



## Economic & Money Market Review

The government has taken aggressive measures over the past two years to bring imports at manageable level to sustain Current Account Deficit (CAD). Those measures helped in reducing CAD, CAD for the month of June 2020 clocked in at USD 96 Million taking FY20 CAD to USD 3 Billion, a decline of 78% YoY recorded as compared to USD 13.4 Billion last fiscal year. Exports dropped by only 7% to USD 22.5 Billion, despite of lockdown across the globe, and imports declined by 18% to USD 42.4 Billion resulting in 28% contraction in trade deficit for FY20. Remittances, unexpectedly, showed a growth of around 6% YoY to USD 23.12 Billion; but threat to workers remittances still persists given layoffs across the globe due to sluggish economic activities. Demand slump for crude oil has also played a role in pushing economic managers especially in Gulf States which can have trickle-down effect on remittances flows to the country in the short term. The country has managed to keep healthy foreign exchange reserves position at around USD 18.91 Billion, providing an import cover of around 3.39 months.

On the inflation front, CPI for July-20 clocked in at 9.30% YoY as compared to 8.37% in corresponding period last year. On monthly basis, the country reported 22 months' high inflation, clocking in at 2.50% against 0.81% in the preceding month. The locust attack flamed the already spiked food inflation on the back of sluggish economic activities amid pandemic.

State Bank of Pakistan (SBP) did not hold the regular policy meeting in the month of July as SBP has already taken aggressive policy measures to counter slowdown in economic activities amid pandemic. In our view, interest rate has touched its bottom and is not expected to decline further as real rate is currently in negative territory. However, SBP has indicated its monetary policy would remain data driven so witnessing another cut of 50 bps in this calendar year would not be a bigger surprise.

## Equity Market Review

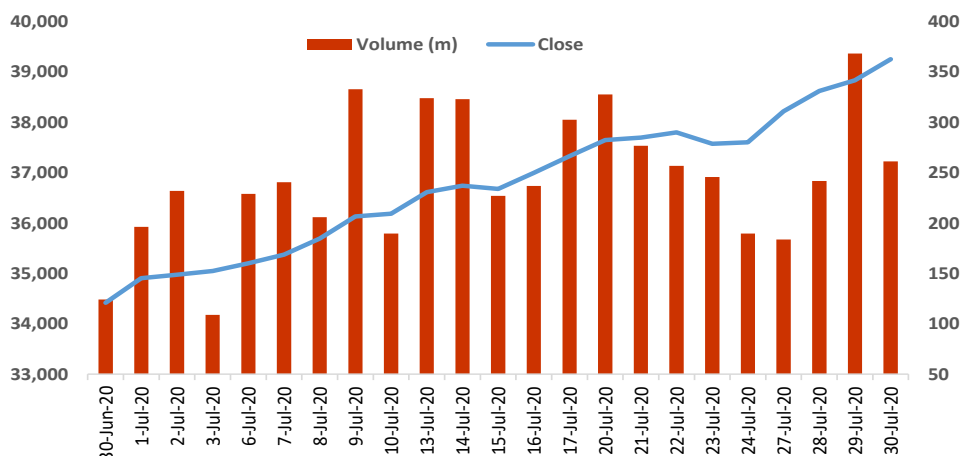
Month of July 2020 marked a good start of FY21 by posting a return of 14.05% in KSE-100. KSE-100 increased by 4,837 points to close at 39,258 points on the back of some prominent events such as reduction in corona virus cases, improved current account numbers, construction sector related initiatives and remarkable improvement in market volumes. Average daily volume increased by 87.8% MoM to 368 Million shares while traded value increased by 1.1x MoM to USD 88.1 Million.

The increase in index came on the back of index heavy weights where Banks contributed 1,285 points amid attractive valuations and better than expected result by HBL. Cement sector added 720 points given formal inclusion of the construction package under Finance Act and robust growth in offtakes. E&P sector contributed 518 points due to higher oil prices while Fertilizer sector added 325 points owing to better urea offtake in June 2020.

