5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND
MANAGER REPORT

September | 2024

5th Pillar Family Takaful Limited - Conservative Fund

For the month of September- 2024

5th Pillar Family Takaful Limited
آئیے، ساتھ چلیں

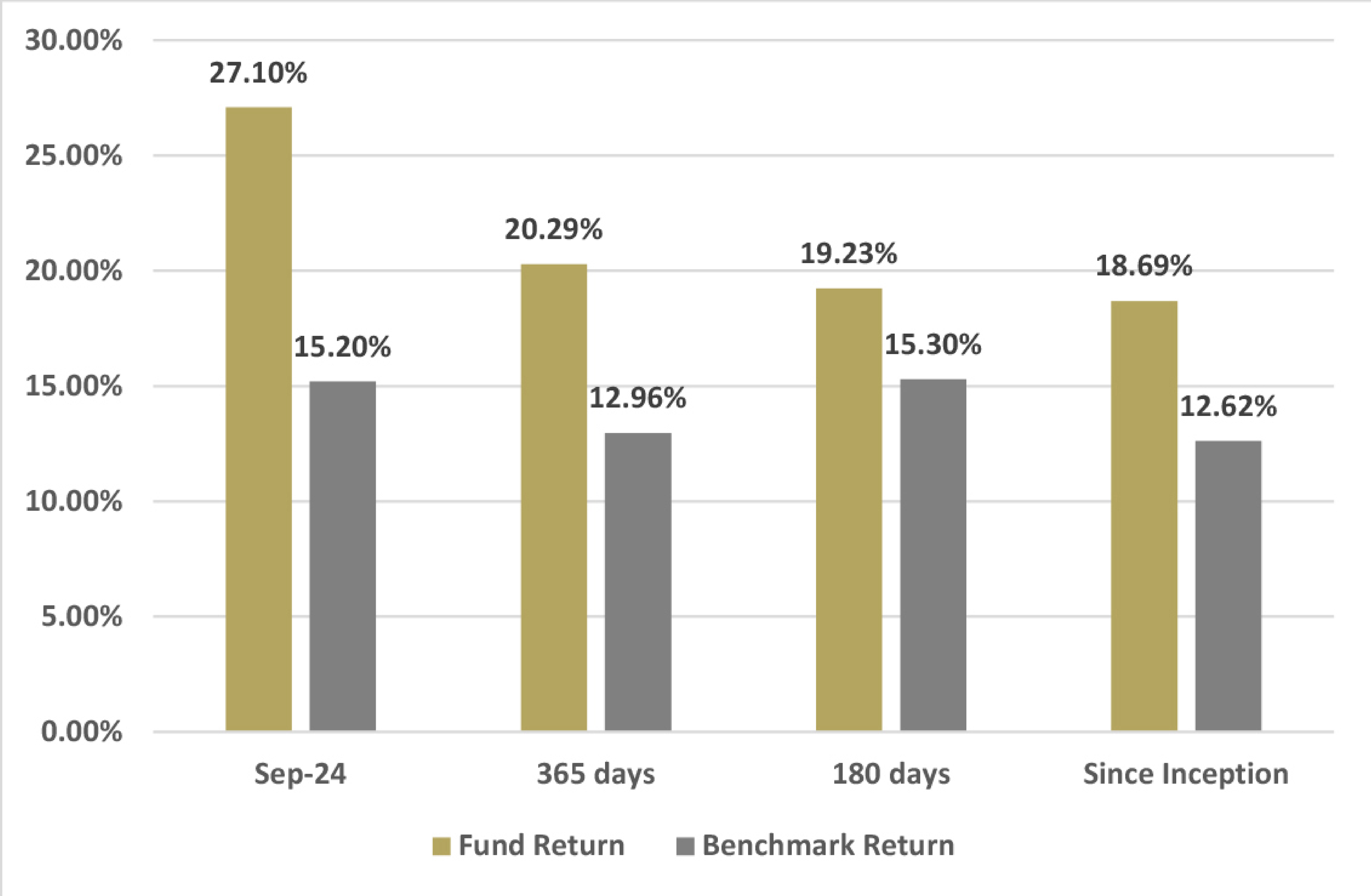
Investment Objective:

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

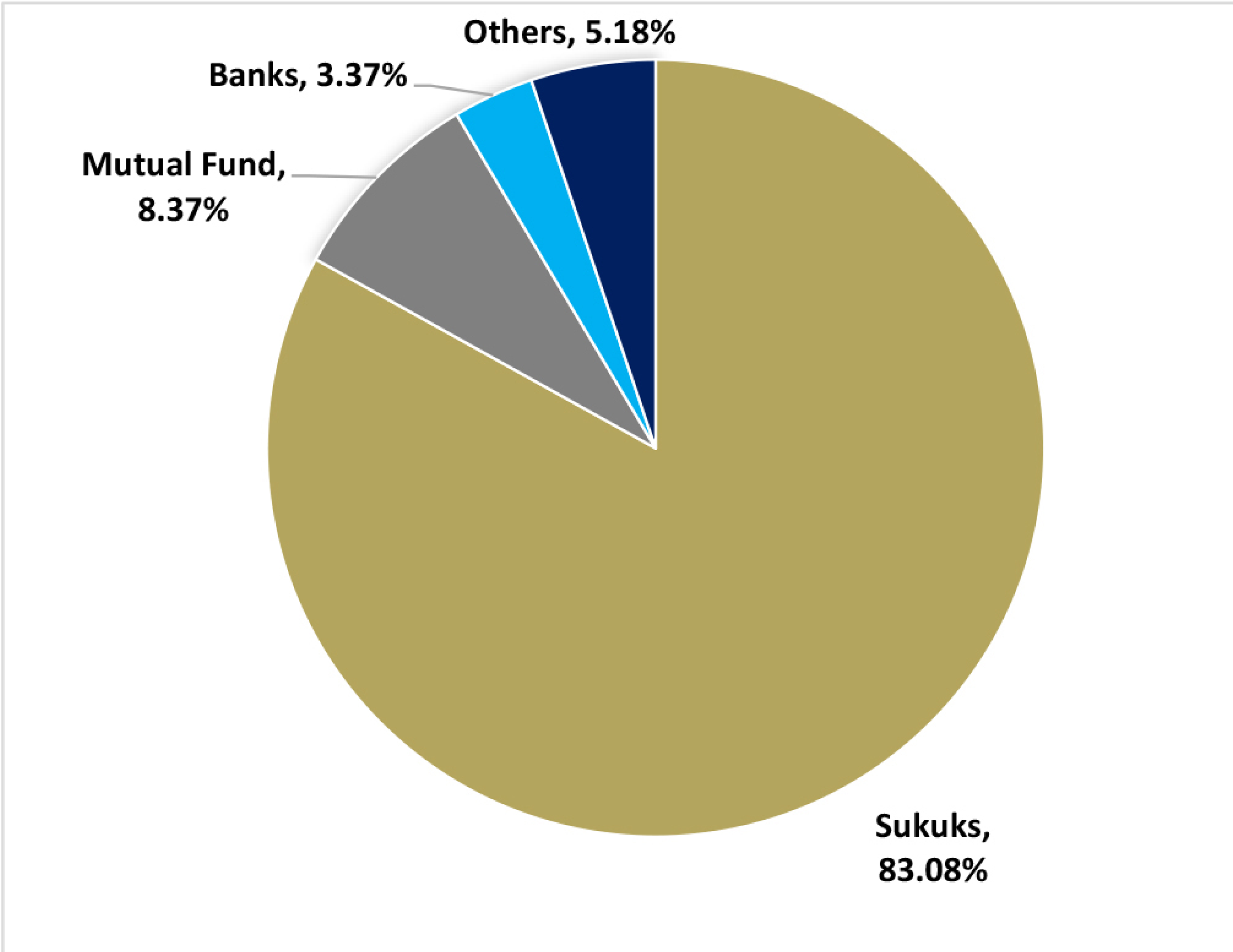
Fund Category	Money Market
Risk Profile	Low
Launch Date	18-Jul-23
Nav per unit at launch Date	100.0000
Nav per unit at month End (Sep-2024)	122.9377
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	117.9 M
Weighted Avg.time to Maturity	0.7 Year
Expense 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	Sep-24	Aug-24
GOP Ijarah Sukuks	83.08%	81.98%
Mutual Funds	8.37%	9.56%
Bank	3.37%	1.26%
Others	5.18%	7.20%

Asset Allocation



Fund Returns	Sep-24	Aug-24
Return on (MoM) basis	27.10%	21.41%
180 days return	19.23%	19.05%
Last 365 days return	20.29%	18.78%
Return since inception (annualized)	18.69%	18.09%
Last 05 years (annualized)	N/A	N/A
Last 10 years (annualized)	N/A	N/A

Fund Manager's comments

During Sep-24, the equity market continued its positive momentum primarily on the back of IMF Executive Board's approval for USD 7bn 37-month Extended Fund Facility (EFF), with immediate disbursement of the first tranche of USD ~1bn. Moreover, the Monetary Policy Committee, in its meeting held on 12-Sep-24 continued the monetary easing cycle with a further cut of 200bps in the Policy Rate, bringing it down to 17.5%. Consequently, the KSE-100 and KMI-30 indices ended the month at 81,114pts (up 3.3% MoM) and 124,751pts (down 0.03% MoM), respectively.

On the economic front, CPI for Sep-24 fell to a 44-month low of 6.9% YoY, down from 9.6% in Aug-24. This brings the average annual inflation for 1QFY25 to 9.2%, a significant decline from 29.0% during the same period last year. On a MoM basis, CPI decreased by 0.5%, primarily due to 8.3% decline in the prices of Perishable Food items. Moreover, the Current Account for Aug-24 turned into a surplus of USD 75mn, compared to a deficit of USD 246mn during Jul-24. This was largely driven by higher exports (up 3.4% MoM), while imports remained flattish.

Going forward, the ongoing support from friendly nations and development partners under the IMF program should help alleviate concerns about external account vulnerabilities. The equity market is expected to take direction from the upcoming result season, which should keep certain stocks in limelight based on their strong financial results. 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.