

INVESTMENT FACT SHEET
FOR THE MONTH OF SEPTEMBER 2019

FROM INVESTMENT DESK

ECONOMY AND CAPITAL MARKETS UPDATE

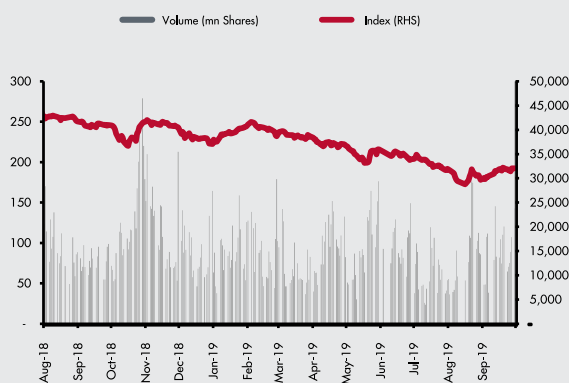
ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Sep	11.37%	10.49%	10.73%
Trade Deficit (USD mn)	Aug	(1,608)	(1,954)	(3,562)
Remittances (USD mn)	Aug	1,691	2,039	3,730
Current A/C (USD mn)	Aug	(614)	(678)	(1,292)
FDI (USD mn)	Aug	83	73	156
Tax Collection ** (PKR bn)	Sep	375	302	955
M2 Growth*				-0.04%
FX Reserves* (USD bn)	Sep			15.77

Source: SBP, FBS

* Latest monthly figures **provisional figures

KSE-100 ONE YEAR PERFORMANCE



SECONDARY MARKET PKRVs

TENOR	SEP-19	AUG-19	CHANGE (bps)
30 Days	13.82	13.45	37
60 Days	13.82	13.72	10
3 Months	13.75	13.74	1
6 Months	13.76	13.94	(18)
1 Year	13.75	14.04	(29)
3 Year	12.64	13.79	(115)
5 Year	12.30	13.10	(80)
10 Year	12.18	12.77	(59)

Source: MUFAP

ECONOMIC REVIEW

Inflation for the month touched a high peak of 11.4% (YoY) in Sep'19, a height not seen since May'12 however very much in-line with market expectations. The month-on-month increase in National CPI can be attributed to Food (+2.12% MoM) and Miscellaneous items (+1.24% MoM) while Transport (-1.54% MoM) tempered the price index. On the external side Current Account deficit continues its journey towards improvement; it decreased to USD 614 mn (-9.4% MoM) in Aug'19, primarily due to reduction in imports to USD 3,522 mn (-16% MoM) despite drop in exports and remittances to USD 1,914 mn (-14% MoM) and USD 1,691 mn (-17% MoM) respectively. This, along with no major outflows, kept our forex reserves stable at USD 15.77 bn in Sep'19 with a slight increase of USD 140 mn. With the forex reserves inching upwards, the REER of PKR was up by 3.3% to 92.7 depicting an outlook of relative stability in near term. On the fiscal side, FBR collected PKR 375 bn in Sep'19, taking entire quarter's collection to PKR 955 bn, an improvement of 14.8% over last year and meeting 90% of the targeted revenue. In a detailed press conference and early scheduled MPS, State Bank of Pakistan (SBP) maintained status quo for a period of two months. The SBP has kept its FY20 Headline inflation target unchanged between 11-12% wherein with a forward-looking view the current adjustment in interest rates has considered for higher inflation in coming months. With this change, the current real interest rate now stands at 3.7% compared to FY19 average of 2.9%.

EQUITY MARKET REVIEW

Sep'19 saw equities come up for air after a freefall of seven months; KSE100 rallied 8.1% to 32,079 points while average daily volumes remained flattish at 114 mn shares. Major factors behind this remarkable performance were signs of recovery in economy with declining current and trade deficit along with stability in the currency, status quo in the monetary policy along with inverted yield curve in the secondary market indicating expected rate cut in the near future. However foreign investors continued their selling with outflow of USD 3.5 mn in Sep'19 while other organizations led local buying with USD 13 mn and insurance was the largest local seller with USD 16 mn. Almost all the sectors posted positive returns but the major boost to the index came from E&Ps (+19.4%), Fertilizer (+7.3%), and Banks (+5.1%) while Automobile Parts (-9.3%) hindered performance. Going forward, Pakistan with forward P/E of 5.6x is trading at 60% discount compared to Asia Pacific regional average of 13.9x, along with a dividend yield of ~9.7% versus ~2.6% offered by the region.

