

IGI | Life

Funds Performance Report JANUARY 2016



IGI Life Insurance Limited

FUND MANAGER REPORT

For the month of January 2016



Macro Review and Outlook:

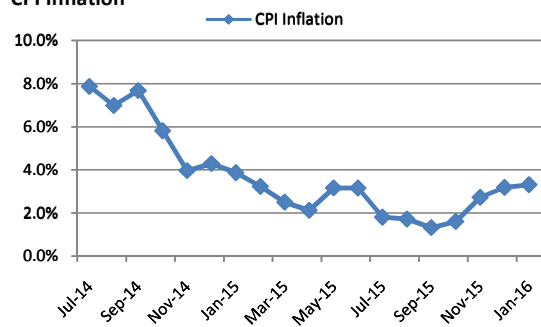
Pakistan observed substantial economic progress in CY15 over CY14, with improvement seen across majority of economic indicators. Much of this improvement is down to low commodity prices, which helped in curtailing import bill (oil imports), but it also impacted exports.

Owing to sharp decline in oil prices and subdued food prices, headline inflation as measured by CPI printed a +3.3%YoY (+0.2%MoM), bringing 7MFY16 average inflation to +2.24%YoY compared to +5.79%YoY same period last year. State Bank of Pakistan (SBP), in its Jan-16 monetary policy statement, despite improving macro-economic factors, decided to keep discount rate unchanged at 6.5% and maintain policy target rate of 6.0%.

For the period 1HFY16 country's import bill also declined to USD 19.9bn (down by 9.9%YoY) owing to lower oil prices. However, country's exports also fell by 11%YoY to USD 10.82bn as international cotton prices remain depressed during the period. As a result country's trade terms improves to USD 9.07bn from USD 9.9bn same period last year, showing a decline of 9%YoY. Remittances inched up by 6.2%YoY to USD 9.7bn. Incorporating the above, Pakistan current account deficit improved to USD 1.27bn (or 0.9% of the GDP) compared to USD 2.46 (or 1.8% of the GDP). Foreign Exchange reserves for the month of Jan-16, showed a slight decline of USD 535mn to reach at USD 20.28bn leaving just over 4.5 months of import cover. PKR showed range bound movement during the month around level of 104.9 levels, to end the Jan-16 at 104.83 (+3.7%YoY).

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.

CPI Inflation



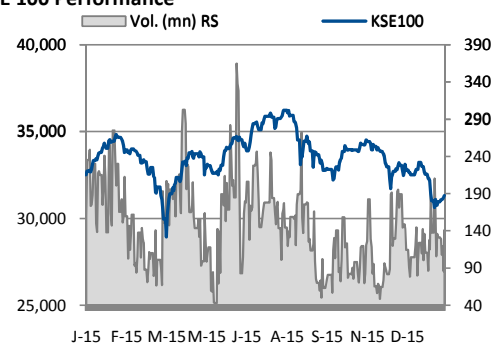
Source: PBS

Equity Market Review and Outlook:

For the month of Jan-16, KSE 100 returns took a plunge of 5%MoM, as compared to last month's positive returns of +2.0%, to close the index at 31,298 points. Average daily volume decline by 20% MoM to 136mn, whereas average daily value traded amounted to USD 92mn. Foreign selling recorded a net sell of USD 50mn with major selling in Fertilizers, Banks and E&P's. Much of negative performance was led by heavy weight Exploration and Production (E&Ps) and Banking Sector. Pakistan MSCI Index also showed a weak performance during the month, down by 7.6% compared to negative 6.8% in MSCI Frontier Markets. Some positive highlights during the month were integration of exchanges to form Pakistan Stock Exchange (PSX), SBP kept rate unchanged at 6.0%, LNG Selling Price Agreement (SPA) finally got signed between Pakistan and Qatar. With KSE taking a cue from international equity markets, key events that jolted global equity markets were, Bank of Japan announcing a negative interest rate policy, (JPY) to weaken against the US dollar, Slowdown in China Purchase Manager Index (PMI), and Oil price (Arab light) going down by 22%MoM touching a low of USD 21.34/bbl during the month.

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 8.4x and offering a dividend yield of 6.5% compared to regional average of 12.82x and 3.1%, respectively.

