



# INVESTMENT FACT SHEET

FOR THE MONTH OF NOVEMBER 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,

In the month of Nov'22 there were various negative developments including increase in policy rate by 100bps, spike in Current Account Deficit, and a CPI consistent reading in excess of 20%. While major positive developments were rollover of USD3bn loan from Saudi Arabia, and the appointment of the new Army Chief which gave a boost to the market sentiments. On the side-line the other positive news was, possible announcement of USD13bn promised funding from China and Saudi Arabia, and announcement of Kissan Package of PKR 1,800bn.

Major economic numbers during the month:

- **The country's Current Account Deficit Increased M/M by 56% during Oct'22.**
- **The CPI for Nov'22 clocked in at 23.80%, on account of lower transport cost.**
- **Lower imports resulted in the appreciation of 1.39% M/M in PKR against greenback to close in at 223.95.**
- **Decrease in international commodity prices (Brent Crude Oil: 6.90% M/M Decrease in Nov'22).**
- **The market sentiment remained cautious with KSE-100 hovering in the range of 41,265-42,349.**

The challenges on the economic front continued as demand remained muted during the current fiscal year as evident by the most recent offtake/sales numbers of Cement (-27.84% Y/Y in 5MFY23), Petroleum Products (-24.75% Y/Y in 5MFY23), Automobiles (-47.03% Y/Y in 4MFY23) and Fertilizer (-34.37% Y/Y in 4MFY23). Moreover, the LSM (Large Scale Manufacturing) witnessed a slight decline of 0.4% Y/Y in 1QFY23, mainly led by pharmaceuticals, automobiles, and coke & petroleum products.

On the external side, the Current account deficit increased by 56% M/M to reach USD 0.567mn in Oct'22 mainly due to lower exports and remittances. Another negative during the month was the Cotton output declining by 40% mainly because of climate change and floods at the time when exports are already declining.

Financial markets showed a positive momentum for the most part of the month due to stable exchange rate and the appointment of new Army Chief General Asim Munir. However, hike in interest rate by 100 bps during the last week of the month shook investor confidence. Tough economic circumstances in the country also resulted in the decline of FDI (Foreign Direct Investment) during the current fiscal year (4MFY23) by 52% to USD 348.3 million.

On the domestic front, Inflation declined marginally to 23.84% in Nov'22 due to decline in prices of transport and perishable food items, however, average inflation for the current fiscal year is still alarmingly high at 25.14% during 5MFY23. On the financing side, China promised to provide inflow of USD 9bn whereas Saudi Arabia also committed USD 4bn alongside providing rollover of its deposits amounting USD 3bn.

The total FX reserves weakened to USD 13.37bn as on 25th November 2022 from USD 14.67bn seen a month earlier due to repayment of foreign obligation.

# ECONOMY UPDATE

## MACROECONOMIC INDICATORS

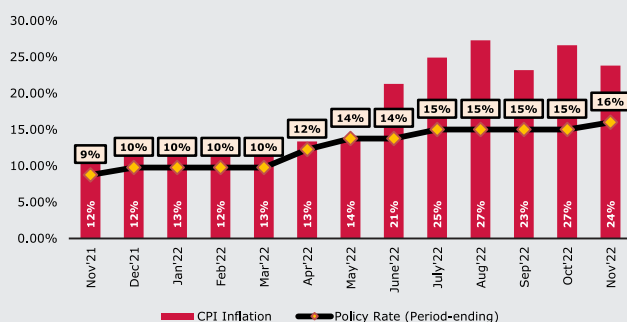
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Oct'22	(2,305)	(2,321)	(10,792)
Remittances (USD mn)	Oct'22	2,216	2,437	9,901
Current A/C Balance (USD mn)	Oct'22	(567)	(316)	(2,821)
FDI (USD mn)	Oct'22	95	84	349
Tax Collection* (PKR bn)	Nov-22	538	512	2,682
M2 Growth				13.60%

Source SBP, FBR

\* Provisional figures

The trade deficit figures of the country declined to USD 2,305mn (-3% M/M) for Oct'22, however, the current account deficit also increased during the month to reach USD 567mn vs USD 363mn in the month of Oct'22. The remittances dipped by USD 221mn to land at USD 2,216mn in Oct'22. FBR's tax collection in the current fiscal year stood at PKR 2,682bn in the 5MFY23.

