



# **JS Global Banking Sector ETF – JSGBETF**

September, 2023



# About Exchange Traded Funds (ETFs)

# What is an Exchange Traded Fund

- An **ETF is a fund** that tracks an underlying index. Its units are available on the stock exchange, where its value is updated on real time, through out the equity market's trading hours. The ETF's real-time price is called an Indicative Net Asset Value (**iNAV**).
- An **ETF** can have multiple stocks from one or many sectors, providing diversification in an investor's equity investments. Investors can have a portfolio of different stocks and not have to manage all the stocks themselves.
- **ETF**, like all financial products, holds a certain degree of risk. The level of risk is subject to the underlying index the ETF is tracking.

# ETF versus open-end funds

## ➤ Similarities:

- Similar to stocks and equity mutual funds, **ETFs** also offer capital upside potential to investors. **ETFs** also benefit from companies that pay dividends, which may be distributed among the **ETF** unit holders, resulting in dividend yield.

## ➤ Differences:

- A regular mutual fund publishes its unit price after market has closed, while ETF's price is updated in real-time in trading hours, just like an ordinary stock.
- Certain trading strategies such as limit orders or stop losses can be applied with an ETF, which cannot be done with a regular mutual fund.
- When you buy / sell units of a regular mutual fund you transact directly to and from the investment company that issues them. An ETF, however, trades like a stock and is bought and sold from the market.



**JS Global Banking Sector ETF**  
**(JSGBETF)**

# What is JS Global Banking Sector ETF (JSGBETF)

JS Global Capital has played a vital role in developing Pakistan's first algorithmic solution as market maker of all existing ETFs in PSX.

This has led to JSGCL becoming the first brokerage to launch an ETF on PSX.

- JS Global Banking Sector Exchange Traded Fund (**JSGBETF**) is a **sector-specific ETF** that will track a **total-return based index** – JS Global Banking Sector Index (**JSGBKTI**).
- A sector ETF, that tracks a **basket of stocks** within a sector.
- JSGBKTI will be replicating PSX's BKTi, keeping **weights of all stocks equal on each rebalancing**.
- JSGBETF currently consists of **8 banking stocks** (table on next slide), that represents **~70% of the listed banking sector (~80% on free float market cap)**.

