5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

# FUND
# MANAGER REPORT

November | 2024

## Stock Market Review

During the month of November 2024, the KSE-100 index significantly increased by 12,391 points (up 13.93%) to close at 101,357 points. The average daily volume of the market stood at 875 mn shares, significantly increased by 69% on a MoM basis. Banks, Fertilizer and Oil & Gas Exploration Companies were the major positive contributing sectors to the Index performance.

The strong stock market performance this month was primarily driven by the SBP's historic 250 bps rate cut, improving macroeconomic indicators, and continuous decline in CPI inflation. Additionally, political uncertainty has eased off which further boosted market confidence.

Foreigners were net seller with net selling aggregating USD 58 mn during the month while on local front Mutual Funds and Insurance Companies were major buyers with net buying aggregating USD 39 mn, and USD 24 mn respectively. The oil prices remained flat during the month with Brent closing at USD 72.94 per barrel.

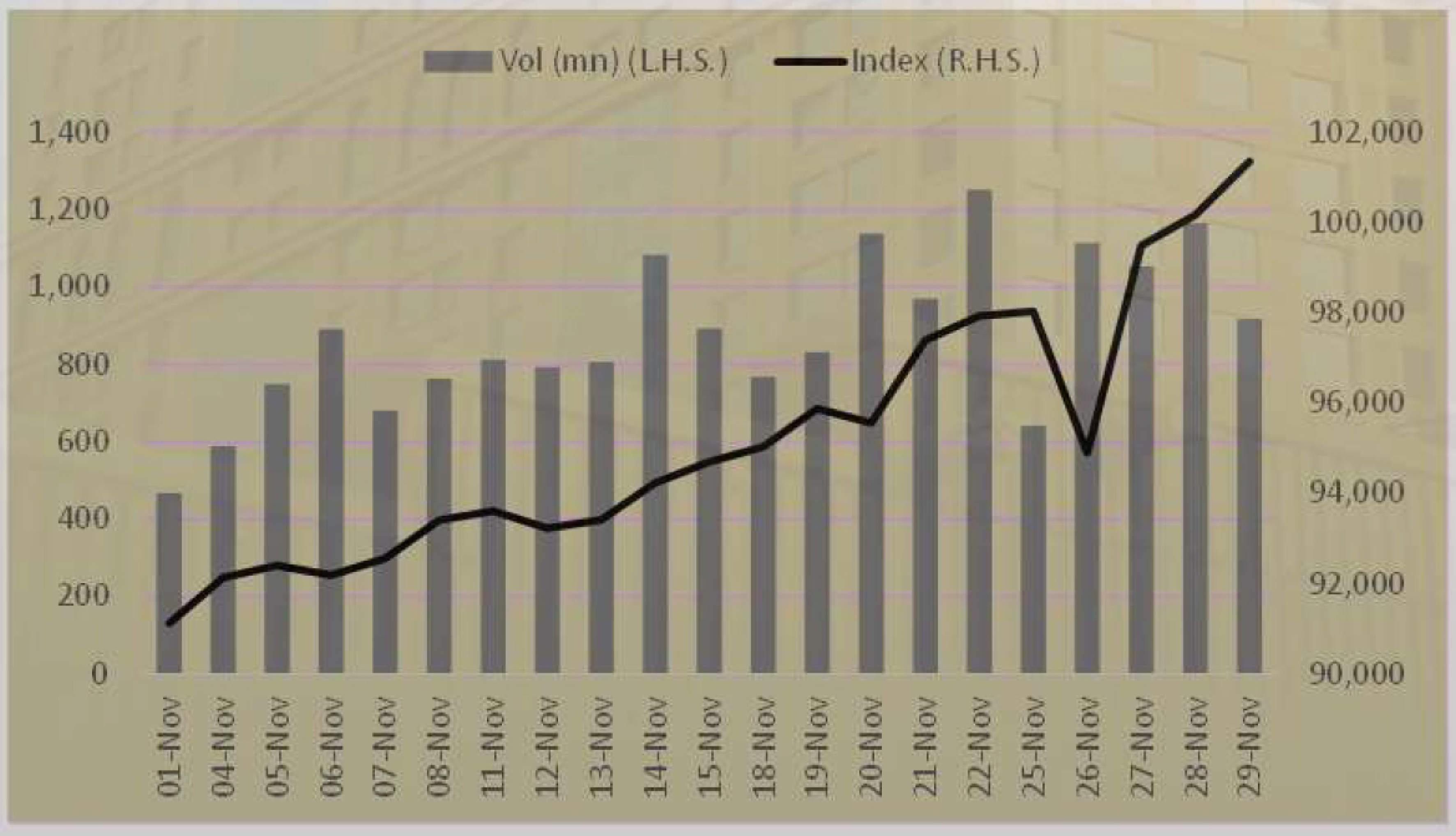
While near-term volatility cannot be ruled out, we maintain a long-term positive outlook on the equity market. We encourage investors to enhance their long-term exposures to equities at these levels.