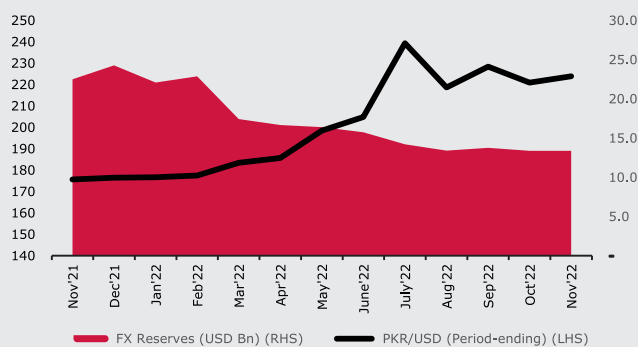
## INFLATION



Source: ZAKHEERA

The national CPI during the month of Nov'22 clocked in at 23.80% compared to 26.60% in the previous month.

## PKR/USD PARITY VS FX RESERVES



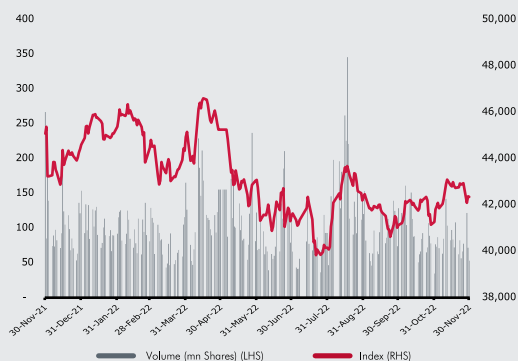
Source: ZAKHEERA

FX reserves during the month fell by (USD 1,300mn) to stand at (USD 13.37bn), while the PKR appreciated by 1.34% to PKR 223.95 against the USD.

# CAPITAL MARKETS UPDATE

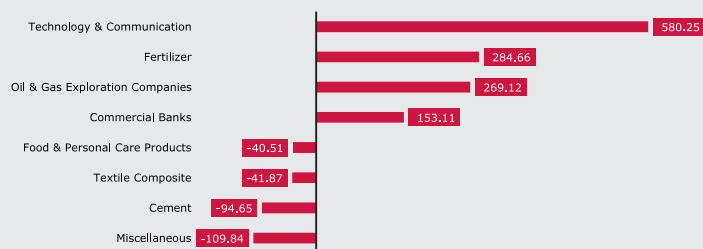
## EQUITY MARKET

### KSE-100 ONE YEAR PERFORMANCE



The index increased during the month surged on account of rupee stability. For the context, KSE-100 gained (+1,084 points) during Nov'22 to clock in at 42,349 points while KSE-All Share value traded increased by 86% (M/M) standing at PKR 4,658mn.

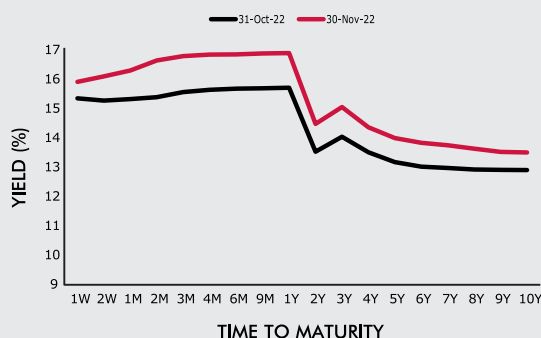
### SECTOR WISE TOP CONTRIBUTORS



The sectors that positively impacted the KSE-100 Index during the month of Nov'22 were Technology & Communication (580.25 points), Fertilizer (284.66 points) and Power Generation & Distribution (269.12 points). While the negatively contributing sectors during the month of Nov'22 were Textile Composite (-41.87 points), and Miscellaneous (-109.84 points).

## DEBT MARKET

### YIELD CURVE



During the month, SBP accepted PKR 1,269bn in auction of T-bills against the target of PKR 2,100bn, the cut-off rates witnessed high of 21st century at 16.9999% (+128 bps MoM), 16.8000% (+106 bps MoM) and 16.8401% (+109 bps MoM) for 3-month, 6-month and 12-month tenor, respectively. The floating-rate PIB auctions witnessed significant participation of PKR 910bn against target of PKR 360bn on account of appealing yield on offer, of which MoF accepted bids worth PKR 506bn at cut-off spreads ranging between 65-140 bps. In addition to this, fixed rate PIBs attracted participation of PKR 173bn tilted towards higher rates, however the GoP restricted the supply by issuing only PKR 23bn of 5-year PIBs at 13.35% (up by 26bps) against the target amount of PKR 175bn. All bids in other tenors were rejected.

