

# JUBILEE LIFE INSURANCE COMPANY LTD

## (WINDOW TAKAFUL OPERATIONS)



# INVESTORS' OUTLOOK

## (TAKAFUL FUNDS)

FOR THE MONTH OF DECEMBER 2016



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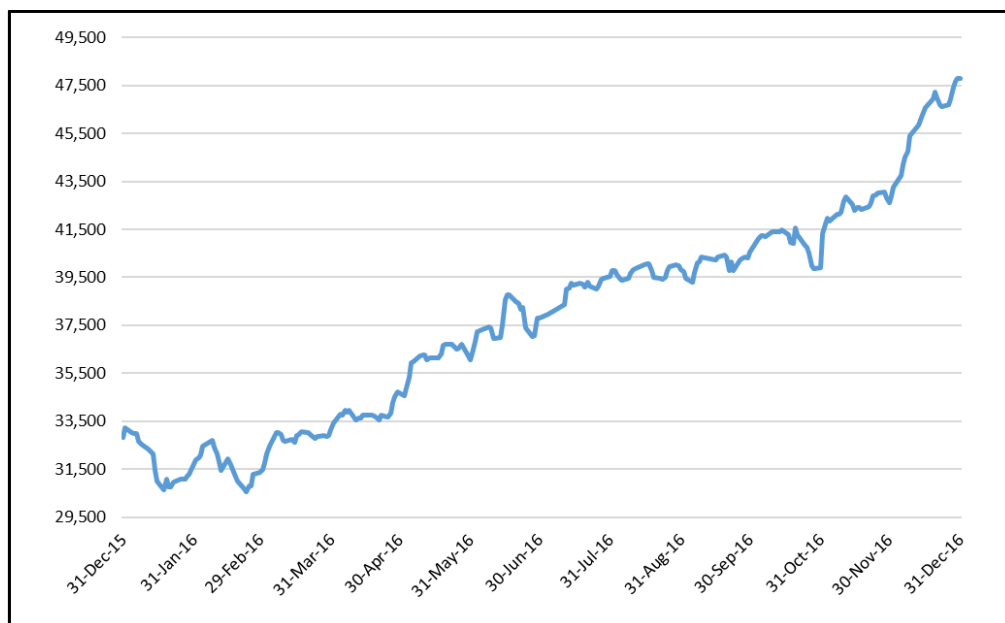
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## Equity Market Review

Maintaining the upward trajectory of November'16, the KSE100 Index yielded 12.16% in December'16 to close the Calendar Year with a return of 45.7% closing at an all-time high of 47,807 points. The local market outperformed most of the regional markets as it outpaced all the Asia-Pacific markets with an average return of 7.3% and stood out as the fifth-best performing market in the world in 2016 amongst the countries tracked by MSCI.

The year also saw a net outflow of USD 338.9 mn in Foreign portfolio investments. While capital outflows remained at bay during Jan-Oct 2016, with net outflow of USD77.4mn (ex. EFERT SPA proceeds outflows were USD 154.8mn), however the pace of capital flight picked up tremendously in Nov – Dec 2016 being led by political noise over Panama-gate scandal on the local front, Global flow of funds to US post Donald Trump's triumph and Fed rate hike in December'16. This outflow, however, was effortlessly absorbed amidst ample liquidity available with local investors. The mutual funds were net buyers in the year with buying of USD 302.6 mn followed by Non-Banking Financial Institutions with USD 225.9 mn. Individual's interest in the equities also increased as they were net buyers of USD 56.6 mn.

Average daily trades in KSE All Share Index for the year clocked in at 281.4mn shares (up 16% YoY) & highest in the past 11 years (CY05 ADT: 364mn), thanks to improved domestic liquidity and restored investor confidence. However, investor focus remained towards small caps, as traded value remained stagnant at around USD111mn.



