

# IGI | Life

## Funds Performance Report

August 2018



IGI Life Insurance Limited

## Macro Review and Outlook:

### Non-Food Prices Drove Aug-18 Headline Inflation to 5.8%YoY:

For the month of Aug-18, headline inflation printed a growth of +5.80%YoY 0.2%MoM against +3.42%YoY and +0.2%MoM in the same period last year.

Transport prices were the primary drivers of this month's CPI figures, having recorded a 17.3% YoY increase as international oil prices have risen across the year. Prices of Education, Recreation and Miscellaneous goods have shown most dramatic increases on a yearly basis. Moreover, the depreciation of the PKR against the USD has been a significant contributor to the rise in the prices of consumer goods. A depreciating PKR promises to curb the demand for the imported subset of this basket of goods, however contractual frictions have lagged the potential benefits of a devalued currency, as depicted by WPI, which rose to the highest +11.0%YoY growth compared +1.0%YoY last year same period. Core inflation as denoted by (NFNE) should a downward sticky trend registering a +7.6%YoY growth during the month, while Sensitive Price index (SPI) proxy for food prices took a relief by printing +4.0%YoY growth compared to +4.5%YoY previous month.

### C/a Deficit reached an all-time high of USD 2.2bn in month of Jul-18:

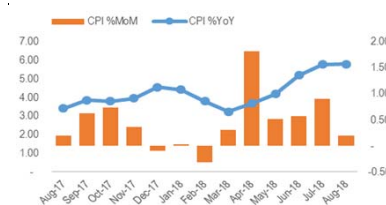
During the month of Jul-18, Current account deficit surged by +7%YoY to USD 2.2bn, on the back of +23%YoY growth in country trade deficit.

Exports during the month grew by +10%YoY to USD 2.0bn, while imports showed a growth of +18%YoY to USD +5.6bn. With no major relief from foreign investments, FX reserve of the country depleted to USD 16.9bn (USD 10.2bn under SBP reserves) leaving less than 2months of import cover. Workers' Remittances owing to Eid-ul-Adha showed a healthy growth of +25%YoY to USD 1.9bn.

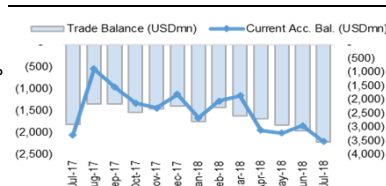
Weakening C/a balance and limited foreign inflow, led to sharp PKR depreciation against USD to reach 124.4 by Jul-18 a depreciation of +18%YoY.

The newly elected PTI led government has indicated reaching out to China, Saudi Arabia and other multi/bilateral agencies for funding Upto USD 12bn in order to rescue further PKR depreciation and to meet country's upcoming external financing arrangement. As result of PKR gained 56paisas ainst USD to close month of Aug-18 at 123.8.

### CPI Inflation



### External Account



## Equity Market Review and Outlook:

### EM sell-off woes and Political noise kept market unsettled in Aug-18

During Aug-18 the equity market observed a drop of 970 points, portraying a negative return of -2.3%MoM (USD-based: -2.3%MoM) compared to a positive return of 1.9% in Jul'18 (USD: -0.3%MoM). This took CY18TD / FY19TD return to +3.1%/-0.4% (USD: -7.9%/-8.8%).

Major reason for negative performance of the bourse was on account of balance of payment concerns tagged with negativity in the investor climate due to depressed sentiment in the emerging markets following the economic crisis in Turkey. To recall, the market remained lackluster at the beginning of the month prior to formation of the government. Whereas US statement regarding contingency attached with IMF loans to not be used to repay China also dragged down investor confidence. Moreover, positivity tied with the oath taking ceremony of PM Imran Khan was also short lived as that incumbent government is expected to take major structural decisions in order to address key economic concerns.

Average volumes during the month went by +2.2%MoM to 190mn shares along with average daily valued traded at USD 95mn (up by 13.2%MoM). On the local front, Insurance / Individuals remained the largest domestic accumulators with a net buy of USD 37.3mn / 30.6mn, while companies and brokers remained sellers of USD 3.0mn and USD 2.7mn, respectively.

Major contribution to index downside was led by Banks, Fertilizer and Cements.

