

# IGI | Life

## Funds Performance Report November 2017



**IGI Life Insurance Limited**

# FUND MANAGER REPORT

## For the month of November 2017

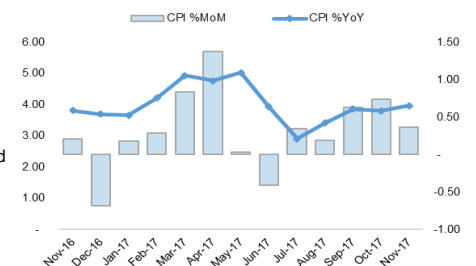


### Macro Review and Outlook:

#### Non-food prices continue to lead inflation; Food index posts modest gain

For the month of Nov-17, headline inflation rose by +3.96%YoY against +3.81%YoY in the same period last year. This brings 5MFY18 average inflation to +3.59%YoY compared to 5MFY17 average inflation of +3.94%YoY. The food basket continues to post modest growth, rising by +2.39%YoY in Nov-17 compared to +3.35%YoY in Nov-16 while Non-food basket has depicted much faster growth in prices, recording +5.08%YoY increase in Nov-17 compared to +4.15%YoY in the same period last year. Key contributors to this uptick in prices continue to be house rent index (HRI) (up +6.49%YoY), transport index (up +4.61%YoY), education index (up +12.40%YoY) and food index (up +3.44%YoY). Following a 10bps decline in each of the last 3 months, core inflation rose by +20bps to post +5.5%YoY, underlining the existence of demand pull inflationary pressure in the economy which could undo the subdued headline inflation if food and energy prices were to recover in the near future.

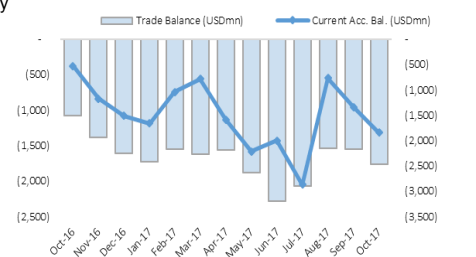
#### CPI Inflation



#### Current account balance reached a deficit of USD 1.3bn in the month of Oct-17:

As per the most recent data, country's Current Account deficit (C/a) for 4MFY18 rose to USD 5.01bn (4.4% of GDP), up by +121.9%YoY from USD 2.3bn in same period last year. To recall, C/a deficit posited USD 12.1bn (4% of GDP) in FY17 primarily due to upsurge in trade deficit and slowdown in remittances. FY18 is on a similar track, with Oct-17 C/a deficit adding USD 1.3bn to post a total of USD 5.01bn 4MFY18 deficit. However, we expect the growth rate of deficit to slowdown as low base effect from FY17 starts to ware off from Nov-16 onwards.

#### External Account



#### FX Reserves slightly down by 4.6%MoM in Nov-17:

FX reserves by the end of Nov-17 stood at USD 18.7bn as compared to USD 19.6bn in Oct-17 (down ~839mn).

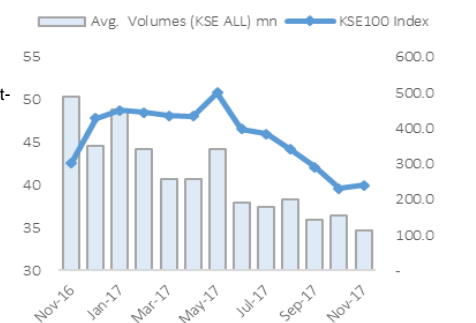
### Equity Market Review and Outlook:

#### Index up by a meagre +1%MoM in Nov-17 due to economic concerns and continued political instability:

After plunging by 6.6%MoM in Oct-17, the benchmark index showed some resistance, growing by 1%MoM in Nov-17. KSE100 index crawled back to above 40k level from 39,617 witnessed in Oct-17 (up by 393 points). However, the index remained low primarily due to a) Political instability b) Continuous foreign selling c) lower daily traded volumes and d) concerns related to the economy.

During Nov-17, average trading volumes of the market were recorded at 113mn shares compared to 156mn shares in Oct-17, depicting a decline of 27.4%MoM. The lower volumes during the month highlight the subdued investor sentiment due to the aforementioned factors.

#### KSE 100



#### Leaders and Laggards by Market Capitalization:

In the month of Nov-17, wherein index posted a return of +1%MoM, top performing sectors with significant weightage in the index included Oil & Gas exploration companies (up +6%MoM) and Tobacco (up +13%MoM) while top laggards included food & Personal care products (down 7%MoM) and refineries (down 14%MoM).

