adamjeefamily
Takaful

FUND MANAGERS' REPORT

Performance Tracker

FEBRUARY- 2021

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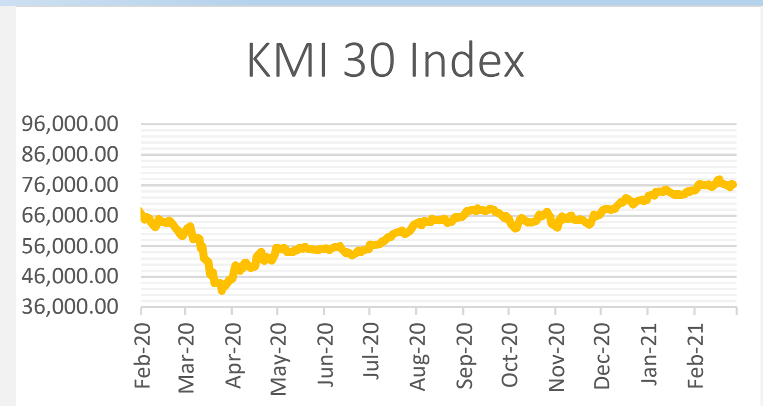
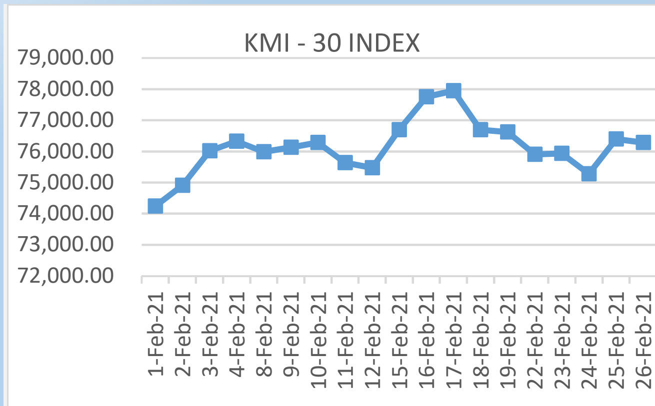
Equity Market Analysis

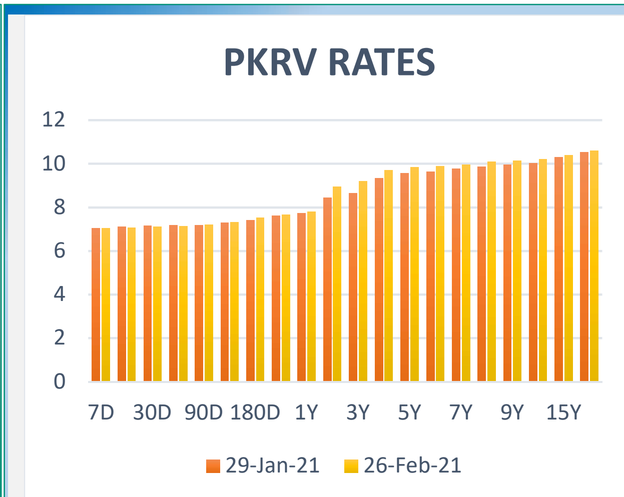
After showing strong positive momentum during the last few months, the stock market finally dived into negative territory posting a loss of -1.1% in February, with the benchmark KSE-100 Index losing 520 points to close the month at 45,865 points. Although Pakistan emerged as the 2nd best performing market in the region in Jan’21, market performance could not display the same riveting momentum and remained dull during Feb’21 as the latter half of the month saw investors indulging in profit taking while FATF related uncertainty also kept investors’ sentiments sideways. Steel and General Industries were major laggards generating negative returns of 11.2%/10.8% respectively. On the flip side Cements along with Refineries were the major gainers as they increased by ~13.7% and ~12.3% respectively during the month. Cement sector gained on the back of an exceptional result season. From capital market perspective, particularly equities, we are getting a much clearer picture now. As growth momentum continues, the valuations are catching up with historical norms. Barring any external shock, we think equities have potential to provide decent returns to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 1.9%, compared to historical average of 1.0% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.





