



INVESTMENT FACT SHEET
FOR THE MONTH OF JULY 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,

During the month of July 2024, the KMI-30 index reached another record high of 130,381 points, closing at 122,928 points, amidst positive developments including new IMF Staff-Level Agreement of 37-month Extended Fund Facility (EFF) amounting to USD 7bn, monetary easing with policy rate being further reduced by 100bps to 19.5% and improved long-term Issuer Default Rating (IDR) by Fitch from 'CCC' to 'CCC+' (second upgrade in a year), all of which has driven the market sentiments to reach new highs.

In contrast to this, electricity tariffs have sky rocketed following multiple adjustments as the Residential and Commercial tariff has reached PKR 48.84/ unit and PKR 77.15/ unit respectively. This has created social and economic unrest with demands of renegotiation of PPAs with the IPPs and an end to capacity payments.

Furthermore, The current account for June'24 posted a deficit (CAD) second month in a row, standing at US\$ 329mn vs a Current account Deficit (CAD) of US\$248mn in May'24. The country's total FX reserves remained stable M/M, reaching USD 14.39bn, with SBP reserves standing at USD 9.1bn. Moreover, foreign dividend and profit repatriation amounted to USD 2.2bn in FY24, reaching a six year high. Cumulatively, the price of petrol increased by PKR 11.27/ltr during the month reaching at PKR 269.43/ltr as of 1st August'24, meanwhile HSD rose by PKR 4.88/ltr to PKR 272.77/ltr. PKR remained relatively stable against USD in the inter-market, closing at PKR 278.74/USD. Lastly, FDI saw a significant decline of 38% M/M to USD 168.7mn in June'24.

The major numbers during the month:

- **The State Bank of Pakistan further reduced the key policy rate by 100 basis points to 19.5%.**
- **The current account deficit for June'24 stood at USD 329Mn with FY24 CAD reaching USD 681Mn.**
- **CPI inflation in July'24 clocked at 11.09% Y/Y, compared to 12.57% in June'24.**
- **PKR depreciated against USD by 0.4 rupees during the month, closing at PKR 278.74/ USD.**

The LSML output for the month of May'24 increased by 7.33% Y/Y. Overall, the large-scale manufacturing sector has shown a growth of 0.99% during 11MFY24 with main contributors being Food (0.29%), Tobacco (-0.46%), Textile (-1.07%), Garments (1.33%), Non Metallic Mineral Products (-0.30%), Petroleum Products (0.54%), Chemicals (0.45%), Pharmaceuticals (0.87%), Iron & Steel products (-0.18%), Electrical Equipment (-0.27%), Automobiles (-0.73%), and Furniture (0.51%).

Cement dispatches declined by 6.81% Y/Y decline in July'24, with total dispatches at 3.01MT compared to 3.23MT in July'23. The total sales of petroleum products witnessed a decline of 17% M/M and clocked in at 1.2MT in July'24 due to hike in price of MS and HSD, resulting in lower consumption. Moreover, the country's auto sales for June'24 recorded 13,284 units, a growth of 21.3% compared to the previous month.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

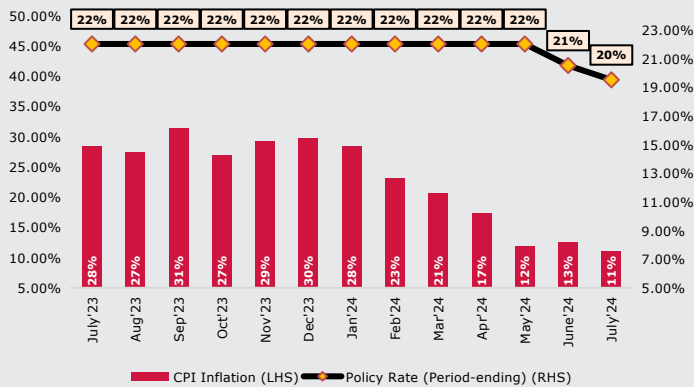
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	June	(2,198)	(2,045)	(22,077)
Remittances (USD mn)	June	3,158	3,243	30,250
Current A/C Balance (USD mn)	June	(329)	(248)	(681)
FDI (USD mn)	June	169	271	1,902
Tax Collection* (PKR bn)	July	659	1,183	659
M2 Growth				-3.48%

Source SBP, FBR

* Provisional figures

The trade deficit for June'24 clocked in at USD 2.198bn, an increase of 7.5% M/M compared to a deficit of USD 2.045bn in May'24 with FY24 trade deficit reaching USD 22.07bn. Meanwhile for July'24, FBR collected PKR 659.2bn in taxes, against the target of PKR 656bn, reflecting an increase of PKR 3 billion over the monthly target.

