APRIL - 2020

Fund Managers' Report

Performance Tracker

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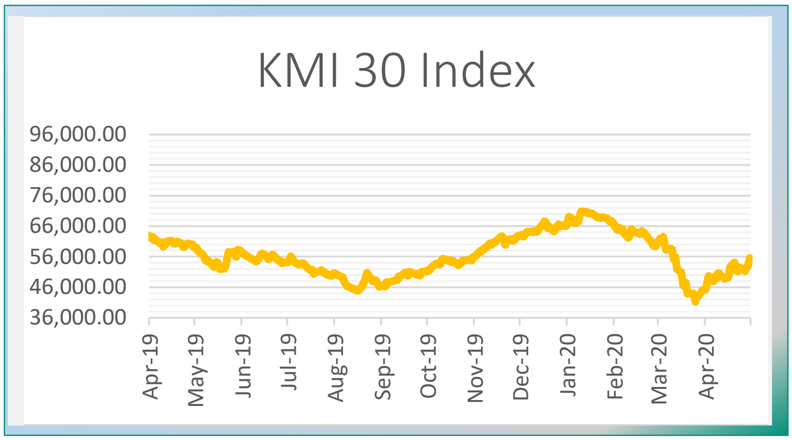
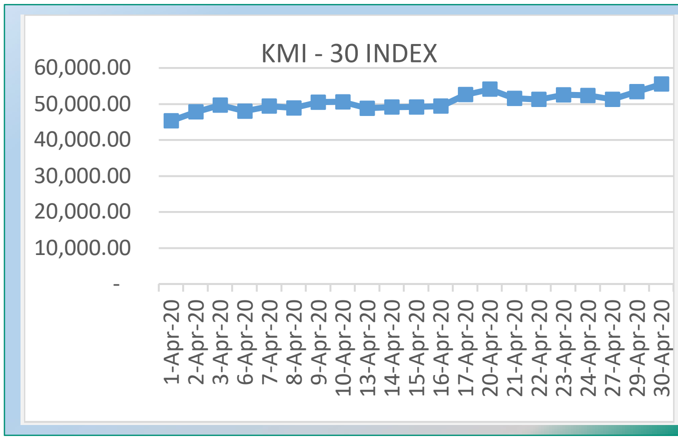
Equity Market Analysis

The benchmark KSE-100 recovered post its worst month since the financial crisis of 2008 because of the global pandemic COVID-19. Although the situation did not get any better in the month of April, KSE-100 gained around 16.7% during the month. Once again, Foreigners offloaded equities aggressively reducing their exposure by USD 69 million during the month. On the local front, Mutual funds and Insurance companies turned out to be major buyers (USD 34 and 19 million respectively), absorbing most of the selling during the month. Average volumes/value traded during the month amounted to ~209 mn shares/ PKR 8.2 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, 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, Cements showed robust outperformance by ~19% post announcement of relief package for the construction industry. The energy chain outperformed the index after severe underperformance last month post oil price debacle. E&Ps, and OMCs gained more than 25% during the month recovering the earlier losses. Amongst the defensive plays, Fertilizer and Pharmaceuticals underperformed the market.

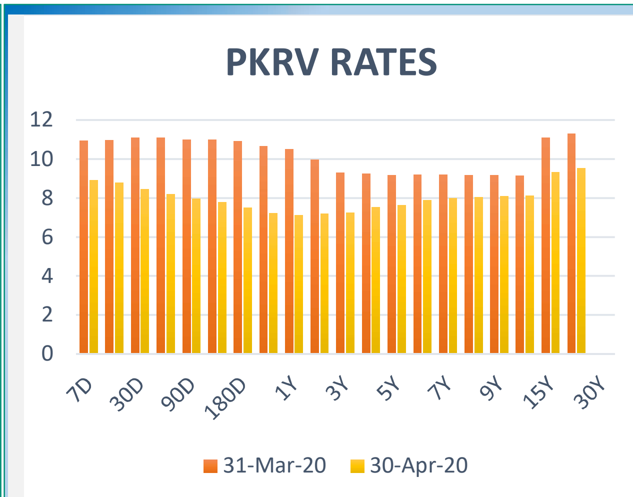




Money Market Analysis

State Bank of Pakistan conducted Treasury bill auction on April 22nd, 2020. The auction had a total maturity of PKR 705.4 billion against a target of PKR 500 billion. Auction witnessed a total participation of PKR 1,385 billion. Out of total participation bids worth PKR 446 billion were received in 3months tenor, PKR 402 billion in 6 months, and PKR 535 billion in 12 months' tenor. SBP accepted total bids worth PKR 484 billion in a breakup of PKR 192 billion, PKR 140 billion, and PKR 151 billion at a cut-off yield of 8.3996%, 7.9997%, and 7.4750% in 3months, 6 months and 12 months' tenor respectively. Yields in the market were seen on a declining trend as a result of a major drop in oil prices and declining inflation outlook. Furthermore, the market is also expecting a further rate cut in the coming weeks.

Auction for fixed coupon PIB bonds was held on April 15th, 2020 with a total target of PKR 110 billion. Total participation of PKR 352 billion was witnessed in this auction out of which 3, 5, 10, 15 & 20 years tenor received bids worth PKR 244 billion, PKR 65 billion, PKR 22 billion, PKR 13 billion & PKR 6 billion respectively. State bank of Pakistan accepted PKR 46 billion in 3 years, PKR 36 billion in 5 years, PKR 14 billion in 10 years, PKR 10 billion in 15 years and PKR 5bn in 20 years tenor at a Cut off rate of 8.56%, 8.83%, 9%, 10.49%, and 10.7% respectively.



