

## Funds Management Report August - 2021

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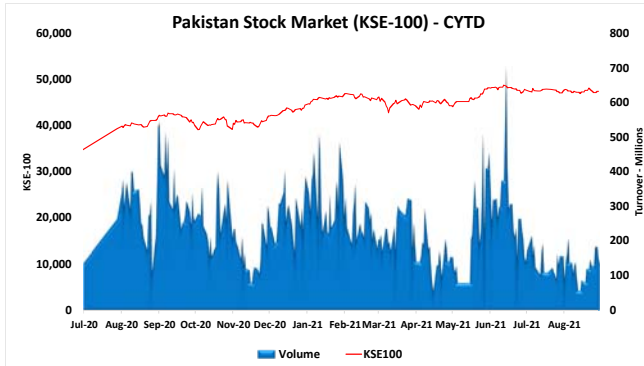
(for investments till 30th June, 2022)

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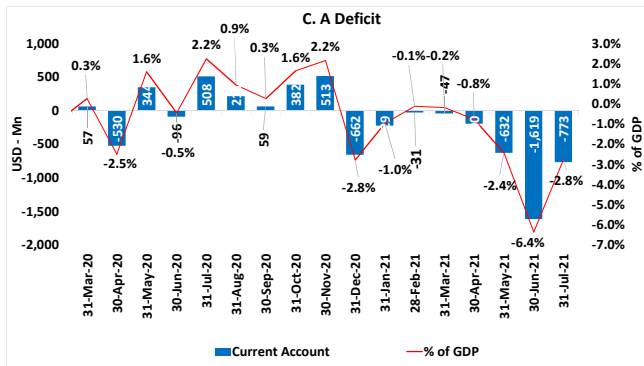


FUND MANAGER REPORT - Key Economic Indicators  
As at August 31, 2021

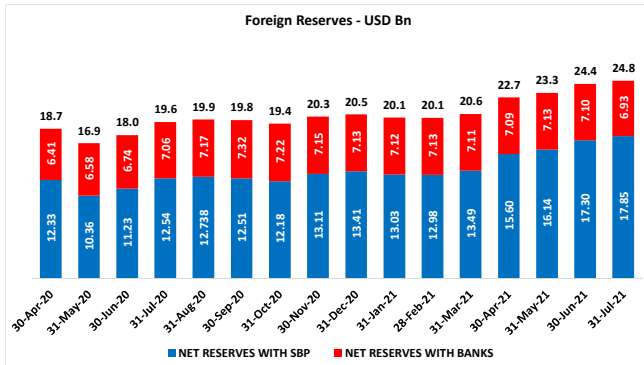


PSX Performance	KSE100	KSE30	KMI30	KSEALL
31-Dec-20	43,755	18,180	71,168	30,780
31-Jul-21	47,055	18,837	76,259	32,163
31-Aug-21	47,420	19,028	77,642	32,394
<b>MTD - %</b>	<b>0.77%</b>	<b>1.01%</b>	<b>1.81%</b>	<b>0.72%</b>
<b>CYTD - %</b>	<b>8.37%</b>	<b>4.66%</b>	<b>9.10%</b>	<b>5.25%</b>

Portfolio (USD - Mn)	MTD	CYTD
FOREIGN CORPORATES	-15.7	-178.51
FOREIGN INDIVIDUAL	0.19	2.7
OVERSEAS PAKISTANI	5.64	26.91
<b>FIPI</b>	<b>-9.87</b>	<b>-148.9</b>
BANKS / DFI	-1.54	-25.88
BROKER PROPRIETARY TRADING	2.26	-30.01
COMPANIES	12.67	68.31
INDIVIDUALS	1.78	182.5
INSURANCE COMPANIES	-14.42	-99.24
MUTUAL FUNDS	0.39	-2.3
NBFC	0.96	0.58
OTHER ORGANIZATION	7.77	54.94
<b>LIPI</b>	<b>9.87</b>	<b>148.9</b>

