

Monthly Fund Review

April, 2011 Issue

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IGI Funds Limited
Rated "AM2-" by JCR-VIS

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Economic & Capital Markets Review

Economic Review

Following partial pass-through of petroleum product prices, CPI inflation rose to 13.16% in Mar'11 from 12.91% in Feb'11. Continued high international oil prices and subsequent domestic impact may lead to spike in inflation over May and Jun'11. However, this should not be enough to persuade the SBP to resume monetary tightening as the Discount Rate already stands at 14%. On a positive note, the macroeconomy continued to depict improvement in other areas. As per FBS data, the Mar'11 trade deficit was recorded at a manageable US\$920mn, with Mar'11 exports up 38%YoY to US\$2.497bn and imports up just 4%YoY to US\$3.417bn, despite higher oil import. Together with record high home remittances of US\$1.052bn in Mar'11, the Current Account has posted a surplus of US\$347mn in Mar'11 and a surplus of US\$99mn in 9MFY11. As a result, the PkR has appreciated by 0.7%FYTD against the US\$. Going forward, the key risk for Pakistan remains the fiscal deficit, which may exceed 6% of GDP in FY11. In this regard, 9MFY11 tax collection has registered at PkR1.02tn against full-year target of PkR1.58tn. Initial news flow suggests the FY12 tax collection target may be placed at PkR1.9tn, which may necessitate additional taxation.

Money Market Review

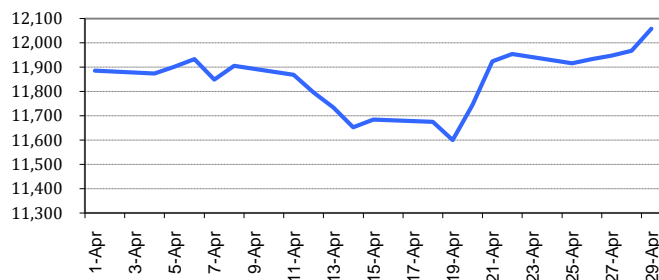
Weighted average T-bill yields continued to ease after peaking in late Jan'11 (the SBP decided to maintain the Discount Rate at 14%). Latest T-bill auction was conducted on Apr 20'11 with weighted average yields recorded at 13.25% for 3M, 13.60% for 6M and 13.83% for 12M bills. The trend in T-bills continued to reflect the money market's view that interest rates have peaked for now. The same has been indicated by declining KIBOR, where 6M KIBOR lowered to 13.67% on Apr 30'11 from 13.73% on Mar 31'11.

The money market remained fairly liquid through out the month with Over night rate averaging at 12.55% against last month's average of 13.26%. The continuous mopping of liquidity from the Money market was required with Net mopped-up amount of Rs. 103bn against Net Injected Amount of Rs. 230bn last month. The liquidity in the market has been attributed to the release of amount by Government to the Oil companies for resolving Circular Debt. Besides, increase in NFA and NDA played due role in keeping the yields at low level

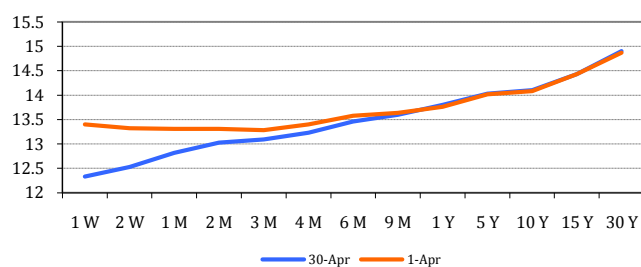
Equity Market Review

The KSE-100 Index gained 248 points or 2.1%MoM in Apr'11 to close at 12,058 points on Apr 30'11, despite net FIPI outflow recorded at US\$7.3mn. Out of this increase, almost 175 points were contributed by OGDC alone. Total market volumes were recorded at 1.58bn shares, down 28.5%MoM. Major sectors with positive price performance were Healthcare, Beverages, Construction and Food Producers while Financial Services, Media, Gas/Water Multiutilities and Household Goods were major poor performing sectors. Overall market performance remained lackluster as gains were primarily driven by index-heavyweight OGDC and volumes only briefly spiked on sporadic activity witnessed on specific results (e.g. LOTPTA and PTC). In general, relatively robust corporate results failed to provide impetus to the market which remained subdued due to taxation concerns over the upcoming FY12 Budget.

