



## INVESTORS' OUTLOOK

FOR THE MONTH OF NOVEMBER 2017

# INVESTORS' OUTLOOK

## ECONOMY AND CAPITAL MARKETS UPDATE

### Economic Summary

Key Indicators	Reported Month	Current	Previous	YTD
CPI Inflation	Nov	3.97%	3.80%	3.59%
Trade Deficit (USD mn)	Oct	-3,041	-2,798	-12,107
Remittances (USD mn)	Oct	1,654	1,294	6,444
Current A/C (USD mn)	Oct	-1,315	-1,097	-5,013
FDI (USD mn)	Oct	278	205	940
Tax Collection ** (PKR bn)	Nov	270	271	1,305
M2 Growth*	Nov			1.14%
FX Reserves* (USD bn)	Nov			18.74

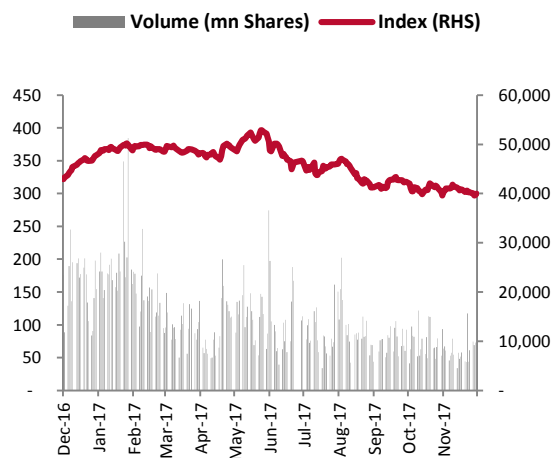
Source SBP, FBS

\* Latest monthly figures \*\*provisional figures

### Economic Review

CPI Inflation for the month of November clocked in at 3.97%YoY compared to 3.80%YoY in November-16 and 3.80% in October-17. On a sequential basis, CPI is up 0.37%MoM mainly contributed by food & beverages (+0.12% MoM). Overall, average 5MFY18 inflation now stands at 3.59% compared to 3.92% in 5MFY17. Situation further worsened on external front in October 2017 as current account deficit increased by 19.9%MoM to USD 1,315 mn in October 2017 compared to USD 1,097 mn in September 2017. Sharp rise of 10.9% in imports to USD19,163 mn offset the impact of 12.7% growth in exports (USD7,056 mn). Resultantly, trade deficit widened by 30.9% YoY from USD 9,242 mn (3.3% of GDP) in 4MFY17 to USD12,107 mn (4.0% of GDP) in 4MFY18. On fiscal front, FBR has provisionally collected PKR 1,303 bn during the 5MFY18 as compared to PKR 1,089 bn SPLY, up +20% YoY. Monetary policy statement remained non-event for the market where SBP kept discount rate/policy rate unchanged at 6.25%/5.75% for next two months. Furthermore, MPS committee foresees inflationary pressure to remain subdued due to adequate food supplies and stable commodity prices. Moving ahead, we feel vulnerable external account due to expected increase in import bill amid recovery in commodity prices and uptick in machinery imports is expected to remain key challenge to address. Nevertheless, successful issuance of Eurobond & Sukuk issuance worth USD 2.5bn in the international markets coupled with an extension of export package and additional regulatory duties on luxury imports is expected to provide some respite to external account position.

### KSE-100 one year performance



### Equity Market Review

Equities posted some recovery as the benchmark KSE-100 index was up by 1.0% MoM (+393pts) during Nov'17 to close at 40,010 points. Overall activity remained dull amid uncertainty over political and economic front. This is also evident from poor investor participation as average daily traded volumes were down by 18% MoM. Moreover, sentiments further worsened when Engro Corporation was removed from MSCI EM index in its semi-annual review and Pakistan's overall weight shrank from ~0.14% to ~0.08%. However, key positive developments during the month include Pakistan's successful completion of Eurobond & Sukuk issuance raising worth USD 2.5 bn which was oversubscribed by ~3.2 times while CPEC related projects remained on track with 1st unit of Port Qasim Power Plant also coming online during the month.

