



INVESTMENT FACT SHEET
FOR THE MONTH OF AUGUST 2024

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 Policyholders,

Throughout the month, the KSE-100 index experienced mixed performance, gaining 601 points (+0.8%) M/M to close at 78,488 points. This increase was largely driven by the expectation of the approval and disbursement of first tranche under the IMF EFF program, as well as the rollover of debts from China, Saudi Arabia, and the UAE, which were crucial steps before the final program approval. However, the absence of Pakistan from IMF's Executive Board scheduled in Aug'24 brought few jitters to investor's sentiments. On a positive note, Moody's upgraded Pakistan's credit rating from Caa3 to Caa2, reflecting an improved financial outlook that has shifted from stable to positive. Additionally, in the MSCI review, Pakistan's weight in the frontier markets increased to 3.9%, previously 3.7%.

On the economic front, Pakistan's CPI Inflation was expected to turn into single-digit that reflected in the trend of secondary market yields, raising expectation to another rate cut in MPS of Sept-24. The CAD clocked in at US\$ 162mn in Jul'24, a 48% decline from the previous month. The trade deficit for Jul'24 was recorded at US\$ 2.43bn, an increase of 10% from last month. Further, the country's foreign reserves rose to US\$ 14.73bn, with SBP reserves standing at US\$ 9.4bn. Cumulatively, the price of petrol decreased by PKR 10.33/ltr during the month reaching at PKR 259.10/ltr, meanwhile HSD price dropped by PKR 10.02/ltr to PKR 262.75/ltr. PKR remained largely stable against USD in the market, closing at PKR 278.54/USD. Lastly, FDI dropped by 20% M/M to US\$ 136mn in Jul'24.

The major numbers during the month:

- **CPI Inflation in Aug'24 clocked at 9.63% Y/Y, compared to 11.09% in Jul'24.**
- **The CAD for Jul'24 stood at US\$ 162mn, a decline of 51% from last month.**
- **PKR appreciated against USD by 0.2 rupees during the month, closing at PKR 278.54/USD.**
- **As of 30th August 2024, Brent stood at US\$ 78.8/bbl while Coal reached 114.0/mt.**

The LSMI output for the month of Jun'24 decreased by 0.03% Y/Y. Overall large-scale manufacturing sector has shown a growth of 0.92% during FY24 with main contributors being garments (1.19), pharmaceuticals (0.80), petroleum products (0.63), chemicals (0.41), furniture (0.37), food (0.30), iron and steel products (-0.22), electrical equipment (-0.31), non-metallic mineral products (-0.36), tobacco (-0.42), automobiles (-0.62), and textile (-0.93).

Cement dispatches declined by 25.68% Y/Y in Aug'24, with total dispatches at 3.37MT compared to 4.53MT in SPLY. The total sales of petroleum products witnessed a decline of 14% Y/Y to clock in at 1.22MT in Aug'24, due to a rise in smuggling of HSD as well as reduced consumption of furnace oil. Moreover, the country's auto sales for Jul'24 recorded 8,589 units, a sharp fall of 35% compared to the previous month.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

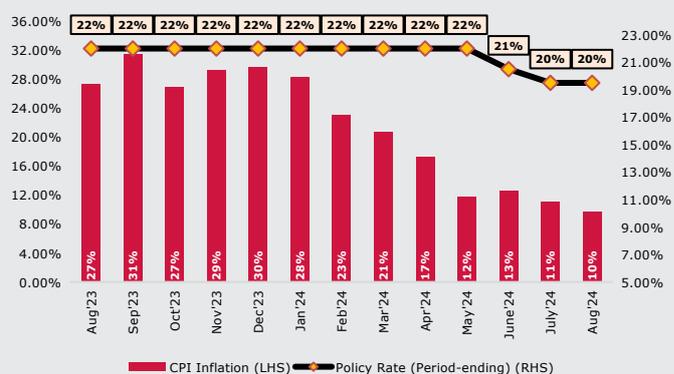
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	July	(2,428)	(2,186)	(2,428)
Remittances (USD mn)	July	2,995	3,158	2,995
Current A/C Balance (USD mn)	July	(162)	(313)	(162)
FDI (USD mn)	July	136	169	136
Tax Collection* (PKR bn)	Aug	797	659	1,456
M2 Growth	Aug			-3.81%

