

MARCH 2025

# Fund Manager Report





# CIO's Note

## Mubashir Zuberi, CFA

Chief Investment Officer

Dear Valued Client,

March 2025 delivered encouraging macroeconomic signals that bolstered investor confidence. Inflation fell to a decade-low of 1.5% in February, underscoring significant progress in price stability and enhancing trust in the country's economic management. Meanwhile, the current account deficit remained well-contained at just US\$12 million for February, a testament to a healthy external position even as imports gradually ticked upward.

On the policy front, a standout development was the government's successful Staff-Level Agreement (SLA) with the International Monetary Fund (IMF) for a US\$1.3 billion loan. This achievement not only reflects the administration's dedication to structural reforms but also elevates its standing in international financial markets. Additionally, constructive negotiations between the government and commercial banks on resolving the persistent circular debt issue injected fresh optimism into the energy and financial sectors, signaling potential stability ahead.

In the money markets, the State Bank of Pakistan (SBP) opted to hold the policy rate steady during its Monetary Policy Committee meeting. This decision was shaped by emerging pressures on the external account, driven by rising import demand and lackluster financial inflows. While headline inflation has cooled notably, core inflation continues to linger at elevated levels, posing a risk if food or energy prices surge. Secondary market yields saw a modest uptick, suggesting the market anticipates a stable interest rate outlook in the near term.

The equity markets staged a strong recovery in March, with the KSE-100 Index gaining 4%, equivalent to a 4,550-point rise. This rebound followed two months of declines and was propelled by the positive IMF review outcome. The index even touched an all-time high of 118,700 points during the month, though trading volumes remained relatively muted. Investors gravitated toward energy stocks, buoyed by expectations of a favorable resolution to the circular debt issue and the IMF's anticipated approval.

Looking forward, we maintain a cautiously optimistic stance. The IMF loan disbursement should shore up external reserves and pave the way for additional institutional inflows. Inflation appears under control for now, though vigilance is warranted given global commodity price trends. Equities hold potential for further gains, provided energy and fiscal reforms stay on track. We will closely monitor geopolitical shifts, particularly U.S. trade policy, as they could significantly influence global sentiment and Pakistan's trade dynamics.

## 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)

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

During the month the fund reduced its' WAM as yields in secondary market increased. The fund increased its' allocations in shorter tenor GoP Ijarah Sukuks.

### Key Facts

Item	Details
Net Assets	PKR 1919.8mn
Launch Date	March 29, 2023
Fund Type	Open-end
Fund Category	Shariah Compliant Money Market Fund
Investment Objective	Investment objective is to provide competitive returns with maximum possible capital preservation by investing in low risk and liquid Shariah-compliant authorized instruments.
Benchmark	75% six month PKISRV rates plus 25% six months average of the highest rates on savings account of three AA rated scheduled Islamic banks/ Windows as selected by MUFAP.
Fund Auditors	BDO Ebrahim & Co.
Front End Load/Back End Load	NIL
Cut-off timing	Monday-Friday (4:00 p.m)
Pricing Mechanism	Backward
Custodian	Central Depository Company of Pakistan Limited
Shariah Advisors	Al Hilal Shariah Advisors
Fund Stability Rating	AA+
Fund Manager	Mubashir Zuberi, CFA
Management Fee	0.35% per annum
Total Expense Ratio	0.64% (MTD) 0.60% (YTD)
Total Expense Ratio (without Govt. levy)	0.52% (MTD) 0.47% (YTD)

## Key Facts (continued)

Item	Details
Valuation and Redemption Days	Daily (Monday to Friday) except public holiday
Risk/Risk of Principal Erosion	Low
Weighted Average Time to Maturity (Days)	64

## Performance

As of 31 Mar 2025	MTD	YTD	90 Days	180 Days	1 Year	3 Years	Since Inception *
MICF Return (annualized)	9.54%	14.66%	9.84%	12.13%	16.70%	N/A	21.83%
Benchmark Return (annualized)	10.21%	9.77%	10.12%	9.32%	10.13%	8.32%	9.62%
Peer Average (annualized)	9.41%	N/A	N/A	N/A	N/A	N/A	N/A

\* Since Mar 2023 - MICF launch date Returns are computed on the basis of NAV to NAV with dividends reinvested

## Ratings

Type	Percentage %
AAA	46.18%
AA	33.79%
A1	19.74%

## Asset Allocation

Type	Feb 25	Mar 25
Bank Deposits	29.45%	24.43%
GoP Ijarah Sukuks	29.35%	36.82%
Short Term Sukuk	19.93%	19.74%
Placements with Banks/ DFI	19.38%	18.72%
Other assets	0.47%	0.29%

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 mutual funds are subject to market risks. The NAV based prices of units and any dividends/ 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.

