



FUND MANAGER'S REPORT

For the Month of May 2024

Executive Summary

Macroeconomic Snapshot

| Statistic | Month Reported | Current | Previous | FYTD |
|-------------------------|----------------|---------|----------|---------|
| FDI (USD mn) | April | 359 | 258 | 1457 |
| CPI | April | 17.34% | 11.76% | 25.30% |
| Trade Deficit (USD mn) | April | (1813) | (2044) | (17684) |
| Tax Collection (PKR bn) | May | 760 | 654 | 7364 |
| Remittances (USD mn) | April | 2812 | 2954 | 23850 |

In May 2024, a positive economic outlook continued with a sharp decline in consumer price index from 17.3% to 11.8% MoM providing a sigh of relief to the general public. IMF's visit for discussions for the 6-8 billion USD Extended Fund Facility highlighted significant progress towards a Staff Level Agreement with the required reforms and economic policy discussions would be reflected in the upcoming FY25 budget. The stock market continued its growth as the KSE-100 benchmark index reached an all-time high, and closed at 75,878 points owing to higher participation from market participants, and booming investor confidence.

Forex Reserves showed a significant jump to \$14.31bn from \$13.32bn in the previous month, meanwhile Remittances showed a slight decline to 2.81bn compared to \$2.95bn in the previous month. The sharp decline in CPI results in a substantial difference in the interest rate, and inflation results in real interest rate standing at astonishing 10.2% compared to a historical median of 1.0% which signals for monetary easing, and interest rate cuts in the near term. The trade deficit decreased on monthly basis from USD 2044mn to USD 1813mn in April. The FBR also collected 760bn Rupees in taxes exceeding their months target. Saudi's delegation to discuss investment opportunity in Pakistan, and UAE's commitment of \$10bn investment in Pakistan further elevated the signs of positive economic developments in the country.

Updates and Perspectives

Money Market

Due to near future expectation of a market wide rate cut by the SBP, the KIBOR rates of the 3, 6, and 12-month period declined by 74bps, 52bps and 76bps respectively.

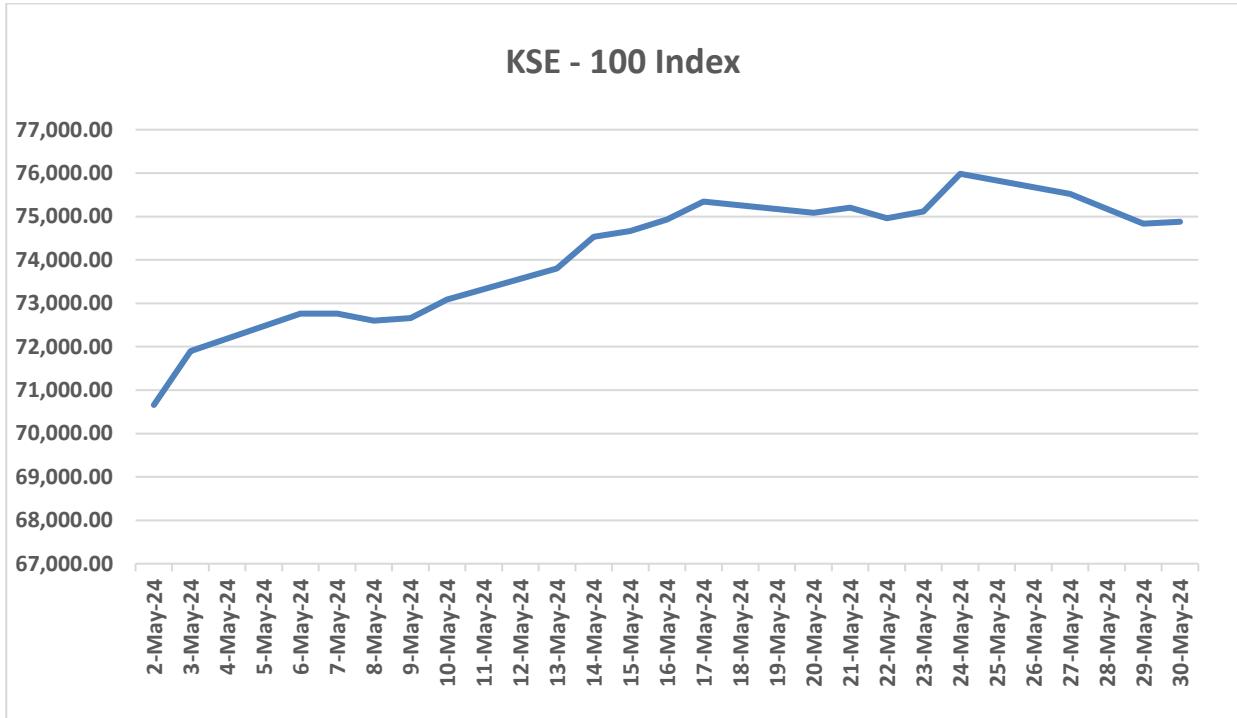
| Tenor | EOM May – 24 | EOM April – 24 |
|-------------------------|---------------|----------------|
| Kibor – 3 month | 21.04% | 21.78% |
| Kibor – 6 month | 21.02% | 21.54% |
| Kibor – 12 month | 20.40% | 21.16% |