Source SBP, FBR

* Provisional figures

The trade deficit for Jul'24 clocked in at US\$ 2.43bn, an increase of 10% M/M compared to a deficit of US\$ 2.18bn in Jun'24. Meanwhile for Aug'24, FBR collected PKR 797bn in taxes, against the target of PKR 898bn, reflecting a shortfall of PKR 101bn. During the first two months of FY25, the total tax collection stands at PKR 1.45trn, against the target of PKR 1.55trn, with a shortfall of PKR 98bn.

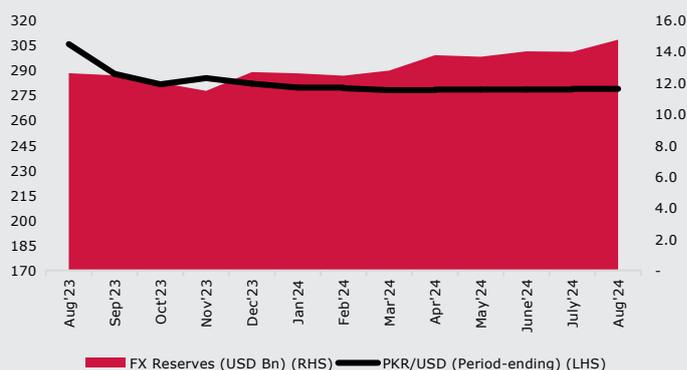
INFLATION



Source: PBS

The national CPI for the month of Aug'24 clocked in at 9.63% Y/Y compared to 11.09% Y/Y in the previous month. On an M/M basis, inflation increased by 0.38% compared to an increase of 2.10% in the previous month. To note, RIR stood at 9.87%.

PKR/USD PARITY VS FX RESERVES



Source: SBP

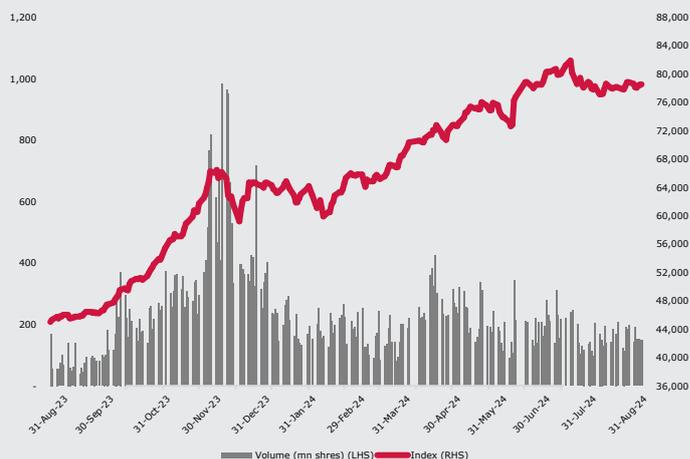
As of 30th August 2024, net reserves with SBP reached US\$ 9.43bn, while commercial banks held US\$ 5.30bn in reserves, bringing the country's total reserves to USD 14.73bn.

On the other hand, PKR remained relatively stable against the US Dollar, standing at a rate of PKR 278.54/USD.

CAPITAL MARKETS UPDATE

EQUITY MARKET

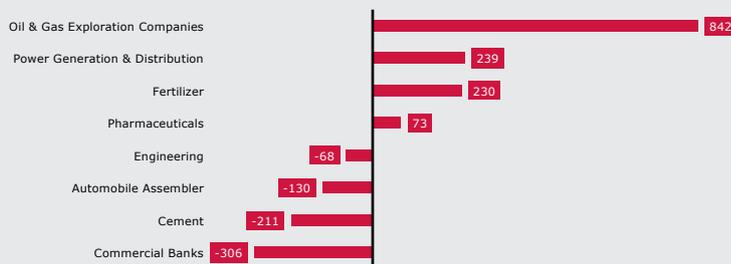
KSE-100 ONE YEAR PERFORMANCE



Source: PSX

In August 2024, KSE-100 showed mixed momentum, closing the month at 78,488 points, a 0.8% M/M growth (+601 points). The average volume traded was 539mn shares, up by 32% M/M whereas average value traded reached PKR 18.66bn, reflecting a 3% decline from last month. The major developments that contributed to the market's performance are 1) Expectation of the approval from the IMF on the US\$ 7bn Extended Fund Facility (EFF) facility and 2) Moody's improved Pakistan's rating from Caa3 to Caa2.