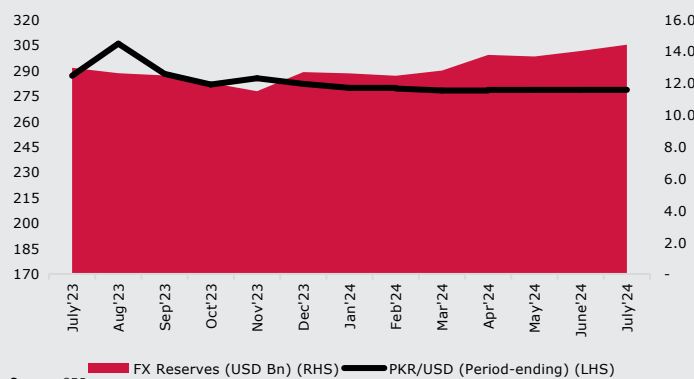
INFLATION



Source: PBS

The national CPI for the month of July'24 clocked in at 11.09% Y/Y compared to 12.57% Y/Y in the previous month. On a M/M basis, inflation increased by 2.10% mainly due to 4.68% M/M increase in food inflation. Aside from that, other significant contributors to this increase were Health, Tobacco and Transport. Lastly, RIR remained positively wide at 8.41%.

PKR/USD PARITY VS FX RESERVES



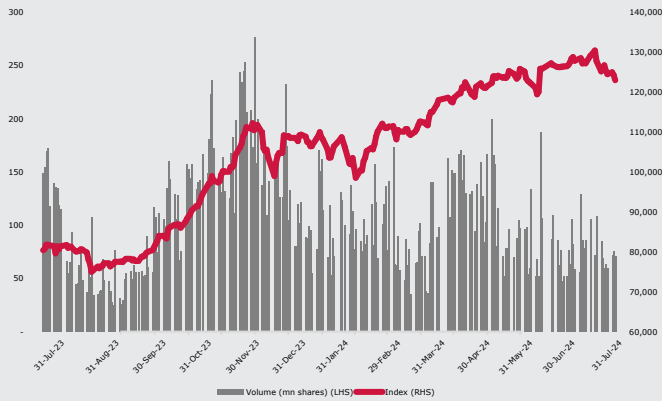
Source: SBP

As of 26th July'24, Net reserves with SBP reached USD 9.1bn, while commercial banks held USD 5.29bn in reserves, bringing the country's total reserves to USD 14.39bn. On the other hand, PKR remained relatively stable against the US Dollar, standing at a rate of PKR 278.74/USD.

CAPITAL MARKETS UPDATE

EQUITY MARKET

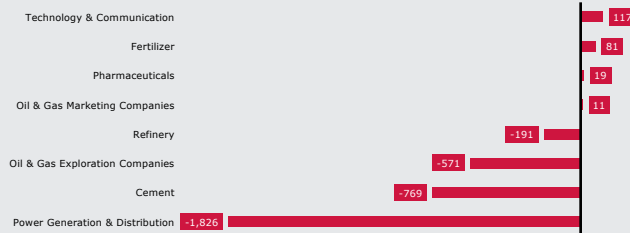
KMI -30 ONE YEAR PERFORMANCE



Source: PSX

KMI-30 index hit another all time high of 130,381 points during July'24, however it was unable to sustain this level due to profit taking by mutual funds and companies, hence closing at 122,928 points, which is a 2.8% M/M decrease (-3,496 points). The Average volume traded were 225Mn shares, up by 9.8% M/M whereas Average value traded reached PKR 13.92Bn, reflecting 16% increase M/M. The major developments that contributed to the market's performance are 1) Reaching a new Staff Level Agreement with IMF on 37-month USD 7bn Extended Fund Facility (EFF) 2) A 100bps cut in key policy rate 3) Improved rating by Fitch and 4) Political and social unrest due to increased electricity prices.

