



# INVESTORS' OUTLOOK

FOR THE MONTH OF AUGUST 2016



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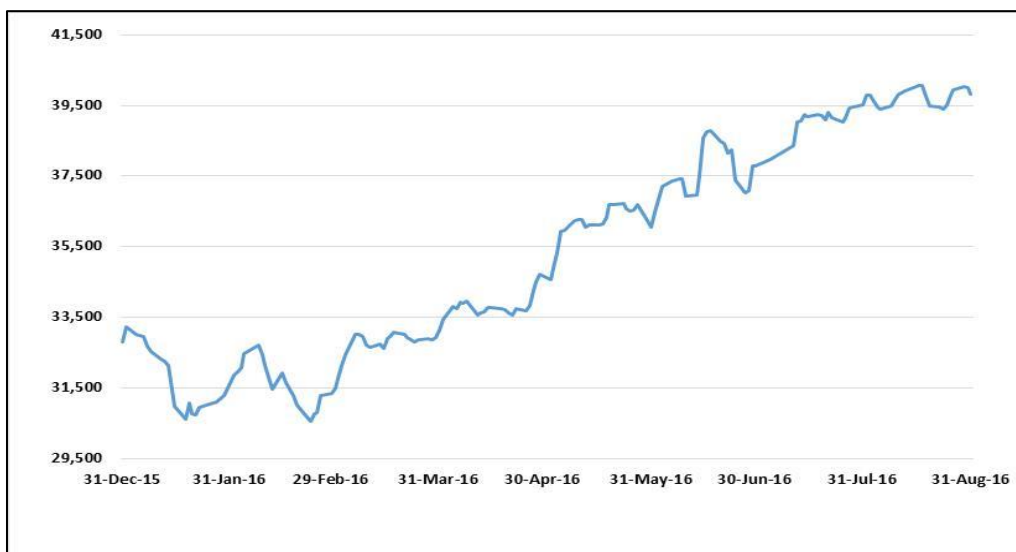
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## Equity Market

In August, the KSE-100 index lost its momentum witnessed in past five months, but managed to post a positive return of 0.7% on Month-over-Month (MoM) basis. The index also touched an all-time high of 40,213.89 (intra-day), though market participant were hesitant to take long term position above the psychological barrier of 40k and booked profits at these levels. The CY to date return has inched up to 21.31%. Average trading volumes (of KSE100 Index) in August increased 3.48% to 120.29 million shares.

The month of August also marked an outflow by foreign portfolio investors after three consecutive months of inflows. The net outflow in August amounted to \$20.4 million (mainly in cements and fertilizers) with CY to date FIPI outflow now totaling \$38 million. Banks and other market players were also net sellers during the month. These outflows were absorbed mainly by mutual funds (\$13.5 million), NBFCs (\$7.6 million), companies (\$5.6 million) and individuals (\$5.5 million).



## Sector performance

With a number of major results announcement occurring in August, individual sector performances reflected the investor reactions to these results. Banks and E&P were where earnings surprises were mostly concentrated. Profitability in Cements, and Power were in-line with market expectations. However, a number of companies in the cement sector showed interest in capacity expansions which kept investor nervous of an overcapacity situation a few years ahead. Fertilizer and pharmaceutical companies' results were lower than expectations.

