DECEMBER - 2019

Fund Managers' Report

Performance Tracker

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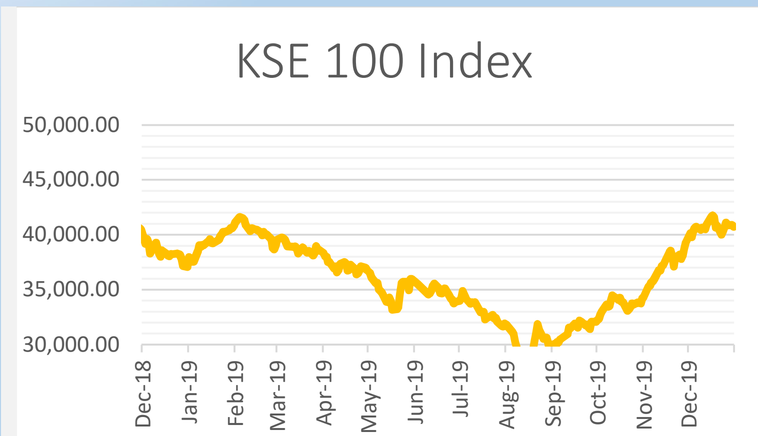
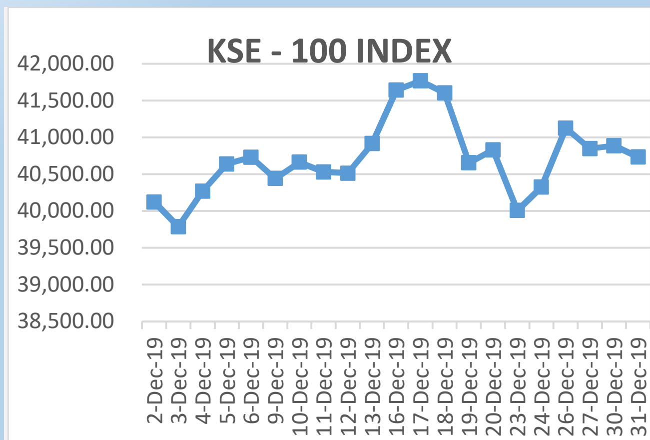
Equity Market Analysis

The benchmark KSE-100 index generated fourth consecutive positive gain posting a return of 3.68%. Total local buying/foreign selling amounted to ~ USD 11.26 mn. Local individuals were the major buyers followed by Insurance companies. They bought shares worth of USD 37.38 mn and USD 30.95 mn respectively. On the selling side, Banks were the biggest sellers selling shares worth USD 46.8 mn. During the month, volumes and values averaged at ~306 mn shares and ~PKR 11.53 billion respectively an increase of ~4%/11.5% respectively. Among the major sectors, the highest contributors were E&Ps, OMCs, Power and Banks posting positive return of ~9.3%/5.3%/3.2%/2.9% respectively. Expectations related to hydrocarbon discovery in Margand field in Balochistan kept investor interest alive in the E&P sector. IMF has revised up the ceiling of sovereign guarantees making room for another Sukuk which was a positive indicator for the energy chain including E&Ps, Power and OMCs. On the other hand, Refineries were the major losers declining around 7% based on IMO 2020 ruling which implied reduction in furnace oil prices and reduction in corresponding refinery margins.