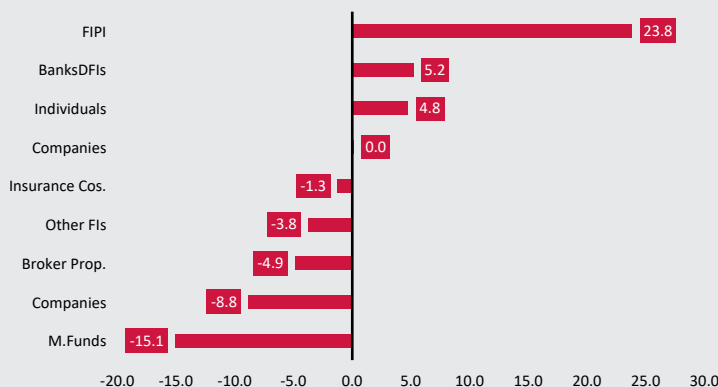
SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major sectors driving the robust performance of equity benchmark during the month were Tech & Communication (+116.79 points), Fertilizer (+80.85 points), Pharmaceuticals (+19.02 points), Oil and Gas Marketing Companies (+10.91 points). On the other hand, sectors that contributed negatively to market performance are Power Generation & Distribution (-1825.76 points), Cement (-768.98 points), Oil & Gas Exploration Companies (-571.14 points), and Refinery (-190.91 points).

FIPI LIPI



Foreigners were net buyers aggregating USD 23.8mn with major inflows recorded in Tech & Communication (USD 6.1mn), Banks (USD 5.8mn), Textile Comp. (USD 2.2mn) Power (USD 2.0mn) and Others (USD 12.0mn). On the other hand, outflow was recorded in Cement (USD 3.4mn), Food and Personal (USD 2.0mn) & Fertilizer (USD 1.6mn).

On the domestic front, Bank DFIs (USD 5.2mn), and Individuals (USD 4.8mn) were the major buyers, while Mutual Funds (USD 15.1mn), Companies (USD 8.8mn), Broker Prop. (USD 4.9mn), Other FIs (USD 3.8mn), and Insurance Cos. (USD 1.3mn) were major sellers.

CAPITAL MARKETS UPDATE

DEBT MARKET

SECONDARY MARKET PKISRV

INSTRUMENT	JULY-24	JUNE-24	CHANGE
GOISV-09-10-2024	100.35	100.29	0.06
GOISF-09-10-2024	100.69	100.66	0.03
GOISV-04-12-2024	100.70	100.34	0.36
GOISF-26-06-2026	103.28	100.11	3.17
GOISV-12-07-2026	101.01	100.09	0.92
GOISV-04-12-2026	100.03	99.82	0.21
GOISF-04-12-2026	99.97	100.11	(0.14)
GOISV-26-06-2028	103.07	103.03	0.04
GOISF-20-09-2028	101.80	101.65	0.15
GOISV-04-12-2028	101.25	100.16	1.09
GOISF-04-12-2028	101.21	101.33	(0.12)

Source: MUJAP

Throughout the month, the prices of GoP Ijara Sukuks VRR and FRR experienced a significant increase. This trend can be attributed to investors' preference for locking in yields at current levels, driven by expectations of further policy rate cuts and uncertainty regarding the scheduling of upcoming GIS auctions.

KIBOR

INSTRUMENT	JULY-24	JUNE-24
Kibor-3 Month	19.51%	20.24%
Kibor-6 Month	19.39%	20.14%
Kibor-12 Month	18.50%	19.22%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month and 12-month periods wrapped up at 19.51% (-73bps MoM), 19.39% (-75bps MoM) and 18.50% (-72bps MoM).

AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
GOP IJARA VRR			
3 year	-115 bps	-30 bps	-85 bps
5 year	-105 bps	-31 bps	-74 bps
GOP IJARA FRR			
1 year	17.22%	18.50%	-128 bps
3 year	15.64%	15.80%	-16 bps
5 year	14.99%	15.10%	-11 bps

Source: PSX

For GoP Ijara (VRR), participation of PKR 131 bn across various tenors was observed, as compared to the target of PKR 20 bn. Out of total participation, acceptance stood at primal of PKR 10 bn across tenors during the month. The latest auction result clocked in at an acceptance of PKR 5 bn at a spread of -115 bps for 3-year tenor and PKR 5 bn at a spread of -105 bps for 5-year tenor.