KSE-100 Index Movement



Yield Curve



Members of Investment Committee

Chairperson	Maheen Rahman , Chief Executive Officer
Member	Syed Muhammad Zeeshan , Chief Financial Officer
Secretary	Muddasir Ahmed Shaikh , Chief Investment Officer
Member	Syed Saifullah Kazmi , Portfolio Manager
Member	S. Salman Raza Naqvi , Group Head - Risk & Credit Management

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IGI Income Fund

Rating: "A+(f)" by JCR-VIS

Investment Objective

The investment objective of IGI Income Fund (IGIF) 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.

Basic Fund Information

Category:	Income Scheme	Management Fee:	1.25%
Fund Type:	Open Ended	Min. Initial Investment:	PkR 5,000/-
Benchmark:	6 Month KIBOR	Min. Subseq. Investment:	PkR 1,000/-
Launch Date:	April 14, 2007	Trustee:	CDC Pakistan Limited
Par Value:	100	Auditor:	KPMG, Taseer Hadi & Co.
Pricing:	Forward Day	Listing:	Lahore Stock Exchange
Sales Load:	Nil	Dealing Days:	Monday - Friday
Risk Profile:	Low	Cut-off Time:	9:00 am - 3:00 pm
Leverage:	Nil		

Fund Statistics

Fund Size (PkR mn):	1,482
NAV (PkR):	102.0168
Wtd. Average Time to Maturity (months):	9.12
Standard Deviation:	0.0095
Sharpe Ratio:	-1.25
Information Ratio:	-1.60
Expense Ratio:	1.14%

Fund Performance

	IGI IF	BM
YTD (Jul '10 - Apr '11):	11.16%	13.32%
Month (Apr '11):	11.42%	13.74%
Since Inception:	11.08%	11.99%

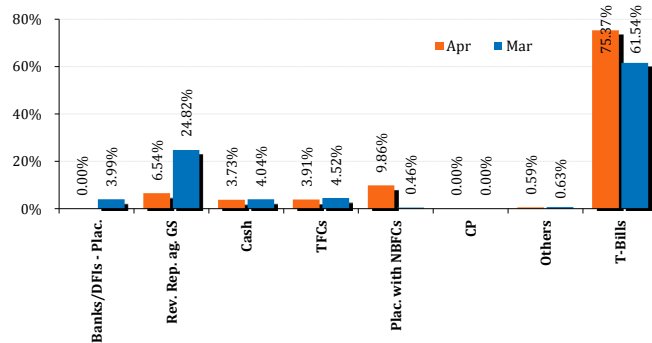
- Standard Deviation, Sharpe and Information Ratios have been calculated using Rolling Returns

- Sharpe Ratio has been calculated against average 3-month T-Bill yield.

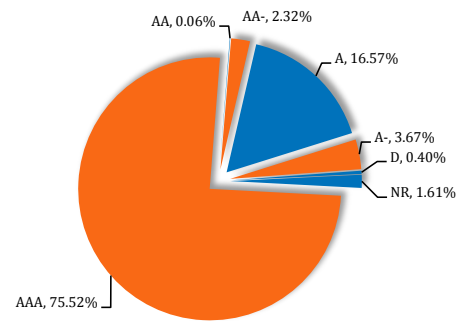
- Expense Ratio is Ratio of total expenses including management fee to the average annual net assets.

