



INVESTMENT FACT SHEET

FOR THE MONTH OF AUGUST 2019

FROM INVESTMENT DESK

ECONOMY AND CAPITAL MARKETS UPDATE

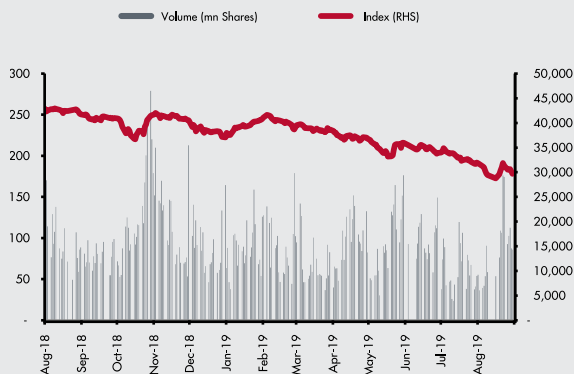
ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Aug	10.49%	10.34%	10.42%
Trade Deficit (USD mn)	Jul	(1,847)	(2,197)	(1,847)
Remittances (USD mn)	Jul	2,039	1,646	2,039
Current A/C (USD mn)	Jul	(579)	(921)	(579)
FDI (USD mn)	Jul	73	130	73
Tax Collection ** (PKR bn)	Aug	302	278	580
M2 Growth*				-1.83%
FX Reserves* (USD bn)	Aug			15.63

Source SBP, FBS

* Latest monthly figures **provisional figures

KSE-100 ONE YEAR PERFORMANCE



SECONDARY MARKET PKRVs

TENOR	AUG-19	JUL-19	CHANGE (bps)
30 Days	13.45	13.45	0
60 Days	13.72	13.60	12
3 Months	13.74	13.72	2
6 Months	13.94	13.90	4
1 Year	14.04	14.05	(1)
3 Year	13.79	14.02	(23)
5 Year	13.10	13.60	(50)
10 Year	12.77	13.49	(72)

Source: MUFAP

ECONOMIC REVIEW

Inflation continues to hit double digits, reaching 10.5%/1.64% (YoY/MoM) in Aug'19. Major contributors to monthly increase were Food (+3.42% MoM) and Transport (+1.86% MoM). This comes in light of rebasing the CPI, a periodic policy decision, from the old base year of 2007-08 to the new base year of 2015-16 which will be used going forward. On the external side, Current Account deficit improved to USD 579 mn (down 37% MoM) in Jul'19 from USD 921 mn in the previous month mainly due to uptick in exports (+24% MoM) and remittances (+24% MoM) while imports remained flattish. This, along with absence of debt servicing, bolstered our forex reserves by USD 600 mn to USD 15.6 bn in Aug'19. On the fiscal side, FBR again missed its revenue collection target by PKR 50 bn against target of PKR 352 bn in Aug'19, although the collection this month shows improvement of 18% over Aug'18.

EQUITY MARKET REVIEW

Equities' descent continues unperturbed for the seventh month running; KSE100 index plummeted 7.1% in Aug'19 to 29,672 points although there was an increase in average daily volumes to 113 mn shares (+47% MoM). KMI30 posted similar disappointing performance of -8.6%, closing the month at 46,226 points. This makes August the worst performing month this calendar year whose CYTD return is -19.9%. Primary reasons behind this downcast performance were renewed tensions at the Kashmir front, news flow regarding a meeting of FATF's regional subgroup Asia Pacific Group (APG) in Canberra and potential divestment of state owned companies by the government. Foreign investors exited our market after last month's buying; Aug'19 saw outflow of USD 3.5 mn while individuals were the largest local buyer with USD 28 mn and mutual funds continued their selling spree with USD 34 mn. Sector wise, heavyweights such as Banks (-8.4%), E&Ps (-16.6%) and OMCs (-16.8%) dragged down the index while Tobacco (+7.6%) and Engineering (+17.8%) provided some support. Going forward, Pakistan with forward P/E of 5.6x is trading at 59% discount compared to Asia Pacific regional average of 13.6x, along with a dividend yield of ~11.9% versus ~2.7% offered by the region.

