

IGI | Life

Funds Performance Report DECEMBER 2015



IGI Life Insurance Limited

FUND MANAGER REPORT

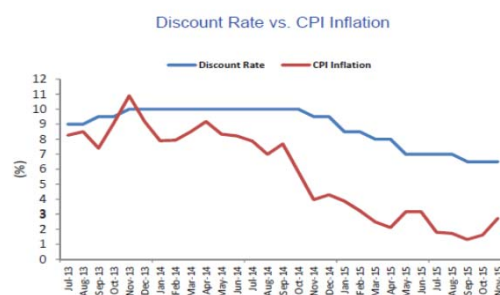
For the month of December 2015



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.

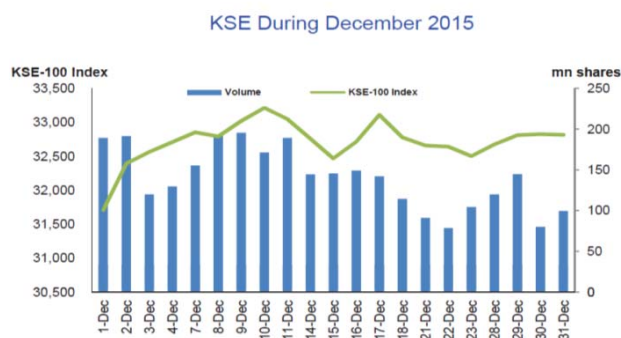


Equity Market Review and Outlook:

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.

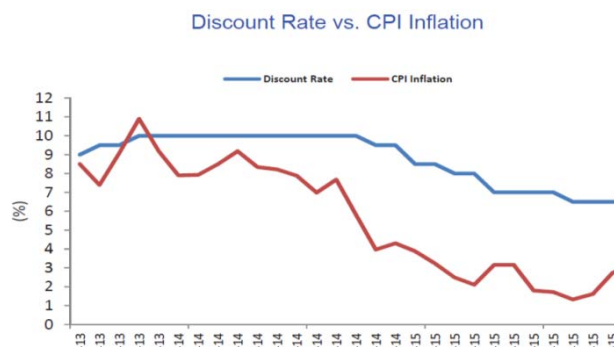
In Dec-2015, the benchmark KSE-100 index managed to post a modest gain of 1.74% during the month despite continuous foreign selling. KSE-100 index trades at a forward P/E ratio of 8.7x against regional P/E ratio of 14.6x (40% discount) and provides a dividend yield of 6%. Further rate hikes by Federal 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 Sarmaya Pakistan Income Fund - SPI

For the month of December 2015



INVESTMENT OBJECTIVE:

The objective of the Fund is to deliver competitive above inflation returns primarily from debt and fixed income investments without taking excessive risk. The fund is suited for investors with low risk tolerance.

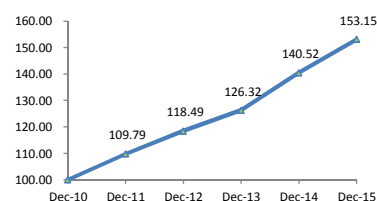
FUND INFORMATION:

Strategy	Fixed Income
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 0.41% against its last month absolute return of 0.04%.

Value of 100 Rupees invested 5 years ago

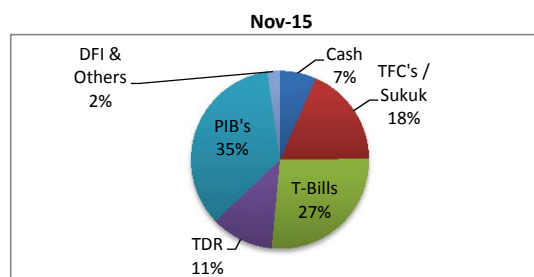
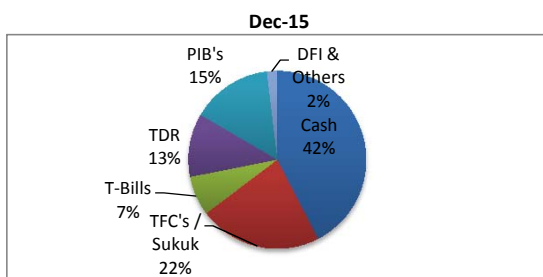


ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
NAV per Unit (PKR)	162.26	161.59	0.41%
Net Assets Value (PKR '000)	5,194	5,901	-11.97%

Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

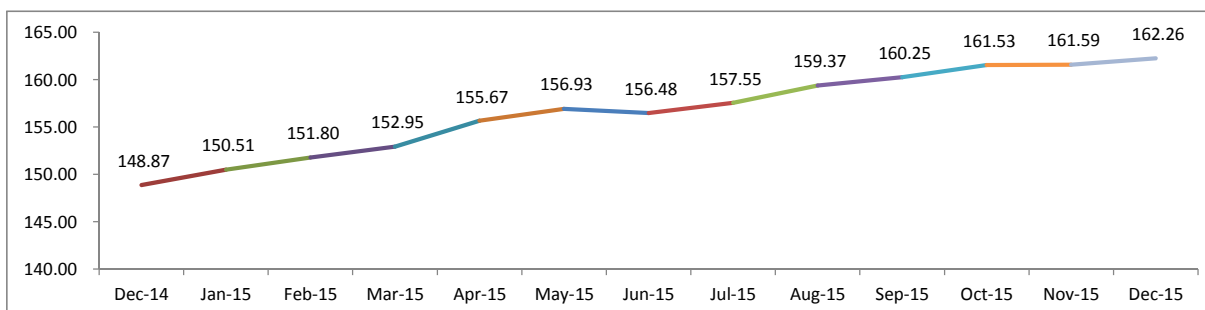


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
Sarmaya Pakistan Income - SPI	0.41%	0.45%	1.25%	3.69%	8.99%	8.99%	11.42%

IGI Sarmaya Pakistan Income Fund - SPI 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 Sarmaya United Growth & Income Fund - SUG

For the month of December 2015



INVESTMENT OBJECTIVE:

Invest in medium to long-term fixed income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

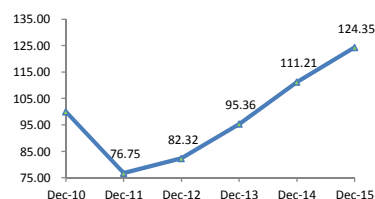
FUND INFORMATION:

Strategy	Fixed Income
Risk Profile	Moderate
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	05-Aug-10

RETURNS:

During the month the fund generated an absolute return of 0.64% against its last month absolute return of 0.47%.

Value of 100 Rupees invested 5 years ago

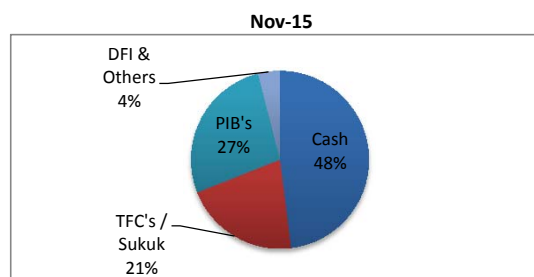
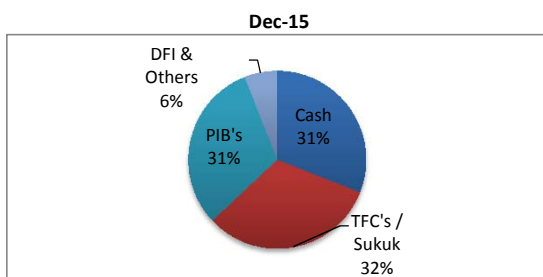


ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
NAV per Unit (PKR)	121.16	120.39	0.64%
Net Assets Value (PKR '000)	2,034	2,023	0.51%

Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

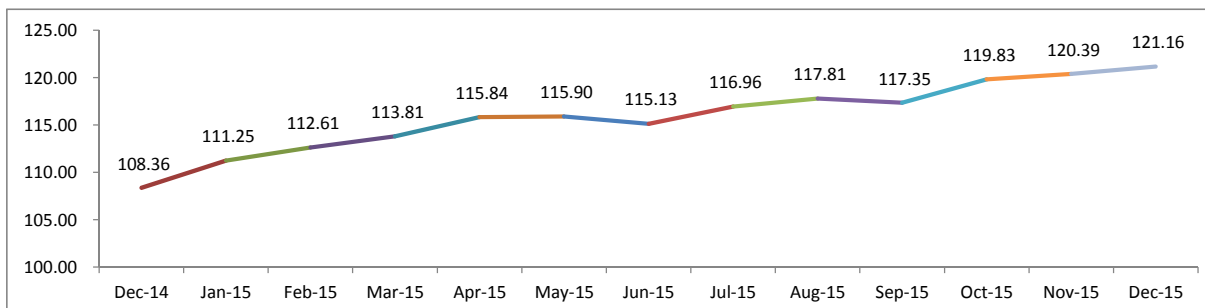


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
Sarmaya United Growth - SUG	0.64%	1.12%	3.25%	5.24%	11.82%	11.82%	3.91%

IGI Sarmaya United Growth Income Fund - SUG BID PRICE:



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IGI Sarmaya Pakistan Stock Fund - SPS

For the month of December 2015



INVESTMENT OBJECTIVE:

The objective of the fund is to provide investors long term capital appreciation through its investment in Pakistani equities. This fund is suited for investors with medium to long term horizon and high risk tolerance.

