



INVESTMENT FACT SHEET

FOR THE MONTH OF MAY 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 National Accounts Committee published provisional GDP growth rate for FY23 at 0.29% down from earlier estimate of 2%. The country's growth was stunted by slowdown in the agriculture, industrial and service sectors - with growth estimated at 1.55%, -2.94% and 0.86% respectively. A decrease in Large Scale Manufacturing Index (LSMI) by 9.90% was observed, which is a fallout of the slow growth in economy. FDI reduced by 25% MoM basis clocking in at USD 122mn. On the positive front, petrol prices and diesel prices decreased by PKR 12/Ltr and PKR 8/Ltr respectively bringing petrol down to PKR 270/Litre and HSD down to PKR 258/Litre. Furthermore, World Bank approved USD 213mn for rehabilitation of flood victims of Balochistan meanwhile the progress on ongoing IMF review remained muted without any clear direction in sight.

The major numbers during the month:

- **The country's Current Account declined M/M by 98% to stand at USD18mn.**
- **The CPI for May'23 clocked in at 38% driven by Food, Recreation and Culture, Clothing and Footwear.**
- **Appreciation in PKR against USD by 0.57% during the month**
- **Commodity prices declined (Brent Crude Oil: 11.32% MoM decrease in May'23).**

Tightening economic measures persist to impact demand drivers of the economy as Cement dispatches declined by 22%, Fertilizers sales reduced by 11%, Automobiles faced a further reduction of 7% in sales, for the outgoing month. Meanwhile, Petroleum Products saw an uptick in sales by 6% mainly due to reduced prices, whichsoever, is not sufficient to sustain the industry in the adverse economic situation.

The FX reserves declined by USD 56mn during the month, to stand at USD 9.51bn.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

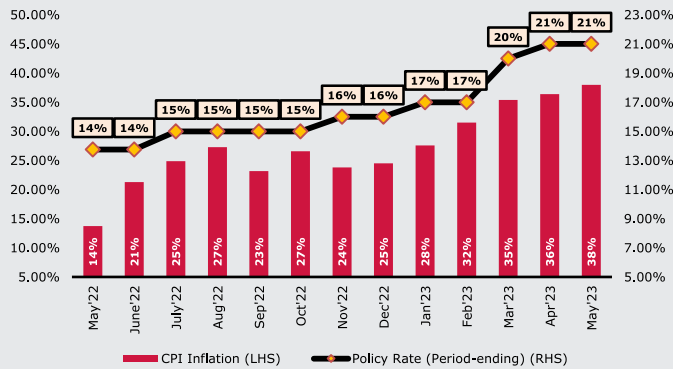
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	April	(1,595)	(1,553)	(21,269)
Remittances (USD mn)	April	2,211	2,537	22,680
Current A/C Balance (USD mn)	April	18	750	(2,936)
FDI (USD mn)	April	122	163	1,023
Tax Collection* (PKR bn)	May	572	486	6,208
M2 Growth				7.01%

Source SBP, FBR

* Provisional figures

The trade deficit slightly increased by 3% from USD 1,553mn to USD 1,595mn for the month of April'23. However, remittances saw a plunge of 13% during the same period clocking in at USD 2,211mn and a sharp drop in current account by 98% bringing it to USD 18mn. FBR collected tax revenue of PKR 572bn which was short by PKR 49bn from its tax targets of PKR 621bn.

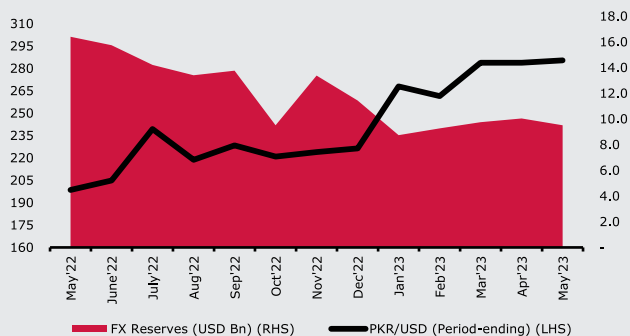
INFLATION



Source: PBS

Inflation dialled in at 38% YoY in May'23, taking the average of 11MFY23 to 29%.

PKR/USD PARITY VS FX RESERVES



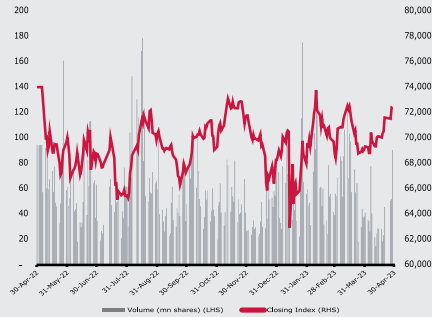
Source: SBP

PKR depreciated against USD by 0.57% MoM hovering at PKR 285.47/USD. FX reserves saw a reduction of USD 53mn sustaining at USD 9.51bn at the end of May'23.

