

May 2026

Fund Managers' Report



Your retirement is ready!

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Disclaimer

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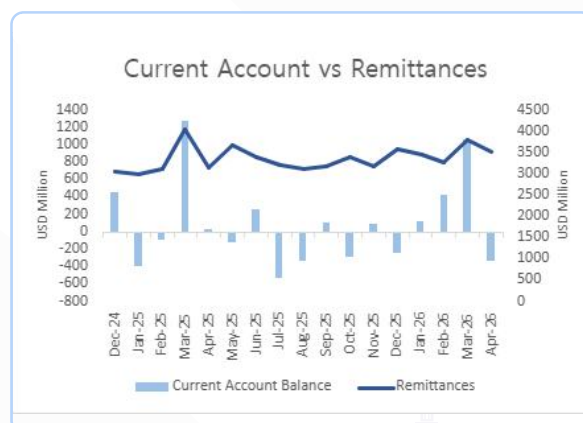
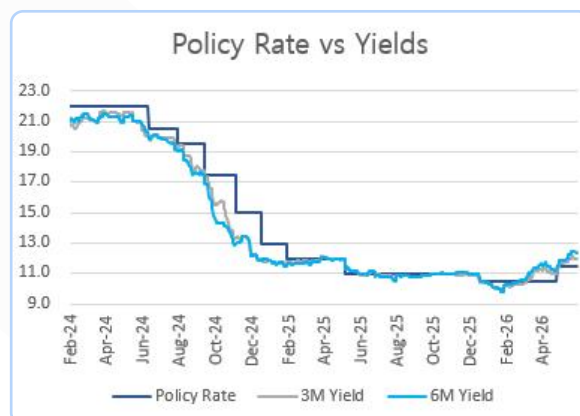
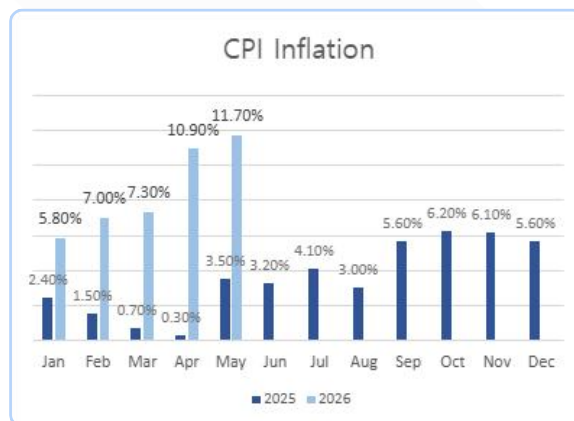
Dear Valued Client,

May 2026 brought a mix of constructive policy developments and persistent macro headwinds. The IMF's completion of the third review and disbursement of US\$1.3 billion provided a welcome boost to reserves and programme credibility, while inflation continued its upward drift into double digits, pushing the real interest rate into marginally negative territory for the first time in over a year.

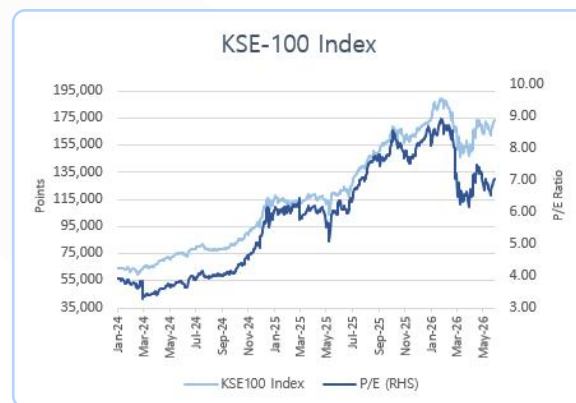
On the inflation front, headline CPI rose to 11.7 percent year on year in May, the second consecutive month in double digits and the highest reading since mid 2024. The real interest rate, measured as the policy rate minus headline CPI, turned negative at minus 0.2 percentage points, narrowing the room for the MPC to hold rates unchanged. Energy costs remain the dominant driver, with Brent crude at approximately US\$92 per barrel. While this represents a roughly 20 percent decline from the April peak above US\$110, it remains some 50 percent above the year end 2025 level of approximately US\$60, keeping the pass-through to administered fuel prices and transport costs elevated. The joint statement by the IMF, World Bank, WTO and IEA on the impact of the ongoing conflict on global energy and food supply chains, as well as the depletion of strategic petroleum reserves, underscores the structural nature of these pressures.