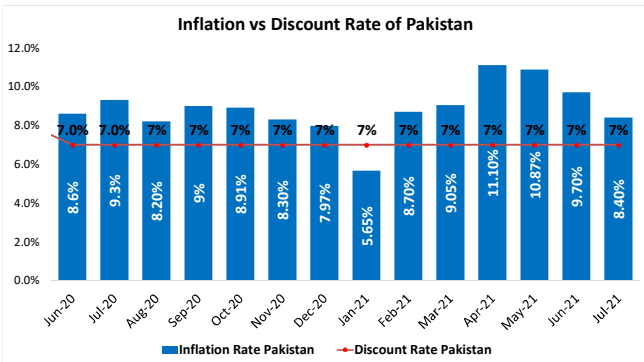


Global Market Performance			MTD - %	CYTD - %
Index				
Karachi 100	Pakistan		0.77%	8.37%
BSE Sensex	India		9.44%	20.53%
Dow Jones	USA		1.21%	15.53%
S&P 500	USA		2.90%	20.41%
Nasdaq	USA		4.00%	18.40%
FTSE 100	UK		1.24%	10.20%
Euro Stoxx 50	Euro Zone		2.62%	18.12%
Shanghai	China		4.31%	2.04%
Nikkei 225	Japan		2.95%	2.35%
CAC 40	France		1.02%	20.33%
MOEX	Russia		3.91%	19.15%



Forex Rates	Dec-20	Jul-21	Aug-21
USD	159.90	161.30	166.10
EUR	195.00	187.50	194.00
JPY	1.55	1.41	1.41
GBP	214.00	222.00	228.50
CNY	24.60	23.50	23.60

PKRVs	Dec-20	Jul-21	Aug-21
3M	7.08%	7.20%	7.22%
6M	7.17%	7.47%	7.39%
1Y	7.26%	7.70%	7.60%
3Y	8.28%	8.85%	8.70%
5Y	9.25%	9.40%	9.30%
7Y	9.65%	9.75%	9.70%
10Y	10.00%	9.95%	9.90%



International Commodities	Dec-20	Jul-21	Aug-21
Arab Light	51.18	73.95	74.31
BRENT CRUDE OIL	51.39	75.41	71.63
WTI CRUDE OIL	49.93	73.95	68.50
Coal (USD/ton)	65.00	135.05	152.00
Steel (USD/ton)	1,005.00	1,888.00	1,888.00
HRC (USD/ton)	4,572.20	6,120.00	5,791.00
COPPER USD	3.52	4.48	4.38
GOLD	1,950.08	1,813.90	1,809.78
PLATINUM	1,107.10	1,049.00	1,016.00
NATURAL GAS	2.67	3.91	4.38
SILVER	27.58	25.49	23.87

**Macro Review and Outlook:**

Aug-21: CPI remains flat at +8.4%/y/y

Headline inflation Aug-21 clocked in at 8.4%/y/y for the second consecutive month as compared to a growth of 8.40% same period last year. On an annual basis urban and rural indices inched down to 8.3%/y/y and 8.4%/y/y while posting a decline of 0.5% and 0.7% respectively on a monthly basis.

Food Inflation jumps to 10%/y/y

During the month, food inflation was up by 0.7%/m/m, key among which are prices of non-perishable and perishable food items which were up by 11%/y/y (weight: 29.60) and 3.4%/y/y (weight:4.99). Negative contribution to the food index was largely led by prices of Chicken and fresh fruits.

Non-food inflation posts growth of 7.2%/y/y

Non-food inflation remained more pronounced in rural areas where it posted an increment of +0.6%/m/m (+7.7%/y/y) whereas in urban areas it inched up by 0.5%/m/m (+7.2%/y/y) respectively. This was largely driven by a 63.7%/y/y increase in price of petroleum products (Urban: +18.2%/m/m, Rural: +12.9%/m/m) and motor fuel (Urban: +2.8%/m/m, Rural: 14.62%) which kept the transportation index up by 0.7%/m/m (+8.1%/y/y). Additionally fuel cost adjustment to electricity charges which were up by 9.2%/y/y also propped non- food inflation.

In the upcoming months, we expect food inflation to ease down further as food prices (perishable commodities) may come from government's decision to import wheat (4mn tonnes) alongside bumper crop production of 27mn tones this year.

Furthermore, administrative decision by the government of downwards revision in POL prices by up to PKR 1.50/ltr (Petrol: PKR 1.50, Kerosene: PKR 1.50, LDO: PKR 1.00, HSD: PKR 1.50) in line with declining Oil Prices globally would further ease inflationary pressures.

July-21: Current account balance posts a deficit for 2MFY22

On the external front, current account posted a deficit of USD 773mn in July as compared to a surplus of USD 583mn in the corresponding period last year. The deficit is largely owing +52% y/y increase in goods imports, -75%/y/y decline in other current transfers and -2%/y/y decline in remittances. While export of goods and services increased by +20% and 6%/y/y, respectively. The weak Current account position can be expected to persist in the coming months mainly driven by rising imports bill and flattish trend in worker remittances. We estimate Current Account Deficit to remain in the range of 2-3% of GDP in FY22 USD.

