

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

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

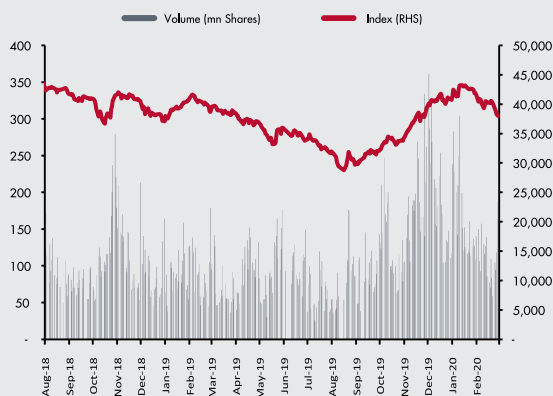
### ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Feb	12.40%	14.56%	11.94%
Trade Deficit (USD mn)	Jan	(1,870)	(1,709)	(11,644)
Remittances (USD mn)	Jan	1,907	2,097	13,302
Current A/C (USD mn)	Jan	(555)	(313)	(2,654)
FDI (USD mn)	Jan	223	487	1,564
Tax Collection ** (PKR bn)	Feb	310	321	2,720
M2 Growth*				3.55%
FX Reserves* (USD bn)	Feb			18.87

Source: SBP, FBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

TENOR	FEB-20	JAN-20	CHANGE (bps)
30 Days	13.30	13.30	0
60 Days	13.31	13.35	-4
3 Months	13.29	13.37	-8
6 Months	13.26	13.33	-7
1 Year	13.05	13.10	-5
3 Year	11.77	11.87	-10
5 Year	11.16	11.27	-11
10 Year	10.99	11.15	-16

Source: MUFAP

### ECONOMIC REVIEW

Inflation for Feb'20 clocked at 12.4% YoY, a welcome sight after last month's ominous high of 14.56%. On sequential basis inflation declined by 1.04%, led by sharp reversal in Food index (-1.99% MoM) following resolution of supply shortages along with reduction in gas tariffs; Utility index fell by 2.47% MoM. On the external side Current Account deficit (CAD) surged upwards in Jan'20 to USD 555 mn (+77% MoM), after being contained for the past four months, on account of deterioration in balance of trade; imports rose by USD 104 mn while exports and remittances fell by USD 57 mn and USD 190 mn respectively. Our foreign exchange reserves show steady growth and hit a twenty-five month high of USD 18.87 bn (+USD 211 mn MoM) in Feb'20, on the back of better currency management and absence of major debt repayments. On the fiscal side revenue collection stood at PKR 310 bn (+17.5% YoY) for the month of Feb'20 taking 8MFY20 tax collection to PKR 2.72 tn (+16.5% YoY) and missed the eight-month target by PKR 209 bn.

### EQUITY MARKET REVIEW

The stock market plummeted in Feb'20 with KSE100 posting a loss of 8.8%, ending a four month long winning streak, to hit 37,984 points while average daily volumes dived by 38% to 153 mn shares. Primary reasons behind such performance of the market include global market outburst over Coronavirus epidemic, abnormally high inflation for Jan'20, Pakistan's continued inclusion in FATF Grey list, and concerns over fiscal recovery of the economy with a notable revenue shortfall in sight. Foreign investors reverted to selling equities worth USD 56 mn in Feb'20 which was matched by local buying from Insurance (USD 56 mn) while Mutual Funds were the chief local seller with USD 24 mn. Sectors across the board plunged with E&Ps (-16.5%), Fertilizer (-8.0%) and Banks (-5.1%) as the principal driving forces behind such poor index performance. Going forward, Pakistan with forward P/E of 6.6x is trading at 45% discount compared to Asia Pacific regional average of 12.0x along with a dividend yield of ~7.2% versus ~2.9% offered by the region.

### DEBT MARKET REVIEW

Interest in money market continued unabated in Feb'20 as PKR 2,251 bn worth of bids were received in T-bill auctions wherein State Bank of Pakistan (SBP) accepted PKR 609 bn against target of PKR 600 bn. Latest cut-off rates decreased to 13.39% (-4 bps MoM) for 3 month tenor while rising to 13.34% (+5 bps MoM) and 13.33% (+20 bps MoM) for 6 month tenor and 12 month tenor respectively. However, lacklustre participation was witnessed in PIB auctions as only PKR 118 bn worth of bids were garnered at higher levels i.e. 10-60bps above previous cut-offs. SBP accepted a mere 56 bn in fixed PIBs against its target of PKR 100 bn at 12.05% (+30 bps MoM) for 3 yr tenor, 11.40% (+21 bps MoM) for 5 yr tenor, and 11.00% (+10 bps MoM) for 10 yr tenor. There was similar interest in floaters with PKR 82 bn worth of bids received wherein SBP accepted PKR 60 bn at 50 bps over benchmark against target of PKR 50 bn. However, in the latter half of the month, anticipated soft inflationary readings for Feb'20, staff level agreement with IMF, strong PIBs demand by local players and weakening international oil prices due to Corona outbreak pushed secondary market yields down by 4-16 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 88,908 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (29.02.2020)	PKR 1,201.88
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

