

IGI | Life

Funds Performance Report

March 2019



IGI Life Insurance Limited

Macro Review and Outlook:

Headline inflation at +9.4% above market consensus of +8.5%

Domestic inflation continued to creep with latest Mar-19 headline inflation printing a +9.41% YoY growth compared to +3.25% last year, bringing 9MFY19 +6.78% (+3.78% last year same period). Key price drivers during the month are; a) food prices up by +3.16% MoM driven by rising prices of perishable food items, b) +1.08% MoM increase in transport index reflecting increase in monthly POL prices – Mogas up PKR 2.6/tr and HSD up by 4.8/tr.

C/a deficit finally started to recede imports growth slows down

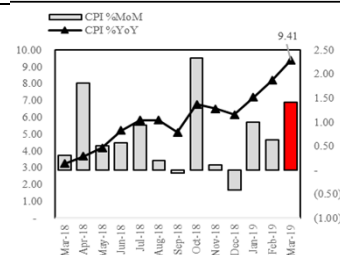
On external front, country's current account (C/a) deficit final receded with USD 0.36bn for the month of Feb-19 (USD 0.87bn in Jan-19), bringing down 7MFY19 C/a deficit to USD 8.8bn from USD 11.4bn last year; a 23% decline. A closer look reveal country's export registered a meagre 0.1% decline to USD 15.97bn during 7M compared to sharper decline in country's imports by 1.6% to USD 35.26bn, restricting overall trade deficit position to USD 19.28bn compared to USD 19.39bn a 2.8% decline. Remittances for the month of Feb-19 declined by 10% to USD 1.58bn.

However, cumulatively for 7M are up by +11.8% YoY to USD 14.35bn, key contributing countries during the period under review are KSA, UK, UAE and USA. In addition, country's foreign direct investments (FDI) during the period declined by 23% to USD 1.6bn while on a monthly basis FDI are up by +27%.

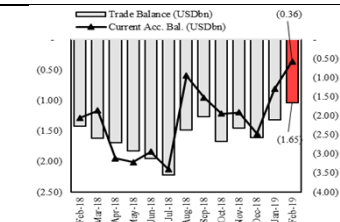
Policy rate increased by 50bps to 10.75%; discount rate 11.25%

In its recently announced Monetary Policy Statement (MPS), the State Bank of Pakistan (SBP) has increased policy rate by +50bps in-line with market consensus of 25-50bps, taking policy rate to 10.75% and discount rate to 11.25%. Moreover, the SBP has again revised its growth target from previous (Jan-19) GDP growth target of 4.0% to 3.5% (6.2% FY19 budget target), while inflation target remains unchanged. The monetary policy committee acknowledges gradual improvement in key macroeconomic data points in particularly current account balance (C/a), however it remains sceptical of elevated levels fiscal deficit for FY19 and core inflation. As per the statement, the rate increase decision came amid elevated level of a) current account deficit, b) core inflation and c) fiscal deficit.

CPI Inflation



External Account



Equity Market Review and Outlook:

Wait on IMF decision and Macroeconomic weakness kept bourse performance edgy

During Mar-19 local bourse (KSE100) observed a drop of 405 points, portraying a negative return of 1.0% MoM compared to decline of 4.3% recorded in Feb-19. This took the CY19TD / FY19TD return to +5.2% / -7.7%. On-going tension along eastern border, delay in IMF program and lack of positive triggers on macroeconomic front particularly on interest rates and currency weighed on investors sentiment and thus leading to subdued market performance. Moreover, approval of the Finance Supplementary Bill 2019 from the parliament also failed to lift investor mood. Nevertheless, market to the end of the month did rejoice albeit for a brief sessions following the official visit of Malaysian Prime Minister and on arrival of IMF team to officially begin talks with Pakistan authorities for another bailout package in the range of USD 8-12bn. During the month, Interloop Limited (ILP) Pakistan's largest hosiery company held its IPO which got oversubscribed by ~1.4x at a base price of PKR 46.1/share having IPO floor price of PKR 45/share.

Volumes continue to decline

Average volumes during the month dropped by 29% MoM to 106mn shares along with average valued traded which witnessed a decline of 35% to USD 46mn. On the local front, Brokers, Insurance companies and Banks remained the largest domestic accumulators with net buy of USD 10.3mn, 9.3mn and USD 7.0mn, respectively while Mutual funds and other organizations sold stocks worth USD 10.8mn and 2.8mn, respectively. Foreigners also remain a net selling putting monthly outflow of USD 18mn compared to a net buying in Feb-19 of USD 32mn. Key activity was witnessed in E&Ps as drilling activity status on Indus G block get closer discovery announcement. This was followed by Cements, OMC and Power.