FUND INFORMATION:

Strategy	Equity
Risk Profile	High
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	03-Feb-11

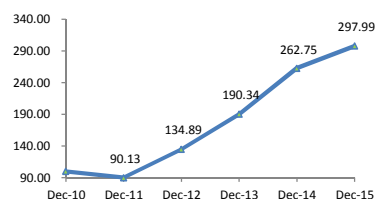
RETURNS:

During the month the fund generated an absolute return of 1.90% against its last month absolute return of -4.01%.

ASSETS UNDER MANAGEMENT:

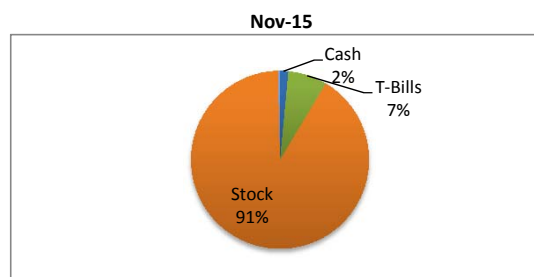
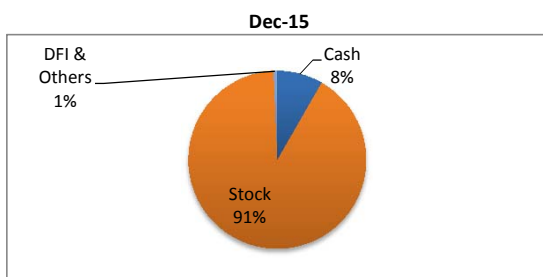
	Dec-15	Nov-15	MoM %
NAV per Unit (PKR)	297.99	292.45	1.90%
Net Assets Value (PKR '000)	7,320	7,954	-7.97%

Value of 100 Rupees invested 5 years ago



Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

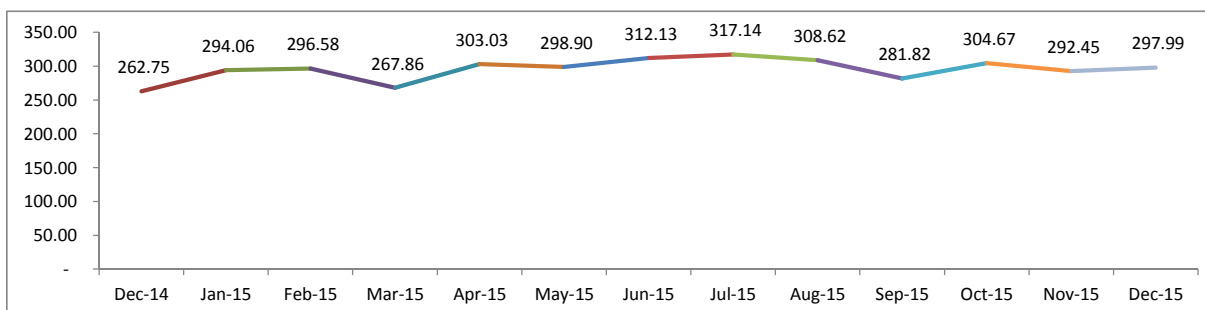


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
Sarmaya Pakistan Stock - SPS	1.90%	-2.19%	5.74%	-4.53%	13.41%	13.41%	40.31%

IGI Sarmaya Pakistan Stock Fund - SPS BID PRICE:



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IGI Sarmaya United Stock Fund - SUS

For the month of December 2015



INVESTMENT OBJECTIVE:

The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of listed equity securities offering long term capital gains and dividend yield potential.

FUND INFORMATION:

Strategy	Equity
Risk Profile	High
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	05-Aug-10

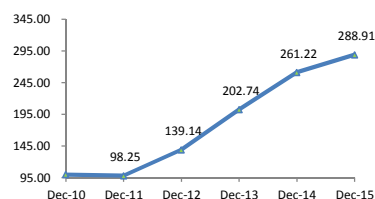
RETURNS:

During the month the fund generated an absolute return of 4.66% against its last month absolute return of -2.94%.

