adamjeefamily Takaful
Window Takaful Operations

FUND MANAGERS' REPORT
Performance Tracker

SEPTEMBER - 2021

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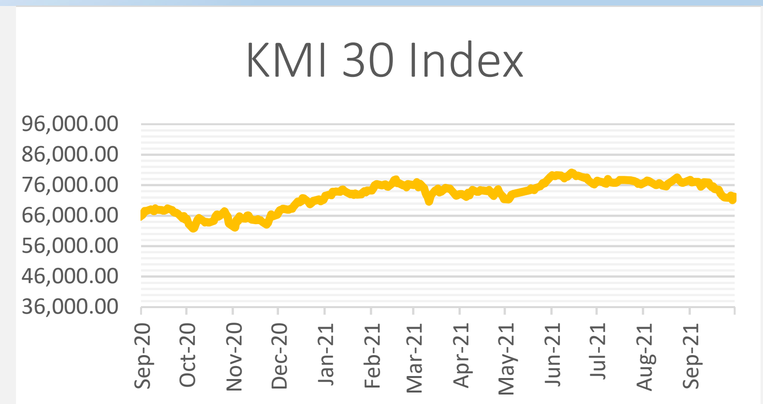
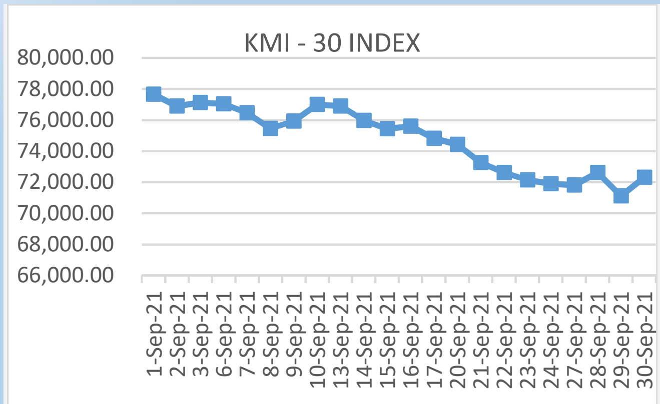
Equity Market Analysis

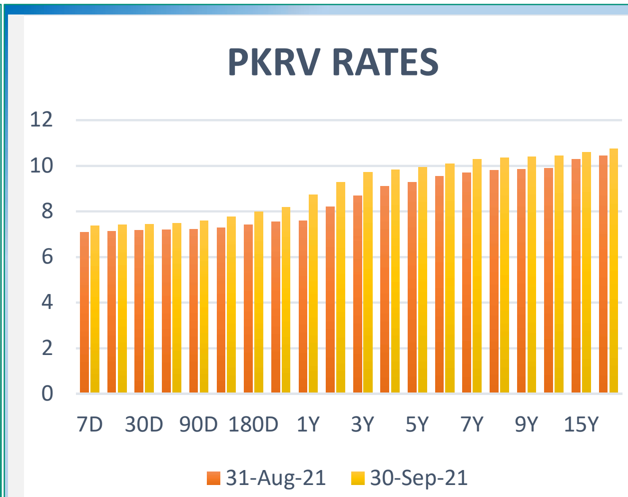
The KSE-100 index witnessed a battering in September 2021, as it decreased by 2,520 points (-5.3%) to close the month at 44,900 points. The lackluster performance of the index can be attributed to concern over rising current account deficit amid ballooning import bill. This led to pressure on the currency which put a dent in investors' confidence. Market was also concerned over continued uncertainty in Afghanistan and deterioration of US – Pakistan relationship. Foreign selling also increased in the month as MSCI reclassified Pakistan from Emerging Markets to Frontier Markets. Foreign investors offloaded USD 45mn in the month compared to USD 10mn in previous month. Mutual Funds also remained sellers with a net outflow of USD 14.8mn. Majority of the selling was absorbed by individuals and banks. The market activity increased as average daily trade value increased by 14% MoM. The market is expected to remain in range bound territory in short term as geopolitics situation, higher commodity prices and uncertainty over IMF negotiation cast risks in investor's mind. However, we highlight that market is trading at a forward P/E of 6.3x and offers an attractive dividend yield of 8.7%, indicating deep valuation discount. The major dent to the KSE-100 Index came from the Cement sector which shed 752 points primarily due to rapid increase in coal price. Automobile sector contributed negative 173 points to the index as depreciating rupee is expected to squeeze margins for assemblers in outgoing quarter. Fertilizer and E&P sector contributed -234 and - 191 points respectively.





Money Market Analysis

State Bank of Pakistan conducted a Treasury bill auction on September 22, 2021. The auction had a total maturity of PKR 895 billion against a target of PKR 800 billion. Auction witnessed a total participation of PKR 1.139 trillion. Out of total participation bids worth, PKR 827 billion were received in 3 months' tenor, PKR 222 billion in 6 months, and PKR 89 billion in 12 months' tenor. SBP accepted total bids worth PKR 791 billion in a breakup of PKR 746 billion and PKR 44 billion at a cut-off yield of 7.64% and 7.98% in 3 months and 6 months' tenor respectively. Bids for 12 months tenor were rejected. Auction for fixed coupon PIB bonds was held on September 15, 2021 with a total target of PKR 150 billion. Total participation of PKR 189 billion was witnessed in this auction out of which 3, 5, 10 & 15-year tenors received bids worth PKR 51 billion, PKR 53 billion, PKR 69 billion & PKR 15 billion respectively. State bank of Pakistan accepted PKR 21 billion in 3 years, PKR 24 billion in 5 years, PKR 36 billion in 10 years & PKR 15 million in 15 years at a Cut-off rate of 8.88%, 9.18%, 9.83% & 10.40% respectively. We expect the central bank to gradually increase interest rates to achieve mildly positive real interest rates over time.



