



INVESTORS' OUTLOOK

FOR THE MONTH OF DECEMBER 2015



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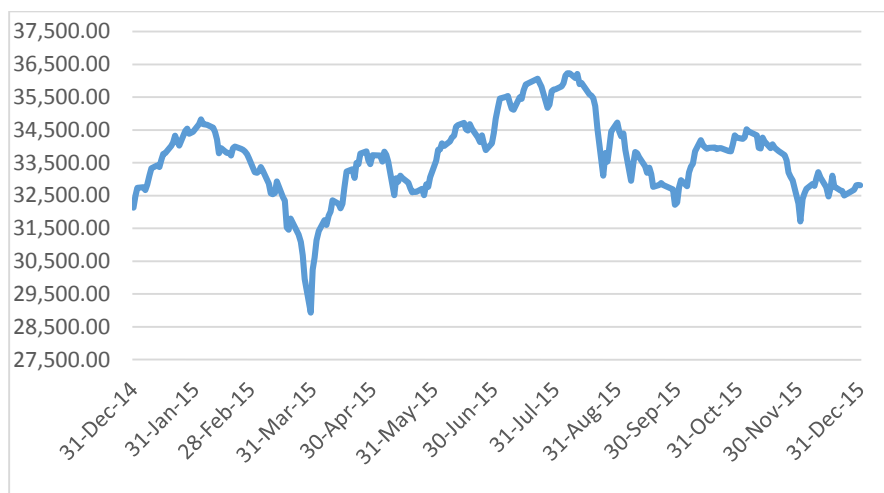
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Equity Market

The KSE100 Index closed the Calendar Year with a return of only 2.13%. The local market, however, outperformed most of the regional markets. MSCI World Index was down almost 3%, while MSCI Emerging Market Index and MSCI Frontier Market Index were both down 17% during the year.

Market capitalization of two major sectors, Oil & Gas and Banking, declined significantly during the year. A sharp reduction in international oil prices dampened profitability of the Oil & Gas sector; whereas, a reduction in SBP discount rate will likely affect banking sector spreads going forward and could affect their bottom-line, unless their alternative strategies bridge this gap. Fertilizers, Cements, Pharmaceuticals, Auto sectors remained in limelight on improving demand and margins and provided much needed support to the index.

The year also saw a net outflow of US\$315m in Foreign portfolio investments. Two major bouts of selling were seen during the year—the first (in Feb-March 2015) being driven by winding up of an international Fund, which also had exposure in Pakistan equities; and the second one (July-Dec) being led by Global sell-off in equities because of devaluation of the Chinese Yuan and in anticipation of Fed's first interest rate increase in a decade (which initially planned for August, was delayed until December).

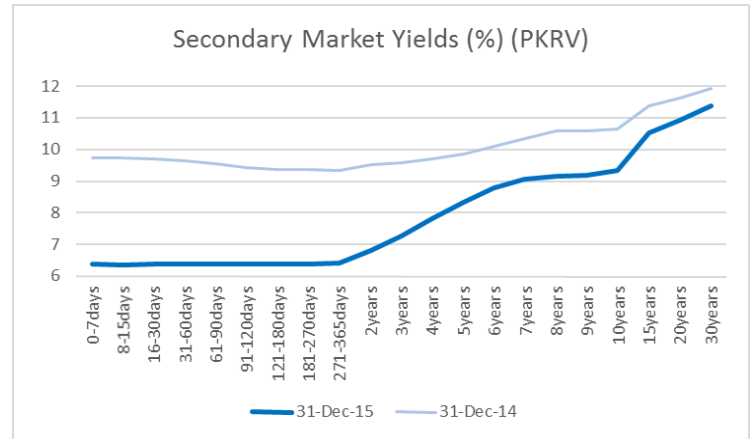
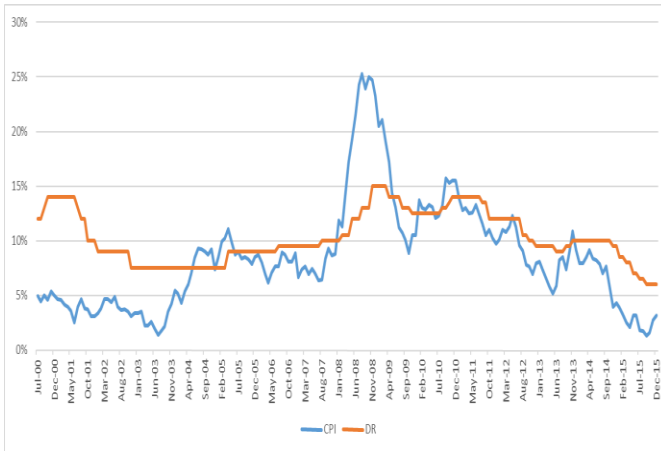


