5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND
MANAGER REPORT

August | 2025

5th Pillar Family Takaful Limited

آئیے، ساتھ چلیں

MARKET REVIEW

Stock Market Review

During the month of August 2025, the KSE-100 index rose by 9,227 points (up 6.6%), closing at 148,618 points. The average daily volume of the market stood at 737 million shares, down by 4% on a MoM basis. Banks, Cements & E&P's were the major positive contributing sectors to the index performance during the month.

Improving macroeconomic indicators and strong institutional flows have propelled the market rally, further supported by the ongoing corporate results season. Reinforcing market optimism, Moody's upgraded Pakistan's sovereign rating to Caa1 from Caa2, citing stronger external buffers, fiscal consolidation, and continued reform progress under the IMF program.

Foreigners were net sellers with net selling aggregating USD 43 million during the month and on local front Banks were major sellers with net selling aggregating USD 48 million while Mutual Funds, Individuals and Companies were major buyers with net buying aggregating USD 54 million, USD 20 million and USD 20 million respectively (excluding debt market). The oil prices decreased by 6.07% during the month with Brent closing at USD 68.1 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

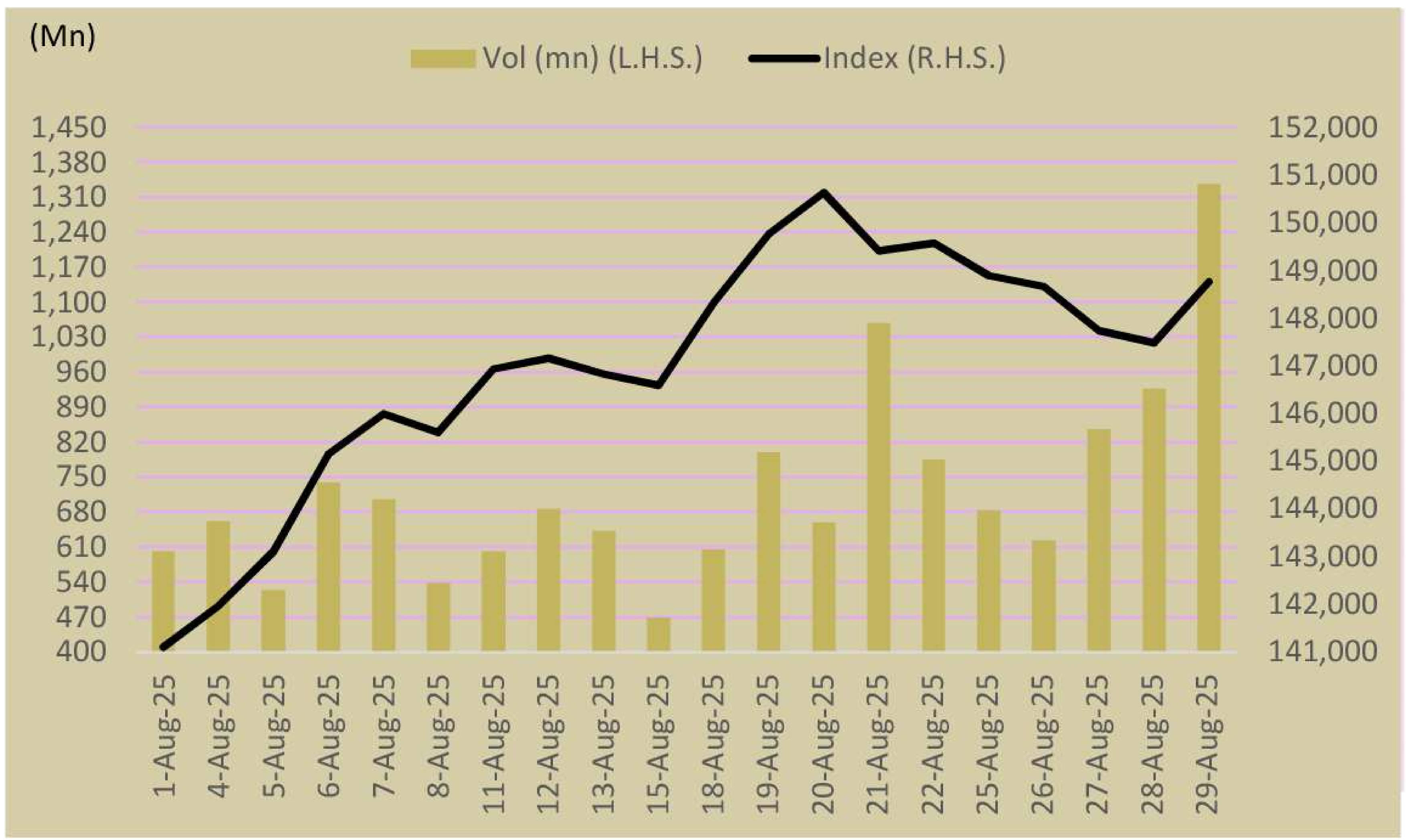
CPI receding to 3% during August 2025, has not shifted market expectations of an unchanged Policy Rate by the State Bank of Pakistan this month, owing to risks pertaining to potential impact of ongoing floods on food prices. Potential impact from low base effect, global economic uncertainty and continued commodity price volatility also add to the same.

