



INVESTMENT FACT SHEET

FOR THE MONTH OF JANUARY 2025

GOVERNING COMMITTEES



BOARD FINANCE & INVESTMENT COMMITTEE

- **SHAHID GHAFAR**
(CHAIRMAN)
- **RAFIUDDIN ZAKIR MAHMOOD**
(MEMBER)
- **OMER FAROOQ**
(MEMBER/SECRETARY)
- **JAVED AHMED**
(MEMBER/CEO)
- **JOHN JOSEPH METCALF**
(MEMBER)
- **SHAN RABBANI**
(MEMBER)

INVESTMENT MANAGEMENT COMMITTEE

- **JAVED AHMED**
(CHAIRMAN/CEO)
- **ZAHID BARKI**
(MEMBER)
- **SHAN RABBANI**
(MEMBER)
- **DILEEP KUMAR MAHESHWARI**
(MEMBER/SECRETARY)
- **OMER FAROOQ**
(MEMBER)
- **FARHAN AKHTAR FARIDI**
(MEMBER)
- **ASIF MOBIN**
(MEMBER)

EXTERNAL AUDITORS

- **A.F FERGUSON & CO PVT LTD**

APPOINTED ACTUARY

- **NAUMAN CHEEMA, NAUMAN ASSOCIATES, LAHORE**

KEY HIGHLIGHTS



Dear Participants,

After strong performance over the last five months, the PSX turned bearish in the first month of CY25. The benchmark KMI-30 closed at 171,979 points, marking a 3.7% decline from Dec'24 (-6,657 points). The reasons for the overall decline include: 1) Global uncertainty caused by Donald Trump's tariff on key trading partners, potentially sparking a trade war, 2) Concerns about the upcoming IMF review amid the huge revenue shortfall and the lack of progress on other performance benchmarks, 3) The contraction of large-scale manufacturing despite massive rate cuts in the last seven months and, 4) Inconclusive talks between the Government and PTI which further aggravated the situation.

On the economic side, oil prices have increased during the month, with petrol selling at PKR 257.13/ltr (+PKR 4.47/ltr) and HSD at PKR 267.95/ltr. Pakistan's CPI inflation for Jan'25 arrived at 2.41% Y/Y, compared to 4.06% a month earlier. The PKR remained stable against the USD in the interbank market, closing at PKR 278.94/USD. Total FX reserves stood at USD 16.04bn, with SBP reserves at USD 11.42bn. The trade deficit for Dec'24 rose to USD 1.725bn, up 27% M/M, while the current account balance reported a surplus of USD 582mn, a 15% M/M decline.

The major numbers during the month:

- The current account surplus clocked in at USD 582mn in Dec'24.
- CPI inflation in Jan'24 stood at 2.41% Y/Y, compared to 4.06% a month earlier.
- PKR depreciated against USD by a mere 0.4 rupee during the month, closing at PKR 278.94/ USD.
- As of 31st Dec 2024, Brent closed at USD 77.31/bbl, while coal at USD 99.95/mt.

The LSMI output for Nov'24 decreased by 3.81% Y/Y whereas in 5MFY25, LSMI has shown a negative growth of 1.25% Y/Y. The main contributors towards overall decline of 1.25% are furniture (-2.24), electrical equipment (-0.64), iron & steel products (-0.62), cement (-0.61), machinery & equipment (-0.25), petroleum products (-0.18), food (0.23), tobacco (0.39), textile (0.40), automobiles (0.78) and garment (1.76).

Cement dispatches recorded 14% Y/Y growth in Jan'24, with total dispatches at 3.90mn MT compared to 3.41mn MT in Jan'24. The sale of petroleum products witnessed an increase of 8% M/M and clocked in at 1.38mn MT in Jan'25.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

