



INVESTMENT FACT SHEET

FOR THE MONTH OF SEPTEMBER 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 Sep'22 saw mixed developments from an economic point of view. On the positive front, Pakistan secured donations commitments from bilateral and multilateral agencies in regards of flood, while the decline in cotton crops due to flood was the main negative. Major highlights during the month included:

- **The country's Current Account Deficit declined M/M by 42.14% to reach USD 0.703 bn in Aug'22, mainly on the back of higher exports and remittances.**
- **The CPI for Sep'22 clocked in at 23.20%, on account of expensive clothing, food, and transport.**
- **Pressure of external payments resulted in the depreciation of 4.43% M/M in PKR against greenback to close in at 228.452.**
- **Decline in international commodity prices (Brent Crude Oil: 8.8% M/M Decline in Sep'22).**
- **Heightened political noise played with the market sentiment with KSE-100 hovering in the range of 40,620 - 42,460.**

The challenges on the economic front continued as demand remained moderated as evident by the most recent offtake/sales numbers of Cement (-35.20% Y/Y in 2MFY23), Petroleum Products (-23.38% Y/Y in 1QFY23), Automobiles (-67.60% Y/Y in 2MFY23) & Fertilizer (-32.60% Y/Y in 2MFY23). Cotton arrival so far in the current season has declined by 23.67% Y/Y mainly on the back of devastating floods. Pakistan's dollar bond yields increased on account of investor's lack of confidence as country continues to face external challenges. Contrary to previous experiences, despite of Pakistan entry into IMF program, country bonds have trended higher, and currency has remained under pressure.

On the positive side, inflation declined M/M by 1.2% led by decline in the electricity head. The current account improved in Aug'22 on account of higher exports and remittances. On the financing side, Japan government agreed to defer USD 160 million debt while Saudi Arabia renewed USD 3 billion deposits for Pakistan. Additionally, World Bank has announced that it will approve USD 1.5 billion loan for Pakistan to deal with food crises caused by climate change. Moreover, Financial Action Task Force (FATF) completed its onsite visit of Pakistan during the month. Despite the super taxes, overall profitability of the corporate sector posted a significant increase in earnings and dividend pay outs during FY22.

The FX reserves declined to USD13.762 bn as on 23rd September 2022 from USD14.346bn seen a month earlier due to increased debt payment and lack of external financing flows. The PKR took a breather during the last week of September as the finance ministry changed hands. Decline in trade deficit also played its part in the appreciation of PKR towards the last leg of the month. Despite of the decline in M/M inflation in Sep'22, it is still at alarming levels with the average inflation for the 1st quarter of FY22 clocking in at 25.1% as against 8.6% in 1QFY21.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

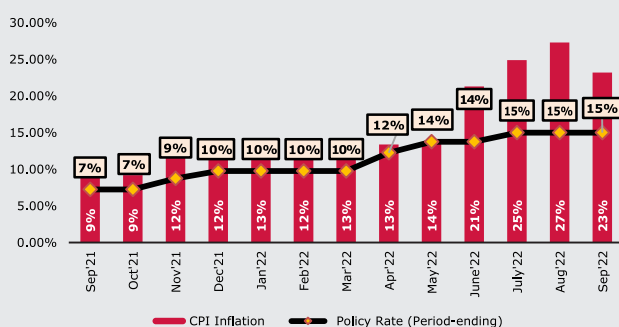
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Aug'22	(2,937)	(3,068)	(6,005)
Remittances (USD mn)	Aug'22	2,724	2,524	5,248
Current A/C Balance (USD mn)	Aug'22	(703)	(1,215)	(1,918)
FDI (USD mn)	Aug'22	111	59	170
Tax Collection* (PKR bn)	Sep-22	685	489	1,174
M2 Growth		-	-	-0.04%

Source: SBP, FBR

* Provisional figures

The trade deficit figures of the country declined to USD 2,937 Mn (-4.27% M/M) for Aug'22, the current account deficit also declined during the month to reach USD 703 Mn vs USD 1,215 Mn in the month of Aug. The remittances increased by \$200 Mn to land at \$2,724 Mn while FBR's tax collection in the current fiscal year stood at PKR 1,635 Bn.

