

SYMBOL OF TRUST



# FUND MANAGERS' REPORT

A wholly owned Subsidiary of Army Welfare Trust

## AWT INVESTMENTS LTD

A wholly owned Subsidiary of Army Welfare Trust

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# JANUARY 2024

[www.awtinvestments.com](http://www.awtinvestments.com)



# Risk Profiling for Collective Investment Scheme



Conventional Funds	Risk profile	Risk of principal erosion
AWT Money Market Fund	<b>Low</b>	Principal at low risk
AWT Income Fund	<b>Medium</b>	Principal at medium risk
AWT Financial Sector Income Fund	<b>Medium</b>	Principal at medium risk
AWT Stock Fund	<b>High</b>	Principal at high risk
Shariah Compliant Funds	Risk profile	Risk of principal erosion
AWT Islamic Income Fund	<b>Moderate</b>	Principal at moderate risk
AWT Islamic Stock Fund	<b>High</b>	Principal at high risk

Note: The performance is net of expenses and based on dividend reinvestment, excluding front end load and taxes.

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## Economic Overview and Outlook

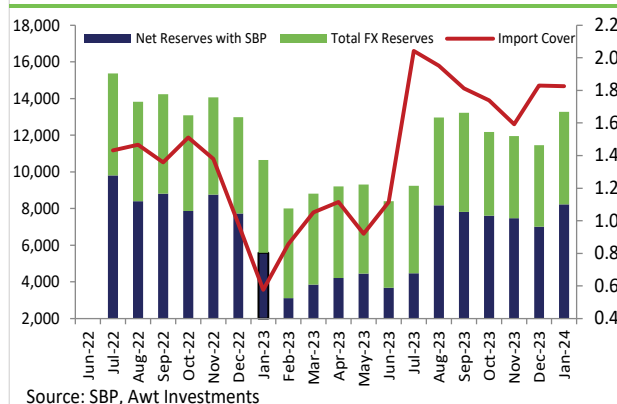
During the outgoing month, macroeconomic situation slightly improved where the successful continuation of the IMF programme played a vital role in unlocking multilateral flows in the past two months, boosting SBP's FX reserves that reached at \$8.2bn i.e. equivalent to almost 2 months of import bill. This was done on the back of government commitment and actions to remain compliant with the IMF targets. Going forward, bilateral rollovers and inflows from multilateral sources are likely to increase foreign exchange reserves from current level.

Headline inflation remained higher than market consensus, as Jan'24 reading clocked at 28.3% YoY (consensus 27.2%) vs. 29.65% YoY reported in Dec'23, this has taken average for 7MFY24 to 28.73% as compared to 25.36% in SPLY. However, on MoM basis CPI witnessed an increase of 1.6% due to higher fuel cost adjustments in electricity bills and hefty surge in foods category. Going forward, we expect average inflation for FY24 at ~25% (29.02% FY23), and anticipated to start decline in 2HFY24 as base effects kicks-in. Whereas, on 12 months rolling forward basis, average CPI is projected at ~19% reflecting 300bps real positive interest rates given policy rate at 22%. Therefore, we expect SBP to act accordingly, as we expect policy rate to fall 400bps-500bps in CY24.

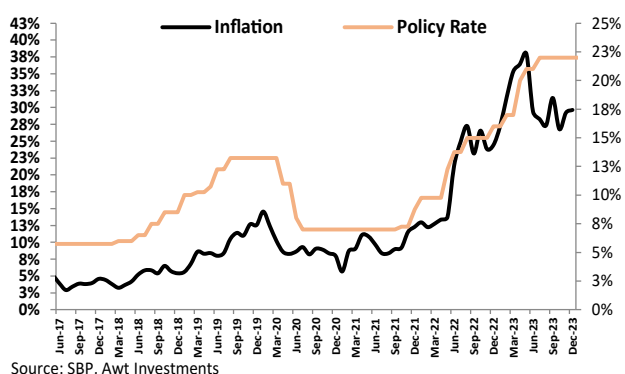
Similarly, the real sector continues to face moderate recovery with several leading indicators including Fertilizers off-take, Cement dispatches, tractor & Autos sales experiencing a recovery. Recently, SBP maintained its stance over the GDP growth of 2-3% for FY24, mainly driven by Agricultural sector. Though the projections of 11.5 million bales for cotton production bales has been revised down slightly. Likewise, Kharif crops' output already turned out better than last year, the prospects for Rabi crops also appear promising amid better input conditions.

On the external front, the current account also remained well-balanced, with December 2023 recording a surplus of \$397 million, bringing the cumulative figure to a deficit of \$0.83 billion during 6MFY24, compared to \$3.26 billion in the same period last year. This improvement is attributed to i) higher export proceeds, ii) a surge in remittances due to

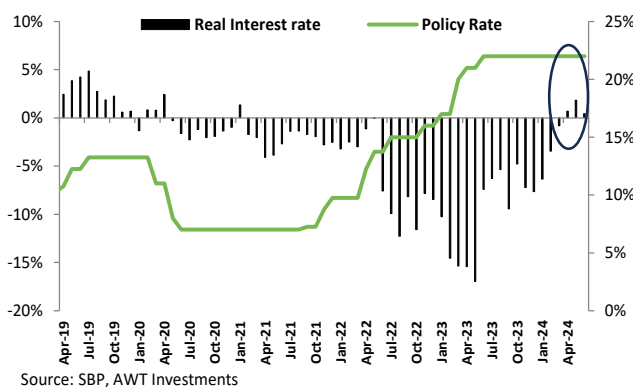
**Economy : SBP FX Reserves - Mn\$ / Import Cover (Months)**



**Economy: Policy rate Vs Inflation**



**Economy: Real Interest rate Vs Policy Rate**



Note: The performance is net of expenses and based on dividend reinvestment, excluding front end load and taxes.

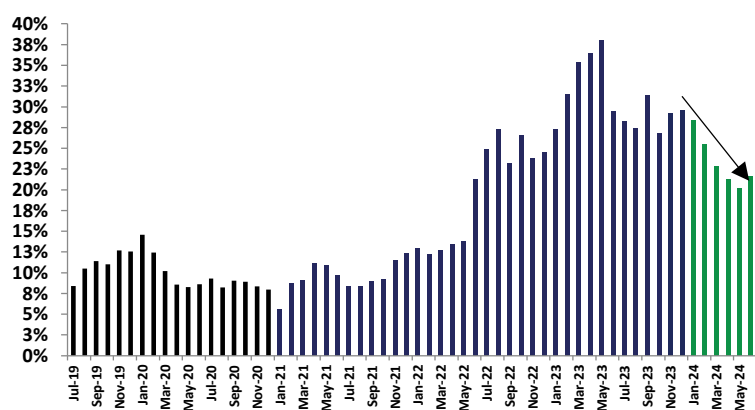
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## Economic Overview and Outlook

administrative measures, and iii) controlled imports. On a full-year basis, we foresee the Current Account Deficit (CAD) to remain around 1% of GDP in fiscal year 2024.