Going forward, with a number of developmental projects underway, along with the progress on the China Pakistan Economic Corridor (CPEC), the cement and ancilliary sectors will likely drive the equity market in the medium term. Further, the impact of declining commodity prices, particularly oil, on company fundamentals, has mostly been factored in and any sustained uptick in oil prices could result in stock prices in the Oil & Gas sectors increasing significantly. Around the mid of CY16, there is a potential that Pakistan equities could re-enter the MSCI EM Index, which could see foreign inflows returning in the local market. The equity market is still trading at low prospective PE multiple of around 8x, which is likely to attract interest of local investors as well, considering lack of high yielding alternative investment avenues.

Money Market

The outgoing year saw a significant decline in inflationary pressure with the CPI averaging 2.5% compared to 7.2% in CY14. This is primarily attributable to a high base effect and a downward trend in international commodity prices, particularly oil.

With reducing inflationary pressures, and hence increasing real interest rates in the economy, the SBP dropped its policy / target rate to 6% during the year. At the end of the CY2015, real interest rates (Policy rate minus average inflation) were 2.28%, compared to 3.39% in Dec 2014.

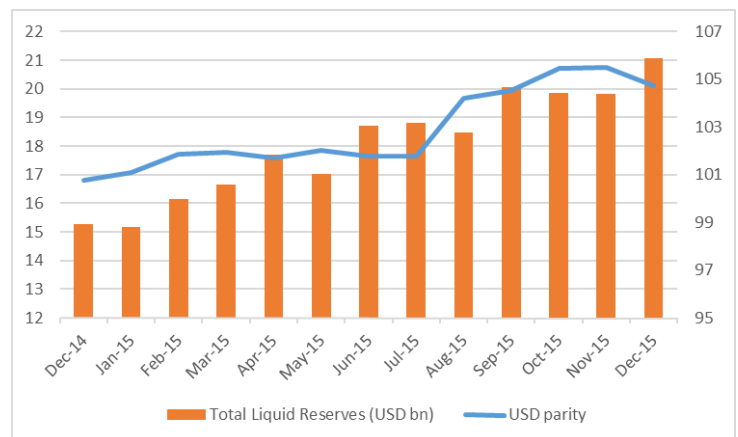


Secondary market yield curve steepened considerably during the year, with yields in the shorter tenor falling around 3%, in line with the reduction in discount rate, and those of the longer tenor, falling by much less.

Going forward, with CPI now expected to trend up in the coming months, the broader market expects interest rates to have bottomed out. However, until international oil prices continue to be low, we could see inflation remain in single digit for as long and hence less pressure on the SBP to reverse the interest rate cycle.

Foreign Exchange

CY2015 also saw a 38% increase in liquid reserve of the country, which helped keep the exchange rate under control. The PKR depreciated 4% during this time. Going forward, a comfortable Balance of Payments position, amidst low commodity prices and continued inflow from int'l lending agencies, could help keep the PKR stable to some extent. However, the risk arises in case of a depreciation in regional currencies, which could see further erosion in Pakistan's export competitiveness and hence make PKR devaluation inevitable.



