



INVESTMENT FACT SHEET
FOR THE MONTH OF JANUARY 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 first month of CY24, the PSX demonstrated volatility as the benchmark KSE-100 Index closed at 61,979, a decline of 0.8% for the month. Despite positive improvement in macroeconomic indicators, the market faced challenges due to political uncertainty and significant foreign selling. KSE-100 experienced a net decrease of 472 points during the month, indicating a decline in investor confidence. The heightened tension between Pakistan and Iran, along with the imprisonment of Ex-PM Imran Khan in the Cipher and Tosha-khana case contributed to a significant reduction in average traded volumes. The average traded volumes dropped notably to 491mn shares compared to the previous month's 1,010mn shares.

On the economic front, petrol price has decreased by PKR 8/ltr to PKR 259/ltr while the price of HSD remained unchanged at PKR 276/ltr. The country's FX reserves stood at \$13.26bn attributable to the recent inflow of \$700mn from the IMF. In December 2023, the trade deficit totalled USD 1.29bn, reflecting a 33% decrease Y/Y. Remittance for the same month recorded a 17% Y/Y increase, reaching USD 2.38bn. The CAD turned positive for the first time in FY24 as 1HFY24 CAD stands at USD 831mn, a substantial 77% Y/Y decrease compared to SPLY

The major numbers during the month:

- The current account surplus clocked in at USD 397mn in Dec'23.
- CPI inflation in Jan'24 stood at 28.3% Y/Y, compared to 29.7% in Dec'23.
- PKR gained 0.84% against USD during the month, closing at PKR 279.5/ USD.
- Global energy prices have risen since last month, with Brent at USD 80.55/bbl mark and Coal at USD 99.6/mt.

The LSMI output for November'23 fell by 0.8% Y/Y, owing to a decrease in textiles (-2.48%), furniture (-1.65%), automobiles (-1.70%), and tobacco (-0.80%). However, this was partially offset by an increase in production of garments (3.18%), Pharmaceutical (1.56%), food (0.53%), and cement (0.17%).

During the month of Jan'24, Cement dispatches fell by 17.30% Y/Y and stood at 2.967mn tonnes. The sale of petroleum products witnessed a growth of 12% M/M and clocked at 1.38MT in Jan'24. Moreover, the country's auto sales for Dec'23 recorded at 5,816 units, a drop of 10% compared to the previous month.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

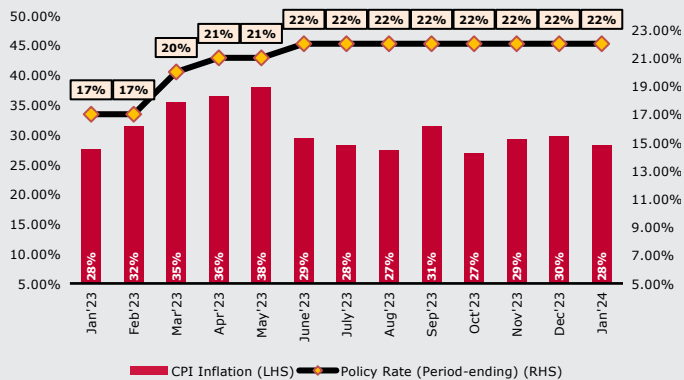
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Dec	(1,293)	(1,718)	(9952)
Remittances (USD mn)	Dec	2,381	2,259	13,435
Current A/C Balance (USD mn)	Dec	397	(15)	(831)
FDI (USD mn)	Dec	211	131	866
Tax Collection* (PKR bn)	Jan	681	984	5,149
M2 Growth				1.27%

Source SBP, FBR

* Provisional figures

In December 2023, the trade deficit shrank by 25% M/M, to USD 1,293mn compared to the previous month's tally of USD 1,718mn. On a cumulative basis, the trade deficit for the 1HFY24 came in at USD 9,952mn in contrast with USD 15,366mn in the SPLY, showing a contraction of 35.23% Y/Y. On the tax collection front, FBR managed to collect PKR 681bn, successfully surpassing PKR 537bn collected in SPLY.