Foreign investors continued their selling spree by offloading shares worth USD 68.3 Million in July 2020 while Insurance, Companies and Individuals remained net buyer with buying of shares worth USD 33.8 Million, USD 19.8 Million and USD 17.2 Million respectively. A sector wise analysis reveals that Oil & Gas exploration companies and Commercial Banks marked foreign outflow of USD 30.5 Million and USD 12 Million respectively.

Market has delivered a hefty return of 44% since touching its CY20 low in March 2020 which took forward P/E multiple of the market to 7.7x from below 6x in March 2020. Market participants can expect some profit taking at these levels albeit long term outlook is will trend with post covid growth stories aggressively being captured by corporate sector.

Country	Index	Jul-20	Jun-20
UK	FTSE-100	-4.41%	1.53%
USA	Nasdaq	6.83%	5.99%
USA	Dow 30	2.38%	1.69%
China	Shanghai	10.90%	4.64%
Hong Kong	Hang Seng	0.69%	6.38%
Japan	Nikkei-225	-2.59%	1.88%
India	BSE-30	7.71%	7.68%
Pakistan	KMI 30	14.75%	-0.32%
Pakistan	KSE 100	14.05%	1.45%





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# PIF-Aggressive Fund

July'2020

## 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.

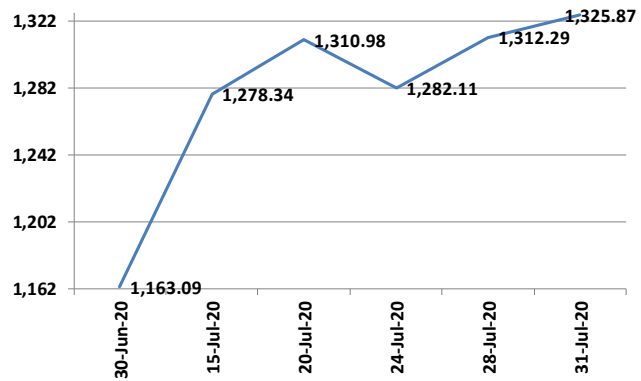
## Fund Information

**Fund Name** PIF-Aggressive Fund  
**Fund Size** PKR 2,406,529,723  
**Unit Price** PKR 1325.8738  
**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

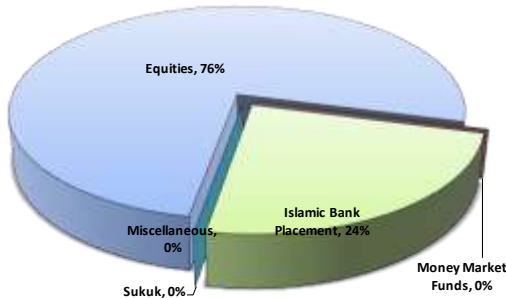
### Investment Committee

Zahid Hussain Awan	Chairman
Said Gul	Member
Azeem Iqbal Pirani	Member
Muhammad Kamran Saleem	Member
Muhammad Ahsan Qureshi	Member
Abdul Rahim Abdul Wahab	Member
Farhan Shaukat	Secretary



Fund Returns	
	Return
1-month (absolute net of IMC)	14.00%
Benchmark - (1-month absolute net of IMC)	9.71%
Calendar YTD (absolute net of IMC)	4.88%
Benchmark YTD (absolute net of IMC)	-2.42%
3-Years (absolute net of IMC)	5.8%
5-Years (absolute net of IMC)	23.5%
Since Inception (absolute net of IMC)	147.8%

Asset Allocation		
	Jul'20	Jun'20
Equities	76%	75%
Money Market Funds	0%	0%
Islamic Bank Placement	24%	25%
Sukuk	0%	0%
Miscellaneous	0%	0%



