

Funds Management Report December - 2021

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FUNDS MANAGEMENT REPORT For the month of December 2021



Macro Review and Outlook:

Current Account registered a deficit of USD 1,908Mn during November 2021 versus a surplus of USD 563Mn during same month last year. On a month-on-month basis, Current Account deteriorated by ~8.4% mainly due to higher imports. Higher imports are mainly attributed due to commodity upcycle and high petroleum prices. Recent measures by the Government such as increase in discount rates, currency devaluation, high Cash Reserve Requirements (CRR), cash margin requirements on imports, restriction on import on non-essential items are expected to contain the import bill in coming months.

Y-o-Y Inflation number increased from 11.5% in November to 12.3% in December majorly due to low base effect while monthly inflation remained almost flat -0.02%. Food and non-alcoholic beverages, which has the highest contribution in CPI basket, decreased by 3.35% monthly. However, increase in remaining items in the CPI basket countered this decrease. Elevated commodity and petroleum prices along with rupee depreciation is expected to keep inflation numbers at elevated levels in coming months. SBP expects inflation to average between 9% to 11% during fiscal year 2022.

Total Foreign Reserves at year-end decreased to USD 24.0Bn from their peak of USD 27.2Bn during August 2021 due to rising imports and debt repayments. Based on December 2021 imports and year-end total reserves position, import cover currently stands at ~3.0 months. FX reserves are expected to remain under pressure due to elevated imports and upcoming debt repayments. However, expected resumption of IMF program, planned issuance of International Bonds along with floating exchange rate regime is expected to provide some cushion.

Pak Rupee also depreciated to an all-time low against USD to 178.235 levels during December 2021 due to higher imports and fear of depleting foreign reserves. Latest released numbers show that PKR is currently close to its equilibrium value, as measured by Real Effective Exchange rate (REER) of 98.5.

Large scale manufacturing (LSM) grew slightly by 1.2% on a m-0-m basis while 4MFY22 increased by 3.6% compared to 4MFY21. The growth was led by Automobile (4MFY22: 37.91%) and Leather (4MFY22: 10.49%) sectors.

Pakistani government and IMF staff reached staff-level agreement during November 2021 on policies and reforms needed to complete the sixth review under the Extended Fund Facility (EFF). IMF's Executive level board approval is subject to meeting prior conditions relating to passage of Finance (Supplementary) Bill and the State Bank of Pakistan (Amendment) Bill 2021. Resumption of the IMF program would release USD 1Bn tranche under the EFF.

Equity Market Review and Outlook:

Negative sentiments continued during the month. KSE-100 posted a return of -1.06% during December (verses a return of -2.4% during November) and closed at 44,596 levels. Total monthly turnover decreased by 12.4% from 2.7Bn to 2.4Bn shares. Foreigners remained net buyers during the month with USD 5.26Mn net inflow. Locally, Mutual Funds, Brokers and Banks were the major sellers with combined selling of USD 33.66Bn during the month.

Technology, Refinery and Oil and Gas sectors were the top performing sectors during the month with 6.6%, 1.3% and 0.6% gain respectively. While sectors which posted negative returns were Pharmaceutical (-2.9%), Cement (-1.8%) and Auto (-1.1%). (Source: BR Indices)

Successful conclusion of talks with IMF for the sixth tranche could add some positivity to the market. However, current macro-economic concerns like rising imports, interest rates direction, inflationary pressures due to increasing petroleum and commodity prices and pressure on currency could keep the market range bound.

FUNDS MANAGEMENT REPORT For the month of December 2021



Money Market Review and Outlook:

