



# INVESTMENT FACT SHEET

FOR THE MONTH OF JULY 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,

The month of July'23 proved to be eventful in terms of economic activity and stock market performance. Pakistan entered into a staff level agreement with IMF under SBA agreement and received an immediate disbursement of first tranche of USD 1.20bn. In addition to the IMF support, Pakistan received external financial assistance of USD 3bn from the UAE and KSA, which substantially increased the country's FX reserves to USD 14.06 bn. China's positive gesture of extending a USD 2.4 bn loan repayment without raising its markup further added to the favourable economic climate.

These notable developments had a significant impact on the stock market, with the KSE-100 index rallying and crossing the 48,000 mark, reaching a 24-month high. The momentum was further strengthened when it was announced that five Pakistani state-owned enterprises would collaborate with Saudi Arabia to undertake a significant USD 10 bn refinery project within Pakistan. Amidst these achievements, the MPC decided to keep the policy rate unchanged at 22%, maintaining the status quo receiving guidance of forward CPI average around 20%-22%.

On a positive note, there has been a further decrease in the price of petrol by PKR 9/ltr, bringing it down to PKR 253.00/ltr. Additionally, the price of HSD has also gone down by PKR 6.50/ltr, now standing at PKR 253.50/ltr. These reductions in fuel prices are aimed at providing relief to consumers and alleviating the burden of fuel costs. In contrast, NEPRA has announced an increase in the electricity base tariff by PKR 4.96 per unit, which may result in higher electricity costs for consumers. On the political front, there has been a significant development as Shahbaz Sharif announced the dissolution of the assembly between 9th to 12th August 2023, leading to the prospect of a general election within the next 90 days.

The major numbers during the month:

- **The country's current account stood at a surplus of USD 334mn on June'23 increasing by 63.64% FYTD.**
- **The CPI for July'23 clocked in at 28.31%**
- **PKR depreciated against USD by 0.23% during the month.**
- **Global energy prices recovered as Brent oil crossed USD 85/bbl mark and Coal hovered around USD 103/mt.**

According to LSM data, there was a decline of 9.87% in industrial activity during the July-May period, indicating that economic tightening continued to have an impact on the demand drivers of the economy. Cement dispatches decline by 20.94% MoM and stood at 3.21mn tonnes for the month of July. Petroleum products sales remained rangebound with a slight increase of 0.37%, clocking at 1.35mn tonnes.

The FX reserves increased by USD 4.28bn during the month, to stand at USD 13.46bn.

# ECONOMY UPDATE

## MACROECONOMIC INDICATORS

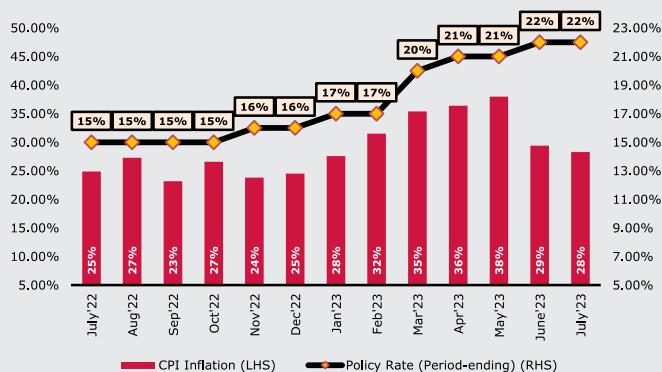
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	June	(1,065)	(1,166)	(23,481)
Remittances (USD mn)	June	2,184	2,103	26,954
Current A/C Balance (USD mn)	June	334	220	(2,322)
FDI (USD mn)	June	114	150	1,287
Tax Collection* (PKR bn)	July	538	937	7,150
M2 Growth				-2.48%

Source SBP, FBR

\* Provisional figures

In June 2023, the trade deficit witnessed a reduction of 8.66%, declining from USD 1,166mn to USD 1,065mn. This decrease was attributed to the government's implementation of comprehensive import restrictions and limitations on capital outflows. Additionally, during the same period, remittances experienced a growth of 3.85%, reaching USD 2,184mn. FBR collected tax revenue of PKR 7,144bn in FY23, against the target of PKR 7,640bn for the year.

