



INVESTMENT FACT SHEET

FOR THE MONTH OF JULY 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 Policy Holders,

The month of July'22 saw a barrage of negative developments from an overall economic standpoint with political noise reaching heightened levels. Major highlights during the month included:

- **The country's Current Account Deficit reached a high of USD17.4bn for FY22, mainly pushed by a massive Trade Deficit reading of USD39.6bn.**
- **The CPI for July'22 clocked in at 24.90%, on account of expensive energy, food, and utilities.**
- **The dwindling external account pushed the Rupee to touch a low of 239.37 against the Greenback.**
- **Pakistan was able to secure the IMF program by inking a staff level agreement with the lender.**

The challenges on the economic front took a turn for the worse as almost every major indicator deteriorated to alarming levels. The country's sovereign bond yields touched the 50% mark on rising expectations that a default might occur. The government adhered to completing the pre-conditions of reviving the stalled IMF program. Energy prices (both Electricity and Gas tariff) were revised, alongside an increase in Petroleum Levy on fuel. Apart from the IMF there were meaningful engagements with friendly countries for economic assistance including China, Saudi Arabia, and the UAE. The SBP continued to tighten its monetary policy stance and raised the policy rate by 125bps during the month taking the benchmark interest rate at 15%. We expect things to start settling down once the much-needed assistance from the IMF materializes, opening doors for other sources of financing on the side-lines of the IMF program.

The external account remained in distress, further deteriorating to close the outgoing fiscal year at a cumulative deficit of USD17.4bn in FY22. The deficit during the month of June'22 dialled in at USD2.27bn, primarily due to a burgeoning Trade Deficit.

The Forex reserves declined to USD14.21bn from USD15.74bn seen a month earlier, due to pressure of import payments and repayment of maturing external loans. The PKR took a heavy hit during the month closing at 239.37 against the USD posting a decline of 16.85% M/M. Uncertainty on the revival of the IMF program and panic buying were key contributors to the currency's free-fall.

Towards the last leg of the month, some clarity emerged on the revival of the IMF program bringing some respite on the external front, especially as international commodity prices started coming off. With Pakistan having reached a staff level agreement with the IMF, there are expectations that the assistance from the program will come in by end of August'22. This will also help in unlocking other avenues of financing which will help in improving the overall macro-economic outlook and put to rest any likelihood of default.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

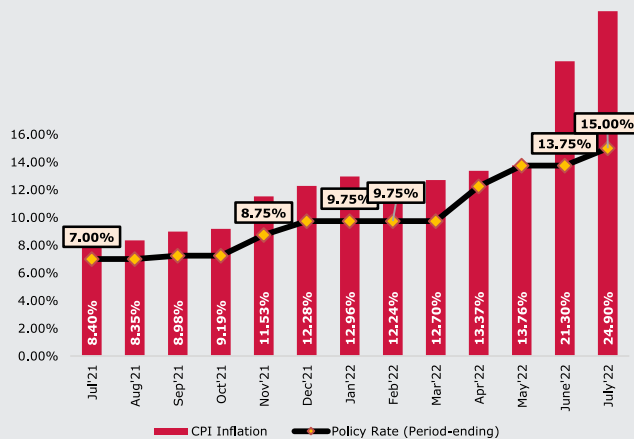
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	June'22	(3,920)	(3,181)	(39,598)
Remittances (USD mn)	June'22	2,761	2,333	31,238
Current A/C Balance (USD mn)	June'22	(2,275)	(1,425)	(17,406)
FDI (USD mn)	June'22	271	141	1,869
Tax Collection* (PKR bn)	July'22	458	763	458
M2 Growth	-	-	-	13.51%

Source SBP, FBR

* Provisional figures

The trade deficit figures of the country rose to USD 3,920 Mn (+23.23% MoM) for July'22, while the current account deficit rose during the month to stand at USD 2,275 Mn vs USD 1,425 Mn in the month of June. The remittances increased by USD 428 Mn to land at USD 2,761 Mn while FBR's tax collection stood at PKR 763Bn.

