

# IGI | Life

## Funds Performance Report FEBRUARY 2016



IGI Life Insurance Limited

# FUND MANAGER REPORT

For the month of February 2016



## Macro Review and Outlook:

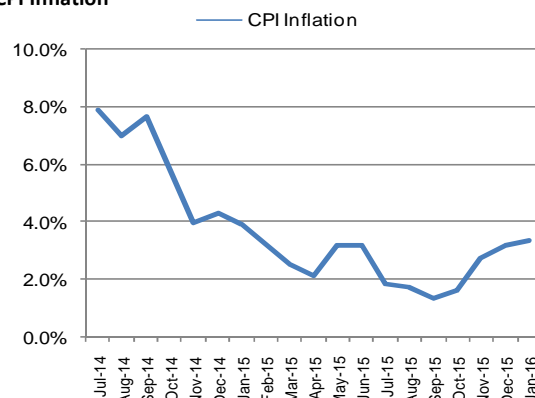
Pakistan observed substantial economic progress in CY15 over CY14, with improvement seen across majority of economic indicators. Much of this improvement is down to low commodity prices, which helped in curtailing import bill (oil imports), but it also impacted exports.

Owing to sharp decline in oil prices and subdued food prices, headline inflation as measured by CPI printed a +4.02%YoY (-0.25%MoM), bringing 8MFY16 average inflation to +2.46%YoY compared to +5.47%YoY same period last year.

For the period 7MFY16 country's import bill further declined to USD 23bn (down by 7%YoY) owing to continued decline in international oil prices, which touched a low of USD 30.4/bbl (Arab Light). However, due to low commodity prices, country's exports also fell by 11%YoY to USD 12.5bn as international cotton prices remain depressed during the period. Nevertheless, country's trade terms improved slightly by USD ~100mn to USD 10.8bn. Remittances inched up by 6.0%YoY to USD 11.2bn. Incorporating the above, Pakistan current account deficit stood at 2.0bn (or 1.2% of the GDP) compared to USD 2.6 (or 1.7% of the GDP). Foreign Exchange reserves for the month of Feb-16, stood at USD 20.4mn. leaving just over 4.7 months of import cover. PKR gained 40 paisas during the month to end at 103.9 against the USD.

**Outlook:** With inflation staying rather low in FY16 and external account position remaining under 2% of the GDP, there is high probability of further rate cut by a minimum of 50bps during the year to 5.5%. Key to track would be volatility in international oil prices and rebound in base commodity prices and global equity market performance.

### CPI Inflation



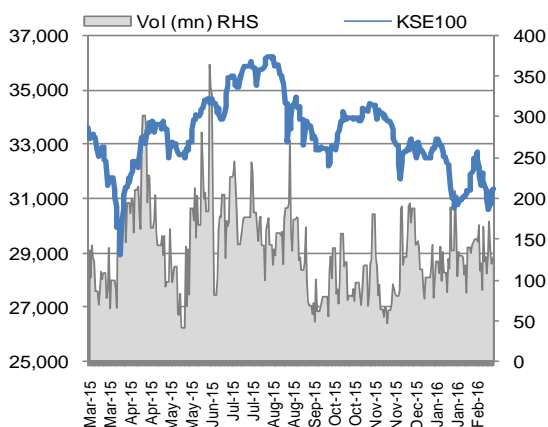
Source: PBS

## Equity Market Review and Outlook:

The Equity market as measured by KSE 100 for the month of Feb-16, edged up by 0.2%MoM, compared to last month's negative return of 5%, to close the index at 31,370 points. During the month, average daily volume increased by 5.7% MoM reaching 130mn, whereas average daily value traded amounted to USD 58.8mn. Sector-wise, Automobile, Food, Cements and Oil & Gas contributed negatively to index, while, Sugar, Banks, contributed positively to index. Volumes wise, Banks, Cements, OMCs and Power attracted the major volumes. Company-wise, TRG, JSCL, FCCL SNGP and KEL were volume leaders. Foreign investors remained net seller, with Feb-16 net sell amounting to USD 39.5mn. Most of the foreign portfolio sectors witnessed heavy outflow with Banks witnessing the highest of USD 20.5mn followed by Oil & Gas (USD 13.5m), Others (USD 17.9m), Fertilizer (USD 5.4m), Power (USD 4.0m), Textile (USD 3.5m), OMCs (USD 2.6m) and Food (USD 0.6m) respectively. Cement sector witnessed highest net buying amounting to USD 18.3mn as well as Technology of USD 0.2mn. Key news highlights that impacted the market were, Reduction in Oil prices and Petroleum products by an average ~10%, Pakistan signed a 15-year LNG supply deal with Qatar, delay in investment of PIA / Pakistan Steel Mills, and NEPRA finally set an upfront tariff for HUBC coal power project.

