



# INVESTMENT FACT SHEET

FOR THE MONTH OF AUGUST 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 Policyholders,

In August 2023, a blend of trends unfolded, driven by various developments on the political and economic front. On 14th August, caretaker government took charge after national assembly was resolved with the primary objective to achieve macroeconomic stabilization, in-line with IMF conditions. Numerous obstacles hindered the caretaker government's progress, such as the rising gas tariff and the unresolved circular debt issue, both of which have been causing significant delays in implementing much-needed structural reforms in the energy sector.

Additionally, Pakistan's challenging macroeconomic conditions have negatively impacted investor sentiment, as the current account shifted from a surplus to a deficit of USD 809mn. The removal of most import restrictions has once again placed pressure on the PKR, resulting in a depreciation of 6.59%. Furthermore, the increasing disparity between the open market and interbank exchange rates has breached the set threshold of 1.25%, adding further strain to the currency and foreign inflows. The weakening exchange rate is fuelling inflationary pressure in the economy leading to anticipation of hike in interest rates. These factors lead to subdued performance of the KSE-100 translating into a monthly decline of 6.31%.

The economic situation further worsens with a major increase in petrol and HSD prices. In August, petrol increased by PKR 17.50/ltr, and stood at PKR 290.45/ltr and HSD reached to PKR 293.40/ltr after an increase of PKR 20.00/ltr. This escalation is a result of the volatility in global oil prices and currency devaluation. Adding to the economic burden, as the month drew to a close, NEPRA approved an additional increase of PKR 5.40 per unit in power tariffs. Furthermore, the inflated electricity bills sparked widespread protests across the nation, further impacting public sentiment.

The major numbers during the month:

- **The current account balance shifted from four consecutive months of surplus to a deficit, amounting to USD 809mn.**
- **The CPI for August'23 clocked in at 27.38%**
- **PKR depreciated against USD by 6.59% during the month.**
- **Global energy prices have surged, with Brent at USD 86.16/bbl mark and Coal at USD 115/mt.**

Plummeting domestic demand and import restrictions led LSMI to drop 14.96%YoY, during Jun'23. In August, cement dispatches witnessed an increase of 41% MoM and stood at 4.52mn tonnes. Petroleum products sales slightly declined by 8%, clocking at 1.41mn tonnes.

The FX reserves increased by USD 229mn during the month, to stand at USD 13.71bn.

# ECONOMY UPDATE

## MACROECONOMIC INDICATORS

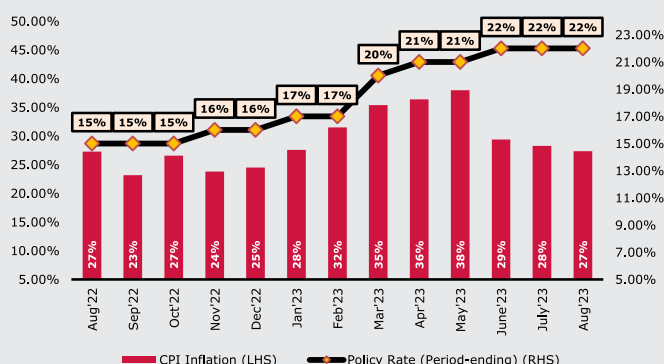
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	July	(2,104)	(1,058)	(2,104)
Remittances (USD mn)	July	2,027	2,187	2,027
Current A/C Balance (USD mn)	July	(809)	504	(809)
FDI (USD mn)	July	87	114	87
Tax Collection* (PKR bn)	August	669	538	1,207
M2 Growth				-2.94%

Source SBP, FBR

\* Provisional figures

In July 2023, the trade deficit experienced a substantial surge of 98.87%, soaring to USD 2,104 million compared to the previous month of USD 1,058 million. The widening trade deficit can be attributed to the government's decision to ease import restrictions, resulting in a 32.83% uptick in the import of goods. Meanwhile, exports remained stagnant at the USD 2 billion mark. Furthermore, during the same period, remittances experienced a decline of 7.32%, and stood at USD 2,027mn. On a positive note, FBR surpassed its revenue goal of PKR 649 billion, successfully collecting PKR 669 billion in revenue for August.

