

MARKET: ENVIRONMENT & OUTLOOK

Money Market Overview & Outlook

The market remained fairly liquid throughout the period under review, as repo rates averaged 11.30%. Presence of liquidity in the banking system witnessed little, if any, activity in TDRs. On the other hand, large quantum of trades were witnessed in T-Bills (all tenors). The cutoff yields were significantly high in the last auction, bolstering interest in government securities as opposed to private sector advances. Furthermore, CPI for Mar '10 stood at 12.9% Y-o-Y. Inflation is finally receding, as the figure for Y-o-Y is pulled down progressively, we may witness softening in the discount rate. However, oil prices are still unpredictable and any further increase in oil price is likely to result in upward revision in inflation expectation.

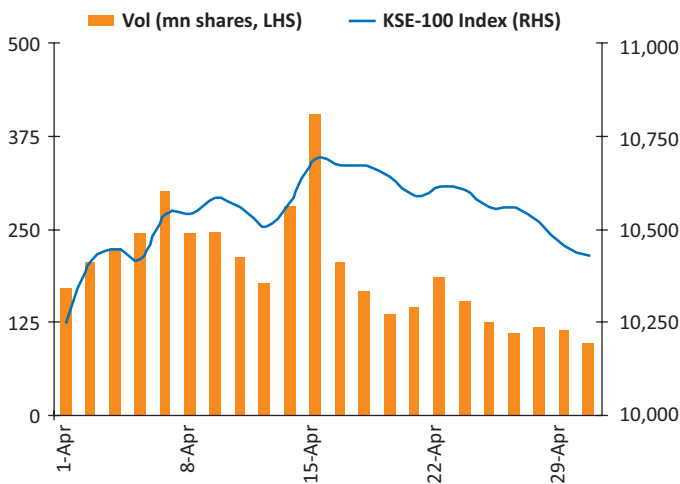
The GoP is highly pressed to curtail its borrowing from SBP, a prime condition of IMF. However, targets for NDA and NFA were positively met to date. The country is looking to obtain the fourth IMF tranche of USD\$1.30bn. Hence, efforts to borrow from commercial banks has become the main focus, with shortfall to be serviced by T-Bills auctions. IMF decision to release the tranche is due next month. The interest rates outlook is a mix bag at this point in time. We believe there might be a room for 50bps cut by Ministry of Finance (MoF), however if inflation is not curbed, interest rates are likely to remain at current levels.

Equity Market Overview & Outlook

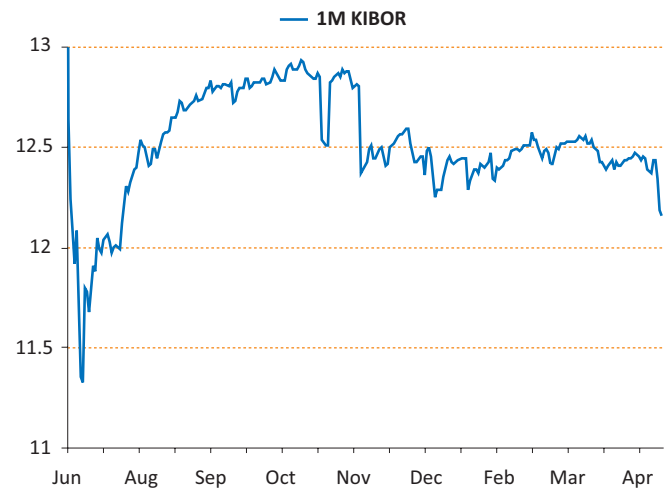
Over April'10, average volumes increased by 23% MoM to settle at 194mn shares. The volumes were driven by robust 1QCY10 results and strong foreign presence. However, foreign interest has waned in the month under review, plummeting 29% MoM to register a net BUY figure of USD 80.3Mn, as reported under FIPI. Heavy trading activity kept the market between a 300 point band, oscillating between 10,400-10,700, but the market remained considerably short of the elusive 11,000 mark.

