

FUND *June - 24* MANAGERS REPORT



PAK-QATAR
FAMILY TAKAFUL

Pakistan's first **Takaful Company**
to offer Voluntary Pension Scheme (VPS)



PAK-QATAR
GROUP

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A Pak-Qatar Group Company: Pakistan's Premier and Pioneer Islamic Financial Services Group

Voluntary Pension Scheme (VPS)



PAK-QATAR
FAMILY TAKAFUL

Pakistan's first **Takaful Company** to offer VPS



LIFE BEGINS AT 60

Plan your retirement **Today, For A Better Tomorrow.**
Invest today & get a regular income when you retire

Save **TAX** on your
current **INCOME** upto

20%*

Tax Credit
Can be Availed by
VPS Participants

Unique Features:-*

- **Natural Death Coverage:** Up to **10 Million** or two-times of the investment balance, whichever is lower.
- **Accidental Death Coverage:** Up to **20 Million** or four-times of the investment balance, whichever is lower
- Special discounted rates on **Individual Health** and **Motor Takaful**.

* Terms & Conditions Apply

Additional Features:-

- Personalized Investment
- Tax-Free early disability retirement
- Post Retirement Income Option
- Pension Fund Portability
- It's Flexible, It's Convenient
- Tax-Free Growth in Investment

Disclaimer: As per section 63 of the income tax ordinance 2001, an eligible person joining Pak-Qatar Family Takaful - Voluntary Pension Scheme can avail tax credit up to 20% of the (eligible) person's taxable income for the relevant tax year. In view of Individual nature of tax consequences each participant is advised to consult with his/her tax advisor with respect to specific tax consequences of contribution in the Scheme.



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FAMILY TAKAFUL

Pak-Qatar Family Takaful Limited

A Pak-Qatar Group Company

Market Summary

| | 28-Jun-24 | MTD | 30days | 90days | FYTD | CYTD |
|--------|-----------|--------|--------|--------|-------|-------|
| KSE100 | 78,445 | 10.33% | 4.8% | 17.1% | 25.6% | 25.6% |
| KMI30 | 126,424 | 5.84% | 2.5% | 12.5% | 78.7% | 20.7% |
| KMIALL | 34,854 | 4.75% | 1.5% | 10.4% | 70.4% | 13.7% |

Global Markets

| | 28-Jun-24 | MTD | 30days | 90days | FYTD | CYTD |
|-------|-----------|--------|--------|--------|--------|--------|
| UK | 8,164 | -0.2% | 0.2% | -2.6% | -7.7% | -5.3% |
| USA | 17,724 | -11.7% | -4.5% | -7.5% | -22.2% | -15.3% |
| China | 2,967 | 4.6% | 4.8% | 2.5% | 7.9% | 0.3% |
| Japan | 34,854 | 10.2% | 10.6% | 15.8% | -4.8% | -4.0% |
| India | 79,033 | -5.8% | -5.7% | -8.3% | -18.1% | -8.6% |

Portfolio Investments (USD mn)

| | 7 days | 30 days | 90 days | 365days | FYTD | CYTD |
|------------|--------|---------|---------|---------|-------|-------|
| FIPI (net) | 3 | 3 | 66 | 141 | 141 | 143 |
| LIPI (net) | (3) | (3) | (66) | (141) | (141) | (143) |
| Ind. | 0 | (21) | (44) | (60) | (60) | (24) |
| Banks/DFIs | (2) | (9) | (29) | (141) | (141) | (118) |
| Companies | 1 | 14 | 5 | 36 | 36 | 113 |
| M.Funds | (6) | 2 | 8 | (47) | (47) | (128) |
| Brokers | 5 | 6 | 5 | (21) | (21) | (28) |
| Others | (2) | (4) | (16) | (33) | (33) | (24) |
| Ins. | 0 | 9 | 5 | 126 | 126 | 65 |
| NBFC | 0 | (0) | (1) | (1) | (1) | 1 |

Key Economic Figures

| | | FY20 | FY21 | FY22 | FY23 | 28-Jun |
|-------------|-----------|-------|-------|-------|-------|--------|
| Policy Rate | 28-Jun-24 | 7.0% | 7.0% | 13.8% | 22.0% | 20.5% |
| 1yr KIBOR | 28-Jun-24 | 7.4% | 8.1% | 15.7% | 23.3% | 19.2% |
| Inflation | Oct End | 7.8% | 9.8% | 21.3% | 29.4% | 12.6% |
| PKR USD* | 28-Jun-24 | 168.2 | 157.3 | 204.8 | 286.0 | 279.0% |