# Current JSGBETF constituents

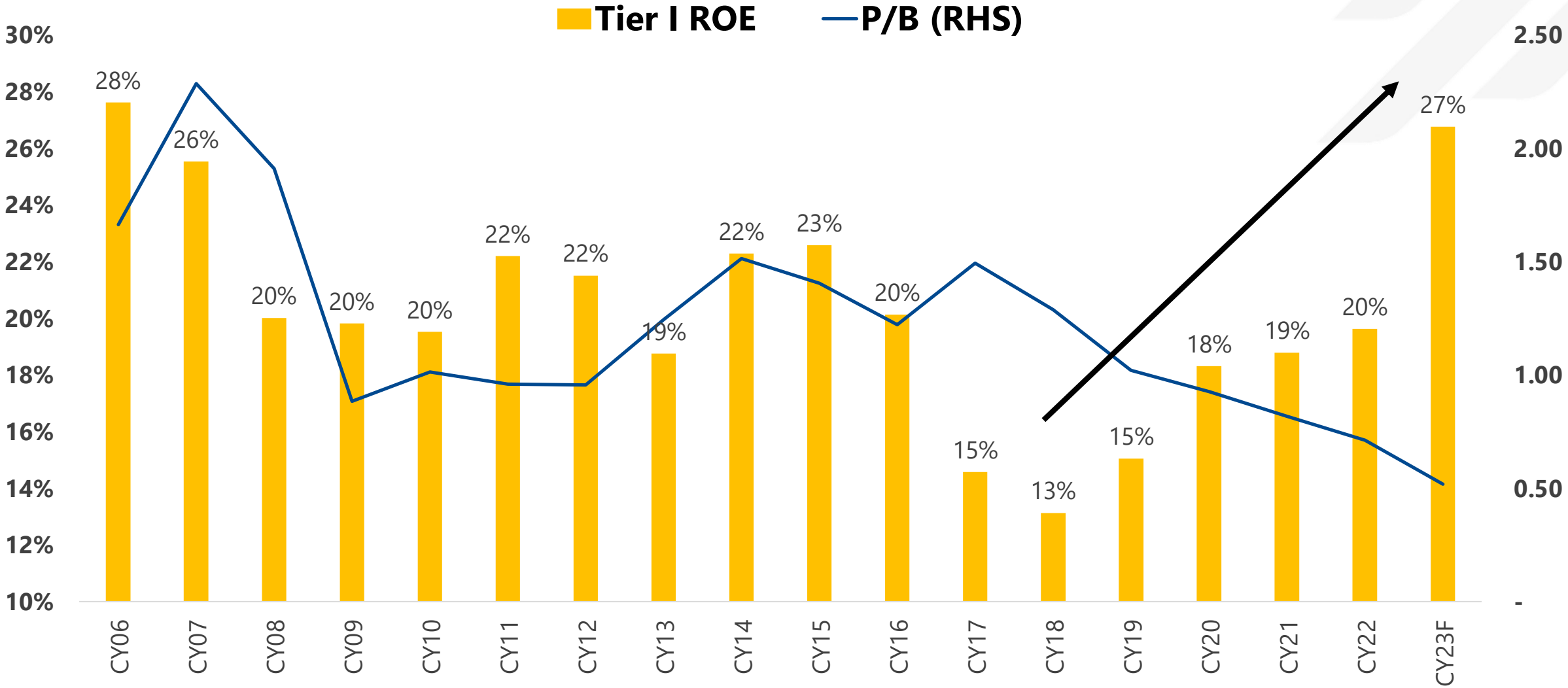
Stocks selected for JSGBETF	Respective Weight
<b>BAFL</b>	<b>12.5%</b>
<b>BAHL</b>	<b>12.5%</b>
<b>BOP</b>	<b>12.5%</b>
<b>FABL</b>	<b>12.5%</b>
<b>HBL</b>	<b>12.5%</b>
<b>MCB</b>	<b>12.5%</b>
<b>MEBL</b>	<b>12.5%</b>
<b>UBL</b>	<b>12.5%</b>

# Why listed Pakistan banks?

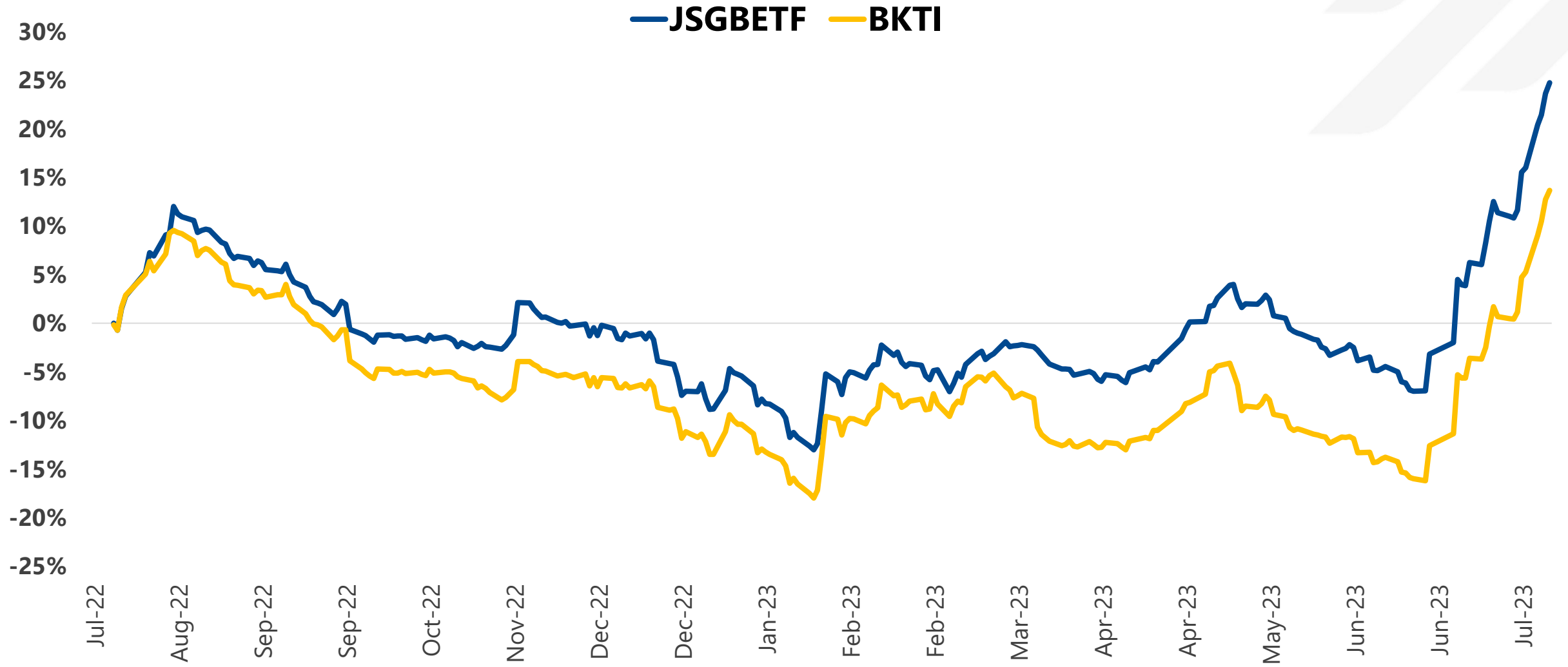
- The banking sector is **resilient to ongoing macro reforms**, where record-high interest rates are providing **profit growth** in the ongoing cycle.
- Banking sector is currently trading at **record-low multiples**, with sector's ROE expanding every year (chart illustrating sector's ROE and multiples trend on the next slide)
- **Attractive dividend yield** of multiple banks are also providing value in a total return index.
- The sector is highly liquid, providing smooth entry / exit to prospective **JSGBETF investors**.



