



INVESTMENT FACT SHEET

FOR THE MONTH OF FEBRUARY 2023

GOVERNING COMMITTEES



BOARD FINANCE & INVESTMENT COMMITTEE

- **SHAHID GHAFAR**
(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,

The month of Feb-2023 began with a bleak note when Finance Supplementary Bill was announced which was a prerequisite for the staff level agreement of the 9th review of the IMF Program. This bill raised incremental taxes on luxury items to the tune of 25% GST up from 17% whereas GST across all items was also increased by 1% to 18%. Gas tariffs were also increased as a part of pre-condition of the IMF program to resolve circular debt accumulation. Petrol prices were also raised by 6.77% to PKR 267.72/Litre following currency depreciation witnessed in the last week of Jan'23. Moreover, following the delay in the IMF program, Moody's credit rating downgraded Pakistan to Caa3 from Caa1, the lowest rating in 30 years for the country. Forex reserves increased by USD 728mn to USD 3.81bn as of 24th February 2023, leaving the country with less than a month's worth of import cover. This increase in reserves was mainly on account of arrival of USD 700mn from China Development Bank. China also rolled over 1.3bn of debt in two installments out of which first installment of USD 700mn was received in February. PKR appreciated slightly against USD during this month from 267.88/USD to PKR 261.5/USD. Additionally, FBR achieved its collection target of PKT 527bn for the month of February.

Major economic numbers during the month:

- **The country's Current Account Deficit decreased MoM by 60.5% during Jan'23 standing at USD 242mn.**
- **The CPI for Feb'23 clocked in at 31.5%, mainly due to price hike in food and transport.**
- **Slight appreciation on rupee-dollar rate by 2.38% was seen during Feb'23, closing at PKR 261.5/USD during Feb'23.**
- **Commodity prices remained stable (Brent Crude Oil: 0.34% MoM increase in Feb'23).**

Economic front stayed vulnerable to the challenges as demand stayed on the lower side as evident by the most recent offtakes/sales numbers of Cement (+1.30% YoY in 7MFY23), Petroleum Products (-20% YoY in 7MFY23), Automobiles (-64.50% YoY in 7MFY23) and Fertilizer (+5.60% YoY in 7MFY23). Moreover, large scale manufacturing (LSM) continued a decline of 3.51% YoY in 1HFY23, mainly lead by food, tobacco, textile, garments, petroleum products, cement, pharmaceuticals, and automobile.

On the external side, the Current account deficit decreased by 60.5% MoM to reach USD 242mn in Jan'23. However, YoY it is 90.53% less than Jan'22 due to curb on imports and other restrictions.

Financial market signaled slow and nonvolatile momentum for the month because of the delay in staff level agreement (SLA) for IMF and also due to relative stability in currency fluctuation. KSE-100 fell slightly by 0.40% MoM. FDI (Foreign Direct Investment) increased significantly to USD 223mn during the current fiscal year (7MFY23) hinting continuation of slow recovery in the rigid economic circumstances.

Inflation dialed in at 31.5% in Feb'23 which was noticeably high. This was mainly contributed by food and transport segments.

FX Reserves decreased slightly by 0.22% clocked it at USD 9.27bn as of 24th February 2023 from USD 8.74bn seen in the previous month.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

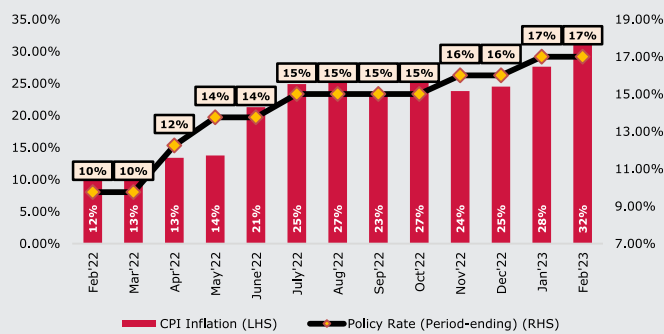
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	January	(1,717)	(1,923)	(16,398)
Remittances (USD mn)	January	1,894	2,041	15,944
Current A/C Balance (USD mn)	January	(242)	(400)	(3,668)
FDI (USD mn)	January	223	(17)	637
Tax Collection* (PKR bn)	February	527	537	4,487
M2 Growth				0.96%

Source SBP, FBR

* Provisional figures

The trade deficit number of the country fell to USD 1,717mn (-10.71% MoM) for Jan'23. Moreover, the current account deficit decreased for the month to USD 242mn vs USD 400mn in the month of Jan'23. Remittances plunged by 7.21% during the month from USD 2,041mn to USD 1,894mn in Jan'23. FBR's tax collection in the current fiscal year stood at PKR 4,487bn in the 8MFY23.

