



INVESTMENT FACT SHEET
FOR THE MONTH OF FEBRUARY 2024

GOVERNING COMMITTEES



BOARD FINANCE & INVESTMENT COMMITTEE

- **SHAHID GHAFFAR**
(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,

In the month of Feb'24, the country witnessed a historic event as General Elections 2024 were held and despite initial volatility being witnessed at PSX, the benchmark KSE 100 Index gained 4.2% during the month as formation of a coalition government put aside any political uncertainty and assisted in lifting investors' confidence. The KSE-100 Index closed at 64,579 whereas on the activity side the average of the traded volume and value were recorded at 349mn shares and Rs.13.6bn respectively.

On the economic front, the major decision regarding the hike in gas prices was taken in which the gas prices for residential consumers increased by 67% while for fertilizer plants it went up-to 700%. Moreover, petrol price increased by PKR 6.86/ltr to PKR 279.75/ltr while the price of HSD remained unchanged at PKR 287.33/ltr. in the last fortnightly review. The country's FX reserves stood at \$13.02bn with the import cover of 1.63 months. In Jan'24, the trade deficit totalled USD 1.81bn, reflecting a 6% increase Y/Y. Remittance for the same month recorded a 27% Y/Y increase, reaching USD 2.39bn. The current account balance turned negative again for the month at USD 269mn, witnessed an increase of 11% Y/Y compared to SPLY.

The major numbers during the month:

- The current account deficit clocked in at USD 269mn in Jan'24.
- CPI inflation in Feb'24 stood at 23.10% Y/Y, compared to 28.30% in Jan'24.
- PKR slightly gained 0.14% against USD during the month, closing at PKR 279.11/ USD.
- Global energy prices have risen since last month, with Brent at USD 83.62/bbl mark and Coal at USD 101.10/mt.

The LSMI output for Dec'23 increased by 3.43% Y/Y. Overall the large-scale manufacturing sector has shown a growth of -0.39% during July-Dec FY23-24 when compared with the SPLY. The main contributors towards the overall growth of -0.39% are, food (0.76), tobacco (-0.73), textile (-2.05) garments (2.26), paper and board (-0.12), petroleum products (0.55), chemicals (0.30), pharmaceuticals (1.43), cement (0.12), iron and steel products (-0.07), electrical equipment (-0.38), automobiles (-1.70), and furniture (-1.05).

During the month of Feb'24, Local Cement dispatches fell by 20.23% Y/Y and stood at 2.863mn tonnes. The sale of petroleum products witnessed a decline of 19% M/M and clocked at 1.12MT in Feb'24. Moreover, the country's auto sales for Jan'24 recorded a potential increase at 10,416 units, escalating 79% compared to the previous month.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

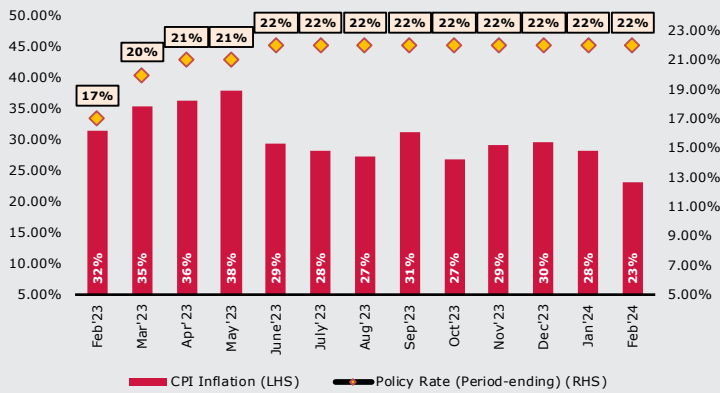
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Jan	(1,818)	(1,306)	(11,783)
Remittances (USD mn)	Jan	2,397	2,382	15,833
Current A/C Balance (USD mn)	Jan	(269)	404	(1,093)
FDI (USD mn)	Jan	(173)	211	688
Tax Collection* (PKR bn)	Feb	681	681	5,830
M2 Growth				2.46%

Source SBP, FBR

* Provisional figures

In Jan'24, the trade deficit increased by 39% M/M, to USD 1,818 Mn compared to previous month's tally of USD 1,306 Mn. On a cumulative basis, the trade deficit for 7MFYTD came in at 11,783 Mn. On the tax collection front, FBR managed to collect PKR 681bn during Feb'24 up by 31% YoY. In 8MFY24, FBR collected PKR 5,829 billion in revenue, growing 30% Y/Y, compared to the objective of PKR 5,830 billion.

