



**INVESTMENT FACT SHEET**  
FOR THE MONTH OF FEBRUARY 2018

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

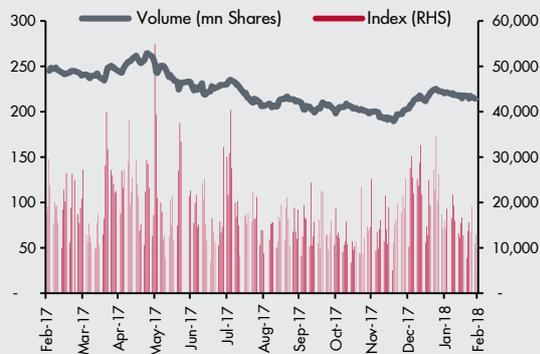
### ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Feb	3.80%	4.42%	3.84%
Trade Deficit (USD mn)	Jan	(3,636)	(2,933)	(21,600)
Remittances (USD mn)	Jan	1,639	1,724	11,383
Current A/C (USD mn)	Jan	(1,617)	(1,130)	(9,237)
FDI (USD mn)	Jan	106	197	1,450
Tax Collection ** (PKR bn)	Feb	265	272	2,259
M2 Growth*				3.11%
FX Reserves* (USD bn)	Jan			18.41

Source SBP, FBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

TENOR	FEB-18	JAN-18	CHANGE (bps)
30 Days	6.06	6.09	-3
60 Days	6.14	6.10	4
3 Months	6.21	6.14	7
6 Months	6.36	6.22	14
1 Year	6.62	6.30	32
3 Year	7.81	7.60	21
5 Year	8.35	8.16	19
10 Year	8.64	8.59	5

Source: MUJFAP

### ECONOMIC REVIEW

CPI Inflation eased off to 3.80%YoY in February 2018 against 4.42%YoY in January 2018, taking average 8MFY18 inflation to 3.84% compared to 3.90% during SPLY. On the other hand, external account position continued to remain fragile as current account deficit for Jan'18 clocked in at US\$1.6bn, up 43.1%MoM compared to US\$1.13 bn for Dec'17 primarily due to widening of trade deficit (US\$3.6bn; up 23.9%MoM) together with muted inflows of workers' remittances (US\$1.6bn in Jan'18; down 4.9% MoM). Similarly, CAD for 7MFY18 swelled by 48%YoY to US\$9.2 bn owing to substantial increase of 21.4% in trade deficit where significant jump in imports (up 18% YoY to US\$ 31.0bn) offset the 12% YoY (US\$13.9 bn) growth in exports. Moreover, weak financial and capital account resulted into drop in FX reserves held by central bank to US\$18.4 bn from peak level of US\$23.2 bn. On the fiscal front, FBR provisionally collected around PKR 2.25 trn during the 8MFY18 as compared to PKR 1.9 trn SPLY, posting a solid growth of 18% YoY. Moving ahead, we feel that vulnerable external account due to expected increase in import bill amid recovery in commodity prices and uptick in machinery imports is expected to remain key challenges for the economy.

### EQUITY MARKET REVIEW

After posting a solid start in Jan-18, equities took a breather in Feb 2018 with a drop of 810 points (down 1.8% MoM) in benchmark KSE 100 index to close at 43,239 points. Major reason for negative performance of the bourse was Pakistan's scheduled inclusion in the FATF's grey list from Jun'18. Furthermore, political noise once again took its toll when Supreme Court dismissed ex-Premier Nawaz Sharif to lead his political party, keeping investors side-line. On the other hand, majority of the corporate results (Banks, Fertilizers, steel, E&Ps etc.) outperformed consensus estimates except for cement sector where overall sectors' profitability was down 26% YoY owing to depressed retention prices and higher coal prices during the quarter. Overall activity remained dull as average daily traded volumes/value during the month declined by 15%/21% MoM to 204mn shares/USD 75mn. Foreign institutional investors were net seller during the month with net outflow of USD 32.1mn in Feb 2018, taking cumulative FIPI for CY18 to USD53.6mn. Pakistan with forward P/E of 9.3x is trading at a steep discount of 36% as compared to MSCI EM P/E of 14.4 and offers an attractive dividend yield of 5.1% vs 2.4% in the Asia-Pacific Region.

### DEBT MARKET REVIEW

During the month of February, SBP held two T-Bill auctions with cumulative target of PKR 1,700 bn where central bank accepted bids worth PKR 1,345 bn mainly in 3 months' tenors whereas bids in 6months papers were rejected due to low participation. As a result, cut off rates for 3 months increased slightly to 6.2591% from 6.2144% in last T-bill auction. On the other hand, PIB auction witnessed a subdued participation of PKR 33 bn in 3-yr tenor only. Though, SBP scrapped the auction owing to insignificant participation at higher yields. Overall activity remained healthy as secondary market yields in the shorter tenors increased within a range of 7-14 bps while yields in the longer tenors (1-yr to 5-yr) adjusted by 18-32 bps during the month as investors see upside risks to inflation and interest rates. Going forward, market is expected to remain volatile amid divided views on upcoming MPS (due in March-18).

