



INVESTORS' OUTLOOK

FOR THE MONTH OF SEPTEMBER 2017

INVESTORS' OUTLOOK

ECONOMY AND CAPITAL MARKETS UPDATE

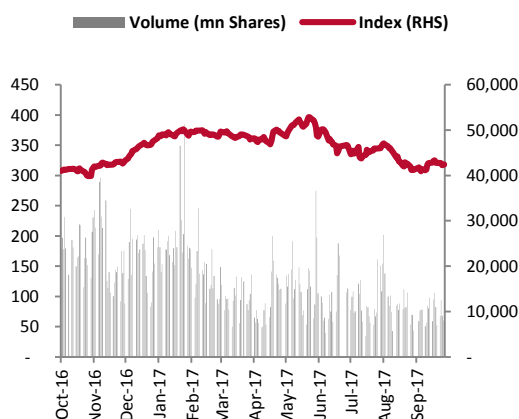
Economic Summary

Key Indicators	Reported Month	Current	Previous	YTD
CPI Inflation	Sept	3.86%	3.41%	3.39%
Trade Deficit (USD mn)	August	-3,086	-3,204	-6,290
Remittances (USD mn)	Sept	1,294	1,954	4,790
Current A/C (USD mn)	August	-550	-2,051	-2,601
FDI (USD mn)	August	235	223	458
Tax Collection ** (PKR bn)	August	305	237	783
M2 Growth*	Sept			13.67%
FX Reserves* (USD bn)	Sept			19.76

Source: SBP, FBS

* Latest monthly figures **provisional figures

KSE 100 one year performance



Secondary market PKRVs

Tenor	Sept-17	Aug-17	Change (bps)
30 Days	5.91	5.86	5
60 Days	5.96	5.93	3
3 Months	5.99	5.97	2
6 Months	6.01	6.00	1
1 Year	6.03	6.03	0
3 Year	6.94	6.75	19
5 Year	7.66	7.40	26
10 Year	8.31	8.29	2

Source: MUFAP

Economic Review

CPI Inflation for the month of September clocked in at 3.9%YoY compared to 3.4% YoY in Sept'16 and 3.4% in August'17. On a sequential basis, CPI remained flat (+0.06%MoM) mainly due to rise (+12.4% MoM) in perishable food prices, which was impacted by 'Eid factor' and higher fuel prices. Overall, average 1QFY18 inflation now stands at 3.4% compared to 3.8% in 1QFY17. Pressure on external account front eased off as current account deficit (CAD) dropped sharply by 73.2%MoM to USD550 mn in August 2017 compared to USD2,051 mn in July 2017. This improvement was supported by rising workers' remittances (27%MoM) and falling trade deficit (-25%MoM). However, CAD widened by 102%YoY from USD1,287 mn in 2MFY17 to USD2,601 mn in 2MFY18. Deterioration in current account can be attributed to 37%YoY increase in trade deficit owing to sluggish exports amid weak global demand and rising imports as non-oil imports like machinery remain elevated due to CPEC related investment activity. As a result, total foreign exchange reserves dropped to USD19.7 bn in Sep 2017 from USD21.4 bn back in June 2017. On fiscal front, govt. performance was impressive with FBR collections at PKR765 bn in 1QFY18, up by 21.9%YoY compared to PKR627 bn SPLY.

Monetary policy statement remained non-event for the market as in-line with expectations, SBP kept discount rate/policy rate unchanged at 6.25/5.75% for next two months. Furthermore, MPS committee foresee inflationary pressure to remain subdued due to adequate food supplies and stable commodity prices. On the other hand, members acknowledged the building up of pressure on external front amid expected increase in imports in FY18 due to on-going CPEC projects. Nevertheless, timely realization of financial inflows and structural reforms imperative to maintain FX reserves is crucial.

Equity Market Review

After posting a drop in three consecutive months, the benchmark KSE100 index recovered 1,202 points to close the month at 42,409 level, translating into a positive return of 2.92% MoM (-11.3% in 9MCY17). Market gained momentum on expectations of strong foreign participation amid FTSE rebalancing where five Pakistani stocks namely BAFL, MCB, MTL, SNGP and THALL were added to the index. Moreover, uptick in International oil (WTI at USD52/bbl., +9.4%MoM) & urea prices (Middle East Urea touching high of USD295/ton, +30%MoM) kept index heavyweight sectors in limelight. As a result, fertilizer sector was leading contributor (+523 points) to the index followed by the Oil and Gas Sector with contribution of 354 points to the index. However, overall market activity remained lack-luster as the average daily volumes were recorded at 153 million in September 2017 compared to 202 million shares in August 2017.