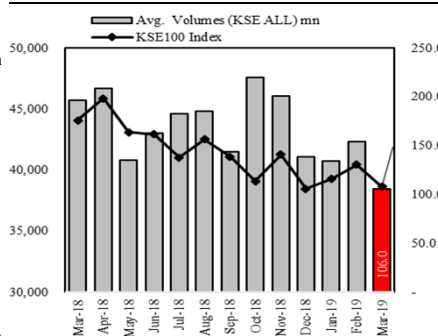
Sectoral Performance

Sector wise, Power Generation added negative 287points amid slide of HUBC on selling from shariah based funds, followed by Cement adding -216points and E&Ps added -61points during the month. On the flip, Banks, Fertilisers and Automobile assembler cumulatively added +366points on account to 50bps hike in monetary policy announced by month end, prices of Urea bag increased by PKR 80/bag and lifting of ban on purchase of 1,700cc engine size vehicles for non-filers respectively.

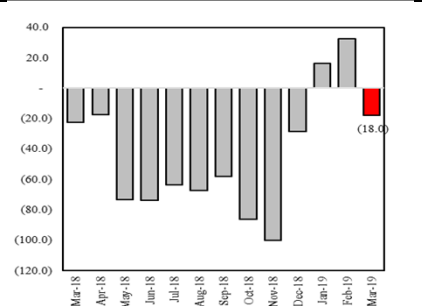
Other key developments during the month includes

- PPA of RLNG based power plant at Jhang finally signed with SNGPL
- Singapore offered Pakistan to help make 5 million low-cost housing scheme
- PSO received a sum for PKR 60bn from power companies on account of payment of outstanding receivables
- Interloop IPO
- Pakistan received USD 2.1bn equivalent of loan from China,
- Government hinted to raise power tariff by PKR 2/unit to collect PKR 200bn on outstanding payables, and

KSE 100



Foreign Activity

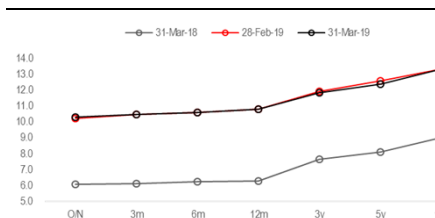


Money Market Review and Outlook:

A healthy participation post rate hike in Policy Rate in Jan-19

During the month of Mar-19, State Bank of Pakistan conducted PIB auction on 20th Mar-2019 with a target of PKR 100bn with participation of PKR 196bn in 3, 5 and 10 year paper against maturities of PKR 24.8bn. The government accepted PKR 15.7 bn, PKR 19.1 bn and PKR 45.0 bn in the 3, 5 and 10 year paper with cut off yields at 12.23%, 12.6405% and 13.15% respectively. This was a 8-30bps increase over last month's auction. The GoP accepted PKR 7.4bn in floating PIB auction at a rate of 70bps over and above the benchmark. However, participation in T-bills remained dull owing to expectation of a rate hike in the upcoming Monetary Policy at the end of Mar-2019. SBP conducted two T-bill auctions with a total target of PKR 750bn with total accepted amount of PKR 4.3bn in competitive bids which was entirely in 3M tenor paper. The maturities stood at PKR 615bn while the cut off yields remained unchanged at 10.55% for 3M T-bill paper. The secondary market yields increased by 10-53bps across all papers amid expectation of rate hike during the month. The GoP mopped up PKR 1.07tn in Open Market Operations at a rate of 10.2% per annum.

Yield Curve



IGI Takaful Aggressive Fund-TAF

For the month of March 2019



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.

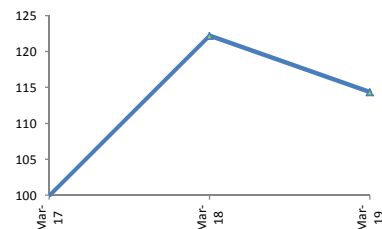
FUND INFORMATION:

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 -1.13% against its last month absolute return of -1.39%.