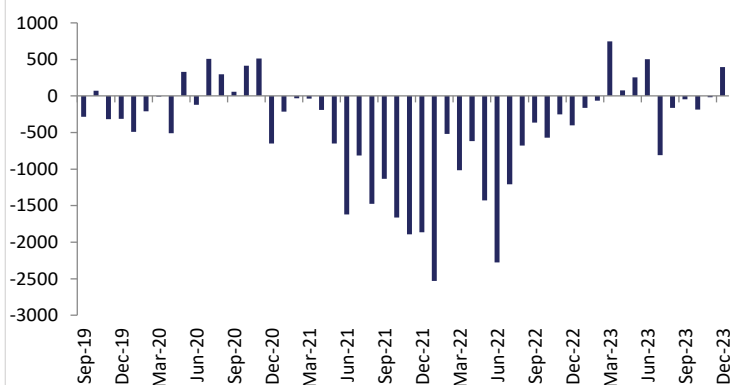
On the fiscal front, the Federal Board of Revenue (FBR) suffered a slight shortfall of PKR9bn in during Jan'24, as FBR collected PKR681bn against the target of PKR681bn. During 7MFY24, FBR collected PKR 5,150 bn against the agreed target of PKR5,115bn (PKR35bn higher). This growth is driven by gradual recovery in economic activity while non-tax revenues also remained strong. The overall deficit declined to 0.8% of GDP from 1.5% last year, while the primary surplus increased to 1.4% as compared to 0.2% last year. We estimate fiscal deficit to remain at 7.2% of GDP during FY24.

**Economy: Inflation (YoY)**



Source: PBS, SBP, AWT Investments

**Economy : Monthly Current Account Balance (\$mn)**



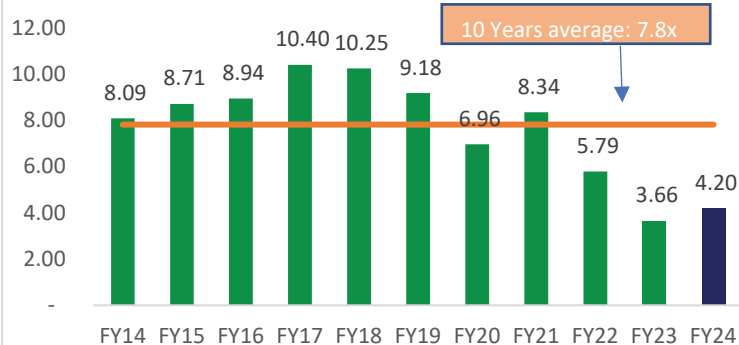
Source: SBP, AWT Investments

# Stock Market Review

The KSE-100 Index commenced the month on a positive note, experiencing a 3% increase following the approval of \$700mn by the IMF Executive Board upon the completion of the 1st review under SBA. Additionally, this surge was bolstered by the timely rollover of \$2.0 billion from the UAE and reports of the clearance of energy sector circular debt amounting to PKR1,250bn. However, the market rally faltered towards the end of the month due to escalating tensions at the border with Iran, political uncertainty, and the unchanged stance in the January 2024 monetary policy, which hurt the investor confidence. Furthermore, foreign selling intensified downward pressure on the index, resulting in the KSE-100 closing at 61,979, down by 0.8% on a month-on-month basis.

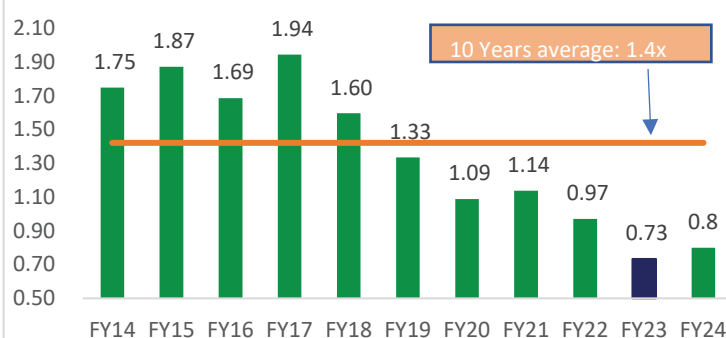
We expect that improving macro stability would keep momentum for the stock market in the second half of FY24. The improvement in key macro indicators, such as the CPI trajectory, policy rate, and external account outlook, is expected to provide stimulus to the market. We see strong prospects of further rerating of market multiples over the next 12 months, as monetary easing is expected to begin in 3QFY24 given inflation trajectory. Despite significant improvement, the KSE-100 index is still trading at an attractive P/E of 4.4x, compared to the 10-year average of 7.8x (a discount of 75%), and also offers a double-digit dividend yield. In the near term, market participants will closely monitor movements in the external position and the inflation trajectory. Furthermore, political developments leading up to the general elections on 8th Feb will play a significant role in shaping the direction of the market.

**KSE-100: Average Price Earning (P/E)**



Source: Bloomberg, AWT Investments

**KSE-100 : Average Price to Book (P/Bv)**



Source: Bloomberg, AWT Investments

Note: The performance is net of expenses and based on dividend reinvestment, excluding front end load and taxes.

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# Money Market Review

In January, the market witnessed significant volatility. Secondary market yields initially took a sharp dip owing to the positive developments on the external front coupled with the anticipation of the rate cut in the MPS. However, yields in the secondary market reversed in the latter part of the month as the policy rate was maintained at the status quo.

