5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND
MANAGER REPORT

AUGUST | 2024

5th Pillar Family Takaful Limited - Conservative Fund

For the month of August- 2024

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Family Takaful Limited
آئیے، ساتھ چلیں

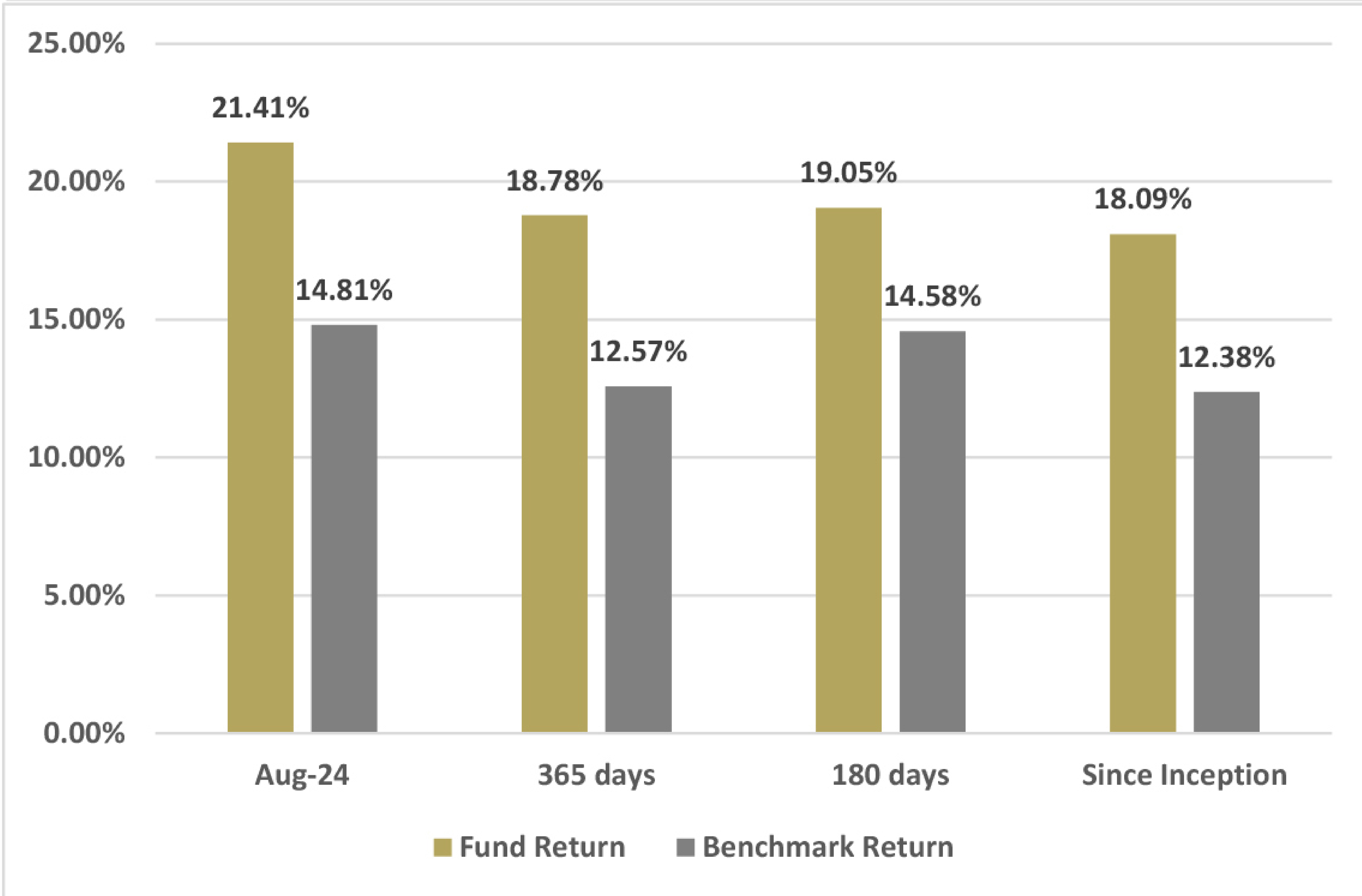
Investment Objective:

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

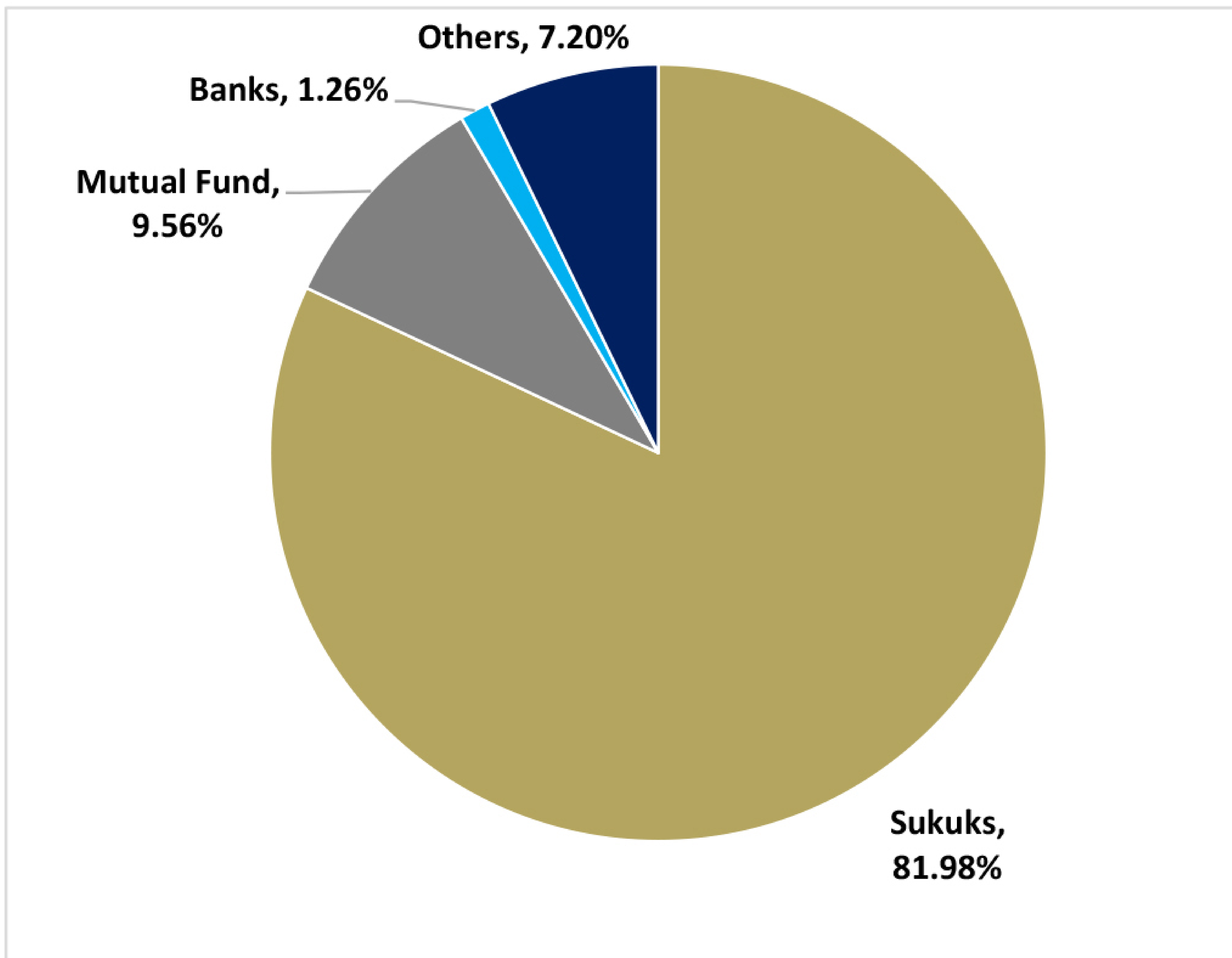
Fund Category	Money Market
Risk Profile	Low
Launch Date	18-Jul-23
Nav per unit at launch Date	100.0000
Nav per unit at month End (Aug-2024)	120.5387
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	106.1 M
Weighted Avg.time to Maturity	0.8 Year
Expense 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	Aug-24	Jul-24
GOP Ijarah Sukuks	81.98%	77.28%
Mutual Funds	9.56%	4.35%
Bank	1.26%	11.98%
Others	7.20%	6.39%

Asset Allocation



Fund Returns	Aug-24	Jul-24
Return on (MoM) basis	21.41%	21.13%
180 days return	19.05%	19.67%
Last 365 days return	18.78%	18.51%
Return since inception (annualized)	18.09%	17.82%
Last 05 years (annualized)	N/A	N/A
Last 10 years (annualized)	N/A	N/A

Fund Manager's comments

During Aug-24, the equity market recovered some losses from the previous month as investors held out hope for the approval of the IMF's Extended Fund Facility (EFF) program and the subsequent loan disbursement.

Early in the month, positive sentiment was fueled by successful debt rollover commitments from China, Saudi Arabia, and the UAE; a crucial step toward finalizing the USD 7bn loan program. However, absence of Pakistan from IMF's Executive Board schedule in Aug-24 caused some jitters in the market. Despite this, Moody's upgrade of Pakistan's rating from Caa3 to Caa2, coupled with declining secondary market yields, helped mitigate bearish sentiment. Consequently, the KSE-100 and KMI-30 indices ended the month at 78,488pts (up 0.8% MoM) and 124,792pts (up 1.5% MoM), respectively.

On the economic front, CPI for Aug-24 fell to a 34-month low of 9.6% YoY, down from 11.1% in Jul-24. This brings the average annual inflation for the first two months of FY25 to 10.4%, a significant decrease from 27.8% in the same period last year. On a MoM basis, CPI increased by 0.4%, primarily due to a 1.5% rise in the prices of Food and Non-Alcoholic Beverages.

On the economic front, the Current Account Deficit (CAD) for Jul-24 clocked in at USD 162mn, a notable decrease from USD 741mn in the same period last year. This improvement was largely driven by a 48% YoY increase in workers' remittances, which surged to USD ~3bn.

Going forward, investor focus is likely to remain on the approval of the new IMF program by the Executive Board. Furthermore, the ongoing result season is expected to keep certain stocks in limelight. Moreover, with inflation on a downward trajectory, we believe that monetary easing will continue throughout the remainder of the year. Resultantly, domestic institutional investors are likely to shift their investments from fixed income towards equities, potentially leading to a sustained rally in the market.