### Foreign selling continued

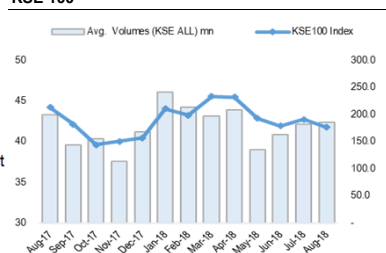
Another month market by selling at the foreign front; scrips worth USD 67.3mn were offloaded in Aug-18 vs. USD 63.7mn in the prior month. Major outflows were observed in E&P's (USD 25.9mn).

### Key news during the month:

WTI fell by 4% given higher rig count in the US

Trade concerns between US and China escalated and spill over effect were seen across major commodities Cements as offtake in Aug-18 remained lacklustre.

### KSE 100



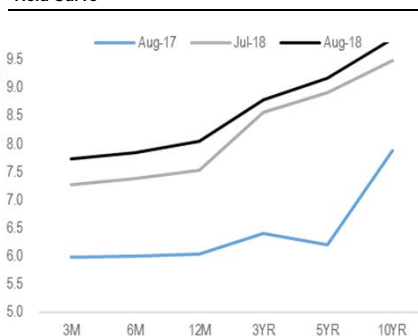
## Money Market Review and Outlook:

### Money Market Review

The money market remained fairly liquid throughout the month of Aug-18 amid regular injections by the SBP. In T-Bills there was active participation of PKR 1.1trn in 3mn tenor against the target and maturity of PKR 2.2trn and PKR 1.9trn, respectively. Out of this, the central bank accepted bids worth PKR 1trn at the cut-off rate of 7.75% in both auctions held on 15-Aug and 29-Aug. On the other hand, no activity was witnessed on the PIB's except for 5Yr paper, which by month end settled at 9.25%.

Yield curve inched up by an average of +38bps during the month.

### Yield Curve



Source: SBP, PBS, Bloomberg

# IGI Takaful Aggressive Fund-TAF

## For the month of August 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.

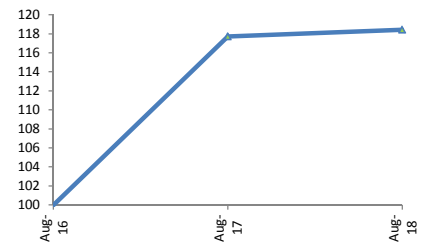
### FUND INFORMATION:

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 -0.42% against its last month absolute return of 0.72%.

### Value of 100 Rupees invested since inception

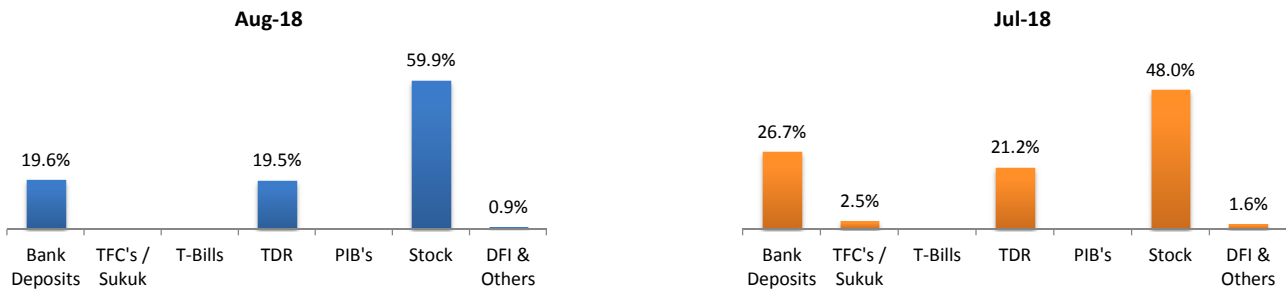


### ASSETS UNDER MANAGEMENT:

	Aug-18	Jul-18	MoM %
NAV per Unit (PKR)	118.4	118.9	-0.42%
Net Assets Value (PKR '000)	428,240	435,722	-1.72%