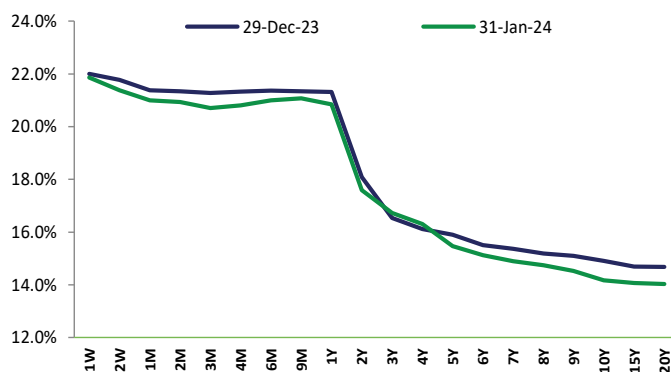
The Monetary Policy Committee (MPC) kept the policy rate unchanged at 22% with a view, that frequent and substantial adjustments in administered energy prices had slowed the expected decline in inflation and delayed sustained decreases in inflation expectations. However, non-energy inflation continued to moderate, aligning with the Committee's projections. Overall, it was assessed that the real interest rate is

viewed as significantly positive on a 12-month forward-looking basis, given the expectation of a continued downward trajectory in inflation.

During the reviewed month, the central bank conducted T-bill auctions. In the first auction on January 11th, the market witnessed a hefty participation of PKR 2.7 trillion against the maturity of PKR 122 billion. The total bids worth PKR 216 billion were accepted at cut-off rates of 20.9996%, 20.9601%, and 20.8449% in 3-month, 6-month, and 12-month tenors, respectively. However, at the month-end T-bill auction, the market witnessed participation of PKR 1.1 trillion against the total maturity of PKR 252 billion while the total target was around PKR 225 billion. SBP accepted total bids worth PKR 102 billion with a major rate cut of 50bps, the given cutoff yields stand at 20.4997%, 20.40%, and 20.2298%, for 3-month, 6-month & 12-month tenors respectively. The auction for fixed coupon PIB bonds was held on January 17th, 2024 where a total target was around PKR 190 billion. SBP accepted bids worth PKR 74 billion for the 3-year, PKR 38 billion for the 5-year & PKR 1.5 billion for the 10-year bond at cut-off rates of 16.80%, 15.50% & 14.50%, respectively.

Looking ahead, we believe that with the declining inflation trend, the central bank may soften its stance to commence the monetary easing cycle in the second quarter of 2024. However, the pace of rate reversal would be determined by the macroeconomic developments in the upcoming months. We have designed our investment portfolios based on our assessment of the macroeconomic outlook and we will remain vigilant on any development to alter our investment strategy.

**Economy: PKRV**



Source: Mufap, Awt Investments

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# AWT - Money Market Fund

## Fund Objective

The objective of AWT Money Market Fund, an open-end money market scheme, is to generate competitive return by investing in short term Government Securities and Debt instrument as approved by SECP from time to time.

## Fund Statistics

Net Assets(PKR mn)	3,072
NAV per Unit (PKR)	117.9137
Weighted Average Maturity (days)	70
Sharpe Ratio*	2.47
Information Ratio	6.92
Standard Deviation Annualized	0.23%

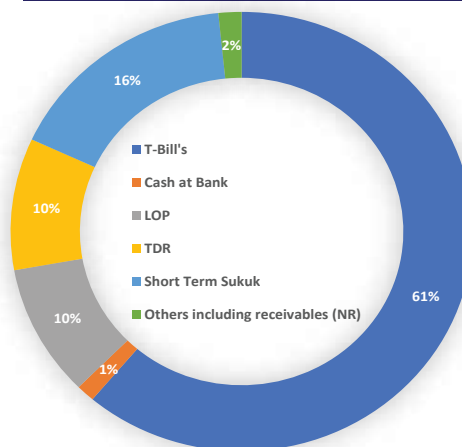
## Fund Manager's Review

In the month of January, the AWT Money Market Fund achieved an annualized return of 20.11%. At the end of the month, the fund's allocation in Short Term Sukuk (STS) was approximately 16.51%, the fund held 1.30% of its assets in cash at the bank, while Government Securities comprised 61.17% of the fund's holdings. Looking ahead, we will closely monitor the situation and adjust our investment strategies accordingly.

## FUND DETAILS

Fund Type	Open End
Category	Money Market Scheme
Fund Stability Rating	AA+(f) by PACRA (13th Oct 2023)
Benchmark	70 % three months PKRV rate plus 30% three (3) months average deposit rate of three (3) AA rated scheduled banks as selected by MUFAP.
Management Co. Rating	AM3++ by PACRA (4th August 2023)
Inception Date	12th April 2016
Dealing Days	Daily (days when Banks are open for business)
Cut-off Time	Monday to Friday 09:00 - 16:00
Pricing Mechanism	Forward
Management Fee	Management fee shall be entitled to an accrued remuneration equal to an amount not exceeding 1% of average annual Net Assets, within allowed expense ratio limit.
Current Management Fee	1.00%
Load	NIL
Risk Profile	Low
Risk of Principal @ Erosion	Principal @ Low Risk
Listing	Pakistan Stock Exchange
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	Yousuf Adil Chartered Accountant
Legal Advisor	Rizwan Faiz Associates
Fund Manager	Wahaj Ahmed

## Portfolio Allocation (as % of total assets) Jan '24



## Total Expense Ratio

YTD	1.12% p.a. (including 0.12% Govt. Levy and 0.075% SECP Fee)
MTD	1.31% p.a. (including 0.14% Govt. Levy and 0.075% SECP Fee)

Portfolio Allocation (as % of T.A.)	Jan. '24	Dec. '23
T-Bill's	61.17%	60.97%
Cash at Bank	1.30%	1.94%
LOP	9.71%	0.00%
TDR	9.71%	19.58%
Short Term Sukuk	16.51%	15.98%
Others including receivables (NR)	1.61%	1.54%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Fund Performance AWT - MMF

	AWT-MMF*	AWT-MMF**	Benchmark***
Jan-24	20.11%	22.07%	20.16%
FYTD	21.99%	22.97%	21.25%
CYTD	20.11%	22.07%	20.16%
12M Trailing	22.14%	22.14%	20.63%
Since Inception	17.76%	15.96%	15.71%

\*Simple Annualized

\*\*\*Average of reporting period

\*\*Morning Star

\*the Returns are annualized and calculated from the date (Sept 13, 2021) of change in fund category.