DEBT MARKET REVIEW

Money market continues to see unabated interest as rates are believed to have peaked in light of recent MPS announcement which kept policy rate unchanged. September T-bill auctions saw participation of PKR 2,506 bn against target of PKR 1,600 bn while the State Bank accepted bids valued at PKR 897 bn in all tenors. Latest cut off rates fell to 13.73% (-2 bps MoM) for 3 mth tenor, 13.84% (-10 bps MoM) for 6 mth tenor, and 13.85% (-39 bps MoM) for 12 mth tenor. There was strong participation in fixed PIB auction as well with a mammoth PKR 698 bn worth of bids received against target of PKR 125 bn but central bank accepted only PKR 165 bn worth of bids at 12.95% (-130 bps MoM) for 3 yr tenor, 12.5% (-105 bps MoM) for 5 yr tenor, and 12.25% (-90 bps MoM) for 10 yr tenor. There was comparable interest in floaters where PKR 159 bn worth of bids were received and SBP accepted PKR 91 bn against target of PKR 100 bn at 65 bps over benchmark. Softer inflation outlook and improving macros led to secondary market yields dropping by 59-115 bps for longer tenors while shorter term instruments are a mixed bag.

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 80,452 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (30.09.2019)	PKR 1,089.53
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 September 2019 Managed Fund's (MF) Unit Price increased by PKR 44.05 (4.21%) net of fund management fee.



INVESTMENT COMMITTEE

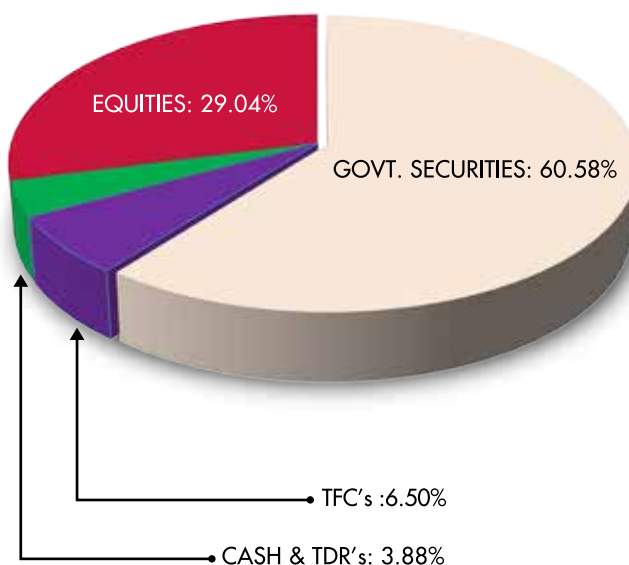
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	SEP 2019	AUG 2019
Government Securities	60.58%	64.48%
Term Finance Securities	6.50%	6.58%
Cash and Short Term Deposits	3.88%	1.45%
Stocks & Mutual Funds	29.04%	27.49%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	4.21%
3 months	1.33%
12 months	-1.84%
Calendar YTD	1.91%
Since Inception	995.00%
Since Inception (annualized)	11.09%
5 Years	31.70%
10 Years	144.26%



CAPITAL GROWTH FUND

FUND OBJECTIVE

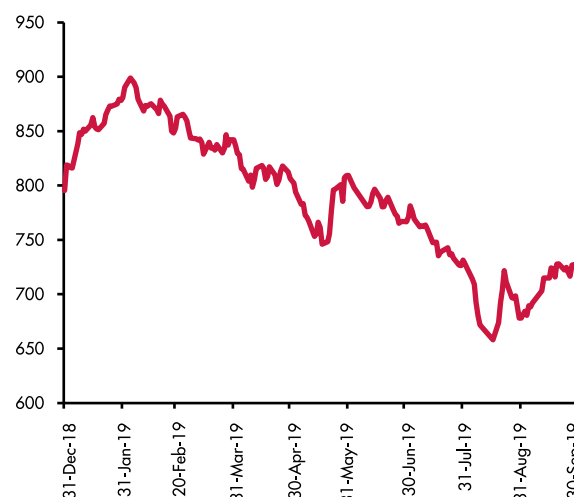
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Fund
Fund Size	PKR 21,031 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (30.09.2019)	PKR 728.13
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 September 2019 Capital Growth Fund's (CGF) Unit Price increased by PKR 49.96 (7.37%) net of fund management fee.