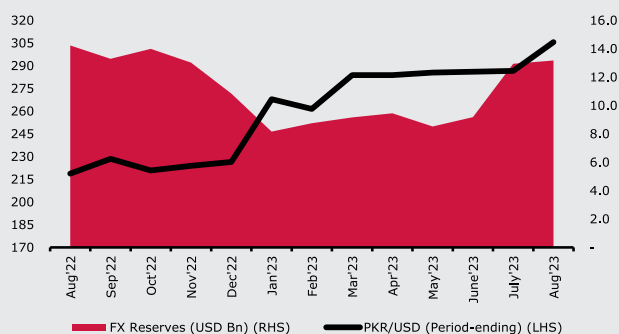
## INFLATION



Source: PBS

The national CPI during the month of August'23 clocked in at 27.38% compared to 28.31% in the previous month.

## PKR/USD PARITY VS FX RESERVES



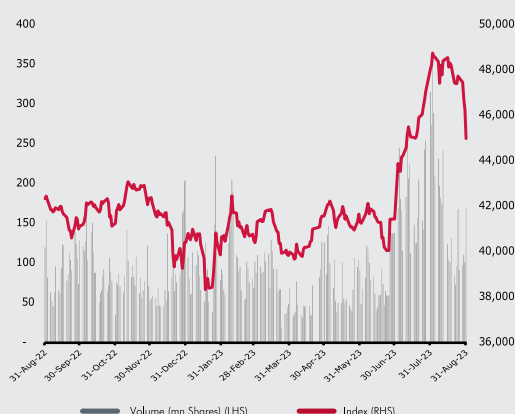
Source: SBP

FX Reserves as of 25th August 2023 were reported at USD 13.17bn, showing an increase of 1.77% compared to last month. While PKR depreciated against USD by 6.59% MoM hovering at PKR 305.54/USD.

# CAPITAL MARKETS UPDATE

## EQUITY MARKET

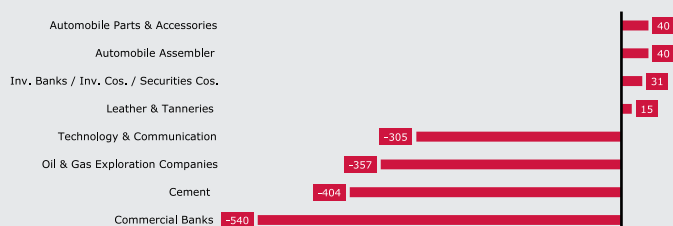
### KSE-100 ONE YEAR PERFORMANCE



Source: PSX

After reaching its highest point of 48,000 last month, the KSE-100's upward momentum started to weaken. During the month of August, the index witnessed a decrease of 6.31% (-3,032 points), ultimately closing the month at 45,002 points. The month initially kicked off with a bullish trend, driven by several factors: 1) the country's weight increased by 200bps in the MSCI FM index; 2) the approval of an upcoming brownfield refinery policy bolstered confidence; and 3) anticipation of settlement of circular debt. However, the upward trajectory shifted towards a pessimistic tone due to ambiguity surrounding the upcoming general elections in the country, macroeconomic instability, currency devaluation, and concerns about inflation. Average traded volumes recorded at 297mn shares, a decrease of 22.61% MoM, while average traded value stood at PKR 11,512mn, slightly down by 1.35%.

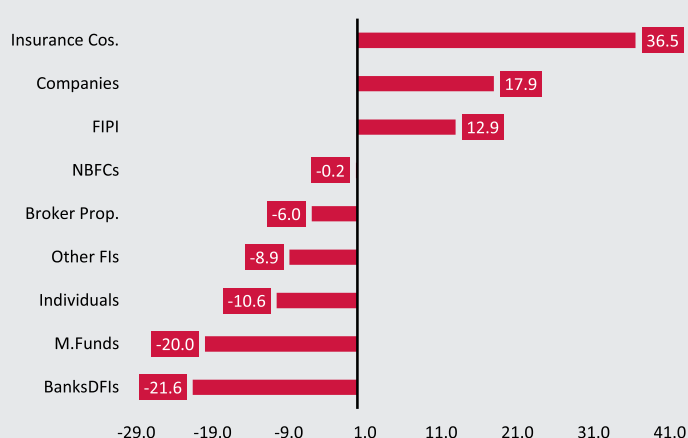
### SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major sectors which showed an upbeat performance during the month were Automobile Parts & Accessories (+40 points), Automobile Assembler (+40 points), Inv. Banks/ Inv. Cos. (+31 points), and Leather & Tanneries (+15 points). Meanwhile, negative contributions were Commercial Banks (-540 points), Cements (-404 points), Oil & Gas Exploration (-357 points), Technology & Communication (-305 points), and Oil & Gas Marketing (-273 points).

