



FUND MANAGER REPORT

FOR THE MONTH NOVEMBER 2016



CIO Comment

Fund Manager Report - November 2016

The Equity market witnessed a bull run in the month of November, as the KSE100 index gained 6.84% MoM. The rally was primarily driven by 1) an uptrend in international oil prices, 2) S&P upgrading the country's credit rating from B-/positive to B/stable outlook and, 3) an improvement in the economic and political condition of the country.

Massive foreign portfolio divestment (USD 117mn) was witnessed during the month of November but on a positive note, the supply was absorbed by Mutual Funds (USD 78mn) and Individuals (USD 58mn), due to which the KSE 100 index touched a record high of 43,061 points, further improving investor sentiment across the bourse.

Also marking as one of the major developments during the month, bids for the divestment of Pakistan Stock Exchange have been submitted by foreign and local strategic investors and financial institutions. Bids are from Consortium of Nasdaq and two UK-based funds and Chinese based consortium of Shanghai and Shenzhen stock exchanges with one Chinese fund. Among the local financial institutions, MCB Bank, ABL, Pak-Kuwait Investment Company, Pak-Oman Investment Company and others had submitted their bids to acquire the 40 percent stake. If approved, the said transaction is expected to further increase inflow in Equity markets.

ON THE INTERNATIONAL FRONT:

The global equity markets enjoyed the Trump rally, with the S&P and Dow Jones increasing 3.42% and 5.41% respectively. Foreign Outflows were witnessed in both Emerging and Frontier markets with the MSCI EM index falling by 4.67% and MSCI FM index retracted by 1.78%.

Crude oil prices (WTI) increased by 5.51% MoM in November as OPEC finally agreed to cut oil production by 1.2mn barrels per day.

KEY FACTORS TO MONITOR IN THE SHORT TERM:

The major factors that will influence the capital markets in the near term remain 1) PKR Depreciation, 2) foreign outflow, 3) verdict on the Panama Case and 4) increase in commodity prices.

When you invest with PRIMUS, you invest with confidence. We believe in a disciplined and methodical approach to investing. It is the foundation of everything we do and the best way to create long term value for investors. PRIMUS is one of the top mutual fund companies in Pakistan whose strength and credibility have made it one of the most respected financial institutions.

We will do our best to reflect all this in positioning the savings and investments you have entrusted to us to manage. We will be emphasizing the importance of economic growth and work very hard to identify opportunities that remain attractive. We will seek to navigate this environment for you by maintaining a higher degree of operational agility and a solid dose of resilience.

Key Economic Indicators

Fund Manager Report - November 2016

| | | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 |
|-----------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| External Sector Indicators | | | | | | | | | | | | | | |
| Overall Balance of Payments | USD million | 1 | (621) | 415 | 2 | (104) | 253 | (688) | (1,059) | (274) | (54) | (54) | (520) | n.a. |
| Current Account Balance | USD million | (216) | (279) | (610) | 157 | 239 | 100 | (792) | (61) | (234) | (721) | (721) | (381) | n.a. |
| Exports | USD million | 1,662 | 1,788 | 1,772 | 1,791 | 1,742 | 1,722 | 1,832 | 1,651 | 1,479 | 1,658 | 1,658 | 1,756 | n.a. |
| Imports | USD million | 3,917 | 3,843 | 3,509 | 3,304 | 3,594 | 3,872 | 4,008 | 4,467 | 3,557 | 4,331 | 4,331 | 4,026 | n.a. |
| Worker's Remittances | USD million | 1,592 | 1,637 | 1,463 | 1,516 | 1,469 | 1,657 | 1,799 | 2,073 | 1,328 | 1,761 | 1,761 | 1,560 | n.a. |
| Foreign Direct Investment | USD million | 157 | 84 | 24 | 103 | 162 | 59 | 64 | 198 | 64 | 113 | 113 | 67 | n.a. |
| Foreign Portfolio Investment | USD million | (26) | (72) | (45) | (34) | (502) | (35) | 4 | 61 | 50 | 41 | 41 | (67) | n.a. |
| Forex Reserves | USD billion | 19.82 | 21.07 | 21.07 | 20.33 | 20.92 | 20.79 | 21.61 | 21.77 | 22.99 | 23.08 | 23.08 | 24.33 | 23.87 |
| Exchange Rate against PKR | | | | | | | | | | | | | | |
| USD | Period End | 105.46 | 104.80 | 104.90 | 104.64 | 104.72 | 104.74 | 104.74 | 104.59 | 104.77 | 104.66 | 104.50 | 104.58 | 104.85 |
| Inflation Indicators | | | | | | | | | | | | | | |
| General CPI | YoY change | 2.7% | 3.2% | 3.3% | 4.0% | 3.9% | 4.2% | 3.17% | 3.19% | 4.12% | 3.60% | 3.90% | 4.20% | 3.80% |
| Food CPI | YoY change | 2.2% | 2.7% | 2.5% | 3.7% | 3.7% | 4.7% | 2.10% | 2.30% | 4.70% | 3.40% | 4.00% | 4.40% | 3.30% |
| Core (NFNE) | YoY change | 4.0% | 4.1% | 4.3% | 4.5% | 4.7% | 4.4% | 4.60% | 4.60% | 4.50% | 4.60% | 4.80% | 5.20% | 5.30% |
| Core (Trimmed) | YoY change | 2.9% | 2.7% | 3.0% | 3.6% | 3.8% | 3.8% | 3.60% | 3.70% | 3.60% | 3.50% | 3.70% | 3.80% | 3.80% |
| Interest Rates | | | | | | | | | | | | | | |
| SBP Policy Rate | Current | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 5.75% | 5.75% | 5.75% | 5.75% | 5.75% | 5.75% | 5.75% |
| 6 Month KIBOR | Month Avg. | 6.46% | 6.52% | 6.42% | 6.36% | 6.36% | 6.36% | 6.31% | 6.11% | 6.02% | 6.02% | 6.05% | 6.08% | 6.08% |
| 12 Month KIBOR | Month Avg. | 6.76% | 6.81% | 6.70% | 6.66% | 6.65% | 6.66% | 6.62% | 6.42% | 6.31% | 6.31% | 6.35% | 6.37% | 6.40% |
| 3 Month T-Bill Yield | Month Avg. | 6.29% | 6.38% | 6.21% | 6.22% | 6.19% | 5.98% | 6.11% | 5.91% | 5.83% | 5.83% | 5.87% | 5.88% | 5.91% |
| 6 Month T-Bill Yield | Month Avg. | 6.30% | 6.39% | 6.22% | 6.22% | 6.20% | 5.98% | 6.14% | 5.93% | 5.82% | 5.82% | 5.90% | 5.91% | 5.93% |
| 12 Month T-Bill Yield | Month Avg. | 6.33% | 6.43% | 6.23% | 6.22% | 6.20% | 6.00% | 6.18% | 5.96% | 5.83% | 5.83% | 5.91% | 5.92% | 5.97% |
| 10 Year PIB Yield | Month Avg. | 9.15% | 9.10% | 8.85% | 8.25% | 8.23% | 8.18% | 8.18% | 8.02% | 7.80% | 7.80% | 7.80% | 7.80% | 7.80% |

