

IGI Income Fund

Fund Manager's Report - November 2009

IGI Income Fund Rated "3 Star" by PACRA

AMC Rated "AM3" by PACRA

Fund Facts

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

Fund Stats

Duration (months)	3.60
Standard Deviation	0.12
Sharpe Ratio	-0.14
Information Ratio	-0.18
Expense Ratio *	1.57%

November '09

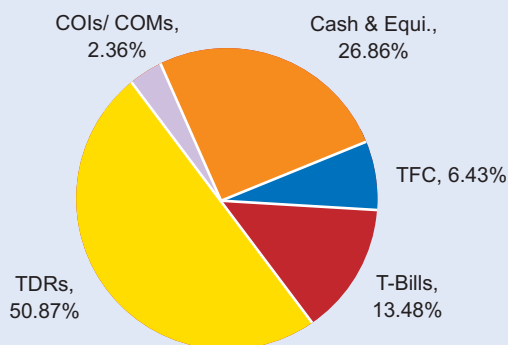
Fund Size (PKR mn)	2,189
NAV (PKR)	104.3604
Monthly Return	10.95%

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

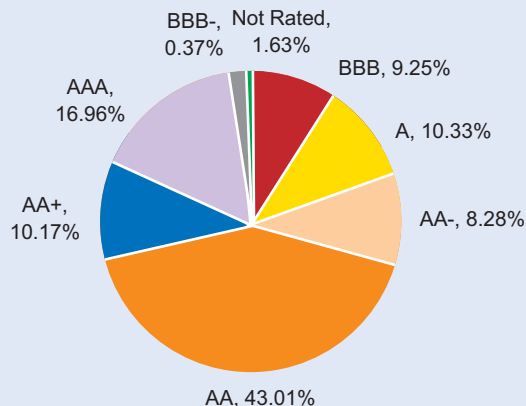
Note: Standard Deviation, Sharpe and Information Ratios have been calculated using Since Inception returns.
Sharpe Ratio has been calculated against 3-month T-Bill while Information Ratio is against Benchmark.

Fund Position as at November 26, 2009

Asset Allocation



Credit Splits



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>Senior Portfolio Manager</i>
Member	Talib Wahab Shubaily	<i>Senior Portfolio Manager</i>
Member	Syed Saifullah Kazmi	<i>Assistant 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 dependent on factors affecting the financial markets. These may go up & 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.



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.

Investment Review - November 2009

Environment

The two most awaited events of the month were; Monetary Policy review, and 4th IMF SBA tranche. The State Bank of Pakistan (SBP) announced a 50bps downward revision, as we expected, and the key policy rate landed at 12.50% effective from the following day.

The country is looking forward to the scheduled IMF inflows, which will go towards bolstering foreign reserves.

The CPI for Nov '09 is expected to be lower, compared to the previous month's 8.87% Y-o-Y. On the flip side, this high base effect is likely to erode later in the months, and higher power tariffs is expected to inflate the CPI numbers going forward. Hence, we foresee limited room for the SBP to loosen rates further.

Future Outlook

Fall in the key policy rate is not expected to lower bank deposits or TDR rates. The month ahead is believed to be the most crucial period for the banks to increase their deposits - term or daily, hence we expect TDR rates to stay attractive.

General liquidity may further probe borrowing rates higher. Therefore liquidity available during the period is most likely to carry a high premium for shorter tenures.

Fund Activity

The Fund deployed cash from Cash & Cash Equivalents to TDRs, locking in attractive rate pre-Monetary Policy rate cut, with highly rated banks.

Some T-Bills were offloaded, realizing gains for the period under review. These sale proceeds were further tied with TDRs, yielding higher compared to the T-Bills held. The Fund still hopes to mark capital gains on the existing bills in the portfolio.

Fund Performance

The Fund closed the month with net assets of PKR 2,189 million, with the NAV standing at PKR 104.3604. The Fund currently enjoys a Standard Deviation of 0.12 and an Expense Ratio of 1.57%.

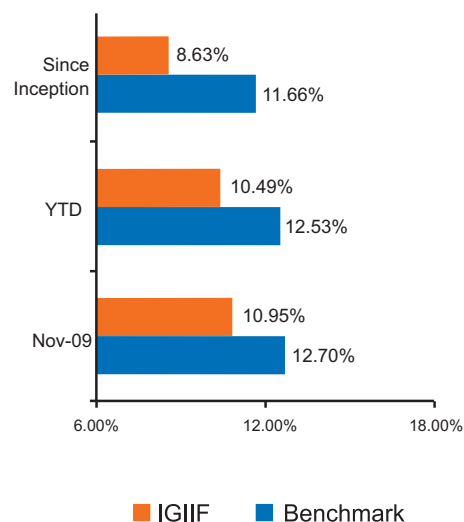
The Fund's yield remained attractive in comparison to deposit rates offered by banks. Preservation of the capital, and additional income on investments of the investor remains the prime objective of the Fund.

Fund Strategy

The Fund is vigilant for parking high yielding short term TDR rates for the month ahead.

Further accumulation of TFCs could be an exercisable option, once the volatility steps out of the system. Alternatively as rates relax going forward, TFCs would be highly attractive corresponding to lowering deposit rates.

Returns Comparison



*Calculation of the returns

The returns of the fund are calculated as per the MUFAP's standard methodology, Morning Star Model. The model referred (Ref: MUFAP/08-09/MEM01/04) was circulated through a letter on July 04, 2008.

