



# INVESTMENT FACT SHEET

FOR THE MONTH OF MAY 2018

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

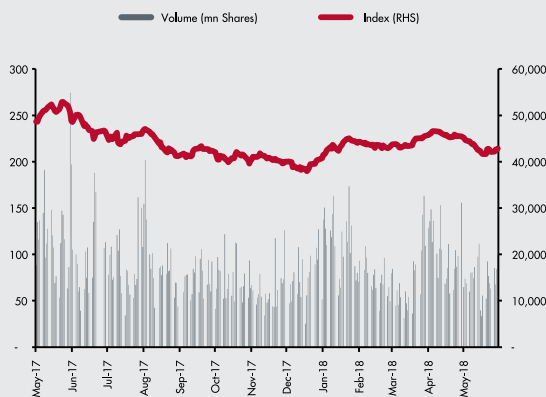
### ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	May	4.19%	3.68%	3.81%
Trade Deficit (USD mn)	Apr	(2,653)	(2,638)	(25,002)
Remittances (USD mn)	Apr	1,651	1,773	16,259
Current A/C (USD mn)	Apr	(1,955)	(1,214)	(14,035)
FDI (USD mn)	Apr	144	153	2,240
Tax Collection ** (PKR bn)	May	351	295	3,274
M2 Growth*				4.90%
FX Reserves* (USD bn)	May			16.41

Source SBP, FBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

TENOR	MAY-18	APR-18	CHANGE (bps)
30 Days	6.48	6.13	35
60 Days	6.52	6.16	36
3 Months	6.59	6.24	35
6 Months	6.70	6.35	35
1 Year	6.94	6.64	30
3 Year	8.00	7.76	24
5 Year	8.52	8.16	36
10 Year	8.89	8.55	34

Source: MUFAF

### ECONOMIC REVIEW

CPI Inflation inched up to 4.19%YoY in May 2018 against 3.68%YoY in April 2018, taking average 11MFY18 inflation to 3.81% compared to 4.18% during SPY. Core inflation as a measure of non-food & non-energy increased by 7%MoM indicating increased inflationary pressure. However, overall inflation for FY18 is expected to remain well below the target of 6.0%. On the other hand, external account position deteriorated further as current account deficit for Apr'18 clocked at USD1.9bn, up 59%MoM compared to USD1.3 for Mar'18 primarily due to decline in workers' remittance which clocked in at USD1.6bn, down 7% MoM. As a result, CAD for 10MFY18 swelled by 49%YoY to USD14.5 bn owing to substantial widening of 14.3% in trade deficit where significant jump in imports (up 14% YoY to USD 49.4bn) offset the 13.6% YoY (USD19.2 bn) growth in exports. Subsequently, FX reserves held by central bank were also down to USD16.4 bn (down USD1.3 bn MoM) from peak level of USD23.0 bn. On the fiscal front, FBR provisionally collected around PKR 3.26 tm during the 11MFY18 as compared to PKR 2.85 tm SPY, posting a solid growth of 15% YoY. In the Monetary Policy Committee (MPC) meeting, SBP decided to increase the policy rate by 50bps to 6.50% where the central bank highlighted the need for deep-rooted structural reforms to improve the country's competitiveness can hardly be over emphasized for medium to long term sustainability of balance of payments. Moving ahead, we feel that vulnerable external account due to expected increase in import bill amid recovery in commodity prices and uptick in machinery imports is expected to remain key challenges for the economy.

### EQUITY MARKET REVIEW

Equities witnessed free fall as benchmark KSE100 index was down by 5.81% (2,642 points) to close the month at 42,847 level. Overall market activity declined during the month as average daily traded volume were recorded at 135mn in May'18 as compared to 210mn in Apr' 18, down by 36% MoM. Major reason for negative performance of the bourse was political uncertainty with respect to caretaker setup, concern on the Balance of payment front tagged with another round of foreign selling and potential PKR depreciation. Moreover, during the month, MSCI announced outcome of its semi-annual review whereby Pakistan's weight clocked-in at 0.070% with no constituent change in the Pakistan main index, while 3 companies namely IGI Holding Limited (IGIH), National Refinery Limited (NRL) and Pak Electron Limited (PAEL) were excluded from MSCI Pakistan small cap index. Sectoral performances put Cements (-13.3%), Autos (-9%) and Commercial Banks (-6.5%) as the key laggard where industry heavy stocks bore the brunt of Foreign outflow. Foreign institutional investors were again net sellers with net outflow of USD 73.2mn in May 2018, taking cumulative FPI for CY18 to -USD11.8mn whereas local liquidity led by Insurance (+USD61.4mn) and Banks (+USD19mn) comfortably absorbed monthly outflows. Pakistan with forward P/E of 9.9x is trading at discount of 20% as compared to MSCI EM PE of 13.1x and offers an attractive dividend yield of 5.1% versus 2.5% in the Asia-Pacific Region.