The treasury bill auctions for the month received bids of around 3066 bn, against the overall target of PKR 810bn, however SBP accepted bids worth of PKR 932bn with the majority chunk belonging to 3-month tenors. The cut off rates at the latest auction stood at 21.0001% (-66 bps MoM), 21.0000% (-38 bps MoM), and 20.1001% (-80 bps MoM) for 3-months, 6-months and 12-months respectively. For the fixed rate PIBS, PKR 204bn worth of participation was observed against the target of PKR 190bn, of which only PKR 84.6bn were accepted due to bids on higher rates. Moreover, against a target of PKR 560 billion, participation of PKR 2,464 bn was observed in auction of floating rate PIBs. Bids worth of PKR 837bn for semi annual Floating Rate Bonds were accepted by the Ministry of Finance, meanwhile all the participation in the quarterly bonds was rejected.

| TENORS | CUT OFF | PREVIOUS CUT OFF | CHANGE |
|---|-----------------|------------------|------------------|
| Treasury Bills | | | |
| 3-Month | 21.0001% | 21.6601% | -66 bps |
| 6-Month | 21.0000% | 21.3849% | -38.5 bps |
| 12-Month | 20.1001% | 20.8990% | -80 bps |
| Fixed Rate PIBS | | | |
| 3-Year | 16.65% | 16.65% | - |
| 5-Year | 15.45% | 15.48% | -3 bps |
| 10-Year | 14.30% | 14.35% | -5 bps |
| Floating Rate PIBS – Semi Annual | | | |
| 5-Year | 115 bps | 140 bps | -25 bps |
| 10-Year | 140 bps | 158 bps | -18 bps |

Equity Market

The benchmark KSE-100 index continued its momentum and touched a new all-time high of 75,983 points during the month. The index closed at 75,878 resulting in a gain of 6.7% for the month of May. Continued Government's discussions with the IMF to negotiate loan terms, UAE's intention to invest in multiple sectors of the economy, declining CPI, and rate cut expectations resulted in positive market sentiment.