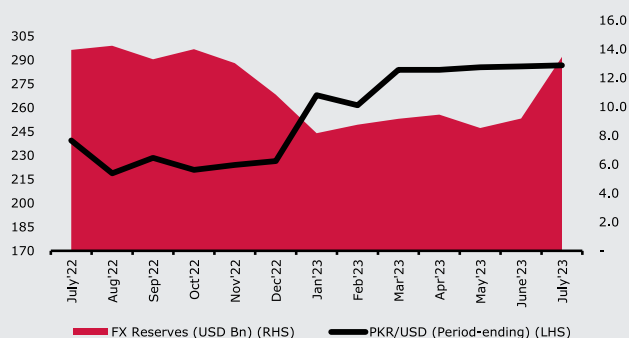
## INFLATION



Source: PBS

The national CPI during the month of July'23 clocked in at 28.31% compared to 29.40% in the previous month.

## PKR/USD PARITY VS FX RESERVES



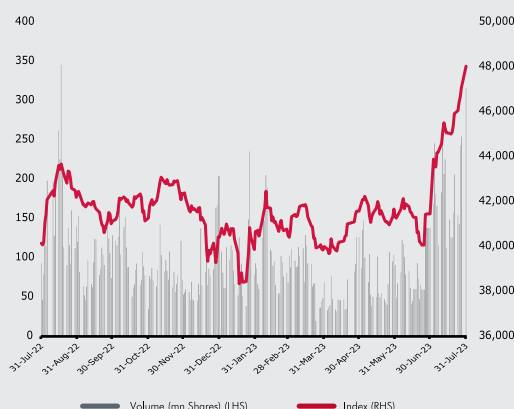
Source: SBP

FX Reserves as of 27th July 2023 were reported at USD 13.46bn, showing an increase of 46.64% compared to last month. While PKR depreciated against USD by 0.23% MoM hovering at PKR 286.64/USD.

# CAPITAL MARKETS UPDATE

## EQUITY MARKET

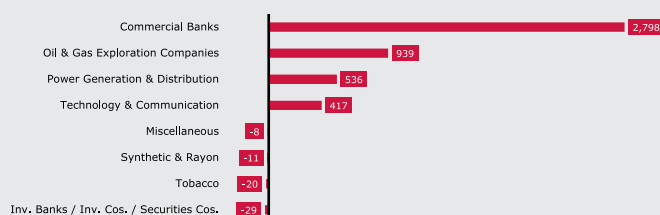
### KSE-100 ONE YEAR PERFORMANCE



Source: PSX

During the month of July 2023, the stock market experienced a remarkable upswing as the KSE-100 crossed 48,000 points (a 24-month high). The recorded returns for the month were an impressive 15.88%, making it one of the best-performing months in the past two decades and achieving the highest monthly gains in terms of points with an increase of +6,582 points. The recent rally has been primarily driven by implementation of IMF's new SBA agreement with Pakistan, restating investors confidence. With IMF onboard, the country received external funds from KSA and UAE, resulting in 2x growth in FX reserves. Average traded volumes recorded at 384mn shares which was an increase of 133% MoM, while average traded value stood at PKR 11,670mn, an increase of 156% MoM.

