

# INVESTORS' OUTLOOK

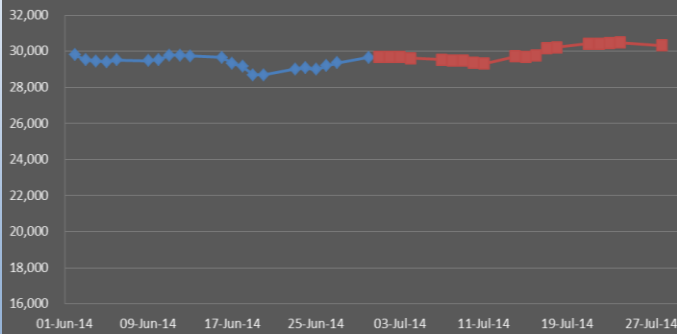
FOR THE MONTH OF JULY 2014

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# MARKET REVIEW

## Comparative KSE-100 Index



During the month of July 2014, KSE 100 Index rose by 822 points to hit all time historical high of 30,474.75. KSE market volumes surge amid start of results season. Supportive news flow on macro, favorable development on sovereign rating and good momentum in foreign flows outweighed the drags coming from increased political noise and steep drop in volumes due to Ramadan. Since January 2014, the KSE-100 has outperformed MSCI FM index by 7% with total US\$ based return of 26%, pegging Pakistan to be among top ten best performing markets in the world. Progress on Pakistan's external account stability has finally received a positive response from Moody's in the form of outlook upgrade on Pakistan sovereign bonds from Negative to Neutral. Moody's has, however, re-affirmed CAA1 rating.

Pakistan recorded below-expected CAD in Jun-14 bringing FY14 CAD to US\$2.9bn or 1.2% of GDP (US\$2.3bn in FY13). A key highlight on the external account is the steep rise in central bank's reserves which have climbed to 2.5 months of import cover by July 2014 from low of <1 in January 2014. The central bank's decision to maintain the status quo on policy rate came as no surprise to the market. Interestingly, SBP has highlighted challenges to key macro targets as unveiled in Budget FY15; however, most of SBP's own forecasts are close to government/consensus targets/expectations.

## Other factors that played vital role in KSE Index movement includes:

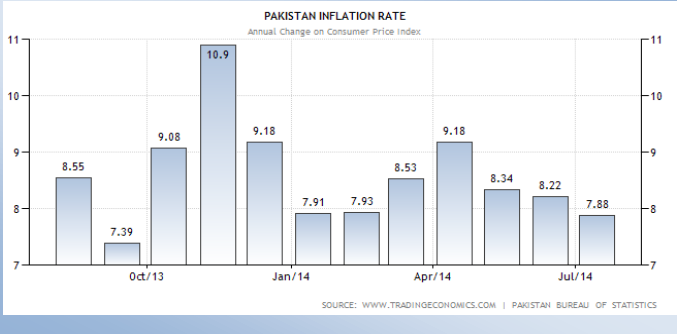
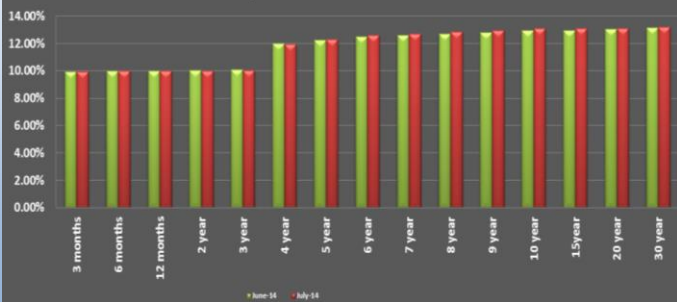
*Bestway Cement has acquired Lafarge Cement at an expected value of US\$329 million, which translates into an acquisition price of PRs19.7/sh*

*HCAR feasted on another round of price appreciation (↑5% W/W) showing a staggering increase in its profits, led by stout margins in the wake of currency gains*

*Delay in CHCC's expansion plans has already pushed the script deep into greener meadows as the stock has advanced by 37% during the last two weeks*

*Foreigners have been very active in the market lately, with inflows of USD57.5mn MTD (USD14.46mn in the outgoing week). The major portion of foreign buying has been concentrated in the Oil and Gas sector driven by attractive valuation levels*


