

Funds Management Report September - 2021

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Macro Review and Outlook:

Sep-21: Headline CPI clocks in at +9.0%/y/y

Headline inflation for Sept-21 clocked in at 9.0%/y/y with a similar growth rate observed in same period last year. On an annual basis urban and rural indices inched up by +9.1%/y/y and +8.8%/y/y while posting a significant increase of 2.0% and 2.3% respectively on a monthly basis.

Food Inflation surges by +4%/m/m, +10.2%/y/y

During the month, food inflation index for Urban and Rural areas surged by +3.6%/m/m and +3.7%/m/m respectively notable among which is a rise in prices of non-perishables (up by +4.1%/m/m) and perishable food items which were up by 3.4% (weight: 4.99). On a monthly basis, uptick in food index was largely led by Chicken, Wheat flour and vegetables.

Non-food inflation posts growth of 8.3%/y/y

Non-food inflation posted a growth of 1.1%/m/m and 1.0%/m/m in rural and urban areas respectively. This was largely driven by an increase in price of petroleum products (Urban: +54.3%/y/y, Rural: +42.1%/m/m) and motor fuel (Urban: +17.6%/m/m, Rural: 16%/m/m) which kept the transportation index up by +9.1%/y/y, +1.3%/m/m +1.37%/m/m & +1.04%/m/m in urban and rural areas respectively. Additionally fuel cost adjustment to electricity charges (weight: 4.5) which were up by +23.36%/m/m also propped non-food inflation. Quarterly house rent adjustment (+6.05%/m/m) also inflated the non-food index.

Outlook

In the upcoming months, we see food inflation to ease down as prices of perishable food commodities including Wheat flour and Onions witness a decline in recent SPI which was down by -0.1%/w/w.

However, on the energy prices front, we expect a bleak inflation trend as administrative decision by the government of upwards revision in POL prices by up to PKR 4.0/litre (Petrol: PKR 4.00, Kerosene: PKR 7.05, LDO: PKR 8.82, HSD: PKR 2.0) in view of internationally fluctuating Oil prices and currency depreciation is expected to further fuel inflationary pressures.

Key risks to inflation remain from a) PKR Depreciation b) supply shocks owing to Covid-19 led lockdowns owing to any significant surge in active cases c) Administrative decision of further price hike in petroleum products and Gas Prices d) Surge in Global commodity Prices e) Geopolitical uncertainties

Aug-21: Current account Deficit accelerates to USD 1476mn

On the external front, current account posted a deficit of USD 1476 mn in September as compared to a surplus of USD 250 mn in the corresponding period last year. The deficit is largely owing +85% y/y increase in imports volume, -10%/y/y decline in FDI and -27%/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 widening trade deficit with a +55%/y/y growth in imports volume. We estimate Current Account Deficit to remain in the range of 2-3% of GDP in FY22 USD whereas FY21 witnessed a current account deficit of 0.6% of GDP.

Equity Market Review and Outlook:

Sep-21: KSE 100 plummets by 2520 points

KSE-100 index continued to post a muted performance, closing at 44899 points, a decline of -2520.14 points (-5.31%/m/m). Trading Volumes witnessed a decline of -9.93%/m/m.

The dull performance was largely due to turbulent geopolitical situation surrounding Afghanistan and strains in Pak-US relationships, rapid PKR depreciation against USD, Policy rate hike, ballooning CAD.

Positive contribution to the KSE-100 Index mainly came from the Technology sector which outperformed owing to rising IT related exports and USD appreciation. The major negative contributors to the index were the Cement, Fertilizers and E&Ps, Automobile and Banking sectors which made respective contributions of -752pts, -234pts, -191pts, -173pts & -164pts.

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 Individuals, Banks, Insurance companies and other organizations, who remained net buyers, buying shares worth USD 29mn, USD 17mn, USD 16mn and USD 15mn, respectively.