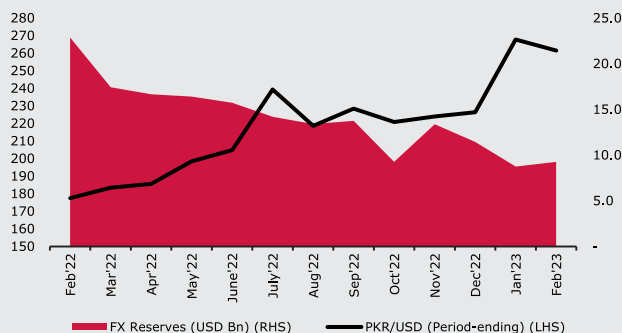
INFLATION



Source: PBS

The national CPI during the month of Feb'23 clocked in at 31.5% compared to 27.60% in the previous month.

PKR/USD PARITY VS FX RESERVES



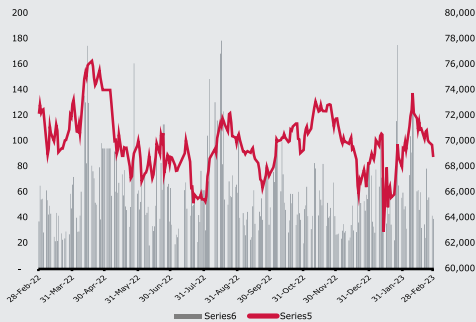
Source: SBP

Total FX reserves during the month fell by USD 20mn to stand at USD 8.72bn, while the PKR appreciated by 2.38% to PKR 261.50 against the USD.

CAPITAL MARKETS UPDATE

EQUITY MARKET

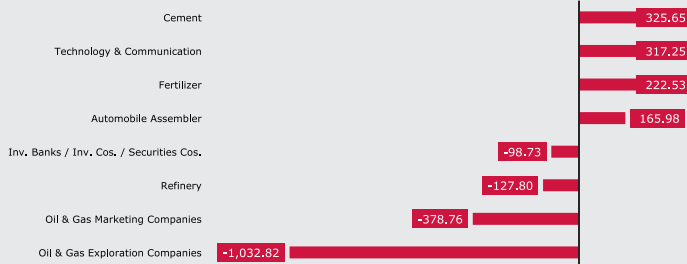
KMI -30 ONE YEAR PERFORMANCE



Source: PSX

The KMI-30 index fell by 677 points during Feb'23 (-0.97% MoM). The index decreased during the month in the reaction of the Finance Supplementary Bill and the delay in the achievement of SLA of the IMF program. Average traded volumes stood at 39mn shares posting a decrease of 40% MoM compared to the last month, while Average Traded Value stood at PKR 5,469mn in Feb'23 declining by 16.8% MoM.

SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The key contribution of the sectors for the decline in the index were Oil & Gas Exploration Companies (-1,032.82 points), Oil & Gas Marketing Companies (-378.76 points), Refinery (-127.8 points) and Inv. Banks / Inv. Co's / Securities Co,s (-98.73 points) while the positive contributors were Automobile Assembler (165.98 points), Fertilizer (222.53 points), Technology & Communication (317.25 points) and Cement (325.65 points).

SECONDARY MARKET PKISRV

INSTRUMENT	FEB-23	JAN-23	CHANGE
GOPIS 30-04-2025	96.50	96.53	(0.03)
GOPIS 29-05-2025	99.17	99.58	(0.41)
GOPIS 24-06-2025	99.03	99.46	(0.43)
GOPISV-29-07-2025	99.37	100.06	(0.69)
GOPISF-29-07-2025	86.25	87.45	(1.20)
GOPISV-09-12-2025	99.77	99.90	(0.13)
GOPISV-05-01-2026	98.38	-	-
GOPISF-20-01-2026	89.92	91.72	(1.80)
GOPISV-06-10-2026	99.18	99.44	(0.26)
GOPISF-06-10-2026	89.83	90.73	(0.90)
GOPISV-29-10-2026	98.82	99.47	(0.65)
GOPISF-15-12-2026	90.83	94.68	(3.85)
GOPISF-27-04-2027	94.00	97.90	(3.90)
GOPISV-27-04-2027	98.52	99.57	(1.05)
GOPISV-26-10-2027	98.58	99.26	(0.68)
GOPISF-16-11-2027	96.96	-	-