# Rising return generation with attractive multiples



# 1-Year Performance of JSGBETF & BKTi



# JS Global Banking Sector ETF – Fact Sheet

## Fund Launch Date

- September 11, 2023

## Stock Symbol

- JSGBETF

## Management Fee

- 0.80% of fund size per annum

## Expense Ratio

- 2.50% per annum

## Benchmark

- JS Global Banking Sector Index

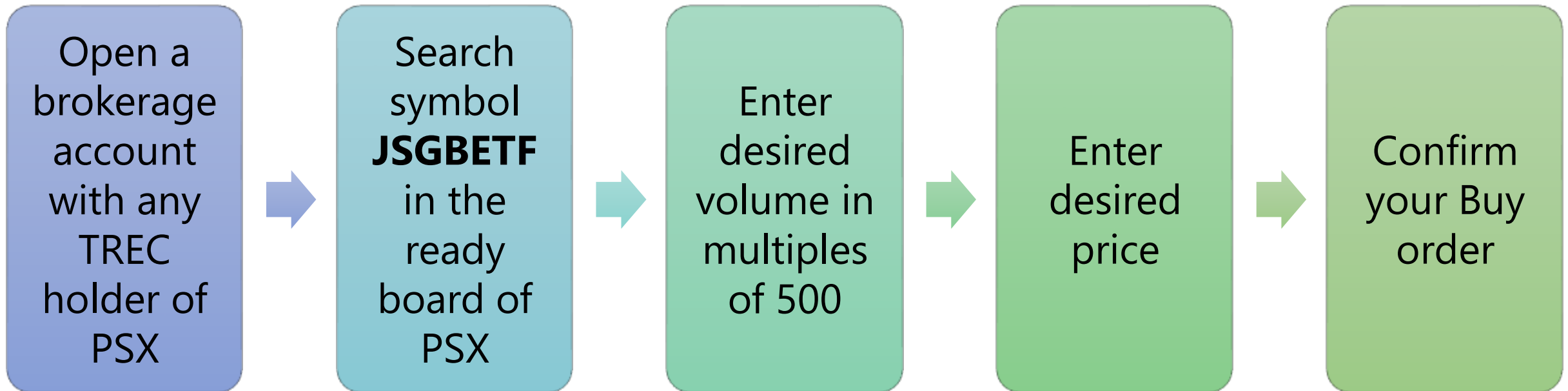
## Re-Balancing

- Semi-annually
- *(next re-balancing on 15<sup>th</sup> Feb 2024)*

## Initial Fund Size

- PKR 10 million

# How to purchase units of JSGBETF as a new investor





# **About JS Global Capital Ltd**

# About JS Global Capital Limited

One of Pakistan's largest and oldest Brokerage firm with a continued leadership position in the domestic capital markets.