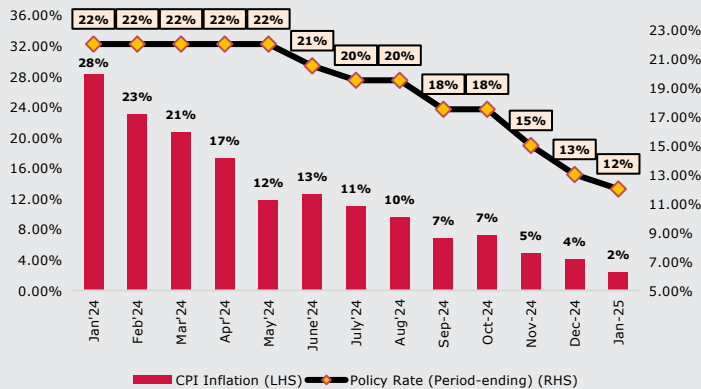
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Dec	(1,725)	(1,355)	(11,514)
Remittances (USD mn)	Dec	3,079	2,915	17,847
Current A/C Balance (USD mn)	Dec	582	684	1,210
FDI (USD mn)	Dec	170	219	1,329
Tax Collection* (PKR bn)	Jan	872	1,326	6,364
M2 Growth				-0.48%

Source SBP, FBR

* Provisional figures

In Dec'24, trade deficit narrowed to USD 1,725mn compared to USD 1,355mn during previous month, a decrease of 27% monthly. Cumulatively, the trade deficit for 1HFY25 clocked at USD 11.52bn compared to USD 10.23bn, showing an expansion of 13% Y/Y. In Jan'25, FBR collected PKR 872bn in taxes, missing the month's target by PKR 84bn.

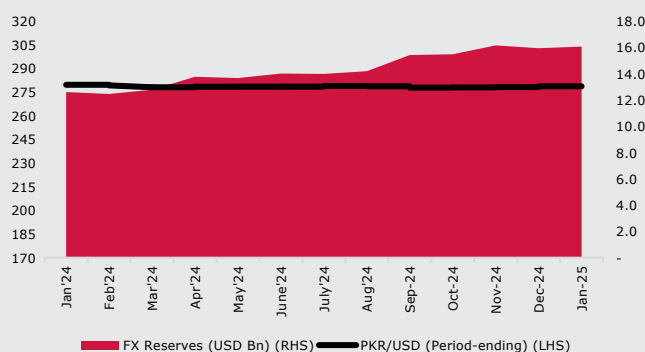
INFLATION



Source: PBS

The national CPI during the month of Jan'25 stood at 2.41% Y/Y compared to 4.06% Y/Y in the previous month. On a M/M basis, CPI inflation increased by 0.2% in Jan'25 compared to 0.1% in the previous month. To note, RIR stands at a significant 9.59%.

PKR/USD PARITY VS FX RESERVES

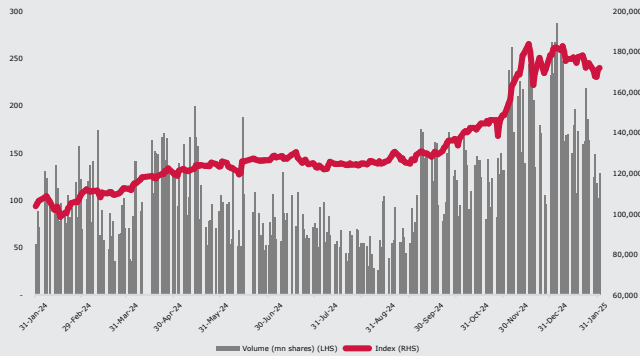


As of 31st Jan 2025, Net reserves with SBP stood at USD 11.42bn, while commercial banks reserves held USD 4.62bn, bringing the total reserves to USD 16.04bn. During the same period, PKR remained stable against the US Dollar, closing a rate of PKR 278.94/USD.

CAPITAL MARKETS UPDATE

EQUITY MARKET

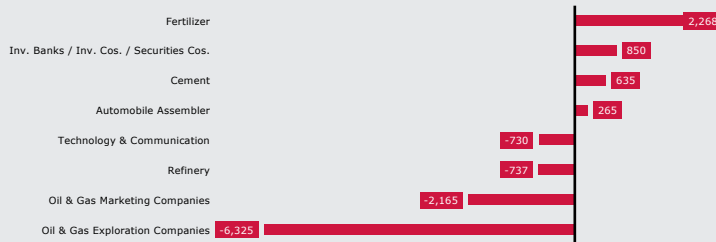
KMI -30 ONE YEAR PERFORMANCE



Source: PSX

In Jan'25, the KMI-30 index turned bearish, closing at 171,979, marking a decline of 3.7% (-6,657 points). Trading activity was low as the average volumes fell 45% M/M to 417 million shares and average traded value decreasing 33% M/M to PKR 26.5bn. The drop in performance was due to: 1) Global uncertainty caused by Donald Trump's tariff on key trading partners, potentially sparking a trade war, 2) Concerns about the upcoming IMF review amid the huge revenue shortfall and the lack of progress on other performance benchmarks, 3) The contraction of large-scale manufacturing despite massive rate cuts in the last seven months and, 4) Inconclusive talks between the Government and PTI which further aggravated the situation.

