5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND MANAGER REPORT

September | 2026



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Stock Market Review

MARKET REVIEW

During the month of September 2026, the KSE-100 index decreased by 7,007 points (down 3.96%), closing at 169,969 points. The average daily volume of the market stood at 603.8 million shares down by 24.4% on a MoM basis. Banks and Cements were the major negative contributing sectors to the index performance during the month.

Marking a challenging consolidation phase, equity market activity through September 2026 was weighed down due to persistent geopolitical uncertainty. Amid this cautious sentiment, heavyweight equities drifted lower as participants navigated ongoing market headwinds. While headline inflation eased down, it offered only muted relief against compressed purchasing power and broader volatility. Although steady foreign exchange reserves and institutional support provided some underlying resilience, the local bourse closed the month under clear downward pressure.

Foreigners were net sellers with net selling aggregating USD 22.5 million during the month. On the local front, Mutual Funds were major sellers with net selling aggregating USD 42.6 million while Individuals were major buyers with net buying aggregating USD 37.3 million (excluding debt market) respectively. Oil prices increased by 14.13% during the month with Brent closing at USD per barrel.

While near-term volatility cannot be ruled out, we maintain a long-term positive outlook on the equity market. We encourage investors to enhance their long-term exposures to equities at these levels.

Money Market Review

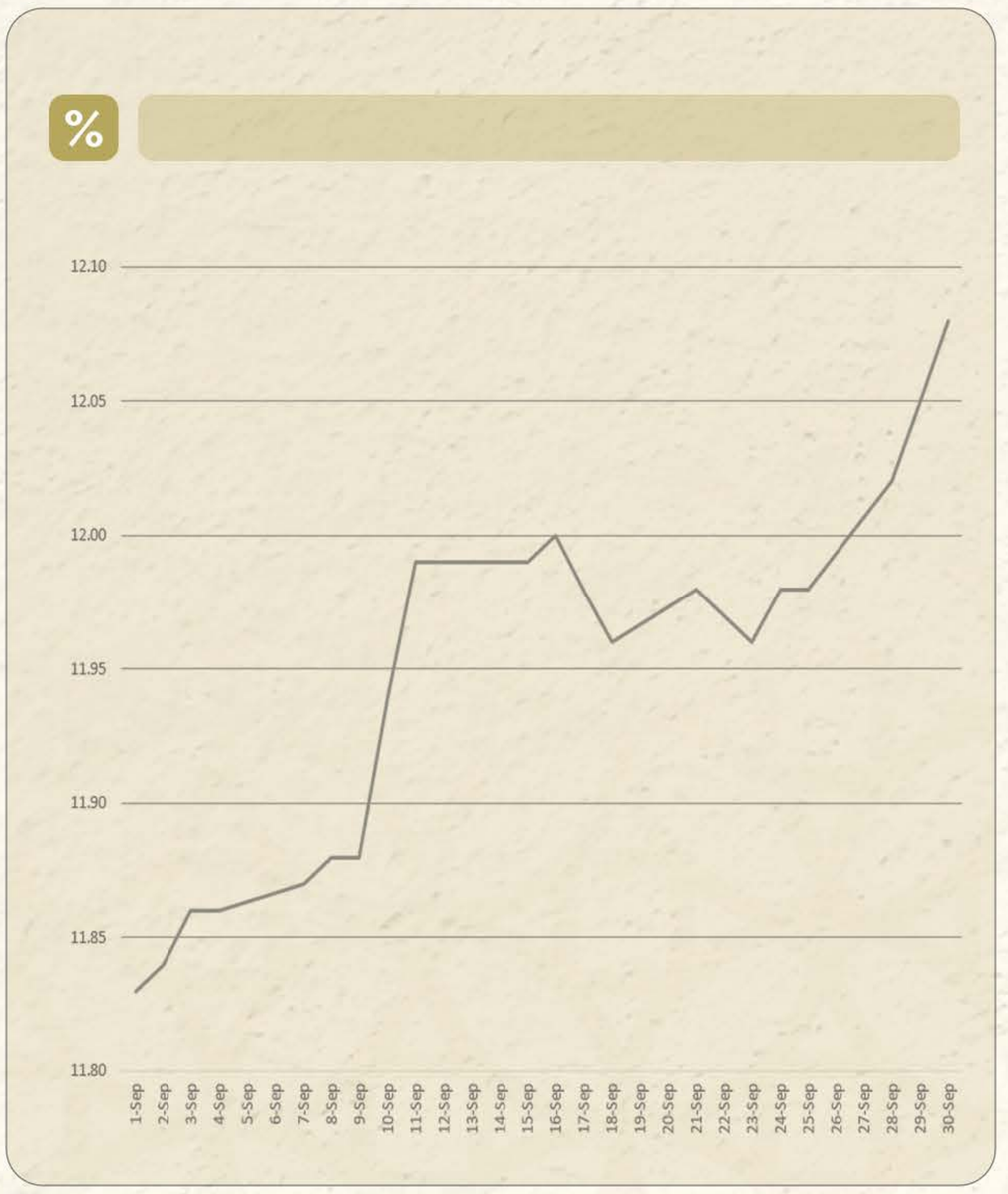
Persistent volatility in global commodity and food prices, driven by climate related supply disruptions and geopolitical conflicts in major energy and commodity producing regions, is creating renewed inflationary pressures. These external shocks are feeding directly into domestic prices. In response to rising inflation expectations, short-term financing rates increased by 12–27 bps across the 3-month, 6-month, and 12-month tenors, while secondary market rates rose by 13–29 bps across the same maturities. Meanwhile, Pakistan Investment Bond yields increased by 50–82 bps across the 3-year, 5-year, 10-year, and 15-year maturities, signaling those markets are pricing in higher inflation and elevated interest rates over the medium to long term.

