



**DECEMBER
2018**

**PERFORMANCE
TRACKER**

**FUND MANAGERS'
REPORT**

ADAMJEE LIFE ASSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

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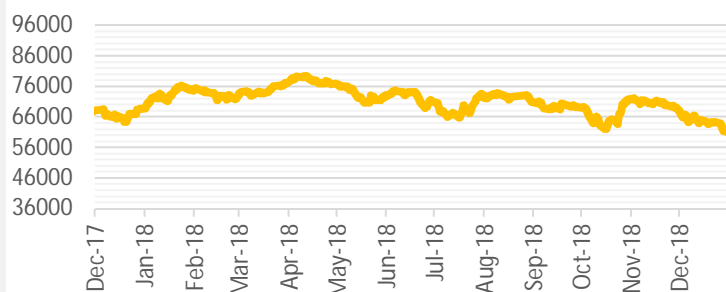
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Equity Market Analysis

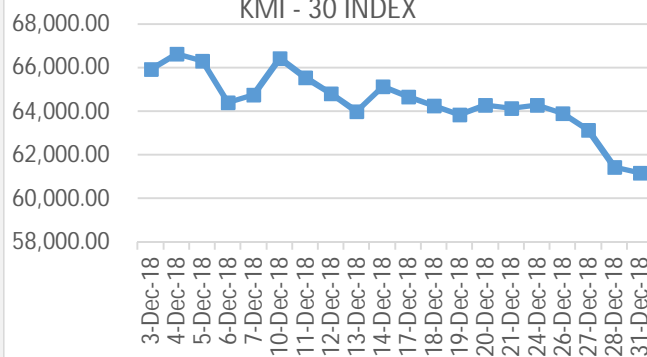
CY18 closed itself on a negative note for the consecutive second year, as the benchmark Index KSE100 posted a loss of 8.4%. The month of Dec'18 was the worst month of the year as KSE100 retreated by 8.5%, as unexpected monetary tightening by 150 bps during the last month created a negative environment for equities. Even support of USD 3 billion by UAE could not come to rescue as overall uncertainty continued to linger towards the economy. Once again, foreign selling continued during the month with foreigners offloading USD ~28 Mn worth of equities, most of which was absorbed by Insurance Companies and Individuals who bought USD ~21/23 Mn respectively. During the month, volumes and values averaged around 135 Mn shares/ PKR 6,36 Bn, depicting a considerable decrease of ~32/~33% MoM.

We believe equity markets generally preempt the economic conditions and as such it is important to consider whether all the economic developments are priced in or not. Therefore, overall valuations and fundamentals of universe companies do play an important role. The overall strategy should tilt towards defensive sectors (E&P's, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) should be overweight. In addition to that, government's strong focus on reviving exports should provide a boost to the outlook of export oriented sectors such as Textiles & IT. Despite being negative on cyclicals, we believe there will be distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.

KMI 30 Index



KMI - 30 INDEX

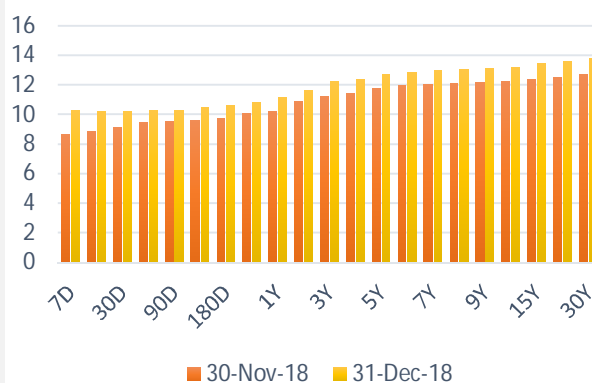


Money Market Analysis

SBP increased policy rate above the market expectation in last MPS announced at November 2018 end majorly owing to rising inflation, high fiscal deficit and low foreign exchange reserves. In anticipation of further monetary tightening the yield curve during the month showed an upward trajectory. Whereas, little or no activity was witnessed in the longer tenor bond market and all major activity was seen in shorter tenor T-bills. Overnight market and short term T-bill market yield witnessed an increase towards year end due to scarcity of liquidity in the market as banks were borrowing at a very attractive rate due to banking year end.

Auction for fixed coupon PIB bonds was held on December 26, 2018, and market remained pessimistic towards participating in it. Total participation of PKR 24 billion was witnessed in this auction out of which 3, 5 & 10 years tenor received bids worth PKR 9.2 billion, PKR 3.35 billion & 11.4 billion respectively. Out of total Participation 19.6bn was accepted out which 6.68bn was accepted in 3 years, 1.75bn in 5 years and 11.23bn in 10 years at cut off yield of 12.25%, 12.70% & 13.15% in 3, 5 & 10 years respectively.

PKRV RATES



MAZ'AF FUND (TAKAFUL)



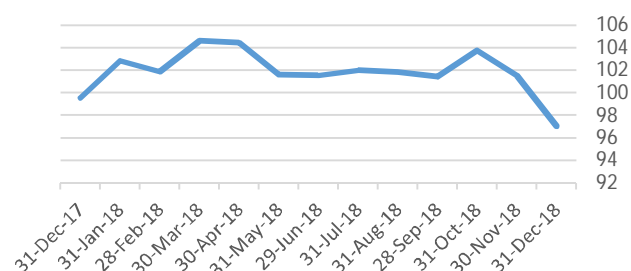
Fund Objective:

A moderate to high-risk profile fund that generates higher returns over the long run in shariah compliant equities and Islamic mutual fund.