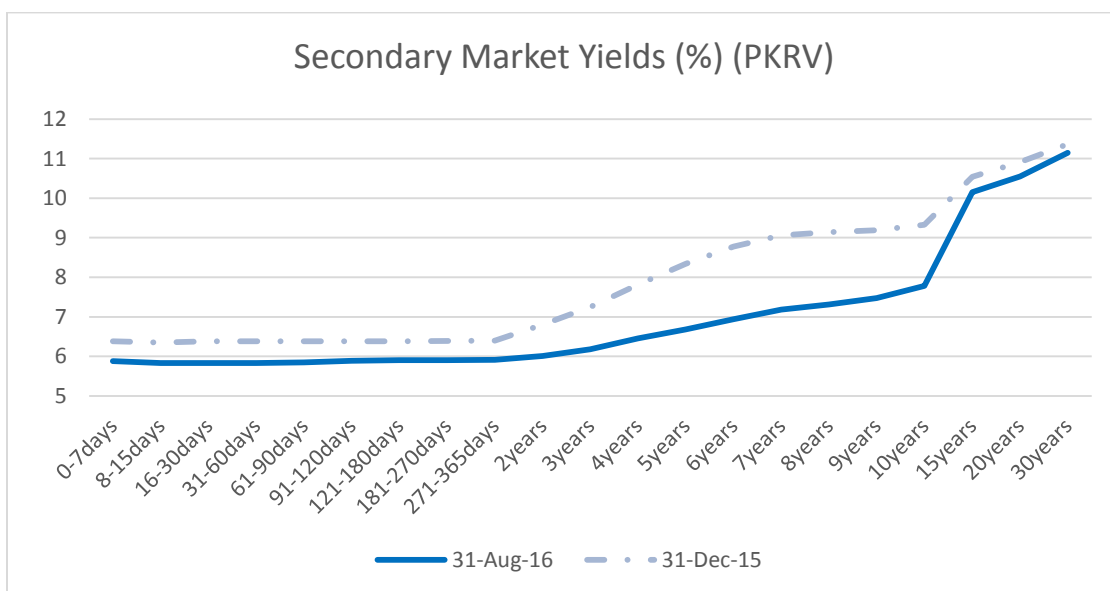
- Auto sector remained in limelight during the month. PSMC was up 22.5%, with investors bullish on rising auto demand in the current low interest rate environment. Similarly, HCAR increased 14.8% and continued to head northwards on back of the orders going stronger for its new Civic Sales.
- Banking sector gained around 2.5% amidst some unexpectedly better quarter results. NBP increased 13.6%, while UBL and ABL was up 10.2% and 7.6%, MoM respectively. Meezan Bank and Faysal Bank stock surged by 12.8% and 11.4% on MoM respectively. MCB and HMB stock prices both fell 5.1% MoM in August, suppressing overall sector returns.

- E&P sector was up 3.3% as recovery in oil prices kept investor sentiments positive on this sector. POL, which has the highest correlation with oil prices within the E&P universe, gained 13.4% in the month. PPL and ODGC also increased 4.4% and 2.7%, respectively. PSO and Hascol stock prices dropped 3.3% and 6.2%, respectively. A meeting of major international oil producers is expected to be held later in September to stabilize oil markets; any agreement could bring a possible upside to oil prices and hence positive movements for E&P scripts.
- The Power sector prices fell around 1% during the month, driven by profit taking in HUBCO (-5.7%). KEL was the star performer in the sector yielding a return of 12% MoM, on back of expectations of a possible acquisition by Shanghai Electric. Later at end of August, KEL made public that Shanghai Electric has shown intention to acquire KEL.
- Cements (on over-supply fears) and Fertilizer (on low-offtake) sectors were return dampener for the index, with sector wise returns for Cement and Fertilizer declined by 4.9% and 3.6% MoM respectively. ENGRO, having a weightage of 4.18% in KSE-100, declined 8.5% on lower than expected dividend payout.
- Pharmaceutical sector performance was also in red due to lower than expected earnings announcements.

## Money Market

In the PIB auction held in August, SBP picked around Rs. 202 billion against a target of Rs. 100 billion and bids received worth around Rs. 319 billion. The yields for 3-year, 5-year and 10-year bonds cut-offs remained almost unchanged at 6.2%, 6.7017% and 7.8005% respectively.

In month of August, three T-bills auctions were conducted. With expectations of further rate cuts subsiding post the status quo in the July 2016 monetary policy review, bids in the T-bill auctions were placed at higher rates by the participants. The yields increased by 7 basis points for 3-months paper to 5.86%, and 8 basis points for 6- and 12-month paper to 5.90% and 5.91% respectively. An amount of Rs. 944 billion was picked up against target of Rs. 850 billion.