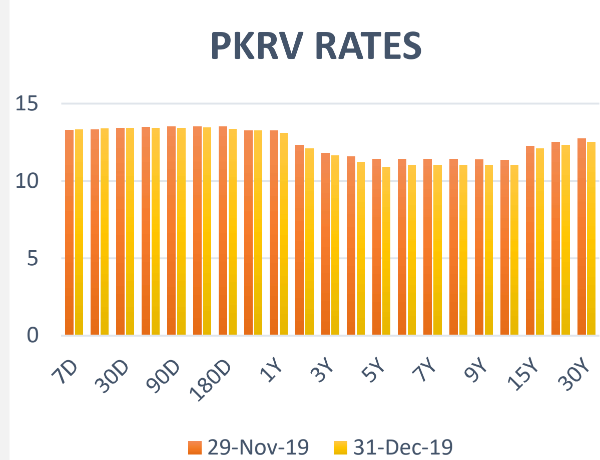
From the capital markets perspective, we believe investor confidence should renew towards risk assets as macroeconomic stability will be cherished after a bout of volatile years. Equity market has still a lot to offer despite the recent bull run (up 40%+ since the trough). Going forward, stocks offer long-term investment opportunity with rewards for patient investors. We continue to track trends in the economic indicators of the country and adjust our portfolio accordingly. KSE-100 provides an earnings growth of 11% along with an attractive dividend yield of 6%, while trading at a forward P/E of 7.1x. Assuming a minor re-rating to 7.6x, then KSE provides a forward return of ~25% (CY20 target of ~51,500), which is at a decent premium to fixed income returns.





Money Market Analysis

State Bank of Pakistan conducted Treasury bill auction on December 31, 2019. The auction had a total maturity of PKR 345.9 billion against a target of PKR 400 billion. Auction witnessed a total participation of PKR 833 billion. Out of total participation bids worth PKR 615 billion were received in 3 month tenor, PKR 17 billion in 6 months and PKR 200 billion in 12 months tenor. SBP accepted total bids worth PKR 445 billion out of which accepted PKR 367 bn, PKR 2.5 bn and PKR 75 bn at a cut-off yield of 13.4851%, 13.2899% and 13.1340% in 3 months, 6 months and 12 months respectively. Auction for fixed coupon PIB bonds was held on December 11, 2019 with a maturity of PKR 255 bn and total target of PKR 100 billion. Total participation of PKR 338 billion was witnessed in this auction out of which 3, 5, 10 & 20 years tenor received bids worth PKR 115 billion, PKR 138 billion, 82 billion & 1.5 billion respectively. State bank of Pakistan accepted PKR 58 billion in 3 years, PKR 56 billion in 5 years and 36 billion in 10 years tenor at a cut off rate of 11.75%, 11.1939% and 10.9968% respectively, however bids in 20 years tenor were rejected.
Coming months are quite critical as SBP believes that a turnaround in negative sentiment would help address low economic growth. With the government exploring various options to manage its Fiscal account, an actual materialization of explored plans and expected Inflation trajectory shall be critical in setting the economic direction.



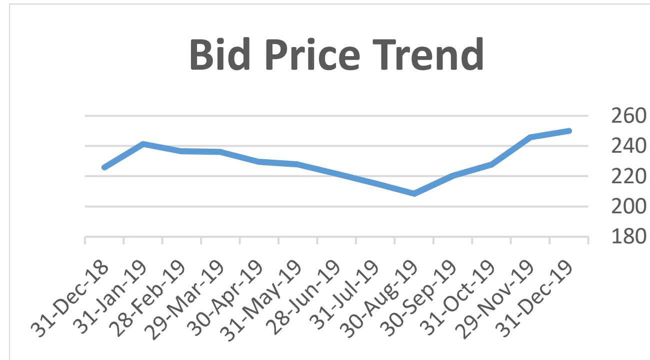
INVESTMENT MULTIPLIER FUND (IMF)

Fund Objective:

A well-diversified portfolio with the aim to maximize the returns by taking exposure in equities while balancing out the risk profile by investing in Government and fixed income securities and real estate.

Fund Information:

Fund Name	Investment Multiplier Fund
Fund Size	PKR 18 Billion
Launch Date	June 9, 2011
Bid Price (Inception)	PKR 100
Bid Price (31 Dec 2019)	PKR 250.0382
Fund Type	Asset Allocation Fund
Management Fees	1.6% p.a. , 1.75% p.a. , 2% p.a.
Pricing Mechanism	Forward
Risk Profile	Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	40% [six (6) months PKRV rate (T-Bills rate)] + 50% [KSE-100 Index Return] + 10% minimum Bank Deposit rate on saving accounts – currently at 5%].

