



5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND MANAGER REPORT

August | 2026





Stock Market Review

MARKET REVIEW

During August 2026, the KSE-100 Index gained 882 points, or 0.5% MoM, to close at 176,976 points. Average daily traded volume stood at 799 million shares, down by 5.5% on MoM basis. Oil & Gas Exploration Companies and Refineries were the key positive contributors to index performance during the month.

The market remained in a consolidation phase, with investor sentiment influenced by geopolitical developments and movements in global oil prices. Heavyweight stocks witnessed two-way flows amid cautious and selective buying. External sector indicators remained encouraging, with worker remittances rising to US\$3.63 billion, up 4% MoM and 13% YoY, while the current account deficit narrowed to US\$328 million from US\$814 million in the previous month. However, headline inflation increased to 11.2%, remaining a key macroeconomic concern. The sovereign credit rating upgrade, coupled with continued local institutional participation, provided further support to market sentiment and helped absorb foreign selling.

Foreign investors remained net sellers, with net outflows of US\$28.5 million during the month. While individuals and companies were the largest net buyers, recording inflows of US\$31.7 million and US\$19.8 million, respectively, excluding the debt market. Meanwhile, Brent crude prices increased 0.65% during the month to close at US\$90.68 per barrel.

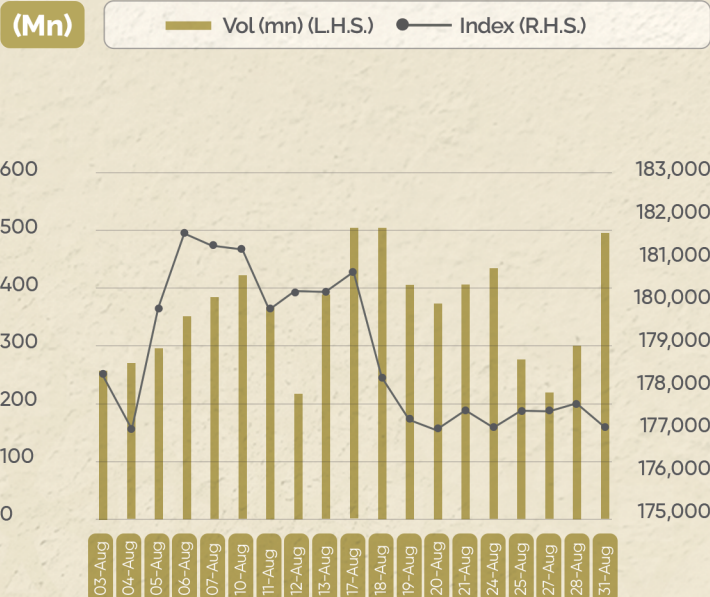
While near-term volatility cannot be ruled out, we maintain a long-term positive outlook on the equity market. We encourage investors to enhance their long-term exposures to equities at these levels.

Money Market Review

As headline CPI inflation for August, 2026 climbed to 11.1% compared to 9.2% in the previous month, with month-on-month inflation remaining up by 1% for the second consecutive month, the yield curve witnessed some upward movement. Secondary market yields increased with T-bill yields rising by 6 to 14 basis points and Pakistan Investment Bonds increasing by 18 to 34 basis points across 3, 5, and 10-year maturities. Short term financing rates also edged up by 3 to 4 basis points across 3-month, 6-month, and 12-month KIBOR tenors. Concurrently, in the Islamic money market, the government successfully raised PKR 422.95 billion against a target of PKR 400 billion.

Looking ahead, inflation is expected to remain elevated during 1HFY27, while real positive interest rates will likely widen in 2HFY27. Although the average inflation for FY27 is projected to stay above the State Bank of Pakistan's target range, the fiscal year is anticipated to close in single digits, subject to ongoing external uncertainties and climate impacts in key commodity-producing countries.

KSE - 100 Index Performance



6 Month Kibor





5th Pillar

Family Takaful Limited

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5th Pillar Family Takaful Limited - Conservative Fund

For the month of Aug 2026

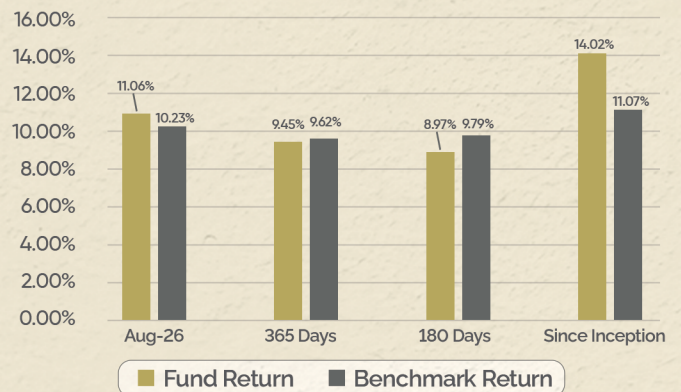
Investment Objective:

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 (August 2026)	150.6503
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	1,972 M
Weighted Avg.time to Maturity	0.3 Year
Expense Ratio	0.28%
Management Fee	175% 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

	Aug-26	Jul-26
GOP Ijarah Sukuks	78.33%	86.54%
Mutual Funds	20.28%	13.13%
Bank Balances	0.29%	0.20%
Other Assets	1.10%	0.13%

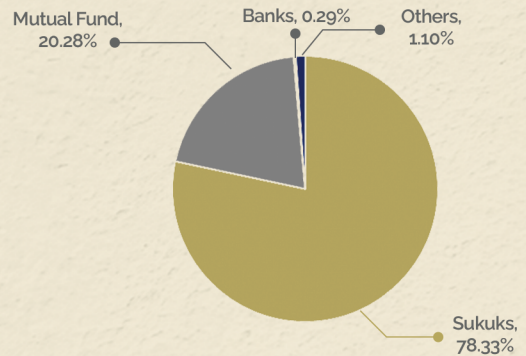
Asset Allocation

	Aug-26	Jul-26
Government guaranteed	78.49%	86.63%
AA+	20.28%	13.13%
AAA	0.29%	0.20%
Unrated	0.94%	0.04%