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

### ASSET ALLOCATION \*:

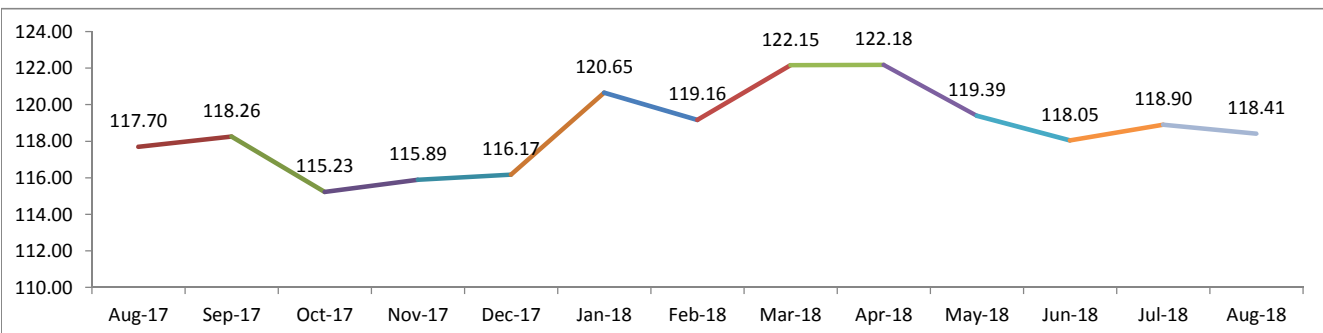


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

### FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	-0.42%	0.30%	-0.82%	-0.64%	0.60%	2.89%	5.90%

### 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 August 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:

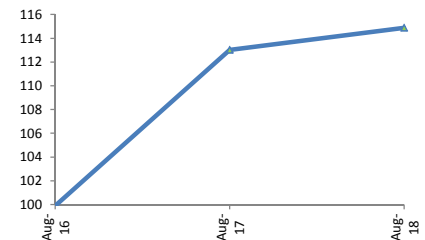
During the month the fund generated an absolute return of -0.06% against its last month absolute return of 0.63%.

### ASSETS UNDER MANAGEMENT:

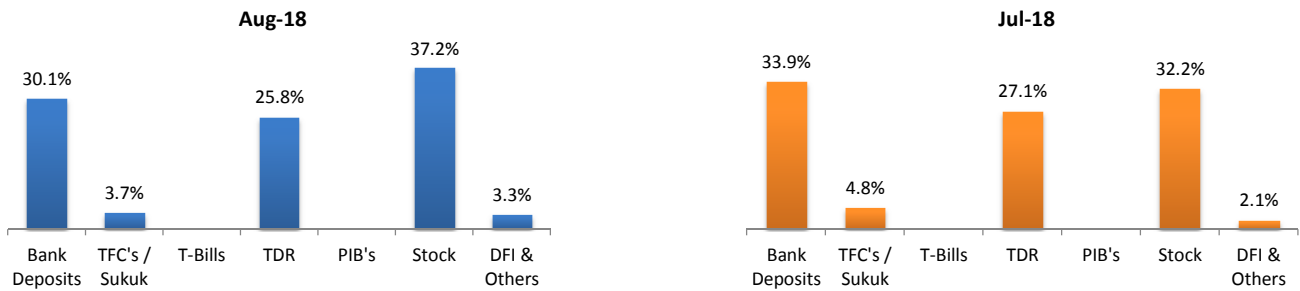
	Aug-18	Jul-18	MoM %
NAV per Unit (PKR)	114.8	114.8	-0.06%
Net Assets Value (PKR '000)	1,049,481	1,033,518	1.54%

