



**INVESTMENT FACT SHEET**  
FOR THE MONTH OF MAY 2019

# FROM INVESTMENT DESK

## ECONOMY AND CAPITAL MARKETS UPDATE

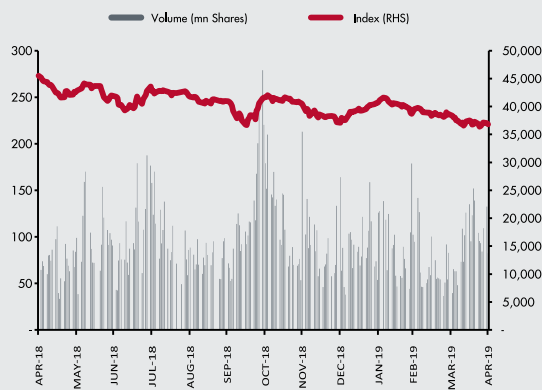
### ECONOMIC SUMMARY

KEY INDICATORS	REPORTED MONTH	CURRENT	PREVIOUS	YTD
CPI Inflation	May	9.11%	8.82%	7.18%
Trade Deficit (USD mn)	Apr	(2,121)	(2,118)	(23,934)
Remittances (USD mn)	Apr	1,780	1,745	17,875
Current A/C (USD mn)	Apr	(1,241)	(871)	(11,586)
FDI (USD mn)	Apr	102	178	1,376
Tax Collection ** (PKR bn)	May	328	288	3,303
M2 Growth*				4.95%
FX Reserves* (USD bn)	May			14.89%

Source SBP, FBS

\* Latest monthly figures \*\*provisional figures

### KSE-100 ONE YEAR PERFORMANCE



### SECONDARY MARKET PKRVs

TENOR	MAY-19	APR-19	CHANGE (bps)
30 Days	12.45	10.70	175
60 Days	12.56	10.79	177
3 Months	12.70	10.85	185
6 Months	12.80	11.05	175
1 Year	12.95	11.15	180
3 Year	13.43	12.00	143
5 Year	13.49	12.34	115
10 Year	13.49	12.90	59

Source: MUFAP

### ECONOMIC REVIEW

CPI rose by 9.11%/0.8% (YoY/MoM) in May'19 majorly attributable to Food (+3.11% YoY) and Utilities (+2.70% YoY). Inflation for 11MFY19 has hit 7.18%, almost twice that of 11MFY18 (3.81%). Current Account Deficit continues to deteriorate as it increased 42% MoM in Apr'19 to reach USD 1,241 mn from USD 871 mn in the previous month. Remittances and trade in goods were flattish, whereas the major dent came from Services Deficit as it worsened by USD 151 mn (+52% MoM). However, CAD for 10MFY19 still shows improvement of 27% to reach USD -11,586 mn from USD -15,864 mn in SPLY. In addition, forex reserves remained under pressure as the currency slid by 7% during the month and the rupee touched a high of 151.7 to the dollar post announcement of Pakistan's official entry into IMF Program while reserves slightly dipped by USD 0.85 mn to USD 14.89 bn in May'19 from USD 15.74 bn the month before. State Bank of Pakistan (SBP) in its monetary policy statement hiked policy rate by 150bps to 12.25% for a period of two months expressing concern over fiscal deficit and core inflation. With this adjustment, the current real interest rate now stands at 2.8% compared to long-term average of 2.5%. Tax collection for May'19 was PKR 328 bn, up by a pleasing 14% MoM, though still missing the target by PKR 85.6 bn. There has been negligible improvement over the year as tax collection for 11MFY19 is flattish at PKR 3,303 bn and short by PKR 448 bn against the target, a deficit of 5.5% of GDP.

### EQUITY MARKET REVIEW

Equities slowed their descent in May'19 with KSE100 index falling by a slight 2.2% to close at 35,975 points. Similarly, market activity was also dampened by 13% MoM with average daily volumes of 123 mn shares recorded in May'19. This mixed performance is due to another interest rate hike (+150bps in May'19 MPS), renewed concerns on greater macro adjustments and anticipation of a tough budget ahead of the 3 year IMF Program of USD 6 bn.

