

IGI | Life

Funds Performance Report May 2019



IGI Life Insurance Limited

Macro Review and Outlook:

Headline inflation at +9.1%

Domestic inflation continued to creep with latest May-19 headline inflation printing a +9.1%YoY growth compared to +4.2% last year, bringing 11MFY19 +7.17% (+3.81% last year same period). Key price drivers during the month are: a) food prices up by +1.1%MoM driven by rising prices of perishable food items during Ramadan; and b) +1.80%MoM increase in education index

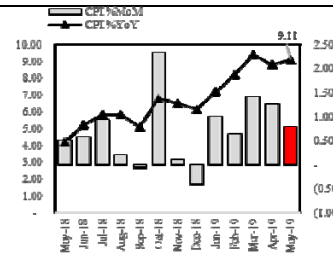
C/a deficit finally started to recede imports growth slows down

On external front, country's current account (C/a) deficit picked up to USD 1.24bn for the month of Apr-19 (USD 0.82bn in Mar-19), taking 10MFY19 C/a deficit to USD 10.8bn from USD 13.5bn last year; a 20% decline. A closer look reveal country's export registered a 2% decline to USD 20.1bn during 10M compared to a 4% decline in country's imports to USD 43.6bn, restricting overall trade deficit position to USD 23.5bn compared to USD 24.6bn, a decline of 5%. Remittances for the month of Apr-19 inched up by 2%MoM to USD 1.78bn. However, cumulatively for 10M are up by +10%YoY to USD 17.9bn, 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 24% to USD 1.9bn while on a monthly basis FDI are down by +43%.

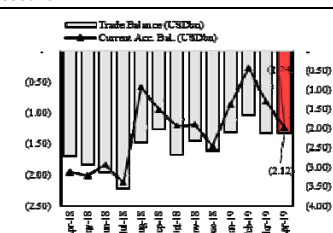
Policy rate increased by 150bps to 12.25%; discount rate 12.75%

In its recently announced Monetary Policy Statement (MPS), the State Bank of Pakistan (SBP) has increased policy rate by +150bps, taking policy rate to 12.25% and discount rate to 12.75%. As per the statement, the rate increase decision came amid elevated level of a) fiscal deficit, b) depleting SBP reserves; and c) weakening PKR.

CPI Inflation



External Account



Equity Market Review and Outlook:

Macroeconomic weakness kept bourse performance edgy, despite staff level agreement with IMF

During Apr-19 local bourse (KSE100) observed a drop of 2,198 points, marking a negative return of 6% MoM as against negative return of 4.2%MoM witnessed in Apr-19, despite staff level agreement with IMF. This took the CY19TD / FY19TD return to -10.85% / -14.66%. Factors attributed to dismal performance of the market pertained to a) interest rate hike (+150bps) by SBP, b) high inflation (8.82%).

Volumes declined during May-19

Average volumes during the month decreased by 14% MoM to 115mn shares along with average value traded which witnessed a decrease of 6% to PKR 5,019mn. On the local front, Companies, Banks and individuals remained the largest domestic accumulators with net buy of USD 11.1mn, 11.0mn and USD 5.4mn, respectively. On the flip side, foreign investors accumulated stocks worth USD 18mn in Pakistan vs. inflow of USD 4mn in Apr 2019. This was led by a) Cements (USD 12.4mn), b) Commercial Banks (USD 22.5mn) and c) all other sectors (USD 2.1mn).

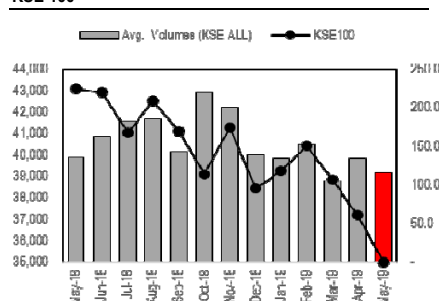
Sectoral Performance

Sector wise Pharmaceuticals, Refineries, Autos, Textiles & Fertilizers were the major laggards generating negative returns of 9.65%/8.11%/7.83%/7.13%/5.56% respectively. Pharmaceuticals and Autos declined due to currency depreciation by ~7% during the month. Similarly, textiles declined due to expectations of withdrawal of zero-rating in the upcoming budget.

