



INVESTORS' OUTLOOK

FOR THE MONTH OF JULY 2016



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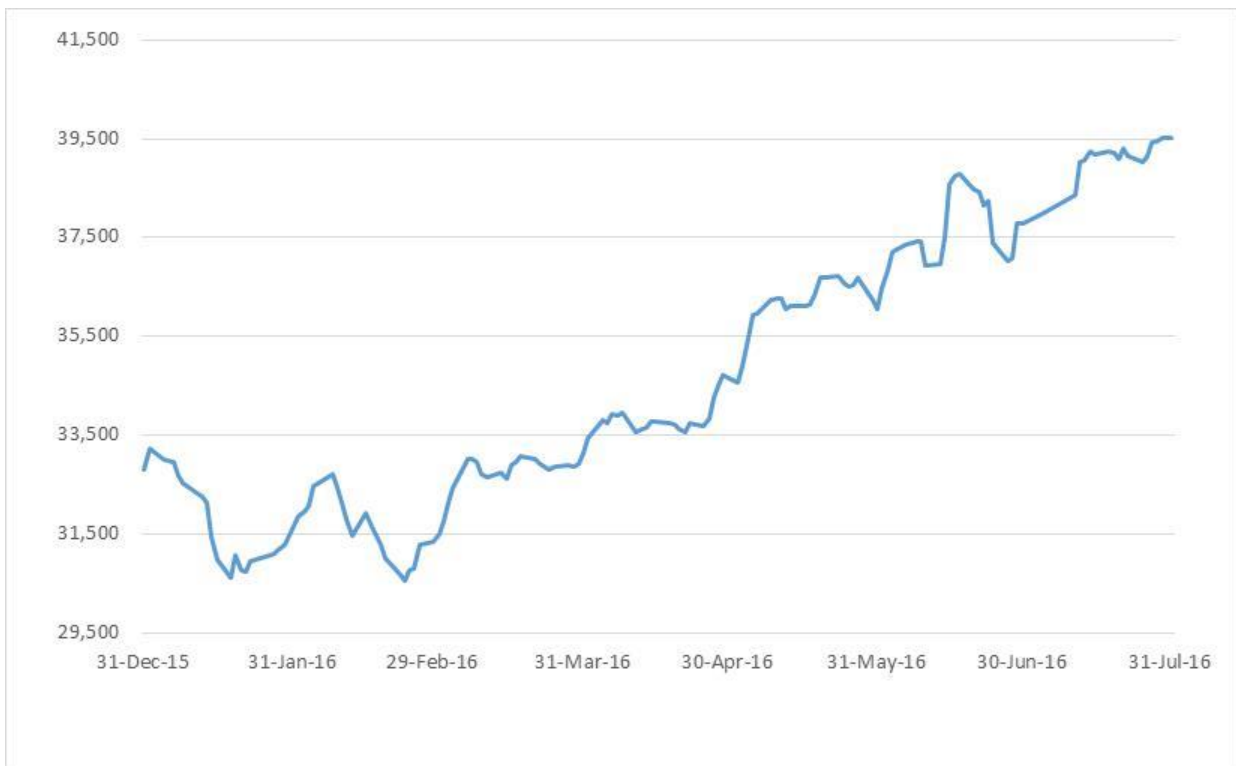
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Equity Market

The KSE-100 index continued its positive momentum in the first month of FY17, yielding a return of 4.6% MoM. On Cumulative basis, KSE-100 index is up 20.45% in first seven months of 2016. Average trading volumes (of KSE100 Index) for the month of July was slightly lower at 116 million shares against 120 million shares a month earlier. Foreigners continued to be net buyers for the third consecutive month with a net inflow of US\$23.3 million in July, thereby reducing the CYTD outflow to US\$17.7 million.

Highlight of the month was the Morgan Stanley Classification Index (MSCI)'s decision to re-classify Pakistan into Emerging Market Category with an eventual inclusion in the EM Index in May next year. This bode well for the market and set the tone for the rest of the month, where investors opted to take fresh positions in the stocks which are likely to become a part of the MSCI EM Index. With Pakistan currently trading at a discount relative to other emerging market countries, we could see continued investor interest in the local bourse.

The month of July also marked several sector specific developments, which also added to the market sentiments. Autos were up 14% MoM on better June sales and excitement over the introduction of new Civic Model. Cements rose 11% on back of continued positive outlook for cement dispatches in the medium term and expansion announcements by two local players. Banks were up 4.5% amidst the MSCI euphoria. Pharma sector increased 4.1%, amidst an increase in medicines prices.



