5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND
MANAGER REPORT

APRIL | 2024

5th Pillar Family Takaful Limited - Conservative Fund
For the month of Apr- 2024

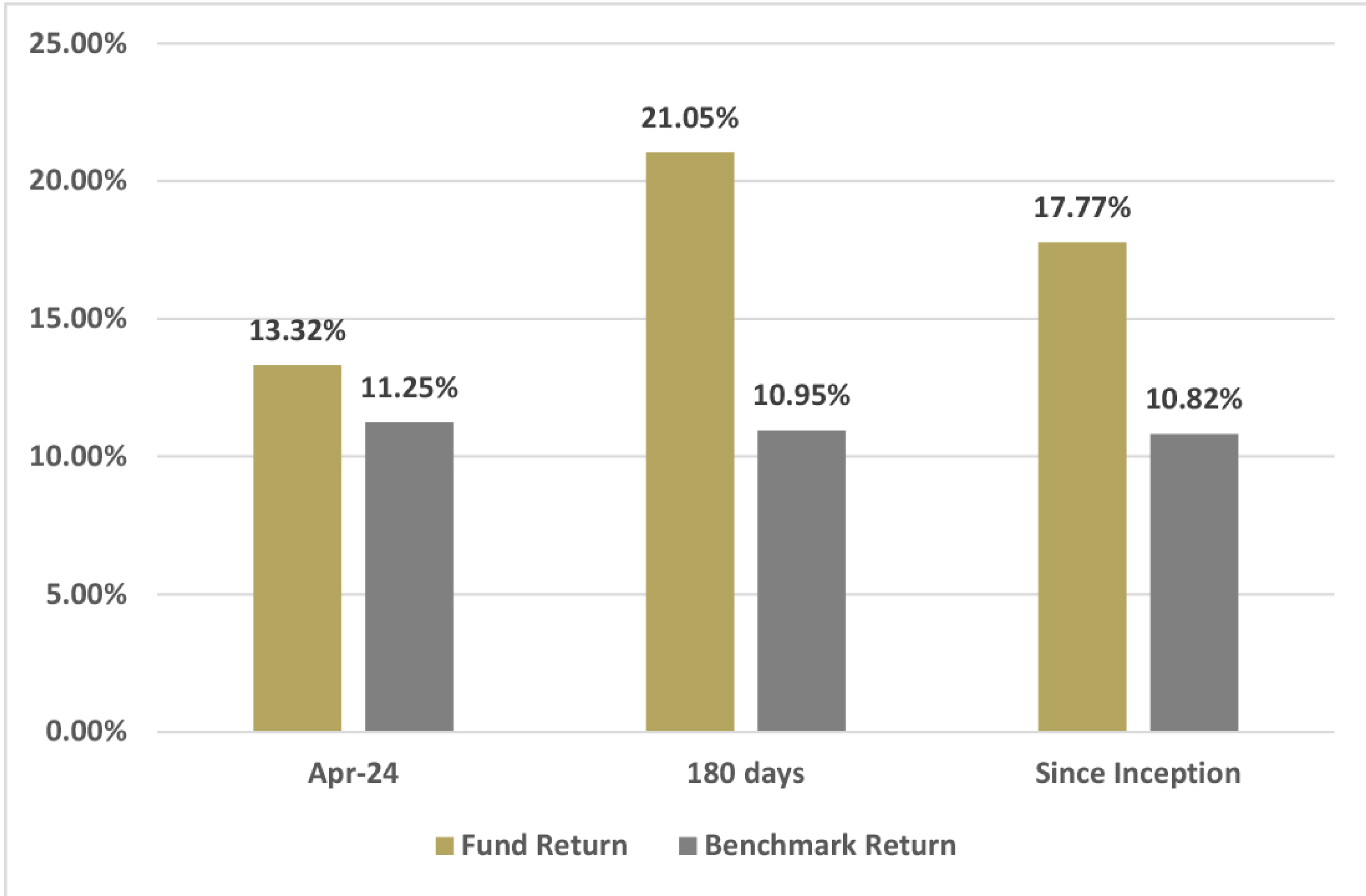
Investment Objective:

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

Fund Information

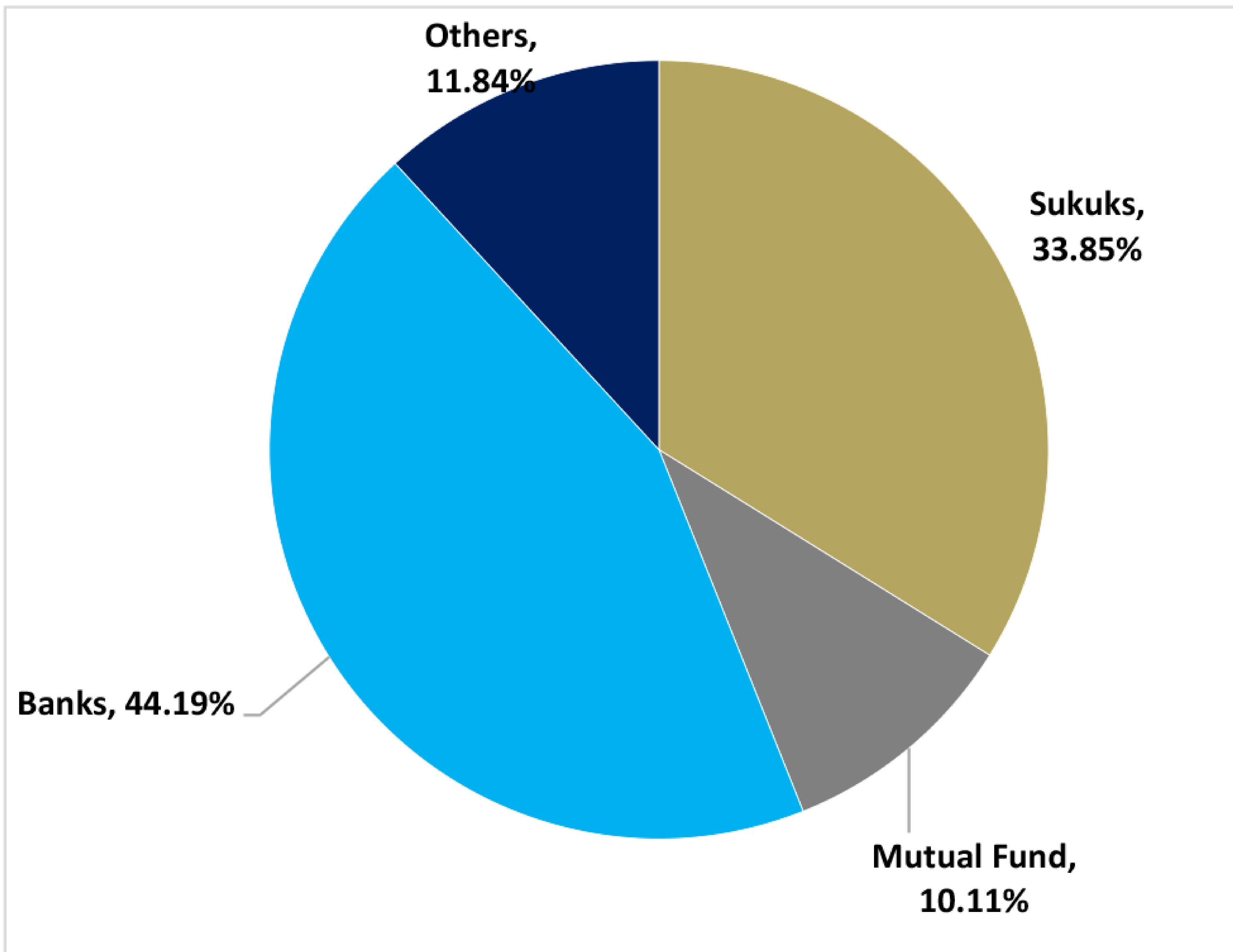
Fund Category	Money Market
Risk Profile	Low
Launch Date	18-Jul-23
Nav per unit at launch Date	100.0000
Nav per unit at month End (Apr-2024)	113.7255
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	52.7 M
Weighted Avg.time to Maturity	0.8 Year
Expense Ratio	0.27%
Management Fee	1.75% p.a.
Benchmark	6M deposit rate of 3 AA-rated Islamic banks or Islamic windows of Conventional banks

Fund's Performance



Asset Allocation	Apr-24
GOP Ijarah Sukuks	33.85%
Mutual Funds	10.12%
Bank	44.19%
Others	11.84%

Asset Allocation



Fund Returns	Apr-24
Return on (MoM) basis	13.32%
180 days return	21.05%
Return since inception (annualized)	17.77%
Last 365 days return	N/A
Last 05 years (annualized)	N/A
Last 10 years (annualized)	N/A

Fund Manager's comments

The equity market continued its upward trajectory in Apr-24, fueled by several positive developments, including, 1) Re-initiation of investment dialogues with Saudi Arabia and Iran, whereby Saudi Arabia agreed to expedite a USD 5bn investment package, 2) Approval of final review under the SBA program by the IMF Executive Board, leading to disbursement of USD 1.1bn, 3) Assurances of macro-economic stability measures by the authorities under the anticipated larger IMF program, and 4) Receding inflation expectations. Moreover, strong corporate results further bolstered the market momentum. Accordingly, the KSE-100 and KMI-30 indices closed at 71,103pts (up 6.1% MoM) and 119,445pts (up 6.3% MoM), respectively.

On the economic front, CPI for Apr-24 clocked in at 17.3% YoY, much lower than 20.7% YoY witnessed in Mar-24, and average 10MFY24 inflation of 26.0% On a MoM basis, CPI decreased by 0.4%, primarily because of 7.3% and 1.4% decrease in the prices of perishable and non-perishable food items, respectively. Despite the downward inflation trajectory, the Monetary Policy Committee (MPC), in its meeting held on 29-Apr-24, kept the Policy Rate unchanged at 22%. The decision took into consideration the improvement in both inflation and external position; however, it observed that inflation was still susceptible to risks amidst the ongoing geopolitical situation and the resultant elevated energy prices. The country achieved Current Account surplus of USD 619mn in Mar-24, compared to a surplus of USD 98mn in Feb-24. This was primarily because of increase in workers' remittances, which jumped by 31% MoM to USD 2.95bn in Mar-24.

Going forward, we expect the equity market to maintain its positive momentum on the back of the new government's inclination towards entering into a new, longer-term, IMF program, based on which it is expected that structural reforms are going to continue. Moreover, the equity market is trading at very cheap valuations (market P/E of under 4x, compared to its long-term average P/E of about 7.8x). Furthermore, with inflation expected to decline, we believe that monetary easing may begin soon. Resultantly, domestic institutional investors are likely to shift their investments from fixed income towards equities, leading to a sustained rally in the market.