

**INVESTMENT FACT SHEET**  
FOR THE MONTH OF FEBRUARY 2019

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

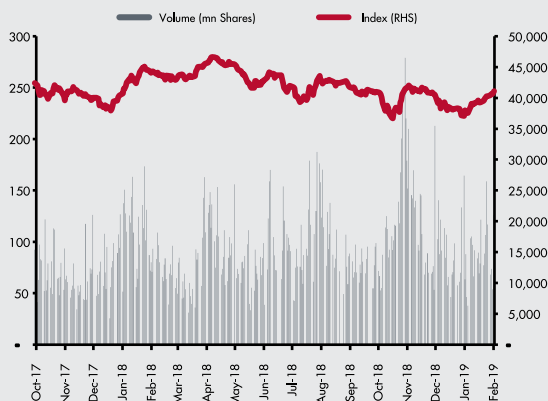
### ECONOMIC SUMMARY

| KEY INDICATORS             | REPORTED MONTH | CURRENT | PREVIOUS | YTD      |
|----------------------------|----------------|---------|----------|----------|
| CPI Inflation              | Feb            | 8.21%   | 7.19%    | 6.46%    |
| Trade Deficit (USD mn)     | Jan            | (2,113) | (2,574)  | (17,613) |
| Remittances (USD mn)       | Jan            | 1,743   | 1,749    | 12,773   |
| Current A/C (USD mn)       | Jan            | (809)   | (1,544)  | (8,424)  |
| FDI (USD mn)               | Jan            | 132     | 319      | 1,451    |
| Tax Collection ** (PKR bn) | Feb            | 268     | 280      | 2,323    |
| M2 Growth*                 |                |         |          | 1.77%    |
| FX Reserves* (USD bn)      | Feb            |         |          | 14.82    |

Source SBP, FBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

| TENOR    | FEB-19 | JAN-19 | CHANGE (bps) |
|----------|--------|--------|--------------|
| 30 Days  | 10.21  | 10.25  | (4)          |
| 60 Days  | 10.28  | 10.27  | 1            |
| 3 Months | 10.50  | 10.31  | 19           |
| 6 Months | 10.65  | 10.62  | 3            |
| 1 Year   | 11.05  | 11.05  | 0            |
| 3 Year   | 12.07  | 11.88  | 19           |
| 5 Year   | 12.43  | 12.32  | 11           |
| 10 Year  | 12.86  | 13.20  | (34)         |

Source: MUFAP

### ECONOMIC REVIEW

CPI increased by 0.6% MoM to reach at 8.21% in February 2019, highest since June 2014. Increase in inflation can be attributed to rise in food items (+1.56% MoM) owing to sharp price surge in Tomatoes (+150% MoM). CPI for 8MFY19 now stands at 6.46%, compared to 3.84% SPY. Encouragingly, current account deficit for Jan'19 improved by a hefty 48% MoM to USD -809 mn due to uptick in exports (+15.6% MoM) coupled with a slight decline in imports (-3.4% MoM) while remittances remained flat MoM at USD 1,743 mn. As a result, CAD for 7MFY19 now stands at USD 8,424 mn with an improvement of 16.7% compared to USD 10,124 mn in 7MFY18. Forex reserves remained largely flat at USD 14.82 bn at February end. On fiscal front challenges continue to remain as FBR collected taxes worth PKR 268 bn (-4.3% MoM/+1.1% YoY) and missing their target by PKR 46 bn for Feb-19. This takes tax collection for 8MFY19 to PKR 2,323 bn, up by 2.5% YoY, missing the target by PKR235 bn. As per Fitch rating agency, Pakistan will soon reach a bailout deal with IMF with a potential size of USD12bn with measures to strengthen the country's fiscal and debt dynamics, which is expected to direct the economy.

