



## Economic Review

The govt. has successfully closed staff-level agreement with IMF for three year Extended Fund Facility (EFF) amounting USD6bn subject to approval from IMF's executive board and prior actions on pre-conditions. Consequently additional taxes amounting PKR700bn to reduce fiscal deficit had been proposed in the upcoming budget. In addition to the fiscal measures IMF has preferred curtailment of current account deficit for which govt. response has been devaluation of PKR against greenback. This was followed by wave of hawkish monetary policies which eventually aided in bring REER to a normalized level. Gov. measures also included levying duties on imports and increasing interest rates to squeeze demand.

Govt. is committed to its policy of curtailing imports and compressing demands which has started showing signs of improvement in closing months of FY19. These measures have slashed down GDP growth to 3.3% in FY19 from 5.2% FY18. Govt. is also cognizant of inflation which has spiked to 9.1% in May'19 compared to 4.2% SPLY. These measures have been necessary for the incumbent govt. to allow for multilateral donor agencies i.e. World Bank and Asian Development Bank to continue their co-operations in development projects.

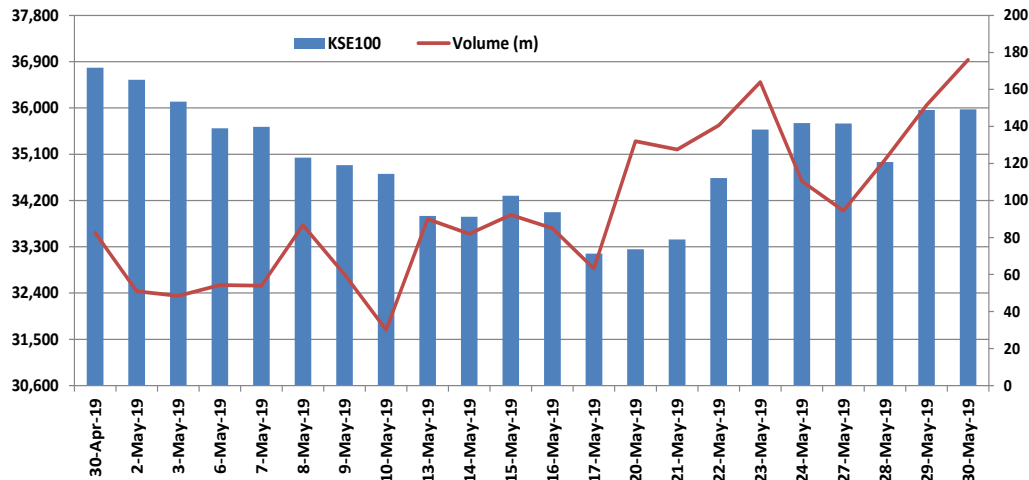
During the month SBP announced its Monetary Policy Statement increasing the target rate to 12.25% suggesting risks pertaining to future inflationary pressures. Post MPS yield curve increased across all tenors by 60-180bps. SBP conducted two T-Bill auction with cumulative target of PKR1,800bn against maturity of PKR2,678bn. The total accepted amount was PKR3,660bn. SBP also conducted PIB auction with a target of PKR100bn against maturity of PKR83bn. The govt. accepted PKR58bn PKR27bn and PKR19bn in 3Y, 5Y and 10Y tenors with cut off yields were 13.69%, 13.8% and 13.6% respectively.

## Equity Market Review

Benchmark KSE100 index declined by 2.2% during the month while KMI30 decline by around 1.65%. Following in on IMF program and newsflow of reactivation of market support fund provided some breathing space to market as index touched multi-year low. Currently market has priced in prevailing pressures in economy as reflected in price of cyclical sector i.e. Cements, Steel and Auto Assemblers. During the month Fertilizer and Textile sector led overall underperformance on expectation of increased GST on former while later was struck on unfavourable news-flow of added taxes in the upcoming budget. Current market PE presents a compelling opportunity for investors. Also, depreciation of currency along with stable oil prices and increased interest rates provide an opportunity for capital gains on large caps i.e. Oil & Gas Exploration and Banking sectors.

