



TAKAFUL INVESTMENT FACT SHEET

FOR THE MONTH OF DECEMBER 2025

ECONOMIC OVERVIEW – DECEMBER 2025



During FY2025, Pakistan's economy registered measurable progress in achieving macroeconomic stabilization, fostering a gradual recovery of investor and consumer confidence despite persistent global uncertainties. Provisional national accounts data place real GDP growth at 2.68 percent, supported by improvements across key macroeconomic aggregates. Headline inflation decelerated to single-digit levels from its earlier double-digit trajectory, largely reflecting tighter monetary policy and improved supply-side dynamics. On the external front, the current account balance shifted into surplus, driven by resilient remittance inflows, moderated import demand, and a recovery in export earnings. Fiscal consolidation efforts also yielded results, with the budget deficit narrowing amid enhanced revenue mobilization and expenditure rationalization. Financial markets mirrored this stabilization, as the Pakistan Stock Exchange maintained a bullish trend, underscoring renewed investor sentiment. Going forward, sustaining this momentum will depend on deepening structural reforms, maintaining fiscal discipline, and ensuring continuity of investor-friendly policies to translate short-term stabilization into durable, broad-based growth.

On the economic front, the federal budget for FY2025, presented in June 2024, projected a total expenditure outlay of PKR 18.9 trillion, reflecting a substantial 30 percent increase over the budgeted figures of FY2024. The government set a real GDP growth target of 3.6 percent, alongside expectations of average inflation at 12 percent for the fiscal year. External sector indicators showed improvement, with the current account recording a surplus of USD 110 million in Nov 2025, in contrast to the USD 291 million deficit posted in Oct 2025. Meanwhile, foreign exchange reserves reached USD 21.02 billion as of Dec, 2025, strengthening the country's external buffer and import cover. Nevertheless, the ambitious growth target appears optimistic in light of elevated inflationary pressures, rising fiscal outlays, and a challenging global environment. The sustainability of external buffers will also depend on consistent export growth, stable remittance inflows, and prudent debt management, underscoring the need for careful calibration of fiscal and monetary policies to safeguard macroeconomic stability.

The State Bank of Pakistan (SBP) reduced its benchmark policy rate to 10.50 percent, effective Nov 5, 2025, signaling a pronounced shift toward monetary easing. This decision was underpinned by the sustained moderation in inflationary pressures, alongside improvements in both external and fiscal sector indicators, which created space for a more accommodative monetary stance. Concurrently, foreign direct investment (FDI) inflows strengthened, reaching USD 179.7 million in Dec 2025, reflecting renewed investor confidence and an improved macroeconomic outlook.

Equity Market Review:

KMI-30 Index increased by 3.85% over the month to end at 248,539 points. Average daily volume increased over the last month to 131 mn. Foreign outflow of USD\$ 52mn (net) was recorded during the month.

Currency & Commodity Review:

- The PKR appreciated against the USD over the month by 0.14%, closing at PKR 280.12 at the interbank.
- Average crude prices declined by 2.36% and 3.15% from the previous month to end at US\$57.40 (WTI) & US\$60.90 (Brent) per barrel, respectively

DEBT MARKET

YIELD CURVE

Debt Market Review:

- Benchmark lending rate - 6M KIBOR decreased by 0.51% to 10.65% over the month. The latest cut-off for the T-Bills auction held stood at 10.49%, 10.49%, 10.48%, 10.49% for 1M, 3M, 6M, and 12M, respectively.
- CPI for the month of December 2025 was 5.61% compared to 6.15% for the previous month.

KIBOR

INSTRUMENT	Dec -25	Nov -25
Kibor-3 Month	10.63	11.13
Kibor-6 Month	10.65	11.16
Kibor-12 Month	10.90	11.43

KIBOR Dynamics (Dec 2025)

During Dec 2025, Karachi Interbank Offered Rates (KIBOR) for the 3-month, 6-month, and 12-month tenors declined relative to Nov 2025 levels. This downward adjustment signaled a softening in interbank lending rates, reflecting improved liquidity conditions within the banking system.

The decline in short- to medium-term KIBOR rates is consistent with the monetary easing stance adopted by the State Bank of Pakistan (SBP), which has reduced the benchmark policy rate in response to moderating inflationary pressures. The adjustment in KIBOR also points to greater availability of funds in the money market, supported by robust deposit mobilization and reduced government borrowing requirements from commercial banks due to enhanced external inflows.

From an investor perspective, easing KIBOR levels reduce the cost of borrowing for corporates, thereby supporting private sector credit uptake. For the banking sector, lower interbank rates compress spreads on floating-rate instruments but also reflect improved system-wide liquidity, reducing rollover risks in short-term funding.

Implications

Downward trajectory of KIBOR suggests that the transmission of monetary policy easing is effectively filtering into the interbank market. If sustained, this trend is likely to support economic activity through lower financing costs, though the degree of pass-through into lending to the private sector will depend on banks' risk appetite and overall macroeconomic stability.

T-BILLS

TENORS	CUT OFF (Dec-25)	PREVIOUS CUT OFF (Nov-25)	CHANGE (bps)
3 Month	10.48	11.00	-52
6 Month	11.47	11.00	-53
12-Month	10.48	11.27	-52

During the month, the State Bank of Pakistan (SBP) conducted Treasury bill auctions that attracted substantial investor participation, with total bids amounting to PKR 4,500 billion—significantly surpassing the pre-announced target of PKR 1,500 billion. The SBP accepted bids worth PKR 2,200 billion, indicating robust liquidity conditions in the money market and sustained investor preference for short-term government securities amid expectations of potential adjustments in the monetary policy stance.

FUND OBJECTIVE

The objective of the TPL Islamic Aggressive Fund is to achieve long-term capital appreciation by primarily investing in Shariah-compliant equities and high-growth instruments.

