



# Performance of Pak-Qatar Unit Funds

Dec'19

## Economic Review

Pakistan's economy has come back to its track of recovery after two years of painful yet necessary stabilization measures. Now economy is showing some signs of improvements in form of reduction in Current Account Deficit (CAD) to USD 13.8bn in FY19 as compared to USD 19.9bn in FY18; and the trend is continued as CAD plunged by 73%YoY to USD 319mn in November as compared to USD 1.17bn in the same month last year. This took the 5MFY20 CAD to USD 1.8bn (or 1.6% of GDP) as compared to USD 6.7bn (or 5.3% of GDP) in the same period last year due to 21% decline in imports and 5% growth in exports.

CPI for the month of December 2019 settled at 12.63%YoY as compared to 12.3%YoY in the month of November 2019, which took the 6MFY20 average inflation to 11.11%YoY. We expect FY20 inflation to settle at 11.4%YoY due to lagged impact of currency devaluation along with a rise in food inflation. However, we expect that inflation would recede in next fiscal year due to high base effect and stable currency. Low inflation and stable currency would open room for monetary easing in 2nd half of CY20 given that international oil prices remain at current levels after tension in Middle East.

Foreign Exchange Reserves of the country improved from USD 7.3bn at the end of CY18 to USD 10.7bn at the end of CY19 due to start of new IMF program, resumption of flows from multilateral agencies, foreign investment in local government securities and last but not least, reduction in CAD has more importantly played a vital role in stabilization of foreign exchange reserves position. Going ahead, we expect that CAD would remain in a manageable range in FY20 and currency would not depreciate more than its normalized range of around 4-5%.

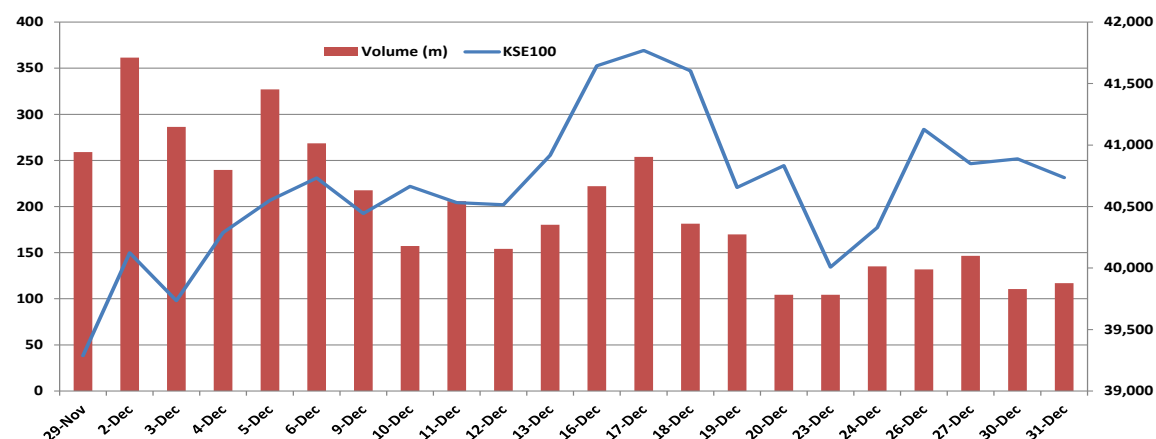
## Equity Market Review

The benchmark KSE-100 index generated fourth consecutive monthly gain by posting a decent return of 3.68% (or 1,447 points) during the month of December 2019, after a hefty return of 14.9% in the month of November 2019. CY19 remained a very volatile year for the country's equity market as market mostly traded in negative territory in the first eight month of CY19 but after touching its bottom (down by 27% on CYTD basis) in mid-August, market not only recovered its previous losses but also managed to close in positive territory by posting a return of 7.9% for CY19. Foreigners remained net buyer of USD 2.02mn during the month but local individuals took charge during the month and remained major buyers with shares worth USD 37.38mn followed by Insurance Companies with USD 30.95mn. While banks were the major sellers during the month with selling of shares worth USD 46.8mn.

The rally in December 2019 came on the back of index heavy weights whereby E&P sector outshined others and contributed 563 points in the total index gain due to expectation of new discovery in Balochistan, cheap valuations and expectations of rise in international oil prices. Banking sector also remained in the limelight and contributed 329 points due to expectations of handsome earning growth in the results of CY20 on the back of improved Net Interest Margins (NIMs).

