FUND MANAGERS' REPORT
Performance Tracker

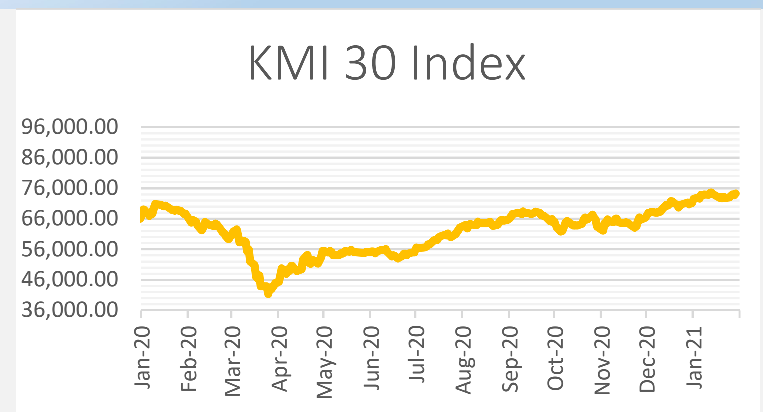
JANUARY- 2021

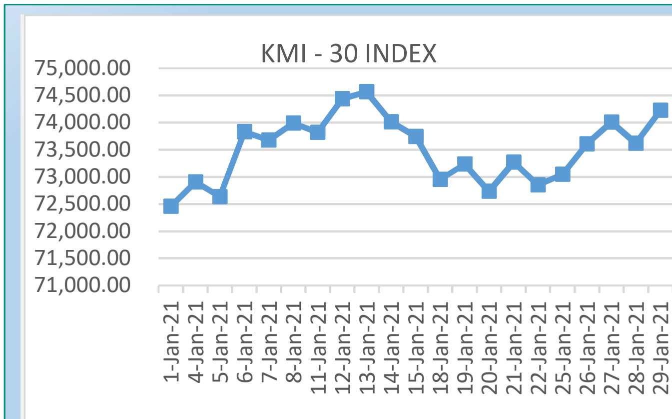
Adamjee Life Assurance Co. Ltd - Window Takaful Operation
Principal Office: 3rd and 4th Floor, Adamjee House, I.I.Chundrigar Road, Karachi - 74000
UAN: +92-111-11-LIFE(5433) Fax: +92-21-38630011

111-11-LIFE(5433) | www.adamjeelife.com | /AdamjeeLife

Equity Market Analysis

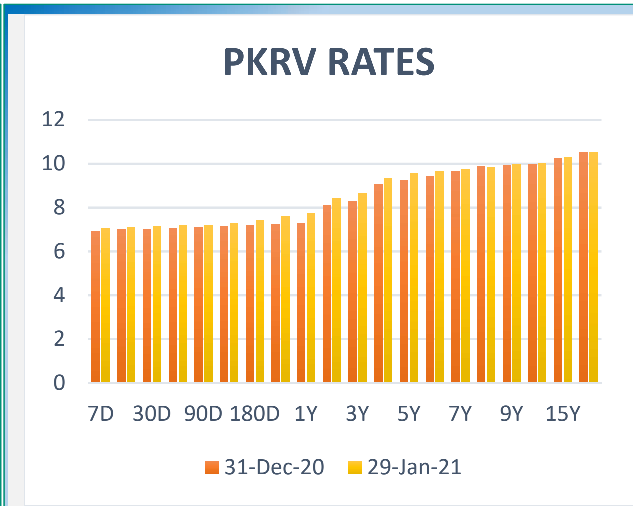
KSE-100 index welcomed the New Year warmly, with a gain of 6.0% for the month of Jan’21, closing the index at 46,386 points. Propelling Pakistan’s stock market to the 2nd best performing market in the region and 7th best performing market in the world. The rally during the outgoing month has primarily been led by confidence in the overall investment climate fueled by the ongoing robust economic momentum across the country. General Industrials, IT and Steel were the major gainers as they increased by ~24.9% and ~22.7% and ~18.8% respectively during the month. On the flip side, Packaging and Auto & Allied Industries were the laggards as they lost ~12.8% and ~2.3% respectively. Steel sector gained on the back of bullish earning expectations and continuing increase in prices. Tech companies continue to see a massive re-rating in their valuations as investor cherished the changing landscape of tech companies post Covid. Total foreign selling/local buying amounted to ~USD 1.82mn. Individuals were the major buyers followed by corporates. They bought shares worth of USD 44.26mn and USD 15.09mn respectively. On the selling side, insurance companies were the biggest sellers selling shares worth USD 11.90mn. During the month, volumes and values averaged at ~624mn shares and ~PKR 23.03 billion respectively an increase of ~26.5%/7.2% respectively MoM. From capital market perspective, particularly equities, we are getting a much clearer picture now. As growth momentum continues, the valuations are catching 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 1.9%, 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 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