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 47,536 Million
Launch date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.12.2015)	PKR 978.14
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

Investment Committee Members

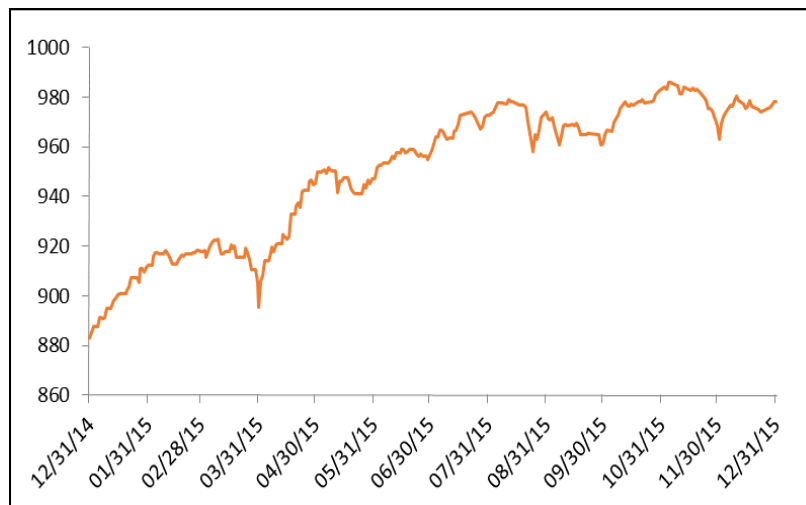
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Sultan Ali Akbar Allana	Member
John Joseph Metcalf	Member
Nurallah Merchant	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

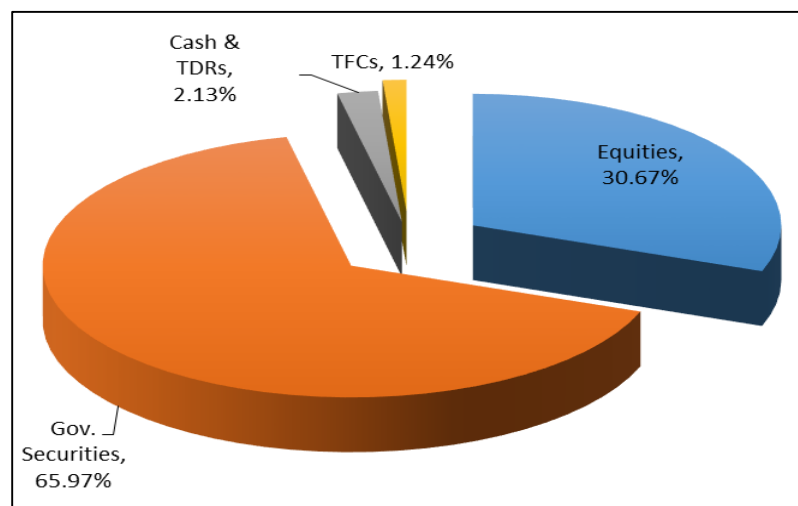
Period	Rate of Return
1 month	0.97%
3 months	1.77%
12 months	10.46%
Calendar YTD	10.46%
Since Inception	883.05%
Since Inception (annualized)	12.77%
5 years	85.51%
10 years	191.00%

Fund Returns

During the month of December 2015, Managed Fund's (MF) Unit Price increased by PKR 9.39 (0.97%) net of fund management fee. On a YTD basis unit price increased 10.46%.



Assets	December 2015	November 2015
Government Securities	65.97%	66.91%
Term Finance Certificates	1.24%	1.28%
Cash & Short Term Deposits	2.13%	1.39%
Stocks & Mutual Funds	30.67%	30.43%



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
Fund Name	Capital Growth Fund
Fund Size	PKR 2,881 Million
Launch date	28.07.2004
Bid Price (28.07.2004)	PKR 100.00
Bid Price (31.12.2015)	PKR 730.34
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