KSE 100 Performance



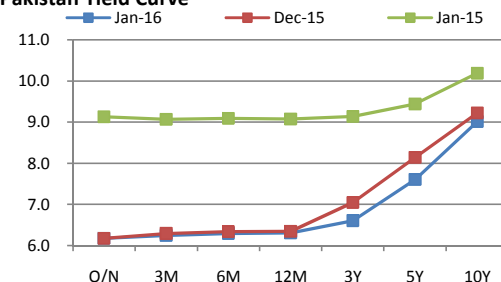
Source: KSE

Money Market Review and Outlook:

Yield curve shifted down in anticipation of SBP policy rate cut with cut-off yields for 3M, 6M and 12M coming down by as much as 20bps on average to end at 6.17%, 6.18% and 6.23% respectively. Similarly, yields on the long-end of the curve also declined by average 50bps to 6.50%, 7.55%, and 8.85% for 3Y, 5Y and 10Y bonds. In the T-Bill auction conducted during the month, SBP raised a total of PKR 562bn against the target of PKR 600bn and maturing amount of PKR 539bn. In the PIB auction conducted during the month SBP raised a total of PKR 127bn against target of PKR 50bn.

Outlook: With inflation outlook staying market is anticipating another 50-100bps discount rate, causing yields to stay subdued.

Pakistan Yield Curve



Source: SBP, Average Monthly Rates

IGI Aggressive Fund-IAF

For the month of January 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:

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

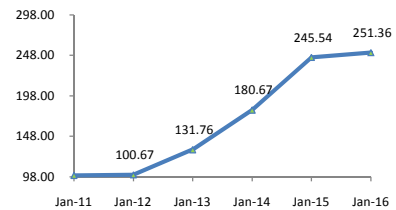
RETURNS:

During the month the fund generated an absolute return of -1.76% against its last month absolute return of 2.25%.

ASSETS UNDER MANAGEMENT:

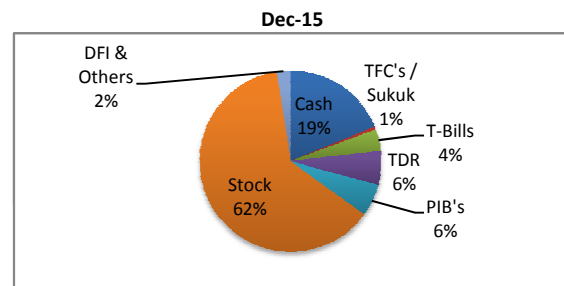
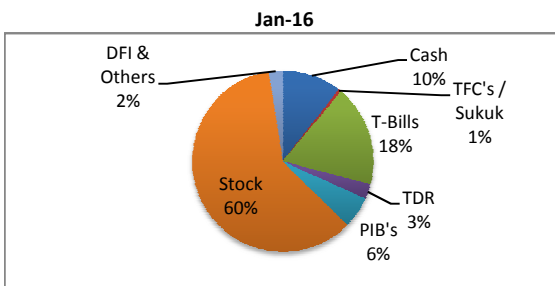
	Jan-16	Dec-15	MoM %
NAV per Unit (PKR)	241.05	245.37	-1.76%
Net Assets Value (PKR '000)	238,451	244,610	-2.52%

Value of 100 Rupees invested 5 years ago



Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

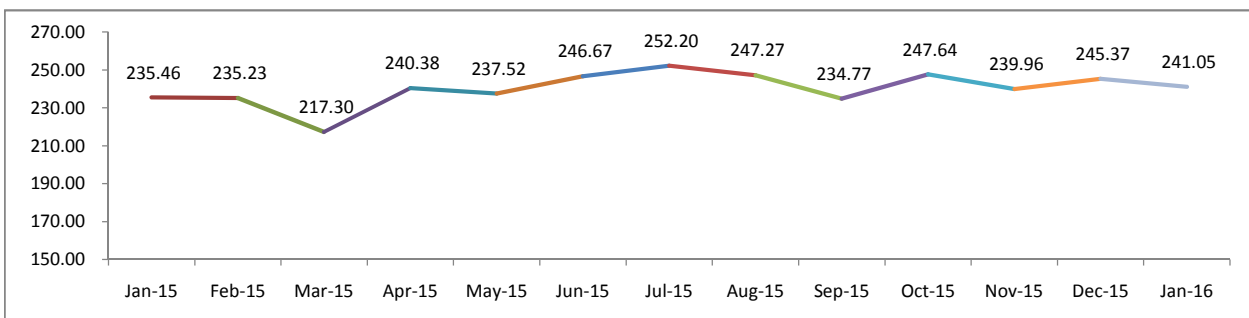


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	-1.76%	0.45%	-2.66%	-4.42%	2.37%	-20.74%	18.14%

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 January 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.

