

INVESTMENT FACT SHEET

FOR THE MONTH OF AUGUST 2020

FROM INVESTMENT DESK

ECONOMY AND CAPITAL MARKETS UPDATE

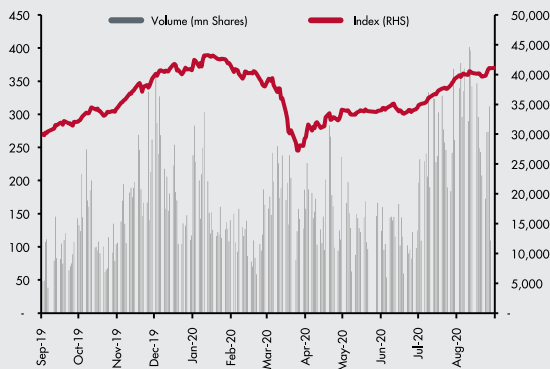
ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Aug	8.21%	9.30%	8.74%
Trade Deficit (USD mn)	Jul	(1,736)	(1,977)	(1,736)
Remittances (USD mn)	Jul	2,768	2,466	2,768
Current A/C (USD mn)	Jul	424	(100)	424
FDI (USD mn)	Jul	114	175	114
Tax Collection ** (PKR bn)	Aug	293	300	593
M2 Growth*				-1.51%
FX Reserves* (USD bn)	Aug			19.84

Source: SBP, FBS

* Latest monthly figures **provisional figures

KSE-100 ONE YEAR PERFORMANCE



SECONDARY MARKET PKRVs

TENOR	AUG-20	JUL-20	CHANGE (bps)
30 Days	7.09	7.01	8
60 Days	7.11	6.97	14
3 Months	7.13	6.95	18
6 Months	7.17	6.98	19
1 Year	7.27	7.02	25
3 Year	8.26	7.96	30
5 Year	8.92	8.60	32
10 Year	9.45	9.19	26

Source: MUFAP

ECONOMIC REVIEW

Inflation for Aug'20 hit 8.21% YoY while the price index rose monthly by 0.63% mainly led by increase in Utilities index (+1.79% MoM) and Transport index (+2.96% MoM) while perishable Food items index provided relief (-9.82% MoM). On the external side our Current Account recorded surplus of USD 424 mn (+USD 524 mn MoM) in Jul'20 after the previous month's deficit. This can be credited to growth in exports (+USD 311 mn MoM) and remittances (+USD 302 mn MoM) which overcame the rise in imports (+USD 70 mn MoM). This, coupled with relief on international debt servicing, strengthened our foreign exchange reserves by USD 240 mn to reach USD 19.84bn in Aug'20. On the fiscal side, FBR's tax collection was hampered by heavy rainfall which led to PKR 293 bn being collected against target of PKR 308 bn in Aug'20. However, superior revenue collection in Jul'20 resulted in FBR surpassing the two months' target by PKR 39 bn.

EQUITY MARKET REVIEW

The stock market continued previous month's rally, with KSE 100 posting an adequate return of 4.7% to reach 41,111 points in Aug'20 while average daily trading volumes rose 36% to 518 mn shares. Likewise, KMI 30 rose 4.0% to 65,652 points in Aug'20. Major factors behind this positive performance were Current Account surplus and record high remittances in Jul'20, international recognition for Pakistan's handling of Covid-19, and government's agreement with IPPs for a comprehensive roadmap for circular debt clearance. Foreign investors returned to our market after six consecutive months of selling to buy equities worth USD 7 mn in Aug'20, while local Insurance and Banks sold stocks worth USD 37 mn and USD 28 mn respectively and Individuals were the chief buyers with USD 59 mn. Sector wise, Power (+8.1%), Cement (+8.0%) and Banks (+4.5%) boosted the market index while Fertilizer (-4.1%) was a notable laggard owing to Supreme Court's decision on GLDC which bodes negative for the industry. Going forward, Pakistan with forward P/E of 7.4x is trading at 49% discount compared to Asia Pacific regional average of 14.6x along with a dividend yield of ~6.0% versus ~2.4% offered by the region.

DEBT MARKET REVIEW

Abundant interest was observed in money market with T-bill auctions garnering PKR 1,571 bn worth of bids against target of PKR 600 bn while the central bank accepted PKR 568 bn in Aug'20. Latest cut-off rates rose to 7.15% for 3-month tenor (+20 bps MoM), 7.18% for 6-month tenor (+8 bps MoM), and 7.30% for 12-month tenor (+16 bps MoM). In PIB auctions floaters continue to be in spotlight with bids worth PKR 440 bn received against target of PKR 240 bn wherein central bank (SBP) accepted PKR 146 bn at 29-55 bps over benchmark. Fixed PIBs saw less zeal with PKR 108 bn worth of bids received against target of PKR 140 bn while SBP accepted just PKR 39 bn at 8.20% (+83 bps MoM) for 3 yr tenor, 8.45% (+8 bps MoM) for 5 yr tenor, 8.99% (no change) for 10 yr tenor, 9.98% (+23 bps MoM) for 15 yr tenor, and 10.55% (+15 bps MoM) for 20 yr tenor. With interest rates bottoming out, investors are demanding higher spreads which led to increase in cut off rates in auctions along with secondary market yields rising by 8-32 bps across all tenors.

MANAGED TAKAFUL FUND

FUND OBJECTIVE

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved Shariah compliant avenues.