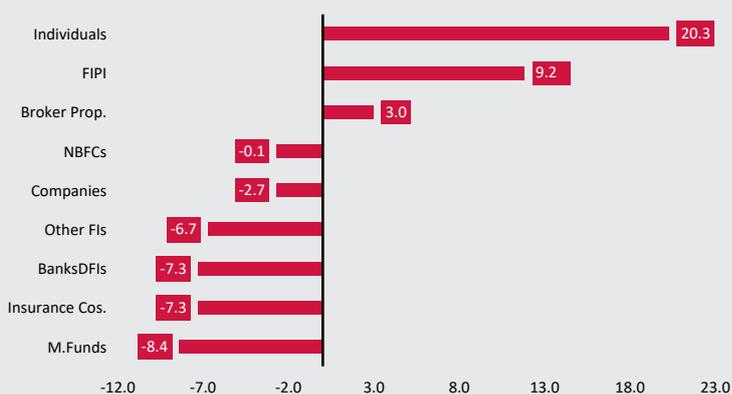
SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major sectors driving the performance of the equity benchmark during the month were Oil and Gas Exploration Co. (+841.52 points), Power Generation & Distribution (+238.59 points), and Fertilizers (+229.63 points). On the other hand, sectors that contributed negatively to market performance are Commercial Banks (-306.24 points), Cements (-210.65 points), and Automobile Assemblers (-129.50 points).

FIPI LIPI



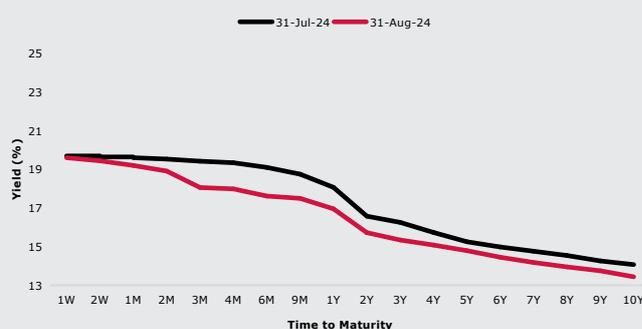
Foreigners were net buyers aggregating US\$ 9.3mn with major inflows recorded in Oil and Gas E&P (US\$ 3.8mn), Technology (US\$ 3.0mn), FMCG (US\$ 2.7mn), Banks (US\$ 2.2mn), and Power (US\$ 1.8mn). On the other hand, outflow was recorded in Cement (US\$ 2.7mn), Fertilizers (US\$ 0.6mn), and Miscellaneous (US\$ 0.6mn).

On the domestic front, Individuals (US\$ 20.3mn) and Brokers (US\$ 3.0mn) were the major buyers, while Mutual Funds (US\$ 8.4mn), Banks/DFI (US\$ 7.3mn), Insurance (US\$ 7.3mn), Others (US\$ 6.7mn), and Companies (US\$ 2.7mn) were major sellers.

CAPITAL MARKETS UPDATE

DEBT MARKET

YIELD CURVE



Source: MUFAP

Secondary market yields for 3, 6 and 12-months T-bills closed at 18.05% (-136 bps MoM), 17.61% (-148 bps MoM) and 16.95% (-111 bps MoM) respectively. Yields for longer term instruments including 3-year fixed rate PIBs closed at 15.34% (-91 bps MoM), 5-year closing at 14.79% (-46 bps MoM) and 10-year closing at 13.44% (-63 bps MoM) respectively.

KIBOR

INSTRUMENT	AUG-24	JULY-24
Kibor-3 Month	18.05%	19.51%
Kibor-6 Month	17.91%	19.39%
Kibor-12 Month	17.32%	18.50%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month and 12-month periods wrapped up at 18.05% (-146bps MoM), 17.91% (-148bps MoM) and 17.32% (-118bps MoM).

AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
T-BILLS			
3-Month	17.49%	19.49%	-200
6-Month	17.74%	19.29%	-154
12-Month	17.00%	18.24%	-124
FIXED RATE PIBS			
3 year	16.25%	16.60%	-36 bps
5 year	15.30%	15.45%	-15 bps
10 year	-	14.25%	-
FLOATING RATE PIBS - QUARTERLY			
2 year	-	-	-
3 year	-	61	-
FLOATING RATE PIBS - SEMI ANNUAL			
5 year	107 bps	114 bps	-.7 bps
10 year	138 bps	139 bps	-

Source: SBP

During the month, the State Bank of Pakistan received bids worth PKR 2,985 bn in Treasury bills auction, outweighing the overall target of PKR 360 bn. SBP acceptance was worth PKR 581 bn. The latest cut-off rates stand at 17.4902% (200 bps MoM), 17.449% (-154 bps MoM) and 16.999% (-124 bps MoM) for 3-months, 6-months and 12-months respectively.

In addition, participation of PKR 1,382 bn was observed in auction of floating-rate bonds at relatively higher rate against the target of PKR 740 billion. The Ministry of Finance (MoF) accepted bids worth PKR 500 bn only in semi-annual reset FRBs, rejecting fortnightly and quarterly reset instrument altogether. Latest cut-off spread closed at 107 bps (-7 bps MoM) for 5-year and 138 bps (-1 bps MoM) for 10-year FRBs. During the period, no auction was scheduled for fixed rate PIBs.

STRATEGY & OUTLOOK



EQUITY MARKET:

Looking ahead, we anticipate improved investor confidence post the finalization of IMF program, debt relief from China and overall monetary easing with further rate cuts, however, any change in economic indicators, new government policies, corporate earnings, global events, and heightened political noise would potentially reshape market expectations. The current index valuation remains appealing, with P/E levels remaining low (3.97x).

Key triggers which can have an impact on benchmark include:

- IMF board approval of IMF Agreement of 37-month Extended Fund Facility (EFF) worth USD 7bn.
- Successfully securing rollovers and fresh financing from bilateral countries to support financing gap.
- Continued Monetary Easing in sight on the back of softening of headline inflation.
- International oil prices falling below US\$70 leading to softer commodity cycle.

We remain vigilant of the equity market's performance and will capitalize on any opportunity that arises to maximize returns for our policyholders.

DEBT MARKET:

In the backdrop of receding inflationary pressure, the Monetary Policy Committee has reduced the policy rate by a cumulative 250 bps to 19.50%. The inflation for the month of Aug'24 slowed to 9.63%, the first single digit reading in almost three years, marking an increase of 0.38% MoM, largely driven by the rise in food price index and motor vehicle tax.

Real interest rates continued to expand and currently stand at ~10%, as a result capital market has already incorporated a rate cut in upcoming monetary policy in scheduled MPS is September 2024. However, the risk of inflation persists. The removal of energy subsidies and certain budgetary measures could potentially exacerbate inflationary pressures. On the external front, the country is facing challenges to bridge financing gap of \$7 billion. Nonetheless, with the IMF's support, we expect that the country will be able to secure the necessary funds from both friendly nations and the commercial market."

Given the current favourable economic conditions and a positive outlook, we believe MPC will consider reducing policy rate by another 100-150 bps in its upcoming meeting on September 12, 2024. As a result, this scenario would make long-term fixed-income instruments more attractive to investors as compared to short-term duration alternatives as investors seek to lock in higher yields before further rate cuts.

Considering the existing macroeconomic conditions and projected interest rates, our portfolios are well calibrated in longer-tenor Treasury Bills, Floating rate bonds, and Fixed rate PIBs. Lastly, we continue to remain vigilant about any developments that could affect our investment strategy.

