



# **INVESTMENT FACT SHEET**

FOR THE MONTH OF SEPTEMBER 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,

In September 2023, the Pakistan stock market experienced a positive revival, primarily driven by the recovery of the PKR against the US dollar. This movement in the exchange rate was attributed to a crackdown on foreign currency smuggling and on USD hoarders in the market. Moreover, the SBP decided to maintain a steady policy rate at 22% during the MPC meeting. In addition to these positive indicators, the CAD for Aug'23 decreased significantly by 79% Y/Y to USD160mn.

On the political front, ECP announced that the general elections would take place in the last week of Jan'24, providing much-needed clarity to investors. The KSE-100 index concluded the month at 46,233 points, reflecting a gain of 1,230 points or a 2.7% M/M increase.

However, there were some negative developments as well. The ADB revised Pakistan's GDP growth forecast for FY24 down to 1.9%, compared to 2% in April. Additionally, the inflation forecast was revised upward to 25%, a significant increase from the earlier projection of 15%. The downside risks to the economic outlook remained exceptionally high.

Furthermore, NEPRA allowed the federal government to increase electricity rates by PKR 3.28 per unit for all consumers for six months, starting from Oct'23 to Mar'24. This decision has an additional revenue impact exceeding PKR 200bn. Additionally, NEPRA raised KE's tariff by PKR 1.49 to PKR 4.45 per unit for various categories of consumers. Repatriation of profits and dividends by foreign investors on their investments in Pakistan also spiked. In the 2MFY24, this figure rose by 74.46% to USD 49.2mn, compared to USD 28.2mn in the SPLY.

On the fiscal front, the FBR collected PKR 2,041bn during the 1QFY24, exceeding the assigned target of PKR 1,978bn by PKR 63bn. On a M/M basis, the FBR collected PKR 834bn in Sept'23, surpassing the monthly target by PKR 35bn.

These developments collectively contributed to the dynamics of the Pakistani market in Sep'23, reflecting a mix of positive and negative factors that shaped investor sentiment and economic outlook for the country.

The major numbers during the month:

- **The current account balance after four consecutive months of surplus, returned to a deficit, amounting USD 160mn.**
- **The CPI for September'23 clocked in at 31.40%**
- **PKR appreciated against USD by 5.83% during the month.**
- **Global energy prices have surged, with Brent at USD 97.86/bbl mark and Coal at USD 120.60/mt.**

Large Scale Manufacturing Index (LSMI) for Jul'23, showed a decline of 3.6% on a M/M basis and a 1.1% decrease Y/Y. Textile -22.0% Y/Y, Coke & Petroleum Products -2.3% Y/Y, Iron & Steel Products -2.7% Y/Y, Automobiles -66.1% Y/Y.

In September, cement dispatches witnessed a decline by 3.96% M/M and stood at 4.115mn tonnes. Petroleum products sales slightly declined by 25%, clocking at 1.06mn tonnes.

# ECONOMY UPDATE

## MACROECONOMIC INDICATORS

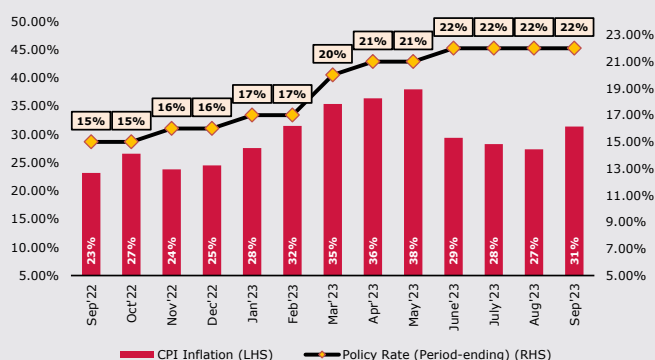
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	August	(1,868)	(2,080)	(3,948)
Remittances (USD mn)	August	2,093	2,029	4,122
Current A/C Balance (USD mn)	August	(160)	(775)	(935)
FDI (USD mn)	August	146	87	233
Tax Collection* (PKR bn)	Sept	834	669	2,041
M2 Growth				-1.33%

Source SBP, FBR

\* Provisional figures

In September 2023, the trade deficit experienced a decrease of 30.15%, declining to USD 1,489mn compared to the previous month of USD 2,162mn. The declining of trade deficit can be attributed to the decline in an import to USD 3,954mn. Meanwhile, exports increased to the USD 2,465bn. Furthermore, during the same period, remittances experienced a decline of 24.3%, and stood at USD 2,095mn. On a positive note, FBR surpassed its revenue goal of PKR34bn, successfully collecting PKR 834bn in revenue for September.