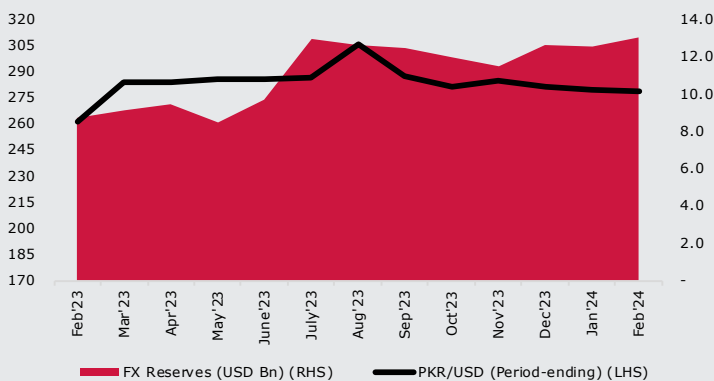
INFLATION



Source: PBS

The national CPI during the month of Feb'24 stood at 23.10% compared to 28.30% in the previous month. The reduction in CPI number is due to higher base effect. On a M/M basis, no change was observed in February 2024 as compared to an increase of 1.8% in the previous month and an increase of 4.3% in Feb'23.

PKR/USD PARITY VS FX RESERVES



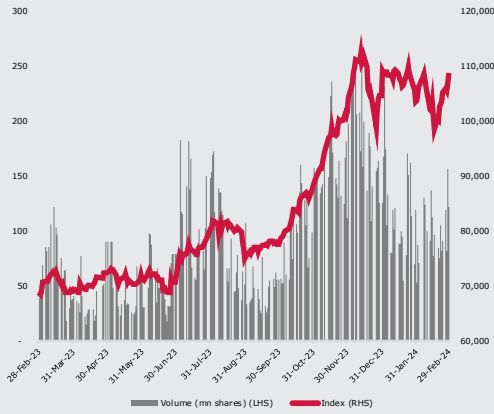
Source: SBP

FX Reserves as of 01st March 2024 were reported at USD 13.02bn, showing a decrease of 3% compared to last month. Meanwhile PKR slightly appreciated against USD by 0.14% M/M hovering at PKR 279.11/USD.

CAPITAL MARKETS UPDATE

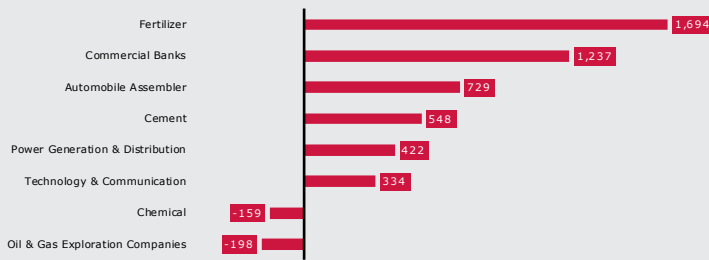
EQUITY MARKET

KMI -30 ONE YEAR PERFORMANCE



KMI-30 also witnessed a strong rebound during the month Feb'24 elevated by 5% M/M (+5,139 points), to close the month at 108,852 points. Average traded volume recorded at 218mn shares, a decrease of 35% M/M, while average traded value stood at PKR 11.34bn, showing a decline of 19%. Factors mainly contributing to the index are: 1) political clarity after general elections, 2) The financial markets are celebrating with joy the much-needed clarity that has emerged, setting the stage for future economic development.