The trend of foreign buying continued with net inflow of USD 18.42 mn in May'19 with Commercial Banks (+USD 22bn) as the major recipients. Major selling was observed by Mutual Funds (USD 40 mn) while Companies (+USD 13 mn) were the largest buyer. Sector wise, Fertilizer (-5.6%) and Cement (-3.2%) dragged down the index while Commercial Banks (+0.9%) and Power (+2.1%) provided some support to the index. Going forward, Pakistan with forward P/E of 5.7x is trading at 82% discount compared to Asia Pacific regional average of 10.4x, along with a dividend yield of 7.2%.

### DEBT MARKET REVIEW

Long term papers continued to hold investors' attention as interest rates cycle nears its plateau following 150 bps hike in latest MPS in May'19. Being the first PIB auction post IMF entry program announcement and of the newly formed MPS committee, this auction provides for guidance towards the possible debt management strategy of the GoP wherein the latest PIB auction saw healthy participation of PKR 388 bn against target of PKR 100 bn, while the central bank accepted bids worth PKR 106 bn in all tenors at higher cut-off yields (3 yr @ 13.70%, 5 yr @ 13.80%, 10 yr @ 13.60%). However, PIB floater auction saw underwhelming participation of PKR 68.5 bn against target of PKR 100 bn with only PKR 20 bn worth of bids being accepted by SBP. The yields in higher tenors (>5) are less than that of 3 & 5yr tenors reflecting the initiation of a possible inverted yield curve. Consequently, secondary market yields rose by an average of 150 bps across all tenors. T-bill auctions also saw strong participation with PKR 3,690 bn worth of bids being accepted in three mth (12.75%) and six mth (12.80%) tenors against target of PKR 1,800 bn in May'19.

# 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 80,057 Million
Launch Date	31.12.1996
Bid Price (31.12.1996)	PKR 99.50
Bid Price (31.05.2019)	PKR 1,096.26
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

## 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	-0.23%
3 months	-1.24%
12 months	-2.04%
Calendar YTD	2.54%
Since Inception	1001.77%
Since Inception (annualized)	11.29%
5 Years	37.28%
10 Years	167.32%

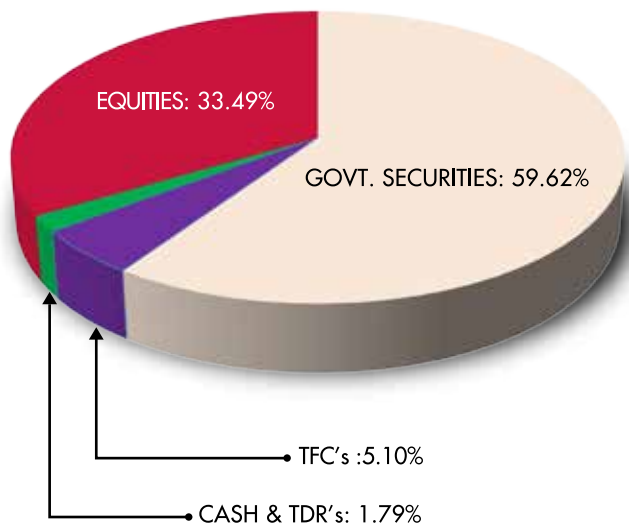
## FUND MANAGER'S COMMENTS

During the month of May 2019 Managed Fund's (MF) Unit Price decreased by PKR 2.48 (-0.23%) net of fund management fee.



## ASSET ALLOCATION

ASSETS	MAY 2019	APRIL 2019
Government Securities	59.62%	59.00%
Term Finance Securities	5.10%	5.15%
Cash and Short Term Deposits	1.79%	2.45%
Stocks & Mutual Funds	33.49%	33.40%



# 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 21,819 Million
Launch Date	28.07.2004
Bid Price (28.07.2004)	PKR 100
Bid Price (31.05.2019)	PKR 809.34
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