### DEBT MARKET REVIEW

SBP held two T-Bill auctions in May 2018 with cumulative target of PKR 1,600 bn where central bank accepted bids worth PKR 482 bn in 3 months and 6 months' tenors with cut off yields of 6.26% and 6.35% respectively whereas bids in 12 months papers were rejected due to low participation. On the other hand, in the PIB auction, bids worth Rs. 28 billion for 3 years, 5 years and 10 years tenor were received wherein an amount of Rs. 4 billion was accepted at a cut-off yield of 7.20%, 8.03% and 8.49%, respectively. Overall activity remained healthy as secondary market yields in anticipation of rise in interest rates and yields increased across the board within a broad range of 24-36 bps reflecting the impact of policy rate hike. During the month, SBP held first ever floating rate PIBs auction where market participants remained divided as total bids worth PKR174.055 billion were received at a wide range of 30 to 125 basis points (bps) over the base rate. However, central bank showed reluctance over high cost borrowing and accepted bids worth of PKR20.825 billion only against the target of PKR50billion at a cut off margin of 50bps over the base rate.

# MANAGED FUND

## FUND OBJECTIVE

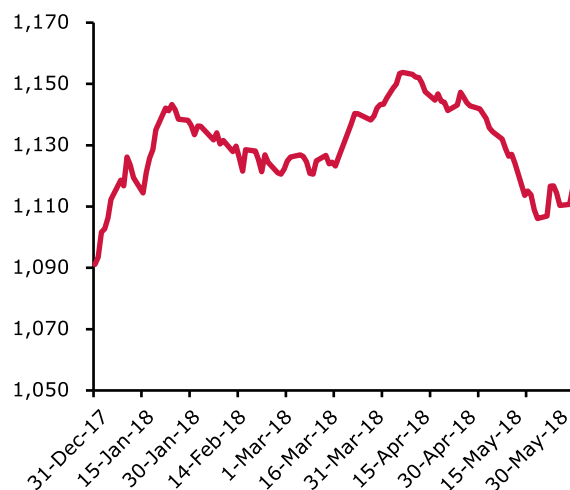
To maximize capital appreciation by investing in a balanced portfolio of wide range of shares, Government and other fixed income securities and bank deposits.

## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Managed Fund
Fund Size	PKR 75,443 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.05.2018)	PKR 1,119.13
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 May 2018 Managed Fund's (MF) Unit Price decreased by PKR 22.73 (-1.99%) net of fund management fee.



## INVESTMENT COMMITTEE

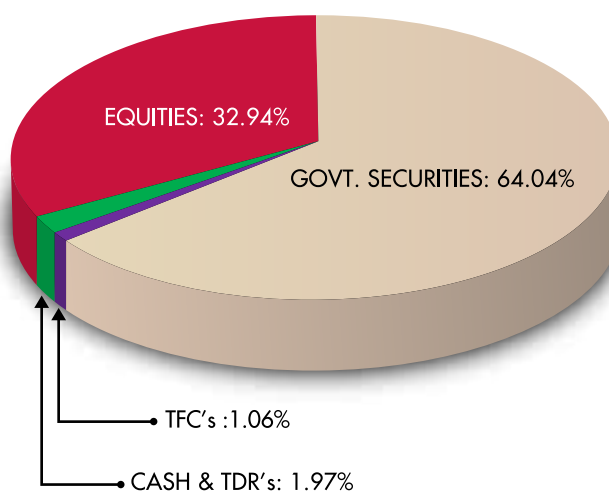
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## ASSET ALLOCATION

ASSETS	MAY-18	APRIL-18
Government Securities	64.04%	63.23%
Term Finance Securities	1.06%	1.04%
Cash and Short Term Deposits	1.97%	1.20%
Stocks & Mutual Funds	32.94%	34.53%