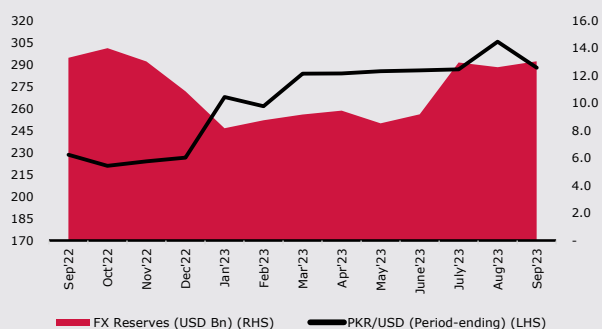
## INFLATION



Source: PBS

The national CPI during the month of September'23 clocked in at 31.40% compared to 27.38% in the previous month.

## PKR/USD PARITY VS FX RESERVES



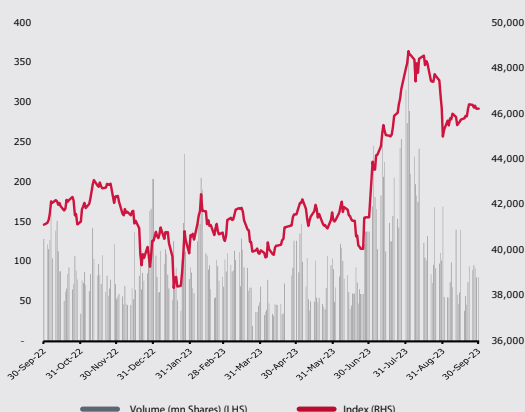
Source: SBP

FX Reserves as of 28th September 2023 were reported at USD 13.03bn, showing an increase of 3.4% compared to last month. While PKR appreciated against USD by 5.83% M/M hovering at PKR 287.73/USD.

# CAPITAL MARKETS UPDATE

## EQUITY MARKET

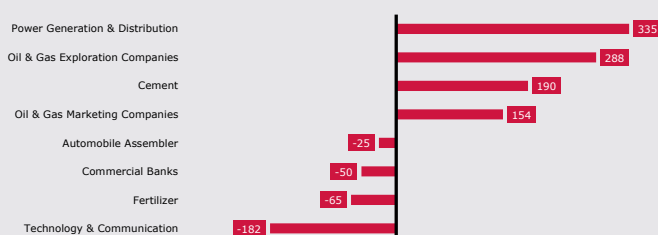
### KSE-100 ONE YEAR PERFORMANCE



Source: PSX

KSE-100 showed an upward momentum during the month of September by 2.73% (1,230 points), ultimately closing the month at 46,233 points. Average traded volume recorded at 161mn shares, a decrease of 46% M/M, while average traded value stood at PKR 5,575mn, down by 52%.

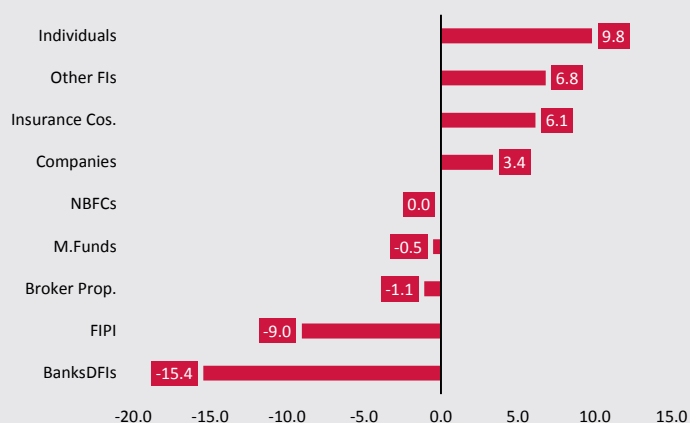
### SECTOR WISE TOP CONTRIBUTORS



Source: PSX

The major sectors which showed an upbeat performance during the month were Power Generation & Distribution (+335 points) Oil & Gas exploration Co. (+288 points) and Cements (+190 points). Meanwhile, negative contributions were Commercial Banks (-25 points), Automobile Assembler (-50 points), Fertilizer (-65 points), and Technology & Communication (-182 points).