In the Islamic money market, the government raised PKR 350 billion against a target of PKR 675 billion, highlighting relatively cautious investor participation. Looking ahead, we expect the State Bank of Pakistan to maintain hawkish stance as a pre-emptive measure against persistent inflationary pressures. The key risk to inflation include higher international oil and refined petroleum product prices, alongside snowball impact on input costs and food prices, which could keep inflation elevated.

KSE - 100 Index Performance



6 Month Kibor



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5th Pillar Family Takaful Limited - Conservative Fund

For the month of September 2026

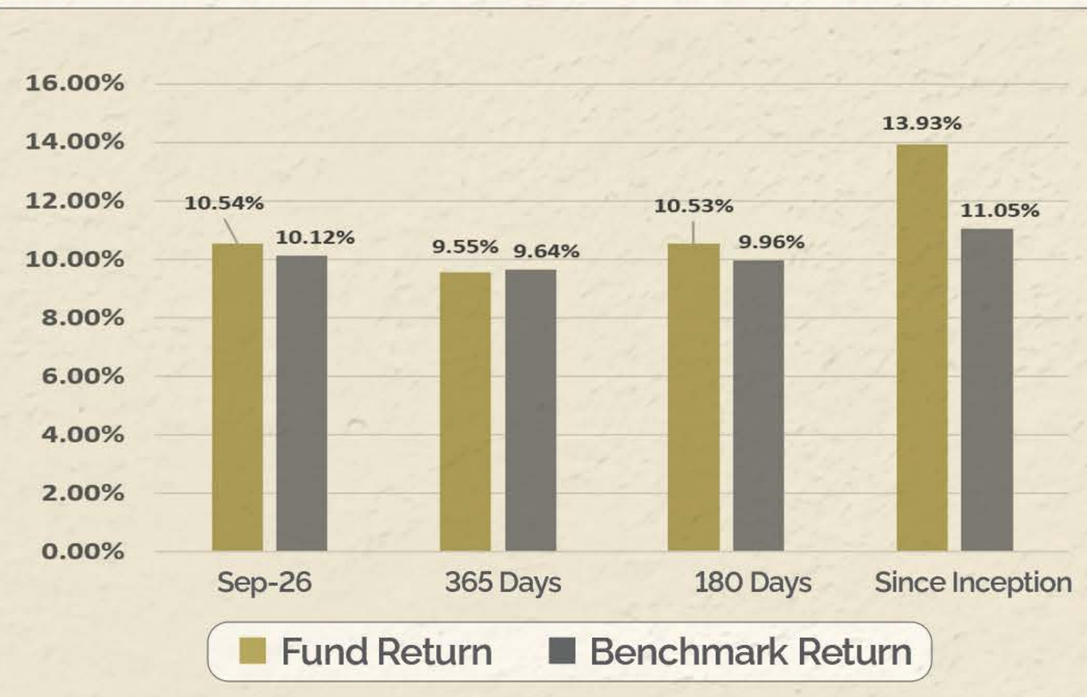
Investment Objective:

The main objective of fund is to provide the stability in returns by investing in low risk shariah compliant fixed income instruments with strong credit rating.