FUNDS MANAGEMENT REPORT For the month of September 2021



Money Market Review and Outlook:

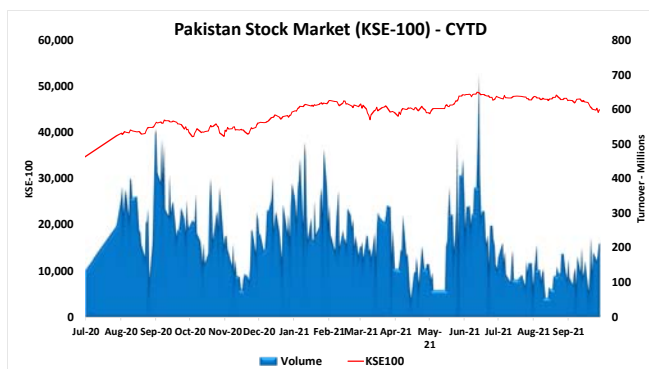
Sep-21: Market witnesses volatility amid expectations of gradual reversal in monetary stimulus by the SBP

The money market remain volatile amid a hike in Policy rate of 250bps to 7.25%. Secondary market yields saw a rise of 26-113bps across all tenors during the month. The SBP raised an amount of PKR 1,146 bn under the two T-bill auction conducted during the month. The weighted average yields under the latest auction stood at 7.57% for 3 months T-bills, 7.95% for 6 months T-bills whereas bids were rejected for 12 months T-bills. During the month, the 6 months KIBOR increased by 61 bps to 8.15% compared to previous month and averaged at 7.80%.

With an accelerating Current Account Deficit and international hike in commodity prices, the currency is expected to remain under pressure. Furthermore, the IMF review planned in October 21 remains crucial going forward as critical decisions surrounding power tariff increase remain on the line. As per the Monetary Policy Committee Economic growth is expected to fall between 4-5% and inflation between 7-9% for FY22.

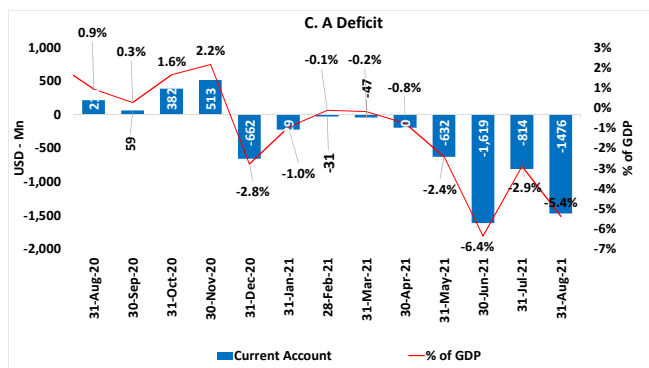
Source: SBP, PBS, Bloomberg

FUND MANAGER REPORT - Key Economic Indicators
As at September 30, 2021

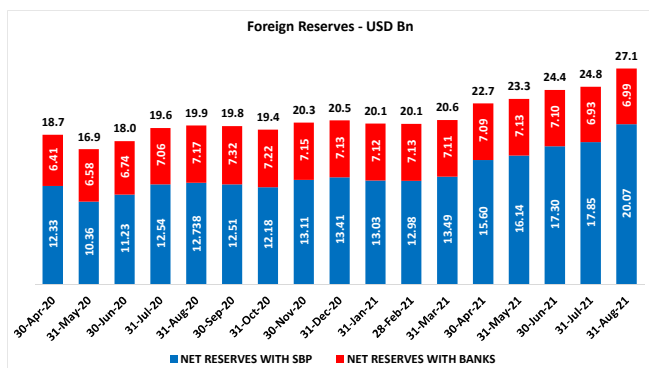


PSX Performance	KSE100	KSE30	KMI30	KSEALL
31-Dec-20	43,755	18,180	71,168	30,780
31-Aug-21	47,420	19,028	77,642	32,394
30-Sep-21	44,900	17,661	72,316	30,669
MTD - %	-5.31%	-7.19%	-6.86%	-5.33%
CYTD - %	2.62%	-2.86%	1.61%	-0.36%

Portfolio (USD - Mn)	MTD	CYTD
FOREIGN CORPORATES	-50.18	-228.69
FOREIGN INDIVIDUAL	0.14	2.85
OVERSEAS PAKISTANI	5.1	32.01
FIPI	-44.94	-193.83
BANKS / DFI	16.75	-9.13
BROKER PROPRIETARY TRADING	-10.25	-40.27
COMPANIES	-7.93	60.39
INDIVIDUALS	29.11	211.61
INSURANCE COMPANIES	16.33	-82.9
MUTUAL FUNDS	-14.72	-17.02
NBFC	0.89	1.48
OTHER ORGANIZATION	14.76	69.69
LIPI	44.94	193.85