**Equity Market Review and Outlook:**

Aug-21: KSE 100 posts subdued performance

KSE-100 index continued to post a muted performance, closing at 47,420 points, an increase of 364 points. Trading Volumes witnessed a decline of -13.6%/m/m.

The dull performance was largely due to turbulent geopolitical situation surrounding Afghanistan, rapid PKR depreciation against USD (-2.5%/m/m) despite several positive developments in the wider economy led by accumulation of healthy forex reserves of 27bn owing to SDR collection of USD 2.75bn payment by IMF and healthy corporate earnings.

Positive contribution to the KSE-100 Index mainly came from the Banking sector which added 234 points to the index primarily due to strong performance of Meezan Bank. Technology sector also contributed 219 points to the index. The major negative contributors to the index were the Cement, Fertilizers and OGMCs sectors which made respective contributions of -155, -37 and -29 points.

Foreigners remained net sellers with a net outflow of USD 9.9mn during the month. Within domestic investors, Insurance companies were net sellers within the domestic investors selling shares of worth USD14.4mn. Majority of the selling was absorbed by companies and other organizations, who remained net buyers, buying shares worth USD 12.6mn and USD 7.7mn respectively.

## FUNDS MANAGEMENT REPORT For the month of August 2021



### Money Market Review and Outlook:

Aug-21: Yield curve flattens as inflation is expected to moderate in the medium term

SBP conducted a Treasury bill auction on Aug 25th, 2021 with maturity of PKR 851 billion against a target of PKR 800 billion. Out of total participation bids worth, PKR 316 billion were received in 3 months' tenor, PKR 1,016 billion in 6 months and PKR 166 billion in 12 months' tenor. SBP accepted total bids worth PKR 614 billion in a breakup of PKR 172 billion and 441 billion at a cut-off yield of 7.2347% and 7.4389% in 3 months and 6 months' tenor respectively.

Auction for fixed coupon PIB bonds was held on Aug 4th, 2021 with a total target of PKR 150 billion against a maturity of PKR 92 billion. Total participation of PKR 416 billion was witnessed in this auction out of which 3, 5, 10 & 15 tenors received bids worth PKR 178 billion, PKR 114 billion, PKR 83 billion & PKR 40 billion respectively.

Out of the total, bids worth PKR 81 billion were accepted in 3 years, PKR 34 billion in 5 years, PKR 5 billion in 10 years & PKR 40 billion in 15 years at a Cut-off rate of 8.88%, 9.1980%, 9.8390% and 10.4% respectively

So far monetary policy has remained accommodative with SBP's decision premised on lack of demand side inflationary pressures, a negative output gap and a comfortable external current account position. According to the forward looking guidance provided by SBP it is to maintain mildly positive interest rates until economic recovery gains firm footing. Any future increase in the policy rate is expected to be measured and gradual and remains contingent upon COVID 19 situation in the country alongside inflationary pressures.

Source: SBP, PBS, Bloomberg

# IGI Takaful Aggressive Fund For the month of August 2021



## 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.

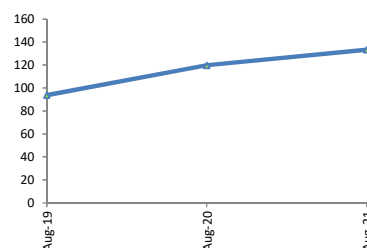
## FUND INFORMATION:

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 2.57% against its last month absolute return of -0.07%.

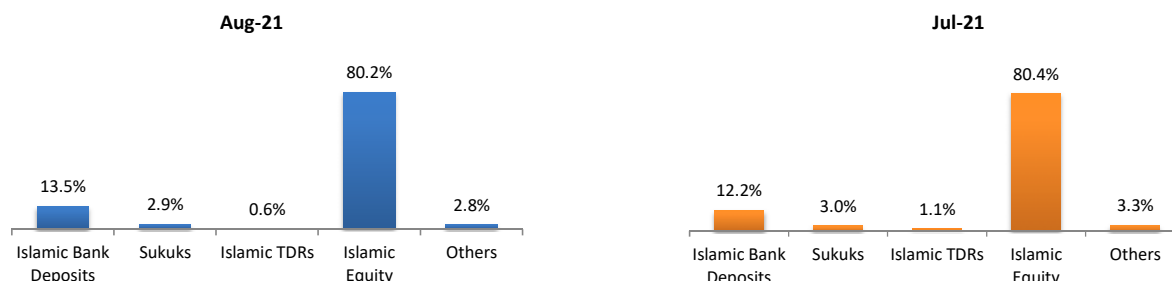
### Value of 100 Rupees invested since inception