# 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 73,600 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (28.02.2018)	PKR 1,122.28
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, Nauman Associates, Lahore

## INVESTMENT COMMITTEE

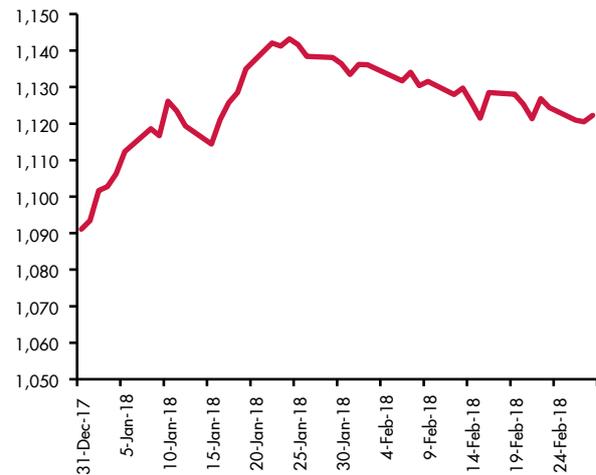
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-0.99%
3 months	3.38%
12 months	-3.78%
Calendar YTD	2.86%
Since Inception	1027.92%
Since Inception (annualized)	12.12%
5 Years	63.33%
10 Years	155.29%

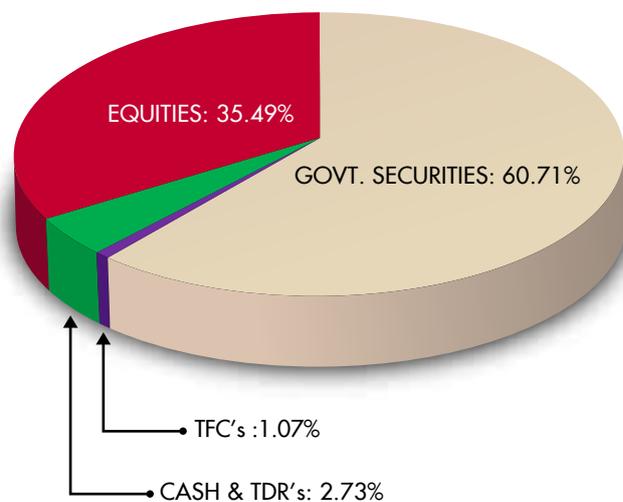
## FUND MANAGER'S COMMENTS

During the month of February 2018 Managed Fund's (MF) Unit Price decreased by PKR 11.19 (-0.99%) net of fund management fee.



## ASSET ALLOCATION

ASSETS	FEBRUARY-18	JANUARY-18
Government Securities	60.71%	59.98%
Term Finance Securities	1.07%	0.80%
Cash and Short Term Deposits	2.73%	2.94%
Stocks & Mutual Funds	35.49%	36.28%



# 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 16,706 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (28.02.2018)	PKR 950.85
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, Nauman Associates, Lahore

## INVESTMENT COMMITTEE

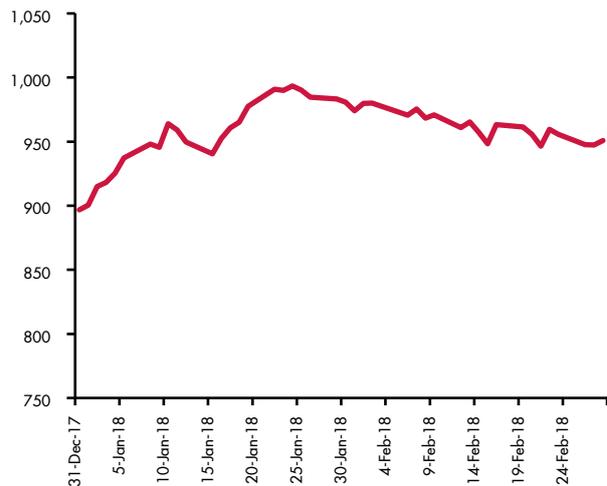
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-2.37%
3 months	6.27%
12 months	-11.08%
Calendar YTD	6.02%
Since Inception	850.85%
Since Inception (annualized)	18.01%
5 Years	181.38%
10 Years	341.76%

