



INVESTMENT FACT SHEET

FOR THE MONTH OF DECEMBER 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 Dec2022 started on a negative note with the revision of projected real GDP growth from earlier 4-5% to 3-4% by SBP, downgrade in international credit rating of the country from "B" to "CCC+" by S&P Global, and the monthly CPI reaching a record high of 24.5%. Moreover, The SBP raised 200bps on export refinancing facility to 13% lowering the gap against policy rate to 3% from 5%. The forex reserves dropped to an 8-year low of \$5.8 billion. Additionally, government raised levy on HSD from PKR 30 to PKR 32.5 per liter. On the positive side the current account deficit declined 51.5% on a monthly basis to clock at \$ 276 million, taking 5MFY23 deficit to \$3.1 billion against \$7.23 billion SPLY. Secondly, SBP announced withdrawal of restrictions on prior permission before initiating any import transaction, despite post-flood challenges 91.74% of wheat crop sowing has been completed across the country to achieve the target of 22.58 million acres of wheat sowing target for FY23 and Pakistan's central bank made the payment on \$1 billion bond, dodging the risk of near-term default over its long-term debts.

Major economic numbers during the month:

- **The country's Current Account Deficit decreased MoM by 51.5% during Nov'22.**
- **The CPI for Dec'22 clocked in at 24.5%, mainly due to lower good import bill.**
- **Usage of grey channel resulted in the depreciation of 1.11% MoM in PKR against greenback to close in at 226.43.**
- **Commodity prices remained stable (Brent Crude Oil: 0.69% MoM increase in Dec'22).**
- **The market sentiment remained cautious and volatile with KSE-100 as it fell to 40,420.45, a decline of 4.55% MoM.**

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 (-20% YoY in 6MFY23), Petroleum Products (-19% YoY in 6MFY23), Automobiles (-39% YoY in 5MFY23) and Fertilizer (-27% YoY in 5MFY23). Moreover, the LSM witnessed a slight decline of 2.89% YoY in 4MFY23, mainly lead by pharmaceuticals, cement, textile, automobile, and petroleum products.

On the external side, the Current account deficit decreased by 52% MoM to reach USD 276mn in Dec'22 mainly due to lower import bill. Moreover, the government may impose flood levy on all imports ranging between 1-3% which would further help in decreasing the current account deficit.

Financial markets exhibit negative momentum for the most part of the month because of the administrative management of the exchange rate as parity with the unofficial cash rate increased massively. Secondly, KSE-100 fell by 4.55% MoM because of the poor macroeconomic indicators and dire political noise. Tough economic circumstances in the country also resulted in the decline of FDI (Foreign Direct Investment) during the current fiscal year(5MFY23) by 26.8% to USD 397.2mn.

On the domestic front, Inflation demonstrated an upward trend clocking at 24.50% in Dec'22, major contributors are Food, Transport and Restaurants & Hotel which pushed average inflation for the first half of current fiscal year to alarming high of 25.02%.

The total FX reserves weakened to USD 11.44 bn as of 30th December 2022 from USD13.02bn seen a month earlier due to repayment of foreign obligation.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

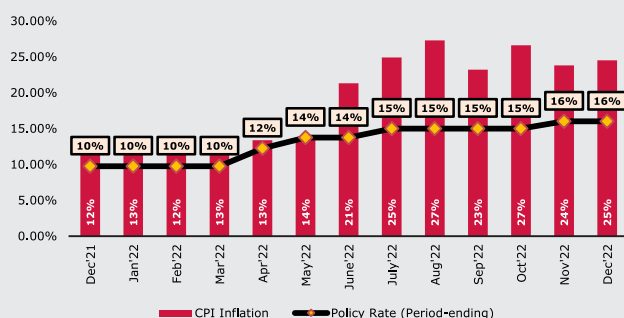
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	Nov'22	(2,025)	(2,305)	(12,807)
Remittances (USD mn)	Nov'22	2,108	2,216	12,009
Current A/C Balance (USD mn)	Nov'22	(267)	(567)	(3,099)
FDI (USD mn)	Nov'22	82	95	431
Tax Collection* (PKR bn)	Dec'22	740	538	3,428
M2 Growth				13.60%

Source: SBP, FBR

* Provisional figures

The trade deficit figures of the country declined to USD 2,025mn (-12.15% MoM) for Nov'22, however, the current account deficit also decreased during the month to reach USD 267mn vs USD 567mn in the month of Oct'22. The remittances dipped by USD 108mn to land at USD 2,108mn in Nov'22. FBR's tax collection in the current fiscal year stood at PKR 3,428bn in the 1HFY23.

