

IGI Income Fund

Fund Manager's Report - April 2009

IGI Income Fund Rated "4 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	Currently 0%
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)	2.74
Standard Deviation	0.13
Sharpe Ratio	-0.13
Information Ratio	-0.17
Expense Ratio *	2.34%

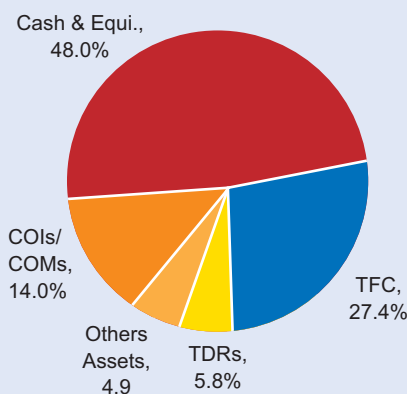
	April '09
Fund Size (PKR mn)	1,708
NAV (PKR)	104.5064
Monthly Return	13.56%

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

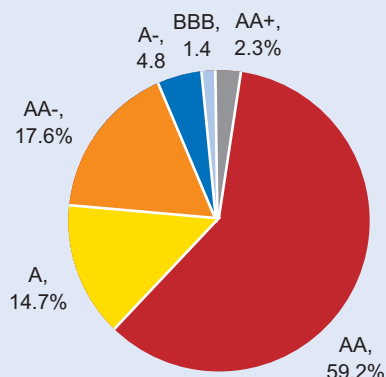
Note: Standard Deviation, Sharpe and Information Ratios have been calculated using Since Inception returns. Sharpe Ratio has been calculated against 3-month T-Bill while Information Ratio is against Benchmark.

Fund Position as at April 30, 2009

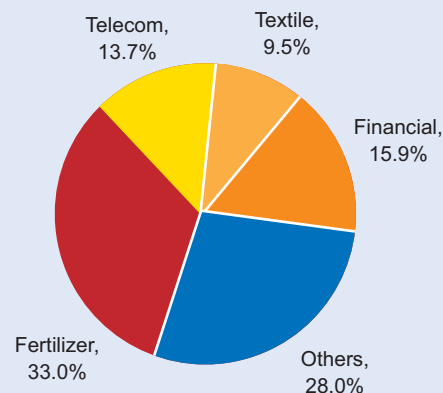
Asset Allocation



Credit Splits



TFC Portfolio



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.

IGI
Funds

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 - April 2009

Environment

IMF's second touchdown has more than helped revive the economic situation of Pakistan. The received amount of US\$ 848 mn, buckled up Pakistan's foreign reserves in excess of US\$ 11 bn. Subsequent to the receiving, other donors promised to help the distressed economy of the country through the Friends of Pakistan forum.

However, the country remains on a strict schedule to meet the three most important concerns of the IMF; limit government budgetary borrowing, Net Foreign Assets (NFA), and Net Domestic Asset (NDA).

State Bank of Pakistan (SBP) provided a breather to the economy by lowering discount rate by 1% to 14%. This downshift sentiment was already built-in as is evident from KIBOR.

Inflation for the period July '08 - Mar '09 stood at 23%, with March inflation (on YoY basis) registering at 19.10%. CPI is likely to hover around 20% for FY09. However, inflation is expected around 6% for FY10 by economists.

Future Outlook

Interest rates are expected to dive going forward. With contracting inflation and improving foreign exchange reserves, rates would be depressed to compensate the curtailment of inflation.

Excess liquidity in the system is very likely to fall prey to the toppling rates offered by banks. The quantum of supply is expected to stabilize at a lower interest equilibrium than present.

The GDP growth is expected around 2.8% for FY09 and 4% by FY10 by economists. Pressure towards the fiscal year-end is gripping on the twin deficits.

Fund Activity

Assets were restructured in the portfolio for the period under review. TFCs were reduced, in order to minimize volatility in yields and cash reserves were built-up through proceeds.

A TDR was placed for medium-term with a commercial bank. Premium bids from DFIs and NBFIs were altogether ignored, in lieu of the present sector situation.

Fund Performance

The Fund closed the month with net assets of PKR 1,708 million, and the NAV standing at PKR 104.5064.

Cash reserves have enormously been built-up to take advantage of placements in TDRs in comparison to TFCs. Lately, the TFCs have suffered revaluations fluctuations, which has caused volatility in contrast to the original phenomenon of income funds.

