

# IGI | Life

## Funds Performance Report OCTOBER 2015



IGI Life Insurance Limited

**Macro Review and Outlook:**

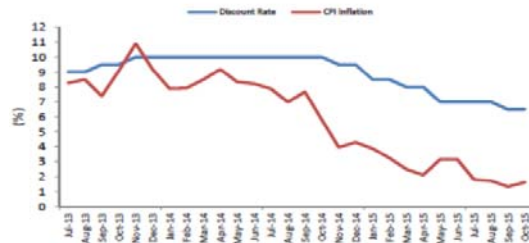
CPI for the month of October clocked in at 1.61% YoY. Headline inflation has bottomed out and rose from 1.32% to 1.61% with a monthly hike of 0.49% mainly resulting from rise in perishable food items. CPI is expected to rise in the ensuing months as the previously favorable base effect reverses. Although real interest rate of 4.4% still leaves room for another rate cut, headwinds have built up with a weaker currency and higher inflationary pressure as base effect is removed.

The current account number for Sep-15 clocked in at positive USD 309mn, with remittances up sharply by 16% MoM. 1QFY16 current account deficit numbers now stand at mere USD 0.11bn, as opposed to USD 1.63bn witnessed in the corresponding period last year. Much of this improvement is attributable to 25% improvement in the trade account during 1QFY16.

Going forward, we expect the current account deficit to largely remain subdued in the near term in line with lower oil prices. The account shall also get some support from the 2.6% Pak Rupee depreciation witnessed over FY16TD, wherein the adjustment took place predominantly to rebalance the currency in comparison to the region.

FX reserves continued to remain firm near 20bn mark that continued to support the rupee which though lost some ground towards the month end

Discount Rate vs. CPI Inflation



**Equity Market Review and Outlook:**

The KSE-100 index bounced back sharply in October by 6.1% on the back of result season and clarity on regulatory inquiries. The market was able to breach the 34,000 level over the first half of the month, but persistent foreign selling limited further upside – with liquidity constraints visible once again over the month and the market liquidity remained sluggish at average daily volumes of 173 million shares against last month’s average of 183 million shares.

Sector wise return analysis shows that Automobiles, Oil & Gas and Pharmaceuticals outperformed the index among key sectors, while Food producers saw value erosion during the month. Auto stocks rallied on the back of surprisingly positive quarterly results and persistent fall in steel prices. The Oil & Gas sector outperformed despite mixed results and no substantial change in oil prices. We attribute this to rising confidence that the worst is probably over in terms of earnings decline and that oil prices have bottomed out.

November monetary policy announcement remains an important trigger for the market with a 50-100 bps reduction would be considered a positive surprise for the equity market. Outlook remains favorable for Power, Oil & Gas and Banking Sectors where short term performances may vary but long term valuations offer significant potential for patient investors.

The improving macro environment supports the case for rerating as KSE100 Index trades at a P/E of 9x based on prospective earnings against regional average in excess

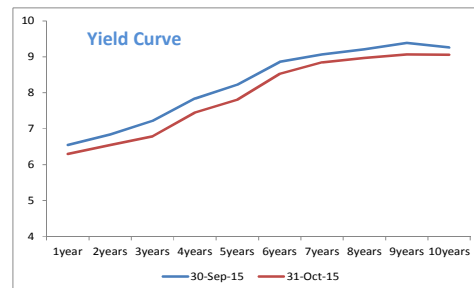
KSE During October 2015



**Money Market Review and Outlook:**

Strong sentiment of rate cut has been built in the market which is quite evident from the movement in market rates of Government securities from the mid of the month. Yield has slightly shifted downward over the course of the month. The volatility however increased due to a contrary view of stable rate outlook based on expected inflation uptick in key variables including fuel and commodity prices. We believe that the era of historically low inflation has most likely subsided, which is evident from the fact that inflation for the month of October clocked at 1.61% (September: 1.32%). For the rest of FY16, inflation is expected to average around 3.75% - 4.25% if the SBP maintains the policy rate in its upcoming monetary policy (scheduled in November), the yield curve may shift upward from the current levels.