ASSETS UNDER MANAGEMENT:

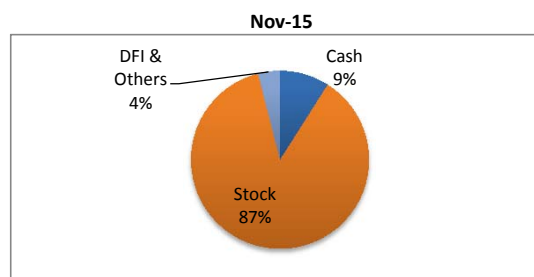
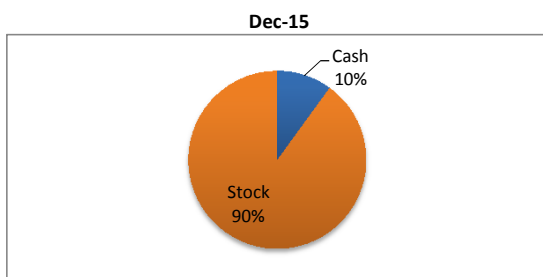
	Dec-15	Nov-15	MoM %
NAV per Unit (PKR)	346.29	330.87	4.66%
Net Assets Value (PKR '000)	28,142	26,926	4.52%

Value of 100 Rupees invested 5 years ago



Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

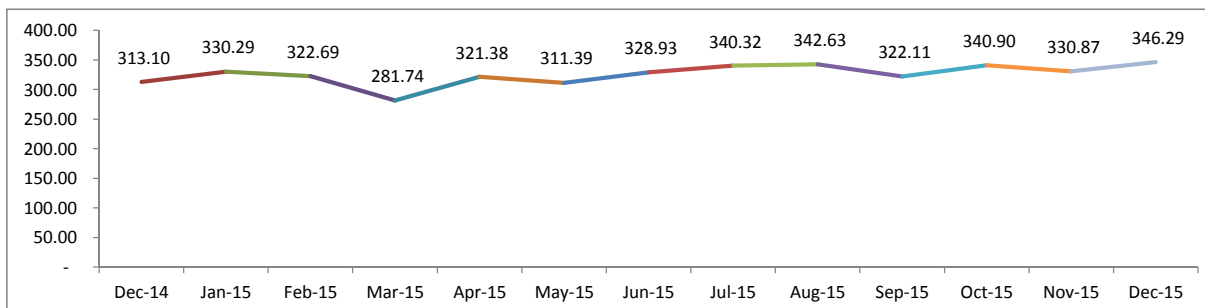


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
Sarmaya United Stock - SUS	4.66%	1.58%	7.50%	5.28%	10.60%	10.60%	45.52%

IGI Sarmaya United Stock Fund - SUS BID PRICE:



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IGI Sarmaya Secure Fund - SSE

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.

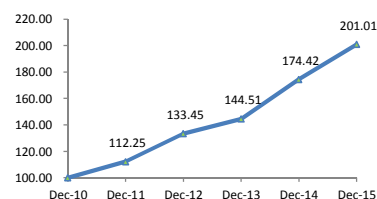
FUND INFORMATION:

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

RETURNS:

During the month the fund generated an absolute return of 0.74% against its last month absolute return of -0.48%.

Value of 100 Rupees invested 5 years ago

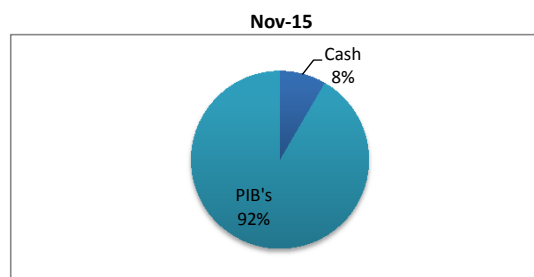
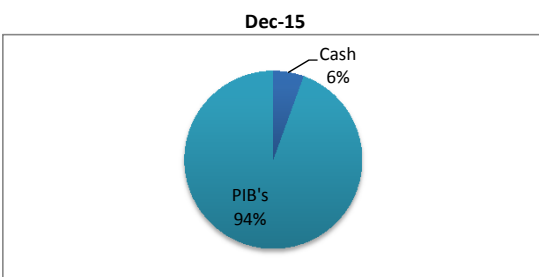


ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
NAV per Unit (PKR)	210.86	209.30	0.74%
Net Assets Value (PKR '000)	3,183,632	3,079,803	3.37%

Note: Fund returns are gross of management fee.

