

---

# INVESTORS' OUTLOOK

---

FOR THE MONTH OF DECEMBER 2016

---



# TABLE OF CONTENTS

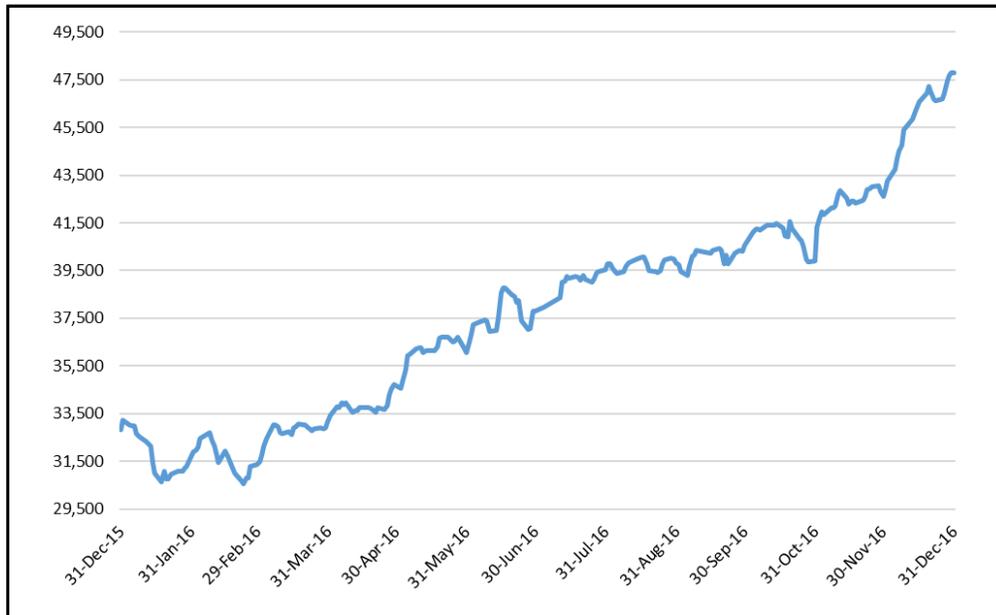
REVIEW ..... 3  
MANAGED FUND..... 5  
CAPITAL GROWTH FUND..... 6  
MEESAQ FUND ..... 7  
YAQEEEN GROWTH FUND..... 8  
MANAGED TAKAFUL FUND..... 9  
CAPITAL GROWTH TAKAFUL FUND..... 10  
EQUITY PORTFOLIO DETAILS ..... 11

## Equity Market Review

Maintaining the upward trajectory of November'16, the KSE100 Index yielded 12.16% in December'16 to close the Calendar Year with a return of 45.7% closing at an all-time high of 47,807 points. The local market outperformed most of the regional markets as it outpaced all the Asia-Pacific markets with an average return of 7.3% and stood out as the fifth-best performing market in the world in 2016 amongst the countries tracked by MSCI.

The year also saw a net outflow of USD 338.9 mn in Foreign portfolio investments. While capital outflows remained at bay during Jan-Oct 2016, with net outflow of USD77.4mn (ex. EFERT SPA proceeds outflows were USD 154.8mn), however the pace of capital flight picked up tremendously in Nov – Dec 2016 being led by political noise over Panama-gate scandal on the local front, Global flow of funds to US post Donald Trump's triumph and Fed rate hike in December'16. This outflow, however, was effortlessly absorbed amidst ample liquidity available with local investors. The mutual funds were net buyers in the year with buying of USD 302.6 mn followed by Non-Banking Financial Institutions with USD 225.9 mn. Individual's interest in the equities also increased as they were net buyers of USD 56.6 mn.

Average daily trades in KSE All Share Index for the year clocked in at 281.4mn shares (up 16% YoY) & highest in the past 11 years (CY05 ADT: 364mn), thanks to improved domestic liquidity and restored investor confidence. However, investor focus remained towards small caps, as traded value remained stagnant at around USD111mn.



