



# INVESTMENT FACT SHEET

## FOR THE MONTH OF OCTOBER 2022

# 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,

In the month of Oct'22, major positive developments on the economic front included: SBP maintaining a status quo in the MPS, rollover of debt by China, grants from multilateral agencies and Pakistan finally exiting FATF grey list. While the major negative developments included the fall in remittances and the rating downgrade by Fitch and Moody's.

Major economic numbers during the month:

- **The country's Current Account Deficit declined M/M by 53.25% to reach USD 0.316bn in Oct'22, mainly on account of lower imports.**
- **The CPI for Oct'22 clocked in at 26.60%, on account of expensive food, housing, and transport.**
- **Lower CAD resulted in the appreciation of 3.31% M/M in PKR against greenback to close in at 220.88.**
- **Increase in international commodity prices (Brent Crude Oil: 7.8% M/M increase in Oct'22).**
- **Heightened political noise played with the market sentiment with KSE-100 hovering in the range of 41,212 – 41,265.**

The challenges on the economic front continued as demand continued to remain muted during the current fiscal year as evident by the most recent offtake/sales numbers of Cement (-25.00% Y/Y in 1QFY23), Petroleum Products (-21.62% Y/Y in 4MFY23), Automobiles (-51.44% Y/Y in 1QFY23), Fertilizer (-29.38% Y/Y in 1QFY23).

On the external account front, measures taken by the incumbent government started showing signs of improvement as the Current account deficit declined M/M by 53.25% to reach USD316mn in Oct'22, primarily due to slowdown in imports. However, the remittances fell in the month of Oct'22 on account of increased incentives from non-banking channels. Financial markets cheered the appointment of new finance minister as PKR regained some of its loss ground appreciating by 3.31% M/M to close at 220.88. The fall in current account deficit during the month also resulted in the appreciation of the greenback against the USD. On the other hand, Pakistan's Eurobonds yields increased significantly on risks of the country's default on its foreign obligations following which Pakistan's Sovereign Credit Rating was downgraded by Moody's and Fitch from "B3" to "Caa1". On the domestic front, Inflation persisted on its elevated path as a CPI for Oct'22 stood at 26.60% Y/Y driven by spike in housing, transport segment and spiring prices of food items, international commodity prices also trended slightly higher (Brent Crude: 7.8% M/M increase).

On the financing side, China consented to refinance Pakistan USD 2.24Bn loan and granting a rollover of SAFE China deposit worth USD 2bn. Additionally, Asian Development Bank (ADB) and World Bank (WB) promising an aid of around USD 1.5bn and USD 2bn respectively.

The FX reserves improved to USD14.68bn as on 28th October, 2022 from USD 13.31bn seen a month earlier due to grants from multilateral and friendly agencies. Meanwhile, cost pressures have continued to persist with the average inflation for the current fiscal year clocking in at 25.50%.

# ECONOMY UPDATE

## MACROECONOMIC INDICATORS

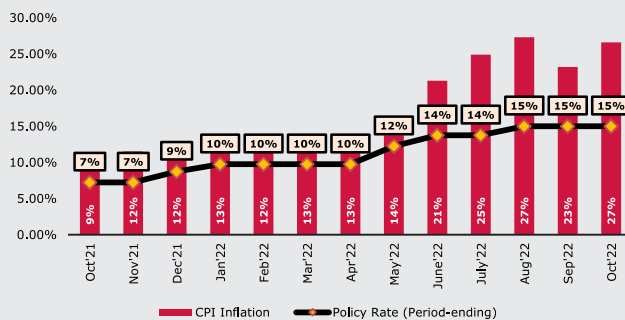
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Sep'22	(2,321)	(3,035)	(8,424)
Remittances (USD mn)	Sep'22	2,437	2,724	7,685
Current A/C Balance (USD mn)	Sep'22	(316)	(676)	(2,279)
FDI (USD mn)	Sep'22	84	111	254
Tax Collection* (PKR bn)	Oct-22	512	685	2,144
M2 Growth			i	-1.24%

Source SBP, FBR

\* Provisional figures

The trade deficit figures of the country declined to USD 2,321Mn (-23.5% M/M) for Sep'22, the current account deficit also declined during the month to reach USD 316 mn vs USD 676mn in the month of Sep'22. The remittances decreased by USD 287mn to land at USD 2,437mn in Sep'22. FBR's tax collection in the current fiscal year stood at PKR 2,144bn in the 4MFY23.

