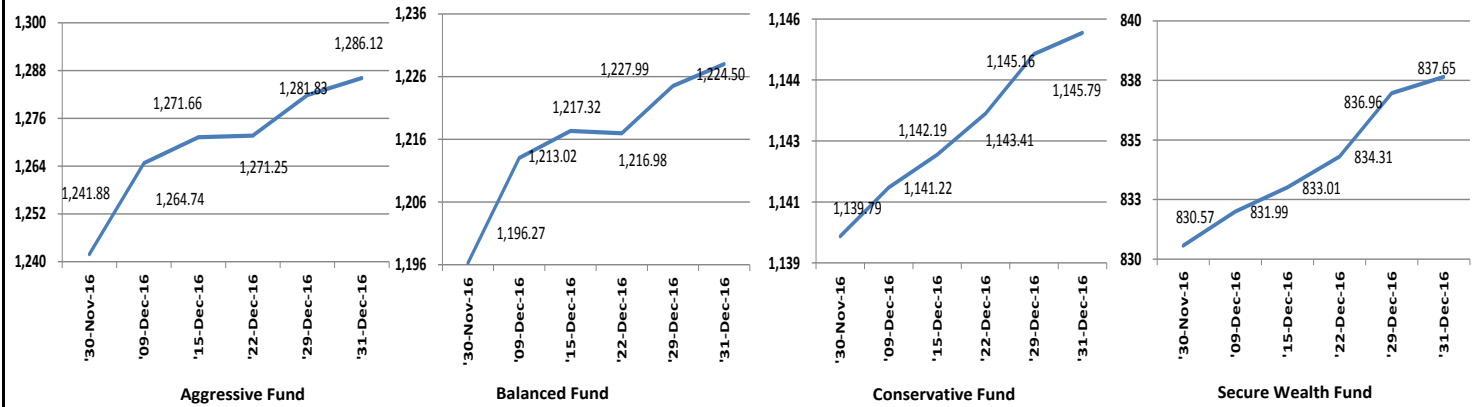
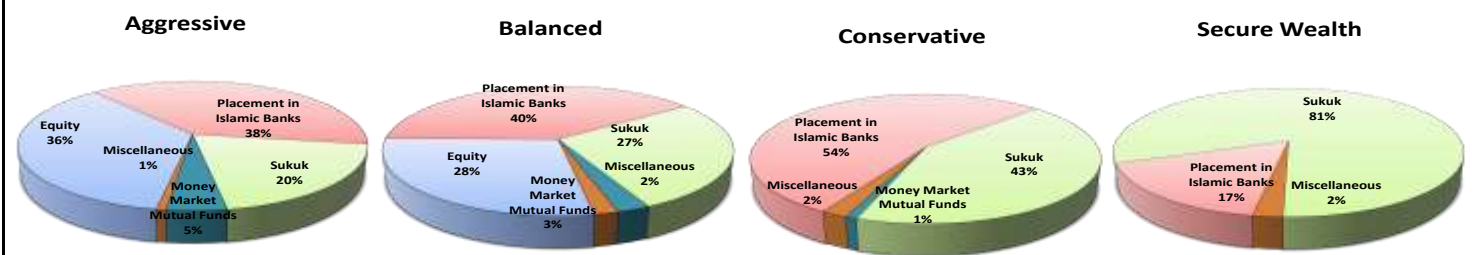




## Performance of Pak-Qatar Unit Fund as at 31st December 2016



		Aggressive	Balanced	Conservative	Secure Wealth
Net Asset Value (NAV) at inception		500.00	500.00	500.00	500.00
Inception Date		09-Apr-08			26-Apr-11
Net Asset Value (Net NAV)	31-Dec-15	1,124.57	1,106.98	1,089.52	792.80
NAV as at (Net of IMC)	31-Dec-16	1,286.12	1,227.99	1,145.79	837.65
Assets Under Management	31-Dec-16	1,117,503,933	4,257,980,255	816,284,152	130,734,435
Return since inception (annual.) net of IMC	31-Dec-16	10.23%	9.64%	8.78%	8.53%
Return for the month (annual.) net of IMC	31-Dec-16	41.94%	31.22%	6.20%	10.04%
Return since beginning of year (annualized) net of IMC		14.33%	10.90%	5.15%	5.64%



## Commentary

### Money market

During the month under review money market remained stable due to frequent OMO injections. Banks remained focused on mopping up deposits to meet year end targets with borrowing 50-100bps above the TBill yield depending on rating profile. Central Bank conducted TBill auction which was well received by market with participation of PKR499bn against a target of PKR350bn. Shorter tenor paper remained investors' preferred choice. Central Bank rejected all bids in 12months tenor as participants went 30bps above the last cut-off. On the PIB front, corporates and banks were keen in re-profiling their maturities and realizing capital gains by year end. On the economic front, CY16 ended with GDP growth of 4.7%(FY16) compared to 4.00% in FY15. Inflation hit multi-year low on account of falling energy prices and benign food prices as reflected in average CPI of 3.7% in CY16. Pakistan has also completed IMF program target with few exception. Current Account Deficit for 5MFY17 stood at USD2,601mn compared to USD1,362mn in 5mFY16. Foreign exchange reserves stood at USD23.29bn from USD 23.61mn in Nov'16 due to debt servicing during the month.

### Equity market

During the month index rolled a return of 12.16% on (M/M) basis. Sector wise Banks, and Oil & Gas sectors outperformed the index. Oil & Gas sector outperformed as OPEC members struck deal to reduce productivity levels which caused the crude oil to rebound to USD53/barrel by month end. Banking sector outperformed on expectation of interest rates reversal expectations in the short term amid increased pressure of PKR:USD parity. Overall volumes for CY16 averaged around 268mn with 1<sup>st</sup> half volumes averaging around 158mn against an average of 384mn in 2<sup>nd</sup> half of the calendar year. Inclusion of PSX in MSCI Emerging Market shall induce volumetric impulse and will increase market depth with the demutualization of PSX to Chinese consortium. During the month Spot Gold price declined by 1.30% from USD1,172.89 in Nov'16 to USD1,157.67 by year end. Holding of SPDR Gold Trust, the world's largest gold ETF, decreased by 6.98% to 822.17 tonnes in Dec'16.

Country	Index	Nov-16	Dec-16
UK	FTSE-100	-2.45%	5.29%
USA	Nasdaq	2.59%	1.12%
USA	Dow 30	5.41%	1.78%
China	Shanghai	4.82%	-4.50%
Hong Kong	Hang Seng	-0.63%	-3.46%
Japan	Nikkei-225	5.07%	4.40%
India	BSE-30	-4.57%	-0.10%
Pakistan	KMI 30	7.18%	14.51%
Pakistan	KSE 100	6.84%	12.16%

### Participant Investment Fund and Secure Wealth Fund

Aggressive and Balanced fund provided a return 41.94% and 31.22% (net of 1.5% IMC) during the month Return for Conservative and Secure Wealth Fund stood at 5.15% and 5.64% respectively.

$$\left( \frac{\text{Ending value of unit price (net of IMC)} - \text{Beginning value of unit Price (net of IMC)}}{\text{Beginning value of unit price (net of IMC)}} \right) \times \frac{365}{\text{no. of days invested}}$$

Past performance is not indicative of future performance. Market volatility can significantly affect short-term performance. The value of investment can fall as well as rise.