In the money market, the yield curve continued to reprice tighter conditions. The 3 month and 12 month PKRV tenors rose 25 to 50 basis points during May, extending the cumulative repricing that began with the onset of the conflict. The market appears to be pricing in the possibility of another rate adjustment at the upcoming MPC meeting, though the moderation in oil prices from April peaks and the prospect of normalisation of Strait of Hormuz shipping routes could temper the urgency.

Pakistan's external account showed a manageable current account deficit of US\$324 million in April 2026, bringing the 10MFY26 cumulative deficit to just US\$252 million, a remarkably contained figure given the magnitude of the energy price shock. The improvement reflects continued strength in remittance inflows and a narrowing of the monthly trade gap relative to the January to March period. On the financing side, the successful completion of the IMF's third review and disbursement of US\$1.3 billion lifted SBP foreign exchange reserves to approximately US\$17.2 billion, approaching the revised June 2026 target of US\$17.8 billion. The revised medium-term reserve target of US\$21 billion by June 2027 provides a credible anchor for reserve accumulation, though achieving it will require sustained programme implementation and favourable external conditions.



The KSE 100 Index recovered 6.7 percent month on month in May, closing at approximately 173,000 points and narrowing calendar year 2026 losses to below 1 percent. The recovery was driven by improving sentiment around the ceasefire's durability and the easing of oil prices from their April peak. However, the rebound was largely domestic in character, with foreign investors remaining net sellers. The 11MFY26 cumulative foreign net outflow has now crossed US\$600 million, reflecting continued risk aversion among international allocators despite improving macro fundamentals. Trading volumes remained subdued, suggesting the recovery lacks broad-based conviction and is concentrated among select institutional and retail participants.



Looking ahead, several competing forces are likely to shape market direction over the coming weeks. On the positive side, the moderation in Brent crude from above US\$110 to approximately US\$92 per barrel, the prospect of Strait of Hormuz traffic normalisation, and the successful IMF disbursement all reduce tail risk and support a more constructive base case. The cumulative current account deficit of just US\$252 million through 10MFY26 demonstrates the economy's resilience to external shocks, while the reserve position at US\$17.2 billion provides a reasonable buffer against near-term financing pressures.

On the other hand, the negative real interest rate of minus 0.2 percentage points and the continued repricing of the yield curve suggest that monetary tightening expectations have not yet fully dissipated. The June MPC decision will be a key inflection point. If Brent continues its downward trajectory and Hormuz shipping normalises, the case for holding rates steady strengthens meaningfully. However, a reversal in oil prices or a breakdown in diplomatic progress could compel another hike, which would weigh on both equity multiples and fixed income returns. The persistence of foreign selling and weak trading volumes indicate that a sustained market recovery will require not just a stabilisation of macro conditions but a clear signal that the tightening cycle has peaked.

Mubashir Zuberi, CFA

Chief Investment Officer

Mahaana Wealth

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.



Mahaana is an urdu term for 'monthly'.

We believe you should save monthly to secure your financial future

Explore Investment Solutions

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. Through MICF, our clients gain direct exposure to government Sukus at a fraction of the cost compared to banks.

Low Risk

Risk Profile

PKR 3721.9 mn

The AUM

Money Market

Fund Category

Mahaana Islamic Index ETF (MIETF)

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.

