MARCH - 2020

Fund Managers' Report

Performance Tracker

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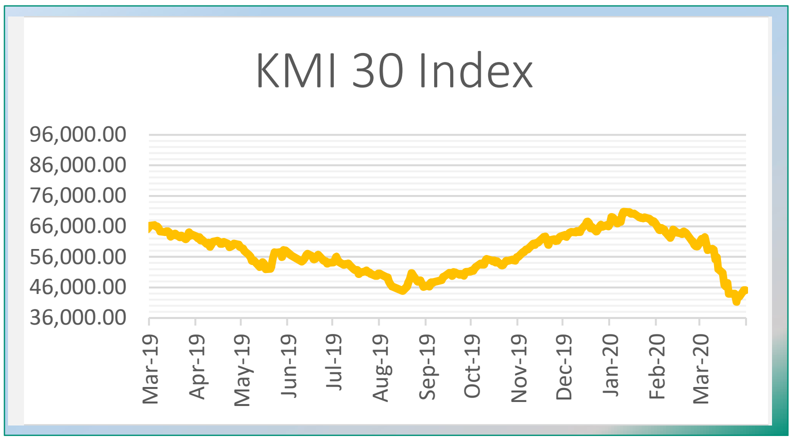
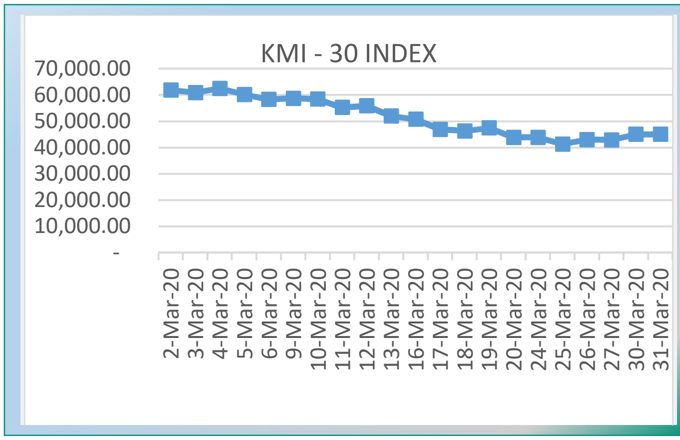
Equity Market Analysis

The benchmark KSE-100 had its worst month since the financial crisis of 2008 as the global pandemic took a toll on all risk assets. KSE-100 lost 23.1% during the month taking it to negative territory for the FY20, at -13.8%. Foreigners offloaded equities aggressively reducing their exposure by USD 85 million during the month. On the local front, Insurance companies turned out to be major buyers (USD 53 million), absorbing most of the selling during the month. 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, yet we remain cautious. Barring the corona episode, the equity markets offer great potential to investors, as valuations remain as cheap as they were during the financial crisis of 2008. KSE 100 offers an earning yield of 17.2% while the long-term bonds now trade below a yield of 10.0%. The gap between both the asset classes remains unprecedented and offers extraordinary returns to risk investors, assuming the scenario normalizes in couple of months. The energy chain underperformed severely during the month as crude oil prices had its one of the worst month of history, after Saudi Arabia started a price war, as an agreement was not reached between OPEC and Russia. Alongside, a weak global demand amidst the contagious virus added fuel to the fire. Oil prices touched its 18-year low during the month. E&Ps and OMC has lost more than 30% during the month. Commercial banks also lost nearly 30% during the month, as central bank continued its easing policy, while foreigners continued to dump local banks as they shunned risk assets. Fertilizers and Pharmaceutical sectors outperformed the index as defensive plays remained in the radar of investors.

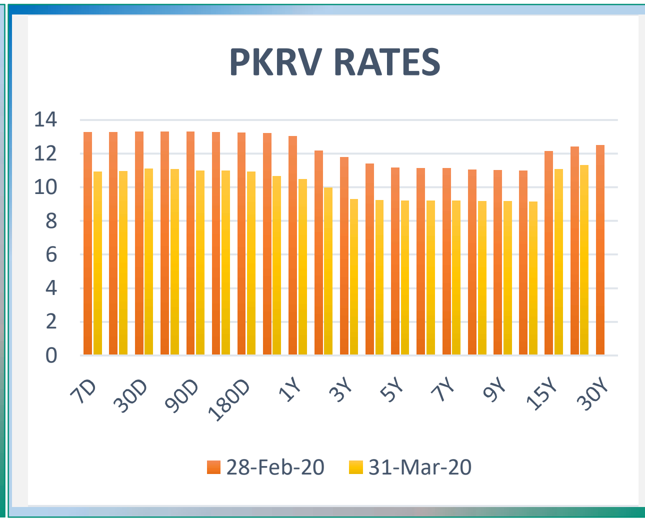




Money Market Analysis

State Bank of Pakistan for the first time slashed its policy rate in two spells, reversing the stance it has been pursuing since the end of 2017. In the first spell SBP announced a cut of 75 bps against the expectation of the market, citing easing food inflation and fall in oil prices. Following the scheduled monetary meeting, the central bank held an emergent meeting whereby SBP called a further rate cut of 150 bps bringing the policy rate to 11%. These major cuts came in the view of weak growth and inflation outlook as the result of recent epidemic disease of COVID 9 where increasing number of cases and curtailment of activity lead to global slowdown in economic activity.