### FIPI LIPI



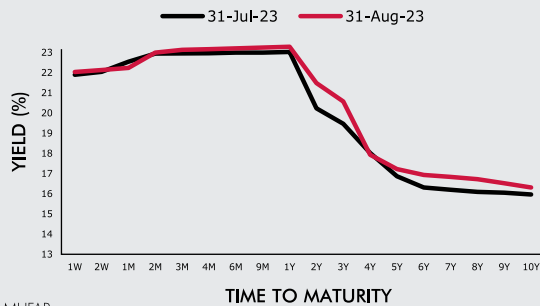
Foreigners were the net buyers with net buying aggregating to USD 12.87mn with major inflow recorded in Banks (USD 6.46mn), E&Ps (USD 5.52mn), Technology & Communication (USD 3.76mn), and Food & Personal Care (USD 1.37mn). On the other hand, outflows were recorded in Oil & Gas Marketing (USD 0.31mn), Fertilizer (USD 0.86mn), and Others (USD 3.58mn).

On the domestic front, Banks/DFIs, Mutual Funds, Individuals, Others, and Brokerage Co's, were major sellers with net outflows of USD 21.57mn, USD 19.96mn, USD 10.62mn, USD 8.911mn, and USD 6.04mn, respectively. While Insurance Companies and Corporates reported net buying amounting to USD 36.51mn and USD 17.86mn.

# CAPITAL MARKETS UPDATE

## DEBT MARKET

### YIELD CURVE



During the month, a notable increase in yields was observed in the secondary market. This rise was primarily attributed to the anticipation of a forthcoming interest rate hike in monetary policy scheduled for September 14, 2023. Secondary market yields for 3, 6 and 12-months T-bills closed at 23.13% (+18 bps MoM), 23.20% (+21 bps MoM) and 23.28% (+26 bps MoM) respectively. Meanwhile yield for 3-year inched up to new high closing at 20.57% (+111 bps MoM), however 5-year and 10-year tenors PKRVs closed at 17.22% (+36 bps MoM) and 16.31% (+35 bps MoM) respectively.

### KIBOR

INSTRUMENT	AUG-23	JUL-23
Kibor-3 Month	23.17%	23.14%
Kibor-6 Month	23.21%	23.22%
Kibor-12 Month	23.49%	23.49%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month and 12-month periods wrapped up at 23.17% (+3bps MoM), 23.21% (-1 bps MoM) and 23.49% (no change).

### AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
T-BILLS			
3-Month	22.8030%	22.9788%	- 17 bps
6-Month	-	22.9201%	-
12-Month	22.9400%	22.9991%	- 5 bps
FIXED RATE PIBS			
3 year	19.35%	19.35%	-
5 year	15.95%	-	-
10 year	-	-	-
FLOATING RATE PIBS - QUARTERLY			
2 year	98 bps	98 bps	-
3 year	146 bps	148 bps	- 2 bps
FLOATING RATE PIBS - SEMI ANNUAL			
5 year	193 bps	195 bps	- 2 bps
10 year	-	-	-

During the month, the State Bank of Pakistan received bids worth PKR 4,927 bn in the Treasury bills auction significantly surpassing the target of PKR 2,700 bn. Out of these bids, SBP accepted PKR 2,956 billion at cut-off rates of 22.8803% and 22.9400% for the respective 3-month and 12-month periods. 6-month was rejected.

In addition, substantial participation amounting to PKR 1,056 bn was observed in auction of floating-rate PIBs. This heightened interest was driven by the appealing spread over benchmark rates, compared to the target of PKR 400 bn. Notably, the Ministry of Finance (MoF) accepted bids worth PKR 909 bn, with spreads ranging from 98 to 193 bps. During the same period participation worth PKR 204 bn was observed in fixed rate PIBs auction against the target of PKR 160 bn. The Cut-offs for 3-year PIBs remained unchanged at 19.35%, with an acceptance of PKR 48 billion. Furthermore, PKR 100 million was accepted at a cut-off rate of 15.95% for the 5-year bonds, while bids for the 10-year bonds were rejected.