FUND WISE STRATEGY

- **Jubilee Life Balanced Fund:** Jubilee Life Balanced Fund is well poised to generate sustainable risk adjusted returns with sizable allocation of 96% in high yielding fixed income instruments and minimal allocation of 4% in equities.
- **Jubilee Life Aggressive Fund:** Equity allocation in JL Aggressive fund is ~23% to minimize volatility in fund prices amid fragile macro-economic situation. Investment in government securities and bank placements is increased to 77% which is yielding higher risk adjusted returns.
- **Jubilee Life Government Securities Fund:** GSF's concentration in sovereign fixed income instruments positions it favorably for capturing attractive yields while also providing the fund with exposure to duration.
- **Meesaq Balanced Fund:** Our Meesaq Balanced fund offers its policyholders sustainable return through 74% allocation in government backed instruments, along with 26% exposure in high yielding corporate Sukuks, bank deposits and mutual funds, thereby maximizing the benefits derived from opportunities in the yield curve.funds, thereby maximizing the benefits derived from opportunities in the yield curve.

JUBILEE LIFE BALANCED FUND

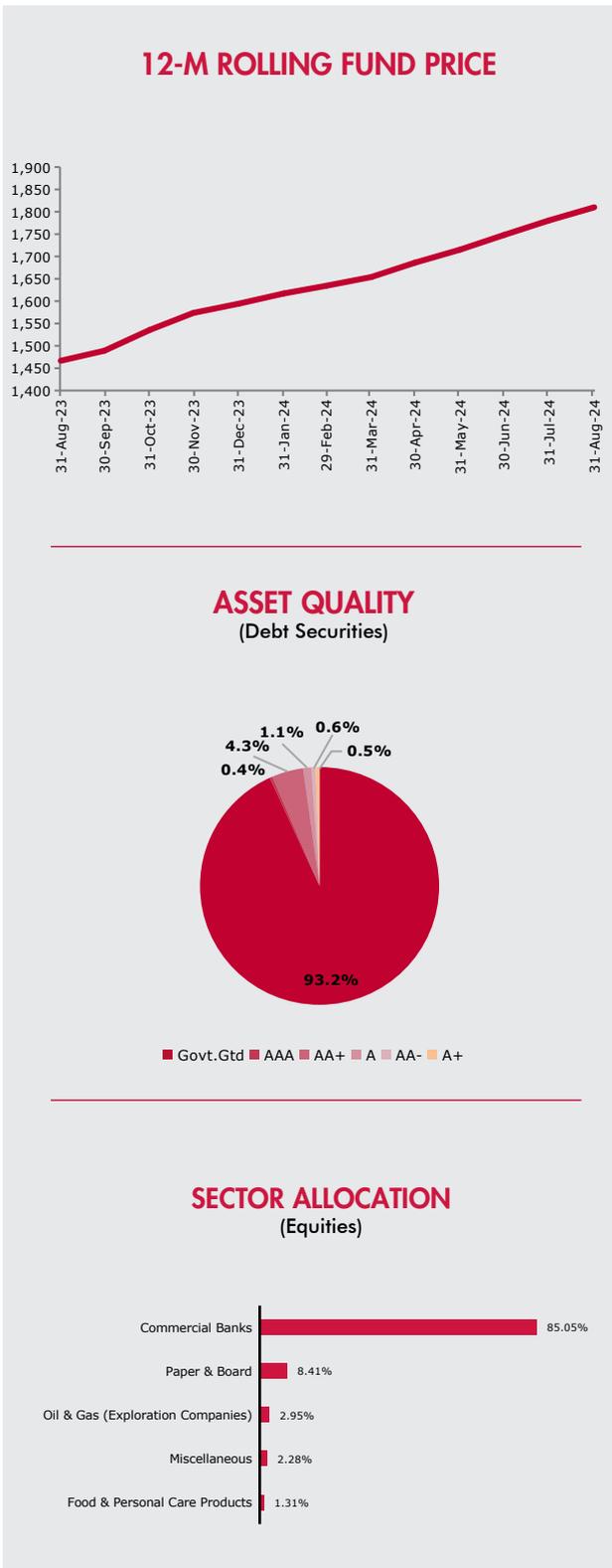
Fund Manager's Report
August 2024

FUND OBJECTIVE

To maximize capital appreciation by investing in a balanced portfolio of wide range of securities, such as Equities, Government securities, other fixed income securities, Mutual funds and bank deposits.

