



INVESTMENT FACT SHEET

FOR THE MONTH OF OCTOBER 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 Oct'22, major positive developments on the economic front included: SBP maintaining a status quo in the MPS, rollover of debt by China, grants from multilateral agencies and Pakistan finally exiting FATF grey list. While the major negative developments included the fall in remittances and the rating downgrade by Fitch and Moody's.

Major economic numbers during the month:

- **The country's Current Account Deficit declined M/M by 53.25% to reach USD 0.316bn in Oct'22, mainly on account of lower imports.**
- **The CPI for Oct'22 clocked in at 26.60%, on account of expensive food, housing, and transport.**
- **Lower CAD resulted in the appreciation of 3.31% M/M in PKR against greenback to close in at 220.88.**
- **Increase in international commodity prices (Brent Crude Oil: 7.8% M/M increase in Oct'22).**
- **Heightened political noise played with the market sentiment with KSE-100 hovering in the range of 41,212 - 41,265.**

The challenges on the economic front continued as demand continued to remain muted during the current fiscal year as evident by the most recent offtake/sales numbers of Cement (-25.00% Y/Y in 1QFY23), Petroleum Products (-21.62% Y/Y in 4MFY23), Automobiles (-51.44% Y/Y in 1QFY23), Fertilizer (-29.38% Y/Y in 1QFY23).

On the external account front, measures taken by the incumbent government started showing signs of improvement as the Current account deficit declined M/M by 53.25% to reach USD 316mn in Oct'22, primarily due to slowdown in imports. However, the remittances fell in the month of Oct'22 on account of increased incentives from non-banking channels. Financial markets cheered the appointment of new finance minister as PKR regained some of its loss ground appreciating by 3.31% M/M to close at 220.88. The fall in current account deficit during the month also resulted in the appreciation of the greenback against the USD. On the other hand, Pakistan's Eurobonds yields increased significantly on risks of the country's default on its foreign obligations following which Pakistan's Sovereign Credit Rating was downgraded by Moody's and Fitch from "B3" to "Caa1". On the domestic front, Inflation persisted on its elevated path as a CPI for Oct'22 stood at 26.60% Y/Y driven by spike in housing, transport segment and spiring prices of food items, international commodity prices also trended slightly higher (Brent Crude: 7.8% M/M increase).

On the financing side, China consented to refinance Pakistan USD 2.24bn loan and granting a rollover of deposit worth USD 2bn. Additionally, Asian Development Bank (ADB) and World Bank (WB) promising an aid of around USD 1.5bn and USD 2bn respectively.

The FX reserves improved to USD 14.68bn as on 28th October 2022 from USD 13.31bn seen a month earlier due to grants from multilateral and friendly agencies. Meanwhile, cost pressures have continued to persist with the average inflation for the current fiscal year clocking in at 25.50%.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

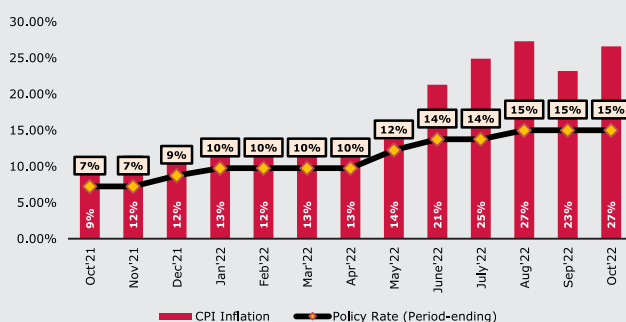
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Sep'22	(2,321)	(3,035)	(8,424)
Remittances (USD mn)	Sep'22	2,437	2,724	7,685
Current A/C Balance (USD mn)	Sep'22	(316)	(676)	(2,279)
FDI (USD mn)	Sep'22	84	111	254
Tax Collection* (PKR bn)	Oct'22	512	685	2,144
M2 Growth			i	-1.24%

Source: SBP, FBR

* Provisional figures

The trade deficit figures of the country declined to USD 2,321 mn (-23.5% M/M) for Sep'22, the current account deficit also declined during the month to reach USD 316mn vs USD 676mn in the month of Sep'22. The remittances decreased by USD 287mn to land at USD 2,437mn in Sep'22. FBR's tax collection in the current fiscal year stood at PKR 2,144bn in the 4MFY23.

