

JULY 2025

# Fund Manager Report





# CIO's Note

Mubashir Zuberi, CFA

Chief Investment Officer

Dear Valued Client,

July 2025 saw continued positive momentum in Pakistan's economy, with significant improvements across several key macroeconomic indicators. The current account posted a surplus of US\$328 million in June, bringing the FY25 total surplus to US\$2.1 billion. This was primarily driven by a reduction in the trade deficit, which contracted to US\$2.4 billion, alongside strong remittance growth (+8% YoY in June and +27% YoY for FY25). In line with these developments, Pakistan's foreign exchange reserves crossed the US\$14.5 billion mark by the end of FY25, supported by timely inflows.

Pakistan's sovereign credit rating also saw a positive upgrade from S&P Global, rising from CCC+ to B-, a reflection of the improved macroeconomic conditions. This upgrade comes after several years of fiscal consolidation and external sector improvements, marking a significant milestone for the country.

On the inflation front, CPI for June 2025 registered at 3.2%, bringing the FY25 average to 4.5%, a remarkable reduction from 23.4% in FY24, signaling ongoing price stabilization and the effectiveness of the fiscal and monetary policies implemented throughout the year.

On the geopolitical front, Pakistan concluded a successful round of trade talks with the Trump administration, resulting in a reduction of US tariffs on Pakistani goods from 29% to 19%, effective August 2025. This reduction is expected to boost bilateral trade, particularly in energy, mining, and IT, with the US President highlighting interest in developing Pakistan's oil reserves through local partnerships, a move that could drive significant investment into these sectors.

On the monetary policy front, the State Bank of Pakistan (SBP) surprised the market by keeping the policy rate unchanged at 11%, citing inflation risks from rising energy prices, particularly gas tariffs, and increasing import levels. The Monetary Policy Committee (MPC) projected GDP growth for FY26 to be in the range of 3.25%-4.25% and expects the current account balance to remain within 0%-1% of GDP. The MPC emphasized that sustained growth will require continued structural reforms along with prudent fiscal and monetary policies.

The KSE-100 Index had an impressive performance in July, gaining 11% MoM, marking the best-performing month of the year so far. This rally was largely driven by strong quarterly earnings from key index movers, particularly in the banking and fertilizer sectors, fueling investor optimism.

On the investment products front, the MICF delivered 9.80% (annualized) in July and 13.87% for FY25, while the MIETF returned 6.67% in July reflecting the strong performance of Islamic equities.

We expect corporate earnings growth, geopolitical developments and positive macroeconomic data will help sustain the current trajectory. The outlook for the remainder of FY26 remains optimistic, with continued stability and growth expected in key economic sectors.

## 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 (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.

### Fund Commentary

During the month the fund increased its' exposure in short term sukuks towards higher yielding assets. The WAM of the fund reduced to 65 days which is being actively managed to take benefit of the yield curve volatility.

### Key Facts

Item	Details
Net Assets	PKR 2392.3mn
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.
Fund Auditors	BDO Ebrahim & Co.
Benchmark	90% three (3) month PKISRV rates+10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic banks or Islamic Windows of Conventional Banks as selected by MUFAP
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	0.55% per annum
Total Expense Ratio	0.80% (MTD) 0.80% (YTD)
Total Expense Ratio (without Govt. levy)	0.63% (MTD) 0.63% (YTD)
Valuation and Redemption Days	Daily (Monday to Friday) except public holiday
Risk/Risk of Principal Erosion	Low
Weighted Average Time to Maturity (Days)	65

## Performance

As of 31st July 2025	MTD	YTD	90 Days	180 Days	1 Year	3 Years	Since Inception *
<b>MICF Return (annualized)</b>	9.80%	9.80%	10.21%	10.18%	12.96%	N/A	20.82%
<b>Benchmark Return (annualized)</b>	10.07%	10.07%	10.27%	10.25%	9.84%	N/A	9.71%
<b>Peer Average (annualized)</b>	9.52%	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