1M KIBOR vs IGI INCOME FUND

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	YTD
IGI IF	12.09%	9.46%	10.24%	9.77%	10.95%								10.49%
BM	12.02%	12.51%	12.73%	12.81%	12.70%								12.55%

IGI Stock Fund

Fund Manager's Report - November 2009

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

Fund Facts

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

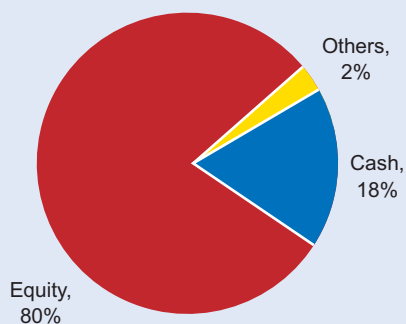
Fund Stats

Beta	0.85
Standard Deviation	0.02
Information Ratio	0.17
Return (since incep.)	68.68%
	November '09
Fund Size (PKR mn)	518.86
NAV (PKR)	136.55
Monthly Return	1.51%

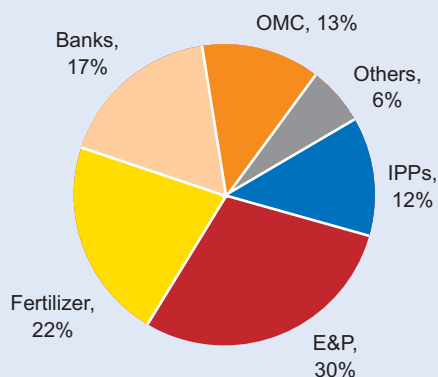
Note: Standard Deviation and Information Ratio have been calculated using daily returns.

Fund Position as at November 26, 2009

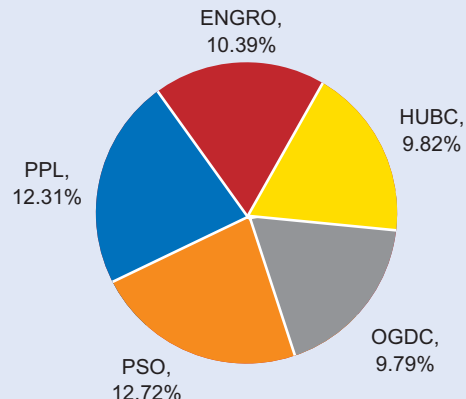
Asset Allocation



Sector Allocation*



Top Five Holding*



*Sector allocation and top five holdings are a percentage of total Equity holding

Members of Investment Committee

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Member	Syed Muhammad Zeeshan	Chief Financial Officer (CFO)
Secretary	Muddasir Ahmed Shaikh	Senior Portfolio Manager
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IGI
Funds

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. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

Investment Review - November 2009

Environment

During the month under review, the KSE-100 appreciated by 0.51%. This nominal movement was expected, as investors remained sidelined due to various externalities; both political and economic. The average volume traded declined 40% in November to 127.4 Mn (Oct'09: 214.74Mn), leaving the market stagnant. FIPI figures remained dismal during the period, registering net buy of only USD 13Mn (Oct'09 Net buy of USD 38.3Mn). In addition, shorter trading period due to Eid holidays has also affected bourse activity.

The most important news for the month was the 50bps reduction in the Discount Rate, in line with market expectation. Improved economic figures justified the cut, leaving the DR at 12.5%.

Future Outlook

The market outlook hinges on continued support from foreign quarters in the form of FIPI inflows and aid/loans. The political implications (NRO outcome) will also have an impact on the market, as and when they arise.

The next trigger for the market will be the IMF tranche of USD 1.2Bn, expected in December. The results of the IMF meeting are imminent, which will also affect the market direction going forward.

Fund Activity

IGI SF maintained an average exposure of 82% in equities during the month under review, with the top sectors being Oil, Fertiliser, Energy and Banks, respectively.

Also, the fund actively traded in the market, realising short term capital gains, as and when they occurred.

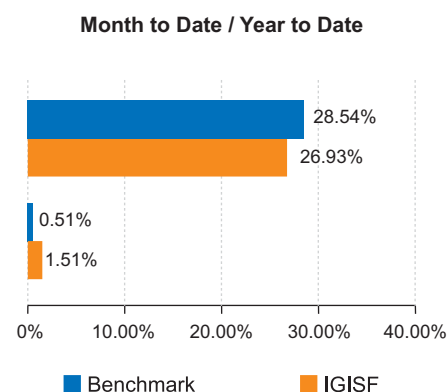
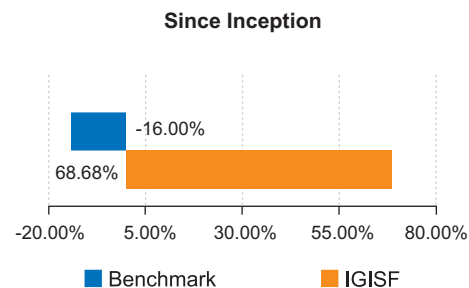
Fund Performance

IGI SF out performed the market during November, registering an MTD return of 1.51% against the benchmark return of 0.51%. On YTD basis, the fund generated a return of 26.93% (BM: 28.54%). The return Since Inception is 68.68%, against the index negative return of (-16%).

Fund Strategy

The future strategy will be to maintain a prominent presence in the market, capitalising on value adding scrips trading at their fundamental discounts. Identifying key market triggers will remain the prime objective to facilitate a medium to long term investment plan. Short term trading will also be undertaken to capitalise on any oscillations in the market.

Returns Comparison



1M KIBOR vs IGI STOCK FUND

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	YTD
IGI SF	8.22%	11.75%	7.05%	(3.42%)	1.51%								26.93%
BM	7.80%	12.81%	7.24%	(1.95%)	0.51%								28.54%

IGI Funds Limited

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