



# INVESTORS' OUTLOOK

FOR THE MONTH OF DECEMBER 2014

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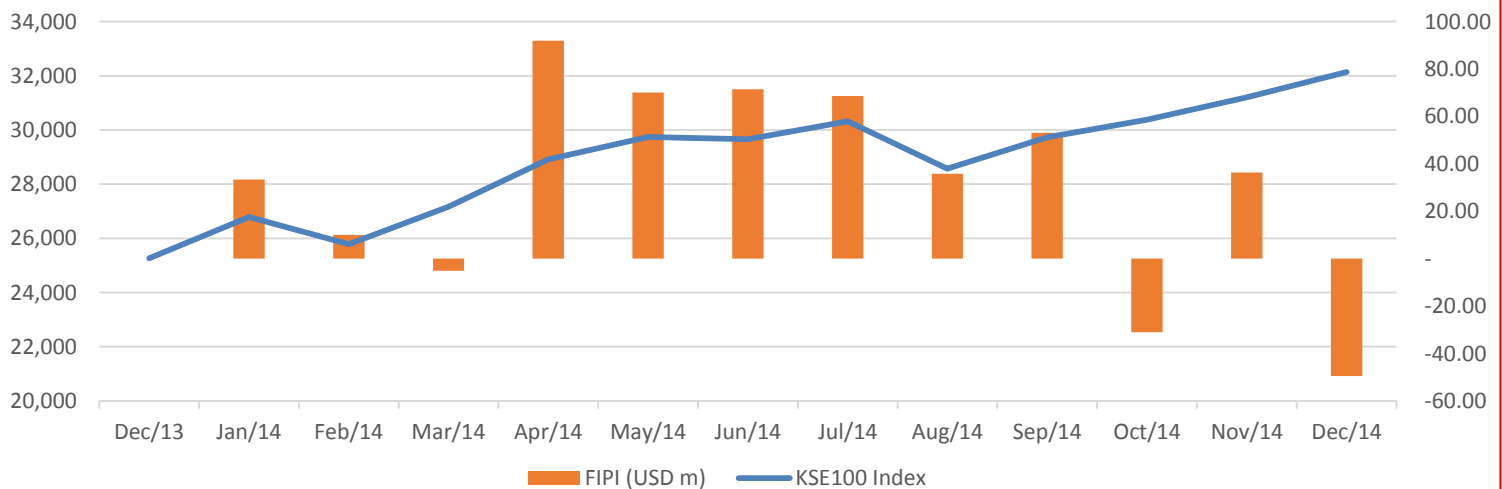
# Market Review

## December 2014

### Equity Market

The KSE-100 Index closed the month at 32,131.28, up 2.99% MoM and 27.20% YoY, with average daily volume of 170m shares. Foreign portfolio investors were net sellers during the month, offloading US\$49.5m worth shares from the market.

The market started the month with a positive sentiment, amidst the announcement of a considerably low CPI figure (for November), which further strengthened the expectations of a discount rate cut in the January 2015 monetary policy review. The Index touched an all-time high of 31,148 on December 5. However, the start of a series of protests by PTI in different cities, kept index performance in check and market retreated from its peak levels. The December 16 massacre in Army Public School Peshawar, further dampened investor sentiment and the KSE100 Index dipped to a low of 30,667 on December 17. The release of the IMF tranche, calling off of the sit-in by PTI, cut in PIB yields, however, lifted investor sentiment in the latter half of the month.