### FIPI LIPI

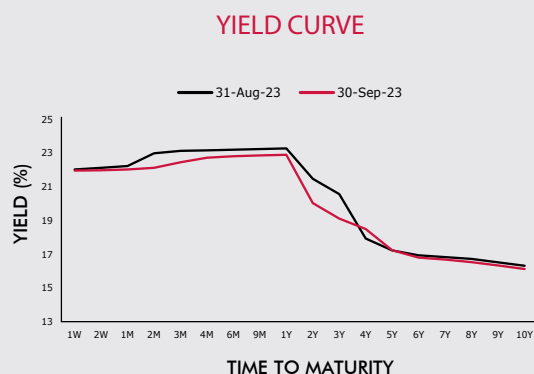


Foreigners were the net sellers with net selling aggregating to USD 9mn with major outflows recorded in Cement (USD 4.8mn), Fertilizer (USD 2.0mn), Others (USD 1.5mn), E&Ps (USD 0.8mn), Banks (USD 0.7mn), Textile Comp. (USD 0.5mn) and OMCs (USD 0.3mn). On the other hand, inflows were recorded in Power (USD 0.1mn), Food and Personal (USD 0.2mn), and Tech & Communication (USD 1.4mn).

On the domestic front, Banks/DFIs, Brokerage Co's and Mutual Funds were major sellers with net outflows of USD 17.1mn, USD 15.4mn, USD 1.1mn and USD 0.5mn respectively. While Corporates, Insurance Companies, Other Financial Institutions and Individuals reported net buying amounting to USD 26.1mn.

# CAPITAL MARKETS UPDATE

## DEBT MARKET



During the month, MPC left the policy rate unchanged at 22% in the meeting held on September 14, 2023, as a result yields across the tenor witnessed major decline. Secondary market yields for 3, 6 and 12-months T-bills closed at 22.46% (-67 bps MoM), 22.81% (-39 bps MoM) and 22.90% (-38 bps MoM) respectively. In parallel, yield for long term instruments exhibited a similar pattern, as 3 & 10-year fixed rate PIBs closed at 19.11% (-146 bps MoM) and 16.12% (-19 bps MoM) respectively, while 5-year remained steady at 17.23% (+1 bps MoM).

## KIBOR

INSTRUMENT	SEP-23	AUG-23
Kibor-3 Month	22.26%	23.17%
Kibor-6 Month	22.95%	23.21%
Kibor-12 Month	23.29%	23.49%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month and 12-month periods wrapped up at 22.26% (-91 bps MoM), 22.95% (-26 bps MoM) and 23.29% (-20 bps MoM).

## AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
T-BILLS			
3-Month	22.7898%	22.8030%	- 1 bps
6-Month	22.8000%	-	-
12-Month	22.9000%	22.9400%	- 4 bps
FIXED RATE PIBS			
3 year	19.35%	19.35%	-
5 year	16.95%	15.95%	100 bps
10 year	15.25%	-	-
FLOATING RATE PIBS - QUARTERLY			
2 year	90 bps	98 bps	- 8 bps
3 year	130 bps	146 bps	- 16 bps
FLOATING RATE PIBS - SEMI ANNUAL			
5 year	170 bps	193 bps	- 23 bps
10 year	-	-	-

During the month, the State Bank of Pakistan received bids worth PKR 6,551 bn in the Treasury bills auction significantly surpassing the target of PKR 4,200 bn. Out of these bids, SBP accepted PKR 3,436 billion. The latest cut-off rates were 22.7898%, 22.8000% and 22.9000% for 3-months, 6-months and 12-months respectively.

