

APRIL 2024

Fund Manager Report



CIO's Note



Mubashir Zuberi, CFA

Chief Investment Officer

Dear Valued Client,

Throughout April, the Pakistani markets exhibited stability, with the KSE-100 Index reaching an all-time high of 72,743. This surge was largely fueled by positive government actions centered on economic reforms, talks on bilateral support and robust corporate earnings, instilling confidence among investors. Closer to the MPC, bond yields saw a slight increase, aligning with anchored expectations for a rate cut moving into the second half of CY24.

The Central Bank of Pakistan held firm on its monetary policy, maintaining the status quo during this month's committee meeting. The decision reflects a cautious stance, aiming to mitigate any potential inflation overruns anticipated from the forthcoming budget announcements. This approach underscores strategic vigilance, balancing growth objectives with inflation control despite a significant drop in headline inflation as CPI in April'24 dropped to 17.3%, the first instance of it being below 20% since May 2022. This decline suggests an easing of the price pressures that have burdened consumers and businesses alike, contributing to a cautiously optimistic economic outlook.

During the month IMF's approval to disburse \$1.1 billion further solidifies the perception of economic stability in Pakistan. The release of funds is expected to further augment the external balances and FOREX liquidity.

Attention to global monetary trends alongside domestic economic policies will be crucial in navigating the investment landscape effectively. As we look forward, we see positive returns on the equity markets backed by strong macroeconomic indicators and international support.



Our Investment Philosophy

At Mahaana, we have a vision to create a sustainable and financially rewarding future for our clients by leveraging technology to deliver superior returns at a fraction of the costs charged by traditional investment managers. Mahaana's investment philosophy is focused on building portfolios that offer long-term value to clients through two guiding principles. The first is to personalize asset allocation based on each client's unique risk profile, goals, and objectives, while minimizing risk and volatility. The second principle involves using data analytics to analyse market trends, identify investment opportunities, and optimize portfolios to generate consistent returns while adhering to clients' risk profiles. The combination of these principles creates portfolios that are tailored to clients' needs, offer strong risk-adjusted returns, and are constructed using a disciplined, data-driven approach. All of which, is transparent and secure.

As your digital wealth managers, we provide a mere advisory role and no way in your investment journey do we have access to your funds which are held by the CDC as the custodian. Your funds directly flow between your investment account and your personal bank account.



About Mahaana

Mahaana Wealth is your one stop solution to invest and grow your savings. In the most basic sense, we are your digital asset managers who help you along your investment journey. When you begin you will be asked a series of questions to determine your financial goals, risk tolerance, and investment preferences. Based on your answers, our platform will recommend a diversified investment portfolio that is tailored to your needs. Our platform uses algorithms and artificial intelligence to help clients to automatically rebalance their portfolio in order to maintain their desired asset allocation.

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**Mahaana is an urdu
term for monthly**

We believe you should save monthly
to secure your financial future

Mahaana Islamic Cash Fund



Mahaana Islamic Cash Fund

MICF is a Shariah-compliant fund that primarily invests in cash and cash equivalents, such as short-term government bonds and money market instruments. Cash funds are often used as a short-term investment vehicle or as a way to preserve capital while earning a low return. They are typically considered low-risk investments, as they are invested in highly liquid assets, such as Islamic sukuks, that are not subject to significant price fluctuations. Through MICF, our clients gain direct exposure to government Sukuks at a fraction of the cost compared to banks.

Fund Commentary

The fund continued its alpha generation during the month backed by active asset allocation. The fund reduced GOP Ijarah exposure to hedge against volatility in yields. We continue to actively seek higher yielding opportunities within the fund.