Yield Curve



# IGI Aggressive Fund-IAF

For the month of October 2015



## 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

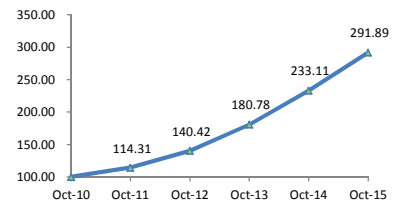
## RETURNS:

During the month the fund generated an absolute return of 5.48% against its last month absolute return of -5.05%.

## ASSETS UNDER MANAGEMENT:

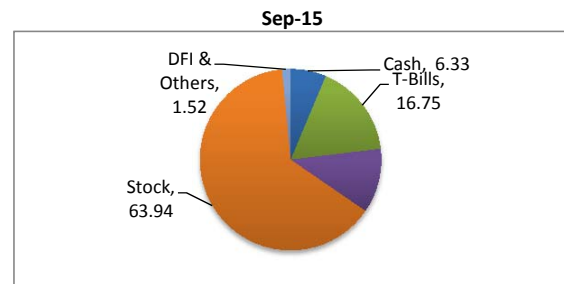
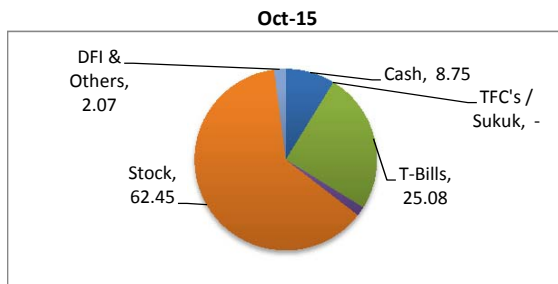
	Oct-15	Sep-15	MoM %
<b>NAV per Unit (PKR)</b>	247.64	234.77	5.48%
<b>Net Assets Value (PKR '000)</b>	227,121	204,063	11.30%

## Value of 100 Rupees invested 5 years ago



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

## ASSET ALLOCATION \*:

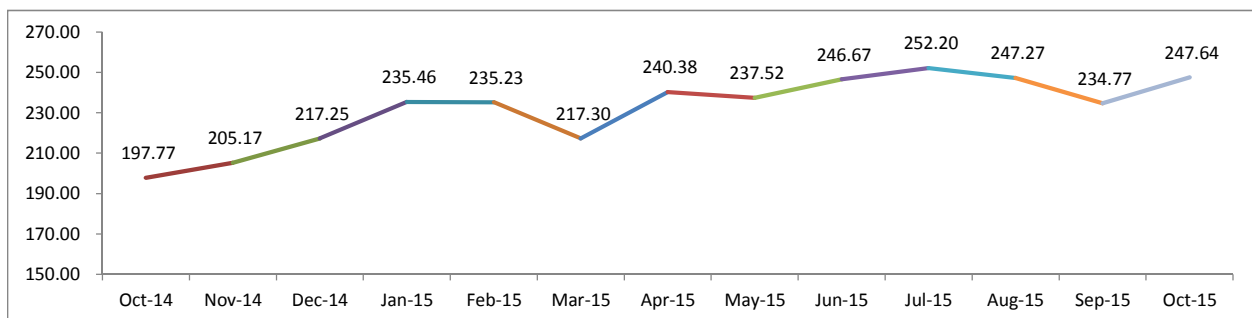


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	5.48%	0.15%	-1.81%	3.02%	25.21%	16.80%	19.62%

## 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 October 2015



## 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.

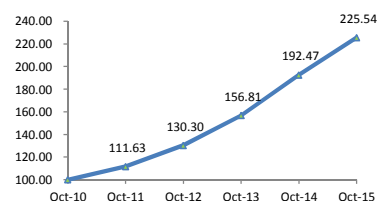
## FUND INFORMATION:

<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 3.91% against its last month absolute return of -3.80%.