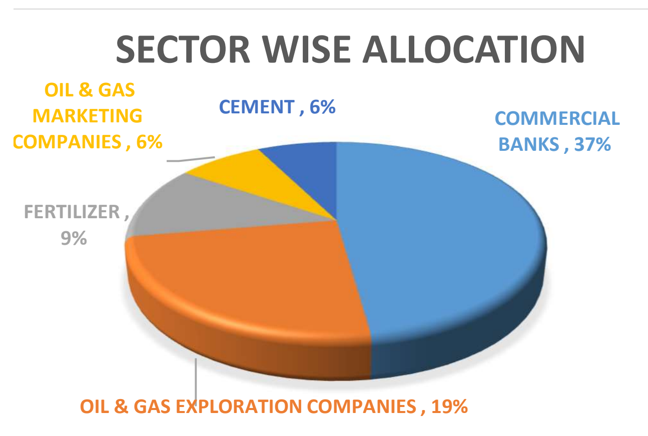


Asset Mix

Asset	December 2019	November 2019
Bank Balance	12.13%	9.30%
Term Deposits	17.58%	0.86%
Equities	34.12%	30.06%
Mutual Funds	22.87%	22.19%
Fixed Income Securities	3.49%	3.59%
Government Securities	8.39%	28.93%
Real Estate	4.88%	5.02%
Other Asset	-3.46%	0.05%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.67%	19.02%
180 Days Return	12.81%	25.13%
CYTD	10.62%	10.62%
Since Inception	150.04%	17.51%



Managers' Comments:

During the month of December 2019, the NAV per unit has been Increased by PKR 4.1004 (1.67%) from November.

INVESTMENT SECURE FUND (ISF)

Fund Objective:

To offer regular and steady returns from investment in wide variety of fixed income securities and Government Securities with minimum exposure to equities.

Fund Information:

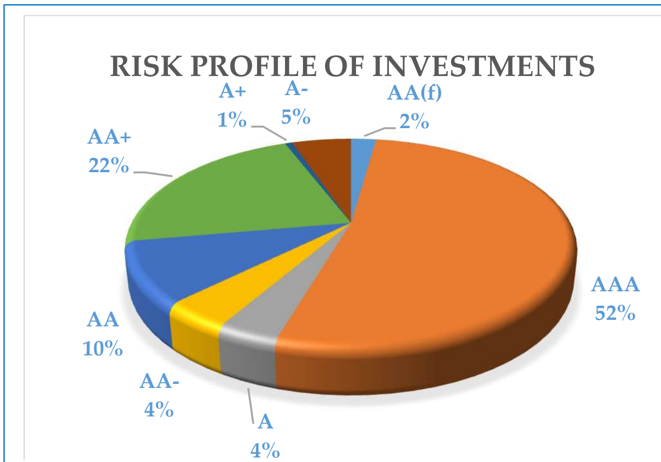
Fund Name	Investment Secure Fund
Fund Size	PKR 9.9 Billion
Launch Date	June 9, 2011
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Dec 2019)**	PKR 209.0238
Fund Type	Predominantly Fixed Income Fund
Management Fees	1.6% p.a.
Pricing Mechanism	Forward
Risk Profile	Low to Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	70% [six (6) months PKRV rate (T-Bills rate)]+[20% [KSE-100 Index Return] +[10% minimum bank rate on saving account - currently at 5%]

Asset Mix

Assets	December 2019	November 2019
Bank Balances	24.47%	15.22%
Term Deposits	41.86%	14.65%
Equities	0.01%	0.35%
Mutual Funds	5.46%	5.59%
Fixed Income Securities	10.09%	10.45%
Government Securities	16.42%	52.20%
Other Asset	1.69%	1.54%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.20%	13.65%
180 Days Return	7.11%	13.95%
CYTD	10.02%	10.02%
Since Inception	109.02%	12.73%



Managers' Comments:

During the month of December 2019, the NAV per unit has been Increased by PKR 2.4715 (1.20%) from November.