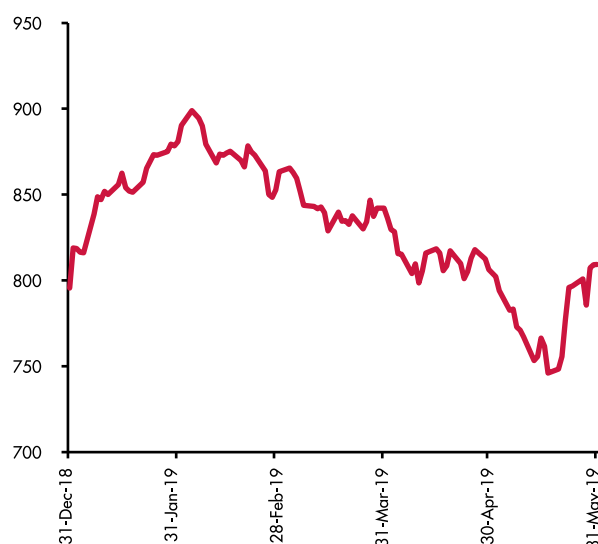
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	0.37%
3 months	-5.09%
12 months	-13.59%
Calendar YTD	1.74%
Since Inception	709.34%
Since Inception (annualized)	15.12%
5 Years	48.30%
10 Years	334.01%

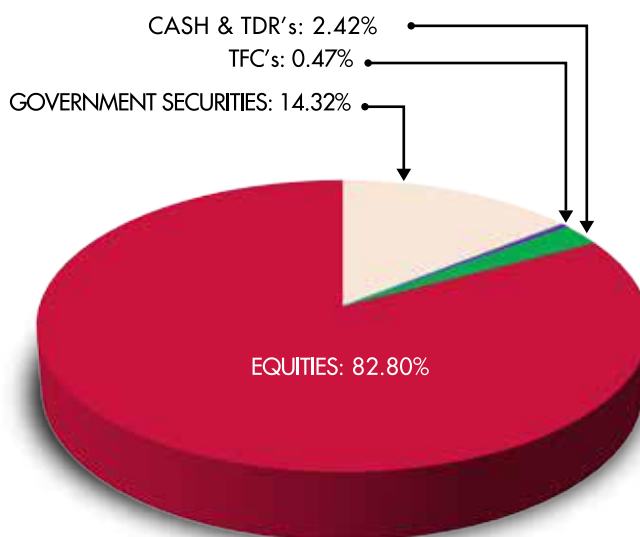
## FUND MANAGER'S COMMENTS

During the month of May 2019 Capital Growth Fund's (CGF) Unit Price increased by PKR 3.01 (0.37%) net of fund management fee.



## ASSET ALLOCATION

ASSETS	MAY 2019	APRIL 2019
Government Securities	14.32%	9.39%
Term Finance Securities	0.47%	0.49%
Cash and Short Term Deposits	2.42%	3.05%
Stocks & Mutual Funds	82.80%	87.08%



# 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 8,781 Million
Launch Date	27.03.2008
Bid Price (27.03.2008)	PKR 475.00
Bid Price (31.05.2019)	PKR 998.95
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	-0.14%
3 months	-2.73%
12 months	-4.14%
Calendar YTD	0.52%
Since Inception	110.31%
Since Inception (annualized)	6.87%
5 Years	37.01%

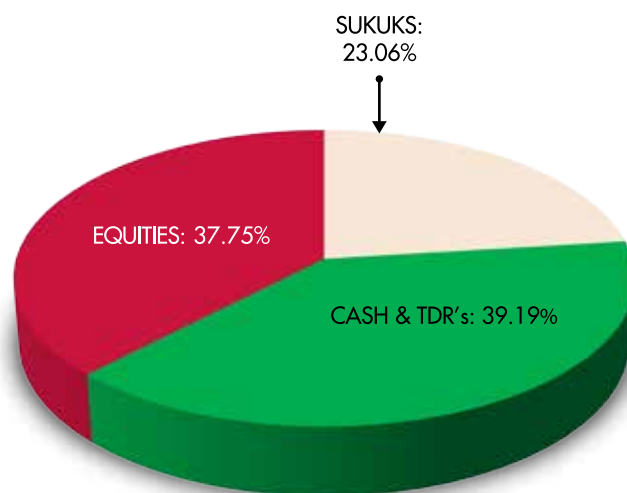
## FUND MANAGER'S COMMENTS

During the month of May 2019 Meesaq Fund's (MEF) Unit Price decreased by PKR 1.4 (-0.14%) net of fund management fee.