### Value of 100 Rupees invested 5 years ago

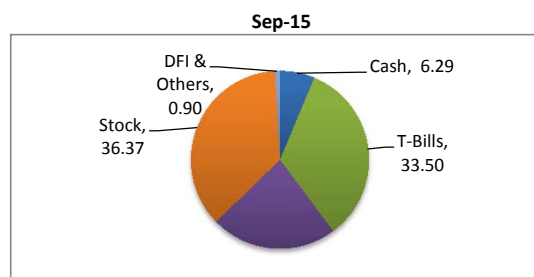
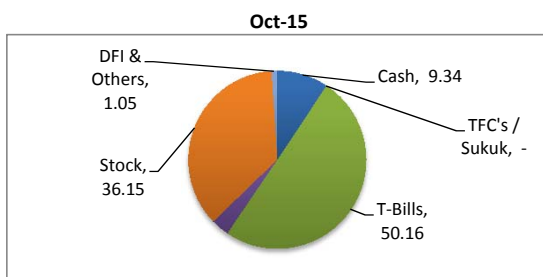


## ASSETS UNDER MANAGEMENT:

	Oct-15	Sep-15	MoM %
<b>NAV per Unit (PKR)</b>	227.76	219.19	3.91%
<b>Net Assets Value (PKR '000)</b>	289,243	269,306	7.40%

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

## ASSET ALLOCATION \*:

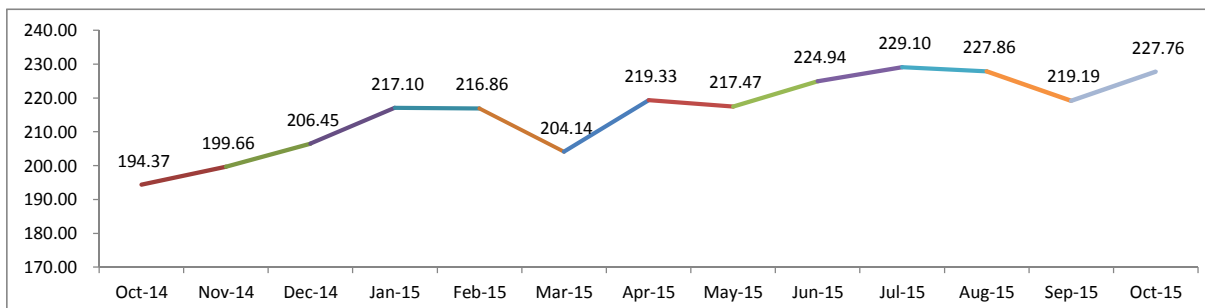


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## 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>	3.91%	-0.04%	-0.59%	3.84%	17.18%	12.39%	16.98%

## IGI Balanced Fund - IBF BID PRICE:



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# IGI Conservative Fund - ICF

For the month of October 2015



## 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

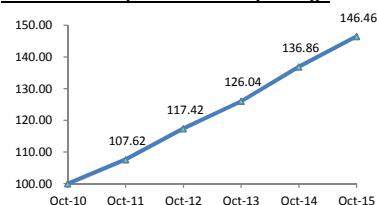
## RETURNS:

During the month the fund generated an absolute return of 0.47% against its last month absolute return of 0.51%.

## ASSETS UNDER MANAGEMENT:

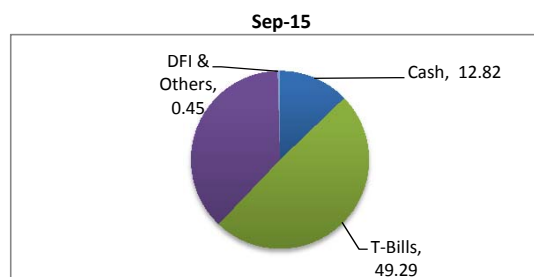
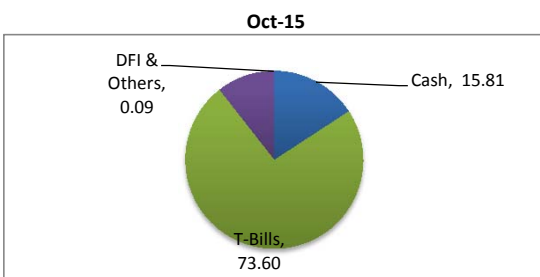
	Oct-15	Sep-15	MoM %
<b>NAV per Unit (PKR)</b>	178.79	177.96	0.47%
<b>Net Assets Value (PKR '000)</b>	561,742	561,347	0.07%