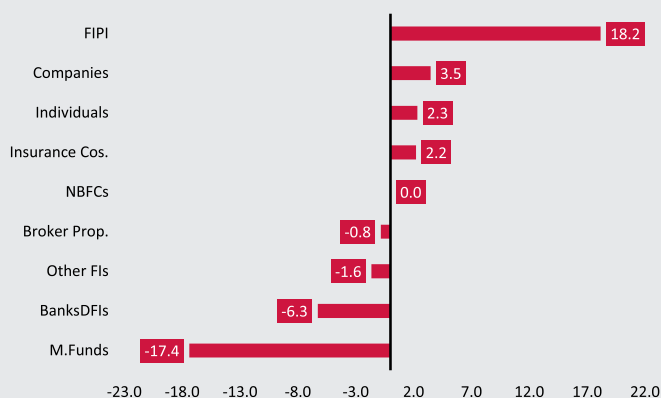
### SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major sectors which depicted an upbeat performance during the month were Commercial Banks (2,798 points), Oil & Gas Exploration (939 points), Power Generation & Distribution (536 points), Technology & Communication (418 points), and Cements Cement (377 points). Meanwhile, negative contribution was received from Inv. Banks/Inv. Cos (-29 points), Tobacco (-20 points), Synthetic & Rayon (-11 points), and Miscellaneous (-8 points).

### FIPI LIPI



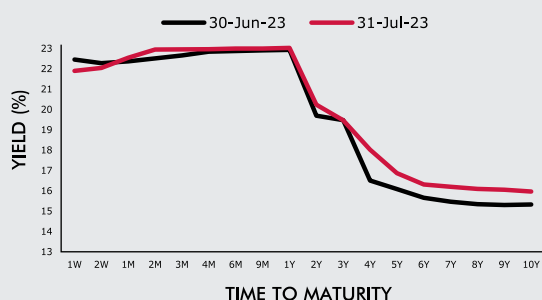
Foreigners were the net buyers with net buying aggregating to USD 18.15mn with major inflow recorded in Banks (USD 10.67mn), Cements (USD 2.49mn), Technology (USD 2.99mn), Fertilizers (USD 1.85mn), E&Ps (USD 1.74 mn), and Food (USD 1.81 mn). On the other hand, outflows were recorded in Oil & Marketing Companies and Power, with USD 0.47mn and USD 0.92mn, respectively.

On the domestic front, Mutual Funds, Banks/DFIs, Brokerage Co's, and Others were major sellers with net outflows of USD 18.13mn, USD 6.29mn, USD 1.73mn, and USD 0.82mn, respectively. While Corporates and Insurance Companies reported net buying amounting to USD 3.52mn and USD 2.97mn.

# CAPITAL MARKETS UPDATE

## DEBT MARKET

### YIELD CURVE



Source: MUFAP

During the month, 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 July 31, 2023. Secondary market yields for 3, 6 and 12-months T-bills closed at 22.95% (+30 bps MoM), 22.99% (+12 bps MoM) and 23.02% (+9 bps MoM) respectively. Meanwhile yield for 3-year remained steady closing at 19.46% (-1 bps MoM), however 5-year and 10-year tenors PKRVs closed at 16.86% (+78 bps MoM) and 15.96% (+64 bps MoM) respectively.

### KIBOR

INSTRUMENT	JUL-23	JUN-23
Kibor-3 Month	23.14%	22.91%
Kibor-6 Month	23.22%	22.97%
Kibor-12 Month	23.49%	23.27%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month, and 12-month periods wrapped up at 23.14% (+23 bps MoM), 23.22% (+25 bps MoM) and 23.49% (+22 bps MoM) respectively.

### AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
T-BILLS			
3-Month	22.9788%	21.9999%	+ 98 bps
6-Month	22.9201%	21.9735%	+ 95 bps
12-Month	22.9991%	21.9996%	+ 100 bps
FIXED RATE PIBS			
3 year	-	19.35%	-
5 year	-	-	-
10 year	-	-	-
FLOATING RATE PIBS - QUARTERLY			
2 year	98 bps	99 bps	- 1 bps
3 year	148 bps	149 bps	- 1 bps
FLOATING RATE PIBS - SEMI ANNUAL			
5 year	195 bps	195 bps	-
10 year	-	-	-

During the month, the State Bank of Pakistan received bids worth PKR 3,146 bn in the Treasury bills auction against the target of PKR 1,800 bn. Out of which, SBP accepted PKR 1155 billion at cut-off rates of 22.9788%, 22.9201%, and 22.9991% for the respective 3-month, 6-month, and 12-month periods. Substantial participation of amounting to PKR 745 bn was observed in auction of floating-rate PIBs observed, driven by attractive spread over benchmark rates, compared to the target of PKR 400 bn. Notably, bids worth PKR 588 bn were accepted by the Ministry of Finance (MoF), with spreads ranging from 98 to 195 basis points. During the month fixed rate PIBs auction was not held.