## Asset Allocation

Type	July 25	June 25
Bank Deposits	2.92%	0.56%
GoP Ijarah Sukuks	19.56%	26.09%
Short Term Sukuk	15.69%	11.44%
Placements with Banks/ DFI	0.00%	0.00%
Bai Muajjal	24.93%	27.65%
Cash	36.3%	34.24%
Other assets	0.60%	0.02%

## Ratings

Type	Percentage %
AAA	36.70%
AA+	11.96%
AA	35.32%
A1	15.69%

## 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%
13-Jun-25	14.250	106.2402	13.41%

## Sukuk Holdings

Instrument	Percentage %
Aspin Pharma Pvt Ltd STS 2	3.166%
RKY Mills Limited STS 1	2.210%
Masood Spinning Mills Limited STS 1	2.141%
Mughal Industries STS 4	2.132%
Select Technologies Limited STS 2	2.101%
Airlink Limited STS 6	2.014%
At Tahur Limited STS 2	1.920%

# 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

Net assets of the fund increased to PKR 445 mn as a result of positive momentum in the equity market.

### Key Facts

Item	Details
Net Assets	PKR 445.4 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	0.98% (MTD) 0.98% (YTD)
Total Expense Ratio (without govt. levy)	0.80% (MTD) 0.80% (YTD)
Trustee	Central Depository Company Pakistan Limited (CDC)
Risk Profile/Risk of Principal Erosion	High
Fund Auditors	BDO Ebrahim & Co.
Fund Manager	Mahaana Wealth Limited



## Performance

As of 31st July 2025	MTD	YTD	30 Days	90 Days	180 Days	1 Year	Since Inception *
<b>MIETF Return</b>	6.67%	6.67%	5.72%	17.28%	15.10%	57.18%	74.91%
<b>MII30 Return</b>	6.59%	6.59%	5.61%	18.58%	17.01%	60.61%	81.67%
<b>KMI30 Return</b>	6.50%	6.50%	5.35%	18.31%	14.50%	60.18%	76.87%

\* Since 11 Mar 2024 - MIETF launch date. Returns are computed on the basis of NAV to NAV with dividends reinvested

## Asset Allocation

Type	July 25	June 25
Equity	<b>98.89%</b>	<b>99.53%</b>
Cash	<b>1.00%</b>	<b>0.30%</b>
Other Assets	<b>0.11%</b>	<b>0.17%</b>

## Sector Allocation

Sector	Percentage %
OIL & GAS EXPLORATION COMPANIES	<b>21.52%</b>
CEMENT	<b>16.40%</b>
COMMERCIAL BANKS	<b>9.82%</b>
INVESTMENT BANKS/ COMPANIES	<b>9.37%</b>
FERTILIZER	<b>7.62%</b>
OTHERS	<b>35.28%</b>

## Distributions

Payout Date	Payout (Per Unit)	Ex - NAV	Yield
24-Jun-24	0.500	10.9000	4.59%
19-Jun-25	2.250	12.8400	17.52%

## Top Holdings

Instrument	Percentage %
Engro Holdings Limited	<b>9.37%</b>
Meezan Bank Limited	<b>8.36%</b>
Mari Energies Limited	<b>7.86%</b>
Lucky Cement Limited	<b>7.77%</b>
Oil & Gas Development Company Limited	<b>7.69%</b>
The Hub Power Company Limited	<b>6.91%</b>
Systems Limited	<b>6.55%</b>
Engro Fertilizers Limited	<b>6.04%</b>
Pakistan Petroleum Limited	<b>5.97%</b>
Pakistan State Oil Company Limited	<b>4.07%</b>

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.



## Mahaana IGI Islamic Retirement Fund

Mahaana IGI Islamic Retirement Fund (MIIRF) is a Shariah-compliant voluntary pension scheme primarily invests across three sub-funds: Equity, Debt, and Money Market, offering diverse allocation options to suit different risk preferences. It is a long-term investment vehicle for individuals seeking to build wealth for their retirement. Through MIIRF, participants gain exposure to a range of Islamic assets, including equities, sukuks, and money market instruments, providing them with a reliable source of income during retirement.