Fund Information:

Fund Name	Maza'af Fund
Fund Size	PKR 1.46 Billion
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 Dec 2018)	PKR 97.0407
Fund Type	Balanced Fund
Auditors	KPMG Taseer Hadi and Co. Chartered Accountants
Management Fees	1.75% p.a.
Pricing Mechanism	Forward
Risk Profile	Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	40% [six (6) month PKRV rate (T-Bill rate)] + 50% [KMI-30 Index Return] + 10% [minimum deposit rates on banks]

Bid Price Trend



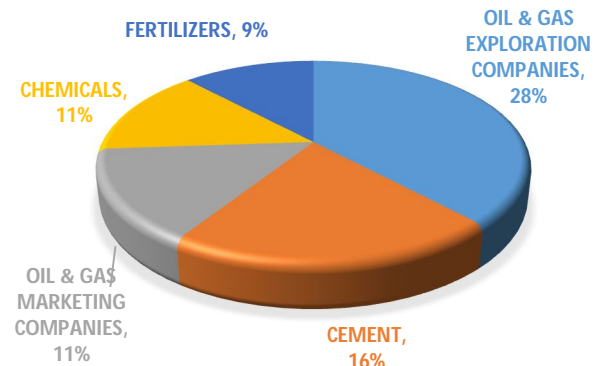
Asset Mix

Assets	December 2018	November 2018
Bank Balances	8.34%	7.15%
Term Deposits	28.27%	19.98%
Equities	38.21%	36.78%
Mutual Funds	18.72%	20.50%
Fixed Income Securities	4.43%	4.46%
Government Securities	1.16%	11.48%
Other Assets	0.87%	-0.35%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	-4.45%	-52.37%
180 Days Return	-4.43%	-8.75%
CYTD	-2.51%	-2.49%
Since Inception	-2.96%	-1.21%

SECTOR WISE ALLOCATION



Managers' Comments:

During the month of December 2018, the NAV per unit has been Decreased by PKR 4.5169 (-4.45%) from November.

TAMEEN FUND (TAKAFUL)



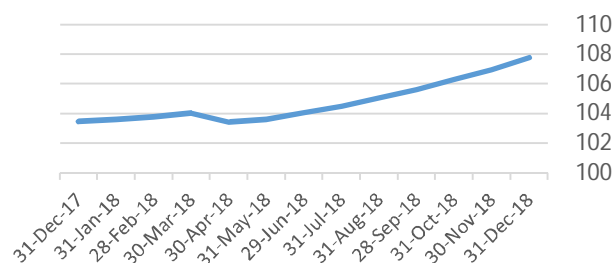
Fund Objective:

A moderate to low risk profile fund that generates stable and secure returns by balancing the investment in long-term money market investments including term deposit in Islamic Banks and Sukuk Bonds.

Fund Information:

Fund Name	Tameen Fund
Fund Size	PKR 89 Million
Launch Date	July 26, 2016
Bid Price (Inception)	PKR 100
Bid Price (31 Dec 2018)	PKR 107.7858
Fund Type	Fixed Income Fund
Auditors	KPMG Taseer Hadi and Co. Chartered Accountants
Management Fees	1.75% p.a.
Pricing Mechanism	Forward
Risk Profile	Low to Medium
Regulator	Securities and Exchange Commission of Pakistan
Investment Advisor	This Fund is being managed by MCB ARIF Habib Saving & Investment Ltd. through a discretionary portfolio management agreement
Benchmark	90% [six (6) month PKRV rate (T-Bill rate)] + 10% [minimum deposit rates on banks]

Bid Price Trend



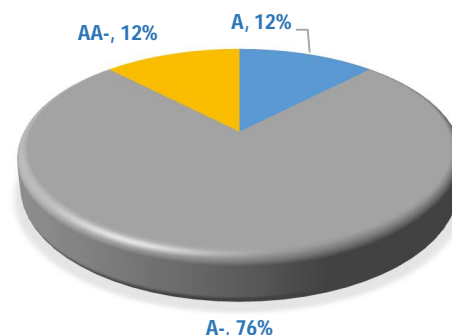
Asset Mix

Assets	December 2018	November 2018
Bank Balances	7.50%	4.08%
Term Deposits	91.85%	64.69%
Mutual Funds	0%	0%
Fixed Income Securities	0%	0%
Government Securities	0%	29.90%
Real Estate	0%	0%
Other Assets	0.65%	1.33%

Fund Returns:

	Absolute	Annualized
Month to Date (MTD)	0.75%	8.83%
180 Days Return	3.58%	7.07%
CYTD	4.16%	4.13%
Since Inception	7.79%	3.18%

RISK PROFILE OF INVESTMENTS



Managers' Comments:

During the month of December 2018, the NAV per unit has been Increased by PKR 0.8020 (0.75%) from November.

DISCLAIMER

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in funds are subject to market risks. The NAV based prices of units and any returns thereon are dependent on forces and factors affecting the financial markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.