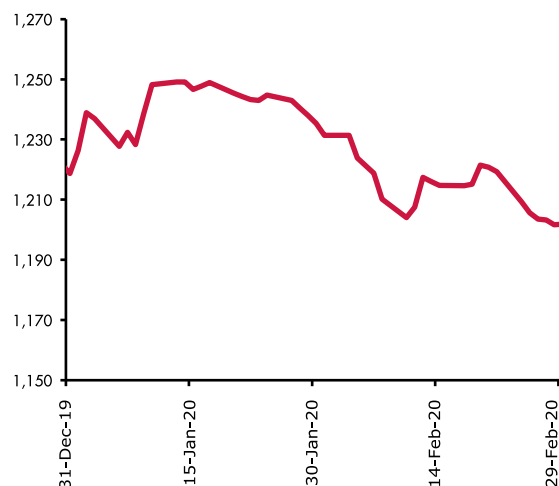
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member/Secretary
Shan Rabbani	Member

## 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 February 2020 Managed Fund's (MF) Unit Price decreased by PKR 29.45 (-2.39%) net of fund management fee.

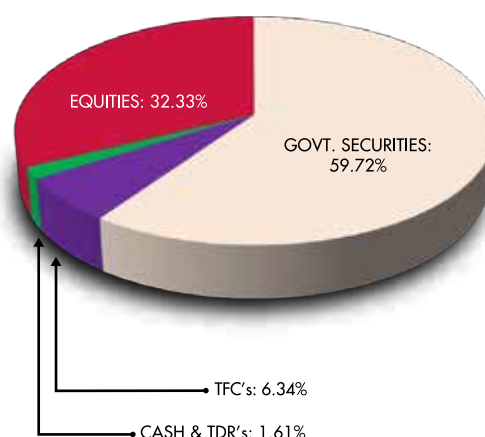


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-2.39%
3 months	1.05%
12 months	8.27%
Calendar YTD	-1.38%
Since Inception	1107.92%
Since Inception (annualized)	11.35%
5 Years	30.95%
10 Years	156.26%

## ASSET ALLOCATION

ASSETS	FEBRUARY 2020	JANUARY 2020
Government Securities	59.72%	58.80%
Term Finance Securities	6.34%	6.11%
Cash and Short Term Deposits	1.61%	1.93%
Stocks & Mutual Funds	32.33%	33.15%



# 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 26,051 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (29.02.2020)	PKR 833.56
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

## 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

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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 February 2020 Capital Growth Fund's (CGF) Unit Price decreased by PKR 71.14 (-7.86%) net of fund management fee.

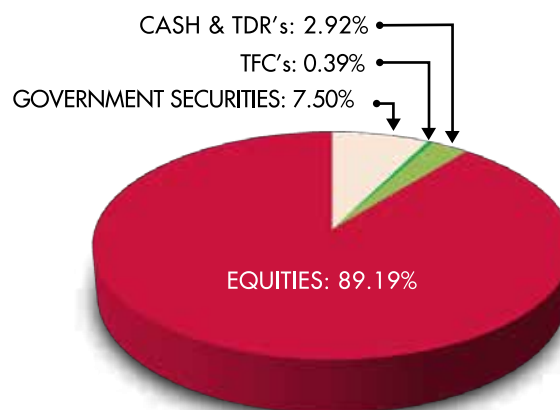


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-7.86%
3 months	-2.55%
12 months	-2.25%
Calendar YTD	-5.69%
Since Inception	733.56%
Since Inception (annualized)	14.56%
5 Years	29.23%
10 Years	279.20%

## ASSET ALLOCATION

ASSETS	FEBRUARY 2020	JANUARY 2020
Government Securities	7.50%	13.72%
Term Finance Securities	0.39%	0.36%
Cash and Short Term Deposits	2.92%	1.02%
Stocks & Mutual Funds	89.19%	84.90%



# 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 8,640 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (29.02.2020)	PKR 1,074.35
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

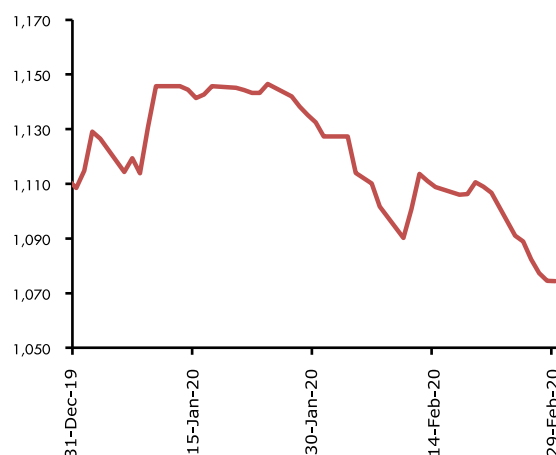
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member/Secretary
Shan Rabbani	Member

## 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 February 2020 Meesaq Fund's (MEF) Unit Price decreased by PKR 53.01 (-4.7%) net of fund management fee.