**Sector Performance:**

During the month, sectors that outperformed the benchmark were Oil & Gas (↑16.3%) and Banks (↑12.3%). Other gainers include Construction & Materials (↑11.41%), Electricity & Power (↑9.22%), Automobile & Parts (↑7.6%) and Chemicals (↑5%). Telecommunication & Textiles underperformed the benchmark with a return of -2.8% and -0.11% respectively.

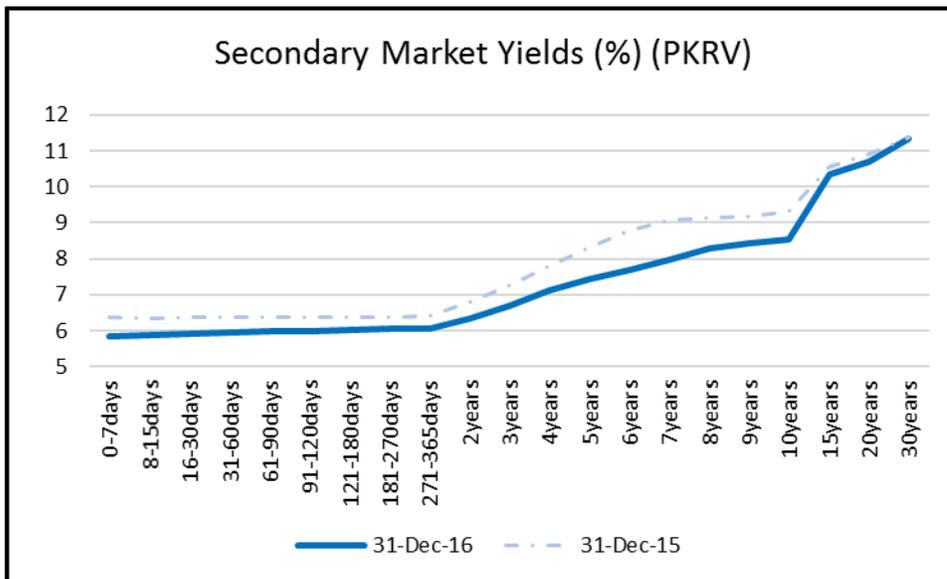
Rounding up the market tally for 2016, the best performing KSE-100 key sectors were Automobile Parts (↑73%), Automobile Assembler (↑73%), Cement (↑66%), Oil and Gas Marketing (↑66%) and E&Ps (↑52%) while Fertilizer (↓5%), Power (↑10%) and Insurance (↑15%) were major laggards.

**Money Market Review**

The CPI Inflation decreased 0.7% MoM to clock at 3.7% for the month of December’16 mainly due to decline in food inflation (↓3%). Core Inflation remained sticky at 5.2% YoY.

In the month of December, two T-bill auctions were conducted where SBP raised an amount of Rs. 298bn against target of Rs. 350bn and bids received of Rs. 499bn. The weighted average yields of latest auction for 3 months & 6-months clocked at 5.9649% and 5.9792% respectively whereas bids for 12-month T-Bill were rejected.

A PIB auction was also conducted whereby total participation was Rs. 47 bn against the target of Rs. 100 bn. However, overall PIB auction was rejected due to high bids by the participants.



