



**INVESTMENT FACT SHEET**  
FOR THE MONTH OF AUGUST 2020

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

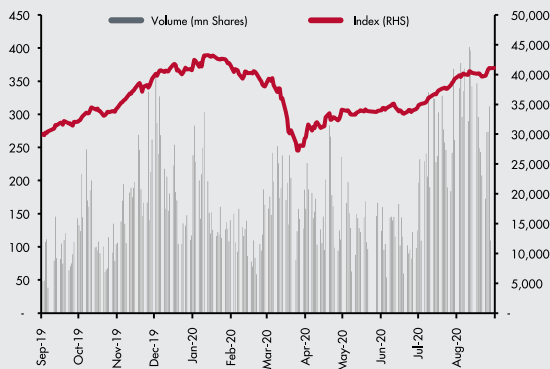
### ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Aug	8.21%	9.30%	8.74%
Trade Deficit (USD mn)	Jul	(1,736)	(1,977)	(1,736)
Remittances (USD mn)	Jul	2,768	2,466	2,768
Current A/C (USD mn)	Jul	424	(100)	424
FDI (USD mn)	Jul	114	175	114
Tax Collection ** (PKR bn)	Aug	293	300	593
M2 Growth*				-1.51%
FX Reserves* (USD bn)	Aug			19.84

Source: SBP, FBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

TENOR	AUG-20	JUL-20	CHANGE (bps)
30 Days	7.09	7.01	8
60 Days	7.11	6.97	14
3 Months	7.13	6.95	18
6 Months	7.17	6.98	19
1 Year	7.27	7.02	25
3 Year	8.26	7.96	30
5 Year	8.92	8.60	32
10 Year	9.45	9.19	26

Source: MUFAP

### ECONOMIC REVIEW

Inflation for Aug'20 hit 8.21% YoY while the price index rose monthly by 0.63% mainly led by increase in Utilities index (+1.79% MoM) and Transport index (+2.96% MoM) while perishable Food items index provided relief (-9.82% MoM). On the external side our Current Account recorded surplus of USD 424 mn (+USD 524 mn MoM) in Jul'20 after the previous month's deficit. This can be credited to growth in Exports (+USD 311 mn MoM) and Remittances (+USD 302 mn MoM) which overcame the rise in Imports (+USD 70 mn MoM). This, coupled with relief on international debt servicing, strengthened our foreign exchange reserves by USD 240 mn to reach USD 19.84 bn in Aug'20. On the fiscal side, FBR's tax collection was hampered by heavy rainfall which led to PKR 293 bn being collected against target of PKR 308 bn in Aug'20. However, superior revenue collection in Jul'20 resulted in FBR surpassing the two months' target by PKR 39 bn.

### EQUITY MARKET REVIEW

The stock market continued previous month's rally, with KSE 100 posting an adequate return of 4.7% to reach 41,111 points in Aug'20 while average daily trading volumes rose 36% to 518 mn shares. Major factors behind this positive performance were Current Account surplus and record high remittances in the month of July 20, international recognition for Pakistan's handling of Covid-19, and government's agreement with IPPs for a comprehensive roadmap for circular debt clearance. Foreign investors returned to our market after six consecutive months of selling to buy equities worth USD 7 mn in Aug'20, while local Insurance and Banks sold stocks worth USD 37 mn and USD 28 mn respectively and Individuals were the chief buyers with USD 59 mn. Sector wise, Power (+8.1%), Cement (+8.0%) and Banks (+4.5%) boosted the market index while Fertilizer (-4.1%) was a notable laggard owing to Supreme Court's decision on GIDC which bodes negative for the industry. Going forward, Pakistan with forward P/E of 7.4x is trading at 49% discount compared to Asia Pacific regional average of 14.6x along with a dividend yield of ~6.0% versus ~2.4% offered by the region.

### DEBT MARKET REVIEW

Abundant interest was observed in money market with T-bill auctions garnering PKR 1,571 bn worth of bids against target of PKR 600 bn while the central bank accepted PKR 568 bn in Aug'20. Latest cut-off rates rose to 7.15% for 3-month tenor (+20 bps MoM), 7.18% for 6-month tenor (+8 bps MoM), and 7.30% for 12-month tenor (+16 bps MoM). In PIB auctions floaters continue to be in spotlight with bids worth PKR 440 bn received against target of PKR 240 bn wherein central bank (SBP) accepted PKR 146 bn at 29-55 bps over benchmark. Fixed PIBs saw less zeal with PKR 108 bn worth of bids received against target of PKR 140 bn while SBP accepted just PKR 39 bn at 8.20% (+83 bps MoM) for 3 yr tenor, 8.45% (+8 bps MoM) for 5 yr tenor, 8.99% (no change) for 10 yr tenor, 9.98% (+23 bps MoM) for 15 yr tenor, and 10.55% (+15 bps MoM) for 20 yr tenor. With interest rates bottoming out, investors are demanding higher spreads which led to increase in cut off rates in auctions along with secondary market yields rising by 8-32 bps across all 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 96,198 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.08.2020)	PKR 1,294.59
Category	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