In the money market, the 3-month KIBOR remained stable, while minor shifts of up to 4 basis points were seen in the 6-month and 12-month tenors. Treasury bill yields showed mixed movement, with short-term tenors easing slightly and the 12-month rising by 12 bps, reflecting a modest uptick in medium-term rate expectations. In the bond market, the 10-year yield fell by 8 bps, indicating improved long-term sentiment, while the 3-year yield dropped 4 bps and the 5-year remained flat.

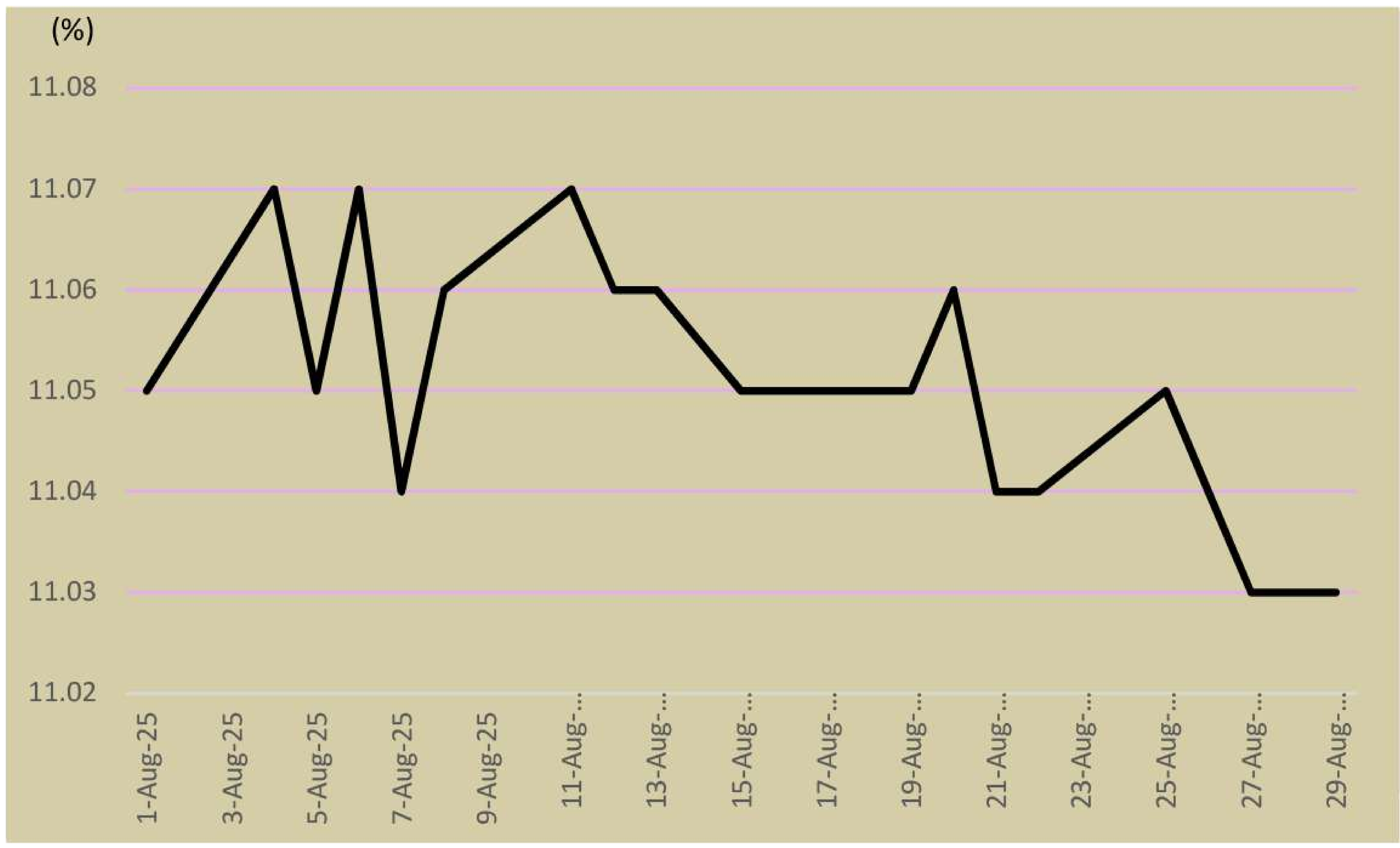
On the auction front, the government raised PKR 913 billion through T-Bills, exceeding the PKR 850 billion target, with most bids focused on the 3-month and 12-month maturities. The PIB floater auction saw PKR 313 billion raised, solely in the 10-year tenor, while the fixed-rate PIB auction attracted strong demand in 10-year and 15-year bonds, raising PKR 639 billion, which was more than double the target.