Key Facts

Item	Details
Net Assets	PKR 162.5 mn
Launch Date	March 29, 2023
Fund Category	Open-end Shariah Compliant Money Market Fund
Investment Objective	To provide competitive returns with maximum possible capital preservation by investing in low risk and liquid Shariah-compliant authorized instruments.
Benchmark	Three months average deposit rates of three (3) AA rated Islamic banks or Islamic windows of conventional banks as selected by MUFAP
Fund Auditors	BDO Ebrahim & Co.
Custodian	Central Depository Company of Pakistan Limited
Shariah Advisors	Al Hilal Shariah Advisors
Fund Stability Rating	AA+
Fund Manager	Mubashir Zuberi, CFA
Management Fee	Up to 1% of average net assets during the month
Total Expense Ratio	0.15% (MTD) 0.15% (YTD)
Total Expense Ratio (without govt. levy)	0.07% (MTD) 0.07% (YTD)
Weighted Average Time to Maturity (Days)	54

Performance

As of 30 Apr 2024	MTD	YTD	90 Days	180 Days	1 Year	3 Years	Since Inception *
MICF Return (annualized)	20.19%	23.24%	20.76%	20.77%	23.24%	N/A	23.19%
Benchmark Return (annualized)	11.24%	10.09%	11.25%	10.95%	9.57%	6.27%	9.12%

* Since Mar 2023 - MICF launch date

Ratings

Type	Percentage %
AAA	21.10%
AA	66.40%
A1	12.27%

Asset Allocation

Type	Apr 24	Mar 24
Bank Deposits	66.40%	4.86%
GoP Ijarah Sukuks	21.10%	82.55%
Short Term Sukuk	12.27%	12.39%
Other assets	0.23%	0.20%

Sukuk Holdings

Instrument	Percentage %
OBS Pharma - STS 1	12.27%

Mahaana Islamic Index ETF



Mahaana Islamic Index ETF

MIIETF is a Shariah-compliant equity index fund that primarily invests in the top 30, free float weighted Islamic stocks that have an annual average turnover of more than PKR 10 million. MIIETF provides investors the long term benefits of equity markets.

Fund Commentary

The net assets of MIIETF increased to PKR 33.9 million during the month on the back of positive performance in the benchmark index.

Key Facts

Item	Details
Net Assets	PKR 33.9 mn
Launch Date	March 11, 2024
Fund Category	Open-end Shariah Compliant Equity ETF
Investment Objective	Investment objective is to provide competitive equity market returns with maximum coverage of the broader Islamic index at lowest possible cost.
Benchmark	Mahaana Islamic Index
Authorized Participant	JS Global Capital Limited
Management Fee	0.5% per annum
Total Expense Ratio	1.09% (MTD) 1.21% (YTD)
Fund Auditors	BDO Ebrahim & Co.
Fund Stability Rating	N/A
Fund Manager	Mahaana Wealth Limited

Performance

As of 30 Apr 2024	MTD	YTD	90 Days	180 Days	1 Year	3 Years	Since Inception *
MIIETF Return	6.18%	8.30%	-	-	-	-	8.00%
Benchmark Return	6.97%	8.69%	-	-	-	-	8.69%

* Since 11 Mar 2024 - MIIETF launch date

Asset Allocation

Type	Percentage %
Equity	97.05%
Cash	2.95%

Sector Allocation

Sector	Percentage %
FERTILIZER	19.30%
OIL & GAS EXPLORATION COMPANIES	18.31%
CEMENT	14.30%
POWER GENERATION & DISTRIBUTION	11.66%
COMMERCIAL BANKS	9.56%
OTHERS	23.92%

Top Holdings

Instrument	Percentage %
Hub Power Energy Company	10.62%
Engro Corporation	8.52%
Meezan Bank Limited	8.25%
Engro Fertilizers Limited	8.01%
Oil & Gas Development Company	6.91%
Pakistan Petroleum Limited	6.37%
Systems Limited	5.72%
Lucky Cement Limited	6.19%
Mari Petroleum Limited	5.04%
Millat Tractors Limited	4.43%



LICENSED & REGULATED BY
**Securities & Exchange
Commission of Pakistan (SECP)**



CUSTODIANS
Central Depository Company (CDC)



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