INVESTMENT COMMITTEE

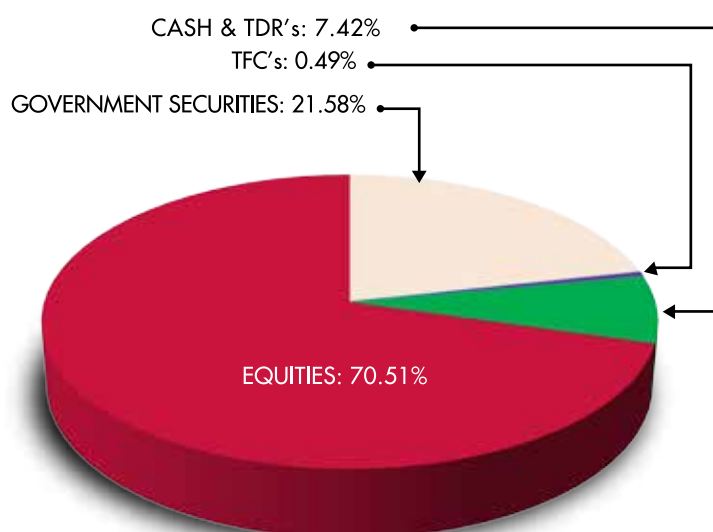
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	SEP 2019	AUG 2019
Government Securities	21.58%	25.82%
Term Finance Securities	0.49%	0.53%
Cash and Short Term Deposits	7.42%	0.40%
Stocks & Mutual Funds	70.51%	73.25%

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	7.37%
3 months	-5.05%
12 months	-18.93%
Calendar YTD	-8.47%
Since Inception	628.13%
Since Inception (annualized)	13.97%
5 Years	24.70%
10 Years	253.33%



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 8,312 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (30.09.2019)	PKR 974.71
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

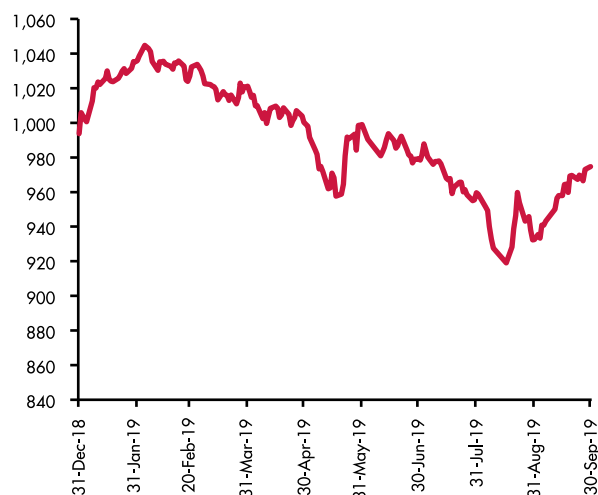
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	4.52%
3 months	-0.46%
12 months	-5.88%
Calendar YTD	-1.92%
Since Inception	105.20%
Since Inception (annualized)	6.44%
5 Years	28.07%

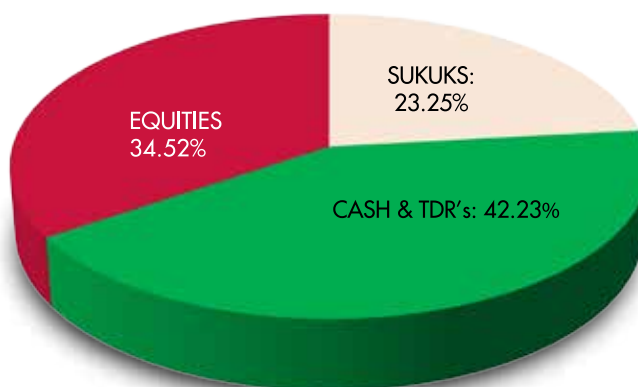
FUND MANAGER'S COMMENTS

During the month of September 2019 Meesaq Fund's (MEF) Unit Price increased by PKR 42.14 (4.52%) net of fund management fee.



