

# INVESTMENT FACT SHEET

## FOR THE MONTH OF OCTOBER 2020

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

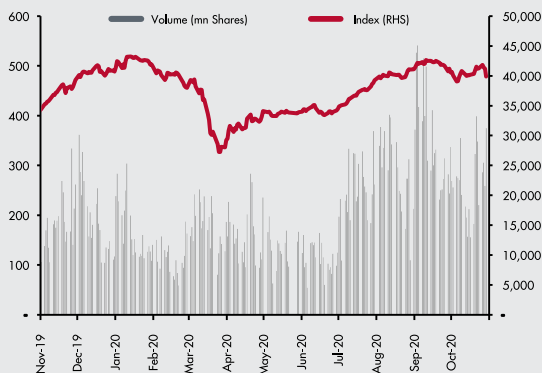
### ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Oct	8.91%	9.04%	8.86%
Trade Deficit (USD mn)	Sep	(1,867)	(1,727)	(5,252)
Remittances (USD mn)	Sep	2,284	2,095	7,147
Current A/C (USD mn)	Sep	73	211	792
FDI (USD mn)	Sep	189	112	415
Tax Collection ** (PKR bn)	Oct	333	400	1,400
M2 Growth*				0.01%
FX Reserves* (USD bn)	Oct			19.30

Source: SBP, PBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

TENOR	OCT-20	SEP-20	CHANGE (bps)
30 Days	7.10	7.11	(1)
60 Days	7.12	7.10	2
3 Months	7.13	7.10	3
6 Months	7.20	7.16	4
1 Year	7.30	7.29	1
3 Year	8.25	8.29	(4)
5 Year	9.08	9.13	(5)
10 Year	9.58	9.75	(17)

Source: MUFAP

### ECONOMIC REVIEW

CPI for Oct'20 recorded an increase of 8.91% YoY while monthly inflation clocked in at 1.70% led chiefly by increase in Food index (+3.9% MoM). On the external side our Current Account continued to be positive albeit a reduction in surplus by USD 138 mn MoM to USD 73 mn in Sep'20. This can be attributed to rise in imports by USD 581 mn MoM while exports (+USD 441 mn MoM) and remittances (+USD 189 MoM) exhibited healthy growth. Our foreign exchange reserves remained fairly stable, slightly dipping by USD 90 mn to settle at USD 19.3 bn in Oct'20. On the fiscal side, FBR collected PKR 333 bn in Oct'20, (+2.46% YoY), but missed the monthly target for the third consecutive month by PKR 19 bn. This takes total tax collected for 4MFY21 to PKR 1,400 bn, an improvement of 5.8% YoY.

### EQUITY MARKET REVIEW

The stock market declined slightly, with KSE 100 posting a loss of 1.68% to fall to 39,888 points in Oct'20 while average daily trading volumes plunged 33% to 404 mn shares. Similarly, KMI 30 fell 1.92% to 63,497 points in Oct'20. Primary factors behind this muted performance are resurgence of corona cases in the country, FATF review, reduction in forex reserves, while there were positive triggers such as PKR appreciation of 3.3% during the month along with the Current Account posting a surplus for 3rd consecutive month. Foreign investors sold equities worth USD 39 mn in Oct'20, while local Insurance and Banks bought stocks worth USD 27 mn and USD 16 mn respectively and Individuals were the chief sellers with USD 16 mn. Sector wise, E&Ps (-11%) and OMCs (-7%) dragged down the index while Cement (+7%) and Auto Assemblers (+4%) lent support. Going forward, Pakistan with forward P/E of 7.1x is trading at 49% discount compared to Asia Pacific regional average of 13.9x along with a dividend yield of ~6.3% versus ~2.7% offered by the region.

### DEBT MARKET REVIEW

Investors showed enthusiasm in money market with T-bill auctions garnering PKR 1,327 bn worth of bids against target of PKR 950 bn while the central bank accepted PKR 981 bn in Oct'20. Latest cut-off rates rose to 7.18% for 3-month tenor (+5 bps MoM), 7.20% for 6-month tenor (+2 bps MoM), and 7.30% for 12-month tenor (-1 bps MoM). In PIB auctions floaters received bids worth PKR 286 bn against target of PKR 230 bn while the central bank (SBP) accepted PKR 206 bn at 30-69 bps over benchmark. Fixed PIBs saw less interest with PKR 57 bn worth of bids received against target of PKR 140 bn while SBP accepted just PKR 13 bn at 8.20% (no change) for 3 yr tenor, 10% (+2 bps MoM) for 15 yr tenor, and 10.55% (no change) for 20 yr tenor. With interest rates expected to remain stable, investors are keen on longer maturities which led to secondary market yields falling by 4-17 bps for longer tenors.

# 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 8,913 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.10.2020)	PKR 676.22
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	A. F. Ferguson & Co.
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

## BOARD FINANCE & INVESTMENT COMMITTEE

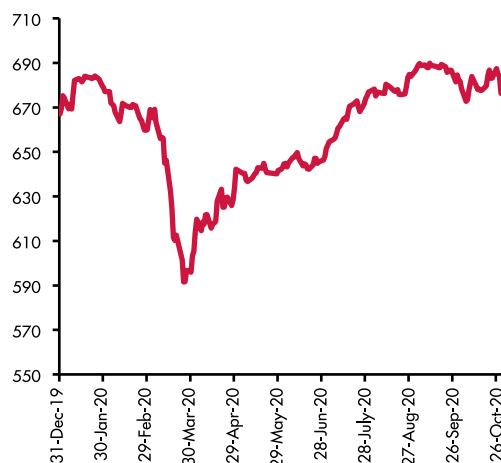
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Omer Farooq	Member/Secretary
Shan Rabbani	Member

## INVESTMENT MANAGEMENT COMMITTEE

MEMBERS	DESIGNATION
Javed Ahmed	Chairman/CEO
Omer Farooq	Member
Zahid Barki	Member
Kashif Naqvi	Member
Shan Rabbani	Member
Asif Mobin	Member/Secretary
Dileep Kumar Maheshwari	Member

## FUND MANAGER'S COMMENTS

During the month of October 2020 Managed Takaful Fund's (MTF) Unit Price decreased by PKR 5.94 (-0.87%) net of fund management fee.