**Outlook:** With oil prices staying volatile as near term resolution to OPEC and non-OPEC seems unclear, we see Oil & Gas sector performance to stay tricky. Full year result for Banks may track some attraction owing to better pay-out. Similarly, pick-up in cements sales post winter and availability of LNG in 2HFY16, may gain some interest in manufacturing sectors such as Fertilisers, Textile etc. Currently Pakistan is trading at PER of 8.3x and offering a dividend yield of 6.6% compared to regional average of 13.8x and 3.0%, respectively.

### KSE 100 Performance



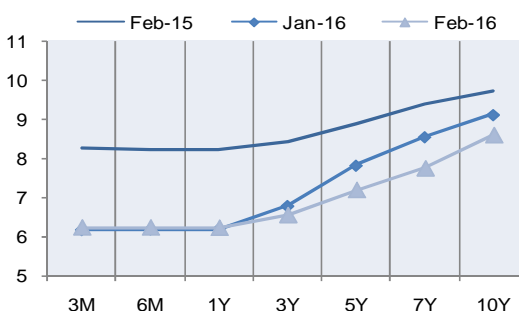
Source: KSE

## Money Market Review and Outlook:

Pakistan yield curve remained relatively stable, during the month with yield for 3M, 6M and 12M paper minutely inching up by 4bps, 3bps and 1bps to close at 6.21%, 6.21% and 6.20% respectively. However, yields on the long-end of the curve declined by an average 25bps to 6.53% for 3Y, 64bps to 7.18% for 5Y and 52bps to 8.6% for 10Y bonds. In the PIB auction conducted during the month SBP raised a total of PKR 152bn against target of PKR 50bn.

**Outlook:** Owing to subdued food prices, inflation as measured by CPI printed a +4.0%YoY, although a decline of -0.3%MoM, bringing 8MFY16 average inflation to +2.46%YoY compared to +5.47%YoY same period last year. With inflation outlook staying market is anticipating another 50-100bps discount rate, causing yields to shift further downward.

### Pakistan Yield Curve



# IGI Aggressive Fund-IAF

For the month of February 2016



## INVESTMENT OBJECTIVE:

To provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes largely driven by equity with a proportion of fixed income & money market instruments.

## FUND INFORMATION:

<b>Strategy</b>	Fixed Income / Equity
<b>Risk Profile</b>	High
<b>Pricing Mechanism</b>	Daily Forward Pricing
<b>Pricing Days</b>	Monday to Friday
<b>Management Fee</b>	1.5%
<b>Launch Date</b>	25-Apr-08

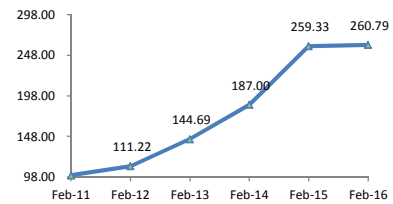
## RETURNS:

During the month the fund generated an absolute return of -1.87% against its last month absolute return of -1.76%.

## ASSETS UNDER MANAGEMENT:

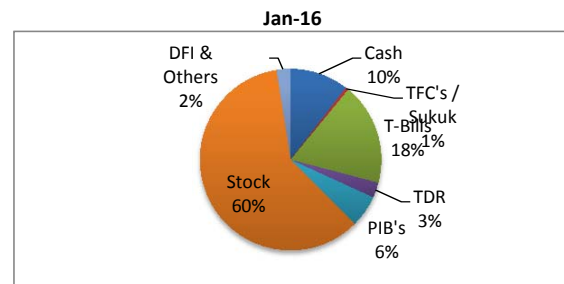
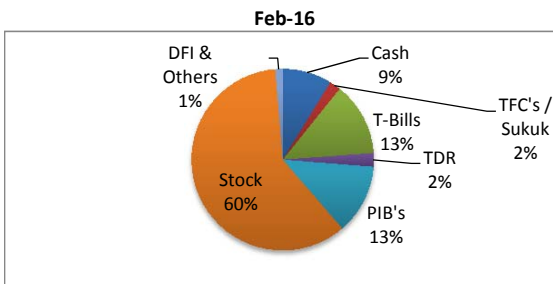
	Feb-16	Jan-16	MoM %
<b>NAV per Unit (PKR)</b>	236.55	241.05	-1.87%
<b>Net Assets Value (PKR '000)</b>	236,300	238,451	-0.90%