- YTD & MTD returns calculated using simple annualized; SI return calculated using Morning Star Model

Asset Allocation (as % of Total Assets)



Portfolio Credit Quality



Fund Activity

In April, the higher secondary market yields on the Government Securities led the Fund's strategy to maintain focus on the instruments with active trading. Resultantly, the exposure in T-Bills was raised to approx. 75% of net assets from 61% level at the end of March. The maturing placements under reverse repo arrangements were redirected to the T-Bills and COIs. This shift in allocation supported the Fund's MoM yield. On the TFCs front, the no activity was observed during the period under review owing to increased volatility in revaluation rated. Going forward, the Fund will plans to maintain its higher allocation to T-Bills with focus on instruments maturing in 3-6 months.

TFC Holdings (% of Net Assets)

Bank Alfalah Limited - (2-Dec-09) - Fixed	2.32%
Bunnys Limited - (13-Nov-08)	1.02%
Vision Dev. (Pvt) Limited - (30-Nov-08)	0.59%

Details of Non Compliant Investments

Instrument	Type of Instrument	Value of Investment before Provisioning	Provisioning Held, if any	Value of Investment after Provisioning	% of Gross Asset	% of Net Asset
Bunnys Limited	Term Finance Certif.	20,110,000	(5,027,500)	15,082,500	1.02%	1.02%
Pak Hy Oils Limited	Term Finance Certif.	15,000,000	(15,000,000)	0	0.00%	0.00%
Vision Dev. (Pvt) Limited	Term Finance Certif.	11,635,000	(2,908,750)	8,726,250	0.59%	0.59%
BRR Guardian Modaraba	Certif. of Musharaka	5,966,642	0	4,033,430	0.27%	0.27%

FY11 Rolling Returns

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	YTD
IGI IF	10.24%	12.37%	12.82%	9.97%	11.71%	10.93%	9.76%	9.81%	11.35%	11.42%			11.16%
BM	12.37%	12.83%	12.92%	13.21%	13.29%	13.60%	13.74%	13.76%	13.74%	13.74%			13.32%

- Returns till Dec, 2010 calculated using Morning Star Model; Returns from Jan, 2011 onwards calculated using simple annualized method

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IGI Stock Fund

Rating: "4 Star" by PACRA

Investment Objective

The investment objective of IGI Stock Fund (IGI SF) 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.

Basic Fund Information

Category:	Equity Scheme	Min. Initial Investment:	PkR 5,000/-
Fund Type:	Open Ended	Min. Subseq. Investment:	PkR 1,000/-
Benchmark:	KSE - 100	Trustee:	CDC Pakistan Limited
Launch Date:	July 15, 2008	Auditor:	KPMG, Taseer Hadi & Co.
Par Value:	100	Listing:	Lahore Stock Exchange
Pricing:	Forward Day	Dealing Days:	Monday - Friday
Sales Load:	2.50%	Cut-off Time:	9:00 am - 3:00 pm
Management Fee:	2.00%		
Leverage:	Nil		

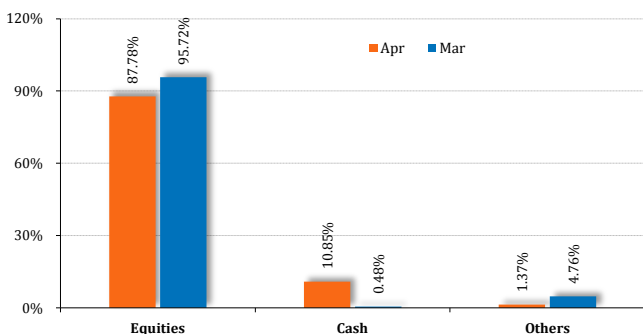
Fund Statistics

Fund Size (PkR mn):	352
NAV (PkR):	132.8838
Standard Deviation:	0.111
Information Ratio:	0.031
Beta:	0.76

