



INVESTMENT FACT SHEET

FOR THE MONTH OF JUNE 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,

On June 9th, 2023, the current government unveiled the Federal Budget FY24, which allocated a budgetary outlay of PKR 14,461bn. This amount represents a significant increase of 30.40% compared to the revised budget estimates for FY23. The largest portion of the budget is dedicated to current expenditure, accounting for 90.10% of the total budget outlay. The previous fiscal year experienced a substantial decline in Pakistan's GDP growth, plummeting to 0.29% from the previous year's growth rate of 6.1%. Various challenges have contributed to this decline, including devastating floods that caused extensive damage to crops and infrastructure, resulting in disruptions to agricultural activities and an overall decline in GDP growth. For FY24, the government has set an overall GDP growth target of 3.50%, with individual growth targets of 3.50% for agriculture, 3.40% for the industrial sector, and 3.60% for services. This aims to revitalize the economy and drive growth in key sectors.

On a positive note, Pakistan has successfully reached a staff level agreement with the IMF under a new Stand-By Agreement (SBA), which replaces the 2019 Extended Fund Facility (EFF) program which was slated to expire on June 30, 2023. This agreement spans nine months and provides financial support amounting to USD 3bn. In addition, the price of petrol experienced a further decrease of PKR 8/ltr, reaching PKR 262/ltr at the beginning of June. This price remained unchanged throughout the month. Furthermore, the price of HSD decreased by PKR 5/ltr and stood at PKR 253/ltr. These price reductions aim to provide relief to consumers and mitigate the burden of fuel costs.

The major numbers during the month:

- **The country's current account stood at USD 255mn on May'23 and increased by 84.71% FYTD.**
- **The CPI for June'23 clocked in at 29.40% and average inflation for FY23 stood at 28.91%.**
- **PKR depreciated against USD by 0.51% during the month.**
- **Commodity prices (Brent Crude Oil increased by 3.83% MoM in June'23, Coal decreased by -0.50%)**

During the outgoing month, an emergency MPC meeting was convened, in which the policy rate was increased to 22%. Further, tightening economic measures persist to impact demand drivers of the economy as Cement dispatches decline by 22.80% and a decline of 15.70% by the end of FY23. Petroleum products registered a decline of 31.00% YoY and 26.00% for the fiscal year. Automobiles faced a further decline of 14% MoM and 38% for FY23.

The FX reserves increased by USD 405mn during the month, to stand at USD 9.74bn. The increase in reserves was on the back of inflows from rollover of Chinese loan.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

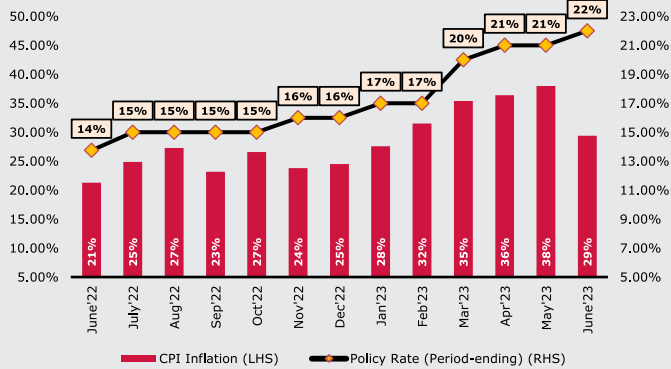
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	May	(1,194)	(1,576)	(22,444)
Remittances (USD mn)	May	2,103	2,198	24,770
Current A/C Balance (USD mn)	May	255	78	(2,621)
FDI (USD mn)	May	150	122	1,173
Tax Collection* (PKR bn)	June	800	572	7,008
M2 Growth				8.94%

Source SBP, FBR

* Provisional figures

The trade deficit decreased by 24.24% from USD 1,576mn to 1,194mn for the month of May'23 as government took strict administrative measures to control import. Furthermore, remittances saw a plunge of 4.32% for the month and stood at USD 2,103mn. FBR collected tax revenue of PKR 6,200bn in 11MFY23, against the target of PKR 7,640bn for the year.

