

INVESTMENT FACT SHEET
FOR THE MONTH OF OCTOBER 2019

FROM INVESTMENT DESK

ECONOMY AND CAPITAL MARKETS UPDATE

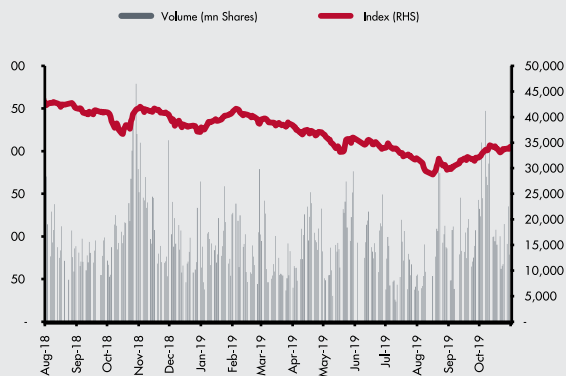
ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Oct	11.04%	11.37%	10.81%
Trade Deficit (USD mn)	Sep	(1,416)	(1,629)	(4,999)
Remittances (USD mn)	Sep	1,748	1,691	5,478
Current A/C (USD mn)	Sep	(259)	(610)	(1,547)
FDI (USD mn)	Sep	385	83	541
Tax Collection ** (PKR bn)	Oct	320	375	1,275
M2 Growth*				0.06%
FX Reserves* (USD bn)	Oct			15.09

Source: SBP, FBS

* Latest monthly figures **provisional figures

KSE-100 ONE YEAR PERFORMANCE



SECONDARY MARKET PKRVs

TENOR	OCT-19	SEP-19	CHANGE (bps)
30 Days	13.14	13.82	(68)
60 Days	13.13	13.82	(69)
3 Months	13.14	13.75	(61)
6 Months	13.17	13.76	(59)
1 Year	12.89	13.75	(86)
3 Year	11.64	12.64	(100)
5 Year	11.53	12.30	(77)
10 Year	11.30	12.18	(88)

Source: MUFAP

ECONOMIC REVIEW

Inflation continues into double digits, exceeding market expectations and clocking in at 11.04%/1.82% (YoY/MoM) for Oct'19. The prime reason behind monthly increase in inflation is Food Group where prices registered a whopping 13.76% growth over last month's. On the external front, Current Account deficit reduced by a substantial 58% to USD 259 mn in Sep'19, mainly due to drop in imports (-5.6% MoM) and uptick in remittances (+3.4% MoM) while exports posted muted growth at USD 1,911 mn. Foreign Direct Investment (FDI) inflows reached a 26 month high during Sep'19 at USD 385 mn, up by 112% YoY from USD 182 mn in Sep'18. However, forex reserves declined by USD 680 mn in Oct'19 to settle at USD 15.09 bn as multiple debt repayments were made during the month. On the fiscal side, FBR collected PKR 320 bn for the month, an improvement of 17% over Oct'18 whereas tax collection for the current fiscal year has shown strong growth by 15% YoY to clock at PKR 1,275 bn compared to historical growth of 11%.

EQUITY MARKET REVIEW

Equities continue their bull run in Oct'19 for the second consecutive month; KSE100 rose 6.6% to 34,204 points while average daily volumes surged sharply by 40% to 125 mn shares. Primary reasons behind this sustained recovery are improving current account deficit along with stability in the currency, Pakistan avoiding blacklisting by the FATF, and continuous decline in fixed income yields indicating chances of a rate cut in the foreseeable future. However foreign selling continued with outflow of USD 13 mn in Oct'19 while local individuals were chief buyers with USD 13 mn and insurance led local selling with USD 7 mn. Sector wise, there were positive performances all around with Pharma (+17.3%), OMCs (+13.6%) and Cement (+12%) surpassing the rest while Tobacco (-7.2%) and Miscellaneous (-6%) were notable downers. Going forward, Pakistan with forward P/E of 5.9x is trading at 58% discount compared to Asia Pacific regional average of 14.2x, along with a dividend yield of ~7.4% versus ~2.5% offered by the region.

DEBT MARKET REVIEW

Interest in money market persisted in Oct'19 with T-bill auctions garnering PKR 4,526 bn worth of bids against target of PKR 1,600 bn while the central bank accepted PKR 1,344 bn. Latest cut off rates declined to 13.30% (-43 bps MoM) for 3 mth tenor, 13.30% (-54 bps MoM) for 6 mth tenor, and 12.79% (-106 bps MoM) for 12 mth tenor. PIB auctions also saw strong interest with PKR 394 bn worth of bids being received against target of PKR 100 bn while SBP accepted PKR 108 bn in fixed PIBs at 11.80% (-115 bps MoM) for 3 yr tenor, 11.60% (-90 bps MoM) for 5 yr tenor, and 11.35% (-90 bps MoM) for 10 yr tenor. There was considerable interest in floater PIBs as well with PKR 198 bn worth of bids being received against target of PKR 50 bn while central bank accepted just PKR 52 bn at 102 bps over benchmark. Improving macros with soft inflation outlook led to secondary market yields dropping by 59-100 bps across all tenors.