# STRATEGY & OUTLOOK



## EQUITY MARKET:

While staying committed to our long-term perspective, we hold a favorable view of the equity market. The PSX indexes exhibit attractive low P/E levels, with a Forward P/E multiple of 3.70x, in contrast to the regional average of 12.40x. Nevertheless, limited activity persists due to the absence of structural reforms, particularly in the energy sector, and the presence of challenging macroeconomic conditions.

Key triggers which can have an impact on benchmark include:

- **Implementation of key economic decisions in the wake of September review of the IMF program.**
- **Anticipation of further hike in Petrol & HSD prices, gas prices, and increase in electricity tariff.**
- **Headwinds to inflation remain as implementation of energy reforms may further put pressure on the consumers.**
- **Political stability amid announcement of elections after delimitation process.**
- **Attracting investments from GCC nations into agriculture, livestock, energy, and mining sectors via the SIFC**

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

## DEBT MARKET:

Inflation outlook for FY24 has been changed significantly due to steep increase in power tariffs, sharp depreciation in August 2023, coupled with three consecutive fuel price hikes. As a result, the market has incorporated upto 200bps increase in policy rate in the forthcoming Monetary Policy Committee (MPC) meeting.

Going forward, inflationary pressures are poised to regain momentum, driven by factors such as tariff adjustments, escalating commodity prices, and souring food inflation, before changing trajectory in second half FY24, where SBP may consider starting monetary easing. Further, upon conclusion of SBA with IMF, another medium to long term IMF program will be needed to ensure availability of funding to meet the heavy debt obligations/rollovers (average USD25-30 bn for next three years).

Given the prevailing macroeconomic conditions and the anticipated interest rate trends, we have calibrated our fixed income portfolios with a higher allocation towards shorter duration instruments. This allocation aims to strike a balanced equilibrium between risk and reward, all while safeguarding the best interests of our policyholders.

## FUND WISE STRATEGY

- **Jubilee Life Balanced Fund:** Jubilee Life Balanced Fund is well poised to generate sustainable risk adjusted returns with sizable allocation (97%) in high yielding fixed income instruments and minimal allocation (3%) in equities.
- **Jubilee Life Aggressive Fund:** Equity allocation in JL Aggressive fund is reduced to 21% to minimize volatility in fund prices amid fragile macro-economic situation. Investment in government securities and bank placements is increased to 79% which is yielding higher risk adjusted returns.
- **Jubilee Life Government Securities Fund:** GSF's concentration in sovereign short-term fixed income instruments positions it favourably for capturing attractive yields while also providing the fund with the flexibility to increase exposure to long-term instruments when appropriate.
- **Meesaq Balanced Fund:** Our Meesaq Balanced fund offers its policyholders sustainable return through 89% allocation in low duration instruments, along with 11% exposure in high yielding corporate Sukuks and mutual funds, thereby maximizing the benefits derived from opportunities in the yield curve.

# JUBILEE LIFE BALANCED FUND

Fund Manager's Report  
August 2023

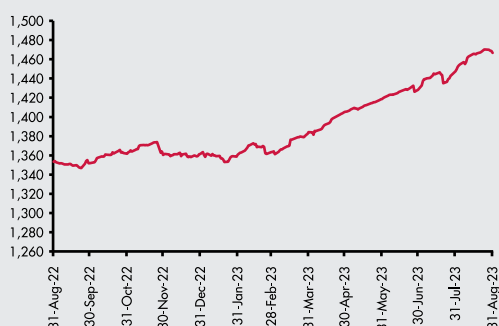
## FUND OBJECTIVE

To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## FUND MANAGER'S COMMENTS

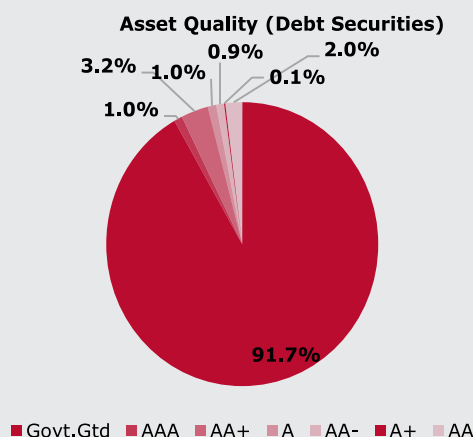
During the month of August 2023 Balanced Fund's (BF) Unit Price increased by PKR 19.2 (1.33%). The fund's allocation to government securities stands at 89.05% at month end against 88.95% last month while allocation to equities is at 2.9% versus 3.09% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 75.48% followed by Paper & Board, Oil & Gas (Exploration Companies) and Miscellaneous with a sector allocation of 10.28%, 6.69% and 3.09% respectively.