Going forward, the triggers (corporate results, heavy foreign buying) driving the market have run their course, leaving the market poised for correction. In addition, economic indicators are suggesting a mixed outlook on the Discount Rate. Any increase in CPI components (oil and food items) will push inflation rates up over the medium term. On the flipside, concentrated efforts to end the Circular Debt are being made, which will provide relief to key sectors. In such a situation, investors will focus on cherry picking in Oil and Energy stocks.

KSE-100 Movement



KIBOR Movement



Members of Investment Committee

Chairperson	Maheen Rahman	<i>Chief Executive Officer (CEO)</i>
Member	Syed Muhammad Zeeshan	<i>Chief Financial Officer (CFO)</i>
Secretary	Muddasir Ahmed Shaikh	<i>Chief Investment Officer (CIO)</i>
Member	Talib Wahab Shubaily	<i>Portfolio Manager</i>
Member	Syed Saifullah Kazmi	<i>Portfolio Manager</i>

Disclaimer: All investments in Mutual Funds are subject to market risk. The NAV based prices of units & any dividends/returns thereon are dependant on factors affecting the financial markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the fund's Offering Document on www.igifunds.com.pk for detailed information prior to investment.

Basic Fund Information

Asset Class	Fixed Income	Pricing	Forward Day
Fund Type	Open-end	Sales Load	Nil
Fund Lifespan	Perpetual	Management Fee	1.25%
Benchmark	1Month KIBOR	Min Initial Investment	PKR 5,000/-
Launch Date	April 14, 2007	Min Subsequent Investment	PKR 1,000/-
Dealing Frequency	Daily	Trustee	CDC Pakistan Limited
Capital Gains Tax	As per tax laws	Auditor	KPMG, Taseer Hadi & Co.
Par Value	PKR 100/-	Listing	Lahore Stock Exchange

Investment Objective

The investment objective of IGI Income Fund (IGIIF) is to minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the Unit Holders. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

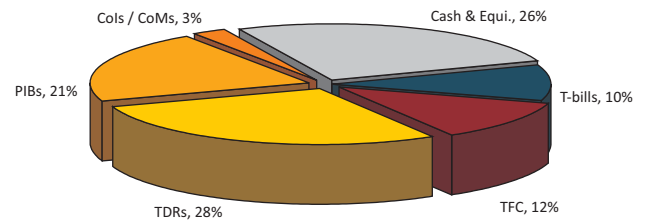
Fund Statistics

	Mar-10	Apr-10
Fund Size (PKR in mn)	3,023	3,258
NAV (PKR)	103.2968	104.2388
Duration (Months)	29.63	27.72
Standard Deviation*	0.11	0.11
Sharpe Ratio	(0.14)	(0.14)
Information Ratio	(0.18)	(0.18)
Expense Ratio**	1.57%	1.57%

*Standard Deviation, Sharpe and Information Ratios have been calculated using Since Inception returns. Sharpe Ratio has been calculated against 3-month T-Bill.

** Ratio of total expenses including management fee to the average annual net assets.

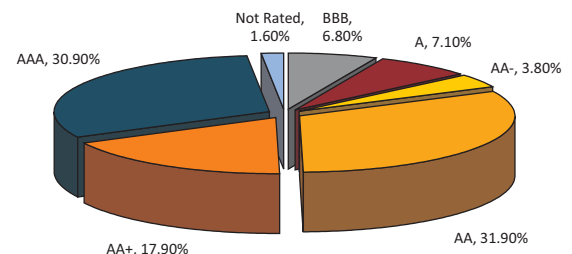
Asset Allocation



Asset Allocation (%age of Assets)

	Mar-10	Apr-10
Cash & Equivalents	29%	26%
COI's/COM's	3%	3%
Term Finance Certificates	2%	12%
Treasury Bills	17%	10%
Pakistan Investment Bonds	22%	21%
Placement	-	-
Term Deposit Receipts	27%	28%