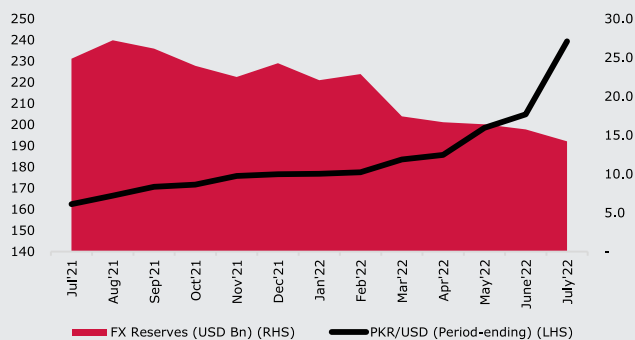
INFLATION



Source: ZAKHEERA

The national CPI during the month of July'22 clocked in at 24.90% compared to 21.30% in the previous month.

PKR/USD PARITY VS FX RESERVES



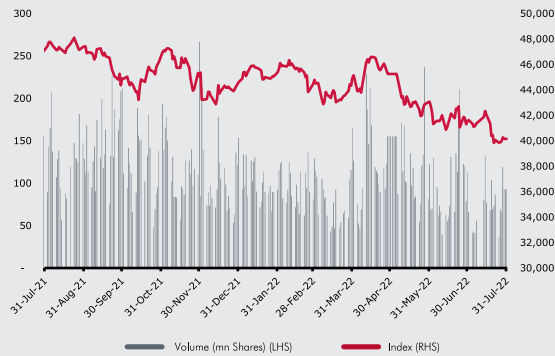
Source: ZAKHEERA

FX reserves during the month fell by (USD 1.53 Bn) to stand at (USD 14.21 Bn), while the PKR depreciated by 16.85% to PKR 239.37.

CAPITAL MARKETS UPDATE

EQUITY MARKET

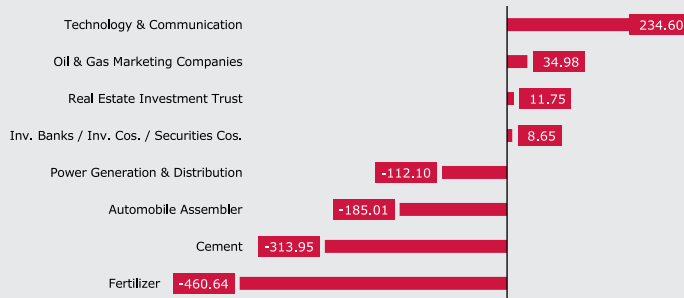
KSE-100 ONE YEAR PERFORMANCE



Source: PSX

The index continued its momentum after falling under pressure from political and economic uncertainty in the previous month. KSE-100 lost another (1,391 points) during July/22 to clock in at (40,150 points) while, average traded volume and value of the KSE-All Share index decreased by 13.53% and 7.578% (MoM) standing at (170 Mn shares) and PKR (6,308 Mn) respectively.

SECTOR WISE TOP CONTRIBUTORS

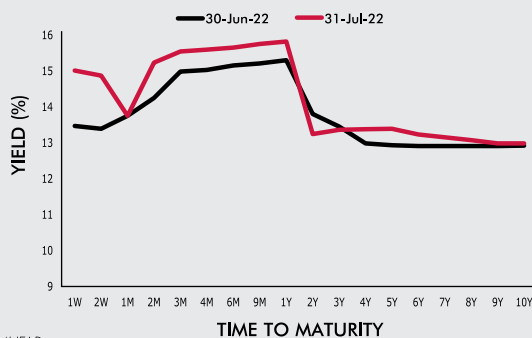


Source: ZAKHEERA

The sectors that have negatively impacted the KSE-100 Index include; Fertilizer (-460 points), Cement (-313 points), Automobile assemblers (-185.01 points) and Power Generation & Distribution companies (-112.10 points) while the top performing sectors during the month of July/22 were; Technology & Communication (234.60 points), Oil & Gas Marketing companies (34.98 points), Real Estate Investment trust (11.75 points) and Inv. Banks/Inv.Cos/Security Cos contributed (8.65 points).

DEBT MARKET

YIELD CURVE



Source: MUFAP

The T-bill auctions held during the month, against the target of PKR 1100bn, the MoF accepted PKR 1317bn by increasing the cut-off rates to 15.7478% (+52 bps MoM), 15.8000% (+100 bps MoM) and 15.9389% (+99 bps MoM) for 3-month, 6-month and 12-month tenor, respectively. The floating-rate PIB auctions witnessed a participation of PKR 533bn against target of PKR 100bn, of which MoF only accepted bids worth PKR 261bn at cut-off spreads ranging between 50-100 bps above benchmark. The auction witnessed a massive participation of PKR 725bn in fixed maturity bonds, however the GOP accepted the borrowing at low amounting to PKR 133bn fixed PIBs compared to the target amount of PKR 150bn. Cut-off rates for 3-year 5-year clocked-in at 14.0000% (+3 bps MoM), 13.4500% (+27 bps MoM) and bids for 10-year was rejected respectively. Going forward, monetary policy statement, volatility in currency rate and crude oil will guide future the path of secondary market yield.