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-1.99%
3 months	-0.28%
12 months	-7.17%
Calendar YTD	2.57%
Since Inception	1024.75%
Since Inception (annualized)	11.96%
5 Years	56.67%
10 Years	165.42%



# CAPITAL GROWTH FUND

## FUND OBJECTIVE

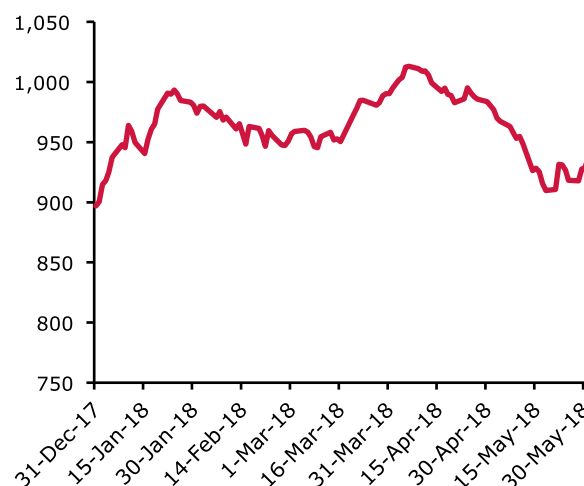
The objective of the fund is to maximize returns to policyholders by investing mainly in equity portfolio and partly in Government securities, Term Finance Certificates and bank deposits.

## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Capital Growth Fund
Fund Size	PKR 18,018 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (31.05.2018)	PKR 936.60
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 May 2018 Capital Growth Fund's (CGF) Unit Price decreased by PKR 47.01 (-4.78%) net of fund management fee.



## INVESTMENT COMMITTEE

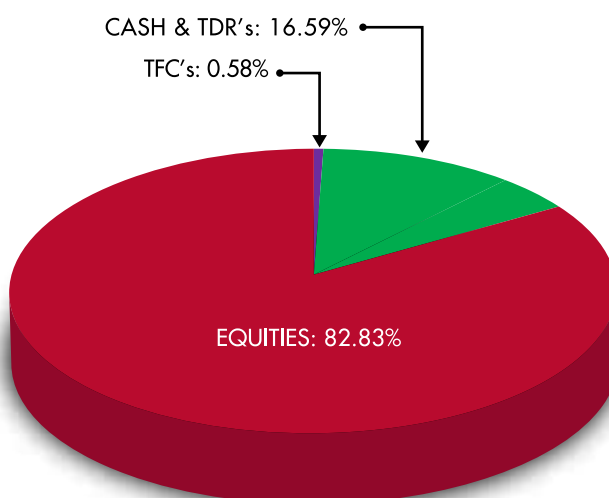
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## ASSET ALLOCATION

ASSETS	MAY-18	APRIL-18
Government Securities	0.00%	0.00%
Term Finance Securities	0.58%	0.56%
Cash and Short Term Deposits	16.59%	18.54%
Stocks & Mutual Funds	82.83%	80.90%

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-4.78%
3 months	-1.50%
12 months	-19.89%
Calendar YTD	4.43%
Since Inception	836.60%
Since Inception (annualized)	17.53%
5 Years	138.55%
10 Years	352.62%



# 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 9,481 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.05.2018)	PKR 1,042.05
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

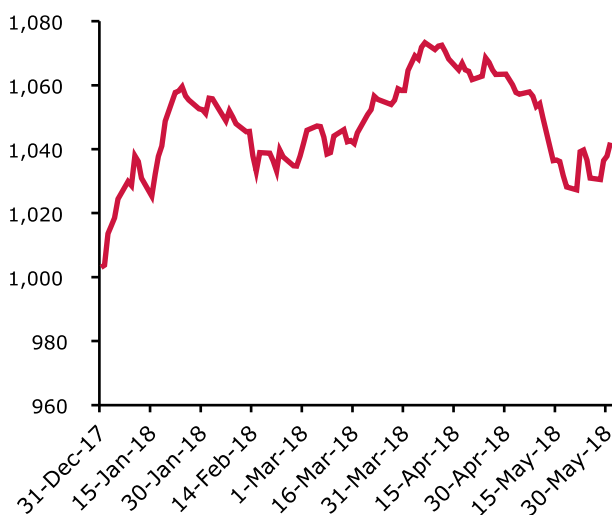
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-2.01%
3 months	0.40%
12 months	-9.71%
Calendar YTD	3.89%
Since Inception	119.38%
Since Inception (annualized)	8.02%
5 Years	56.22%