State Bank of Pakistan conducted Treasury bill auction on March 25, 2020. The auction had a total maturity of PKR 426.7 billion against a target of PKR 500 billion. Auction witnessed a total participation of PKR 1,247 billion. Out of total participation, bids worth PKR 329 billion were received in 3months tenor, PKR 198 billion in 6 months and PKR 719 billion in 12month tenor. SBP accepted total bids worth PKR 554 billion in a breakup of PKR 248 billion, PKR 152 billion and PKR 153 billion at a cut-off yield of 11.2985%, 11.2989% and 10.8699% in 3months, 6 months and 12 months respectively.



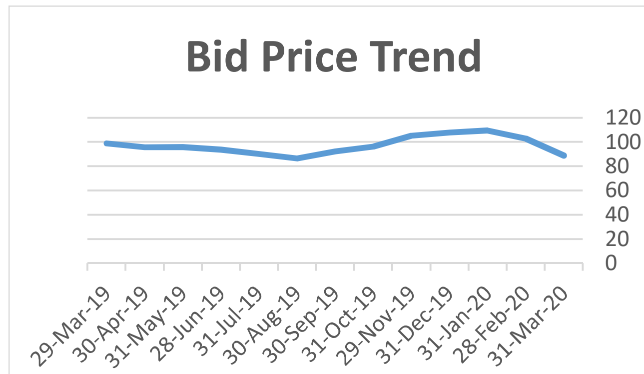
MAZ'AF FUND (TAKAFUL)

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.

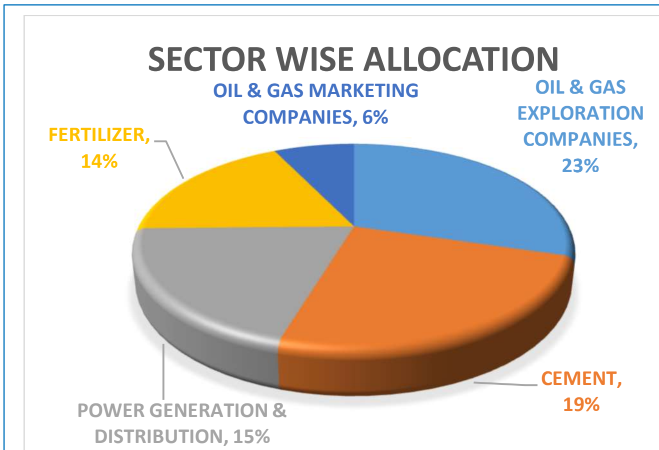
Fund Information:

Fund Name	Maza'af Fund
Fund Size	PKR 1.6 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Mar 2020)**	PKR 89.0165
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	March 2020	February 2020
Bank Balances	9.50%	3.94%
Term Deposits	20.97%	27.38%
Equities	36.61%	31.84%
Mutual Funds	21.12%	24.15%
Fixed Income Securities	6.87%	6.00%
Government Securities	0%	0%
Other Assets	4.93%	6.69%



Fund Returns:

	Absolute
Month to Date (MTD)	-13.39%
180 Days Return	-3.71%
CYTD	-17.54%
Since Inception	-10.98%

Managers' Comments:

During the month of March 2020, the NAV per unit has been decreased by PKR 13.7673 (-13.39%) from February.

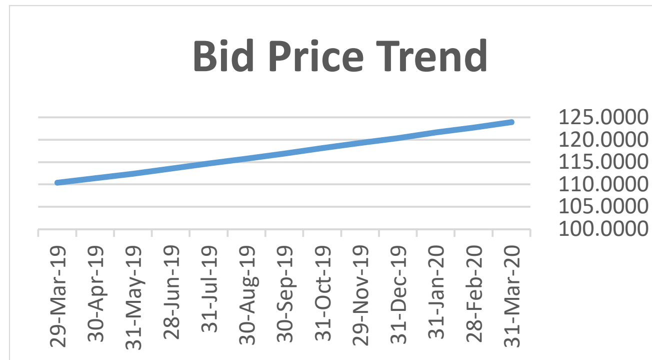
TAMEEN FUND (TAKAFUL)

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 790 Million
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 Mar 2020)	PKR 123.9725
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	March 2020	February 2020
Bank Balances	8.83%	3.95%
Term Deposits	64.54%	77.93%
Mutual Funds	17.12%	8.00%
Fixed Income Securities	0.90%	0.96%
Government Securities	0%	0%
Real Estate	0%	0%
Other Assets	8.61%	9.16%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	1.00%	11.43%
180 Days Return	5.98%	11.93%
CYTD	2.96%	11.86%
Since Inception	23.97%	6.48%

Managers' Comments:

During the month of March 2020, the NAV per unit has been Increased by PKR 1.2305 (1.00%) from February.

DISCLAIMER