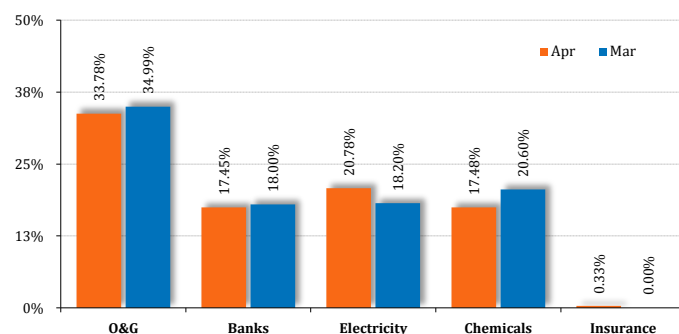
Fund Performance

	IGI SF	BM
YTD (Jul '10 - Apr '11):	31.48%	24.02%
Month (Apr '11):	1.38%	2.10%
Since Inception:	120.32%	10.02%

Asset Allocation (as % of Total Assets)



Asset Allocation (Sector wise)



Fund Activity

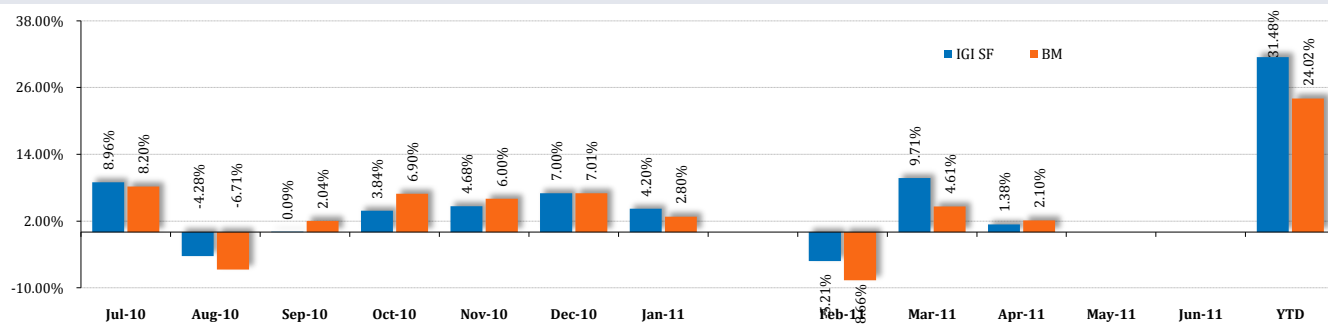
The month witnessed low activity on the equity front with dry market volumes in the broader market and conclusion of earnings season. IGISF also followed the market with slow activity. The reduction in Equity exposure was the outcome of increasing net assets rather than any profit taking activity. The major allocation still rest with Oil & Gas sector followed Chemicals and Electricity sectors.

Going forward, the Fund plans to maintain its exposure in equities having strong fundamentals with a view that the equity market will perform positively in the result season post June. The quarter is expected to observe the general historical trend of volatile movement in equities with low volumes.

Top 10 Equity Holdings (% of Net Assets)

	Apr	Mar
FFC	9.62%	10.70%
HUBC	9.57%	9.04%
KAPCO	8.58%	9.16%
PPL	8.54%	9.18%
APL	8.31%	8.47%
UBL	8.30%	8.64%
POL	6.88%	0.00%
MCB	6.73%	6.37%
NRL	5.13%	0.00%
ENGRO	5.06%	0.00%

FY11 Rolling Returns



- Returns till Dec, 2010 calculated using Morning Star Model; Returns from Jan, 2011 onwards calculated using simple annualized method

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IGI Money Market Fund

Rating: "AA+(f)" by JCR-VIS

Investment Objective

An open-ended Money Market Scheme which shall seek to generate competitive returns consistent with low risk from a portfolio constituted of short term instruments including cash deposits, money market placements and government securities. The Fund will maintain a high degree of liquidity, with time to maturity of single asset not exceeding six months and with weighted average time to maturity of Net Assets not exceeding 90 days.