In the Islamic finance segment, the government raised PKR 229 billion through fixed and floating-rate GoP Ijarah Sukuk, with particularly strong demand for the 10-year fixed-rate issuance, which recorded a bid-to-cover ratio of 8.41. This robust investor appetite reflects limited supply of Shariah-compliant instruments and signals improving long-term investor confidence in Pakistan's economic outlook and fiscal consolidation efforts.

KSE - 100 Index Performance



6 Month Kibor



5th Pillar Family Takaful Limited - Conservative Fund

For the month of Aug- 2025

5th Pillar Family Takaful Limited

آئیے، ساتھ چلیں

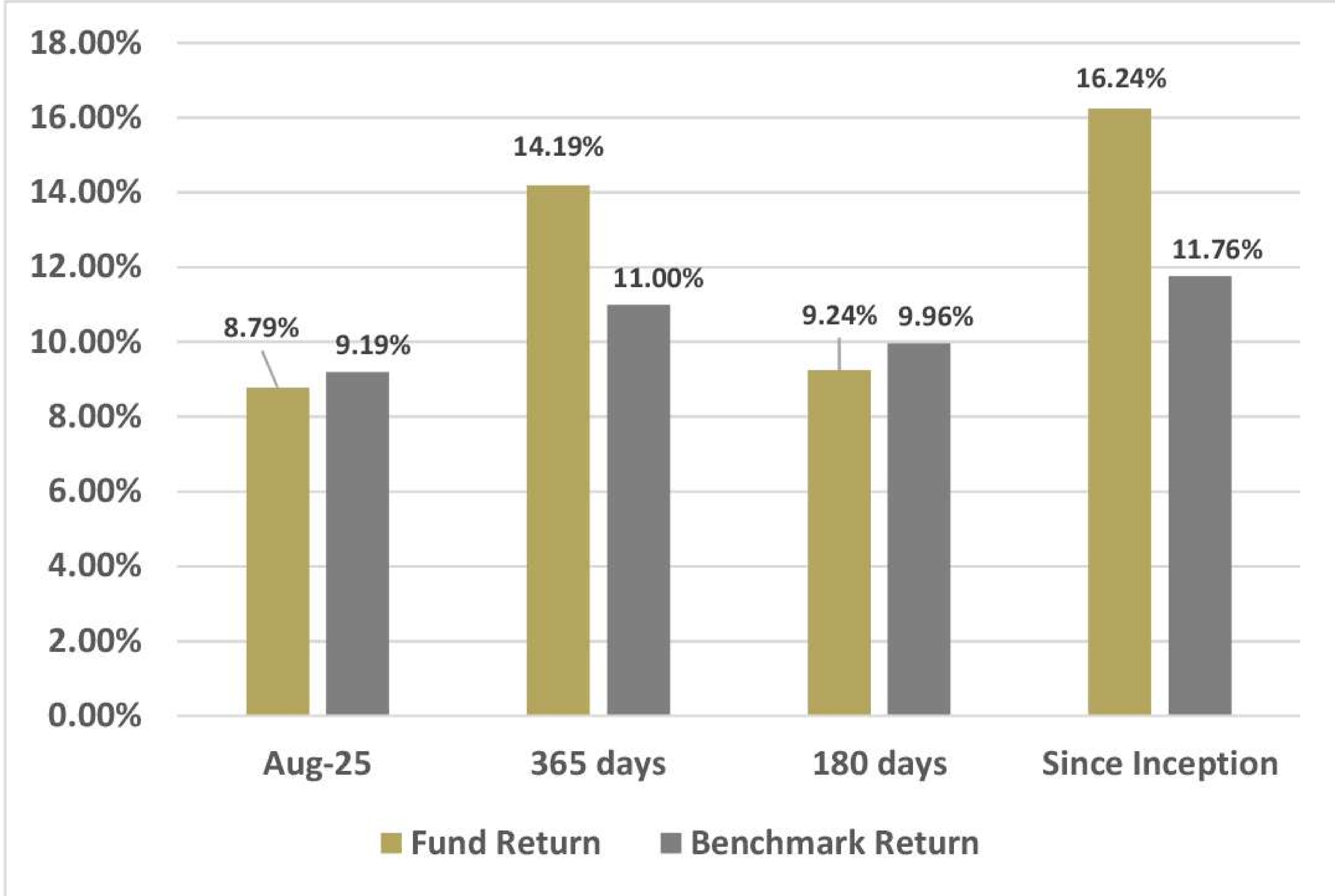
Investment Objective:

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 (Aug - 2025)	137.6462
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	1,009 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