# MANAGED FUND

## Fund Objective

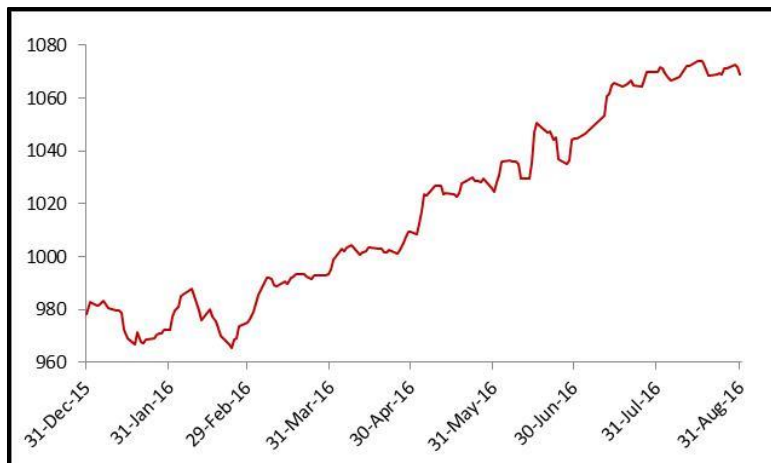
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Fund
<b>Fund Size</b>	PKR 58,629 Million
<b>Launch date</b>	31.12.1996
<b>Bid Price (31.12.1996)</b>	PKR 99.50
<b>Bid Price (31.08.2016)</b>	PKR 1,068.87
<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 August 2016, Managed Fund's (MF) Unit Price decreased by PKR 1.05 (-0.10%) net of fund management fee.



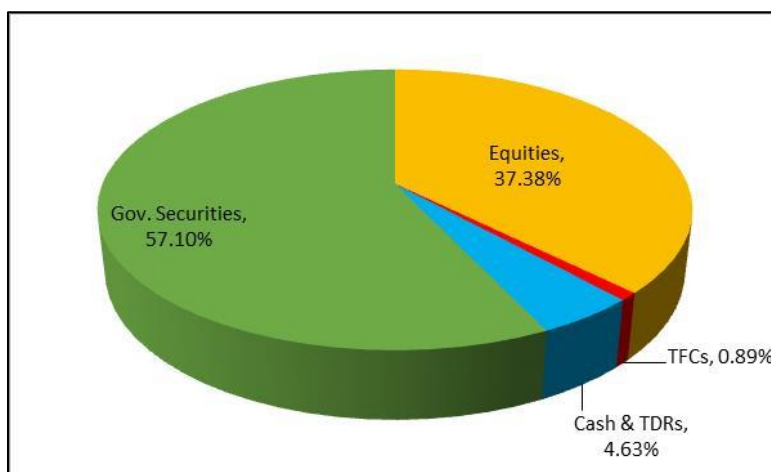
## Investment Committee Members

<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	August 2016	July 2016
<b>Government Securities</b>	57.10%	56.75%
<b>Term Finance Certificates</b>	0.89%	0.90%
<b>Cash &amp; Short Term Deposits</b>	4.63%	4.57%
<b>Stocks &amp; Mutual Funds</b>	37.38%	37.78%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	-0.10%
<b>3 months</b>	4.32%
<b>12 months</b>	9.72%
<b>Calendar YTD</b>	9.28%
<b>Since Inception</b>	974.24%
<b>Since Inception (annualized)</b>	12.82%
<b>5 years</b>	88.98%
<b>10 years</b>	202.66%