DEBT MARKET REVIEW

Interest in money market continues as participation of PKR 2,311 bn was witnessed in August T-bill auctions while the central bank accepted PKR 1,887 bn worth of bids against target of PKR 2,600 bn in all tenors. Latest cut-off rates remained constant at 13.75% for 3-mth tenor, 13.95% for 6-mth tenor and 14.24% for 12-mth tenor. PIB auction saw more robust activity with PKR 878 bn worth of bids being received against target of PKR 100 bn while central bank accepted PKR 438 bn worth of bids at 14.25% (unchanged) for 3 yr tenor, 13.55% (-25 bps MoM) for 5 yr tenor, and 13.15% (-40 bps MoM) for 10 yr tenor. Floaters saw weaker interest with PKR 48 bn worth of bids received against target of PKR 100 bn wherein SBP accepted just PKR 42 bn at 75 bps over benchmark. This strong interest in PIBs is indicative of the investors' belief that longer term interest rates have peaked which has resulted in secondary market yields dwindling by 23-72 bps while yields for shorter term papers show little change.

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 5,170 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.08.2019)	PKR 581.85
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	KPMG
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

FUND MANAGER'S COMMENTS

During the month of August 2019 Managed Takaful Fund's (MTF) Unit Price decreased by PKR 9.71 (-1.64%) net of fund management fee.



INVESTMENT COMMITTEE

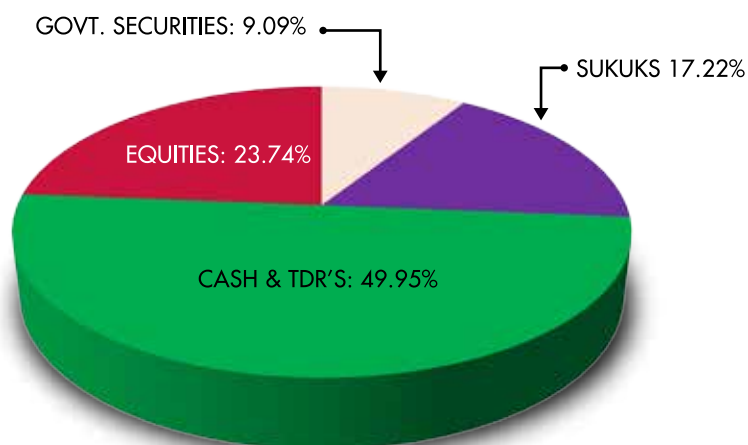
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	AUGUST 2019	JULY 2019
Government Securities	9.09%	9.12%
Sukuks	17.22%	17.44%
Cash and Short Term Deposits	49.95%	49.09%
Stocks	23.74%	24.35%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-1.64%
3 months	-4.74%
12 months	-6.05%
Calendar YTD	-4.06%
Since Inception	16.37%



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 6,662 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.08.2019)	PKR 543.81
Category	Shariah Compliant Equity Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	KPMG
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

FUND MANAGER'S COMMENTS

During the month of August 2019 Capital Growth Takaful Fund's (CGTF) Unit Price decreased by PKR 22.06 (-3.9%) net of fund management fee.



INVESTMENT COMMITTEE

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

ASSET ALLOCATION

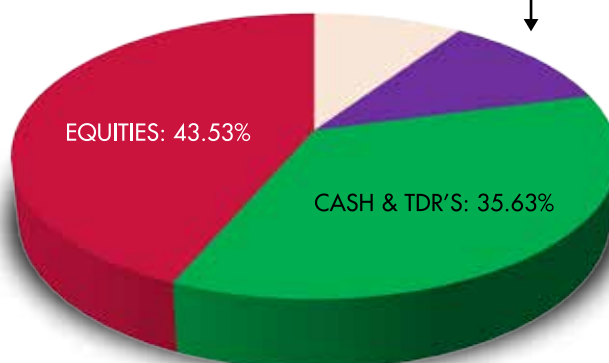
ASSETS	AUGUST 2019	JULY 2019
Government Securities	9.46%	7.84%
Sukuks	11.38%	9.82%
Cash and Short Term Deposits	35.63%	36.33%
Stocks	43.53%	46.00%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-3.90%
3 months	-10.47%
12 months	-16.76%
Calendar YTD	-11.57%
Since Inception	8.76%

GOVT. SECURITIES: 9.46% →

→ SUKUKS: 11.38%



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