Investment Committee Members

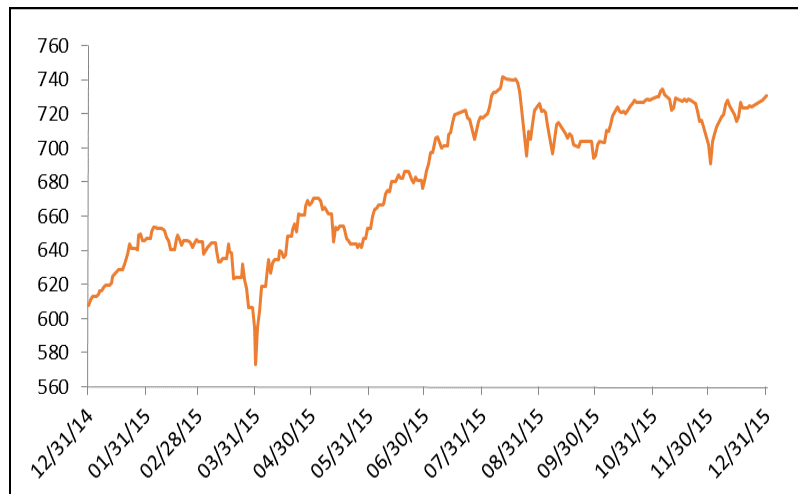
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Sultan Ali Akbar Allana	Member
John Joseph Metcalf	Member
Nurallah Merchant	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

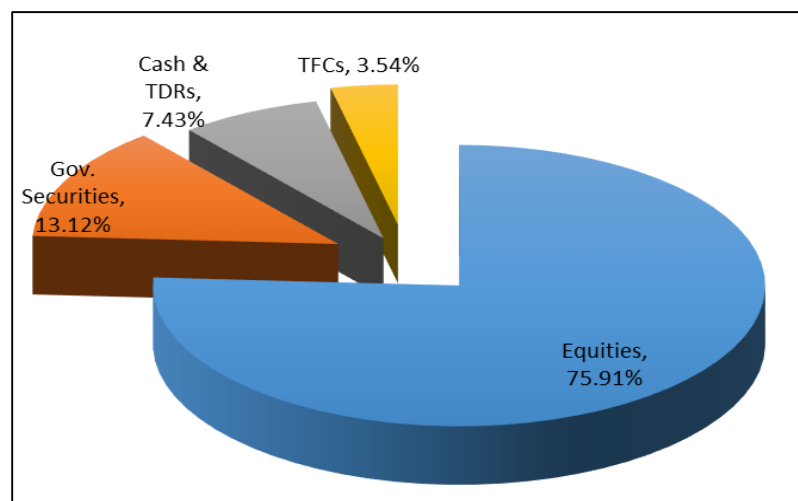
Period	Rate of Return
1 month	4.01%
3 months	5.06%
12 months	19.53%
Calendar YTD	19.53%
Since Inception	630.34%
Since Inception (annualized)	19.00%
5 years	174.36%
10 years	374.53%

Fund Returns

During the month of December 2015, Capital Growth Fund's (CGF) Unit Price increased by PKR 28.16 (4.01%) net of fund management fee. On a YTD basis unit price increased 19.53%.



Assets	December 2015	November 2015
Government Securities	13.12%	13.25%
Term Finance Certificates	3.54%	4.06%
Cash & Short Term Deposits	7.43%	1.84%
Stocks & Mutual Funds	75.91%	80.84%



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 6,655 Million
Launch date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.12.2015)	PKR 867.81
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

Investment Committee Members

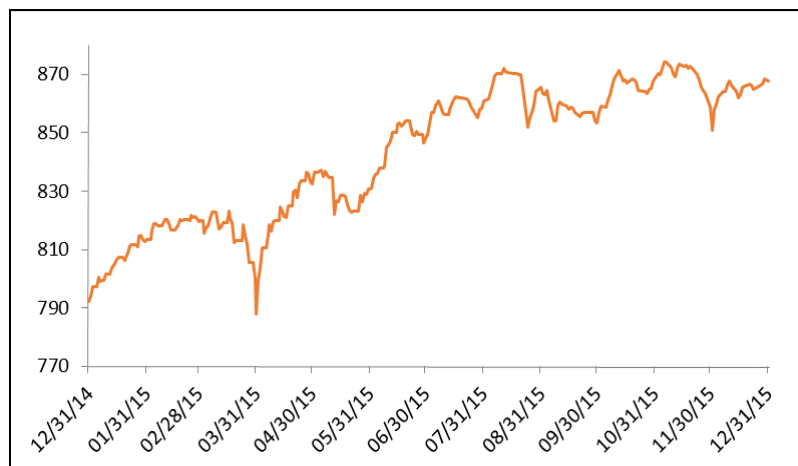
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Sultan Ali Akbar Allana	Member
John Joseph Metcalf	Member
Nurallah Merchant	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