Going ahead, we expect that market has still room to offer after a robust 45% rebound from its lows as market is still trading at an attractive forward Price to Earnings (P/E) multiple of around 7 times. We also expect that due to economic reforms, there are chances that foreign investors would start taking interest in country's equity market. But on the back of heightened volatility on our border and in Middle East, first half of this calendar year could check investors' nerves.

Country	Index	Dec-19	Nov-19
UK	FTSE-100	2.67%	1.35%
USA	Nasdaq	3.54%	4.50%
USA	Dow 30	1.74%	1.21%
China	Shanghai	6.20%	-1.95%
Hong Kong	Hang Seng	7.00%	-2.08%
Japan	Nikkei-225	1.56%	1.60%
India	BSE-30	1.13%	1.66%
Pakistan	KMI 30	5.29%	12.31%
Pakistan	KSE 100	3.68%	14.86%





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# PIF-Aggressive Fund

Dec'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.

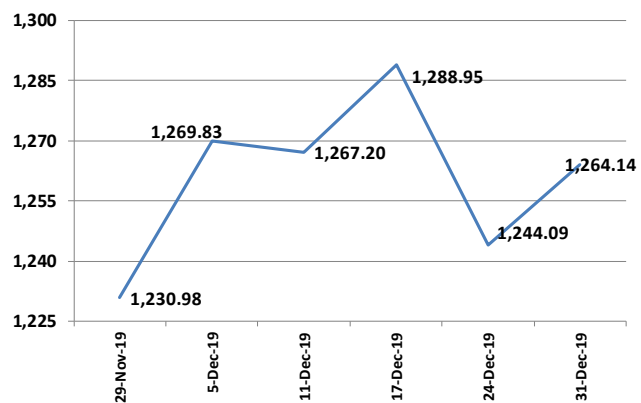
## Fund Information

**Fund Name** PIF-Aggressive Fund  
**Fund Size** PKR 2,286,903,742.  
**Unit Price** PKR 1,264.143  
**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

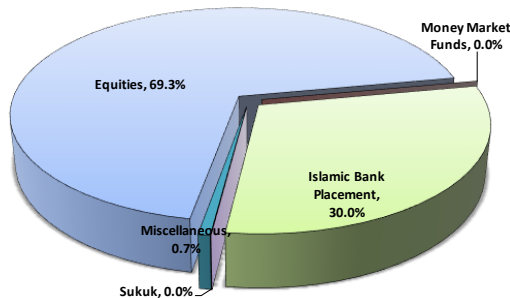
**Auditors** EY Ford Rhodes,  
Chartered Accountants  
**Appointed Actuary** Abdul Rahim Abdul Wahab

## 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)	2.7%
Benchmark - (1-month absolute net of IMC)	3.4%
Calendar YTD (absolute net of IMC)	12.5%
Benchmark YTD (absolute net of IMC)	4.9%
3-Years (absolute net of IMC)	0.5%
5-Years (absolute net of IMC)	24.3%
Since Inception (absolute net of IMC)	135.4%



Asset Allocation		
	Dec'19	Nov'19
Equities	69.3%	68.2%
Money Market Funds	0.0%	0.0%
Islamic Bank Placement	30.0%	30.1%
Sukuk	0.0%	0.0%
Miscellaneous	0.7%	1.7%

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.



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## PIF-Balanced Fund

Dec'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

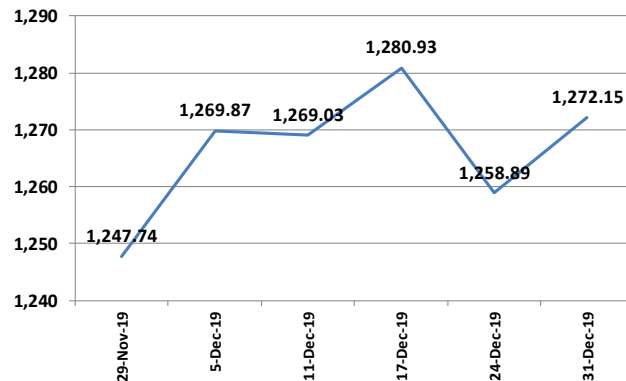
**Fund Name** PIF-Balanced Fund  
**Fund Size** PKR 6,059,762,803  
**Unit Price** PKR 1,272.1458  
**Category** Balanced  
**Pricing Mechanism** Forward  
**Pricing Days** Official Working Days  
**Benchmark** Composite of ((Average of KMI-30 & KMIAI) & Average Return on Islamic Bank) based on actual allocation