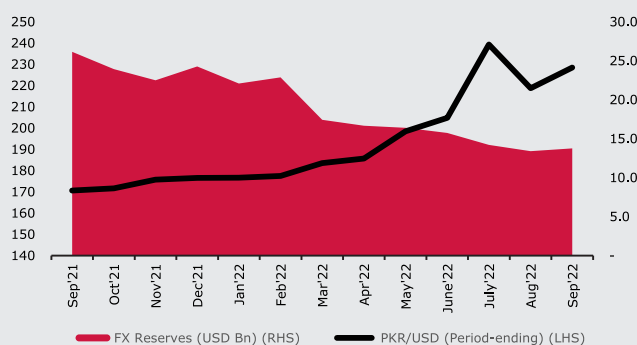
INFLATION



Source: ZAKHEERA

The national CPI during the month of Sep'22 clocked in at 23.20% compared to 27.30% in the previous month.

PKR/USD PARITY VS FX RESERVES



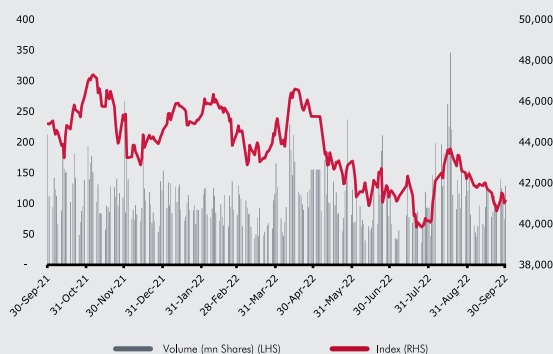
Source: ZAKHEERA

FX reserves during the month fell by (USD 0.584 Bn) to stand at (USD 14.346 Bn), while the PKR depreciated by 4.43% to PKR 228.452 against the USD.

CAPITAL MARKETS UPDATE

EQUITY MARKET

KSE-100 ONE YEAR PERFORMANCE



Source: PSX

The index increased during the month on account of higher exports, remittances and the rollover of debt by Saudi Arabia and Japan. For the context, KSE-All Share value traded increased by 31.756% (M/M) standing at (PKR 9,499) Mn while KSE-100 lost (1,222 points) during Sep'22 to clock in at (41,129 points).

SECTOR WISE TOP CONTRIBUTORS

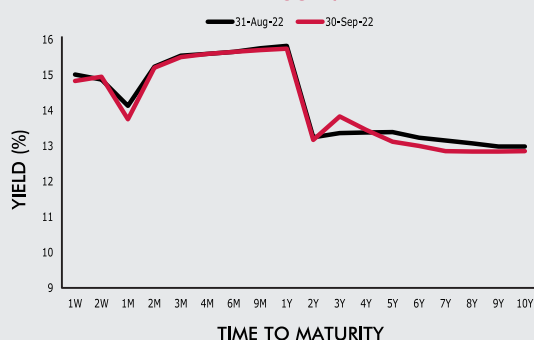


Source: ZAKHEERA

The sectors that have positively impacted the KSE-100 Index includes Technology & Communication (332.43 points), Power Generation & Distribution (64.06 points), Tobacco (22.45 points) and Property contributed (15.21 points). While the negatively contributing sectors during the month of Sep'22 were; Commercial Banks (-711.00 points), Oil & Gas Exploration Companies (-349.31 points), Fertilizer (-199.56 points) and Food & Personal Products (-65.78 points).

DEBT MARKET

YIELD CURVE



Source: MUFAP

During the month, SBP accepted PKR 3,041bn in auction of T-bills against the target of PKR 2,500bn, the cut-off rates remained elevated at 15.9999% (+21 bps MoM), 15.9998% (+15 bps MoM) and 15.9900% (+5 bps MoM) for 3-month, 6-month and 12-month tenor, respectively. The floating-rate PIB auctions witnessed massive participation of PKR 868bn against target of PKR 220bn, of which MoF accepted bids worth PKR 516bn at cut-off spreads ranging between 65-149 bps in line with market expectations. The fixed rate PIBs auction witnessed a significant participation of PKR 550bn, however the GoP restricted the supply to PKR 171bn fixed PIBs compared to the target amount of PKR 175bn. Cut-off rates for 3-year and 5-year bonds clocked-in at 13.9200% (-3 bps MoM) and 13.3900% (-1 bps MoM) respectively while bids for 10-year was accepted at 12.9500% first time after Apr-2022.