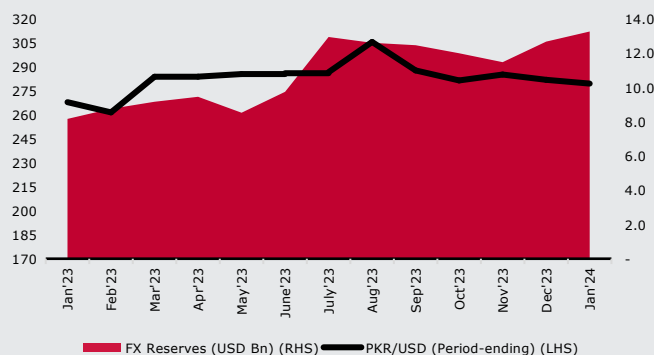
INFLATION



Source: PBS

The national CPI during the month of January'24 stood at 28.30% compared to 29.70% in the previous month. On a M/M basis CPI inflation increased by 1.8% primarily due to increase in the prices of food and beverages.

PKR/USD PARITY VS FX RESERVES



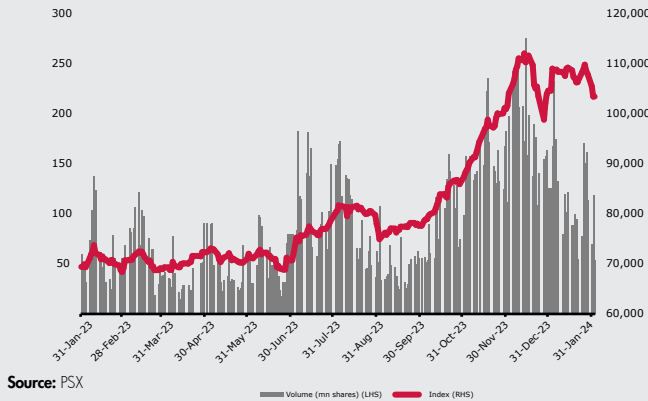
Source: SBP

FX Reserves as of 31st January 2024 were reported at USD 13.26bn, showing an increase of 5% compared to last month. Meanwhile PKR appreciated against USD by 0.8% M/M hovering at PKR 279.50/USD.

CAPITAL MARKETS UPDATE

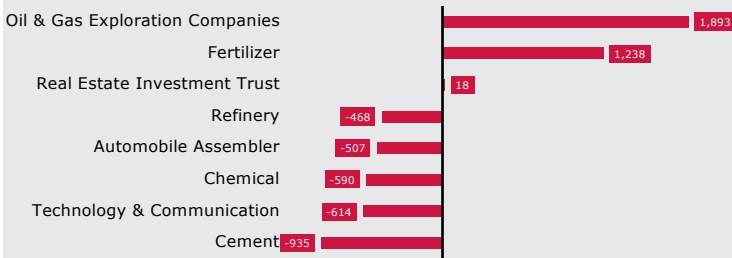
EQUITY MARKET

KMI -30 ONE YEAR PERFORMANCE



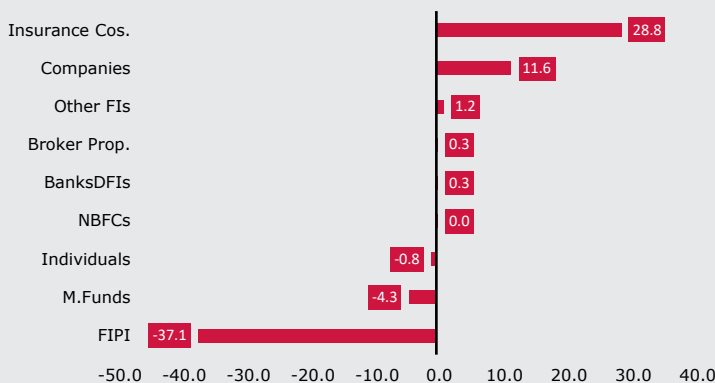
KMI-30 remained volatile during the month of January shrinking 1% M/M (-1,016 points), to close the month at 103,713 points. Average traded volume recorded at 334mn shares, a decrease of 46% M/M, while average traded value stood at PKR 14.1bn, showing a decline of 29%. Factors contributing to this volatility are: 1) political uncertainty surrounding Imran Khan's court decision; 2) significant foreign selling; 3) unchanged interest rate at the MPC, and 4) increase in international oil prices.

