

INVESTMENT FACT SHEET
FOR THE MONTH OF AUGUST 2019

FROM INVESTMENT DESK

ECONOMY AND CAPITAL MARKETS UPDATE

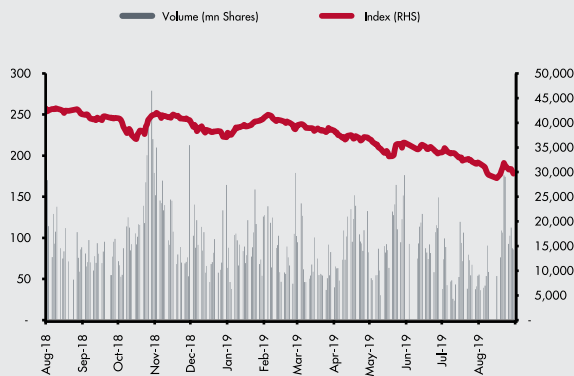
ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Aug	10.49%	10.34%	10.42%
Trade Deficit (USD mn)	Jul	(1,847)	(2,197)	(1,847)
Remittances (USD mn)	Jul	2,039	1,646	2,039
Current A/C (USD mn)	Jul	(579)	(921)	(579)
FDI (USD mn)	Jul	73	130	73
Tax Collection ** (PKR bn)	Aug	302	278	580
M2 Growth*				-1.83%
FX Reserves* (USD bn)	Aug			15.63

Source: SBP, FBS

* Latest monthly figures **provisional figures

KSE-100 ONE YEAR PERFORMANCE



SECONDARY MARKET PKRVs

TENOR	AUG-19	JUL-19	CHANGE (bps)
30 Days	13.45	13.45	0
60 Days	13.72	13.60	12
3 Months	13.74	13.72	2
6 Months	13.94	13.90	4
1 Year	14.04	14.05	(1)
3 Year	13.79	14.02	(23)
5 Year	13.10	13.60	(50)
10 Year	12.77	13.49	(72)

Source: MUFAP

ECONOMIC REVIEW

Inflation continues to hit double digits, reaching 10.5%/1.64% (YoY/MoM) in Aug'19. Major contributors to monthly increase were Food (+3.42% MoM) and Transport (+1.86% MoM). This comes in light of rebasing the headline CPI, a periodic policy decision, from the old base year of 2007-08 to the new base year of 2015-16 which will be used going forward. On the external side, Current Account deficit improved to USD 579 mn (down 37% MoM) in Jul'19 from USD 921 mn in the previous month mainly due to uptick in exports (+24% MoM) and remittances (+24% MoM) while imports remained flattish. This, along with absence of debt servicing, bolstered our forex reserves by USD 600 mn to USD 15.6 bn in Aug'19. On the fiscal side, FBR again missed its revenue collection target by PKR 50 bn against target of PKR 352 bn in Aug'19, although the collection this month shows improvement of 18% over Aug'18.

EQUITY MARKET REVIEW

Equities' descent continues unperturbed for the seventh month running; KSE100 index plummeted 7.1% in Aug'19 to 29,672 points although there was an increase in average daily volumes to 113 mn shares (+47% MoM). This makes August the worst performing month this calendar year wherein CYTD return now settles at -19.9%. Primary reasons behind this downcast performance were renewed tensions at the Kashmir front, news flow regarding meeting of FATF's regional subgroup Asia Pacific Group (APG) in Canberra and potential divestment of state owned companies by the government. Foreign investors exited our market after last month's buying; Aug'19 saw outflow of USD 3.5 mn while individuals were the largest local buyer with USD 28 mn and mutual funds continued their selling spree with USD 34 mn. Sector wise, heavyweights such as Banks (-8.4%), E&Ps (-16.6%) and OMCs (-16.8%) dragged down the index while Tobacco (+7.6%) and Engineering (+17.8%) provided some support. Going forward, Pakistan with forward P/E of 5.6x is trading at 59% discount compared to Asia Pacific regional average of 13.6x, along with a dividend yield of ~11.9% versus ~2.7% offered by the region.

