MAY - 2020

Fund Managers' Report

Performance Tracker

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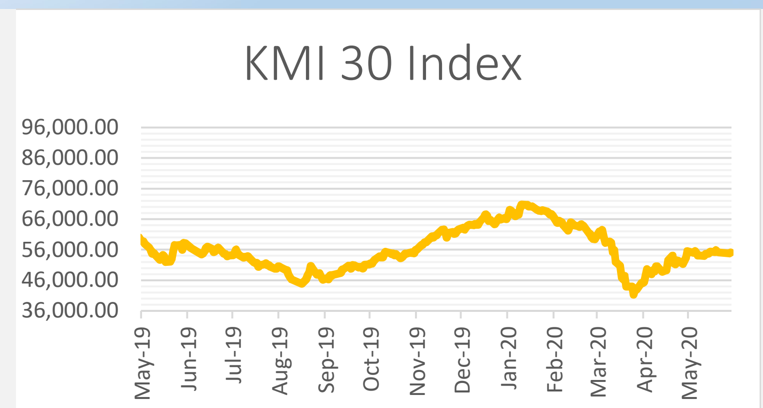
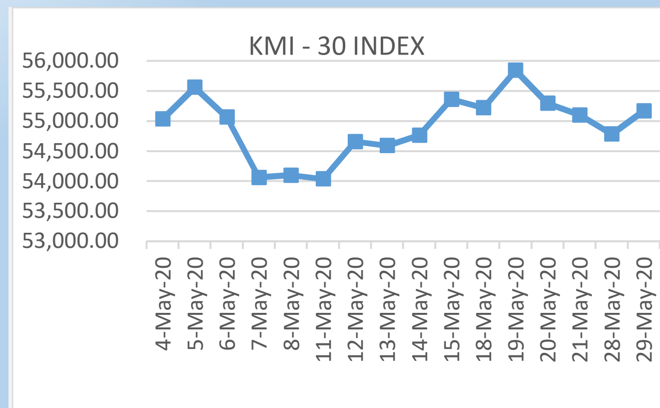
Equity Market Analysis

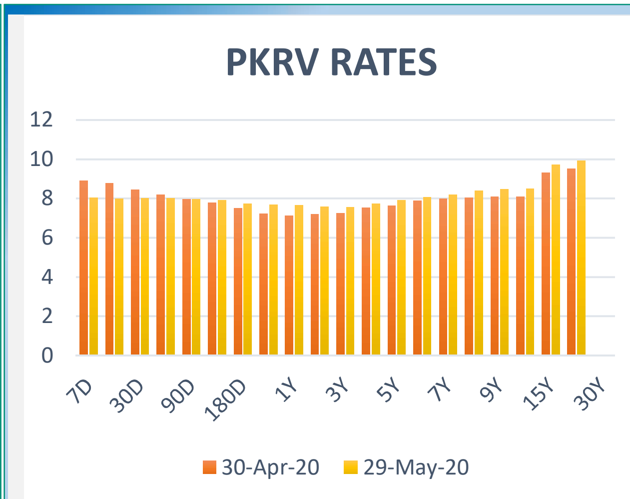
The benchmark KSE-100 remained under pressure in May post a decent recovery in April 2020 falling by ~0.53% MoM. Coronavirus cases continued to grow exponentially in Pakistan while the global scenario remained gloomy too. Once again, Foreigners offloaded equities aggressively reducing their exposure by ~USD 40 million during the month most of which was absorbed by Individuals on the local front. Average volumes/value traded during the month amounted to ~206 mn shares/ PKR 7.3 bn. From the capital markets perspective, the outlook remains uncertain as the corona outbreak is emerging as a greater risk to the economy. While the current state of affairs relative to other countries offers a positive aspect with mortality rates under control although on a rising trend, yet we remain cautious over short term. Barring the corona episode, the equity markets offer great potential to long-term investors as valuations remain close to those during the financial crisis of 2008. KSE 100 offers an earning yield of ~14% while the long-term bonds now trade below a yield of 9%. The gap between both the asset class remains unprecedented and offers extraordinary returns to risk investors, assuming the scenario normalizes in couple of months. Amongst the major sectors, Fertilizers, Cements and Banks dragged the index down. On the other hand, the energy chain outperformed the index as oil prices continued on the recovery path after oil price debacle in March. E&Ps, Power and OMCs gained ~5%/4.5%/2% during the month.