For GoP Ijara (FRR), total market participation of PKR 253 bn was witnessed against the target of PKR 30 billion. MoF accepted a total of PKR 56 bn throughout the month. In the latest auction PKR 17 bn was accepted at 17.22% (-127 bps MoM) in 1-year, PKR 19 bn at 15.64% (-16 bps MoM) in 3-year, and PKR 20 bn at 14.99% (-11 bps MoM) in 5-year.

STRATEGY & OUTLOOK



EQUITY MARKET:

Looking ahead, we anticipate improved investor confidence post the finalization of IMF program, debt relief from China and overall monetary easing with further rate cuts, however, any change in economic indicators, new government policies, corporate earnings, global events, and heightened political noise would potentially reshape market expectations.

Key triggers which can have an impact on benchmark include:

- Finalization of IMF Agreement of 37-month Extended Fund Facility (EFF) worth USD 7bn.
- Expected re-profiling of foreign debt, mainly from China.
- Anticipations of further policy rate cuts in the near term.
- Increase in Inflation due to newly introduced taxes and increased electricity tariffs.

We remain vigilant of the equity market's performance and will capitalize on any opportunity that arises to maximize returns for our policyholders.

DEBT MARKET:

In the backdrop of receding inflationary pressure, the Monetary Policy Committee reduced the policy rate by 100 basis points to 19.50% on 29 July 2024. The inflation for the month of Jul'24 stood at 11.10% marking an increase of 2.1% MoM, largely driven by the rise in food price index.

Real interest rates remain significantly intact in the positive territory. The inflationary impact of the FY25 budgetary measures is broadly in line with earlier expectations. However, stringent conditions of IMF's EFF potential future adjustments in electricity and gas tariffs pose a risk of increasing inflation. Nevertheless, a comfortable external account position and anticipated long-term IMF program is expected to ensure the funding gap is adequately met and will further ease pressure from the currency.

Given the current economic conditions and positive outlook, it is anticipated that the MPC will consider further rate cuts in its upcoming meetings in the second half of the calendar year 2024, leading to a downward shift in the yield curve. This scenario would make long-term fixed-income instruments more attractive to investors compared to short-term durations, as they seek to lock in higher yields before further rate cuts.

Considering the existing macroeconomic conditions and projected interest rates, our portfolios are well calibrated in longer-tenor Treasury Bills, Floating rate bonds, and Fixed rate PIBs. Furthermore, we 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 72.5% in government backed instruments, along with 23% exposure in mutual funds, 1.5% in cash deposits and 3% in corporate sukus, 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 8% to mitigate volatility resulting from the uncertain macro-economic environment that affects the equity market. The remaining 92% 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 93% and a remaining allocation of cash and bank deposits of 7%.
- **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 sukus 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
July 2024

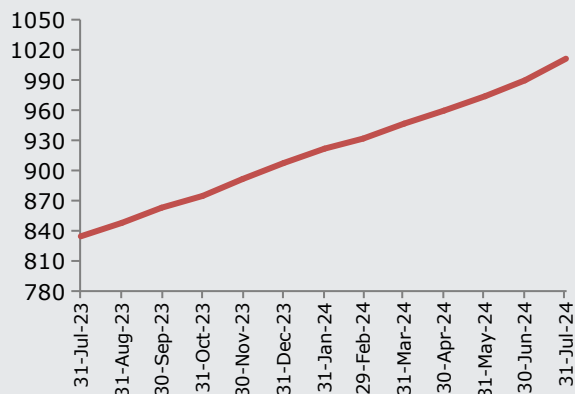
FUND OBJECTIVE

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.