Key Economic Figures

| | | FY20 | FY21 | FY22 | FY23 | FY24-TD |
|---------------|--------|----------|----------|----------|----------|----------|
| Imports | USD'mn | 46,417 | 56,380 | 72,048 | 51,979 | 48,402 |
| Exports | USD'mn | 23,462 | 25,304 | 32,450 | 27,903 | 28,678 |
| Trade Deficit | USD'mn | (22,955) | (31,076) | (39,598) | (24,076) | (19,724) |
| Remittances | USD'mn | 23,131 | 29,370 | 31,238 | 27,028 | 27,093 |
| FX Reserves | USD'mn | 18,886 | 24,398 | 15,742 | 9,181 | 14,207 |

PKRV Rates (change in bps)

| | Rate % | 15day Δ | 1m Δ | 3m Δ | 6m Δ | 12m Δ |
|----------|--------|---------|-------|-------|-------|-------|
| PKRV 1Y | 18.68 | (212) | (118) | (205) | (264) | (425) |
| PKRV 3Y | 16.50 | (11) | (11) | (24) | (4) | (297) |
| PKRV 5Y | 15.37 | (8) | (3) | (20) | (53) | (71) |
| PKRV 10Y | 14.09 | (9) | (6) | (13) | (82) | (123) |
| PKRV 20Y | 13.97 | (4) | (3) | (5) | (71) | (131) |

*Inter Bank Rate

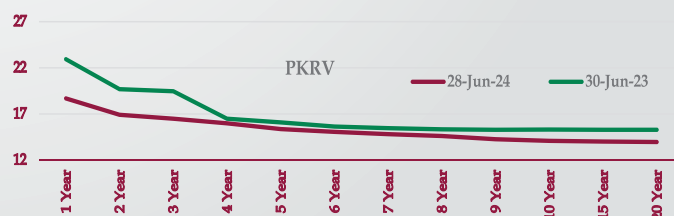
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

| SECTORS | Index Weight (%) | Current Market Cap (PKR'Bn) | Previous Market Cap (PKR'Bn) | Change (%) in Market Cap. |
|---------------------------------|------------------|-----------------------------|------------------------------|---------------------------|
| COMMERCIAL BANKS | 20 | 647 | 600 | 7.96 |
| FERTILIZER | 7 | 330 | 311 | 6.17 |
| OIL & GAS EXPLORATION COMPANIES | 14 | 302 | 304 | (0.78) |
| CEMENT | 5 | 193 | 189 | 1.98 |
| CHEMICAL | 4 | 48 | 50 | (3.17) |
| OIL & GAS MARKETING COMPANIES | 2 | 70 | 72 | (2.15) |
| PHARMACEUTICALS | 2 | 63 | 59 | 5.69 |

Commentary

Economic Review : FY2024 is set to conclude on a path of economic stabilization, marked by improved macroeconomic indicators. Easing inflationary pressures, stable external accounts and exchange rate, fiscal consolidation, and a gradual recovery in industrial activities are boosting the confidence of economic agents, thereby fostering economic growth. The inflation outlook for June 2024 has experienced a slight uptick compared to the previous month. The National CPI kept hovered at 12.6%, driven by rising vegetable prices and Fuel cost adjustments being passed on to consumers. Meanwhile, real interest rates are showing a positive trend while also maintains the Current Account deficit. Externally, there has been a sustained improvement in the current account balance. For the period of July to May FY2024, the current account reported a deficit of \$0.5 billion, a significant improvement from the \$3.9 billion deficit recorded last year. This improvement is largely due to better trade balances and increased remittances. As of June 26, 2024, Pakistan's total liquid foreign exchange reserves rose to \$13.1 billion. The State Bank of Pakistan (SBP) held \$7.9 billion, while commercial banks' reserves amounted to \$5.2 billion. Following the budget announcement, the immediate impacts on the Pakistani Rupee (PKR) and overall market sentiment were closely examined. The Finance Minister's confident assertion of securing an IMF agreement by July sparked a surge in market activity, prompting exporters to show a strong interest in selling short-term forwards. However, the budget revealed a significant \$20 billion financing gap, comprising \$18 billion in foreign loan repayments and \$2.5 billion in short-term credits. This substantial financial deficit underscores the urgent necessity for IMF support and external funding to stabilize Pakistan's fiscal situation amid challenging conditions. Regarding inflation and interest rates, the government's budget presents a blend of ambition and realism: it aims for a GDP growth rate of 3.6% and forecasts inflation at 12%. The outlined revenue targets and increased expenditures, particularly for debt servicing, suggest an inflationary outlook. If global oil and commodity prices remain stable, achieving the 12% inflation target seems feasible. However, the fiscal plan indicates that an average interest rate of 15-16% for FY 2024-25 is sensible, with a potential reduction to 10-11% by June 2025.