### EQUITY MARKET REVIEW

Equities took a breather in February as KSE100 index posted a negative performance of 4.3% to close the month at 39,055 points. Overall market activity remained muted as average daily traded volumes were down by 18.7% MoM to 151 mn shares. The key reason for this negative performance was heightened geopolitical tensions with neighbouring country India. However, foreign institutional investors continued as net buyer with net investment inflow of USD 32 mn during the month. Sector wise, Cements were the largest recipients (USD 11 mn), followed by Commercial Banks (USD 9.8 mn). On the other hand, Mutual Funds were the primary seller on the local side (USD 37 mn) followed by Brokers (USD 10 mn). Positive contributors to index performance were Cements (+0.9% MoM) and Auto Parts (+1.1% MoM), however Index heavy-weights sectors such as Banks (-4.8% MoM), Power Generation (-7.5% MoM), and OMCs (-10.6% MoM) dragged the index performance. Going forward, Pakistan with forward P/E of 7.9x is trading at 37.3% discount compared to Asia Pacific regional average of 12.6x, along with a dividend yield of 7.0%, higher than the regional average of 2.7%.

### DEBT MARKET REVIEW

There was a renewed interest in long-term bonds as euphoria was witnessed in PIB auction where a healthy participation was received in both fixed and floater PIBs. In the PIB auction total bids amounting PKR 325 bn were received against target of PKR 50 bn. SBP accepted bids valued at PKR 192 bn in all tenors with lower cut off yields for 3 yr @ 12.49%, 5 yr @ 12.50% and 10 yr @ 12.85%. Two T-bill auctions were held during the month in which investors started to show interest in 6 month tenors beyond just 3-month T-bills wherein SBP accepted PKR 2,568 bn worth of bids at cut off yields of 10.55% (3M tenor) and 10.60% (6M tenor). After PIBs auction yields in secondary market adjusted upwards in the range of 0-19 bps in 1-5 year tenors.

# MANAGED FUND

## FUND OBJECTIVE

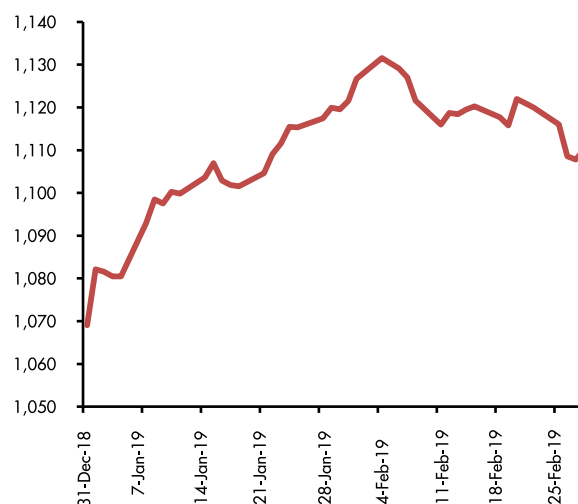
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## FUND INFORMATION

| DESCRIPTION               | INFORMATION                                    |
|---------------------------|--|
| Fund Name                 | Managed Fund                                   |
| Fund Size                 | PKR 80,063 Million                             |
| Launch Date               | 31.12.1996                                     |
| Bid Price<br>(31.12.1996) | PKR 99.50                                      |
| Bid Price<br>(28.02.2019) | PKR 1,110.04                                   |
| Category                  | Balanced Fund                                  |
| Pricing Mechanism         | Forward on daily basis                         |
| Management Fee            | 1.50% p.a.                                     |
| Pricing Days              | Monday to Friday                               |
| Auditors                  | KPMG   |
| Appointed Actuary         | Nauman Cheema,<br>Nauman Associates,<br>Lahore |

## FUND MANAGER'S COMMENTS

During the month of February 2019 Managed Fund's (MF) Unit Price decreased by PKR 11.47 (-1.02%) net of fund management fee.



