



PAK-QATAR
FAMILY TAKAFUL
Together for the Future

PQFT Banca Performance Report

Dec'21

Economic Review

The economic recovery remained underway during the entire year of 2021 as reflected in high-frequency indicators of domestic demand such as automobile sales, POL (Petroleum, Oil and Lubricants) sales and electricity generation. However, due to new taxes and ending of subsidies in mini budget, inflation numbers will probably keep disturbing economy and keep SBP on toes. CPI stood at 12.28% for the month of Dec-2021. On MoM basis, CPI saw a minor decline of 0.02%, mainly driven by food prices, which declined by -1.23% on MoM basis. During CY22, inflation is expected to remain on higher levels during the first half, mainly due to removal of subsidies in budgets, rising utility prices and strong march of commodity prices in international market. However, inflation outlook for 2HFY22 is expected to squeeze as economic impact of monetary tools implemented by central bank and taxes curtail local demand.

Rapid surge in demand during the year 2021, hefty increase in commodity prices (especially oil) & weakening of PKR led to ever concerning high import bills. Current Account Deficit (CAD) touched USD 1.92Bn in the month of November-2021, taking 5MFY22 to USD 7.1Bn, compared with current account surplus of USD 1.9Bn during the SPLY. Recently taken actions of currency devaluation, temporary banning/levying of regulatory duties on non-essential items etc are expected to contain balance of payment woes in 2022.

SBP Foreign reserves stood around USD 17.9bn at 2021 end on the back of Saudi deposit, Euro dollar proceeds etc. We expect foreign reserves to remain stable on back of expected resumption of IMF program, surging remittances, and planned issuance of international bond in 2022. CAD pressure can also result in PKR:USD parity touching new heights during the fiscal year.

The gov. target GDP growth of 4.8% for FY22 hinges on smooth supply chain, normalization of commodity prices along with local political scenarios. SBP raised interest rates by 100bps to 9.75 owing to rising inflation pressures dwindling PKR:USD parity. SBP carried out three T-Bills auction with target of PKR 3,350 billion. Total amount accepted was PKR 1,887 billion against maturity of PKR 3,292 billion. Central Bank gave indication of stability of short term interest rates, the 3M cut off yield dropped significantly from 10.7801% to 10.5902%. In the last auction, bids were accepted at a cut off yield of 10.59%, 11.45% and 11.51% for 3M, 6M and 12M respectively.

GOP Ijarah Sukuk auction was held on 9-Dec-21 with a target of Rs. 100bn for a period of 5 years. Bids worth Rs. 68 billion accepted in FRR Sukuk (11.40%) and Rs. 5 billion in VRR Sukuk. PIB's auction was held on 22-Dec-21. Bids worth PKR39 billion accepted in 3 Year PIB against cut off yield of 11.50%, PKR 109bn accepted in 5 Year PIB against cut off yield of 11.57% and PKR 20 billion accepted in 10 Year PIB against cut off yield of 11.76%. No bids were received for 15-years and 30-years tenures while bids for 20-year were rejected.

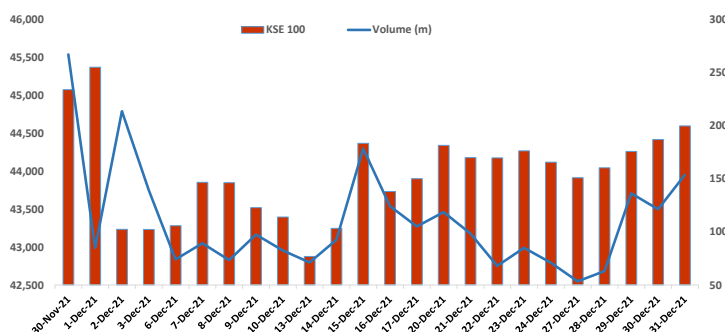
Equity Market Review

On M/M Basis, KSE-100 Index declined by around 1.06% while KMI All declined by 0.19%. Investors' remained reserved concerned with higher inflation figures, ballooning trade deficit which surpassed USD 5 billion. Also, spike in short-term gov. yields together with expectations of mini budget also created confusion, resulting in lower trade volumes, weaving bearish sentiments.

During the month sectors that contributed negatively to index included Commercial Banks, Cements Oil Marketing companies. While Auto Assemblers, Fertilizers, Food & Personal cares contributed positively with Mutual funds remained net sellers while Individuals and Companies along with Foreigners remained net buyers during the month.

The bourse is trading at a multi year low PE ~6 and offers heavy dividend yield in the blue chips. Market sentiments remained muted due to some pending clarity regarding gov. agreement with IMF. Investors' confidence can return to skim the market with clearance on IMF demands and improvement in Current Account Deficit (CAD) figures. We advise our long-term investors to stay in Growth strategy.