The fund seeks to maximize returns while accepting higher volatility, ensuring all investments comply with Shariah principles.

FUND MANAGER'S COMMENTS

During the month of Dec 2025 TPL Islamic Aggressive Fund (TIAF) unit price increased by 0.13% from 125.66 to 125.50 and YTD shows a 6.71% increase. Similarly, an increase of 25.50% can be seen since inception. The funds allocation has been made 60% into Equities 5% Term finance certificate, 25% Government of Pakistan sukuk and the remaining into Saving accounts/TDR's funds as at Dec, 2025.

FUND INFORMATION

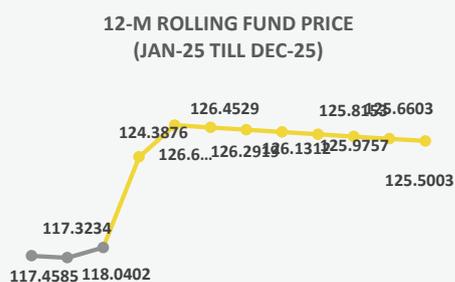
DESCRIPTION	INFORMATION
Fund Name	TPL Islamic Aggressive Fund
Net Assets	PKR 55,771.59
Launch Date	1-Oct-23
NAV Per Unit At Launch Date	PKR 100
NAV Per Unit At month end (31 st Dec, 2025)	PKR 125.50
Category	Shariah-Compliant Equity
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.5%
Expense Ratio CYTD	0.5%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	ANNUALIZED RETURN
1 month	-1.5%
3 months	-1.5%
Annual	6.7%
Since Inception	12.0%
5 Year	-
10 Years	-

ASSET ALLOCATION

ASSET	ALLOCATION %
Equities	60.0%
Term Finance Certificate	5.0%
Government of Pakistan Sukuk	25.0%
Savings account/TDR's	10.0%



FUND OBJECTIVE

The objective of the TPL Islamic Balanced Fund is to provide a balanced mix of capital growth and income by investing in a diversified portfolio of Shariah-compliant equities and Sukuk / Islamic income instruments. The fund aims to manage risk while delivering stable returns over the medium to long term.

FUND MANAGER'S COMMENTS

During the month of December 2025 TPL Islamic Balanced Fund's (TIBF) unit price increased by 0.44% from 120.07 to 120.60; similarly, YTD shows an increase of 1.34%. When comparing the same since inception, an increase of 20.60% can be seen. The fund's allocation has been made 40% Equities, 45% in to Government of Pakistan Sukuk, 10% Saving accounts, and remaining into Term Finance Certificate as at December, 2025.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	TPL Islamic Balanced Fund
Net Assets	PKR 55,329,278
Launch Date	1-Oct-23
NAV Per Unit At Launch Date	PKR 100
NAV Per Unit At month end (31 st Dec, 2025)	PKR 120.60
Category	Shariah-Compliant Balanced
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50%
Expense Ratio CYTD	0.50%
Pricing Days	Monday to Friday

INVESTMENT COMMITTEE

Mr. Ali Jameel	Chairman
Mr. Saad Nissar	Chief Executive Officer (Member)
Mr. Ali Hassan Zaidi	Director (Member)
Mr. Kazim Hassan	Chief Financial Officer (Member)
Mr. Abid Ali	AVP - Finance (Secretary)
Mr. Farhan Mustafa	Head of Actuarial & Reinsurance (Member)
Akhtar & Hassan	Appointed Actuary (Member)

FUND RETURNS

PERIOD	ANNUALIZED RETURN
1 month	5.4%
3 months	5.5%
Annual	6.1%
Since Inception	9.8%
5 Year	-
10 Years	-

ASSET ALLOCATION

ASSET	ALLOCATION %
Equities	40%
Term Finance Certificate	5%
Government of Pakistan Sukuk	45%
Savings account/TDR's	10%



FUND OBJECTIVE

The objective of the TPL Islamic Conservative Fund is to preserve capital and generate stable income by investing primarily in low-risk Shariah-compliant instruments such as Sukuk, Islamic money market placements, and other income-generating assets, with minimal exposure to equities.

FUND MANAGER'S COMMENTS

During the month of December 2025 TPL Islamic Conservative Fund (TICF) unit price increased by 0.41% from 119.05 to 119.54 whereas YTD shows a increase of 6%. However, a 19.54% increase can be seen since inception. The funds allocation has been made 85% into Government of Pakistan sukuk, 0% Equities, 10% Saving accounts/TDR's and the remaining into Term finance certificate as at December, 2025.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	TPL Islamic Conservative Fund
Net Assets	PKR 63,938,265
Launch Date	1-Oct-23
NAV Per Unit At Launch Date	PKR 100
NAV Per Unit At month end (31 st Dec, 2025)	PKR 119.54
Category	Shariah-Compliant Income
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.5%
Expense Ratio CYTD	0.5%
Pricing Days	Monday to Friday

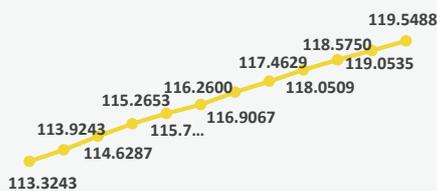
FUND RETURNS

PERIOD	ANNUALIZED RETURN
1 month	1.5%
3 months	1.5%
Annual	6.0%
Since Inception	9.3%
5 Year	-
10 Years	-

ASSET ALLOCATION

ASSET	ALLOCATION %
Equities	0%
Term Finance Certificate	5%
Government of Pakistan Sukuk	85%
Savings account/TDR's	10%

12-M ROLLING FUND PRICE
(JAN-25 TILL DEC-25)



Annualized returns