## Fund Objective

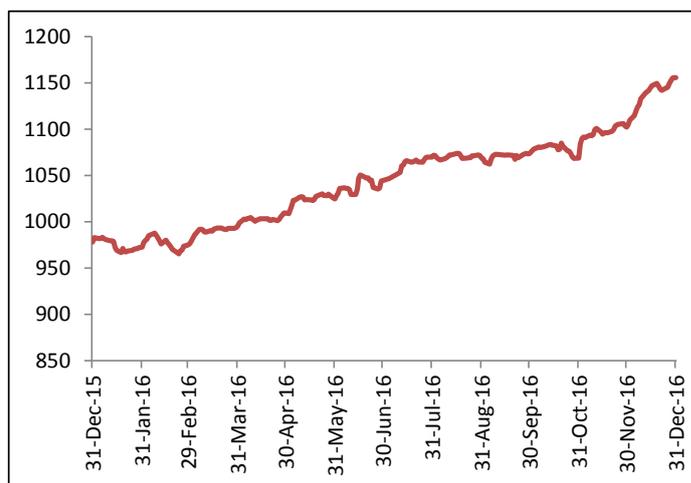
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Fund
<b>Fund Size</b>	PKR 67,175 Million
<b>Launch Date</b>	31.12.1996
<b>Bid Price (31.12.1996)</b>	PKR 99.50
<b>Bid Price (31.12.2016)</b>	PKR 1,155.56
<b>Category</b>	Balanced Fund
<b>Pricing Mechanism</b>	Forward 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 2016 Managed Fund's (MF) Unit Price increased by PKR 53.32 (4.84%) net of fund management fee.



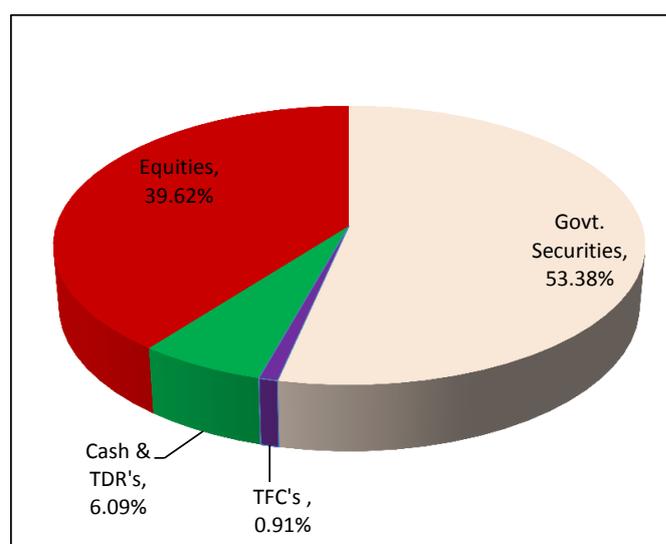
## Investment Committee Members

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

Assets	December-16	November-16
<b>Government Securities</b>	53.38%	54.65%
<b>Term Finance Securities</b>	0.91%	0.85%
<b>Cash and Short Term Deposits</b>	6.09%	5.33%
<b>Stocks &amp; Mutual Funds</b>	39.62%	39.17%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	4.84%
<b>3 months</b>	7.64%
<b>12 months</b>	18.14%
<b>Calendar YTD</b>	18.14%
<b>Since Inception</b>	1061.37%
<b>Since Inception (annualized)</b>	13.03%
<b>5 Years</b>	98.58%
<b>10 Years</b>	217.28%



## Fund Objective

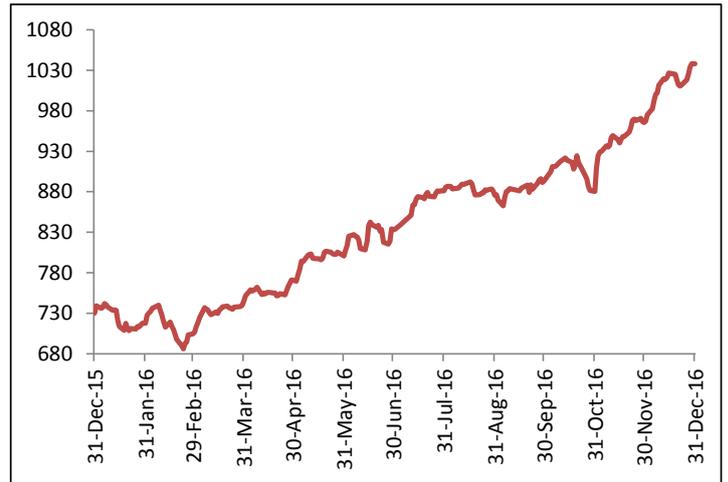
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Capital Growth Fund
<b>Fund Size</b>	PKR 9,272 Million
<b>Launch Date</b>	28.07.2004
<b>Bid Price (28.07.2004)</b>	PKR 100.00
<b>Bid Price (31.12.2016)</b>	PKR 1,038.16
<b>Category</b>	Equity Fund
<b>Pricing Mechanism</b>	Forward 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 2016 Capital Growth Fund's (CGF) Unit Price increased by PKR 72.67 (7.53%) net of fund management fee.