# STRATEGY & OUTLOOK



## EQUITY MARKET:

Post an impressive outgoing month, we maintain a positive outlook on the equity market. The PSX has shown appealing low P/E levels, featuring a Forward P/E multiple of 3.80x compared to the regional average of 12.40x. However, for a sustainable rally it is crucial to implement policies & decisions, as a lack of structural reforms could once again place the country in a challenging predicament.

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.**
- **Headwinds to inflation remain as implementation of energy reforms may further put pressure on the consumers.**
- **External flows are key for maintaining forex reserves position. The Ministry of Finance has announced the development of a sovereign wealth fund, which includes notable companies such as OGDC, NBP, PPL, and Mari, with estimated assets worth PKR 2.30 trillion.**
- **Political stability amid announcement of elections and subsequent transition to new government**

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

## DEBT MARKET:

After raising 100bps on 27th June, 2023, SBP left policy rate unchanged at 22% on 31st July, 2023. The decision was motivated by the aim to observe and assess impact of cumulative monetary tightening measures, the planned fiscal consolidation, and the relatively subdued growth projections for FY24.

Going forward, inflation is projected to follow a downward trajectory over the subsequent 12 months which will turn the real interest rate into positive territory. The path to stability through the political arena remains uncertain, as the dissolution of the national assembly is anticipated in the upcoming month. This impending change is also poised to influence the direction of debt market yields. Given the prevailing macroeconomic circumstances and the projected patterns of interest rates, we have tactically structured our fixed income portfolios with a greater allocation towards shorter duration instruments. This strikes a harmonious equilibrium between risk and reward, all while considering 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 25% to minimize volatility in fund prices amid fragile macro-economic situation. Investment in government securities and bank placements is increased to 75% 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 87% allocation in low duration instruments, along with 13% 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  
July 2023

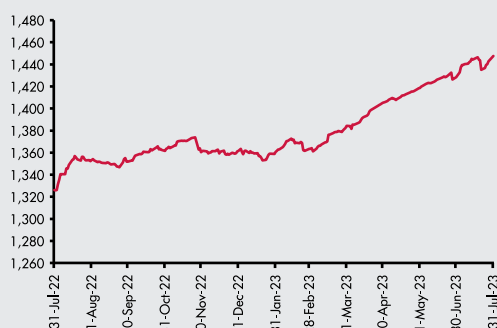
## FUND OBJECTIVE

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

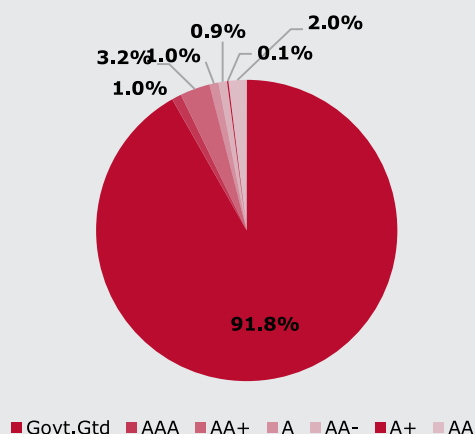
## FUND MANAGER'S COMMENTS

During the month of July 2023 Balanced Fund's (BF) Unit Price increased by PKR 19.19 (1.34%). The fund's allocation to government securities stands at 88.95% at month end against 89.96% last month while allocation to equities is at 3.09% versus 2.44% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 73.62% followed by Paper & Board, Oil & Gas (Exploration Companies) and Automobile Assembler & Parts with a sector allocation of 11.01%, 6.33% and 4.08% respectively.