The Fund was launched on July 7, 2015.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Takaful Fund
Fund Size	PKR 8,631 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.08.2020)	PKR 686.14
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	A. F. Ferguson & Co.
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

BOARD FINANCE & INVESTMENT COMMITTEE

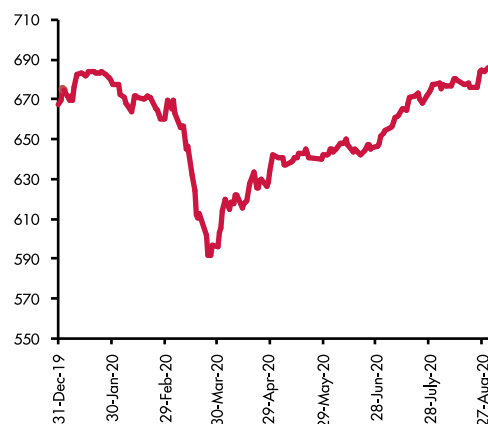
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member/Secretary
Shan Rabbani	Member

INVESTMENT MANAGEMENT COMMITTEE

MEMBERS	DESIGNATION
Javed Ahmed	Chairman/CEO
Lilly R. Dossabhoy	Member
Zahid Barki	Member
Kashif Naqvi	Member
Shan Rabbani	Member
Asif Mobin	Member/Secretary
Dileep Kumar Maheshwari	Member

FUND MANAGER'S COMMENTS

During the month of August 2020 Managed Takaful Fund's (MTF) Unit Price increased by PKR 8.98 (1.33%) net of fund management fee.



FUND RETURNS

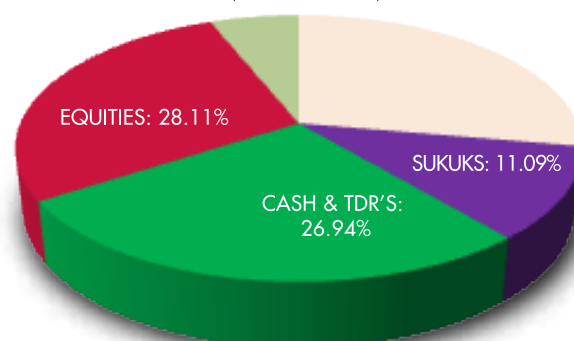
PERIOD	RATE OF RETURN
1 month	1.33%
3 months	6.85%
12 months	17.92%
Calendar YTD	2.86%
Since Inception	37.23%

ASSET ALLOCATION

ASSETS	AUG-20	JULY-20
Government Securities	27.76%	26.04%
Sukuks	11.09%	11.35%
Cash and Short Term Deposits	26.94%	19.92%
Equities	28.11%	31.71%
Mutual Funds	6.10%	10.99%

GOVERNMENT SECURITIES: 27.76%

MUTUAL FUNDS: 6.10%



CAPITAL GROWTH TAKAFUL FUND

FUND OBJECTIVE

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks.

The Fund was launched on July 7, 2015.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 10,679 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.08.2020)	PKR 674.92
Category	Shariah Compliant Equity Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	A. F. Ferguson & Co.
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

BOARD FINANCE & INVESTMENT COMMITTEE

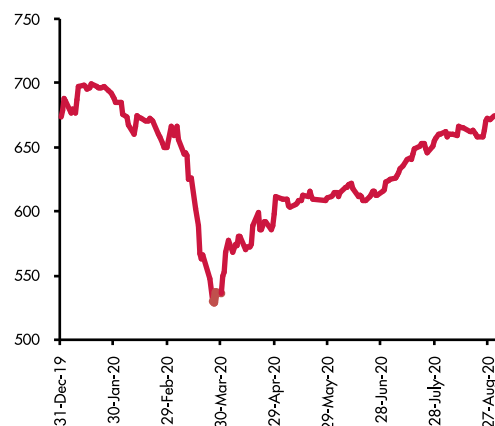
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member/Secretary
Shan Rabbani	Member

INVESTMENT MANAGEMENT COMMITTEE

MEMBERS	DESIGNATION
Javed Ahmed	Chairman/CEO
Lilly R. Dossabhoy	Member
Zahid Barki	Member
Kashif Naqvi	Member
Shan Rabbani	Member
Asif Mobin	Member/Secretary
Dileep Kumar Maheshwari	Member

FUND MANAGER'S COMMENTS

During the month of August 2020 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 14.45 (2.19%) net of fund management fee.

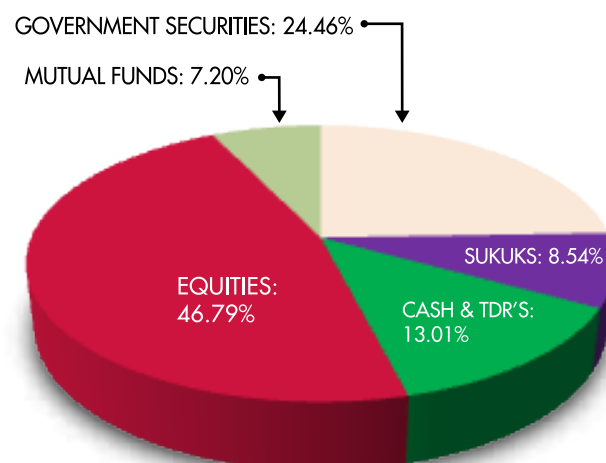


FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.19%
3 months	10.46%
12 months	24.11%
Calendar YTD	0.16%
Since Inception	34.98%

ASSET ALLOCATION

ASSETS	AUG-20	JULY-20
Government Securities	24.46%	23.67%
Sukuks	8.54%	8.77%
Cash and Short Term Deposits	13.01%	5.27%
Equities	46.79%	51.32%
Mutual Funds	7.20%	10.97%



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