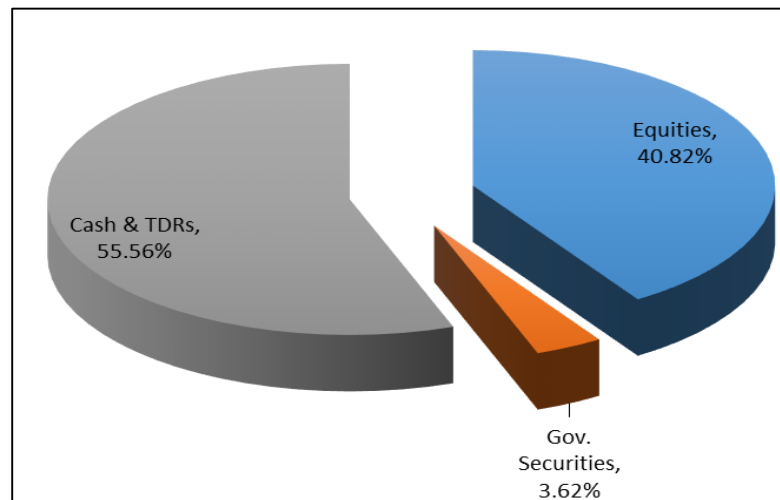
Period	Rate of Return
1 month	1.05%
3 months	1.68%
12 months	9.29%
Calendar YTD	9.29%
Since Inception	82.70%
Since Inception (annualized)	8.07%
5 years	70.46%
10 years	N/A

Fund Returns

During the month of December 2015, Meesaq Fund's (MEF) Unit Price increased by PKR 8.98 (1.05%) net of fund management fee. On a YTD basis unit price increased 9.29%. Lack of availability of attractive long term non-equity investment encouraged the management to increase allocation of funds to equity, though ensuring that volatility was contained.



Assets	December 2015	November 2015
Government Securities	3.62%	3.70%
Cash & Short Term Deposits	55.56%	57.52%
Stocks & Mutual Funds	40.82%	38.78%



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
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 1,149 Million
Launch date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.12.2015)	PKR 913.68
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

Investment Committee Members

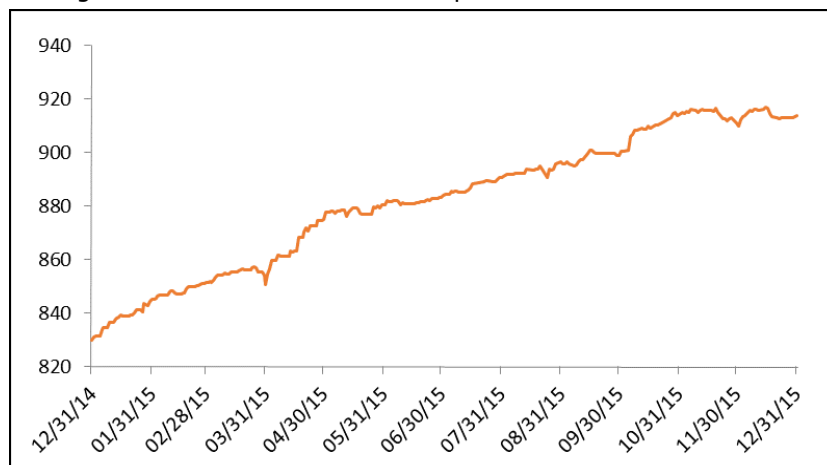
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Sultan Ali Akbar Allana	Member
John Joseph Metcalf	Member
Nurallah Merchant	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