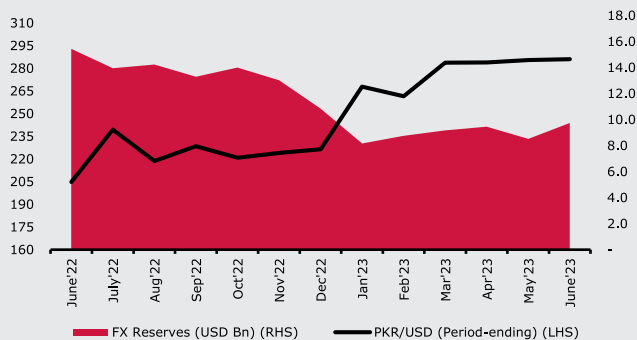
INFLATION



Source: PBS

Inflation for June'23 clocked in at 29.40% and average inflation for FY23 stood at 28.91%.

PKR/USD PARITY VS FX RESERVES



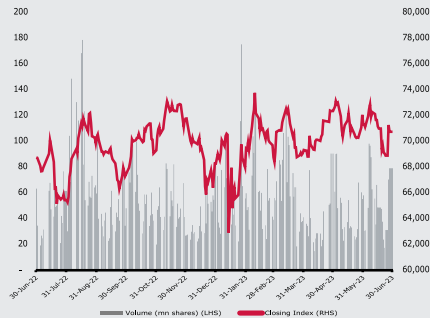
Source: SBP

PKR depreciated against USD by 0.51% MoM hovering at PKR 286.00/USD. FX reserves saw an increase of USD 405mn sustaining at USD 9.74bn at the end of June'23.

CAPITAL MARKETS UPDATE

EQUITY MARKET

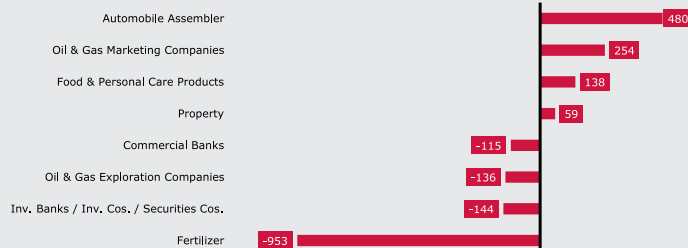
KMI -30 ONE YEAR PERFORMANCE



Source: PSX

The KMI-30 index decreased by 592 points during June'23 (-0.83% MoM). The main contribution behind a drop in corporate profitability was unsuccessful IMF's 9Th review. Average traded volumes stood at 54mn shares which increased by 16% during the month while, Average value traded increased by 8% to PKR 3,747mn during June'23.

SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major positive contribution came in from Foods and Personal Care (138 points), Oil & Gas Marketing Companies (254 points), and Automobile Assembler (480 points), while the negative players were Fertilizers (-953 points), Oil & Gas Exploration (-136 points), and Commercial Banks (-115 points).

SECONDARY MARKET PKISRV

INSTRUMENT	JUN-23	MAY-23	CHANGE
GOPISV-20-02-2024	98.73	98.74	(0.02)
GOPISF-20-02-2024	98.04	98.00	0.04
GOPISV-08-03-2024	100.11	100.11	(0.00)
GOPISF-08-03-2024	100.28	100.28	(0.00)
GOPISV-17-04-2024	100.06	100.08	(0.02)
GOPISF-17-04-2024	100.11	100.11	(0.00)
GOPISV-22-05-2024	100.07	100.10	(0.03)
GOPISF-22-05-2024	100.00	100.00	0.00
GOPIS-30-04-2025	96.42	96.46	(0.04)
GOPIS-29-05-2025	99.36	99.30	0.06
GOPIS-24-06-2025	99.08	98.63	0.45
GOPISV-29-07-2025	99.40	99.40	0.00
GOPISF-29-07-2025	85.70	85.54	0.16
GOPISV-09-12-2025	99.71	99.72	(0.01)
GOPISV-05-01-2026	99.00	99.00	0.00
GOPISF-20-01-2026	88.00	87.83	0.17
GOPISF-17-04-2026	100.00	100.00	0.00
GOPISV-06-10-2026	99.44	99.48	(0.04)
GOPISF-06-10-2026	89.00	89.03	(0.03)
GOPISV-29-10-2026	99.26	99.29	(0.03)
GOPISF-15-12-2026	90.08	90.06	0.02
GOPISF-27-04-2027	92.37	92.44	(0.07)
GOPISV-27-04-2027	99.39	99.41	(0.02)
GOPISV-26-10-2027	99.73	99.70	0.03
GOPISF-16-11-2027	97.37	96.64	0.73