Encouragingly, foreign investors were net buyers with net buying of worth USD 28.3 mn in the month of September'17. Foreign buying was mainly directed towards Banks (+USD 14.8mn), Cements (+USD 12mn) and Fertilizers (+USD 11mn). On the local front, mutual funds emerged as the largest sellers with a net sell of USD 13.7mn followed by banks (-USD 12.8mn), Individuals (-USD 5.2mn) and Insurance (-USD 4.2mn) whereas brokers were the only local buyers with a net inflow of +USD 12.5mn. Moving ahead, Pakistan with forward P/E of 8.7x is trading at a steep discount of 55% as compared to MSCI EM P/E of 15.6x and offers an attractive dividend yield of 6.1%. Moreover, sharp correction of 20% from all time high of 52,876 points is providing an ideal opportunity for fresh investments.

Debt Market Review

During the month of September, SBP held two T-Bill auctions with a combined target of PKR1,050 bn against a maturity of PKR943 bn whereas central bank accepted only bids worth PKR819 bn mainly in lower tenor. Cut-off yields for 03 and 06 month tenors were maintained at 5.991% and 6.0109% respectively while cut-off yield for 12-month tenor decreased by 1 bps to 6.0273%. On the other hand, interest in PIBs remained extremely lack-lustre as the SBP received bids of only PKR5.62 bn against target of PKR100 bn. The central bank remained resilient over high cost borrowing and rejected all bids. Activity in market remained dull as secondary market yields in the shorter tenors remained relatively flat while posting a mild rise in the range of 7-26 basis points in the longer tenor. Moving ahead, market is expected to remain range bound in near term given a stable interest rates scenario.

MANAGED FUND

Fund Objective

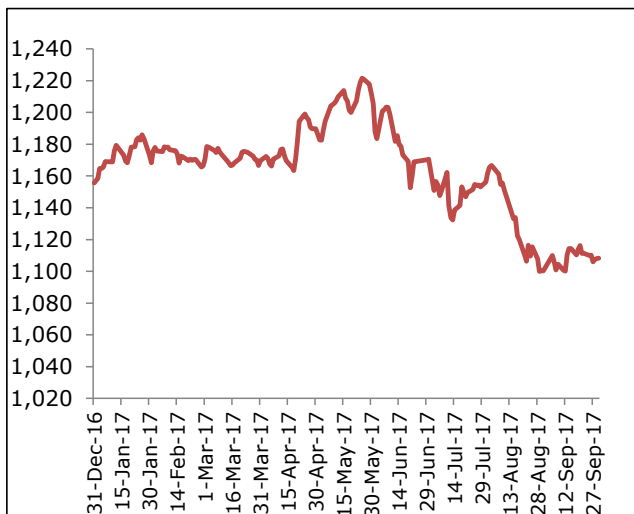
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

Fund Information

Description	Information
Fund Name	Managed Fund
Fund Size	PKR 68,304 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (30.09.2017)	PKR 1,108.21
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 September 2017 Managed Fund's (MF) Unit Price increased by PKR 7.92 (0.72%) net of fund management fee.



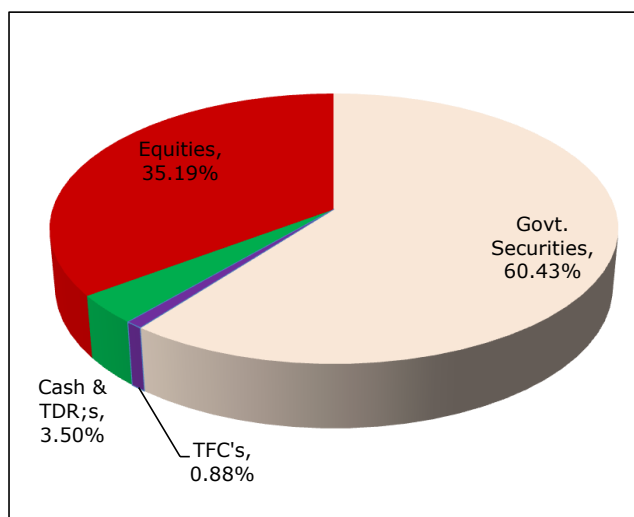
Investment Committee Members

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

Assets	September-17	August-17
Government Securities	60.43%	58.81%
Term Finance Securities	0.88%	0.88%
Cash and Short Term Deposits	3.50%	4.54%
Stocks & Mutual Funds	35.19%	35.77%

