adamjeefamily Takaful
Window Takaful Operations

FUND MANAGERS' REPORT
Performance Tracker

MAY - 2021

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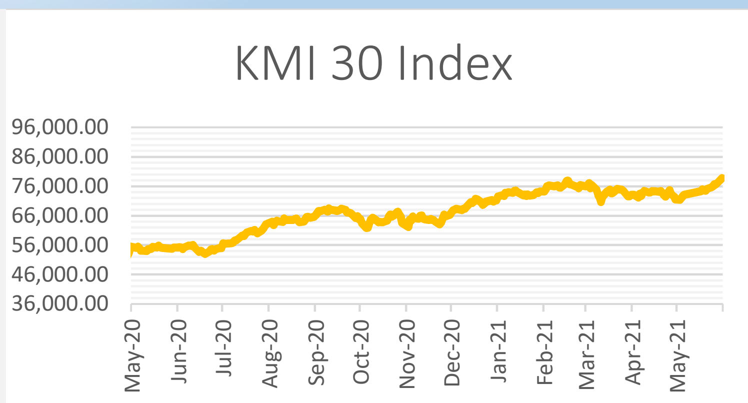
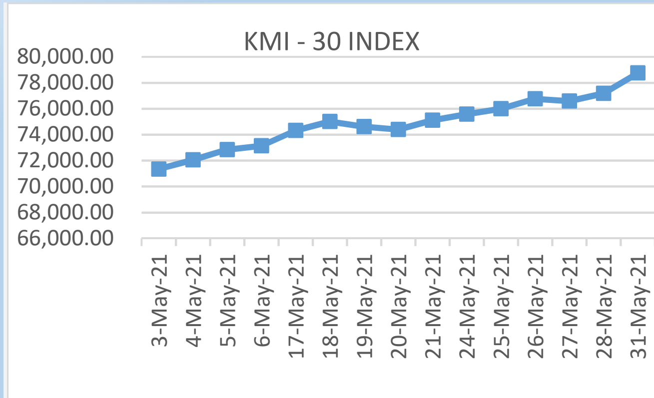
Equity Market Analysis

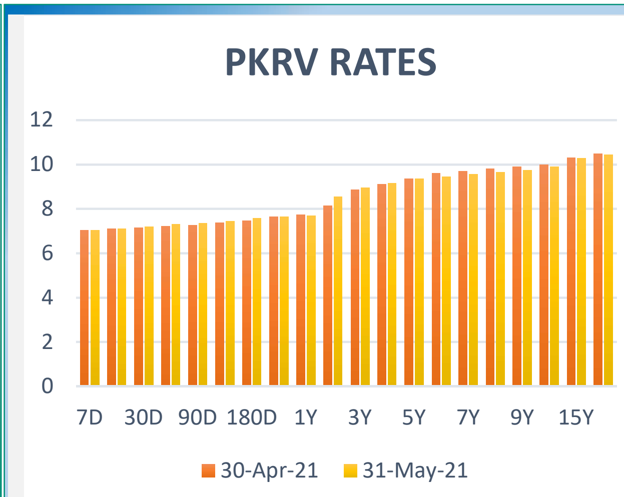
Sentiment in the local bourse rebounded this month, with bulls taking charge as the local equity bourse marched past the 47,000 level after a 4-year period this month to close at 47,896 points, up by 8.2%, the highest monthly gain in 9 months. This takes overall gains during CYTD 2021 to 9.5%. Initial exuberance at the bourse was aided by noticeable reduction in Covid-19 cases further supplemented by expectations of a pro-growth Budget FY22, while provisional estimates of GDP in FY21 clocking in at 3.94% against a negative 0.47% last year, implying a remarkable turnaround, also triggered market gains. Average traded volume and value during May’21 went up by 119% (774mn shares) and 30% (USD 139mn), respectively. During the month, average traded volume was the highest ever in the history of PSX. Once again, Foreigners offloaded equities aggressively reducing their exposure by ~USD 43 million during the month most of which was absorbed by Individuals on the local front. Amongst the major sectors, Oil and Gas Marketing (up 15% MoM), Cements (up 13% MoM) and Steel (up 12% MoM) remained major outperformers. Expectation of a pro-growth budget along with continuous increase in Cement and Steel prices brought these sectors in limelight. From capital market perspective, particularly equities, the change in sentiments as of late has been visible owing to better than expected GDP growth numbers. Alongside, a growth oriented budget for FY22 will continue to improve the risk appetite of investors. Robust Corporate Earnings growth is an additional impetus for equity markets. 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. Furthermore, we believe a micro view of sectors and 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 back to companies that are expected to exhibit stellar earnings growth over the medium term.