### Developments during the month

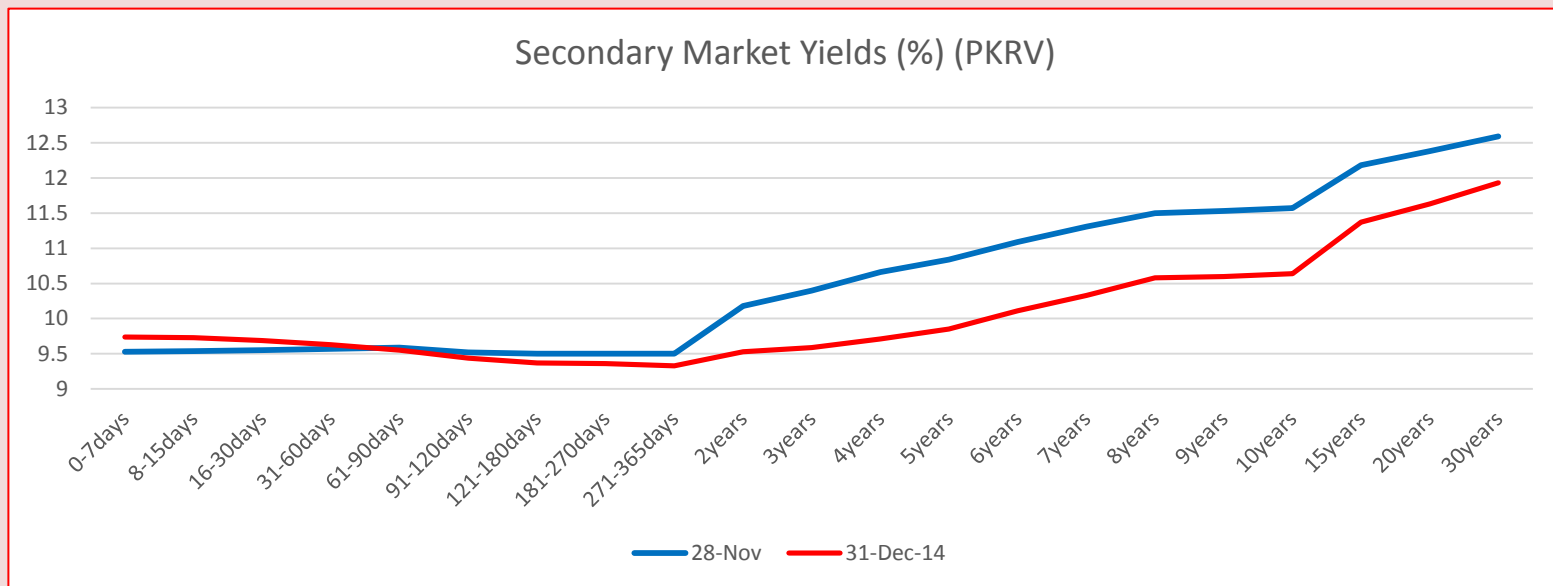
- IMF approved disbursement of USD 1.1bn loan to Pakistan under the Extended Fund Facility (EFF).
- Pakistan received USD1 billion payment for its recent sukuk sale.
- SBP has given permission to Askari Bank Limited and JS Bank Limited to conduct due diligence of KASB Bank for its proposed acquisition.
- Saudi Arabia said it would not cut output to support oil prices even if non- OPEC nations did so. US oil prices fell below \$60 a barrel for the first time since July 2009
- On December 16, 141 people, including 132 children, were martyred when militants stormed the Army Public School and College, Peshawar.
- Pakistan Tehreek-e-Insaf (PTI), on December 18, ended its anti-government sit-in after 126 days in the wake of the Peshawar attack on school children. Earlier in the month, the party had initiated its 'Plan C', to hold protests in different cities to fight for justice and constitution of a judicial commission to investigate vote rigging allegations.
- The Prime Minister Nawaz Sharif ended a moratorium on the death penalty in terror-related cases.

## Money Market

The Government slashed the cut-off yield of PIBs by 29-30 basis points in the Auction held on December 17, 2014, signaling a further cut in interest rate in the next monetary policy review. The government raised Rs. 151b (3yr-Rs. 91.2b; 5yr-Rs. 24.3b, 10yr-Rs. 35.8b) against a target of Rs. 50b set for the Auction.