Basic Fund Information

Category:	Money Market Scheme	Management Fee:	0.80%
Fund Type:	Open Ended	Min. Initial Investment:	PkR 5,000/-
Benchmark:	Avg. 3 Mth Dep. Rates of 3 "AA" Rated Banks	Min. Subseq. Investment:	PkR 1,000/-
Launch Date:	May 27, 2010	Trustee:	CDC Pakistan Limited
Par Value:	100	Auditor:	KPMG, Taseer Hadi & Co.
Pricing:	Forward Day	Listing:	Lahore Stock Exchange
Sales Load:	Nil	Dealing Days:	Monday - Friday
Risk Profile:	Low	Cut-off Time:	9:00 am - 3:00 pm
Leverage:	Nil		

Fund Statistics

Fund Size (PkR mn):	2,253
NAV (PkR):	101.7105
Wtd. Average Maturity (months):	1.41
Standard Deviation:	0.0508
Sharpe Ratio:	-0.23
Expense Ratio:	1.11%

Fund Performance

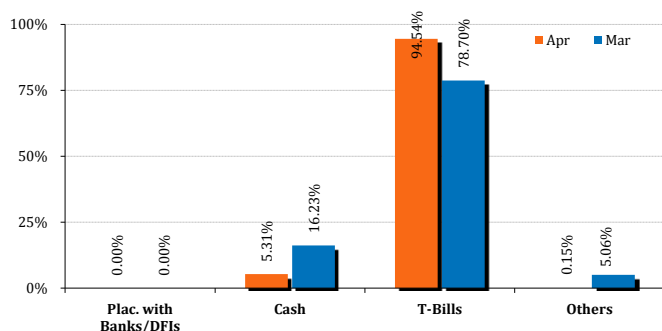
	IGI MMF	BM
YTD (Jul '10 - Apr '11):	11.72%	8.81%
Month (Apr '11):	12.35%	8.67%
Since Inception:	11.72%	8.65%

- Standard Deviation, Sharpe Ratios have been calculated using Rolling Returns

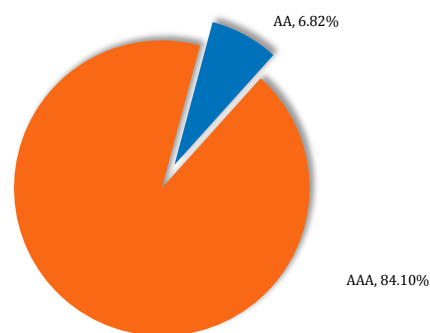
- Sharpe Ratio has been calculated against average 3-month T-Bill yield.

- YTD & MTD returns calculated using simple annualized; SI return calculated using Morning Star Model

Asset Allocation (as % of Total Assets)



Portfolio Credit Quality

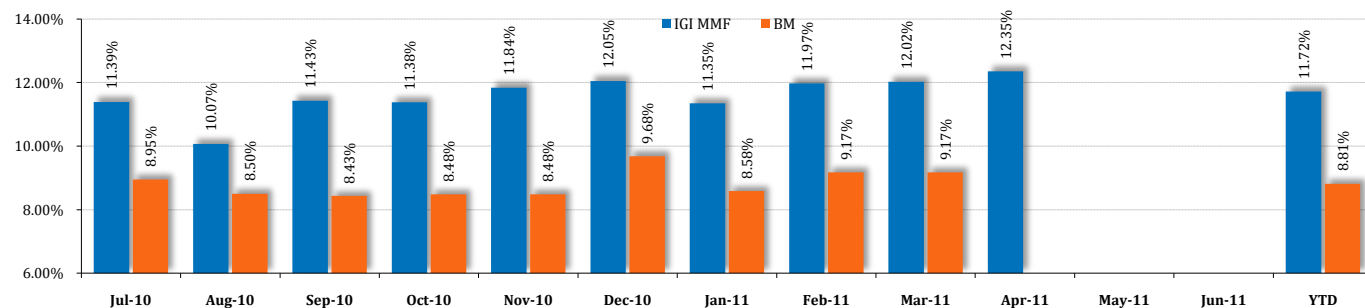


Fund Activity

IGI MMF generated a MTD return of 12.35% and a YTD return of 11.72%. The Fund maintained a strong position in T-Bills, maximizing its allocation in various tenures. IGI MMF acquired a small position in the mid term paper, allowing the capture of higher yields. In addition, the Fund announced its first monthly payout of PKR 1.0258 per unit held by income unit holders. This translates into a bonus payout of 1.0188 units per 100 units held by growth unitholders.