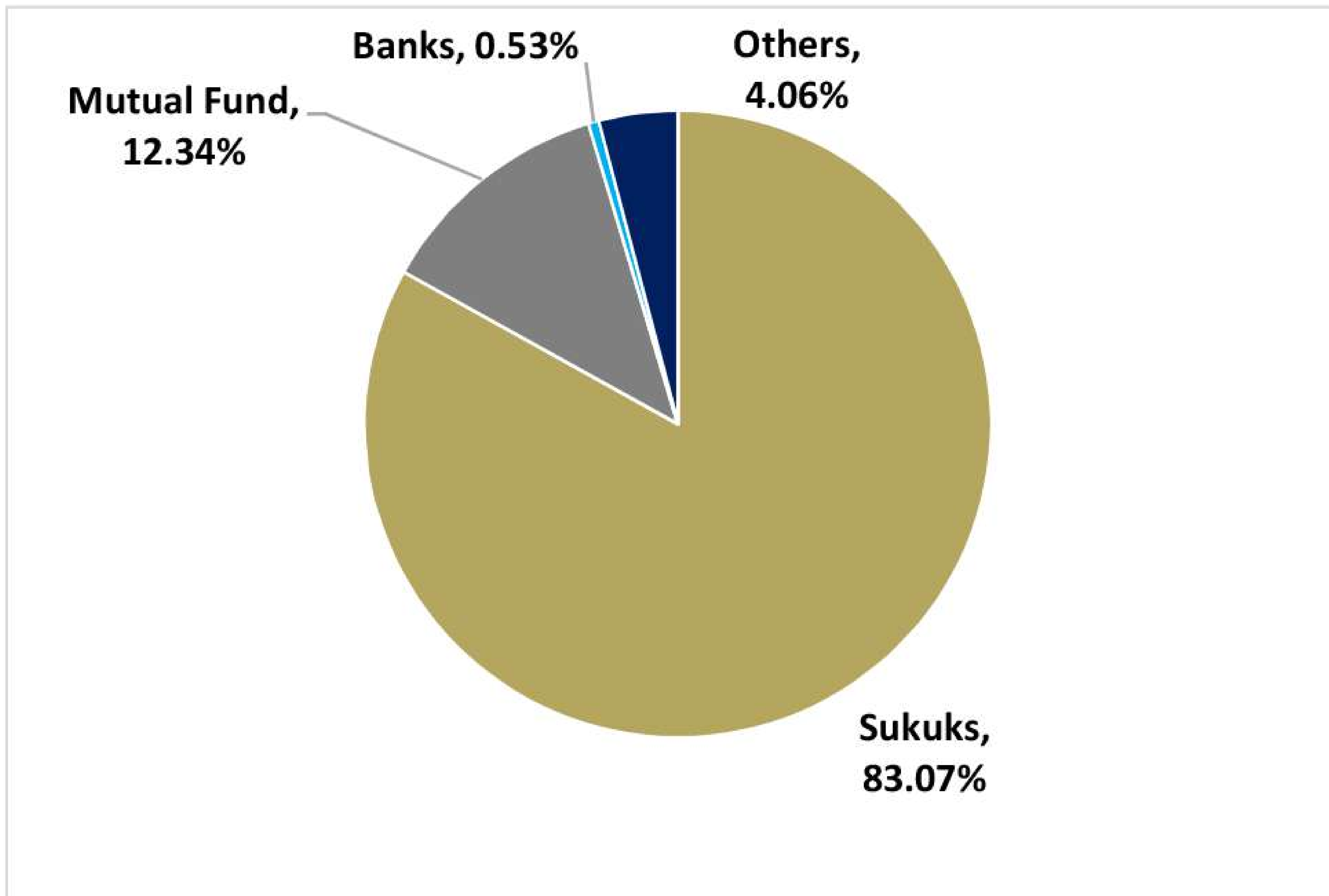


Asset Allocation	Aug-25	Jul-25
GOP Ijarah Sukuks	83.07%	95.63%
Mutual Funds	12.34%	3.73%
Bank	0.53%	0.58%
Others	4.06%	0.05%

Asset Quality	Aug-25	Jul-25
Government guaranteed	83.10%	95.66%
AAA	0.53%	0.58%
AA+	12.34%	3.73%
Unrated	4.03%	0.03%

Fund Returns	Aug-25	Jul-25
Return on (MoM) basis	8.79%	9.25%
180 days return	9.24%	9.31%
Last 365 days return	14.19%	15.26%
Return since inception (annualized)	16.24%	16.56%
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 Index continued its upward trajectory in August 2025, closing at 148,618 after touching an all-time high of 150,591. This marks a monthly gain of 9,227 points and brings calendar year-to-date (CY25) returns to 29%. The rally was fueled by strong foreign and institutional inflows, robust corporate earnings, and optimism surrounding a PKR 1.3 trillion government initiative aimed at reducing circular debt in the power sector.

Cement stocks led the charge, supported by impressive FY25 results. MLCF surged 26% month-on-month (MoM), DGKC gained 23%, while FCCL and CHCC each rose 22%. Investor confidence was further boosted by sovereign credit rating upgrades—Moody's to Caa1 (Stable) and S&P to B-—which improved access to global capital markets and bolstered prospects for future Panda and Eurobond issuances. Additionally, Pakistan gained a trade advantage over India due to relatively lower U.S. tariffs.

On the macro front, inflation slowed significantly to 2.99% year-on-year (YoY) in August, with the FY26 average now projected at 3.53%—a sharp drop from the previous year. However, devastating floods in Punjab and KP could lead to increased food imports and short-term inflationary pressures.

Pakistan recorded a current account deficit of USD 254 million in July, with the State Bank of Pakistan (SBP) forecasting a manageable full-year deficit between 0–1% of GDP. While falling inflation opens the door for potential rate cuts, the economic impact of the floods may prompt the SBP to adopt a cautious stance in its upcoming September 15 policy meeting. Declining global prices for oil and wheat could provide some relief.

Outlook:

The market outlook remains positive, supported by strong fundamentals, upbeat investor sentiment, and easing global commodity prices. With the prospect of single-digit interest rates on the horizon, momentum may continue. However, near-term risks persist due to the agricultural impact of recent floods, which could drive up domestic food prices and weigh on economic recovery.