In addition, substantial participation amounting to PKR 1,609 bn was observed in auction of floating-rate PIBs against the target of PKR 560 billion. The increased interest was spurred by the attractive spread over benchmark rates. Notably, the Ministry of Finance (MoF) accepted bids worth PKR 599 bn, with spreads ranging from 90 to 170 bps. During the same period participation worth PKR 138 bn at relatively higher rates was observed in fixed rate PIBs auction against the target of PKR 160 bn. MoF accepted nominal amount across the tenors. The Cut-offs for 3, 5 and 10-year PIBs closed at 19.35%, 16.95%, 15.25% respectively.



## STRATEGY & OUTLOOK



### EQUITY MARKET:

While staying committed to our long-term perspective, we hold a favorable view of the equity market. The PSX indexes exhibit attractive low P/E levels, with a Forward P/E multiple of 3.60x, in contrast to the regional average of 12.40x. Nevertheless, limited activity persists due to the absence of structural reforms, particularly in the energy sector, and the presence of challenging macroeconomic conditions.

Key triggers which can have an impact on benchmark include:

- **The IMF's upcoming October review, crucial for Pakistan to access a USD 700 million loan tranche, has the potential to significantly bolster investor confidence.**
- **The recent crackdown on illegal foreign exchange trading in the grey and black markets, coupled with the federal government's review of Afghan Transit trade terms, promises to fortify the rupee.**
- **The expected increase in gas prices within the fertilizer sector represents a positive step towards managing the escalating circular debt.**
- **Any significant progress in the privatization of SOEs such as PIA and PSM, combined with improvements in the governance of the energy sector, will be viewed favorably by the market**

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

### DEBT MARKET:

The past month remained highly turbulent as market expectations of a policy rate adjustment of up to 200 basis points did not come to pass, and the State Bank of Pakistan (SBP) left the policy rate unchanged at 22%. As a result, a major downward shift in yields was observed during the second half of the month. Along with monetary policy guidance going forward, the currency market also reversed trend as PKR gained approx. 6%.

Going forward, inflationary pressures may persist, driven by factors such as tariff adjustments, escalating commodity prices, and souring food inflation, however, even after the adjustments the trajectory might shift downwards in second half FY24 due to high base effect and recent PKR appreciation, where SBP may consider starting monetary easing. Further, upon conclusion of SBA with IMF, another medium to long term IMF program will be needed along with bilateral and multilateral support to ensure availability of funding to meet the heavy debt obligations/rollovers (average USD25-30 bn for next three years).

Given the prevailing macroeconomic conditions and the anticipated interest rate trends, fixed income portfolio duration will be optimized to strike a balanced equilibrium between risk and reward, all while safeguarding 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 20% to minimize volatility in fund prices amid fragile macro-economic situation. Investment in government securities and bank placements is increased to 80% 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 79% allocation in low duration instruments, along with 21% 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  
September 2023

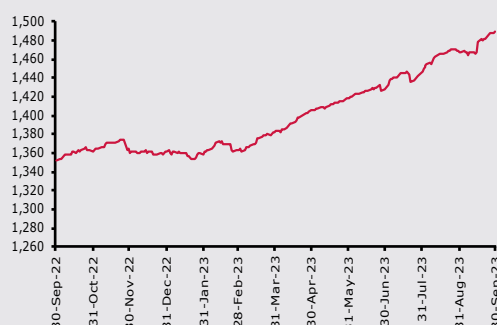
## FUND OBJECTIVE

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

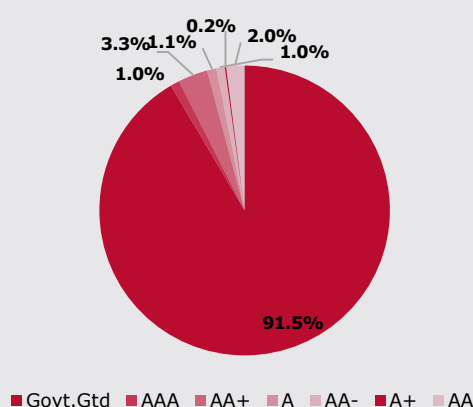
## FUND MANAGER'S COMMENTS

During the month of September 2023 Balanced Fund's (BF) Unit Price increased by PKR 22.44 (1.53%). The fund's allocation to government securities stands at 89.06% at month end against 89.05% last month while allocation to equities is at 2.67% versus 2.9% last month. Within sectors, the fund is tilted towards Commercial Banks with a total allocation of 77.46% followed by Paper & Board, Oil & Gas (Exploration Companies) and Miscellaneous with a sector allocation of 10.72%, 6.53% and 3.2% respectively.