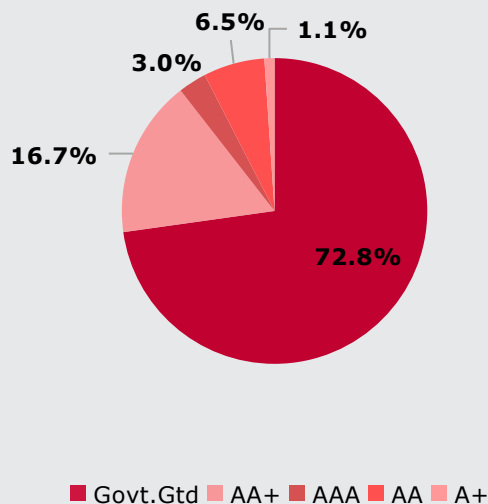
FUND MANAGER'S COMMENTS

During the month of July 2024 Balanced Takaful Fund's (BTF) Unit Price increased by PKR 21.56 (2.18%). The fund's allocation to government securities stands at 72.51% at month end against 88.3% last month while allocation to mutual funds is at 22.83% versus 6.86% 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 20,011 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.07.2024)	PKR 1,011.18
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.88%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.18%
3 months	5.38%
12 months (365 days)	21.17%
Calendar YTD	11.44%
Since Inception (annualized)	8.07%
5 Years (annualized)	11.31%

ASSET ALLOCATION

ASSETS	JULY-24	JUNE-24
Government Securities	72.51%	88.30%
Sukuks	3.17%	3.16%
Cash and Short Term Deposits	1.46%	1.66%
Mutual Funds	22.83%	6.86%
Others Including Receivables	0.02%	0.02%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
July 2024

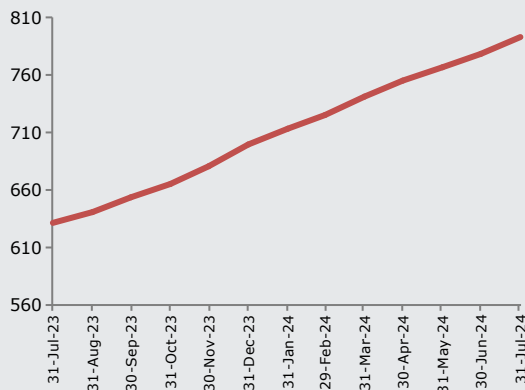
FUND OBJECTIVE

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.

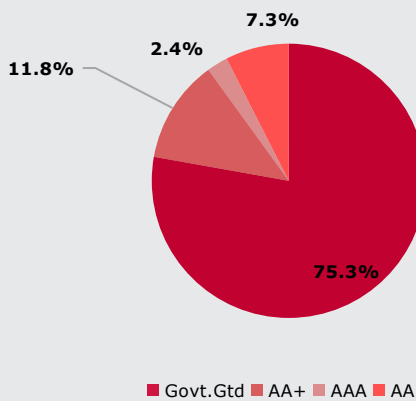
FUND MANAGER'S COMMENTS

During the month of July 2024 Aggressive Takaful Fund's (ATF) Unit Price increased by PKR 14.64 (1.88%). The fund's allocation to equities stands at 8.34% at month end against 8.64% last month while allocation to government securities is at last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 91.71% followed by Pharmaceuticals with a sector allocation of 8.29% respectively.

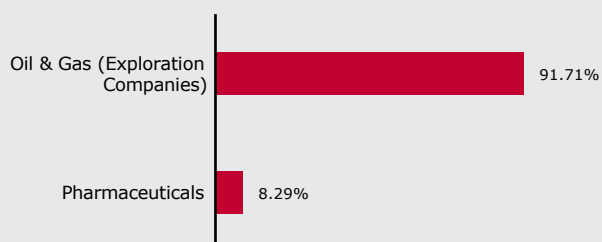
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 12,271 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.07.2024)	PKR 792.91
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.89%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.88%
3 months	5.01%
12 months (365 days)	25.58%
Calendar YTD	13.35%
Since Inception (annualized)	5.21%
5 Years (annualized)	6.97%

ASSET ALLOCATION

ASSETS	JULY-24	JUNE-24
Government Securities	68.99%	68.94%
Sukuks	2.83%	2.81%
Cash and Short Term Deposits	1.36%	1.15%
Equities	8.34%	8.64%
Mutual Funds	18.45%	18.45%
Others Including Receivables	0.03%	0.02%

FAMILY TAKAFUL INCOME FUND

Fund Manager's Report
July 2024

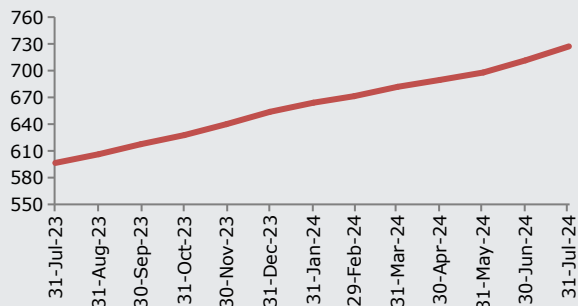
FUND OBJECTIVE

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.