Fund returns are calculated NAV with dividends reinvested (excluding sales load). etc." \*Performance data does not include the cost incurred directly by investor in the form of sales load

Credit Quality of Portfolio (as % of T.A.)	Jan. '24	Dec. '23
AAA (Government Securities)	61.17%	60.97%
AAA	19.78%	9.63%
AA+	10.63%	19.65%
AA	6.81%	8.21%
Other including recievables (NR)	1.61%	1.54%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Period	FY23
<b>Performance</b>	<b>18.08%</b>
<b>Benchmark</b>	<b>17.01%</b>

Months	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
<b>Performance</b>	15.90%	18.40%	20.73%	20.50%	20.10%	21.06%	21.26%	21.64%	21.34%	20.45%	20.15%	20.11%
<b>Benchmark</b>	17.30%	19.17%	20.26%	20.64%	21.12%	21.74%	21.89%	22.15%	21.55%	20.62%	20.65%	20.16%

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# AWT - Financial Sector Income Fund

## Fund Manager's Review

In the month of January, AWT Financial Sector Income Fund delivered an annualized return of 20.09%. At the end of the month, the fund had approximately 1.46% allocated in TFC/Sukuks and 6.64% in Commercial paper/Short term Sukuk (STS). The fund's holding cash in the bank represented 69.31% of its assets. Moving forward, the fund would remain vigilant on macroeconomic developments and will devise the investment strategy accordingly.

## Fund Objective

AWT Financial Sector Income Fund (AWTFSIF) aims to provide income enhancement and preservation of Capital by investing primarily in financial sector, TFCs/Sukuk, Bank deposits and instruments issued by Government Securities.

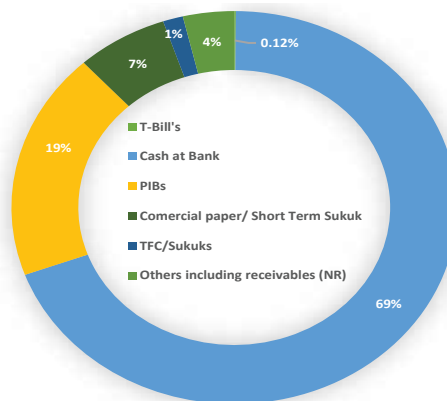
## Fund Statistics

Net Assets(PKR mn)	1,020
NAV per Unit (PKR)	114.4796
Weighted Average Maturity (days)	381
Sharpe Ratio*	5.55
Information Ratio	5.10
Standard Deviation Annualized	0.32%

## FUND DETAILS

Fund Type	Open End
Category	Income Scheme
Fund Stability Rating	A+(f) by PACRA (20 Sep 2023)
Benchmark	Average of 6M KIBOR rates for the period under review.
Management Co. Rating	AM3++ by PACRA (4th August 2023)
Inception Date	19th Dec 2022
Dealing Days	Daily (days when Banks are open for business)
Cut-off Time	Monday to Friday 09:00 - 16:00
Pricing Mechanism	Forward
Management Fee	The Maximum limit of management fee is 1.50% per annum of Average Annual Net Assets
Current Management Fee	1.50%
Load	NIL
Risk Profile	Medium
Risk of Principal @ Erosion	Principal @ Medium
Listing	Pakistan Stock Exchange
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	Yousuf Adil Chartered Accountant
Legal Advisor	Rizwan Faiz Associates
Fund Manager	Wahaj Ahmed

Portfolio Allocation (as % of total assets) Jan '24



## Total Expense Ratio

YTD	1.70% p.a. (including 0.17% Govt. Levy and 0.075% SECP Fee)
MTD	1.98% p.a. (including 0.21% Govt. Levy and 0.075% SECP Fee)

Top TFCs Holding (As of T.A)	Jan. '24
Soneri Bank Limited	1.46

Portfolio Allocation (as % of T.A.)	Jan. '24	Dec. '23
T-Bill's	0.12%	0.00%
Cash at Bank	69.31%	80.21%
PIBs	18.76%	8.95%
Commercial paper/ Short Term Sukuk	6.64%	6.26%
TFC/Sukuks	1.46%	1.38%
Others including receivables (NR)	3.71%	3.09%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Fund Performance AWT - FSIF

	AWT-FSIF*	AWT-FSIF**	Benchmark***
Jan-24	20.09%	22.04%	20.98%
FYTD	24.05%	25.23%	22.31%
CYTD	20.09%	22.04%	20.98%
12M Trailing	23.49%	23.49%	21.90%
Since Inception	23.30%	23.01%	21.41%

\*Simple Annualized

\*\*\*Average of reporting period

\*\*Morning Star

Fund returns are calculated NAV with dividends reinvested (excluding sales load), etc."

\*Performance data does not include the cost incurred directly by investor in the form of sales load

Credit Quality of Portfolio (as % of T.A.)	Jan. '24	Dec. '23
AAA (Government Securities)	19.37%	8.95%
AAA	0.22%	0.75%
AA+	0.25%	0.61%
AA	6.18%	10.89%
AA-	0.00%	0.00%
A+	70.27%	75.71%
A	0.00%	0.00%
A-	0.00%	0.00%
BBB-	0.00%	0.00%
Other including receivables (NR)	3.71%	3.09%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Months	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Performance	16.18%	19.12%	20.14%	20.61%	19.95%	22.61%	21.92%	22.22%	25.02%	25.86%	21.35%	20.09%
Benchmark	18.73%	21.20%	22.09%	22.08%	22.24%	23.03%	23.07%	23.55%	22.48%	21.54%	21.53%	20.98%

## Investment Committee Members

Sajjad Anwar, (CFA)	Chief Executive Officer
Salman Shafiq	Chief Financial Officer
Wahaj Ahmed	Head Fixed Income
Mian Muhammad	Head of Risk (Till 29th Jan)
Saadat Saeed, (CFA)	
Farrukh Yasin (CFA)	S.Manager Risk (From 30th Jan)

Note: The performance is net of expenses and based on dividend reinvestment, excluding front end load and taxes.

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# AWT - Income Fund

## Fund Manager's Review

In the month of January, AWT Income Fund generated an annualized return of 19.91%. At the end of the month, the fund allocated TFCs/ Sukuk & Commercial Paper CP/ Short term Sukuk (STS) approximately 13.82% & 10.19% respectively, while cash in the bank accounted for 26.22% and Govt Securities made up 46.74% of the total assets. Moving forward, the fund would remain vigilant on macroeconomic developments and will devise the investment strategy accordingly.

## Fund Objective

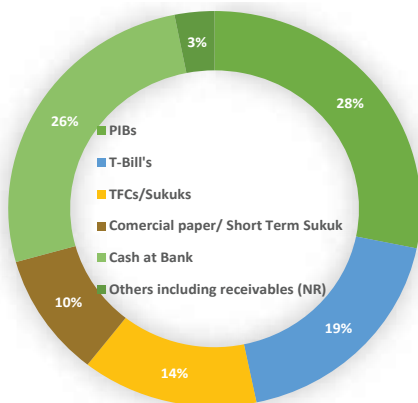
The objective of the fund is to generate competitive returns by investing in short to long term debt instruments and securities.