Credit Splits



Returns

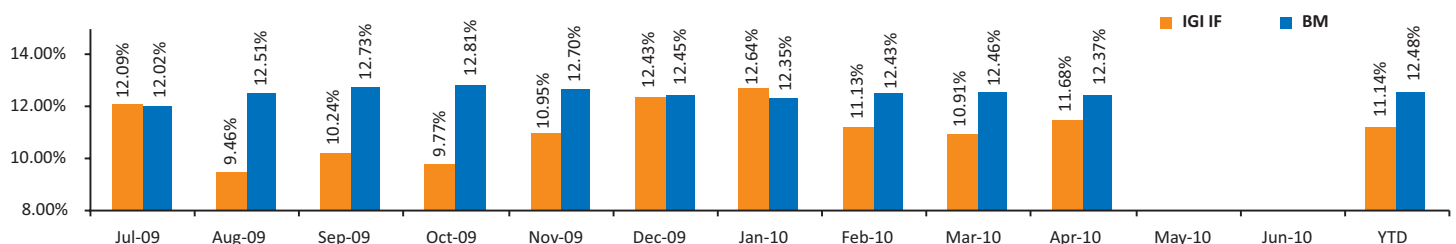
	BM	IGI IF
Month to Date	12.37%	11.68%
Year to Date	12.48%	11.14%
Since Inception	11.76%	9.06%

Fund Activity

The Fund remained active in the money market during the month under review. Gains were realized offloading T-bills exposure in Government Securities. The idle cash balance (including the proceeds from T-Bill trades) was utilized for buy/sell agreement in TFCs securing decent accruals without being prone to volatility. The Fund managed to place a short term TDR at attractive rate, taking advantage of the stagnant market yields. Furthermore, the buy/sell deals in PIB were rolled over, marking capital gain to enhance the yield for the month under review.

In current investment environment, TFCs (especially in the banking sector) provide an attractive investment option as they offer a premium to the market yields. The Fund plans to increase exposure in TFCs gradually. However, liquid TFCs will be Fund's priority investment.

Rolling Returns: IGI IF vs. 1M KIBOR





IGI Stock Fund

Fund Rated "5 Star" by PACRA
AMC Rated "AM3" by PACRA

Fund Manager: **S. Saifullah Kazmi**

Basic Fund Information

Asset Class	Equity	Pricing	Forward Day
Fund Type	Open-end	Sales Load	2.50%
Fund Lifespan	Perpetual	Management Fee	2.00%
Benchmark	KSE-100	Min Initial Investment	PKR 5,000/-
Launch Date	July 15, 2008	Min Subsequent Investment	PKR 1,000/-
Dealing Frequency	Daily	Trustee	CDC Pakistan Limited
Capital Gains Tax	As per tax laws	Auditor	KPMG, Taseer Hadi & Co.
Par Value	PKR 100/-	Listing	Lahore Stock Exchange

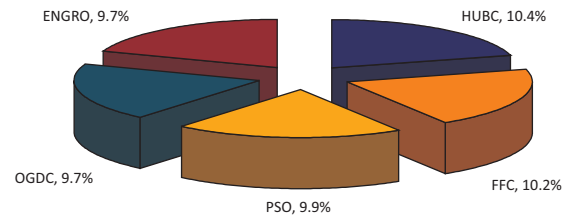
Investment Objective

The investment objective of IGI Stock Fund (IGISF) is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Fund Statistics

	Mar-10	Apr-10
Fund Size (PKR in mn)	505.86	527.93
NAV (PKR)	150.0066	152.6056
Beta	0.97	0.94
Standard Deviation	0.01	0.01
Information Ratio	0.15	0.15