## Value of 100 Rupees invested 5 years ago



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

## ASSET ALLOCATION \*:

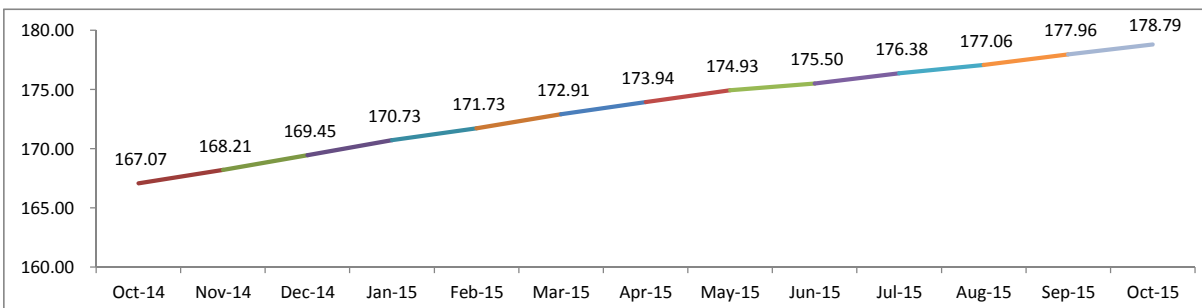


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.47%	0.98%	1.37%	2.79%	7.02%	6.62%	10.47%

## IGI Conservative Fund - ICF BID PRICE:



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# IGI Islamic Fund - IIF

For the month of October 2015



## 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.

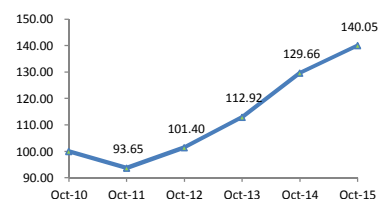
## FUND INFORMATION:

<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 0.87% against its last month absolute return of 0.12%.

### Value of 100 Rupees invested 5 years ago

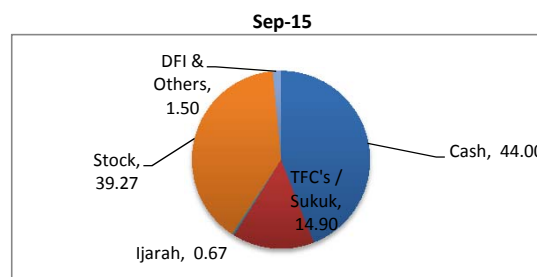
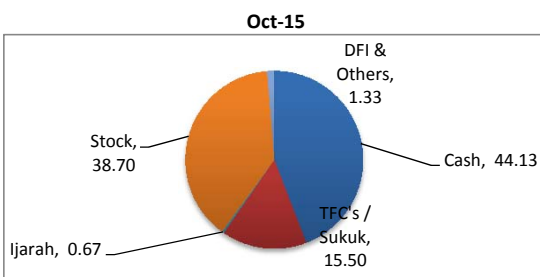


## ASSETS UNDER MANAGEMENT:

	Oct-15	Sep-15	MoM %
<b>NAV per Unit (PKR)</b>	133.38	132.22	0.87%
<b>Net Assets Value (PKR '000)</b>	163,760	161,100	1.65%