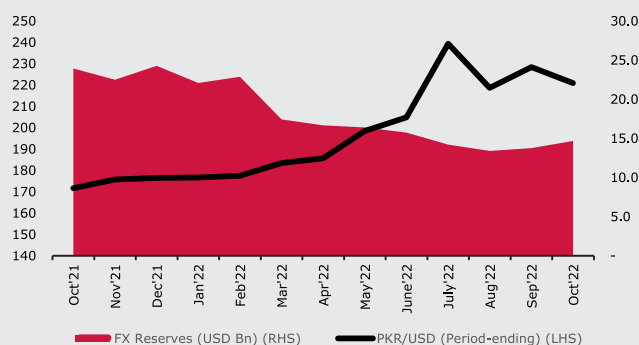
INFLATION



Source: ZAKHEERA

The national CPI during the month of Oct'22 clocked in at 26.60% compared to 23.20% in the previous month.

PKR/USD PARITY VS FX RESERVES



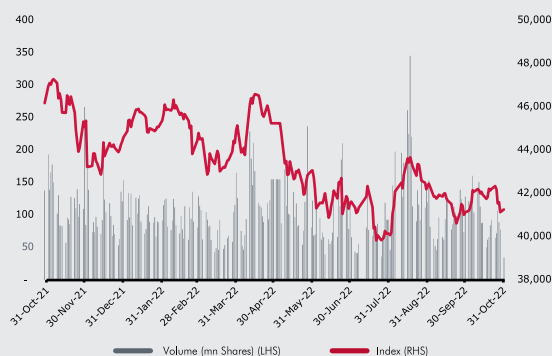
Source: ZAKHEERA

FX reserves during the month fell by (USD1,368mn) to stand at (USD 14.68bn), while the PKR appreciated by 3.31% to PKR 220.88 against the USD.

CAPITAL MARKETS UPDATE

EQUITY MARKET

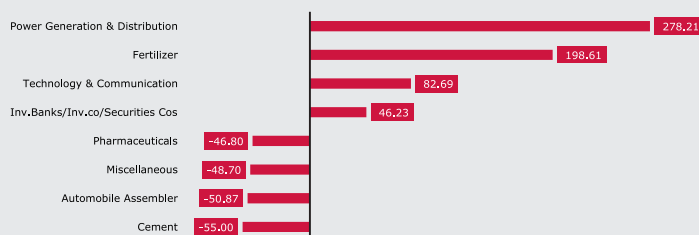
KSE-100 ONE YEAR PERFORMANCE



Source: PSX

The index increased during the month on account of approval of a loan worth USD 1.5bn from ADB, and announcement of Pakistan's exit from the FATF's Grey List after a 4-yr long stint. For the context, KSE-100 gained (+136 points) during Oct'22 to clock in at 41,265 points while KSE-All Share value traded decreased by 73.67% (M/M) standing at PKR 2,501mn.

SECTOR WISE TOP CONTRIBUTORS

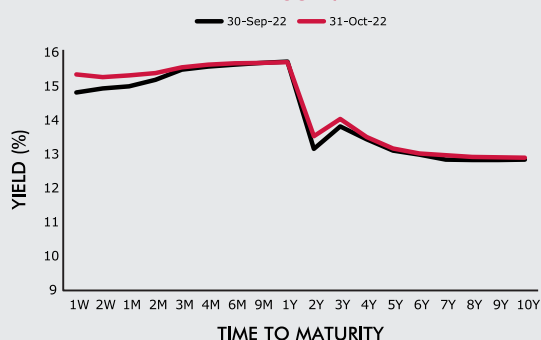


Source: ZAKHEERA

The sectors that have positively impacted the KSE-100 Index during the month of Oct'22 was Power Generation & Distribution (278.21 points), Fertilizer (198.61 points) and Technology & Communication (82.69 points). While the negatively contributing sectors during the month of Oct'22 were Cement (-55.00 points), Auto Assembler (-50.87 points), Miscellaneous (-48.70 points) and Pharmaceuticals (-46.80 points).

DEBT MARKET

YIELD CURVE



Source: MUFAP

During the month, SBP accepted PKR 1,488bn in auction of T-bills against the target of PKR 1,750bn, the cut-off rates witnessed decline and closed at 15.7198% (-28 bps MoM), 15.7434% (-26 bps MoM) and 15.7489% (-24 bps MoM) for 3-month, 6-month and 12-month tenor, respectively. The floating-rate PIB auctions also witnessed massive participation of PKR 1,211bn against target of PKR 240bn on account of appealing yield on offer, of which MoF accepted bids worth PKR 815bn at cut-off spreads ranging between 65-145 bps. In addition to this, fixed rate PIBs attracted significant investor interest with PKR 583bn participation, however the GoP restricted the supply to PKR 173bn closer to the target amount of PKR 175bn. Cut-off rates for 3-year and 5-year bonds clocked-in at 13.8360% (-8 bps MoM), 13.0900% (-30 bps MoM) respectively while bids for 10-year was rejected.