Source: MUFAP

During the month, SBP issued fresh instruments across all the tenors for both VRR and FRR GoP Ijara. The continuous momentum with significant market interest was observed across the board due to high benchmarks along with attractive spreads. GoP Ijara (VRR) attracted substantial participation worth PKR 251 bn across the tenors against the target of PKR 130 bn, out of which PKR 55 bn was accepted at +65 spread in 1 year, PKR 25 bn was accepted at +95 spread in 5 years, while bids for 3-year tenor was rejected. On the other hand, significant participation of PKR 201 bn was witnessed in GoP Ijara (FRR) against the revised target of PKR 60 bn. Acceptance was PKR 1 bn at 21.28% in 1 year, PKR 75 bn at 18.49% in 3 years whereas bids for 5-year tenor were rejected.

STRATEGY & OUTLOOK



EQUITY MARKET:

Despite our continued bullish stance for the long term, we maintain a positive perspective on the equity market. The PSX indexes have presented attractive low P/E levels, with a Forward P/E multiple of 3.74x compared to the regional average of 11.03x. Furthermore, the implementation of a new IMF program and the external financing support from friendly nations have contributed to the reduction of macroeconomic instability. However, it is important to note that political uncertainty remains unresolved.

Key triggers which can have an impact on benchmark include:

- **The new USD 3bn Stand-By Agreement (SBA) with IMF have given a breather to the economy. Pakistan is expected to receive USD 1.1bn after the IMF board approval scheduled on 12th July 2023.**
- **With IMF onboard, Pakistan will get external financing support from the multilateral and bilateral countries jacking up the gross foreign reserves.**
- **On the political front, investors are expected to monitor the political developments preceding the elections.**

We are closely monitoring the performance of equity market and will capitalize on any opportunity that comes in way to maximize policyholder's return.

DEBT MARKET:

The prices of GoP Ijara (VRR and FRR) remained relatively stable during the month as investors sought higher yields. Notably, there was significant investor interest in the 1-year VRR and the 3-year FRR. Consequently, the 1-year VRR Ijara traded at a premium in the market. In addition, SBP has released a revised calendar for the issuance of new instruments across all tenors for both VRR and FRR. The targets for these issuances have been revised upward, indicating the SBP's intention to increase the availability of these instruments in the market.

Post announcement of policy rate hike in emergent MPC, yields across the secondary market inched up. Moreover, the 9th review of the IMF expired on June 30, 2023, without the disbursement of the IMF tranche. Nevertheless, the introduction of a new Stand-By Arrangement by the IMF, amounting to USD 3 billion over a span of 9 months, offers promising support to the economy in the foreseeable future. This development is also expected to have an impact on the trajectory of debt market yields. Considering the current macroeconomic conditions and the projected interest rate trends, our fixed income portfolios have been strategically allocated with a higher proportion in variable rental rate instruments. This allocation aims to achieve a favorable balance between risk and return for our policyholders.

FUND WISE STRATEGY

- **Balanced Takaful Fund:** Jubilee Life Balanced Takaful Fund offers its participants high yielding return with optimal allocation of 77% in low duration instruments, along with 11% exposure in high yielding deposits and 4% in corporate sukus, thereby allowing policy holders to capitalize on opportunities along the yield curve.
- **Aggressive Takaful Fund:** Equity allocation in JL Aggressive Takaful fund is reduced to 10% to mitigate volatility resulting from the uncertain macro-economic environment that affects the equity market. The remaining 90% 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 strategically poised with a significant emphasis on GoP Ijara (81%) and a remaining allocation of cash and bank deposits (19%).
- **Family Takaful Balanced Fund:** Family Takaful Balanced Fund offers its participants high yielding return with optimal allocation of 79% in low duration instruments, along with 10% exposure in high yielding deposits and 1% in corporate sukus. This strategic allocation enables policyholders to maximize their benefits from opportunities along the yield curve.