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

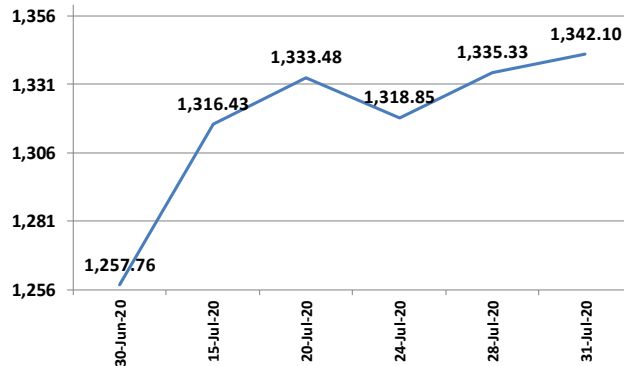
July'2020

### Fund Objective

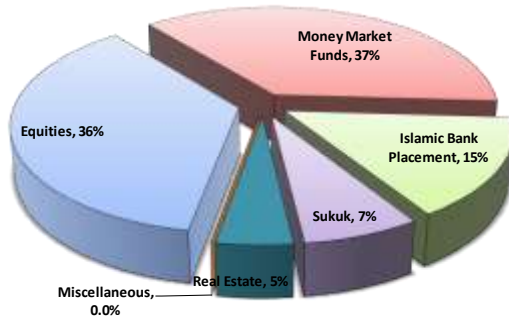
The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. Objective is to provide capital appreciation with a modest risk profile and a medium to long-term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

### Fund Information

<b>Fund Name</b>	PIF-Balanced Fund	
<b>Fund Size</b>	PKR 6,427,375,151	
<b>Unit Price</b>	PKR 1342.0975	
<b>Category</b>	Balanced	
<b>Pricing Mechanism</b>	Forward	
<b>Pricing Days</b>	Official Working Days	
<b>Benchmark</b>	Composite of ((Average of KMI-30 & KMIAII) & Average Return on Islamic Bank) based on actual allocation	
<b>Auditors</b>	EY Ford Rhodes, Chartered Accountants	
<b>Appointed Actuary</b>	Abdul Rahim Abdul Wahab	
<b>Investment Committee</b>		
Zahid Hussain Awan		Chairman
Said Gul		Member
Azeem Iqbal Pirani		Member
Muhammad Kamran Saleem		Member
Muhammad Ahsan Qureshi		Member
Abdul Rahim Abdul Wahab		Member
Farhan Shaukat		Secretary



Fund Returns	
	Return
1-month (absolute net of IMC)	6.71%
Benchmark - (1-month absolute net of IMC)	4.68%
Calendar YTD (absolute net of IMC)	5.50%
Benchmark YTD (absolute net of IMC)	0.93%
3-Years (absolute net of IMC)	11.3%
5-Years (absolute net of IMC)	28.2%
Since Inception (absolute net of IMC)	150.8%



Asset Allocation		
	Jul'20	Jun'20
Equities	36%	34%
Money Market Funds	37%	33%
Islamic Bank Placement	15%	15%
Sukuk	7%	12%
Real Estate	5%	5%
Miscellaneous	0.0%	1%

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# PIF-Conservative Fund

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Taqafa - for the Future

July'2020

## Fund Objective

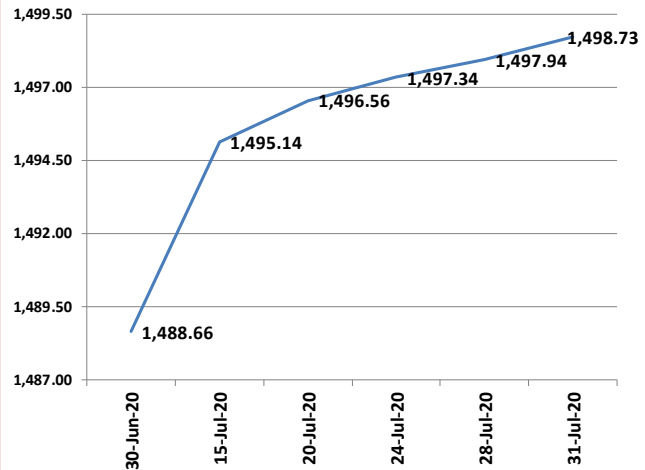
The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The Fund aims to provide stable return exhibiting low volatility with capital preservation by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

