
**OCTOBER -2019**

# Fund Managers' Report

# Performance Tracker


**Adamjee Life Assurance Co. Ltd - Window Takaful Operation**
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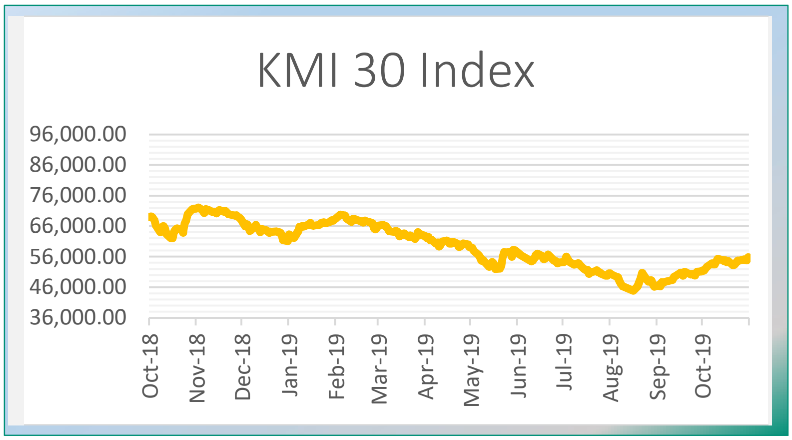
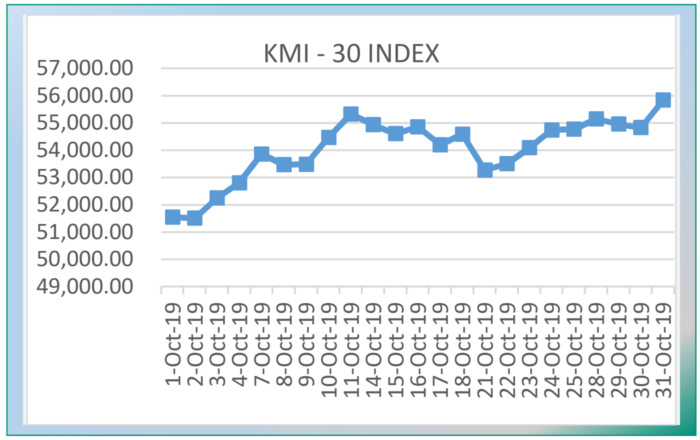
# Equity Market Analysis

KSE-100 Index generated a positive return of ~6.62% in the month of 0ctober closing at 34,203 points at the month end. Individuals were the major buyers during this month buying shares worth USD 12.93 mn, most of which were liquidated by foreign corporates who sold USD 23.13 mn worth of equities. During the month, volumes and values averaged around 185.32 mn shares/ PKR 5.9 bn depicting an increase of 66%/32% respectively. Political instability in terms of planned sit-in by JUI didn't deter the investors. While giving a four-month lifeline, the Financial Action Task Force strongly urged Pakistan to swiftly complete its full action plan by February 2020 and until then the country has to remain on the 'grey list'. This also provided some respite to the investors.

Going forward, stocks offer long term investment opportunity with rewards for patient investors. We continue to track trends in the economic indicators of the country and adjust our portfolio accordingly. Our Top-Down analysis favors sectors that benefit from currency depreciation and higher interest rates; however, we cannot ignore the individual company dynamics along with their prices that can play an important role in security selection.

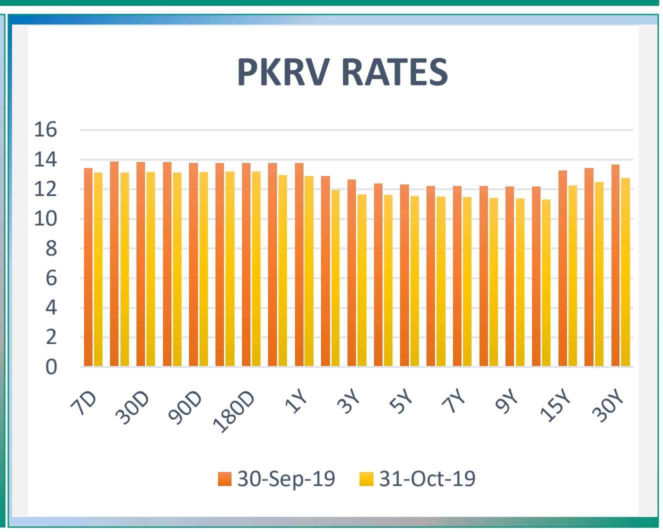



# Money Market Analysis

State Bank of Pakistan conducted Treasury bill auction on October 23, 2019. The auction had a maturity of PKR 822 billion against a target of PKR 600 billion. Auction witnessed a total participation of PKR 1,825 billion. Out of total participation bids worth PKR 843 billion were received in 3 months' tenor, PKR 252 billion in 6 months' tenor and PKR 730 billion in 12 months' tenor. SBP accepted total bids worth PKR 493 billion out of which PKR 135 billion were accepted in 3months, PKR 171 billion in 6 months and PKR 186 billion in 12months at a cut-off yield of 13.2981%, 13.2999% and 12.79% respectively.

Coming months are quite critical as SBP believes that a turnaround in negative sentiment would help address low economic growth. With the government exploring various options to manage its Fiscal account, an actual materialization of explored plans and expected result of Inflation shall be critical in setting the economic direction.



