5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں

FUND MANAGER REPORT

November | 2025

MARKET REVIEW

Stock Market Review

During the month of November 2025, the KSE-100 index increased by 5,046 points (up 3.1%), closing at 166,678 points. The average daily volume of the market stood at 819 million shares, down by 43% on a MoM basis. Fertilizer, Oil & Gas Exploration Company and Cement were the major positive contributing sectors to the index performance during the month.

Investor sentiment remained sensitive to regional geopolitical risks throughout November, driven by strained diplomatic relations with the Afghan administration. This friction generated broad uncertainty over the continuity of regional trade and supply chains, weighing on overall investor sentiments. Despite this external headwind, key domestic indicators provided some support. Additionally, the IMF Board's meeting is scheduled to be held on December 8, 2025 to consider approving the loan tranche of USD 1.2 billion for Pakistan which is expected to improve investor confidence.

Foreigners were net sellers with net selling aggregating USD 41.3 million during the month. While Individuals & Banks were major buyers with net buying aggregating USD 20.4 million & USD 14.6 million (excluding debt market) respectively. The oil prices decreased by 2.9% during the month with Brent closing at USD 63.20 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.

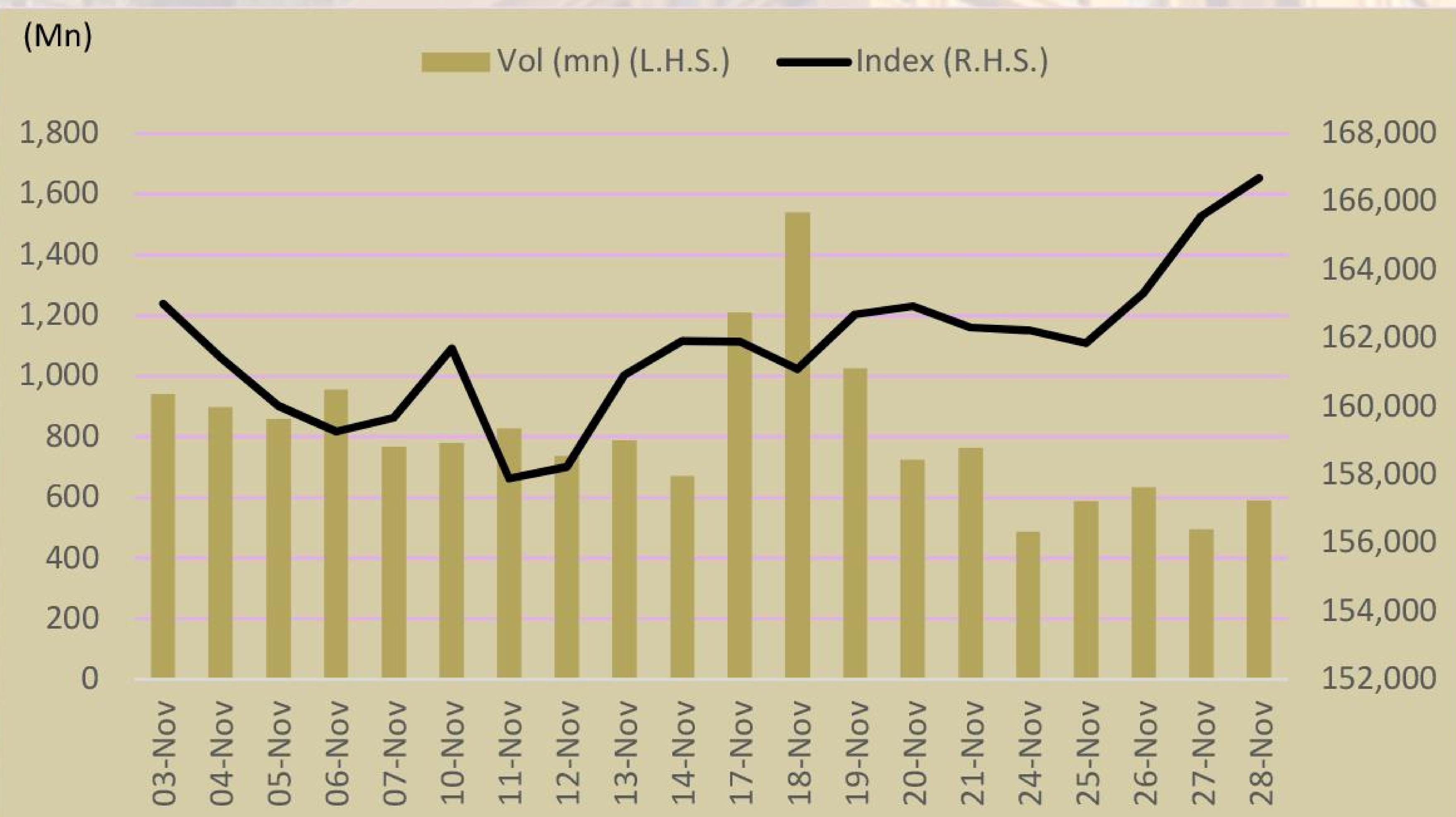
Money Market Review

In the money market, short-term funding costs declined modestly, with 3M, 6M, and 12M KIBOR rates falling by 1 to 4 basis points (bps). Treasury bill yields also decreased by 2 to 11 bps across the 1M, 3M, 6M, and 12M tenors, whereas yields on Pakistan Investment Bonds (PIBs) for the 3, 5, and 10-year tenure increased by 2 to 9 bps, reflecting expectations of a stable policy stance in the near term.

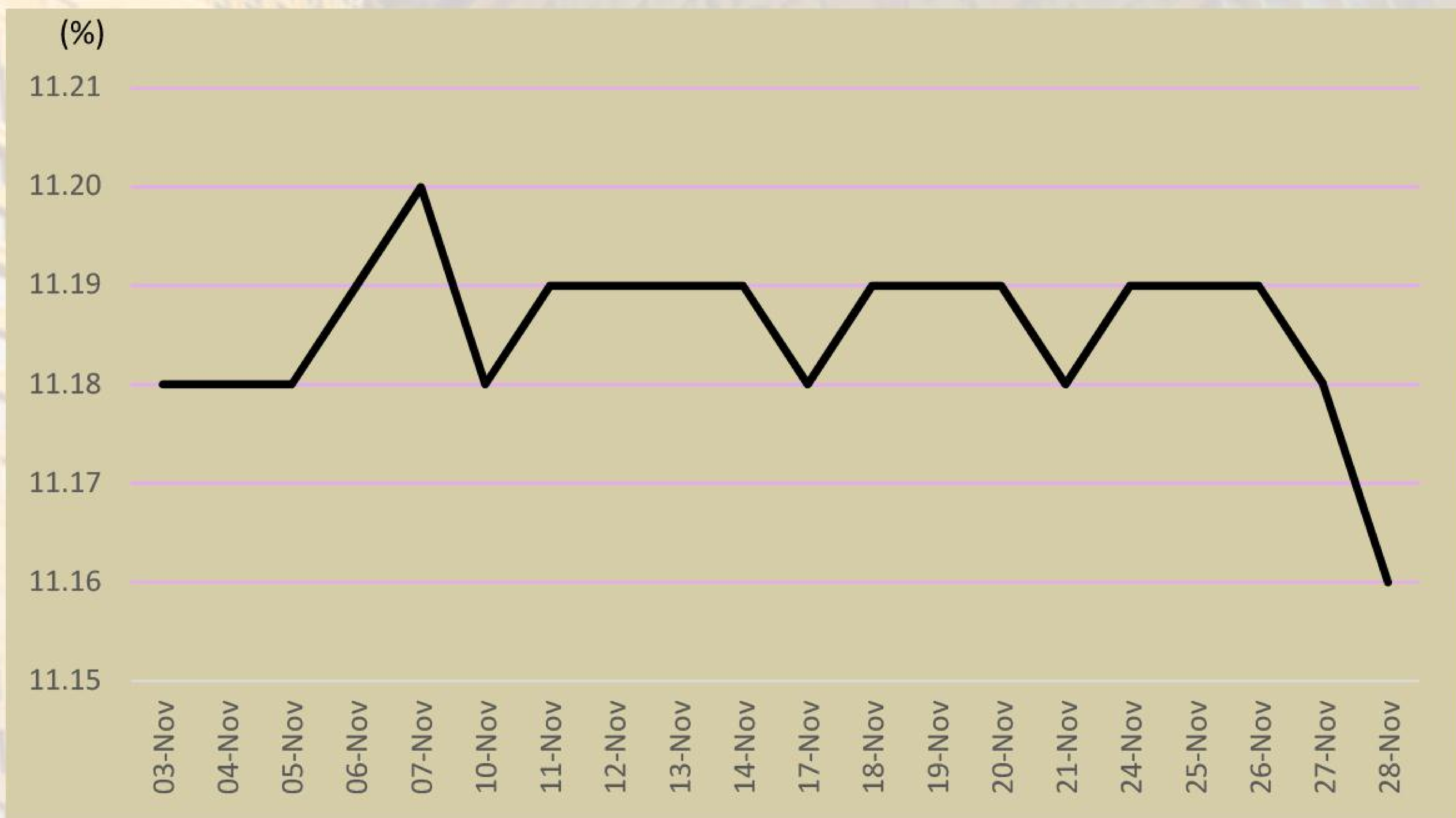
In the Islamic finance segment, the government successfully raised PKR 240.65 billion through GoP Ijarah Sukuk, slightly lower its PKR 250 billion target, with strong investor interest particularly in the 3-year fixed-rate Sukuk, which posted a high bid-to-cover ratio of 4.98, indicating robust demand amid limited supply. Meanwhile, under Bai-Muajjal, the government raised PKR 212.76 billion in the 3-year tenor, at yields of 10.93% and 11% in two separate auctions.