FUND MANAGER'S COMMENTS

During the month of August 2024 Balanced Fund's (BF) Unit Price increased by PKR 29.29 (1.64%). The fund's allocation to government securities stands at 89.26% at month end against 88.86% last month while allocation to equities is at 4.22% versus 4.41% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 85.05% followed by Paper & Board, Oil & Gas (Exploration Companies) and Miscellaneous with a sector allocation of 8.41%, 2.95% and 2.28% respectively.



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Fund
Net Assets	PKR 71,192 Million
Launch Date	31.12.1996
NAV Per Unit At Launch Date (31.12.1996)	PKR 99.50
NAV Per Unit At month end (31.08.2024)	PKR 1,810.01
Category	Balanced Fund
Pricing Mechanism Risk	Forward on daily basis
Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.01%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.64%
3 months	5.52%
12 months (365 days)	23.41%
Calendar YTD	13.54%
Since Inception (annualized)	11.05%
5 Years (annualized)	11.59%
10 Years (annualized)	8.30%

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	89.26%	88.86%
Term Finance Securities	6.22%	6.15%
Cash and Short Term Deposits	0.30%	0.58%
Equities	4.22%	4.41%
Mutual Funds	0.00%	0.00%
Others Including Receivables	0.004%	0.009%

JUBILEE LIFE AGGRESSIVE FUND

Fund Manager's Report
August 2024

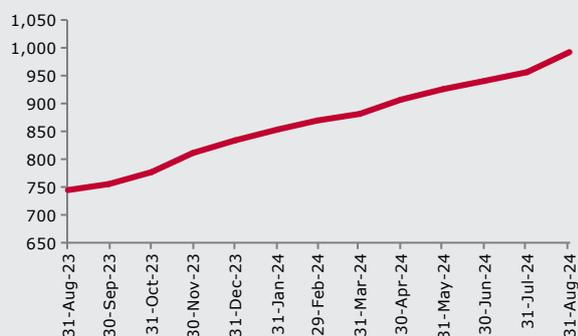
FUND OBJECTIVE

The objective of the fund is to maximize returns to policyholders by investing in Equities, Equities Mutual Funds, Government securities, Term Finance Certificates and bank deposits.

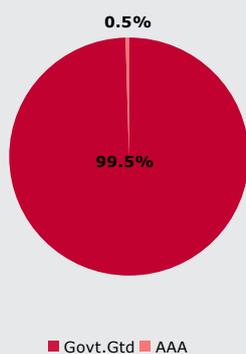
FUND MANAGER'S COMMENTS

During the month of August 2024 Aggressive Fund's (BF) Unit Price increased by PKR 36.07 (3.77%). The fund's allocation to government securities stands at 76.88% at month end against 75.98% last month while allocation to equities is at 22.73% versus 23.68% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 57.02% followed by Commercial Banks, Textile Composite and Paper & Board with a sector allocation of 32.75%, 4.50% and 2.41% respectively.

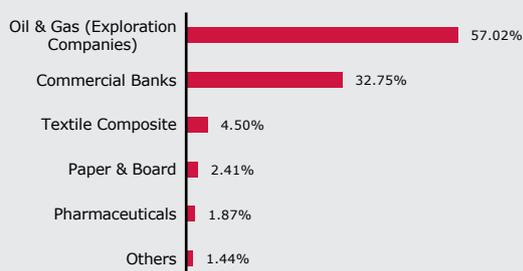
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Aggressive Fund
Net Assets	PKR 28,409 Million
Launch Date	28.07.2004
NAV Per Unit At Launch Date (28.07.2004)	PKR 100.00
NAV Per Unit At Month end (31.08.2024)	PKR 992.28
Category	Aggressive Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.02%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	3.77%
3 months	7.17%
12 months (365 days)	33.28%
Calendar YTD	19.01%
Since Inception (annualized)	12.09%
5 Years (annualized)	7.90%
10 Years (annualized)	6.13%

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	76.88%	75.98%
Cash & Short Term Deposits	0.34%	0.34%
Equities	22.73%	23.68%
Mutual Funds	0.00%	0.00%
Others Including Receivables	0.05%	0.01%