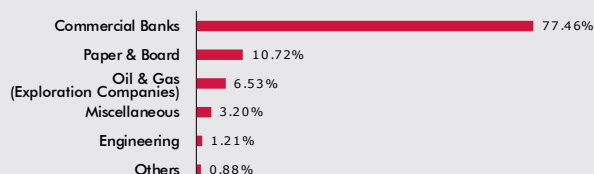
### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Fund
Net Assets	PKR 73,722 Million
Launch Date	31.12.1996
NAV Per Unit At Launch Date (31.12.1996)	PKR 99.50
NAV Per Unit At month end (30.09.2023)	PKR 1,489.1
Category	Balanced Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.13%
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.53%
3 months	4.26%
12 months (365 days)	10.16%
Calendar YTD	9.37%
Since Inception (annualized)	10.64%
5 Years (annualized)	6.05%
10 Years (annualized)	7.24%

## ASSET ALLOCATION

ASSETS	SEPTEMBER-23	AUGUST-23
Government Securities	89.06%	89.05%
Term Finance Securities	7.93%	7.74%
Cash and Short Term	0.30%	0.30%
Deposits Equities	2.67%	2.90%
Others Including Receiv-	0.05%	0.02%



# JUBILEE LIFE AGGRESSIVE FUND

Fund Manager's Report  
September 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

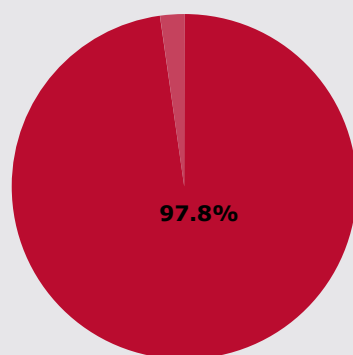
During the month of September 2023 Aggressive Fund's (AF) Unit Price increased by PKR 10.88 (1.46%). The fund's allocation to government securities stands at 77.63% at month end against 77.01% last month while allocation to equities is at 20.11% versus 21.22% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 51.63% followed by Commercial Banks, Textile Composite and Pharmaceuticals with a sector allocation of 33.22%, 4.21% and 3.69% respectively.

### 12-M ROLLING FUND PRICE

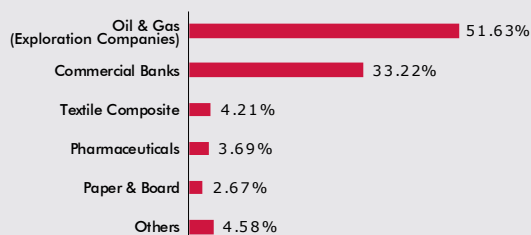


### ASSET QUALITY (Debt Securities)

2.2%



### SECTOR ALLOCATION (Equities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Aggressive Fund
Net Assets	PKR 24,265 Million
Launch Date	28.07.2004
NAV Per Unit At Launch Date (28.07.2004)	PKR 100.00
NAV Per Unit At Month end (30.09.2023)	PKR 755.40
Category	Aggressive Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.22%
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.46%
3 months	8.26%
12 months (365 days)	10.17%
Calendar YTD	13.71%
Since Inception (annualized)	11.11%
5 Years (annualized)	-3.40%
10 Years (annualized)	5.96%

## ASSET ALLOCATION

ASSETS	SEPTEMBER-23	AUGUST-23
Government Securities	77.63%	77.01%
Cash and Short Term	1.68%	1.71%
Deposits Equities	20.11%	21.22%
Others Including Receiv-	0.58%	0.06%

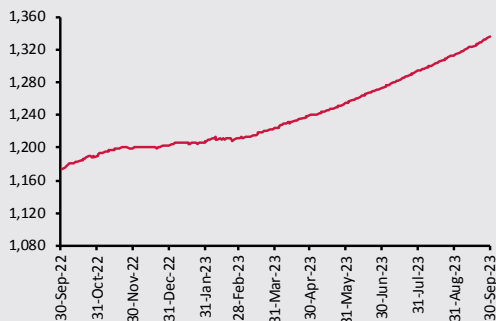
## FUND OBJECTIVE

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.

