JANUARY - 2020

Fund Managers' Report

Performance Tracker

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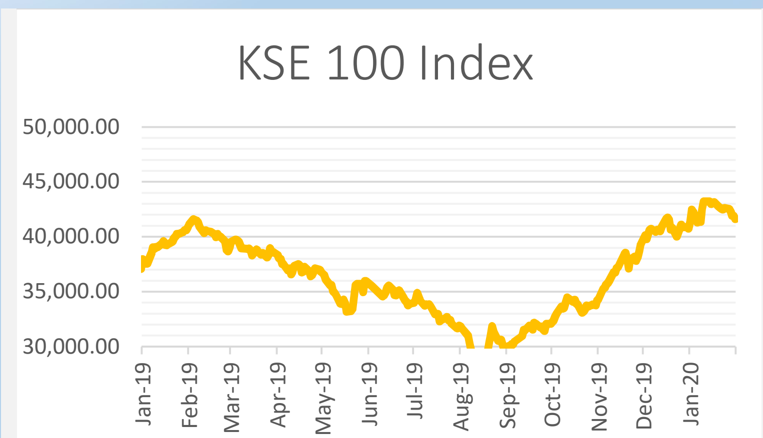
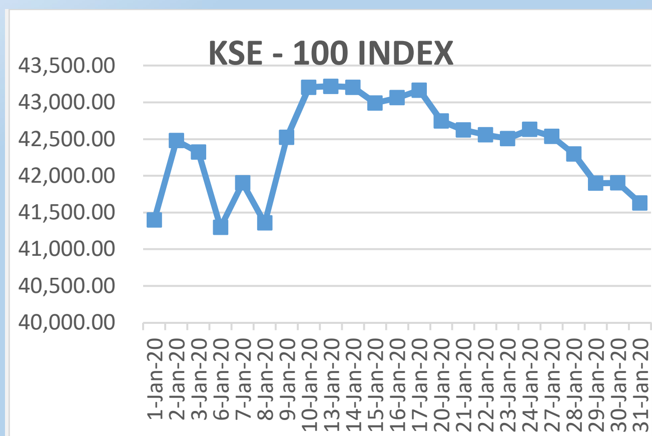
Equity Market Analysis

The benchmark KSE-100 index generated fifth consecutive positive gain posting a return of 3.7% for the month of Jan'20. Total foreign buying/local selling amounted to ~USD 2.85 mn. Banks/DFI were the major buyers followed by foreign corporates. They bought shares worth of USD 13.64 mn and USD 6.40 mn respectively. On the selling side, local individuals were the biggest sellers selling shares worth USD 22.71 mn. During the month, volumes and values averaged at ~247 mn shares and ~PKR 9.25 billion respectively a decrease of ~19.2%/19.8% respectively Mom.

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.

Refineries, Oil & Gas Marketing Companies and Cements lead the chart during the month. OMC's gained after the upcoming Energy Sukuk-II garnered investors' attention. Cements gained as value investors kept hunting on cement stocks as they offered attractive price in terms of EV per ton. On the flip side, Fertilizers remained major underperformer losing 2.8% respectively. Fertilizers were shunned by the investors after government announced to reduce GIDC for fertilizer manufacturers by PKR 400/MMBtu, which effectively resulted in lower urea prices. This resulted in sector underperforming since few of the players had a concessionary regime.