### Key Facts

Item	Details
Launch Date	May 26, 2025
Fund Type	Open Ended Fund
Fund Category	Shariah Compliant Voluntary Pension Scheme
Investment Objective	Investment objective is to provide secure retirement savings and regular income after retirement, by investing in a diversified portfolio of Shariah-compliant assets, with a focus on long-term growth and risk mitigation.
Risk Profile	Investor Dependent
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	3% each for MIIRF - ESF & MMSF, and 1.5% for MIIRF-DSF
NAV per unit at launch date	10
Month End Date	30-Jun-25
Trustee	Central Depository Company Pakistan Limited
Auditor	A.F. Ferguson & Co.
Fund Manager	IGI Life Insurance Limited
Weighted Avg. Time to Maturity (Days)	679 (MIIRF-DSF) 196 (MIIRF-MMSF)

### Expense Ratio | Government Levy

Item	ESF	DSF	MMSF
Expense Ratio* (MTD)	0.92%	0.51%	0.64%
Government Levy (MTD)	0.79%	0.42%	0.54%
Expense Ratio* (YTD)	0.92%	0.51%	0.64%
Government Levy (YTD)	0.79%	0.42%	0.54%

### Net Assets Value (PKR '000)

Fund	July 25
MIIRF-ESF	63.1 mn
MIIRF-DSF	45.8 mn
MIIRF-MMSF	45.8 mn

\*Expense Ratio (without Government levy)

## Performance

\*All returns are gross of Fund Management Charges.

As of 30th July 2025	MTD	YTD	30 Days	90 Days	180 Days	1 Year	Since Inception *
<b>MIIRF-MMSF</b>	10.49%	10.49%	10.69%	N/A	N/A	N/A	11.30%
Benchmark	10.07%	10.07%	10.07%				
Peer average	9.44%						
<b>MIIRF-DSF</b>	14.05%	14.05%	14.22%	N/A	N/A	N/A	14.51%
Benchmark	9.88%	9.88%	9.88%				
Peer average	9.79%						
<b>MIIRF-ESF</b>	5.84%	5.84%	5.19%	N/A	N/A	N/A	6.06%
Benchmark	6.50%	6.50%	5.35%	18.31%	14.50%	60.18%	14.18%
Peer average	4.49%						

## Asset Allocation

MIIRF-ESF	July 25	MIIRF-DSF	July 25	MIIRF-MMSF	July 25
Islamic Equity	<b>57.00%</b>	GoP Ijarah Sukuks	<b>60.36%</b>	GoP Ijarah Sukuks	<b>51.23%</b>
Islamic Bank Deposits	<b>33.18%</b>	Islamic Bank Deposits	<b>30.86%</b>	Islamic Bank Deposits	<b>45.04%</b>
Others	<b>9.82%</b>	Short Term Sukuk	<b>4.34%</b>	Others	<b>3.73%</b>
		Others	<b>4.44%</b>		

## Top Holdings (MIIRF-ESF)

Instrument	Percentage %
Mahaana Islamic Index Exchange Traded Fund	<b>6.6%</b>
Systems Limited	<b>5.3%</b>
Meezan Bank Limited	<b>5.1%</b>
Oil & Gas Development Company Limited	<b>4.7%</b>
Mari Energies Limited	<b>4.3%</b>
Lucky Cement Limited	<b>3.6%</b>
Engro Holdings Limited	<b>3.3%</b>
The Hub Power Company Limited	<b>3.0%</b>
Pakistan Petroleum Limited	<b>2.8%</b>
Engro Fertilizers Limited	<b>2.1%</b>

## Sector Allocation

Sector	Percentage %
OIL & GAS EXPLORATION COMPANIES	<b>11.72%</b>
CEMENT	<b>9.05%</b>
COMMERCIAL BANKS	<b>6.83%</b>
TECHNOLOGY & COMMUNICATION	<b>6.06%</b>
OIL & GAS MARKETING COMPANIES	<b>3.50%</b>
OTHERS	<b>62.83%</b>

## Top Holdings (MIIRF-DSF)

Sector	Percentage %
Airlink Limited STS 6	<b>4.34%</b>

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