During the month a major break through has made its way with IMF according its nod and allowing staff level agreement to reach at acceptance level. However, the delay in approval of disbursement has still remained a cause of concern as SBP reserves are impeding and PKR parity remaining under pressure. Due to the political uncertainty, increase in inflation, PKR depreciation and expectation of interest rate hike has exacerbated stress on current account deficit. Shorter term tenors (3-12 months T-Bills) yield remained at the higher end due to the risk of negative outlook of PKR depreciation and depleting reserves. Going forward to curtail the inflationary pressure MPC scheduled an MPS on 22nd August, 2022. While short term yields were rising, long term PIBs yield were also following rising trajectory ranging from 3 bps to 27 bps on MoM basis.

INTEREST RATE

INSTRUMENT	JUL-22	JUN-22
Kibor-3 Month	15.77%	15.16%
Kibor-6 Month	15.88%	15.35%
Kibor-12 Month	16.23%	15.73%

Source: SBP

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 4x), 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 8%. Key triggers which can propel the benchmark index include:

- **Respite to the external account amid re-entry into the IMF program**
- **Early signs of the international "Commodity Super Cycle" losing steam**
- **Improved outlook on the political front**
- **Increased probability of Pakistan's exit from FATF's grey list**

Despite of the above, we remain cautiously optimistic in the near term as locally the political noise is likely to remain elevated until the general elections are held and 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 month a major break through has made its way with IMF according it's nod and allowing staff level agreement to reach at acceptance level. However, the delay in approval of disbursement has still remained a cause of concern as SBP reserves are impeding and PKR parity remaining under pressure. Due to the political uncertainty, increase in inflation, PKR depreciation and expectation of interest rate hike has exacerbated stress on current account deficit. Keeping in view the above, the Government is anticipated to take tough measure into right direction to consolidate economy and MPC stance carefully monitoring macros (i.e. CAD, inflation) in order to curtail the serious impediment to the economy going forward.

FUND WISE STRATEGY

- **Managed Fund:** The managed fund's aggressive exposure towards fixed income (79% allocation) allows it to capture the high yields on offer in these instruments. The fund's 16% exposure in equities makes it well poised to gain from any upwards movement in the equity market.
- **Capital Growth Fund:** This fund's heavy concentration in equity securities (79%) offers an ideal upside opportunity for policyholders in the event of an up-move in the equity market. An optimal mix of growth stocks within equities provides an ideal avenue for long term capital growth, while a 21% tilt in favour of fixed income gives decent downside protection.
- **Yaqeen Growth Fund:** YGF's high allocation tilt in fixed income makes it ideally placed for capturing high returns given double digit interest rates. While the fund's duration allows it to make the most of any opportunity arising due to changes in the yield curve
- **Meesaq Fund:** Our Meesaq fund offers its policyholders with decent downside protection through a 43% allocation in low duration instruments, along with a 13% equity allocation it stands to provide decent risk adjusted return for the medium to long term. The fund also provides a 40% exposure in high yielding deposits, thereby allowing maximum benefit from any opportunity in the yield curve.

