

INVESTMENT FACT SHEET

FOR THE MONTH OF MARCH 2020

FROM INVESTMENT DESK

ECONOMY AND CAPITAL MARKETS UPDATE

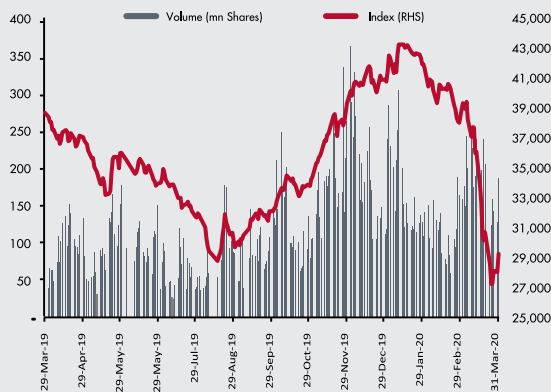
ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	Mar	10.24%	12.40%	11.75%
Trade Deficit (USD mn)	Feb	(1,583)	(1,860)	(13,217)
Remittances (USD mn)	Feb	1,824	1,907	15,126
Current A/C (USD mn)	Feb	(210)	(534)	(2,843)
FDI (USD mn)	Feb	289	223	1,853
Tax Collection ** (PKR bn)	Mar	334	310	3,063
M2 Growth*				6.04%
FX Reserves* (USD bn)	Mar			17.39

Source: SBP, FBS

* Latest monthly figures ** provisional figures

KSE-100 ONE YEAR PERFORMANCE



SECONDARY MARKET PKRVs

TENOR	MAR-20	FEB-20	CHANGE (bps)
30 Days	11.09	13.30	-221
60 Days	11.08	13.31	-223
3 Months	11.00	13.29	-229
6 Months	10.92	13.26	-234
1 Year	10.49	13.05	-256
3 Year	9.29	11.77	-248
5 Year	9.18	11.16	-198
10 Year	9.15	10.99	-184

Source: MUJAP

ECONOMIC REVIEW

Inflation continues to mellow down for the second consecutive month and registered an increase of 10.24% YoY in Mar'20 while remaining flattish on sequential basis (+0.4% MoM). Stability in monthly inflation was led by decrease in Transport index (-4.41% MoM), on account of global decline in oil prices amid oversupply, which combated increase in Perishable Food Index (+3.23% MoM) and Clothing Index (+1.57% MoM). On the external side our Current Account deficit (CAD) improved to USD 210 mn (-61% MoM) in Feb'20 after the previous month's surge, mainly due to reduction in imports by USD 338 mn which overruled the decline in exports (-USD 61 mn) and remittances (-USD 83 mn). During the month, SBP held two MPC meetings on emergent basis in the wake of COVID19 outbreak and cut the benchmark policy rate by a cumulative 225 bps. This cut was primarily in line with the global response of Central Banks in order to provide stimulus to the global economy in the midst of COVID19. Furthermore, SBP announced a comprehensive relief package which is expected to assist relevant stakeholders including households and businesses in the form of deferment of principal loans of businesses and or individuals, low rate of financing on mortgage financing & greenfield investment and increasing overall pool of loanable funds in the banking system. With interest rate parity at play, PKR remained under pressure against the USD depreciating by 8% to close at 167 to a dollar. Foreign exchange reserves, after growing steadily for the last four months, fell by USD 1.49 bn to USD 17.39 bn in Mar'20 owing to outflow of hot money resulting from the recent Monetary Policy Statement. On the fiscal side, FBR collected tax amounting PKR 334 bn in Mar'20 (-5% YoY) with shortfall of PKR 263 bn. This takes 9MFY20 revenue collection to PKR 3,063 bn, missing the target by PKR 693 bn. Considering the current lockdown situation, this deficit is expected to further widen in the coming months.

EQUITY MARKET REVIEW

The benchmark KSE-100 started the month with a muted activity and remained flat in first 2 weeks thereafter amid global Coronavirus pandemic, the country announced a partial lockdown bringing the economic activity at a standstill, in-line with the global response and the market crashed in the next half of the month touching a low of 27,229 pts (lower than Aug'19 level). During the month KSE100 plunged by 23% to 29,232 points, making Mar'20 the worst performing month in 11 years while average daily volumes rose by 47% to 224 mn shares. Similarly, KMI30 plummeted 24% to 45,052 points. A one of its kind event of the decade, the global Coronavirus pandemic has impacted all countries causing suspension of international trade and export orders. The virus is gaining ground in Pakistan resulting in lockdown, halt of economic activity, and pressure on meagre healthcare resources. The global decline in oil prices amid supply glut has, to some extent, also played a part in depressing the stock market. This panic led to foreign investors selling equities in Mar'20 for the second consecutive month, marking the largest sell off in 16 months with USD 85 mn which was mainly absorbed by Insurance companies on the local side (USD 59 mn) while Mutual Funds sold USD 14 mn. All sectors posted negative performance with Banks (-29%), E&Ps (-31.5%), and Power (-23.4%) leading the fall. Going forward, Pakistan with forward P/E of 5.4x is trading at 48% discount compared to Asia Pacific regional average of 10.3x along with a dividend yield of ~9.5% versus ~3.3% offered by the region.