DEBT MARKET REVIEW

Interest in money market continues as participation of PKR 2,311 bn was witnessed in August T-bill auctions while the central bank accepted PKR 1,887 bn worth of bids against target of PKR 2,600 bn in all tenors. Latest cut-off rates remained constant at 13.75% for 3-mth tenor, 13.95% for 6-mth tenor and 14.24% for 12-mth tenor. PIB auction saw more robust activity with PKR 878 bn worth of bids being received against target of PKR 100 bn while central bank accepted PKR 438 bn worth of bids at 14.25% (unchanged) for 3 yr tenor, 13.55% (-25 bps MoM) for 5 yr tenor, and 13.15% (-40 bps MoM) for 10 yr tenor. Floaters saw weaker interest with PKR 48 bn worth of bids received against target of PKR 100 bn wherein SBP accepted PKR 42 bn at 75 bps over benchmark. This strong interest in PIBs is indicative of the investors' belief that longer-term interest rates have peaked which has resulted in secondary market yields dwindling by 23-72 bps in longer tenor bonds whereas yields for shorter term papers show little change.

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 77,098 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.08.2019)	PKR 1,045.47
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

FUND MANAGER'S COMMENTS

During the month of August 2019 Managed Fund's (MF) Unit Price decreased by PKR 18.04 (-1.7%) net of fund management fee.



INVESTMENT COMMITTEE

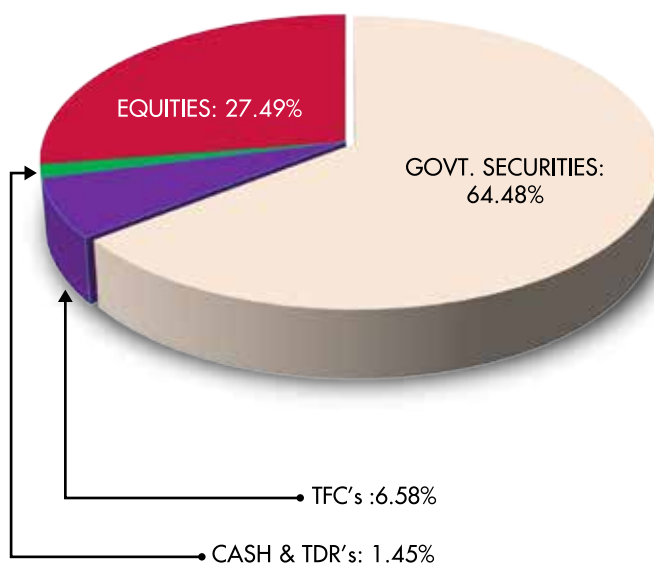
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	AUGUST 2019	JULY 2019
Government Securities	64.48%	54.63%
Term Finance Securities	6.58%	6.40%
Cash and Short Term Deposits	1.45%	9.27%
Stocks & Mutual Funds	27.49%	29.70%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-1.70%
3 months	-4.63%
12 months	-6.59%
Calendar YTD	-2.21%
Since Inception	950.73%
Since Inception (annualized)	10.93%
5 Years	28.32%
10 Years	142.72%



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 19,287 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (31.08.2019)	PKR 678.18
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

FUND MANAGER'S COMMENTS

During the month of August 2019 Capital Growth Fund's (CGF) Unit Price decreased by PKR 53.13 (-7.27%) net of fund management fee.



INVESTMENT COMMITTEE

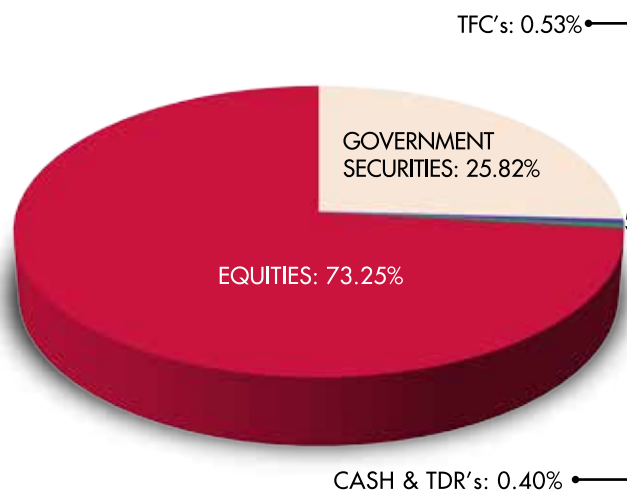
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	AUGUST 2019	JULY 2019
Government Securities	25.82%	19.65%
Term Finance Securities	0.53%	0.48%
Cash and Short Term Deposits	0.40%	3.65%
Stocks & Mutual Funds	73.25%	76.23%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-7.27%
3 months	-16.21%
12 months	-26.33%
Calendar YTD	-14.75%
Since Inception	578.18%
Since Inception (annualized)	13.51%
5 Years	23.94%
10 Years	246.88%



