adamjeefamily Takaful
Window Takaful Operations

FUND MANAGERS' REPORT

Performance Tracker

APRIL - 2021

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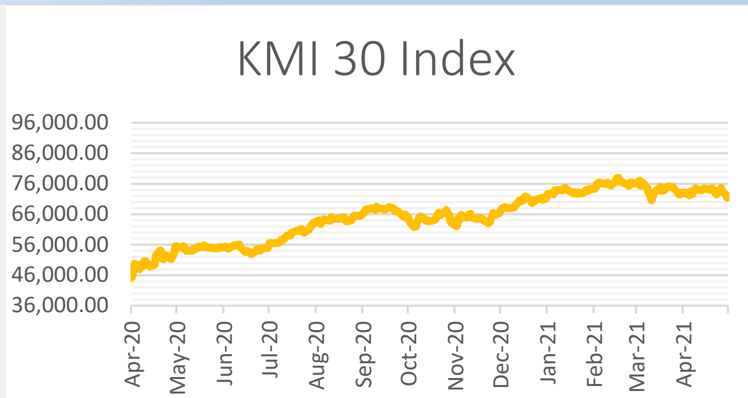
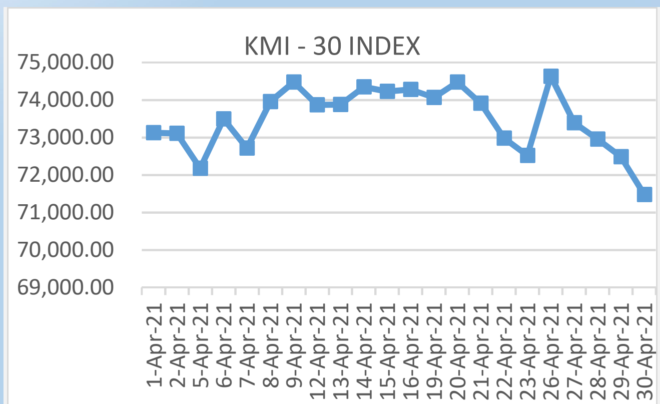
Equity Market Analysis

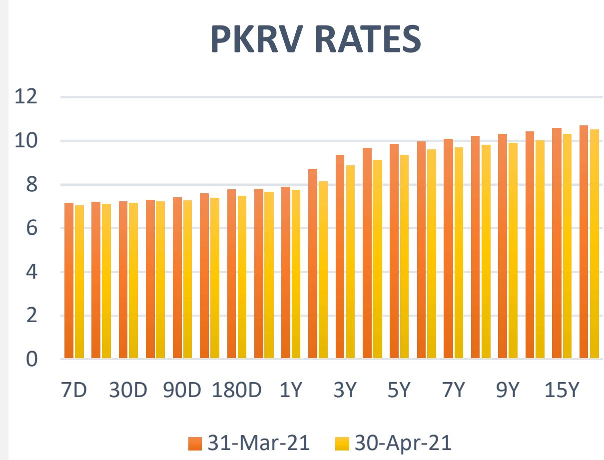
Market activity suffered as trading volumes fell by 19% MoM to average at 354Mn shares, whereas average trading value fell by 27% MoM to clock-in at PKR 16.36 bn. Foreigners sold another USD17mn of equities in April, taking YTD selling to USD33mn. On the local front, a provincial pension fund was the largest buyer in April followed by Individuals; they bought shares worth USD 20.51mn and USD 7.02mn, respectively. On the selling side, corporates were the biggest sellers, offloading shares worth USD 12.66mn. Amongst the major sectors, Refineries, Steel and Packaging dragged the index down. On the other hand, Autos, IT and Fertilizer outperformed the index by 6.6%/3.9%/3.8% respectively, during the month. The benchmark equity bourse saw a resurgence of bearish sentiments, driven by fears of the third wave of Covid-19 as average infection rate rose to 9.7% in April compared to 7.2% last month, while average daily increase in cases settled at 5,100 as against 2,954 last month. Resultantly the KSE-100 index continued on its downward spiral in April, closing in at 44,262 pts displaying a decline of 0.7%MoM. This marked the third consecutive month of negative performance, despite a strong result season and positive macro developments (RDA flows crossing US$1bn mark, Eurobond proceeds of US$2.5bn, FBR collection for Apr'21 surpassing target) all of which failed to ignite excitement at the bourse. From capital market perspective, particularly equities, robust earnings growth provides a clear picture ahead. However, the third wave of Covid along with budgetary news flow will keep upside in check in the near term. However, as growth momentum continues, the valuations will catch up with historical norms. Barring any external shock, we think equities have potential to provide decent returns to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 3.1%, compared to historical average of 1.0% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. 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.