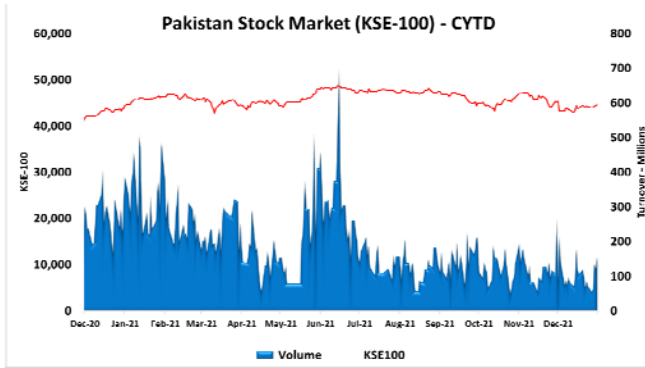
During December's Monetary Policy's, SBP raised the policy rate further by 100bp to 9.75% due to rising inflation and trade deficit pressures. SBP has indicated that end goal of mildly positive real interest rates on a forward-looking basis was now close to being achieved. SBP has also indicated a pause in January's Monetary Policy to assess the effects of recent measures. Looking ahead, the MPC expects monetary policy settings to remain broadly unchanged in the near-term.

Cut-off yields in the last held auctions during December were 10.3873%, 11.3228% and 11.4796% for 3M, 6M and 1Yr T-Bills. While cut-off yields for PIBs in the last held auction during December were 11.50%, 11.5740% and 11.7640% for 3Yr, 5Yr and 10Yr PIBs respectively. Bids for 20Y were rejected while no bids were received for 15Y and 30Y instruments.

Based on yield curve at 31-Dec-21, market is expecting a further hike of ~50 to 60bp during the next 3 months. Yield curve is almost flat between 1Yr and 5Yr instruments with yields around 11.4% and 11.46% respectively. However, trajectory of global prices of commodities and petroleum products, trade deficit, exchange rate and inflation numbers in upcoming months will dictate the direction of interest rates.

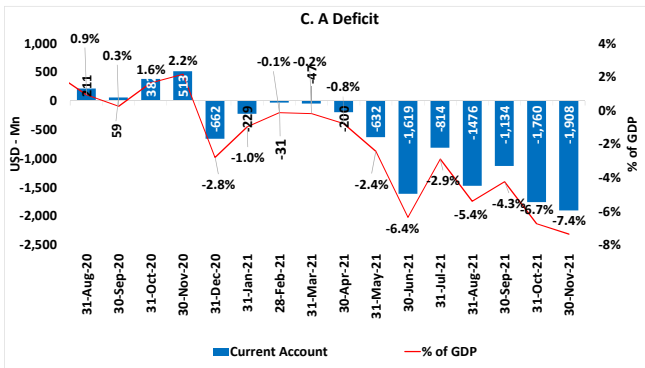
Source: SBP, PBS, Bloomberg

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

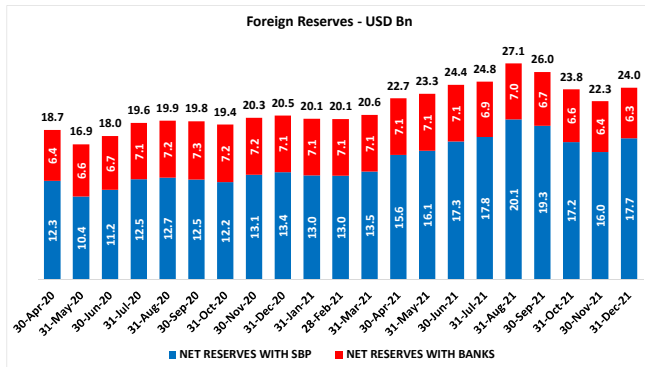


PSX Performance	KSE100	KSE30	KMI30	KSEALL
31-Dec-20	43,755	18,180	71,168	30,780
30-Nov-21	45,072	17,430	73,211	30,832
31-Dec-21	44,416	17,502	71,687	30,727
MTD - %	-1.46%	0.41%	-2.08%	-0.34%
CYTD - %	1.51%	-3.73%	0.73%	-0.17%

Portfolio (USD - Mn)	MTD	CYTD
FOREIGN CORPORATES	1.78	-428.63
FOREIGN INDIVIDUAL	0.01	4.09
OVERSEAS PAKISTANI	3.47	69.45
FIPI	5.26	-355.09
BANKS / DFI	-4.20	2.18
BROKER PROPRIETARY TRADING	-4.57	-35.69
COMPANIES	16.97	107.68
INDIVIDUALS	6.81	244.03
INSURANCE COMPANIES	5.33	-29.63
MUTUAL FUNDS	-24.90	-20.78
NBFC	1.12	3.66
OTHER ORGANIZATION	-1.83	83.63
LIPI	-5.26	355.09