## Fund Statistics

Net Assets(PKR mn)	1,665
NAV per Unit (PKR)	125.6246
Weighted Average Maturity (Days)	950
Sharpe Ratio*	0.13
Information Ratio	0.10
Standard Deviation	7.17%
Annualized	

Fund Type	Open End
Category	Income Scheme
Fund Stability Rating	A+(f) by PACRA (13th Oct 2023)
Benchmark	Average of 6M KIBOR rates for the period under review.
Management Co. Rating	AM3++ by PACRA (4th August 2023)
Inception Date	9th August 2012
Dealing Days	Daily (days when Banks are open for business)
Cut-off Time	Monday to Friday 09:00 - 16:00
Pricing Mechanism	Forward
*Management Fee Load	1% (Front-end) 0% (Back-end)
Risk Profile	Medium
Risk of Principal @ Erosion	Principal @ Medium Risk
Listing	Pakistan Stock Exchange
Leverage	Nil
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	Yousuf Adil Chartered Accountant
Legal Advisor	Rizwan Faiz Associates
Fund Manager	Wahaj Ahmed

## Portfolio Allocation (as % of total assets) Jan '24



YTD	1.90% p.a. (including 0.14% Govt. Levy and 0.075% SECP Fee)
MTD	1.83% p.a. (including 0.14% Govt. Levy and 0.075% SECP Fee)

## Top TFCs Holding (As of T.A) Jan. '24

Soneri Bank Limited	7.88
Bank Al Habib	5.95

Portfolio Allocation (as % of T.A.)	Jan. '24	Dec. '23
PIBs	28.21%	16.76%
T-Bill's	18.53%	23.09%
TFCs/Sukuks	13.82%	13.54%
Commercial paper/ Short Term Sukuk	10.10%	9.89%
Cash at Bank	26.22%	34.38%
Others including receivables (NR)	3.12%	2.34%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

	AWT-IF*	AWT-IF**	Benchmark**
Jan-24	19.91%	21.82%	20.98%
FYTD	23.73%	24.87%	22.31%
CYTD	19.91%	21.82%	20.98%
12M Trailing	22.64%	22.64%	21.90%
Since Inception	20.80%	11.21%	10.15%
Last 10 Yrs	20.08%	11.64%	10.26%
Last 5 Yrs	18.27%	13.86%	13.34%
Last 3 Yrs	16.80%	14.57%	15.15%

\*Simple Annualized \*\*Average of reporting period

\*\*Morning Star n.a = not applicable

Fund returns are calculated NAV with dividends reinvested (excluding sales load).

\*Performance data does not include the cost incurred directly by investor in the form of sales load

Credit Quality of Portfolio (as % of T.A.)	Jan. '24	Dec. '23
AAA (Government Securities)	47.33%	39.86%
AAA	6.51%	6.34%
AA+	10.13%	10.12%
AA	0.00%	9.87%
AA-	7.88%	7.71%
A+	25.03%	23.75%
A	0.00%	0.00%
A-	0.00%	0.01%
BBB-	0.00%	0.00%
Other including recievables (NR)	3.12%	2.34%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Period	FY19	FY20	FY21	FY22	FY23
Performance	9.31%	17.97%	6.73%	9.21%	16.96%
Benchmark	10.21%	12.22%	7.43%	10.81%	18.33%

Months	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Performance	14.74%	16.90%	19.67%	19.92%	18.34%	24.23%	21.15%	21.81%	24.85%	23.58%	21.42%	19.91%
Benchmark	18.73%	21.20%	22.09%	22.08%	22.24%	23.03%	23.07%	23.55%	22.48%	21.54%	21.53%	20.98%

Name of Non Compliant Investment	Type of Investment	Value of Investment Before Provisioning	Provisioning held (If any)	Value of Investment After Provisioning	Limit	% of Gross Asset	% of Net Asset
Hascol	Sukuk	4,750,000	4,750,000	-	10%	0.00%	0.00%
K-Electric	Short Term Sukuk	173,000,000	-	173,000,000	10%	10.10%	10.39%

## Investment Committee Members

Sajjad Anwar, (CFA)	Chief Executive Officer
Salman Shafiq	Chief Financial Officer
Wahaj Ahmed	Head Fixed Income
Mian Muhammad Saadat Saeed, (CFA)	Head of Risk (Till 29th Jan)
Farrukh Yasin (CFA)	S.Manager Risk (From 30th Jan)

## Selling & Mktg. Exp.

Rs. In Million	0.72
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Disclaimer: The AWT IF scheme holds certain non-compliant investments. Before making any investment decision, investors should review this document and latest Financial Statements.\*

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# AWT - Islamic Income Fund

## Fund Objective

The investment objective of the fund is to generate competitive risk adjusted returns by investing in short, medium and long-term Shariah Compliant Fixed Income Instruments.

## Fund Statistics

Net Assets(PKR mn)	9,085
NAV per Unit (PKR)	105.6970
Weighted Average Maturity (days)	146
Sharpe Ratio*	4.14
Information Ratio	96.29
Standard Deviation	0.14%
Annualized	

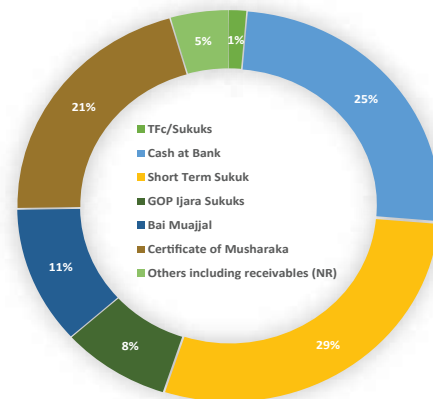
## Fund Manager's Review

In the month of January, the AWT Islamic Income Fund achieved an annualized return of 20.54%, surpassing its benchmark return of 11.10%. As of the end of the month, the fund allocated approximately 1.34% to Corporate Sukuks, 28.66% to Short-term Sukuk (STS), and 8.35% to GOP Ijarah Sukuk. Cash reserves in the bank accounted for 25.00% of the total assets, while Certificate of Musharka (COM) & Bai Muajjal represented 20.81% & 11.40% respectively. Looking ahead, the fund aims to generate competitive returns by investing in Shariah-compliant debt securities and bank deposits with low risk and high liquidity.

