



Funds Management Report January - 2022

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Macro Review and Outlook:

Current Account registered a deficit of USD 1,932Mn during December 2021 (6MFY22: -9,092) versus a deficit of USD 629Mn during same month previous year (6MFY21: 1,247). On a month-on-month basis, Current Account deteriorated by ~2.0%. 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.

Yearly Inflation numbers for the month of January-2022 arrived at 12.97% majorly due to low base effect and monthly inflation of 0.39%. Food and non-alcoholic beverages, which has the highest contribution in CPI basket, decreased by 0.45% monthly. However, increase in Furnishing, Healthcare, Restaurants and Transport index countered this decrease. Elevated commodity and petroleum prices are expected to keep inflation in double digits in coming months. SBP expects inflation to average between 9% to 11% during fiscal year 2022.

Gross Foreign Reserves at January-end decreased by USD 1.8Bn and closed at USD 22.08Bn due to external debt servicing and other official payments. Pakistan received USD 1.053Bn from IMF after successful completion of 6th review of IMF program. Remaining USD 3Bn under the EFF will be received in 3 tranches after reviews in March, June, and September 2022. Successful resumption of IMF program is expected to open doors to inflows from Asian Development Bank, World Bank, Islamic Development Bank and capital markets.

Pak Rupee 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. However, the rupee recovered against dollar and closed at Rs. 176.7172 at month-end. Latest released numbers show that PKR is currently close to its equilibrium value, as measured by Real Effective Exchange rate (REER).

Large scale manufacturing (LSM) grew slightly by 1.9% monthly while 4MFY22 increased by 3.26% compared to 4MFY21. The production in July-November 2021-22 as compared to July-November 2020-21 has increased in Textile, Food, Beverages & Tobacco, Coke & Petroleum Products, Pharmaceuticals, Chemicals, Automobiles, Iron & Steel products, and Paper & Paperboard while it decreased in Non-Metallic Mineral Products, Fertilizers, Electronics & Rubber Products. The growth was led by Automobile (4MFY22: 34.49%) and Iron and steel products (4MFY22: 25.27%)

Equity Market Review and Outlook:

Year 2022 started on a positive note and KSE-100 posted a return of 1.75% during January (verses a return of -1.06% during December) and closed at 45,375 levels (+779 points). Positive sentiments in the market was fueled by status quo in the monetary policy settings, expected resumption of IMF program after passing of SBP Bill in Senate and Supplementary Finance Bill in National Assembly.

Total monthly turnover decreased by 12.5% from 2.4Bn to 2.1Bn shares for KSE-100 index. Foreigners remained net buyers during the month with USD 17.57Mn net inflow. Locally, Mutual Funds and Brokers were the major sellers with combined selling of USD 26.36Bn during the month.

Power Gen, Banks and Food sectors were the top performing sectors during the month with 11.0%, 4.4% and 3.3% return respectively. While sectors which posted negative returns were Technology (-7.1%), Refinery (-4.1%) and Insurance (-2.0%). (Source: BR Indices)

Current macro-economic concerns like rising imports, policy rate, inflationary pressures due to increasing petroleum and commodity prices and pressure on currency will dictate the market direction in near term.

FUNDS MANAGEMENT REPORT For the month of January 2022



Money Market Review and Outlook:

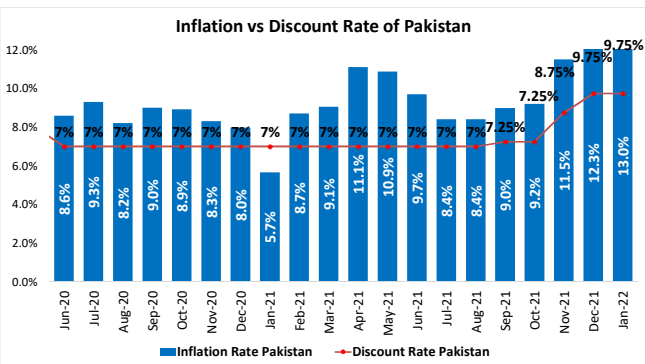
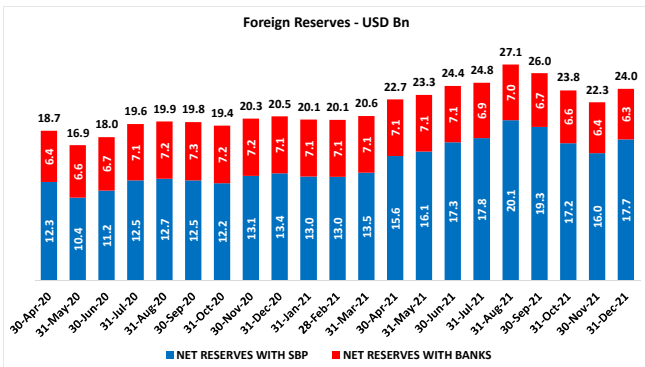
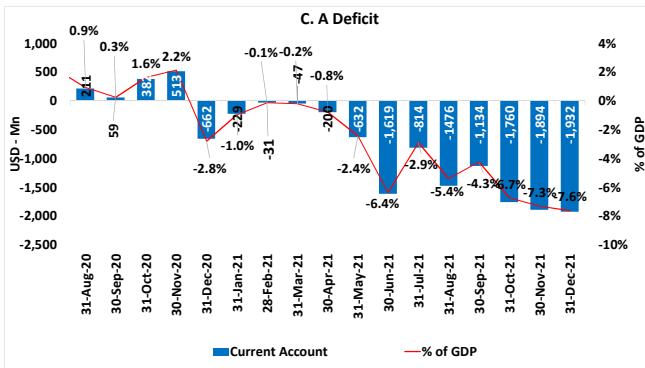
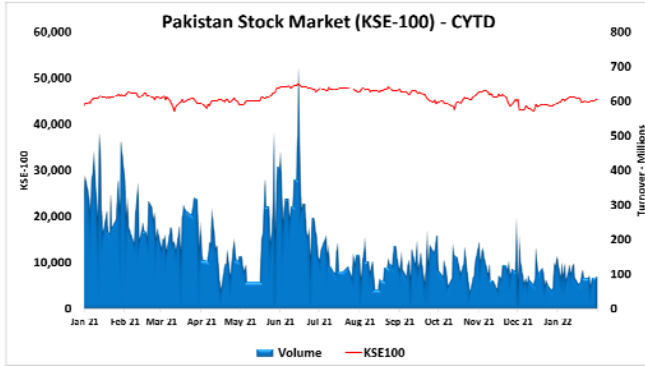
In line with expectations and forward guidance provided by SBP, policy rate remained unchanged at 9.75% in December's monetary policy. SBP has indicated that end goal of mildly positive real interest rates on a forward-looking basis was now close to being achieved.

Yields for 3M, 6M and 12M instruments decreased by 16bp, 71bp and 61bp respectively during the month and closed at 10.19%, 10.59% and 10.77%. Yields for longer maturity instruments also decreased by 60bp and 64bp for 3-Year and 5-Year instruments respectively and closed at 10.77%.

Spread between policy rate and 3M T-Bills is currently ~44Bp while the spread with 6M T-Bills is ~84bp indicating that major portion of increase in policy rates has been already taken place. MPC has also indicated only modest change in monetary policy settings going forward if needed. Yield curve is also almost flat between 6M (~10.59%) and 5Yr (~10.86%) instruments further strengthening the view that Pakistan is near its end of monetary tightening phase. However, trajectory of global prices of commodities and petroleum products, trade deficit, exchange rate and inflation numbers in upcoming months will bring more clarity to the direction of interest rates in coming months.

Source: SBP, PBS, Bloomberg

FUND MANAGER REPORT - Key Economic Indicators
As at January 31, 2022



PSX Performance	KSE100	KSE30	KMI30	KSEALL
31-Dec-21	44,596	17,502	71,687	30,727
31-Dec-21	44,596	17,502	71,687	30,727
31-Jan-22	45,375	17,830	73,593	31,008
MTD - %	1.75%	1.88%	2.66%	0.91%
CYTD - %	1.75%	1.88%	2.66%	0.91%