**Auditors** EY Ford Rhodes,  
Chartered Accountants

**Appointed Actuary** Abdul Rahim Abdul Wahab

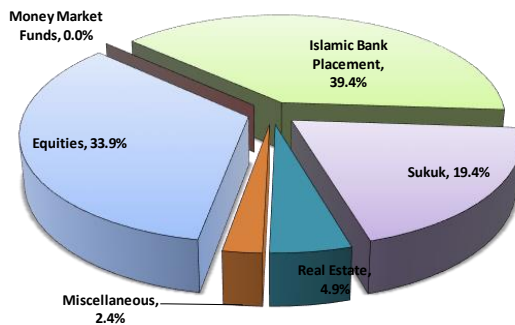
### Investment Committee

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)	2.0%
Benchmark - (1-month absolute net of IMC)	1.8%
Calendar YTD (absolute net of IMC)	9.5%
Benchmark YTD (absolute net of IMC)	4.4%
3-Years (absolute net of IMC)	6.0%
5-Years (absolute net of IMC)	27.5%
Since Inception (absolute net of IMC)	136.8%



### Asset Allocation

	Dec'19	Nov'19
Equities	33.9%	38.4%
Money Market Funds	0.0%	0.0%
Islamic Bank Placement	39.4%	42.2%
Sukuk	19.4%	10.9%
Real Estate	4.9%	5.1%
Miscellaneous	2.4%	3.4%

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# PIF-Conservative Fund

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Dec'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

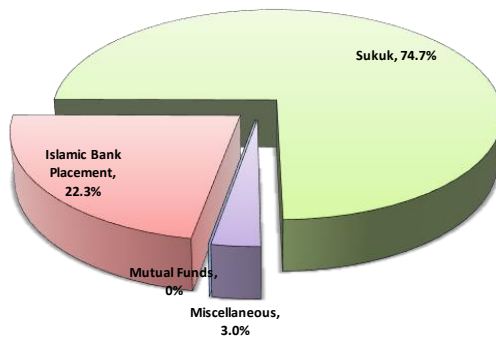
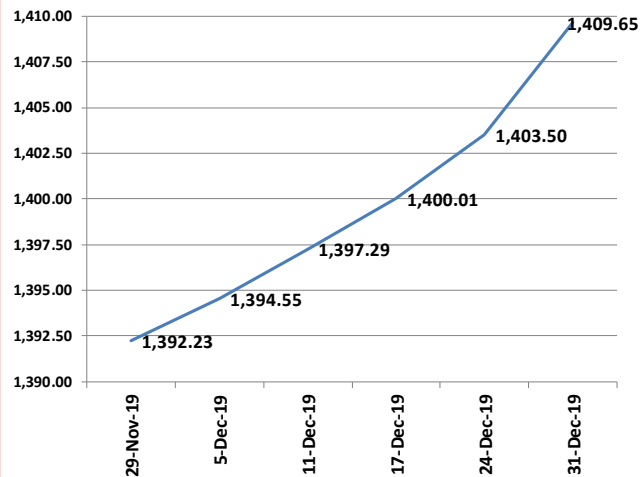
**Fund Name** PIF-Conservative Fund  
**Fund Size** PKR 2,205,921,193  
**Unit Price** PKR 1,409.6467  
**Category** Conservative  
**Pricing Mechanism** Forward  
**Pricing Days** Official Working Days  
**Benchmark** Average Return on three Islamic Bank as stated by MUFAP

**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	14.7%
Benchmark - (1-month)	6.7%
3-months	13.3%
Calendar YTD	11.3%
Benchmark (CYTD)	5.3%
Since Inception	8.6%
3-Years	8.6%
5-Years	8.7%
Since Inception (absolute net of IMC)	163%

Asset Allocation		
	Dec'19	Nov'19
Mutual Funds	0%	0.0%
Islamic Bank Placement	22.3%	24.3%
Sukuk	74.7%	71.6%
Miscellaneous	3.0%	4.1%