## INVESTMENT COMMITTEE

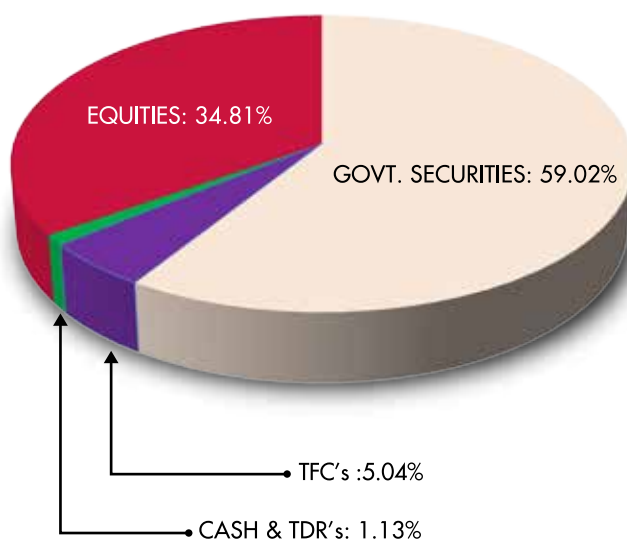
| MEMBERS                 | DESIGNATION  |
|-------------------------|--------------|
| Shahid Ghaffar          | Chairman     |
| Javed Ahmed             | Member / CEO |
| Rafiuddin Zakir Mahmood | Member       |
| John Joseph Metcalf     | Member       |
| Lilly R. Dossabhoy      | Member       |
| Shan Rabbani            | Member       |

## ASSET ALLOCATION

| ASSETS                       | FEBRUARY 2019 | JANUARY 2019 |
|------------------------------|---------------|--------------|
| Government Securities        | 59.02%        | 52.35%       |
| Term Finance Securities      | 5.04%         | 5.06%        |
| Cash and Short Term Deposits | 1.13%         | 7.22%        |
| Stocks & Mutual Funds        | 34.81%        | 35.37%       |

## FUND RETURNS

| PERIOD                       | RATE OF RETURN |
|------------------------------|----------------|
| 1 month                      | -1.02%         |
| 3 months                     | 0.28%          |
| 12 months                    | -1.09%         |
| Calendar YTD                 | 3.83%          |
| Since Inception              | 1015.62%       |
| Since Inception (annualized) | 11.49%         |
| 5 Years                      | 44.26%         |
| 10 Years                     | 195.51%        |



# 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 INFORMATION

| DESCRIPTION               | INFORMATION                                    |
|---------------------------|--|
| Fund Name                 | Capital Growth Fund                            |
| Fund Size                 | PKR 21,548 Million                             |
| Launch Date               | 28.07.2004                                     |
| Bid Price<br>(28.07.2004) | PKR 100  |
| Bid Price<br>(28.02.2019) | PKR 852.74                                     |
| Category                  | Equity Fund                                    |
| Pricing Mechanism         | Forward on daily basis                         |
| Management Fee            | 1.50% p.a.                                     |
| Pricing Days              | Monday to Friday                               |
| Auditors                  | KPMG   |
| Appointed Actuary         | Nauman Cheema,<br>Nauman Associates,<br>Lahore |

## INVESTMENT COMMITTEE

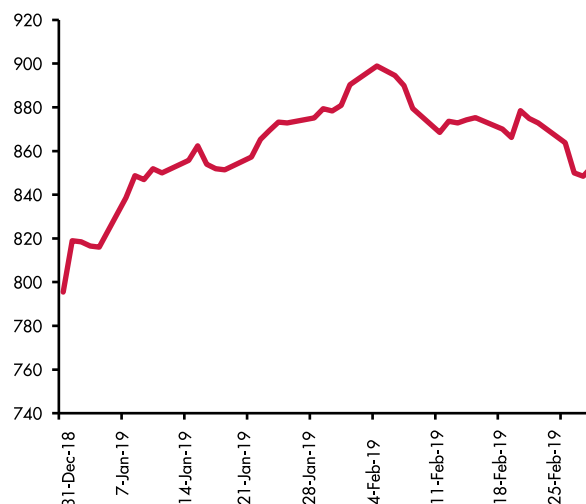
| MEMBERS                 | DESIGNATION  |
|-------------------------|--------------|
| Shahid Ghaffar          | Chairman     |
| Javed Ahmed             | Member / CEO |
| Rafiuddin Zakir Mahmood | Member       |
| John Joseph Metcalf     | Member       |
| Lilly R. Dossabhoy      | Member       |
| Shan Rabbani            | Member       |

