



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

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

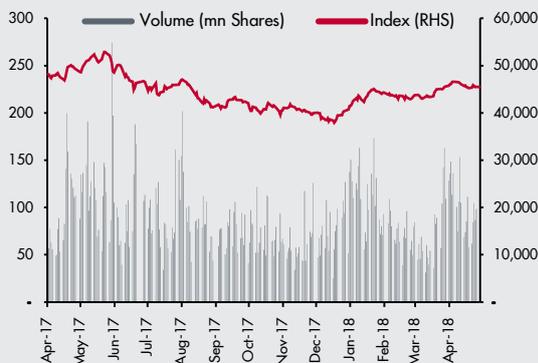
### ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Apr	3.68%	3.25%	3.77%
Trade Deficit (USD mn)	Mar	(3,049)	(2,895)	(27,544)
Remittances (USD mn)	Mar	1,773	1,450	14,606
Current A/C (USD mn)	Mar	(1,163)	(1,281)	(11,681)
FDI (USD mn)	Mar	153	285	1,888
Tax Collection ** (PKR bn)	Apr	295	362	2,916
M2 Growth*				4.13%
FX Reserves* (USD bn)	Apr			17.71

Source SBP, FBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

TENOR	APR-18	MAR-18	CHANGE (bps)
30 Days	6.13	6.24	-11
60 Days	6.16	6.34	-18
3 Months	6.24	6.40	-16
6 Months	6.35	6.57	-22
1 Year	6.64	6.75	-11
3 Year	7.76	7.91	-15
5 Year	8.16	8.51	-35
10 Year	8.55	8.86	-31

Source: MUJFAP

### ECONOMIC REVIEW

CPI Inflation inched up to 3.68%YoY in April 2018 against 3.68%YoY in March 2018, taking average 10MFY18 inflation to 3.77% compared to 4.10% during SPLY. Encouragingly, external account position slightly improved as current account deficit for Mar'18 clocked at US\$1.16bn, down 6%MoM compared to US\$1.24 for Feb'18 primarily due to uptick in workers' remittance which clocked in at US\$1.7bn, up 22% MoM (highest in 7 months). However, CAD for 9MFY18 swelled by 51%YoY to US\$12.0 bn owing to substantial widening of 20.5% in trade deficit where significant jump in imports (up 19% YoY to US\$ 44.3bn) offset the 16% YoY (US\$17.1 bn) growth in exports. As a result, FX reserves held by central bank were also down to US\$17.7 bn from peak level of US\$23.0 bn. On the fiscal front, FBR provisionally collected around PKR 2.92 trn during the 10MFY18 as compared to PKR 2.51 trn SPLY, posting a solid growth of 16% 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

Equities took a breather as benchmark KSE100 index was down by 0.16% (71 points) to close the month at 45,489 level. Overall market activity improved during the month as average daily traded volume were recorded at 213mn in Apr'18 as compared to 192mn in Mar' 18, up by 5.7%. Key laggards were commercial Banks (-3.4% MoM) where investors' opted to remain side-lined amid drop in profitability due to pension cost recognition and imposition of stringent capital requirements by SBP. Similarly, cement sector was also down by 5.7% MoM on account of declining cement prices in North region. In the outgoing month, the Federal government unveiled sixth and last budget for FY19 which largely remained a neutral event. Notable measures for the market in the budget include gradual reduction in corporate tax rate to 25% (1% each year), phasing out super tax by 1% each year and removal of tax on bonus shares. Foreign institutional investors were net seller with net outflow of USD 17.4mn in Apr 2018, taking cumulative FIIPI for CY18 to USD13.8mn whereas local liquidity led by Mutual funds (+ USD73mn) followed by Individuals (+ USD16mn) comfortably absorbed monthly outflows. Pakistan with forward P/E of 10.5x is trading around average historical of 20% as compared to MSCI EM PE of 13.1x and offers an attractive dividend yield of 5.1% versus 2.5% in the Asia-Pacific Region.

### DEBT MARKET REVIEW

During the month of April, SBP held two T-Bill auctions with cumulative target of PKR 1,900 bn where central bank accepted bids worth PKR 4,315 bn in 3 months and 6 months tenors with cut off yields of 6.26% and 6.35% respectively whereas bids in 12 months papers were rejected due to low participation. On the other hand, in the PIB auction, bids worth Rs. 88 billion for 3 years, 5 years and 10 years tenor were received wherein an amount of Rs. 35 billion was accepted at a cut-off yield of 7.20%, 8.03% and 8.50%, respectively, while, no bid was received in 20 years tenor. Overall activity remained healthy as secondary market yields in the shorter tenors decreased within a narrow range of 16-22 bps while yields in the longer tenors (1-yr to 5-yr) adjusted downwards by 15-35 bps during the month.