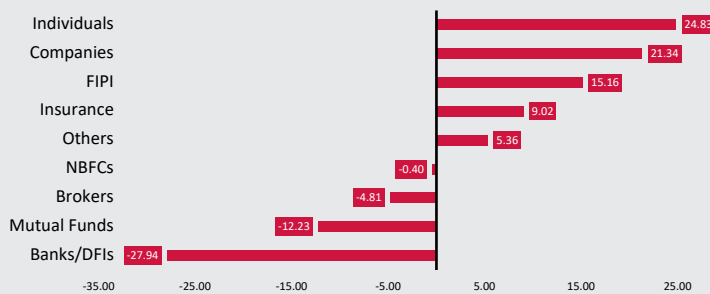
SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major sectors driving the negative performance of equity benchmark during the month were Oil & Gas Exploration (-6,325 points), Oil & Gas Marketing (-2,165 points), Refinery (-737 points), and Technology & Communication (-730 points). On the other hand, sectors that contributed positively to market performance are Fertilizers (+2,268 points), Investment Banks (+850 points), Cements (+635 points), and Automobiles (+265 points).

FIPI LIPI



Foreigners were net sellers of USD 15.2mn with major outflows recorded in Fertilizers (USD 7.5mn), Banks (USD 6.5mn), FMCG (USD 3.4mn), and Power (USD 0.9mn). On the other hand, inflows were recorded in Cement (USD 3.2mn), Technology (USD 1.0mn), Oil & Gas Dist. (USD 0.3mn) and Textile (USD 0.2mn).

On the domestic front, Individuals (USD 24.8mn), Companies (USD 21.3mn), Insurance (USD 9.0mn) and Others (USD 5.4mn) were major net buyers while net selling was noted in Banks/DFIs (USD 27.9mn), Mutual Funds (USD 12.2mn), Brokers (USD 4.8mn), and NBFCs (USD 0.4mn).

CAPITAL MARKETS UPDATE

DEBT MARKET

SECONDARY MARKET PKISRV

INSTRUMENT	JAN-25	DEC-24	CHANGE
P01GIS061125	92.94	92.65	0.29
P03VRR180927	101.52	101.47	0.05
P05VRR180929	102.41	103.32	(0.91)
P10VRR180934	102.54	102.35	0.19
P03FRR180927	103.91	104.13	(0.22)
P05FRR180929	106.41	106.23	0.18
P10FRR180934	105.87	105.92	(0.05)
P03VRR211027	101.50	101.30	0.20
P05VRR211029	103.10	102.30	0.80
P10VRR211034	102.60	101.85	0.75
P03FRR211027	101.25	100.59	0.66
P05FRR211029	102.85	102.47	0.38
P10FRR211034	105.00	104.80	0.20

Source: MUJAP

Throughout the month, the prices of GoP Ijara Sukuks VRR and FRR majorly increased. This trend can be attributed to investors' preference for locking in yields at current levels, driven by expectations of further policy rate cuts in upcoming MPC meetings.

KIBOR

INSTRUMENT	JAN-25	DEC-24
Kibor-3 Month	11.83%	12.14%
Kibor-6 Month	11.72%	12.16%
Kibor-12 Month	11.88%	12.52%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month and 12-month periods wrapped up at 11.83% (-31bps MoM), 11.72% (-44bps MoM) and 11.88% (-64bps MoM).

AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
GOP IJARA VRR			
3 year	-70	-90	20
5 year	-66	-76	10
10 year	-26	-45	19
GOP IJARA FRR			
1 year	10.42%	11.00%	-58
3 year	11.50%	11.50%	-
5 year	11.99%	12.09%	-10
10 year	11.70%	11.70%	-

For GoP Ijara (VRR) during the month, auction participation of PKR 344 bn across various tenors was observed, significantly exceeding the target of PKR 100 bn. Out of total accepted bids of PKR 86 bn, PKR 64 billion accepted in 10-year VRR GIS only. The latest auction cut-offs stand at a spread of -70 bps for the 3-year tenor (+20 bps MoM), -66 bps for the 5-year tenor (+10 bps MoM) and -26 bps for the 10-year tenor (+19 bps MoM).