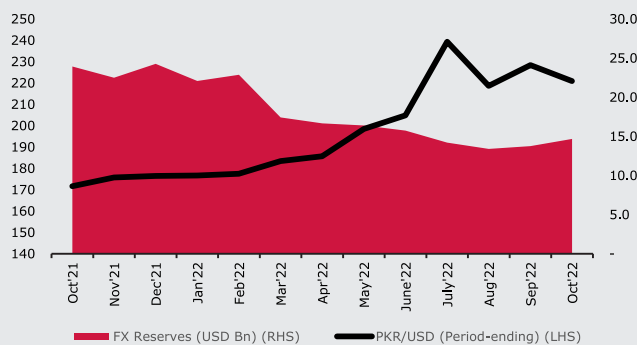
## INFLATION



Source: ZAKHEERA

The national CPI during the month of Oct'22 clocked in at 26.60% compared to 23.20% in the previous month.

## PKR/USD PARITY VS FX RESERVES



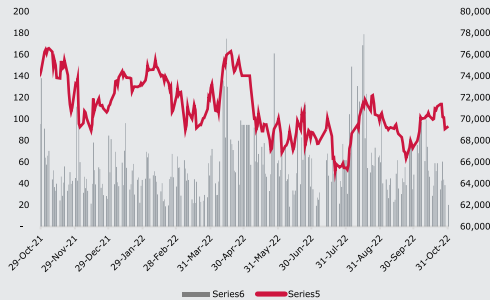
Source: ZAKHEERA

FX reserves during the month fell by (USD 1,368mn) to stand at (USD 14.68bn), while the PKR appreciated by 3.31% to PKR 220.88 against the USD.

# CAPITAL MARKETS UPDATE

## EQUITY MARKET

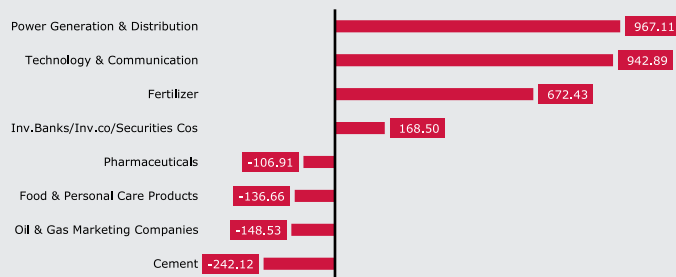
### KMI -30 ONE YEAR PERFORMANCE



Source: PSX

The KMI-30 index gained 1,847 points during Oct'22 (2.74% M/M), the gain was mainly because of investor sentiments over Pakistan's exit from FATF's grey list. Average Traded Volume stood at 20mn shares posting a decline of 58.49% M/M compared to the last month, while Average Traded Value increased to PKR 70,055mn in Oct'22 (2.35% M/M).

### SECTOR WISE TOP CONTRIBUTORS



Source: ZAKHEERA

The sectors contributing towards the index's gain during the month were topped by Power Generation & Distribution (967.11 points) Technology & Communication (942.89 points) while the negative contributors were Cement which contributed (-242.12 points) Oil & Gas Marketing which declined (-148.53 points).

## SECONDARY MARKET PKISRV

INSTRUMENT	OCT-22	SEP-22	CHANGE
GOPIS 30-04-2025	96.90	96.89	0.01
GOPIS 29-05-2025	100.10	100.08	0.02
GOPIS 24-06-2025	99.73	99.73	0.00
GOPISV-29-07-2025	100.28	100.45	(0.17)
GOPISF-29-07-2025	88.80	88.92	(0.12)
GOPISV-09-12-2025	99.77	99.75	0.02
GOPISF-20-01-2026	93.69	93.69	0.00
GOPISV-06-10-2026	99.75	99.75	0.00
GOPISF-06-10-2026	92.38	92.69	(0.31)
GOPISV-29-10-2026	99.87	99.89	(0.02)
GOPISF-15-12-2026	96.00	96.00	0.00
GOPISF-27-04-2027	98.70	98.70	0.00
GOPISV-27-04-2027	99.87	99.64	0.23

Source: MUJFAP

Secondary market of GoP Ijara (VRR) prices recovered as compared to the previous month. Auction of variable as well as fixed rate rental GOP Ijara was conducted during the month. Targets for both VRR and FRR has been increased by PKR 20bn each to PKR 70bn for VRR and PKR 30bn for FRR. VRR attracted participation of worth PKR 106bn out of which only PKR 46.4bn were accepted at a cut-off spread of +0 bps over benchmark. However, lacklustre participation of PKR 5.5bn was witnessed in FRR which was rejected by GoP.