Portfolio (USD - Mn)	MTD	CYTD
FOREIGN CORPORATES	20.77	20.77
FOREIGN INDIVIDUAL	0.22	0.22
OVERSEAS PAKISTANI	-3.42	-3.42
FIPI	17.57	17.57
BANKS / DFI	20.22	20.22
BROKER PROPRIETARY TRADING	-4.01	-4.01
COMPANIES	5.14	5.14
INDIVIDUALS	-2.65	-2.65
INSURANCE COMPANIES	0.89	0.89
MUTUAL FUNDS	-22.35	-22.35
NBFC	-0.11	-0.11
OTHER ORGANIZATION	-14.7	-14.7
LIPI	-17.57	-17.57

Global Market Performance			MTD - %	CYTD - %
Index				
Karachi 100	Pakistan		1.75%	1.75%
BSE Sensex	India		-0.41%	-0.41%
Dow Jones	USA		-3.32%	-3.32%
S&P 500	USA		-5.26%	-5.26%
Nasdaq	USA		-8.98%	-8.98%
FTSE 100	UK		1.08%	1.08%
Euro Stoxx 50	Euro Zone		-2.88%	-2.88%
Shanghai	China		-7.65%	-7.65%
Nikkei 225	Japan		-6.22%	-6.22%
CAC 40	France		-2.15%	-2.15%
MOEX	Russia		-6.78%	-6.78%

Forex Rates	Dec-21	Dec-21	Jan-22
USD	176.80	176.80	177.20
EUR	197.50	197.50	196.50
JPY	1.41	1.41	1.41
GBP	236.00	236.00	236.50
CNY	23.50	23.50	23.50

PKRVs	Dec-21	Dec-21	Jan-22
3M	10.35%	10.35%	10.19%
6M	11.30%	11.30%	10.59%
1Y	11.38%	11.38%	10.77%
3Y	11.42%	11.42%	10.78%
5Y	11.46%	11.46%	10.86%
7Y	11.51%	11.51%	10.92%
10Y	11.62%	11.62%	11.09%

International Commodities	Dec-21	Dec-21	Jan-22
Arab Light	77.53	77.53	90.28
BRENT CRUDE OIL	77.78	77.78	89.26
WTI CRUDE OIL	75.21	75.21	88.15
Coal [API4 - FOB Richards Bay]	135.80	135.80	174.00
Steel (USD/ton)	1,435.00	1,435.00	1,165.00
HRC (USD/ton)	4,729.00	4,729.00	4,970.00
COPPER USD	4.46	4.46	4.34
GOLD	1,828.60	1,828.60	1,796.40
PLATINUM	965.80	965.80	1,022.25
NATURAL GAS	3.73	3.73	4.87
SILVER	23.38	23.38	22.43

IGI Takaful Aggressive Fund For the month of January 2022



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.

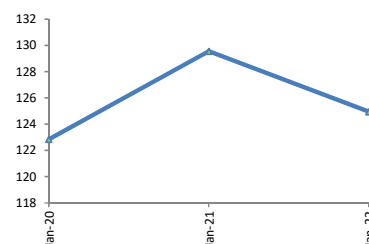
FUND INFORMATION:

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 0.82% against its last month absolute return of -1.78%.

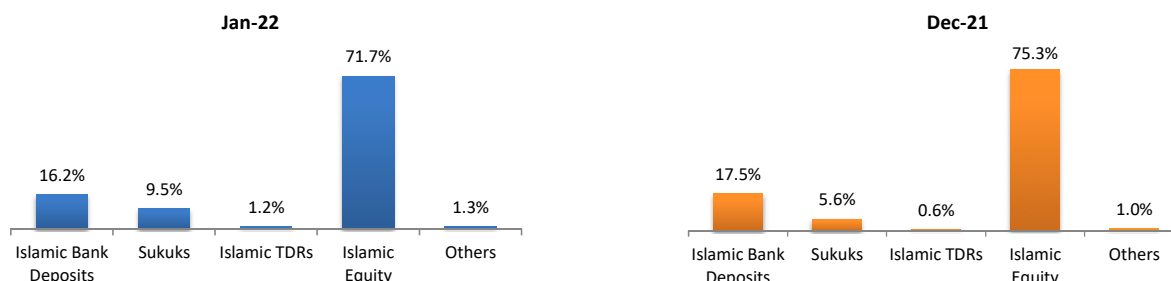
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Jan-22	Dec-21	MoM %
NAV per Unit (PKR)	124.9	123.9	0.82%
Net Assets Value (PKR '000)	686,607	690,403	-0.55%