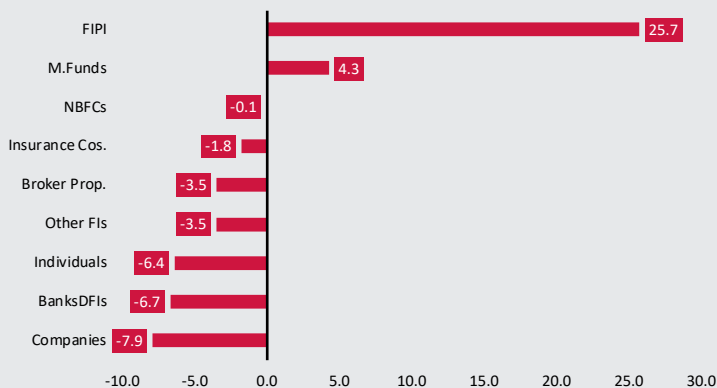
SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major sectors responsible for the performance of the KMI-30 index during the month were Fertilizer (+1,693.81 points), commercial banks (+1,237 points), Automobile assembler (+728.59 points), Cement (+548.06), Power generation & distribution (+422.36), and Technology & Comm (+334.13). Meanwhile, negative contributions were received from chemical (-159.13 points), and Oil & gas exploration companies (-197.83).

FIPI LIPI



Foreigners were net buyers aggregating USD 25.7mn with major inflows recorded in E&Ps (USD 10.0mn), Banks (USD 6.1 mn), Fertilizer (USD 4.7mn), Power (USD 0.8mn) and Food & personal (USD 0.7mn). On the other hand, outflow was recorded in textile Comp. (USD 0.1 mn), Cement (USD 1.7mn), and Tech & Comm. (USD 2.7mn)

On the domestic front, Mutual funds were only buyer (USD 4.3mn) while all others including NBFCs (USD 0.1mn), Insurance Companies (USD 1.8mn), individuals (USD 6.4mn) and Other Financial Institution (USD 3.5mn) were major sellers.

CAPITAL MARKETS UPDATE

DEBT MARKET

SECONDARY MARKET PKISRV

INSTRUMENT	FEB-24	JAN-24	CHANGE
GOISV-09-10-2024	100.58	101.00	(0.42)
GOISF-09-10-2024	100.75	101.53	(0.78)
GOISV-04-12-2024	100.00	100.50	(0.50)
GOISF-26-06-2026	102.96	103.02	(0.06)
GOISV-12-07-2026	100.04	100.00	0.04
GOISV-04-12-2026	99.98	100.10	(0.12)
GOISF-04-12-2026	100.29	100.36	(0.07)
GOISV-26-06-2028	103.19	103.50	(0.31)
GOISF-20-09-2028	101.61	101.80	(0.19)
GOISV-04-12-2028	100.08	100.13	(0.05)
GOISF-04-12-2028	100.50	100.50	0.00

Source: MUJAP

Throughout the month, there was a general decrease in the prices of GoP Ijara Sukuks VRR & FRR with shorter to medium-term instruments experiencing a more pronounced decline compared to those with longer tenors. This variation is attributed to investors' inclination towards reducing reinvestment risk by opting for longer tenor instruments.

KIBOR

INSTRUMENT	FEB-24	JAN-24
Kibor-3 Month	21.77%	20.93%
Kibor-6 Month	21.73%	20.97%
Kibor-12 Month	21.44%	21.19%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month and 12-month periods were wrapped up at 21.77% (84bps MoM), 21.73% (76bps MoM) and 21.44% (25bps MoM).

AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
GOP IJARA VRR			
3 year	14	15	-1 bps
5 year	90	28	+62 bps
GOP IJARA FRR			
1 year	20.10%	19.50%	+60 bps
3 year	-	16.05%	-
5 year	-	15.49%	-

Source: PSX

For GoP Ijara (VRR), participation of PKR 114 bn across various tenors was observed, as compared to the target of PKR 60 bn. However, out of total participation, acceptance only stood at mere PKR 44 bn across tenors, PKR 225 mn was accepted at a yield of 21.1015% (+14 bps spread) for the 3-year and PKR 44 bn was accepted at a yield of 21.8633% (+90 bps spread) for 5-year tenor.

In parallel, market participation of PKR 131 bn was witnessed against the target of PKR 90 billion for the GoP Ijara Sukuk (FRR) at relatively higher levels. Of these, MoF only accepted PKR 930 mn at 20.1031% in 1-year tenor. Bids for 3-year and 5-year GoP Ijara (FRR) were rejected owing to participation at higher levels.