CAPITAL MARKETS UPDATE

EQUITY MARKET

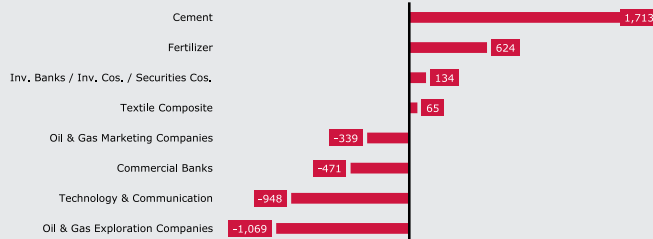
KMI -30 ONE YEAR PERFORMANCE



Source: PSX

The KMI-30 index decreased by 1,014 points during May'23 (-1.40% MoM). The main contribution behind a drop in corporate profitability was unsuccessful IMF's 9th review. Average traded volumes stood at 109mn shares which increased by 36% during the month while, Average value traded increased by 20% to PKR 3476mn during May'23.

SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major positive contribution came in from Cements (1,713 points), Fertilizers (624 points), Investment Banks (134 points) and Textile Composite (65 points), while the negative players remained Oil & Gas Marketing Companies (-339 points), Commercial Banks (-471 points), Technology & Communication (-948 points) and Oil & Gas Exploration Companies (-1,069 points).

SECONDARY MARKET PKISRV

INSTRUMENT	MAY-23	APR-23	CHANGE
GOISV20-02-2024	98.74	98.75	(0.01)
GOISF20-02-2024	98	98	0.00
GOISV08-03-2024	100.11	100.15	(0.04)
GOISF08-03-2024	100.28	100.28	0.00
GOISV17-04-2024	100.08	100.35	(0.27)
GOISF17-04-2024	100.11	100.24	(0.13)
GOISV22-05-2024	100.1	-	-
GOISF22-05-2024	100	-	-
GOIS 30-04-2025	96.46	96.50	(0.04)
GOIS 29-05-2025	99.30	99.24	0.06
GOIS 24-06-2025	98.63	99.05	(0.42)
GOISV29-07-2025	99.40	99.43	(0.03)
GOISF29-07-2025	85.54	85.83	(0.29)
GOISV09-12-2025	99.72	99.75	(0.03)
GOISV05-01-2026	99.00	98.83	0.17
GOISF20-01-2026	87.83	88.63	(0.80)
GOISF17-04-2026	100.00	100.00	0.00
GOISV06-10-2026	99.48	99.54	(0.06)
GOISF06-10-2026	89.03	89.83	(0.80)
GOISV29-10-2026	99.29	99.32	(0.03)
GOISF15-12-2026	90.06	90.33	(0.27)
GOISF27-04-2027	92.44	93.08	(0.64)
GOISV29-07-2025	-	99.43	-
GOISV29-10-2026	-	99.32	-
GOISV27-04-2027	99.41	99.43	(0.02)
GOISV26-10-2027	99.70	99.78	(0.08)
GOISF16-11-2027	96.64	96.58	0.06

Source: MUFAP

During the month, the significant market interest was observed for GoP Ijara (VRR) due to high benchmarks along with attractive spreads. GoP Ijara (VRR) attracted substantial participation worth PKR 191bn across the tenors against the target of PKR 120bn, out of which PKR 80bn was accepted at +75 spread in 1 year, PKR 49bn was accepted at +64 spread in 3 years, while bids for 5-year tenor was rejected. On the other hand, insignificant participation of PKR 1bn was witnessed in GoP Ijara (FRR) against the target of PKR 30bn. GoP accepted PKR 1bn at 21.30% in 1 year only.

STRATEGY & OUTLOOK



EQUITY MARKET:

While adhering to our long-term stance, we maintain a positive outlook on the equity market. Enticing low P/E levels are offered by PSX indexes (Forward P/E multiple of 3.8x compared with regional average of 11.2x), however, activity remained limited due to unsettling political scenario and uncertain macroeconomic situations.

Restrained corporate profitability is expected due to:

- **The current IMF program has taken a backseat, meanwhile talks for another IMF program are there to meet external funding requirements for next few years.**
- **Purchasing power capability has continued to deteriorate because of even higher inflation clocking in when compared to the previous month.**
- **Restrictions on the imports to curb the import bills by Govt. will continue the bottleneck for raw materials.**

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

DEBT MARKET:

On the Islamic money market front, prices of long-term GoP Ijara (VRR and FRR) decreased as investors demanded higher yields, considering the attractive pricing of 1-year GoP Ijara. On the other hand, 1-year GoP Ijara Sukuk remained in limelight and traded at premium price. In addition, the State Bank of Pakistan (SBP) decided to cancel the planned auction of GoP Ijara Sukuk in June 2023. As a result, we anticipate that the discontinuation of GoP Ijara Sukuk will lead to an increase in demand and a potential appreciation in price.