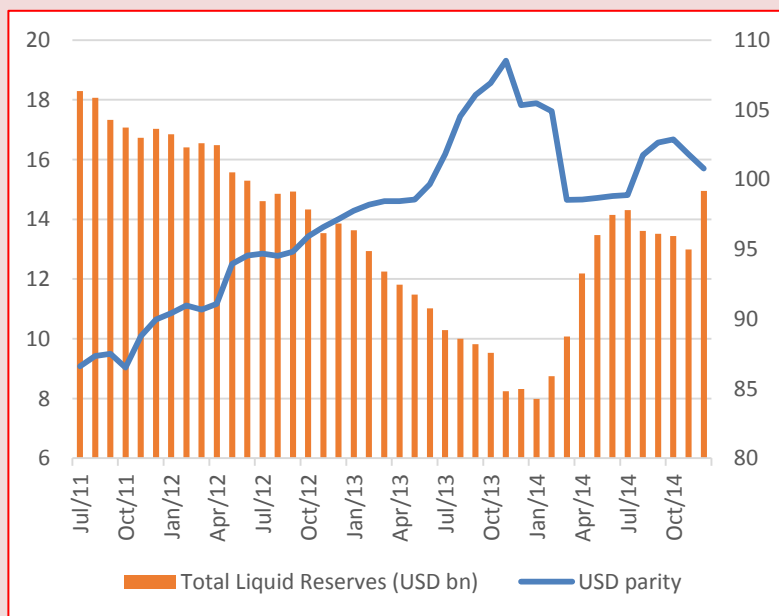
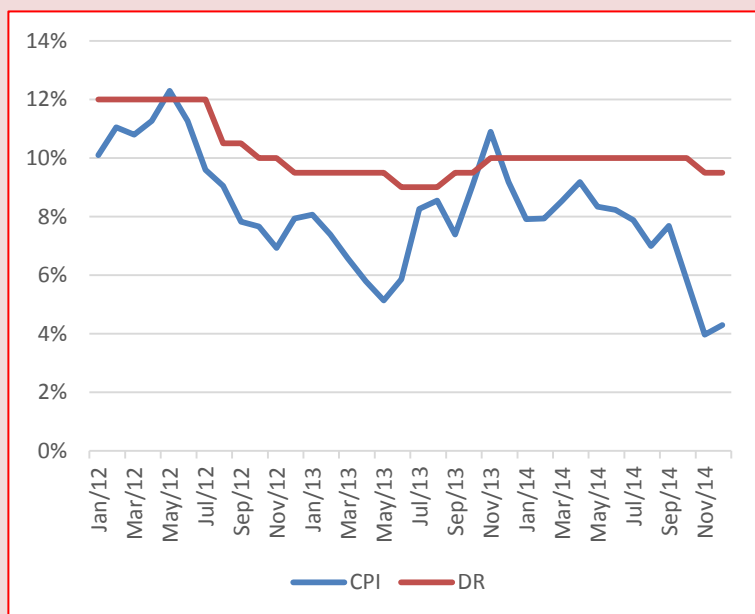
The Government also conducted two T-bill Auctions during the month. While cut-offs remained almost unchanged, the amount raised through these was considerably lower at Rs. 134b, against the target of Rs. 175b and the amount raised in November of Rs. 503.5b.

Secondary market yields for tenors of more than 1 year have also reduced in line with a reduction in PIB cut-offs.



## Outlook

CPI for December 2014 was 4.30%, a little higher than 3.97% a month earlier, owing to the base effect. On a MoM basis, the CPI has declined 1% due to reduction in POL prices, compared to a decline 0.5% in November. Real interest rates have inched up above 500 basis points in December. This, coupled with declining trend in trade deficit, increase in foreign exchange reserves and a stable Rupee/Dollar parity is building the case for an interest rate cut in January 2015.