Stock Market Review: During the month, the KSE 100 recorded a gain of 10.33%, and the KMI 30 also showed positive returns, marking a 5.84% increase. Notably, the Commercial Banks, Fertilizers and Pharmaceuticals have experienced positive sentiments. The Central Bank maintained a stable policy rate, leading market participants to adopt a stable approach, anticipating the peak of the interest rate cycle. Notable performers in the KMI 30 index for the month included FABL, AIRLINK, UNITY, PIOC and NETSOL witnessing increased trading prices. Conversely, ATRL, SYS, PRL, ILP and TPLP experienced noticeable decreases in their trading prices. The overall budget impacts various sectors differently. It is positive for the Auto Assemblers & Parts, Pharmaceutical, and Tobacco sectors, where government interventions are designed to modify costs, influence demand patterns, and potentially reshape the competitive landscape. Conversely, the budget is neutral for Banks, Chemicals, Technology, E&P, Refinery, Sugar & Allied Industries, and Food & Personal Care Products. However, it negatively affects the Textile & Leather, Cement, Steel, Cable & Electrical Goods, Telecommunication, and Fertilizer sectors due to increased sales tax or the withdrawal of import duty exemptions.



28-Jun-24

Disclaimer: The information contained in this report has been compiled by research department of Pak Qatar Asset Management Company Limited (PQAMC), from various sources supposed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Moreover, all opinions, figures and estimates contained in this document are based judgments as of the date of this document and are subject to change without notice and are provided in good faith but without legal responsibility.

PAK-QATAR ISLAMIC PENSION FUND (PQIPF)

Fund Review

As at June 30, 2024, total size of net assets of Pak Qatar Islamic Pension Fund (PQIPF) stood at Rs. 96.1 million. For the month of June, NAV of equity sub fund increased by 0.26%, while the NAVs of debt and money market sub funds provided annualized returns of 19.50% and 19.95% respectively.

Investment Objective

To give participants a steady source of halal income after retirement or incapacity, when they are no longer able to work for a living, in order to prevent them from being dependent on other people in society.

Fund Details

| | |
|--|---|
| Fund Type | Open End |
| Fund Category | VPS - Shariah Compliant Pension Fund |
| Risk Profile/Risk of Principal Erosion | Investor Dependent |
| Launch Date | 01-Dec-22 |
| Trustee | Central Depository Company Pakistan Limited (CDC) |
| Service Provider | ITMinds |
| Auditor | Yousuf Adil, Chartered Accountants |
| Front End Load | 3% |
| Back End Load | Nil |
| Leverage | Nil |
| Valuation Days | Monday to Friday |
| Subscription Redemption Days | 9:00 AM 3:00 PM (Mon to Thr), 9:00 AM 4:00 PM (Fri) |
| Pricing Mechanism | Forward |
| Management Fee | Upto (1.50% Equity, 1.50% Debt, 1.50% MMKT) |
| Actual Rate of Management Fee | 1.50% Equity, Debt & MMKT |
| Fund Manager | Nasir Ali Soomro, FCA |
| Appointed Actuary | Abdul Wahab |
| Investment Committee | Waqas Ahmad, Muhammad Ahsan Qureshi, Tahir Latif |

Fund Net Assets

| | June'24 | May'24 |
|----------------------------|--------------|--------------|
| PQIPF-Equity (PKR Mn) | 20.16 | 19.81 |
| PQIPF-Debt (PKR Mn) | 22.23 | 19.87 |
| PQIPF-MMkt (PKR Mn) | 53.72 | 46.46 |
| Total Fund (PKR Mn) | 96.10 | 86.14 |