Asset Allocation

	Aug-26	Jul-26
Return on (MoM) basis	11.06%	10.18%
180 days return	8.97%	8.44%
Last 365 days return	9.45%	9.26%
Return since inception (annualized)	14.02%	14.10%
Last 05 years (annualized)	N/A	N/A
Last 10 years (annualized)	N/A	N/A

Asset Allocation



Fund Manager's comments

The KSE-100 remained volatile in Aug-2026, trading within the 176k-181k range amid renewed geopolitical tensions, oil price volatility, and trade disruptions that tightened global energy markets. Brent prices remained broadly flat MoM at US\$92/bbl, bringing the CY26TD increase to -50%. Supply constraints and declining buffer inventories continued to keep the oil market tight despite softer demand.

Energy stocks remained in focus amid renewed efforts to address the gas-sector circular debt, expectations of OMC margin revisions, and the anticipated signing of the refinery upgradation policy in Sep-2026. APL, PPL, PSO, and POL gained 7-9% MoM, while the refinery sector led market performance with a 37% MoM return. MLCF gained 5% MoM amid expectations that it could acquire PIOC's entire stake.

FY27 started on a strong footing for domestic demand, with cement dispatches up 17% YoY, auto sales rising 80% YoY, petroleum product sales increasing 20% YoY, and power demand growing 7% YoY in Jul-2026. Jun-2026 quarter results across the food sector also pointed to improving demand trends. The broad-based recovery was supported by positive budgetary measures, strong remittances (+13% YoY), currency stability, and easing fuel-price pressures. MS prices increased by only 2% MoM, while HSD prices declined 5% following an agreement between the government and refineries to cap crack spreads.

Headline CPI inflation surged to 11.15% YoY in Aug-2026, up from 9.2% in Jul-2026, while prices increased 1.2% MoM. Consequently, average inflation for 2MFY27 rose to 10.2%, compared with 3.5% in 2MFY26.

The acceleration was primarily driven by a low base effect, alongside broad-based price pressures across key categories, including food (+14% YoY), housing (+9% YoY), clothing and footwear (+9.2% YoY), and transport (+20% YoY).

Pakistan's current account deficit narrowed 60% MoM to US\$328mn in Jul-2026, from a revised US\$814mn in Jun-2026, supported by a narrower trade deficit and stronger transfers. Remittances increased 4% MoM and 13% YoY, partially offsetting the widening services deficit.

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 8.3x forward P/E and offering a 5.9% dividend yield, providing further support to our positive stance.



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5th Pillar Family Takaful Limited - Barkat Fund

For the month of August 2026

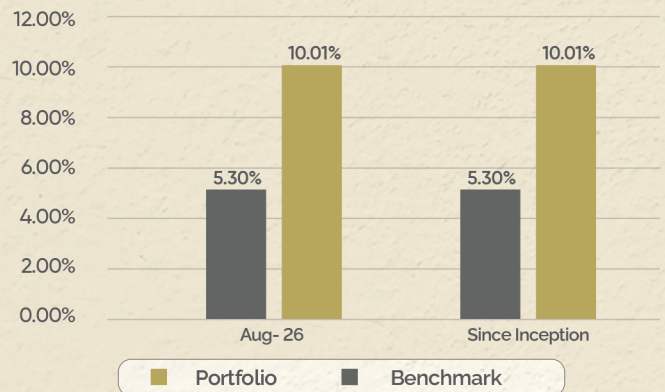
Investment Objective:

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 (Aug 2026)	100.1984
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	0.09 M
Weighted Avg.time to Maturity	1 Day
Expense Ratio	0.26%
Management Fee	2% p.a
Benchmark	Shariah Compliant Money Market Schemes as published by MUFAP

Fund's Performance



Asset Allocation

Aug-26

Bank / Cash
Others

94.95%
5.05%

Asset Quality

Aug-26

AAA
Unrated

94.95%
5.05%

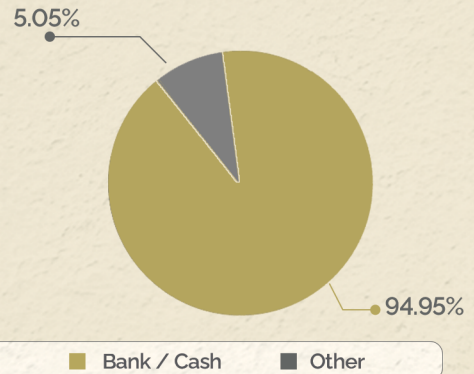
Fund Returns

Aug-26

Return on (MoM) basis
180 days return
Last 365 days return
Return since inception (annualized)
Last 05 years (annualized)
Last 10 years (annualized)

5.30%
NA
NA
5.30%
N/A
N/A

Asset Allocation



Fund Manager's comments

During August 2026, KIBOR rates increased by 3–6 bps, while secondary market T-Bill yields rose by 5–14 bps. PIB yields increased by 18–35 bps across the 3Y–10Y tenors. The Government accepted PKR 1.4 trillion in MTB auctions against a PKR 900 billion target, with the majority in the 3-month tenor. It also raised PKR 422.99 billion through Ijarah Sukuk auctions against a PKR 400 billion target. In the FX market, the PKR appreciated by PKR 0.33 in the interbank market but appreciated by PKR 0.64 in the open market, closing at PKR 277.47/USD and PKR 278.21/USD, respectively.