SECTOR WISE TOP CONTRIBUTORS



The major sectors responsible for the negative performance of the KMI-30 index during the month were Cement (-935 points), Technology & Communication (-614 points), and Chemical (-590 points). Meanwhile, positive contributions were received from Oil & Gas Exploration Companies (+1,893 points), Fertilizer (+1,238 points), and Real Estate Investment Trust (+18).

FIPI LIPI



Foreigners were net sellers aggregating USD 37.1mn with major outflows recorded in Banks (USD 13.5mn), E&P (USD 8.7mn), Cement (USD 5.5mn), Power (USD 4.4mn) and Fertilizer (USD 2.3mn). On the other hand, inflow was only recorded in Food & Personal (USD 1.6mn).

On the domestic front, Insurance, Companies and Other Financial Institution were major buyers with net inflows of USD 28.8mn, USD 11.6mn and USD 1.2mn respectively. While Mutual funds and Individuals reported net selling amounting to USD 5.1mn.

CAPITAL MARKETS UPDATE

DEBT MARKET

SECONDARY MARKET PKISRV

INSTRUMENT	JAN-24	DEC-23	CHANGE
GOPIV-09-10-2024	101.00	101.03	(0.03)
GOPIF-09-10-2024	101.53	101.63	(0.10)
GOPIV-04-12-2024	100.50	100.50	0.00
GOPIF-26-06-2026	103.02	103.08	(0.06)
GOPIV-12-07-2026	100.00	100.00	0.00
GOPIV-04-12-2026	100.10	100.12	(0.02)
GOPIF-04-12-2026	100.36	100.35	0.01
GOPIV-26-06-2028	103.50	103.51	(0.01)
GOPIF-20-09-2028	101.80	101.79	0.01
GOPIV-04-12-2028	100.13	99.96	0.17
GOPIF-04-12-2028	100.50	100.50	0.00

Source: MUJAP

During the month, the prices of GoP Ijara Sukuks (VRR) short to medium term instruments remained range bound whereas, an increase in prices for long term instruments was observed as investors preferred to minimize the reinvestment risk, lock in higher spreads and lucrative rentals for the period. GoP Ijara Sukuks (FRR) also followed similar trajectory as most of the instruments closed in positive territory. However, few short-duration VRR instruments with maturity less than a year closed red as demand tapered off, with investors choosing to minimize reinvestment risk. Further, a key development of announcement of GoP Ijara auction both (VRR& FRR) during the period was conducted through PSX across all tenors instead of SBP and will continue to do so going forward.

AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
GOP IJARA VRR			
3 year	15	20 bps	-5 bps
5 year	28	30 bps	-2 bps
GOP IJARA FRR			
1 year	19.50%	19.52%	-2 bps
3 year	16.05%	16.05%	-
5 year	15.49%	15.74%	-25 bps

For GoP Ijara (VRR), participation of PKR 102 bn across various tenors was observed, as compared to the target of PKR 30 bn. However, out of total participation, acceptance only stood at mere PKR 57 bn across tenors, PKR 15 bn was accepted at a yield of 21.1101% (+15 bps spread) for the 3-year and PKR 42 bn was accepted at a yield of 21.2401% (+28 bps spread) for 5-year tenor.