INTEREST RATE

INSTRUMENT	OCT-22	SEP-22
Kibor-3 Month	15.76%	15.77%
Kibor-6 Month	15.84%	15.91%
Kibor-12 Month	16.13%	16.21%

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 3.7x), which is one of the lowest in the region. The market's multiple is lower than historical average of 8x, besides the index offers a healthy dividend yield of nearly 9.8%. 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:

- **The recent official visit of the PM to China is expected to provide support to the economy in terms of loan rollover/restructuring and fetch potential investment in the country's solar, water and other infrastructure projects**
- **Increase in circular debt.**
- **Commodity decline expected to gain momentum in the near future due to increased FED rate hikes (Brent Crude Oil: 7.80% M/M increase in Oct'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. 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 last month, both Conventional and Islamic money markets remained range bound as secondary market yields gained momentum across the board with yields inching in between -02 bps to 53 bps across the tenors and instruments. Going forward, improved economic outlook, currency appreciation, debt rollover from bilateral, multilateral and international financial institutions, softening of commodity prices (coal), trajectory of other global commodity price and domestic economic and political dynamics will guide the pathway of debt market. We expect money market yield will likely remain range bound over the course of upcoming months. Our portfolios are well aligned with diverse allocation in shorter duration instruments and longer tenor fixed rate instruments.

FUND WISE STRATEGY

- **Managed Fund:** The managed fund's assertive exposure towards fixed income (88% allocation) allows it to capture the high yields on offer in these instruments. The fund's 12% 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 46% allocation in low duration instruments, along with a 9% equity allocation it stands to provide decent risk adjusted return for the medium to long term. The fund also provides a 30% 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.

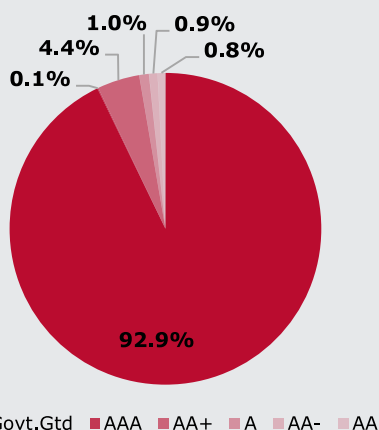
FUND MANAGER'S COMMENTS

During the month of October 2022 Managed Fund's (MF) Unit Price increased by PKR 9.87 (0.73%). The fund's allocation to government securities stands at 81.41% at month end against 80.81% last month while allocation to equities is at 11.47% versus 12.56% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 28.1% followed by Oil & Gas (Exploration Companies), Pharmaceuticals and Automobile Assembler & Parts with a sector allocation of 20.05%, 11.75% and 8.79% respectively.

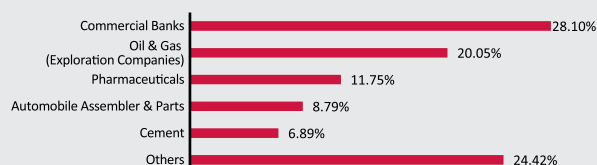
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Fund
Fund Size	PKR 82,976 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.10.2022)	PKR 1,361.68
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	0.73%
3 months	2.67%
12 months	0.95%
Calendar YTD	2.51%
Since Inception (annualized)	10.65%
5 Years (annualized)	4.76%
10 Years (annualized)	7.49%

ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Government Securities	81.41%	80.81%
Term Finance Securities	6.72%	6.45%
Cash and Short Term Deposits	0.40%	0.18%
Equities	11.47%	12.56%

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

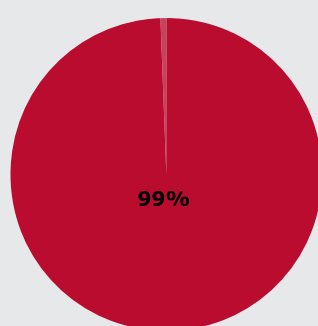
During the month of October 2022 Capital Growth Fund's (CGF) Unit Price decreased by PKR .48 (-0.07%). The fund's allocation to government securities stands at 24.88% at month end against 23.17% last month while allocation to equities is at 72.61% versus 75.61% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 22.19% followed by Commercial Banks, Cement and Pharmaceuticals with a sector allocation of 20.8%, 13.6% and 8.93% respectively.