Money Market Analysis

In its latest announced Monetary Policy State Bank of Pakistan maintained the policy rate at 7%, which was in line with market expectation. The MPC noted that since the last meeting in January, growth, and employment have continued to recover and business sentiment has further improved. Going forward, the committee is of the view that the electricity tariff will continue translating into higher inflationary readings, keeping average inflation in FY21 close to the upper end of the previously announced range of 7-9 percent. The direction set by the SBP in the last Monetary Policy meeting continued its momentum as the short-term and long-term yields both showed a downward trend hinting at market expectations of a stable interest rate environment since economic growth remains a top priority. Furthermore, the recent wave of Covid-19 has capped the demand side inflationary pressures thus putting downward pressures on yields. State Bank of Pakistan conducted a Treasury bill auction on April 21st, 2021. The auction had a total maturity of PKR 571 billion against a target of PKR 700 billion. Auction witnessed a total participation of PKR 1.647 trillion. Out of total participation bids worth, PKR 536 billion were received in 3 months' tenor, PKR 1.026 trillion in 6 months, and PKR 84 billion in 12 months' tenor. SBP accepted total bids worth PKR 688 billion in a breakup of PKR 318 billion and 370 billion at a cut-off yield of 7.4000% and 7.6871% in 3 months and 6 months' tenor respectively. Bids for the 12-month tenor were rejected.



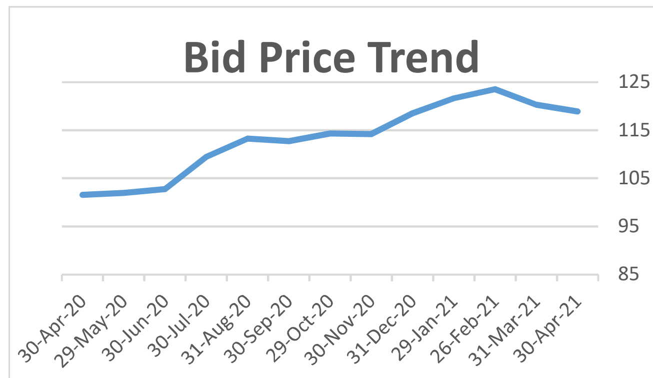
MAZ'AF FUND (TAKAFUL)

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 2.4 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(30 Apr 2021)**	PKR 118.9172
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% of (average deposit rate of 3 A rated Islamic Banks or Islamic Windows of Conv. Banks as selected by MUFAP) + 60% of (KMI - 30 Index Return)