### 12-M ROLLING FUND PRICE



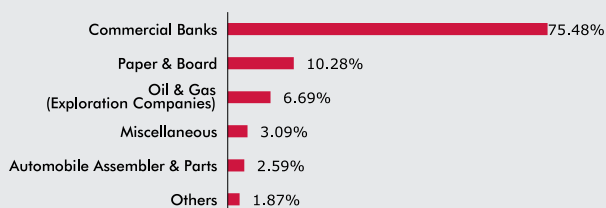
### ASSET QUALITY

(Debt Securities)



### SECTOR ALLOCATION

(Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Fund
Net Assets	PKR 74,150 Million
Launch Date	31.12.1996
NAV Per Unit At Launch Date (31.12.1996)	PKR 99.50
NAV Per Unit At Month end (31.08.2023)	PKR 1,466.66
Category	Balanced Fund
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	1.33%
3 months	3.38%
12 months (365 days)	8.38%
Calendar YTD	7.72%
Since Inception (annualized)	10.61%
5 Years (annualized)	5.55%
10 Years (annualized)	7.16%

## ASSET ALLOCATION

ASSETS	AUGUST-23	JULY-23
Government Securities	89.05%	88.95%
Term Finance Securities	7.74%	7.60%
Cash and Short Term Deposits	0.30%	0.36%
Equities	2.90%	3.09%
Others Including Receivables	0.02%	-



# JUBILEE LIFE AGGRESSIVE FUND

Fund Manager's Report  
August 2023

## FUND OBJECTIVE

The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

## FUND MANAGER'S COMMENTS

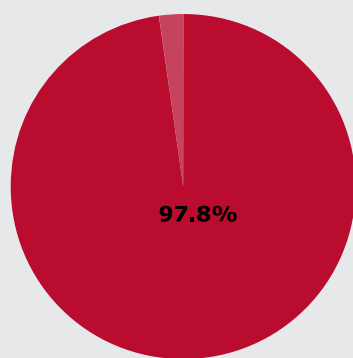
During the month of August 2023 Aggressive Fund's (AF) Unit Price increased by PKR 7.67 (1.04%). The fund's allocation to government securities stands at 77.01% at month end against 68.22% last month while allocation to equities is at 21.22% versus 25.05% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 50.97% followed by Commercial Banks, Textile Composite and Pharmaceuticals with a sector allocation of 34.35%, 3.37% and 3.33% respectively.

### 12-M ROLLING FUND PRICE

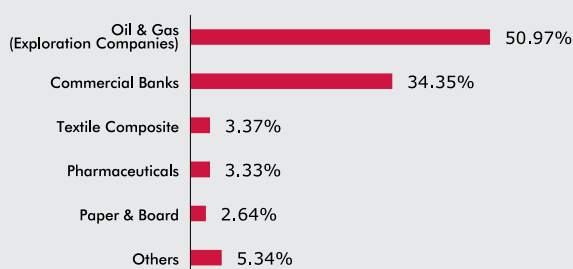


### ASSET QUALITY (Debt Securities)

2.3%



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Aggressive Fund
Net Assets	PKR 24,288 Million
Launch Date	28.07.2004
NAV Per Unit At Launch Date (28.07.2004)	PKR 100.00
NAV Per Unit At Month end (31.08.2023)	PKR 744.52
Category	Aggressive Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.09%
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.04%
3 months	7.58%
12 months (365 days)	4.48%
Calendar YTD	12.08%
Since Inception (annualized)	11.08%
5 Years (annualized)	-4.15%
10 Years (annualized)	5.90%

## ASSET ALLOCATION

ASSETS	AUGUST-23	JULY-23
Government Securities	77.01%	68.22%
Cash and Short Term Deposits	1.71%	6.74%
Equities	21.22%	25.05%
Others Including Receivables	0.06%	-