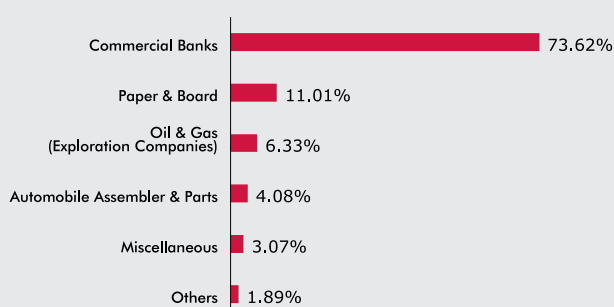
### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Fund
Net Assets	PKR 74,652 Million
Launch Date	31.12.1996
NAV Per Unit At Launch Date (31.12.1996)	PKR 99.50
NAV Per Unit At Month end (31.07.2023)	PKR 1,447.46
Category	Balanced Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.88%
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.34%
3 months	3.01%
12 months (365 days)	9.14%
Calendar YTD	6.31%
Since Inception (annualized)	10.59%
5 Years (annualized)	5.15%
10 Years (annualized)	7.00%

## ASSET ALLOCATION

ASSETS	JULY-23	JUNE-23
Government Securities	88.95%	89.96%
Term Finance Securities	7.60%	7.60%
Cash and Short Term Deposits	0.36%	0.001%
Equities	3.09%	2.44%



# JUBILEE LIFE AGGRESSIVE FUND

Fund Manager's Report  
July 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

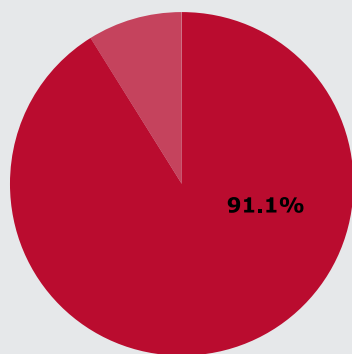
During the month of July 2023 Aggressive Fund's (AF) Unit Price increased by PKR 39.09 (5.6%). The fund's allocation to government securities stands at 68.22% at month end against 75.76% last month while allocation to equities is at 25.05% versus 23.65% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 43.81% followed by Commercial Banks, Automobile Assembler & Parts and Pharmaceuticals with a sector allocation of 35.22%, 7.76% and 3.38% respectively.

### 12-M ROLLING FUND PRICE

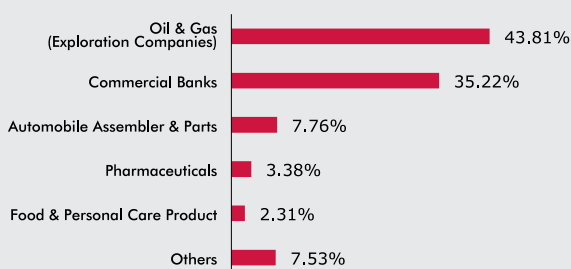


### ASSET QUALITY (Debt Securities)

8.9%



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Aggressive Fund
Net Assets	PKR 24,353 Million
Launch Date	28.07.2004
NAV Per Unit At Launch Date (28.07.2004)	PKR 100.00
NAV Per Unit At Month end (31.07.2023)	PKR 736.85
Category	Aggressive Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.96%
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	5.60%
3 months	7.52%
12 months (365 days)	9.05%
Calendar YTD	10.92%
Since Inception (annualized)	11.07%
5 Years (annualized)	-4.80%
10 Years (annualized)	5.45%

## ASSET ALLOCATION

ASSETS	JULY-23	JUNE-23
Government Securities	68.22%	75.76%
Cash and Short Term Deposits	6.74%	0.59%
Equities	25.05%	23.65%

# MEESAQ BALANCED FUND

Fund Manager's Report  
July 2023

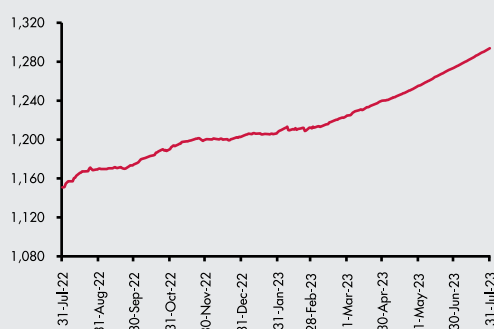
## FUND OBJECTIVE

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.