DEBT MARKET REVIEW

Money market continues to see heavy participation despite MPS announcements in Mar'20 which cut policy rate by 225 bps. PKR 2,756 bn worth of bids were received in T-bill auctions against target of PKR 850 bn while the central bank accepted PKR 826 bn. Latest cut-off rates decreased to 11.3% for 3 month tenor (209 bps MoM) and 6 month tenor (204 bps MoM), and 10.87% (-246 bps MoM) for 12 month tenor. Abundant interest was observed in PIB auctions in anticipation of rate cut in MPS announcement with PKR 401 bn worth of bids being recorded while State Bank of Pakistan (SBP) accepted just PKR 104 bn against target of PKR 100 bn at 11.59% (-46 bps MoM) for 3 yr tenor, 10.99% (-41 bps MoM) for 5 yr tenor, 10.85% (-15 bps MoM) for 10 yr tenor, and for the first time in five years, 11.8% for 20 yr tenor. Floaters also saw comparable participation with PKR 252 bn worth of bids received against target of PKR 50 bn wherein SBP accepted PKR 56 bn at 26.5 bps over benchmark. Post MPS announcement of rate cut, secondary market yields declined by 184-256 bps across all tenors.

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
Fund Name	Managed Takaful Fund
Fund Size	PKR 6,538 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.03.2020)	PKR 603.29
Category	Shariah Compliant 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

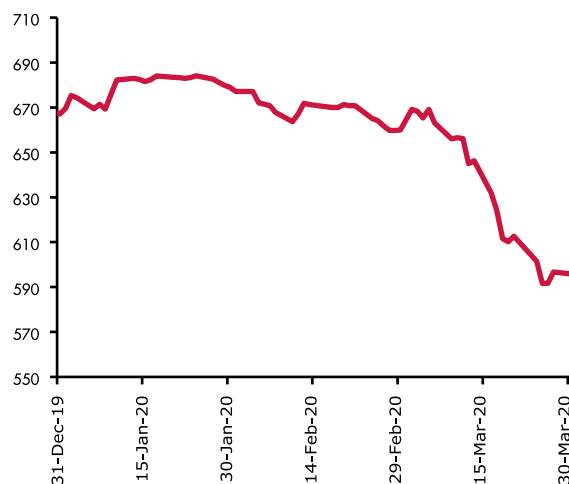
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member/Secretary
Shan Rabbani	Member

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 March 2020 Managed Takaful Fund's (MTF) Unit Price decreased by PKR 56.65 (-8.58%) net of fund management fee.

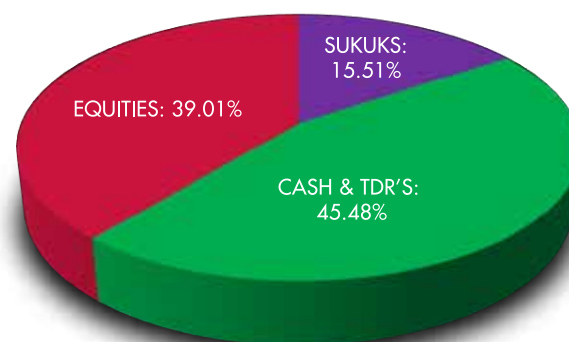


FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-8.58%
3 months	-9.56%
12 months	-2.88%
Calendar YTD	-9.56%
Since Inception	20.66%

ASSET ALLOCATION

ASSETS	MARCH 2020	FEBRUARY 2020
Government Securities	0.00%	0.00%
Sukuks	15.51%	14.87%
Cash and Short Term Deposits	45.48%	41.32%
Stocks & Mutual Funds	39.01%	43.81%



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
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 7,797 Million
Launch Date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (31.03.2020)	PKR 548.81
Category	Shariah Compliant 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