## Sector Performance:

During the month, sectors that outperformed the benchmark were Oil & Gas ( $\uparrow 16.3\%$ ) and Banks ( $\uparrow 12.3\%$ ). Other gainers include Construction & Materials ( $\uparrow 11.41\%$ ), Electricity & Power ( $\uparrow 9.22\%$ ), Automobile & Parts ( $\uparrow 7.6\%$ ) and Chemicals ( $\uparrow 5\%$ ). Telecommunication & Textiles underperformed the benchmark with a return of  $-2.8\%$  and  $-0.11\%$  respectively.

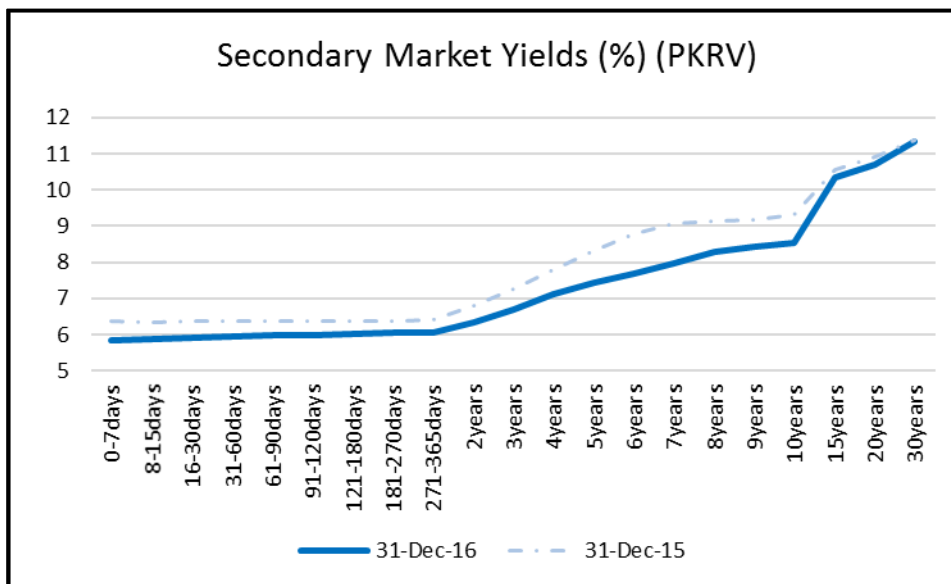
Rounding up the market tally for 2016, the best performing KSE-100 key sectors were Automobile Parts ( $\uparrow 73\%$ ), Automobile Assembler ( $\uparrow 73\%$ ), Cement ( $\uparrow 66\%$ ), Oil and Gas Marketing ( $\uparrow 66\%$ ) and E&Ps ( $\uparrow 52\%$ ) while Fertilizer ( $\downarrow 5\%$ ), Power ( $\uparrow 10\%$ ) and Insurance ( $\uparrow 15\%$ ) were major laggards.

## Money Market Review

The CPI Inflation decreased  $0.7\%$  MoM to clock at  $3.7\%$  for the month of December'16 mainly due to decline in food inflation ( $\downarrow 3\%$ ). Core Inflation remained sticky at  $5.2\%$  YoY.

In the month of December, two T-bill auctions were conducted where SBP raised an amount of Rs. 298bn against target of Rs. 350bn and bids received of Rs. 499bn. The weighted average yields of latest auction for 3 months & 6-months clocked at  $5.9649\%$  and  $5.9792\%$  respectively whereas bids for 12-month T-Bill were rejected.

A PIB auction was also conducted whereby total participation was Rs. 47 bn against the target of Rs. 100 bn. However, overall PIB auction was rejected due to high bids by the participants.





# MANAGED TAKAFUL FUND

## Fund Objective

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved Shariah compliant avenues.