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

## ASSET ALLOCATION \*:

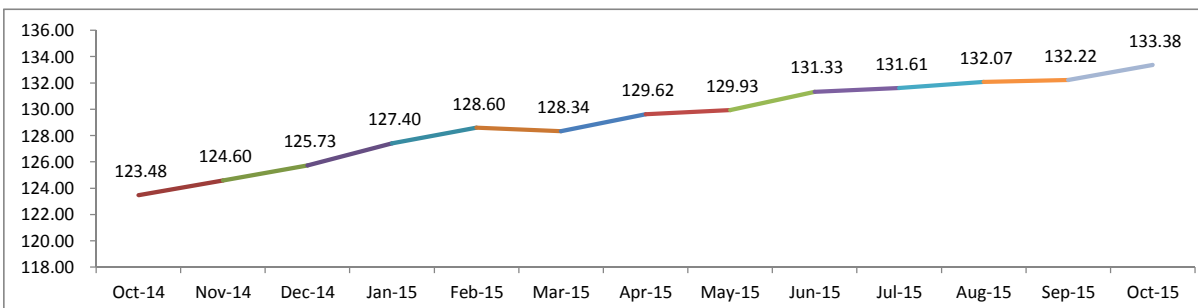


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Islamic Fund - IIF	0.87%	0.99%	1.34%	2.90%	8.02%	7.30%	4.44%

## IGI Islamic Fund - IIF BID PRICE:



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# IGI Secure Fund - SSE

For the month of October 2015



## INVESTMENT OBJECTIVE:

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

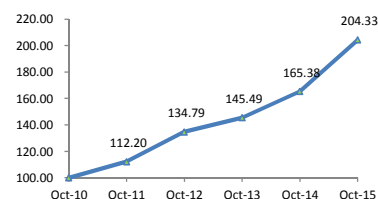
## FUND INFORMATION:

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 1.80% against its last month absolute return of 0.91%.

### Value of 100 Rupees invested 5 years ago

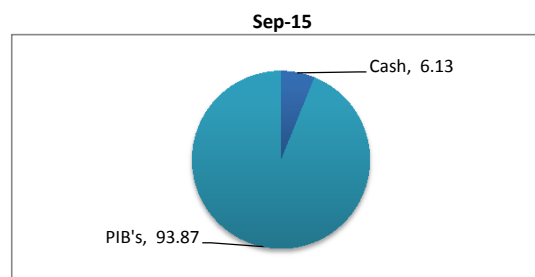
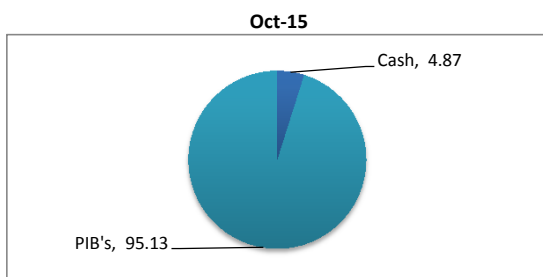


## ASSETS UNDER MANAGEMENT:

	Oct-15	Sep-15	MoM %
NAV per Unit (PKR)	210.30	206.59	1.80%
Net Assets Value (PKR '000)	2,991,789	2,959,234	1.10%

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

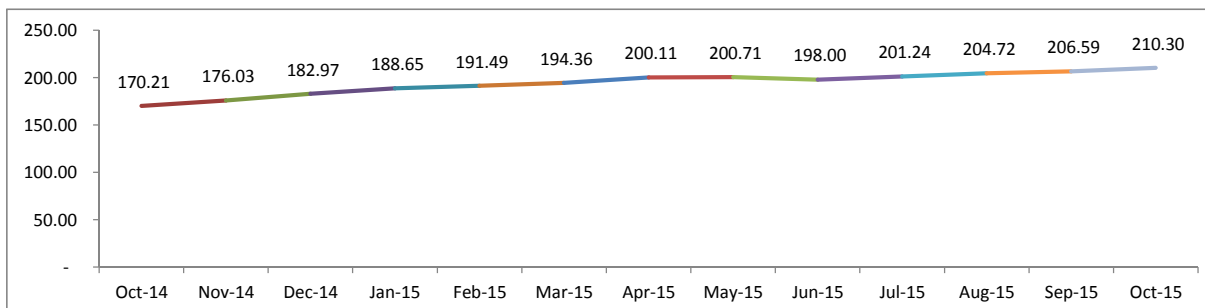
## ASSET ALLOCATION:



## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Secure - SSE	1.80%	2.73%	4.50%	5.09%	23.55%	17.93%	20.88%

## IGI Secure Fund - SSE BID PRICE:



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