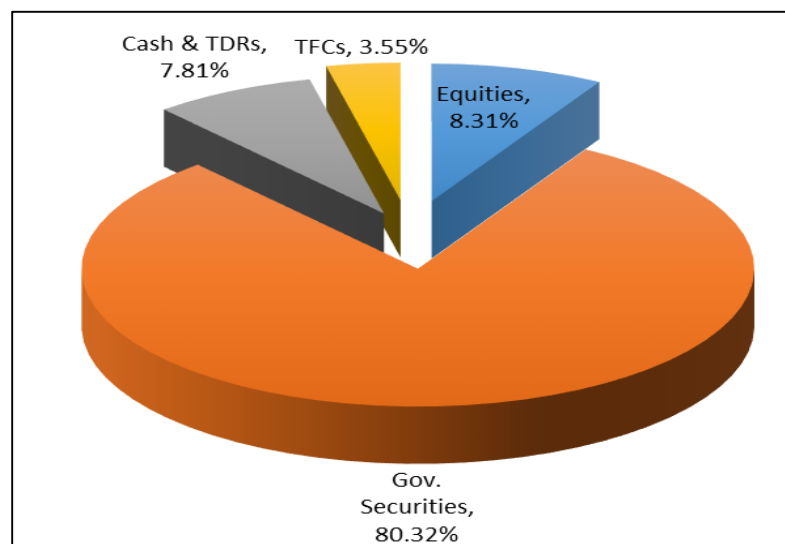
Period	Rate of Return
1 month	0.30%
3 months	1.63%
12 months	9.96%
Calendar YTD	9.96%
Calendar YTD (annualized)	9.96%
Since Inception	92.35%
Since Inception (annualized)	10.44%
5 years	66.45%
10 years	N/A

Fund Returns

During the month of December 2015, Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 2.78 (0.30%) net of fund management fee. On YTD basis unit price has increased 9.96%.



Assets	December 2015	November 2015
Government Securities	80.32%	81.85%
Stocks & Mutual Funds	8.31%	8.71%
Term Finance Certificates	3.55%	3.57%
Cash & Short Term Deposits	7.81%	5.87%



MANAGED GROWTH TAKAFUL FUND

Fund Objective

To optimize return by investing in a balanced portfolio of Shariah compliant investment opportunities including Shariah Compliant stocks and mutual funds, sukuks, short term deposits in Islamic banks / Islamic bank branches and any other approved Shariah compliant avenues.

The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Managed Growth Takaful Fund
Fund Size	PKR 21.16 Million
Launch date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.12.2015)	PKR 529.02
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

Investment Committee Members

Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Sultan Ali Akbar Allana	Member
John Joseph Metcalf	Member
Nurallah Merchant	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

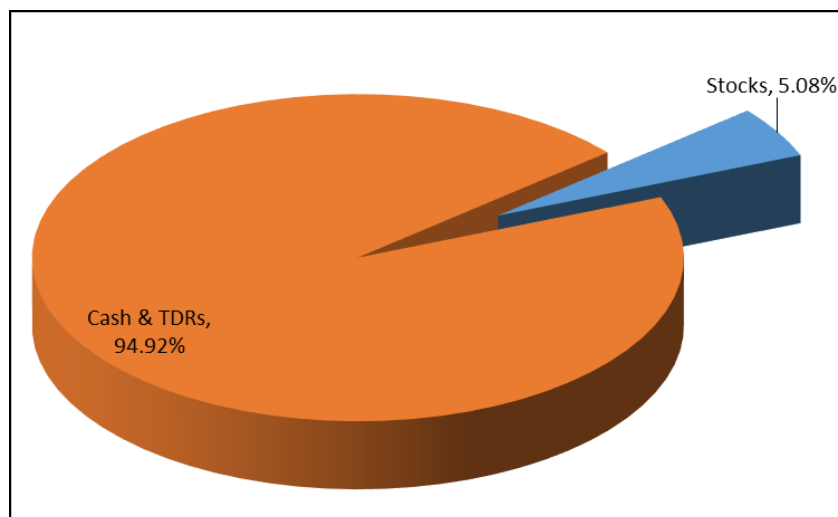
Fund Returns

Period	Rate of Return
1 month	0.56%
3 months	1.76%
12 months	N/A
Since Inception	5.80%
5 years	N/A
10 years	N/A

Fund Returns

During the month of December 2015, Managed Growth Takaful Fund's (MGTF) Unit Price increased by PKR 2.96 (0.56%) net of fund management fee. Since inception unit price has increased 5.80% (not-annualized).