### INTEREST RATE

INSTRUMENT	NOV-22	OCT-22
Kibor-3 Month	16.92%	15.76%
Kibor-6 Month	16.95%	15.84%
Kibor-12 Month	17.21%	16.13%

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 less than 4x), which is one of the lowest in the region. The market's multiple is lower than historical average of 8x. 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:

- **Expectation of USD 13bn financial support from China and Saudi Arabia.**
- **Decrease in international commodity prices (Brent Crude Oil: 6.90% M/M Decrease in Nov'22)**
- **Lower imports resulted in the appreciation of 1.39% (M/M) in PKR against greenback to close in at 223.95.**
- **Increase in policy rate by 100bps from 15% to 16% in Nov'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.

## DEBT MARKET:

During the last month, the Conventional money market witnessed the highest cut-offs since 2000 after the unprecedented announcement of 100 bps hike in policy rate, whereas Islamic money markets remained tempestuous across the board. Following the trend across the primary market, secondary market yields also gained momentum across the board with yields inching in between +44 bps to +123 bps across the tenors and instruments. Going forward, Debt market is likely to remain under pressure in expectation of austerity measures to be taken to improve economic outlook, currency stabilization and avert potential default on foreign currency exposures. Closing of 9th IMF review will be prominent importance as most of bilateral and multilateral support funds are tied with it. Our fixed income portfolios are optimally allocated in shorter duration instruments and longer tenor fixed rate instruments.

## FUND WISE STRATEGY

- **Managed Fund:** The managed fund's assertive exposure towards fixed income (91% allocation) allows it to capture the high yields on offer in these instruments. The fund's 9% 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 (73%) 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 27% tilt in favour of fixed income gives decent downside protection.
- **Yaqeen Growth Fund:** YGF's high allocation tilt in sovereign short-term fixed income makes it ideally placed for capturing high returns given double digit interest rates without exposure to credit risk. While the fund's duration allows to capture any opportunity to increase exposure to long term instruments.
- **Meesaq Fund:** Our Meesaq fund offers its policyholders with decent downside protection through a 53% allocation in low duration instruments, along with a 7% 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.

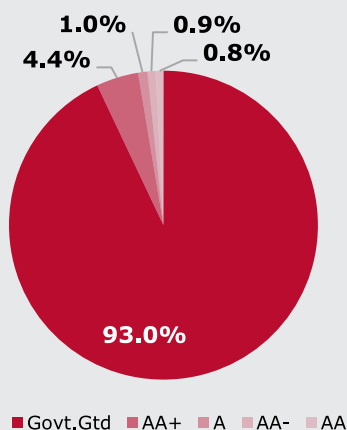
## FUND MANAGER'S COMMENTS

During the month of November 2022 Managed Fund's (MF) Unit Price decreased by PKR 1.21 (-0.09%). The fund's allocation to government securities stands at 83.81% at month end against 81.41% last month while allocation to equities is at 9.25% versus 11.47% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 29.08% followed by Oil & Gas (Exploration Companies), Pharmaceuticals and Automobile Assembler & Parts with a sector allocation of 17.33%, 14.23% and 9.76% respectively.

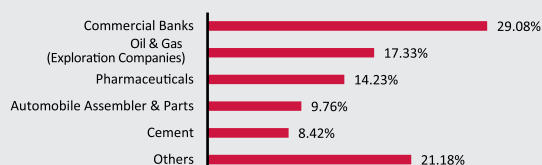
### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Fund
Fund Size	PKR 81,641 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (30.11.2022)	PKR 1,360.46
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	- 0.09%
3 months	0.53%
12 months	2.24%
Calendar YTD	2.42%
Since Inception (annualized)	10.61%
5 Years (annualized)	4.62%
10 Years (annualized)	7.39%

## ASSET ALLOCATION

ASSETS	NOVEMBER-22	OCTOBER-22
Government Securities	83.81%	81.41%
Term Finance Securities	6.86%	6.72%
Cash and Short Term Deposits	0.09%	0.40%
Equities	9.25%	11.47%

# 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 November 2022 Capital Growth Fund's (CGF) Unit Price increased by PKR 3.75 (0.55%). The fund's allocation to government securities stands at 26.98% at month end against 24.88% last month while allocation to equities is at 72.65% versus 72.61% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 22.93% followed by Commercial Banks, Cement and Pharmaceuticals with a sector allocation of 20.5%, 13.16% and 8.7% respectively.