## ASSET ALLOCATION

ASSETS	MAY 2019	APRIL 2019
Sukuks	23.06%	22.80%
Cash and Short Term Deposits	39.19%	37.46%
Stocks & Mutual Funds	37.75%	39.75%



# YAQEEEN GROWTH FUND

## FUND OBJECTIVE

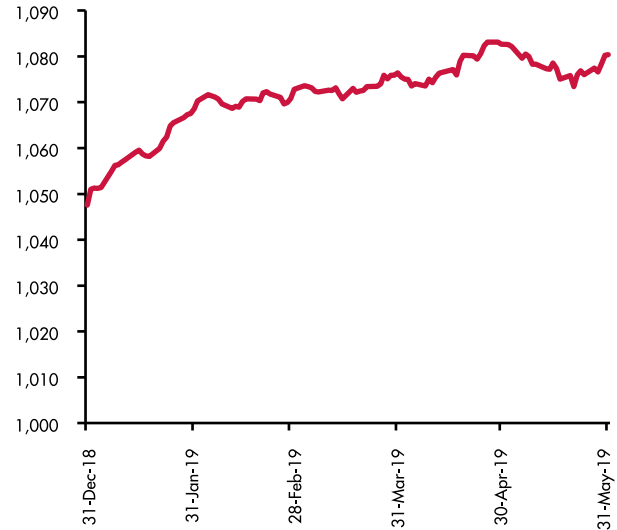
This fund has been formed to enable Jubilee Life's policyholders to participate in a diversified portfolio of Fixed Income Securities with minimal exposure to equity. Yaqeen Growth fund is suitable for those who wish to earn steady returns on investments through full exposure to debt securities and minimum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

## FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Yaqeen Growth Fund
Fund Size	PKR 2,305 Million
Launch Date	01.06.2009
Bid Price (01.06.2009)	PKR 475.00
Bid Price (31.05.2019)	PKR 1,080.36
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 2019 Yaqeen Growth Fund's (YGF) Unit Price decreased by PKR 2.31 (-0.21%) net of fund management fee.



## INVESTMENT COMMITTEE

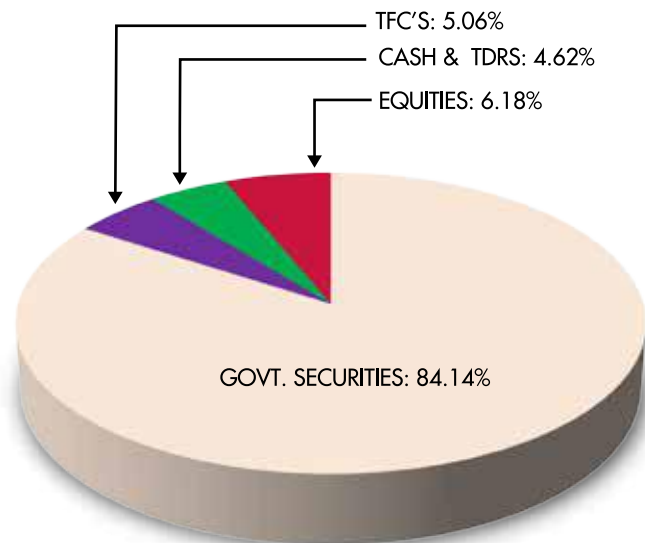
MEMBERS	DESIGNATION
Shahid Ghaffar	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

## ASSET ALLOCATION

ASSETS	MAY 2019	APRIL 2019
Government Securities	84.14%	85.01%
Term Finance Securities	5.06%	5.27%
Cash and Short Term Deposits	4.62%	1.37%
Stocks & Mutual Funds	6.18%	8.36%

## FUND RETURNS

PERIOD	RATE OF RETURN
1 month	-0.21%
3 months	0.89%
12 months	4.30%
Calendar YTD	3.13%
Calendar YTD (annualized)	7.74%
Since Inception	127.44%
Since Inception (annualized)	8.56%
5 Years	42.93%



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