

# IGI | Life

## Funds Performance Report DECEMBER 2015



IGI Life Insurance Limited

# FUND MANAGER REPORT

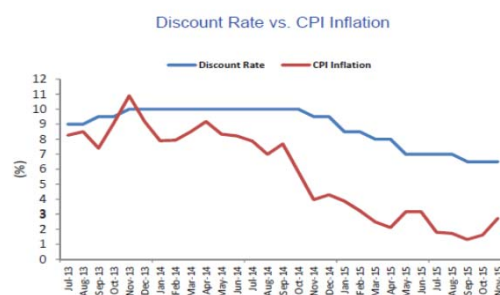
For the month of December 2015



## Macro Review and Outlook:

Pakistan observed substantial economic progress over CY15, with improvement seen across majority of indicators. Much of this improvement was owed to the low commodity cycle, which mainly benefits trade deficit countries like Pakistan that import oil and petroleum products. Owing to low crude oil prices, headline inflation averaged at 2.54% YoY over the year – a multi-decade low level for Pakistan. Price declines were mainly due to the oil import bill, which saw a reduction of 39% YoY. Low oil prices not only lowered import bill (-9%) and improved trade deficit (-20%), but also kept incremental circular debt in check.

In December 2015, the Consumer Price Index (CPI) registered an increase of 3.2% YoY. Going forward, we expect a slight uptick in inflation driven by low base of last year. Incorporating a minuscule uptick in food inflation, we expect inflation for the second half to average around 4.8% extending the yearly average to 3.4%. Given the benign outlook on inflation, we expect the monetary authority to keep policy rate intact at 6% in the next policy meeting. During the month, the US Federal Reserve increased the Fed funds rate by 25 basis points. The Fed has indicated to further increase interest rates gradually which is expected to guide global equity and bond markets.

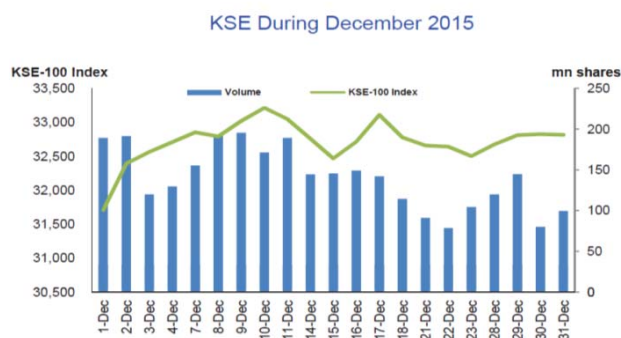


## Equity Market Review and Outlook:

The local equity market posted a return of 2.1% over the outgoing CY15 as the KSE-100 index rose from 32,131 points to 32,816 points. Average daily volumes were only marginally up (+5%) from 136mn (CY14) shares to 143mn (CY15) shares. Despite having multi-decade low discount rate of 6.5% in Sep'15, the equity market posted a sluggish performance, especially over the latter half of the year. This can be attributed to the downward trend in the Oil and Gas sector (-31%) and the Banking sector (-15%). US Federal Reserve rate hike anticipation, regional currency devaluation, ensuing global equity slump, foreign selling and economic slowdown in China also restrained the local equity market.

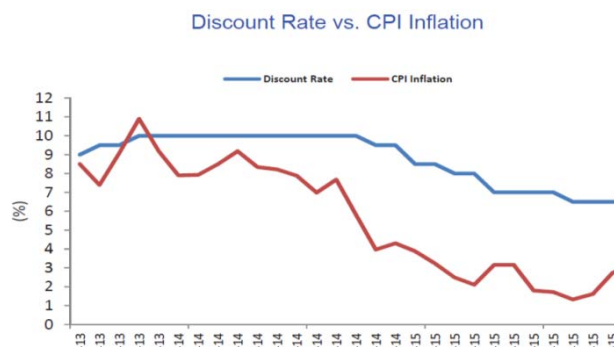
In Dec-2015, the benchmark KSE-100 index managed to post a modest gain of 1.74% during the month despite continuous foreign selling. KSE-100 index trades at a forward P/E ratio of 8.7x against regional P/E ratio of 14.6x (40% discount) and provides a dividend yield of 6%. Further rate hikes by Federal Reserve could guide global fund flows and could have spill over effect on Pakistani market.

However, possible inclusion of Pakistan in MSCI Emerging Market index from Frontier Index will give room for foreign inflows moving forward.



