Window Takaful Operations

FUND MANAGERS' REPORT

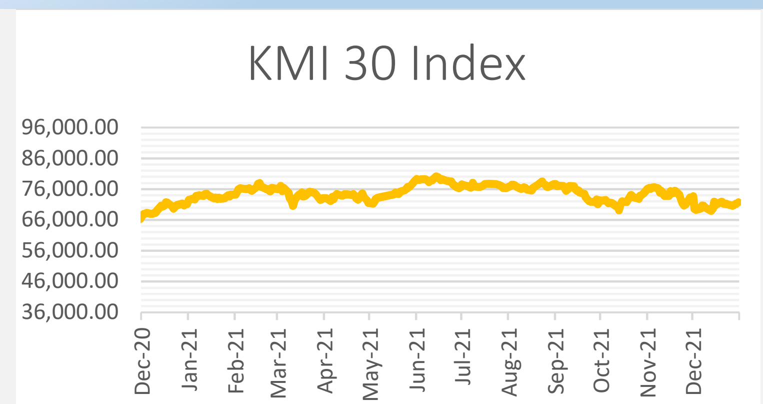
Performance Tracker

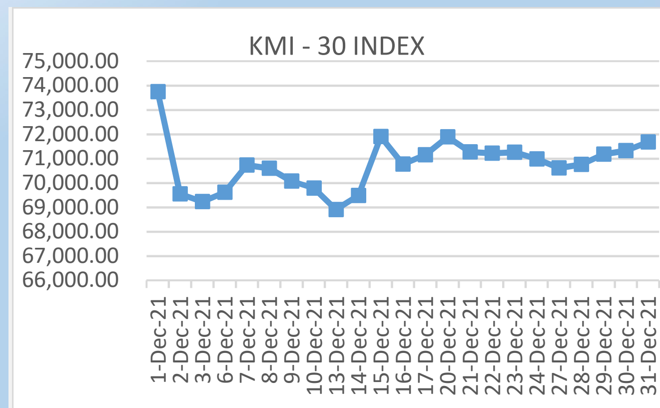
DECEMBER - 2021

Adamjee Life Assurance Co. Ltd - Window Takaful Operation
Principal Office: 3rd and 4th Floor, Adamjee House, I.I.Chundrigar Road, Karachi - 74000
UAN: +92-111-11-LIFE(5433) Fax: +92-21-38630011

Equity Market Analysis

The KSE-100 index witnessed another lackluster month as it decreased by 476 points (-1.1% MoM) in Dec-21 to close the year at 44,596 points. Negative sentiments were fueled by delay over completion of IMF's preconditions required for resumption of the IMF program along with uncertainty over outcome of mini-budget. Moreover, PTI's surprise local body elections loss in Khyber Pakhtunkhwa created additional jitters amongst the investors. As a result, investors remained on the sidelines as average KSE-100 daily traded value decreased by 31% MoM to USD 35mn. Encouragingly, foreigners turned net buyers with a net inflow of USD 5.3mn compared to massive selling of USD 141mn worth of equities in the previous month. On the local front, mutual funds offloaded shares worth USD 25mn, while Corporate Companies recorded a net inflow of USD 17mn worth of equities. The major dent to the KSE-100 Index came from the Banking sector which shed 409 points, followed by Cement and Fertilizer sector which contributed negative 79 and 66 points, respectively. On the flipside, Tech and Oil & Gas Exploration sector remained major outperformers during the month contributing 246 and 94 points, respectively. The market is expected to rally as successful resumption of IMF program along with improving external position will help instill confidence among the investors. Furthermore, the market is trading at a forward P/E of 5.5x and offers an attractive dividend yield of 8.2%, indicating deep valuation discount.

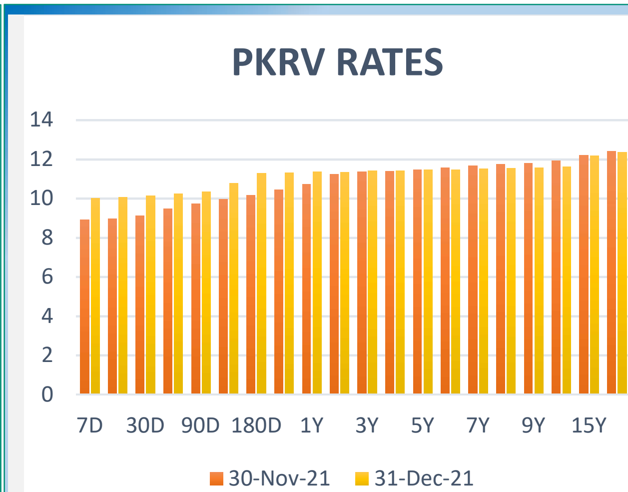




Money Market Analysis

SBP increased the policy rate by 100 bps to 9.75%, as a result of rising inflation and widening trade deficit. This brought the cumulative rate hike since Sep-21 to 275 bps. The key challenge faced during the month was money management as the IMF restricted the government from borrowing from the SBP and the banks demanded a higher rate in the T-bill auction. However, the central bank in the MPS guided for a pause in the rate hike cycle and subsequently intervened in the money markets to bring down treasury yields. State Bank of Pakistan conducted a Treasury bill auction on Dec 29th, 2021. The auction had a total maturity of PKR 1,115bn against a target of PKR 1,200bn. Auction witnessed a total participation of PKR 1,783bn. Out of total participation bids worth, PKR 959bn were received in 3 months' tenor, PKR 576bn in 6 months, and PKR 247bn in 12 months' tenor. SBP accepted total bids worth PKR 729bn in 3 months' tenor, 375bn in 6 months tenor, and 109bn in 12months tenor at a cut-off yield of 10.59%, 11.45% & 11.51% respectively.

