

IGI | Life

Funds Performance Report July 2018



IGI Life Insurance Limited

Fund Manager Report For the month of July 2018



Macro Review and Outlook:

CPI for the month of Jul-18 up by 5.83%YoY:

For the month of Jul-18, headline inflation rose by +5.83%YoY against +2.91%YoY in the same period last year. On monthly basis inflation inched up by +0.93%. Key contributors to this uptick in prices continue to be house rent index (HRI) (up +7.60%YoY), transport index (up +16%YoY), education index (up +13.0%YoY) and food index (up +3.53%YoY). Food basket as a whole registered a meagre +3.67%YoY inflation due to slowdown in growth of perishables' prices while non-food inflation continued its robust upward trend, up 7.4%YoY, on the back of HRI index, education index and motor fuel prices. At the same time, during the month, core inflation remained at +7.07%YoY.

Current account balance reached a deficit of USD 1.84bn in month of Jun-18

During the month of Jun-18, Current account deficit surged by 29%YoY to USD 1.84bn, on the back of worsening trade balance. For FY18 collectively, current account deficit struck at USD 17.4bn, rising significantly by +68%YoY due to growth in imports, up by +16.7%YoY, slight decrease in remittances by 1.6% YoY and relatively flat foreign direct investment (USD 2.74bn).

During the Month of Jun-18, Country's exports remained decreased by 10%MoM to USD 2.01bn, while import bill witnessed an increase of +10%MoM to USD 5.1bn. Resultantly, trade term for the month worsened further, wherein, Country's trade deficit reached USD 3.1bn, rising by 7%MoM.

FX Reserves up by a mere +4.2%MoM in Jul-18

FX reserves by the end of Jul-18 stood at USD 17.1bn as compared to USD 16.4bn in Jul-18 (up by 0.7bn).

Equity Market Review and Outlook:

Political noise unsettled the market in Jul-18

Following declining trend in Jun-18, wherein KSE-100 recorded a level of 41,910.9 points, the market exhibited mixed performance for Jul-18 with index down to 39,875 points and moving up to close at 42,712.4 points by the month end, depicting a decline of 801 points (2%MoM). The activity in the market can be attributed to a) PKR depreciation against USD, b) increase in policy rate by 100bps and c) political turmoil during General election.

Average daily volumes rose by +12%MoM to 182 mn shares while average traded value came up by +2%MoM to USD 63.4mn.

Leaders and Laggards:

The biggest laggard was the Automobile Parts & Accessories, pulling the index down by 13%. The aforesaid sector was followed by, Automobile Assembler, Insurance, Food & Personal Care Products and Oil & Gas Marketing Companies dragging index down by 13%, 9% and 7% respectively. On the other hand, Fertilizer contributed most to the index gain, pulling it up by 7%, while Textile Spinning (+4%) and Synthetic & Rayon (+5%) were amongst the other major contributors.

Key domestic/international news

- PKR depreciation against USD
- political turmoil during General election
- Increase in policy rate

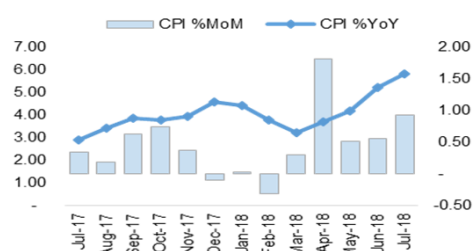
Money Market Review and Outlook:

Money Market Review

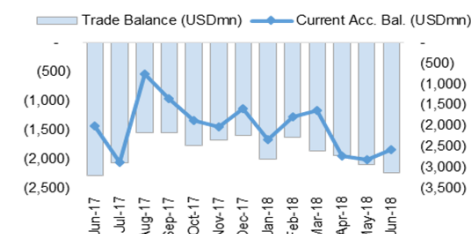
The SBP conducted two T-bill auctions during the month of Jul-18 with a cumulative target of PKR 3,000bn against maturity of PKR 3,374bn. The total accepted amount was PKR 3470.5bn out of which PKR 3,470.2bn was for 3M tenor (excluding non-competitive bids). For 3M and 6M tenor the cut-off yields increased by 100bps (on the back policy rate hike) to 7.75% and 7.85% respectively. However, not a single bid was received for 12M tenor. Moreover, during second week of the month SBP conducted PIB auction with a target of PKR 50bn against maturity of PKR 510bn. Cumulative participation of PKR 6.9bn was received in 3Y and 5Y tenors. In the last week of the month, Government injected PKR 1,375bn at 7.53% p.a through an OMO. During the month, yields across all the tenors increased by 27-93bps after increase in policy rate.