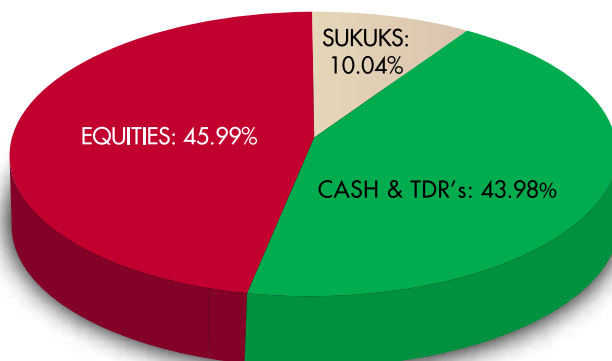
## FUND MANAGER'S COMMENTS

During the month of May 2018 Meesaq Fund's (MEF) Unit Price decreased by PKR 21.43 (-2.01%) net of fund management fee.



## ASSET ALLOCATION

ASSETS	MAY-18	APRIL-18
Sukuks	10.04%	5.94%
Cash and Short Term Deposits	43.98%	51.93%
Stocks & Mutual Funds	45.99%	42.13%



# Yaqeen Growth Fund

## FUND OBJECTIVE

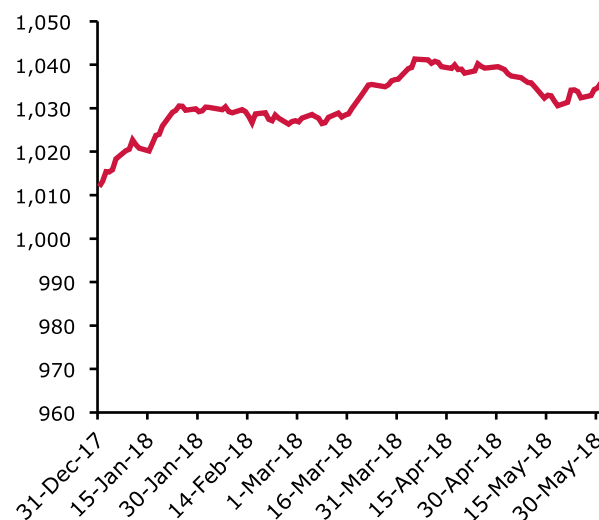
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 1,953 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.05.2018)	PKR 1,035.86
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 May 2018 Yaqeen Growth Fund's (YGF) Unit Price decreased by PKR 3.72 (-0.36%) net of fund management fee.



## INVESTMENT COMMITTEE

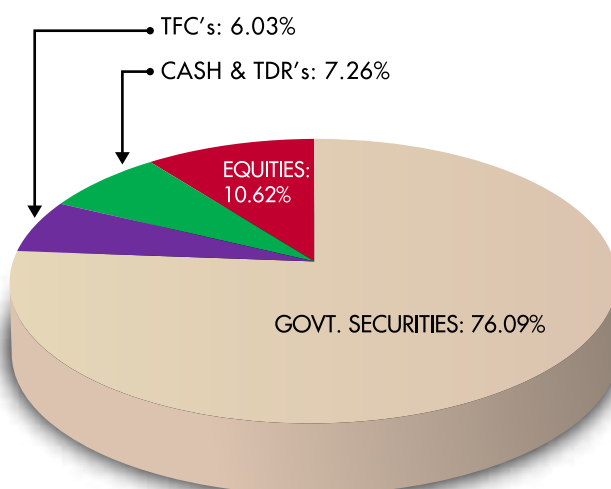
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## ASSET ALLOCATION

ASSETS	MAY-18	APRIL-18
Government Securities	76.09%	76.62%
Term Finance Securities	6.03%	6.43%
Cash and Short Term Deposits	7.26%	6.44%
Stocks & Mutual Funds	10.62%	10.51%

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-0.36%
3 months	0.85%
12 months	1.14%
Calendar YTD	2.36%
Calendar YTD (annualized)	5.81%
Since Inception	118.08%
Since Inception (annualized)	9.05%
5 Years	50.02%



JUBILEELIFE.COM

**Jubilee Life Insurance Company Limited**

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

Phone: (021) 35205094-95

Fax: (021) 35610959

UAN: (021) 111-111-554

SMS: "JUBILEELIFE" to 8398

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

Website: www.jubileelife.com