# CAPITAL GROWTH FUND

## Fund Objective

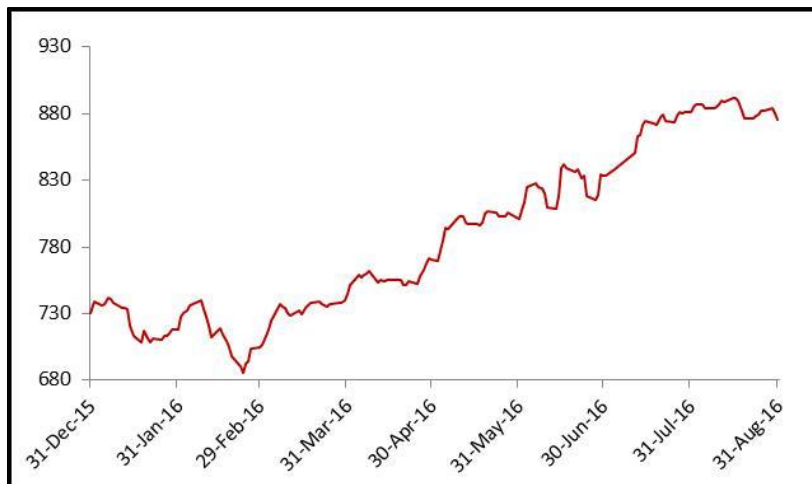
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

## Fund Information

Description	Information
<b>Fund Name</b>	Capital Growth Fund
<b>Fund Size</b>	PKR 5,711 Million
<b>Launch date</b>	28.07.2004
<b>Bid Price (28.07.2004)</b>	PKR 100.00
<b>Bid Price (31.08.2016)</b>	PKR 875.62
<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 August 2016, Capital Growth Fund's (CGF) Unit Price decreased by PKR 5.59 (-0.63%) net of fund management fee.



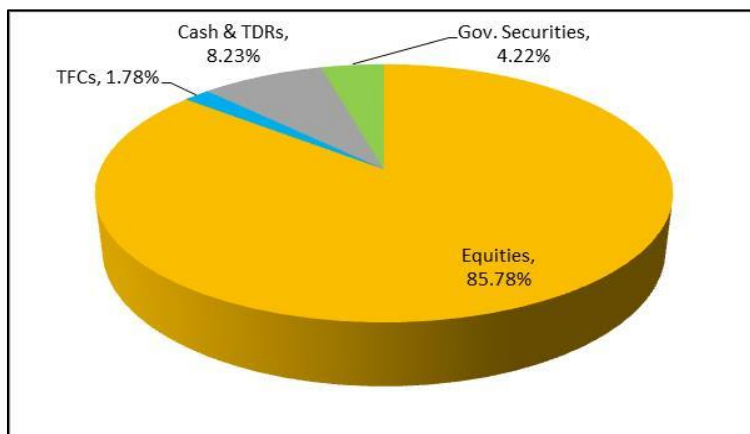
## Investment Committee Members

<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	August 2016	July 2016
<b>Government Securities</b>	4.22%	4.44%
<b>Term Finance Certificates</b>	1.78%	1.87%
<b>Cash &amp; Short Term Deposits</b>	8.23%	7.04%
<b>Stocks &amp; Mutual Funds</b>	85.78%	86.65%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	-0.63%
<b>3 months</b>	9.38%
<b>12 months</b>	20.62%
<b>Calendar YTD</b>	19.89%
<b>Since Inception</b>	775.62%
<b>Since Inception (annualized)</b>	19.64%
<b>5 years</b>	266.34%
<b>10 years</b>	410.00%