## Comparative Yield Curve



## 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 28,822 Million
<b>Launch date</b>	31.12.1996
<b>Bid Price (31.12.1996)</b>	PKR 99.50
<b>Bid Price (31.07.2014)</b>	PKR 815.58
<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>Risk profile</b>	Low
<b>Auditors</b>	
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Investment Committee Members

<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

## Fund Returns

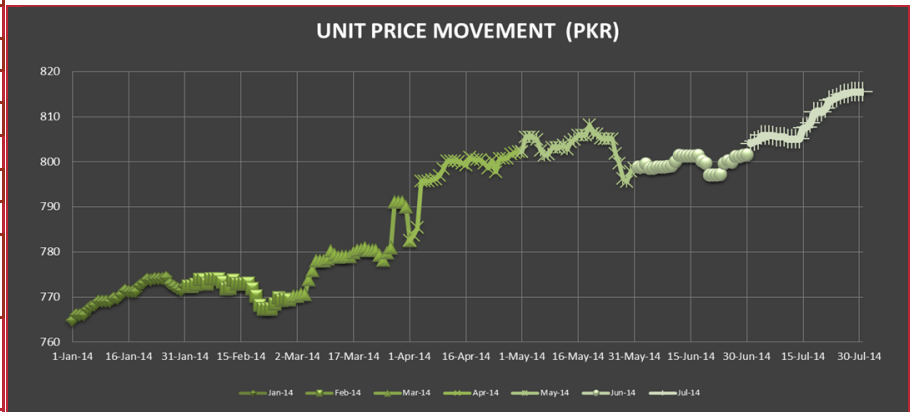
Period	RoR	RoR (annualized)
<b>MTD</b>	1.44%	18.32%
<b>QTD</b>	4.23%	13.19%
<b>YTD</b>	6.89%	12.16%
<b>Since Inception</b>	719.68%	12.70%

## Fund Size

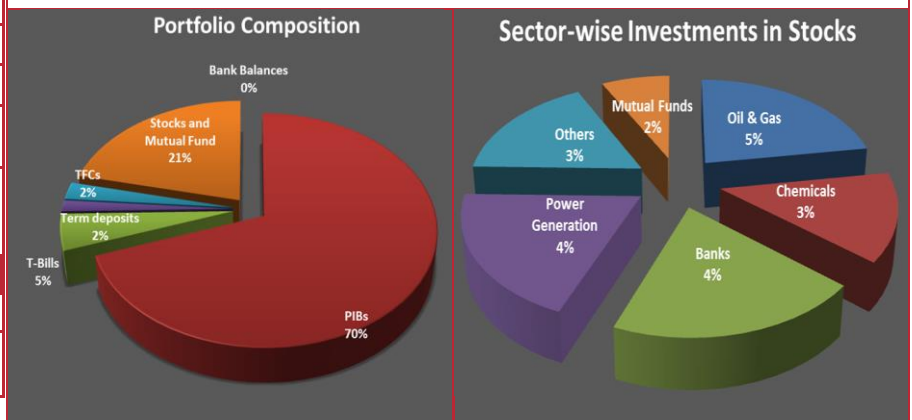
July 2014	June 2014
PKR 28,822 Million	PKR 27,983 Million

## Fund Performance

During the month of July 2014, Managed Fund's (MF) Unit Price increased by PKR 11.57 (1.44%) net of fund management fee and on YTD basis it reached to 12.16% (annualized).




Assets			July 2014	June 2014
Government Securities			74.65%	75.18%
Term Finance Certificates			1.56%	1.63%
Short Term Deposits			2.40%	2.64%
Stocks	<b>July</b>	<b>June</b>	21.39%	20.55%
Oil & Gas Sector	4.81%	4.67%		
Chemical Sector	2.91%	3.02%		
Power Generations	4.15%	3.91%		
Banking Sector	4.25%	3.79%		
Other Sectors	3.66%	3.48%		
Mutual Funds	1.61%	1.68%		
Total			100.00%	100.00%



## 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 686 Million
<b>Launch date</b>	July 28, 2004
<b>Bid Price (28.07.2004)</b>	PKR 100.00
<b>Bid Price (31.07.2014)</b>	PKR 569.95
<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>Risk profile</b>	High
<b>Auditors</b>	
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Investment Committee Members