During the month, inflation reached a new high of 38% following a consistent increase in the previous month. The persistent rise in inflation is expected to urge the central bank to adopt a more cautious approach to control inflation in the coming months. As a result, this will keep the yields across the secondary market in check. Furthermore, the recent political chaos and conflicts throughout the country, the stalled IMF program, and the announcement of budget are also expected to influence the direction of debt market yields. Considering the macro-economic environment and interest rate outlook, our fixed income portfolios are strategically allocated in shorter duration instruments and longer tenor fixed rate instruments, which we believe will offer a suitable balance of 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 78% in low duration instruments, along with 17% exposure in high yielding deposits and 5% in corporate sukuks, thereby allowing policy holders to capitalize maximum benefit from any opportunity in the yield curve.
- **Aggressive Takaful Fund:** Equity allocation in JL Aggressive Takaful fund is reduced to 11% to minimize the volatility for participant from the uncertain macro-economic environment effecting equity market. On the other hand, 89% allocation is placed at various high yielding shariah compliant debt and cash deposits.
- **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 (91%) and a total of Cash and Bank deposits of (9%).
- **Family Takaful Balanced Fund:** Family Takaful Balanced Fund offers its participants high yielding return with optimal allocation of 81% in low duration instruments, along with 9% exposure in high yielding deposits and 1% in corporate sukuks, thereby allowing policy holders to capitalize maximum benefit from any opportunity in the yield curve.

BALANCED TAKAFUL FUND

Fund Manager's Report
MAY 2023

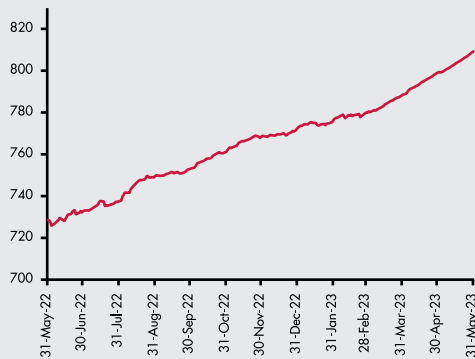
FUND OBJECTIVE

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.

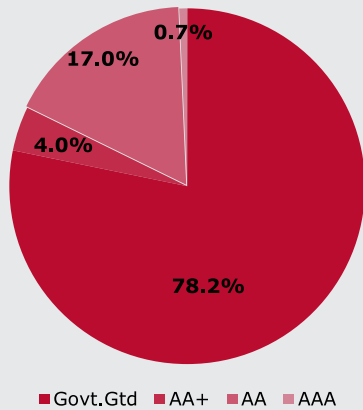
FUND MANAGER'S COMMENTS

During the month of May 2023 Balanced Takaful Fund's (BTF) Unit Price increased by PKR 10.14 (1.27%). The fund's allocation to government securities stands at 77.58% at month end against 31.63% last month while allocation to equities is at 0.05% versus 0.05% last month. Within sectors, the fund is tilted towards Engineering with a total allocation of 100.0% followed by Pharmaceuticals, Miscellaneous and Oil & Gas (Exploration Companies) with a sector allocation of 0.0%, 0.0% and 0.0% 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 16,401 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.05.2023)	PKR 809.24
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.63%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.27%
3 months	3.74%
12 months (365 days)	11.06%
Calendar YTD	4.75%
Since Inception (annualized)	6.33%
5 Years (annualized)	5.54%

ASSET ALLOCATION

ASSETS	MAY-23	APRIL-23
Government Securities	77.58%	31.63%
Sukuks	4.64%	4.85%
Cash and Short Term Deposits	0.72%	34.11%
Equities	0.05%	0.05%
Mutual Funds	17.01%	29.36%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
MAY 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.

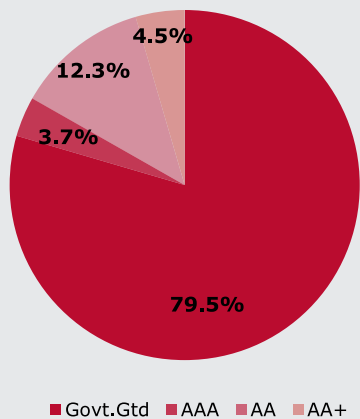
FUND MANAGER'S COMMENTS

During the month of May 2023 Aggressive Takaful Fund's (ATF) Unit Price increased by PKR 5.63 (0.93%). The fund's allocation to equities stands at 10.81% at month end against 11.76% last month while allocation to government securities is at 70.94% versus 41.33% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 76.49% followed by Pharmaceuticals, Textile Composite and Automobile Assembler & Parts with a sector allocation of 9.49%, 4.07% and 3.84% respectively.