## FUND RETURNS

| PERIOD                       | RATE OF RETURN |
|------------------------------|----------------|
| 1 month                      | -3.19%         |
| 3 months                     | -2.80%         |
| 12 months                    | -10.32%        |
| Calendar YTD                 | 7.20%          |
| Since Inception              | 752.74%        |
| Since Inception (annualized) | 15.82%         |
| 5 Years                      | 82.49%         |
| 10 Years                     | 398.24%        |

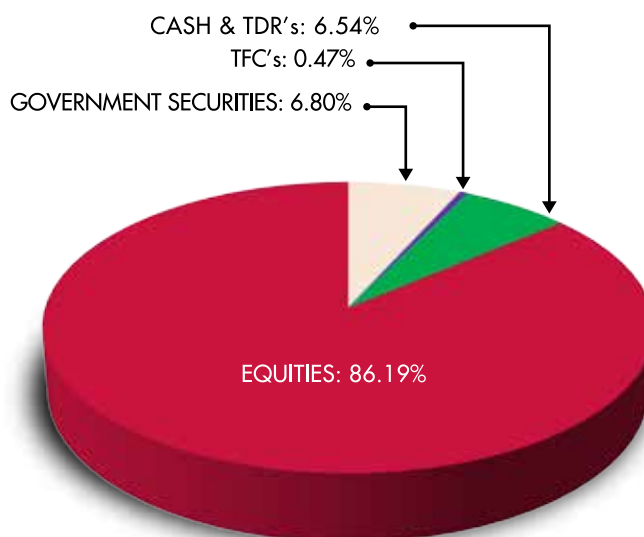
## FUND MANAGER'S COMMENTS

During the month of February 2019 Capital Growth Fund's (CGF) Unit Price decreased by PKR 28.09 (-3.19%) net of fund management fee.



## ASSET ALLOCATION

| ASSETS                       | FEBRUARY 2019 | JANUARY 2019 |
|------------------------------|---------------|--------------|
| Government Securities        | 6.80%         | 6.80%        |
| Term Finance Securities      | 0.47%         | 0.46%        |
| Cash and Short Term Deposits | 6.54%         | 8.17%        |
| Stocks & Mutual Funds        | 86.19%        | 84.58%       |



# 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 INFORMATION

| DESCRIPTION               | INFORMATION                                    |
|---------------------------|--|
| Fund Name                 | Meesaq Fund                                    |
| Fund Size                 | PKR 9,216 Million                              |
| Launch Date               | 27.03.2008                                     |
| Bid Price<br>(27.03.2008) | PKR 475.00                                     |
| Bid Price<br>(28.02.2019) | PKR 1,026.98                                   |
| Category                  | Non-interest bearing Investment portfolio      |
| Pricing Mechanism         | Forward on daily basis                         |
| Management Fee            | 1.50% p.a.                                     |
| Pricing Days              | Monday to Friday                               |
| Auditors                  | KPMG   |
| Appointed Actuary         | Nauman Cheema,<br>Nauman Associates,<br>Lahore |