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## PIF-SecureWealth Fund

Dec'19

### Fund Objective

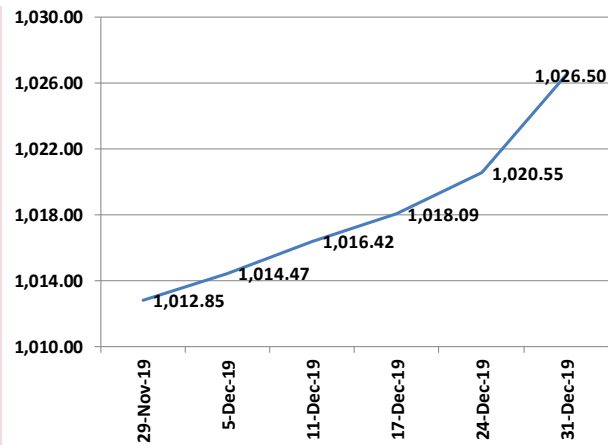
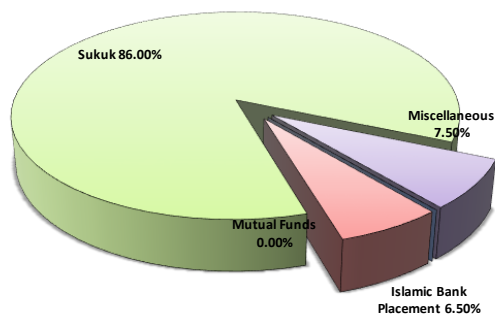
The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The fund aims to provide competitive returns from a portfolio of low credit risk with prime focus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

### Fund Information

<b>Fund Name</b>	PIF-Secure Wealth Fund
<b>Fund Size</b>	PKR 93,777,686
<b>Unit Price</b>	PKR 1,026.4964
<b>Category</b>	Conservative
<b>Pricing Mechanism</b>	Forward
<b>Pricing Days</b>	Official Working Days
<b>Benchmark</b>	Average Return on three Islamic Bank as stated by MUFAP
<b>Auditors</b>	EY Ford Rhodes, Chartered Accountants
<b>Appointed Actuary</b>	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	15.9%
Benchmark (1-month)	6.7%
3-months	13.5%
Calendar YTD	11.0%
Benchmark (CYTD)	5.3%
Since Inception	8.3%
3-Years	8.4%
5-Years	8.7%
Since Inception (absolute net of IMC)	99.7%

### Asset Allocation

	Dec'19	Nov'19
Mutual Funds	0.00%	0.00%
Islamic Bank Placement	6.50%	6.11%
Sukuk	86.00%	88.72%
Miscellaneous	7.50%	5.17%

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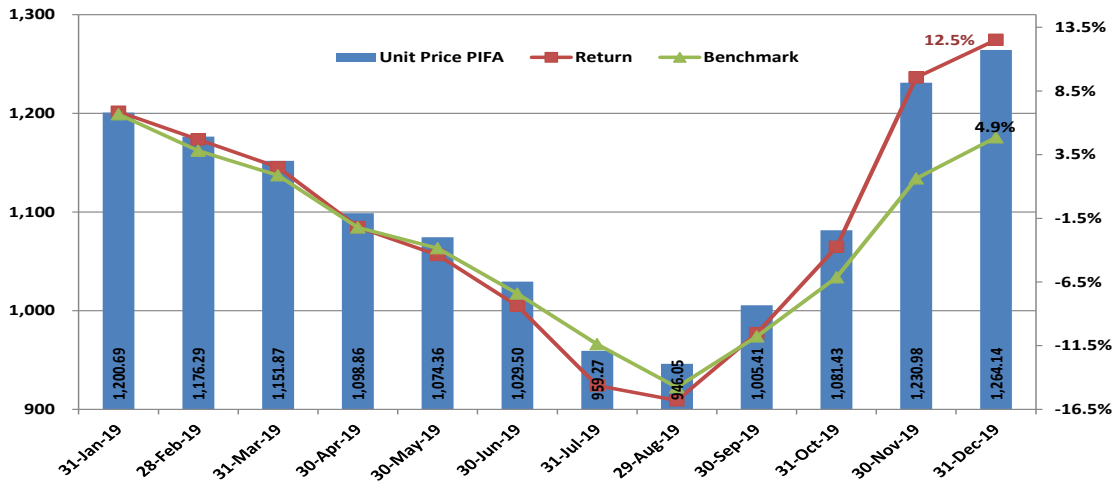
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# Pak Qatar Unik Linked Fund CY19