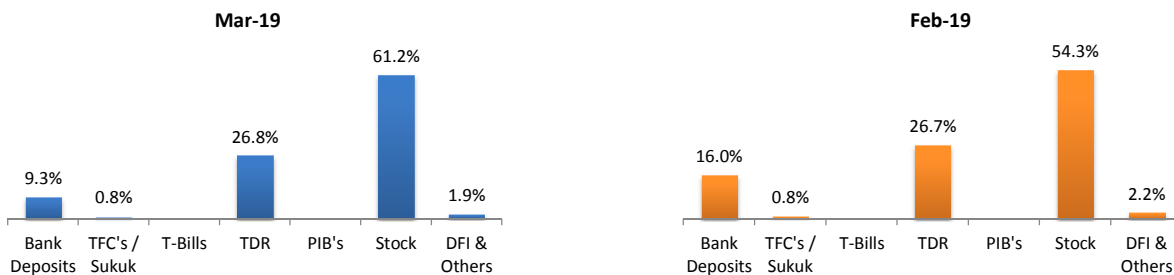
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Mar-19	Feb-19	MoM %
NAV per Unit (PKR)	114.3	115.6	-1.13%
Net Assets Value (PKR '000)	451,556	443,478	1.82%

ASSET ALLOCATION *:

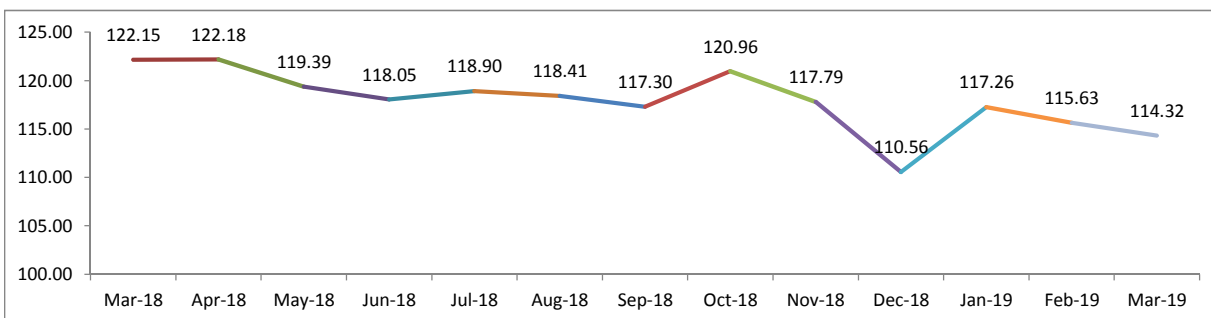


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	-1.13%	-2.50%	3.41%	-2.54%	-6.41%	13.82%	3.87%

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 March 2019



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

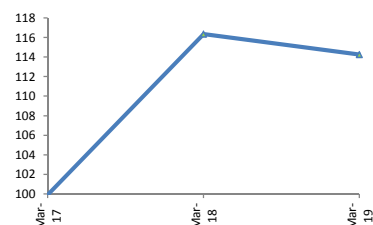
RETURNS:

During the month the fund generated an absolute return of -0.38% against its last month absolute return of -0.56%.

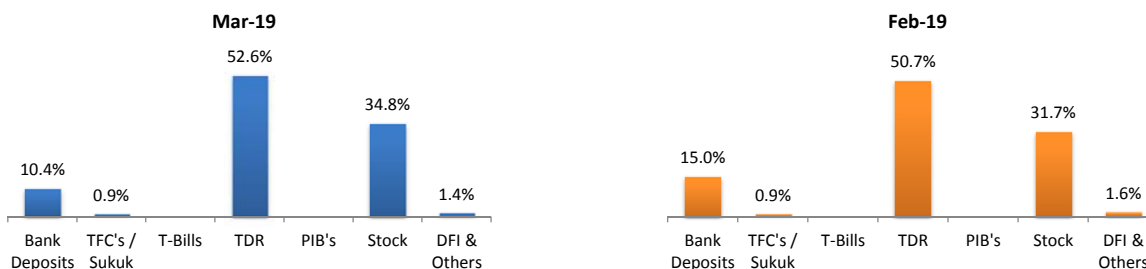
ASSETS UNDER MANAGEMENT:

	Mar-19	Feb-19	MoM %
NAV per Unit (PKR)	114.1	114.6	-0.38%
Net Assets Value (PKR '000)	1,218,244	1,189,865	2.39%

Value of 100 Rupees invested since inception



ASSET ALLOCATION *:

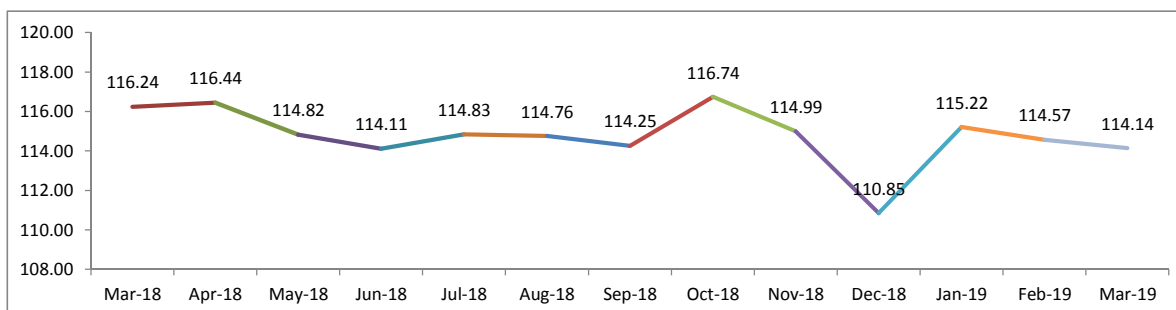


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FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	-0.38%	-0.93%	2.96%	-0.10%	-1.81%	12.02%	3.82%

IGI Balanced Fund - IBF BID PRICE:



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IGI Takaful Conservative Fund - TCF

For the month of March 2019



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.

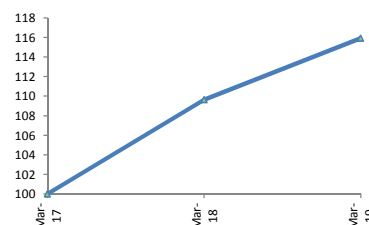
FUND INFORMATION:

Strategy	Fixed Income / 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 0.60% against its last month absolute return of 0.55%.

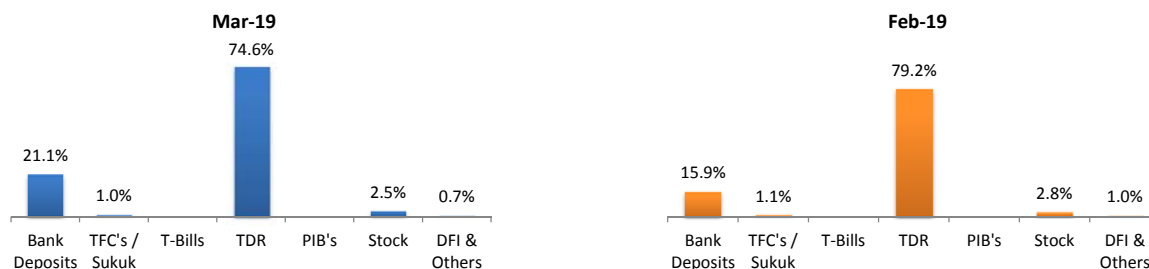
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Mar-19	Feb-19	MoM %
NAV per Unit (PKR)	116.0	115.3	0.60%
Net Assets Value (PKR '000)	74,606	69,745	6.97%

ASSET ALLOCATION *:

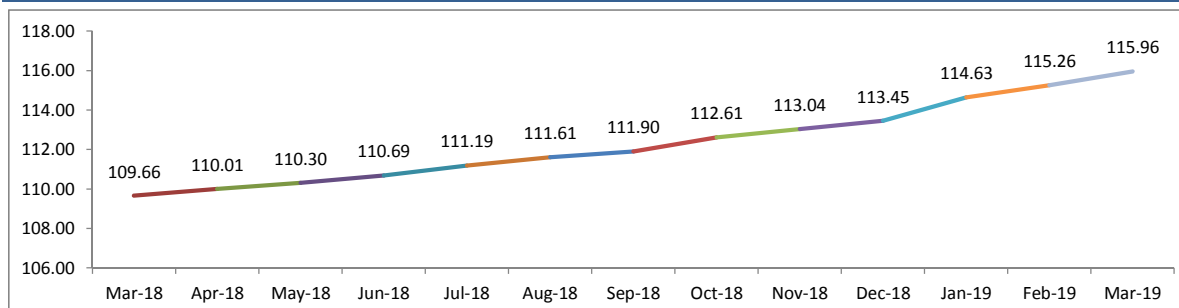


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.60%	1.15%	2.21%	3.63%	5.74%	8.95%	4.28%

IGI Conservative Fund - ICF BID PRICE:



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