Money Market Analysis

State Bank of Pakistan conducted a Treasury bill auction on May 19th, 2021. The auction had a total maturity of PKR 359 billion against a target of PKR 500 billion. Auction witnessed a total participation of PKR 1.063 trillion. Out of total participation bids worth, PKR 446 billion were received in 3 months’ tenor, PKR 532 billion in 6 months, and PKR 84 billion in 12 months’ tenor. SBP accepted total bids worth PKR 557 billion in a breakup of PKR 205 billion, PKR 329 billion, and PKR 22 billion at a cut-off yield of 7.3492%, 7.6000%, and 7.6898% in 3 months, 6 months, and 12 months’ tenor respectively. The SBP considers the present accommodative monetary policy to be appropriate and it will aim for positive real rates only gradually. Details of the upcoming Budget, the future path of Covid-19 in Pakistan, and global commodity price trends are key variables which in our view will influence the next monetary policy decision in July 2021. Auction for fixed coupon PIB bonds was held on May 06th, 2021 with a total target of PKR 125 billion. Total participation of PKR 563 billion was witnessed in this auction out of which 3, 5, 10, 15 & 20-year tenor received bids worth PKR 251 billion, PKR 182 billion, PKR 71 billion, PKR 15 billion & PKR 10 billion respectively. State bank of Pakistan accepted PKR 85 billion in 3 years, PKR 76 billion in 5 years, PKR 18 billion in 10 years, PKR 15 billion in 15 years, and 10 billion in 20 years at a Cut-off rate of 8.70%, 9.20%, 9.8390%, 10.40%, and 10.56% respectively.



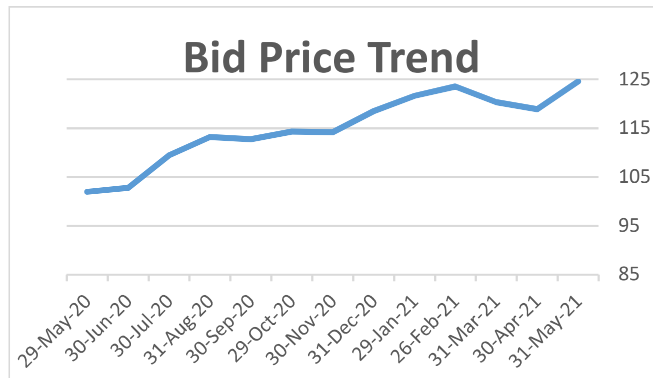
MAZ'AF FUND (TAKAFUL)

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.

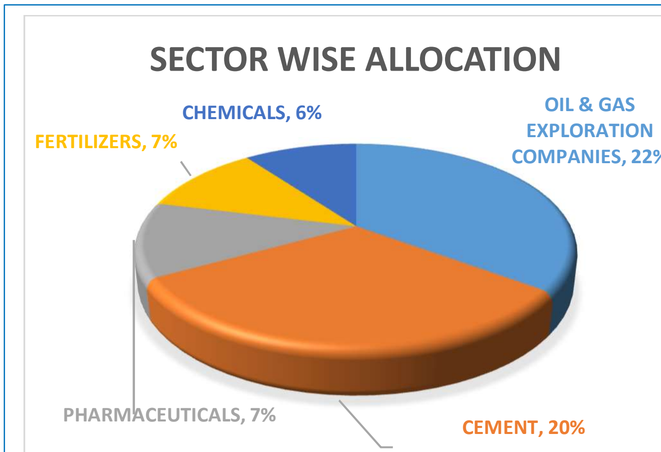
Fund Information:

Fund Name	Maza'af Fund
Fund Size	PKR 2.6 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(31 May 2021)**	PKR 124.5943
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	May 2021	April 2021
Bank Balances	3.77%	2.58%
Term Deposits	16.99%	18.04%
Equities	27.81%	27.43%
Mutual Funds	37.42%	37.17%
Fixed Income Securities	6.04%	6.48%
GOP IJARA	6.65%	7.05%
Other Assets	1.32%	1.25%



Fund Returns:

	Absolute
Month to Date (MTD)	4.77%
180 Days Return	9.14%
CYTD	5.16%
Since Inception (Absolute)	24.59%
Since Inception (Annualized)	5.05%

Managers' Comments:

During the month of May 2021, the NAV per unit has been Increased by PKR 5.6771 (4.77%) from April.

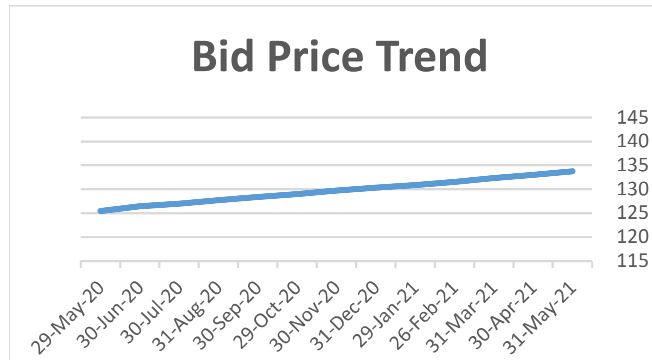
TAMEEN FUND (TAKAFUL)

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.

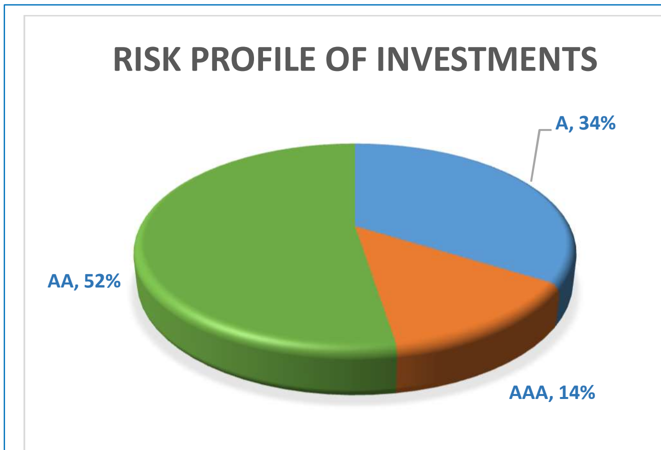
Fund Information:

Fund Name	Tameen Fund
Fund Size	PKR 2.4 Billion
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 May 2021)	PKR 133.7634
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	May 2021	April 2021
Bank Balances	19.93%	20.07%
Term Deposits	60.72%	62.49%
Mutual Funds	12.54%	12.84%
Fixed Income Securities	3.21%	1.40%
GOP IJARA	2.27%	2.34%
Real Estate	0%	0%
Other Assets	1.33%	0.86%



Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.56%	6.58%
180 Days Return	3.14%	6.29%
CYTD	2.63%	6.35%
Since Inception	33.76%	6.94%

Managers' Comments:

During the month of May 2021, the NAV per unit has been Increased by PKR 0.7439 (0.56%) from April.

TOP EQUITY HOLDING

MAZAAF

TOP TEN HOLDINGS

MARI
LUCK
ENGRO
PKGS
ABOT
OGDC
POL
PPL
PSO
MLCF

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.