Average inflation registered at 5.01% during 5MFY25, while November FTMO inflation edged down to 6.1% from 6.2% as supply chain pressures in perishable food items continued to ease. Going forward, inflation is expected to remain elevated, with the FY26 average likely to approach the upper bound of the SBP's 5–7% medium-term target range. Core inflation is projected to follow a similar upward trajectory. In this context, the outlook for monetary policy suggests a continued status-quo stance, as current inflation dynamics remain broadly aligned with the central bank's medium-term framework.

KSE - 100 Index Performance



6 Month Kibor



5th Pillar Family Takaful Limited - Conservative Fund
For the month of Nov 2025

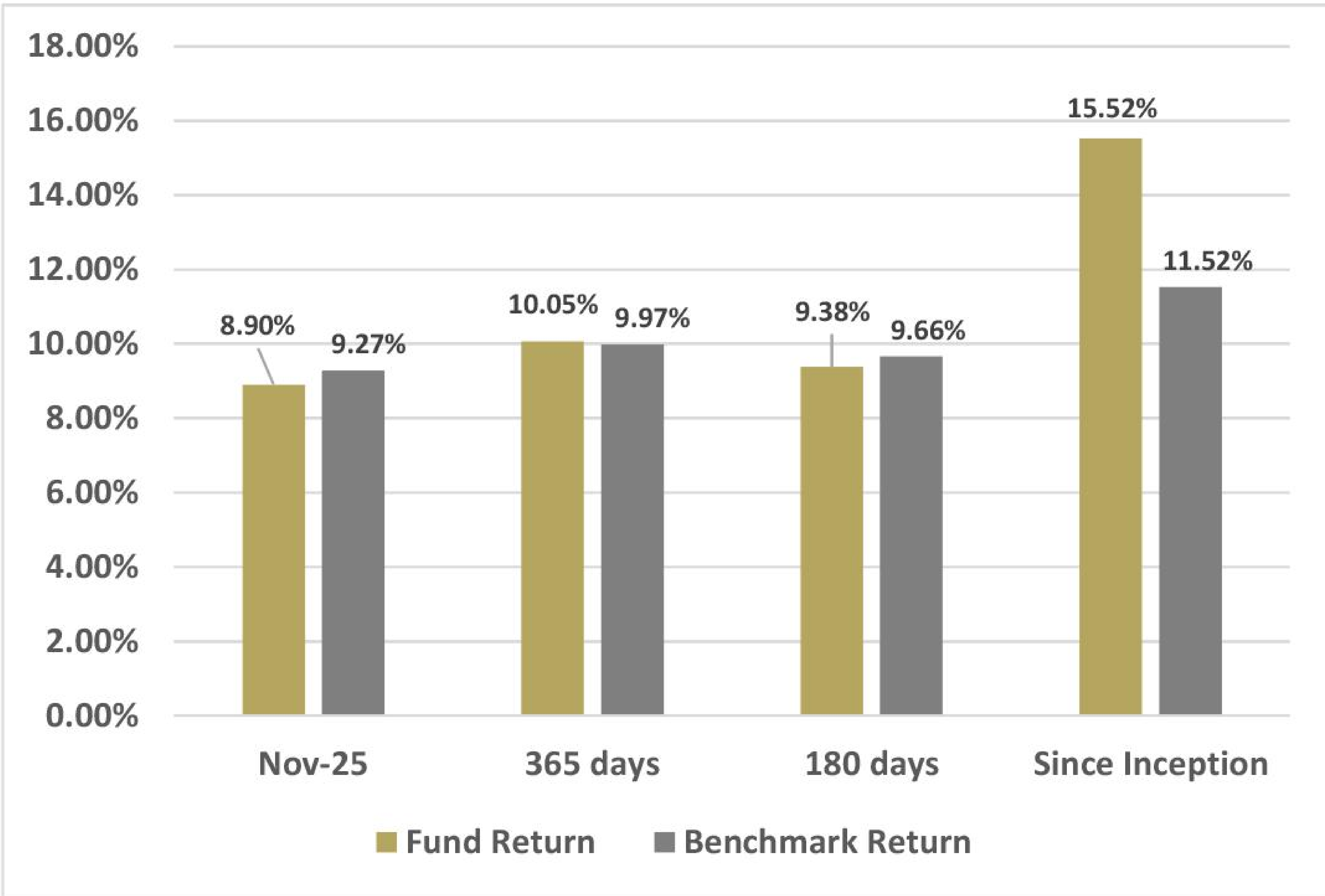
Investment Objective:

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

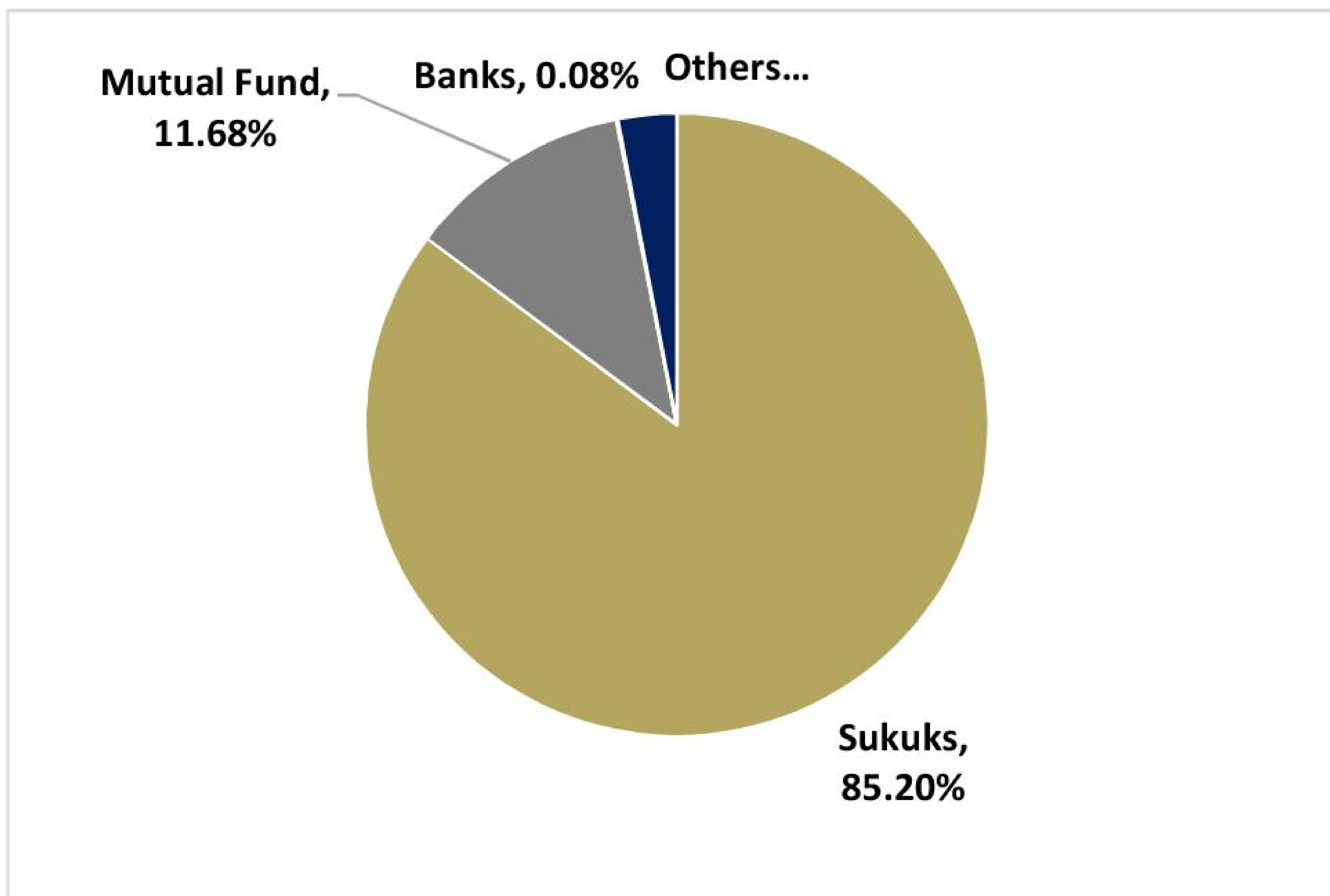
Fund Category	Money Market
Risk Profile	Low
Launch Date	18-Jul-23
Nav per unit at launch Date	100.0000
Nav per unit at month End (Nov - 2025)	140.823
Pricing Mechanism	Daily Forward pricing
Pricing Frequency	Monday to Friday
Total Net Assets (Rs.)	1,229 M
Weighted Avg.time to Maturity	0.5 Year
Expense 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-25	Oct-25
GOP Ijarah Sukuks	85.20%	48.06%
Mutual Funds	11.68%	15.70%
Bank	0.08%	34.64%
Others	3.04%	1.60%