For GoP Ijara (FRR), total market participation of PKR 192 bn was witnessed against a target of PKR 150 billion and the MoF accepted a total of PKR 43 bn. In the latest auction, PKR 32 bn was accepted at 10.42% (-58 bps MoM) in 1-year, PKR 75 mn at 11.50% (no change MoM) in 3-year, PKR 11 bn at 11.99% (-10 bp MoM) in 5-year and PKR 200 mn at 11.70% (no change MoM) in 10-year.

STRATEGY & OUTLOOK



EQUITY MARKET:

We expect the equity market to continue its upward momentum, albeit with volatility, driven by growing investor confidence. This positive sentiment is reinforced by Pakistan's participation in the 37-month Extended Fund Facility and a notable decline in CPI readings, paving the way for potential policy rate cuts. However, market performance remains susceptible to changes in government policies, economic indicators, global developments, and rising political tensions.

Key triggers which can have an impact on benchmark include:

- **Successful completion of the first IMF EFF review, expected in Q1 2025.**
- **Further monetary easing, supported by a softer inflation outlook.**
- **Political stability, ensuring the continuation of economic consolidation.**
- **Revenue-enhancing and expenditure-control measures, crucial for economic stability and fiscal health.**
- **Anticipated P/E rerating and increased liquidity in equities.**

We remain vigilant on the performance of the equity market and will capitalize on any opportunity that comes along to enhance returns for our policy holders.

DEBT MARKET:

In the backdrop of receding inflationary pressure, the Monetary Policy Committee has reduced the policy rate this month by 100 bps: from 13% to 12%. The inflation for the month of Jan '25 dropped to 2.4%. CPI shows an increase of 0.2% MoM, primarily driven by the increase in housing and energy index.

Real interest rates remain deep in the positive territory, trending just under 10%. Inflation is anticipated to remain subdued until the second half of 2025, after which it is expected to reaccelerate as the base effect comes into play. On the external front, government moves through with the IMF program which remains essential to maintaining macroeconomic stability. Given the current favourable economic conditions and a positive outlook, we believe MPC will consider reducing policy rate by another 100 bps by March 2025.

Considering the existing macroeconomic conditions and projected interest rates, our portfolios are well calibrated in various fixed and variable rental rate GoP Ijara Sukuk, mutual funds and corporate Sukuks. Lastly, we continue to remain vigilant about any developments that could affect our investment strategy.

FUND WISE STRATEGY

- **Jubilee Life Balanced Takaful Fund:** Jubilee Life Balanced Takaful Fund offers its participants high yielding return with optimal allocation of 88% in government backed instruments, along with 12% exposure in mutual funds, cash deposits and corporate sukks, thereby allowing policy holders to capitalize on opportunities along the yield curve.
- **Jubilee Life Aggressive Takaful:** Equity allocation in JL Aggressive Takaful fund is around 32% to capitalize on returns from stable macro-economic environment. The remaining 68% of the allocation is strategically placed in a diversified portfolio of high-yielding Shariah-compliant debt instruments and cash deposits.
- **Family Takaful Income Fund:** The Family Takaful Income Fund is projected to achieve a sustainable return in the medium-term by leveraging its exposure to low-risk GoP Ijara Sukuks and bank deposits. The fund allocation is meticulously positioned, with a focus on GoP Ijara almost 97% and a remaining allocation of cash and bank deposits of 3%.
- **Family Takaful Balanced Fund:** Family Takaful Balanced Fund offers its participants high yielding return with optimal allocation of 84% in government backed instruments, along with 16% exposure in high yielding mutual funds, corporate sukks and bank deposits. This strategic allocation enables policyholders to maximize their benefits from opportunities along the yield curve.