n.a.=Not Available

Source: SBP, MoF, PBS

Market Review

Fund Manager Report - November 2016

Money Market Review:

In the two T-Bills auctions held in the outgoing month, SBP accepted amount with face value of Rs. 592 billion against the target of Rs. 500 billion. In the first auction held on 9th November, SBP fetched amount with face value of Rs. 296bn against the target of Rs. 250bn. During the first auction, cut-off rates of 3M and 6M securities stood at 5.9463% and 5.9471%, respectively. And the bids for 12M tenor security were rejected. During the 2nd auction held on 23rd November, the government raised amount with face value of Rs. 295bn against target of Rs.250bn. the cut off rates for 3M, 6M and 12M securities stood at 5.9463%, 5.9471%, and 5.9485%, respectively.

In the PIB auction held on 16th November, all the bids were rejected due to higher yields demanded by the investors, the same scenario for the PIBs auction held in October 2016 as well. Looking ahead, we may see new cut-offs at higher levels across the yield curve. This argument is further supported by surge in int'l oil prices post OPEC production cut decision and increase in POL prices by Govt of Pakistan (effective from Dec 01, 2016) – indicating upward pressure on inflation in coming months.

Equity Market Review:

Amidst the calling off the protests by PTI and smooth transition to the new Army chief, KSE 100 gained 6.8% to close at 42,811.27 in Nov'2016. The KSE100 is now up 30% CYTD and 12.8% FYTD.

Average Daily Traded Volumes of KSE ALL for Nov-2016 stood at 478mn shares as compared to 449mn shares traded in Oct-2016, up 6.5% MoM. In the outgoing month, foreigners off-loaded USD117mn with the major buy support coming from Mutual Funds (USD78.4) and Individuals (USD68.3mn). Most of the FIPI outflow was concentrated in Cements, Banks, Textiles, and Pharmaceuticals.

Sector wise returns showed Steel (+28 MoM), Cements (+17% MoM), and Textile (+14% MoM) yielded superior returns among the key sectors. Steel stocks gained due to initiation of anti-dumping and rise in steel prices. Cement sector also saw a decent rise as coal prices saw a downward trend (coal prices down 10% MoM at \$84.25) from its recent peak. Textile sector also rose due to anticipated bail-out package. While Power (+1% MoM), Oil & Gas Exploration (+3% MoM) and Food & Personal Care (+4% MoM) sectors underperformed the most among the key sectors.

It would be pertinent to note that foreign participants have remained net sellers since official announcement was made regarding Pakistan's inclusion into MSCI Emerging market Index, though it was expected otherwise. The selling trend can be likely on account of possible US Fed rate hike with expectations of higher returns post Republican victory. Nevertheless, we retain our positive stance on Pakistan equities due to strong fundamentals which are yet to be priced in. Further, entry of a foreign strategic investor (through 40% divestment of PSX), inclusion of Pakistan in EM Index, and materialization of CPEC led growth could boost foreign fund managers' confidence in Pakistani financial market. At present, KSE100 is trading at P/E of ~8.9x, 25% discount to emerging market and ~8% discount to FM.

Economic Review:

CPI inflation reading for the month of November 2016 came at 3.81% YoY as compared 4.21% in the preceding month and 2.7% in November 2015. On MoM basis, CPI increased by 0.2% in November 2016 as compared to increase of 0.8% in previous month. YoY uptick in inflation is attributed to rise in Food Index (mainly non-perishable). Food Index (weight of 34.83% in CPI basket) increased by 2.5% YoY in November 2016 and 0.19% MoM. Housing, Water, Electricity and gas and Fuel (cumulative weight of 29.41% in CPI basket) increased by 4.92% YoY. Transport Index (having weight of 7.2%) dropped by 3.64% YoY owing to unchanged POL prices.

In the month of October 2016, Current Account Deficit clocked in at USD 381mn versus the revised current deficit of USD 174mn in September 2016, showing a hefty rise of 119% MoM. During 4MFY17, the current account deficit has risen by 63% to USD1.8bn as trade deficit increased by 8% (Exports 3%, imports 2%). A key cause of concern is the 4% YoY drop in remittances in 4MFY17 to stand at USD6.26bn. Total FDI fell by 54% YoY for 4MFY17 to clock in at USD 279mn, with major chunk of investments coming from China. The FX reserves amounted to \$23.6bn by the end of Nov-16, down 3% MoM.

Interestingly, amid weakening current account deficit, PKR seems to stand resilient against all the major trading partners. PKR remained stable against USD at 104.65 (interbank rate). It is pertinent to note that there has been recent hike in the PKR/USD rate in the open market to reach at Rs.108. The recent surge in the open market is attributable to shifting of up to 70% of the remittance businesses to the Hawala system. A cautious stance to incorporate is that US dollar has started to gain strength recently with the much expected US Fed rate hike that may put downward pressure on Pak Rupee. Further, based on REER, the currency overvaluation is close to 15-20%. But the inclination of the economic decision makers of the country towards a stable currency may lead to Pak Rupee hovering at a stable range at least till the 2018 election.

Meanwhile, on the international front the major news that marked the end of the month was the OPEC decision to cut production by around 1.2mb/d- bring the ceiling to 32.5mb/d-effective 1st January 2017. It is to be noted that OPEC's last production cut was announced in late 2008 and implemented in January 2009. The duration of the month is six months, extendable for another 6 months depending on prevailing market conditions.

