5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND MANAGER REPORT

SEPTEMBER | 2023

5th Pillar Family Takaful Limited - Conservative Fund

For the month of Sep - 2023

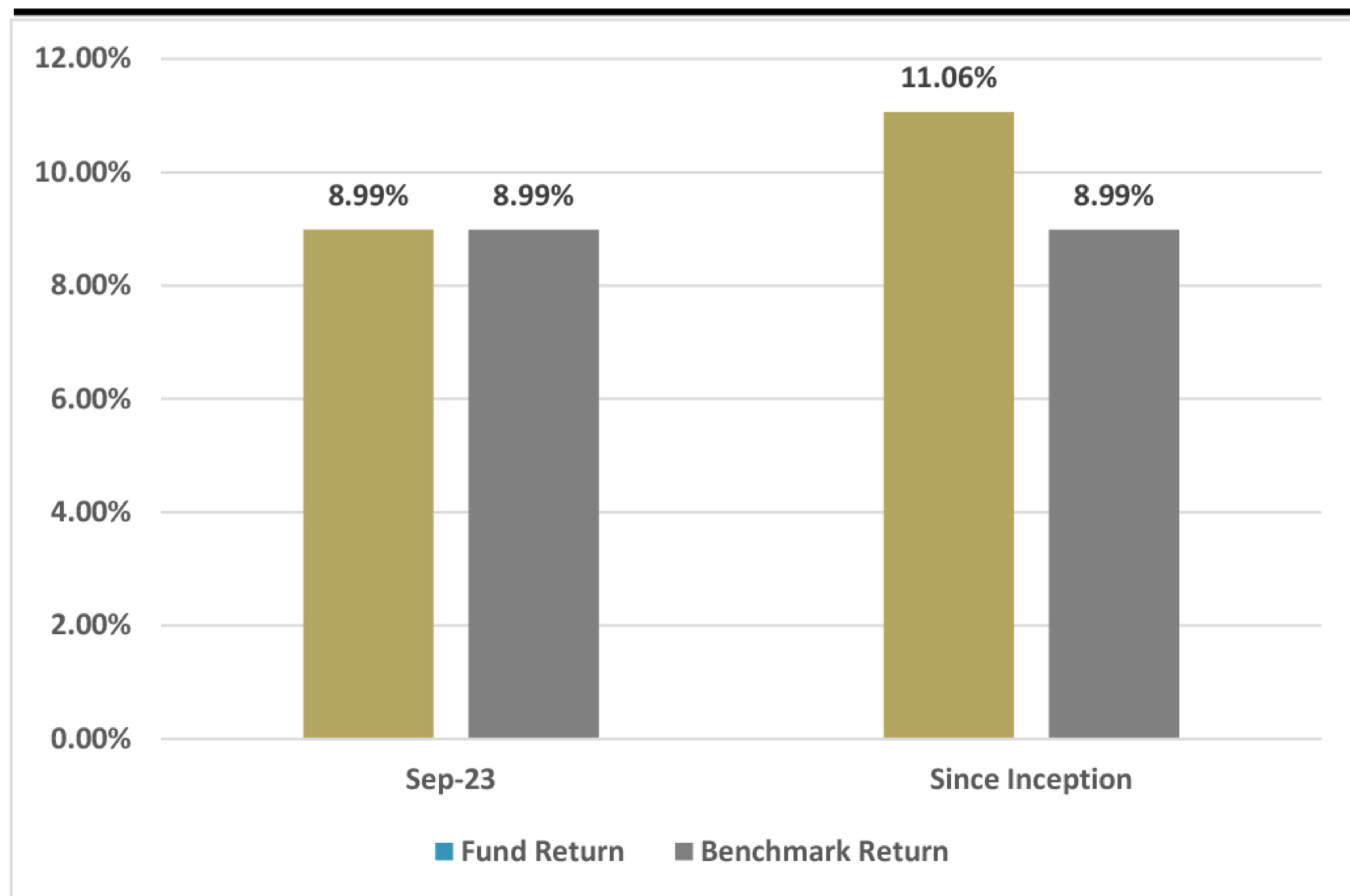
Investment Objective:

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

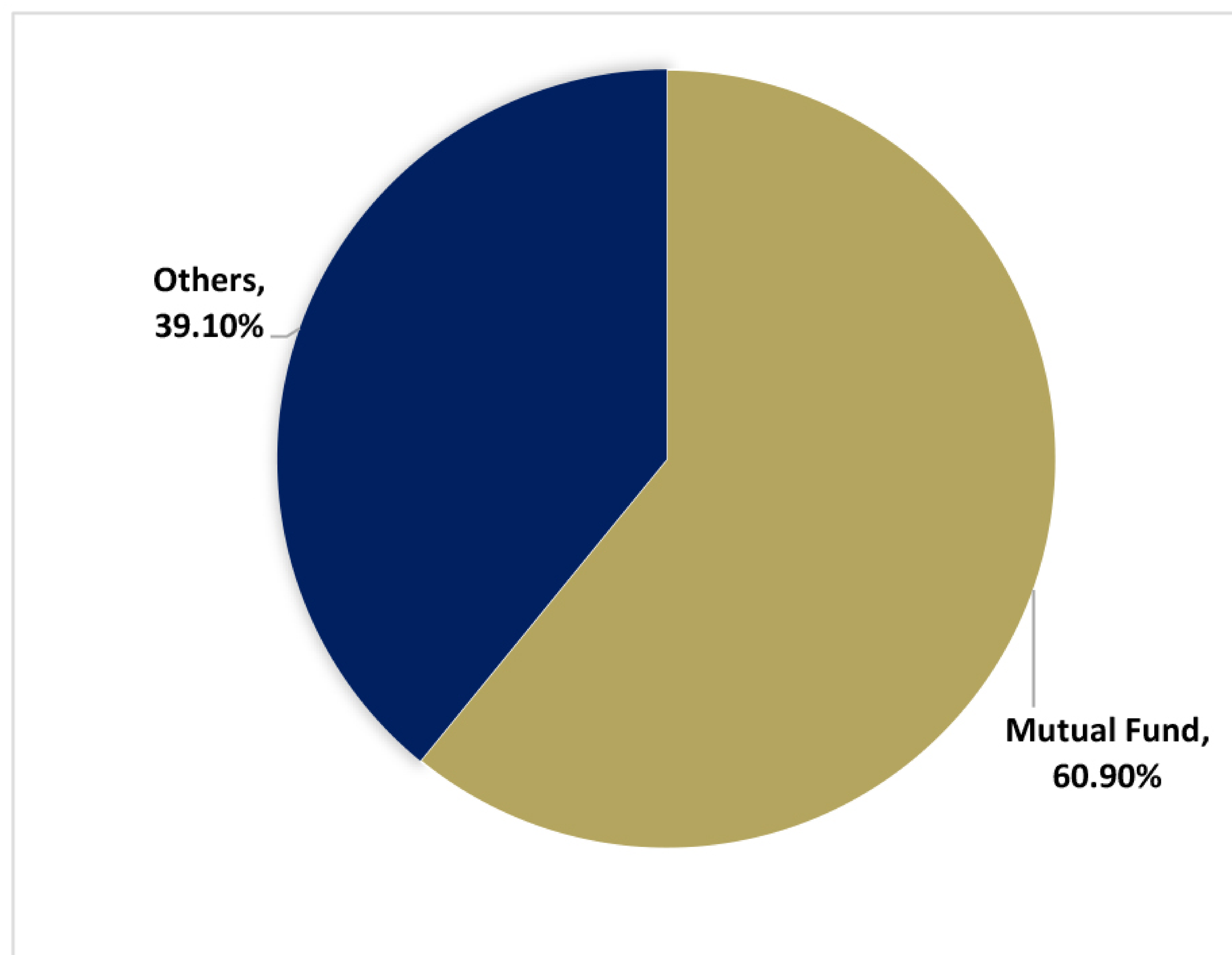
Fund Category	Money Market
Risk Profile	Low
Launch Date	18-Jul-23
Nav per unit at launch Date	100.0000
Nav per unit at month End (Sep-2023)	102.1501
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	0.14 M
Weighted Avg.time to Maturity	1.2 Years
Expense Ratio	0.01%
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	Sep-23
Mutual Funds	60.90%
Others	39.10%

Asset Allocation



Fund Returns	Sep-23
Return on (MoM) basis	8.99%
Return since inception (annualized)	11.06%
180 days return	N/A
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 rebounded in Sep-23 primarily on the back of PKR appreciating sharply against the USD, SBP keeping the Policy Rate unchanged at 22%, and ECP announcing that general elections would be held in the last week of January 2024. As a result, the KSE-100 and KMI-30 indices closed at 46,233pts (up 2.7% MoM) and 77,669pts (up 3.6% MoM), respectively.

During the month, PKR witnessed a strong comeback after authorities took strict action against the informal currency exchanges, while also clamping down on smuggling and hoarding. As a result, it appreciated by 6.2%/12.2% against the USD in the interbank/open market to close at PKR 287.7/288.0, respectively. Resultantly, the gap between the interbank and open market narrowed to 0.1%, against 5.7% in the previous month and IMF's recommendation of 1.25%.

Investor sentiment was also boosted by SBP keeping the Policy Rate unchanged at 22% citing positive real interest rates on a forward-looking basis. Furthermore, the country's Current Account Deficit (CAD) during Aug-23 fell to USD 160mn, compared to USD 775mn in the previous month. Some clarity emerged on the political front when the ECP announced that elections would be held in the last week of January 2024. This news was taken positively by investors as it would allow the new government time to negotiate a successor IMF program once the SBA ends in Mar-23.

Going forward, the equity market is expected to continue its positive momentum given sustained implementation of economic policies in line with the IMF program. In this regard, investors would be closely monitoring any updates on the impending gas tariff hike, along with the monetary policy announcement on 30-Oct-23. Furthermore, earnings season for the quarter-ended Sep-23 will commence in the coming month, whereby several companies are expected to announce robust earnings, which will likely keep the stocks in limelight.