MANAGED FUND

FUND OBJECTIVE

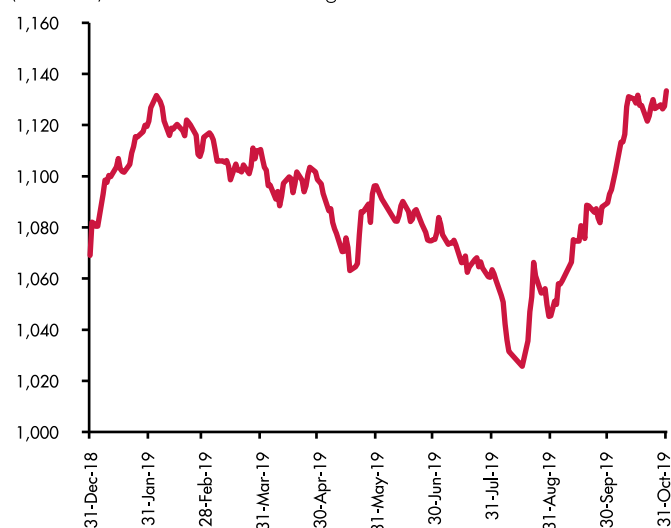
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Fund
Fund Size	PKR 83,676 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.10.2019)	PKR 1,133.42
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 October 2019 Managed Fund's (MF) Unit Price increased by PKR 43.9 (4.03%) net of fund management fee.



INVESTMENT COMMITTEE

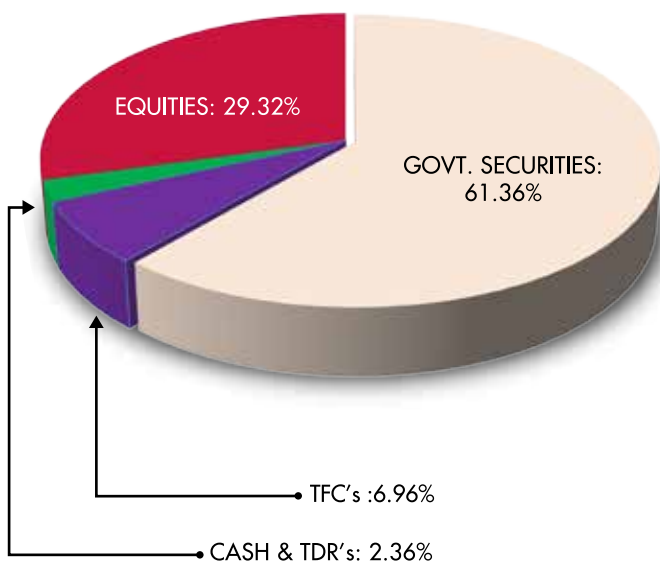
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	OCTOBER 2019	SEPTEMBER 2019
Government Securities	61.36%	60.58%
Term Finance Securities	6.96%	6.50%
Cash and Short Term Deposits	2.36%	3.88%
Stocks & Mutual Funds	29.32%	29.04%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	4.03%
3 months	6.57%
12 months	1.12%
Calendar YTD	6.02%
Since Inception	1039.12%
Since Inception (annualized)	11.24%
5 Years	33.36%
10 Years	152.96%



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 22,651 Million
Launch Date	8.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (31.10.2019)	PKR 771.07
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

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	5.90%
3 months	5.44%
12 months	-15.27%
Calendar YTD	-3.07%
Since Inception	671.07%
Since Inception (annualized)	14.31%
5 Years	26.82%
10 Years	267.70%

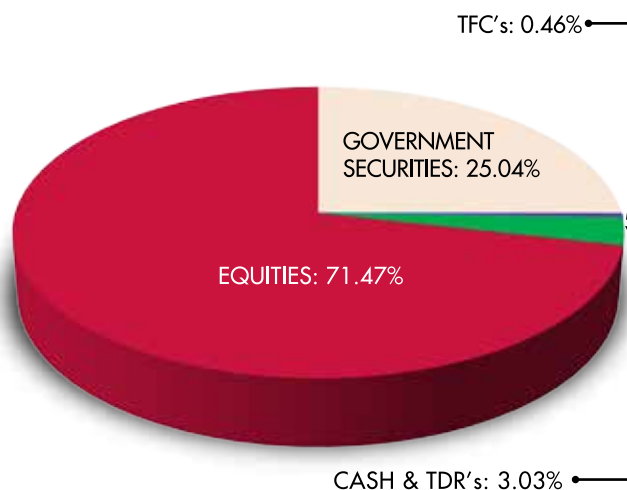
FUND MANAGER'S COMMENTS

During the month of October 2019 Capital Growth Fund's (CGF) Unit Price increased by PKR 42.94 (5.9%) net of fund management fee.