## Value of 100 Rupees invested 5 years ago



*Note: Fund returns are gross of management fee.*

## ASSET ALLOCATION \*:

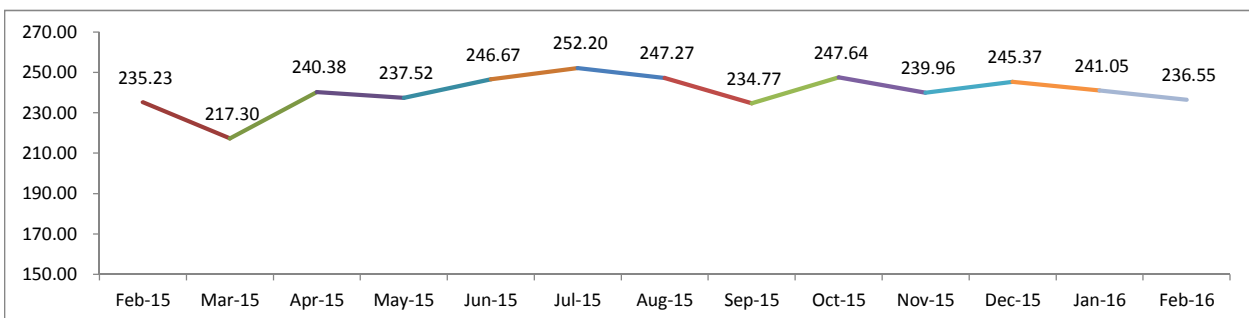


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	-1.87%	-3.59%	-1.42%	-4.33%	0.56%	-21.87%	17.38%

## IGI Aggressive Fund - IAF BID PRICE:



**Disclaimer:** Past performance is not indicative of future performance. Market volatility can significantly affect short-term performance. The value of investment can fall as well as rise.

# IGI Balanced Fund-IBF

For the month of February 2016



## INVESTMENT OBJECTIVE:

The investment objective of the Fund is to earn competitive long term return by investing in mix of equity, fixed income and money market instrument. This fund is suited for investors with moderate risk tolerance.

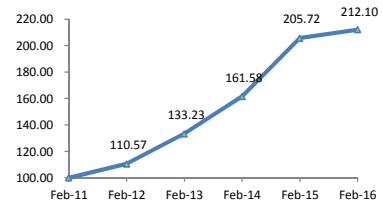
## FUND INFORMATION:

<b>Strategy</b>	Fixed Income / Equity
<b>Risk Profile</b>	Moderate
<b>Pricing Mechanism</b>	Daily Forward Pricing
<b>Pricing Days</b>	Monday to Friday
<b>Management Fee</b>	1.5%
<b>Launch Date</b>	25-Apr-08

## RETURNS:

During the month the fund generated an absolute return of -0.79% against its last month absolute return of -0.77%.

### Value of 100 Rupees invested 5 years ago

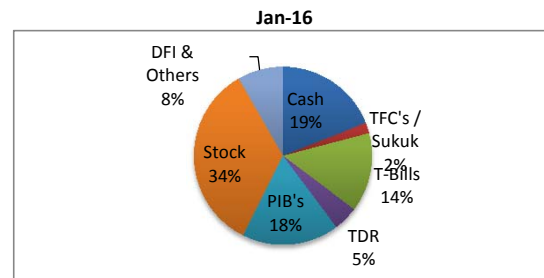
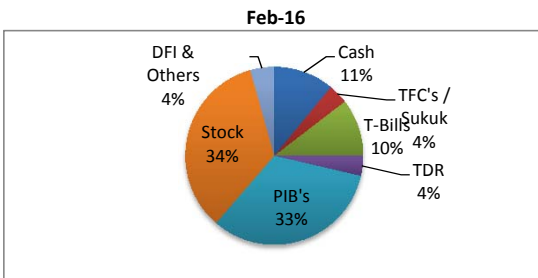