MANAGED FUND

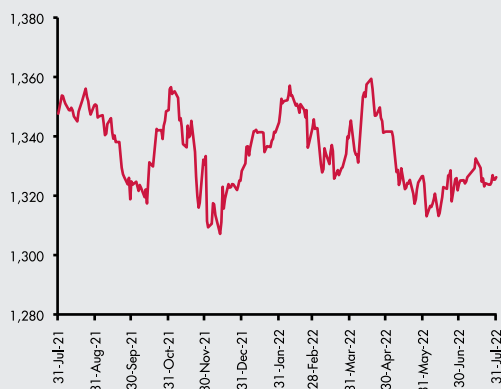
FUND OBJECTIVE

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

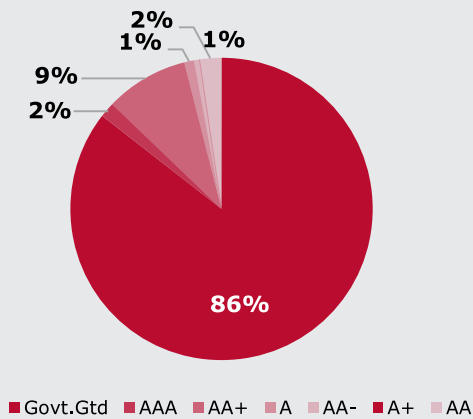
FUND MANAGER'S COMMENTS

During the month of July 2022 Managed Fund's (MF) Unit Price increased by PKR 2.31 (0.17%). The fund's allocation to government securities stands at 71.61% at month end against 61.98% last month while allocation to equities is at 15.7% versus 17.74% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 29.85% followed by Oil & Gas (Exploration Companies), Pharmaceuticals and Power Generation & Distribution with a sector allocation of 18.88%, 11.62% and 6.61% respectively.

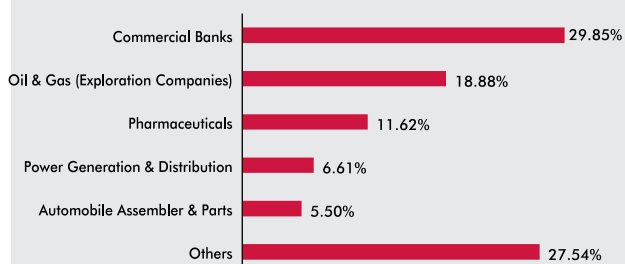
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Fund
Fund Size	PKR 84,086 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.07.2022)	PKR 1,326.23
Category	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	0.17%
3 months	- 1.15%
12 months	- 1.59%
Calendar YTD	- 0.16%
Since Inception (annualized)	10.65%
5 Years (annualized)	2.78%
10 Years (annualized)	7.63%

ASSET ALLOCATION

ASSETS	JULY-22	JUNE-22
Government Securities	71.61%	61.98%
Term Finance Securities	6.24%	6.23%
Cash and Short Term Deposits	0.73%	4.76%
Equities	15.70%	17.74%
Mutual Funds	5.73%	9.29%

CAPITAL GROWTH FUND

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.

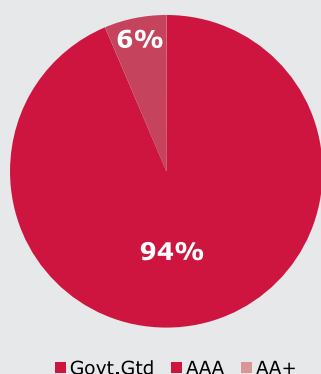
FUND MANAGER'S COMMENTS

During the month of July 2022 Capital Growth Fund's (CGF) Unit Price decreased by PKR 22.04 (-3.16%). The fund's allocation to government securities stands at 19.33% at month end against 11.93% last month while allocation to equities is at 79.03% versus 81.32% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 23.18% followed by Oil & Gas (Exploration Companies), Cement and Pharmaceuticals with a sector allocation of 22.19%, 10.94% and 8.6% respectively.

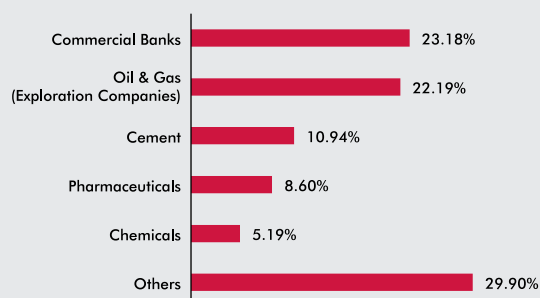
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Fund
Fund Size	PKR 24,279 Million
Launch Date	28.07.2004
Bid Price (27.04.2004)	PKR 100.00
Bid Price (31.07.2022)	PKR 675.73
Category	Equity 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	- 3.16%
3 months	- 11.14%
12 months	- 19.94%
Calendar YTD	- 13.41%
Since Inception (annualized)	11.19%
5 Years (annualized)	- 8.38%
10 Years (annualized)	8.62%

ASSET ALLOCATION

ASSETS	JULY-22	JUNE-22
Government Securities	19.33%	11.93%
Cash and Short Term Deposits	1.64%	0.75%
Equities	79.03%	81.32%
Mutual Funds	0.00%	6.00%

MEESAQ FUND

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 selective stocks, sukuk, short term deposits in Islamic banks / Islamic bank branches, Islamic mutual funds and other valid interest-free investments.