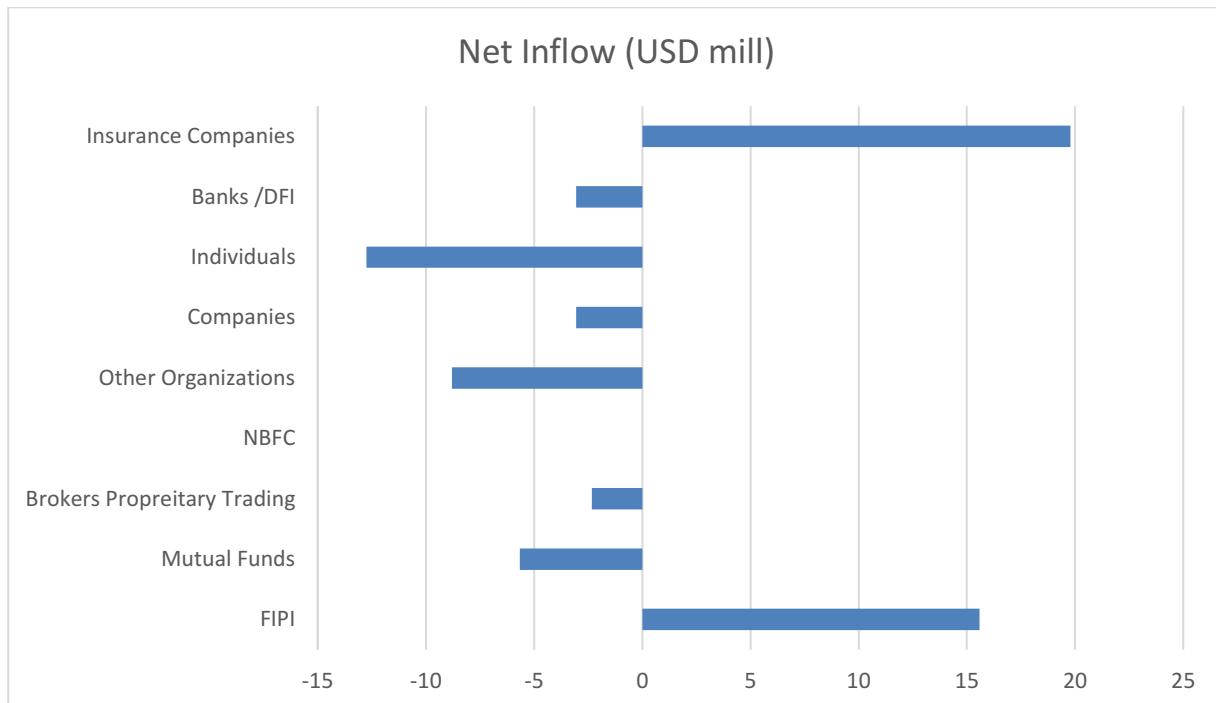


The major sectors driving the benchmark index to new highs were Commercial Banks (+1562 points), Power Generation (+782 points), and Cements (+437 points). The momentum in the Fertilizer sector (-166 points), and Oil and Gas Marketing Companies (-78 points) reversed after a positive few months.

MARKET REVIEWS



Foreigners were net buyers for the month, with a total of around \$15.58 million in net major inflows, meanwhile in the domestic market, only insurance companies brought a net inflow of \$19.79 mill, while major net selling was witnessed by Individuals (\$12.75 mn), Others (\$8.8 mn), and Mutual Funds (\$5.6 mn).



UNIVERSAL LIFE INVESTMENT FUND

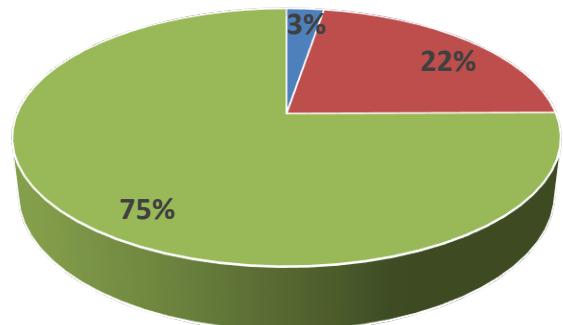


Investment Objective

Achieve a high rate of return through market risk management, liability hedging, portfolio construction, comprising both income and capital appreciation for the policyholders of Askari Life Assurance Company Limited.

| Investment Committee | |
|----------------------------|--------------|
| Members | Designation |
| Malik Riffat Mahmood | Chairman |
| Maj. Gen Kamran Ali (Retd) | Member |
| Jehanzeb Zafar | CEO (Member) |
| Rehan Mobin | CFO (Member) |
| Muhammad Azmatullah Sharif | COO (Member) |

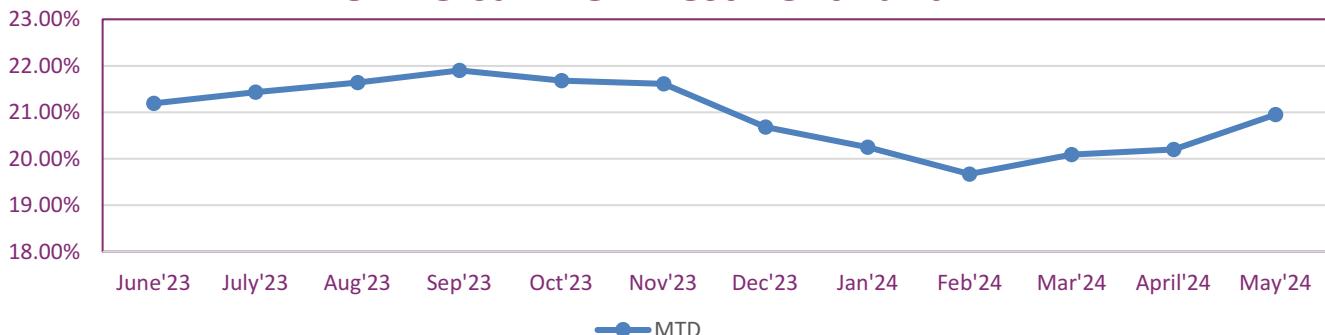
| Asset Mix | |
|-----------------------------|---------|
| Cash and Short-Term Deposit | 3.38 % |
| T-Bills | 28.58 % |
| Government Securities | 96.62 % |