Money Market Analysis

State Bank of Pakistan conducted Treasury bill auction on February 24th, 2021. The auction had a total maturity of PKR 810 billion against a target of PKR 850 billion. Auction witnessed a total participation of PKR 1,057 billion. Out of total participation bids worth PKR 252 billion were received in 3 months’ tenor, PKR 737 billion in 6 months, and PKR 67 million in 12 months’ tenor. SBP accepted total bids worth PKR 768 billion in a breakup of PKR 259 billion and PKR 509 billion at a cut-off yield of 7.2486% and 7.5498% in 3 months and 6 months tenor respectively. However, bids for 12months tenor were rejected. Auction for fixed coupon PIB bonds was held on Feb 03rd, 2021 with a total target of PKR 100 billion. Total participation of PKR 229 billion was witnessed in this auction out of which 3, 5, 10 & 20-year tenor received bids worth PKR 19.9 billion, PKR 148 billion, PKR 87 billion & PKR 1.5 billion respectively. State bank of Pakistan accepted PKR 11.2 billion in 3 years, PKR 22 billion in 05 years, PKR 27 billion in 10 years, and 1.5 billion in 20 years at a Cut-off rate of 8.9934%, 9.5890%, 10.05%, and 10.58% respectively. Bids for 15 years tenor were rejected. Going forward CPI numbers will play a pivotal role in determining interest rate direction as we expect the lagged impact of hike in tariff along with rising crude oil prices will keep inflation in check over the medium term.



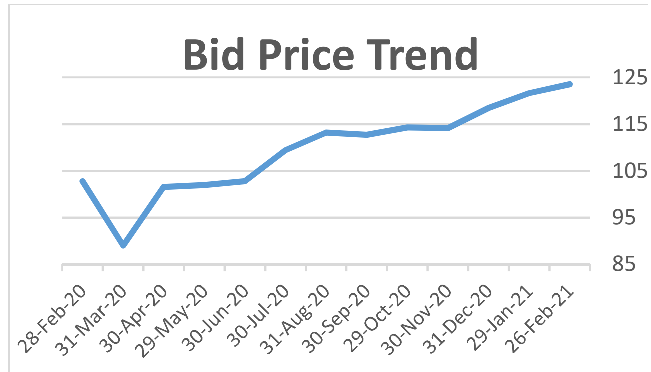
MAZ'AF FUND (TAKAFUL)

Fund Objective:

A moderate to high-risk profile fund that generates higher returns over the long run in shariah compliant equities and Islamic mutual fund.

Fund Information:

Fund Name	Maza'af Fund
Fund Size	PKR 2.5 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(26 Feb 2021)**	PKR 123.5345
Fund Type	Balanced Fund
Management Fees	1.75% p.a.
Pricing Mechanism	Forward
Risk Profile	Medium to High
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	40% [six (6) month PKRV rate (T-Bill rate)] + 50% [KMI-30 Index Return] + 10% [minimum deposit rates on banks]

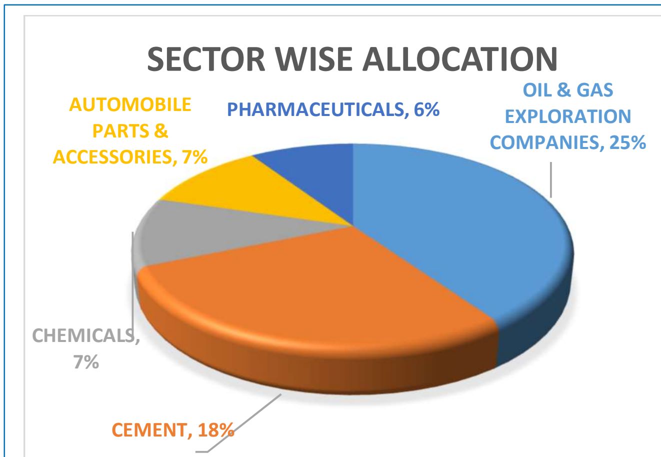


Asset Mix

Assets	February 2021	January 2021
Bank Balances	8.50%	6.81%
Term Deposits	13.75%	13.72%
Equities	25.38%	26.12%
Mutual Funds	39.20%	38.20%
Fixed Income Securities	6.43%	6.45%
GOP IJARA	6.91%	6.87%
Other Assets	-0.17%	1.83%