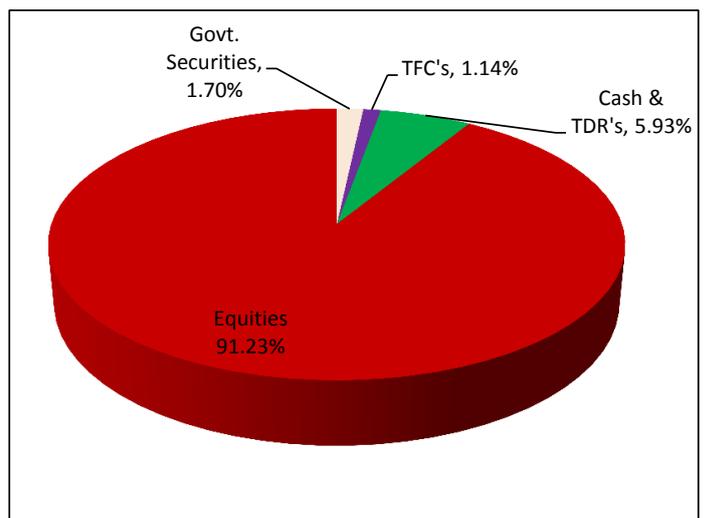
## Investment Committee Members

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

Assets	December-16	November-16
<b>Government Securities</b>	1.70%	4.03%
<b>Term Finance Securities</b>	1.14%	1.32%
<b>Cash and Short Term Deposits</b>	5.93%	8.71%
<b>Stocks &amp; Mutual Funds</b>	91.23%	85.94%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	7.53%
<b>3 months</b>	16.22%
<b>12 months</b>	42.15%
<b>Calendar YTD</b>	42.15%
<b>Since Inception</b>	938.16%
<b>Since Inception (annualized)</b>	20.70%
<b>5 Years</b>	340.51%
<b>10 Years</b>	474.93%



## Fund Objective

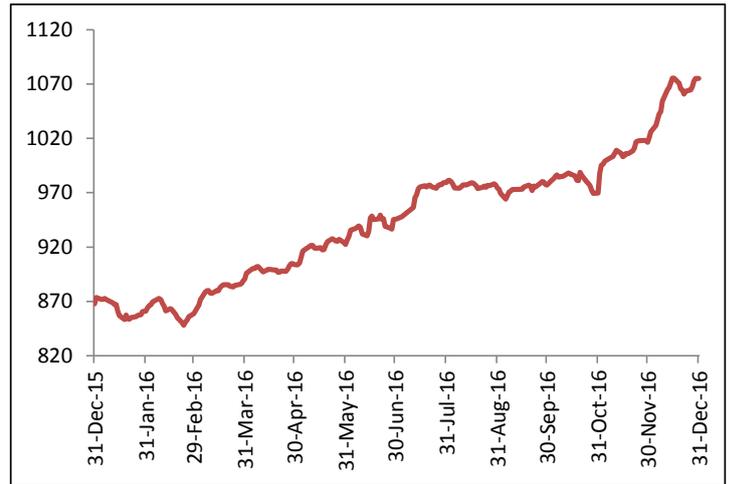
The objective of the Meesaq fund is to provide an opportunity to investors who want interest free returns. The instruments in which the Meesaq fund invests are selective stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