Going forward, IGI MMF will maintain a strong presence in T-Bills. However, the downward phasing of yields due to excess liquidity in the market will increase interest in the mid to long term papers. The Fund will also consider short term placements with FI's to lock in rates as we see yields will remain lower than historical levels.

FY11 Rolling Returns



- Returns till Dec, 2010 calculated using Morning Star Model; Returns from Jan, 2011 onwards calculated using simple annualized method

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IGI Islamic Income Fund

Rating: 'A+ (f)' by PACRA

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.

Basic Fund Information

Category:	Islamic Income Scheme	Management Fee:	1.50%
Fund Type:	Open Ended	Min. Initial Investment:	PkR 5,000/-
Benchmark:	Avg. 6 Mth Dep. Rates - 3 Islamic Banks	Min. Subseq. Investment:	PkR 1,000/-
Launch Date:	December 3, 2009	Trustee:	CDC Pakistan Limited
Par Value:	100	Auditor:	KPMG, Taseer Hadi & Co.
Pricing:	Forward Day	Listing:	Lahore Stock Exchange
Sales Load:	1.00%	Dealing Days:	Monday - Friday
Risk Profile:	Low	Cut-off Time:	9:00 am - 3:00 pm
Leverage:	Nil		

Fund Statistics

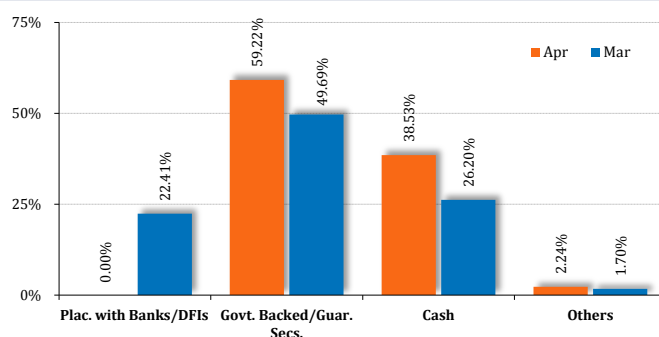
Fund Size (PkR mn):	484
NAV (PkR):	100.8058
Wtd. Average Maturity (months):	2.27
Standard Deviation:	0.0062
Information Ratio:	1.93
Expense Ratio:	1.90%

Fund Performance

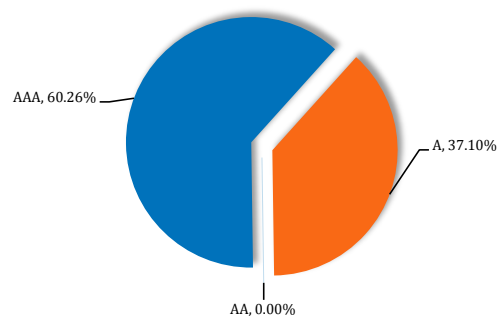
	IGI IIF	BM
YTD (Jul '10 - Apr '11):	9.91%	8.56%
Month (Apr '11):	10.38%	8.63%
Since Inception:	9.86%	8.29%

- Standard Deviation, Sharpe and Information Ratios have been calculated using Rolling Returns
 - Expense Ratio is Ratio of total expenses including management fee to the average annual net assets.
 - YTD & MTD returns calculated using simple annualized; SI return calculated using Morning Star Model

Asset Allocation (as % of Total Assets)