The SBP announced its Monetary Policy on 26th Nov for the next two month and kept policy rate unchanged at 5.75%. With the expected rally in the oil prices post OPEC decision putting upward pressure on the inflation suggests that interest rates have bottomed out and possible adoption of restrictive monetary policy in late FY17.

PIML Income Fund

Fund Manager Report - November 2016

Fund Manager's Review

During the month under review, the fund generated a return of 3.09% as compared to its benchmark return of 6.09%. The underperformance was mainly due to the rise in PKRV yields. Going forward, we expect higher inflation and end of monetary easing (on the back of higher oil prices and worsening BoP situation) which is why the fund reduced its exposure in PIB's to 47.80% as compared to 57.21% of net asset in the previous month. Also during the month, State Bank of Pakistan announced the Monetary Policy in which it decided to maintain the discount rate at 6.25%. The weighted average time to maturity of the portfolio stands at 65 days.

Fund Details

| | |
|-----------------------|---|
| Fund Type | Open End |
| Category | Income Scheme |
| Fund Stability Rating | A+ (f) by PACRA (21 December 2015) |
| Benchmark | Average of 6M KIBOR rates for the period under review.* |
| Management Co. Rating | AM3+ by JCR-VIS (04 May 2016) |
| Inception Date | 9th August 2012 |
| Dealing Days | Daily (days when Banks are open for business) |
| Cut-off Time | 5.00 pm |
| Pricing Mechanism | Forward |
| Management Fee | 1.00% |
| Load | 1% (Front-end) 0% (Back-end) |
| Risk Profile | Low to Moderate Risk |
| Listing | Pakistan Stock Exchange |
| Leverage | Nil |
| Trustee | Central Depository Company of Pakistan Ltd. |
| Auditor | Deloitte Yousuf Adil 'Chartered Accountants' |
| Legal Advisor | Mohsin Tayebaly & Co. |
| Fund Manager | Khawar Salman |

*Benchmark changed effective from Oct 1, 2016

Investment Committee Members

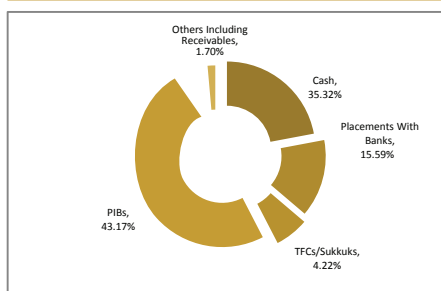
| | |
|---------------------|-----------------------------|
| Ahmed Ateeq | Chief Executive Officer |
| Hamza Saboor | Chief Financial Officer |
| M. Samir Malik, CFA | Chief Investment Officer |
| Rida Jiwani | Chief Strategy Officer |
| Khawar Salman | Fund Manager |
| Asif Iqbal | Head of Compliance and Risk |
| Syeda Rabia Ahmed | Head of Research |

Note: Category of PIML IF has been changed from money market to income fund w.e.f. 17th April 2014.

Fund Objective

The objective of PIML - Income Fund (formerly Primus Cash Fund) is to generate competitive returns by investing in short to long term debt instruments and securities.

Portfolio Allocation (as % of total assets) Nov. '16



Fund Statistics

| | |
|-----------------------------------|----------|
| Net Assets (PKR mn) | 5,405.61 |
| NAV per Unit (PKR) | 102.07 |
| ^Weighted Average Maturity (days) | 65 |
| Sharpe Ratio* | -1.50 |
| Information Ratio | 0.26 |
| Standard Deviation | 1.14% |

* Annualized

^Excluding Govt. Securities

WWF Disclosure

The scheme has maintained a provision against Worker's Welfare Fund's liability to the tune of Rs 13,862,057, if the same were not made the NAV per unit/year to date (YTD) return of the scheme would be higher by Rs.0.2617/0.61% enhancing the YTD return to 4.77% p.a for details investors are advised to read the Note 7.1 of the latest Financial Statements of the Scheme.

Total Expense Ratio

Total Expense Ratio is 1.37% which includes 0.05% of Government Levy and 0.03% SECP Fee calculated as % of Average Net Asset Value.

Fund Performance PIML-IF

| | PIML-IF* | PIML-IF** | Benchmark*** |
|---------------------|----------|-----------|--------------|
| FYTD | 4.16% | 4.21% | 6.05% |
| CYTD | 8.81% | 8.84% | 6.08% |
| 12M Trailing | 9.07% | 8.76% | 6.26% |
| Since Inception | 12.01% | 10.87% | 7.76% |
| AAR-Since Inception | 9.88% | - | 7.84% |
| Last 3 Yrs | 13.28% | - | 7.45% |
| Oct '16 | 7.57% | 7.86% | 6.07% |
| Nov '16 | 3.09% | 3.13% | 6.09% |

*Simple Annualized **Average of reporting period ***Morning Star
Fund returns are calculated NAV to NAV with dividends reinvested (excluding sales load)

Portfolio Allocation (as % of T.A.) Nov. '16 Oct. '16

| | Nov. '16 | Oct. '16 |
|-----------------------------------|----------------|----------------|
| Placements with Banks | 15.59% | 14.95% |
| TFCs / Sukkuks | 4.22% | 4.04% |
| PIBs | 43.17% | 52.72% |
| Cash at Bank | 35.32% | 22.04% |
| Others including receivables (NR) | 1.70% | 1.35% |
| Total | 100.00% | 100.00% |

Top TFCs Holdings (as % of T.A.) Nov. '16

| | Nov. '16 |
|-----------------------------------|----------|
| BAFL TFC-V 20-Feb-13 - 20-Feb-21 | 0.01% |
| AKBL TFC-IV 23-Dec-11 - 23-Dec-21 | 1.41% |
| PEL Sukuk 25-Aug-16 - 24-Nov-19 | 1.98% |
| TPL Sukuk 15-Apr-16 - 13-Aug-21 | 0.49% |
| HPL Sukuk 07-Jan-16 - 07-Jan-22 | 0.36% |