## ASSETS UNDER MANAGEMENT:

	Feb-16	Jan-16	MoM %
<b>NAV per Unit (PKR)</b>	223.58	225.36	-0.79%
<b>Net Assets Value (PKR '000)</b>	307,179	309,073	-0.61%

*Note: Fund returns are gross of management fee.*

## ASSET ALLOCATION \*:

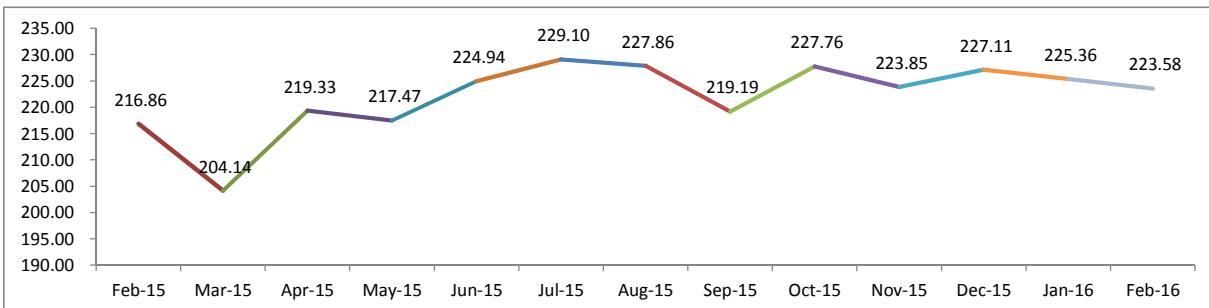


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
<b>IGI Balanced Fund - IBF</b>	-0.79%	-1.56%	-0.12%	-1.88%	3.10%	-9.46%	15.73%

## IGI Balanced Fund - IBF BID PRICE:



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# IGI Conservative Fund - ICF

For the month of February 2016



## INVESTMENT OBJECTIVE:

To provide stable and competitive returns in line with the money markets exhibiting low volatility consistent with capital preservation by constructing a liquid portfolio of low risk short term investments yielding competitive returns.

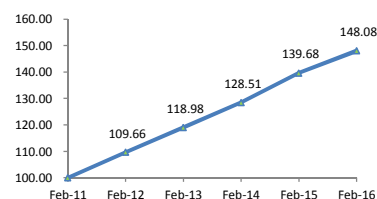
## FUND INFORMATION:

<b>Strategy</b>	Fixed Income
<b>Risk Profile</b>	Low
<b>Pricing Mechanism</b>	Daily Forward Pricing
<b>Pricing Days</b>	Monday to Friday
<b>Management Fee</b>	1.5%
<b>Launch Date</b>	25-Apr-08

## RETURNS:

During the month the fund generated an absolute return of 0.52% against its last month absolute return of 0.60%.

### Value of 100 Rupees invested 5 years ago

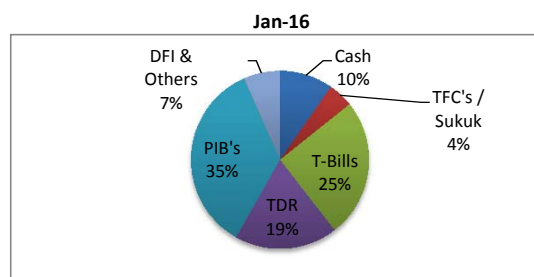
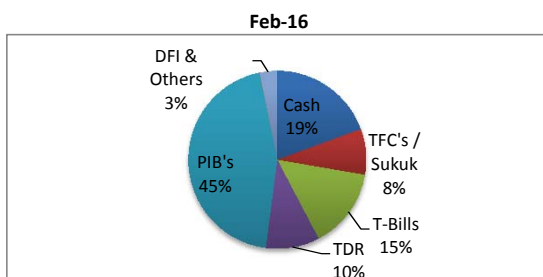


## ASSETS UNDER MANAGEMENT:

	Feb-16	Jan-16	MoM %
<b>NAV per Unit (PKR)</b>	182.06	181.12	0.52%
<b>Net Assets Value (PKR '000)</b>	562,021	560,086	0.35%