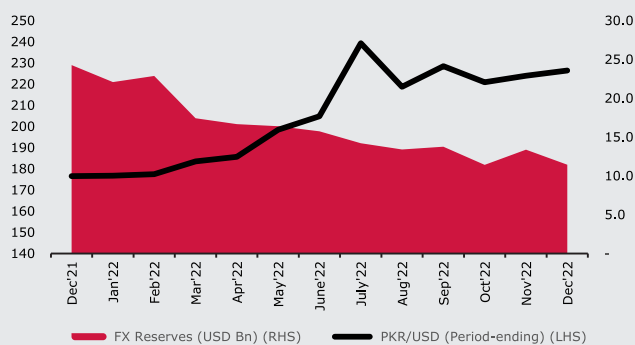
INFLATION



Source: ZAKHEERA

The national CPI during the month of Dec'22 clocked in at 24.50% compared to 23.80% in the previous month.

PKR/USD PARITY VS FX RESERVES



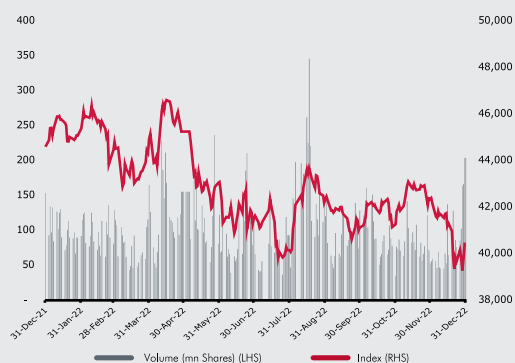
Source: ZAKHEERA

FX reserves during the month fell by (USD 1,668mn) to stand at (USD 11.71bn), while the PKR depreciated by 1.11% to PKR 226.43 against the USD.

CAPITAL MARKETS UPDATE

EQUITY MARKET

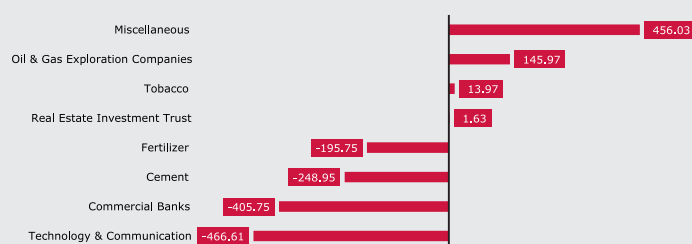
KSE-100 ONE YEAR PERFORMANCE



Source: PSX

The index decreased during the month on account of poor macroeconomic indicators and dire political noise. For the context, KSE-100 loss (-1,928 points) during Dec'22 to clock in at 40,420 points while KSE-All Share value traded increased by 71% (M/M) standing at PKR 7,960mn.

SECTOR WISE TOP CONTRIBUTORS

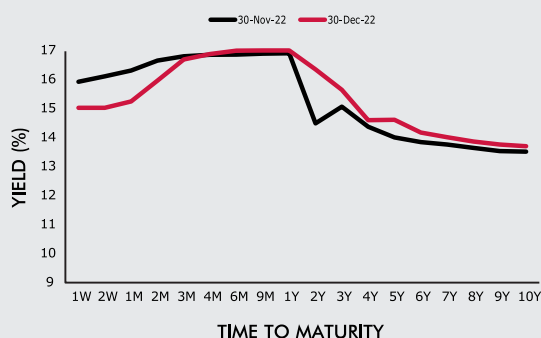


Source: ZAKHEERA

The sectors that positively impacted the KSE-100 Index during the month of Dec'22 were Miscellaneous (+456.03 Points), Oil & Gas Exploration (+145.97 points), Tobacco (+13.97 points) and Real Estate Investment Trust (+1.63 points). While the negatively contributing sectors during the month of Dec'22 were Technology & Communication (-466.61 points), Commercial Banks (-405.75 points), Cement (-248.95 points) and Fertilizers (-195.75 points).

DEBT MARKET

YIELD CURVE



Source: MUFAP

During the month, SBP accepted PKR 1,849bn in auction of T-bills against the target of PKR 2,000bn, the cut-off rates remained range bound closing at 16.9998%, 16.8255% (+2bps MoM) and 16.8500% (+2bps MoM) for 3-month, 6-month and 12-month tenor, respectively. The floating-rate PIB auctions witnessed significant participation of PKR 1,028bn against target of PKR 240bn on account of appealing yield on offer, of which MoF accepted bids worth PKR 806bn at cut-off spreads ranging between 65-104bps. In addition to this, fixed rate PIBs attracted lacklustre participation of PKR 98bn only, however, GoP rejected all bids across the tenors as participation range was 55-108bps higher compared to previous cut-offs.

