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TAKAFUL INVESTMENT FACT SHEET

FOR THE MONTH OF SEPTEMBER 2026

ECONOMIC OVERVIEW – SEPTEMBER 2026

During FY2026, Pakistan's economy showed a mixed but broadly stabilizing picture, with growth accelerating even as external and price pressures resurfaced later in the year. Provisional national accounts data placed real GDP growth at 3.7 percent for the year through August, the fastest pace in four years, though below the government's earlier target. Headline inflation, however, moved back into higher single digits, with average CPI inflation for FY26 rising to 7.05 percent, compared with 4.49 percent in FY25. On the external front, the current account swung from surplus into a marginal deficit: Pakistan ended the fiscal year with a current account deficit of $139 million, reversing a surplus of $1.838 billion recorded in FY25, a shortfall kept contained mainly because workers' remittances rose to $41.585 billion in FY26 from $38.3 billion in FY25. Fiscal consolidation was a bright spot, with the deficit narrowing to 2.6 percent of GDP in FY26, the strongest fiscal outcome in 22 years, alongside a primary surplus of 2.9 percent of GDP. Financial markets mirrored this stabilization emphatically: the KSE-100 index surged 44 percent in FY26, closing the year at 180,301 points and outperforming all major asset classes for a third consecutive year.

On the economic front, the federal budget for the current fiscal year, presented on 12 August 2026, projected a total expenditure outlay of PKR 18.771 trillion, reflecting a 7 percent increase over the budgeted outlay of FY2026. The government set a real GDP growth target of 4 percent for the current fiscal year, alongside expectations of average inflation at 8.2 percent, and committed to containing the fiscal deficit at 3.6 percent of GDP with a primary surplus target of 2 percent. External buffers strengthened further, with foreign exchange reserves reaching USD 22.7 billion as of 17 September 2026, including USD 17.3 billion held by the SBP. Nevertheless, the current fiscal year's growth target appears optimistic given elevated inflationary pressures, a higher debt-servicing and defence related outlay, and a challenging external environment shaped by the Gulf conflict's impact on oil prices. Sustaining external buffers will continue to depend on export recovery, stable remittances, and prudent debt management, particularly as the SBP itself has flagged that the current account deficit is likely to widen again this fiscal year.

The State Bank of Pakistan maintained its benchmark policy rate at 11.5 percent, effective from the cut announced on 31 September 2026, reflecting a cautious continuation of its easing cycle rather than a sharp cut, as policymakers weighed easing inflation against a widening trade gap and currency pressures. On investment, the picture was

more subdued than the headline growth and market rally suggested: net foreign direct investment for FY2026 came in at $1.4 billion, led by China and Hong Kong, with the power sector and financial services attracting the largest shares, even as FDI inflows plummeted despite the much-publicized Special Investment Facilitation Council (SIFC) framework. This divergence record equity market gains alongside weak Greenfield FDI underscores that portfolio and local liquidity, not durable foreign capital formation, drove much of FY26's financial-market optimism.

Going forward, sustaining FY2026's stabilization gains into the current fiscal year will hinge on translating fiscal discipline and monetary easing into durable investment and export growth rather than relying on remittance-cushioned external accounts. Structural reforms energy-sector circular debt resolution, tax-base broadening, and SOE restructuring remain central to the IMF-supported programme, while risks from regional conflict, oil-price volatility, and a still-elevated inflation trajectory could complicate the central bank's room for further rate cuts. Continuity of investor-friendly policy and clearer progress on FDI, rather than equity-market momentum alone, will be the key test of whether short-term stabilization becomes durable, broad-based growth

CAPITAL MARKETS UPDATE

EQUITY MARKET

KMI - 30 ONE YEAR PERFORMANCE

Equity Market Review:

KMI-30 Index increased by -3.20% over the month to end at 243,609 points. Average daily volume increased over the last month to 301mn. Foreign inflow of USD$ 34.4mn (net) was recorded during the month.

Currency & Commodity Review:

- The PKR appreciated against the USD over the month by 0.13%, closing at PKR 277.11 at the interbank.

- Average crude prices increased significantly 14.4% and 13.7% from the previous month to end at US$ 90.15(WTI) & 114.00 (Brent) per barrel, respectively.