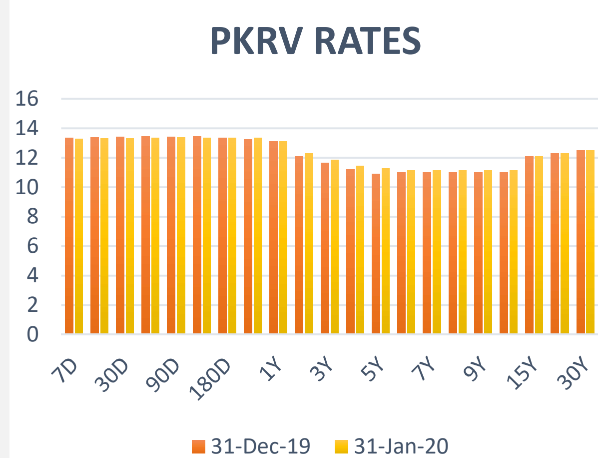




Money Market Analysis

In its latest monetary policy, SBP maintained the policy rate at 13.25%, which was in line with the market expectations. The decision to maintain policy rate at current level was based on the back of recent hike in inflation, which they believe will going to remain at the higher side in near term mainly due to rising food group prices and potential upward adjustment in utility prices. However, SBP believes the current trend inflation is broadly in line with its FY20 NCPI expectation of 11%- 12%. SBP highlighted improvement on the external front due to the ongoing downward trend in CAD and a successful transition towards a market-based exchange rate system. Apart from the improvement in macroeconomic outlook, foreign inflows in the local debt market have shown a significant improvement in the last couple of months mostly concentrated in Treasury Bills. Bond yields slightly increased during the month as inflation expectations heighted after a significant rise in food prices. 3Y and 5Y bond yields increased by 23 and 36 bps respectively during the month.

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)

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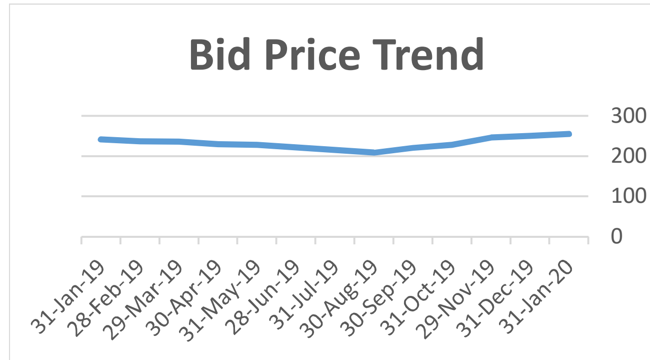
Fund Objective:

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 18.65 Billion
Launch Date	June 9, 2011
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Jan 2020)**	PKR 255.2593
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].

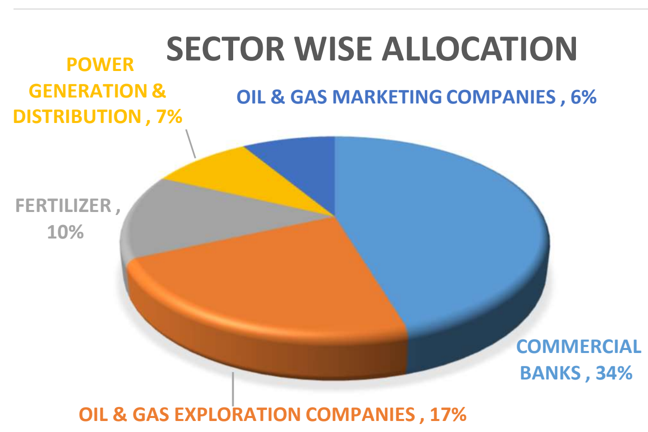


Asset Mix

Asset	January 2020	December 2019
Bank Balance	4.57%	12.13%
Term Deposits	3.00%	17.58%
Equities	34.40%	34.12%
Mutual Funds	22.47%	22.87%
Fixed Income Securities	3.36%	3.49%
Government Securities	26.37%	8.39%
Real Estate	4.70%	4.88%
Other Asset	1.13%	-3.46%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	2.09%	24.59%
180 Days Return	18.53%	36.76%
CYTD	2.09%	24.59%
Since Inception	155.26%	17.94%



Managers' Comments:

During the month of January 2020, the NAV per unit has been Increased by PKR 5.2211 (2.09%) from December.