## FUND DETAILS

Fund Type	Open End
Category	Islamic Income Scheme
Fund Stability Rating	A+(f) by PACRA (13th Oct 2023)
Benchmark	6 month average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.*
Management Co. Rating	AM3++ by PACRA (4th August 2023)
Inception Date	4th March 2014
Dealing Days	Daily (days when Banks are open for business)
Cut-off Time	Monday to Friday 09:00 - 16:00
Pricing Mechanism	Forward
Management Fee	0.45%
Load	2% (Front-end) 0% (Back-end)
Risk Profile	Moderate
Risk of Principal @ Erosion	Principal @ Moderate Risk
Listing	Pakistan Stock Exchange
Leverage	Nil
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	Yousuf Adil
Legal Advisor	Chartered Accountant Rizwan Faiz Associates
Fund Manager	Wahaj Ahmed

Portfolio Allocation (as % of total assets) Jan. '24



## Total Expense Ratio

YTD	0.85% p.a. (including 0.09% Govt. Levy and 0.075% SECP Fee)
MTD	0.77% p.a. (including 0.08% Govt. Levy and 0.075% SECP Fee)

## Top TFCs Holding (As of T.A) Jan. '24

Meezan Bank Sukuk II	0.44
Mughal Steel	0.90

Portfolio Allocation (as % of T.A.)	Jan. '23	Dec. '23
TFC/Sukuks	1.34%	0.99%
Cash at Bank	25.00%	25.87%
Short Term Sukuk	28.66%	31.66%
GOP Ijarah Sukuks	8.35%	5.84%
Bai Muajjal	11.40%	12.59%
Certificate of Musharaka	20.81%	19.67%
Others including receivables (NR)	4.44%	3.37%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Fund Performance AWT - IIF

	AWT-IIF*	AWT-IIF**	Benchmark***
Jan-24	20.54%	22.59%	11.10%
FYTD	22.21%	23.21%	9.39%
CYTD	20.54%	22.59%	11.10%
12M Trailing	22.15%	22.15%	8.30%
Since Inception	11.72%	8.08%	4.71%
Last 5 Yrs	13.79%	11.06%	5.33%
Last 3 Yrs	15.52%	13.59%	5.41%

\*Simple Annualized

\*\*Average of reporting period

\*\*Morning Star

n.a = not applicable

Fund returns are calculated NAV with dividends reinvested (excluding sales load), etc.\*

\*Performance data does not include the cost incurred directly by investor in the form of sales load

Credit Quality of Portfolio (as % of T.A.)	Jan. '24	Dec. '23
AAA (Government Securities)	8.35%	5.84%
AAA	8.22%	8.61%
AA+	23.79%	22.73%
AA	14.15%	15.66%
AA-	33.76%	38.23%
A+	7.29%	5.55%
A	0.00%	0.00%
A-	0.00%	0.00%
Other including recievables (NR)	4.44%	3.37%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Period	FY19	FY20	FY21	FY22	FY23
Performance	7.24%	7.77%	5.48%	8.46%	17.06%
Benchmark	3.58%	6.33%	3.56%	3.34%	6.05%

Months	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Performance	15.13%	18.45%	19.87%	19.92%	20.98%	20.63%	21.11%	21.22%	21.24%	21.34%	21.31%	20.54%
Benchmark	6.84%	6.67%	6.60%	6.50%	7.08%	7.14%	7.80%	7.87%	10.17%	10.58%	11.03%	11.10%

## Investment Committee Members

Sajjad Anwar, (CFA)	Chief Executive Officer
Salman Shafiq	Chief Financial Officer
Wahaj Ahmed	Head Fixed Income
Mian Muhammad	Head of Risk (Till 29th Jan)
Saadat Saeed, (CFA)	
Farrukh Yasin (CFA)	S.Manager Risk (From 30th Jan)

Note: The performance is net of expenses and based on dividend reinvestment, excluding front end load and taxes.

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# AWT - Stock Fund

## Fund Manager's Review

During the period under review, Stock fund closely tracked the benchmark, recorded a negative return of -0.48% compared to a negative -0.76% return of the benchmark, thus outperformed slightly. SF invested funds maintained at 95.37% of its assets. In Jan'24 allocation was raised in commercial banks, E&Ps sectors, while reduced in cements. During the month, OGDC, ENGRO, and MARI are the top positive contributors, while LUCK, KOHC, and FFBL was contributed negatively to the fund return. Going forward, the fund would remain attentive on macroeconomic and political developments and will develop the investment strategy accordingly.

## Fund Objective

The objective of AWT SF is to achieve long term capital growth by investing mainly in listed equity securities.

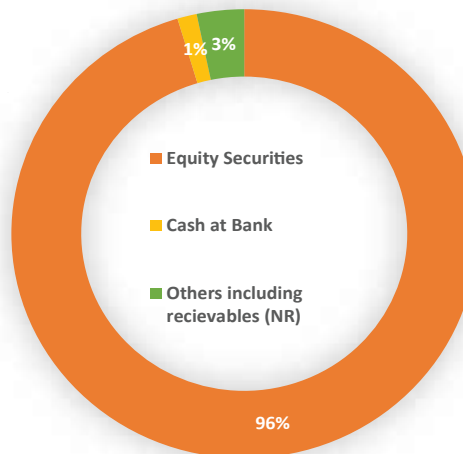
## Fund Statistics

Net Assets(PKR mn)	132
NAV per Unit (PKR)	128.4469
Sharpe Ratio*	1.77
Standard Deviation*	18.00%
Treynor Ratio	0.29
Beta	1.10
R - Square**	0.96
Value at Risk	1.82%

3MPKRVyield used as Risk-Free rate  
\*Annualized  
\*\* R-Square measures the correlation between the benchmark and the fund

Fund Type	Open End
Category	Equity Scheme
Benchmark	KSE 100 Index
Management Co. Rating	AM3++ by PACRA (4th August 2023)
Inception Date	13th March 2015
Dealing Days	Daily (days when Stock Exchange are open for business)
Cut-off Time	Monday to Thursday 09:00 - 15:00 Friday 09:00 - 16:00
Pricing Mechanism	Forward
Management Fee	2% p.a.
Load	2% (Front-end) 0% (Back-end)
Risk Profile	High
Risk of Principal @ Erosion	Principal @ High Risk
Listing	Pakistan Stock Exchange
Trustee	Central Depository Company of Pakistan Ltd.
Leverage	Nil
Auditor	Yousuf Adil Chartered Accountant
Legal Advisor	Rizwan Faiz Associates
Fund Manager	Syed Noman Ahmed