STRATEGY & OUTLOOK



EQUITY MARKET:

Looking ahead, we expect a continued upswing in the equity market, especially given the recent dynamic nature of positive political development keeps the investor sentiment up-lift and positive. However, effective policies formation via newly formed government could contribute to a more optimistic outlook among investors. Factors such as economic indicators, corporate earnings, and global events will also play a role in determining the direction of the equity market. The most important element for the market is the influx of liquidity, especially from institutions and foreign investors.

Key triggers which can have an impact on benchmark include:

- Anticipation of an interest rate cut in the upcoming MPC due to the ease in recent CPI.
- The IMF's standby agreement program will undergo a final review, with the disbursement of a third tranche of USD 1.1 bn scheduled for April 2024 pending a successful review.
- Persistent improvement in macroeconomic factors.

We are diligently observing the equity market's performance and will seize any chance that arises to boost returns for our policyholders.

DEBT MARKET:

The Monetary Policy Committee (MPC) maintained the policy rate at 22% in its last meeting held in January 2024 despite downward trajectory of inflation and improving economic indicators i.e Current Account, FX reserves, business confidence etc. While inflation remains above central bank targets (revised in the range of 23-25% for FY24), it has moderated significantly, and we anticipate that average inflation will settle within the range of 16-18% on a rolling 12-month basis. This would lay the foundation for monetary easing creating a cushion of 100-200bps in policy rate starting from April 2024. In pledging to stay data dependent and to prevent reacceleration of inflation, MPC will continue to proceed with caution, while awaiting further evidence that inflation has fallen far enough to justify lowering policy rates.

The trajectory of the debt market hinges significantly on the political landscape, particularly regarding the formation of the government and the appointment of key personnel in ministries. The incoming government will engage in consecutive negotiations for the review of existing standby arrangement with IMF and the implementation of new extended loan facility. These developments, coupled with inflation outturn and policy rate direction, will shape the trajectory of the debt market.

Considering the existing macroeconomic conditions and anticipated trends in interest rates, our portfolios are well calibrated in longer-tenor Treasury Bills, Floating rate and Fixed rate PIBs. We will 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 93% in government backed instruments, along with 3% exposure in mutual funds, 1% in cash deposits and 3% in corporate sukuks, thereby allowing policy holders to capitalize on opportunities along the yield curve.
- **Jubilee Life Aggressive Takaful:** Equity allocation in JL Aggressive Takaful fund is reduced to 9% to mitigate volatility resulting from the uncertain macro-economic environment that affects the equity market. The remaining 91% 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 (97%) and a remaining allocation of cash and bank deposits (3%).
- **Family Takaful Balanced Fund:** Family Takaful Balanced Fund offers its participants high yielding return with optimal allocation of 80% in government backed instruments, along with 20% exposure in high yielding mutual funds, corporate sukuks 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
February 2024

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.

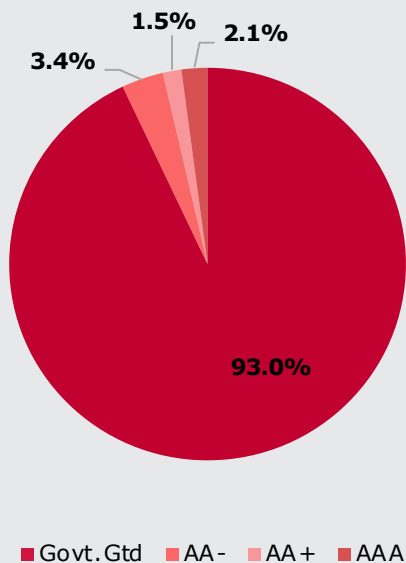
FUND MANAGER'S COMMENTS

During the month of February 2024 Balanced Takaful Fund's (BTF) Unit Price increased by PKR 9.98 (1.08%). The fund's allocation to government securities stands at 92.61% at month end against 93.1% last month while allocation to equities is at 3.4% versus 1.9% 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 18,991 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (29.02.2024)	PKR 931.72
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.2520%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.08%
3 months	4.52%
12 months (365 days)	19.45%
Calendar YTD	2.68%
Since Inception (annualized)	7.46%
5 Years (annualized)	8.35%