Volume wise, power generation & distribution took the lead with average daily traded volume rising to 11.73mn shares followed by technology & communication, reaching 9.08mn shares in Nov-17.

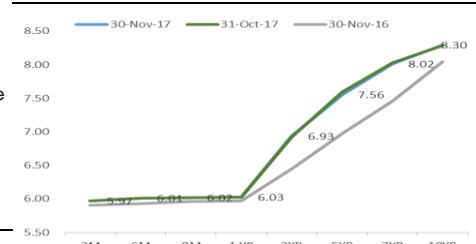
#### Key domestic/international news:

- SBP kept the policy rate unchanged at 5.75% to achieve targeted growth rate of 6% in FY18.
- OPEC meeting ended in mutual consensus to extend production cuts by a period of 9 months starting March-18.
- The government of Pakistan closed down FO based power generating plants during the month of Nov-17, restarting the plants by the end of Nov-17 due to its impact on the whole energy chain.

### Money Market Review and Outlook:

During the month, money market traded close to the target rate amid regular liquidity injections (8x OMO injections) by SBP at close to policy rate. Open Market Operations (OMO) maturity witnessed a slight increase in maturity size to PKR 1,588bn at month end compared to PKR 1,375bn last month. Investors remained biased towards short term bills as evident by a massive cumulative participation of PKR 1,885bn in T-bills auctions versus a target of PKR 1,200bn which was mainly concentrated in 3 months paper. The central bank accepted total bids worth PKR 1,314bn with cut-off rates unchanged from the previous month. Moving forward, market is expected to remain range bound given stable interest rate environment.

#### Yield Curve



# IGI Takaful Aggressive Fund-TAF

## For the month of November 2017



### INVESTMENT OBJECTIVE:

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

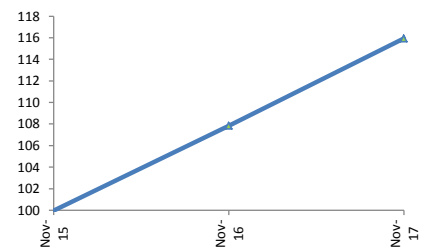
### FUND INFORMATION:

Strategy	Fixed Income / Equity
Risk Profile	High
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	21-Sep-15

### RETURNS:

During the month the fund generated an absolute return of 0.58% against its last month absolute return of -2.57%.

#### Value of 100 Rupees invested since inception

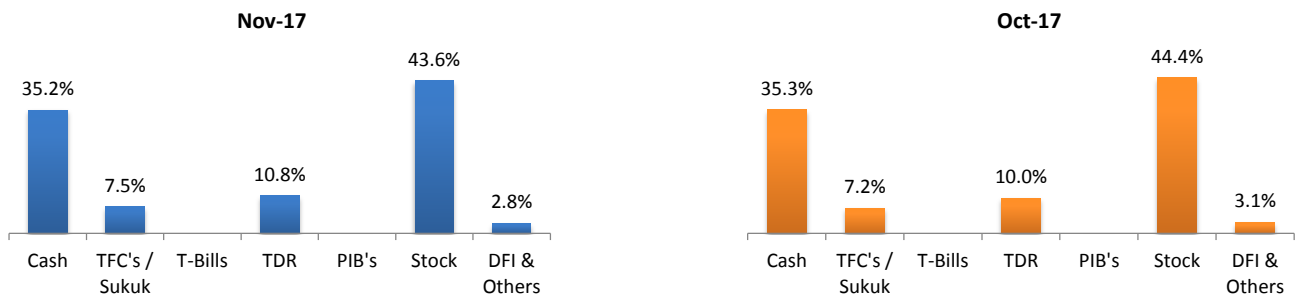


### ASSETS UNDER MANAGEMENT:

	Nov-17	Oct-17	MoM %
NAV per Unit (PKR)	115.9	115.2	0.58%
Net Assets Value (PKR '000)	271,856	241,051	12.78%