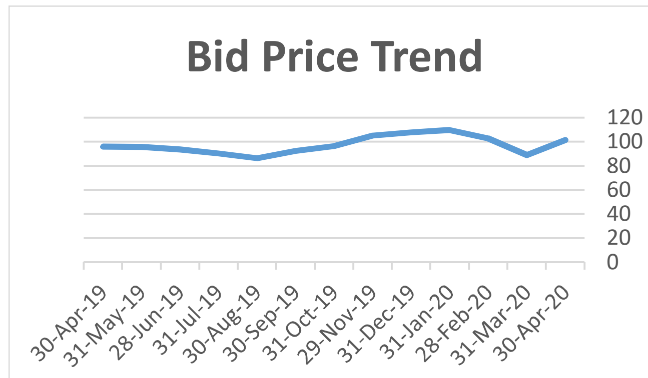
MAZ'AF FUND (TAKAFUL)

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.

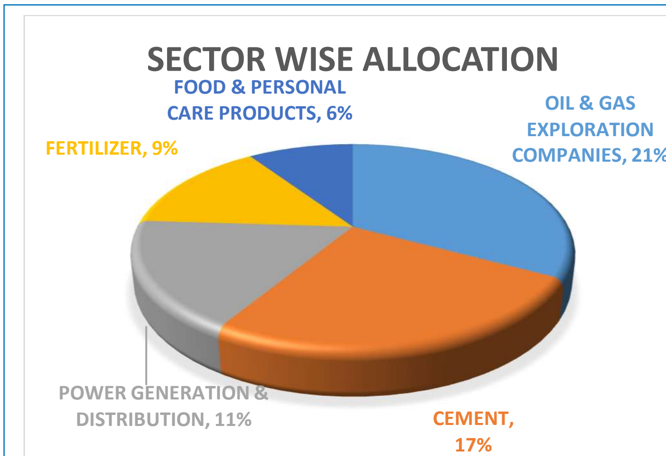
Fund Information:

Fund Name	Maza'af Fund
Fund Size	PKR 1.9 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(30 Apr 2020)**	PKR 101.5786
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	April 2020	March 2020
Bank Balances	9.27%	9.50%
Term Deposits	18.00%	20.97%
Equities	31.87%	36.61%
Mutual Funds	21.96%	21.12%
Fixed Income Securities	8.51%	6.87%
Government Securities	7.82%	0%
Other Assets	2.57%	4.93%



Fund Returns:

	Absolute
Month to Date (MTD)	14.11%
180 Days Return	5.45%
CYTD	-5.90%
Since Inception	1.58%

Managers' Comments:

During the month of April 2020, the NAV per unit has been Increased by PKR 12.5621 (14.11%) from March.

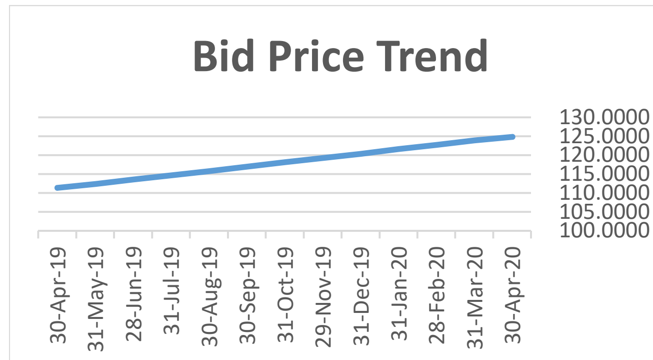
TAMEEN FUND (TAKAFUL)

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 810 Million
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(30 Apr 2020)**	PKR 124.8746
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]

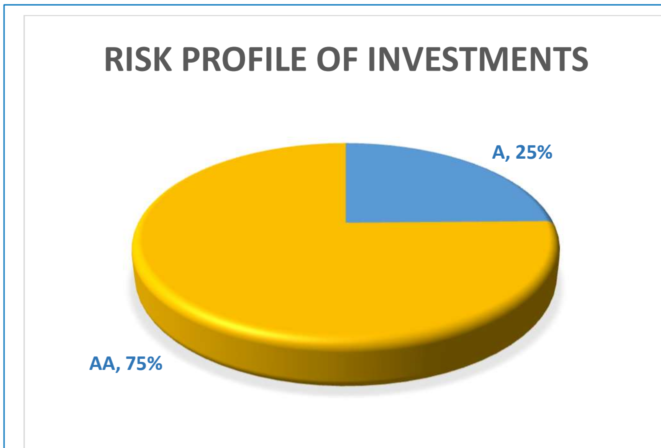


Asset Mix

Assets	April 2020	March 2020
Bank Balances	10.29%	8.83%
Term Deposits	54.91%	64.54%
Mutual Funds	16.82%	17.12%
Fixed Income Securities	4.03%	0.90%
Government Securities	12.32%	0%
Real Estate	0%	0%
Other Assets	1.63%	8.61%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.73%	8.85%
180 Days Return	5.69%	11.41%
CYTD	3.71%	11.18%
Since Inception	24.87%	6.57%



Managers' Comments:

During the month of April 2020, the NAV per unit has been Increased by PKR 0.9021 (0.73%) from March.

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.