# Managed Fund

## Fund Objective

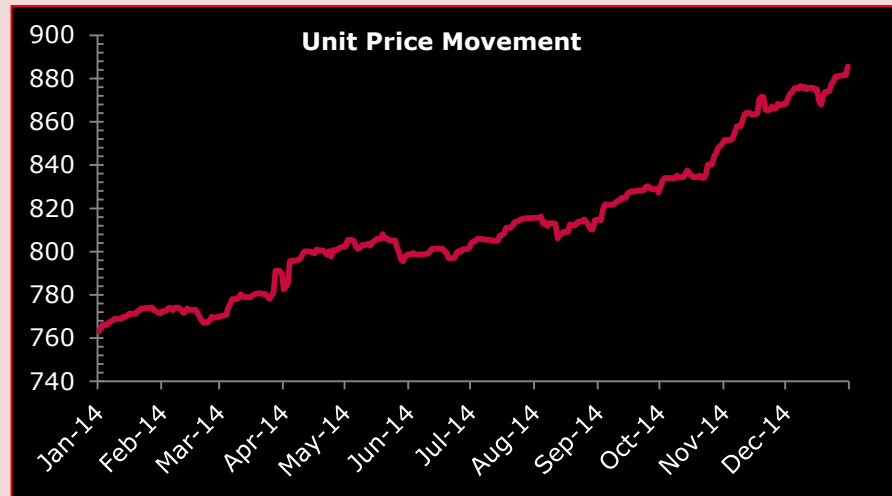
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Fund
<b>Fund Size</b>	PKR 34,459 Million
<b>Launch date</b>	31.12.1996
<b>Bid Price (31.12.1996)</b>	PKR 99.50
<b>Bid Price (31.12.2014)</b>	PKR 885.53
<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 December 2014, Managed Fund's (MF) Unit Price increased by PKR 17.14 (1.97%) net of fund management fee. On YTD basis unit price has increased 16.06%.

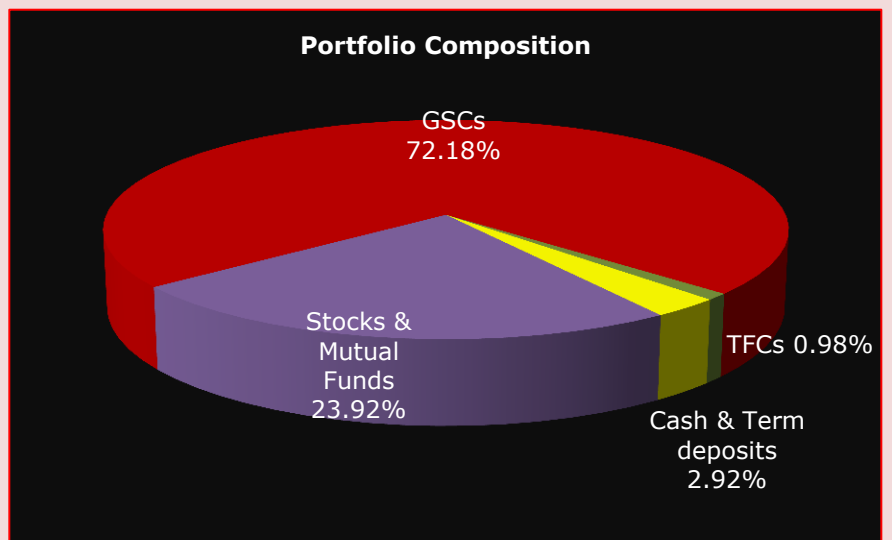


Investment Committee Members	
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Sultan Ali Akbar Allana</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Nurallah Merchant</b>	Member
<b>Manzoor Ahmed</b>	Member/ Secretary

Assets	December 2014	November 2014
<b>Government Securities</b>	72.18%	72.87%
<b>Term Finance Certificates</b>	0.98%	1.27%
<b>Cash &amp; Short Term Deposits</b>	2.92%	1.37%
<b>Stocks &amp; Mutual Funds</b>	23.92%	24.49%

Fund Returns		
Period	Rate of Return	Rate of Return (annualized)
<b>MTD</b>	1.97%	25.88%
<b>QTD</b>	6.73%	29.51%
<b>YTD</b>	16.06%	16.06%
<b>Since Inception</b>	789.98%	12.90%