# MEESAQ FUND

## Fund Objective

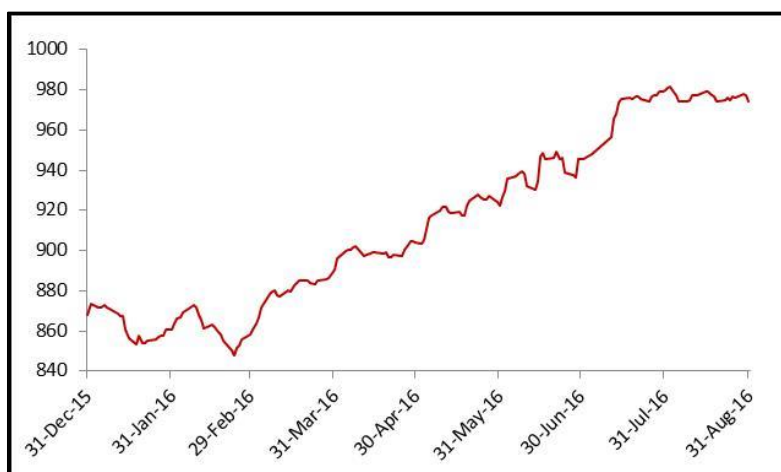
The objective of the Meesaq fund is to provide an opportunity to investors who want interest free returns. The instruments in which the Meesaq fund invests are selective stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

## Fund Information

Description	Information
<b>Fund Name</b>	Meesaq Fund
<b>Fund Size</b>	PKR 8,158 Million
<b>Launch date</b>	27.03.2008
<b>Bid Price (27.03.2008)</b>	PKR 475.00
<b>Bid Price (31.08.2016)</b>	PKR 974.50
<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

## Fund Returns

During the month of August 2016, Meesaq Fund's (MEF) Unit Price decreased by PKR 4.96 (-0.51%) net of fund management fee.



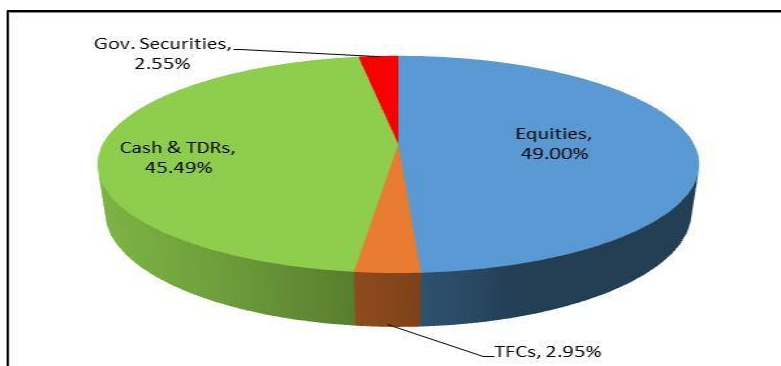
## Investment Committee Members

<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>	-0.51%
<b>3 months</b>	5.65%
<b>12 months</b>	12.57%
<b>Calendar YTD</b>	12.29%
<b>Since Inception</b>	105.16%
<b>Since Inception (annualized)</b>	8.89%
<b>5 years</b>	79.49%

Assets	August 2016	July 2016
<b>Government Securities/Sukuks</b>	2.55%	5.46%
<b>Term Finance Certificates</b>	2.95%	0.00%
<b>Cash &amp; Short Term Deposits</b>	45.49%	44.86%
<b>Stocks &amp; Mutual Funds</b>	49.00%	49.68%





# 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 1,338 Million
<b>Launch date</b>	01.06.2009
<b>Bid Price (01.06.2009)</b>	PKR 475.00
<b>Bid Price (31.08.2016)</b>	PKR 966.47
<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