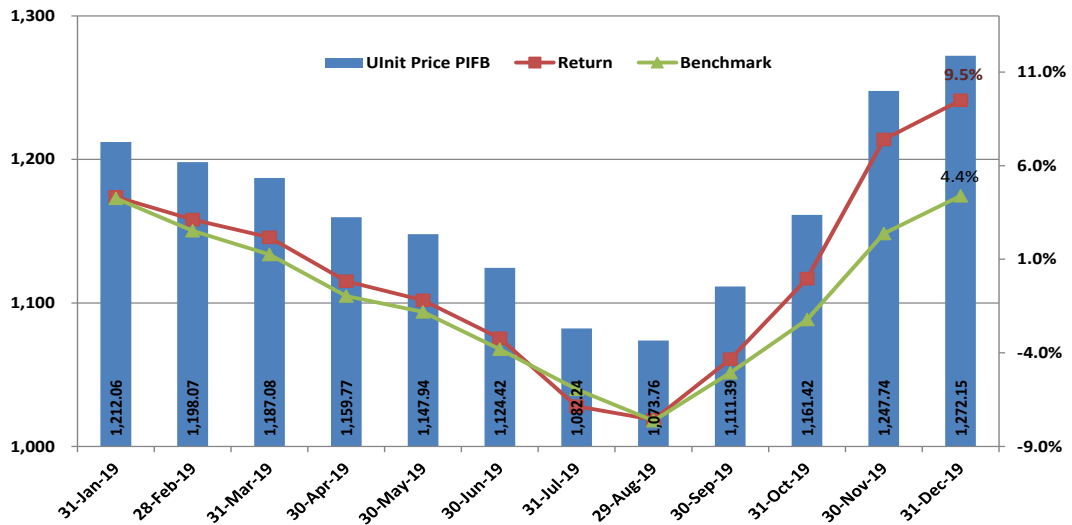
## Graphical Presentation

Dec'19

### PIF Aggressive Fund



### PIF Balanced Fund





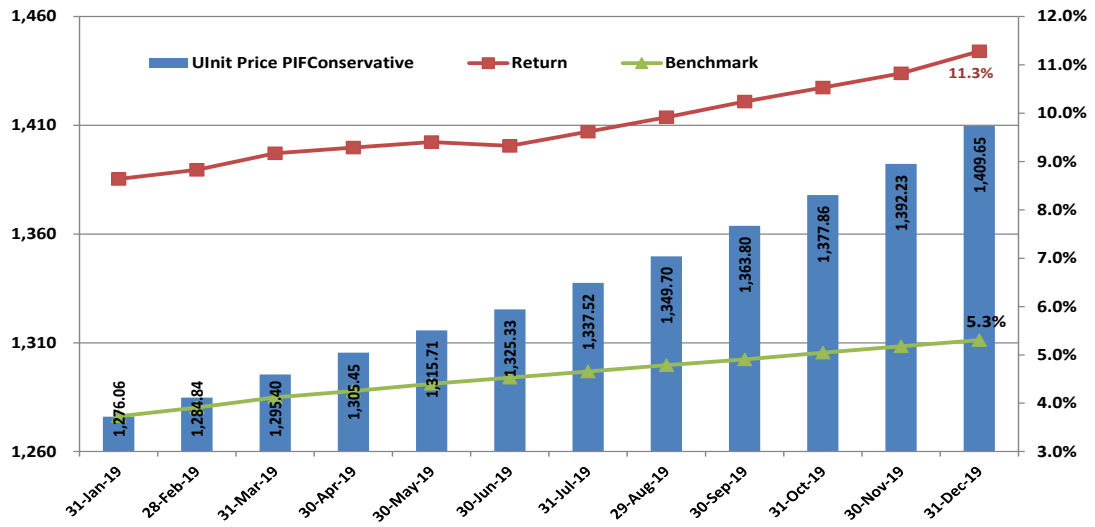
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## Pak Qatar Unik Linked Fund CY19

### Graphical Presentation

Dec'19

#### PIF Conservative Fund



#### PIF Secure Wealth Fund

