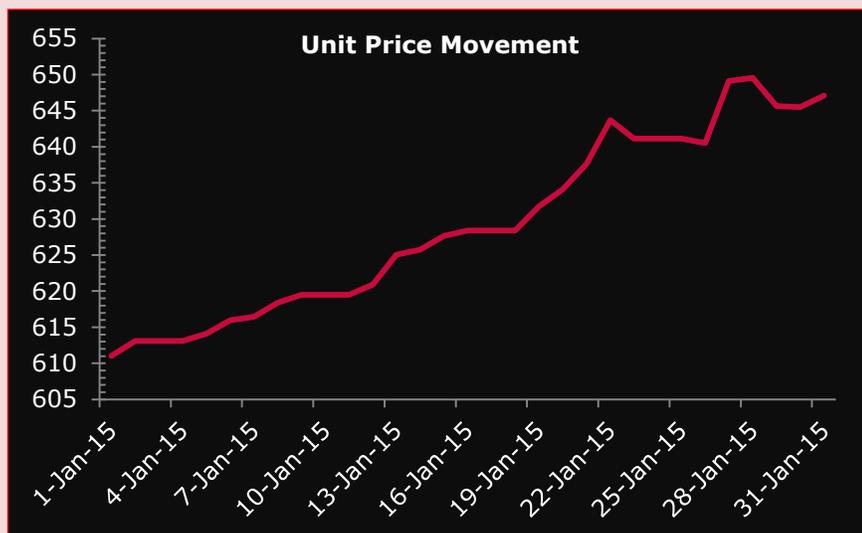
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Capital Growth Fund
<b>Fund Size</b>	PKR 1,088 Million
<b>Launch date</b>	28.07.2004
<b>Bid Price (28.07.2004)</b>	PKR 100.00
<b>Bid Price (31.01.2015)</b>	PKR 647.11
<b>Category</b>	Equity Fund
<b>Pricing Mechanism</b>	Back-ward on daily basis
<b>Management fee</b>	1.50% p.a.
<b>Pricing days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

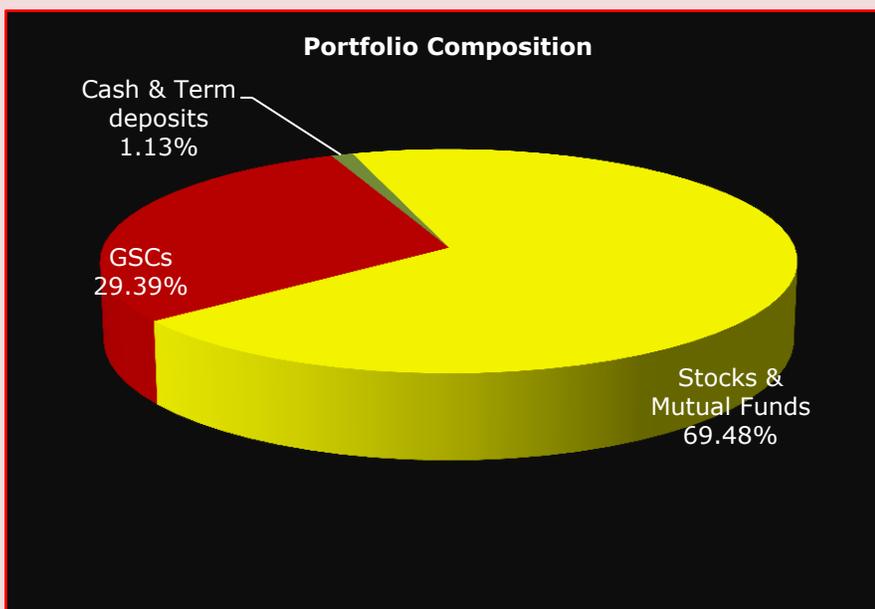
During the month of January 2015, Capital Growth Fund's (CGF) Unit Price increased by PKR 36.09 (5.91%) net of fund management fee. On YTD basis unit price has increased 96.54% (annualized).



Investment Committee Members	
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Sultan Ali Akbar Allana</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Nurallah Merchant</b>	Member
<b>Manzoor Ahmed</b>	Member/ Secretary

Assets	January 2015	December 2014
<b>Government Securities</b>	29.39%	31.66%
<b>Cash &amp; Short Term Deposits</b>	1.13%	9.98%
<b>Stocks &amp; Mutual Funds</b>	69.48%	58.36%

Fund Returns	
Period	Rate of Return
<b>1 month</b>	5.91%
<b>3 months</b>	5.89%
<b>12 months</b>	33.36%
<b>YTD</b>	5.91%
<b>Since Inception</b>	547.11%