BALANCED TAKAFUL FUND

Fund Manager's Report
June 2023

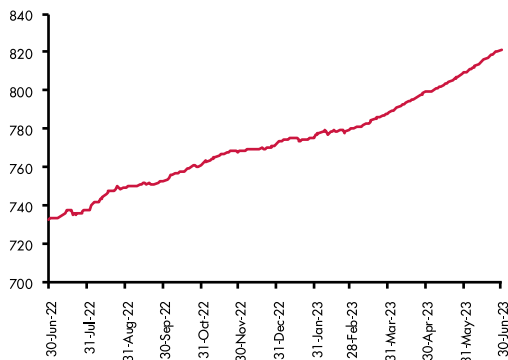
FUND OBJECTIVE

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.

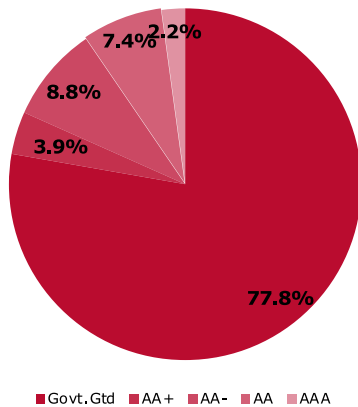
FUND MANAGER'S COMMENTS

During the month of June 2023 Balanced Takaful Fund's (BTF) Unit Price increased by PKR 12.38 (1.53%). The fund's allocation to government securities stands at 77.25% at month end against 77.58% last month while allocation to equities is at 0.04% versus 0.05% last month. Within sectors, the fund is tilted towards Engineering with a total allocation of 100.0%.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Balanced Takaful Fund
Net Assets	PKR 16,669 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (30.06.2023)	PKR 821.62
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.75%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.53%
3 months	4.20%
12 months (365 days)	12.14%
Calendar YTD	6.35%
Since Inception (annualized)	6.47%
5 Years (annualized)	5.93%

ASSET ALLOCATION

ASSETS	JUNE-23	MAY-23
Government Securities	77.25%	77.58%
Sukuks	4.39%	4.64%
Cash and Short Term Deposits	10.95%	0.72%
Equities	0.04%	0.05%
Mutual Funds	7.36%	17.01%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
June 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.

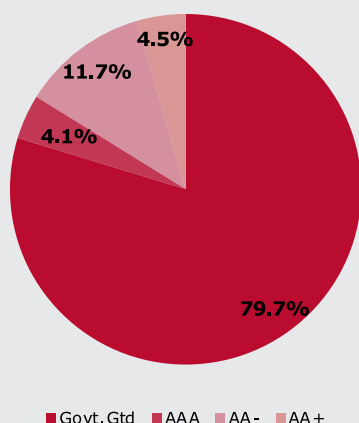
FUND MANAGER'S COMMENTS

During the month of June 2023 Aggressive Takaful Fund's (ATF) Unit Price increased by PKR 6.99 (1.14%). The fund's allocation to equities stands at 9.51% at month end against 10.81% last month while allocation to government securities is at 72.14% versus 70.94% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 83.82% followed by Pharmaceuticals, Automobile Assembler & Parts and Engineering with a sector allocation of 9.75%, 3.15% and 3.12% respectively.