## Money Market Review

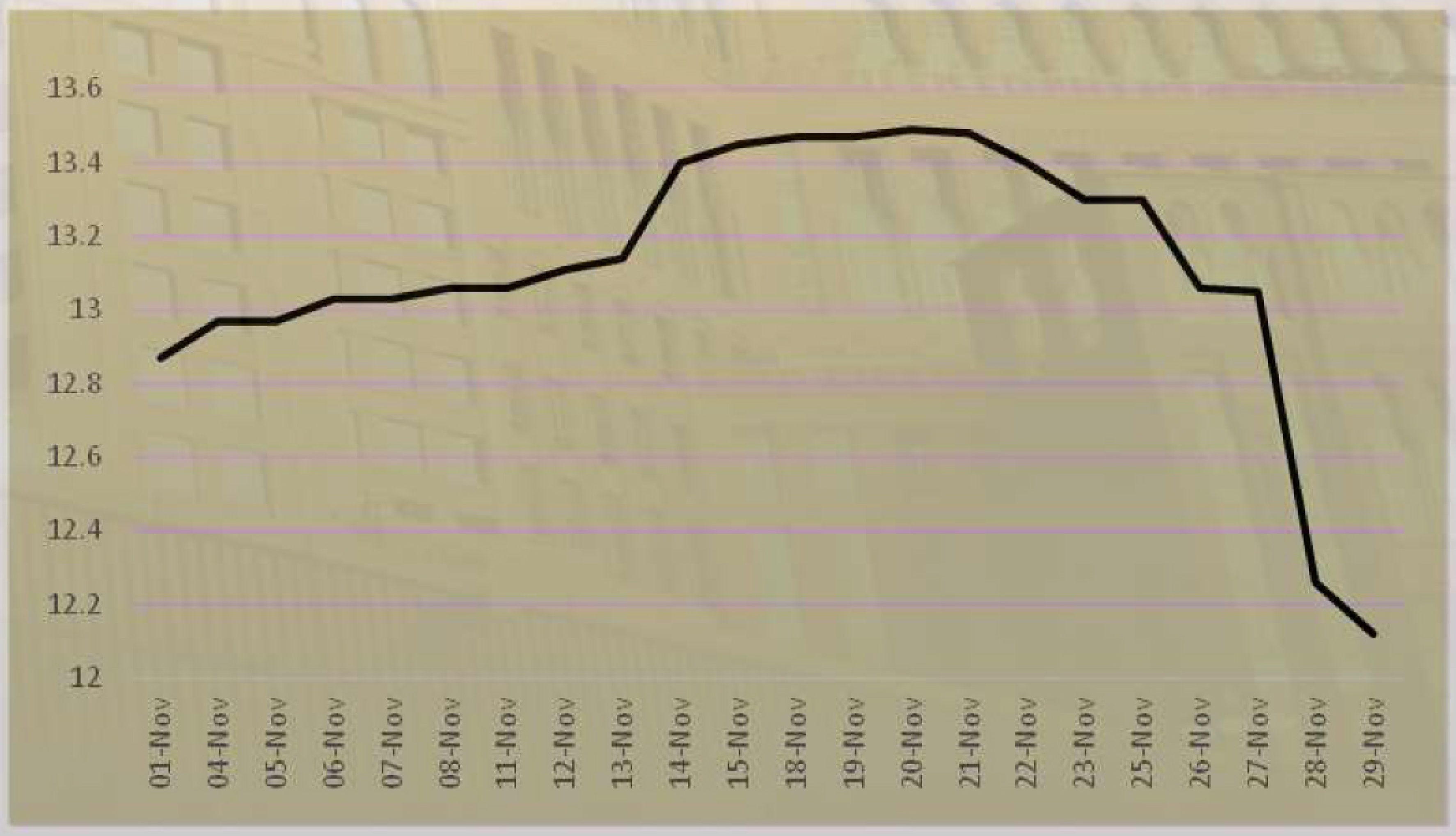
Inflation for the month of November 2024 clocked in at 4.9% on year-on-year basis as compared to 7.2% in the previous month and 29.2% in November 2023. With this, average inflation for FY25 clocked in at 7.94% compared to 28.62% in FY24. During the month of November, 3M,6M and 12M KIBOR rates decreased by 121 bps to 198 bps to close at 12.81%, 12.67% and 12.42% respectively. Similarly, secondary market T-Bill yields of 3M,6M and 12 M decreased by 111 bps to 164 bps. At the end of the month, 3Ms, 6Ms, and 12Ms yields closed at 12.19%, 12.12% & 11.68% respectively. In longer tenor PIBs, 3 years yield was down by 6 bps, 5 years was down by 32 bps and 10 years yield was down by 21 bps. In the primary market, two T-bill auctions were conducted during the month. In total, Rs 1,391.70 billion were accepted against a target of Rs. 1,600 billion with major acceptance in 3 months and 12 months T-bills. On the Islamic front, Government of Pakistan raised PKR 339.15 billion through auction of 1 year, 3 year, 5 years and 10 years floating rate and fixed rate Ijarah. SBP received bids worth PKR 875.22 billion against the target of PKR 300 billion.