MEESAQ BALANCED FUND

Fund Manager's Report
August 2024

FUND OBJECTIVE

The objective of the Meesaq fund is to provide an opportunity to investors who want interest free returns. The instruments in which the Meesaq fund invests are shariah compliant stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

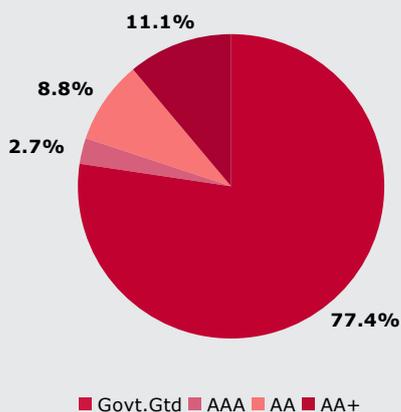
FUND MANAGER'S COMMENTS

During the month of August 2024 Meesaq Balanced Fund's Unit Price increased by PKR 35.7 (2.29%). The fund's allocation to government securities stands at 73.74% at month end against 71.29% last month while allocation to equities is at 19.89% versus 21.15% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Meesaq Balanced Fund
Net Assets	PKR 4,565 Million
Launch Date	27.03.2008
NAV Per Unit At Launch Date (27.03.2008)	PKR 475.00
NAV Per Unit At Month end (31.08.2024)	PKR 1,595.19
Category	Balanced Fund (Non-interest Bearing)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.01%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.29%
3 months	6.40%
12 months (365 days)	21.42%
Calendar YTD	14.15%
Since Inception (annualized)	7.65%
5 Years (annualized)	11.32%
10 Years (annualized)	7.88%

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	73.74%	71.29%
Sukuks	5.25%	5.11%
Cash and Short Term Deposits	1.10%	2.40%
Mutual Funds	19.89%	21.15%
Others Including Receivables	0.04%	0.04%

JUBILEE LIFE GOVERNMENT SECURITIES FUND

Fund Manager's Report
August 2024

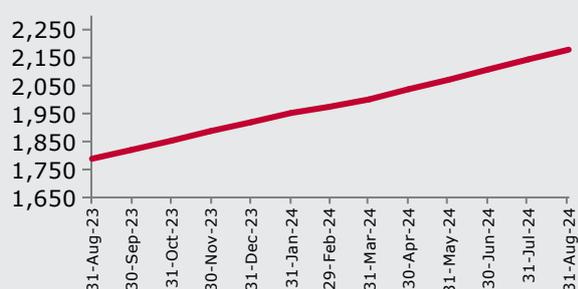
FUND OBJECTIVE

The objective of this fund is to earn sustainable returns to its policy holders over medium to long-term by investing in Government Securities & bank deposits.

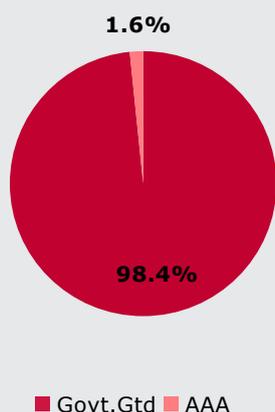
FUND MANAGER'S COMMENTS

During the month of August 2024 Government Securities Fund's (GSF) Unit Price increased by PKR 34.7 (1.62%). The fund's allocation to government securities stands at 98.39% at month end against 99.32% last month while allocation to cash and short term deposits is at 1.6% versus 0.67% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee life Government Securities Fund
Net Assets	PKR 25,619 Million
Launch Date	01.06.2009
NAV Per Unit At Launch Date (01.06.2009)	PKR 475.00
NAV Per Unit At Month end (31.08.2024)	PKR 2,178.31
Category	Government Securities Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.01%
Pricing Days	Monday to Friday
Weighted Average Maturity	951 Days

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.62%
3 months	5.19%
12 months (365 days)	21.80%
Calendar YTD (annualized)	20.90%
Since Inception (annualized)	10.50%
5 Years (annualized)	14.67%
10 Years (annualized)	10.84%

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	98.389%	99.322%
Cash and Short Term Deposits	1.602%	0.674%
Others Including Receivables	0.009%	0.004%

JUBILEELIFE.COM

Jubilee Life Insurance Company Limited

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.jubileelife.com