Foreigners once again remained net seller of US\$51.9mn in November taking CY17YTD sell-off to US\$484mn. Major sectors that saw outflow include Fertilizer (-USD 34.5mn) and Banks (-USD 20.5mn). However, local liquidity led by Insurance (+USD 19.8mn), Companies (+USD 18.3 mn) and Mutual Funds (+USD 9.1mn) comfortably absorbed all the foreign selling. Moving ahead, Pakistan with forward P/E of 7.6x is trading at a steep discount of 48% as compared to MSCI EM P/E of 14.6 and offers an attractive dividend yield of 6.1%. Moreover, sharp correction of 24% from all time high of 52,876 points is providing an ideal opportunity for fresh investments.

### Secondary market PKRVs

Tenor	Nov-17	Oct-17	Change (bps)
30 Days	5.94	5.92	2
60 Days	5.97	5.93	4
3 Months	5.99	5.98	1
6 Months	6.01	6.01	0
1 Year	6.03	6.03	0
3 Year	6.93	6.96	-3
5 Year	7.54	7.61	-7
10 Year	8.29	8.30	-1

Source: MUFAP

### Debt Market Review

During the month of November, SBP held two T-Bill auctions with a combined target of PKR1,200 bn whereas central bank accepted bids worth PKR1,314 bn mainly in lower tenor. Cut-off yields for 03 and 06 month tenors were maintained at 5.991% and 6.0109% respectively whereas no bids were received for 12-month tenor. On the other hand, interest in PIBs remained extremely lack-luster as the SBP received bids of only PKR24 bn against target of PKR100 bn. Subsequently, central bank rejected all bids and scrapped the auction. Overall activity remained modest as secondary market yields in the shorter tenors gained slightly while trades were witnessed within a narrow band and subsequently yields were adjusted by 4-7 basis points across the board. Going ahead, market is expected to remain range bound in near term given a stable interest rates scenario.

## Fund Objective

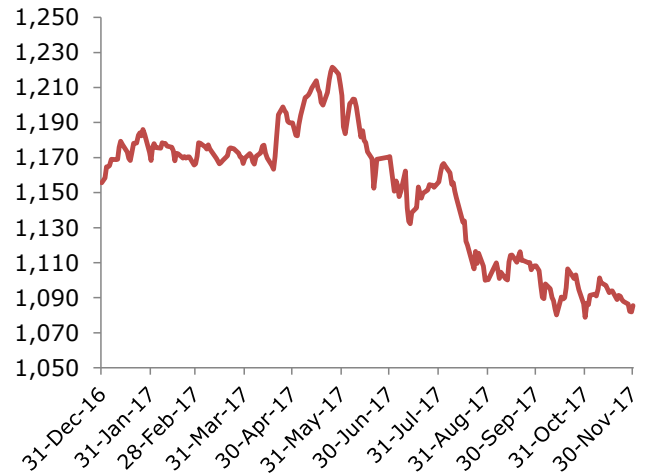
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Fund
<b>Fund Size</b>	PKR 68,718 Million
<b>Launch Date</b>	31.12.1996
<b>Bid Price (31.12.1996)</b>	PKR 99.50
<b>Bid Price (30.11.2017)</b>	PKR 1,085.56
<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 November 2017 Managed Fund's (MF) Unit Price increased by PKR 6.72 (0.62%) net of fund management fee.