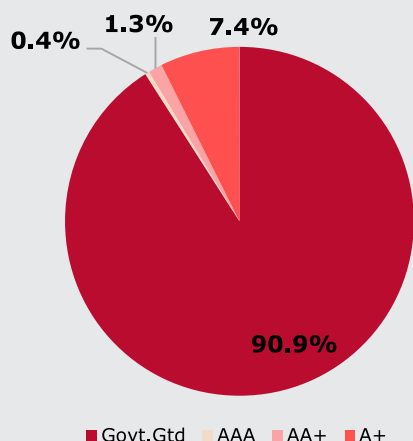
## FUND MANAGER'S COMMENTS

During the month of July 2023 Meesaq Balanced Fund's Unit Price increased by PKR 20.11 (1.58%). The fund's allocation to sukuku stands at 86.49% at month end against 84.91% last month while allocation to equities is at 0.02% versus 0.02% last month. Within sectors, the fund is tilted towards Engineering with a total allocation of 100.0% followed by Pharmaceuticals, Oil & Gas (Exploration Companies) and Miscellaneous 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	Meesaq Balanced Fund
Net Assets	PKR 5,520 Million
Launch Date	27.03.2008
NAV Per Unit At Launch Date (27.03.2008)	PKR 475.00
NAV Per Unit At Month end (31.07.2023)	PKR 1,293.70
Category	Balanced Fund (Non-interest bearing)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.88%
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.58%
3 months	4.33%
12 months (365 days)	12.40%
Calendar YTD	7.54%
Since Inception (annualized)	6.74%
5 Years (annualized)	4.34%
10 Years (annualized)	6.59%

## ASSET ALLOCATION

ASSETS	JULY-23	JUNE-23
Government Securities	86.49%	84.91%
Sukuku	5.73%	5.60%
Cash and Short Term Deposits	0.40%	4.92%
Equities	0.02%	0.02%
Mutual Funds	7.35%	4.54%

# JUBILEE LIFE GOVERNMENT SECURITIES FUND

Fund Manager's Report  
July 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

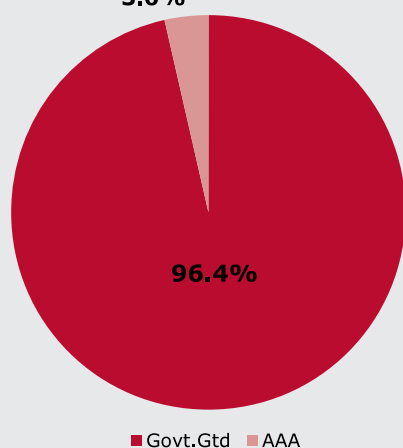
During the month of July 2023 Government Securities Fund's (GSF) Unit Price increased by PKR 29.63 (1.71%). The fund's allocation to government securities stands at 96.43% at month end against 97.19% last month while allocation to cash and short term deposits is at 3.57% versus 2.81% last month.

### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)

3.6%



■ Govt.Gtd ■ AAA

## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Government Securities Fund
Net Assets	PKR 16,560 Million
Launch Date	01.06.2009
NAV Per Unit At Launch Date (01.06.2009)	PKR 475.00
NAV Per Unit At Month end (31.07.2023)	PKR 1,757.59
Category	Government Securities Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	0.87%
Pricing Days	Monday to Friday
Weighted Average Maturity	35 Days

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.71%
3 months	4.89%
12 months (365 days)	14.67%
Calendar YTD (annualized)	16.10%
Since Inception (annualized)	9.67%
5 Years (annualized)	10.94%
10 Years (annualized)	9.53%

## ASSET ALLOCATION

ASSETS	JULY-23	JUNE-23
Government Securities	96.43%	97.19%
Cash and Short Term Deposits	3.57%	2.81%

JUBILEELIFE.COM

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