## ASSETS UNDER MANAGEMENT:

	Aug-21	Jul-21	MoM %
NAV per Unit (PKR)	133.3	130.0	2.57%
Net Assets Value (PKR '000)	703,489	680,192	3.43%

## ASSET ALLOCATION \*:



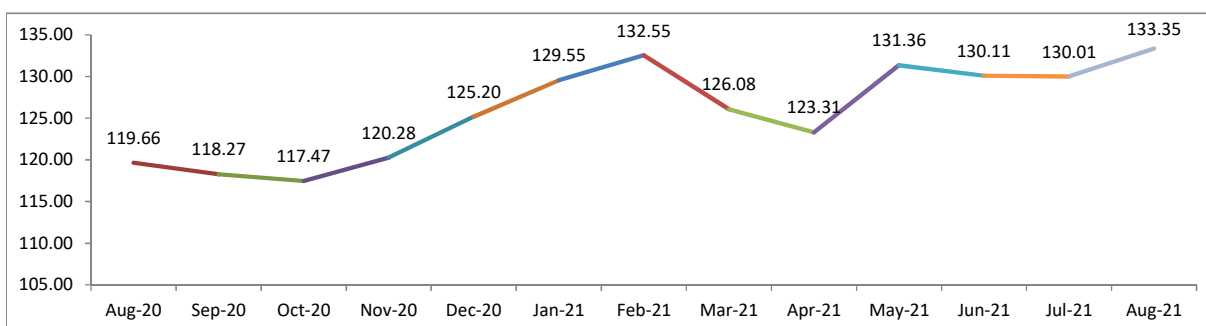
\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	2.57%	2.49%	1.52%	0.61%	11.44%	6.51%	4.96%

**Note: All returns are gross of Fund Management Charges.**

## IGI Takaful 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 For the month of August 2021



## 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.

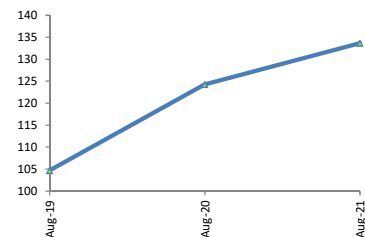
## FUND INFORMATION:

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 1.33% against its last month absolute return of 0.14%.

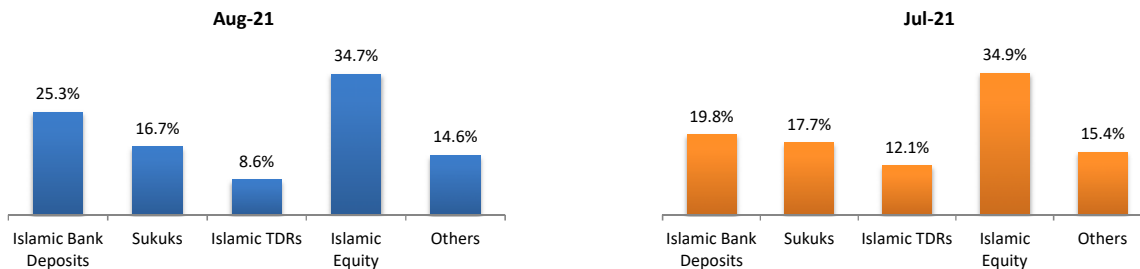
### Value of 100 Rupees invested since inception



## ASSETS UNDER MANAGEMENT:

	Aug-21	Jul-21	MoM %
NAV per Unit (PKR)	133.7	131.9	1.33%
Net Assets Value (PKR '000)	1,896,447	1,824,911	3.92%