Fund Returns

Period	Rate of Return
1 month	0.72%
3 months	-5.33%
12 months	3.23%
Calendar YTD	-4.10%
Since Inception	1013.78%
Since Inception (annualized)	12.31%
5 Years	69.42%
10 Years	156.74%



Fund Objective

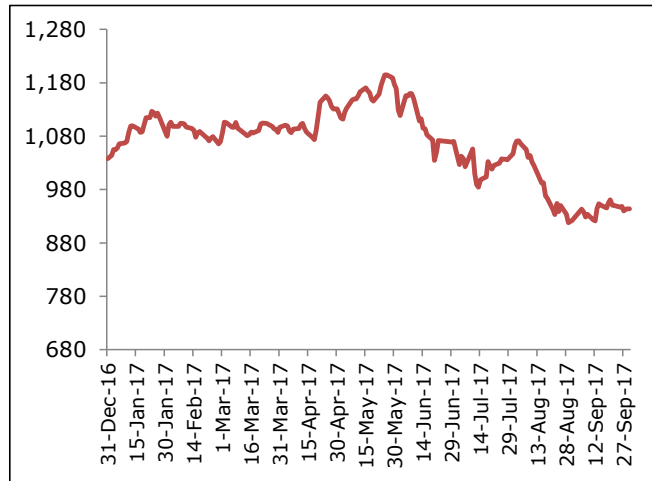
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

Fund Information

Description	Information
Fund Name	Capital Growth Fund
Fund Size	PKR 13,121 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100.00
Bid Price (30.09.2017)	PKR 943.74
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 September 2017 Capital Growth Fund's (CGF) Unit Price increased by PKR 21.61 (2.34%) net of fund management fee.



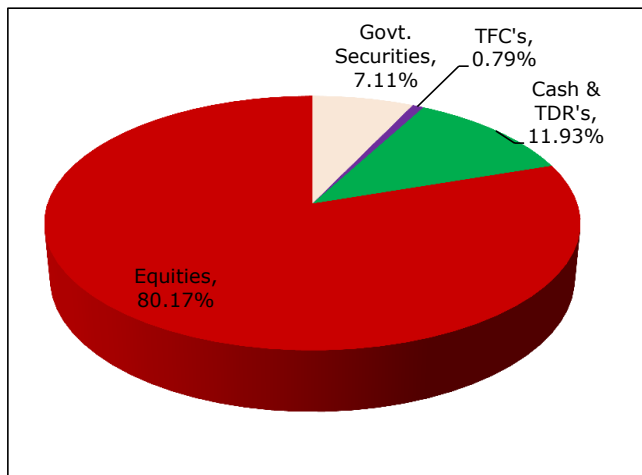
Investment Committee Members

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

Assets	September-17	August-17
Government Securities	7.11%	1.29%
Term Finance Securities	0.79%	0.82%
Cash and Short Term Deposits	11.93%	10.45%
Stocks & Mutual Funds	80.17%	87.44%

Fund Returns

Period	Rate of Return
1 month	2.34%
3 months	-11.82%
12 months	5.65%
Calendar YTD	-9.09%
Since Inception	843.74%
Since Inception (annualized)	18.56%
5 Years	202.38%
10 Years	362.32%



MEESAQ FUND

Fund Objective

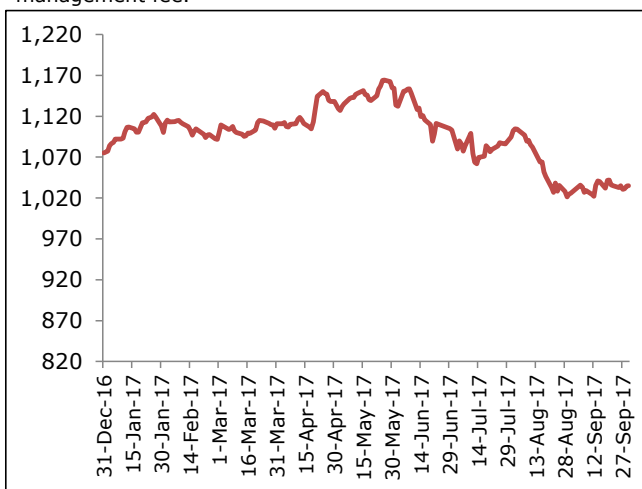
The objective of the Meesaq fund is to provide an opportunity to investors who want interest free returns. The instruments in which the Meesaq fund invests are selective stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