Fund Information

Fund Category	Money Market
Risk Profile	Low
Launch Date	18-Jul-23
Nav per unit at launch Date	100.0000
Nav per unit at month End (Sep 2026)	151.896
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	2,036 M
Weighted Avg.time to Maturity	0.2 Year
Expense Ratio	0.28%
Management Fee	1.75% p.a.
Benchmark	60% weightage of Meezan Cash Fund & 40% average of 6M deposit rate of 3 AA-rated of Islamic banks or Islamic windows of Conventional banks

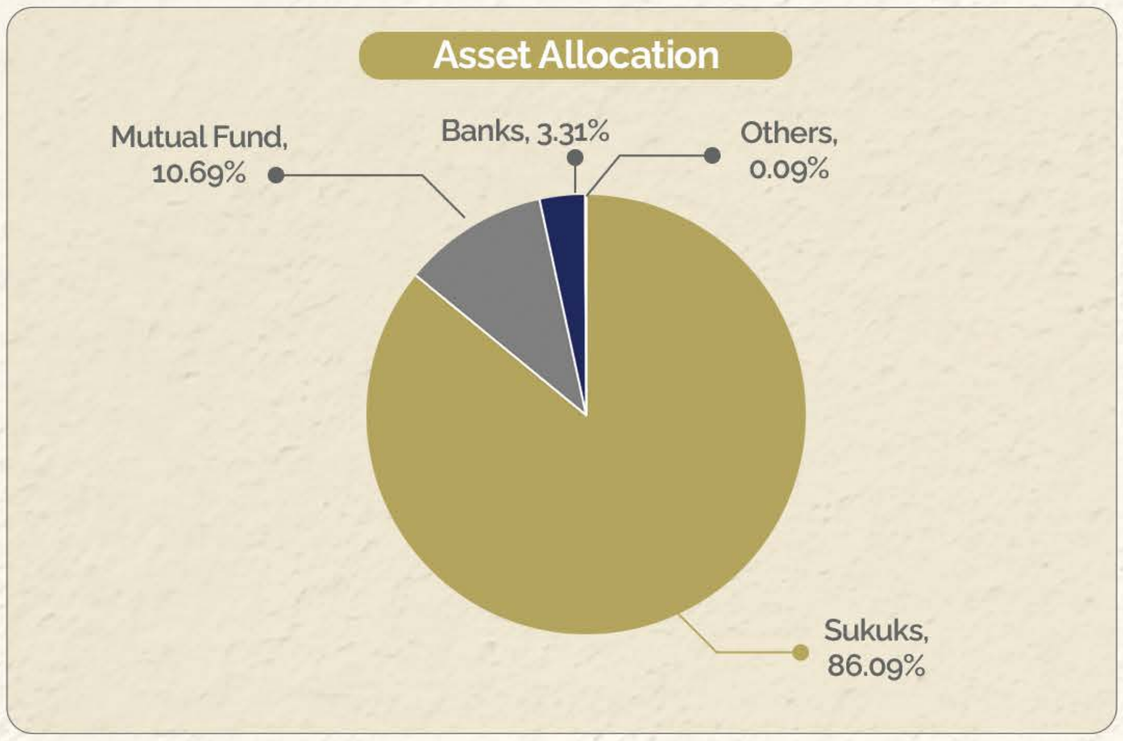
Fund's Performance



Asset Allocation	Sep-26	Aug-26
GOP Ijarah Sukuks	86.09%	78.33%
Mutual Funds	10.69%	20.28%
Bank Balances	3.31%	0.29%
Other Assets / Liabilities	-0.09%	1.10%

Asset Allocation	Sep-26	Aug-26
Government guaranteed	86.32%	78.49%
AA+	10.69%	20.28%
AAA	3.31%	0.29%
Unrated	-0.32%	0.94%

Asset Allocation	Sep-26	Aug-26
Return on (MoM) basis	10.54%	11.06%
180 days return	10.53%	8.97%
Last 365 days return	9.55%	9.45%
Return since inception (annualized)	13.93%	14.02%
Last 05 years (annualized)	N/A	N/A
Last 10 years (annualized)	N/A	N/A



Fund Manager's comments

The KSE-100 declined 4% MoM, taking CY26TD and FY27TD losses to 2.3% and 6.0%, respectively. The beginning of the UN General Assembly session, with participation from the US, Iran, and Gulf states, initially raised hopes of a diplomatic breakthrough. However, rhetoric from both the US and Iran remained hostile, while mediators, including Pakistan and Qatar, continued efforts to de-escalate tensions and facilitate dialogue.

Unrest in the Gulf disrupted regional oil flows, particularly from Saudi Arabia, while declining buffer stocks and a global refining system operating near capacity, coupled with inventory drawdowns in China, kept Brent crude prices above US$100/bbl—around 70% above December 2025 levels. Meanwhile, RB coal prices reached a new high of US$128/ton in September 2026, supported by stronger demand amid elevated temperatures, supply bottlenecks, and shortages of alternative fuels, particularly LNG, across coal-importing markets.