High Risk

Risk Profile

PKR 1944.3 mn

The AUM

ETF

Fund Category

Mahaana IGI Islamic Retirement Fund (MIIRF)

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.

Low to High Risk

Risk Profile

PKR 570.7 mn

The AUM

Pension Fund

Fund Category



Fund Commentary

The Fund continued to benefit from the higher rate environment, with reinvestment yields across Shariah compliant money market instruments tracking the upward move in secondary market rates. The Fund reduced its WAM to reduce reinvestment risk and benefit from rising yields.

Investment Philosophy

Investment objective is to provide competitive returns with maximum possible capital preservation by investing in low risk and liquid Shariah-compliant authorized instruments.

Key Information

Fund type	Open-end
Fund category	Shariah Compliant Money Market Fund
Net Assets (PKR mn)	3721.9
NAV (PKR)	116.5701
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Auditor	BDO Ebrahim & Co.
Management fee	0.60% per annum
Front-end Load	Upto 1.5%
Back-end Load	NIL
Total Expense Ratio	0.87% (MTD) 0.85% (YTD)
Total Expense Ratio (without Govt. levy)	0.70% (MTD) 0.68% (YTD)
Launch Date	March 29, 2023
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
Dealing Days & Cut-off time	Monday-Friday (4:00 p.m)
Pricing Mechanism	Backward
Fund Stability Rating	AA+
Risk Profile	Low
Leverage	NIL
Shariah Advisors	Al Hilal Shariah Advisors

Investment Committee Members

Muhammad Shamoan Tariq	Chief Executive Officer
Mubashir Zuberi	Chief Investment Officer
Tariq Sultan	Chief Operating Officer
Qurat ul Ain Ali	Manager Compliance & Operations

Quantitative Measures & Ratio

Weighted Average Time to Maturity (Days)	42
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Performance (%)

Annualized performance*

	MTD	YTD	90 D	180 D	1Y	3Y LAUNCH
Fund	9.92%	10.04%	9.47%	9.57%	10.11%	19.02%
Benchmark	9.44%	9.71%	8.99%	9.27%	9.76%	11.24%
Peer Average	9.84%					

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

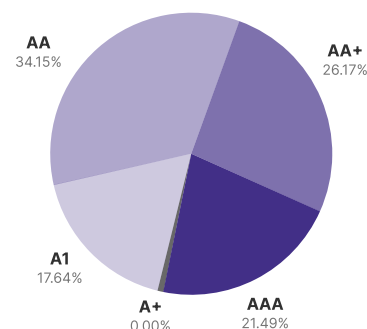
Asset Allocation (% age of total assets)

	MAY'26	APR'26
Bank Deposits	8.73%	14.62%
Musharaka	38.82%	25.49%
Govt Securities (GoP Ijarah)	21.48%	18.04%
Short Term Sukuk	17.64%	17.66%
Bai Muajjal	12.78%	24.16%
Other Assets	0.54%	0.04%

Top Holdings - Sukuks (% age of total assets)

	MAY'26
Sadaqat Limited STS2	2.68%
Alliance Sugar Mills Limited STS1	2.68%
Zarea Limited STS1	2.01%
Daewoo Pakistan Express Limited STS2	2.01%
Airlink Limited STS10	2.01%
Airlink Limited STS11	1.34%
GO Petroleum Limited STS1	1.26%
RYK Mills Limited STS2	0.99%
DW Pakistan Limited STS1	0.94%
DW Pakistan Limited STS2	0.94%

Asset quality (% age of total assets)



Distributions

PAYOUT DATE	PAYOUT (PER UNIT)	EX - NAV	YIELD
13-Jun-23	2.375	101.5469	2.34%
26-Jun-23	2.29	100.0038	2.29%
12-Dec-23	10.7	100.325	10.67%
7-Jun-24	5.5	105.0288	5.24%
13-Jun-25	14.25	106.2402	13.41%

Fund Commentary

The Fund participated in the broader market recovery during May, tracking the performance of the MII30 benchmark. During the month the Fund also carried out its' periodic rebalancing to realign with index weights.