Fund Information

Description	Information
Fund Name	Meesaq Fund
Fund Size	PKR 9,033 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (30.09.2017)	PKR 1,034.82
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 September 2017 Meesaq Fund's (MEF) Unit Price increased by PKR 9.19 (0.9%) net of fund management fee.



Investment Committee Members

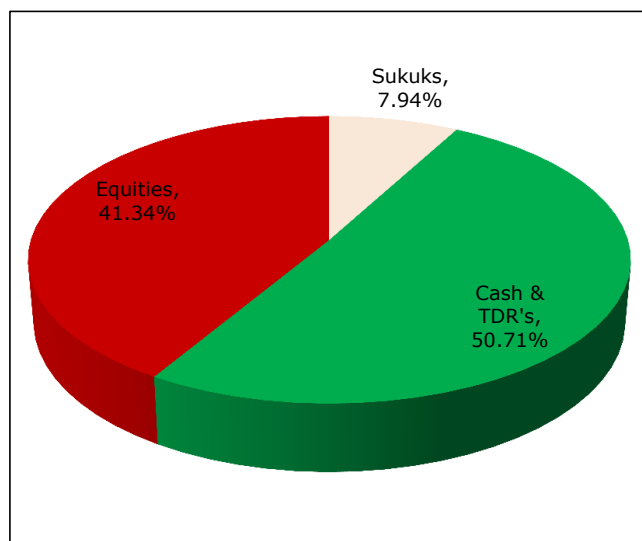
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

Period	Rate of Return
1 month	0.90%
3 months	-6.20%
12 months	5.93%
Calendar YTD	-3.76%
Since Inception	117.86%
Since Inception (annualized)	8.53%
5 Years	69.41%

Assets

	September-17	August-17
Sukuks	7.94%	8.00%
Cash and Short Term Deposits	50.71%	48.35%
Stocks & Mutual Funds	41.34%	43.65%



Yaqeen Growth Fund

Fund Objective

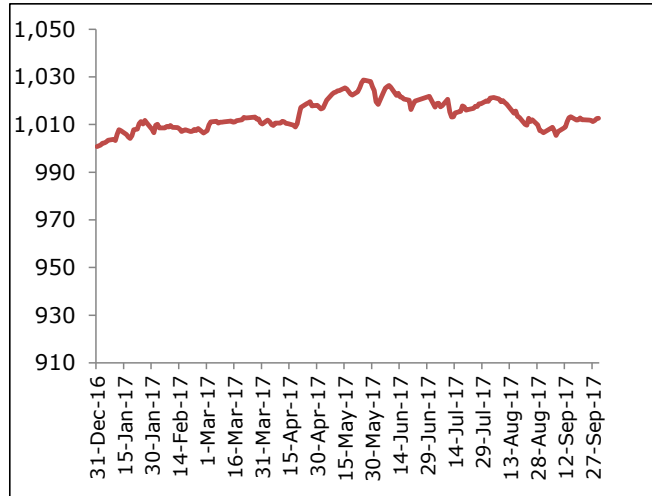
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

Fund Information

Description	Information
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 1,562 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (30.09.2017)	PKR 1,012.67
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 September 2017 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 6.11 (0.61%) net of fund management fee.