Country	Index	Dec-21	Nov-21
UK	FTSE-100	4.61%	-2.46%
USA	Nasdaq	0.70%	0.30%
USA	Dow 30	5.38%	-3.73%
China	Shanghai	2.13%	0.47%
Hong Kong	Hang Seng	-0.33%	-7.49%
Japan	Nikkei-225	3.49%	-3.71%
India	BSE-30	2.08%	-3.78%
Pakistan	KMI All	-0.19%	-1.97%
Pakistan	KMI 30	-2.08%	-1.81%
Pakistan	KSE 100	-1.06%	-2.48%



PQFT Banca-BT Growth

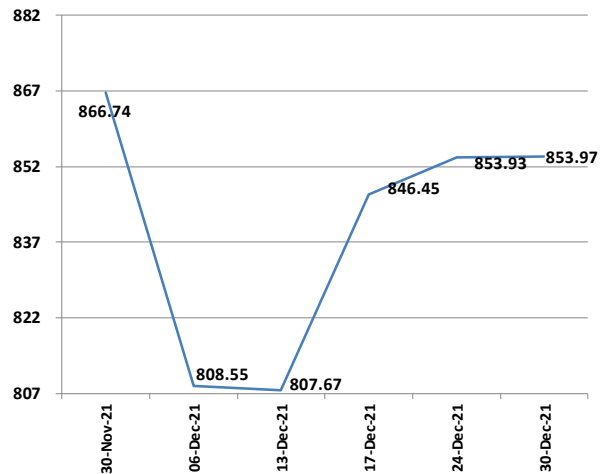
Dec'21

Fund Objective

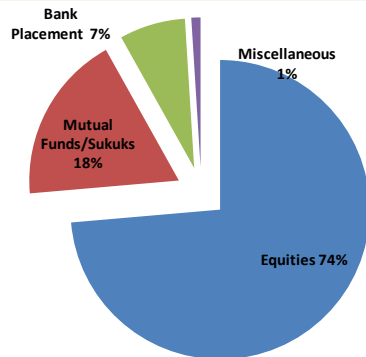
The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The Fund intends to achieve capital appreciation with medium to long term investment horizon by taking enhanced exposure to equities and fixed income investments.

Fund Information

Fund Name	PQFT-Banca Growth
Fund Size	PKR 5,686,041,045
Unit Price	PKR 853.9691
Category	Capital Growth
Pricing Mechanism	Forward
Pricing Days	Official Working Days
Auditors	EY Ford Rhodes , Chartered Accountants
Benchmark	Composite of (Average of (KMIAII & KMI-30) & Average Return on Islamic Bank) based on actual allocation
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



	Dec-21	Nov-21
Equities	74%	75%
Mutual Funds/Sukuks	18%	20%
Bank Placement	7%	2%
Miscellaneous	1%	3%



Fund Returns	Return
1-month (absolute net of IMC)	-1.47%
Benchmark - (1-month absolute net of IMC)	-1.87%
Calendar YTD (absolute net of IMC)	-11.30%
Benchmark CYTD (absolute net of IMC)	-0.17%
365 Days (absolute net of IMC)	-11.30%
Since Inception* (annualized net of IMC)	6.8%
3-Years (absolute net of IMC)	11.93%
Since Inception (absolute net of IMC)*	70.79%

*Since Aug'11

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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PQFT Banca-BT Conservative

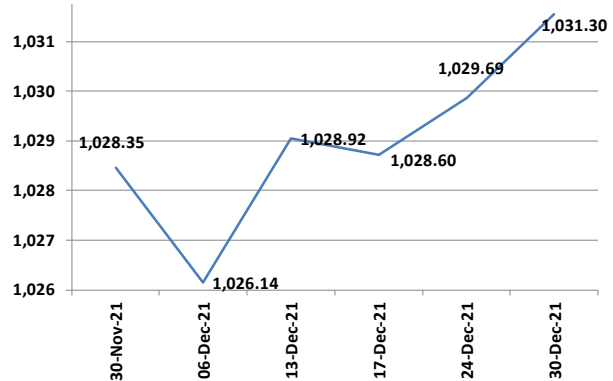
Dec'21

Fund Objective

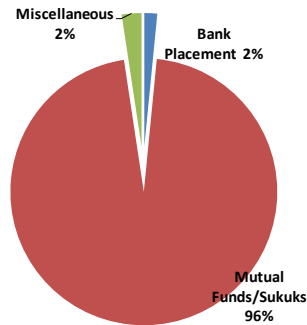
The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering Customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The Fund aims to provide stable return exhibiting low volatility with capital preservation by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

Fund Information

Fund Name	PQFT-Banca Conservative
Fund Size	PKR 6,123,175,686
Unit Price	PKR 1,031.2962
Category	Capital Preservation
Pricing Mechanism	Forward
Pricing Days	Official Working Days
Benchmark	Average Return on three Islamic Bank as stated on 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 Shaikat	Secretary



	Dec-21	Nov-21
Bank Placement	2%	1%
Mutual Funds/Sukuks	96%	96%
Miscellaneous	2%	3%



Fund Returns	Annualized Return
1-month	3.49%
Benchmark (1-month)	3.1%
3-months	3.83%
Calendar YTD	5.99%
Benchmark (CYTD)	3.17%
365 Days	5.99%
Since Inception*	10.22%
3-Years (absolute net of IMC)	28.28%
Since Inception (absolute net of IMC)*	106.26%

*Since Aug'11

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