# STRATEGY & OUTLOOK



## EQUITY MARKET:

We maintain our long-term bullish stance on the equity market as it continues to trade on highly alluring valuation levels (P/E multiple of 3.7x), which is the one of the lowest in the region. The market's multiple is lower than its own historic average of 8x, besides the index offers a healthy dividend yield of nearly 9.8%. However, despite attractive valuations, investors are expected to remain sideline primarily due to macroeconomic challenges and higher yield on offer from alternate asset class. Key triggers which can propel the benchmark index include:

- **During the official visit of PM Shahbaz Sharif to China, Chinese companies have shown their keen interest in making investment in Pakistan's solar, water and other infrastructure projects. This will help stabilize Pakistan's economy**
- **Increase in circular debt.**
- **Commodity decline expected to gain momentum in the near future due to increased FED rate hikes (Brent Crude Oil: 7.8% M/M increase in Oct'22).**

Although the local political noise is likely to remain elevated until the general elections are held, we remain cautiously optimistic in the near term due to the above-mentioned reasons. On the international front the Russia-Ukraine conflict has proved to be a long-drawn-out affair, hence its aftermath will continue to weigh on the global economy.

## DEBT MARKET:

During the last month, both Conventional and Islamic money markets remained range bound as secondary market yields gained momentum across the board with yields inching in between -02 bps to 53 bps across the tenors and instruments. Going forward, improved economic outlook, currency appreciation, debt rollover from bilateral, multilateral and international financial institutions, softening of commodity prices (coal), trajectory of other global commodity price and domestic economic and political dynamics will guide the pathway of debt market. We expect money market yield will likely remain range bound over the course of upcoming months. Our portfolios are well aligned with diverse allocation in shorter duration instruments and longer tenor fixed rate instruments.

## FUND WISE STRATEGY

- **Managed Takaful Fund:** This fund offers an ideal mix of high yielding deposits (31%), government securities (42%) and 7% high rated corporate sukuk. Taking a prudent approach in current uncertain economic situation, exposure in equities is contained to mere 4%.
- **Capital Growth Takaful Fund:** The participants of Capital Growth Takaful Fund are expected to earn decent risk adjusted returns from its equity exposure of 53% in an optimal mix of blue chip and growth stocks. Remaining exposure is well poised in high yielding shariah compliant debt instruments.
- **Takaful Income Fund:** Our takaful income Fund provides a diverse exposure in fixed rate GoP Ijara Sukuk, variable rate GoP Ijara Sukuk, bank deposits and corporate Sukuk. This optimal mix is well poised to benefit from movement in interest rates to earn a sustainable return over the medium and long term.
- **Takaful Balanced Fund:** With its moderate risk profile this fund aims to provide sustainable long-term returns while limiting and downside risk through a diverse holding of fixed rate GoP Ijara Sukuk, variable rate GoP Ijara Sukuk, bank deposits and corporate Sukuk. The participants of Takaful Balance Fund are expected to earn a decent risk adjusted return as the fund plans to gradually build exposure in equities.

# MANAGED TAKAFUL FUND

## 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.

The Fund was launched on July 7, 2015.