INTEREST RATE

INSTRUMENT	DEC-22	NOV-22
Kibor-3 Month	17.00%	16.92%
Kibor-6 Month	17.04%	16.95%
Kibor-12 Month	17.34%	17.21%

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 3.4x), which is one of the lowest in the region. The market's multiple is lower than the 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 influence the benchmark index include:

- **Controlled Current account position due to administrative decisions**
- **Increasing uptrend of inflation due to rising cost pressures**
- **Pressure on forex reserves in the absence of USD denominated funding avenues**
- **Softening of commodities.**

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 attractive valuations.

DEBT MARKET:

In outgoing month, the Conventional money market cut-offs remained range bound and closed at high since 2000, Islamic money markets also moved in similar fashion. Short term yields closed almost flat at 16.69%, 16.99% and 17.00% for 3 months, 6 Months, 1 year, however, 3, 5 and 10 years closed at 15.64%, 14.61% and 13.70% up by 115bps, 24bps and 19bps respectively. Going forward, Debt market is likely to remain under pressure in expectation of continuous austerity measures to be taken to improve economic outlook, rationalization of currency and aversion of potential default on foreign currency exposures. Continuation of IMF program is still of significant 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 (93% allocation) allows it to capture the high yields on offer in these instruments. The fund's 7% 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 (71%) 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 28% 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 48% allocation in low duration instruments, along with a 5% equity allocation it stands to provide decent risk adjusted return for the medium to long term. The fund also provides a 28% 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.

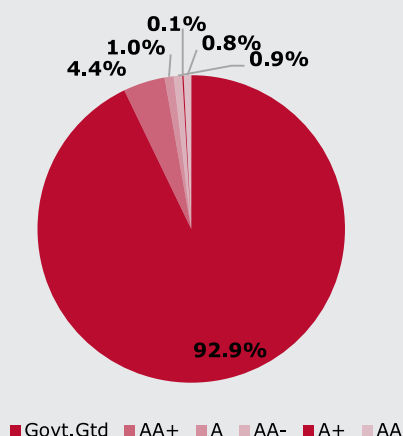
FUND MANAGER'S COMMENTS

During the month of December 2022 Managed Fund's (MF) Unit Price increased by PKR 1.11 (0.08%). The fund's allocation to government securities stands at 84.63% at month end against 83.81% last month while allocation to equities is at 7.09% versus 9.25% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 28.33% followed by Pharmaceuticals, Oil & Gas (Exploration Companies) and Cement with a sector allocation of 17.22%, 15.39% and 10.46% respectively.

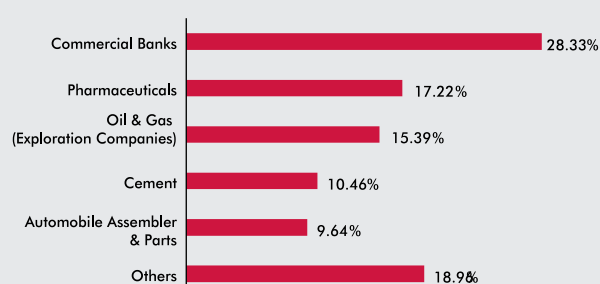
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Fund
Fund Size	PKR 80,089 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.12.2022)	PKR 1,361.58
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	0.08%
3 months	0.72%
12 months	2.50%
Calendar YTD	2.50%
Since Inception (annualized)	10.58%
5 Years (annualized)	4.53%
10 Years (annualized)	7.30%

ASSET ALLOCATION

ASSETS	DECEMBER-22	NOVEMBER-22
Government Securities	84.63%	83.81%
Term Finance Securities	7.22%	6.86%
Cash and Short Term Deposits	1.05%	0.09%
Equities	7.09%	9.25%

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 December 2022 Capital Growth Fund's (CGF) Unit Price decreased by PKR 24.61 (-3.57%). The fund's allocation to government securities stands at 27.91% at month end against 26.98% last month while allocation to equities is at 70.96% versus 72.65% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 23.76% followed by Commercial Banks, Cement and Pharmaceuticals with a sector allocation of 20.78%, 13.17% and 8.64% respectively.

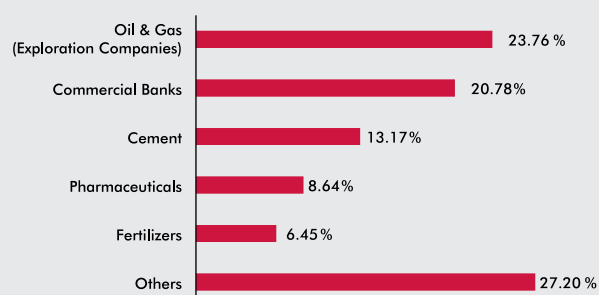
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Fund
Fund Size	PKR 23,374 Million
Launch Date	28.07.2004
Bid Price (27.04.2004)	PKR 100.00
Bid Price (31.12.2022)	PKR 664.30
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	- 3.57%
3 months	- 3.11%
12 months	- 14.87%
Calendar YTD	- 14.87%
Since Inception (annualized)	10.82%
5 Years (annualized)	- 5.82%
10 Years (annualized)	7.20%

ASSET ALLOCATION

ASSETS	DECEMBER-22	NOVEMBER-22
Government Securities	27.91%	26.98%
Cash and Short Term Deposits	1.14%	0.37%
Equities	70.96%	72.65%

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.

