SEPTEMBER -2019

Fund Managers' Report

Performance Tracker

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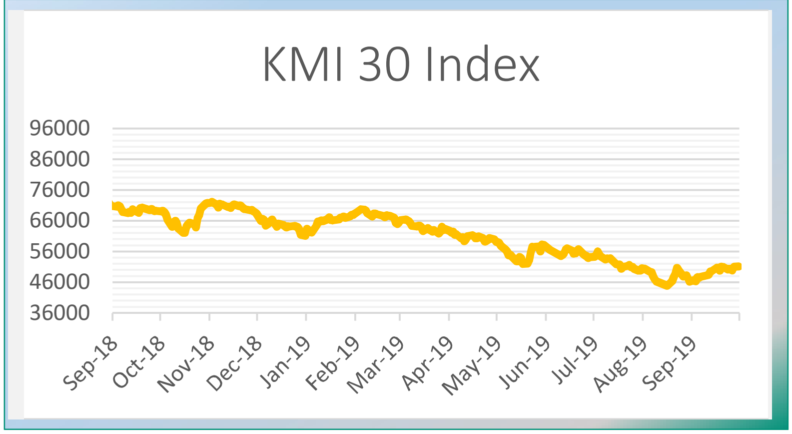
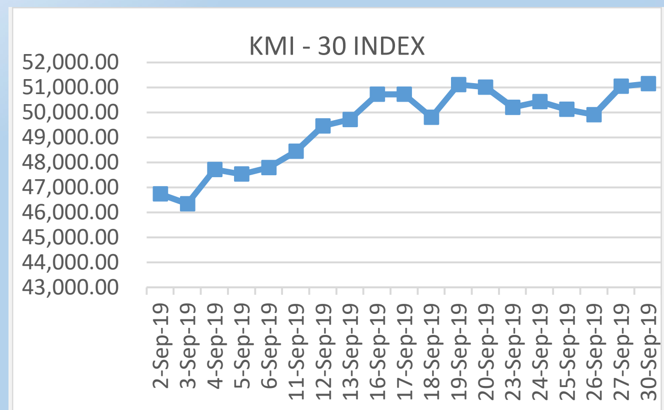
Equity Market Analysis

KSE-100 Index generated a negative return of ~8.1% in the month of September closing at 32,079 points at the month end. E&Ps, OMCs and Pharmaceuticals were the major contributors towards index's increase posting a return of ~18.5%/17.8%/11% respectively. Disruption of oil production at Aramco facility after drone attack caused international oil prices to inch up causing the E&Ps sector to increase. With the finalization of Energy Sukuk-II in process, the liquidity of the power sector and PSO is expected to ease substantially. Thus both OMCs and Power sector outperformed the market. With the addition of new capacities, the country is now experiencing additional supply combined with low demand. This forced companies to cut down their prices thus hurting cement sector earnings. As a result, the sector registered a decline of ~3.26%. Automobile Assemblers and parts remained due to massive decline in sales dragging the index down.

Insurance companies were the major sellers during this month and sold shares worth USD 15.58 Mn, most of which was absorbed by Other Organization/Individuals who bought USD 13.33/6.14 Mn. During the month, volumes and values averaged around 114.5 Mn shares/ PKR 6.30 Bn depicting an increase of 1.5%/1.8%, respectively.

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.

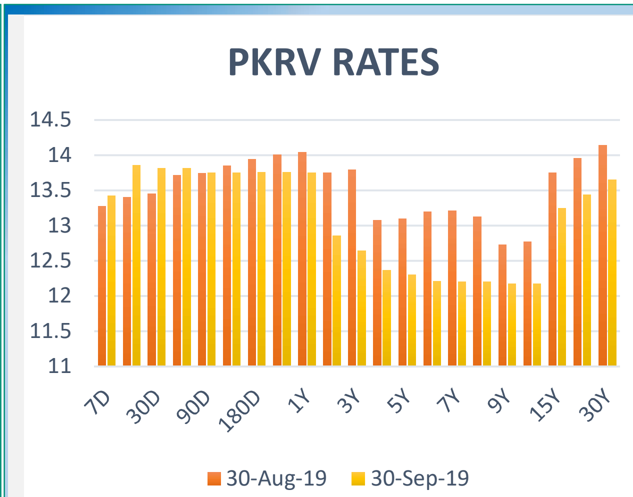




Money Market Analysis

State Bank of Pakistan conducted Treasury bill auction on September 25, 2019. The auction had a total maturity of PKR 114 billion against a target of PKR 1 trillion. Auction witnessed a total participation of PKR 1,044 billion. Out of total participation bids worth PKR 109 billion were received in 3 months' tenor, PKR 66 billion in 6 months and PKR 867 billion in 12 months' tenor. SBP accepted bids worth PKR 104 billion, PKR 18 billion and PKR 355 billion in 3, 6 and 12 months' tenor at a cut-off yield of 13.73%, 13.8390% and 13.8499% respectively.