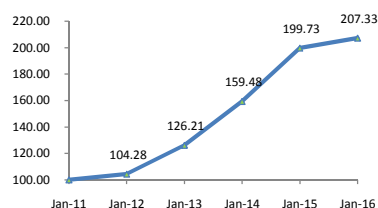
FUND INFORMATION:

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

RETURNS:

During the month the fund generated an absolute return of -0.77% against its last month absolute return of 1.46%.

Value of 100 Rupees invested 5 years ago

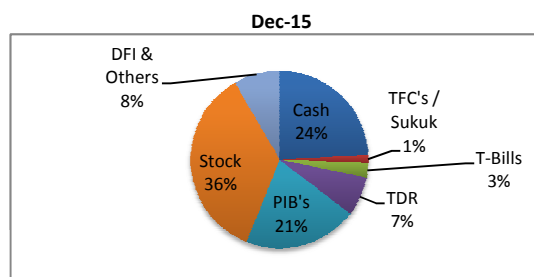
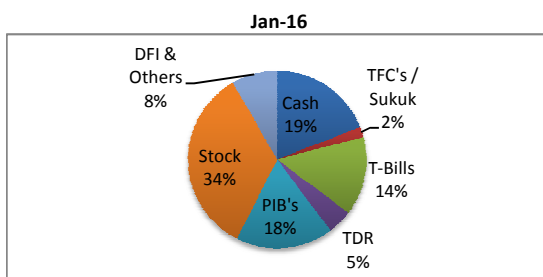


ASSETS UNDER MANAGEMENT:

	Jan-16	Dec-15	MoM %
NAV per Unit (PKR)	225.36	227.11	-0.77%
Net Assets Value (PKR '000)	309,073	315,890	-2.16%

Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

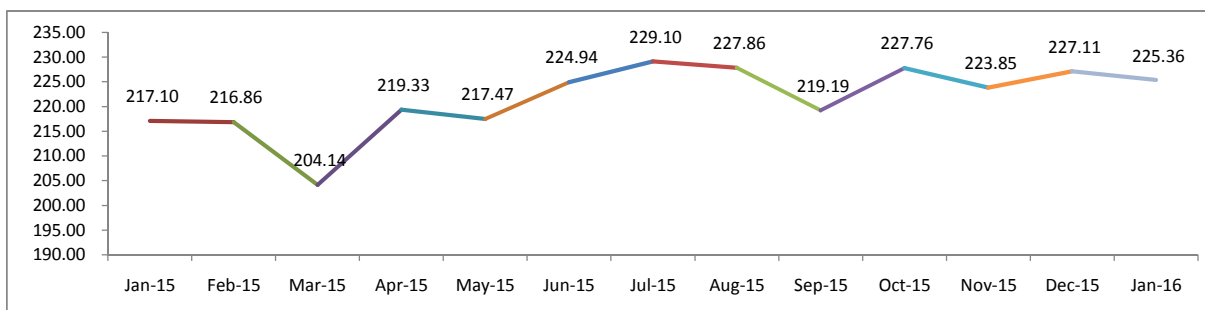


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	-0.77%	0.68%	-1.05%	-1.64%	3.81%	-9.09%	16.12%

IGI Balanced Fund - IBF BID PRICE:



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IGI Conservative Fund - ICF

For the month of January 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.

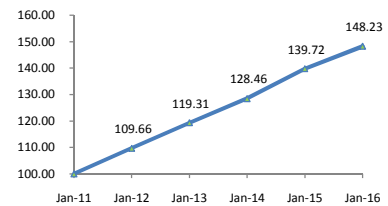
FUND INFORMATION:

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

RETURNS:

During the month the fund generated an absolute return of 0.60% against its last month absolute return of 0.47%.