Fund Size	
January 2015	December 2014
PKR 1,088 Million	PKR 968 Million

# Meesaq Fund

## Fund Objective

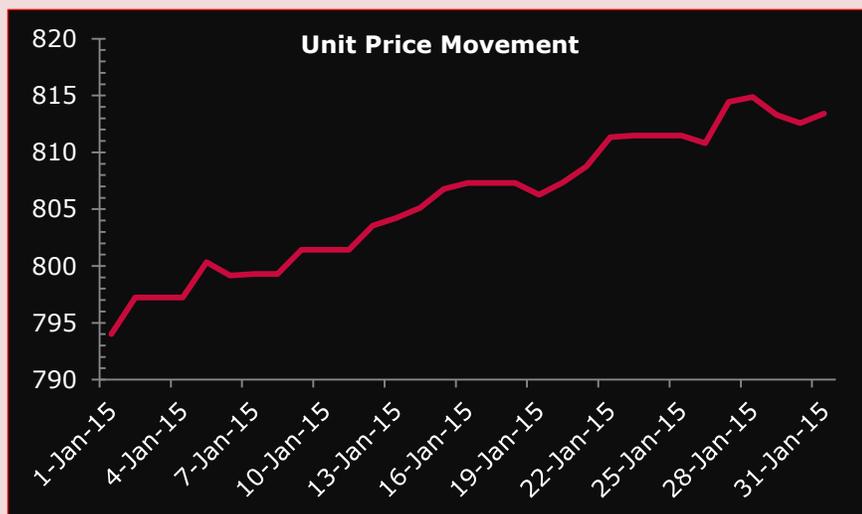
The objective of the Meesaq fund is to provide an opportunity to investors who want interest free returns. The instruments in which the Meesaq fund invests are selective stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

## Fund Information

Description	Information
<b>Fund Name</b>	Meesaq Fund
<b>Fund Size</b>	PKR 5,269 Million
<b>Launch date</b>	27.03.2008
<b>Bid Price (27.03.2008)</b>	PKR 475.00
<b>Bid Price (01.01.2015)</b>	PKR 813.40
<b>Category</b>	Non-interest bearing Investment portfolio
<b>Pricing Mechanism</b>	Back-ward on daily basis
<b>Management fee</b>	1.50% p.a.
<b>Pricing days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

During the month of January 2015, Meesaq Fund's (MEF) Unit Price increased by PKR 19.38 (2.44%) net of fund management fee. On YTD basis unit price has increased 32.83% (annualized).

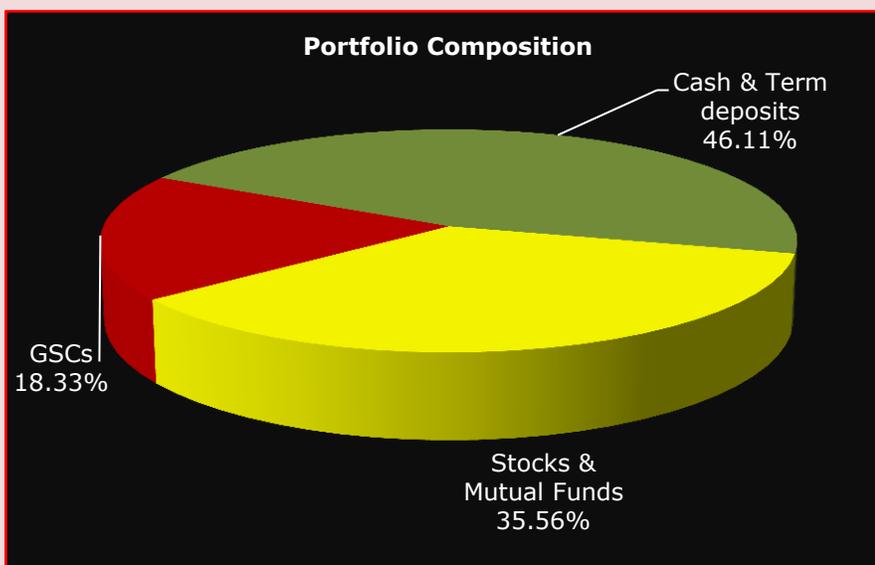


Investment Committee Members	
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Sultan Ali Akbar Allana</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Nurallah Merchant</b>	Member
<b>Manzoor Ahmed</b>	Member/ Secretary

Assets	January 2015	December 2014
<b>Government Securities-Sukuk</b>	18.33%	19.06%
<b>Cash &amp; Short Term Deposits</b>	46.11%	47.02%
<b>Stocks &amp; Mutual Funds</b>	35.56%	33.92%

Fund Returns	
Period	Rate of Return
<b>1 month</b>	2.44%
<b>3 months</b>	4.87%
<b>12 months</b>	12.88%
<b>YTD</b>	2.44%
<b>Since Inception</b>	71.24%