ASSET ALLOCATION

ASSETS	SEP 2019	AUG 2019
Sukuks	23.25%	24.50%
Cash and Short Term Deposits	42.23%	42.84%
Stocks & Mutual Funds	34.52%	32.66%



Yaqeen Growth Fund

FUND OBJECTIVE

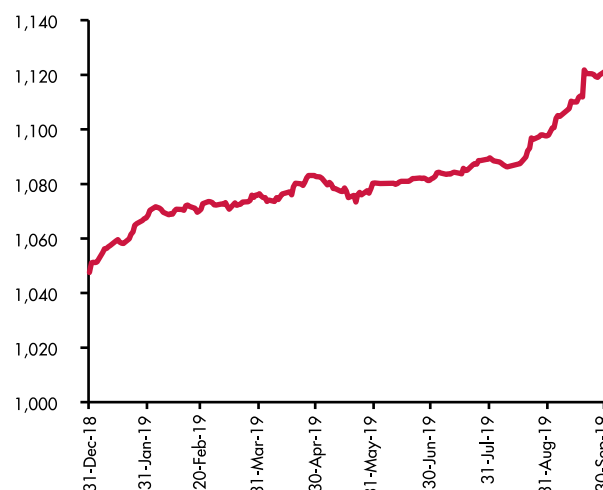
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 2,881 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (30.09.2019)	PKR 1,121.25
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 September 2019 Yaqeen Growth Fund's (YGF) Unit Price increased by PKR 23.31 (2.12%) net of fund management fee.



INVESTMENT COMMITTEE

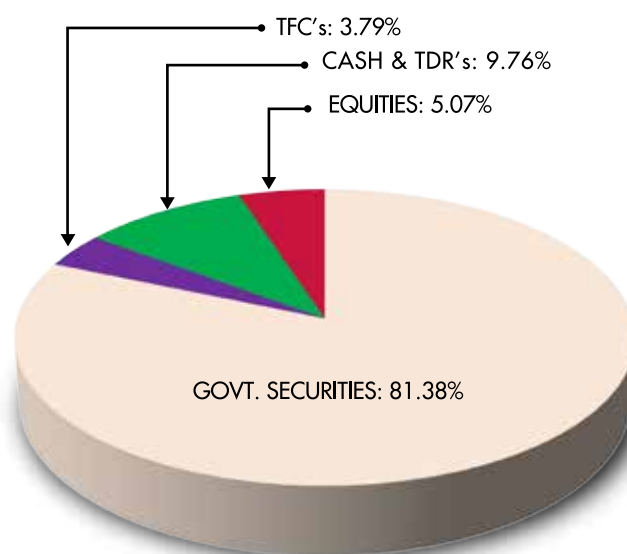
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

ASSET ALLOCATION

ASSETS	SEP 2019	AUG 2019
Government Securities	81.38%	89.81%
Term Finance Securities	3.79%	4.28%
Cash and Short Term Deposits	9.76%	1.92%
Stocks & Mutual Funds	5.07%	3.98%

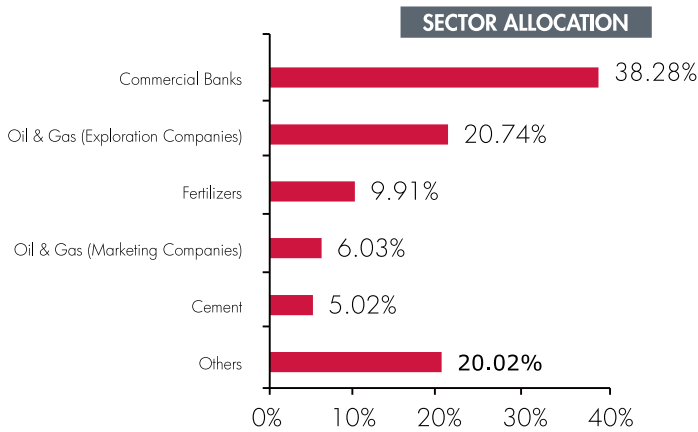
FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.12%
3 months	3.64%
12 months	7.13%
Calendar YTD	7.04%
Calendar YTD (annualized)	9.52%
Since Inception	136.05%
Since Inception (annualized)	8.66%
5 Years	42.67%