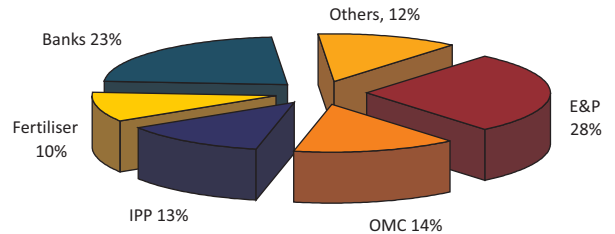
Top 5 Holdings*



Asset Allocation (%age of Assets)

	Mar-10	Apr-10
Equities	92.1%	88.2%
Cash	5.2%	8.6%
Others	2.6%	3.1%

Sector Allocation*



Returns

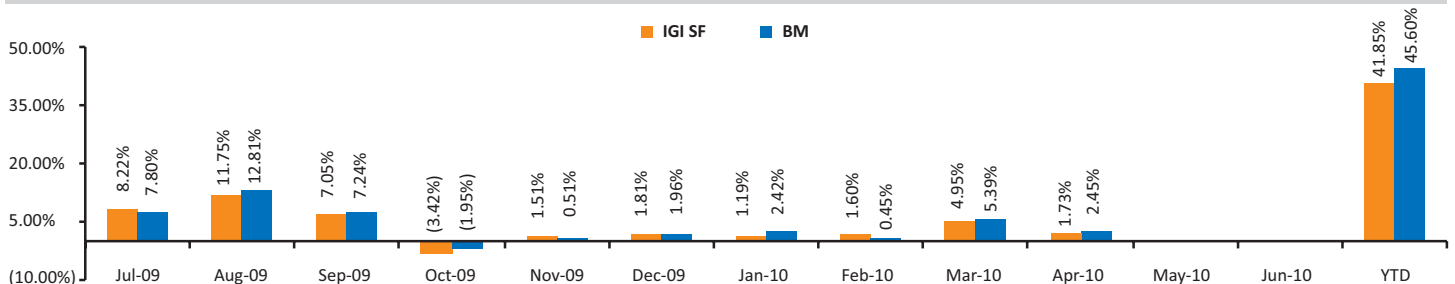
	BM	IGI SF
Month to Date	2.45%	1.73%
Year to Date	45.60%	41.85%
Since Inception	(4.85%)	88.51%

*Top 5 Holdings and Sector Allocation are %age of total equity holding

Fund Activity

IGI SF closed the month with a fund size of PKR 527.9Mn, and MTD & YTD returns of 1.73% and 41.85%, respectively. The portfolio's return remained below the BM due to greater exposure in blue chip stocks that did not perform in the oscillating market. The fund maintained a strong presence in equities, with an average exposure of 91.8% during April. The focus remained in oil, which offered robust corporate results and growth prospects at a fundamental discount. Commercial banks remained attractive after reporting lower unyielding assets and improved bottom line for non interest income. Fertilizers were hit with uncertainty in light of the gas rationing stance adopted by regulators. This uncertainty was mitigated by significant hike in Urea prices, a strong positive for the bottom line. Looking ahead, the fund will maintain to increase its exposure as the market corrects to lower support levels. Fundamentally strong shares will become very attractive at these levels.

Rolling Returns: IGI SF vs. KSE-100





IGI Islamic Income Fund

AMC Rated "AM3" by PACRA

Fund Manager: **Talib Wahab Shubaily**

Basic Fund Information

Asset Class	Islamic Income	Pricing	Forward Day
Fund Type	Open-end	Sales Load	1.00%
Fund Lifespan	Perpetual	Management Fee	1.50%
Benchmark	Avg. of 6mth TDRs of 3 Islamic banks	Min Initial Investment	PKR 5,000/-
Launch Date	December 3, 2009	Min Subsequent Investment	PKR 1,000/-
Dealing Frequency	Daily	Trustee	CDC Pakistan Limited
Capital Gains Tax	As per tax laws	Auditor	KPMG, Taseer Hadi & Co.
Par value	PKR 100/-	Listing	Lahore Stock Exchange