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

### ASSET ALLOCATION \*:

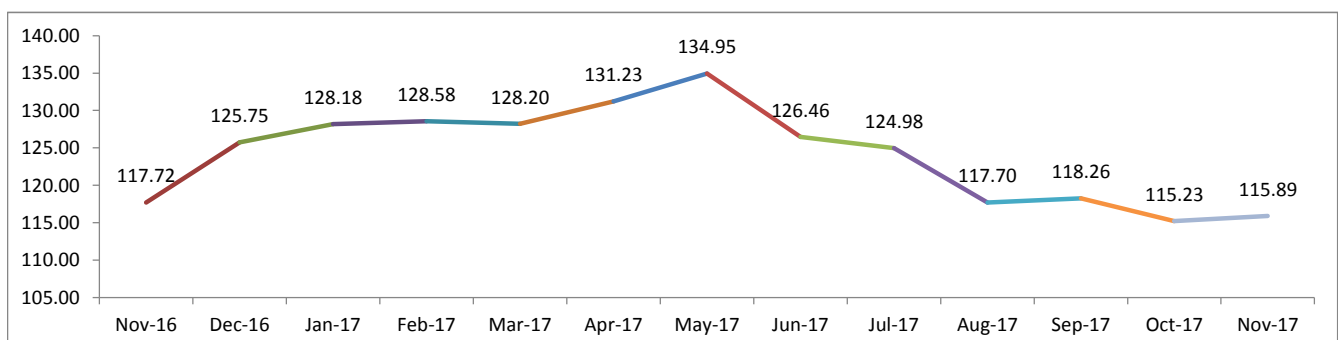


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

### FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	0.58%	-2.01%	-1.54%	-14.12%	-1.55%	-8.57%	6.94%

### 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 Takaful Balanced Fund-TBF

## For the month of November 2017



### INVESTMENT OBJECTIVE:

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

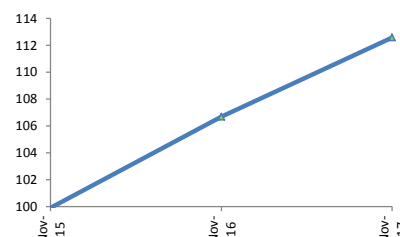
### FUND INFORMATION:

Strategy	Fixed Income / Equity
Risk Profile	Moderate
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	21-Sep-15

### RETURNS:

During the month the fund generated an absolute return of 0.47% against its last month absolute return of -1.29%.

#### Value of 100 Rupees invested since inception

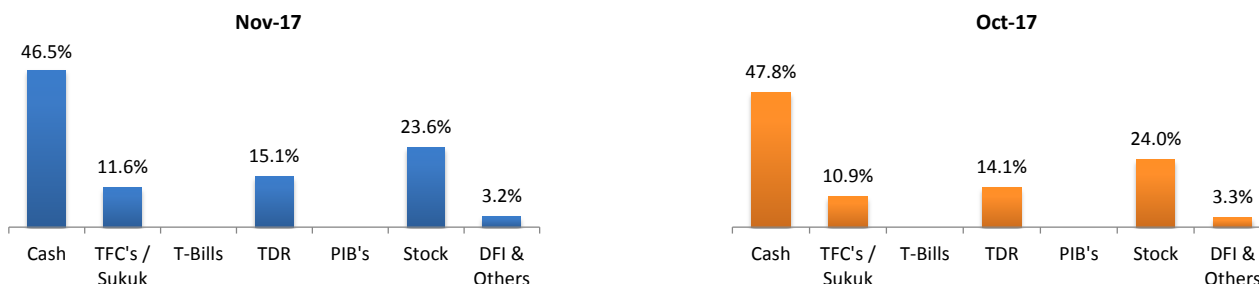


### ASSETS UNDER MANAGEMENT:

	Nov-17	Oct-17	MoM %
NAV per Unit (PKR)	112.5	111.9	0.47%
Net Assets Value (PKR '000)	631,761	550,704	14.72%

Note: Fund returns are gross of management fee.

### ASSET ALLOCATION \*:

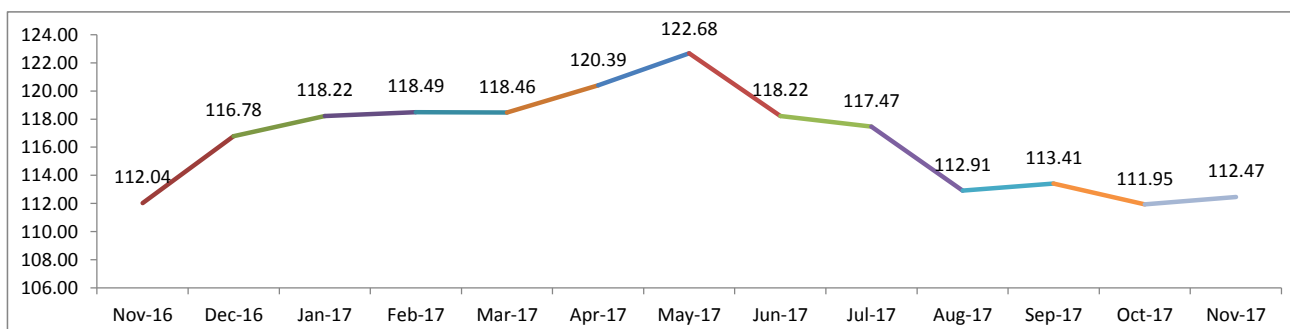


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

### FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	0.47%	-0.83%	-0.39%	-8.32%	0.39%	-4.04%	5.49%

### IGI Balanced Fund - IBF BID PRICE:



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# IGI Takaful Conservative Fund - TCF