Assets	December 2015	November 2015
Government Securities	0.0%	0.0%
Cash & Short Term Deposits	94.92%	95.07%
Stocks	5.08%	4.93%



CAPITAL GROWTH TAKAFUL FUND

Fund Objective

To optimize returns by investing primarily in Shariah Compliant equities and mutual funds, with excess liquidity being kept in Government and corporate sukuks, short term deposits in Islamic banks / Islamic bank branches.

The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 21.13 Million
Launch date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.12.2015)	PKR 528.19
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

Investment Committee Members

Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Sultan Ali Akbar Allana	Member
John Joseph Metcalf	Member
Nurallah Merchant	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

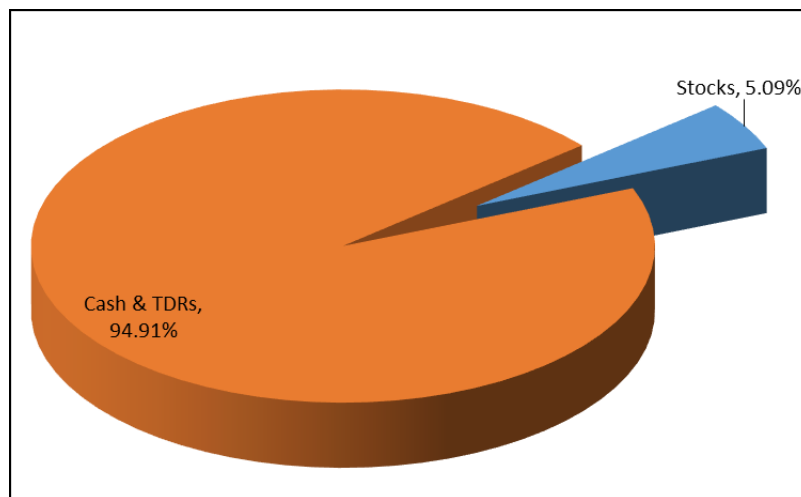
Fund Returns

Period	Rate of Return
1 month	0.56%
3 months	1.79%
12 months	N/A
Since Inception	5.64%
5 years	N/A
10 years	N/A

Fund Returns

During the month of December 2015, Capital Growth Takaful Funds's (CGTF) Unit Price increased by PKR 2.97 (0.56%) net of fund management fee. Since inception unit price has increased 5.64% (not-annualized).

Assets	December 2015	November 2015
Government Securities	0.00%	0.00%
Cash & Short Term Deposits	94.91%	95.07%
Stocks	5.09%	4.93%



EQUITY PORTFOLIO DETAILS

MANAGED FUND

Sector Allocations	Percentage
Banks	6.5
Cement	5.3
Power	5.3
Chemicals	4.5
Oil & Gas	3.2
Others	5.8

Top Ten Holdings
BAHL
ENGRO
FCCL
FFC
HBL
HUBC
KAPCO
LUCK
SEARL
UBL

CAPITAL GROWTH FUND

Sector Allocations	Percentage
Cement	17.8
Chemicals	11.7
Banks	9.6
Pharma	8.6
Power	6.9
Others	21.4

Top Ten Holdings
EFERT
ENGRO
FCCL
FFC
HBL
HINOON
KOHC
LUCK
PIOC
THALL

MEESAQ FUND

Sector Allocations	Percentage
Open End Mut. Fund	10.3
Cement	7.6
Power	6.7
Chemicals	4.3
Oil & Gas	3.6
Others	8.3

Top Ten Holdings
Al Ameen Principal Preservation Fund III
FCCL
FFC
HUBC
KAPCO
LUCK
Meezan Islamic Fund
MTL
PIOC

YAQeen Growth Fund

Sector Allocations	Percentage
Power	5.1
Banks	3.2

Top Ten Holdings

BAHL
EPQL
HL
HUBC
KAPCO
NCPL
NPL

Managed Growth Takaful Fund

Sector Allocations	Percentage
Cement	2.9
Chemicals	2.2

Top Ten Holdings

FCCL
FFC
LUCK
PIOC

Capital Growth Takaful Fund

Sector Allocations	Percentage
Cement	2.9
Chemicals	2.2

Top Ten Holdings

FCCL
FFC
LUCK
PIOC