## ASSET ALLOCATION \*:



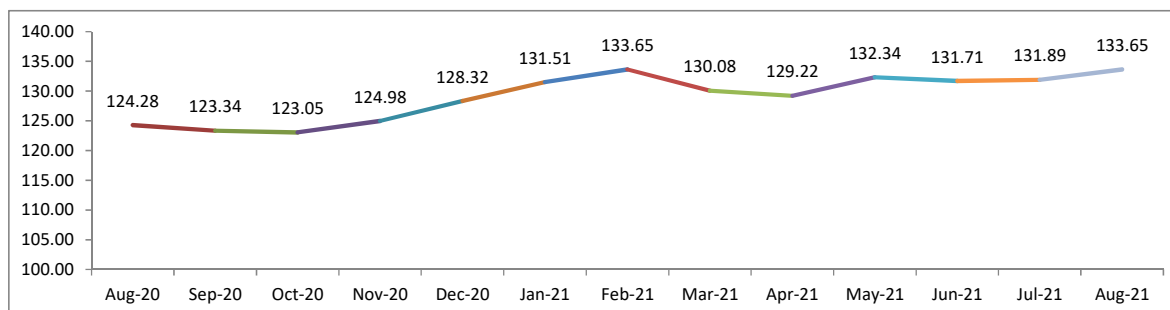
\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	1.33%	1.47%	0.99%	0.00%	7.54%	4.15%	5.00%

**Note: All returns are gross of Fund Management Charges.**

## IGI Takaful 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 For the month of August 2021



## 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.

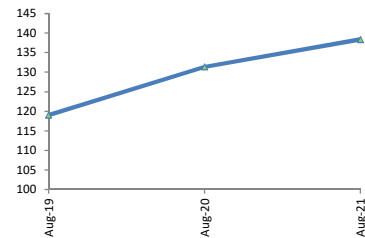
## FUND INFORMATION:

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 1.11% against its last month absolute return of 0.48%.

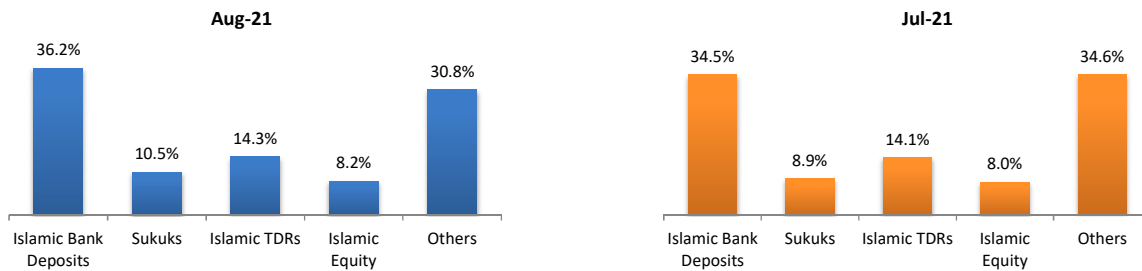
### Value of 100 Rupees invested since inception



## ASSETS UNDER MANAGEMENT:

	Aug-21	Jul-21	MoM %
NAV per Unit (PKR)	138.4	136.9	1.11%
Net Assets Value (PKR '000)	1,122,647	1,095,724	2.46%

## ASSET ALLOCATION \*:



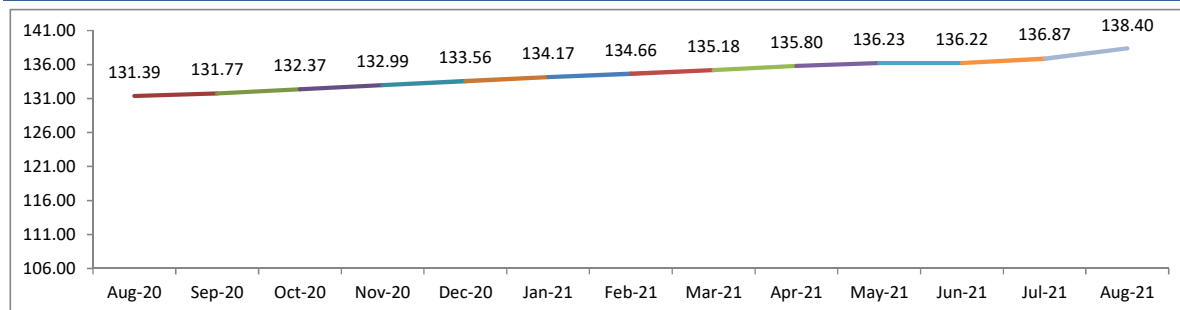
\* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

## FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	1.11%	1.60%	1.59%	2.78%	5.34%	5.43%	5.61%

**Note: All returns are gross of Fund Management Charges.**

## IGI Takaful Conservative Fund - ICF BID PRICE:



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