Fund Size	
December 2014	November 2014
PKR 34,459 Million	PKR 32,624 Million



# Capital Growth Fund

## Fund Objective

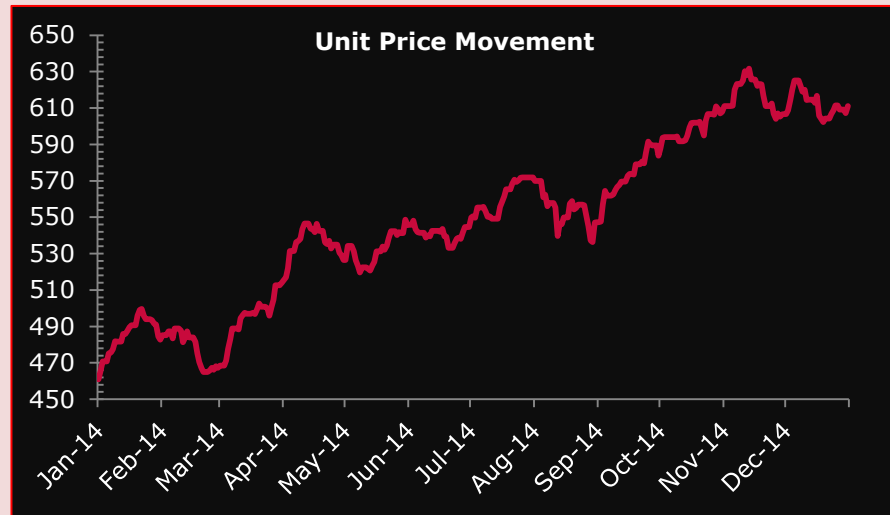
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Capital Growth Fund
<b>Fund Size</b>	PKR 968 Million
<b>Launch date</b>	28.07.2004
<b>Bid Price (28.07.2004)</b>	PKR 100.00
<b>Bid Price (31.12.2014)</b>	PKR 611.02
<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 December 2014, Capital Growth Fund's (CGF) Unit Price increased by PKR 4.39 (0.72%) net of fund management fee. On YTD basis unit price has increased 32.55%.



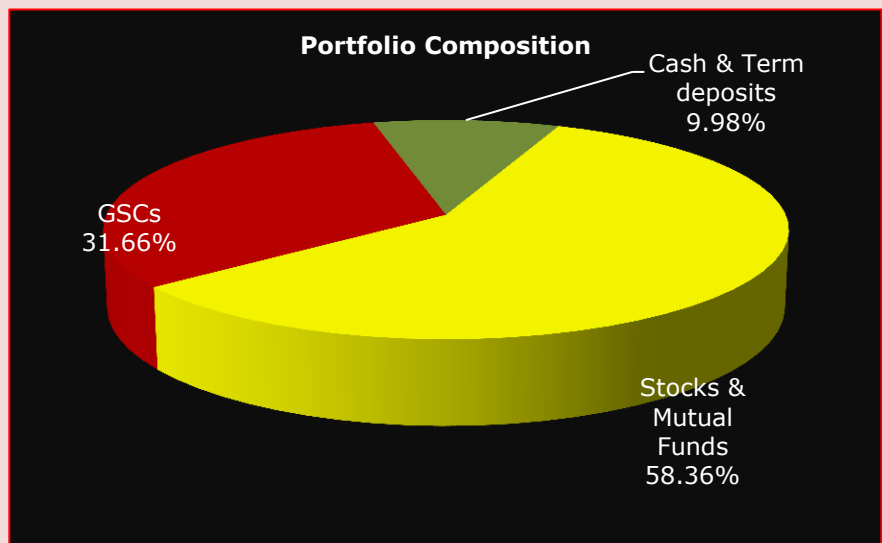
Investment Committee Members	
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Sultan Ali Akbar Allana</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Nurallah Merchant</b>	Member
<b>Manzoor Ahmed</b>	Member/ Secretary