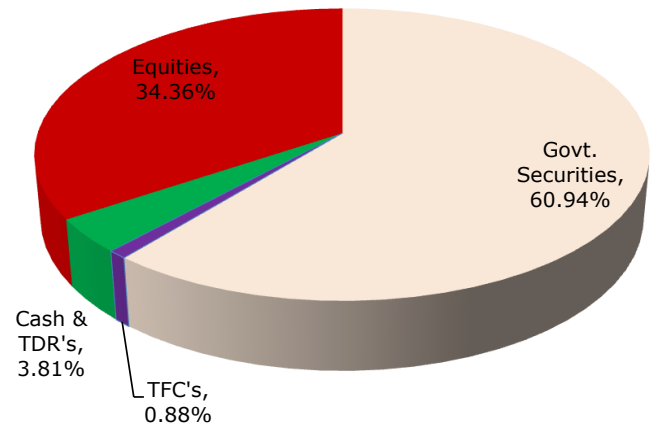
## Investment Committee Members

<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	November-17	October-17
<b>Government Securities</b>	60.94%	61.61%
<b>Term Finance Securities</b>	0.88%	0.90%
<b>Cash and Short Term Deposits</b>	3.81%	3.96%
<b>Stocks &amp; Mutual Funds</b>	34.36%	33.54%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	0.62%
<b>3 months</b>	-1.34%
<b>12 months</b>	-1.51%
<b>Calendar YTD</b>	-6.06%
<b>Since Inception</b>	991.01%
<b>Since Inception (annualized)</b>	12.10%
<b>5 Years</b>	62.81%
<b>10 Years</b>	152.16%



# 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 13,862 Million
<b>Launch Date</b>	28.07.2004
<b>Bid Price (28.07.2004)</b>	PKR 100.00
<b>Bid Price (30.11.2017)</b>	PKR 894.73
<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 November 2017 Capital Growth Fund's (CGF) Unit Price increased by PKR 10.97 (1.24%) net of fund management fee.



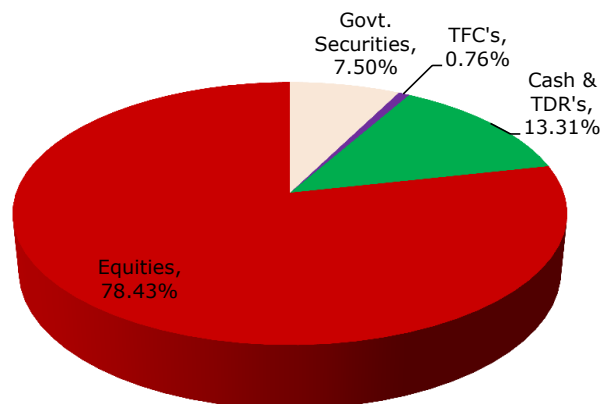
## Investment Committee Members

<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>	1.24%
<b>3 months</b>	-2.97%
<b>12 months</b>	-7.33%
<b>Calendar YTD</b>	-13.82%
<b>Since Inception</b>	794.73%
<b>Since Inception (annualized)</b>	17.84%
<b>5 Years</b>	174.49%
<b>10 Years</b>	333.45%

Assets	November-17	October-17
<b>Government Securities</b>	7.50%	7.23%
<b>Term Finance Securities</b>	0.76%	0.81%
<b>Cash and Short Term Deposits</b>	13.31%	14.87%
<b>Stocks &amp; Mutual Funds</b>	78.43%	77.09%



# 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 8,894 Million
<b>Launch Date</b>	27.03.2008
<b>Bid Price (27.03.2008)</b>	PKR 475.00
<b>Bid Price (30.11.2017)</b>	PKR 1,004.62
<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

## Investment Committee Members

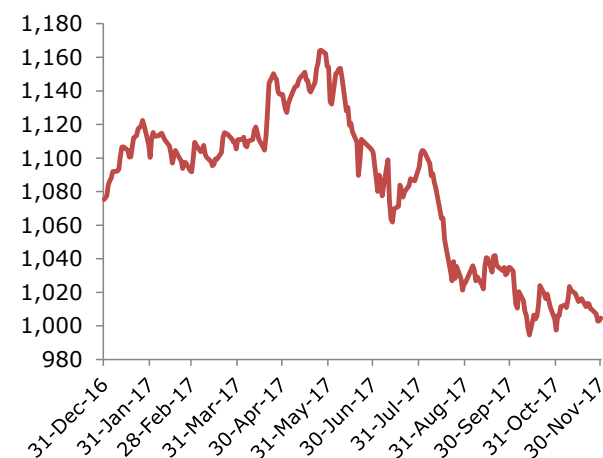
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