Going forward market awaits clarity from central bank on interest rates and clear strategy by govt. to reduce volatility and enhance investors' confidence setting stage for next fiscal year.

| Country   | Index      | May-19 | Apr-19 |
|-----------|------------|--------|--------|
| UK        | FTSE-100   | -3.46% | 1.91%  |
| USA       | Nasdaq     | -7.93% | 4.74%  |
| USA       | Dow 30     | -6.69% | 2.50%  |
| China     | Shanghai   | -5.84% | -0.40% |
| Hong Kong | Hang Seng  | -9.42% | 2.23%  |
| Japan     | Nikkei-225 | -7.45% | 4.97%  |
| India     | BSE-30     | 1.75%  | 0.93%  |
| Pakistan  | KMI 30     | -1.65% | -6.48% |
| Pakistan  | KSE 100    | -2.20% | -4.83% |





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# PIF-Aggressive Fund

May'19

## Fund Objective

The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The Fund intends to achieve capital appreciation with medium to long term investment horizon by taking enhanced exposure to equities and fixed income investments.

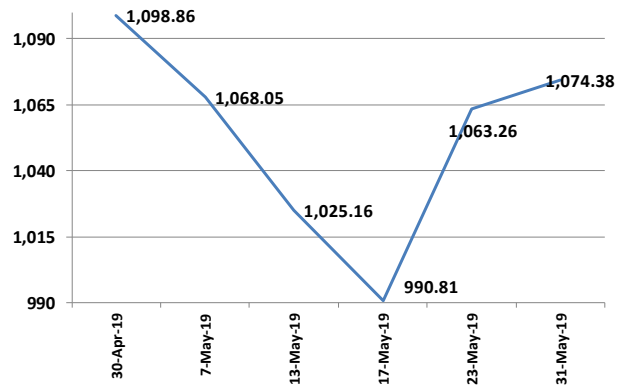
## Fund Information

**Fund Name** PIF-Aggressive Fund  
**Fund Size** PKR 1,829,947,024.91  
**Unit Price** PKR 1074.3800  
**Category** Aggressive  
**Pricing Mechanism** Forward  
**Pricing Days** Official Working Days  
**Benchmark** Composite of ((Average of KMI-30 & KMIAll) & Average Return on Islamic Bank) based on actual allocation

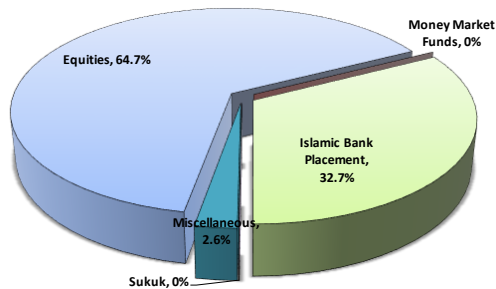
**Auditors** EY Ford Rhodes,  
Chartered Accountants  
**Appointed Actuary** Abdul Rahim Abdul Wahab

## Investment Committee

Zahid Hussain Awan Chairman  
 Said Gul Member  
 Muhammad Nasir Ali Syed Member  
 Abdul Rahim Abdul Wahab Member  
 Muhammad Kamran Saleem Member & Secretary



| Fund Returns                              |        |
|---|--------|
|   | Return |
| 1-month (absolute net of IMC)             | -2.2%  |
| Benchmark - (1-month absolute net of IMC) | -1.7%  |
| Calendar YTD (absolute net of IMC)        | -4.4%  |
| Benchmark YTD (absolute net of IMC)       | -3.9%  |
| 3-Years (absolute net of IMC)             | -5.5%  |
| 5-Years (absolute net of IMC)             | 10.4%  |
| Since Inception (absolute net of IMC)     | 99.2%  |



| Asset Allocation       |        |        |
|------------------------|--------|--------|
|                        | May'19 | Apr'19 |
| Equities               | 64.7%  | 65.1%  |
| Money Market Funds     | 0%     | 0.0%   |
| Islamic Bank Placement | 32.7%  | 30.8%  |
| Sukuk                  | 0%     | 2.0%   |
| Miscellaneous          | 2.6%   | 2.1%   |

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.



# PIF-Balanced Fund

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May'19

## Fund Objective

The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. Objective is to provide capital appreciation with a modest risk profile and a medium to long-term investment horizon by investing in a portfolio of fixed income instruments and a flavor of equity investments.

