Mahaana

MARCH 2024

Fund Manager Report

CIO's Note



Mubashir Zuberi, CFA
Chief Investment Officer

Dear Valued Client,

March has been a pivotal month, marking a period of continued stability in the economic landscape. This has been supported by the proactive stance of the new government in initiating dialogue with the International Monetary Fund (IMF) - a move aimed to steer the country towards financial stability and growth. During the month, Moody's, a leading international credit rating agency, has revised the banking sector outlook for Pakistan upwards. This endorsement reflects a growing confidence in the country's macroeconomic fundamentals.

The Central Bank's latest monetary policy meeting was held during March, where the policy rate was kept unchanged. While recognizing the improvement in external accounts and trade, committee adopted a cautious stance towards potential fiscal impacts on inflation.

A notable achievement this month has been the current account surplus of USD 128 million. This positive shift is underpinned by double digit growth in export figures at USD 2.5 billion supported by remittances of USD 2.3 billion, against imports of USD 4.3 billion.

Moreover, the Consumer Price Index (CPI) for March presents a compelling narrative of inflation management, registering at 20.7% - a 22-month low leading to positive real interest rates. Market expectations on the other hand factor in the administrative and fiscal measures which might lead to inflationary effect thereby causing delays in monetary easing.

The KSE100 and KMI 30 indices notably ascended by 4% and 3%, respectively, achieving new record highs. This upward trajectory is largely attributed to the positive sentiments surrounding economic reforms and the anticipation of privatization initiatives. Adding to the positive momentum, the month also saw a significant influx of foreign investments, with a net buying totaling USD 15.3 million.

As we move forward, it's imperative to monitor the potential implications of increased revenue collection measures on the inflation trajectory. While current trends align with market anticipations, a delicate balance must be maintained to ensure that future inflation remains on a downward path, thereby facilitating a conducive environment for monetary policy adjustments and economic growth.

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

During the month, MICF continued to outperform the benchmark and peer funds due to optimal asset allocation. The fund continues to maintain higher allocation in high yielding GoP Ijarah Sukuks and has also added exposure in Corporate Sukuks during the month which offer attractive yields compared to other instruments.

Key Facts

Item	Details
Net Assets	PKR 161.0 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 31 Mar 2024	MTD	YTD	90 Days	180 Days	1 Year	3 Years	Since Inception *
MICF Return (annualized)	20.62%	23.18%	20.85%	22.87%	23.14%	N/A	23.06%
Benchmark Return (annualized)	11.27%	9.96%	11.15%	10.78%	9.17%	6.05%	9.10%

** Since Mar 2023 - MICF launch date*

Ratings

Type	Percentage %
AAA	**82.55%**
AA	**4.86%**
A1	**12.39%**

Asset Allocation

Type	Mar 24	Feb 24
Bank Deposits	**4.86%**	**17.65%**
GoP Ijarah Sukuks	**82.55%**	**82.06%**
Short Term Sukuk	**12.39%**	**0.00%**
Other assets	**0.20%**	**0.29%**

Sukuk Holdings

Instrument	Percentage %
OBS Pharma - STS 1	**12.39%**

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

Net assets of Mahaana Islamic Index Exchange Traded Fund (MIIETF) as at March 31, 2024 stood at Rs. 0.03 billion. The fund's NAV increased by 2.00% during the month.

Key Facts

Item	Details
Net Assets	PKR 27.0 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	0.2% of average net assets during the month
Total Expense Ratio	0.42% (MTD) 0.42% (YTD)
Fund Auditors	BDO Ebrahim & Co.
Fund Stability Rating	N/A
Fund Manager	Mahaana Wealth Limited

Performance

As of 31 Mar 2024	MTD	YTD	90 Days	180 Days	1 Year	3 Years	Since Inception *
MIIETF Return	2.00%	2.00%	-	-	-	-	2.00%
Benchmark Return	1.61%	1.61%	-	-	-	-	1.61%

** Since 11 Mar 2024 - MIIETF launch date*

Asset Allocation

Type	Percentage %
Equity	97.28%
Cash	2.72%

Sector Allocation

Sector	Percentage %
OIL & GAS EXPLORATION COMPANIES	17.89%
FERTILIZER	17.84%
CEMENT	14.03%
POWER GENERATION & DISTRIBUTION	11.45%
COMMERCIAL BANKS	10.00%
OTHERS	26.07%

Top Holdings

Instrument	Percentage %
Hub Power Energy Company	10.34%
Engro Corporation	8.80%
Meezan Bank Limited	8.79%
Engro Fertilizers Limited	7.91%
Oil & Gas Development Company	6.68%
Pakistan Petroleum Limited	6.24%
Systems Limited	6.04%
Lucky Cement Limited	6.00%
Mari Petroleum Limited	4.97%
Millat Tractors Limited	4.49%

mahaana

LICENSED & REGULATED BY
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CUSTODIANS
Central Depository Company (CDC)

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