In parallel, significant market participation of PKR 516 bn was witnessed against the target of PKR 70 billion for the GoP Ijara Sukuk (FRR) at relatively higher levels. Of these, MoF only accepted PKR 20 mn at 16.05% for 3-years and PKR 22.25 billion at 15.49% for 5-years. Whereas bids for 1-year GoP Ijara (FRR) despite a stupendous amount of participation of PKR 349 bn only PKR 5.6 bn was accepted at a cut-off of 19.4995% owing to participation at significantly higher levels.

STRATEGY & OUTLOOK



EQUITY MARKET:

Looking ahead, we expect a continued upswing in the equity market in the short run due to improved macroeconomic factors. However, we foresee this rally to be temporary due to lack of institutional investors and the absence of essential structural reforms crucial in achieving a sustained and comprehensive market rally.

Key triggers which can have an impact on benchmark include:

- Anticipation of an interest rate cut in the upcoming MPC.
- Expectation of continuous inflow of foreign investment in the equity market.
- The possibility of a political turmoil arising due to low acceptance of elections results.
- A potential new IMF program requiring further consolidation and creating inflationary pressure.

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:

During the period, Monetary Policy Committee (MPC) maintained the policy rate at 22% in its 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 March 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. Nevertheless, preconditions for long-term IMF program, inflation outturn coupled with policy rate direction after new government will influence 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 Floating rate instruments.

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 2% exposure in mutual funds, 1% in cash deposits and 4% 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 (95%) and a remaining allocation of cash and bank deposits (5%).
- **Family Takaful Balanced Fund:** Family Takaful Balanced Fund offers its participants high yielding return with optimal allocation of 83% in government backed instruments, along with 17% 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