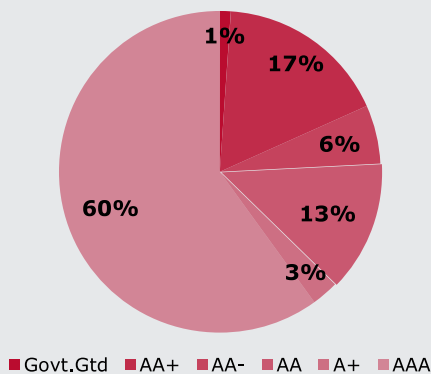
## FUND MANAGER'S COMMENTS

During the month of October 2022 Managed Takaful Fund's (MTF) Unit Price increased by PKR 8.11 (1.08%). The fund's allocation to government securities stands at 33.56% at month end against 48.65% last month while allocation to equities is at 3.84% versus 3.97% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 33.71% followed by Pharmaceuticals, Cement and Fertilizers with a sector allocation of 21.98%, 15.41% and 12.11% respectively.

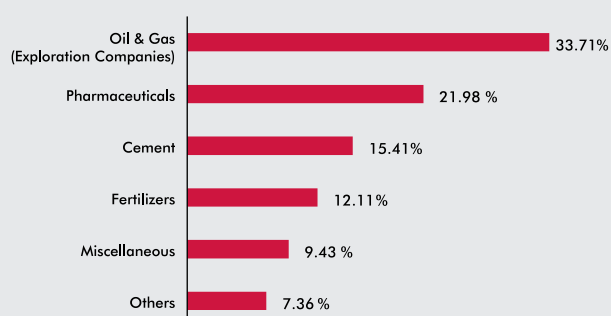
### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Takaful Fund
Fund Size	PKR 14,768 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.10.2022)	PKR 761.14
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Moderate
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.08%
3 months	3.20%
12 months	5.31%
Calendar YTD	5.73%
Since Inception (annualized)	5.96%
5 Years (annualized)	5.04%

## ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Government Securities	33.56%	48.65%
Sukuks	6.86%	6.91%
Cash and Short Term Deposits	44.73%	29.40%
Equities	3.84%	3.97%
Mutual Funds	11.01%	11.08%

# CAPITAL GROWTH TAKAFUL FUND

## 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.

The Fund was launched on July 7, 2015.

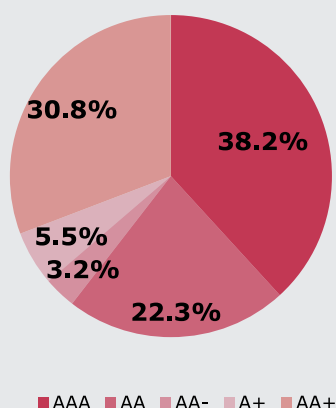
## FUND MANAGER'S COMMENTS

During the month of October 2022 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR .75 (0.12%). The fund's allocation to equities stands at 52.88% at month end against 54.58% last month while allocation to government securities is at 10.89% versus 12.52% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 26.13% followed by Cement, Pharmaceuticals and Commercial Banks with a sector allocation of 16.32%, 10.92% and 6.76% respectively.

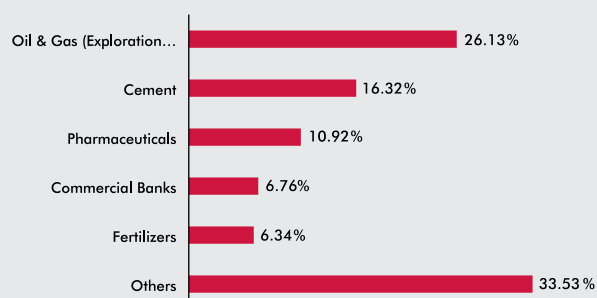
### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 11,327 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.10.2022)	PKR 609.32
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.12%
3 months	2.67%
12 months	- 10.92%
Calendar YTD	- 6.96%
Since Inception (annualized)	2.76%
5 Years (annualized)	- 0.23%

## ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Government Securities	10.89%	12.52%
Sukuks	4.91%	4.85%
Cash and Short Term Deposits	17.04%	13.98%
Equities	52.88%	54.58%
Mutual Funds	14.27%	14.07%



# TAKAFUL INCOME FUND

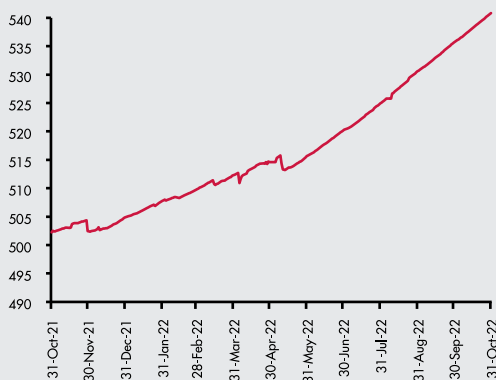
## FUND OBJECTIVE

The investment objective of the fund is to provide sustainable returns to its participants over medium to long-term by investing in a diversified portfolio of securities consisting of different Shariah compliant money market and debt instruments.