Monetary Policy Review

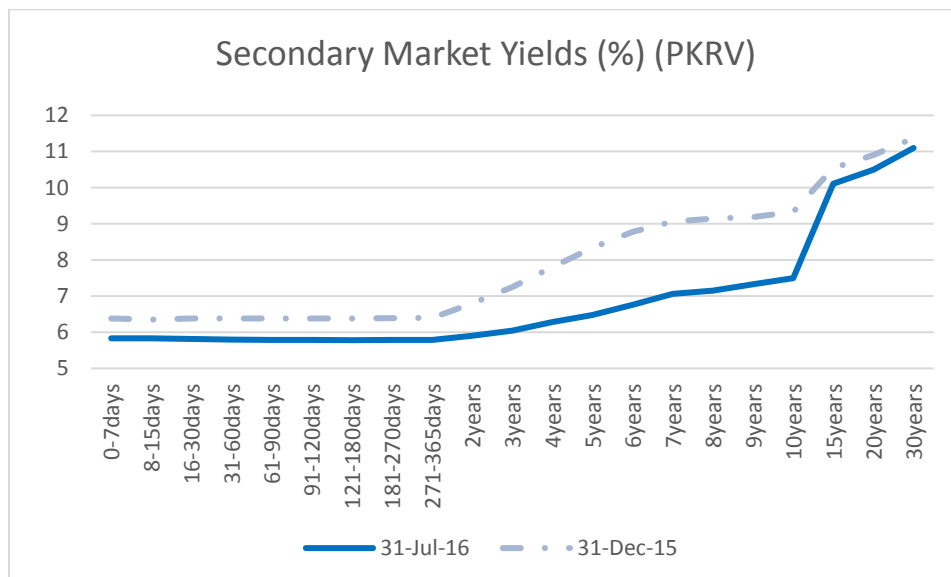
The State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75% in its July 2016 monetary policy review. SBP forecasts average CPI inflation in the range of 4.5-5.5% for FY17 (FY16 average inflation: 2.9%), though any upward adjustments in gas tariff, fiscal slippages, or supply disruptions pose risk to this assessment.

The SBP expects economic growth to increase further in FY17 (FY16 expected GDP growth: 4.7%), with target GDP growth set at 5.7%. Impetus is likely to come from rising investment under PSDP and CPEC, improved energy availability, lagged impact of low interest rates, growth in sector credit and improving law and order situation. However, any adverse supply shocks, continued declining trend in commodity prices, and any setback to security situation could hamper the possibility of attaining the target growth rate.

Money Market Review

In the PIB auction held in July, SBP picked around Rs. 236 billion against a target of Rs. 100 billion and bids received worth around Rs. 404 billion. The yields for 3-year and 5-year bonds declined by 20 bps to 6.2058% and 6.7029% respectively, while that of 10-year bond declined by 21 bps to 7.8003%.

In month of July, Two T-bills auctions were conducted, which resulted in Rs. 643 billion being picked up against target of Rs. 400 billion. The yields declined by 11 basis points for 3-months paper to 5.79%, and 7 basis points for 6- and 12-month paper to 5.82% and 5.84% respectively.



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.

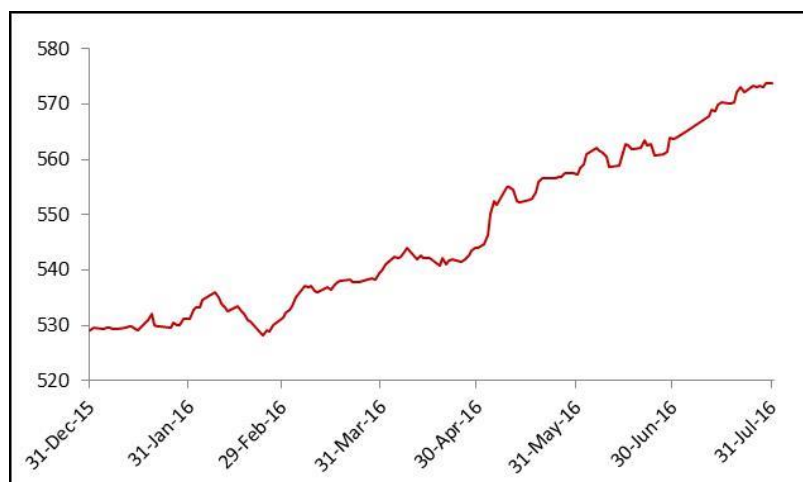
The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Managed Growth Takaful Fund
Fund Size	PKR 141 Million
Launch date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.07.2016)	PKR 573.75
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