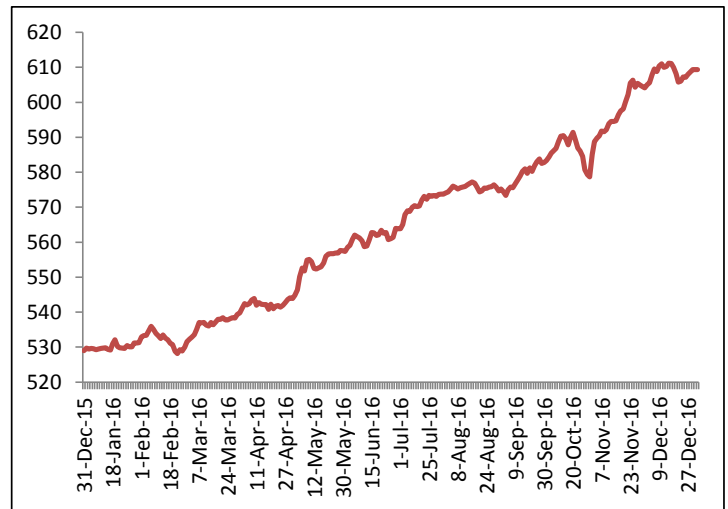
The Fund was launched on July 7, 2015.

## Fund Information

Description	Information
<b>Fund Name</b>	Managed Takaful Fund
<b>Fund Size</b>	PKR 469 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.12.2016)</b>	PKR 609.38
<b>Category</b>	Shariah Compliant Balanced Fund
<b>Pricing Mechanism</b>	Forward on daily basis
<b>Management Fee</b>	1.50% p.a.
<b>Pricing Days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

During the month of December 2016 Managed Takaful Fund's (MTF) Unit Price increased by PKR 4.93 (0.82%) net of fund management fee.



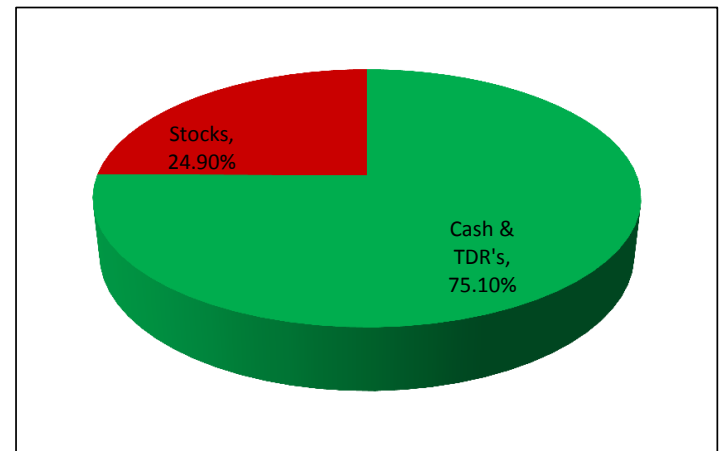
## Investment Committee Members

<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

## Fund Returns

Period	Rate of Return
<b>1 month</b>	0.82%
<b>3 months</b>	4.56%
<b>12 months</b>	15.19%
<b>Calendar YTD</b>	15.19%
<b>Since Inception</b>	21.88%

Assets	December-16	November-16
<b>Government Sukuks</b>	0.00%	21.85%
<b>Cash and Short Term Deposits</b>	75.10%	53.57%
<b>Stocks</b>	24.90%	24.58%





# CAPITAL GROWTH TAKAFUL FUND

## Fund Objective

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks.

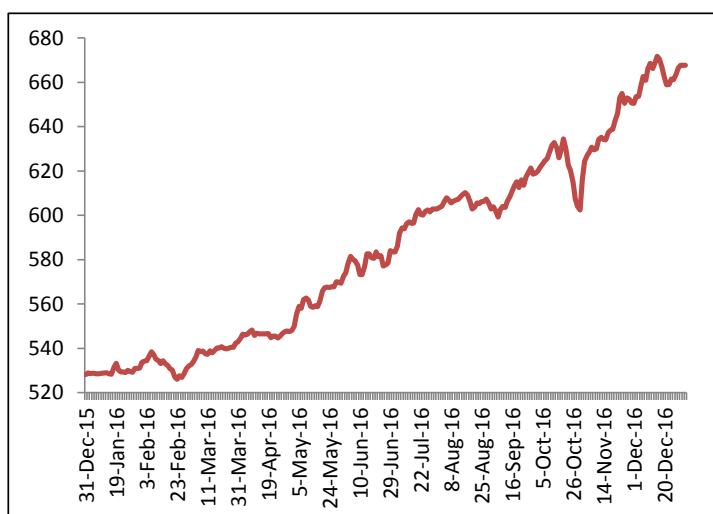
The Fund was launched on July 7, 2015.