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:

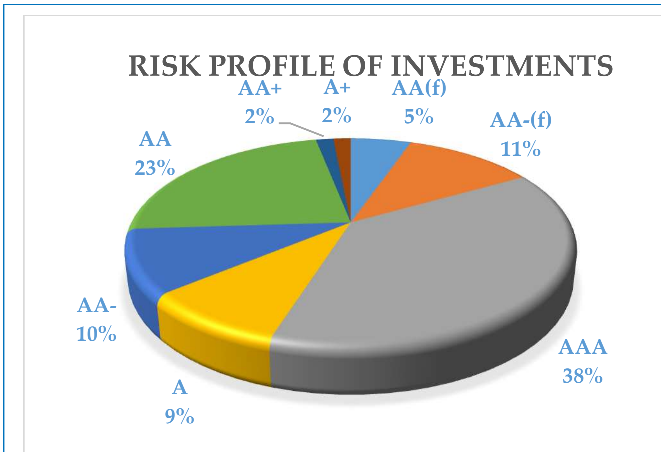
Fund Name	Investment Secure Fund
Fund Size	PKR 10 Billion
Launch Date	June 9, 2011
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Jan 2020)**	PKR 211.4158
Fund Type	Predominantly Fixed Income Fund
Management Fees	1.6% p.a.
Pricing Mechanism	Forward
Risk Profile	Low to Medium
Regulator	Securities and 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]

Asset Mix

Assets	January 2020	December 2019
Bank Balances	3.60%	24.47%
Term Deposits	13.24%	41.86%
Equities	0.01%	0.01%
Mutual Funds	5.39%	5.46%
Fixed Income Securities	9.91%	10.09%
Government Securities	64.41%	16.42%
Other Asset	3.44%	1.69%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.14%	13.47%
180 Days Return	7.91%	15.70%
CYTD	1.14%	13.47%
Since Inception	111.42%	12.88%



Managers' Comments:

During the month of January 2020, the NAV per unit has been Increased by PKR 2.3920 (1.14%) from December.

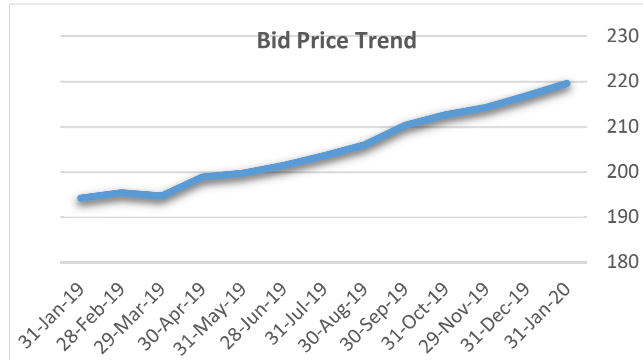
INVESTMENT SECURE FUND II (ISF II)

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 2.6 Billion
Launch Date	December 1, 2011
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Jan 2020)**	PKR 219.5545
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]

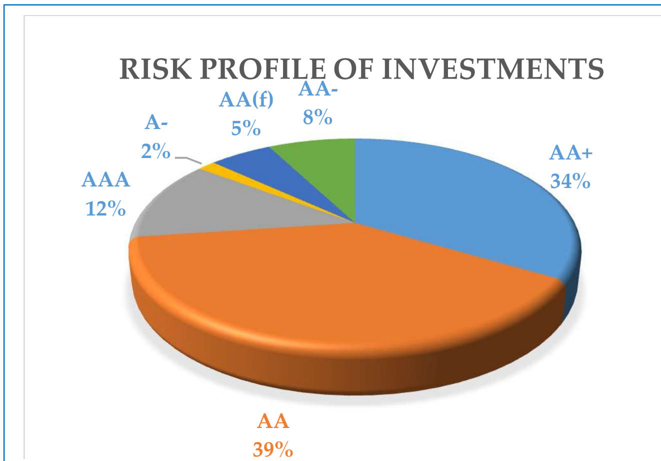


Asset Mix

Assets	January 2020	December 2019
Bank Balances	3.79%	5.98%
Term Deposits	0.00%	27.62%
Equities	0.00%	0.00%
Mutual Funds	1.67%	1.81%
Fixed Income Securities	24.89%	27.21%
Government Securities	64.83%	36.95%
Other Asset	4.82%	0.43%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.26%	14.82%
180 Days Return	7.88%	15.63%
CYTD	1.26%	14.82%
Since Inception	119.55%	14.63%



Managers' Comments:

During the month of January 2020, the NAV per unit has been Increased by PKR 2.7284 (1.26%) from December.