Source: MUJAP

Bearish momentum continued in secondary market for both GoP Ijara (VRR) and GoP Ijara (FRR). In another major development SBP has announced auction of 1 year GoP Ijara sukuk for both VRR and FRR along with 3 year and 5 year tenors. During the month, Targets across the tenors were revised for both VRR and FRR to PKR 120 billion and PKR 30 billion. VRR attracted a mere total participation of worth PKR 11bn across the tenors out of which major acceptance of PKR 5.5bn was accepted at 0 spread in 1 year whereas, 28mn and 3mn was accepted in 3 year and 5-year tenor. Further, participation worth only 3mn was accepted in FRR at a rate of 17.50% in 1 year whereas 3 years and 5 year was rejected by GoP.

STRATEGY & OUTLOOK



EQUITY MARKET:

We continue to recommend our long-term stance on equity market, as the PSX index floated at appealingly low P/E Levels (Forward P/E multiple of 3.82x) with the attractive discounts to its regional peers. Political instability and macroeconomic disturbances still limit the chance of any major recovery in equities. Key contributions that may have an impact on the benchmark index include:

- **Further monetary tightening could dent corporate profits amidst the already challenging macroeconomic environment.**
- **Continued strain on availability of raw materials due to curbs on imports which has kept the supply chain bottleneck.**
- **Hike in inflation along with increase in fuel prices deteriorates purchasing power parity.**
- **Any further delay in revival of the IMF program may dampen investor sentiments and consequentially limit any upside trigger in equities.**

We remain vigilant on the performance of the equity market however, uncertainty on both the political and economic fronts will keep the equity index under duress.

DEBT MARKET:

In outgoing month, the Conventional money market cut-offs witnessed new highs since 2000 aided by the view of increase in policy rate by 200 to 300 bps in the upcoming MPS. Yields across the tenors inched up significantly in the range of 200 bps - 300 bps. Short term yields closed at 19.53%, 19.82% and 19.93% for 3 months, 6 Months, 1 year, whereas 3, 5 and 10 years closed at 18.17%, 15.80% and 15.46% up by 134bps, 32bps and 101bps respectively. Going forward, the debt market is likely to remain under pressure in expectation of continued monetary tightening and macro-economic deterioration. Further sticky inflation will keep the interest rates in check for CY23. Keeping in macro-economic environment and interest rate outlook, our fixed income portfolios are optimally allocated in shorter duration instruments and longer tenor fixed 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 38% in low duration instruments, along with 25% exposure in high yielding deposits and 5% in corporate sukuk, thereby allowing policy holders to capitalize maximum benefit from any opportunity in the yield curve with a low allocation of 1% in equities.
- **Aggressive Takaful Fund:** Equity allocation in JL Aggressive Takaful fund is reduced to 40% in order to reduce volatility for participants in current uncertain macroeconomic situation. Furthermore, an optimal mix of blue chip and growth stocks within equities provides an ideal avenue for long term capital growth, while 60% allocation is placed at high yielding shariah compliant debt instruments.
- **Family Takaful Income Fund:** With Takaful Income Fund participant are expected to earn sustainable return in medium-term through exposure in low risk GoP Ijara Sukuk and bank deposits. Fund allocation is well poised in GoP Ijara (38%) and Bank deposits (45%).
- **Family Takaful Balanced Fund:** Family Takaful Balanced Fund offers its participants high yielding return with optimal allocation of 33% in low duration instruments, along with 38% exposure in high yielding deposits and 2% in corporate sukuk, thereby allowing policy holders to capitalize maximum benefit from any opportunity in the yield curve.

JUBILEE LIFE BALANCED TAKAFUL FUND

Fund Manager's Report
February 2023

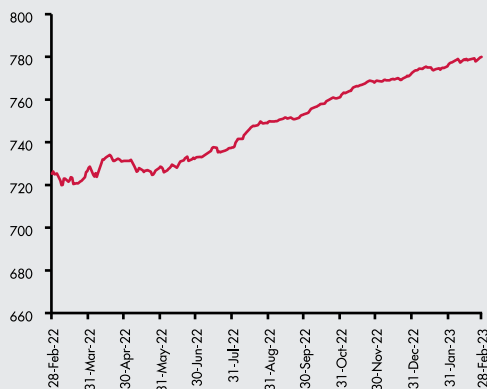
FUND OBJECTIVE

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.