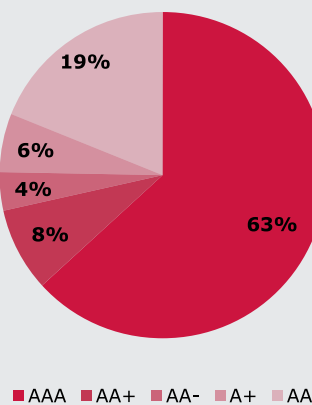
## FUND MANAGER'S COMMENTS

During the month of October 2022 Takaful Income Fund's (TIF) Unit Price increased by PKR 5.23 (0.98%). The fund's allocation to government securities stands at 35.58% at month end against 35.17% last month while allocation to cash and short term deposits is at 50.88% versus 50.07% last month.

### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Takaful Income Fund
Fund Size	PKR 1,037 Million
Launch Date	01.08.2021
Bid Price (01.08.2021)	PKR 524.92
Bid Price (31.10.2022)	PKR 540.84
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.98%
3 months	3.03%
12 months	7.69%
Calendar YTD (annualized)	8.62%
Since Inception (annualized)	6.49%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

## ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Government Securities	35.58%	35.17%
Term Finance Securities	5.60%	6.10%
Cash and Short Term Deposits	50.88%	50.07%
Mutual Funds	7.94%	8.66%

# TAKAFUL BALANCED FUND

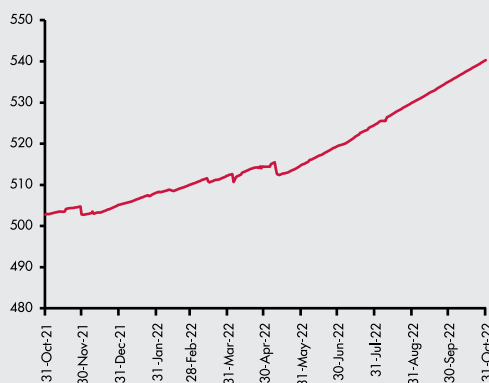
## FUND OBJECTIVE

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.

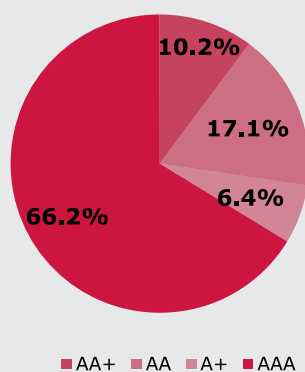
## FUND MANAGER'S COMMENTS

During the month of October 2022 Takaful Balance Fund's (TBF) Unit Price increased by PKR 5.27 (0.98%). The fund's allocation to government securities stands at 42.35% at month end against 52.81% last month while allocation to cash and short term deposits is at 42.57% versus 31.47% last month.

### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Takaful Balanced Fund
Fund Size	PKR 356 Million
Launch Date	01.08.2021
Bid Price (01.08.2021)	PKR 500.00
Bid Price (31.10.2022)	PKR 540.27
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Moderate
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.98%
3 months	2.99%
12 months	7.47%
Calendar YTD	6.95%
Since Inception (annualized)	6.40%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

## ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Government Securities	42.35%	52.81%
Term Finance Securities	9.78%	10.19%
Cash and Short Term Deposits	42.57%	31.47%
Mutual Funds	5.30%	5.53%

JUBILEEFAMILYTAKAFUL.COM

**Jubilee Life Insurance Company Limited**

**Window Takaful Operations**

74/1-A, Lalazar, M.T. Khan Road,  
Karachi - 74000, Pakistan

Phone: (021) 32120201, 35205094

Fax: (021) 35610959

UAN: (021) 111-111-554

SMS: Your Query to 8554

E-mail: info@jubileelife.com,  
complaints@jubileelife.com

Website: www.jubileefamilytakaful.com