Fund Size	
January 2015	December 2014
PKR 5,269 Million	PKR 5,062 Million



# Yaqeen Growth Fund

## Fund Objective

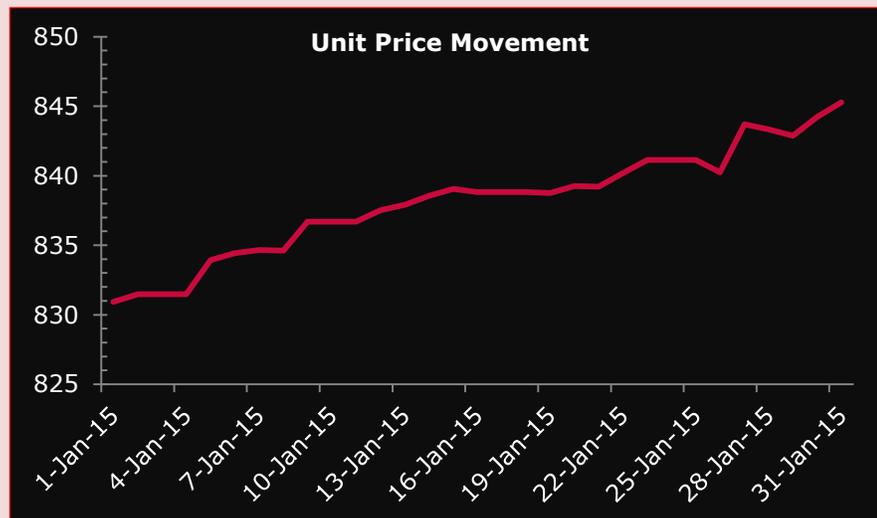
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

## Fund Information

Description	Information
<b>Fund Name</b>	Yaqeen Growth Fund
<b>Fund Size</b>	PKR 924 Million
<b>Launch date</b>	01.06.2009
<b>Bid Price (01.06.2009)</b>	PKR 475.00
<b>Bid Price (31.01.2015)</b>	PKR 845.27
<b>Category</b>	Capital Protected Fund
<b>Pricing Mechanism</b>	Back-ward on daily basis
<b>Management fee</b>	1.50% p.a.
<b>Pricing days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

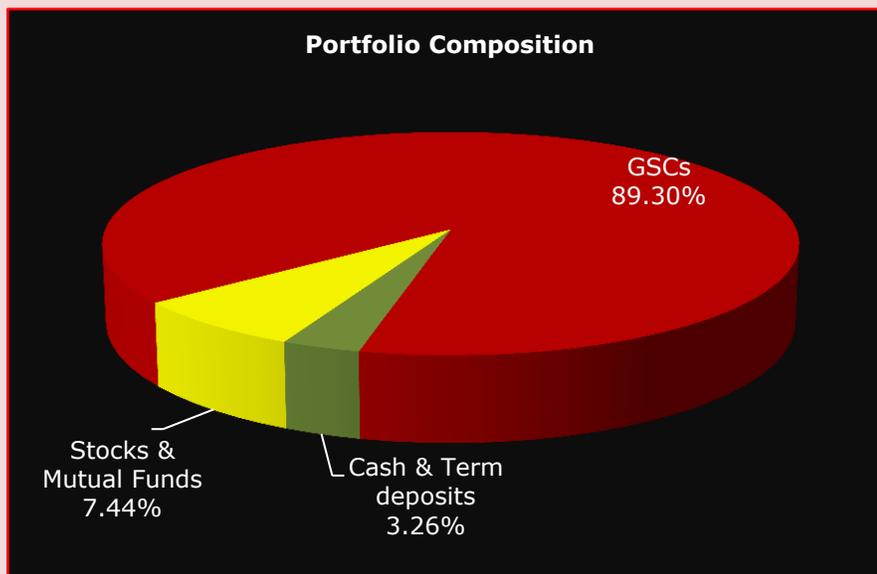
During the month of December 2014, Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 14.35 (1.73%) net of fund management fee. On YTD basis unit price has increased 22.34% (annualized).



Investment Committee Members	
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Sultan Ali Akbar Allana</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Nurallah Merchant</b>	Member
<b>Manzoor Ahmed</b>	Member/ Secretary

Assets	January 2015	December 2014
<b>Government Securities</b>	89.30%	87.25%
<b>Cash &amp; Short Term Deposits</b>	3.26%	6.02%
<b>Stocks &amp; Mutual Funds</b>	7.44%	6.73%

Fund Returns	
Period	Rate of Return
<b>1 month</b>	1.73%
<b>3 months</b>	5.14%
<b>12 months</b>	14.80%
<b>YTD</b>	1.73%
<b>Since Inception</b>	77.95%



Fund Size	
January 2015	December 2014
PKR 924 Million	PKR 951 Million