In September 2026, the central bank kept the policy rate unchanged at 11.5%, citing confidence in the medium-term inflation outlook of 5–7%, despite average inflation of ~10% during the first two months of FY27 and contained external-account pressures. Committee members, however, flagged upside risks to inflation amid the intensifying Middle East crisis and its potential impact on commodity prices. Recent auctions also saw yields move higher, reflecting expectations of a potential further increase in interest rates.

Pakistan's current account deficit narrowed sharply to US$98mn in August 2026, down 78% from July's revised deficit of US$445mn, compared with the previously reported US$328mn shortfall. CPI inflation rose to 10.3% in September 2026. At present, the real interest rate (RIR) stands at around 1.2ppt, broadly in line with market expectations.

Outlook:

We maintain a positive view on Pakistan's equity market, supported by improving macroeconomic fundamentals, a stable external position, easing monetary conditions, and continued progress under the IMF program. Although geopolitical risks and global oil-price movements could trigger bouts of near-term volatility, we believe the broader medium-term outlook remains favorable. Market performance is likely to be driven by the SBP's monetary policy stance, corporate earnings momentum, and sustained macroeconomic stability.

Valuations remain attractive, with the market currently trading at 8.1x forward P/E and offering a 5.9% dividend yield, providing further support to our constructive stance.

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5th Pillar Family Takaful Limited - Barkat Fund

For the month of September 2026

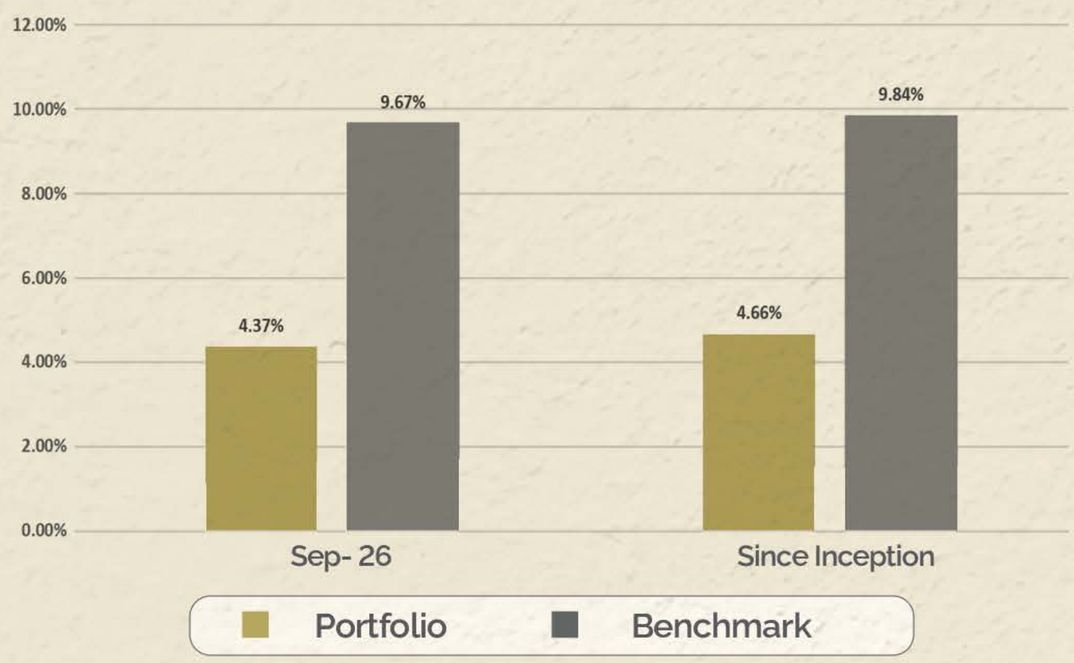
Investment Objective:

The main objective of fund is to provide the stability in returns by investing in low risk shariah compliant fixed income instruments with strong credit rating.