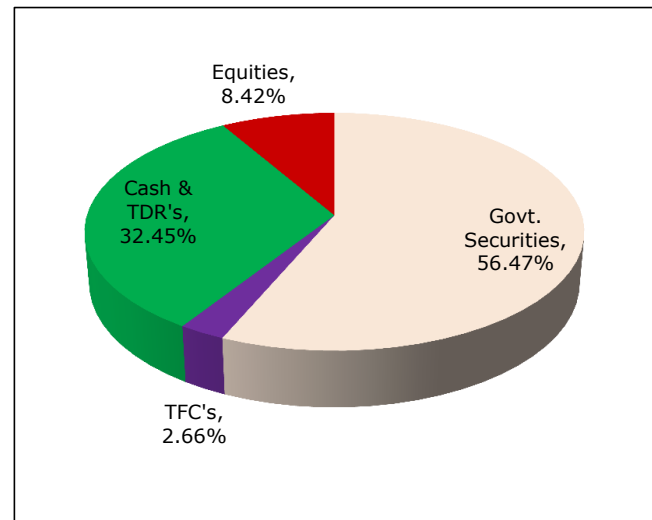
Investment Committee Members

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

Assets	September-17	August-17
Government Securities	56.47%	59.08%
Term Finance Securities	2.66%	2.60%
Cash and Short Term Deposits	32.45%	29.28%
Stocks & Mutual Funds	8.42%	9.04%

Fund Returns

Period	Rate of Return
1 month	0.61%
3 months	-0.90%
12 months	4.39%
Calendar YTD	1.19%
Calendar YTD (annualized)	1.58%
Since Inception	113.19%
Since Inception (annualized)	9.51%
5 Years	54.32%



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.

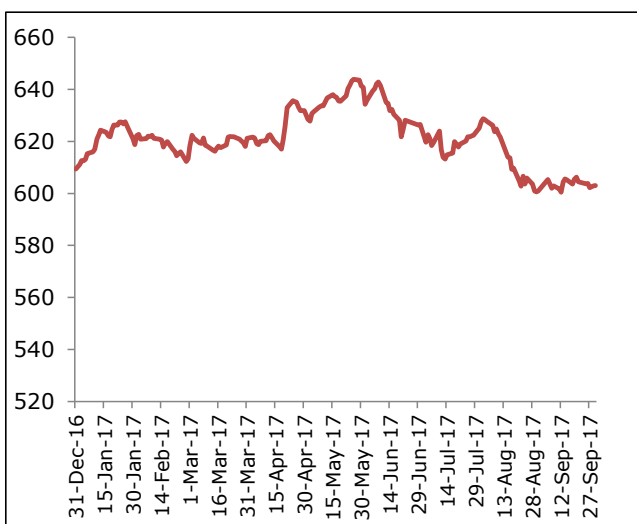
The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Managed Takaful Fund
Fund Size	PKR 1,190 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (30.09.2017)	PKR 602.97
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 September 2017 Managed Takaful Fund's (MTF) Unit Price increased by PKR 1.99 (0.33%) net of fund management fee.



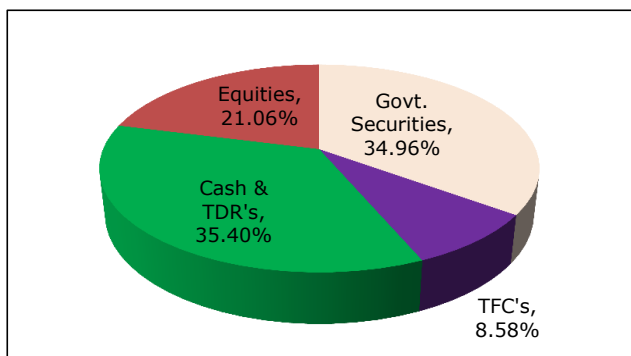
Investment Committee Members

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

Fund Returns

Period	Rate of Return
1 month	0.33%
3 months	-3.76%
12 months	3.46%
Calendar YTD	-1.05%
Since Inception	20.59%

Assets	September-17	August-17
Government Securities	34.96%	32.37%
Term Finance Certificates	8.58%	9.70%
Cash and Short Term Deposits	35.40%	32.55%
Stocks	21.06%	25.39%





CAPITAL GROWTH TAKAFUL FUND

Fund Objective

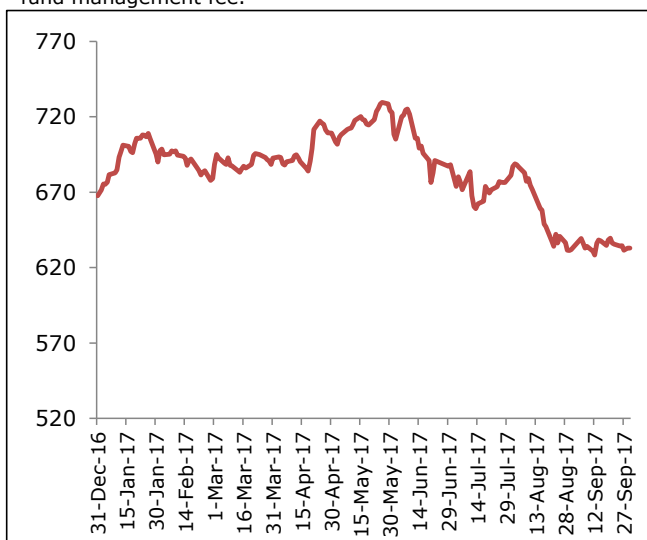
To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) 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 1,992 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (30.09.2017)	PKR 633.0
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 September 2017 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 1.16 (0.18%) net of fund management fee.