## Major Sponsor



## Ultimate Parent



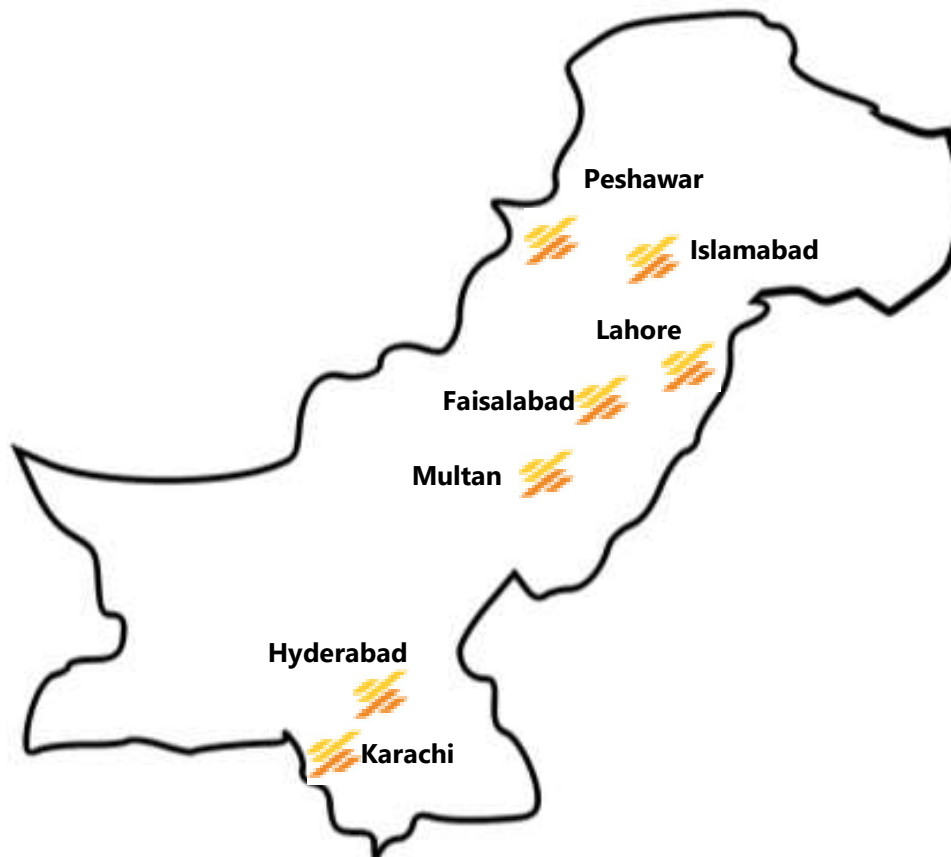
## Top Ratings

PACRA	Long Term	Short Term	Management Rating
	AA	A1+	BMR-1

These ratings reflect our strong position in equity broking emanating from market share, established brand, and strong financial profile. These ratings recognize our association with JS Group, with extensive experience in local capital markets. An added edge comes from the absence of any proprietary book of JSGCL.

## Geographical Presence

JS Global has a diverse client base nationwide served through offices in major cities.



## Services

Equity Brokerage

Investment Banking

Research

Fixed Income

Forex

Commodities

## Relationships with Foreign Broker Dealers





# Thank You

*\*Disclaimer: All investments in Exchange Traded Fund are subject to market risks. The investors are advised in their own interest to carefully read the contents of Offering Document in particular the Investment Policies mentioned in clause 2.1.1. Risk Factors mentioned in clause 2.7 and Warnings in clause 10 before making any investment decision.*

*Before making any investment decisions, it's important to conduct thorough research to ensure the investments align with your individual financial goals and circumstances.*

*This Fund is operated by JS Global with prior approval of SECP under SECP Regulatory Sandbox Cohort III.*