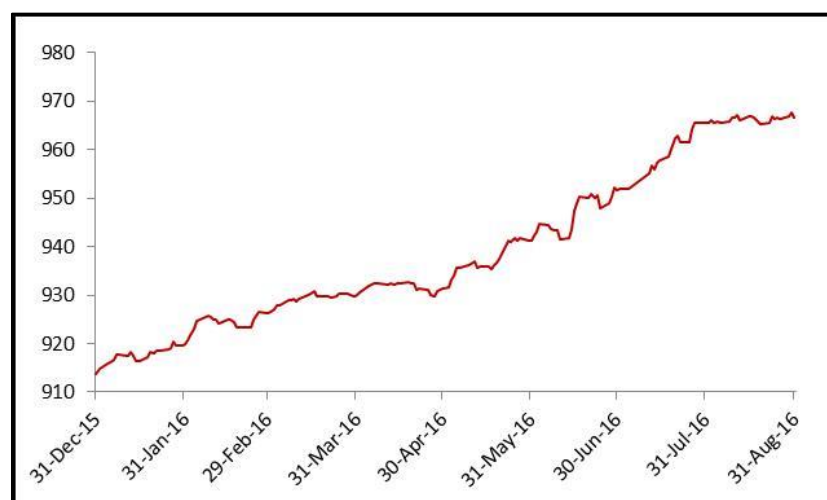
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

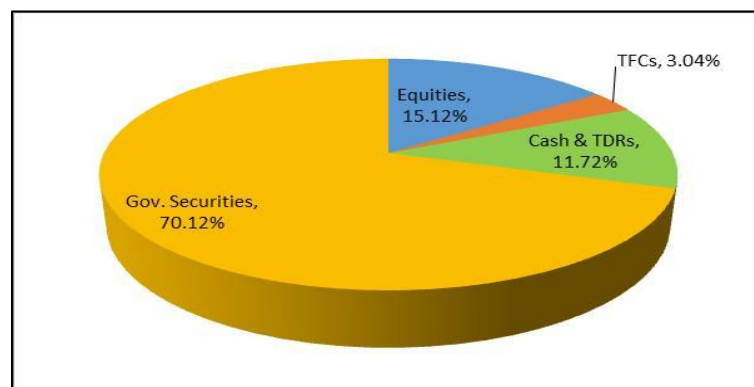
Period	Rate of Return
<b>1 month</b>	0.09%
<b>3 months</b>	2.68%
<b>12 months</b>	7.80%
<b>Calendar YTD</b>	5.78%
<b>Calendar YTD (annualized)</b>	8.64%
<b>Since Inception</b>	103.47%
<b>Since Inception (annualized)</b>	10.29%
<b>5 years</b>	64.52%

## Fund Returns

During the month of August 2016, Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 0.89 (0.09%) net of fund management fee.



Assets	August 2016	July 2016
<b>Government Securities</b>	70.12%	70.55%
<b>Stocks &amp; Mutual Funds</b>	15.12%	15.39%
<b>Term Finance Certificates</b>	3.04%	3.05%
<b>Cash &amp; Short Term Deposits</b>	11.72%	11.02%





# MANAGED GROWTH TAKAFUL FUND

## 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 Growth Takaful Fund
<b>Fund Size</b>	PKR 173 Million
<b>Launch date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.08.2016)</b>	PKR 574.68
<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

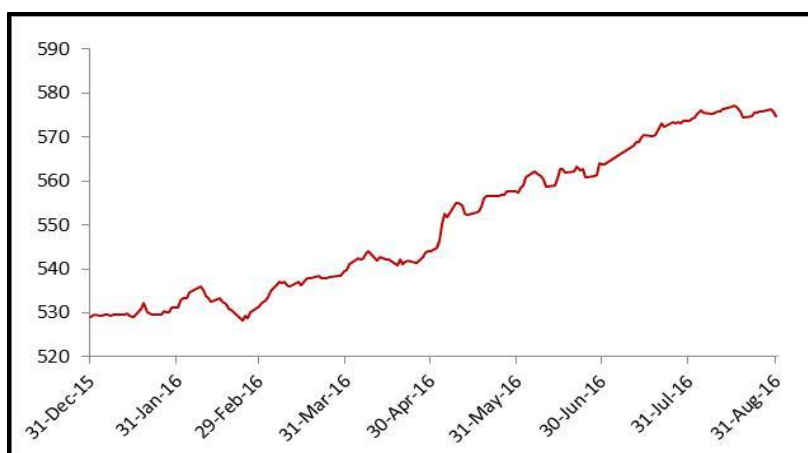
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