Fund Information

Fund Category	Shariah Compliant Money Market
Risk Profile	Low
Launch Date	15-Jan-26
Nav per unit at launch Date	100.0000
Nav per unit at month End (Sep 2026)	100.551
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	0.29 M
Weighted Avg.time to Maturity	01 Day
Expense Ratio	0.29%
Management Fee	2% p.a
Benchmark	Shariah Compliant Money Market Schemes as published by MUFAP

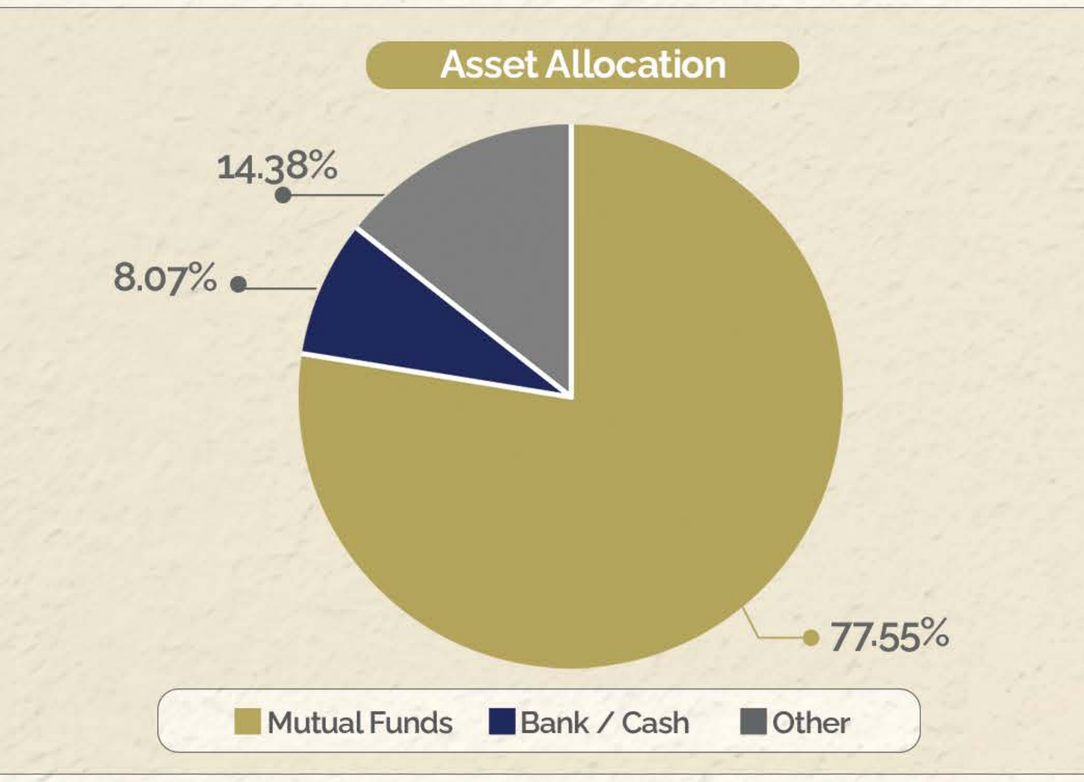
Fund's Performance



Asset Allocation	Sep-26	Aug-26
Mutual Funds	77.55%	0.00%
Bank / Cash	8.07%	94.95%
Others	14.38%	5.05%

Asset Quality	Sep-26	Aug-26
AA+	77.55%	0.00%
AAA	8.07%	94.95%
Unrated	14.38%	5.05%

Fund Returns	Sep-26	Aug-26
Return on (MoM) basis	4.37%	5.30%
180 days return	NA	NA
Last 365 days return	NA	NA
Return since inception (annualized)	4.66%	5.30%
Last 05 years (annualized)	N/A	N/A
Last 10 years (annualized)	N/A	N/A



Fund Manager's comments

During September 2026, short-term KIBOR rates (3M, 6M, and 12M) increased by 12–27 bps, closing at 11.85%, 12.08%, and 12.43%, respectively. Similarly, secondary market T-Bill yields increased by 13–25 bps, ending the month at 11.64%, 11.84%, and 12.20% for the 3M, 6M, and 12M tenors, respectively. Longer-tenor PIB yields increased by 57–82 bps, with the 3Y, 5Y, and 10Y PIBs closing at 12.73%, 12.72%, and 12.74%, respectively. In the primary market, the Government conducted three Market Treasury Bill (MTB) auctions, accepting PKR 1.68 trillion against a target of PKR 1.65 trillion, with the majority of the accepted amount concentrated in the 3-month tenor.

On the Islamic finance front, the Government raised PKR 350.23 billion through auctions of 3-month, 6-month, 1-year, 3-year, 5-year, and 10-year floating-rate and fixed-rate Ijarah Sukuk / Hybrid Sukuk, against total bids of PKR 1,695.32 billion and a target of PKR 625 billion. In the foreign exchange market, the PKR appreciated by PKR 0.36 against the US Dollar (USD) in the interbank market and by PKR 0.08 in the open market. The PKR closed the month at PKR 277.11/USD in the interbank market and PKR 279.13/USD in the open market.