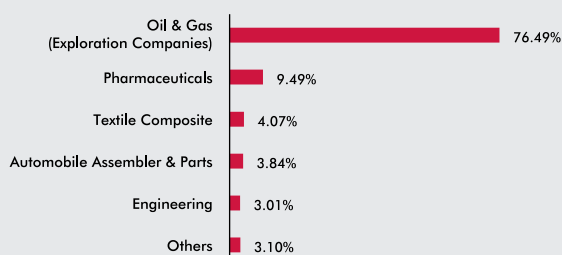
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 10,888 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.05.2023)	PKR 610.74
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.69%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.93%
3 months	3.52%
12 months (365 days)	-0.15%
Calendar YTD	2.64%
Since Inception (annualized)	2.58%
5 Years (annualized)	-1.25%

ASSET ALLOCATION

ASSETS	MAY-23	APRIL-23
Government Securities	70.94%	41.33%
Sukuks	4.03%	4.28%
Cash and Short Term Deposits	3.28%	21.14%
Equities	10.81%	11.76%
Mutual Funds	10.94%	21.48%

FAMILY TAKAFUL INCOME FUND

Fund Manager's Report
MAY 2023

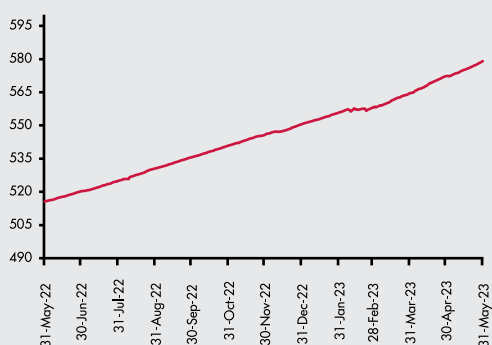
FUND OBJECTIVE

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.

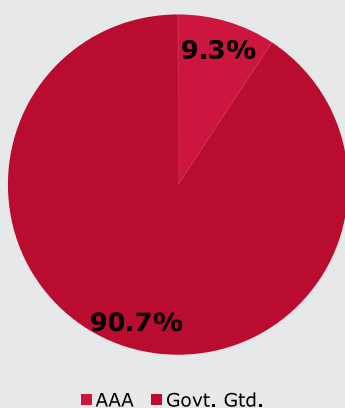
FUND MANAGER'S COMMENTS

During the month of May 2023 Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 6.73 (1.18%). The fund's allocation to government securities stands at 90.71% at month end against 48.99% last month while allocation to cash and short term deposits is at 9.29% versus 51.01% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 1,923 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.05.2023)	PKR 579.05
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.62%
Pricing Days	Monday to Friday
Weighted Average Maturity	514 days

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.18%
3 months	3.75%
12 months (365 days)	12.29%
Calendar YTD (annualized)	12.97%
Since Inception (annualized)	8.35%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	MAY-23	APRIL-23
Government Securities	90.71%	48.99%
Cash and Short Term Deposits	9.29%	51.01%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
MAY 2023

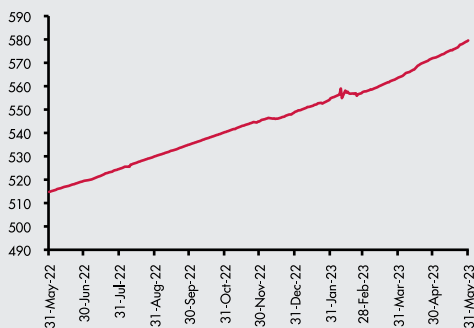
FUND OBJECTIVE

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.

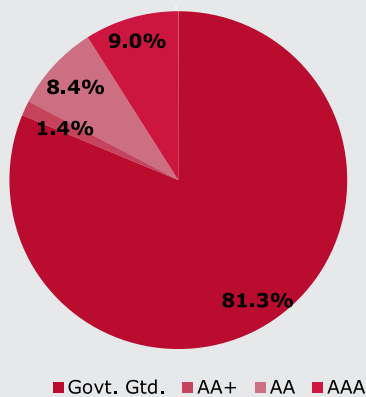
FUND MANAGER'S COMMENTS

During the month of May 2023 Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 7.49 (1.31%). The fund's allocation to government securities stands at 81.27% at month end against 56.2% last month while allocation to cash and short term deposits is at 8.99% versus 25.51% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 612 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.05.2023)	PKR 579.53
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.63%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.31%
3 months	3.97%
12 months (365 days)	12.58%
Calendar YTD	5.56%
Since Inception (annualized)	8.40%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	MAY-23	APRIL-23
Government Securities	81.27%	56.20%
Term Finance Securities	1.39%	1.41%
Cash and Short Term Deposits	8.99%	25.51%
Mutual Funds	8.35%	16.87%

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