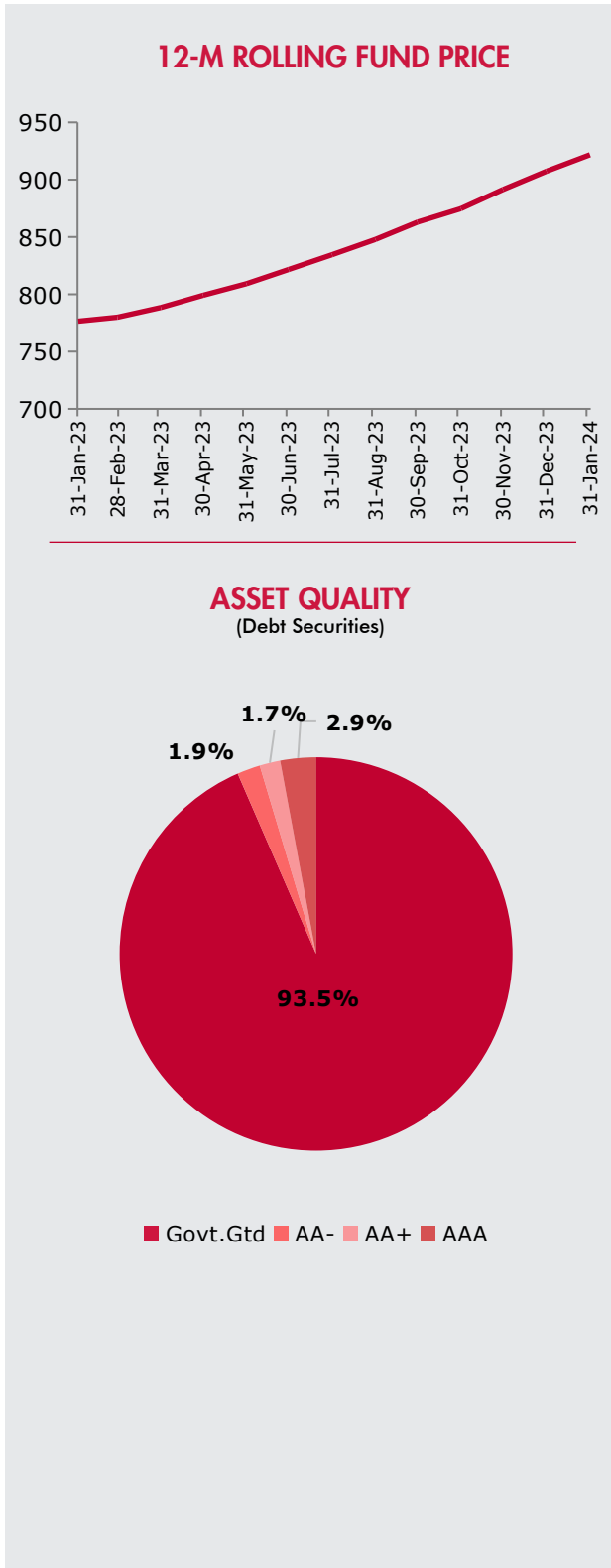
Fund Manager's Report
January 2024

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 2024 Balanced Takaful Fund's (BTF) Unit Price increased by PKR 14.37 (1.58%). The fund's allocation to government securities stands at 93.1% at month end against 92.66% last month while allocation to equities is at 1.9% versus 1.9% last month.



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Takaful Fund
Net Assets	PKR 18,907 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.01.2024)	PKR 921.74
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.1271%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.58%
3 months	5.38%
12 months (365 days)	18.70%
Calendar YTD	1.58%
Since Inception (annualized)	7.39%
5 Years (annualized)	8.06%

ASSET ALLOCATION

ASSETS	JANUARY-24	DECEMBER-23
Government Securities	93.10%	92.66%
Sukuks	3.63%	3.62%
Cash and Short Term Deposits	1.34%	1.79%
Mutual Funds	1.90%	1.90%
Others Including Receivables	0.02%	0.03%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
January 2024

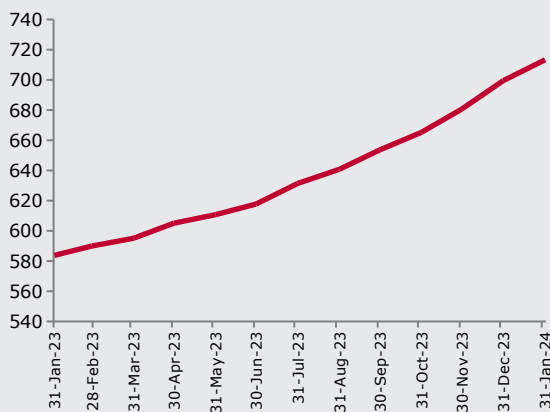
FUND OBJECTIVE

"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."

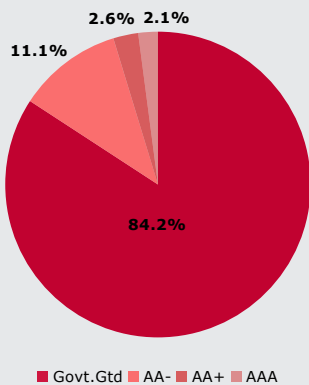
FUND MANAGER'S COMMENTS

During the month of January 2024 Aggressive Takaful Fund's (ATF) Unit Price increased by PKR 13.75 (1.97%). The fund's allocation to equities stands at 9.29% at month end against 8.9% last month while allocation to government securities is at 76.36% versus 76.84% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 91.% followed by Pharmaceuticals and Engineering with a sector allocation of 5.59% and 3.41% respectively.

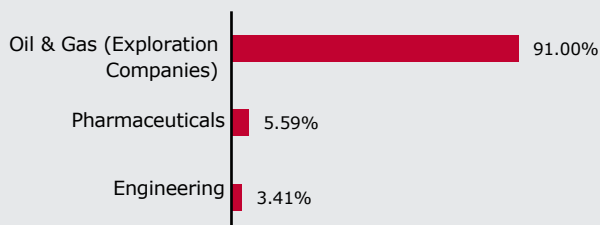
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 11,774 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.01.2024)	PKR 713.30
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.1273%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.97%
3 months	7.23%
12 months (365 days)	22.19%
Calendar YTD	1.97%
Since Inception (annualized)	4.23%
5 Years (annualized)	1.87%