Investment Philosophy

Investment objective is to provide competitive equity market returns with maximum coverage of the broader Islamic index at lowest possible cost.

MII30 Description

The MII30 tracks performance of top 30 Shariah compliant stocks. Weights of these 30 constituents is based on the free float market capitalization of each stock.

Key Information

Fund type	Open-end
Fund category	Shariah Compliant Equity ETF
Net Assets (PKR mn)	1944.3
NAV (PKR)	17.41
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Auditor	BDO Ebrahim & Co.
Management fee	0.75% per annum
Front-end Load	NIL
Back-end Load	NIL
Total Expense Ratio	1.15% (MTD) 1.15% (YTD)
Total Expense Ratio (without Govt. levy)	0.93% (MTD) 0.94% (YTD)
Launch Date	March 11, 2024
Benchmark	Mahaana Islamic Index
Dealing Days & Cut-off time	As per PSX
Pricing mechanism	Backward
Fund Stability Rating	N/A
Risk Profile	High
Leverage	NIL
Listing	Pakistan Stock Exchange (PSX)
Subscription & Redemption Days	As per Market hours
Ticker	MIETF
Authorized Participant	JS Global Capital Limited Adam Securities

Investment Committee Members

Muhammad Shamoan Tariq	Chief Executive Officer
Mubashir Zuberi	Chief Investment Officer
Tariq Sultan	Chief Operating Officer
Qurat ul Ain Ali	Manager Compliance & Operations

Performance (%)

	MTD	YTD	90 D	180 D	1Y	3Y LAUNCH
Fund	6.67%	30.51%	4.67%	1.62%	33.82%	N/A 113.99%
MII30	7.67%	33.23%	5.67%	2.68%	37.35%	N/A 127.06%
KMI30	7.01%	35.49%	6.45%	3.62%	38.67%	N/A 125.01%

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

Asset Allocation (% age of total assets)

	MAY'26	APR'26
Equity	99.23%	98.10%
Bank Deposits	1.38%	1.91%
Other Assets	0.00%	0.00%

Sector Allocation - Equity (% age of total assets)

	MIETF	KMI30	WEIGHT
Fertilizer	22.75	17.11	5.64
Oil & Gas Exploration	18.45	21.38	-2.93
Cements	16.13	13.37	2.76
Commercial Banks	8.11	8.91	-0.80
Inv. Banks / Inv. Cos. / Securities Cos.	7.15	10.69	-3.54
Others	27.42	28.54	-1.12

Top holdings - Equity (% age of total assets)

Fauji Fertilizer Company Limited	16.51%
Lucky Cement Limited	7.29%
Engro Holdings Limited	7.15%
Hub Power Company Limited	7.12%
Meezan Bank Limited	6.80%
Mari Energies	6.54%
Oil & Gas Development Company Limited	6.45%
Pakistan Petroleum Limited	5.46%
Engro Fertilizers Limited	4.78%
Systems Limited	4.56%

Distributions

PAYOUT DATE	PAYOUT (PER UNIT)	EX - NAV	YIELD
24-Jun-24	0.5	10.9	4.59%
19-Jun-25	2.25	12.84	17.52%

Tracking Difference

PERIOD	MIETF RETURN	BENCHMARK RETURN	TRACKING DIFFERENCE
1 Month	6.67%	7.67%	-1.01%
1 Year	33.82%	37.35%	-3.53%
Inception	113.99%	127.06%	-13.07%

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Investment Philosophy

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.