## Fund Information

Description	Information
<b>Fund Name</b>	Meesaq Fund
<b>Fund Size</b>	PKR 9,287 Million
<b>Launch Date</b>	27.03.2008
<b>Bid Price (27.03.2008)</b>	PKR 475.00
<b>Bid Price (31.12.2016)</b>	PKR 1,075.29
<b>Category</b>	Non-interest bearing Investment portfolio
<b>Pricing Mechanism</b>	Forward 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 2016 Meesaq Fund's (MEF) Unit Price increased by PKR 58.75 (5.78%) net of fund management fee.



## Investment Committee Members

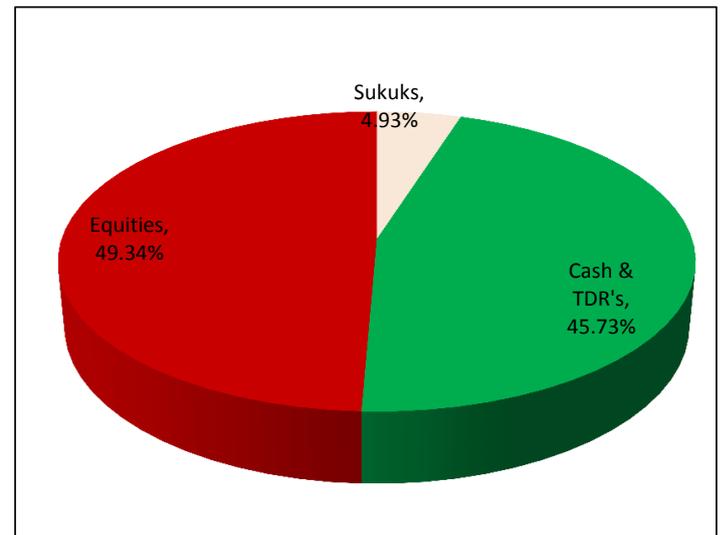
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Assets

	December-16	November-16
<b>Sukuks</b>	4.93%	4.91%
<b>Cash and Short Term Deposits</b>	45.73%	45.58%
<b>Stocks &amp; Mutual Funds</b>	49.34%	49.51%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	5.78%
<b>3 months</b>	10.07%
<b>12 months</b>	23.91%
<b>Calendar YTD</b>	23.91%
<b>Since Inception</b>	126.38%
<b>Since Inception (annualized)</b>	9.76%
<b>5 Years</b>	93.01%



## Fund Objective

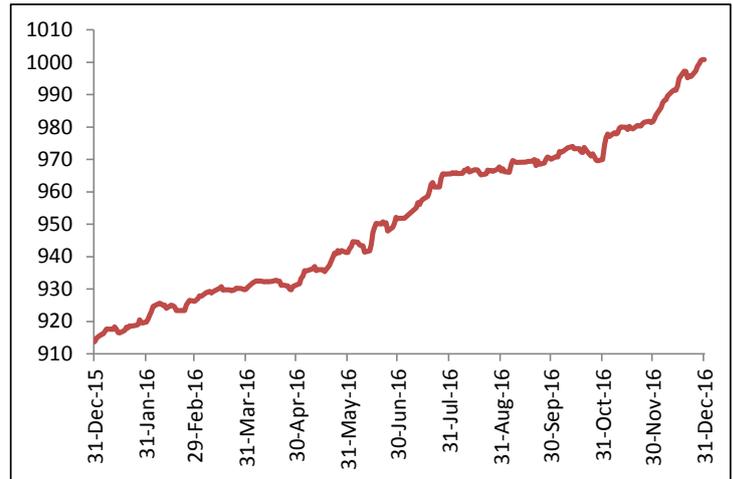
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

## Fund Information

Description	Information
<b>Fund Name</b>	Yaqeen Growth Fund
<b>Fund Size</b>	PKR 1,436 Million
<b>Launch Date</b>	01.06.2009
<b>Bid Price (01.06.2009)</b>	PKR 475.00
<b>Bid Price (31.12.2016)</b>	PKR 1,000.81
<b>Category</b>	Capital Protected Fund
<b>Pricing Mechanism</b>	Forward 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 2016 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 19.19 (1.95%) net of fund management fee.