## Money Market Review and Outlook:

On account of record low inflation, the State Bank of Pakistan instituted aggressive monetary policy over CY15 by slashing the discount rate by 300bps to 6.5%. The year was particularly generous to bond fund managers who maintained high duration PIB exposures. Yields slipped substantially on these longer-tenor instruments, generating higher returns through capital gains. The easing cycle brought down bond yields by 234bps (3Y), 151bps (5Y) and 131bps (10Y) over CY15. With inflation having reversed from its low of 1.31% in Sept-15, further monetary easing has come to a halt. In latest PIB auction, mainly due to end of calendar year, a cautious approach was witnessed by the issuer and participants where bids worth PKR 136 billion were received out of which only an amount of PKR 33 billion were accepted with no change in year 3 Year and 5 Year PIB and a 5 bps decline in 10 Years PIB cut off.



# IGI FutureSecure Adventurous Fund- IHA

For the month of December 2015



## INVESTMENT OBJECTIVE:

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

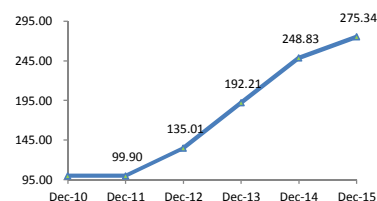
## FUND INFORMATION:

<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-Feb-10

## RETURNS:

During the month the fund generated an absolute return of 4.16% against its last month absolute return of -2.54%.

### Value of 100 Rupees invested 5 years ago

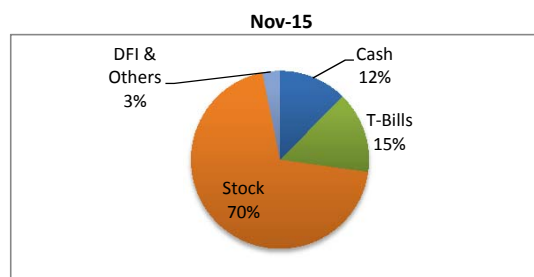
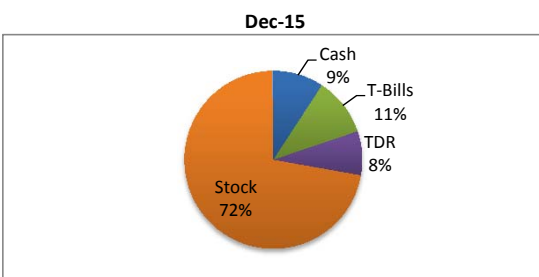


## ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
<b>NAV per Unit (PKR)</b>	321.68	308.83	4.16%
<b>Net Assets Value (PKR '000)</b>	45,886	44,648	2.77%

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

## ASSET ALLOCATION \*:

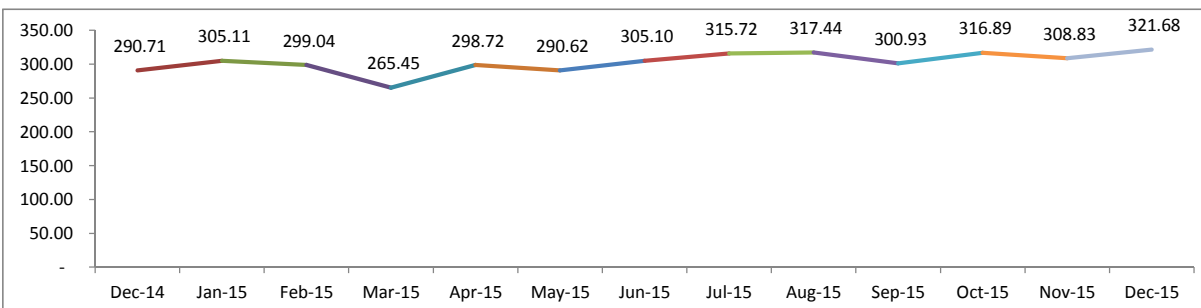


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI FS Aggressive Fund - IHA	4.16%	1.51%	6.89%	5.43%	10.65%	10.65%	37.88%

## IGI FutureSecure Aggressive Fund - IHA 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 FutureSecure Balanced Fund- IHB

For the month of December 2015



## INVESTMENT OBJECTIVE:

The investment objective of the Fund is to earn competitive return by investing in various asset classes/instruments based on the market outlook.

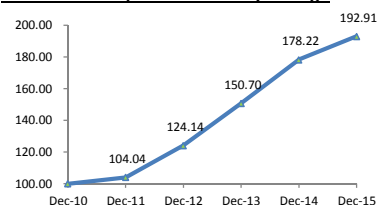
## FUND INFORMATION:

<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>	18-Feb-10

## RETURNS:

During the month the fund generated an absolute return of 2.32% against its last month absolute return of -1.10%.