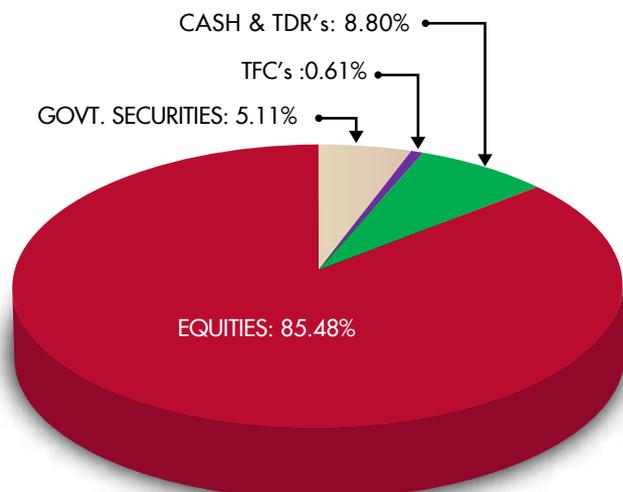
## FUND MANAGER'S COMMENTS

During the month of February 2018 Capital Growth Fund's (CGF) Unit Price decreased by PKR 23.08 (-2.37%) net of fund management fee.



## ASSET ALLOCATION

ASSETS	FEBRUARY-18	JANUARY-18
Government Securities	5.11%	6.32%
Term Finance Securities	0.61%	0.60%
Cash and Short Term Deposits	8.80%	8.60%
Stocks & Mutual Funds	85.48%	84.48%



# 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 9,329 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (28.02.2018)	PKR 1,037.87
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, Nauman Associates, 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	-1.27%
3 months	3.31%
12 months	-4.93%
Calendar YTD	3.48%
Since Inception	118.50%
Since Inception (annualized)	8.19%
5 Years	61.55%

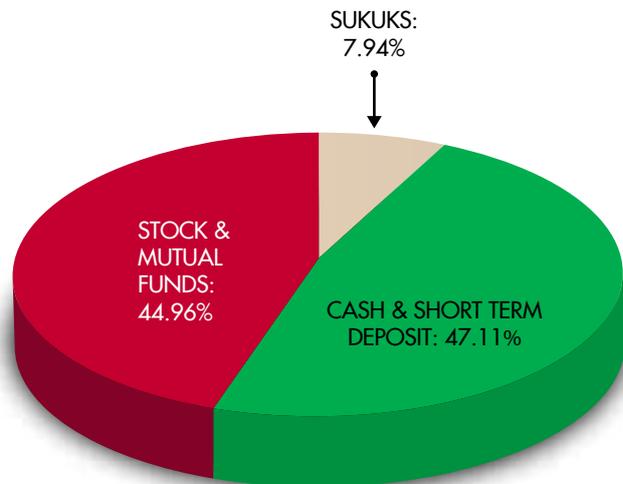
## FUND MANAGER'S COMMENTS

During the month of February 2018 Meesaq Fund's (MEF) Unit Price decreased by PKR 13.32 (-1.27%) net of fund management fee.



## ASSET ALLOCATION

ASSETS	FEBRUARY-18	JANUARY-18
Sukuks	7.94%	6.98%
Cash and Short Term Deposits	47.11%	46.81%
Stocks & Mutual Funds	44.96%	46.21%



# 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 1,726 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (28.02.2018)	PKR 1,027.13
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, Nauman Associates, Lahore

## FUND MANAGER'S COMMENTS

During the month of February 2018 Yaqeen Growth Fund's (YGF) Unit Price decreased by PKR 2.26 (-0.22%) net of fund management fee.



## INVESTMENT COMMITTEE

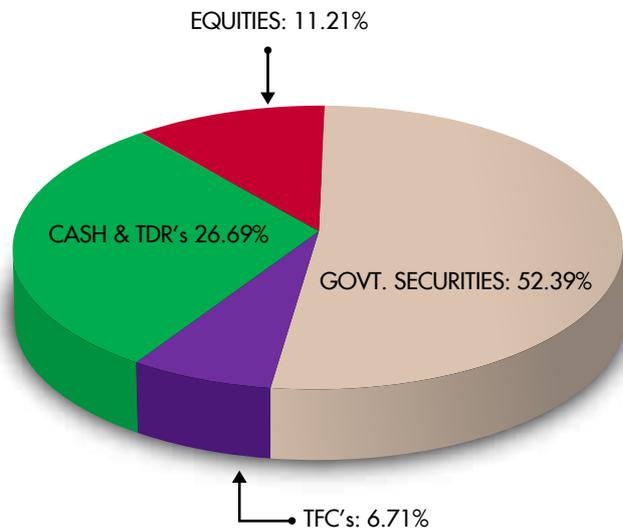
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## ASSET ALLOCATION

ASSETS	FEBRUARY-18	JANUARY-18
Government Securities	52.39%	52.09%
Term Finance Securities	6.71%	2.33%
Cash and Short Term Deposits	29.69%	34.18%
Stocks & Mutual Funds	11.21%	11.40%

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-0.22%
3 months	1.75%
12 months	2.01%
Calendar YTD	1.50%
Calendar YTD (annualized)	9.65%
Since Inception	116.24%
Since Inception (annualized)	9.21%
5 Years	51.49%



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