Credit Quality of Portfolio (as % of T.A.) Nov. '16 Oct. '16

| | Nov. '16 | Oct. '16 |
|-----------------------------------|----------------|----------------|
| AAA (Government Securities) | 43.17% | 52.72% |
| AAA | 0.02% | 0.01% |
| AA+ | 0.00% | 0.04% |
| AA | 27.78% | 2.36% |
| AA- | 10.94% | 10.49% |
| A+ | 0.49% | 0.47% |
| A | 9.49% | 15.92% |
| A- | 6.42% | 16.65% |
| Others including receivables (NR) | 1.70% | 1.35% |
| Total | 100.00% | 100.00% |

| Fund Performance | Dec. '15 | Jan. '16 | Feb. '16 | Mar. '16 | Apr. '16 | May. '16 | Jun. '16 | Jul. '16 | Aug. '16 | Sep. '16 | Oct. '16 | Nov. '16 |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Performance | 10.27% | 13.95% | 19.72% | 7.88% | 5.76% | 13.43% | 12.70% | 10.63% | 4.12% | 2.35% | 7.57% | 3.09% |
| Benchmark | 5.97% | 5.82% | 5.78% | 5.78% | 5.72% | 5.68% | 5.56% | 5.58% | 5.56% | 5.57% | 6.07% | 6.09% |

| Period | FY13 | FY14 | FY15 | FY16 |
|--------------------|-------|-------|--------|--------|
| Performance | 8.72% | 8.24% | 16.96% | 11.71% |
| Benchmark | 9.46% | 9.46% | 8.35% | 5.92% |

PIML Strategic Multi Asset Fund

Fund Manager Report - November 2016

Fund Manager's Review

During the month under review, the fund generated a return of 5.24% as compared to the benchmark return of 4.41% denoting an outperformance of 84 bps. The fund reduced its exposure in the Fertilizer sector as a looming supply glut in the market remains a concern and increased its exposure in the Commercial Banks sector as we expect higher inflation and end of monetary easing (on the back of higher oil prices and worsening BoP situation). In the outgoing month, the fund's total equity exposure was reduced to 62.75% of the net assets as compared to 69.01% of the net assets in the previous month. The fund's exposure in Debt securities including Govt. Securities was registered at 13.46% of the net assets as compared to 13.53% of the net assets in the previous month.

| Fund Details | |
|-----------------------|--|
| Fund Type | Open End |
| Category | Balanced Fund |
| Performance Ranking | 3 Star by PACRA (30 June 2016) |
| Benchmark | KSE 100 index and six (6) months KIBOR rates on the basis of actual proportion held by the scheme during the period under review.* |
| Management Co. Rating | AM3+ by JCR-VIS (04 May 2016) |
| Inception Date | 23rd August 2013 |
| Dealing Days | Daily (days when Banks are open for business) |
| Cut-off Time | 4.00 pm |
| Pricing Mechanism | Forward |
| Management Fee | 2% p.a. |
| Load | 2% (Front-end) 0% (Back-end) |
| Risk Profile | Moderate to High |
| Listing | Pakistan Stock Exchange |
| Leverage | Nil |
| Trustee | Central Depository Company of Pakistan Ltd. |
| Auditor | Deloitte Yousuf Adil 'Chartered Accountants' |
| Legal Advisor | Mohsin Tayebaly & Co. |
| Fund Manager | Haris Saeed Khan |

*Benchmark changed effective from Oct 1, 2016

| Fund Statistics | |
|---------------------|--------|
| Net Assets (PKR mn) | 326.73 |
| NAV per Unit (PKR) | 111.88 |
| Sharpe Ratio* | 0.44 |
| Standard Deviation* | 9.69% |
| Treynor Ratio | 0.040 |
| Beta | 1.08 |
| R - Square** | 81.39% |
| Value at Risk | 1.01% |

3M PKRV yield used as Risk-Free rate.

* Annualized

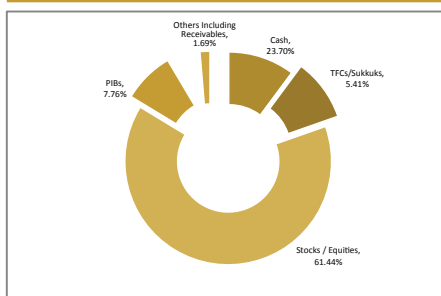
**R-Square measures the correlation between the benchmark and the funds return

| Investment Committee Members | |
|------------------------------|-----------------------------|
| Ahmed Ateeq | Chief Executive Officer |
| Hamza Saboor | Chief Financial Officer |
| M. Samir Malik, CFA | Chief Investment Officer |
| Haris Saeed Khan | Fund Manager |
| Rida Jiwani | Chief Strategy Officer |
| Asif Iqbal | Head of Compliance and Risk |
| Syeda Rabia Ahmed | Head of Research |

WWF Disclosure

The scheme has maintained a provision against Worker's Welfare Fund's liability to the tune of Rs 1,311,997, if the same were not made the NAV per unit/year to date (YTD) return of the scheme would be higher by Rs.0.4493/0.96% enhancing the YTD return to 9.29% p.a for details investors are advised to read the Note 9 of the latest Financial Statements of the Scheme.

Portfolio Allocation (as % of total assets) Nov. '16



Credit Quality of Portfolio (as % of T.A.) Nov. '16 Oct. '16

| Credit Quality | Nov. '16 | Oct. '16 |
|------------------------------------|----------------|----------------|
| AAA (Government Securities) | 7.76% | 7.87% |
| AAA | 0.29% | 0.29% |
| AA & above | 7.65% | 12.49% |
| A | 5.41% | 5.44% |
| AA- | 15.76% | 3.63% |
| (NR) (includes equity investments) | 63.13% | 70.29% |
| Total | 100.00% | 100.00% |