# MANAGED TAKAFUL FUND

## FUND OBJECTIVE

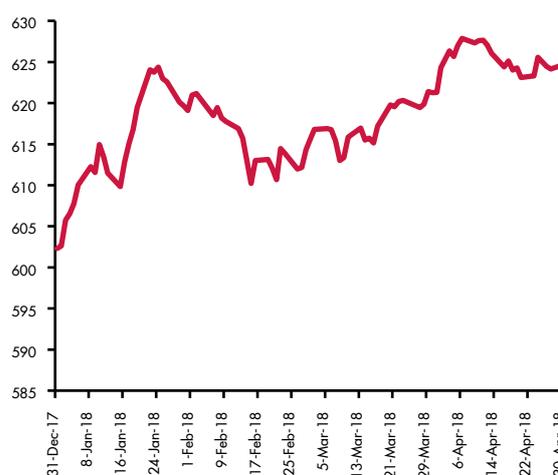
To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved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

## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Takaful Fund
Fund Size	PKR 2,480 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (30.04.2018)	PKR 624.65
Category	Shariah Compliant 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

## FUND MANAGER'S COMMENTS

During the month of April 2018 Managed Takaful Fund's (MTF) Unit Price increased by PKR 3.34 (0.54%) net of fund management fee.



## INVESTMENT COMMITTEE

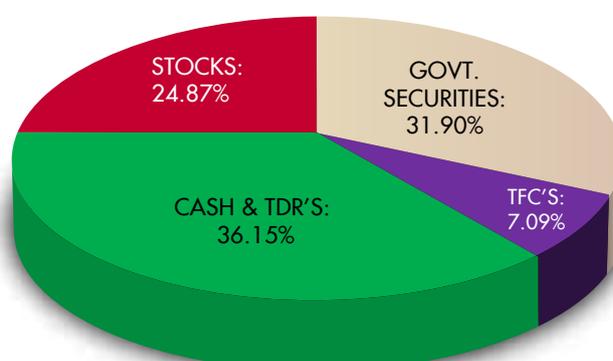
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## ASSET ALLOCATION

ASSETS	APRIL-18	MARCH-18
Government Securities	31.90%	34.07%
Term Finance Securities	7.09%	7.64%
Cash and Short Term Deposits	36.15%	28.08%
Stocks	24.87%	30.21%

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.54%
3 months	0.90%
12 months	-1.14%
Calendar YTD	3.71%
Since Inception	24.93%



# CAPITAL GROWTH TAKAFUL FUND

## FUND OBJECTIVE

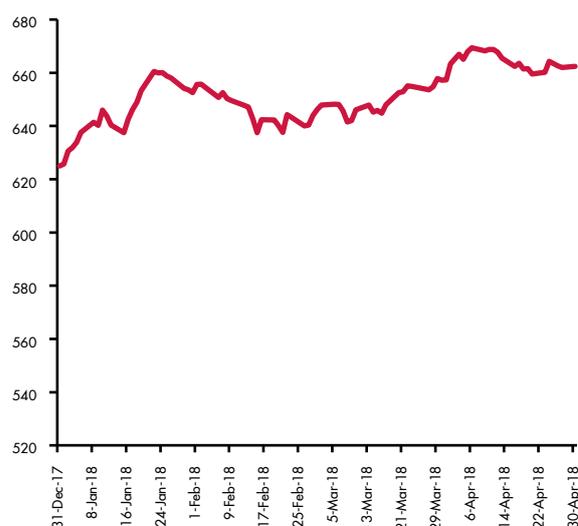
To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks. The Fund was launched on July 7, 2015.

## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 3,988 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (30.04.2018)	PKR 662.39
Category	Shariah Compliant 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

## FUND MANAGER'S COMMENTS

During the month of April 2018 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 5.1 (0.78%) net of fund management fee.



## INVESTMENT COMMITTEE

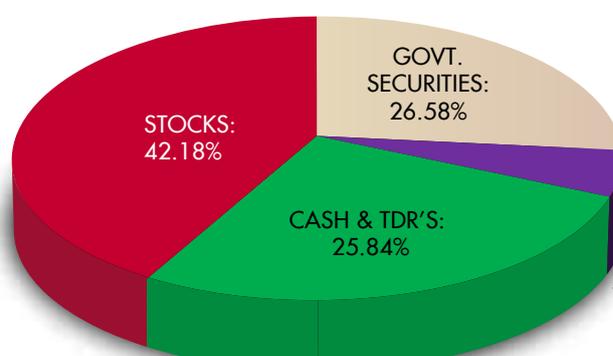
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Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## ASSET ALLOCATION

ASSETS	APRIL-18	MARCH-18
Government Securities	26.58%	28.42%
Term Finance Securities	5.40%	5.78%
Cash and Short Term Deposits	25.84%	8.07%
Stocks	42.18%	57.72%

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.78%
3 months	1.50%
12 months	-6.61%
Calendar YTD	5.97%
Since Inception	32.48%



TFC's: 5.40%

JUBILEEFAMILYTAKAFUL.COM

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