DEBT MARKET

YIELD CURVE

Debt Market Review:

- Benchmark lending rate - 6M KIBOR increased by 0.03% to 11.56% over the month. The latest cut-off for the T-Bills auction held stood at 11.35%, 11.51%, 11.79%, and 11.99% for 1M, 3M, 6M, and 12M, respectively.

- CPI for the month of September 2026 was 11.1% compared to 9.2% for the previous month.

KIBOR

INSTRUMENT	September-26	August-26
Kibor-3 Month	11.60	11.48
Kibor-6 Month	11.83	11.56
Kibor-12 Month	11.93	11.66

KIBOR Dynamics (September 2026)

During September 2026, Karachi Interbank Offered Rates (KIBOR) for the 3-month, 6-month, and 12-month tenors declined relative to August 2026 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 (September-26)	PREVIOUS CUT OFF (August-26)	CHANGE (bps)
3 Month	11.64	11.65	(-1)
6 Month	11.84	11.80	4
12-Month	12.20	11.99	21

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.

TPL ISLAMIC AGGRESSIVE FUND

FUND OBJECTIVE

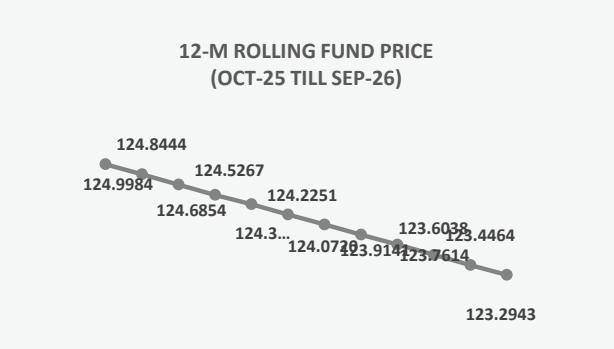
The objective of the TPL Islamic Aggressive Fund is to achieve long-term capital appreciation by primarily investing in Shariah-compliant equities and high-growth instruments
The fund seeks to maximize returns while accepting higher volatility, ensuring all investments comply with Shariah principles.

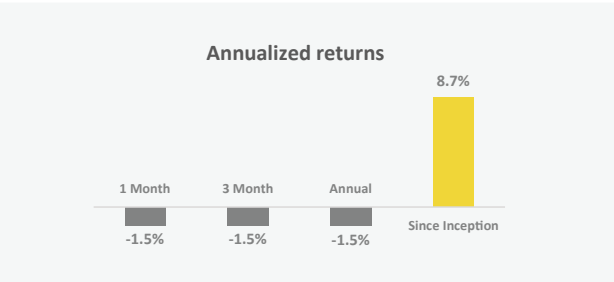
FUND MANAGER'S COMMENTS

During the month of Sep,2026 TPL Islamic Conservative Fund (TICF) unit price decreased by -0.12% from 123.45 to 123.29 Similarly YTD shows an increase of -1.49% and increase of 23.29% 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 Sep,2026.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	TPL Islamic Aggressive Fund
Net Assets	PKR 53,645.66
Launch Date	1-Oct-23
NAV Per Unit At Launch Date	PKR 100
NAV Per Unit At month end (30 Sep, 2026)	PKR 123.29
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	-1.5%
Since Inception	8.7%
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%

TPL ISLAMIC BALANCED FUND

FUND OBJECTIVE

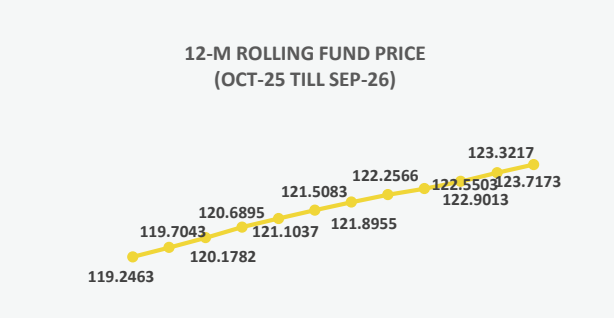
The objective of the TPL Islamic Balanced Fund is to provide a balanced mix of capital growth and income by investing in a diversified portfolio of Shariah-compliant equities and Sukuk / Islamic income instruments
The fund aims to manage risk while delivering stable returns over the medium to long term.