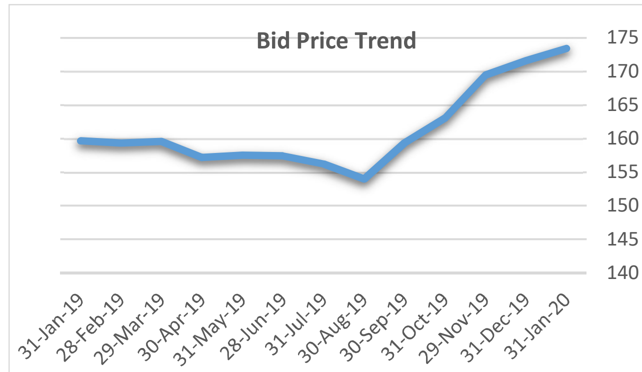
AMAANAT FUND (AF)

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 691 Million
Launch Date	November 15, 2012
Bid Price (Inception)	PKR 100
Bid Price (31 Jan 2020)	PKR 173.4429
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]

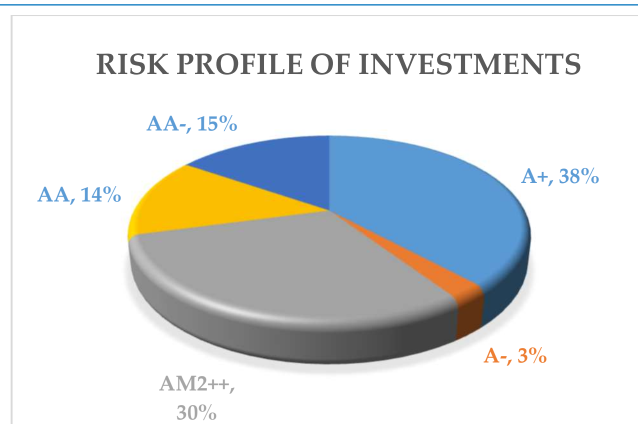


Asset Mix

Assets	January 2020	December 2019
Bank Balances	11.89%	13.94%
Term Deposits	41.99%	42.45%
Equity	0%	0%
Mutual Funds	27.95%	28.47%
Fixed Income Securities	12.96%	13.33%
Government Securities	0%	0%
Other Asset	5.21%	1.81%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.05%	12.36%
180 Days Return	11.02%	21.86%
CYTD	1.05%	12.36%
Since Inception	73.44%	10.18%



Managers' Comments:

During the month of January 2020, the NAV per unit has been Increased by PKR 1.8014 (1.05%) from December.

DYNAMIC SECURE FUND (DSF)

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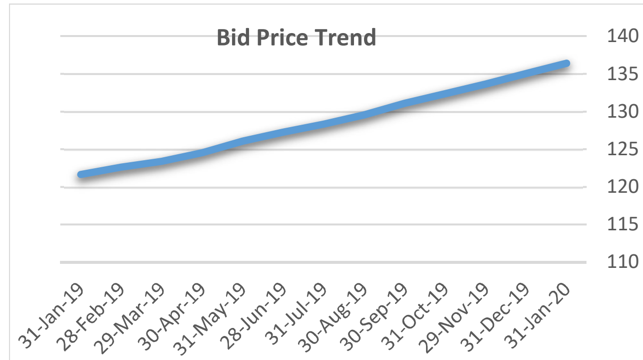
Fund Objective:

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 35 Million
Launch Date	July 19, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Jan 2020)**	PKR 136.4119
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]