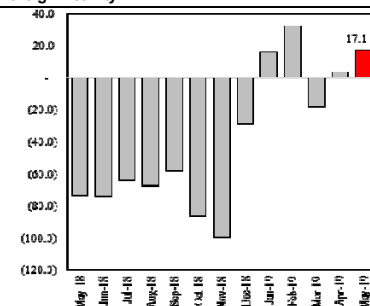
Other key developments during the month includes

- Staff level agreement reached with IMF for a three year Extended Fund Facility (EFF), amounting to USD 6bn
- Drilling at Kekra-1 abandoned after no oil/gas discovery
- KE increases electricity tariff for consumers
- Government announces amnesty scheme for undeclared assets
- Saudi Arabia to give Pakistan USD 3.2bn oil on deferred payments from July
- Government approves PKR 20bn fund for stabilising stock market

KSE 100



Foreign Activity

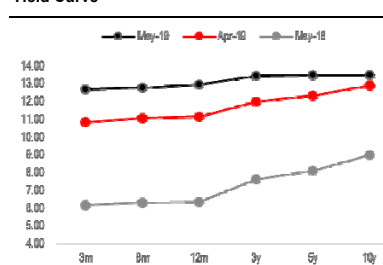


Money Market Review and Outlook:

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

During the month of May-19, SBP increased policy rate by 150bps. The long term yield curve showed upward trajectory as most market players were expecting increase in policy rate. As a result low activity was seen in longer tenor bonds and Floater Rate Bonds. SBP conducted Treasury bill auction on May 22, 2019. The auction had a total maturity of PKR 500.7 bn against which a total participation of PKR 3,268.6 bn was witnessed. Out of total participation bids worth PKR 3,267.1 bn and PKR 1,500 mn were received in 3 months and 6 months tenor respectively, whereas, no participation was witnessed in 12 months tenor. SBP accepted bids worth PKR 3,190 bn and 1,500 mn at a cutoff yield of 12.75% and 12.80% for 3 and 6 months tenor respectively. Auction for fixed coupon PIB bonds was held on May 29th, 2019. Auction had a maturity of around PKR 2 bn and a target of PKR 100 bn. Total participation of PKR 465 bn was witnessed out of which 3, 5 & 10 years tenor received bids worth PKR 143.8 bn, PKR 116.3 bn & PKR 205.0 bn respectively, no bids were received in 20 years tenor. SBP accepted PKR 64.2 bn, PKR 32.0 bn and PKR 25.0 bn in 3, 5 and 10 years tenor at a cut off rate of 13.7%, 13.80% and 13.60% respectively. Auction for Floating Rate Bond was held on May, 29th 2019 with a total target of PKR 100 bn. Total participation of PKR 68.5 bn was witnessed in this auction. State Bank of Pakistan accepted bids worth PKR 20bn at a cutoff rate of 70bps over 6month T-Bill weighted average yield.

Yield Curve



Source: SBP, PBS, Bloomberg

IGI Takaful Aggressive Fund-TAF

For the month of May 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.

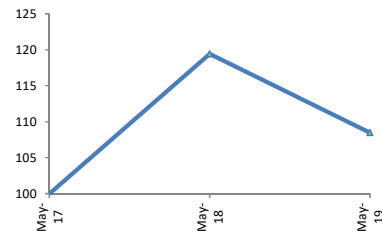
FUND INFORMATION:

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 -1.21% against its last month absolute return of -3.97%.

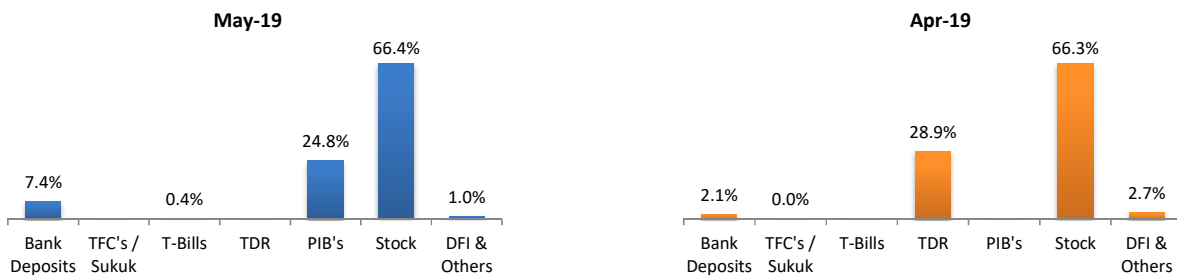
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	May-19	Apr-19	MoM %
NAV per Unit (PKR)	108.5	109.8	-1.21%
Net Assets Value (PKR '000)	401,125	421,267	-4.78%