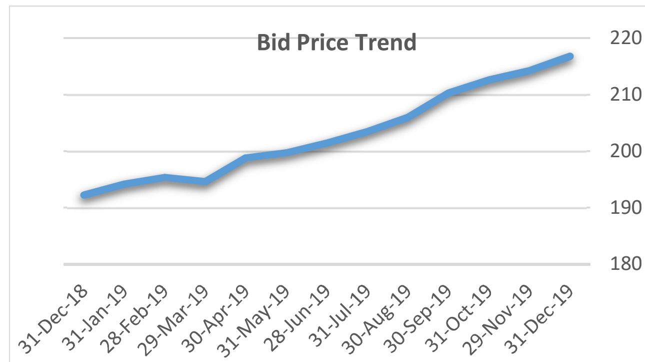
INVESTMENT SECURE FUND II (ISF II)

Fund Objective:

To offer regular and steady returns from investment in wide variety of fixed income securities and Government Securities without taking excessive risks.

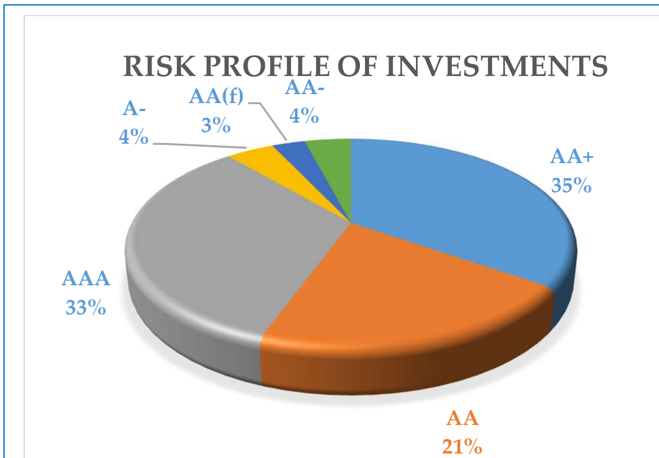
Fund Information:

Fund Name	Investment Secure Fund II
Fund Size	PKR 2.3 Billion
Launch Date	December 1, 2011
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Dec 2019)**	PKR 216.8261
Fund Type	Predominantly Fixed Income Fund
Management Fees	1.6% p.a. - 1.75% p.a.
Pricing Mechanism	Forward
Risk Profile	Low to Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	80% [six (6) months PKRV rate (T-Bills rate)] + 10% [KSE-100 Index Return] + [10% minimum bank deposit rate on saving account - currently at 5%]



Asset Mix

Assets	December 2019	November 2019
Bank Balances	5.98%	5.49%
Term Deposits	27.62%	12.96%
Equities	0.00%	0.00%
Mutual Funds	1.81%	1.82%
Fixed Income Securities	27.21%	27.65%
Government Securities	36.95%	49.13%
Other Asset	0.43%	2.95%



Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.20%	13.74%
180 Days Return	7.63%	14.98%
CYTD	12.76%	12.76%
Since Inception	116.83%	14.44%

Managers' Comments:

During the month of December 2019, the NAV per unit has been Increased by PKR 2.5816 (1.20%) from November.

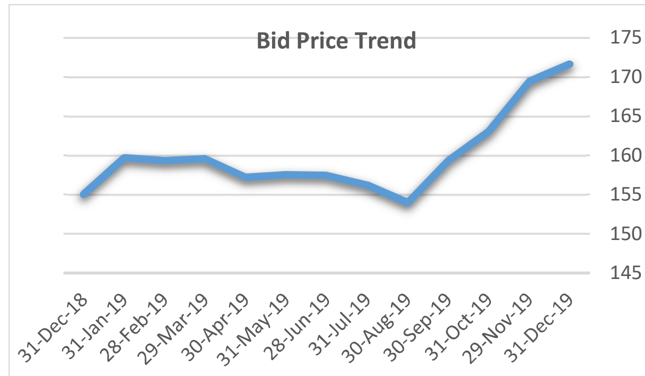
AMAANAT FUND (AF)

Fund Objective:

To offer an opportunity to invest in a diversified Shariah compliant equity and fixed income securities.