Assets	December 2014	November 2014
<b>Government Securities</b>	31.66%	9.23%
<b>Cash &amp; Short Term Deposits</b>	9.98%	22.97%
<b>Stocks &amp; Mutual Funds</b>	58.36%	67.80%

## Fund Returns

Period	Rate of Return	Rate of Return (annualized)
<b>MTD</b>	0.72%	8.86%
<b>QTD</b>	3.97%	16.69%
<b>YTD</b>	32.55%	32.55%
<b>Since Inception</b>	511.02%	18.94%

Fund Size	
December 2014	November 2014
PKR 968 Million	PKR 847 Million





# Meesaq Fund

## Fund Objective

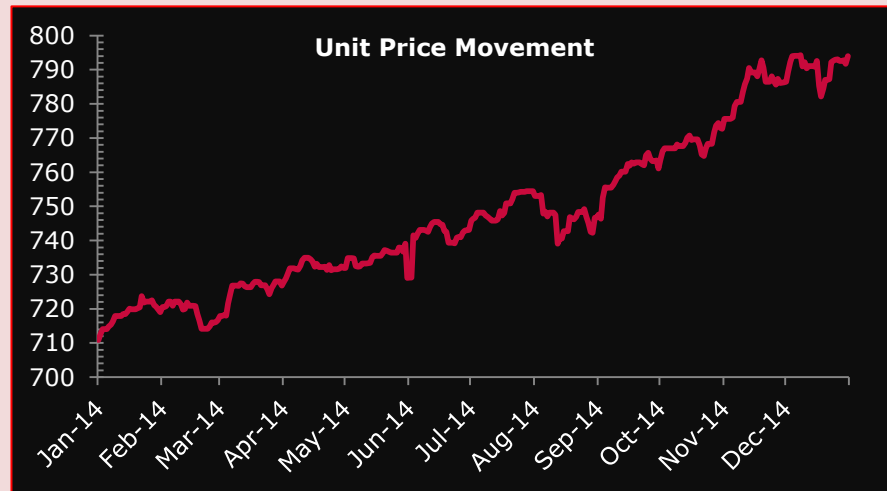
The objective of the Meesaq fund is to provide an opportunity to investors who want interest free returns. The instruments in which the Meesaq fund invests are selective stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

## Fund Information

Description	Information
<b>Fund Name</b>	Meesaq Fund
<b>Fund Size</b>	PKR 5,062 Million
<b>Launch date</b>	27.03.2008
<b>Bid Price (27.03.2008)</b>	PKR 475.00
<b>Bid Price (31.12.2014)</b>	PKR 794.02
<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 December 2014, Meesaq Fund's (MEF) Unit Price increased by PKR 7.53 (0.96%) net of fund management fee. On YTD basis unit price has increased 11.70%.