In its latest announced Monetary Policy State Bank of Pakistan maintained the policy rate at 7% which was in line with market expectation. On the inflation front, SBP highlighted that on the back of improved food supply there has been a significant decline in its pace. However, increased utility tariffs may cause an upside pressure on inflation, still, SBP expects inflation to remain in the range of 7% – 9% for the year. State Bank of Pakistan conducted Treasury bill auction on January 27th, 2020. The auction had a total maturity of PKR 471 billion against a target of PKR 400 billion. Auction witnessed a total participation of PKR 772 billion. Out of total participation bids worth, PKR 646 billion were received in 3 months’ tenor, PKR 106 billion in 6 months, and PKR 20 billion in 12 months’ tenor. SBP accepted total bids worth PKR 487 billion in a breakup of PKR 382 billion, 99 billion, and PKR 5.8 billion at a cut-off yield of 7.1597%, 7.49%, and 7.7989% in 3 months, 6 months, and 12months’ tenor respectively. To ensure predictability and better decision making SBP also for the first time provided forward guidance on monetary policy in which it hinted interest rates to remain unchanged in the near term. Any change in interest rates in the medium to long term would be measured and gradual to achieve mildly positive real interest rates.



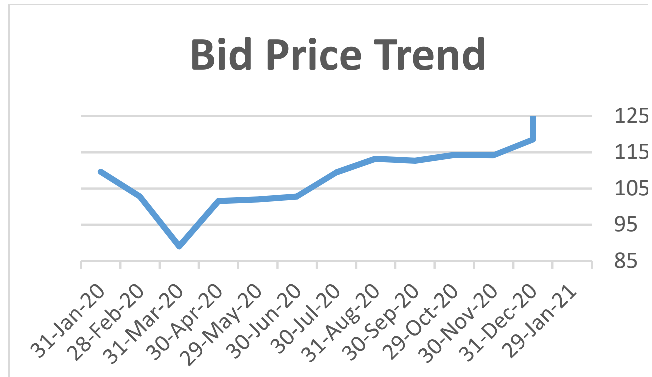
MAZ'AF FUND (TAKAFUL)

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 2.5 Billion
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (29 Jan 2021)	PKR 121.6283
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]