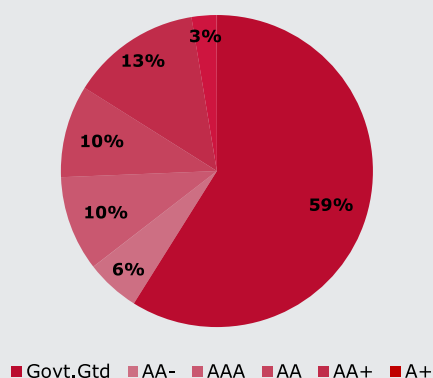
FUND MANAGER'S COMMENTS

During the month of December 2022 Meesaq Fund's Unit Price increased by PKR 3.14 (0.26%). The fund's allocation to sukus stands at 55.15% at month end against 52.64% last month while allocation to equities is at 5.13% versus 6.86% last month. Within sectors, the fund is tilted towards Pharmaceuticals with a total allocation of 37.7% followed by Oil & Gas (Exploration Companies), Cement and Engineering with a sector allocation of 34.43%, 20.38% and 3.57% respectively.

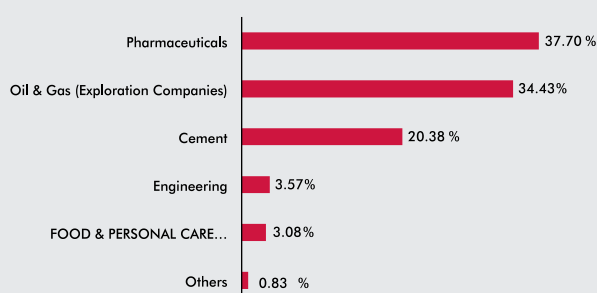
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Meesaq Fund
Fund Size	PKR 6,094 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.12.2022)	PKR 1,203.02
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	0.262%
3 months	2.432%
12 months	5.510%
Calendar YTD	5.510%
Since Inception (annualized)	6.493%
5 Years (annualized)	3.701%
10 Years (annualized)	6.699%

ASSET ALLOCATION

ASSETS	DECEMBER-22	NOVEMBER-22
Sukus	55.15%	52.64%
Cash and Short Term Deposits	30.48%	36.47%
Equities	5.13%	6.86%
Mutual Funds	9.25%	4.03%

Yaqeen Growth Fund

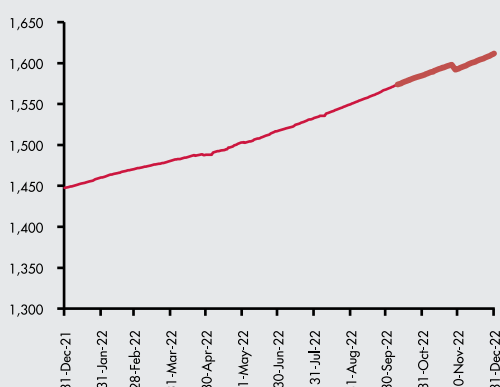
FUND OBJECTIVE

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 December 2022 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 18.88 (1.19%). The fund's allocation to government securities stands at 90.98% at month end against 94.77% last month while allocation to term finance securities is at 0.00% versus 1.76% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 11,989 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.12.2022)	PKR 1,611.59
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	1.19%
3 months	2.79%
12 months	11.35%
Calendar YTD (annualized)	11.35%
Since Inception (annualized)	9.40%
5 Years (annualized)	9.75%
10 Years (annualized)	9.17%

ASSET ALLOCATION

ASSETS	DECEMBER-22	NOVEMBER-22
Government Securities	90.98%	94.77%
Term Finance Securities	0.00%	1.76%
Cash and Short Term Deposits	9.02%	3.47%

TOP TEN HOLDINGS

MANAGED FUND

ABOT
CPPL
HBL
HINOON
LUCK
MARI
MCB
POL
SHFA
THALL

CAPITAL GROWTH FUND

ENGRO
HBL
HINOON
ICI
LUCK
MARI
MCB
OGDC
POL
UBL

MEESAQ FUND

ABOT
AGHA
HINOON
HUBC
LUCK
MARI
MLCF
POL
SHFA
TOMCL

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