INTEREST RATE

INSTRUMENT	SEP-22	AUG-22
Kibor-3 Month	15.77%	15.92%
Kibor-6 Month	15.91%	16.00%
Kibor-12 Month	16.21%	16.35%

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%. 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:

- **Pakistan has got a rollover of debt from few bilateral lenders.**
- **Commodity decline gaining momentum (Brent Crude Oil: 8.8% M/M Decline in Sep'22).**
- **Increased probability of Pakistan's exit from FATF's grey list**
- **Commitments from international donors on account of flood relief.**

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 last months, both Conventional and Islamic money markets remained tempestuous as secondary market yields remained volatile across the board ranging in between -30bps to 25bps across the tenors and instruments. Going forward, financial assistance from bilateral, multilateral and international financial institutions, decision of global watch-dog on removing Pakistan from grey list, trajectory of global commodity price and domestic economic and political dynamics will guide the pathway of debt market. We expect money market yield will likely decrease over the course of upcoming months. Our portfolios are well aligned with diverse allocation in 3 months T-bills, 12 months instruments and 5 years fixed rate PIBs.

FUND WISE STRATEGY

- **Managed Fund:** The managed fund's aggressive 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 (76%) 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 24% 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 59% allocation in low duration instruments, along with a 09% equity allocation it stands to provide decent risk adjusted return for the medium to long term. The fund also provides a 29% 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

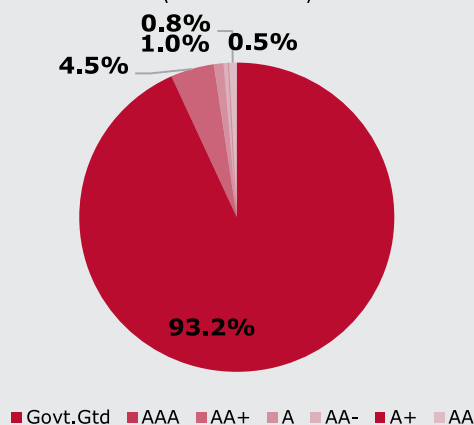
During the month of September 2022 Managed Fund's (MF) Unit Price decreased by PKR 1.49 (-0.11%). The fund's allocation to government securities stands at 80.81% at month end against 78.01% last month while allocation to equities is at 12.56% versus 15.05% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 28.05% followed by Oil & Gas (Exploration Companies), Pharmaceuticals and Automobile Assembler & Parts with a sector allocation of 18.33%, 11.28% and 8.29% respectively.

12-M ROLLING FUND PRICE



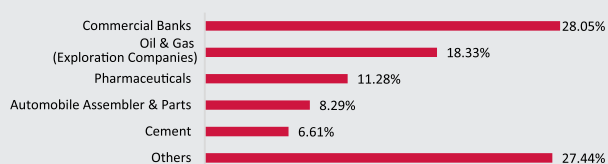
ASSET QUALITY

(Debt Securities)



SECTOR ALLOCATION

(Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Fund
Fund Size	PKR 83,386 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (30.09.2022)	PKR 1,351.8
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	-0.11%
3 months	2.11%
12 months	2.03%
Calendar YTD	1.76%
Since Inception (annualized)	10.66%
5 Years (annualized)	4.05%
10 Years (annualized)	7.54%

ASSET ALLOCATION

ASSETS	SEPTEMBER-22	AUGUST-22
Government Securities	80.81%	78.01%
Term Finance Securities	6.45%	6.25%
Cash and Short Term Deposits	0.18%	0.68%
Equities	12.56%	15.05%

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 September 2022 Capital Growth Fund's (CGF) Unit Price decreased by PKR 26.96 (-3.78%). The fund's allocation to government securities stands at 23.17% at month end against 19.75% last month while allocation to equities is at 75.61% versus 77.93% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 21.46% followed by Oil & Gas (Exploration Companies), Cement and Pharmaceuticals with a sector allocation of 21.22%, 13.61% and 8.49% respectively.

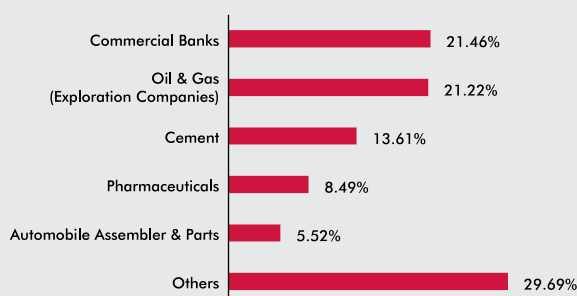
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Fund
Fund Size	PKR 24,403 Million
Launch Date	28.07.2004
Bid Price (27.04.2004)	PKR 100.00
Bid Price (30.09.2022)	PKR 685.64
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	- 3.78%
3 months	- 1.74%
12 months	- 13.11%
Calendar YTD	- 12.14%
Since Inception (annualized)	11.17%
5 Years (annualized)	- 6.19%
10 Years (annualized)	8.11%