Portfolio Credit Quality



Fund Activity

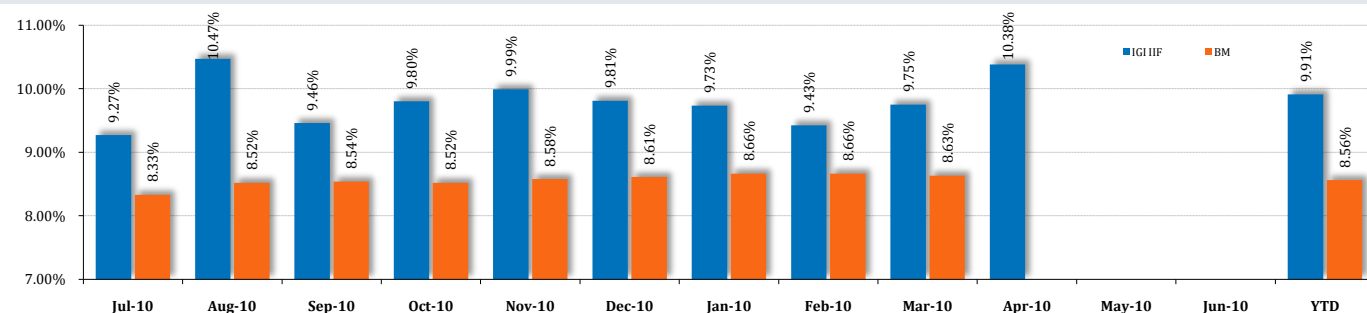
In April, the Fund opted for high yielding risk-free GOP Ijara bonds to improve overall yield. In absence of attractive yields in the placement counters, the maturing placements with commercial banks were redirected to issue V of GOP Ijara. The reallocation of the Funds resulted in improved yields for unitholders with MoM yield rising to above 10.25% mark.

The yields are likely to improve further in the coming months as, going forward, the Fund plans to participate in the upcoming GOP Ijara auction to be held in mid of May.

Sukuk Holdings (% of Net Assets)

GoP Ijara - IV	21.12%
GoP Ijara - V	12.41%
GoP Ijara - VII	25.86%

FY11 Rolling Returns



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IGI Aggressive Income Fund

Rated: "BBB(f)" by PACRA

Investment Objective

The investment objective of the Scheme is to provide an investment medium whereby investors can participate in a portfolio that will seek to generate competitive income.

Basic Fund Information

Category:	Aggressive Income Scheme
Fund Type:	Open Ended
Benchmark:	6 Month KIBOR
Launch Date:	October 25, 2007
IGIFL Acquisition Date:	August 6, 2010
Par Value:	100
Pricing:	Forward Day
Sales Load:	Nil
Risk Profile:	Low

Management Fee:	1.00%
Min. Initial Investment:	PkR 5,000/-
Min. Subseq. Investment:	PkR 1,000/-
Trustee:	CDC Pakistan Limited
Auditor:	KPMG, Taseer Hadi & Co.
Listing:	Karachi Stock Exchange
Dealing Days:	Monday - Friday
Cut-off Time:	9:00 am - 3:00 pm
Leverage:	Nil

Fund Statistics

Fund Size (PkR mn):	755
NAV (PkR):	43.3997
Wtd. Average Maturity (months):	34.38
Standard Deviation:	0.2195
Sharpe Ratio:	-0.95
Information Ratio:	-0.98
Expense Ratio:	2.56%

Fund Performance

	IGI AIF	BM
YTD (Jul '10 - Apr '11):	-9.94%	13.27%
Month (Apr '11):	4.11%	13.74%
Since Acquisition:	-7.13%	13.19%

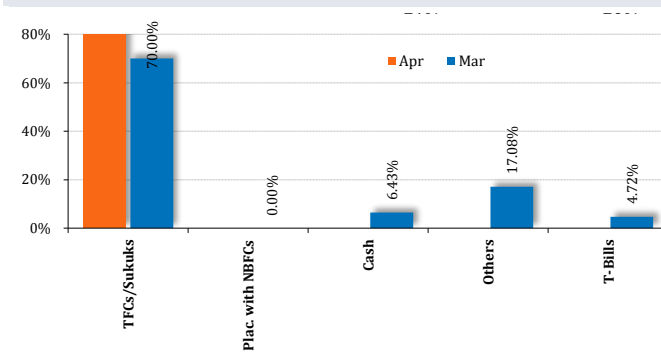
- Standard Deviation, Sharpe and Information Ratios have been calculated using Rolling Returns

- Sharpe Ratio has been calculated against average 3-month T-Bill yield.