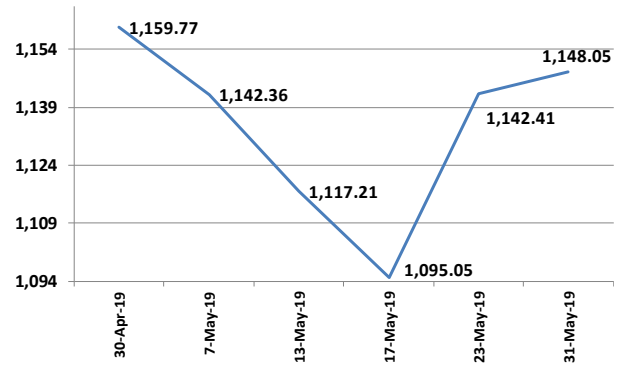
## Fund Information

**Fund Name** PIF-Balanced Fund  
**Fund Size** PKR 5,322,791,206.47  
**Unit Price** PKR 1148.0544  
**Category** Balanced  
**Pricing Mechanism** Forward  
**Pricing Days** Official Working Days  
**Benchmark** Composite of ((Average of KMI-30 & KMIAI) & Average Return on Islamic Bank) based on actual allocation

**Auditors** EY Ford Rhodes,  
Chartered Accountants  
**Appointed Actuary** Abdul Rahim Abdul Wahab

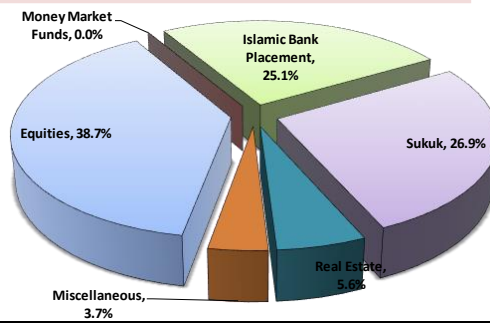
## Investment Committee

Zahid Hussain Awan Chairman  
 Said Gul Member  
 Muhammad Nasir Ali Syed Member  
 Abdul Rahim Abdul Wahab Member  
 Muhammad Kamran Saleem Member & Secretary



## Fund Returns

|   | Return |
|---|--------|
| 1-month (absolute net of IMC)             | -1.0%  |
| Benchmark - (1-month absolute net of IMC) | -0.9%  |
| Calendar YTD (absolute net of IMC)        | -1.2%  |
| Benchmark YTD (absolute net of IMC)       | -1.81% |
| 3-Years (absolute net of IMC)             | 3.1%   |
| 5-Years (absolute net of IMC)             | 20.2%  |
| Since Inception (absolute net of IMC)     | 112.8% |



## Asset Allocation

|                        | May'19 | Apr'19 |
|------------------------|--------|--------|
| Equities               | 38.7%  | 38.0%  |
| Money Market Funds     | 0.0%   | 0.0%   |
| Islamic Bank Placement | 25.1%  | 24.2%  |
| Sukuk                  | 26.9%  | 28.9%  |
| Real Estate            | 5.6%   | 5.6%   |
| Miscellaneous          | 3.7%   | 3.3%   |

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## PIF-Conservative Fund

May'19

### Fund Objective

The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The Fund aims to provide stable return exhibiting low volatility with capital preservation by constructing a portfolio composed of fixed income and Mutual Funds investments.

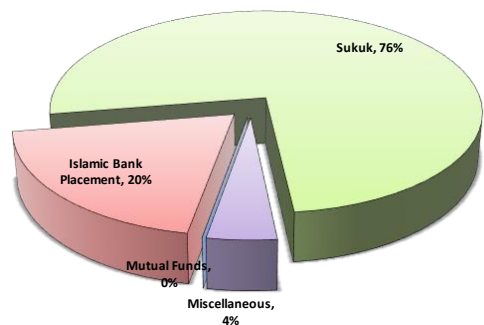
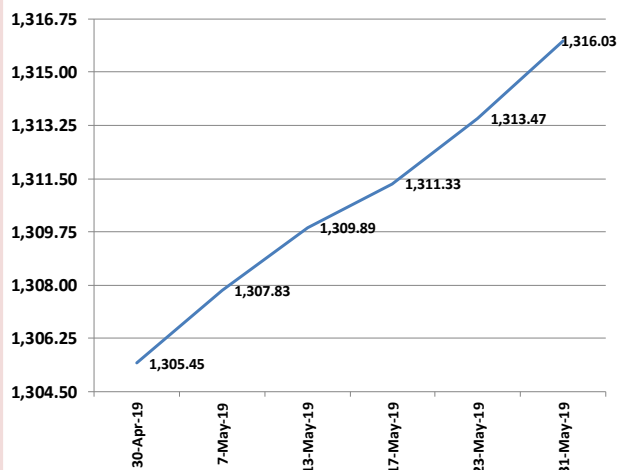
### Fund Information

**Fund Name** PIF-Conservative Fund  
**Fund Size** PKR 1,644,608,608.54  
**Unit Price** PKR 1316.0283  
**Category** Conservative  
**Pricing Mechanism** Forward  
**Pricing Days** Official Working Days  
**Benchmark** Average Return on three Islamic Bank as stated by MUFAP  
**Auditors** EY Ford Rhodes, Chartered Accountants