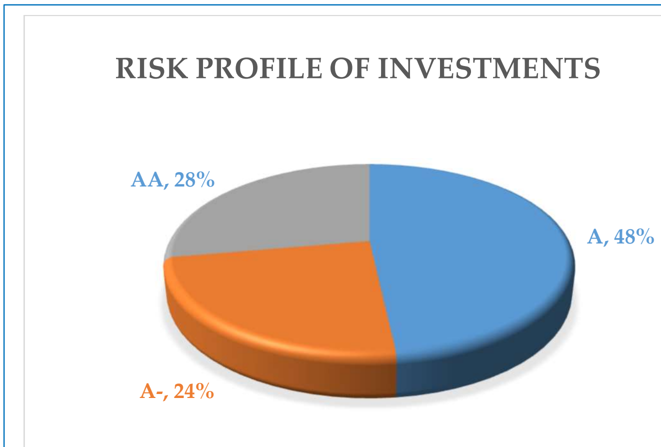


Asset Mix

Assets	January 2020	December 2019
Bank Balances	52.17%	52.16%
Term Deposits	0%	0%
Mutual Funds	18.57%	17.64%
Fixed Income Securities	22.32%	21.49%
Government Securities	0%	0%
Real Estate	0%	0%
Other Assets	6.94%	8.71%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.99%	11.69%
180 Days Return	6.29%	12.47%
CYTD	0.99%	11.69%
Since Inception	36.41%	10.29%



Managers' Comments:

During the month of January 2020, the NAV per unit has been Increased by PKR 1.3406 (0.99%) from December.

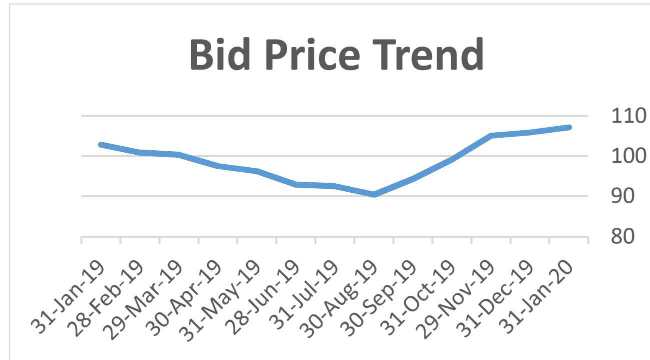
DYNAMIC GROWTH FUND (DGF)

Fund Objective:

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

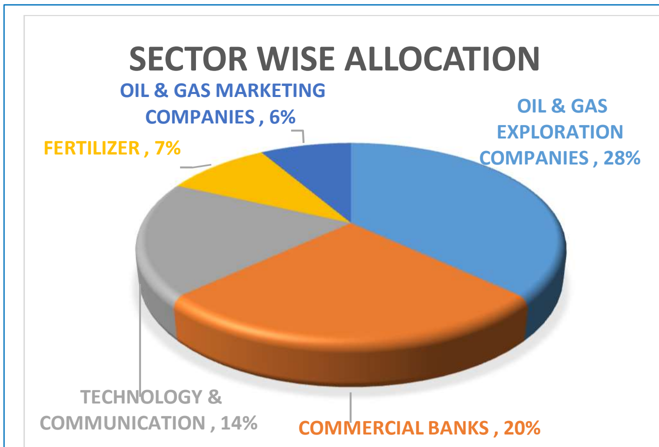
Fund Information:

Fund Name	Dynamic Growth Fund
Fund Size	PKR 260 Million
Launch Date	July 19, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 Jan 2020)	PKR 107.1938
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]



Asset Mix

Assets	January 2020	December 2019
Bank Balances	11.93%	24.33%
Term Deposits	0.00%	0.00%
Equities	57.87%	50.89%
Mutual Funds	15.09%	14.73%
Fixed Income Securities	6.97%	5.85%
Government Securities	2.87%	00.00%
Other Asset	5.27%	4.20%



Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.25%	14.74%
180 Days Return	15.83%	31.40%
CYTD	1.25%	14.74%
Since Inception	7.19%	2.03%

Managers' Comments:

During the month of January 2020, the NAV per unit has been Increased by PKR 1.3250 (1.25%) from December.

DISCLAIMER

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in funds are subject to market risks. The NAV based prices of units and any returns thereon are dependent on forces and factors affecting the financial markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.