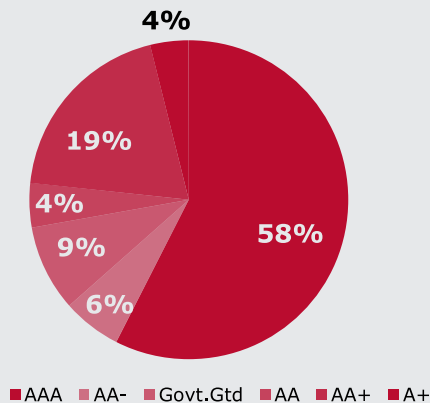
FUND MANAGER'S COMMENTS

During the month of July 2022 Meesaq Fund's Unit Price increased by PKR 7.11 (0.62%). The fund's allocation to sukuk stands at 43.09% at month end against 42.34% last month while allocation to equities is at 13.17% versus 13.99% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 28.36% followed by Pharmaceuticals, Chemicals and Fertilizers with a sector allocation of 18.08%, 12.62% and 8.85% respectively.

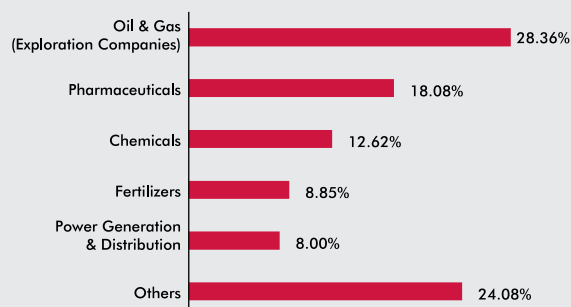
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Meesaq Fund
Fund Size	PKR 6,491 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.07.2022)	PKR 1,150.97
Category	Non-interest bearing Investment portfolio
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	0.62%
3 months	- 0.05%
12 months	- 0.89%
Calendar YTD	0.95%
Since Inception (annualized)	6.36%
5 Years (annualized)	1.01%
10 Years (annualized)	6.76%

ASSET ALLOCATION

ASSETS	JULY-22	JUNE-22
Sukuk	43.09%	42.34%
Cash and Short Term Deposits	40.01%	41.52%
Equities	13.17%	13.99%
Mutual Funds	3.73%	2.15%

Yaqeen Growth Fund

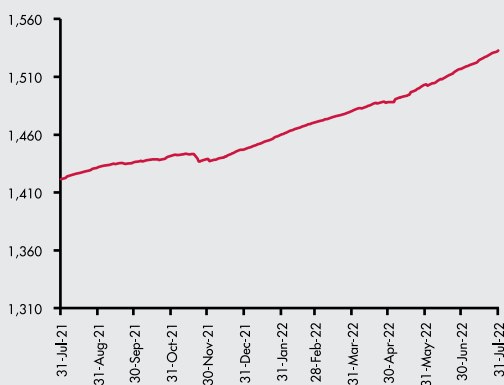
FUND OBJECTIVE

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. Yaqeen Growth 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.

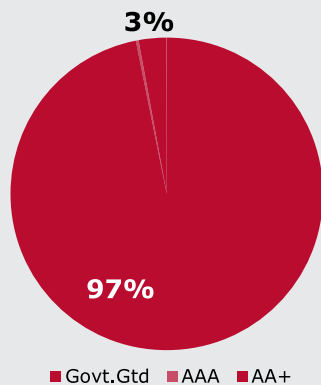
FUND MANAGER'S COMMENTS

During the month of July 2022 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 15.86 (1.05%). The fund's allocation to government securities stands at 91.66% at month end against 76.84% last month while allocation to term finance securities is at 2.06% versus 2.22% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 9,015 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.07.2022)	PKR 1,532.72
Category	Capital Protected 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	1.05%
3 months	3.00%
12 months	7.82%
Calendar YTD (annualized)	10.37%
Since Inception (annualized)	9.30%
5 Years (annualized)	8.48%
10 Years (annualized)	9.04%

ASSET ALLOCATION

ASSETS	JULY-22	JUNE-22
Government Securities	91.66%	76.84%
Term Finance Securities	2.06%	2.22%
Cash and Short Term Deposits	3.46%	10.80%
Mutual Funds	2.81%	10.14%

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