EQUITY PORTFOLIO DETAILS

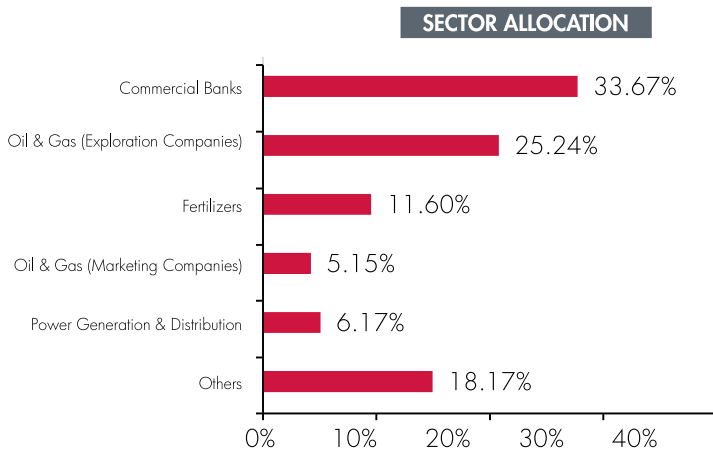
MANAGED FUND



TOP TEN HOLDINGS

BAFL
BAHL
ENGRO
HBL
HUBC
LUCK
MCB
OGDC
PPL
UBL

CAPITAL GROWTH FUND



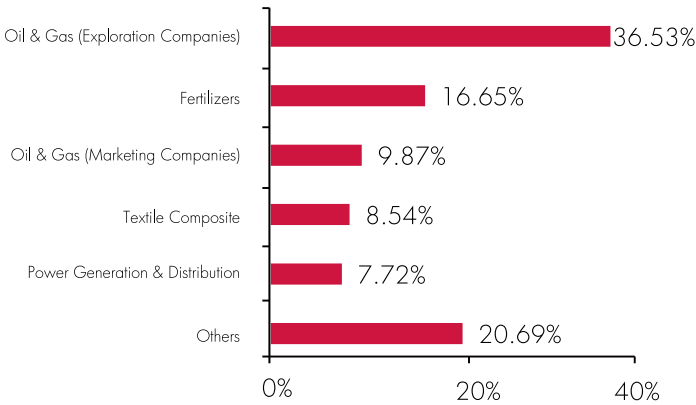
TOP TEN HOLDINGS

BAFL
BAHL
ENGRO
HUBC
LUCK
MCB
OGDC
PPL
THALL
UBL

EQUITY PORTFOLIO DETAILS

MEESAQ FUND

SECTOR ALLOCATION

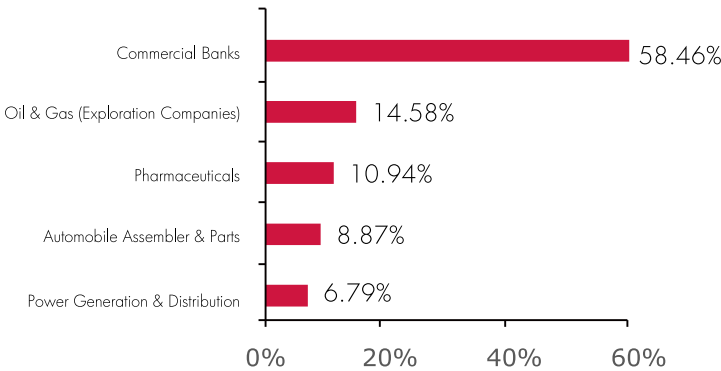


TOP TEN HOLDINGS

APL
ENGRO
HINOON
HUBC
ILP
MARI
MEBL
OGDC
POL
PPL

YAQeen GROWTH FUND

SECTOR ALLOCATION



TOP TEN HOLDINGS

BAHL
EFERT
HBL
HINOON
HUBC
PPL
THALL
UBL

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