ASSET ALLOCATION

ASSETS	OCTOBER 2019	SEPTEMBER 2019
Government Securities	25.04%	21.58%
Term Finance Securities	0.46%	0.49%
Cash and Short Term Deposits	3.03%	7.42%
Stocks & Mutual Funds	71.47%	70.51%



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 8,531 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.10.2019)	PKR 1,012.71
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	3.90%
3 months	5.53%
12 months	-4.58%
Calendar YTD	1.91%
Since Inception	113.20%
Since Inception (annualized)	6.74%
5 Years	31.07%

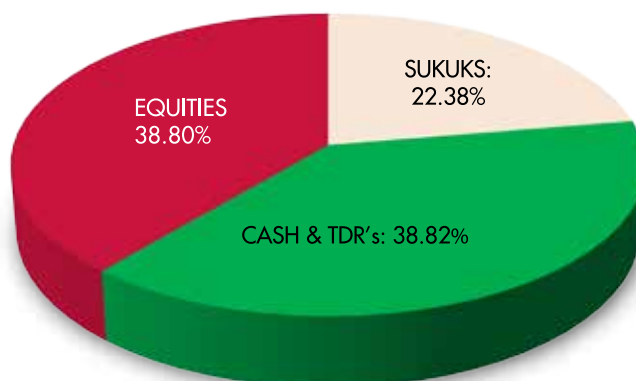
FUND MANAGER'S COMMENTS

During the month of October 2019 Meesaq Fund's (MEF) Unit Price increased by PKR 37.99 (3.9%) net of fund management fee.



ASSET ALLOCATION

ASSETS	OCTOBER 2019	SEPTEMBER 2019
Sukuks	22.38%	23.25%
Cash and Short Term Deposits	38.82%	42.23%
Stocks & Mutual Funds	38.80%	34.52%



YAQEEEN GROWTH FUND

FUND OBJECTIVE

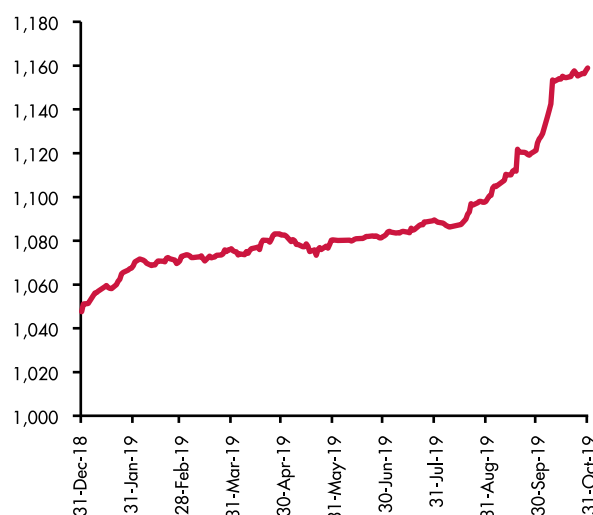
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 3,017 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.10.2019)	PKR 1,159.0
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 October 2019 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 37.75 (3.37%) net of fund management fee.



INVESTMENT COMMITTEE

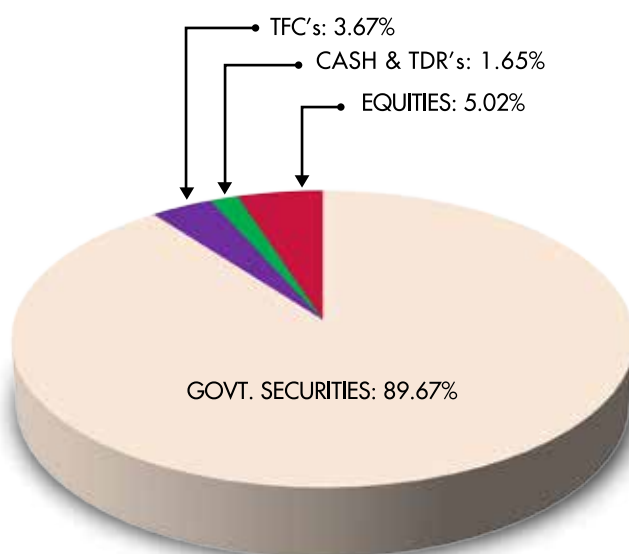
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	OCTOBER 2019	SEPTEMBER 2019
Government Securities	89.67%	81.38%
Term Finance Securities	3.67%	3.79%
Cash and Short Term Deposits	1.65%	9.76%
Stocks & Mutual Funds	5.02%	5.07%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	3.37%
3 months	6.37%
12 months	10.31%
Calendar YTD	10.64%
Calendar YTD (annualized)	12.91%
Since Inception	144.00%
Since Inception (annualized)	8.94%
5 Years	44.21%



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