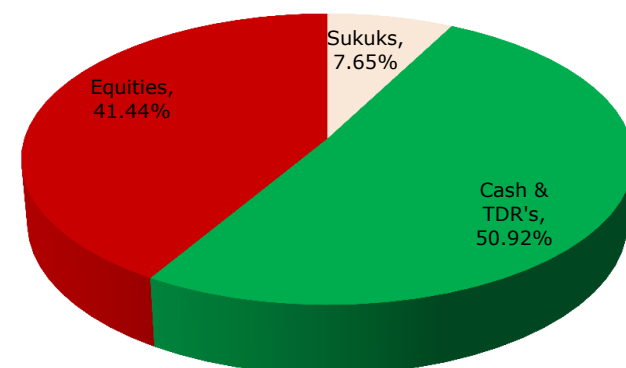
Period	Rate of Return
<b>1 month</b>	0.73%
<b>3 months</b>	-2.05%
<b>12 months</b>	-1.17%
<b>Calendar YTD</b>	-6.57%
<b>Since Inception</b>	111.50%
<b>Since Inception (annualized)</b>	8.04%
<b>5 Years</b>	61.34%

## Fund Returns

During the month of November 2017 Meesaq Fund's (MEF) Unit Price increased by PKR 7.26 (0.73%) net of fund management fee.



Assets	November-17	October-17
<b>Sukuks</b>	7.65%	7.71%
<b>Cash and Short Term Deposits</b>	50.92%	52.67%
<b>Stocks &amp; Mutual Funds</b>	41.44%	39.62%





# YAQEEEN 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 1,627 Million
<b>Launch Date</b>	01.06.2009
<b>Bid Price (01.06.2009)</b>	PKR 475.00
<b>Bid Price (30.11.2017)</b>	PKR 1,009.49
<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

## Investment Committee Members

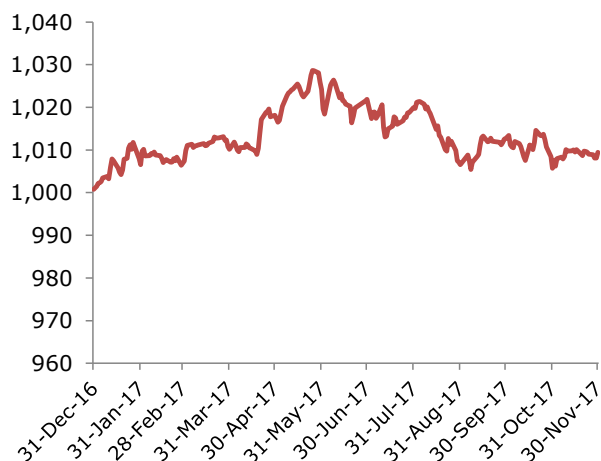
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

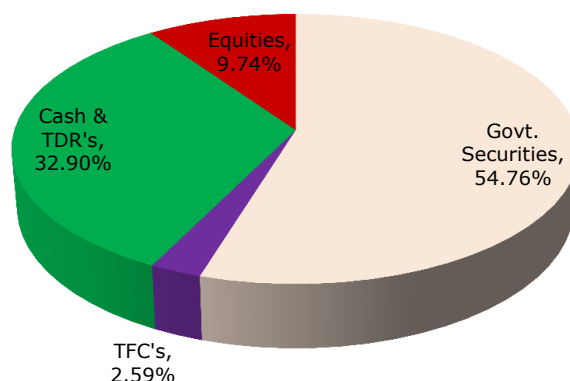
Period	Rate of Return
<b>1 month</b>	0.38%
<b>3 months</b>	0.29%
<b>12 months</b>	2.84%
<b>Calendar YTD</b>	0.87%
<b>Calendar YTD (annualized)</b>	0.95%
<b>Since Inception</b>	112.52%
<b>Since Inception (annualized)</b>	9.27%
<b>5 Years</b>	51.49%

## Fund Returns

During the month of November 2017 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 3.77 (0.38%) net of fund management fee.