Fund Returns:

	Absolute
Month to Date (MTD)	1.57%
180 Days Return	9.10%
CYTD	4.26%
Since Inception (Absolute)	23.53%
Since Inception (Annualized)	5.10%



Managers' Comments:

During the month of February 2021, the NAV per unit has been increased by PKR 1.9062 (1.57%) from January.

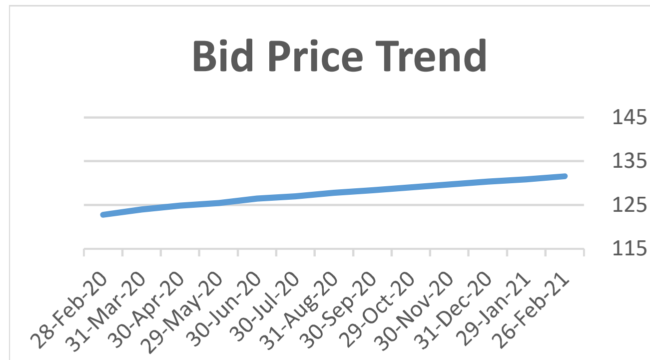
TAMEEN FUND (TAKAFUL)

Fund Objective:

A low to moderate risk profile fund that generates stable and secure returns by balancing the investment in long-term money market investments including term deposit in Islamic Banks and Sukuk Bonds.

Fund Information:

Fund Name	Tameen Fund
Fund Size	PKR 2 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(26 Feb 2021)**	PKR 131.5543
Fund Type	Fixed Income Fund
Management Fees	1.75% p.a.
Pricing Mechanism	Forward
Risk Profile	Low to Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	90% [six (6) month PKRV rate (T-Bill rate)] + 10% [minimum deposit rates on banks]

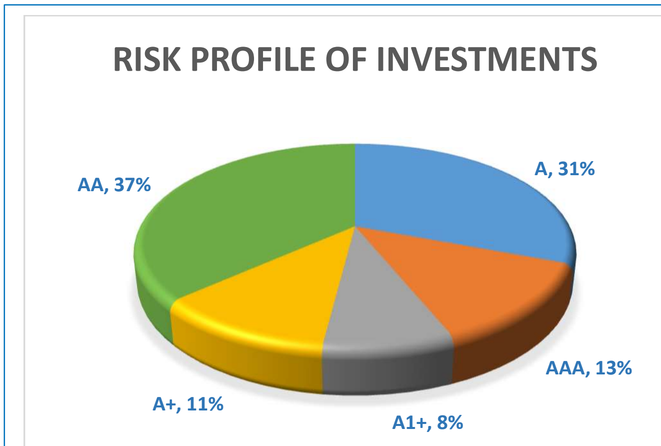


Asset Mix

Assets	February 2021	January 2021
Bank Balances	6.05%	4.99%
Term Deposits	72.96%	71.35%
Mutual Funds	14.38%	15.24%
Fixed Income Securities	1.58%	1.68%
GOP IJARA	2.63%	2.78%
Real Estate	0%	0%
Other Assets	2.40%	3.96%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.51%	6.62%
180 Days Return	2.98%	6.08%
CYTD	0.93%	5.98%
Since Inception	31.55%	6.84%



Managers' Comments:

During the month of February 2021, the NAV per unit has been Increased by PKR 0.6652 (0.51%) from January.

TOP EQUITY HOLDING

MAZAAF

TOP TEN HOLDINGS

LUCK
MARI
OGDC
HUBC
PPL
POL
INDUS
ILP
ENGRO
EPCL