BALANCED TAKAFUL FUND

Fund Manager's Report
January 2025

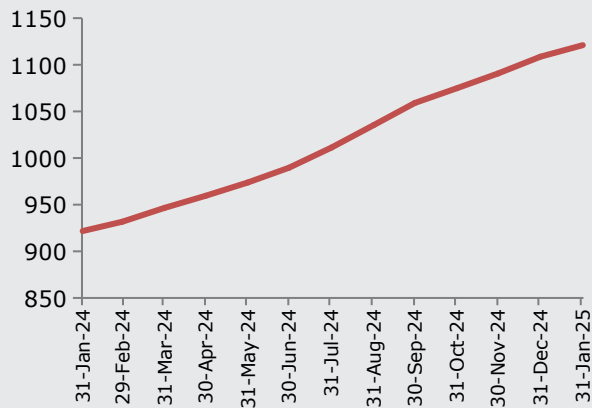
FUND OBJECTIVE

"To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved Shariah compliant avenues."

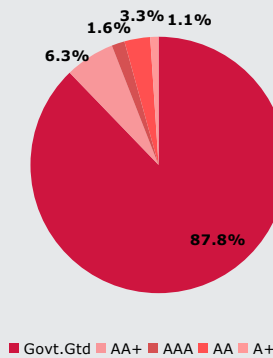
FUND MANAGER'S COMMENTS

During the month of January 2025, Balanced Takaful Fund's (BTF) Unit Price increased by PKR 12.36 (1.11%). The fund's allocation to government securities stands at 87.78% at month end against 87.31% last month while allocation to mutual funds is at 9.51% versus 9.47% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Takaful Fund
Net Assets	PKR 21,830 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.01.2025)	PKR 1,121.02
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.13%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.11%
3 months	4.29%
12 months (365 days)	21.62%
Calendar YTD	1.11%
Since Inception (annualized)	8.80%
5 Years (annualized)	10.60%

ASSET ALLOCATION

ASSETS	JANUARY-25	DECEMBER-24
Government Securities	87.78%	87.31%
Sukuks	2.62%	2.57%
Cash and Short Term Deposits	0.09%	0.64%
Mutual Funds	9.51%	9.47%
Others Including Receivables	0.003%	0.004%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
January 2025

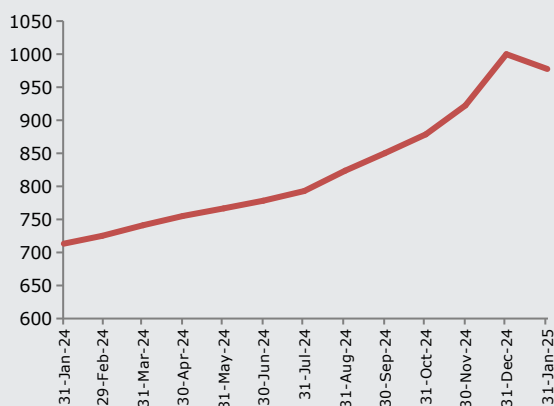
FUND OBJECTIVE

"To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks."

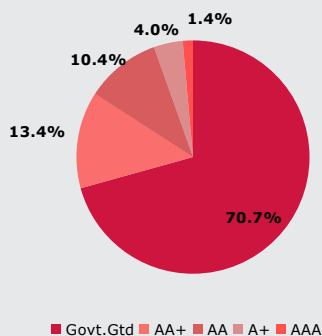
FUND MANAGER'S COMMENTS

During the month of January 2025, Aggressive Takaful Fund's (ATF) Unit Price decreased by PKR 22.39 (-2.24%). The fund's allocation to government securities stands at 47.72% at month end against 51.58% last month while allocation to equities is at 7.54% versus 8.7% last month. Within sectors, the fund is tilted towards Oil & Gas Exploration Companies with a total allocation of 89.88% followed by Pharmaceuticals with a sector allocation of 10.12% respectively.

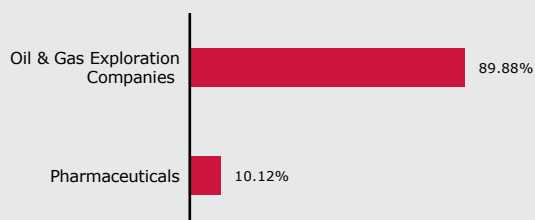
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 14,478 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.01.2025)	PKR 977.56
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.13%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-2.24%
3 months	11.26%
12 months (365 days)	37.05%
Calendar YTD	-2.24%
Since Inception (annualized)	7.25%
5 Years (annualized)	7.36%