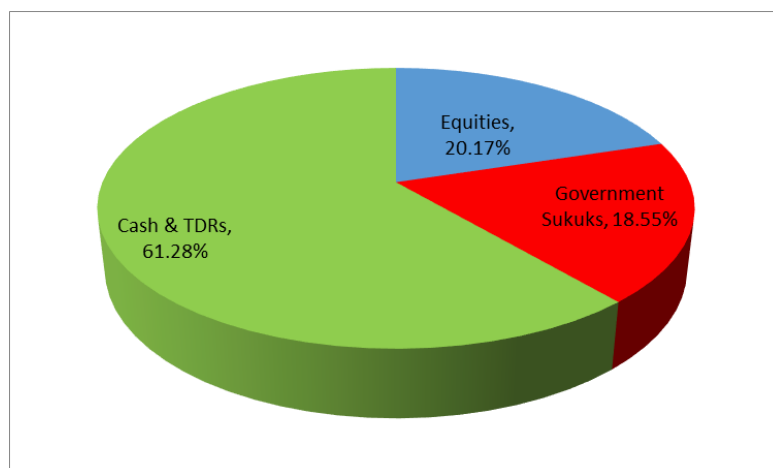
During the month of July 2016, Managed Growth Takaful Fund's (MGTF) Unit Price increased by PKR 9.94 (1.76%) net of fund management fee.



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	1.76%
3 months	5.49%
12 months	14.40%
Calendar YTD	8.45%
Since Inception	14.75%

Assets	July 2016	June 2016
Government Sukuks	18.55%	23.64%
Cash & Short Term Deposits	61.28%	55.72%
Stocks	20.17%	20.64%



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.

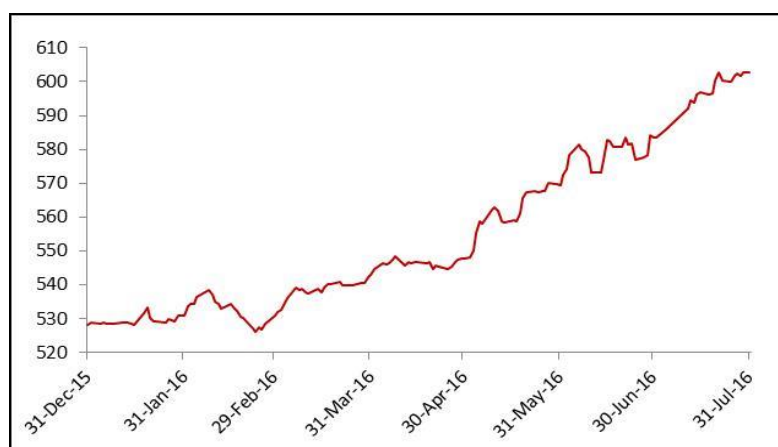
The Fund was launched on July 7, 2015.

Fund Information

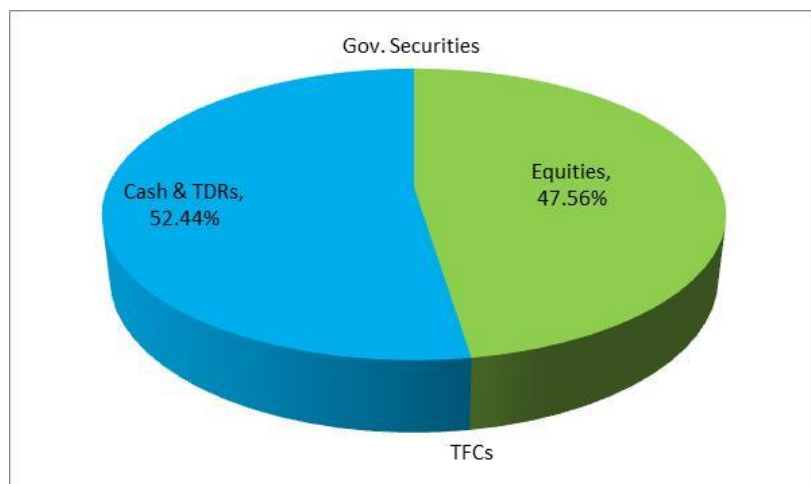
Description	Information
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 91 Million
Launch date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.07.2016)	PKR 602.88
Category	Shariah Compliant Equity Fund
Pricing Mechanism	forward on daily basis
Management fee	1.50% p.a.
Pricing days	Monday to Friday
Auditors	KPMG
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

Fund Returns

During the month of July 2016, Capital Growth Takaful Funds' (CGTF) Unit Price increased by PKR 19.35 (3.32%) net of fund management fee.



Assets	July 2016	June 2016
Government Securities	0.00%	0.00%
Cash & Short Term Deposits	52.44%	55.01%
Stocks	47.56%	44.99%



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	3.32%
3 months	10.09%
12 months	20.21%
Calendar YTD	14.14%
Since Inception	20.58%