**Appointed Actuary** Abdul Rahim Abdul Wahab

### Investment Committee

|                         |                    |
|-------------------------|--------------------|
| Zahid Hussain Awan      | Chairman           |
| Said Gul                | Member             |
| Muhammad Nasir Ali Syed | Member             |
| Abdul Rahim Abdul Wahab | Member             |
| Muhammad Kamran Saleem  | Member & Secretary |



| Fund Returns                          |        |
|---------------------------------------|--------|
|                                       | Return |
| 1-month                               | 9.5%   |
| Benchmark - (1-month)                 | 5.0%   |
| 3-months                              | 9.6%   |
| Calendar YTD                          | 9.4%   |
| Benchmark (CYTD)                      | 4.4%   |
| Since Inception                       | 8.3%   |
| 3-Years                               | 7.0%   |
| 5-Years                               | 7.8%   |
| Since Inception (absolute net of IMC) | 144%   |

| Asset Allocation       |        |        |
|------------------------|--------|--------|
|                        | May'19 | Apr'19 |
| Mutual Funds           | 0%     | 0.0%   |
| Islamic Bank Placement | 20%    | 21.1%  |
| Sukuk                  | 76%    | 76.0%  |
| Miscellaneous          | 4%     | 2.9%   |

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## PIF-SecureWealth Fund

May'19

### Fund Objective

The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The fund aims to provide competitive returns from a portfolio of low credit risk with prime focus on investment in Sukuks rated (A and above), Islamic Deposits and Mutual Funds.

### Fund Information

**Fund Name** PIF-Secure Wealth Fund  
**Fund Size** PKR 97,194,841.95  
**Unit Price** PKR 958.5162  
**Category** Conservative  
**Pricing Mechanism** Forward  
**Pricing Days** Official Working Days

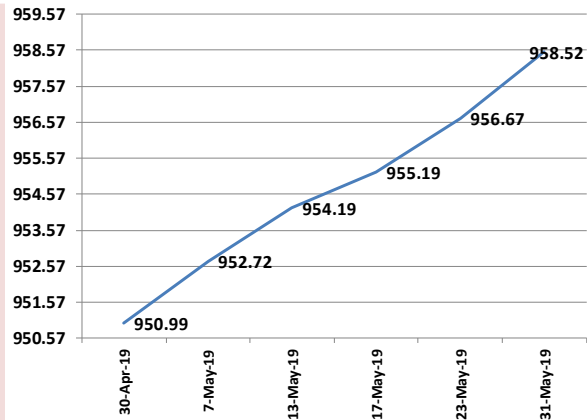
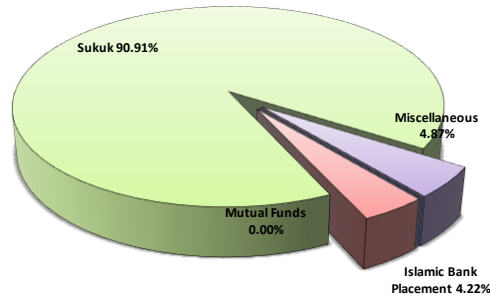
**Benchmark** Average Return on three Islamic Bank as stated by MUFAP

**Auditors** EY Ford Rhodes, Chartered Accountants

**Appointed Actuary** Abdul Rahim Abdul Wahab

### Investment Committee

Zahid Hussain Awan Chairman  
 Said Gul Member  
 Muhammad Nasir Ali Syed Member  
 Abdul Rahim Abdul Wahab Member  
 Muhammad Kamran Saleem Member & Secretary



| Fund Returns                          |        |
|---------------------------------------|--------|
|                                       | Return |
| 1-month                               | 9.3%   |
| Benchmark (1-month)                   | 5.0%   |
| 3-months                              | 9.1%   |
| Calendar YTD                          | 8.8%   |
| Benchmark (CYTD)                      | 4.4%   |
| Since Inception                       | 7.9%   |
| 3-Years                               | 7.0%   |
| 5-Years                               | 7.9%   |
| Since Inception (absolute net of IMC) | 85.6%  |

| Asset Allocation       |        |        |
|------------------------|--------|--------|
|                        | May'19 | Apr'19 |
| Mutual Funds           | 0.00%  | 0.00%  |
| Islamic Bank Placement | 4.22%  | 5.24%  |
| Sukuk                  | 90.91% | 90.29% |
| Miscellaneous          | 4.87%  | 4.47%  |

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