Value of 100 Rupees invested 5 years ago

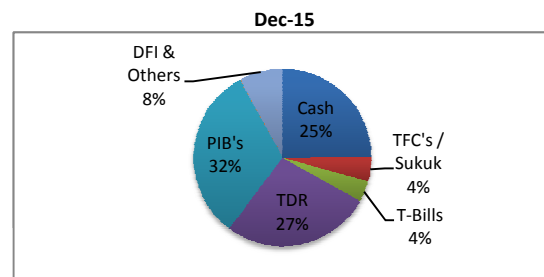
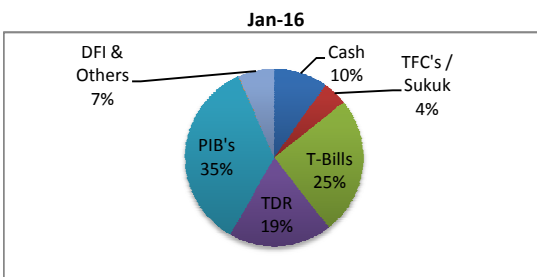


ASSETS UNDER MANAGEMENT:

	Jan-16	Dec-15	MoM %
NAV per Unit (PKR)	181.12	180.05	0.60%
Net Assets Value (PKR '000)	560,086	557,894	0.39%

Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

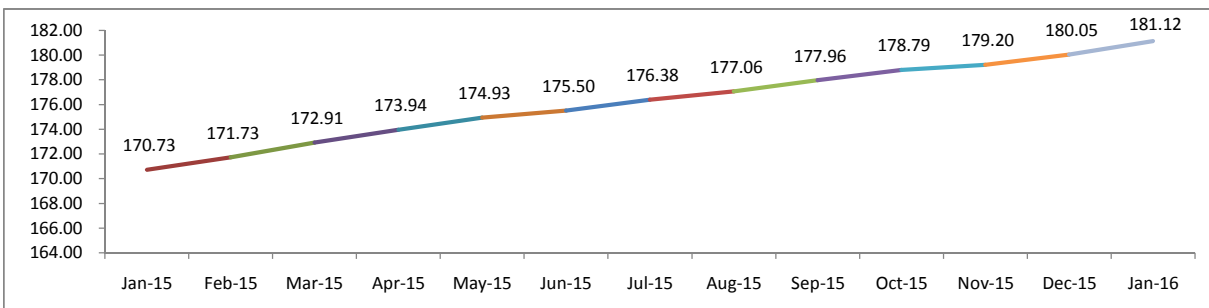


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.60%	1.07%	1.30%	2.69%	6.09%	7.01%	10.43%

IGI Conservative Fund - ICF BID PRICE:



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IGI Islamic Fund - IIF

For the month of January 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.

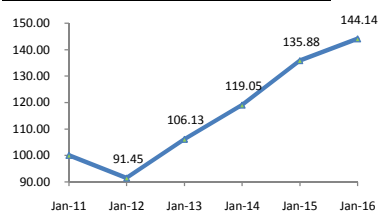
FUND INFORMATION:

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

RETURNS:

During the month the fund generated an absolute return of 0.45% against its last month absolute return of 0.52%.

Value of 100 Rupees invested 5 years ago

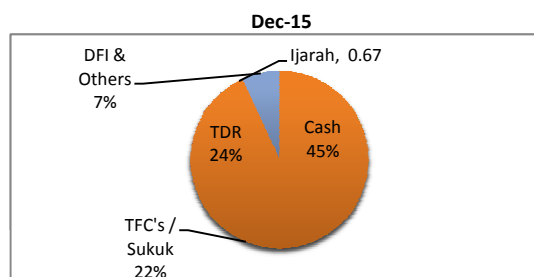
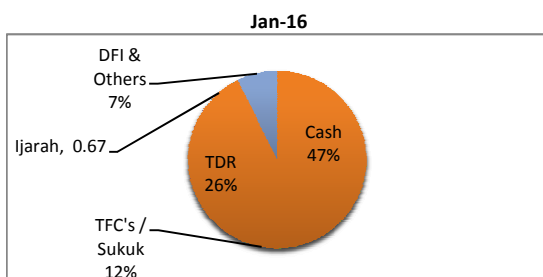


ASSETS UNDER MANAGEMENT:

	Jan-16	Dec-15	MoM %
NAV per Unit (PKR)	135.14	134.54	0.45%
Net Assets Value (PKR '000)	170,368	171,162	-0.46%

Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

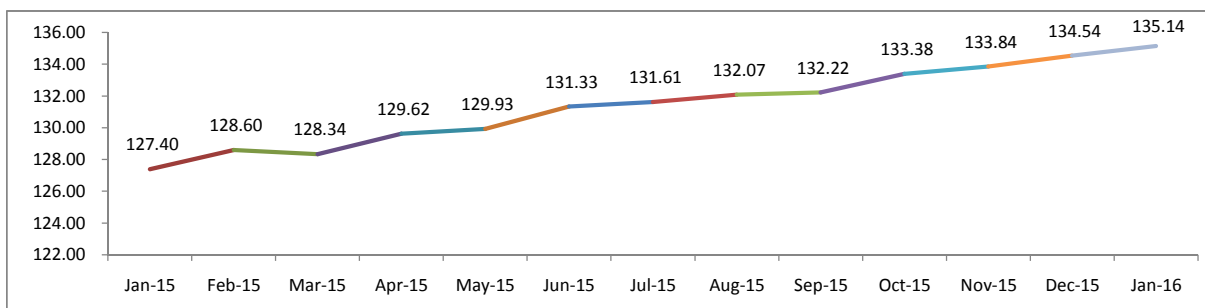


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Islamic Fund - IIF	0.45%	0.97%	1.32%	2.68%	6.08%	5.24%	4.52%

IGI Islamic Fund - IIF BID PRICE:



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IGI Sarmaya Secure Fund - SSE

For the month of January 2016



INVESTMENT OBJECTIVE:

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

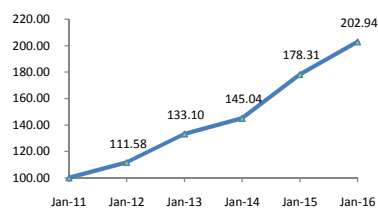
FUND INFORMATION:

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 1.83% against its last month absolute return of 0.74%.

Value of 100 Rupees invested 5 years ago

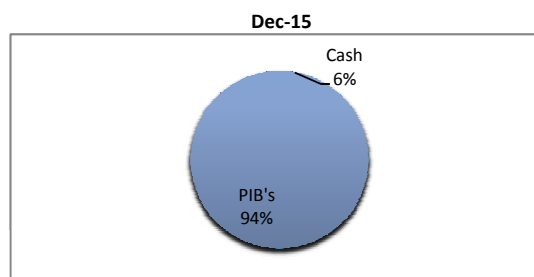
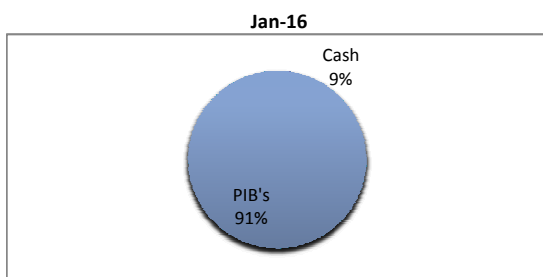


ASSETS UNDER MANAGEMENT:

	Jan-16	Dec-15	MoM %
NAV per Unit (PKR)	214.70	210.86	1.83%
Net Assets Value (PKR '000)	3,212,235	3,183,632	0.90%

Note: Fund returns are gross of management fee.

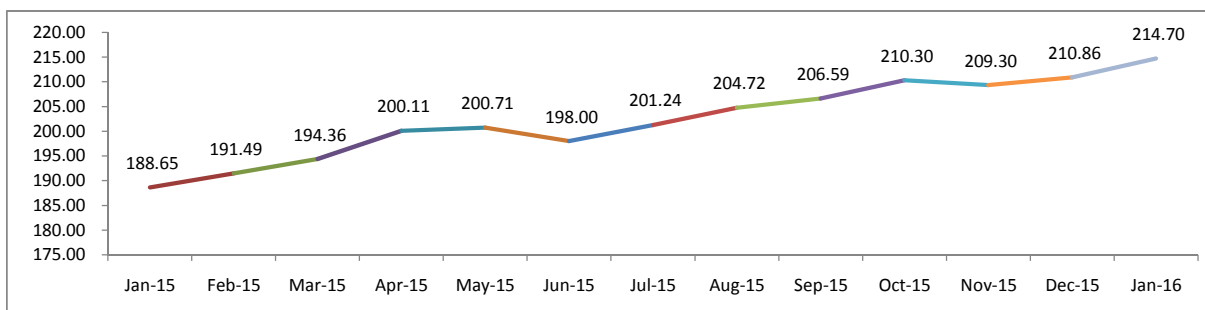
ASSET ALLOCATION:



FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Sarmaya Secure - SSE	1.83%	2.58%	2.09%	6.69%	13.81%	21.49%	20.73%

IGI Sarmaya Secure Fund - SSE BID PRICE:



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