adamjeefamily Takaful

JULY 2019

PERFORMANCE TRACKER

FUND MANAGERS' REPORT

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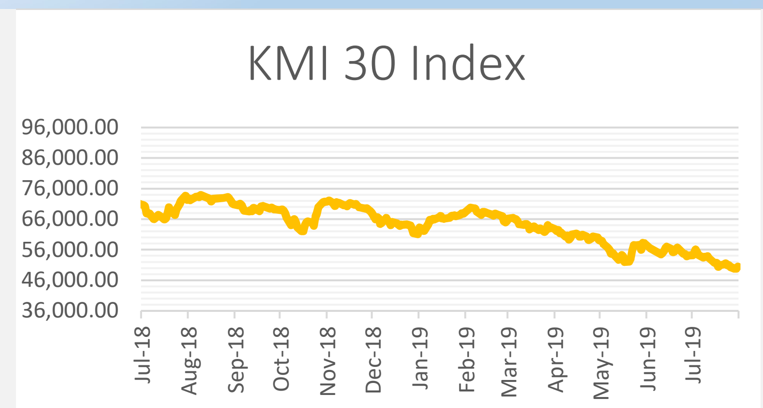
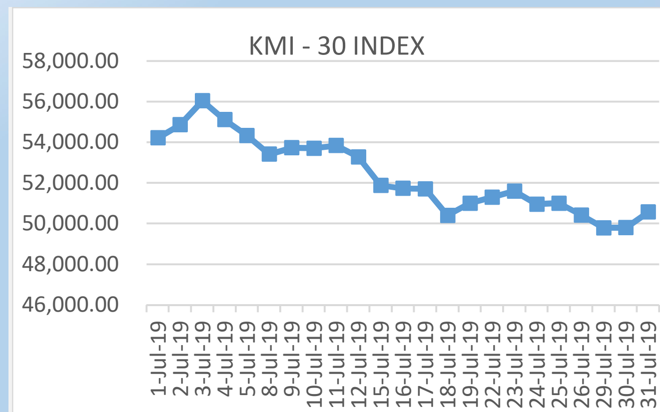
Equity Market Analysis

KSE-100 index continued its descent in the new fiscal year falling by 5.8% during the month. During the month, the benchmark index hit its new 3-year low before recovering in the last 2 days of the months. Foreigners continued to remain net buyers increasing their exposure by USD 30.5 million, while locals, particularly mutual funds dumped local equities worth USD 44.3 million. We believe redemptions along with maturity of allocation plans have caused Mutual funds to reduce their exposure in the local market. Their net buying amounted to USD 15.01 million. Volumes and values traded decreased MoM averaging ~76.5mn shares/ PKR ~2.79bn.

We believe equity markets generally preempt the economic conditions and as such it is important to consider whether all the economic developments are priced in or not. Therefore, overall valuations and fundamentals of universe companies do play an important role. Overall valuations have reached historic lows, therefore, we believe the ground to economic recovery will provide magnificent returns to those who eye for the long term horizon. Our overall strategy still tilts towards defensive sectors (E&P's, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) are also overweight. In addition to that, government's strong focus on reviving exports should provide a boost to the outlook of export oriented sectors such as Textiles & IT. Despite being negative on cyclical stocks, we believe there will be distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.

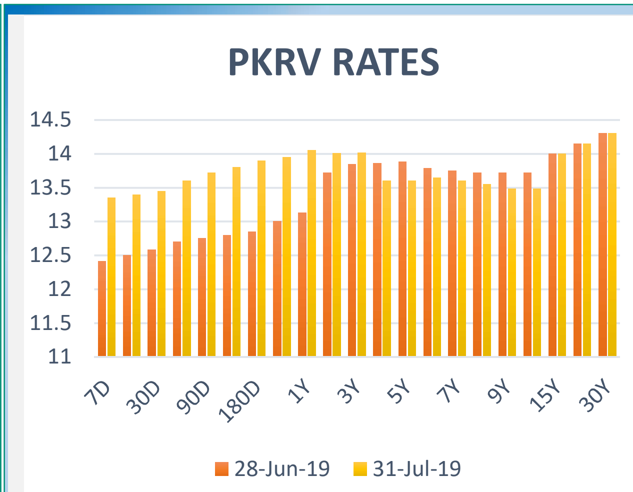




Money Market Analysis

In its latest monetary policy SBP increased policy rate by 100bps, taking into account increasing twin deficits, massive government borrowings from SBP, upside inflationary pressures from exchange rate depreciation and one-off impact of recent adjustments in utility prices and other measures in the FY20 budget. SBP stated that the adjustments in interest rate and exchange rate to address the previous imbalances are now done. However, it stands ready to address any unanticipated increase in inflation going forward.

State Bank of Pakistan conducted Treasury bill auction on July 31, 2019. The auction had a total maturity of PKR 603 billion against a target of PKR 1.5 trillion. Auction witnessed a total participation of PKR 901 billion out of which bids worth PKR 813 billion were received in 3 months' tenor while 6 months and 12 months' paper received bids worth PKR 40 billion and PKR 47 billion respectively. SBP accepted bids worth PKR 853 billion out of which PKR 778 billion, PKR 29 billion and PKR 45 billion were accepted at a cut-off yield of 13.75%, 13.95% and 14.24% in 3months, 6 months and 12months paper respectively.