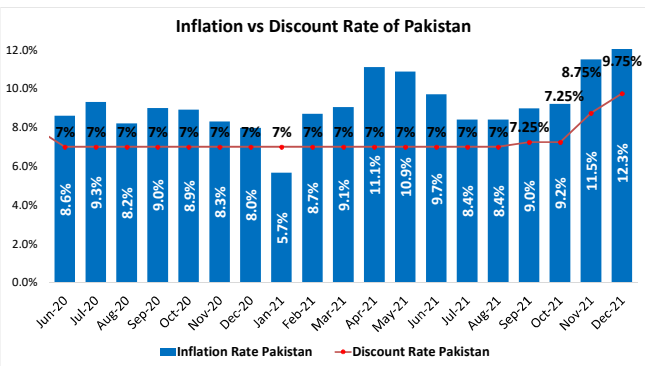


Global Market Performance		MTD - %	CYTD - %
Index			
Karachi 100	Pakistan	-1.46%	1.51%
BSE Sensex	India	2.08%	21.99%
Dow Jones	USA	5.38%	18.73%
S&P 500	USA	4.36%	26.89%
Nasdaq	USA	0.69%	21.39%
FTSE 100	UK	4.61%	14.30%
Euro Stoxx 50	Euro Zone	5.79%	20.99%
Shanghai	China	2.13%	4.80%
Nikkei 225	Japan	3.49%	4.91%
CAC 40	France	6.43%	28.85%
MOEX	Russia	-2.66%	15.15%



Forex Rates	Dec-20	Nov-21	Dec-21
USD	159.90	176.60	176.80
EUR	195.00	196.00	197.50
JPY	1.55	1.41	1.41
GBP	214.00	233.50	236.00
CNY	24.60	23.75	23.50

PKRVs	Dec-20	Nov-21	Dec-21
3M	7.08%	9.74%	10.35%
6M	7.17%	10.17%	11.30%
1Y	7.26%	10.72%	11.38%
3Y	8.28%	11.37%	11.42%
5Y	9.25%	11.48%	11.46%
7Y	9.65%	11.67%	11.51%
10Y	10.00%	11.94%	11.62%



International Commodities	Dec-20	Nov-21	Dec-21
Arab Light	51.18	73.36	77.53
BRENT CRUDE OIL	51.39	70.57	77.78
WTI CRUDE OIL	49.93	66.18	75.21
Coal [API4 - FOB Richards Bay]	90.35	118.25	135.80
Steel (USD/ton)	1,005.00	1,610.00	1,435.00
HRC (USD/ton)	4,572.00	4,624.00	4,729.00
COPPER USD	3.52	4.28	4.46
GOLD	1,950.08	1,776.50	1,828.60
PLATINUM	1,107.10	933.35	965.80
NATURAL GAS	2.67	4.57	3.73
SILVER	27.58	22.77	23.38

IGI Takaful Aggressive Fund For the month of December 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.

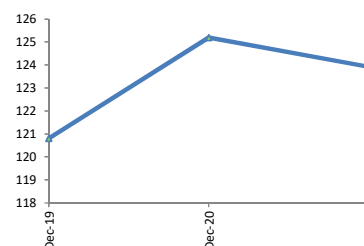
FUND INFORMATION:

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 -1.78% against its last month absolute return of -1.58%.

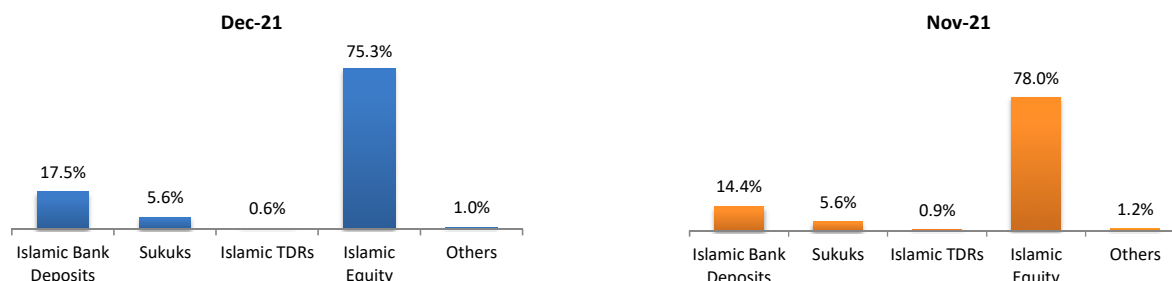
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Dec-21	Nov-21	MoM %
NAV per Unit (PKR)	123.9	126.2	-1.78%
Net Assets Value (PKR '000)	690,403	676,825	2.01%