## Investment Committee Members

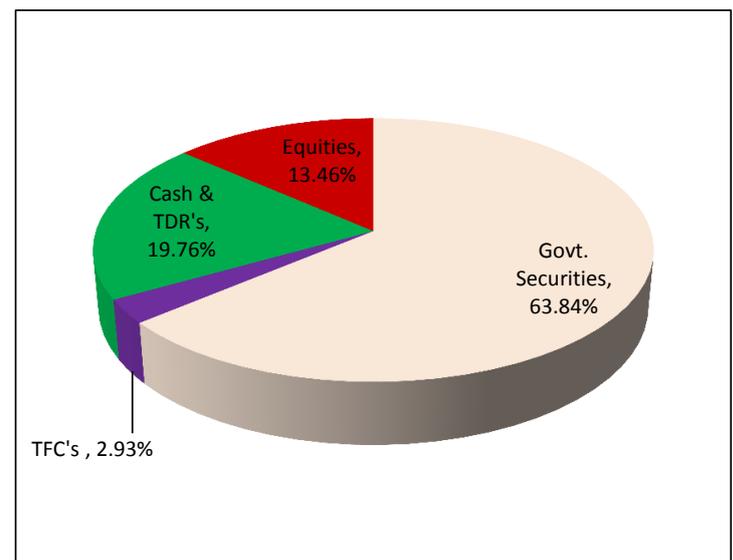
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Assets

	December-16	November-16
<b>Government Securities</b>	63.84%	65.97%
<b>Term Finance Securities</b>	2.93%	2.99%
<b>Cash and Short Term Deposits</b>	19.76%	18.32%
<b>Stocks &amp; Mutual Funds</b>	13.46%	12.72%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	1.95%
<b>3 months</b>	3.17%
<b>12 months</b>	9.54%
<b>Calendar YTD</b>	9.54%
<b>Calendar YTD (annualized)</b>	9.51%
<b>Since Inception</b>	110.70%
<b>Since Inception (annualized)</b>	10.32%
<b>5 Years</b>	64.30%





# MANAGED TAKAFUL FUND

## Fund Objective

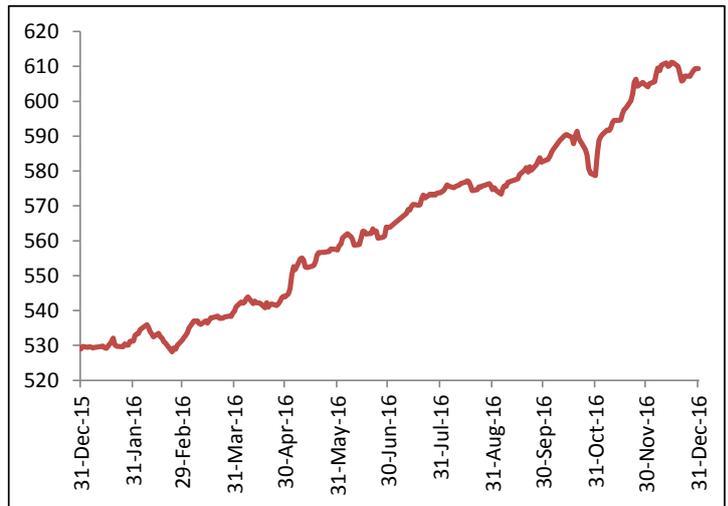
To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved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

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Takaful Fund
<b>Fund Size</b>	PKR 469 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.12.2016)</b>	PKR 609.38
<b>Category</b>	Shariah Compliant Balanced Fund
<b>Pricing Mechanism</b>	Forward 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 2016 Managed Takaful Fund's (MTF) Unit Price increased by PKR 4.93 (0.82%) net of fund management fee.