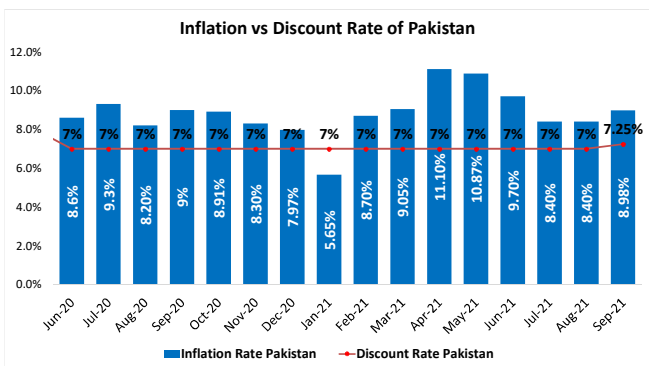


Global Market Performance		MTD - %	CYTD - %
Index			
Karachi 100	Pakistan	-5.31%	2.62%
BSE Sensex	India	2.73%	23.82%
Dow Jones	USA	-4.29%	10.58%
S&P 500	USA	-4.76%	14.68%
Nasdaq	USA	-5.31%	12.11%
FTSE 100	UK	-0.47%	9.69%
Euro Stoxx 50	Euro Zone	-3.53%	13.95%
Shanghai	China	0.68%	2.74%
Nikkei 225	Japan	4.85%	7.32%
CAC 40	France	-2.40%	17.45%
MOEX	Russia	4.71%	24.76%



Forex Rates	Dec-20	Aug-21	Sep-21
USD	159.90	166.10	172.30
EUR	195.00	194.00	199.50
JPY	1.55	1.41	1.41
GBP	214.00	228.50	232.50
CNY	24.60	23.60	23.70

PKRVs	Dec-20	Aug-21	Sep-21
3M	7.08%	7.22%	7.59%
6M	7.17%	7.39%	7.99%
1Y	7.26%	7.60%	8.73%
3Y	8.28%	8.70%	9.72%
5Y	9.25%	9.30%	9.95%
7Y	9.65%	9.70%	10.30%
10Y	10.00%	9.90%	10.45%



International Commodities	Dec-20	Aug-21	Sep-21
Arab Light	51.18	74.31	77.40
BRENT CRUDE OIL	51.39	71.63	78.31
WTI CRUDE OIL	49.93	68.50	75.03
Coal (USD/ton)	65.00	152.00	210.60
Steel (USD/ton)	1,005.00	1,945.00	1,900.00
HRC (USD/ton)	4,572.00	5,756.00	5,770.00
COPPER USD	3.52	4.38	4.09
GOLD	1,950.08	1,813.00	1,728.00
PLATINUM	1,107.10	1,016.00	955.50
NATURAL GAS	2.67	4.38	5.87
SILVER	27.58	23.87	21.55

IGI Takaful Aggressive Fund For the month of September 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.

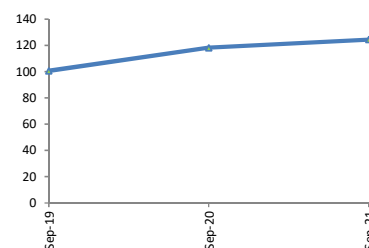
FUND INFORMATION:

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 -6.74% against its last month absolute return of 2.57%.

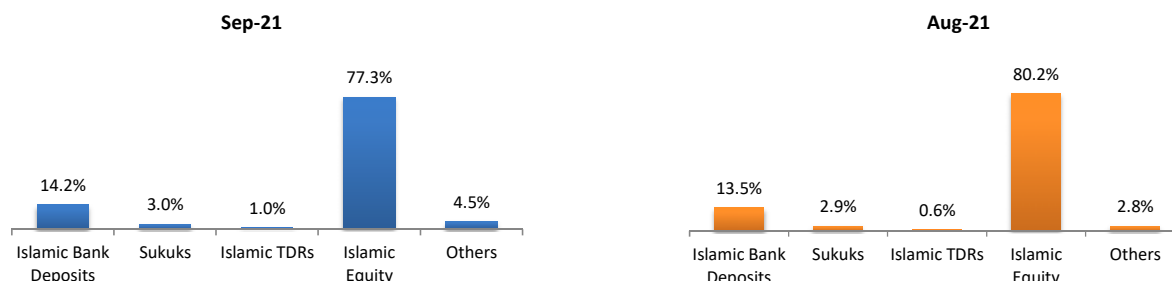
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Sep-21	Aug-21	MoM %
NAV per Unit (PKR)	124.4	133.3	-6.74%
Net Assets Value (PKR '000)	666,889	703,489	-5.20%