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

### Value of 100 Rupees invested since inception



### ASSET ALLOCATION \*:

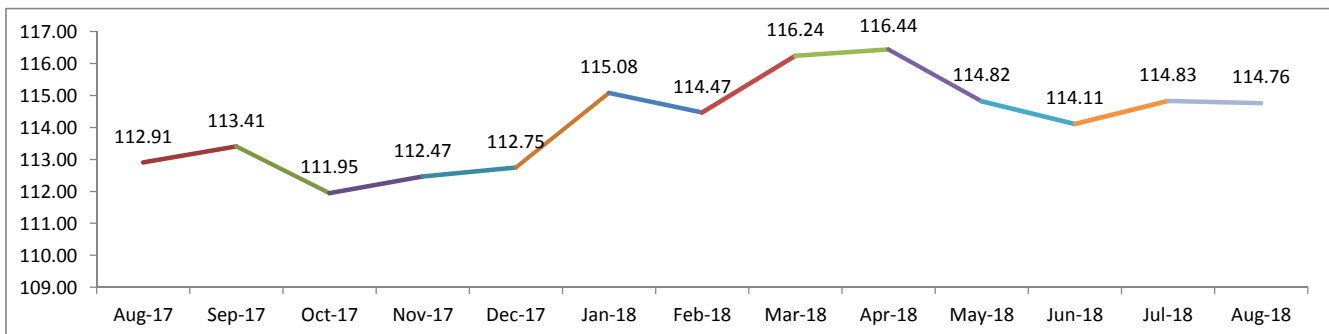


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

### FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	-0.06%	0.57%	-0.05%	0.26%	1.64%	2.68%	4.78%

### 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 August 2018



### INVESTMENT OBJECTIVE:

To provide stable returns exhibiting low volatility, consistent with capital preservation by constructing a liquid portfolio of low risk Shariah Compliant investments yielding competitive returns.

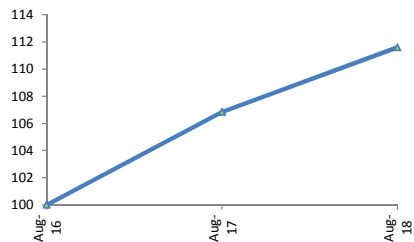
### FUND INFORMATION:

Strategy	Fixed Income / Equity
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 0.38% against its last month absolute return of 0.45%.

### Value of 100 Rupees invested since inception

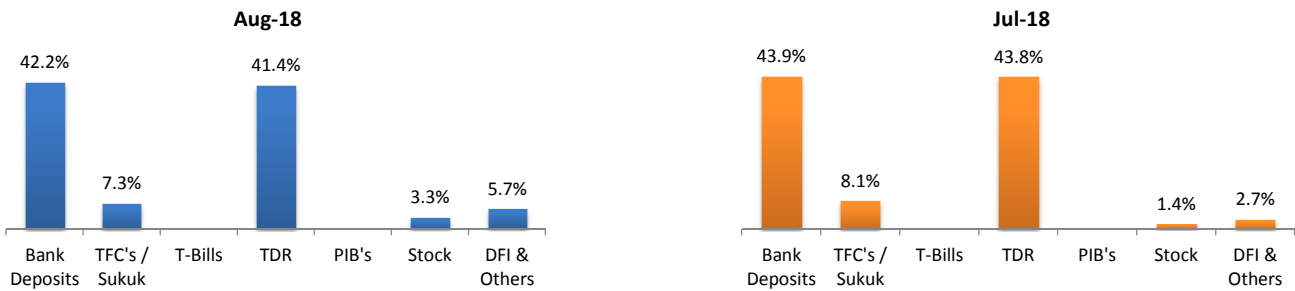


### ASSETS UNDER MANAGEMENT:

	Aug-18	Jul-18	MoM %
NAV per Unit (PKR)	111.6	111.2	0.38%
Net Assets Value (PKR '000)	57,695	56,966	1.28%

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

### ASSET ALLOCATION \*:

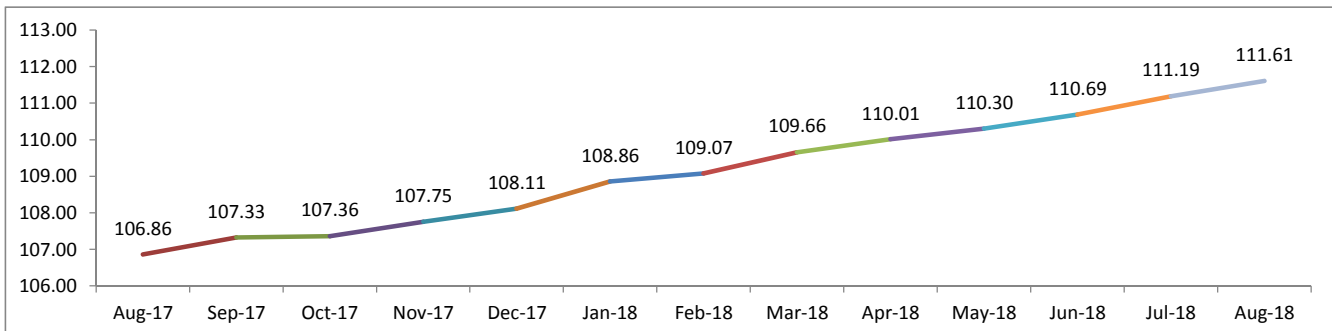


\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

### FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.38%	0.84%	1.18%	2.32%	4.45%	4.86%	3.80%

### 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.