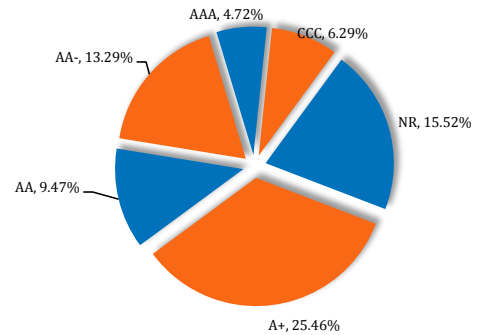
- Expense Ratio is Ratio of total expenses including management fee to the average annual net assets.

- YTD & MTD returns calculated using simple annualized; SI return calculated using Morning Star Model

Asset Allocation (as % of Total Assets)



Portfolio Credit Quality



Fund Activity

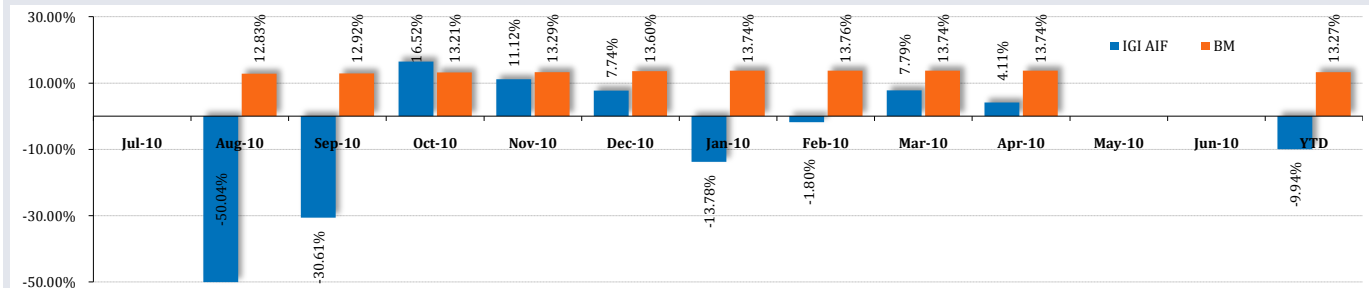
The provisioning on non earnings assets and impact of revaluation on the remaining TFC portfolio marred the yields during the period under review. The revaluation rates of the TFCs witnessed increased volatility during the April. As per the restructuring strategy, the Fund focused mainly on reducing the holdings on non earning assets. The portfolio credit quality was improved with inclusion of NIB TFC while reducing the exposures in Agritech Ltd. and BRR Guardian Modaraba TFCs. The cash & cash equivalent requirement was fulfilled by investment in T-Bills.

Going forward, the Fund will seek investment opportunities in Banking Sector TFCs for any liquidity available in excess of cash & cash equivalent requirement. On the other hand, the holdings of defaulted TFCs will be reduced to minimize the impact of higher provisionings.

TFC/Sukuk Holdings (% of Net Assets)

Pak Mobile Communication - (28-Oct-08)	19.75%
Kohat Cement - (20-Dec-07)	9.83%
UBL Bank - (14-Feb-08)	8.95%
Agritech Limited - (30-Nov-07)	5.10%
Bank AlFalah - (2-Dec-09) - Fixed	5.10%
Bank AlFalah - (2-Dec-09) - Floater	4.04%
B.R.R Gardian Modaraba - (07-Jul-08)	2.81%
Vision Devp. Pvt - (30-Nov-08)	2.98%
Azgard Nine - (04-Dec-07)	2.33%

FY11 Rolling Returns



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