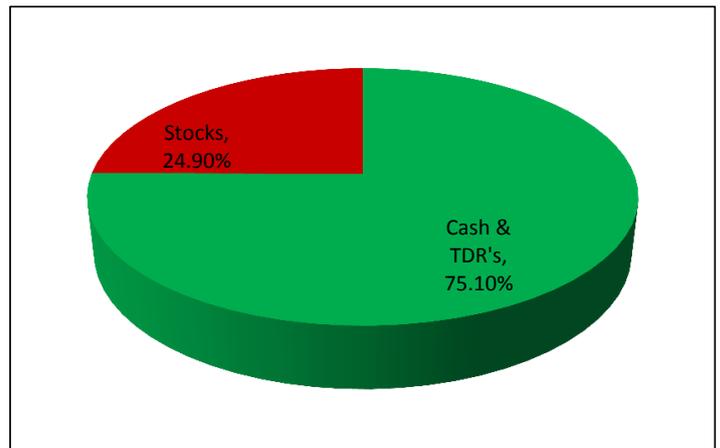
## Investment Committee Members

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

## Fund Returns

Period	Rate of Return
<b>1 month</b>	0.82%
<b>3 months</b>	4.56%
<b>12 months</b>	15.19%
<b>Calendar YTD</b>	15.19%
<b>Since Inception</b>	21.88%

Assets	December-16	November-16
<b>Government Sukuks</b>	0.00%	21.85%
<b>Cash and Short Term Deposits</b>	75.10%	53.57%
<b>Stocks</b>	24.90%	24.58%





# 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.

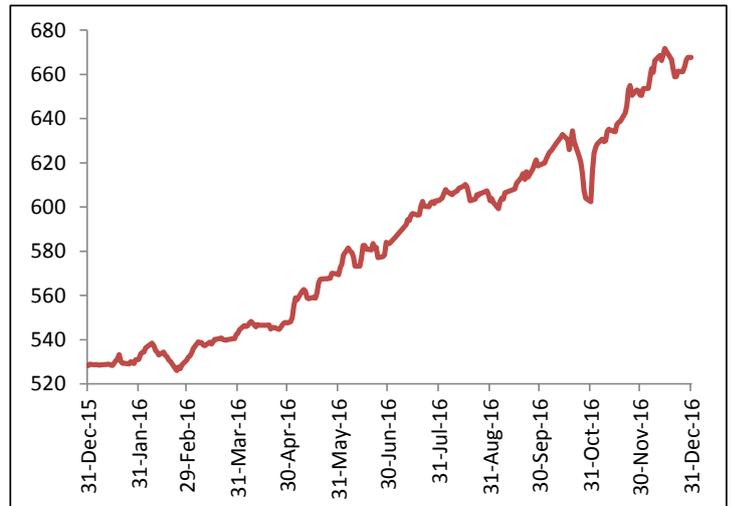
The Fund was launched on July 7, 2015.

## Fund Information

Description	Information
<b>Fund Name</b>	Capital Growth Takaful Fund
<b>Fund Size</b>	PKR 589 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.12.2016)</b>	PKR 667.65
<b>Category</b>	Shariah Compliant Equity Fund
<b>Pricing Mechanism</b>	Forward 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 2016 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 17.01 (2.61%) net of fund management fee.