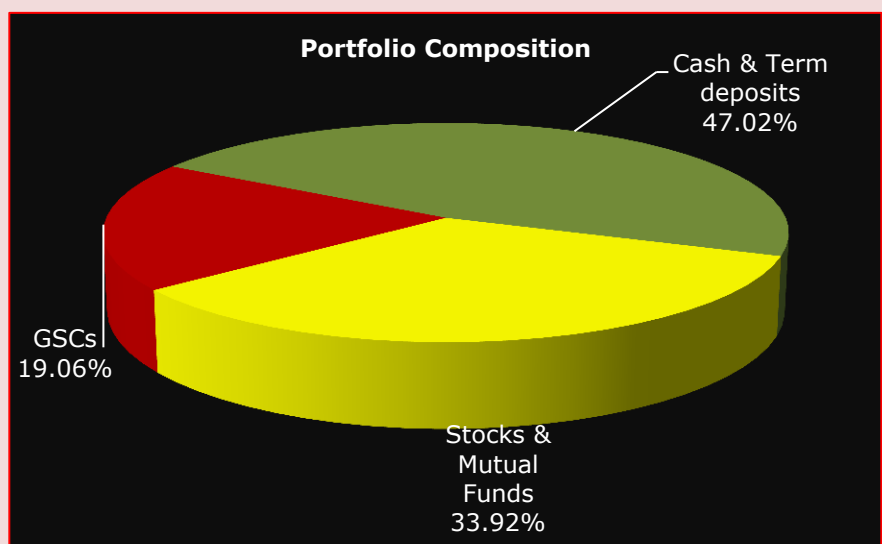


Investment Committee Members	
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Sultan Ali Akbar Allana</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Nurallah Merchant</b>	Member
<b>Manzoor Ahmed</b>	Member/ Secretary

Assets	December 2014	November 2014
<b>Government Securities-Sukuk</b>	19.06%	20.66%
<b>Cash &amp; Short Term Deposits</b>	47.02%	43.48%
<b>Stocks &amp; Mutual Funds</b>	33.92%	35.86%

Fund Returns		
Period	Rate of Return	Rate of Return (annualized)
<b>MTD</b>	0.96%	11.87%
<b>QTD</b>	3.99%	16.78%
<b>YTD</b>	11.70%	11.70%
<b>Since Inception</b>	67.16%	7.89%

Fund Size	
December 2014	November 2014
PKR 5,062 Million	PKR 4,826 Million



# Yaqeen Growth Fund

## Fund Objective

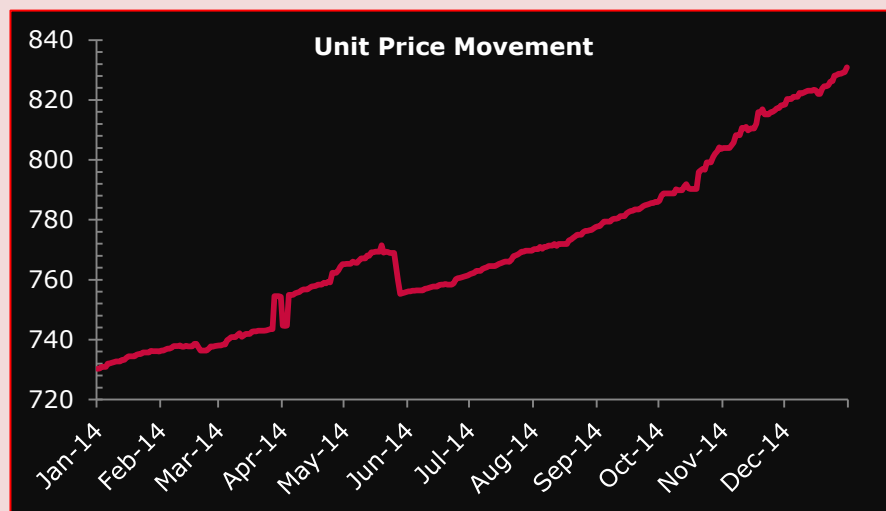
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

## Fund Information

Description	Information
<b>Fund Name</b>	Yaqeen Growth Fund
<b>Fund Size</b>	PKR 951 Million
<b>Launch date</b>	01.06.2009
<b>Bid Price (01.06.2009)</b>	PKR 475.00
<b>Bid Price (31.12.2014)</b>	PKR 830.92
<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 12.42 (1.52%) net of fund management fee. On YTD basis unit price has increased 13.78%.



## 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	December 2014	November 2014
<b>Government Securities</b>	87.25%	74.91%
<b>Cash &amp; Short Term Deposits</b>	6.02%	18.52%
<b>Stocks &amp; Mutual Funds</b>	6.73%	6.57%

## Fund Returns

Period	Rate of Return	Rate of Return (annualized)
<b>MTD</b>	1.52%	19.40%
<b>QTD</b>	5.67%	24.45%
<b>YTD</b>	13.78%	13.78%
<b>Since Inception</b>	74.93%	10.53%

## Fund Size

December 2014	November 2014
PKR 951 Million	PKR 921 Million