## FUND RETURNS

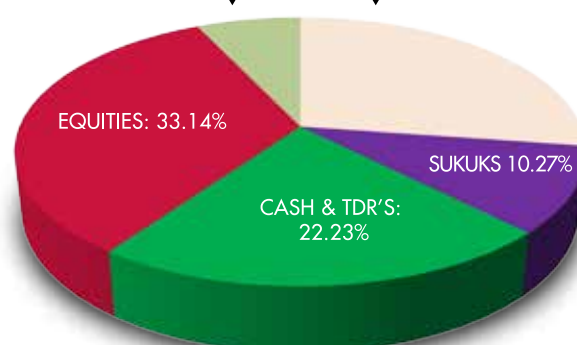
PERIOD	RATE OF RETURN
1 month	-0.87%
3 months	-0.14%
12 months	9.26%
Calendar YTD	1.38%
Since Inception	35.24%

## ASSET ALLOCATION

ASSETS	OCTOBER-20	SEPTEMBER-20
Government Securities	27.30%	27.56%
Sukuks	10.27%	10.33%
Cash and Short Term Deposits	22.23%	24.48%
Equities	33.14%	31.61%
Mutual Funds	7.07%	6.02%

GOVERNMENT SECURITIES: 27.30%

MUTUAL FUNDS: 7.07%



# 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 10,489 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.10.2020)	PKR 653.38
Category	Shariah Compliant Equity Fund
Pricing Mechanism	Forward on daily basis
Management Fee	1.50% p.a.
Pricing Days	Monday to Friday
Auditors	A. F. Ferguson & Co.
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

## BOARD FINANCE & INVESTMENT COMMITTEE

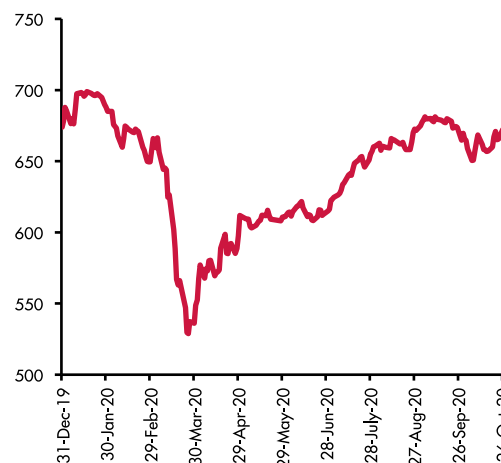
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Omer Farooq	Member/Secretary
Shan Rabbani	Member

## INVESTMENT MANAGEMENT COMMITTEE

MEMBERS	DESIGNATION
Javed Ahmed	Chairman/CEO
Omer Farooq	Member
Zahid Barki	Member
Kashif Naqvi	Member
Shan Rabbani	Member
Asif Mobin	Member/Secretary
Dileep Kumar Maheshwari	Member

## FUND MANAGER'S COMMENTS

During the month of October 2020 Capital Growth Takaful Fund's (CGTF) Unit Price decreased by PKR 12.24 (-1.84%) net of fund management fee.

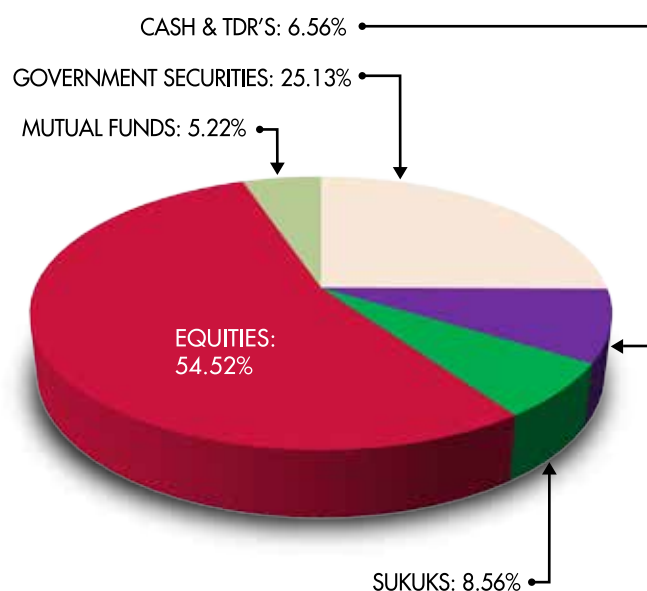


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-1.84%
3 months	-1.07%
12 months	9.21%
Calendar YTD	-3.04%
Since Inception	30.68%

## ASSET ALLOCATION

ASSETS	OCTOBER-20	SEPTEMBER-20
Government Securities	25.13%	24.77%
Sukuks	8.56%	8.40%
Cash and Short Term Deposits	6.56%	4.37%
Equities	54.52%	55.22%
Mutual Funds	5.22%	7.24%



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