On the for-ex front, the PKR depreciated against USD in the interbank by Rs. 0.26 and in the open market it depreciated by Rs. 0.35 to close at Rs. 278.05 and 279.74 respectively.

## KSE - 100 Index Performance




## 6 Month Kibor



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

5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

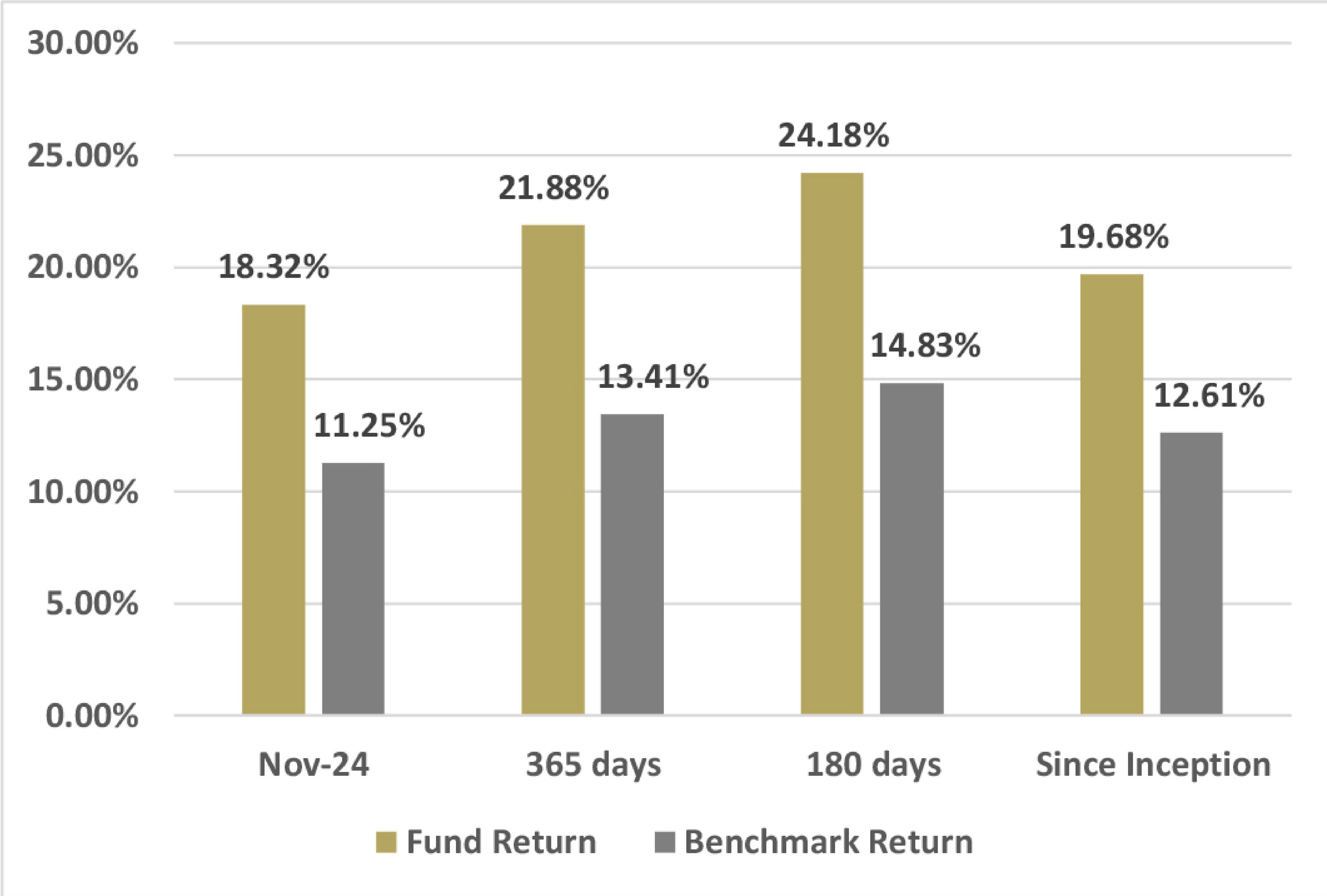
## Investment Objective:

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

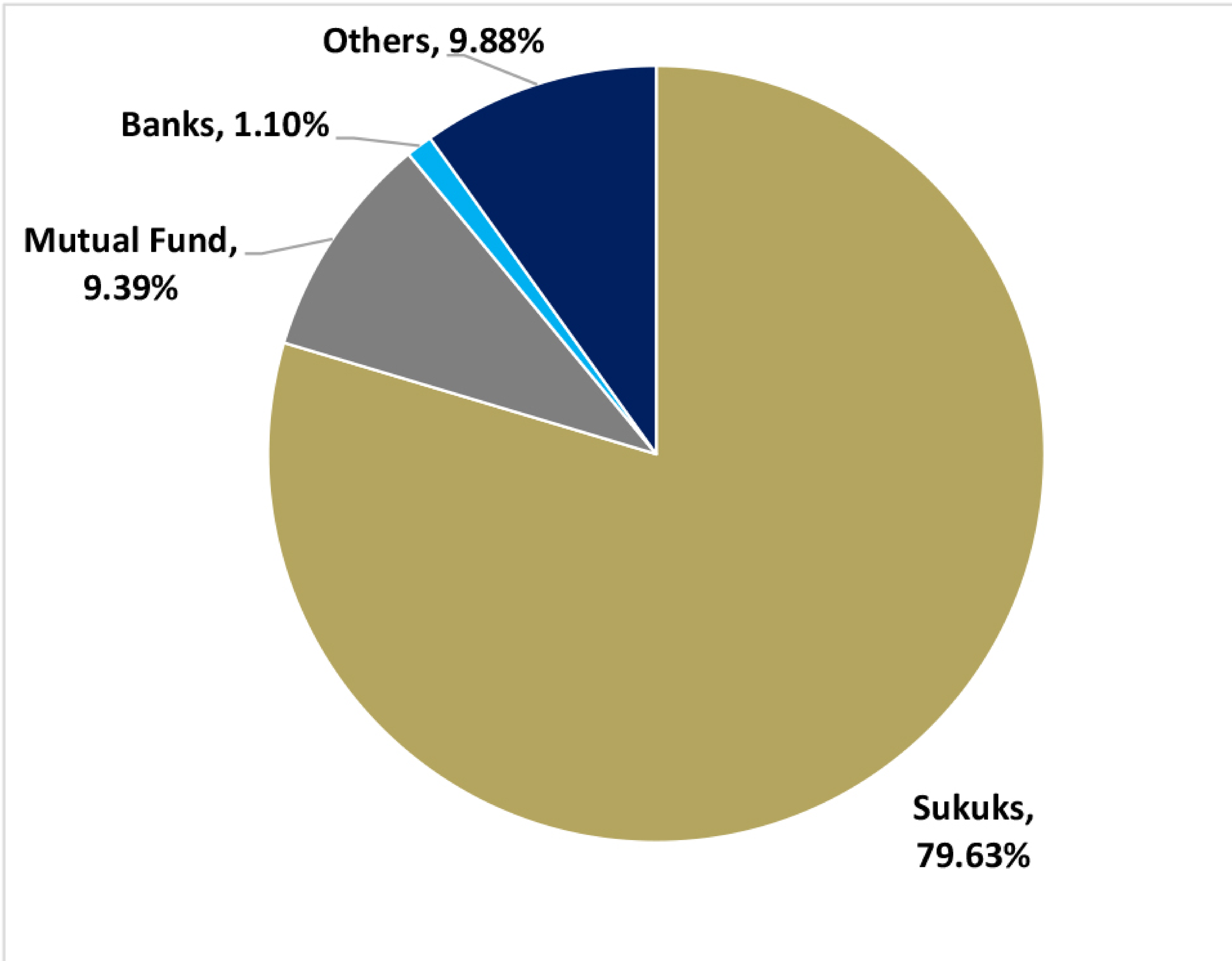
| | |
|---|---|
| Fund Category | Money Market |
| Risk Profile | Low |
| Launch Date | 18-Jul-23 |
| Nav per unit at launch Date | 100.0000 |
| Nav per unit at month End (Nov-2024) | 127.9619 |
| Pricing Mechanism | Daily Forward pricing |
| Pricing Frequency | Monday to Friday |
| Total Net Assets (Rs.) | 167.9 M |
| Weighted Avg.time to Maturity | 0.8 Year |
| Expense Ratio | 0.29% |
| 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 | Nov-24 | Oct-24 |
|---|---|---|
| GOP Ijarah Sukuks | 79.63% | 85.30% |
| Mutual Funds | 9.39% | 7.90% |
| Bank | 1.10% | 1.60% |
| Others | 9.88% | 5.20% |