Key Information

Fund type	Open-end
Fund category	Shariah Compliant Voluntary Pension Scheme
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Auditor	A.F. Ferguson & Co.
Management fee	1.0% each for MIIRF - DSF & MMSF, and 2.0% for MIIRF-ESF
Front-end Load	NIL
Back-end Load	NIL
Launch Date	May 26, 2025

Benchmark
MIIRF-ESF: KMI-30; **MIIRF-MMSF:** 90% three (3) months PKISRV + 10% three (3) months average of highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP; **MIIRF-DSF:** 75% twelve (12) months PKISRV + 25% six (6) months average of highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP

Dealing Days & Cut-off time	Monday to Friday
Pricing mechanism	Daily Forward Pricing
Shariah Advisor	Al Hilal Shariah Advisors
Risk Profile	Investor Dependent
Leverage	NIL
Weighted Average Time to Maturity (Days)	79 (MIIRF-MMSF) 150 (MIIRF-DSF)

Fund Manager

IGI Life Insurance Limited

Expense Ratio

	MMSF	DSF	ESF
Total Expense Ratio	1.72 MTD 1.52 YTD	1.76 MTD 1.51 YTD	2.87 MTD 2.65 YTD
Total Expense Ratio (without govt. levy)	1.51 MTD 1.33 YTD	1.54 MTD 1.32 YTD	2.48 MTD 2.30 YTD

Net Assets & NAV

	MMSF	DSF	ESF	TOTAL
Net Assets (PKR mn)	133.1	126.7	310.9	570.7
NAV (PKR)	10.9644	11.0834	12.7560	N/A

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Annualized performance*

	MTD	YTD	90 D	180 D	1Y	3Y LAUNCH
MIIRF-MMSF*	8.87%	9.11%	7.21%	7.91%	9.45%	N/A 9.48%
Benchmark	9.44%	9.28%	9.02%	8.96%	9.36%	N/A 9.37%
Peer Average	9.25%					
	MTD	YTD	90 D	180 D	1Y	3Y LAUNCH
MIIRF-DSF*	8.70%	10.07%	6.76%	8.45%	10.68%	N/A 10.66%
Benchmark	9.73%	9.83%	9.66%	9.75%	9.88%	N/A 9.89%
Peer Average	9.21%					
	MTD	YTD	90 D	180 D	1Y	3Y LAUNCH
MIIRF-ESF	6.07%	27.30%	3.58%	0.41%	26.93%	N/A 27.56%
Benchmark	7.01%	35.49%	6.45%	3.62%	38.67%	N/A 41.07%
Peer Average	6.70%					

Asset Allocation (% age of total assets)

MIIRF-MMSF	MAY'26	APR'26
Bank Deposits	41.41%	59.18%
GoP Ijarah Sukuks	57.81%	38.99%
Short Term Sukuk	0.00%	0.00%
Certificate of Investments	0.00%	0.00%
Other assets	0.78%	1.83%
MIIRF-DSF	MAY'26	APR'26
Bank Deposits	33.86%	47.49%
GoP Ijarah Sukuks	52.27%	38.05%
Short Term Sukuk	12.63%	13.38%
Certificate of Investments	0.00%	0.00%
Other assets	1.24%	1.07%
MIIRF-ESF	MAY'26	APR'26
Equity	95.33%	92.78%
Bank Deposits	4.66%	6.75%
Other Assets	0.009%	0.470%

Sector Allocation - ESF (% age of total assets)

	MAY'26
Oil & Gas Exploration Companies	20.19%
Cement	12.75%
Fertilizer	10.68%
Commercial Bank	7.45%
Investment Co./ Investment Banks	7.21%
Others	41.73%

Top holding - ESF (% age of total assets)

MIIRF-ESF	MAY'26
MIITF	11.1%
OGDC	7.4%
ENGROH	7.2%
FFC	7.2%
LUCK	6.9%
MIIRF-DSF	MAY'26
MARI	6.6%
MEBL	6.5%
PPL	6.3%
HUBC	5.8%
SYS	4.2%
RYK Mills Limited STS 2	10.26%
GO Petroleum STS 1	2.37%

May 2026

Fund Managers' Report



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Location

Office #4 NASTP 2, Silicon Valley, Building SG-3, Shahre-e-Faisal, Karachi

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