Source: SBP, PBS, Bloomberg

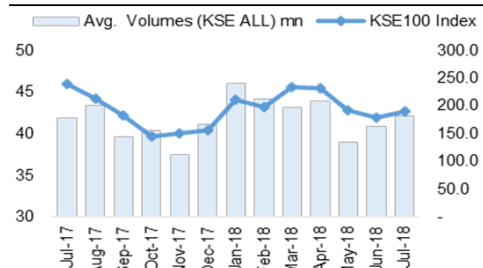
CPI Inflation



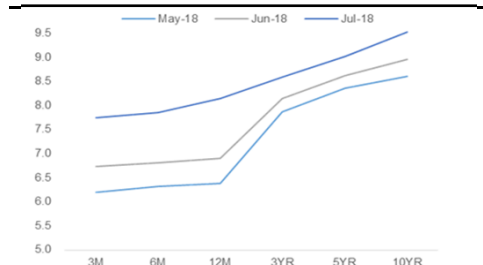
External Account



KSE 100



Yield Curve



IGI Takaful Aggressive Fund-TAF

For the month of July 2018



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.

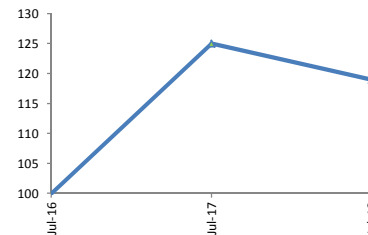
FUND INFORMATION:

| | |
|--------------------------|-----------------------|
| 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 0.72% against its last month absolute return of -1.12%.

Value of 100 Rupees invested since inception

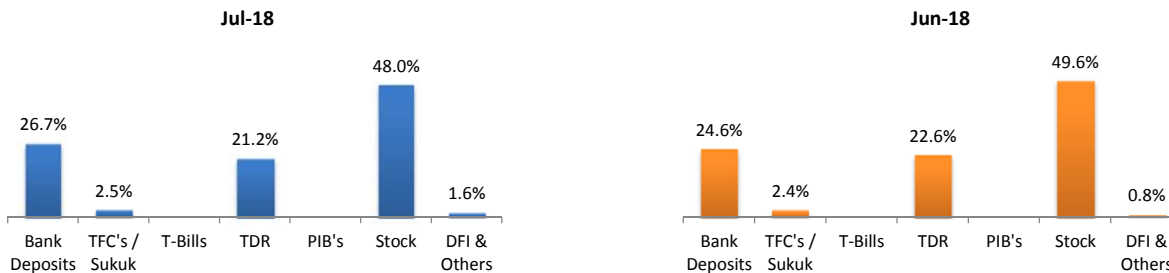


ASSETS UNDER MANAGEMENT:

| | Jul-18 | Jun-18 | MoM % |
|------------------------------------|---------|---------|-------|
| NAV per Unit (PKR) | 118.9 | 118.0 | 0.72% |
| Net Assets Value (PKR '000) | 435,722 | 428,403 | 1.71% |

Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

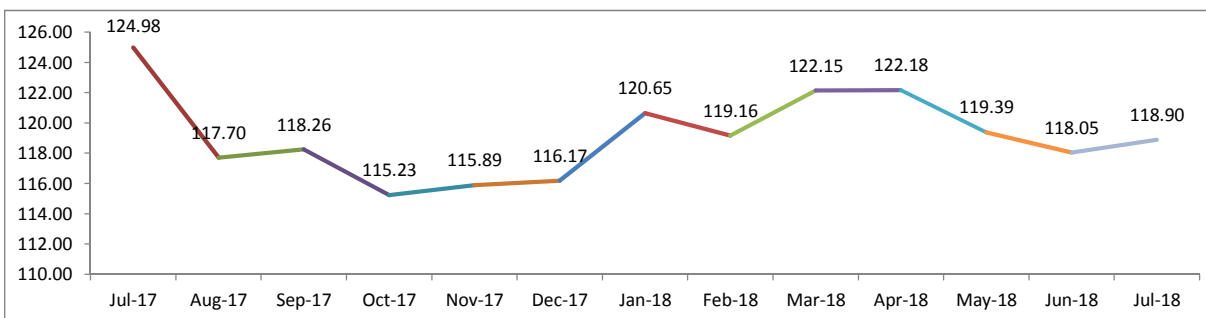


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

| | Absolute Return | | | | | Annualized Return | |
|---------------------------|-----------------|---------|---------|----------|----------|-------------------|-----------------|
| | 30 Days | 60 Days | 90 Days | 180 Days | 365 Days | CYTD | Since Inception |
| IGI Aggressive Fund - IAF | 0.72% | -0.41% | -2.68% | -1.45% | -4.87% | 4.04% | 6.23% |

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 July 2018



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 |

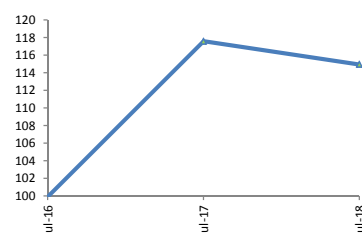
RETURNS:

During the month the fund generated an absolute return of 0.63% against its last month absolute return of -0.62%.

ASSETS UNDER MANAGEMENT:

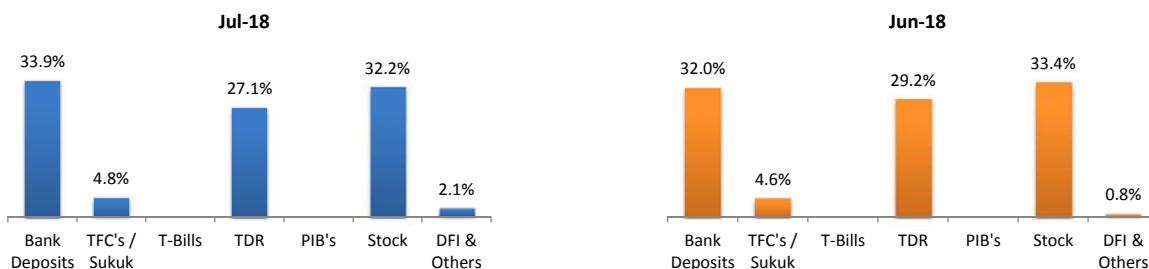
| | Jul-18 | Jun-18 | MoM % |
|-----------------------------|-----------|-----------|-------|
| NAV per Unit (PKR) | 114.8 | 114.1 | 0.63% |
| Net Assets Value (PKR '000) | 1,033,518 | 1,009,881 | 2.34% |

Value of 100 Rupees invested since inception



Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

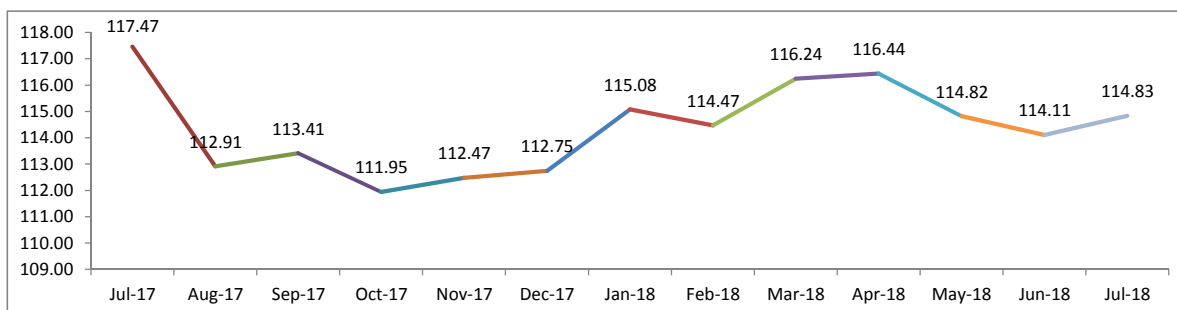


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

| | Absolute Return | | | | | Annualized Return | |
|-------------------------|-----------------|---------|---------|----------|----------|-------------------|-----------------|
| | 30 Days | 60 Days | 90 Days | 180 Days | 365 Days | CYTD | Since Inception |
| IGI Balanced Fund - IBF | 0.63% | 0.01% | -1.38% | -0.21% | -2.24% | 3.18% | 4.95% |