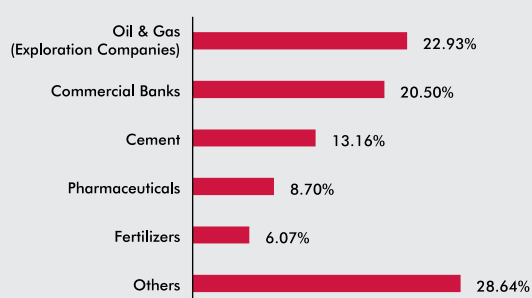
### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Fund
Fund Size	PKR 24,369 Million
Launch Date	28.07.2004
Bid Price (27.04.2004)	PKR 100.00
Bid Price (30.11.2022)	PKR 688.91
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	0.55%
3 months	- 3.33%
12 months	- 13.25%
Calendar YTD	- 11.72%
Since Inception (annualized)	11.09%
5 Years (annualized)	- 5.09%
10 Years (annualized)	7.77%

## ASSET ALLOCATION

ASSETS	NOVEMBER-22	OCTOBER-22
Government Securities	26.98%	24.88%
Cash and Short Term Deposits	0.37%	2.51%
Equities	72.65%	72.61%



# 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.

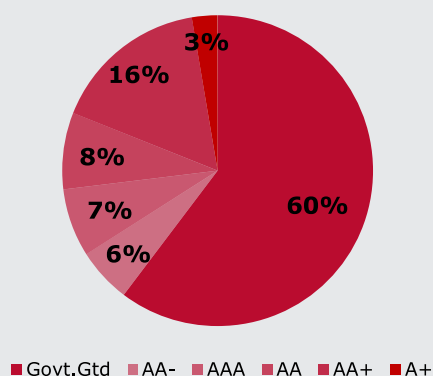
## FUND MANAGER'S COMMENTS

During the month of November 2022 Meesaq Fund's Unit Price increased by PKR 9.73 (0.82%). The fund's allocation to sukus stands at 52.64% at month end against 44.16% last month while allocation to equities is at 6.86% versus 8.94% last month. Within sectors, the fund is tilted towards Pharmaceuticals with a total allocation of 29.19% followed by Oil & Gas (Exploration Companies), Power Generation & Distribution and Cement with a sector allocation of 26.71%, 16.26% and 15.90% respectively.

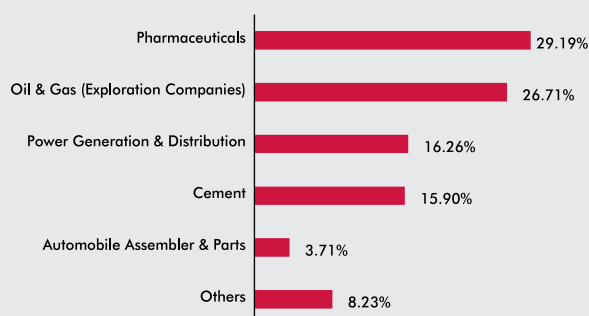
### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Meesaq Fund
Fund Size	PKR 6,296 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (30.11.2022)	PKR 1,199.88
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	0.817%
3 months	2.553%
12 months	4.748%
Calendar YTD	5.235%
Since Inception (annualized)	6.512%
5 Years (annualized)	3.614%
10 Years (annualized)	6.776%

## ASSET ALLOCATION

ASSETS	NOVEMBER-22	OCTOBER-22
Sukus	52.64%	44.16%
Cash and Short Term Deposits	36.47%	42.97%
Equities	6.86%	8.94%
Mutual Funds	4.03%	3.94%

# Yaqeen Growth Fund

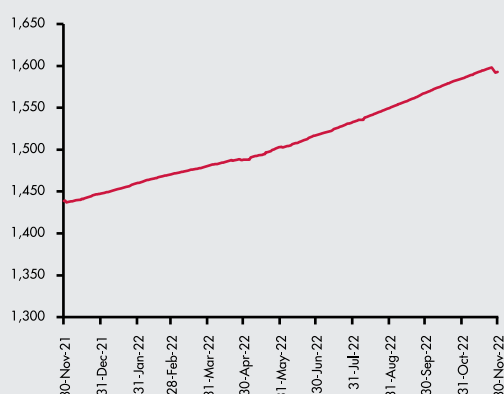
## FUND OBJECTIVE

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 November 2022 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 7.77 (0.49%). The fund's allocation to government securities stands at 94.77% at month end against 94.44% last month while allocation to term finance securities is at 1.76% versus 1.80% last month.

### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 10,932 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (30.11.2022)	PKR 1,592.71
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	0.49%
3 months	2.77%
12 months	10.69%
Calendar YTD (annualized)	11.02%
Since Inception (annualized)	9.37%
5 Years (annualized)	9.54%
10 Years (annualized)	9.10%

## ASSET ALLOCATION

ASSETS	NOVEMBER-22	OCTOBER-22
Government Securities	94.77%	94.44%
Term Finance Securities	1.76%	1.80%
Cash and Short Term Deposits	3.47%	3.76%

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