Asset Allocation



Asset Quality	Nov-25	Oct-25
Government guaranteed	85.26%	48.11%
AA+	11.68%	15.70%
AAA	0.08%	34.64%
Unrated	2.98%	1.55%

Fund Returns	Nov-25	Oct-25
Return on (MoM) basis	8.90%	10.56%
180 days return	9.38%	9.67%
Last 365 days return	10.05%	10.80%
Return since inception (annualized)	15.52%	15.77%
Last 05 years (annualized)	N/A	N/A
Last 10 years (annualized)	N/A	N/A

Fund Manager's comments

The KSE-100 Index gained 3% MoM in the month of November as the border unrest with Afghanistan subdued the recovery. Foreigners were net sellers during the month. Retail investors and Banks were the net buyers. As a result, Average Daily Turnover dropped by 43% MoM in terms of shares traded during Nov-2025, taking ADTO to 3-mth low levels of 819mn shares traded.

Key highlights of the month included persistently low oil prices (with WTI holding below US$60/bbl), a gradual month-on-month rise in inflation, and a complete suspension of trade with Afghanistan.

WTI crude continued to trade under US$60/bbl, weighed down by increasing U.S. crude inventories, easing supply risks linked to possible progress in Ukraine–Russia peace negotiations, and a general deceleration in global trade. Additionally, media reports suggest that Saudi Arabia may reduce crude prices for Asian buyers to a five-year low, also falling below US$60/bbl.

CPI inflation remained above 6% in November 2025 (compared to 6.2% in October 2025 and 4.6% for FY25). Although food prices saw month-on-month decline, increases in other categories kept overall inflation elevated. We anticipate that CPI will ease in the near term as food prices and other components continue to normalize. Pakistan's current account deficit widened to US$112mn in October 2025, primarily due to a growing trade deficit driven by stronger import demand from an improving economy. Despite this, the overall balance of payments remains in surplus supported by stable inflows. For the upcoming 15 December MPC, we anticipate no policy rate adjustment.

The suspension of trade with Afghanistan may lead to higher prices for certain commodities, such as coal; however, we do not expect any significant impact on the broader macroeconomic environment. The development is materially negative for specific companies with heavy exposure to Afghan markets—most notably PABC, which relies substantially on exports to Afghanistan.

Outlook:

Looking ahead, IMF disbursement is pending for December. With the government now having fulfilled the IMF's requirement to publish the governance and corruption report, the IMF Board is scheduled to meet on 8 December 2025 to review the second EFF tranche and the first RSF review, potentially unlocking a US$1.2bn disbursement.

We continue to see upside driven by earnings growth. Additionally, progress on circular debt resolution, RLNG diversion negotiations, and a potential gas price revision should strengthen cash flows for companies exposed to gas-sector receivables—particularly PSO, OGDC, and PPL.

The market is currently trading at a forward P/E of 8.2x, broadly aligned with its 18-year historical average. However, sustained macroeconomic stability and energy sector reforms could pave the way for a re-rating toward the 2006–2017 average P/E range of ~9x–10x.