Fund Information:

Fund Name	Amaanat Fund
Fund Size	PKR 671 Million
Launch Date	November 15, 2012
Bid Price (Inception)	PKR 100
Bid Price (31 Dec 2019)	PKR 171.6415
Fund Type	Islamic Asset Allocation Fund
Management Fees	1.6% p.a. - 1.75% p.a.
Pricing Mechanism	Forward
Risk Profile	Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	70% [Three (3) months Islamic Bank TDR] + 25% [KMI - 30 Index Return] + 5% [Islamic Bank saving account return (minimum rating AA-)]

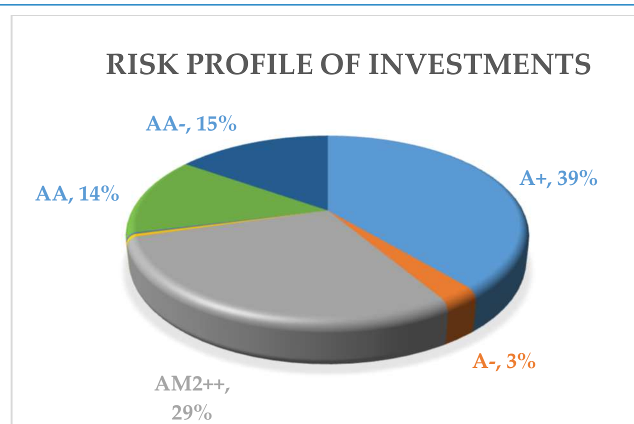


Asset Mix

Assets	December 2019	November 2019
Bank Balances	13.94%	52.14%
Term Deposits	42.45%	3.89%
Equity	0.0%	0.0%
Mutual Funds	28.47%	28.62%
Fixed Income Securities	13.33%	13.93%
Government Securities	0%	0%
Other Asset	1.81%	1.42%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.29%	14.70%
180 Days Return	9.02%	17.71%
CYTD	10.69%	10.69%
Since Inception	71.64%	10.05%



Managers' Comments:

During the month of December 2019, the NAV per unit has been Increased by PKR 2.1832 (1.29%) from November.

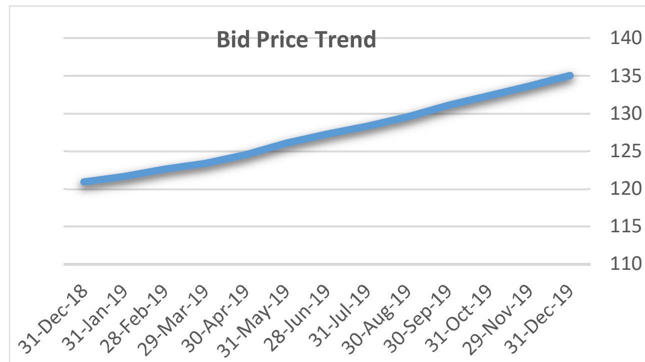
DYNAMIC SECURE FUND (DSF)

Fund Objective:

To deliver regular and steady return primarily by investing in Government and fixed income securities.

Fund Information:

Fund Name	Dynamic Secure Fund
Fund Size	PKR 36 Million
Launch Date	July 19, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Dec 2019)**	PKR 135.0713
Fund Type	Fixed Income Fund
Management Fees	1.6% p.a. , 1.75% p.a. , 2% p.a.
Pricing Mechanism	Forward
Risk Profile	Low to Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by Faysal Asset Management Co. Ltd. through a discretionary portfolio management agreement
Benchmark	90% [six (6) months T-Bills] + [10% Bank saving account return (minimum rating AA-)]