In the near term macros are likely to remain challenging due to rising inflation, elevated current account deficit and higher global commodity prices. The fiscal side will remain crucial to economic stability. The future direction will depend on commodity prices, and future current account and inflation trajectory.



MAZ'AF FUND (TAKAFUL)

December 31, 2021

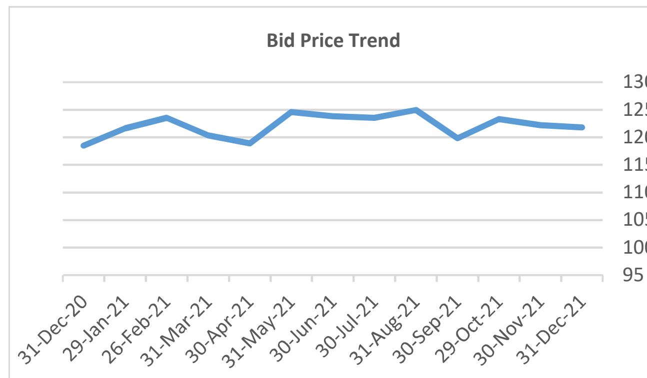
adamjeefamily takaful

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 2.6 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Dec 2021)**	PKR 121.8015
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)

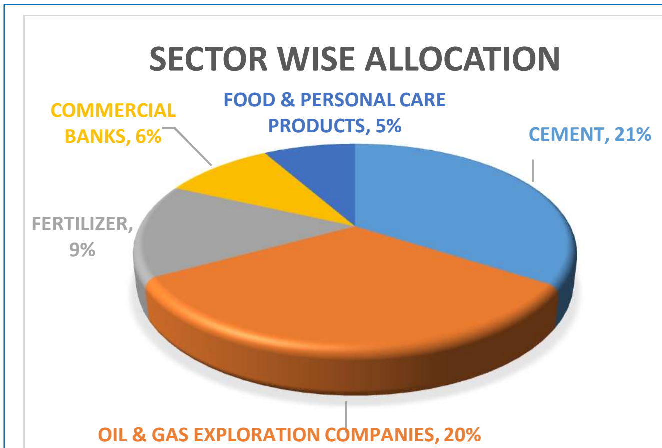


Asset Mix

Assets	December 2021	November 2021
Bank Balances	4.76%	3.80%
Term Deposits	13.57%	12.78%
Equities	30.95%	31.10%
Mutual Funds	31.61%	34.48%
Fixed Income Securities	4.33%	5.96%
GOP IJARA	10.04%	10.16%
Other Assets	4.74%	1.72%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	-0.31%	-3.65%
180 Days Return	-1.64%	-3.26%
CYTD	2.80%	2.80%
Since Inception	21.80%	4.00%
5 Years	16.78%	3.35%
10 Years	N/A	N/A



Managers' Comments:

During the month of Dec 2021, the NAV per unit has been Decreased by PKR 0.3785 (0.31%) from Nov.

TAMEEN FUND (TAKAFUL)

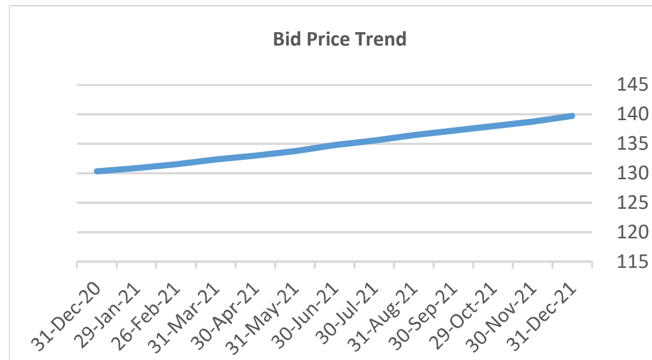
December 31, 2021

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 3.7 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(31 Dec 2021)**	PKR 139.7463
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

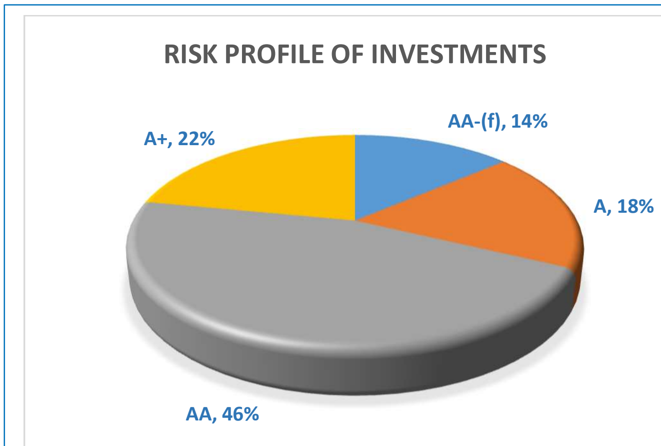


Asset Mix

Assets	December 2021	November 2021
Bank Balances	8.45%	20.39%
Term Deposits	65.43%	56.84%
Mutual Funds	11.88%	11.13%
Fixed Income Securities	0.90%	0.97%
GOP IJARA	7.09%	7.67%
Real Estate	0%	0%
Other Assets	6.25%	3.00%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.73%	8.57%
180 Days Return	3.66%	7.25%
CYTD	7.22%	7.22%
Since Inception	39.75%	7.29%
5 Years	37.90%	7.57%
10 Years	N/A	N/A



Managers' Comments:

During the month of Dec 2021, the NAV per unit has been Increased by PKR 1.0102 (0.73%) from Nov.

TOP EQUITY HOLDING

December 31, 2021

MAZAAF

TOP TEN HOLDINGS

ENGRO
LUCK
MARI
MEBL
PKGS
BATA
PPL
MLCF
POL
OGDC

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.