

AUGUST - 2020

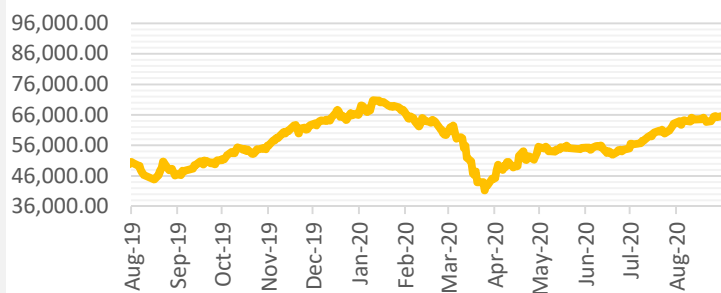
Fund Managers' Report

Performance Tracker

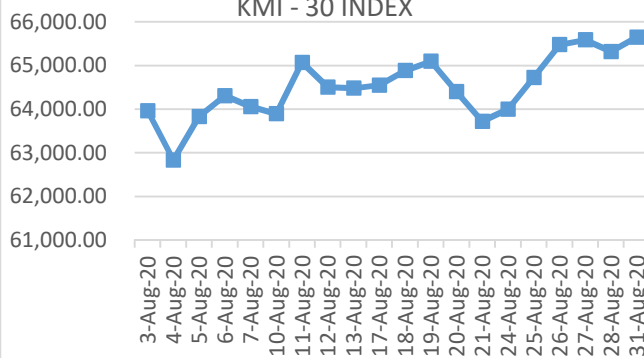
Equity Market Analysis

From capital market perspective, particularly equities, we are getting a much clearer picture now. As Covid curve continues to flatten out, the valuations are catching up with historical norms. Barring a second wave of the virus, we think equities have a lot to offer to the investors. Market cap to GDP ratio is at 18.0%, still at a discount of ~30% from its historical average. Similarly, risk premiums are close to 3.2%, compared to historical average of 0.9% signifying decent upside for long-term investors. We believe a micro view of sectors, 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 to companies that are expected to exhibit stellar earnings growth over the medium term. Refineries, OMCs and Chemicals were the major outperformers during the month, posting returns of ~28%, ~25% and 15% respectively. OMCs rebounded on the back of encouraging volumetric numbers increasing by ~15-20% YoY. Chemicals soared on expectations of resurgence in economic activity and its multiplier effects on the various industrial enterprises related to the sector. The benchmark KSE-100 Index gained ~5% during the month of August 2020. The positive market sentiments continued for the second month since the onset of this fiscal year. The month of August saw even more stellar recovery in Covid infection rate in Pakistan, which declined to ~2%, based on the recent testing. Foreigners turned buyers for the first time in a while as they bought USD 6.8 million of equities during the month. On the local front, Banks and Insurance Companies were the main sellers selling around USD 37 Mn and USD 28 Mn worth of equities. Average volumes and value traded amounted to ~518 Mn shares/ ~PKR 20 Bn, record levels of the last 10 years.

KMI 30 Index



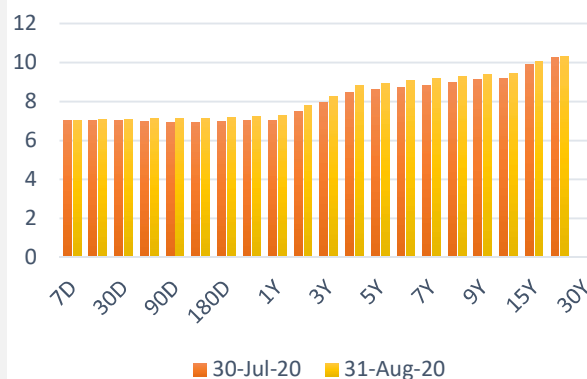
KMI - 30 INDEX



Money Market Analysis

State Bank of Pakistan conducted Treasury bill auction on August 26h, 2020. The auction had a total maturity of PKR 653.2 billion against a target of PKR 450 billion. Auction witnessed a total participation of PKR 964 billion. Out of total participation bids worth, PKR 357 billion were received in 3 months' tenor, PKR 346 billion in 6 months, and PKR 261 billion in 12 months' tenor. SBP accepted total bids worth PKR 531 billion in a breakup of PKR 269 billion, PKR 201 billion, and PKR 60 billion at a cut-off yield of 7.1498%, 7.18 %, and 7.30 % in 3months, 6 months, and 12 months' tenor respectively. The provision of cheap loans by the SBP through enhanced refinancing facilities have helped maintain credit flows, bolster the cash flow of borrowers, and support asset prices. Inflation has also remained broadly in line with expectations, however during the second half as the impact of low base kicks in, it will start to rise. BoP position at that time along with outlook of inflation will determine the quantum of increase at that time, which will further affect our yields trajectory. Auction for fixed coupon PIB bonds was held on Aug 19th, 2020 with a total target of PKR 140 billion. Total participation of PKR 111 billion was witnessed in this auction out of which 3, 5, 10, 15 & 20-year tenor received bids worth PKR 39 billion, PKR 35 billion, PKR 11 billion, PKR 12 billion & PKR 10 billion respectively. State bank of Pakistan accepted PKR 22 billion in 3 years, PKR 334 million in 5 years, PKR 55 million in 10 years, PKR 12 billion in 15 years, and 10 billion in 20 years at a Cut off rate of 8.20%, 8.45%, 8.99%, 9.98%, and 10.55% respectively.