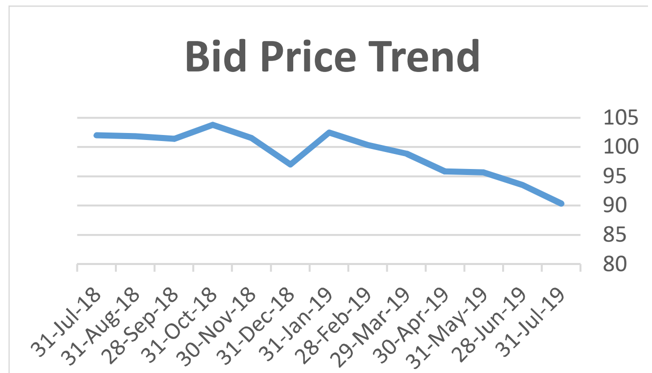
MAZ'AF FUND (TAKAFUL)

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 1.56 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(31 July 2019)**	PKR 90.3503
Fund Type	Balanced Fund
Auditors	KPMG Taseer Hadi and Co. Chartered Accountants
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]

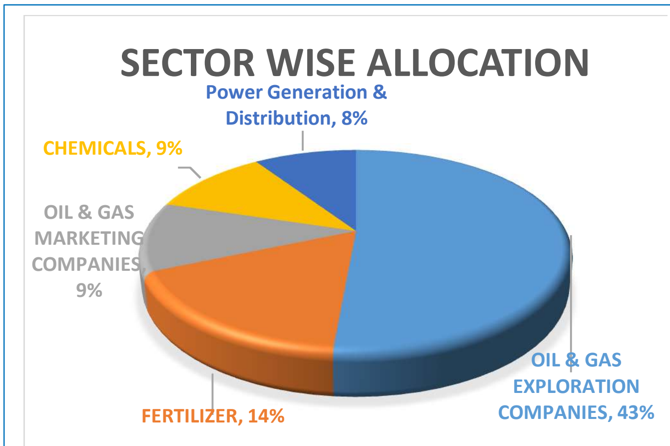


Asset Mix

Assets	July 2019	June 2019
Bank Balances	8.28%	5.35%
Term Deposits	22.73%	23.15%
Equities	36.16%	37.43%
Mutual Funds	20.48%	19.86%
Fixed Income Securities	10.74%	10.36%
Government Securities	0%	0%
Other Assets	1.61%	3.85%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	-3.42%	-37.88%
180 Days Return	-11.85%	-23.91%
CYTD	-6.89%	-11.87%
Since Inception	-9.65%	-3.18%



Managers' Comments:

During the month of July 2019, the NAV per unit has been Decreased by PKR 3.2042 (-3.42%) from June.

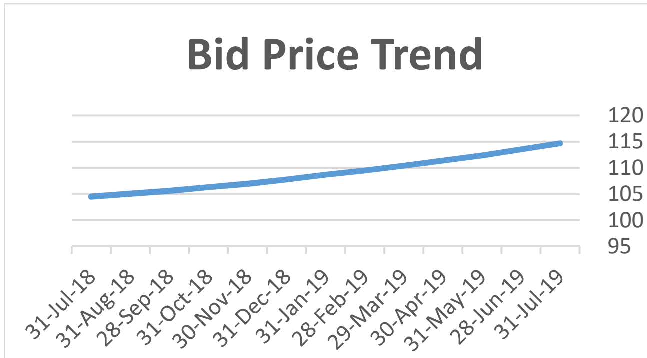
TAMEEN FUND (TAKAFUL)

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 226 Million
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 July 2019)	PKR 114.7107
Fund Type	Fixed Income Fund
Auditors	KPMG Taseer Hadi and Co. Chartered Accountants
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]

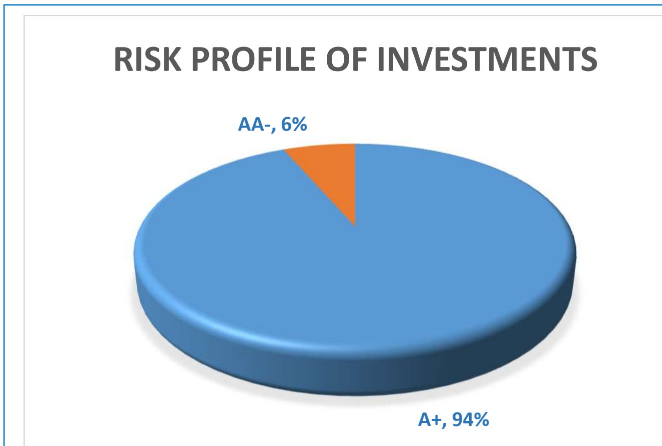


Asset Mix

Assets	July 2019	June 2019
Bank Balances	6.96%	5.96%
Term Deposits	68.45%	60.36%
Mutual Funds	6.63%	7.47%
Fixed Income Securities	7.52%	9.79%
Government Securities	0%	0%
Real Estate	0%	0%
Other Assets	10.44%	16.42%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.01%	11.18%
180 Days Return	5.52%	11.14%
CYTD	6.42%	11.06%
Since Inception	14.71%	4.85%



Managers' Comments:

During the month of July 2019, the NAV per unit has been Increased by PKR 1.1479 (1.01%) from June.

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.