| Terms and Conditions | |
|----------------------|---|
| Name of Fund | Universal Life Investment Fund |
| Type of Scheme | Balanced Fund |
| Nature of Scheme | Income Scheme |
| Inception Date | Jan 9 th , 2007 |
| Fund Size | PKR 543,163,276 |
| Auditor | RMS Awais Hyder Liaquat Nauman (chartered accountants) |
| Legal Advisor | M/s Saiduddin & Co. |

| Investment Return | |
|-------------------|---------|
| 1 Month | 20.95 % |
| 3 Months | 20.41 % |
| 12 Months | 20.94 % |

Universal Life Investment Fund



UNIVERSAL LIFE PARTICIPANT INVESTMENT FUND

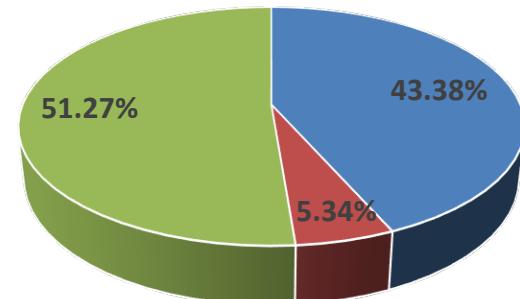


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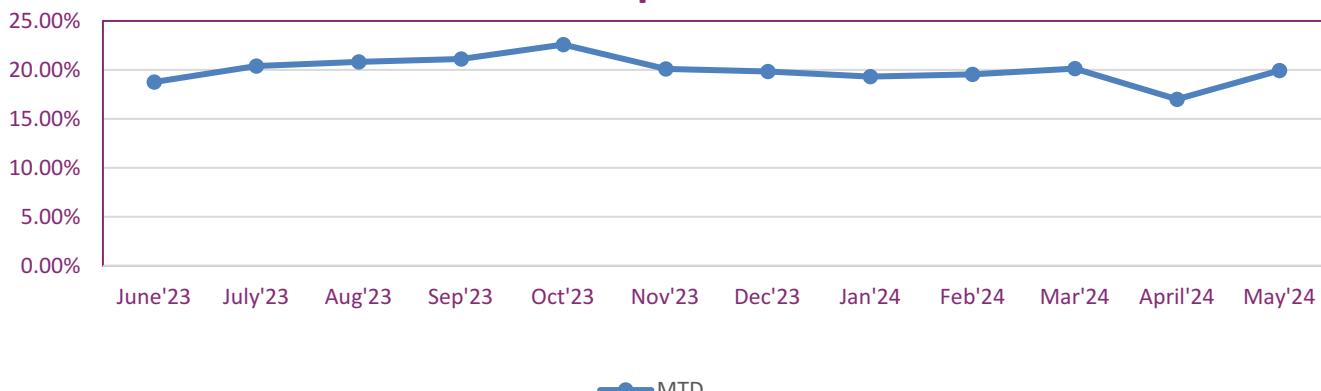
| Asset Mix | |
|--------------|---------|
| Mutual Funds | 43.38 % |
| Bank Balance | 5.34 % |
| T-Bills | 51.27 % |



| Terms and Conditions | |
|----------------------|---|
| Name of Fund | Universal Life Investment Fund |
| Type of Scheme | Balanced Fund |
| Nature of Scheme | Income Scheme |
| Inception Date | May 11 th , 2020 |
| Fund Size | PKR 805,744,819 |
| Auditor | RMS Awais Hyder Liaquat Nauman (chartered accountants) |
| Legal Advisor | M/s Saiduddin & Co. |

| Investment Return | |
|-------------------|---------|
| 1 Month | 19.93 % |
| 3 Months | 19.03 % |
| 12 Months | 19.96 % |

Universal Life Participant Investment Fund



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