ASSET ALLOCATION

ASSETS	FEBRUARY-24	JANUARY-24
Government Securities	92.61%	93.10%
Sukuks	3.48%	3.63%
Cash and Short Term Deposits	0.49%	1.34%
Mutual Funds	3.40%	1.90%
Others Including Receivables	0.03%	0.02%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
February 2024

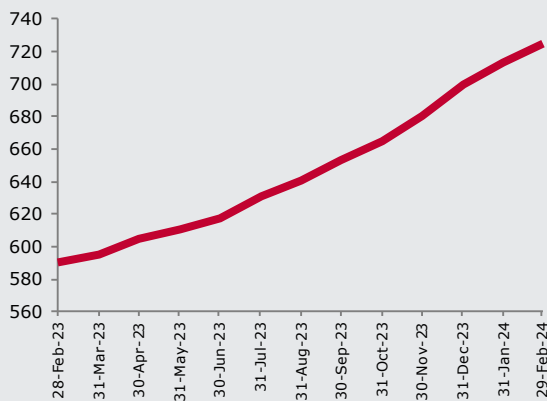
FUND OBJECTIVE

"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.

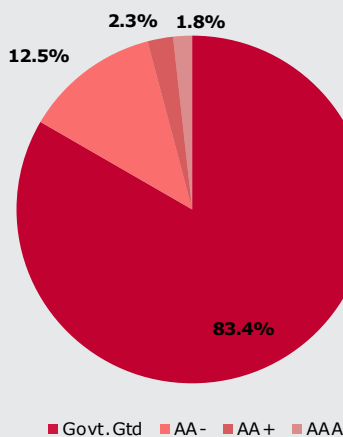
FUND MANAGER'S COMMENTS

During the month of February 2024 Aggressive Takaful Fund's (ATF) Unit Price increased by PKR 11.82 (1.66%). The fund's allocation to equities stands at 8.75% at month end against 9.29% last month while allocation to government securities is at 76.09% versus 76.36% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 91.44% followed by Pharmaceuticals and Engineering with a sector allocation of 6.13% and 2.43% respectively.

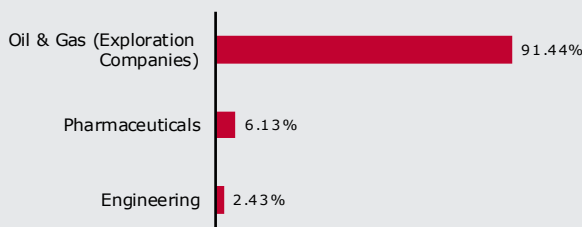
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 11,843 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (29.02.2024)	PKR 725.12
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.2539%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.66%
3 months	6.54%
12 months (365 days)	22.91%
Calendar YTD	3.65%
Since Inception (annualized)	4.39%
5 Years (annualized)	2.51%

ASSET ALLOCATION

ASSETS	FEBRUARY-24	JANUARY-24
Government Securities	76.09%	76.36%
Sukuks	3.02%	3.26%
Cash and Short Term Deposits	0.70%	1.02%
Equities	8.75%	9.29%
Mutual Funds	11.41%	10.06%
Others Including Receivables	0.03%	0.01%