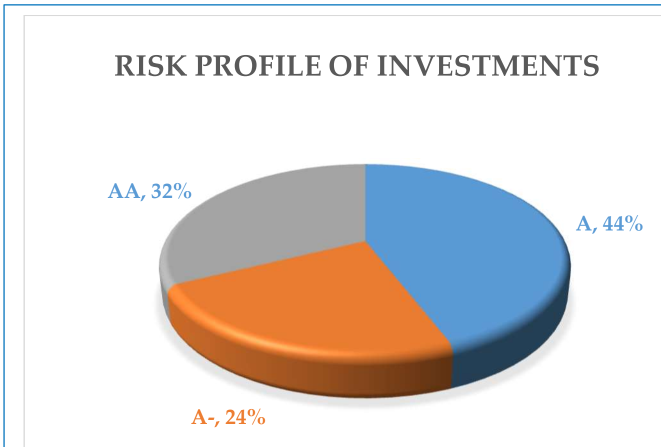


Asset Mix

Assets	December 2019	November 2019
Bank Balances	52.16%	49.60%
Term Deposits	0.00%	0.00%
Mutual Funds	17.64%	18.73%
Fixed Income Securities	21.49%	23.16%
Government Securities	0.00%	0.00%
Real Estate	0%	0%
Other Assets	8.71%	8.51%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.04%	11.88%
180 Days Return	6.13%	12.02%
CYTD	11.67%	11.67%
Since Inception	35.07%	10.16%



Managers' Comments:

During the month of December 2019, the NAV per unit has been Increased by PKR 1.3919 (1.04%) from November.

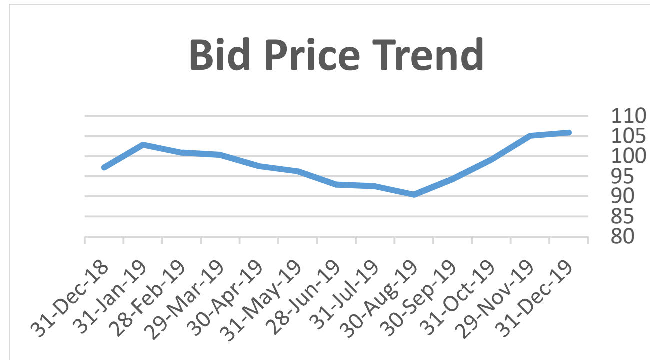
DYNAMIC GROWTH FUND (DGF)

Fund Objective:

To generate high returns through active allocation in fixed and equity securities.

Fund Information:

Fund Name	Dynamic Growth Fund
Fund Size	PKR 266 Million
Launch Date	July 19, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 Dec 2019)	PKR 105.8688
Fund Type	Asset Allocation Fund
Management Fees	1.6% p.a. , 1.75% p.a. , 2% p.a.
Pricing Mechanism	Forward
Risk Profile	Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by Faysal Asset Management Co. Ltd. through a discretionary portfolio management agreement
Benchmark	50% [six (6) months PKRV rate (T-Bills rate)]+[40% of KSE-100 Index Return]+10% minimum bank deposit rate on saving accounts – currently at 5%]

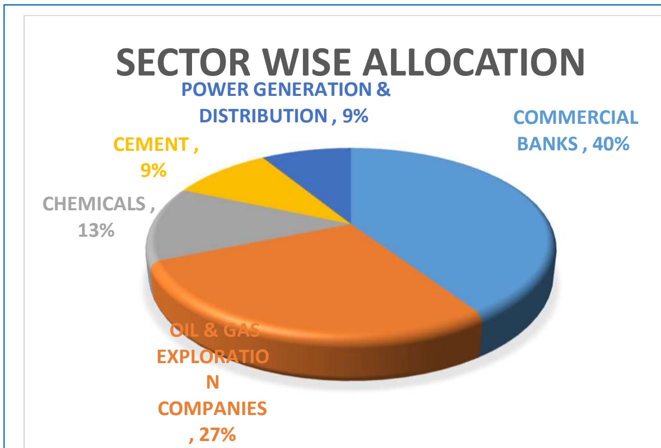


Asset Mix

Assets	December 2019	November 2019
Bank Balances	24.33%	22.53%
Term Deposits	0.00%	0.00%
Equities	50.89%	52.15%
Mutual Funds	14.73%	2.07%
Fixed Income Securities	5.85%	5.33%
Government Securities	00.00%	23.11%
Other Asset	4.20%	-5.19%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.72%	8.17%
180 Days Return	13.92%	27.31%
CYTD	8.88%	8.88%
Since Inception	5.87%	1.70%



Managers' Comments:

During the month of December 2019, the NAV per unit has been Increased by PKR 0.7529 (0.72%) from November.

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