IGI Balanced Fund - IBF 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 Conservative Fund - TCF

For the month of July 2018



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 |

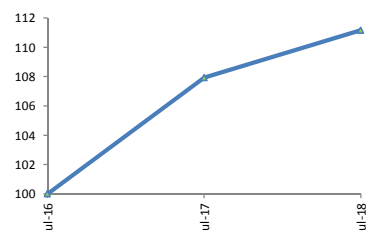
RETURNS:

During the month the fund generated an absolute return of 0.45% against its last month absolute return of 0.35%.

ASSETS UNDER MANAGEMENT:

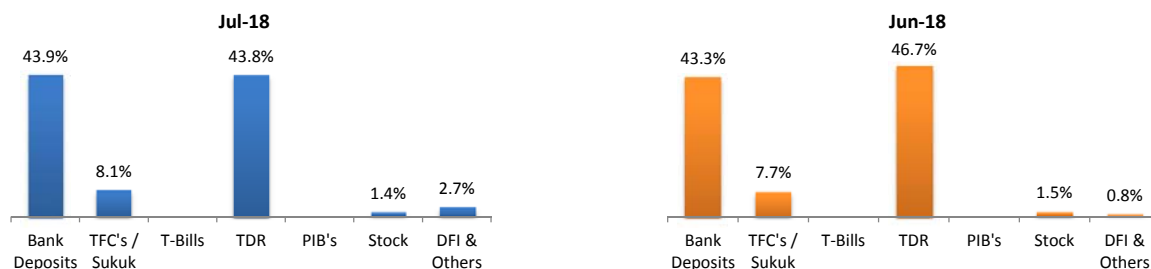
| | Jul-18 | Jun-18 | MoM % |
|-----------------------------|--------|--------|-------|
| NAV per Unit (PKR) | 111.2 | 110.7 | 0.45% |
| Net Assets Value (PKR '000) | 56,966 | 56,670 | 0.52% |

Value of 100 Rupees invested since inception



Note: Fund returns are gross of management fee.

ASSET ALLOCATION *:

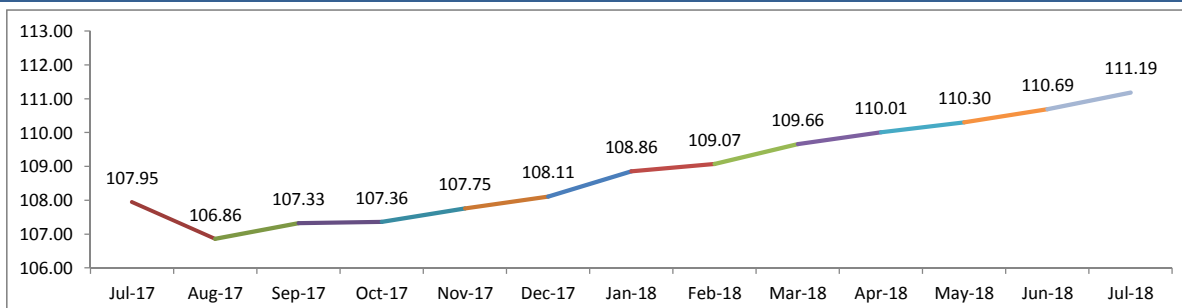


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

| | Absolute Return | | | | | Annualized Return | |
|-----------------------------|-----------------|---------|---------|----------|----------|-------------------|-----------------|
| | 30 Days | 60 Days | 90 Days | 180 Days | 365 Days | CYTD | Since Inception |
| IGI Conservative Fund - ICF | 0.45% | 0.80% | 1.07% | 2.14% | 3.00% | 4.89% | 3.77% |

IGI Conservative Fund - ICF 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.