ASSET ALLOCATION

ASSETS	JANUARY-25	DECEMBER-24
Government Securities	47.72%	51.58%
Sukuks	2.12%	2.01%
Cash and Short Term Deposits	0.24%	0.99%
Equities	7.54%	8.70%
Mutual Funds	42.38%	36.71%
Others Including Receivables	0.002%	0.004%

FAMILY TAKAFUL INCOME FUND

Fund Manager's Report
January 2025

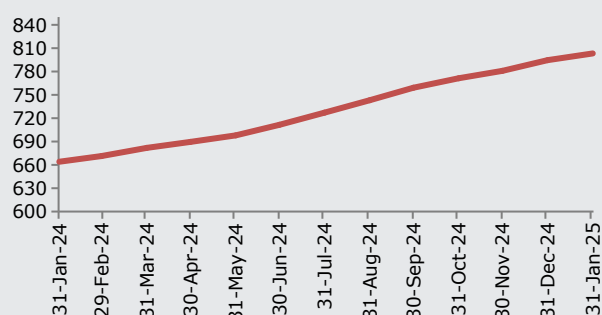
FUND OBJECTIVE

The investment objective of the fund is to provide sustainable returns to its policy holders over medium to long-term by investing in a diversified portfolio of securities consisting of different Shariah compliant money market and debt instruments.

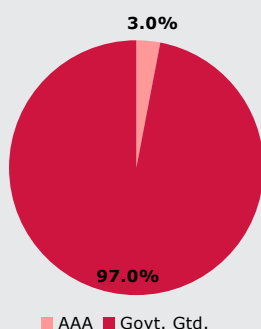
FUND MANAGER'S COMMENTS

During the month of January 2025, Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 8.62 (1.08%). The fund's allocation to government securities stands at 96.98% at month end against 93.12% last month while allocation to cash and short-term deposits is at 3.02% versus 6.86% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 7,902 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.01.2025)	PKR 803.23
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.13%
Pricing Days	Monday to Friday
Weighted Average Maturity	862

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.08%
3 months	4.13%
12 months (365 days)	20.96%
Calendar YTD (annualized)	13.55%
Since Inception (annualized)	14.49%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JANUARY-25	DECEMBER-24
Government Securities	96.98%	93.12%
Cash and Short Term Deposits	3.02%	6.86%
Others Including Receivables	0.004%	0.028%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
January 2025

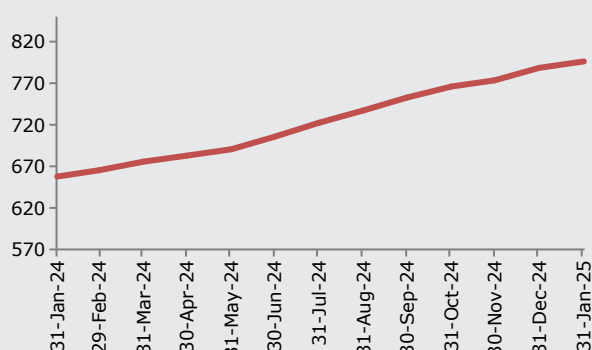
FUND OBJECTIVE

The investment objective of the fund is to earn competitive long-term risk adjusted return through capital appreciation, dividend and profit income by investing in Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by regulations.

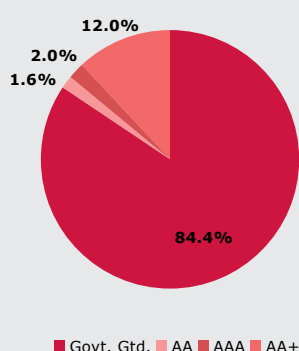
FUND MANAGER'S COMMENTS

During the month of January 2025, Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 7.74 (0.98%). The fund's allocation to government securities stands at 84.38% at month end against 85.14% last month while allocation to cash and short-term deposits is at 1.38% versus 8.4% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 1,285 Million
Launch Date	01.08.2021
NAV Per Unit At Launch-Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.01.2025)	PKR 796.18
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.13%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.98%
3 months	3.94%
12 months (365 days)	21.05%
Calendar YTD	0.98%
Since Inception (annualized)	14.20%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JANUARY-25	DECEMBER-24
Government Securities	84.38%	85.14%
Term Finance Securities	0.64%	0.63%
Cash and Short Term Deposits	1.38%	8.40%
Mutual Funds	13.59%	5.82%
Others Including Receivables	0.017%	0.009%

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