*Note: Fund returns are gross of management fee.*

## ASSET ALLOCATION \*:

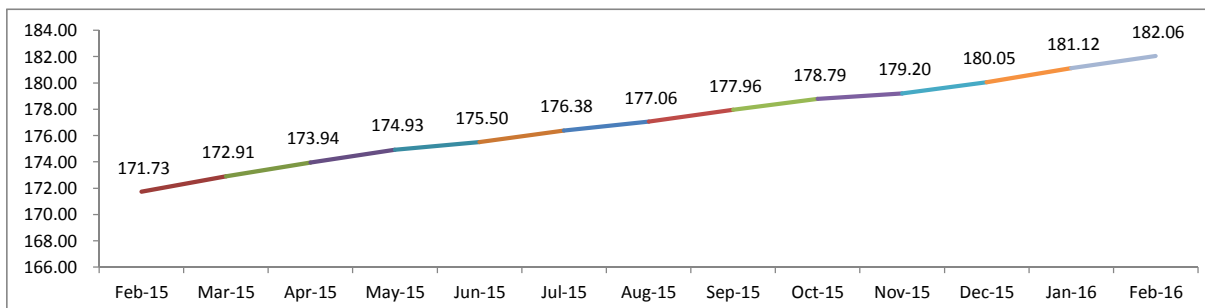


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.52%	1.12%	1.59%	2.82%	6.01%	6.80%	10.45%

## IGI Conservative Fund - ICF BID PRICE:



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# IGI Islamic Fund - IIF

For the month of February 2016



## INVESTMENT OBJECTIVE:

To provide maximum possible preservation of capital and a reasonable rate of return via investing in Shariah Compliant money market and debt securities having good credit quality rating and liquidity.

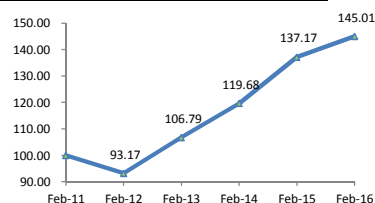
## FUND INFORMATION:

<b>Strategy</b>	Islamic Fixed Income
<b>Risk Profile</b>	Low
<b>Pricing Mechanism</b>	Daily Forward Pricing
<b>Pricing Days</b>	Monday to Friday
<b>Management Fee</b>	1.5%
<b>Launch Date</b>	25-Apr-08

## RETURNS:

During the month the fund generated an absolute return of 0.60% against its last month absolute return of 0.45%.

### Value of 100 Rupees invested 5 years ago

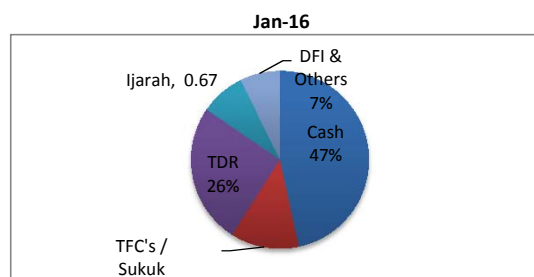
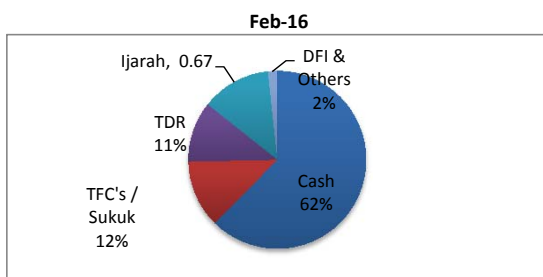


## ASSETS UNDER MANAGEMENT:

	Feb-16	Jan-16	MoM %
<b>NAV per Unit (PKR)</b>	135.94	135.14	0.60%
<b>Net Assets Value (PKR '000)</b>	172,003	170,368	0.96%