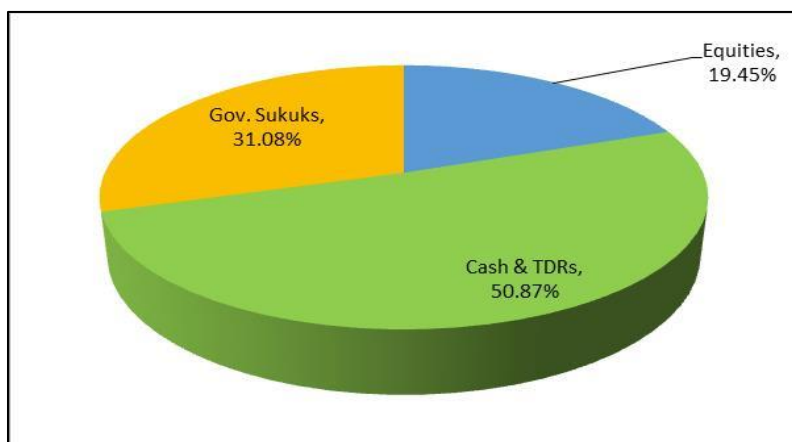
Period	Rate of Return
<b>1 month</b>	0.16%
<b>3 months</b>	3.12%
<b>12 months</b>	11.77%
<b>Calendar YTD</b>	8.63%
<b>Since Inception</b>	14.94%

## Fund Returns

During the month of August 2016, Managed Growth Takaful Fund's (MGTF) Unit Price increased by PKR 0.93 (0.16%) net of fund management fee.



Assets	August 2016	July 2016
<b>Government Sukuks</b>	29.68%	18.55%
<b>Cash &amp; Short Term Deposits</b>	50.87%	61.28%
<b>Stocks</b>	19.45%	20.17%



# 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
<b>Fund Name</b>	Capital Growth Takaful Fund
<b>Fund Size</b>	PKR 117 Million
<b>Launch date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.08.2016)</b>	PKR 602.86
<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

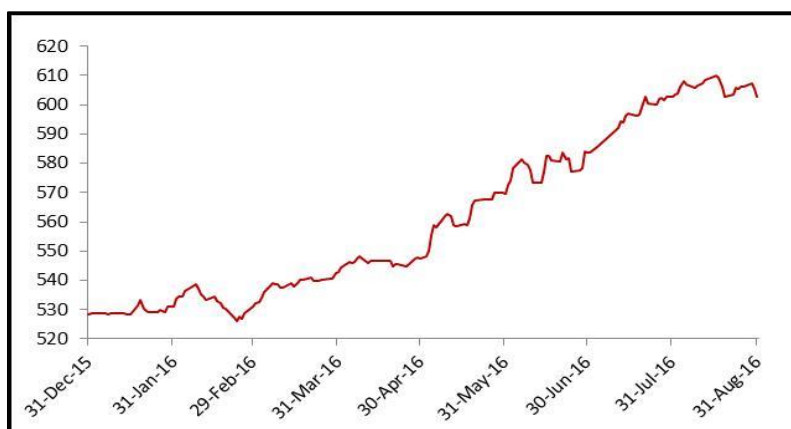
<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

Period	Rate of Return
<b>1 month</b>	-0.004%
<b>3 months</b>	5.87%
<b>12 months</b>	17.07%
<b>Calendar YTD</b>	14.14%
<b>Since Inception</b>	20.57%

## Fund Returns

During the month of August 2016, Capital Growth Takaful Funds' (CGTF) Unit Price decreased by PKR 0.03 (-0.004%) net of fund management fee.



Assets	August 2016	July 2016
<b>Government Securities</b>	0.00%	0.00%
<b>Cash &amp; Short Term Deposits</b>	55.42%	52.44%
<b>Stocks</b>	44.58%	47.56%