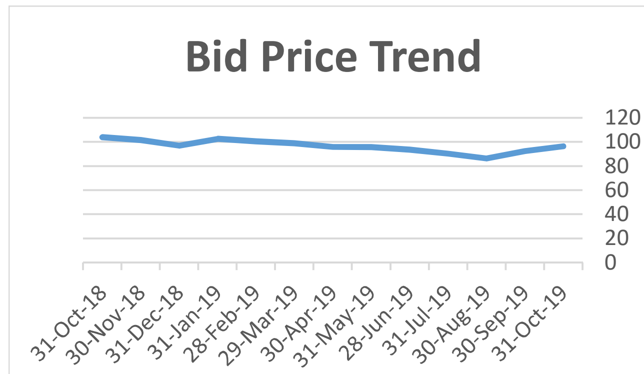
# MAZ'AF FUND (TAKAFUL)

## 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 1.6 Billion |
| Launch Date | July 26, 2016 |
| Bid Price **(Inception)** | PKR 100 |
| Bid Price **(31 Oct 2019)** | PKR 96.3292 |
| 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] |

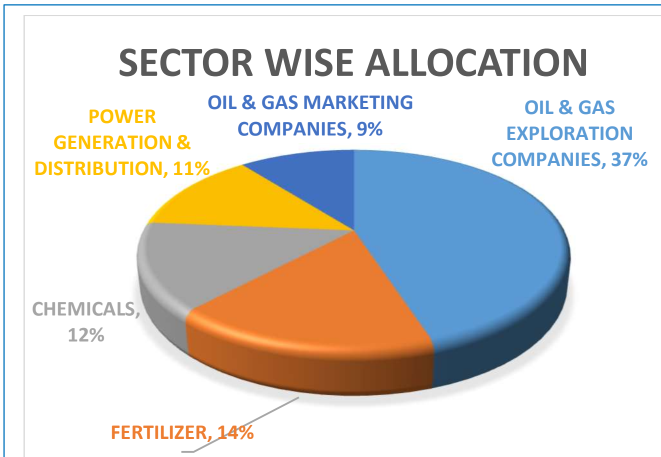



## Asset Mix

| Assets | October 2019 | September 2019 |
|---|---|---|
| Bank Balances | 3.53% | 4.10% |
| Term Deposits | 24.74% | 26.41% |
| Equities | 36.02% | 35.25% |
| Mutual Funds | 23.00% | 21.12% |
| Fixed Income Securities | 10.28% | 10.34% |
| Government Securities | 0% | 0% |
| Other Assets | 2.43% | 2.78% |

## Fund Returns:

| | Absolute | Annualized |
|---|---|---|
| Month to Date (MTD) | 4.20% | 49.46% |
| 180 Days Return | 0.54% | 1.07% |
| CYTD | -0.73% | -0.88% |
| Since Inception | -3.67% | -1.12% |




## Managers' Comments:

During the month of October 2019, the NAV per unit has been Increased by PKR 3.8835 (4.20%) from September.

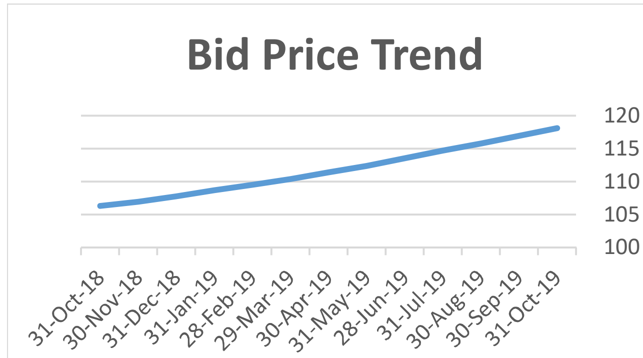
# TAMEEN FUND (TAKAFUL)

## 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.

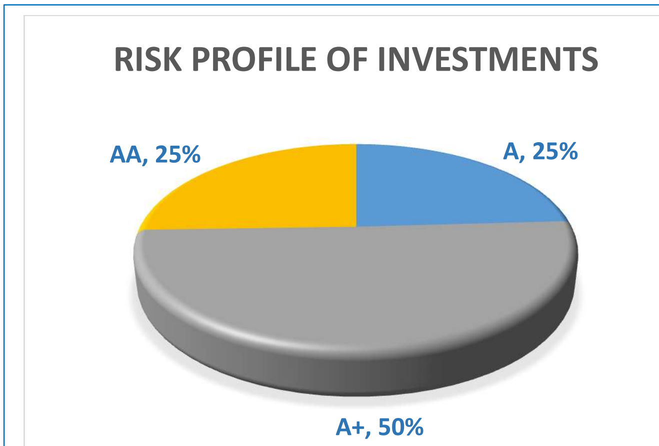
## Fund Information:

| | |
|---|---|
| Fund Name | Tameen Fund |
| Fund Size | PKR 456 Million |
| Launch Date | July 26, 2016 |
| Bid Price **(Inception)** | PKR 100 |
| Bid Price **(31 Oct 2019)** | PKR 118.1506 |
| 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 | October 2019 | September 2019 |
|---|---|---|
| Bank Balances | 13.52% | 6.58% |
| Term Deposits | 77.41% | 78.35% |
| Mutual Funds | 0.00% | 0.00% |
| Fixed Income Securities | 3.75% | 5.13% |
| Government Securities | 0% | 0% |
| Real Estate | 0% | 0% |
| Other Assets | 5.32% | 9.94% |




## Fund Returns:

| | Absolute | Annualized |
|---|---|---|
| Month to Date (MTD) | 1.01% | 11.85% |
| 180 Days Return | 6.04% | 11.99% |
| CYTD | 9.62% | 11.55% |
| Since Inception | 18.15% | 5.53% |

## Managers' Comments:

During the month of October 2019, the NAV per unit has been Increased by PKR 1.1769 (1.01%) from September.

**DISCLAIMER**

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in funds are subject to market risks. The NAV based prices of units and any returns thereon are dependent on forces and factors affecting the financial markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.