## INVESTMENT COMMITTEE

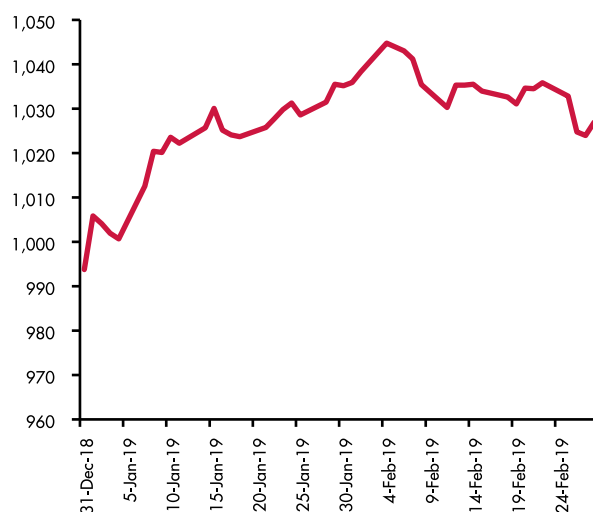
| MEMBERS                 | DESIGNATION  |
|-------------------------|--------------|
| Shahid Ghaffar          | Chairman     |
| Javed Ahmed             | Member / CEO |
| Rafiuddin Zakir Mahmood | Member       |
| John Joseph Metcalf     | Member       |
| Lilly R. Dossabhoy      | Member       |
| Shan Rabbani            | Member       |

## FUND RETURNS

| PERIOD                       | RATE OF RETURN |
|------------------------------|----------------|
| 1 month                      | -0.86%         |
| 3 months                     | -1.26%         |
| 12 months                    | -1.05%         |
| Calendar YTD                 | 3.34%          |
| Since Inception              | 116.21%        |
| Since Inception (annualized) | 7.31%          |
| 5 Years                      | 43.30%         |

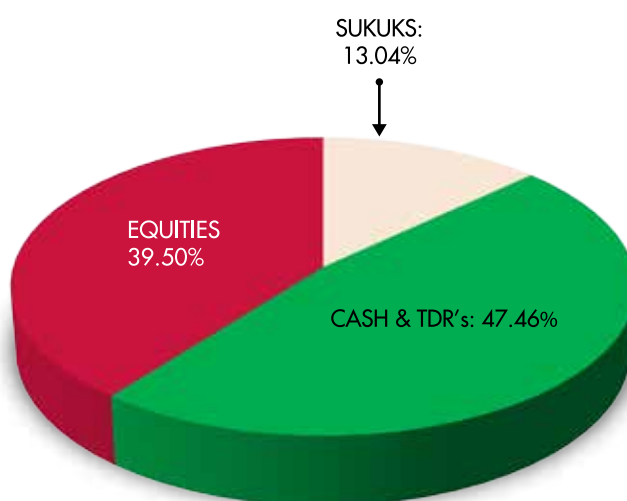
## FUND MANAGER'S COMMENTS

During the month of February 2019 Meesaq Fund's (MEF) Unit Price decreased by PKR 8.91 (-0.86%) net of fund management fee.



## ASSET ALLOCATION

| ASSETS                       | FEBRUARY 2019 | JANUARY 2019 |
|------------------------------|---------------|--------------|
| Sukuks                       | 13.04%        | 12.76%       |
| Cash and Short Term Deposits | 47.46%        | 47.16%       |
| Stocks & Mutual Funds        | 39.50%        | 40.08%       |