Assets	November-17	October-17
<b>Government Securities</b>	54.76%	55.85%
<b>Term Finance Securities</b>	2.59%	2.63%
<b>Cash and Short Term Deposits</b>	32.90%	31.52%
<b>Stocks &amp; Mutual Funds</b>	9.74%	9.99%



## 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 1,526 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (30.11.2017)</b>	PKR 599.69
<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

## Investment Committee Members

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<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

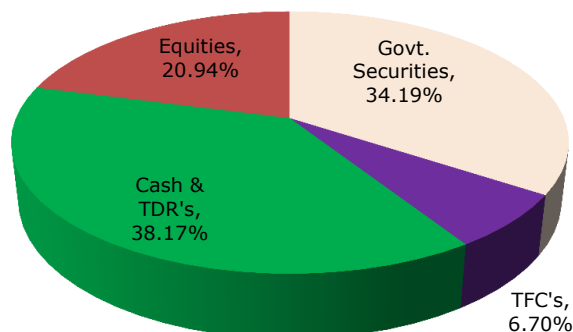
Period	Rate of Return
<b>1 month</b>	0.77%
<b>3 months</b>	-0.21%
<b>12 months</b>	-0.79%
<b>Calendar YTD</b>	-1.59%
<b>Since Inception</b>	19.94%

## Fund Returns

During the month of November 2017 Managed Takaful Fund's (MTF) Unit Price increased by PKR 4.59 (0.77%) net of fund management fee.



Assets	November-17	October-17
<b>Government Securities</b>	34.19%	31.57%
<b>Term Finance Certificates</b>	6.70%	7.68%
<b>Cash and Short Term Deposits</b>	38.17%	41.76%
<b>Stocks</b>	20.94%	18.99%



## 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 2,491 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (30.11.2017)</b>	PKR 622.69
<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

## Investment Committee Members

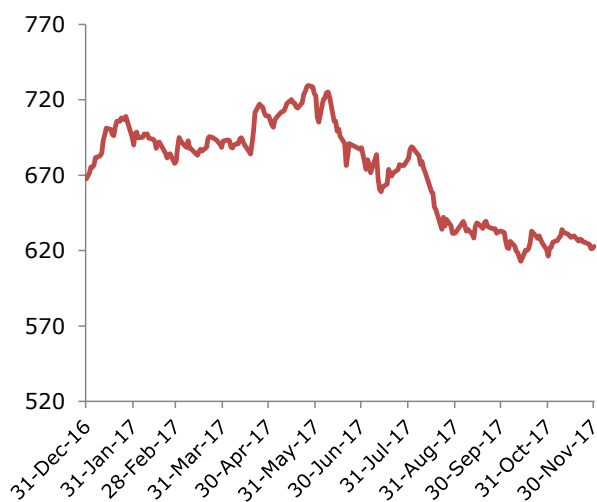
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

Period	Rate of Return
<b>1 month</b>	1.01%
<b>3 months</b>	-1.45%
<b>12 months</b>	-4.29%
<b>Calendar YTD</b>	-6.73%
<b>Since Inception</b>	24.54%

## Fund Returns

During the month of November 2017 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 6.24 (1.01%) net of fund management fee.



Assets	November-17	October-17
<b>Government Securities</b>	30.81%	27.60%
<b>Term Finance Certificates</b>	2.90%	3.54%
<b>Cash and Short Term Deposits</b>	30.41%	34.00%
<b>Stocks</b>	35.88%	34.86%