In its latest monetary policy SBP maintained policy rate at 13.25%, which was in line with the market expectations. SBP mainly took into account that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged since the last MPC meeting on 16th July, 2019. Longer term securities once again remain in limelight which was quite evident from the healthy participation witnessed in the PIB auctions. The demand in long term securities helped in pushing the yields downward.



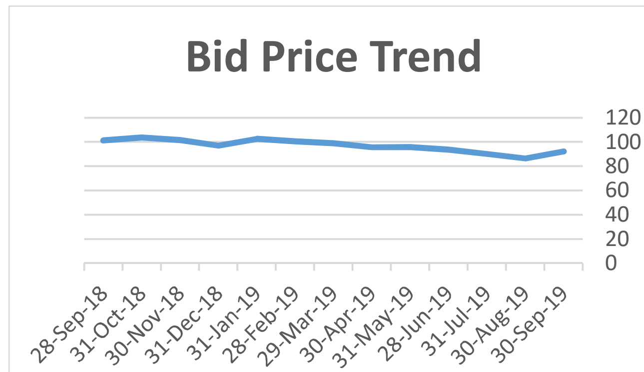
MAZ'AF FUND (TAKAFUL)

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 **(30 Sep 2019)**	PKR 92.4457
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]

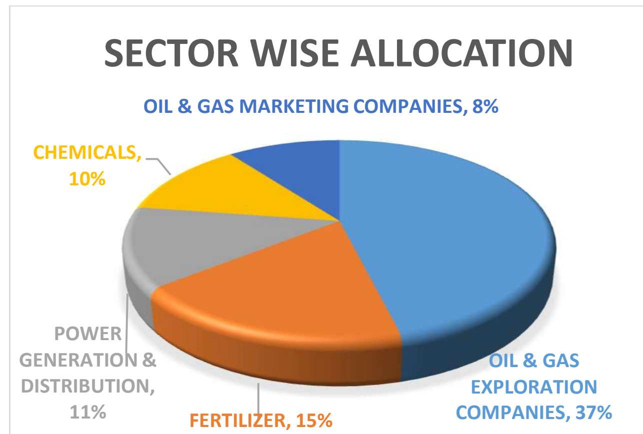


Asset Mix

Assets	September 2019	August 2019
Bank Balances	4.10%	4.99%
Term Deposits	26.41%	26.18%
Equities	35.25%	35.94%
Mutual Funds	21.12%	21.03%
Fixed Income Securities	10.34%	11.05%
Government Securities	0%	0%
Other Assets	2.78%	0.81%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	6.91%	81.40%
180 Days Return	-6.51%	-12.84%
CYTD	-4.74%	-6.33%
Since Inception	-7.55%	-2.36%



Managers' Comments:

During the month of September 2019, the NAV per unit has been Increased by PKR 5.9778 (6.91%) from August.

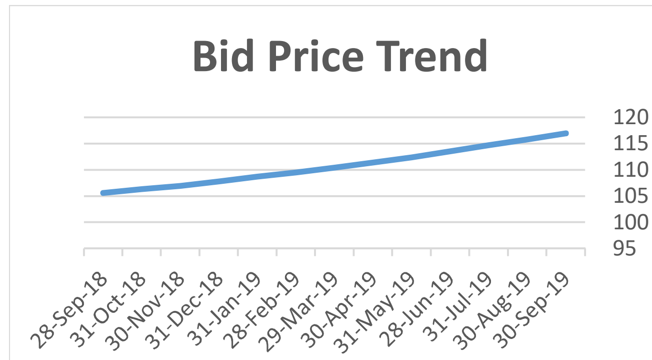
TAMEEN FUND (TAKAFUL)

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 332 Million
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(30 Sep 2019)**	PKR 116.9737
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	September 2019	August 2019
Bank Balances	6.58%	19.40%
Term Deposits	78.35%	66.79%
Mutual Funds	0.00%	0.00%
Fixed Income Securities	5.13%	6.15%
Government Securities	0%	0%
Real Estate	0%	0%
Other Assets	9.94%	7.66%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.02%	11.97%
180 Days Return	5.94%	11.71%
CYTD	8.52%	11.40%
Since Inception	16.97%	5.30%

Managers' Comments:

During the month of September 2019, the NAV per unit has been Increased by PKR 1.1771 (1.02%) from August.

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.