## Fund Information

Description	Information
<b>Fund Name</b>	Capital Growth Takaful Fund
<b>Fund Size</b>	PKR 589 Million
<b>Launch Date</b>	07.07.2015
<b>Bid Price (07.07.2015)</b>	PKR 500.00
<b>Bid Price (31.12.2016)</b>	PKR 667.65
<b>Category</b>	Shariah Compliant Equity Fund
<b>Pricing Mechanism</b>	Forward on daily basis
<b>Management Fee</b>	1.50% p.a.
<b>Pricing Days</b>	Monday to Friday
<b>Auditors</b>	KPMG
<b>Appointed Actuary</b>	Nauman Cheema, Nauman Associates, Lahore

## Fund Returns

During the month of December 2016 Capital Growth Takaful Fund's (CGTF) Unit Price increased by PKR 17.01 (2.61%) net of fund management fee.



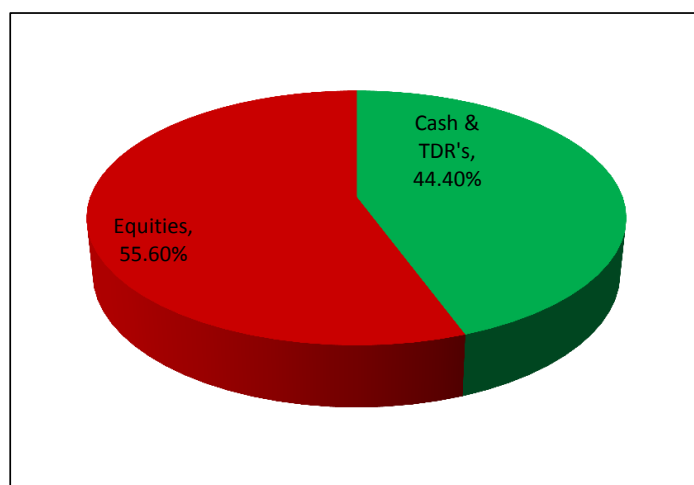
## Investment Committee Members

<b>Ayaz Ahmed</b>	Chairman
<b>Javed Ahmed</b>	Member / CEO
<b>Rafiuddin Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Lilly R. Dossabhoy</b>	Member
<b>Shan Rabbani</b>	Member

Assets	December-16	November-16
<b>Government Securities</b>	0.00%	0.00%
<b>Cash and Short Term Deposits</b>	44.40%	49.71%
<b>Stocks</b>	55.60%	50.29%

## Fund Returns

Period	Rate of Return
<b>1 month</b>	2.62%
<b>3 months</b>	7.85%
<b>12 months</b>	26.40%
<b>Calendar YTD</b>	26.40%
<b>Since Inception</b>	33.53%





# EQUITY PORTFOLIO DETAILS

## MANAGED TAKAFUL FUND

Sector Allocation	Percentage
Auto	19.6
Pharma	18.5
General Industrials	15.1
Steel	14.9
Cement	12.4
Chemicals	9.5

Top Ten Holdings
ASTL
CSAP
DGKC
GHNL
GLAXO
HINOON
ICL
INDU
LOADS
THALL

## CAPITAL GROWTH TAKAFUL FUND

Sector Allocation	Percentage
Pharma	23.3
Auto	20.3
Cement	15.2
Steel	14.5
General Industrials	8.5
Oil & Gas	8.3

Top Ten Holdings
ASTL
CHCC
CSAP
DGKC
GHNL
GLAXO
HINOON
INDU
OGDC
SEARL