

# JUBILEE LIFE INSURANCE COMPANY LTD

## (WINDOW TAKAFUL OPERATIONS)



## INVESTORS' OUTLOOK

### (TAKAFUL FUNDS)

FOR THE MONTH OF JANUARY 2017



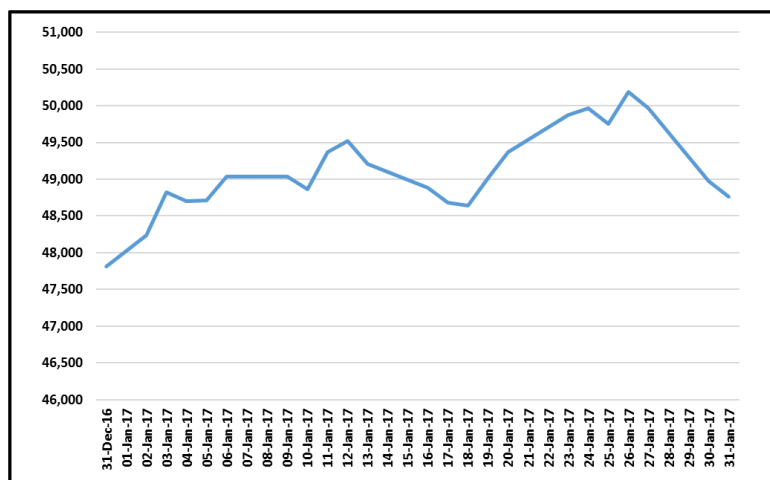
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## Equity Market Review

Carrying forward the positive sentiments of CY16, the benchmark KSE 100 Index rose 1.99% in January 2017 to close at 48,757 points before touching an intraday high of 50,192 points. The hike was mainly led by positive sentiments garnering i) excess liquidity with mutual funds & individuals ii) delay in interest rate hike (previously expected in 1H CY17) and iii) industrial relief measures (export package, fertilizer subsidy & anti-dumping duty on steel products) taken by GoP to incentivize local industries. The market remained largely positive by gaining 5.5% till 27<sup>th</sup> Jan'17, however hefty sell-off was witnessed in the last sessions owing to i) newly elected US President's decision to ban visa to 7 Muslim nations, raising concerns for extension of ban to Pakistan, ii) SECP's decision to inquire TREC holders regarding in-house financing and iii) settlement of future roll-over week. The average daily traded volume rose to 449mn, up 28% MoM (351mn in Dec'16) along with average daily traded value that also surged to USD218mn, higher by 32% MoM (USD165mn in Dec'16).

Foreign investors remained net sellers in the market with a sizeable net outflow of USD110 mn. Cumulatively, 7MFY17 total net FIPI outflow now stands at ~USD 408.7mn. Nonetheless the outflows for the month were effortlessly absorbed by local liquidity led by Mutual Funds (+USD 44mn), Individuals (+USD 39.5mn), Companies (+USD 29.9mn), NBFCs (+USD18.4mn) and Brokers (+USD11.2mn) while Banks remained net sellers of USD 40.7mn.



### Sector Performance:

- Steel & Engineering sector saw a hefty rise (↑24%) with ASL (↑35%), ISL (↑31%), INIL (↑8%) and ASTL (↑18%) gaining the most due to decision of antidumping duty on CRC, expansion news in ISL, and rise in price of both long rolled & flat products along with talks on lease of Pakistan Steel Mills to consortium of local business groups
- Chemicals sector gained 7.1% on the back of extension of Anti-dumping duty on Hydrogen Peroxide mainly led to appreciation in DOL (↑28%) and EPCL (↑22%) while ICI (↑12%) and ICL (↑12%) gained in expectation of better corporate earnings