## Fund Information

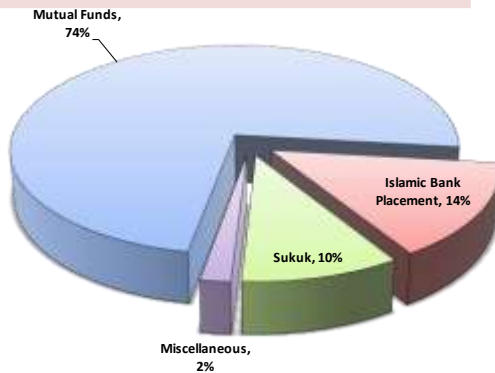
**Fund Name** PIF-Conservative Fund  
**Fund Size** PKR 2,876,786,009  
**Unit Price** PKR 1498.7308  
**Category** Conservative  
**Pricing Mechanism** Forward  
**Pricing Days** Official Working Days  
**Benchmark** Average Return on three Islamic Bank as stated by MUFAP  
**Auditors** EY Ford Rhodes, Chartered Accountants  
**Appointed Actuary** Abdul Rahim Abdul Wahab

## Investment Committee

Zahid Hussain Awan	Chairman
Said Gul	Member
Azeem Iqbal Pirani	Member
Muhammad Kamran Saleem	Member
Muhammad Ahsan Qureshi	Member
Abdul Rahim Abdul Wahab	Member
Farhan Shaukat	Secretary



Fund Returns	
	Return
1-month	8.0%
Benchmark - (1-month)	5.0%
3-months	8.9%
Calendar YTD	10.8%
Benchmark (CYTD)	6.3%
Since Inception	8.7%
3-Years	10.1%
5-Years	9.3%
Since Inception (absolute net of IMC)	180.1%



Asset Allocation		
	Jul'20	Jun'20
Mutual Funds	74%	69%
Islamic Bank Placement	14%	10%
Sukuk	10%	17%
Miscellaneous	2%	4%

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### Fund Objective

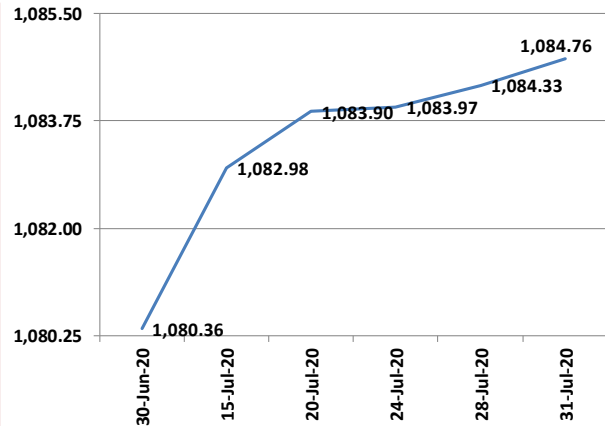
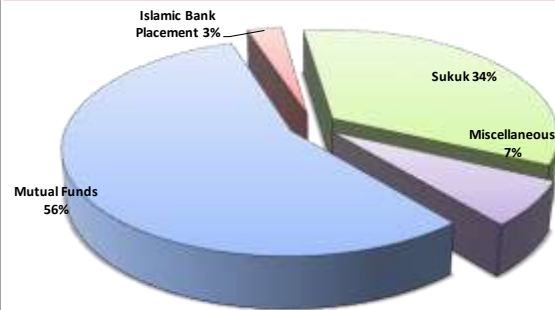
The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The fund aims to provide competitive returns from a portfolio of low credit risk with prime focus 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 81,281,532
<b>Unit Price</b>	PKR 1084.7644
<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
Azeem Iqbal Pirani	Member
Muhammad Kamran Saleem	Member
Muhammad Ahsan Qureshi	Member
Abdul Rahim Abdul Wahab	Member
Farhan Shaukat	Secretary



### Fund Returns

	Return
1-month	4.8%
Benchmark (1-month)	5.0%
3-months	8.8%
Calendar YTD	9.7%
Benchmark (CYTD)	6.3%
Since Inception	8.4%
3-Years	9.6%
5-Years	9.1%
Since Inception (absolute net of IMC)	111.8%

### Asset Allocation

	Jul'20	Jun'20
Mutual Funds	56%	0%
Islamic Bank Placement	3%	2%
Sukuk	34%	92%
Miscellaneous	7%	6%

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