Portfolio Allocation (as % of T.A.) Nov. '16 Oct. '16

| Category | Nov. '16 | Oct. '16 |
|-----------------------------------|----------------|----------------|
| Stocks / Equities | 61.44% | 67.05% |
| TFCs / Sukkuks | 5.41% | 5.44% |
| PIBs | 7.76% | 7.87% |
| Cash at Bank | 23.70% | 16.41% |
| Others including receivables (NR) | 1.69% | 2.40% |
| Total | 100.00% | 100.00% |

| Fund Performance | Dec. '15 | Jan. '16 | Feb. '16 | Mar. '16 | Apr. '16 | May. '16 | Jun. '16 | Jul. '16 | Aug. '16 | Sep. '16 | Oct. '16 | Nov. '16 |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Performance | 2.44% | 0.02% | -1.49% | 5.14% | 1.39% | -0.02% | 2.36% | 4.21% | 1.03% | 0.07% | -2.31% | 5.24% |
| Benchmark | 1.33% | -2.91% | 0.31% | 4.07% | 3.46% | 2.78% | 3.32% | 3.16% | 0.64% | 1.35% | -0.89% | 4.41% |

Fund Performance PIML - SMAF

| | PIML-SMAF* | Benchmark** |
|---------------------|------------|-------------|
| FYTD | 8.33% | 9.10% |
| CYTD | 16.45% | 21.59% |
| 12M Trailing | 21.12% | 11.67% |
| Since Inception | 62.66% | 63.44% |
| AAR-Since Inception | 16.15% | 15.47% |
| Last 3 Yrs | 55.00% | 62.87% |
| Oct'16 | -2.31% | -0.89% |
| Nov'16 | 5.24% | 4.41% |

Fund returns are calculated NAV to NAV with dividends reinvested (excluding sales load)

Top 10 Holdings (as % of T.A.) Symbol Nov. '16

| Company | Symbol | Nov. '16 |
|---------------------------|---------------------|----------|
| Pak Elektron Ltd | PAEL (Sukuk+Equity) | 6.98% |
| Engro Corp Ltd. | ENGRO | 5.91% |
| Lucky Cement Ltd. | LUCK | 5.04% |
| Engro Foods Ltd. | EFOODS | 4.40% |
| Kot Addu Power Co. Ltd. | KAPCO | 4.32% |
| Fauji Foods Ltd. | FFL | 3.70% |
| Nishat Mills Ltd. | NML | 3.52% |
| Hub Power Co. Ltd | HUBC | 3.34% |
| DG Khan Cement Co. Ltd. | DGKC | 3.15% |
| Oil & Gas Development Co. | OGDC | 2.92% |

Sector Allocation (as % of T.A.) Nov. '16 Oct. '16

| Sector | Nov. '16 | Oct. '16 |
|---------------------------------|----------|----------|
| Cement | 10.23% | 10.77% |
| Power Generation & Distribution | 8.66% | 8.46% |
| Fertilizer | 8.27% | 11.06% |
| Food & Personal Care Products | 8.19% | 12.38% |
| Textile Composite | 6.05% | 10.86% |
| Other Sectors | 5.83% | 6.13% |
| Commercial Banks | 5.02% | 0.40% |
| Oil & Gas Exploration Companies | 4.55% | 4.35% |
| Paper & Board | 2.37% | 2.01% |
| Oil & Gas Marketing Companies | 2.27% | 1.48% |

Total Expense Ratio

Total Expense Ratio is 3.71% which Includes 0.12% of Government Levy and 0.03% of SECP Fee calculated as % of Average Net Asset Value.

| Period | FY14 | FY15 | FY16 |
|--------------------|--------|--------|-------|
| Performance | 9.27% | 28.64% | 6.82% |
| Benchmark | 18.80% | 13.40% | 8.59% |

PIML Islamic Equity Fund

Fund Manager Report - November 2016

Fund Manager's Review

During the month under review the fund generated a return of 6.32% against the benchmark return of 7.18% slightly underperforming by 86bps. the total exposure in equities was reduced from 84.72% to 81.29%. during the month of market remained speculative with a bunch of events like i) abating political stalemate, ii) Trumps surprise victory, iii) gas price reduction for industries that was a catalyst for Ferts, iv) a smooth transition of COAS & vii) status quo being maintained in the MPS. during the month foreigners continuous offloading of shares was worth USD117mn. we reduced our exposure in oil due to volatility in international oil prices ahead of OPEC meeting which eventually ended with OPEC agreeing to cut production by 1.2mbpd; a first in the last 8 year to 32.5mbpd. we raised our exposure in power sector as we anticipate FED to raise interest rate in upcoming month and we see strong dollar appreciation in near future. Cement sales in the local market rose 15 percent in November as domestic demand grew on rising construction activities and infrastructure developments.

Fund Details

| | |
|-----------------------|--|
| Fund Type | Open End |
| Category | Islamic Equity Scheme |
| Performance Ranking | 4 Star by PACRA (30 June 2016) |
| Benchmark | KMI - 30 Index |
| Management Co. Rating | AM3+ by JCR-VIS (04 May 2016) |
| Inception Date | 4th March 2014 |
| Dealing Days | Daily (days when Banks are open for business) |
| Cut-off Time | 4.00 pm |
| Pricing Mechanism | Forward |
| Management Fee | 2% p.a. |
| Load | 2% (Front-end) 0% (Back-end) |
| Risk Profile | Moderate to High |
| Listing | Pakistan Stock Exchange |
| Leverage | Nil |
| Trustee | Central Depository Company of Pakistan Ltd. |
| Auditor | KPMG Taseer Hadi & Co. |
| Legal Advisor | Mohsin Tayebaly & Co. |
| Fund Manager | Sadaf Rasheed |

Fund Objective

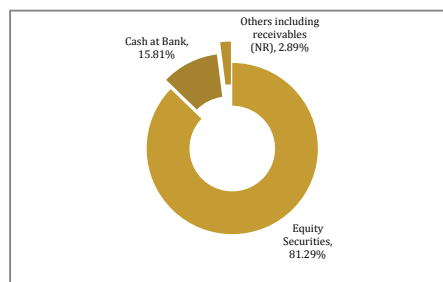
The objective of PIML-IEF is to achieve long term capital growth by investing mainly in Shariah Compliant listed equity securities.