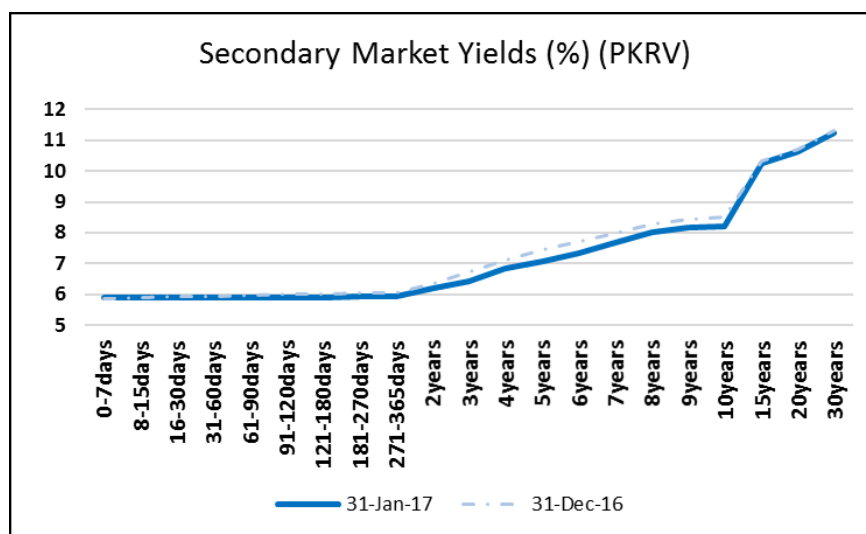
- Auto Assemblers & Parts gained 7.1% MoM, where GHNI (↑34.7%), MTL (↑19.4%), PSMC (↑8.5%) and HCAR (↑7%) added to the rally on the back of higher auto-sales and anticipation of new model launch
- Telecom was the next best performer in the month posting a return of 6.5%
- Power sector gained 7.9% during the month where HUBC (↑12%) and KEL (↑11%) were major contributors
- Fertilizer sector returned to limelight with a positive return of 6.2%, led by GoP decision to restore fertilizer subsidy, which was earlier withdrawn
- Cement sector gained 2.9% on the back of greater dispatches and stability in International coal prices
- Banking and Oil & Gas sector remained laggard with a monthly return of -1.2% and -2.4% respectively

## Money Market Review

The CPI Inflation increased 0.2% MoM to clock at 3.66% for the month of January'16 mainly due to increase in Petroleum prices and seasonal increase in housing and utility. Core Inflation stood at 5.4%.

In the PIB auction held during the month, the SBP picked up around Rs. 39bn against a target of Rs. 50bn and bids of around Rs. 137bn. The yield-curve took an upward shift as the cut-off yields for 3-year, 5-year and 10-year bonds inched up to 6.3304%, 6.8998% and 7.9414% respectively.

During the month, State Bank of Pakistan also announced Monetary Policy in which the committee decided to keep the discount rate intact at 5.75%. Prime reasons to maintain the discount rate were cited as concerns on growing CPEC-related imports, decline in exports, absence of Coalition Support Fund, and slowdown in remittances. The results of the last MTB auction of January 2017 showed a downward trend as the cut offs for 3month, 6month and 12month declined to 5.9017%, 5.9258% and 5.9598% respectively. The target for the auction amounted to Rs 450 bn against which a total of Rs 519 bn was accepted.





# MANAGED TAKAFUL FUND

## Fund Objective

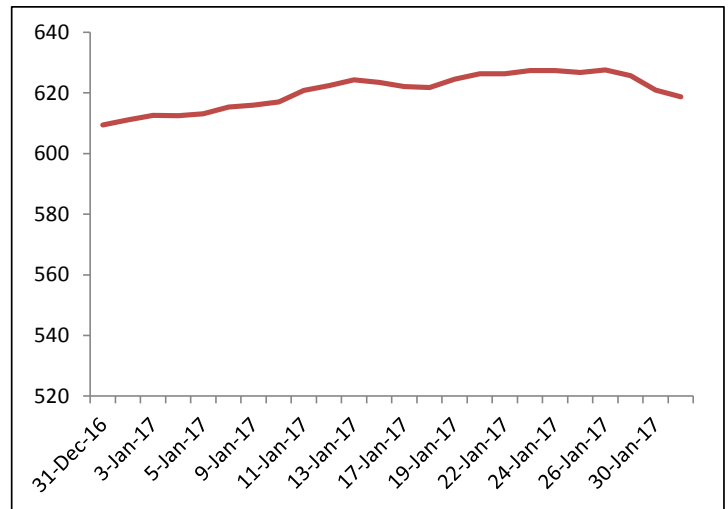
To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved Shariah compliant avenues. The Fund was launched on July 7, 2015.