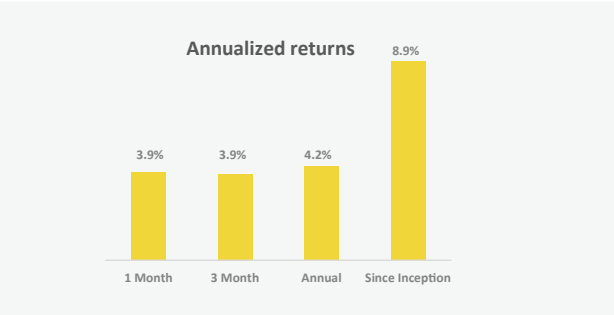
FUND MANAGER'S COMMENTS

During the month of Sep,2026 TPL Islamic Balanced Fund's (TIBF) unit price increased by 0.32% from 123.32 to 123.72; similarly, YTD shows an increase of 4.19%. When comparing the same since inception, an increase of 23.72% can be seen. The funds allocation has been made 40% Equities,45% in to Government of pakistan sukuk,10%Saving accounts, and remaining into Term Finance Certificate as at Sep,2026.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	TPL Islamic Balanced Fund
Net Assets	PKR 91,090,890.03
Launch Date	PKR 123.72
NAV Per Unit At Launch Date	PKR 100
NAV Per Unit At month end (30 Sep, 2026)	PKR 123.72
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	3.9%
3 months	3.9%
Annual	4.2%
Since Inception	8.9%
5 Year	-
10 Years	-

ASSET ALLOCATION

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

TPL ISLAMIC CONSERVATIVE FUND

FUND OBJECTIVE

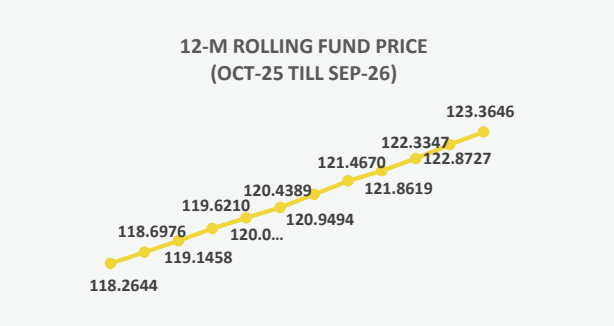
The objective of the TPL Islamic Conservative Fund is to preserve capital and generate stable income by investing primarily in low-risk Shariah-compliant instruments such as Sukuk,
Islamic money market placements, and other income-generating assets, with minimal exposure to equities.

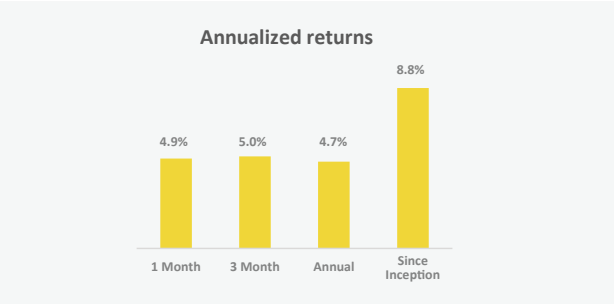
FUND MANAGER'S COMMENTS

During the month of Sep,2026 TPL Islamic Conservative Fund (TICF) unit price increased by 0.40% from 122.87 to 123.36 whereas YTD shows a increase of 4.74%. However a 23.36% increase can be seen since inception. The funds allocation has been made 60% into Government of pakistan sukuk, 20% Equities,10% Saving accounts/TDR's and the remaining into Term finance certificate as at Sep,2026.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	TPL Islamic Conservative Fund
Net Assets	PKR 133,535,832.44
Launch Date	1-Oct-23
NAV Per Unit At Launch Date	PKR 100
NAV Per Unit At month end (30 Sep, 2026)	PKR 123.36
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	4.9%
3 months	5.0%
Annual	4.7%
Since Inception	8.8%
5 Year	-
10 Years	-

ASSET ALLOCATION

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