Investment Objective

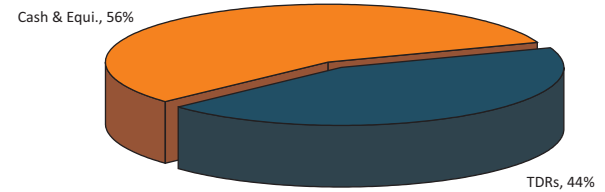
The investment objective of IGI Islamic Income Fund (IGIIF) is to minimize risk, construct a liquid portfolio of Shariah approved fixed income investments and provide competitive returns to the Unit Holders. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

Fund Statistics

	Mar-10	Apr-10
Fund Size (PKR in mn)	408	403
NAV (PKR)	102.9932	103.7455
Duration (Months)	0.27	1.08
Standard Deviation*	0.004	0.004
Information Ratio	4.67	2.85
Expense Ratio**	2.06%	2.06%

*Standard Deviation, Sharpe and Information Ratios have been calculated using Since Inception returns.
**Ratio of total expenses including management fee to the average annual net assets.

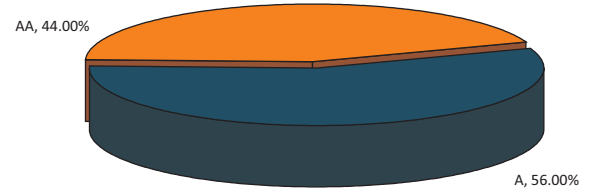
Asset Allocation



Asset Allocation (%age of Assets)

	Mar-10	Apr-10
Cash & Equivalents	44%	56%
Term Deposit Receipts	56%	44%

Credit Splits



Returns

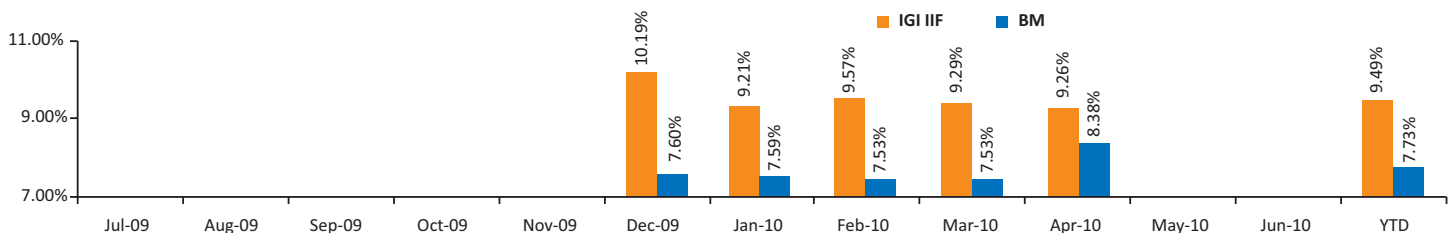
	BM	IGI IIF
Month to Date	8.38%	9.26%
Year to Date	7.73%	9.49%
Since Inception	7.73%	9.49%

Fund Activity

Low placement rates and lack of other feasible shariah compliant investment options in the current scenario led the Fund to encash the maturing TDR. As a result, the overall cash and cash equivalents appreciated from 44% of total net assets to 56%. The higher liquidity in the banking system reduced the Fund's ability to negotiate for higher placement rates with banks, strengthening rationale for higher cash balance. However, any upward revision in the market yields, the Fund is likely to execute few more TDRs.

The Fund maintains its strategy of focusing on TDRs and Sukuks (government guaranteed), going forward. The Fund is actively pursuing secondary market for Sukuks looking forward to buy them at attractive yields. Sukuks are a better alternative to TDRs but the scarcity of such instruments available, leaves the Fund an option to carry a mix of the two assets in the portfolio.

Rolling Returns: IGI IIF vs. Benchmark



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