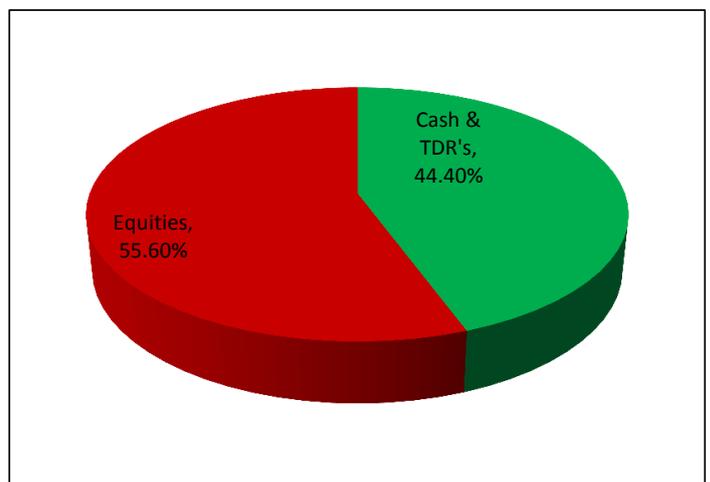
## Investment Committee Members

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

## Fund Returns

Period	Rate of Return
<b>1 month</b>	2.62%
<b>3 months</b>	7.85%
<b>12 months</b>	26.40%
<b>Calendar YTD</b>	26.40%
<b>Since Inception</b>	33.53%

Assets	December-16	November-16
<b>Government Securities</b>	0.00%	0.00%
<b>Cash and Short Term Deposits</b>	44.40%	49.71%
<b>Stocks</b>	55.60%	50.29%



# EQUITY PORTFOLIO DETAILS

## MANAGED FUND

Sector Allocation	Percentage
<b>Banks</b>	21.7
<b>Cements</b>	16.8
<b>Oil &amp; Gas</b>	13.7
<b>Pharma</b>	12.2
<b>Chemicals</b>	7.2
<b>Auto</b>	7.1

Top Ten Holdings
DGKC
HBL
HUBC
INDU
KOHC
LUCK
OGDC
SEARL
THALL
UBL

## CAPITAL GROWTH FUND

Sector Allocation	Percentage
<b>Cement</b>	16.2
<b>Pharma</b>	15.3
<b>Banks</b>	13.3
<b>Auto</b>	10.6
<b>Oil &amp; Gas</b>	10.4
<b>General Industrials</b>	9.3

Top Ten Holdings
HINOON
KOHC
LUCK
MCB
MTL
OGDC
SEARL
SNGP
THALL
UBL

## MEESAQ FUND

Sector Allocation	Percentage
<b>Open Ended Mutual Fund</b>	18.0
<b>Pharma</b>	16.6
<b>Cement</b>	16.1
<b>Oil &amp; Gas</b>	11.5
<b>Auto</b>	9.5
<b>Chemicals</b>	7.9

Top Ten Holdings
ACPL
APL
HINOON
HUBC
LUCK
MEBL
MIF
MTL
PIOC
SEARL

### YAQEEN GROWTH FUND

Sector Allocation	Percentage
Banks	26.6
General Industrials	21.1
Cement	12.5
Pharma	12.0
Chemicals	11.3
Pharma	9.8

Top Ten Holdings
BAHL
EFERT
HBL
HINOON
HUBC
INDU
KOHC
NPL
THALL

### MANAGED TAKAFUL FUND

Sector Allocation	Percentage
Auto	19.6
Pharma	18.5
General Industrials	15.1
Steel	14.9
Cement	12.4
Chemicals	9.5

Top Ten Holdings
ASTL
CSAP
DGKC
GHNL
GLAXO
HINOON
ICL
INDU
LOADS
THALL

### CAPITAL GROWTH TAKAFUL FUND

Sector Allocation	Percentage
Pharma	23.3
Auto	20.3
Cement	15.2
Steel	14.5
General Industrials	8.5
Oil & Gas	8.3

Top Ten Holdings
ASTL
CHCC
CSAP
DGKC
GHNL
GLAXO
HINOON
INDU
OGDC
SEARL