<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

## Fund Returns

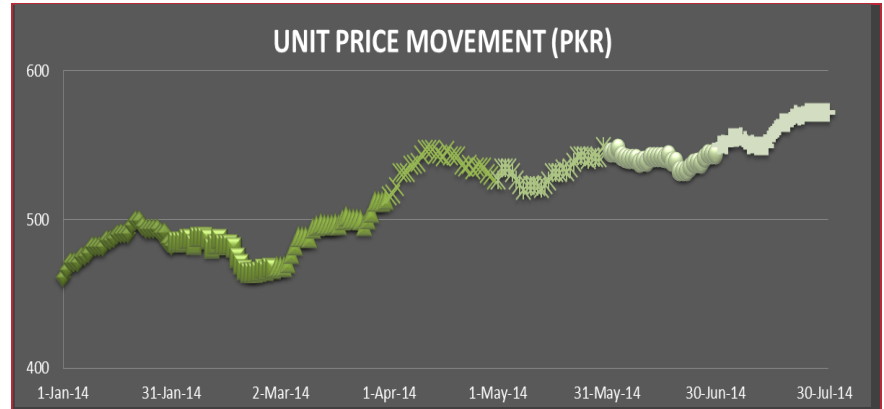
Period	RoR	RoR (annualized)
<b>MTD</b>	3.63%	52.25%
<b>QTD</b>	10.59%	35.14%
<b>YTD</b>	23.64%	44.11%
<b>Since Inception</b>	469.95%	18.98%

## Fund Size

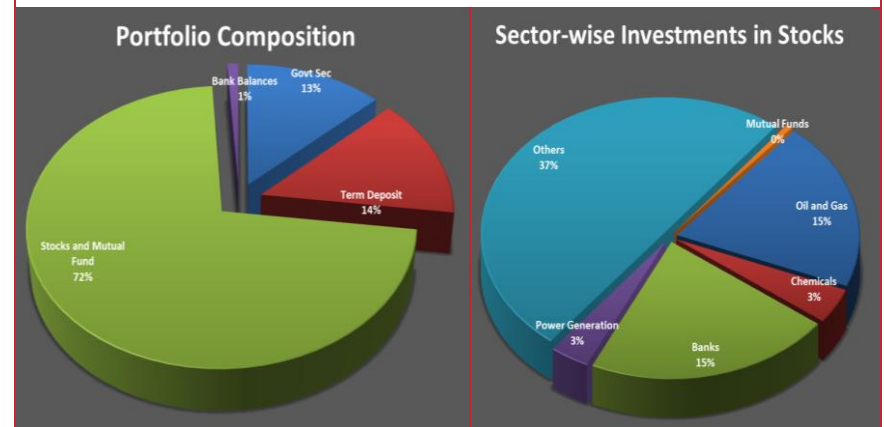
July 2014	June 2014
PKR 686 Million	PKR 647 Million

## Fund Performance

During the month of July 2014, Capital Growth Fund's (CGF) Unit Price increased by PKR 19.99 (3.63%) net of fund management fee and on YTD basis it reached to 44.11% (annualized).



Assets			July 2014	June 2014
Government Securities			12.98%	14.09%
Stocks	<b>July</b>	<b>June</b>	71.92%	72.69%
Oil & Gas Sector	14.35%	14.76%		
Chemical Sector	3.00%	3.24%		
Power Generations	2.51%	2.51%		
Banking Sector	15.72%	15.23%		
Other Sectors	35.94%	36.54%		
Mutual Funds	0.40%	0.41%		
TDR and bank balances			15.10%	13.22%
Total			100.00%	100.00%






## 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 Fixed Income other valid interest-free investments.

## Fund Information

Description	Information
<b>Fund Name</b>	Messaq Fund
<b>Fund Size</b>	PKR 4,325 Million
<b>Launch date</b>	March 27, 2008
<b>Bid Price (27.03.2008)</b>	PKR 475.00
<b>Bid Price (31.07.2014)</b>	PKR 753.07
<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>Risk profile</b>	Low
<b>Auditors</b>	
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Investment Committee Members