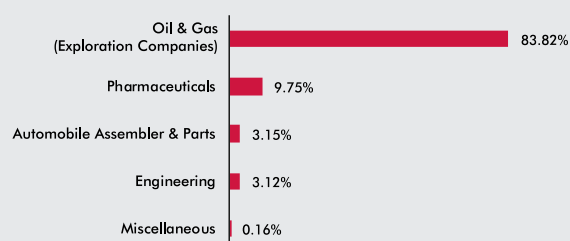
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 10,870 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (30.06.2023)	PKR 617.72
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.82%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.14%
3 months	3.80%
12 months (365 days)	1.87%
Calendar YTD	3.81%
Since Inception (annualized)	2.70%
5 Years (annualized)	-0.97%

ASSET ALLOCATION

ASSETS	JUNE-23	MAY-23
Government Securities	72.14%	70.94%
Sukuks	4.05%	4.03%
Cash and Short Term Deposits	6.96%	3.28%
Equities	9.51%	10.81%
Mutual Funds	7.34%	10.94%

FAMILY TAKAFUL INCOME FUND

Fund Manager's Report
June 2023

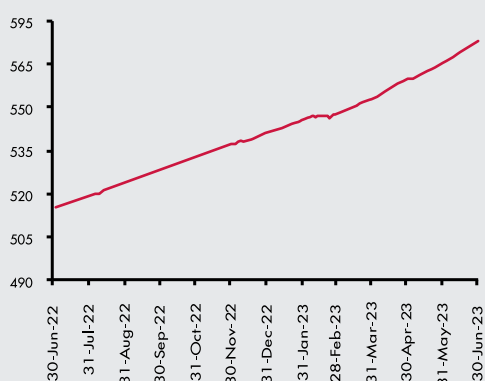
FUND OBJECTIVE

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.

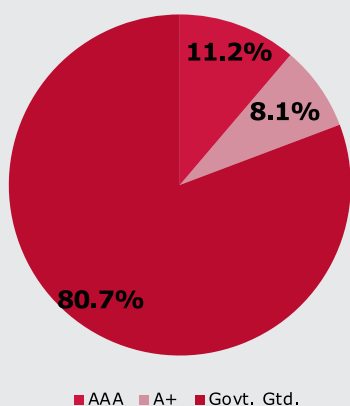
FUND MANAGER'S COMMENTS

During the month of June 2023 Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 8.7 (1.5%). The fund's allocation to government securities stands at 80.74% at month end against 90.71% last month while allocation to cash and short term deposits is at 19.26% versus 9.29% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 2,173 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (30.06.2023)	PKR 587.75
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.75%
Pricing Days	Monday to Friday
Weighted Average Maturity	436 days

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.50%
3 months	4.11%
12 months (365 days)	13.00%
Calendar YTD (annualized)	14.09%
Since Inception (annualized)	8.82%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JUNE-23	MAY-23
Government Securities	80.74%	90.71%
Cash and Short Term Deposits	19.26%	9.29%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
June 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.

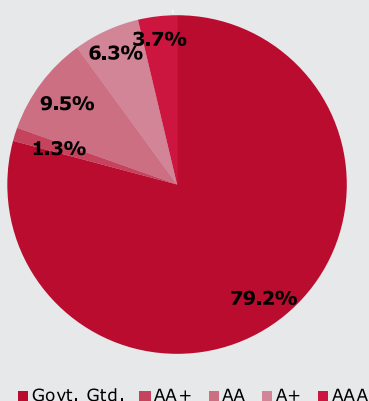
FUND MANAGER'S COMMENTS

During the month of June 2023 Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 8.65 (1.49%). The fund's allocation to government securities stands at 79.16% at month end against 81.27% last month while allocation to cash and short term deposits is at 10.02% versus 8.99% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 632 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (30.06.2023)	PKR 588.18
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.75%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.49%
3 months	4.35%
12 months (365 days)	13.24%
Calendar YTD	7.14%
Since Inception (annualized)	8.86%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	JUNE-23	MAY-23
Government Securities	79.16%	81.27%
Term Finance Securities	1.28%	1.39%
Cash and Short Term Deposits	10.02%	8.99%
Mutual Funds	9.54%	8.35%

TOP TEN HOLDINGS

BALANCED TAKAFUL FUND

AGHA

AGGRESSIVE TAKAFUL FUND

AGHA
FEROZ
HINOON
MARI
POL
SAZEW
SPEL
THALL

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