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 8,019 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.08.2019)	PKR 932.57
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	-2.82%
3 months	-6.64%
12 months	-10.96%
Calendar YTD	-6.16%
Since Inception	96.33%
Since Inception (annualized)	6.08%
5 Years	24.88%

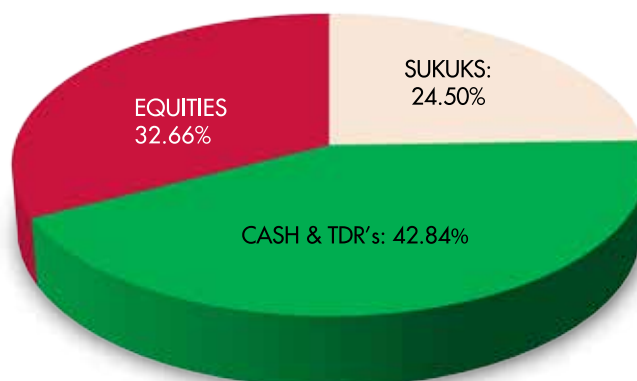
FUND MANAGER'S COMMENTS

During the month of August 2019 Meesaq Fund's (MEF) Unit Price decreased by PKR 27.09 (-2.82%) net of fund management fee.



ASSET ALLOCATION

ASSETS	AUGUST 2019	JULY 2019
Sukuks	24.50%	23.43%
Cash and Short Term Deposits	42.84%	41.98%
Stocks & Mutual Funds	32.66%	34.59%



Yaqeen Growth Fund

FUND OBJECTIVE

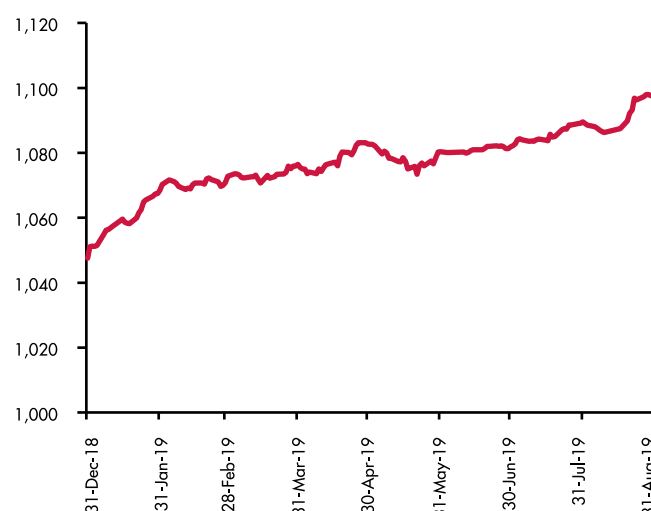
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum risk of capital erosion.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 2,755 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.08.2019)	PKR 1,097.94
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 August 2019 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 8.37 (0.77%) net of fund management fee.



INVESTMENT COMMITTEE

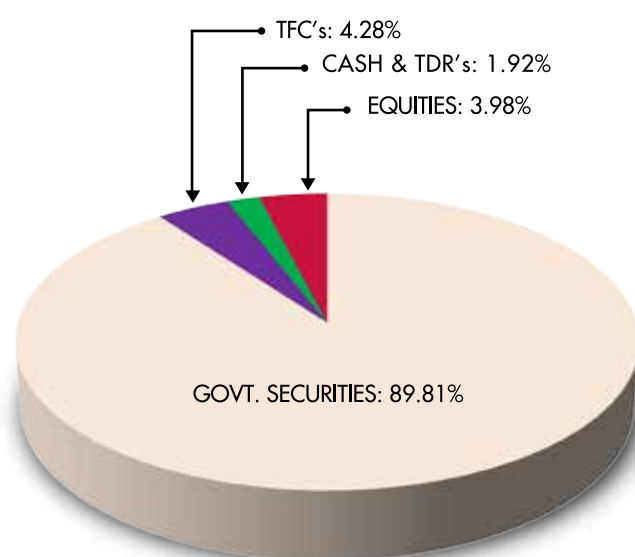
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	AUGUST 2019	JULY 2019
Government Securities	89.81%	82.13%
Term Finance Securities	4.28%	4.34%
Cash and Short Term Deposits	1.92%	8.85%
Stocks & Mutual Funds	3.98%	4.67%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.77%
3 months	1.63%
12 months	5.14%
Calendar YTD	4.81%
Calendar YTD (annualized)	7.31%
Since Inception	131.14%
Since Inception (annualized)	8.51%
5 Years	1315.41%



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