FAMILY TAKAFUL INCOME FUND

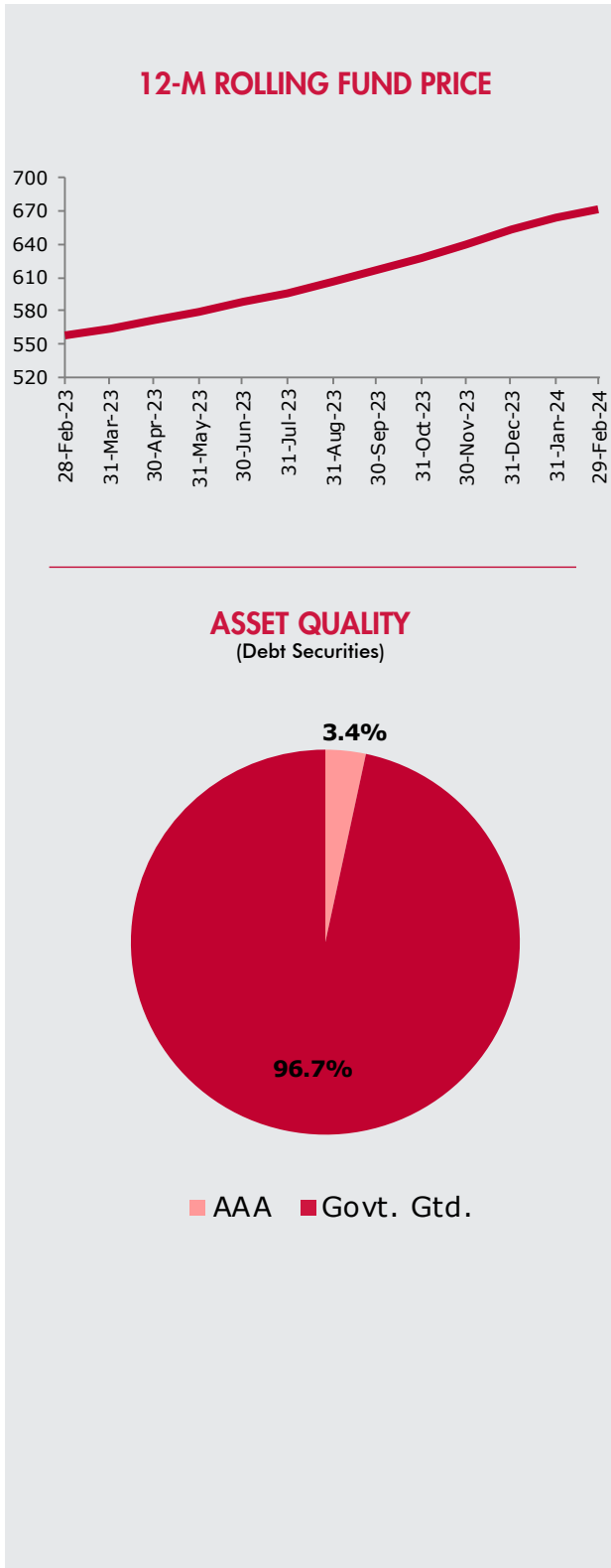
Fund Manager's Report
February 2024

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 February 2024 Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 7.32 (1.1%). The fund's allocation to government securities stands at 96.65% at month end against 94.71% last month while allocation to cash and short term deposits is at 3.29% versus 5.2% last month.



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 4,009 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (29.02.2024)	PKR 671.36
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.2521%
Pricing Days	Monday to Friday
Weighted Average Maturity	458

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.10%
3 months	4.90%
12 months (365 days)	20.30%
Calendar YTD (annualized)	17.49%
Since Inception (annualized)	12.10%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	FEBRUARY-24	JANUARY-24
Government Securities	96.65%	94.71%
Cash and Short Term Deposits	3.29%	5.20%
Others Including Receivables	0.07%	0.09%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
February 2024

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.

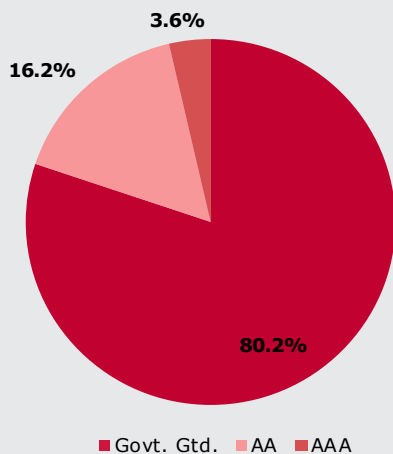
FUND MANAGER'S COMMENTS

During the month of February 2024 Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 7.53 (1.14%). The fund's allocation to government securities stands at 80.15% at month end against 82.5% last month while allocation to cash and short term deposits is at 2.52% versus 8.24% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 856 Million
Launch Date	01.08.2021
NAV Per Unit At Launch-Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (29.02.2024)	PKR 665.24
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.2524%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.14%
3 months	4.17%
12 months (365 days)	19.35%
Calendar YTD	2.68%
Since Inception (annualized)	11.70%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JANUARY-24	JANUARY-24
Government Securities	80.15%	82.50%
Term Finance Securities	0.97%	0.98%
Cash and Short Term Deposits	2.52%	8.24%
Mutual Funds	16.24%	8.17%
Others Including Receivables	0.12%	0.11%

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