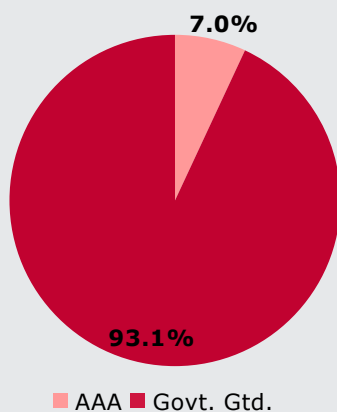
FUND MANAGER'S COMMENTS

During the month of July 2024 Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 15.66 (2.2%). The fund's allocation to government securities stands at 93.05% at month end against 93.19% last month while allocation to cash and short-term deposits is at 6.93% versus 6.78% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 5,058 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.07.2024)	PKR 727.16
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.88%
Pricing Days	Monday to Friday
Weighted Average Maturity	611

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.20%
3 months	5.45%
12 months (365 days)	21.91%
Calendar YTD (annualized)	19.98%
Since Inception (annualized)	13.30%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JULY-24	JUNE-24
Government Securities	93.05%	93.19%
Cash and Short Term Deposits	6.93%	6.78%
Others Including Receivables	0.02%	0.03%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
July 2024

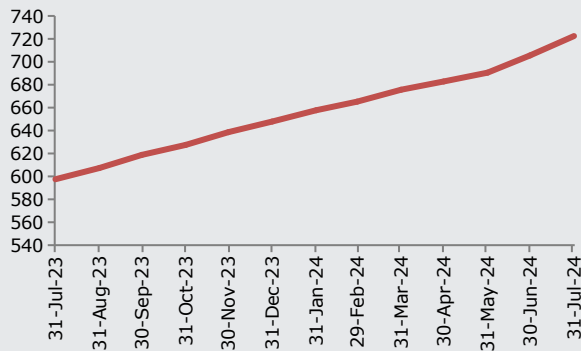
FUND OBJECTIVE

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.

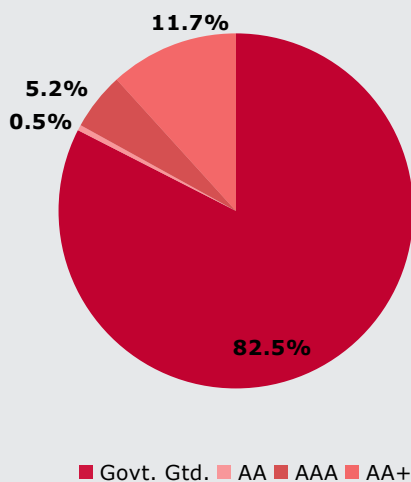
FUND MANAGER'S COMMENTS

During the month of July 2024 Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 16.9 (2.39%). The fund's allocation to government securities stands at 82.51% at month end against 83.33% last month while allocation to cash and short-term deposits is at 4.34% versus 6.42% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 985 Million
Launch Date	01.08.2021
NAV Per Unit At Launch-Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.07.2024)	PKR 722.45
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.88%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.39%
3 months	5.80%
12 months (365 days)	20.91%
Calendar YTD	11.51%
Since Inception (annualized)	13.05%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JULY-24	JUNE-24
Government Securities	82.51%	83.33%
Term Finance Securities	0.84%	0.84%
Cash and Short Term Deposits	4.34%	6.42%
Mutual Funds	12.25%	9.34%
Others Including Receivables	0.06%	0.08%

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Jubilee Life Insurance Company Limited

Window Takaful Operations

74/1-A, Lalazar, M.T. Khan Road,
Karachi - 74000, Pakistan

Phone: (021) 32120201, 35205094

Fax: (021) 35610959

UAN: (021) 111-111-554

SMS: Your Query to 8554

E-mail: info@jubileelife.com,
complaints@jubileelife.com

Website: www.jubileefamilytakaful.com