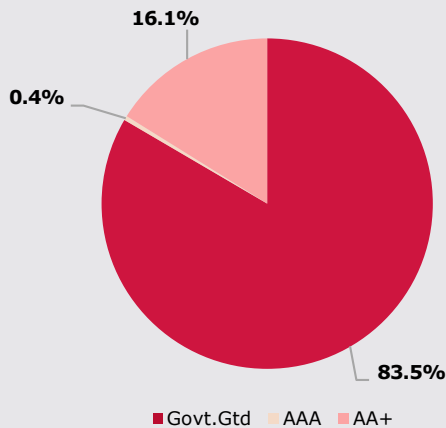
## FUND MANAGER'S COMMENTS

During the month of September 2023 Meesaq Balanced Fund's Unit Price increased by PKR 22.1 (1.68%). The fund's allocation to sukus stands at 78.76% at month end against 88.83% 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.% followed by Pharmaceuticals, Oil & Gas (Exploration Companies) and Miscellaneous with a sector allocation of 0.%, 0.% and 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 5,361 Million
Launch Date	27.03.2008
NAV Per Unit At Launch Date (27.03.2008)	PKR 475.00
NAV Per Unit At Month end (30.09.2023)	PKR 1,335.91
Category	Balanced Fund (Non-interest bearing)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.13 %
Pricing Days	Monday to Friday

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.68%
3 months	4.89%
12 months (365 days)	13.75%
Calendar YTD	11.05%
Since Inception (annualized)	6.89%
5 Years (annualized)	5.22%
10 Years (annualized)	6.84%

## ASSET ALLOCATION

ASSETS	SEPTEMBER-23	AUGUST-23
Government Securities	78.76%	88.83%
Sukuks	6.04%	5.93%
Cash and Short Term	0.41%	0.43%
Deposits Equities	0.02%	0.02%
Mutual Funds	14.74%	4.79%
Others Including Receiv-	0.03%	0.01%

# JUBILEE LIFE GOVERNMENT SECURITIES FUND

Fund Manager's Report  
September 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.

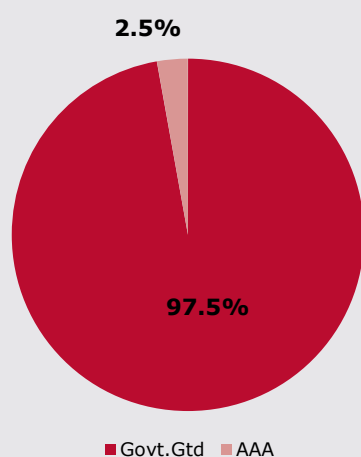
## FUND MANAGER'S COMMENTS

During the month of September 2023 Government Securities Fund's (GSF) Unit Price increased by PKR 31.29 (1.75%). The fund's allocation to government securities stands at 97.49% at month end against 97.18% last month while allocation to cash and short term deposits is at 2.44% versus 2.77% last month.

### 12-M ROLLING FUND PRICE



### ASSET QUALITY (Debt Securities)



## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Government Securities Fund
Net Assets	PKR 18,359 Million
Launch Date	01.06.2009
NAV Per Unit At Launch Date (01.06.2009)	PKR 475.00
NAV Per Unit At Month end (30.09.2023)	PKR 1,819.66
Category	Government Securities Fund
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.12%
Pricing Days	Monday to Friday
Weighted Average Maturity	37 Days

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.75%
3 months	5.31%
12 months (365 days)	16.06%
Calendar YTD (annualized)	17.63%
Since Inception (annualized)	9.82%
5 Years (annualized)	11.69%
10 Years (annualized)	9.76%

## ASSET ALLOCATION

ASSETS	SEPTEMBER-23	AUGUST-23
Government Securities	97.49%	97.18%
Cash and Short Term	2.44%	2.77%
Deposits	0.07%	0.05%

Others Including Receiv-



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