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Takaful Fund
<b>Fund Size</b>	PKR 564 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.01.2017)</b>	PKR 618.74
<b>Category</b>	Shariah Compliant Balanced Fund
<b>Pricing Mechanism</b>	Forward on daily basis
<b>Management Fee</b>	1.50% p.a.
<b>Pricing Days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

During the month of January 2017 Managed Takaful Fund's (MTF) Unit Price increased by PKR 9.36 (1.54%) net of fund management fee.



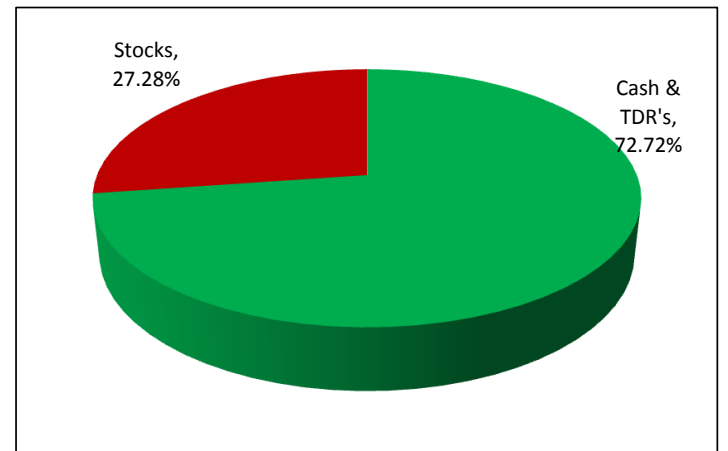
## Investment Committee Members

<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

Period	Rate of Return
<b>1 month</b>	1.54%
<b>3 months</b>	6.91%
<b>12 months</b>	16.47%
<b>Calendar YTD</b>	1.54%
<b>Since Inception</b>	23.75%

Assets	January-17	December-16
<b>Government Sukuks</b>	0.00%	0.00%
<b>Cash and Short Term Deposits</b>	72.72%	75.10%
<b>Stocks</b>	27.28%	24.90%





# CAPITAL GROWTH TAKAFUL FUND

## Fund Objective

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks.

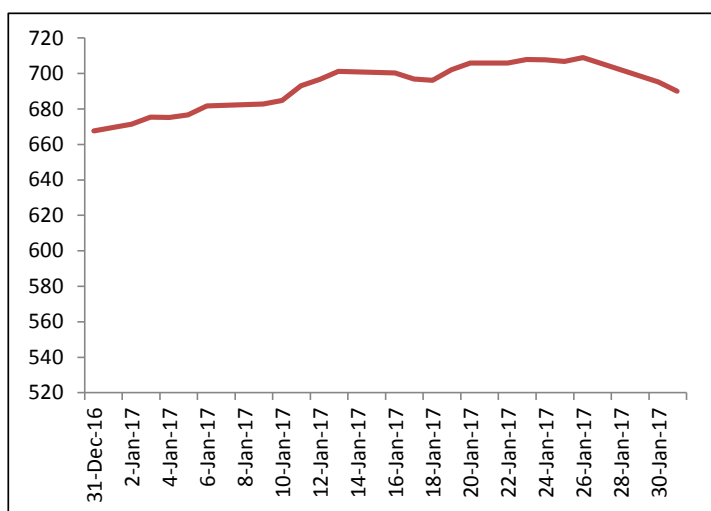
The Fund was launched on July 7, 2015.

## Fund Information

Description	Information
<b>Fund Name</b>	Capital Growth Takaful Fund
<b>Fund Size</b>	PKR 791 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.01.2017)</b>	PKR 689.93
<b>Category</b>	Shariah Compliant Equity Fund
<b>Pricing Mechanism</b>	Forward on daily basis
<b>Management Fee</b>	1.50% p.a.
<b>Pricing Days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

During the month of January 2017 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 22.28 (3.34%) net of fund management fee.



## Investment Committee Members

<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

Assets	January-17	December-16
<b>Government Securities</b>	0.00%	0.00%
<b>Cash and Short Term Deposits</b>	48.32%	44.40%
<b>Stocks</b>	51.68%	55.60%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	3.34%
<b>3 months</b>	14.54%
<b>12 months</b>	29.92%
<b>Calendar YTD</b>	3.34%
<b>Since Inception</b>	37.99%