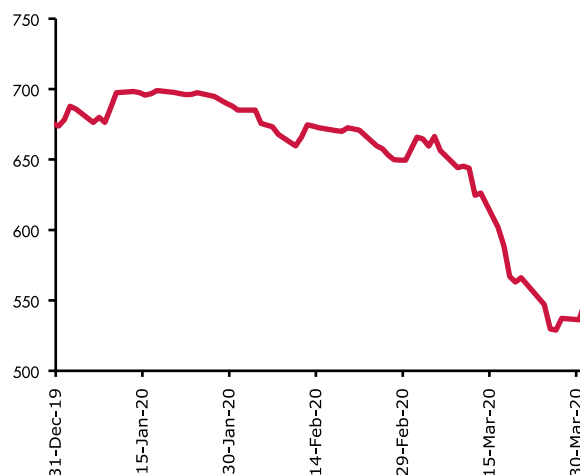
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member/Secretary
Shan Rabbani	Member

INVESTMENT MANAGEMENT COMMITTEE

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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 March 2020 Capital Growth Takaful Fund's (CGTF) Unit Price decreased by PKR 100.77 (-15.51%) net of fund management fee.

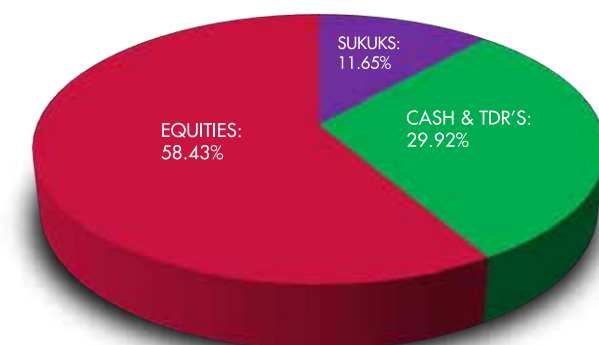


FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-15.51%
3 months	-18.56%
12 months	-12.94%
Calendar YTD	-18.56%
Since Inception	9.76%

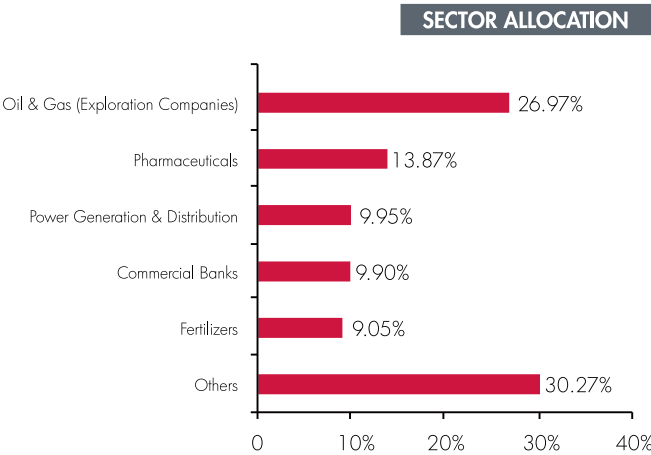
ASSET ALLOCATION

ASSETS	MARCH 2020	FEBRUARY 2020
Government Securities	0.00%	0.00%
Sukuks	11.65%	10.35%
Cash and Short Term Deposits	29.92%	24.87%
Stocks & Mutual Funds	58.43%	64.77%



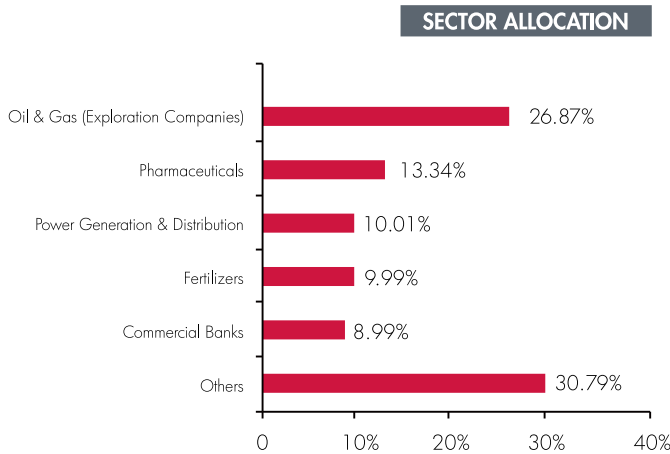
EQUITY PORTFOLIO DETAILS

MANAGED TAKAFUL FUND



TOP TEN HOLDINGS
AGP
ENGRO
HUBC
ILP
LUCK
MARI
MEBL
OGDC
PPL
THALL

CAPITAL GROWTH TAKAFUL FUND



TOP TEN HOLDINGS
AGP
ENGRO
HUBC
ILP
LUCK
MARI
MEBL
OGDC
PPL
THAL

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