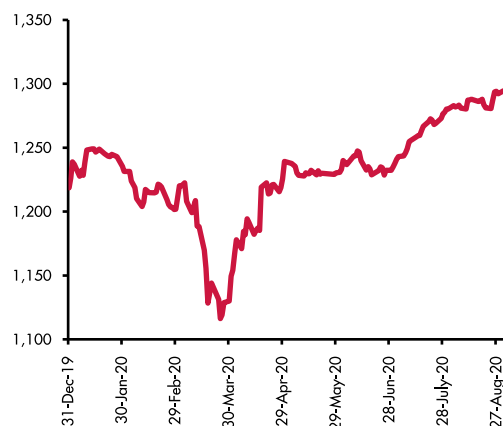
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member/Secretary
Shan Rabbani	Member

## INVESTMENT MANAGEMENT COMMITTEE

MEMBERS	DESIGNATION
Javed Ahmed	Chairman/CEO
Lilly R. Dossabhoy	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 August 2020 Managed Fund's (MF) Unit Price increased by PKR 14.28 (1.12%) net of fund management fee.

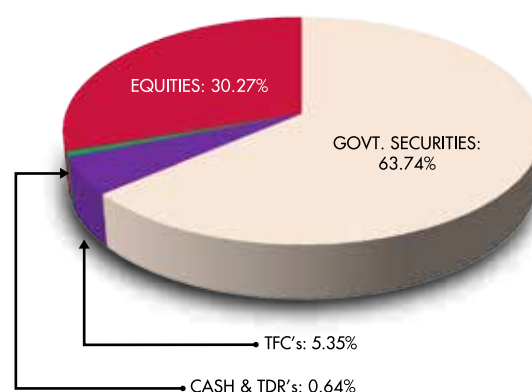


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.12%
3 months	5.19%
12 months	23.83%
Calendar YTD	6.23%
Since Inception	1201.10%
Since Inception (annualized)	11.44%
5 Years	33.24%
10 Years	164.15%

## ASSET ALLOCATION

ASSETS	AUGUST-20	JULY-20
Government Securities	63.74%	62.28%
Term Finance Securities	5.35%	5.34%
Cash and Short Term Deposits	0.64%	1.69%
Equities	30.27%	30.69%



# 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 28,100 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (31.08.2020)	PKR 828.87
Category	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

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Shahid Ghaffar	Chairman
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Lilly R. Dossabhoy	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 August 2020 Capital Growth Fund's (CGF) Unit Price increased by PKR 24.99 (3.11%) net of fund management fee.

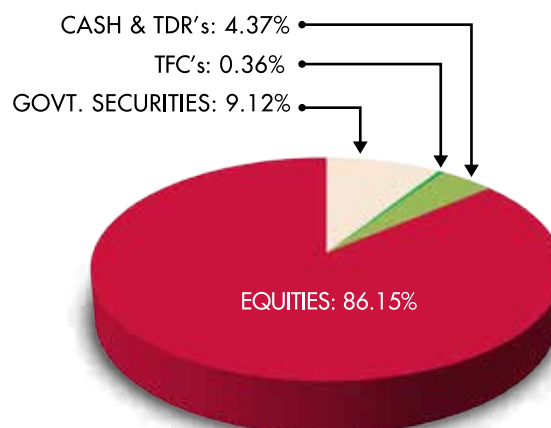


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	3.11%
3 months	16.24%
12 months	22.22%
Calendar YTD	-6.22%
Since Inception	728.87%
Since Inception (annualized)	14.03%
5 Years	14.79%
10 Years	281.42%

## ASSET ALLOCATION

ASSETS	AUGUST-20	JULY-20
Government Securities	9.12%	10.97%
Term Finance Securities	0.36%	0.37%
Cash and Short Term Deposits	4.37%	1.70%
Equities	86.15%	86.96%



# 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 8,682 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.08.2020)	PKR 1,125.09
Category	Non-interest bearing Investment portfolio
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