ASSET ALLOCATION

ASSETS	SEPTEMBER-22	AUGUST-22
Government Securities	23.17%	19.75%
Cash and Short Term Deposits	1.22%	2.32%
Equities	75.61%	77.93%

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

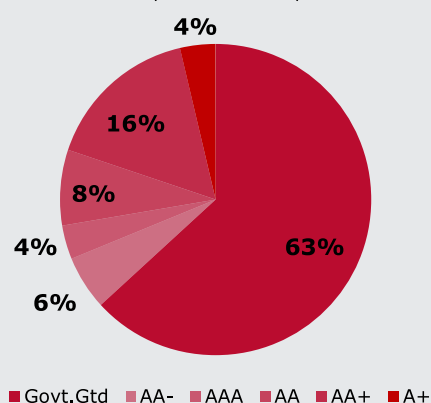
During the month of September 2022 Meesaq Fund's Unit Price increased by PKR 4.44 (0.38%). The fund's allocation to sukuks stands at 58.68% at month end against 57.04% last month while allocation to equities is at 8.82% versus 13.51% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 25.66% followed by Pharmaceuticals, Fertilizers and Power Generation & Distribution with a sector allocation of 22.5%, 13.27% and 13.2% respectively.

12-M ROLLING FUND PRICE



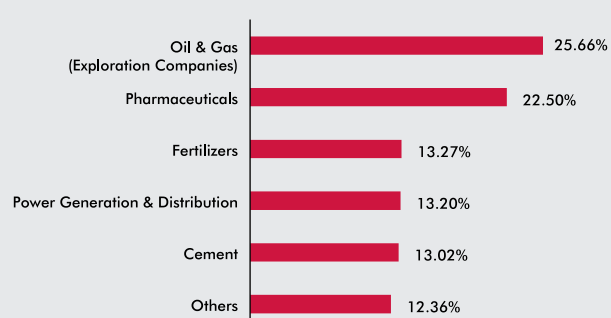
ASSET QUALITY

(Debt Securities)



SECTOR ALLOCATION

(Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Meesaq Fund
Fund Size	PKR 6,380 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (30.09.2022)	PKR 1,174.45
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	0.379%
3 months	2.674%
12 months	2.363%
Calendar YTD	3.005%
Since Inception (annualized)	6.433%
5 Years (annualized)	2.563%
10 Years (annualized)	6.768%

ASSET ALLOCATION

ASSETS	SEPTEMBER-22	AUGUST-22
Sukuks	58.68%	57.04%
Cash and Short Term Deposits	28.61%	25.69%
Equities	8.82%	13.51%
Mutual Funds	3.89%	3.77%

Yaqeen Growth Fund

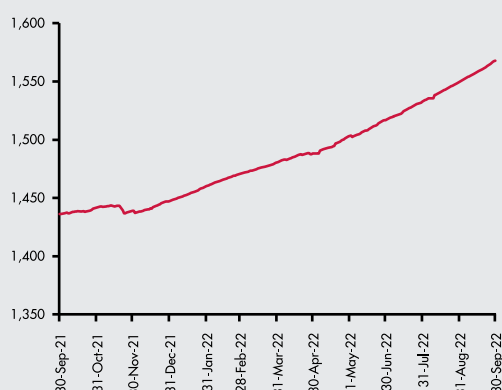
FUND OBJECTIVE

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 September 2022 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 18.12 (1.17%). The fund's allocation to government securities stands at 94.86% at month end against 95.66% last month while allocation to term finance securities is at 1.88% versus 1.97% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 10,065 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (30.09.2022)	PKR 1,567.86
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	1.17%
3 months	3.36%
12 months	9.18%
Calendar YTD (annualized)	11.28%
Since Inception (annualized)	9.36%
5 Years (annualized)	9.13%
10 Years (annualized)	9.11%

ASSET ALLOCATION

ASSETS	SEPTEMBER-22	AUGUST-22
Government Securities	94.86%	95.66%
Term Finance Securities	1.88%	1.97%
Cash and Short Term Deposits	3.27%	2.36%

TOP TEN HOLDINGS

MANAGED FUND

HBL
THALL
MARI
UBL
ABOT
ENGRO
HUBC
MCB
PPL
HINOON

CAPITAL GROWTH FUND

MARI
LUCK
MCB
HBL
OGDC
ENGRO
HUBC
UBL
ICI
THALL

MEESAQ FUND

HINOON
ENGRO
HUBC
POL
MARI
LUCK
ABOT
MLCF
MTL
THALL

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