Fund Performance PIML - IEF

| | PIML-IEF* | Benchmark** |
|---------------------|-----------|-------------|
| FYTD | 9.55% | 7.96% |
| CYTD | 19.75% | 28.46% |
| 12M Trailing | 23.63% | 27.50% |
| Since Inception | 53.63% | 65.74% |
| AAR-Since Inception | 16.90% | 20.19% |
| Oct'16 | -2.48% | -3.36% |
| Nov'16 | 6.32% | 7.18% |

Fund returns are calculated NAV to NAV with dividends reinvested (excluding sales load)

Portfolio Allocation (as % of total assets) Nov. '16



Top 10 Equity Holdings (as % of T.A.) Symbol Nov. '16

| Company Name | Symbol | Percentage |
|-------------------------------|--------|------------|
| Hub Power Co. Ltd | HUBC | 9.20% |
| Kot Addu Power Co. Ltd | KAPCO | 7.20% |
| Engro Corporation Ltd | ENGRO | 5.62% |
| Engro Foods Packages | EFOODS | 4.66% |
| PKGS | PKGS | 4.20% |
| D.G.Khan Cement | DGKC | 3.23% |
| Maple Leaf Cement Factory Ltd | MLCF | 3.17% |
| Synthetic Products | SPEL | 3.14% |
| Glaxo | GLAXO | 3.03% |
| Cherat Cement | CHCC | 2.92% |

Fund Statistics

| | |
|---------------------|--------|
| Net Assets (PKR mn) | 201.99 |
| NAV per Unit (PKR) | 128.02 |
| Sharpe Ratio | 0.43 |
| Standard Deviation* | 12.63% |
| Treynor Ratio | 0.069 |
| Beta | 0.79 |
| R - Square** | 80.22% |
| Value at Risk | 1.31% |

3M PKRV yield used as Risk-Free rate.

* Annualized

**R-Square measures the correlation between the benchmark and the funds return

Sector Allocation (as % of T.A.) Nov. '16 Oct. '16

| Sector | Nov. '16 | Oct. '16 |
|---------------------------------|----------|----------|
| Power Generation & Distribution | 16.70% | 13.61% |
| Cement | 16.20% | 17.83% |
| Fertilizer | 7.83% | 10.65% |
| Food Producers | 6.97% | 5.46% |
| Pharmaceuticals | 5.32% | 2.92% |
| Paper & Board | 4.23% | 2.91% |
| Textile Composite | 3.47% | 4.55% |
| Automobile Assembler | 3.33% | 5.40% |
| Oil & Gas Exploration | 3.00% | 11.06% |
| Other Sectors | 5.96% | 10.27% |

Portfolio Allocation (as % of T.A.) Nov. '16 Oct. '16

| Category | Nov. '16 | Oct. '16 |
|-----------------------------------|----------------|----------------|
| Stocks / Equities | 81.29% | 84.72% |
| Cash at Bank | 15.81% | 11.69% |
| Others including receivables (NR) | 2.89% | 3.58% |
| Total | 100.00% | 100.00% |

Credit Quality of Portfolio (as % of T.A.) Nov. '16 Oct. '16

| Rating | Nov. '16 | Oct. '16 |
|----------------------------------|----------------|----------------|
| AAA | 0.012% | 0.01% |
| AA | 10.16% | 3.33% |
| A | 5.63% | 8.35% |
| A+ | 0.002% | 0.00% |
| NR (includes equity investments) | 84.186% | 88.30% |
| Total | 100.00% | 100.00% |

Investment Committee Members

| | |
|---------------------|-----------------------------|
| Ahmed Ateeq | Chief Executive Officer |
| Hamza Saboor | Chief Financial Officer |
| M. Samir Malik, CFA | Chief Investment Officer & |
| Sadaf Rasheed | Fund Manager |
| Rida Jiwani | Chief Strategy Officer |
| Asif Iqbal | Head of Compliance and Risk |
| Syeda Rabia Ahmed | Head of Research |

WWF Disclosure

The scheme has maintained a provision against Worker's Welfare Fund's liability to the tune of Rs 441,196, if the same were not made the NAV per unit/year to date (YTD) return of the scheme would be higher by Rs.0.2796/0.52% enhancing the YTD return to 10.07% p.a for details investors are advised to read the Note 9 of the latest Financial Statements of the Scheme.

Total Expense Ratio

Total Expense Ratio is 3.95% which Includes 0.13% of Government Levy and 0.04% of SECP Fee calculated as % of Average Net Asset Value.

| Fund Performance | Dec. '15 | Jan. '16 | Feb. '16 | Mar. '16 | Apr. '16 | May. '16 | Jun. '16 | Jul. '16 | Aug. '16 | Sep. '16 | Oct. '16 | Nov. '16 |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Performance | 3.24% | -0.16% | -2.75% | 7.28% | 1.24% | 0.76% | 2.85% | 4.99% | -0.05% | 0.70% | -2.48% | 6.32% |
| Benchmark | 3.97% | -3.18% | -0.15% | 8.30% | 3.98% | 4.51% | 4.58% | 5.95% | -0.99% | -0.64% | -3.36% | 7.18% |

| Period | FY14 | FY15 | FY16 |
|--------------------|--------|--------|--------|
| Performance | 4.58% | 24.96% | 7.30% |
| Benchmark | 10.70% | 20.10% | 15.53% |

PIML Islamic Income Fund

Formerly: PIML Islamic Money Market Fund

Fund Manager Report - November 2016

Fund Manager's Review

During the month under review, the fund generated a return of 7.29% against the benchmark return of 2.80%, outperforming by 449 basis points. The weighted average time to maturity of the portfolio stands at 25 days.

Fund Details

| | |
|-----------------------|--|
| Fund Type | Open End |
| Category | Islamic Income Scheme |
| Fund Stability Rating | A(f) by PACRA (22 January 2016) |
| Benchmark | 6 month average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.* |
| Management Co. Rating | AM3+ by JCR-VIS (04 May 2016) |
| Inception Date | 4th March 2014 |
| Dealing Days | Daily (days when Banks are open for business) |
| Cut-off Time | 5.00 pm |
| Pricing Mechanism | Forward |
| Management Fee | 0.25% |
| Load | 2% (Front-end) 0% (Back-end) |
| Risk Profile | Low to Moderate Risk |
| Listing | Pakistan Stock Exchange |
| Leverage | Nil |
| Trustee | Central Depository Company of Pakistan Ltd. |
| Auditor | KPMG Taseer Hadi & Co |
| Legal Advisor | Mohsin Tayebaly & Co. |
| Fund Manager | Khawar Salman |