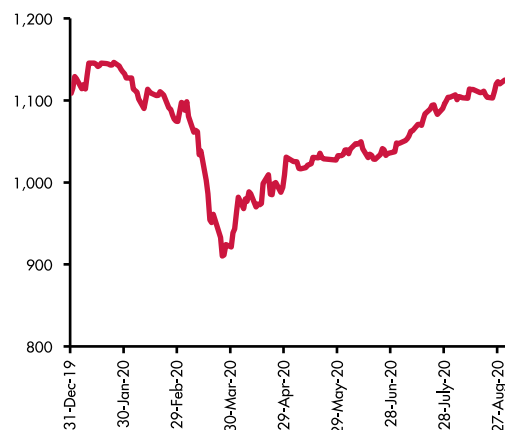
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
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Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
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Javed Ahmed	Chairman/CEO
Lilly R. Dossabhoy	Member
Zahid Barki	Member
Kashif Naqvi	Member
Shan Rabbani	Member
Asif Mobin	Member/Secretary
Dileep Kumar Maheshwari	Member

## FUND MANAGER'S COMMENTS

During the month of August 2020 Meesaq Fund's (MEF) Unit Price increased by PKR 21.23 (1.92%) net of fund management fee.

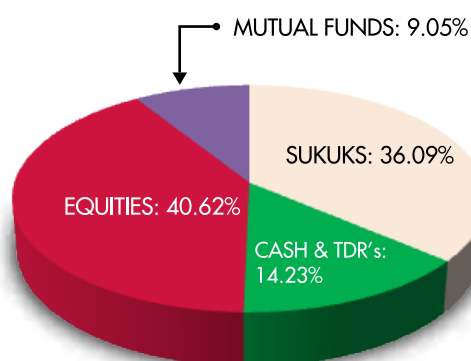


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.92%
3 months	8.94%
12 months	20.64%
Calendar YTD	1.49%
Since Inception	136.86%
Since Inception (annualized)	7.18%
5 Years	30.22%

## ASSET ALLOCATION

ASSETS	AUGUST-20	JULY-20
Sukuks	36.09%	33.93%
Cash and Short Term Deposits	14.23%	5.22%
Equities	40.62%	49.37%
Mutual Funds	9.05%	11.48%



# Yaqeen 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 3,937 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.08.2020)	PKR 1,345.91
Category	Capital Protected 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

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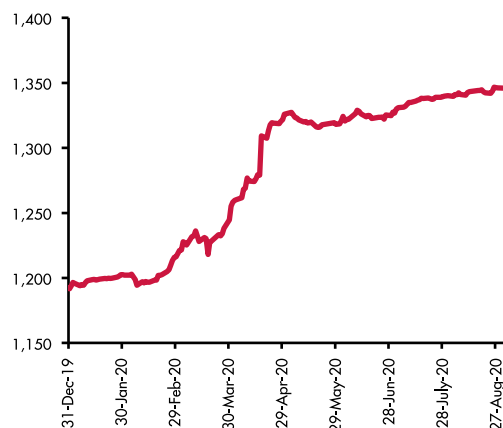
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Zahid Barki	Member
Kashif Naqvi	Member
Shan Rabbani	Member
Asif Mobin	Member/Secretary
Dileep Kumar Maheshwari	Member

## FUND MANAGER'S COMMENTS

During the month of August 2020 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 5.79 (0.43%) net of fund management fee.

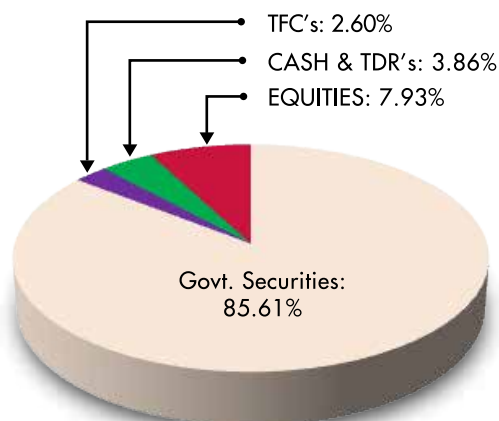


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.43%
3 months	2.08%
12 months	22.59%
Calendar YTD	12.95%
Calendar YTD (annualized)	19.97%
Since Inception	183.35%
Since Inception (annualized)	9.69%
5 Years	50.24%

## ASSET ALLOCATION

ASSETS	AUGUST-20	JULY-20
Government Securities	85.61%	85.51%
Term Finance Securities	2.60%	2.60%
Cash and Short Term Deposits	3.86%	4.09%
Equities	7.93%	7.81%



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