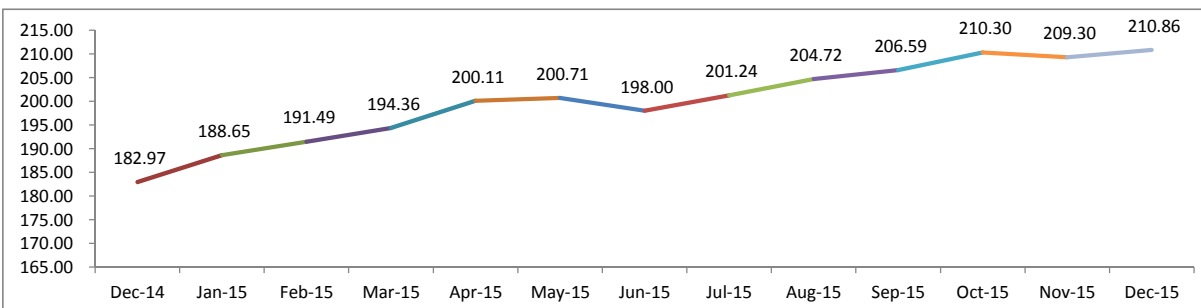
ASSET ALLOCATION:



FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Sarmaya Secure - SSE	0.74%	0.26%	2.07%	6.49%	15.24%	15.24%	20.34%

IGI Sarmaya Secure Fund - SSE BID PRICE:



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IGI Sarmaya United Money Market Fund - SUI

For the month of December 2015



INVESTMENT OBJECTIVE:

The objective of Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing more than 50% of the portfolio in short term government securities

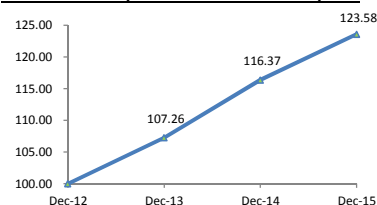
FUND INFORMATION:

Strategy	Fixed Income
Risk Profile	Low
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	19-Jul-12

RETURNS:

During the month the fund generated an absolute return of 0.42% against its last month absolute return of 0.41%.

Value of 100 Rupees invested since inception

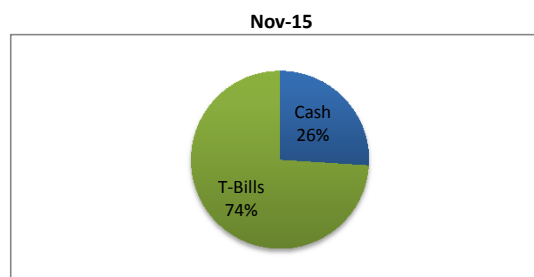
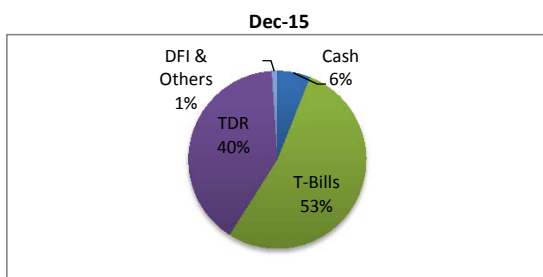


ASSETS UNDER MANAGEMENT:

	Dec-15	Nov-15	MoM %
NAV per Unit (PKR)	129.20	128.65	0.42%
Net Assets Value (PKR '000)	29,388	29,308	0.28%

Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

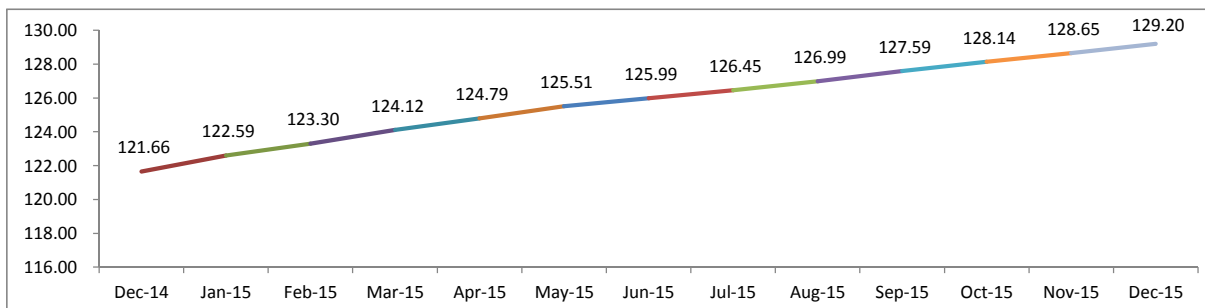


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
Sarmaya United Money - SUI	0.42%	0.83%	1.26%	2.55%	6.20%	6.20%	8.45%

IGI Sarmaya United Money Market Fund - SUI BID PRICE:



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