*Benchmark changed effective from Oct 1, 2016

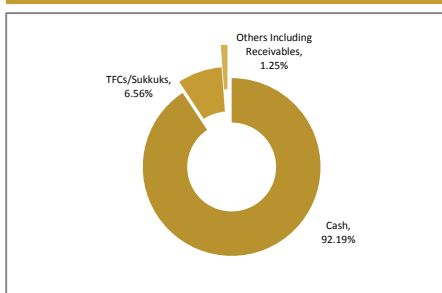
Investment Committee Members

| | |
|---------------------|-----------------------------|
| Ahmed Ateeq | Chief Executive Officer |
| Hamza Saboor | Chief Financial Officer |
| M. Samir Malik, CFA | Chief Investment Officer |
| Rida Jiwani | Chief Strategy Officer |
| Syeda Rabia Ahmed | Head of Research |
| Khawar Salman | Fund Manager |
| Asif Iqbal | Head of Compliance and Risk |

Fund Objective

The investment objective of the fund is to generate competitive risk adjusted returns by investing in short, medium and long-term Shariah Compliant Fixed Income Instruments.

Portfolio Allocation (as % of total assets) Nov. '16



Fund Statistics

| | |
|----------------------------------|--------|
| Net Assets (PKR mn) | 411.51 |
| NAV per Unit (PKR) | 102.45 |
| Weighted Average Maturity (days) | 25 |
| Sharpe Ratio* | (0.17) |
| Information Ratio | 0.48 |
| Standard Deviation | 0.44% |

* Annualized

WWF Disclosure

The scheme has maintained a provision against Worker's Welfare Fund's liability to the tune of Rs 151,139, if the same were not made the NAV per unit/year to date (YTD) return of the scheme would be higher by Rs. 0.0378/0.09% enhancing the YTD return to 5.85% p.a for details investors are advised to read the Note 7.1 of the latest Financial Statements of the Scheme.

Fund Performance PIML - IIF

| | PIML-IIF* | PIML-IIF** | Benchmark** |
|---------------------|-----------|------------|-------------|
| FYTD | 5.76% | 5.85% | 3.47% |
| CYTD | 6.19% | 6.21% | 3.94% |
| 12M Trailing | 6.16% | 6.16% | 4.00% |
| Since Inception | 5.97% | 5.69% | 5.22% |
| AAR-Since Inception | 5.64% | - | 5.17% |
| Oct'16 | 5.28% | 5.41% | 2.84% |
| Nov'16 | 7.29% | 7.54% | 2.80% |

*Simple Annualized **Average of reporting period ***Morning Star
Fund returns are calculated NAV to NAV with dividends reinvested (excluding sales load)

Portfolio Allocation (as % of T.A.) Nov. '16 Oct. '16

| | Nov. '16 | Oct. '16 |
|-----------------------------------|----------------|----------------|
| Cash at Bank | 92.19% | 91.17% |
| TFCs/Sukkuks | 6.56% | 7.99% |
| Others including receivables (NR) | 1.25% | 0.85% |
| Total | 100.00% | 100.00% |

Credit Quality of Portfolio (as % of T.A.) Nov. '16 Oct. '16

| | Nov. '16 | Oct. '16 |
|-----------------------------------|----------------|----------------|
| AAA | 0.01% | 0.02% |
| AA- | 6.56% | 7.99% |
| A | 92.18% | 91.15% |
| Others including receivables (NR) | 1.25% | 0.85% |
| Total | 100.00% | 100.00% |

Total Expense Ratio

Total Expense Ratio is 0.86% which Includes 0.03% of Government Levy and 0.03% of SECP Fee calculated as % of Average Net Asset Value.

Note: Category of PIML IIF has been changed from shariah compliant money market to shariah compliant income fund w.e.f. 2nd October 2015.

| Fund Performance | Dec.'15 | Jan.'16 | Feb.'16 | Mar.'16 | Apr.'16 | May.'16 | Jun.'16 | Jul.'16 | Aug.'16 | Sep.'16 | Oct.'16 | Nov.'16 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Performance | 5.49% | 8.80% | 5.52% | 8.89% | 5.43% | 5.12% | 4.04% | 5.03% | 6.16% | 4.77% | 5.28% | 7.29% |
| Benchmark | 4.66% | 4.77% | 4.24% | 4.06% | 4.50% | 4.43% | 3.99% | 3.88% | 3.91% | 3.88% | 2.82% | 2.80% |

| Period | FY14 | FY15 | FY16 |
|--------------------|-------|-------|-------|
| Performance | 5.46% | 5.08% | 6.26% |
| Benchmark | 6.49% | 6.18% | 4.59% |

PIML Value Equity Fund

Fund Manager Report - November 2016

Fund Manager's Review

During the month under review the fund generated a return of 8.21% against the benchmark return of 6.84% outperforming the market by 1.3%. the total exposure in equities was raised from 79.88% to 88.22% significantly in Power, Fertilizer and Banks. % during the month of market remained speculative with a bunch of events like i) abating political stalemate, ii) Trumps surprise victory, iii) gas price reduction for industries that was a catalyst for Ferts, iv) a smooth transition of COAS & vii) status quo being maintained in the MPS. during the month foreigners continues offloading of shares was worth USD117mn, with gains being led by banks (+4.7%) and cements (+12.5%). we reduced our exposure in oil due to volatility in international oil prices ahead of OPEC meeting which eventually ended with OPEC agreeing to cut production by 1.2mbpd; a first in the last 8 year to 32.5mbpd. we raised our exposure in power sector as we anticipate FED to raise interest rate in upcoming month and we see strong dollar appreciation in near future. Cement sales in the local market rose 15 percent in November as domestic demand grew on rising construction activities and infrastructure developments. The recent gas price reduction has rekindled the interest of domestic fertiliser-makers in export options, especially with rising international urea prices.