ASSET ALLOCATION *:



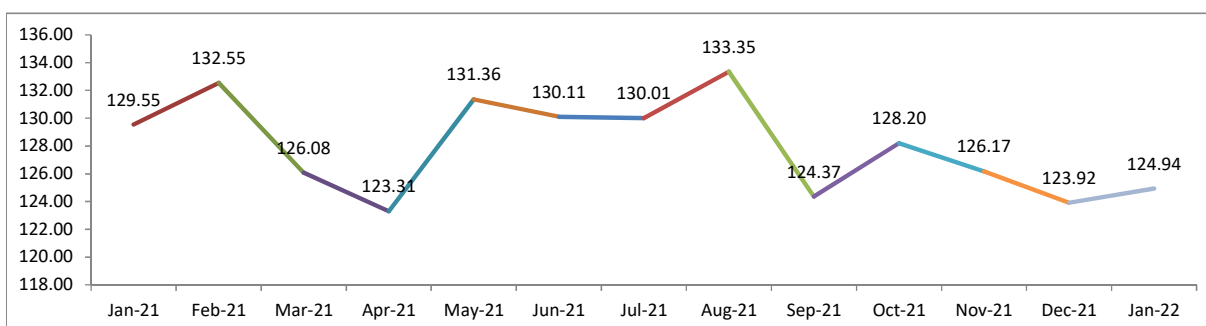
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Aggressive Fund - IAF	0.82%	-0.97%	-2.54%	-3.90%	-3.56%	0.82%	3.56%

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 January 2022



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

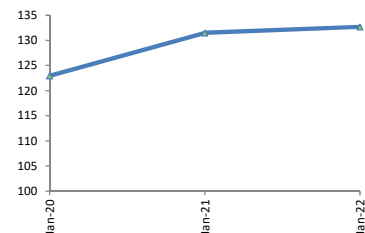
RETURNS:

During the month the fund generated an absolute return of 0.77% against its last month absolute return of -0.22%.

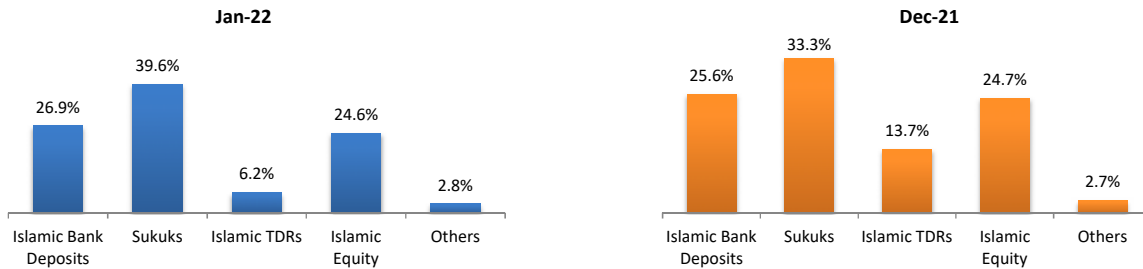
ASSETS UNDER MANAGEMENT:

	Jan-22	Dec-21	MoM %
NAV per Unit (PKR)	132.7	131.7	0.77%
Net Assets Value (PKR '000)	2,058,102	2,033,047	1.23%

Value of 100 Rupees invested since inception



ASSET ALLOCATION *:



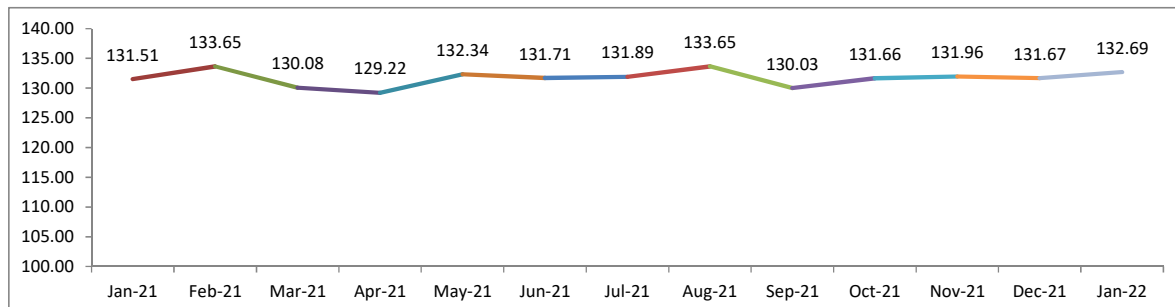
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return						Annualized Return
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Balanced Fund - IBF	0.77%	0.55%	0.79%	0.61%	0.90%	0.77%	4.54%

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 January 2022



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.

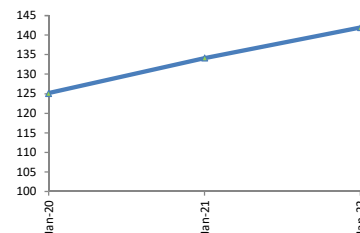
FUND INFORMATION:

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 0.71% against its last month absolute return of 0.70%.

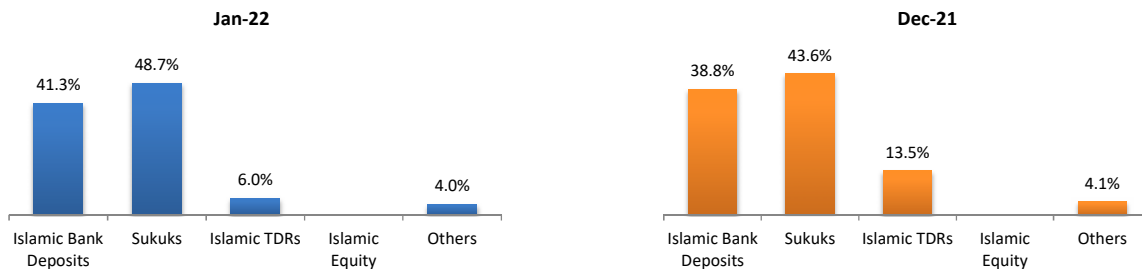
Value of 100 Rupees invested since inception



ASSETS UNDER MANAGEMENT:

	Jan-22	Dec-21	MoM %
NAV per Unit (PKR)	142.0	141.0	0.71%
Net Assets Value (PKR '000)	1,434,104	1,387,827	3.33%

ASSET ALLOCATION *:



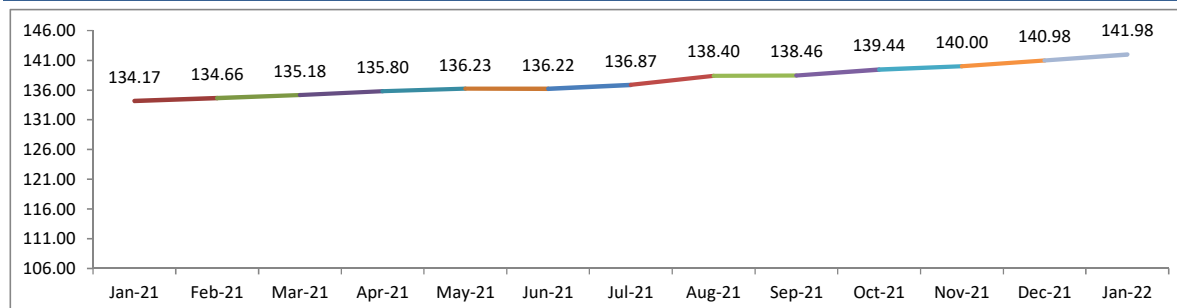
* Asset Allocation have been developed by looking through the underlying assets of mutual funds investments.

FUND PERFORMANCE:

	Absolute Return					Annualized Return	
	30 Days	60 Days	90 Days	180 Days	365 Days	CYTD	Since Inception
IGI Conservative Fund - ICF	0.71%	1.41%	1.82%	3.73%	5.82%	8.38%	5.66%

Note: All returns are gross of Fund Management Charges.

IGI Takaful Conservative Fund - ICF BID PRICE:



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