12-M ROLLING FUND PRICE



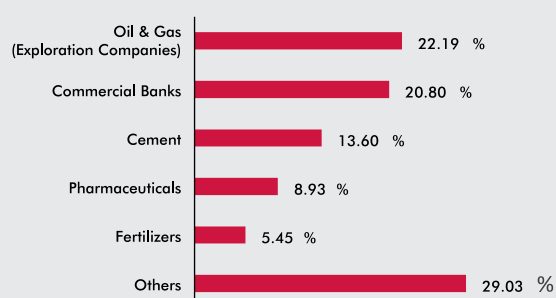
ASSET QUALITY

(Debt Securities)
1%



SECTOR ALLOCATION

(Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Fund
Fund Size	PKR 24,303 Million
Launch Date	28.07.2004
Bid Price (27.04.2004)	PKR 100.00
Bid Price (31.10.2022)	PKR 685.16
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	- 0.07%
3 months	1.40%
12 months	- 16.74%
Calendar YTD	- 12.20%
Since Inception (annualized)	11.11%
5 Years (annualized)	- 4.96%
10 Years (annualized)	8.23%

ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Government Securities	24.88%	23.17%
Cash and Short Term Deposits	2.51%	1.22%
Equities	72.61%	75.61%

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.

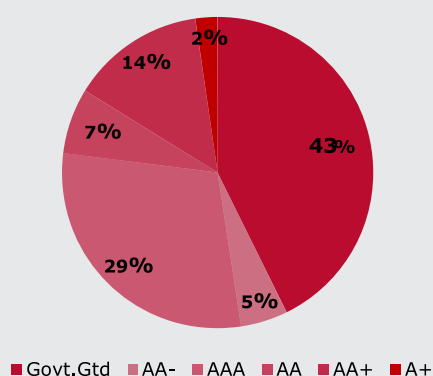
FUND MANAGER'S COMMENTS

During the month of October 2022 Meesaq Fund's Unit Price increased by PKR 15.7 (1.34%). The fund's allocation to sukus stands at 44.16% at month end against 58.68% last month while allocation to equities is at 8.94% versus 8.82% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 27.36% followed by Pharmaceuticals, Fertilizers and Cement with a sector allocation of 22.55%, 13.33% and 12.45% respectively.

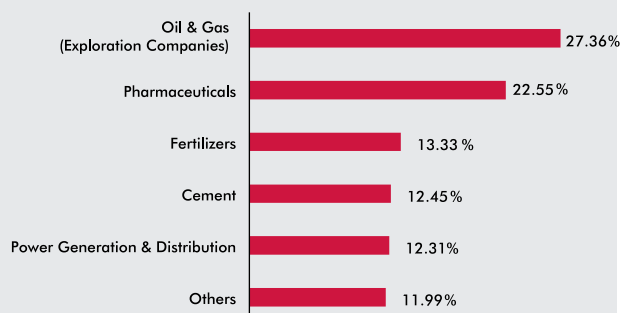
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Meesaq Fund
Fund Size	PKR 6,371 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.10.2022)	PKR 1,190.15
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	1.337%
3 months	3.404%
12 months	2.302%
Calendar YTD	4.382%
Since Inception (annualized)	6.491%
5 Years (annualized)	3.596%
10 Years (annualized)	6.800%

ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Sukus	44.16%	58.68%
Cash and Short Term Deposits	42.97%	28.61%
Equities	8.94%	8.82%
Mutual Funds	3.94%	3.89%

Yaqeen Growth Fund

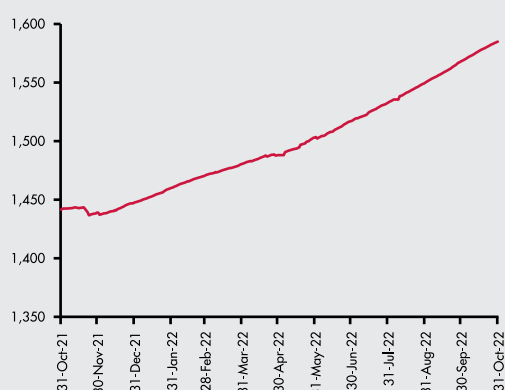
FUND OBJECTIVE

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

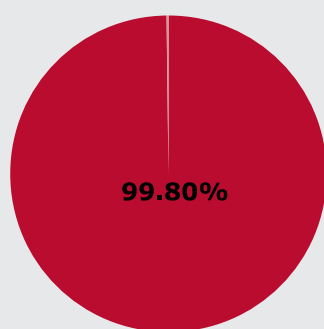
During the month of October 2022 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 17.08 (1.09%). The fund's allocation to government securities stands at 94.44% at month end against 94.86% last month while allocation to term finance securities is at 1.8% versus 1.88% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)

0.20%



■ Govt.Gtd ■ AAA

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 10,620 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.10.2022)	PKR 1,584.94
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	1.09%
3 months	3.41%
12 months	9.94%
Calendar YTD (annualized)	11.52%
Since Inception (annualized)	9.39%
5 Years (annualized)	9.52%
10 Years (annualized)	9.11%

ASSET ALLOCATION

ASSETS	OCTOBER-22	SEPTEMBER-22
Government Securities	94.44%	94.86%
Term Finance Securities	1.80%	1.88%
Cash and Short Term Deposits	3.76%	3.27%

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