| Fund Details | |
|-----------------------|--|
| Fund Type | Open End |
| Category | Equity Scheme |
| Performance Ranking | 3-Star by JCR-VIS (29 September 2016) |
| Benchmark | KSE 100 Index |
| Management Co. Rating | AM3+ by JCR-VIS (04 May 2016) |
| Inception Date | 13th March 2015 |
| Dealing Days | Daily (days when Banks are open for business) |
| Cut-off Time | 4.00 pm |
| Pricing Mechanism | Forward |
| Management Fee | 2% p.a. |
| Load | 2% (Front-end) 0% (Back-end) |
| Risk Profile | Moderate to High |
| Listing Trustee | Pakistan Stock Exchange Central Depository Company |
| Leverage | 0% Pakistan Ltd. |
| Auditor | KPMG Taseer Hadi & Co. |
| Legal Advisor | Mohsin Tayebaly & Co. |
| Fund Manager | Sadaf Rasheed |

| Fund Statistics | |
|---------------------|--------|
| Net Assets (PKR mn) | 234.66 |
| NAV per Unit (PKR) | 123.54 |
| Sharpe Ratio* | 0.89 |
| Standard Deviation* | 12.16% |
| Treynor Ratio | 0.117 |
| Beta | 0.92 |
| R - Square** | 84.60% |
| Value at Risk | 1.26% |

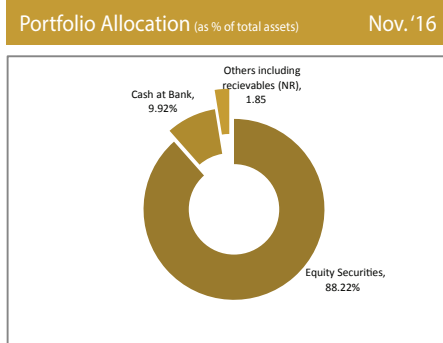
3M PKRV yield used as Risk-Free rate.

* Annualized

**R-Square measures the correlation between the benchmark and the funds return

| Investment Committee Members | |
|------------------------------|-----------------------------|
| Ahmed Ateeq | Chief Executive Officer |
| Hamza Saboor | Chief Financial Officer |
| M. Samir Malik, CFA | Chief Investment Officer & |
| Sadaf Rasheed | Fund Manager |
| Rida Jiwani | Chief Strategy Officer |
| Asif Iqbal | Head of Compliance and Risk |
| Syeda Rabia Ahmed | Head of Research |

| Fund Objective |
|---|
| The objective of PIML-Value Equity Fund is to achieve long term capital growth by investing mainly in listed equity securities. |



| Sector Allocation (as % of T.A.) | Nov. '16 | Oct. '16 |
|----------------------------------|----------|----------|
| Cement | 15.60% | 16.36% |
| Power Generation & Distribution | 10.12% | 7.17% |
| Fertilizer | 10.23% | 9.26% |
| Commercial Banks | 7.80% | 1.97% |
| Food & Personalcare Products | 8.50% | 8.13% |
| Oil & Gas Marketing | 5.13% | 3.50% |
| Oil & Gas Exploration | 5.15% | 10.48% |
| Textile Composite | 2.79% | 6.16% |
| Automobile Assemblers | 2.99% | 5.80% |
| Other Sector | 19.77% | 7.89% |

| Total Expense Ratio |
|--|
| Total Expense Ratio is 3.73% which Includes 0.12% of Government Levy and 0.04% of SECP Fee calculated as % of Average Net Asset Value. |

| WWF Disclosure |
|--|
| The scheme has maintained a provision against Worker's Welfare Fund's liability to the tune of Rs 202,766, if the same were not made the NAV per unit/year to date (YTD) return of the scheme would be higher by Rs.0.1067/0.21% enhancing the YTD return to 15.08% p.a. |

| Portfolio Allocation (as % of T.A.) | Nov. '16 | Oct. '16 |
|-------------------------------------|----------------|----------------|
| Stocks / Equities | 88.22% | 79.88% |
| Cash at Bank | 9.9% | 18.33% |
| Others including receivables (NR) | 1.85% | 1.79% |
| Total | 100.00% | 100.00% |

| Top 10 Equity Holdings (as % of T.A.) | Symbol | Nov. '16 |
|---------------------------------------|--------|----------|
| D.G Khan Cement | DGKC | 6.95% |
| Engro Corporation | ENGRO | 5.31% |
| Pakistan State Oil | PSO | 5.13% |
| Kot Addu Power Co Ltd | KAPCO | 5.03% |
| Hub Power Company | HUBC | 4.26% |
| Engro Foods | EFOODS | 3.97% |
| Glaxo | GLAXO | 3.49% |
| Packages | PKGS | 3.28% |
| National Refinery Ltd | NRL | 3.10% |
| Synthetic Products | SPEL | 2.78% |

| Credit Quality of Portfolio (as % of T.A.) | Nov. '16 | Oct. '16 |
|--|----------------|----------------|
| AAA | 0.022% | 0.10% |
| AA & above | 1.47% | 0.32% |
| AA- | 6.81% | 2.27% |
| A | 1.395% | 15.46% |
| A- | 0.22% | 0.15% |
| NR (includes equity investments) | 90.00% | 81.67% |
| Total | 100.00% | 100.00% |

| Fund Performance PIML - VEF | PIML-VEF* | Benchmark** |
|-----------------------------|-----------|-------------|
| FYTD | 14.87% | 12.81% |
| CYTD | 23.60% | 29.88% |
| 12M Trailing | 26.40% | 25.56% |
| Since Inception | 31.59% | 30.81% |
| AAR-Since Inception | 16.99% | 16.00% |
| Oct'16 | -2.20% | -1.60% |
| Nov'16 | 8.21% | 6.84% |

Fund returns are calculated NAV to NAV with dividends reinvested (excluding sales load)

| Fund Performance | Dec. '15 | Jan. '16 | Feb. '16 | Mar. '16 | Apr. '16 | May. '16 | Jun. '16 | Jul. '16 | Aug. '16 | Sep. '16 | Oct. '16 | Nov. '16 |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Performance | 2.26% | -0.85% | -2.52% | 6.63% | 2.08% | 0.12% | 2.14% | 4.86% | 2.35% | 1.13% | -2.20% | 8.21% |
| Benchmark | 1.74% | -4.62% | 0.23% | 5.64% | 4.77% | 3.87% | 4.78% | 4.62% | 0.71% | 1.84% | -1.60% | 6.84% |

| Period | FY15 | FY16 |
|--------------------|-------|-------|
| Performance | 9.11% | 4.99% |
| Benchmark | 4.64% | 9.84% |



A Wholly Owned Subsidiary of Pak Brunei Investment Company Limited

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