Portfolio Allocation (as % of total assets) Jan '24



Portfolio Allocation (as % of T.A.)	Jan'24	Dec'23
Equity Securities	95.37%	95.66%
Cash at Bank	1.35%	0.97%
Others including receivables (NR)	3.28%	3.37%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

	AWT-SF	Benchmark
Jan-24	-0.48%	-0.76%
FYTD	47.84%	49.52%
CYTD	-0.48%	-0.76%
12M Trailing	53.42%	52.38%
Since Inception (annualized)	3.86%	7.50%
Last 5 Yrs (annualized)	6.18%	8.72%
Last 3 Yrs (annualized)	6.93%	10.14%

Fund returns are calculated NAV with dividends reinvested (excluding sales load).  
\*Performance data does not include the cost incurred directly by investor in the form of sales load etc.\*

## Total Expense Ratio

YTD	4.03% p.a. (including 0.29% Govt. Levy and 0.095% SECP Fee)
MTD	3.80% p.a. (including 0.30% Govt. Levy and 0.095% SECP Fee)

Sector Allocation (as % of T.A.)	Jan'24	Dec'23
COMMERCIAL BANKS	21.03%	19.51%
OIL & GAS EXPLORATION COMPANIES	18.77%	17.69%
CEMENT	13.58%	14.36%
FERTILIZER	11.87%	11.92%
OIL & GAS MARKETING COMPANIES	6.74%	7.03%
OTHERS	23.38%	25.15%
<b>Total</b>	<b>95.37%</b>	<b>95.66%</b>

Top 10 Equity Holdings (as % of T.A.)	Symbol	Jan'24
Pakistan Petroleum Limited	PPL	6.77%
Oil & Gas Development Company Limited	OGDC	6.47%
Meezan Bank Limited	MEBL	5.41%
MCB Bank Limited	MCB	5.11%
Hub Power Company Limited	HUBC	5.03%
Engro Corporation Limited	ENGRO	4.92%
Lucky Cement Limited	LUCK	4.77%
United Bank Limited	UBL	4.68%
Mari Petroleum Company Limited	MARI	4.24%
Fauji Fertilizers Company Limited	FFC	3.48%

Period	FY19	FY20	FY21	FY22	FY23
<b>Performance</b>	-24.02%	1.52%	34.17%	-21.13%	2.79%
<b>Benchmark</b>	-19.11%	1.53%	37.58%	-12.28%	-0.21%

Months	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
<b>Performance</b>	-0.40%	1.39%	3.50%	-0.39%	0.61%	16.25%	-8.00%	2.94%	12.26%	16.42%	3.25%	-0.48%
<b>Benchmark</b>	-0.40%	-1.26%	3.95%	-0.60%	0.30%	15.88%	-6.31%	2.73%	12.30%	16.59%	3.17%	-0.76%

## Investment Committee Members

Sajjad Anwar, (CFA)	Chief Executive Officer
Syed Noman Ahmed	Head of Equity
Mian Muhammad	Head of Risk (Till 29th Jan)
Saadat Saeed, (CFA)	
Farrukh Yasin (CFA)	S.Manager Risk (From 30th Jan)
Salman Shafiq	Chief Financial Officer

## Selling & Mktg. Exp.

Rs. In Million	0.05
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Note: The performance is net of expenses and based on dividend reinvestment, excluding front end load and taxes.

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## AWT - Islamic Stock Fund

### Fund Manager's Review

During the period, Islamic stock fund posted a negative return -1.72% as compared to a -0.97% return of the KMI-30 index, thus underperformed the benchmark. ISF invested funds stood at 91.89% of its assets. In Jan'24 allocation was raised in E&Ps, while reduced in cements sector. During the month, OGDC, MARI, and EFERT are the top positive contributors, while LUCK, SNGP, and CHCC was contributed negatively to the fund return. Going forward, the fund would remain attentive on macroeconomic and political developments and will develop the investment strategy accordingly.

### Fund Objective

The objective of AWT-ISF is to achieve long term capital growth by investing mainly in Shariah Compliant listed equity securities.

### Fund Statistics

Net Assets(PKR mn)	128
NAV per Unit (PKR)	116.6551
Sharpe Ratio*	1.27
Standard Deviation*	19.16%
Treynor Ratio	0.249
Beta	0.98
R - Square**	0.88
Value at Risk	1.95%

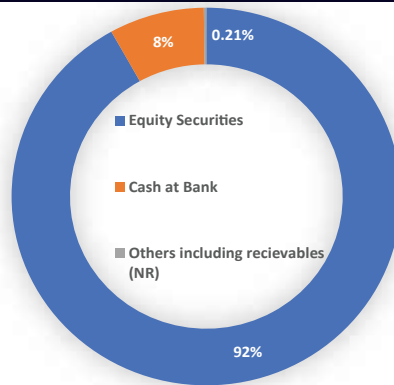
3MPKRYield used as Risk-Free rate

\*Annualized

\*\* R-Square measures the correlation between the benchmark and the fund

Fund Type	Open End
Category	Islamic Equity Scheme
Benchmark	KMI - 30 Index
Management Co. Rating	AM3++ by PACRA (4th August 2023)
Inception Date	4th March 2014
Dealing Days	Daily (days when Stock Exchange are open for business)
Cut-off Time	Monday to Thursday 09:00 - 15:00 Friday 09:00 - 16:00
Pricing Mechanism	Forward
Management Fee	2% p.a.
Load	2% (Front-end) 0% (Back-end)
Risk Profile	High
Risk of Principal @ Erosion	Principal @ High Risk
Listing	Pakistan Stock Exchange
Leverage	Nil
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	Yousuf Adil Chartered Accountant
Legal Advisor	Rizwan Faiz Associates
Fund Manager	Syed Noman Ahmed

Portfolio Allocation (as % of total assets) Jan '24



### Total Expense Ratio

YTD	4.78% p.a. (including 0.39% Govt. Levy and 0.095% SECP Fee)
MTD	4.77% p.a. (including 0.41% Govt. Levy and 0.095% SECP Fee)