# YAQEEEN GROWTH FUND

## FUND OBJECTIVE

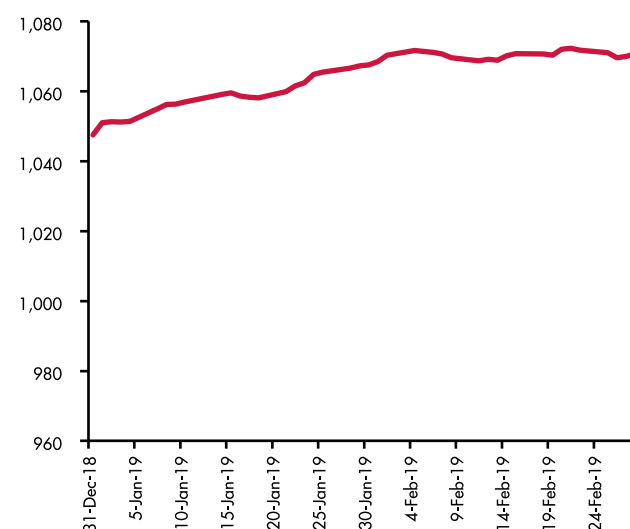
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum risk of capital erosion.

## FUND INFORMATION

| DESCRIPTION               | INFORMATION                                    |
|---------------------------|--|
| Fund Name                 | Yaqeen Growth Fund                             |
| Fund Size                 | PKR 2,114 Million                              |
| Launch Date               | 01.06.2009                                     |
| Bid Price<br>(01.06.2009) | PKR 475.00                                     |
| Bid Price<br>(28.02.2019) | PKR 1,070.79                                   |
| Category                  | Capital Protected Fund                         |
| Pricing Mechanism         | Forward on daily basis                         |
| Management Fee            | 1.50% p.a.                                     |
| Pricing Days              | Monday to Friday                               |
| Auditors                  | KPMG   |
| Appointed Actuary         | Nauman Cheema,<br>Nauman Associates,<br>Lahore |

## FUND MANAGER'S COMMENTS

During the month of February 2019 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 2.21 (0.21%) net of fund management fee.



## INVESTMENT COMMITTEE

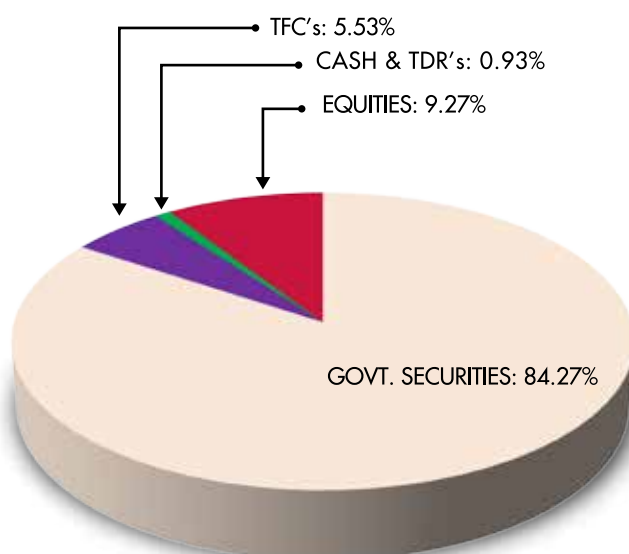
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| Shahid Ghaffar          | Chairman     |
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| Rafiuddin Zakir Mahmood | Member       |
| John Joseph Metcalf     | Member       |
| Lilly R. Dossabhoy      | Member       |
| Shan Rabbani            | Member       |

## ASSET ALLOCATION

| ASSETS                       | FEBRUARY 2019 | JANUARY 2019 |
|------------------------------|---------------|--------------|
| Government Securities        | 84.27%        | 52.78%       |
| Term Finance Securities      | 5.53%         | 6.08%        |
| Cash and Short Term Deposits | 0.93%         | 31.37%       |
| Stocks & Mutual Funds        | 9.27%         | 9.77%        |

## FUND RETURNS

| PERIOD                       | RATE OF RETURN |
|------------------------------|----------------|
| 1 month                      | 0.21%          |
| 3 months                     | 1.75%          |
| 12 months                    | 4.25%          |
| Calendar YTD                 | 2.22%          |
| Calendar YTD (annualized)    | 14.55%         |
| Since Inception              | 125.43%        |
| Since Inception (annualized) | 8.69%          |
| 5 Years                      | 45.10%         |



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