ASSET ALLOCATION *:



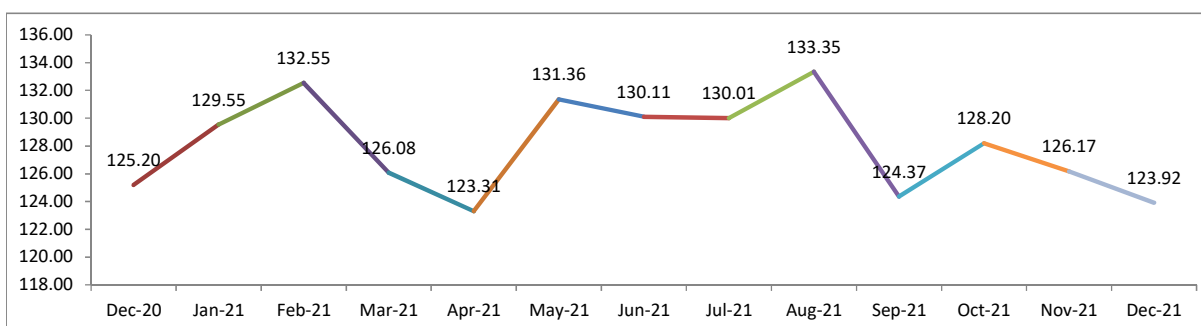
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	-1.78%	-3.34%	-0.36%	-4.76%	-1.02%	-1.02%	3.47%

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 December 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.

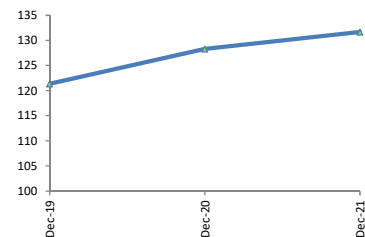
FUND INFORMATION:

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 -0.22% against its last month absolute return of 0.23%.

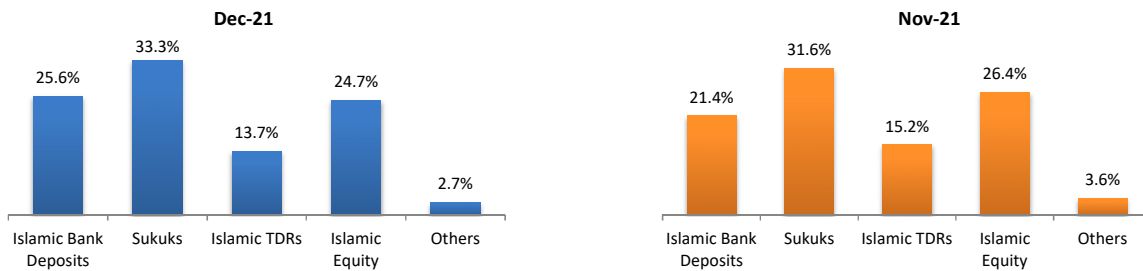
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Dec-21	Nov-21	MoM %
NAV per Unit (PKR)	131.7	132.0	-0.22%
Net Assets Value (PKR '000)	2,033,047	1,962,748	3.58%

ASSET ALLOCATION *:



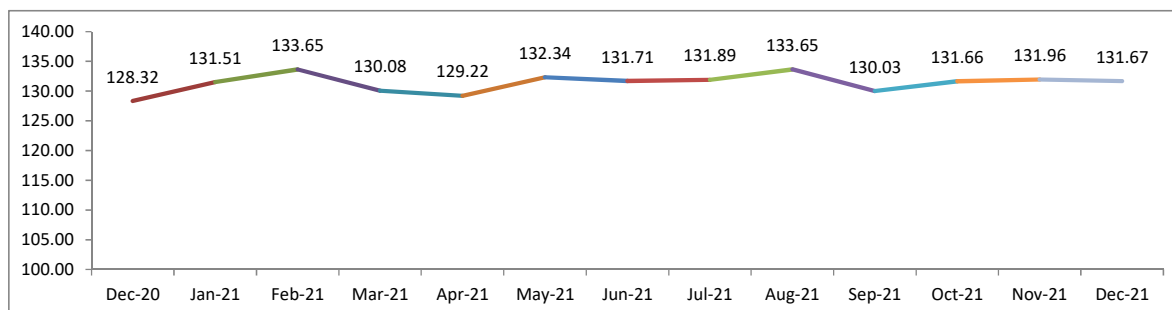
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	-0.22%	0.01%	1.26%	-0.03%	2.61%	2.61%	4.48%

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 December 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.

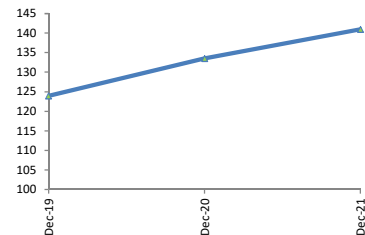
FUND INFORMATION:

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 0.70% against its last month absolute return of 0.40%.

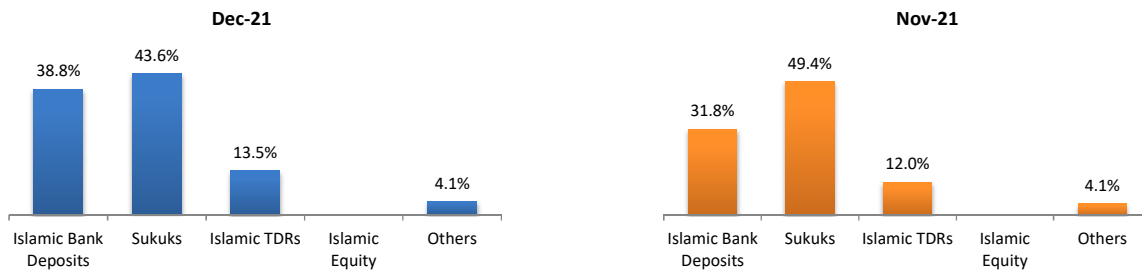
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Dec-21	Nov-21	MoM %
NAV per Unit (PKR)	141.0	140.0	0.70%
Net Assets Value (PKR '000)	1,387,827	1,280,348	8.39%

ASSET ALLOCATION *:



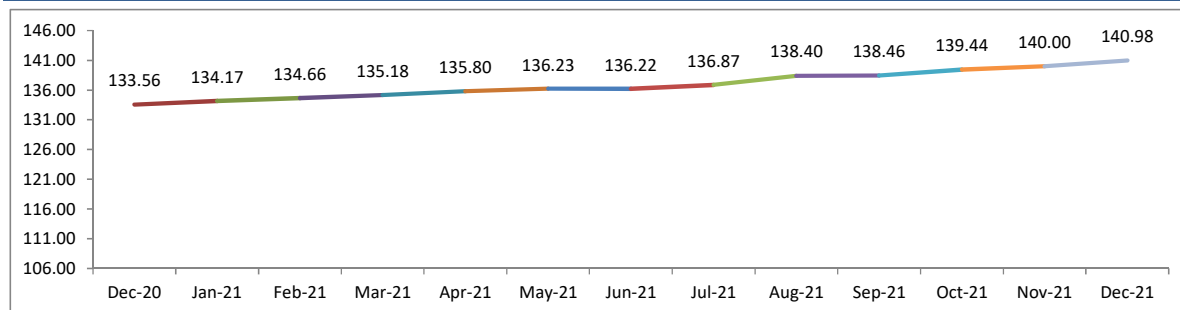
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.70%	1.10%	1.82%	3.49%	5.55%	5.55%	5.62%

Note: All returns are gross of Fund Management Charges.

IGI Takaful Conservative Fund - ICF BID PRICE:



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