ASSET ALLOCATION *:

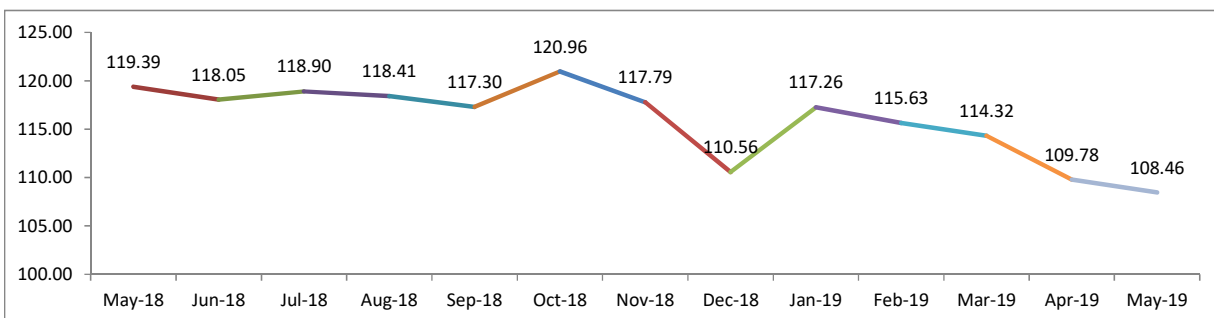


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	-1.21%	-5.13%	-6.20%	-7.92%	-9.15%	-4.59%	2.22%

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 May 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

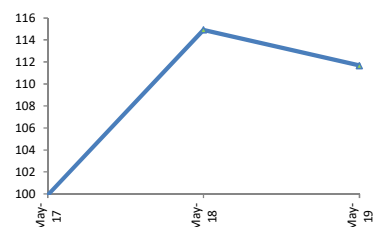
RETURNS:

During the month the fund generated an absolute return of -0.33% against its last month absolute return of -1.93%.

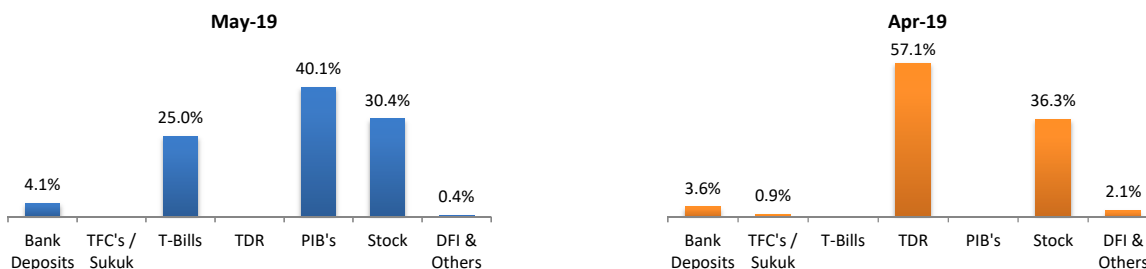
ASSETS UNDER MANAGEMENT:

	May-19	Apr-19	MoM %
NAV per Unit (PKR)	111.6	111.9	-0.33%
Net Assets Value (PKR '000)	1,181,184	1,193,927	-1.07%

Value of 100 Rupees invested since inception



ASSET ALLOCATION *:

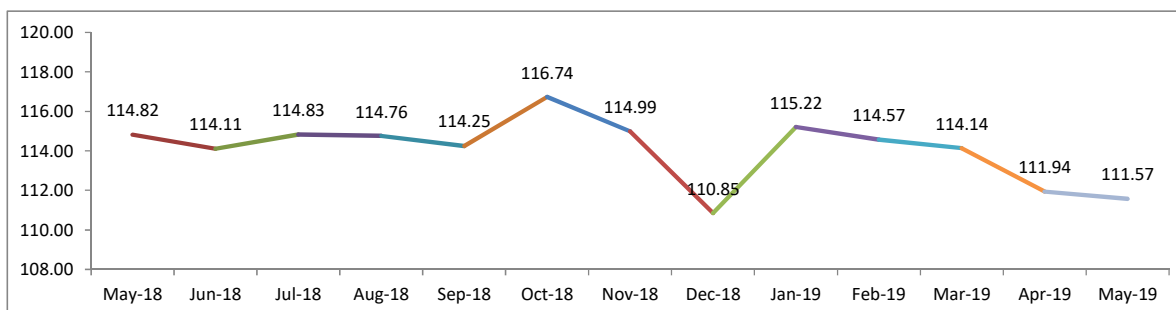


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FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	-0.33%	-2.25%	-2.62%	-2.97%	-2.83%	1.57%	3.01%

IGI Balanced Fund - IBF BID PRICE:



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IGI Takaful Conservative Fund - TCF

For the month of May 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

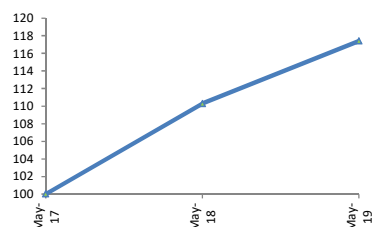
RETURNS:

During the month the fund generated an absolute return of 0.72% against its last month absolute return of 0.53%.

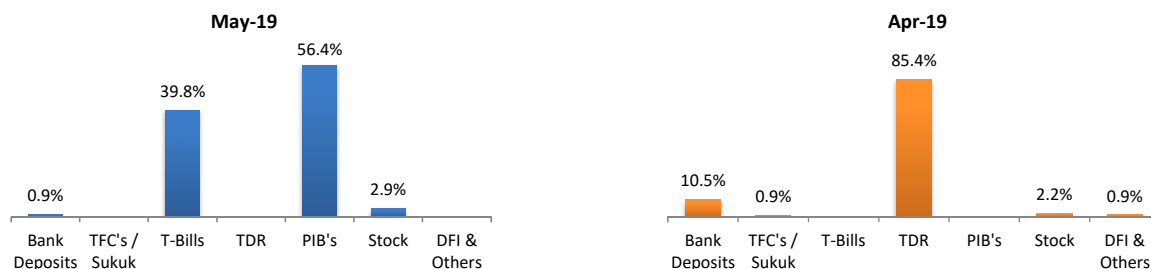
ASSETS UNDER MANAGEMENT:

	May-19	Apr-19	MoM %
NAV per Unit (PKR)	117.4	116.6	0.72%
Net Assets Value (PKR '000)	86,521	79,517	8.81%

Value of 100 Rupees invested since inception



ASSET ALLOCATION *:

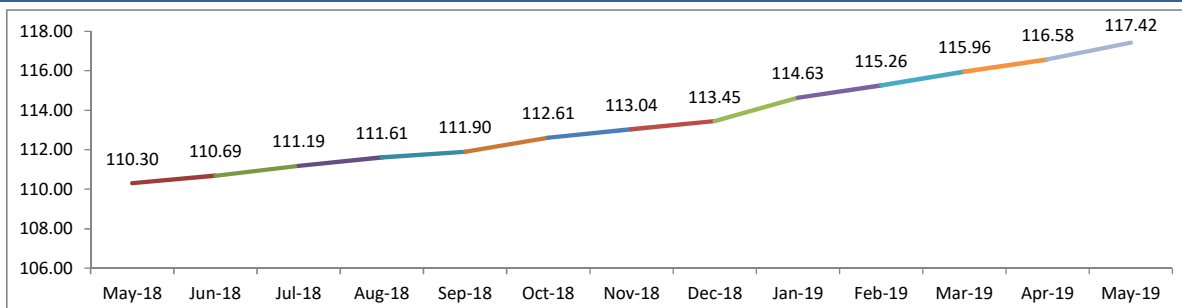


* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.72%	1.26%	1.87%	3.88%	6.45%	8.46%	4.44%

IGI Conservative Fund - ICF BID PRICE:



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