ASSET ALLOCATION

ASSETS	JANUARY-24	DECEMBER-23
Government Securities	76.36%	76.84%
Sukuks	3.26%	3.22%
Cash and Short Term Deposits	1.02%	0.01%
Equities	9.29%	8.90%
Mutual Funds	10.06%	10.00%
Others Including Receivables	0.01%	1.02%

FAMILY TAKAFUL INCOME FUND

Fund Manager's Report
January 2024

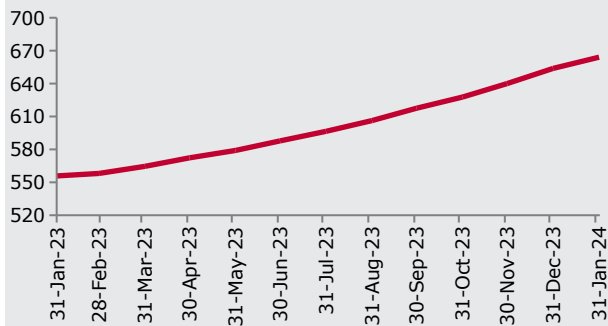
FUND OBJECTIVE

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.

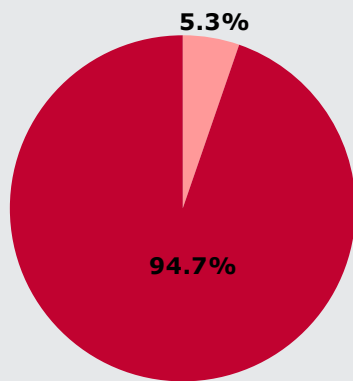
FUND MANAGER'S COMMENTS

During the month of January 2024 Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 10.23 (1.57%). The fund's allocation to government securities stands at 94.71% at month end against 92.55% last month while allocation to cash and short term deposits is at 5.2% versus 7.43% last month

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



■ AAA ■ Govt. Gtd.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 3,886 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.01.2024)	PKR 664.05
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.1271%
Pricing Days	Monday to Friday
Weighted Average Maturity	495

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.57%
3 months	5.79%
12 months (365 days)	19.46%
Calendar YTD (annualized)	20.07%
Since Inception (annualized)	12.01%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JANUARY-24	DECEMBER-23
Government Securities	94.71%	92.55%
Cash and Short Term Deposits	5.20%	7.43%
Others Including Receivables	0.09%	0.02%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
January 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.

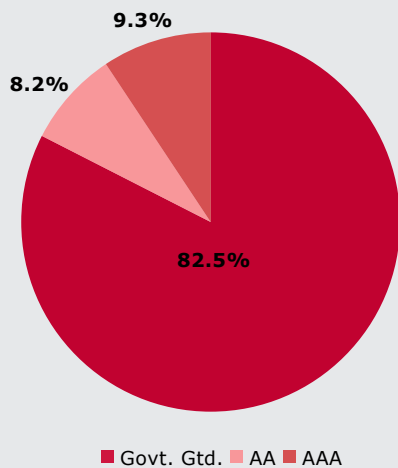
FUND MANAGER'S COMMENTS

During the month of January 2024 Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 9.85 (1.52%). The fund's allocation to government securities stands at 82.5% at month end against 83.25% last month while allocation to cash and short term deposits is at 8.24% versus 7.46% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 830 Million
Launch Date	01.08.2021
NAV Per Unit At Launch-Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.01.2024)	PKR 657.71
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.1273%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.52%
3 months	4.82%
12 months (365 days)	18.56%
Calendar YTD	1.52%
Since Inception (annualized)	11.58%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JANUARY-24	DECEMBER-23
Government Securities	82.50%	83.25%
Term Finance Securities	0.98%	0.99%
Cash and Short Term Deposits	8.24%	7.46%
Mutual Funds	8.17%	8.24%
Others Including Receivables	0.11%	0.06%

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