# MEESAQ BALANCED FUND

Fund Manager's Report  
August 2023

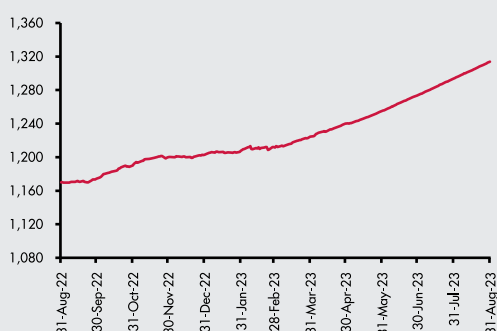
## FUND OBJECTIVE

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

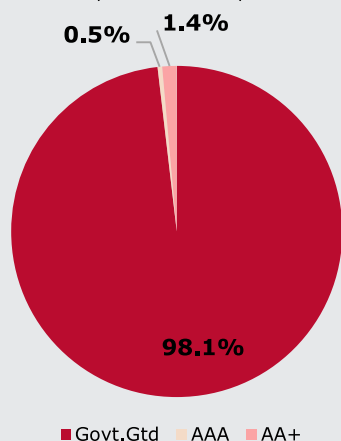
## FUND MANAGER'S COMMENTS

During the month of August 2023 Meesaq Balanced Fund's Unit Price increased by PKR 20.11 (1.55%). The fund's allocation to sukus stands at 88.83% at month end against 86.49% last month while allocation to equities is at 0.02% versus 2.67% last month. Within sectors, the fund is tilted towards Engineering with a total allocation of 100.% followed by Pharmaceuticals, Oil & Gas (Exploration Companies) and Miscellaneous with a sector allocation of 0.%, 0.% and 0.% respectively.

### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Meesaq Balanced Fund
Net Assets	PKR 5,429 Million
Launch Date	27.03.2008
NAV Per Unit At Launch Date (27.03.2008)	PKR 475.00
NAV Per Unit At Month end (31.08.2023)	PKR 1,313.81
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	1.55%
3 months	4.67%
12 months (365 days)	12.29%
Calendar YTD	9.21%
Since Inception (annualized)	6.81%
5 Years (annualized)	4.64%
10 Years (annualized)	6.72%

## ASSET ALLOCATION

ASSETS	AUGUST-23	JULY-23
Government Securities	88.83%	86.49%
Sukuks	5.93%	5.73%
Cash and Short Term Deposits	0.43%	0.40%
Equities	0.02%	2.67%
Mutual Funds	4.79%	4.71%
Others Including Receivables	0.01%	-

# JUBILEE LIFE GOVERNMENT SECURITIES FUND

Fund Manager's Report  
August 2023

## FUND OBJECTIVE

This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Government Securities Fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum risk of capital erosion.

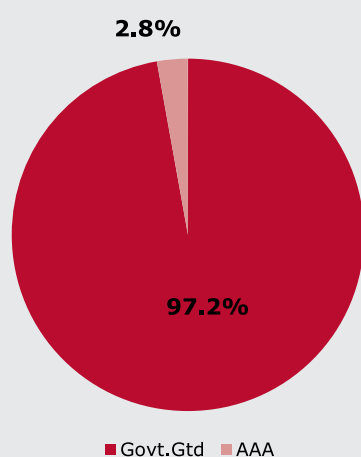
## FUND MANAGER'S COMMENTS

During the month of August 2023 Government Securities Fund's (GSF) Unit Price increased by PKR 30.77 (1.75%). The fund's allocation to government securities stands at 97.18% at month end against 96.43% last month while allocation to cash and short term deposits is at 2.77% versus 3.57% 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 17,606 Million
Launch Date	01.06.2009
NAV Per Unit At Launch Date (01.06.2009)	PKR 475.00
NAV Per Unit At Month end (31.08.2023)	PKR 1,788.37
Category	Government Securities Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.00%
Pricing Days	Monday to Friday
Weighted Average Maturity	47 Days

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.75%
3 months	5.05%
12 months (365 days)	15.40%
Calendar YTD (annualized)	16.92%
Since Inception (annualized)	9.74%
5 Years (annualized)	11.35%
10 Years (annualized)	9.65%

## ASSET ALLOCATION

ASSETS	AUGUST-23	JULY-23
Government Securities	97.18%	96.43%
Cash and Short Term Deposits	2.77%	3.57%
Others Including Receivables	0.05%	-

JUBILEELIFE.COM

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