Money Market Analysis

State Bank of Pakistan conducted Treasury bill auction on May 20th, 2020. The auction had a total maturity of PKR 205.2 billion against a target of PKR 325 billion. Auction witnessed a total participation of PKR 1,049 billion. Out of total participation bids worth PKR 317 billion were received in 3 months' tenor, PKR 259 billion in 6 months, and PKR 471 billion in 12 months tenor. SBP accepted total bids worth PKR 215 billion in a breakup of PKR 77 billion, PKR 52 billion, and PKR 85 billion at a cut-off yield of 8.1496%, 7.8050% and 7.7499% in 3months, 6 months and 12 months tenor respectively. The Monetary Policy Committee in the month of May decided to slash the policy rate by another 100 bps to 8.00% during the month. This summed up to a total cut of 525 bps in Policy Rate since March 2020. The decision was mainly influenced by improvement in inflation outlook as SBP now expects CPI to average on the lower side of its 7%-9% forecast for FY21. The MPC was of the view that this action would provide liquidity support to households and businesses to combat the temporary disruption in economic activity. Yields in the market remained volatile during the month as a declining trend was seen in the first half as market participants anticipated larger cut in MPS, which in the latter half of the month were seen on increasing trend as a result of MPS and recovery in global oil prices.



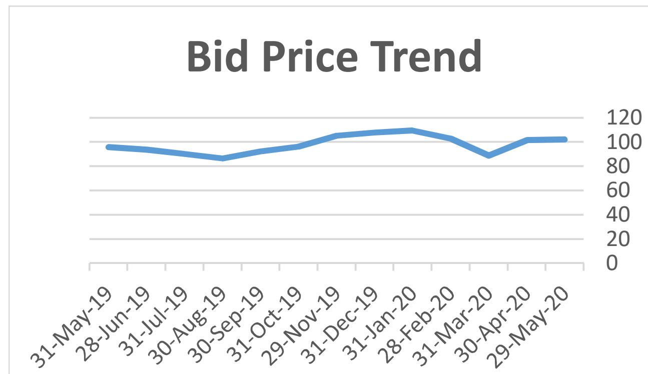
MAZ'AF FUND (TAKAFUL)

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.

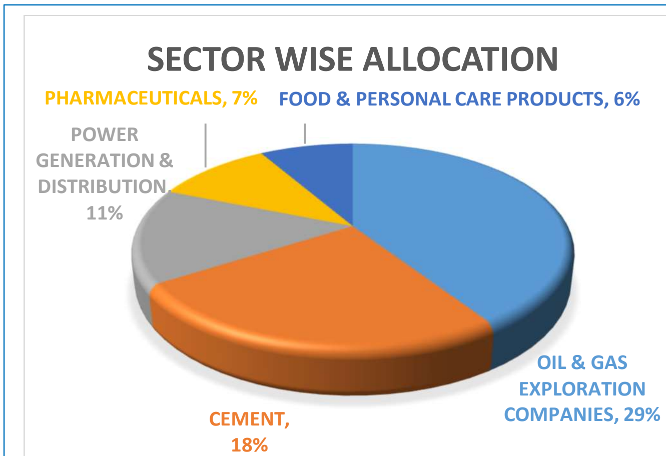
Fund Information:

Fund Name	Maza'af Fund
Fund Size	PKR 1.9 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(29 May 2020)**	PKR 101.9634
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	May 2020	April 2020
Bank Balances	8.74%	9.27%
Term Deposits	17.55%	18.00%
Equities	30.36%	31.87%
Mutual Funds	30.33%	21.96%
Fixed Income Securities	8.34%	8.51%
Government Securities	2.44%	7.82%
Other Assets	2.24%	2.57%



Fund Returns:

	Absolute
Month to Date (MTD)	4.77%
180 Days Return	-6.04%
CYTD	-13.50%
Since Inception	0.51%

Managers' Comments:

During the month of May 2020, the NAV per unit has been Increased by PKR 0.3848 (0.38%) from April.

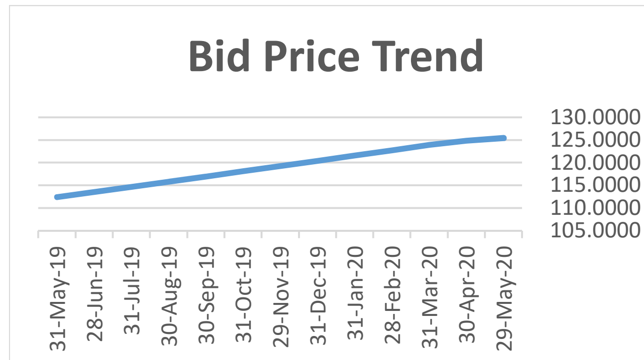
TAMEEN FUND (TAKAFUL)

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 827 Million
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (29 May 2020)	PKR 125.4491
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	May 2020	April 2020
Bank Balances	1.73%	10.29%
Term Deposits	75.10%	54.91%
Mutual Funds	18.21%	16.82%
Fixed Income Securities	3.98%	4.03%
Government Securities	0.00%	12.32%
Real Estate	0%	0%
Other Assets	0.98%	1.63%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.46%	5.79%
180 Days Return	5.17%	10.37%
CYTD	4.18%	10.18%
Since Inception	25.45%	6.59%

Managers' Comments:

During the month of May 2020, the NAV per unit has been Increased by PKR 0.5745 (0.46%) from April.

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.