PKRV RATES



MAZ'AF FUND (TAKAFUL)

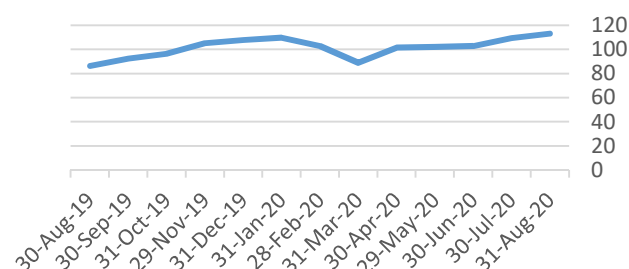
Fund Objective:

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 2.3 Billion
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 Aug 2020)	PKR 113.2323
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]

Bid Price Trend



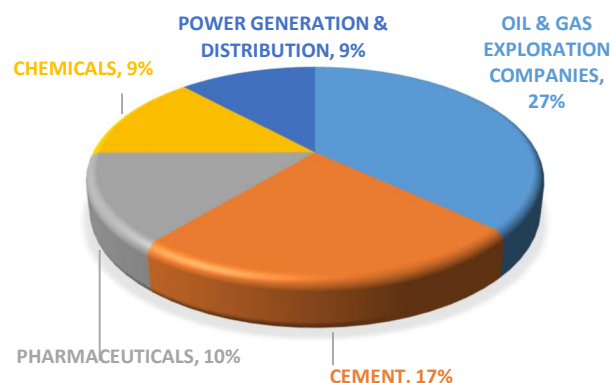
Asset Mix

Assets	August 2020	July 2020
Bank Balances	1.28%	3.54%
Term Deposits	15.25%	15.85%
Equities	31.94%	31.06%
Mutual Funds	35.39%	31.51%
Fixed Income Securities	7.21%	7.40%
Government Securities	8.74%	7.98%
Other Assets	0.19%	2.66%

Fund Returns:

	Absolute
Month to Date (MTD)	3.45%
180 Days Return	10.17%
CYTD	4.89%
Since Inception	13.23%

SECTOR WISE ALLOCATION



Managers' Comments:

During the month of August 2020, the NAV per unit has been Increased by PKR 3.7732 (3.45%) from July.

TAMEEN FUND (TAKAFUL)

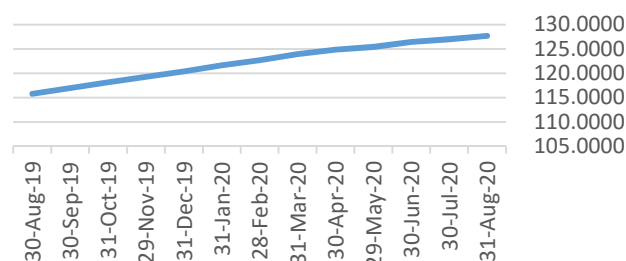
Fund Objective:

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 1.1 Billion
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 Aug 2020)	PKR 127.7478
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]

Bid Price Trend



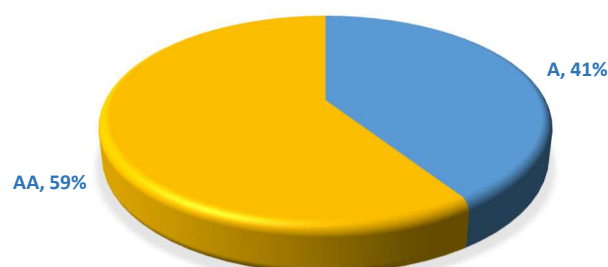
Asset Mix

Assets	August 2020	July 2020
Bank Balances	1.37%	4.08%
Term Deposits	51.34%	59.49%
Mutual Funds	17.63%	14.50%
Fixed Income Securities	2.96%	3.35%
Government Securities	16.72%	13.14%
Real Estate	0%	0%
Other Assets	9.98%	5.44%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.59%	6.73%
180 Days Return	4.08%	8.05%
CYTD	6.09%	9.11%
Since Inception	27.75%	6.73%

RISK PROFILE OF INVESTMENTS



Managers' Comments:

During the month of August 2020, the NAV per unit has been Increased by PKR 0.7491 (0.59%) from July.

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.