Investment Committee Members

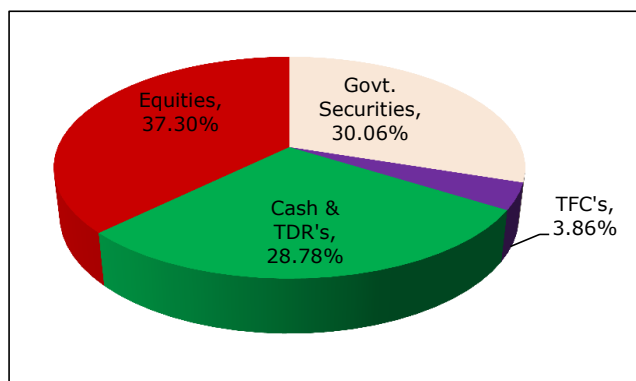
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Assets

	September-17	August-17
Government Securities	30.06%	25.26%
Term Finance Certificates	3.86%	4.21%
Cash and Short Term Deposits	28.78%	25.60%
Stocks	37.30%	44.93%

Fund Returns

Period	Rate of Return
1 month	0.18%
3 months	-8.03%
12 months	2.26%
Calendar YTD	-5.19%
Since Inception	26.60%



EQUITY PORTFOLIO DETAILS

MANAGED FUND

Sector Allocation	Percentage
Commercial Banks	21.88%
Oil & Gas Exploration	13.21%
Oil & Gas Marketing	10.47%
Pharmaceuticals	9.73%
Cement	8.96%
Engineering	7.65%

Top Ten Holdings
BAFL
HBL
HINOON
HUBC
LUCK
MTL
NML
SNGP
THALL
UBL

CAPITAL GROWTH FUND

Sector Allocation	Percentage
Commercial Banks	19.03%
Oil & Gas Exploration	15.80%
Oil & Gas Marketing	10.77%
Pharmaceuticals	9.02%
Engineering	8.95%
Cement	7.58%

Top Ten Holdings
ASTL
BAFL
HUBC
MTL
NML
OGDC
PPL
SNGP
THALL
UBL

MEESAQ FUND

Sector Allocation	Percentage
Oil & Gas Marketing	14.04%
Cement	12.81%
Oil & Gas Exploration	12.13%
Commercial Banks	10.42%
Automobile Assembler	10.01%
Pharmaceuticals	9.80%

Top Ten Holdings
APL
ASTL
HINOON
HUBC
LUCK
MEBL
MTL
NML
PIOC
SNGP



YAQeen GROWTH FUND

Sector Allocation	Percentage
Commercial Banks	30.68%
Auto Assembler & Parts	22.74%
Pharmaceuticals	18.22%
Power	10.62%
Cement	9.92%
Textile Composite	5.51%

Top Ten Holdings
ABOT
BAHL
HBL
HINOON
HUBC
KOHC
LUCK
MARI
NML
THALL

MANAGED TAKAFUL FUND

Sector Allocation	Percentage
Oil & Gas Exploration	24.95%
Oil & Gas Marketing	11.07%
Cement	11.06%
Pharmaceuticals	9.81%
Engineering	9.12%
Automobile Assembler	5.73%

Top Ten Holdings
ASTL
DGKC
HASCOL
HINOON
HUBC
LUCK
MARI
NML
OGDC
PPL

CAPITAL GROWTH TAKAFUL FUND

Sector Allocation	Percentage
Oil & Gas Exploration	22.29%
Oil & Gas Marketing	11.51%
Engineering	9.79%
Cement	9.77%
Pharmaceuticals	9.24%
Cable & Electric Goods	6.29%

Top Ten Holdings
CSAP
HASCOL
HUBC
LUCK
MARI
NML
OGDC
PAEL
PPL
THALL