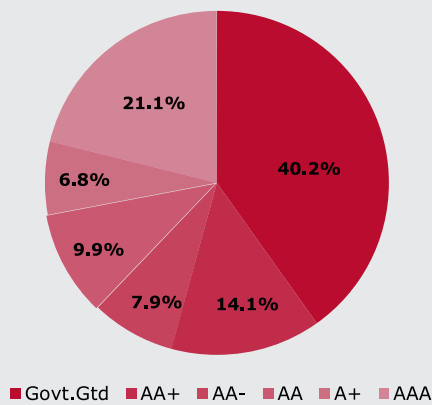
FUND MANAGER'S COMMENTS

During the month of February 2023 Balanced Takaful Fund's (BTF) Unit Price increased by PKR 3.47 (0.45%). The fund's allocation to government securities stands at 40.16% at month end against 40.58% last month while allocation to equities is at 0.69% versus 0.82% last month. Within sectors, the fund is tilted towards Pharmaceuticals with a total allocation of 64.13% followed by Miscellaneous, Engineering and Oil & Gas (Exploration Companies) with a sector allocation of 24.85%, 11.03% and 0.% respectively.

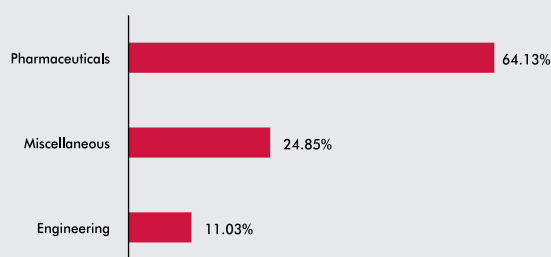
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Takaful Fund
Net Assets	PKR 15,746 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (28.02.2023)	PKR 780.03
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.24%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.45%
3 months	1.50%
12 months (365 days)	7.55%
Calendar YTD	0.97%
Since Inception (annualized)	6.03%
5 Years (annualized)	4.89%

ASSET ALLOCATION

ASSETS	FEBRUARY-23	JANUARY-23
Government Securities	40.16%	40.58%
Sukuks	4.91%	5.11%
Cash and Short Term Deposits	35.65%	35.02%
Equities	0.69%	0.82%
Mutual Funds	18.59%	18.46%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
February 2023

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.

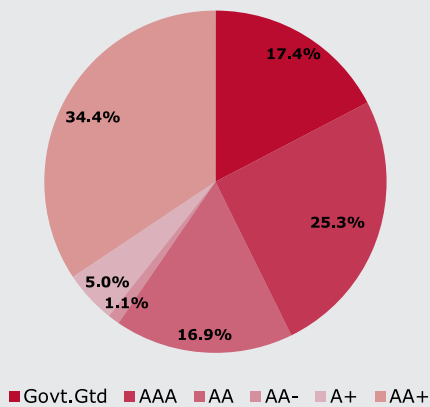
FUND MANAGER'S COMMENTS

During the month of February 2023 Aggressive Takaful Fund's (ATF) Unit Price increased by PKR 6.2 (1.06%). The fund's allocation to equities stands at 39.82% at month end against 41.9% last month while allocation to government securities is at 10.76% versus 10.87% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 30.91% followed by Cement, Pharmaceuticals and Fertilizers with a sector allocation of 12.16%, 10.53% and 7.34% respectively.

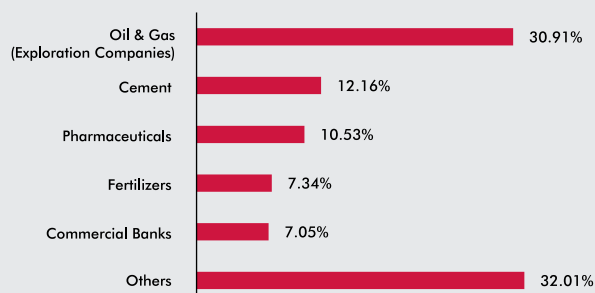
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 10,828 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (28.02.2023)	PKR 589.96
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.26%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.06%
3 months	- 4.09%
12 months (365 days)	- 9.50%
Calendar YTD	- 0.86%
Since Inception (annualized)	2.20%
5 Years (annualized)	- 1.74%