## Distributions

Payout Date	Payout (Per Unit)	Ex - NAV	Yield
13-Jun-23	2.375	101.5469	2.34%
26-Jun-23	2.290	100.0038	2.29%
12-Dec-23	10.700	100.3250	10.67%
7-Jun-24	5.500	105.0288	5.24%

## Sukuk Holdings

Instrument	Percentage %
Pak Elektron STS2	5.47%
Select Technologies Limited STS 1	3.96%
Mughal Industries STS 4	2.81%
At Tahur Limited STS 1	2.73%
RYK Mills Limited STS 1	2.67%
Aspin Pharma Pvt. Ltd STS 1	2.11%

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# Mahaana Islamic Index ETF





## Mahaana Islamic Index ETF

MIETF 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. MIETF provides investors the long term benefits of equity markets.

### Fund Commentary

Mahaana Islamic Index ETF continued its' healthy performance on the back of positive sentiment in the equity market. The major contribution during the month came from Oil & Gas sector.

### Key Facts

Item	Details
Net Assets	PKR 263.3 mn
Launch Date	March 11, 2024
Fund Type	Open-end
Fund Category	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
Pricing Mechanism	Backward
Listing	Pakistan Stock Exchange (PSX)
Valuation Days	As per PSX
Subscription   Redemption Days	As per Market hours
Ticker	MIETF
Front End Load/Back End Load	NIL
Authorized Participant	JS Global Capital Limited
Management Fee	0.5% per annum
Total Expense Ratio	1.01% (MTD) 1.07% (YTD)
Total Expense Ratio (without govt. levy)	0.82% (MTD) 0.89% (YTD)
Trustee	Central Depository Company Pakistan Limited (CDC)
Risk Profile/Risk of Principal Erosion	High
Fund Auditors	BDO Ebrahim & Co.
Fund Stability Rating	N/A
Fund Manager	Mahaana Wealth Limited

## Performance

As of 31 Mar 2025	MTD	YTD	90 Days	180 Days	1 Year	3 Years	Since Inception *
<b>MIETF Return</b>	7.50%	40.17%	2.23%	40.91%	57.35%	-	60.50%
<b>Benchmark Return</b>	8.15%	44.83%	2.70%	44.25%	36.01%	-	66.89%

\* Since 11 Mar 2024 - MIETF launch date

Returns are computed on the basis of NAV to NAV with dividends reinvested

## Asset Allocation

Type	Feb 25	Mar 25
Equity	<b>99.73%</b>	<b>99.07%</b>
Cash	<b>0.27%</b>	<b>0.93%</b>

## Sector Allocation

Sector	Percentage %
OIL & GAS EXPLORATION COMPANIES	<b>25.90%</b>
CEMENT	<b>17.80%</b>
FERTILIZER	<b>8.20%</b>
POWER GENERATION & DISTRIBUTION	<b>7.70%</b>
TECHNOLOGY & COMMUNICATION	<b>7.20%</b>
OTHERS	<b>32.27%</b>

## Top Holdings

Instrument	Percentage %
Mari Energies Limited	9.2%
Oil & Gas Development Company Limited	8.8%
Pakistan Petroleum Limited	7.9%
Lucky Cement Limited	7.7%
The Hub Power Company Limited	7.7%
Engro Fertilizers Limited	6.8%
Meezan Bank Limited	5.7%
Systems Limited	5.6%
Pakistan State Oil Company Limited	4.9%
Engro Holdings Limited	3.5%

## Distributions

Payout Date	Payout (Per Unit)	Ex - NAV	Yield
24-Jun-24	0.500	10.9000	4.59%

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CUSTODIANS  
**Central Depository Company (CDC)**



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