### Value of 100 Rupees invested 5 years ago

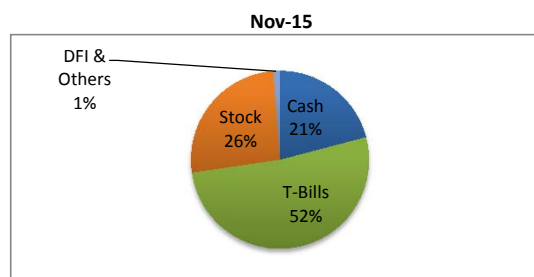
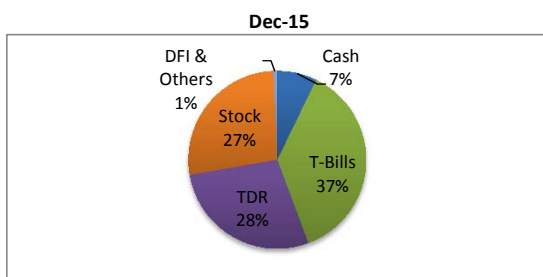


## ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
<b>NAV per Unit (PKR)</b>	202.06	197.48	2.32%
<b>Net Assets Value (PKR '000)</b>	177,685	179,234	-0.86%

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

## ASSET ALLOCATION \*:

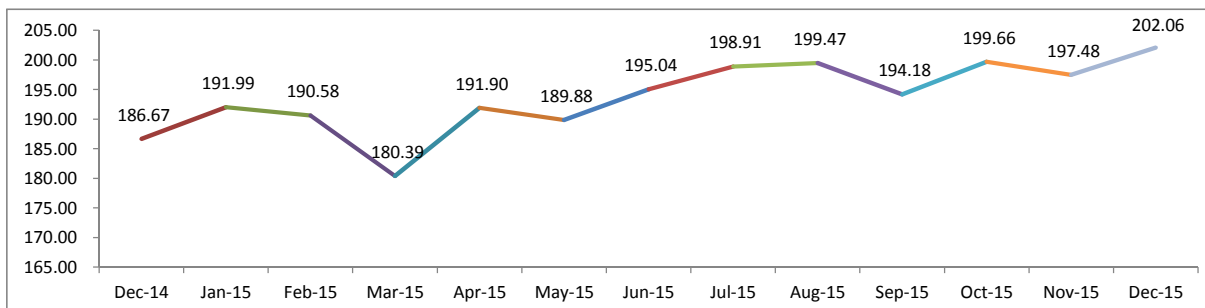


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI FS Balanced Fund - IHB	2.32%	1.20%	4.06%	3.60%	8.24%	8.24%	17.38%

## IGI FutureSecure Balanced Fund - IHB BID PRICE:



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# IGI FutureSecure Cautious Fund- IHC

For the month of December 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.

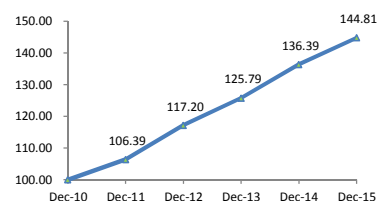
## FUND INFORMATION:

<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>	18-Mar-10

## RETURNS:

During the month the fund generated an absolute return of 0.42% against its last month absolute return of 0.40%.

### Value of 100 Rupees invested 5 years ago

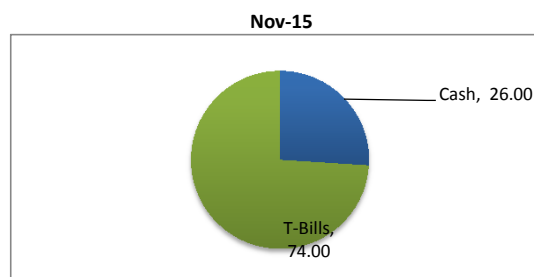
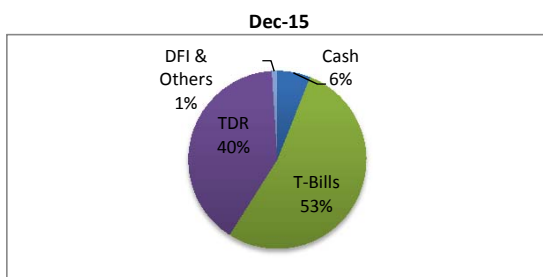


## ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
<b>NAV per Unit (PKR)</b>	141.05	140.46	0.42%
<b>Net Assets Value (PKR '000)</b>	42,981	42,383	1.41%