## Asset Allocation




| Fund Returns | Nov-24 | Oct-24 |
|---|---|---|
| Return on (MoM) basis | 18.32% | 36.18% |
| 180 days return | 24.18% | 22.94% |
| Last 365 days return | 21.88% | 22.00% |
| Return since inception (annualized) | 19.68% | 19.76% |
| Last 05 years (annualized) | N/A | N/A |
| Last 10 years (annualized) | N/A | N/A |

## Fund Manager's comments

During Nov-24, the equity market experienced remarkable growth, largely fueled by the SBP's historic 250bps reduction in the Policy Rate, bringing it down to 15%. This was complemented by Pakistan securing USD 500mn from the Asian Development Bank for a climate program, along with Saudi Arabia's commitment to invest an additional USD 600mn in the country. Moreover, expectations of continued sharp disinflation led to a significant drop in secondary market yields, further propelling market momentum. Additionally, the banking sector garnered attention due to improvements in the Gross Advance to Deposit Ratio (ADR), which is anticipated to lower the sector's tax liabilities. Consequently, the KSE-100 and KMI-30 indices ended the month at 101,357pts (up 13.9% MoM) and 148,573pts (up 11.1% MoM), respectively.

On the economic front, CPI for Nov-24 clocked in at 4.9% YoY, marking a significant decline from 29.2% in Nov-23 and 7.2% in Oct-24. This sharp reduction brought the average inflation for 5MFY25 to 7.9%, a steep fall from 28.6% during the same period last year, signaling a major easing of inflationary pressures. Apart from this, the Current Account Surplus for Oct-24 clocked in at USD 349mn, compared to USD 86mn in Sep-24. This was largely driven by higher exports (up 12.6% MoM), while imports remained flattish. Furthermore, workers' remittances improved by 6.7% MoM to reach USD 3.1bn.

Going forward, continued support from friendly nations and development partners under the IMF program should help alleviate concerns about external account vulnerabilities. On the economic front, we expect disinflation to persist in the coming months, primarily due to a high base effect. Furthermore, if global commodity and energy prices remain subdued and the PKR maintains its value, it will further support our outlook for disinflation. With positive economic fundamentals and easing inflationary pressures, the equity market is well-positioned to attract investor interest leading to a sustained rally in the market.