ASSET ALLOCATION

ASSETS	FEBRUARY-23	JANUARY-23
Government Securities	10.76%	10.87%
Sukuks	4.19%	4.69%
Cash and Short Term Deposits	25.08%	27.76%
Equities	39.82%	41.90%
Mutual Funds	20.14%	14.78%

FAMILY TAKAFUL INCOME FUND

Fund Manager's Report
February 2023

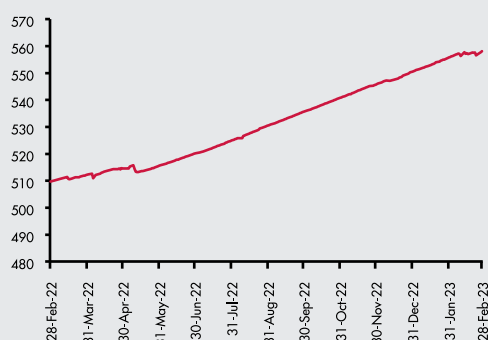
FUND OBJECTIVE

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.

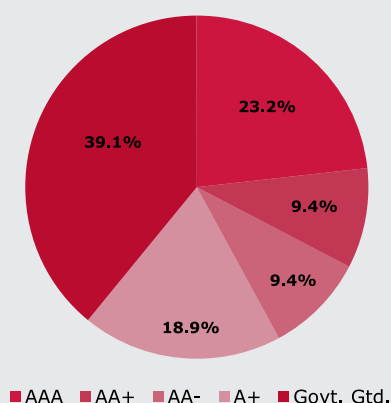
FUND MANAGER'S COMMENTS

During the month of February 2023 Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 2.24 (0.4%). The fund's allocation to government securities stands at 39.91% at month end against 41.67% last month while allocation to cash and short term deposits is at 60.09% versus 58.33% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 1,513 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (28.02.2023)	PKR 558.1
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.24%
Pricing Days	Monday to Friday
Weighted Average Maturity	504 days

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.40%
3 months	2.29%
12 months (365 days)	9.48%
Calendar YTD (annualized)	8.77%
Since Inception (annualized)	7.21%
5 Years (annualized)	-
10 Years (annualized)	-

ASSET ALLOCATION

ASSETS	FEBRUARY-23	JANUARY-23
Government Securities	39.91%	41.67%
Cash and Short Term Deposits	60.09%	58.33%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
February 2023

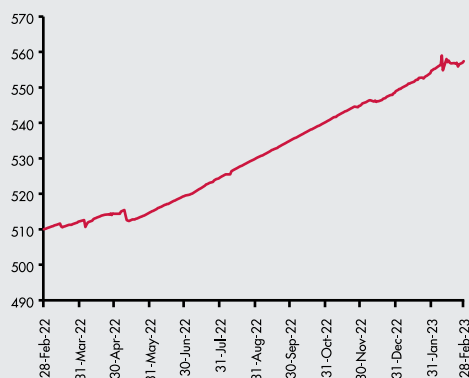
FUND OBJECTIVE

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.

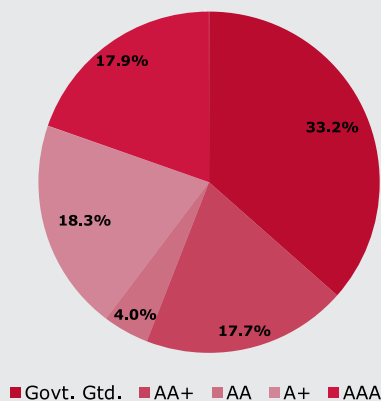
FUND MANAGER'S COMMENTS

During the month of February 2023 Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 2.66 (0.48%). The fund's allocation to government securities stands at 33.99% at month end against 36.43% last month while allocation to cash and short term deposits is at 38.46% versus 44.96% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 507 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (28.02.2023)	PKR 557.41
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.24%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.48%
3 months	2.30%
12 months (365 days)	9.29%
Calendar YTD	1.54%
Since Inception (annualized)	7.13%
5 Years (annualized)	-
10 Years (annualized)	-

ASSET ALLOCATION

ASSETS	FEBRUARY-23	JANUARY-23
Government Securities	33.99%	36.43%
Term Finance Securities	1.64%	1.73%
Cash and Short Term Deposits	38.46%	44.96%
Mutual Funds	25.90%	16.88%

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