## For the month of November 2017



### 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 Shariah compliant investments yielding competitive returns.

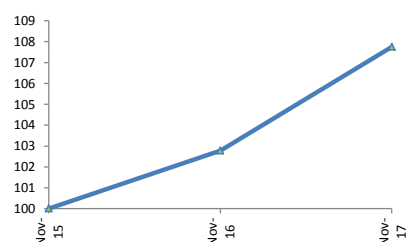
### FUND INFORMATION:

Strategy	Fixed Income
Risk Profile	Low
Pricing Mechanism	Daily Forward Pricing
Pricing Days	Monday to Friday
Management Fee	1.5%
Launch Date	21-Sep-15

### RETURNS:

During the month the fund generated an absolute return of 0.37% against its last month absolute return of 0.03%.

#### Value of 100 Rupees invested since inception

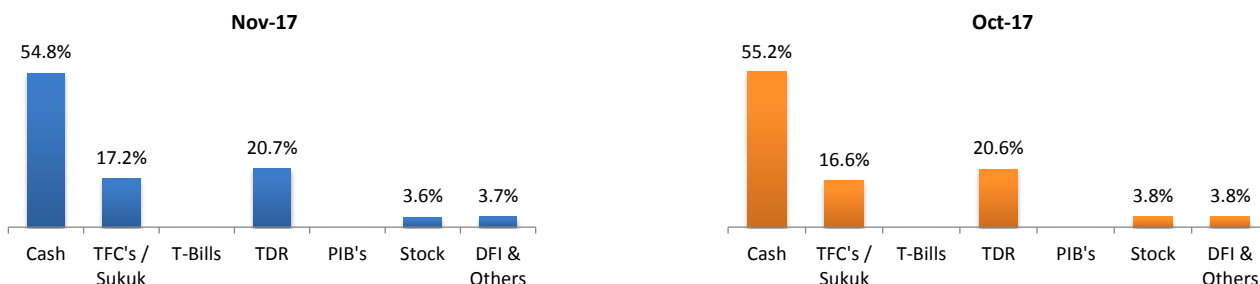


### ASSETS UNDER MANAGEMENT:

	Nov-17	Oct-17	MoM %
NAV per Unit (PKR)	107.8	107.4	0.37%
Net Assets Value (PKR '000)	40,746	38,508	5.81%

Note: Fund returns are gross of management fee.

### ASSET ALLOCATION \*:

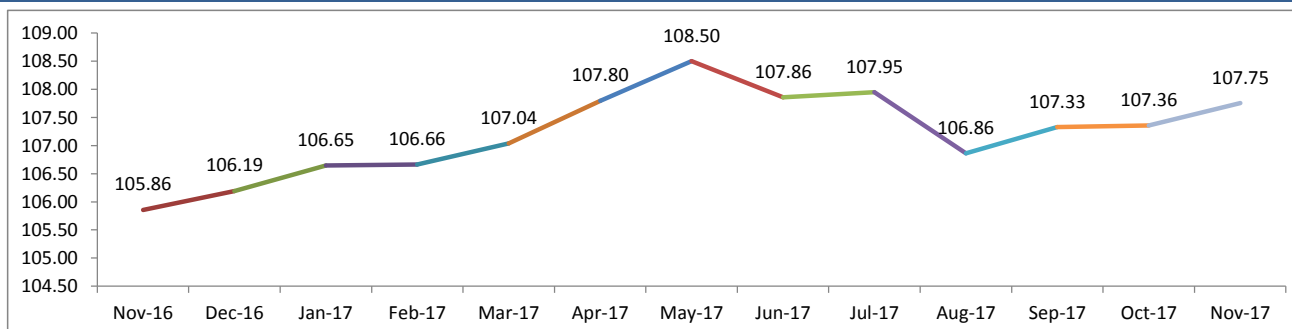


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

### FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.37%	0.40%	0.84%	-0.69%	1.79%	1.61%	3.46%

### IGI Conservative Fund - ICF BID PRICE:



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