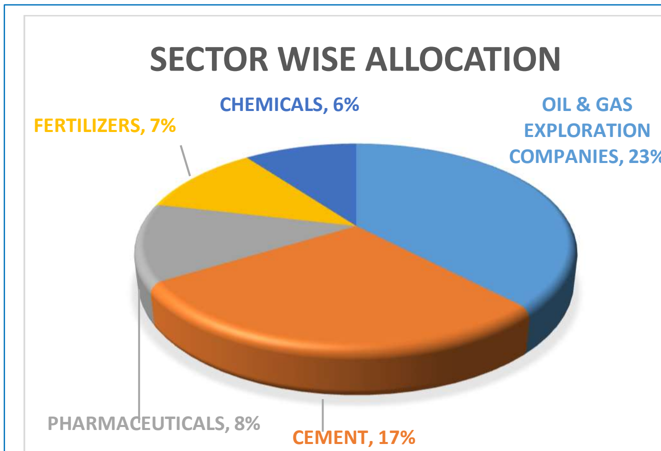


Asset Mix

Assets	April 2021	March 2021
Bank Balances	2.58%	4.98%
Term Deposits	18.04%	15.99%
Equities	27.43%	26.23%
Mutual Funds	37.17%	38.32%
Fixed Income Securities	6.48%	6.49%
GOP IJARA	7.05%	7.02%
Other Assets	1.25%	0.97%

Fund Returns:

	Absolute
Month to Date (MTD)	-1.18%
180 Days Return	4.05%
CYTD	0.36%
Since Inception (Absolute)	18.92%
Since Inception (Annualized)	3.95%



Managers' Comments:

During the month of April 2021, the NAV per unit has been decreased by PKR 1.4145 (1.18%) from March.

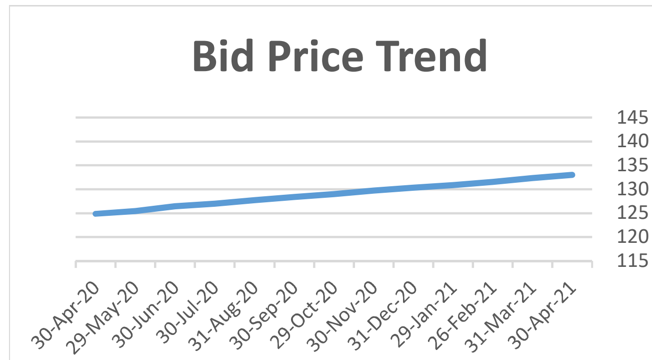
TAMEEN FUND (TAKAFUL)

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 2.3 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(30 Apr 2021)**	PKR 133.0195
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	Average deposit rate of three (3) A rated Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP

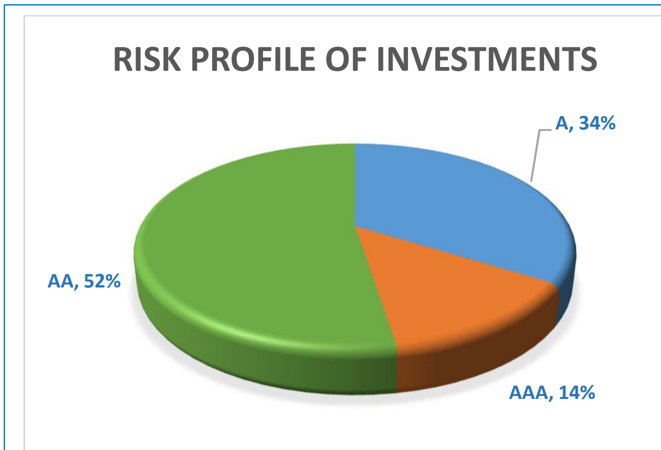


Asset Mix

Assets	April 2021	March 2021
Bank Balances	20.07%	14.84%
Term Deposits	62.49%	65.62%
Mutual Funds	12.84%	13.49%
Fixed Income Securities	1.40%	1.47%
GOP IJARA	2.34%	2.45%
Real Estate	0%	0%
Other Assets	0.86%	2.13%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.53%	6.45%
180 Days Return	3.12%	6.22%
CYTD	2.06%	6.26%
Since Inception	33.02%	6.90%



Managers' Comments:

During the month of April 2021, the NAV per unit has been Increased by PKR 0.7010 (0.53%) from March.

TOP EQUITY HOLDING

MAZAAF

TOP TEN HOLDINGS

MARI
LUCK
ENGRO
ABOT
OGDC
POL
PPL
BWCL
HUBC
ARPL