<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

## Fund Returns

Period	RoR	RoR (annualized)
<b>MTD</b>	0.97%	12.06%
<b>QTD</b>	3.47%	10.75%
<b>YTD</b>	5.94%	10.44%
<b>Since Inception</b>	58.54%	7.53%

## Fund Size

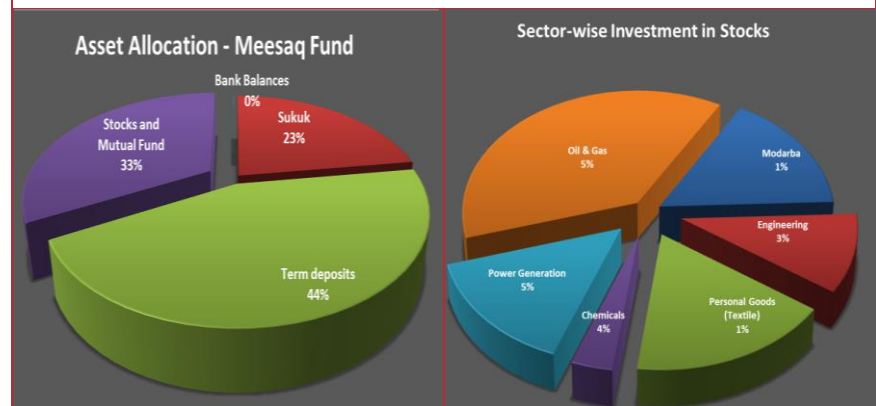
July 2014	June 2014
PKR 4,325 Million	PKR 4,219 Million

## Fund Performance

During the month of July 2014, Meesaq Fund's (MF) Unit Price increased by PKR 7.25 (0.97%) net of fund management fee and on YTD basis it increased to 10.44% (annualized).




Assets	July 2014	June 2014
Government Securities –Sukuk	22.73%	23.16%
Short Terms Deposits & Bank Balances	44.58%	44.79%
<b>Stocks</b>	<b>July</b>	<b>June</b>
Oil & Gas Sector	5.25%	5.27%
Chemical Sector	3.38%	3.55%
Power & Generations	5.69%	5.21%
Banking Sector	1.15%	1.24%
Other Sector	4.83%	4.91%
Mutual Funds	12.39%	11.87%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>



## 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 774 Million
<b>Launch date</b>	June 1, 2009
<b>Bid Price (01.07.2009)</b>	PKR 475.00
<b>Bid Price (31.07.2014)</b>	PKR 770.22
<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>Risk profile</b>	Low
<b>Auditors</b>	
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Investment Committee Members

<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

## Fund Returns

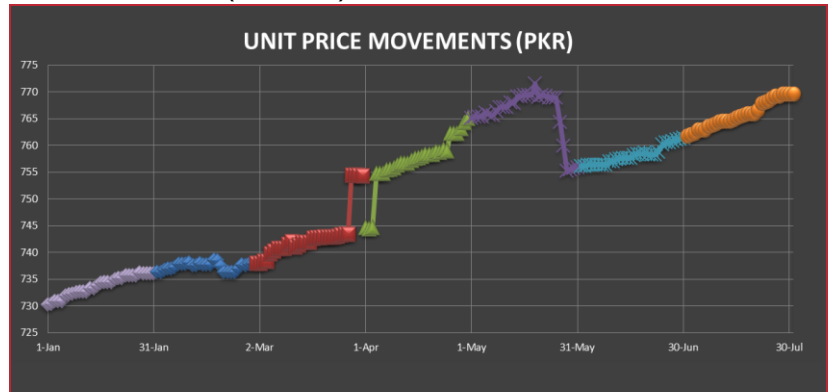
Period	RoR	RoR (annualized)
<b>MTD</b>	1.10%	13.75%
<b>QTD</b>	3.43%	10.60%
<b>YTD</b>	5.47%	9.61%
<b>Since Inception</b>	62.15%	9.81%

## Fund Size

July 2014	June 2014
PKR 774 Million	PKR 748 Million

## Fund Performance

During the month of July 2014 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 8.38 (1.10%) net of fund management fee and on YTD basis it increased to 9.61% (annualized).



Assets	July 2014	June 2014
Government Securities	84.51%	86.46%
Stocks	3.23%	3.16%
TDR and bank balances	12.26%	10.38%
Total	100.00%	100.00%