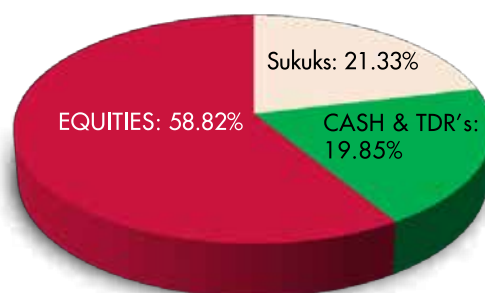


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-4.70%
3 months	-0.03%
12 months	4.61%
Calendar YTD	-3.08%
Since Inception	126.18%
Since Inception (annualized)	7.08%
5 Years	31.09%

## ASSET ALLOCATION

ASSETS	FEBRUARY 2020	JANUARY 2020
Sukuks	21.33%	19.90%
Cash and Short Term Deposits	19.85%	29.53%
Stocks & Mutual Funds	58.82%	50.58%



# 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 3,290 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (29.02.2020)	PKR 1,216.26
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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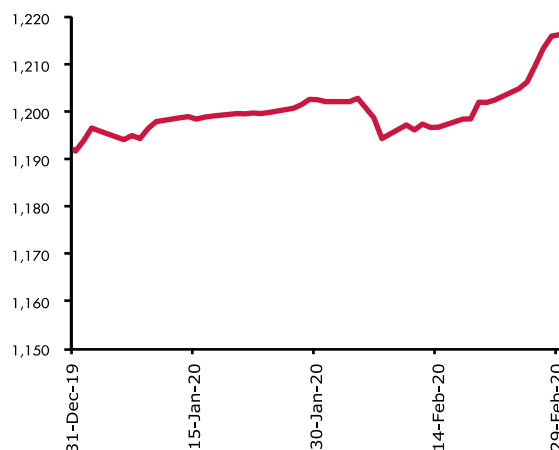
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Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
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Lilly R. Dossabhoy	Member
Zahid Barki	Member
Kashif Naqvi	Member
Shan Rabbani	Member
Asif Mobin	Member/Secretary
Dileep Kumar Maheshwari	Member

## FUND MANAGER'S COMMENTS

During the month of February 2020 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 14.17 (1.18%) net of fund management fee.

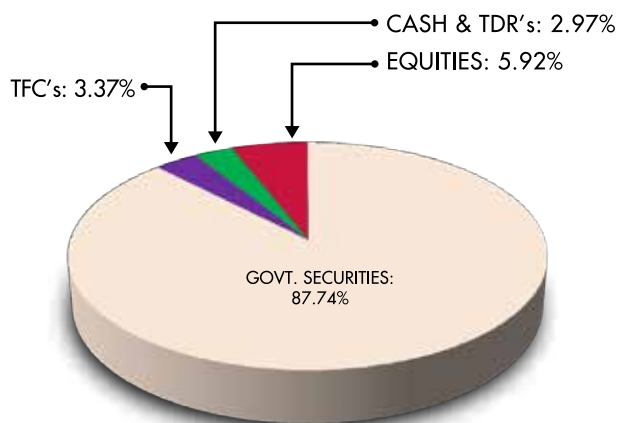


## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	1.18%
3 months	3.30%
12 months	13.59%
Calendar YTD	2.07%
Calendar YTD (annualized)	13.25%
Since Inception	156.05%
Since Inception (annualized)	9.14%
5 Years	42.87%

## ASSET ALLOCATION

ASSETS	FEBRUARY 2020	JANUARY 2020
Government Securities	87.74%	94.58%
Term Finance Securities	3.37%	3.44%
Cash and Short Term Deposits	2.97%	1.98%
Stocks & Mutual Funds	5.92%	0.00%



JUBILEELIFE.COM

**Jubilee Life Insurance Company Limited**

74/1-A, Lalazar, M.T. Khan Road,  
Karachi - 74000, Pakistan

Phone: (021) 32120201, 35205094

Fax: (021) 35610959

UAN: (021) 111-111-554

SMS: "JUBILEELIFE" to 8398

E-mail: info@jubileelife.com,  
complaints@jubileelife.com

Website: www.jubileelife.com