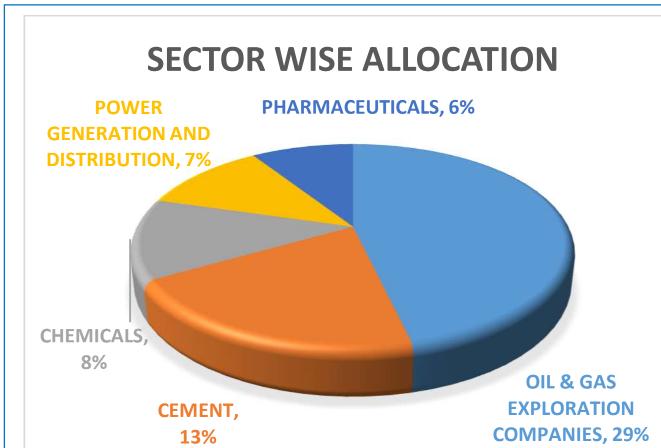


Asset Mix

Assets	January 2021	December 2020
Bank Balances	6.81%	5.59%
Term Deposits	13.72%	14.29%
Equities	26.12%	26.01%
Mutual Funds	38.20%	38.48%
Fixed Income Securities	6.45%	6.75%
GOP IJARA	6.87%	7.14%
Other Assets	1.83%	1.74%

Fund Returns:

	Absolute
Month to Date (MTD)	2.65%
180 Days Return	11.12%
CYTD	2.65%
Since Inception (Absolute)	21.63%
Since Inception (Annualized)	4.77%



Managers' Comments:

During the month of January 2021, the NAV per unit has been Increased by PKR 3.1421 (2.65%) from December.

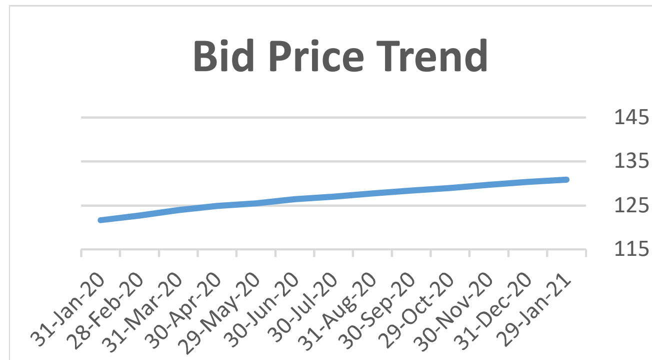
TAMEEN FUND (TAKAFUL)

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 1.9 Billion
Launch Date	July 26, 2016
Bid Price **(Inception)**	PKR 100
Bid Price **(29 Jan 2021)**	PKR 130.8891
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]

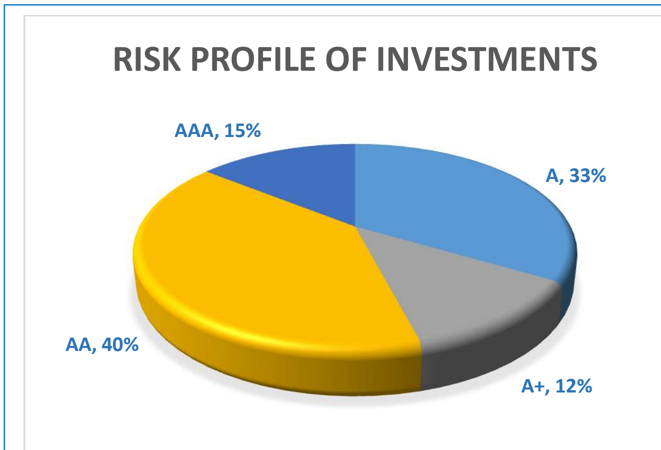


Asset Mix

Assets	January 2021	December 2020
Bank Balances	4.99%	10.50%
Term Deposits	71.35%	69.44%
Mutual Funds	15.24%	11.01%
Fixed Income Securities	1.68%	1.83%
GOP IJARA	2.78%	6.32%
Real Estate	0%	0%
Other Assets	3.96%	0.90%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.42%	5.32%
180 Days Return	3.06%	6.11%
CYTD	0.42%	5.32%
Since Inception	30.89%	6.81%



Managers' Comments:

During the month of January 2021, the NAV per unit has been Increased by PKR 0.5512 (0.42%) from December.

TOP EQUITY HOLDING

MAZAAF

TOP TEN HOLDINGS

MARI
LUCK
OGDC
PPL
HUBC
POL
INDUS
ILP
ENGRO
EPCL