MAZ'AF FUND (TAKAFUL)

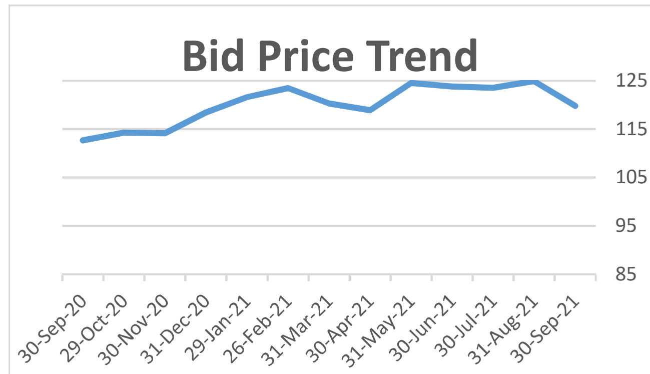
September 30, 2021

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.

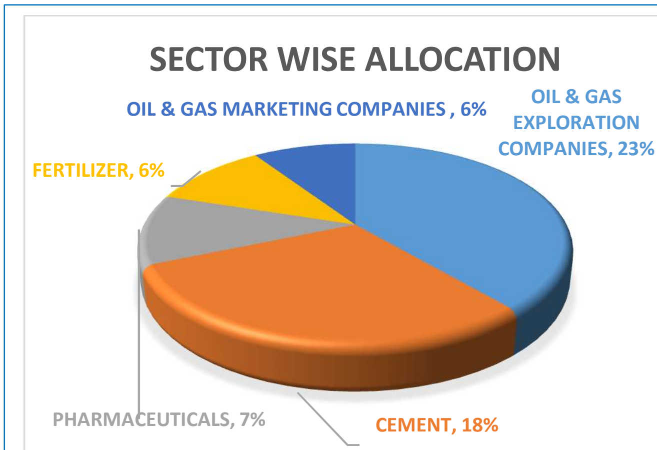
Fund Information:

Fund Name	Maza'af Fund
Fund Size	PKR 2.5 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(30 Sep 2021)**	PKR 119.8370
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	September 2021	August 2021
Bank Balances	1.34%	2.71%
Term Deposits	19.74%	18.74%
Equities	26.80%	27.11%
Mutual Funds	37.77%	37.72%
Fixed Income Securities	6.18%	5.88%
GOP IJARA	6.96%	6.61%
Other Assets	1.21%	1.23%



Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	-4.10%	-49.87%
180 Days Return	-0.41%	-0.82%
CYTD	1.14%	1.52%
Since Inception	19.84%	3.81%
5 Years	18.85%	3.77%
10 Years	N/A	N/A

Managers' Comments:

During the month of Sep 2021, the NAV per unit has been Decreased by PKR 5.1219 (4.10%) from Aug.

TAMEEN FUND (TAKAFUL)

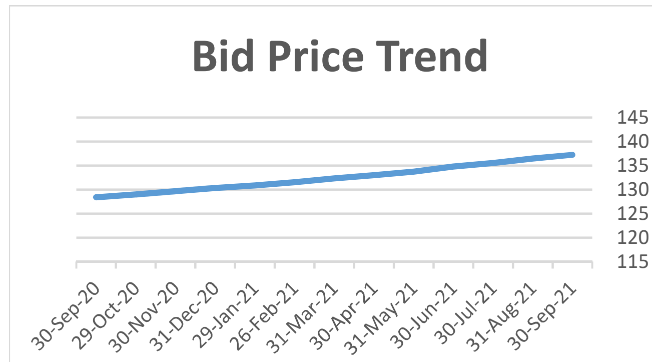
September 30, 2021

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 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(30 Sep 2021)**	PKR 137.2241
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

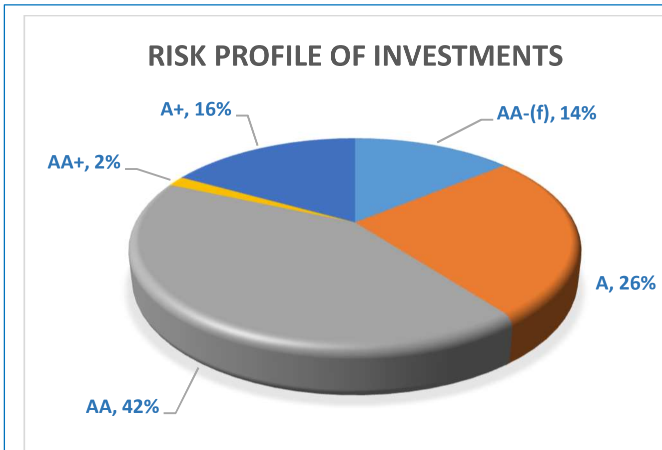


Asset Mix

Assets	September 2021	August 2021
Bank Balances	8.49%	8.37%
Term Deposits	71.47%	67.33%
Mutual Funds	13.42%	16.84%
Fixed Income Securities	2.56%	2.73%
GOP IJARA	1.81%	1.94%
Real Estate	0%	0%
Other Assets	2.25%	2.79%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.55%	6.74%
180 Days Return	3.71%	7.39%
CYTD	5.28%	7.06%
Since Inception	37.22%	7.15%
5 Years	36.08%	7.21%
10 Years	N/A	N/A



Managers' Comments:

During the month of Sep 2021, the NAV per unit has been Increased by PKR 0.7560 (0.55%) from Aug.

TOP EQUITY HOLDING

MAZAAF

TOP TEN HOLDINGS

MARI
ENGRO
LUCK
PKGS
PPL
POL
ILP
OGDC
ABOT
HUBC

DISCLAIMER

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