Sector Allocation (as % of T.A.)	Jan'24	Dec'23
OIL & GAS EXPLORATION COMPANIES	23.13%	20.82%
CEMENT	17.30%	19.13%
FERTILIZER	10.20%	10.74%
OIL & GAS MARKETING COMPANIES	8.04%	7.93%
POWER GEN & DISTRIBUTION	5.93%	6.23%
OTHERS	27.29%	28.10%
<b>Total</b>	<b>91.89%</b>	<b>92.95%</b>

Portfolio Allocation (as % of T.A.)	Jan'24	Dec'23
Equity Securities	91.89%	92.95%
Cash at Bank	7.90%	7.07%
Others including receivables (NR)	0.21%	-0.02%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### Fund Performance AWT - ISF

	AWT-ISF	Benchmark
Jan-24	-1.72%	-0.97%
FYTD	45.16%	46.59%
CYTD	-1.72%	-0.97%
12M Trailing	45.89%	49.36%
Since Inception (annualized)	3.64%	9.26%
Last 5 Yrs (annualized)	4.54%	8.72%
Last 3 Yrs (annualized)	1.54%	11.80%

Fund returns are calculated NAV with dividends reinvested (excluding sales load), etc.\*

\*Performance data does not include the cost incurred directly by investor in the form of sales load

Top 10 Equity Holdings (as % of T.A.)	Symbol	Jan'24
Oil & Gas Development Company Limited	OGDC	8.72%
Pakistan Petroleum Limited	PPL	8.68%
Meezan Bank Limited	MEBL	6.78%
Hub Power Company Limited	HUBC	5.93%
Mari Petroleum Company Limited	MARI	5.73%
Lucky Cement Limited	LUCK	4.40%
Engro Corporation Limited	ENGRO	4.37%
Engro Fertilizers Limited	EFERT	3.77%
Systems Limited	SYS	3.66%
Maple Leaf Cement Factory Limited	MLCF	3.60%

Period	FY19	FY20	FY21	FY22	FY23
<b>Performance</b>	-25.20%	0.44%	35.47%	-24.59%	-0.67%
<b>Benchmark</b>	-23.84%	1.62%	39.32%	-10.25%	2.88%

Months	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
<b>Performance</b>	-1.43%	0.73%	3.19%	-1.01%	-0.90%	14.22%	-8.54%	3.34%	12.72%	15.93%	4.71%	-1.72%
<b>BM</b>	-0.97%	0.84%	4.35%	-1.40%	-0.83%	13.60%	-6.72%	3.60%	13.59%	15.27%	2.98%	-0.97%

Name of Non Compliant	Type of Investment	Value of Investment Before Provisioning	Provisioning held (If any)	Value of Investment After Provisioning	Limit	% of Gross Asset	% of Net Asset
DAWH	Equity	1,470,729	0	1,470,729		1.11%	1.15%

### Investment Committee Members

Sajjad Anwar, (CFA)	Chief Executive Officer
Syed Noman Ahmed	Head of Equity
Mian Muhammad Saadat Saeed, (CFA)	Head of Risk (Till 29th Jan)
Farrukh Yasin (CFA)	S.Manager Risk (From 30th Jan)
Salman Shafiq	Chief Financial Officer

### Selling & Mktg. Exp.

Rs. In Million	0.06
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## Key Economic Indicators

Economic Indicators		Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
<b>External Indicators</b>													
Overall Balance of Payments	USD million	(932)	(636)	(385)	745	(1,112)	(2,481)	271	(29)	(172)	(540)		
Current Account Balance	USD million	(36)	750	78	220	504	(775)	(164)	(46)	(184)	9		
Exports	USD million	2,210	2,438	2,101	2,603	2,119	2,120	2,425	2,470	2,464	2,732		
Imports	USD million	3,933	3,991	3,677	3,769	3,177	4,200	4,275	3,970	4,378	4,458		
Worker's Remittances	USD million	1,988	2,537	2,198	2,103	2,187	2,029	2,095	2,208	2,463	2,250		
Foreign Direct Investment	USD million	38	163	122	150	114	87	142	173	122	131		
Foreign Portfolio Investment	USD million	-	(2)	(8)	15	19	22	4	(17)	2	27		
Forex Reserves	USD billion	3.9	4.2	4.5	4.1	4.5	8.2	7.8	7.4	7.2	7.0	8.2	8.2
<b>Exchange Rate against PKR</b>													
USD	Month end	261.50	283.79	283.84	285.46	285.99	286.64	305.54	287.73	281.47	285.17	281.86	279.50
<b>Inflation Indicators</b>													
General CPI	YoY change	31.54%	35.40%	36.40%	37.97%	29.40%	28.30%	27.40%	31.41%	26.70%	29.20%	29.70%	28.30%
Food CPI	YoY change	45.07%	47.15%	48.07%	48.65%	39.49%	39.52%	38.51%	33.11%	26.82%	27.95%	27.50%	24.96%
Core (NFNE) Urban	YoY change	17.10%	18.60%	19.50%	20.00%	18.50%	18.40%	18.40%	18.60%	18.50%	18.60%	18.20%	17.80%
Core (Trimmed) Urban	YoY change	25.10%	28.70%	24.90%	30.50%	22.90%	21.70%	23.00%	25.00%	24.60%	22.90%	23.30%	22.10%
<b>Interest Rates</b>													
SBP Policy Rate	Current	20.00%	20.00%	21.00%	21.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%
6 Month KIBOR	Month end	20.06%	22.07%	22.06%	22.18%	22.97%	23.22%	23.21%	22.95%	22.00%	21.47%	21.49%	20.97%
12 Month KIBOR	Month end	20.40%	22.38%	22.30%	22.42%	23.27%	23.49%	23.49%	23.29%	22.26%	21.66%	21.71%	21.19%
3 Month T-Bill Yield	Month end	19.53%	21.41%	21.90%	21.70%	22.65%	22.95%	22.23%	22.46%	21.65%	21.33%	21.28%	20.70%
6 Month T-Bill Yield	Month end	19.82%	21.10%	21.80%	21.92%	22.87%	22.99%	23.20%	22.81%	21.70%	21.33%	21.37%	21.00%
12 Month T-Bill Yield	Month end	19.93%	21.18%	21.76%	21.95%	22.93%	23.02%	23.23%	22.90%	21.76%	21.30%	21.32%	20.84%
10 Year PIB Yield	Month end	15.46%	14.98%	15.09%	15.10%	15.32%	15.96%	16.31%	16.12%	15.15%	14.97%	14.91%	14.17%

n.a.=Not Available

Source: SBP, PBS, MUFAP



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## SYMBOL OF TRUST

### AWT INVESTMENTS LTD

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