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

## ASSET ALLOCATION \*:

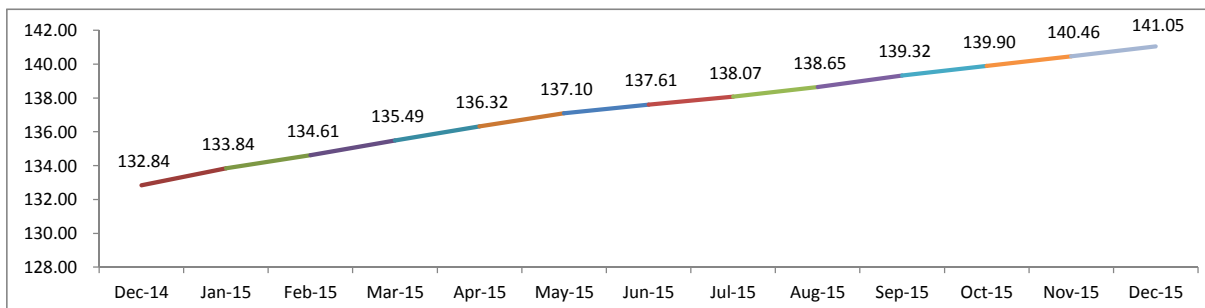


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI FS Cautious Fund - IHC	0.42%	0.82%	1.24%	2.50%	6.18%	6.18%	7.08%

## IGI FutureSecure Cautious Fund - IHC BID PRICE:



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# IGI FutureSecure Secure Fund- IHS

For the month of December 2015



## INVESTMENT OBJECTIVE:

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

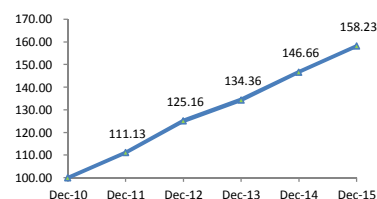
## FUND INFORMATION:

Strategy	Govt. Securities
Risk Profile	Low
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	18-Mar-10

## RETURNS:

During the month the fund generated an absolute return of 1.40% against its last month absolute return of -0.72%.

### Value of 100 Rupees invested 5 years ago

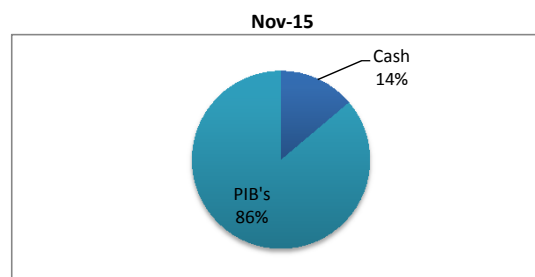
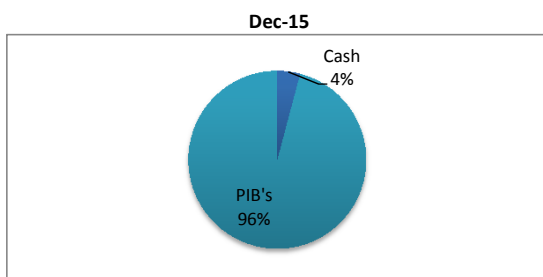


## ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
NAV per Unit (PKR)	172.06	169.68	1.40%
Net Assets Value (PKR '000)	13,298	13,132	1.27%

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

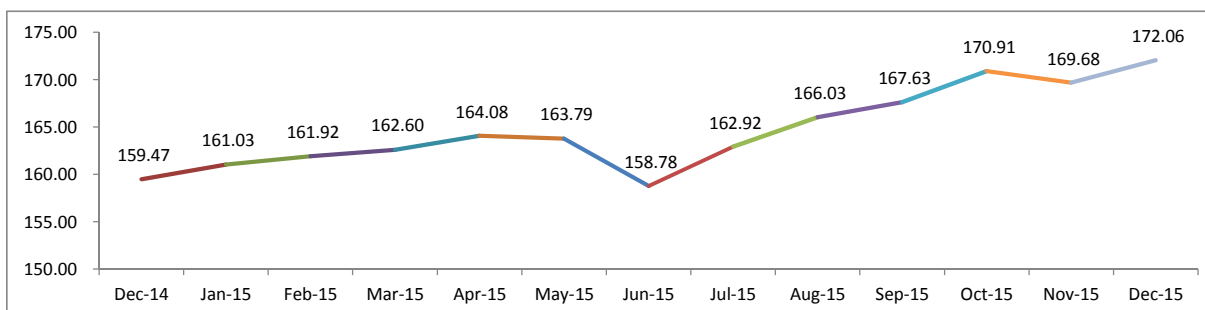
## ASSET ALLOCATION:



## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI FS Secure Fund - IHS	1.40%	0.67%	2.64%	8.36%	7.89%	7.89%	12.44%

## IGI FutureSecure Secure Fund - IHS BID PRICE:



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