ASSET ALLOCATION *:



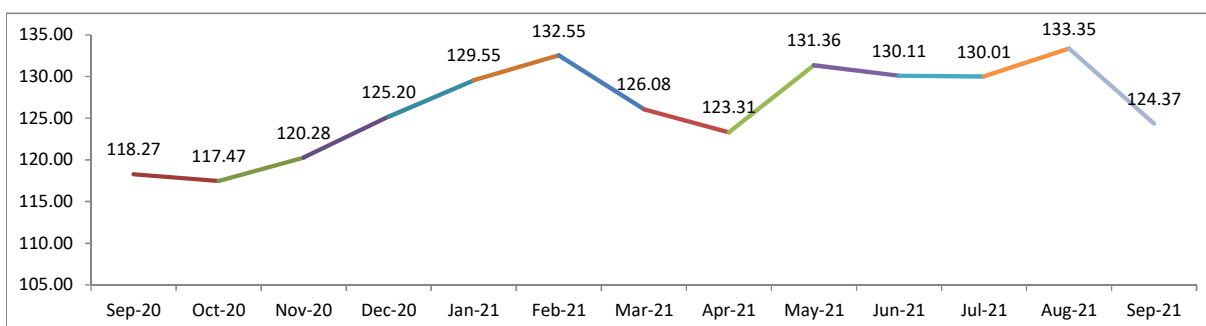
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	-6.74%	-4.34%	-4.41%	-1.36%	5.16%	-0.66%	3.68%

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 September 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.

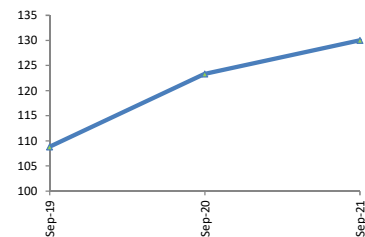
FUND INFORMATION:

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 -2.71% against its last month absolute return of 1.33%.

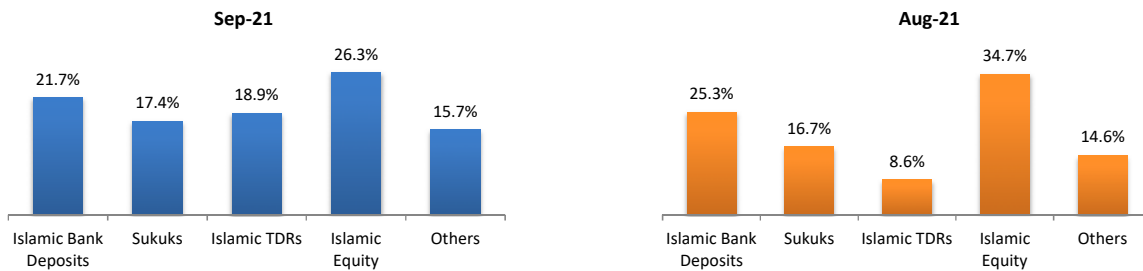
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Sep-21	Aug-21	MoM %
NAV per Unit (PKR)	130.0	133.7	-2.71%
Net Assets Value (PKR '000)	1,891,936	1,896,447	-0.24%

ASSET ALLOCATION *:



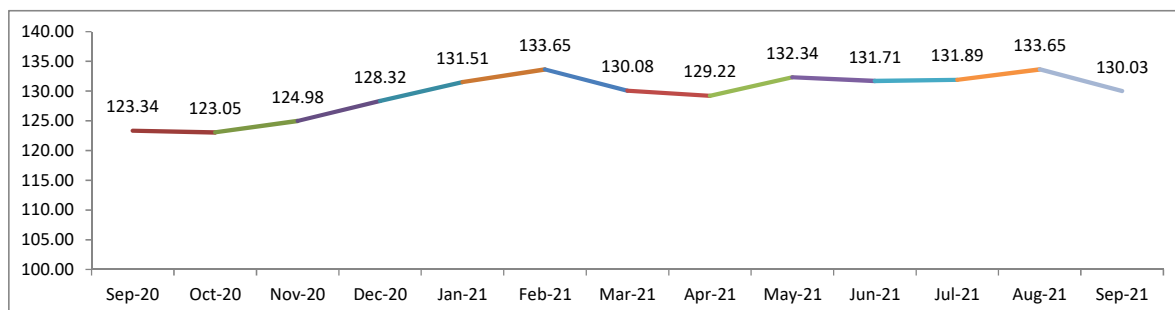
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	-2.71%	-1.41%	-1.28%	-0.04%	5.42%	1.33%	4.45%

Note: All returns are gross of Fund Management Charges.

IGI Takaful Balanced Fund - IBF BID PRICE:



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IGI Takaful Conservative Fund For the month of September 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.

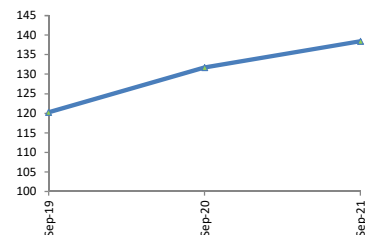
FUND INFORMATION:

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 0.05% against its last month absolute return of 1.11%.

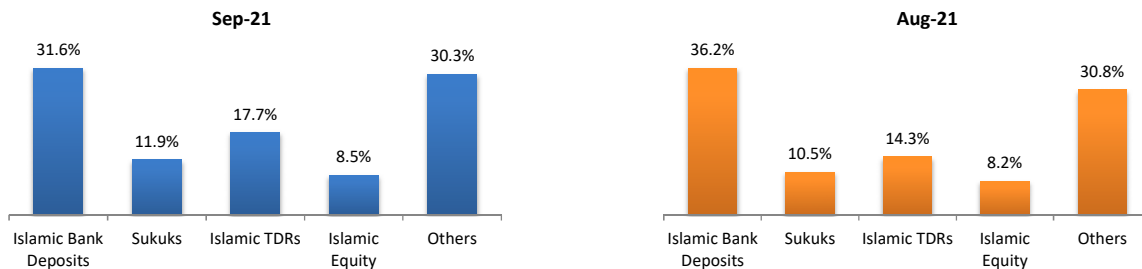
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Sep-21	Aug-21	MoM %
NAV per Unit (PKR)	138.5	138.4	0.05%
Net Assets Value (PKR '000)	1,202,349	1,122,647	7.10%

ASSET ALLOCATION *:



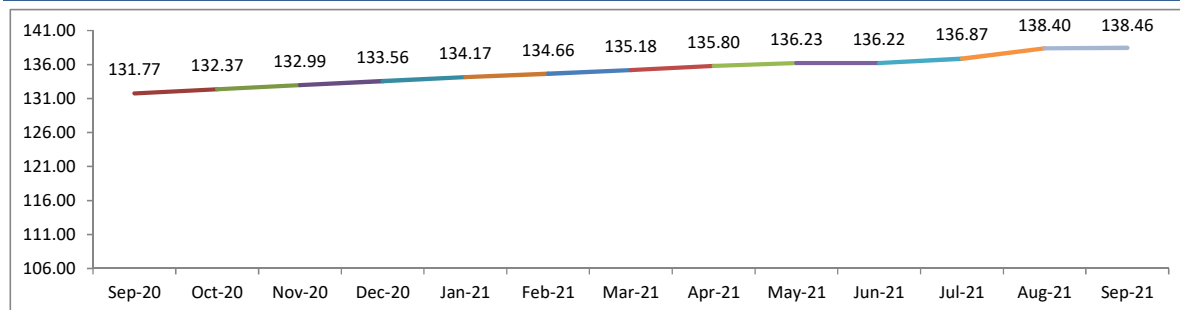
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.05%	1.16%	1.65%	2.43%	5.08%	4.90%	5.54%

Note: All returns are gross of Fund Management Charges.

IGI Takaful Conservative Fund - ICF BID PRICE:



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