NAV Per Unit

| | June'24 | May'24 |
|--------------|----------|----------|
| PQIPF-Equity | 166.3506 | 165.9114 |
| PQIPF-Debt | 131.7057 | 129.6283 |
| PQIPF-MMkt | 131.0747 | 128.9597 |

Allocation Scheme

| | Equity | Debt | Money Market |
|-------------------|--------|------|--------------|
| High Volatility | 65% | 20% | 0% |
| Medium Volatility | 35% | 40% | 10% |
| Low Volatility | 10% | 60% | 15% |
| Lower Volatility | 0% | 40% | 40% |

PQIPF - Allocation Performance

| | 1M | 3M | 6M | FYTD | CAGR |
|-------------------|--------|--------|--------|--------|--------|
| High Volatility | 0.54% | 10.57% | 18.90% | 46.92% | 34.19% |
| Medium Volatility | 0.95% | 8.40% | 15.21% | 37.20% | 28.47% |
| Low Volatility | 1.49% | 5.49% | 10.31% | 24.28% | 20.87% |
| Lower Volatility | 19.77% | 19.19% | 17.89% | 20.83% | 18.81% |

PQIPF - Performance

| | 1M | 3M | 6M | FYTD | CAGR |
|-------------------------|--------|--------|--------|--------|--------|
| PQIPF-Equity (Absolute) | 0.26% | 12.03% | 21.35% | 53.37% | 37.98% |
| PQIPF-Debt (Annualized) | 19.50% | 18.98% | 18.28% | 21.13% | 19.03% |
| PQIPF-MMkt (Annualized) | 19.95% | 19.33% | 17.63% | 20.63% | 18.67% |

Annual Returns

| | CYTD | CY23 | CY22 |
|-------------------------|--------|--------|--------|
| PQIPF-Equity (Absolute) | 21.35% | 35.62% | 1.08% |
| PQIPF-Debt (Annualized) | 18.28% | 19.41% | 13.15% |
| PQIPF-MMkt (Annualized) | 17.63% | 19.19% | 13.15% |

Top Holdings (PQIPF-Equity)

| | |
|---------------------------------------|--------|
| THE HUB POWER COMPANY LIMITED | 11.64% |
| ENGRO FERTILIZERS LIMITED | 8.96% |
| MARI PETROLEUM COMPANY LIMITED | 8.66% |
| PAKISTAN PETROLEUM LIMITED | 8.52% |
| LUCKY CEMENT LIMITED | 8.17% |
| MEEZAN BANK LIMITED | 7.82% |
| OIL & GAS DEVELOPMENT COMPANY LIMITED | 7.73% |
| ENGRO CORPORATION LIMITED | 7.65% |
| MILLAT TRACTORS LIMITED | 7.02% |
| SYSTEMS LIMITED | 5.25% |

Sector Allocation (PQIPF-Equity)

| | |
|---------------------------------|--------|
| Oil & Gas Exploration Companies | 24.91% |
| Fertilizer | 16.61% |
| Cement | 15.83% |
| Power Generation & Distribution | 11.64% |
| Banks | 7.82% |
| Automobile Assembler | 7.02% |
| Technology & Communications | 5.25% |
| Textile Composite | 4.64% |
| Industrial Engineering | 3.03% |
| Oil & Gas Marketing Companies | 2.32% |

Debt Rating Exposure

| | | | |
|-----|--------|-----|--------|
| A | 0.00% | A | 0.00% |
| A+ | 12.20% | A+ | 0.00% |
| AA | 15.70% | AA | 18.62% |
| AA+ | 0.00% | AA+ | 0.00% |
| AAA | 67.35% | AAA | 78.18% |

Money Market Rating Exposure

Asset Allocation - PQIPF Debt Sub Fund

| | |
|-----------------------------|--------|
| Cash/Bank Deposits | 69.56% |
| Government Sukuks | 0.00% |
| Corporate Sukuk | 25.69% |
| Others including Recievable | 4.75% |

Asset Allocation - PQIPF Money Market Sub Fund

| | |
|-----------------------------|--------|
| Cash/Bank Deposits | 72.60% |
| Government Sukuks | 0.00% |
| Corporate Sukuks | 24.20% |
| Others including Receivable | 3.20% |

Expense Ratio - YTD

| | PQIPF-Equity | PQIPF-Debt | PQIPF-MMkt |
|---------|--------------|------------|------------|
| June'24 | 1.78% | 1.88% | 1.89% |
| May'24 | 1.67% | 1.92% | 2.01% |

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