*Note: Fund returns are gross of management fee.*

## ASSET ALLOCATION \*:

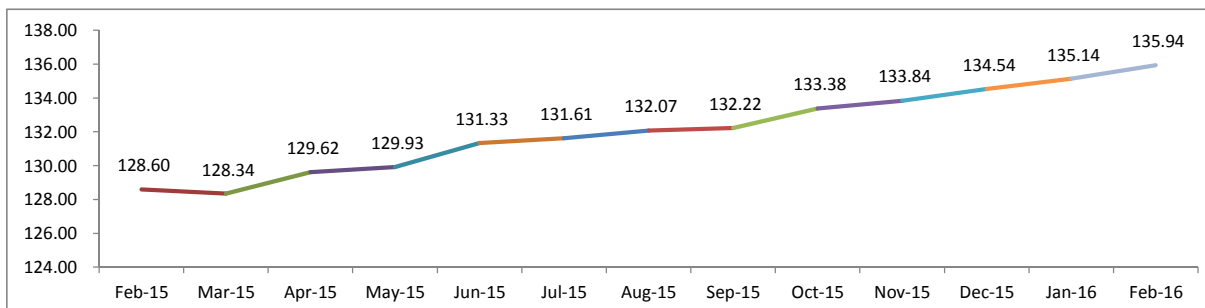


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Islamic Fund - IIF	0.60%	1.04%	1.57%	2.93%	5.71%	6.35%	4.58%

## IGI Islamic Fund - IIF BID PRICE:



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# IGI Sarmaya Secure Fund - SSE

For the month of February 2016



## INVESTMENT OBJECTIVE:

The objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities.

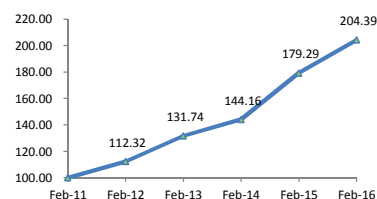
## FUND INFORMATION:

Strategy	Govt. Securities
Risk Profile	Low
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	22-Jul-10

## RETURNS:

During the month the fund generated an absolute return of 1.67% against its last month absolute return of 1.83%.

### Value of 100 Rupees invested 5 years ago

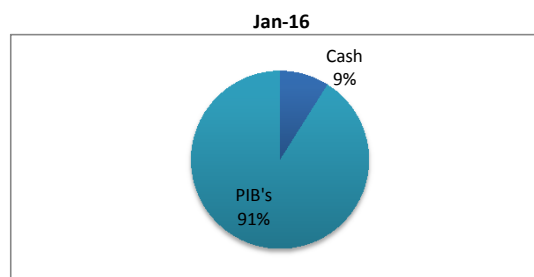
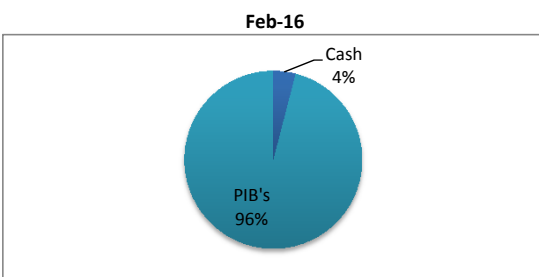


## ASSETS UNDER MANAGEMENT:

	Feb-16	Jan-16	MoM %
NAV per Unit (PKR)	218.29	214.70	1.67%
Net Assets Value (PKR '000)	3,507,826	3,212,235	9.20%

*Note: Fund returns are gross of management fee.*

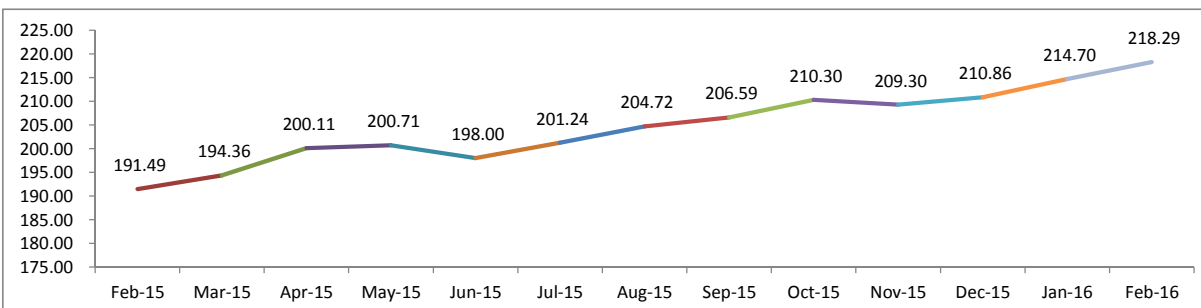
## ASSET ALLOCATION:



## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Sarmaya Secure - SSE	1.67%	3.53%	4.30%	6.63%	14.00%	21.46%	21.07%

## IGI Sarmaya Secure Fund - SSE BID PRICE:



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