The Fund has been able to generate market competitive returns for month-to-date (MTD) and year-to-date (YTD) yields.

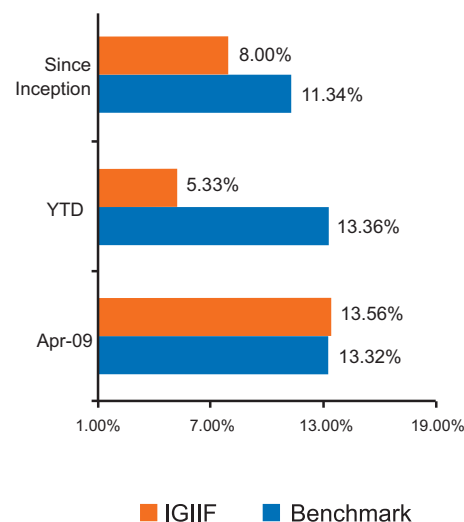
The expense ratio of the Fund fell further, passing the benefit to the unit holders with increased yields.

Fund Strategy

The Fund going forward plans to lock-in profits against medium to long term placements. This action would benefit in the longer term, if interest rates fall.

The Fund is also focussing to invest in government bills and bonds with lower durations going forward. The effect of high yields would be transitory in the short term.

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.

IGI Stock Fund

Fund Manager's Report - April 2009

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

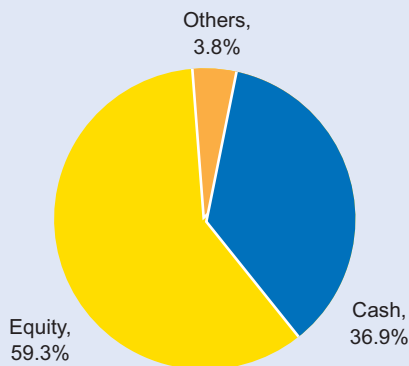
Fund Stats

Beta	0.58
Standard Deviation	0.02
Information Ratio	0.24
Return (since incep.)	30.49%
	April '09
Fund Size (PKR mn)	184.88
NAV (PKR)	130.49
Monthly Return	4.93%

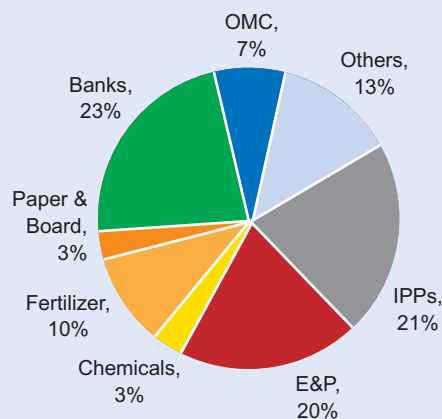
Note: Standard Deviation and Information Ratio have been calculated using daily returns.

Fund Position as at April 30, 2009

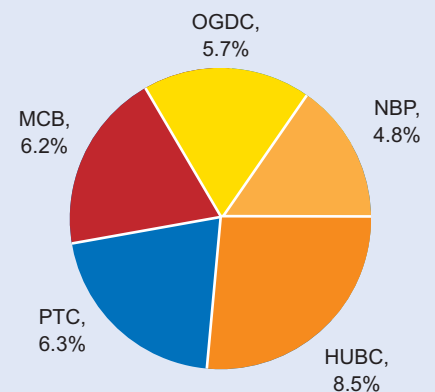
Asset Allocation



Sector Allocation*



Top Five Holding*



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

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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 - April 2009

Environment

Since the removal of the freeze on 15th December, 2008, the KSE-100 index has fallen by 45% (4,815 on 26th January, 2009) to rise up again by 89% (7,912 on 20th April, 2009). For most of April'09, the market remained above the psychological 7,000 level to end 5% above last month's closing, with substantial volatility in the interim.

April was the month of earning declarations. Heavy weighted sectors announced earnings for their respective periods, which were near to our expectations. However, the positive news was absorbed by the market without much fanfare. The index had already accounted for the earnings.

On the economic front, foreign investors remained net sellers in April '09 to the tune of USD 13mn. Forex reserves appreciated to USD 11.08bn mark, with crude oil prices hovering around USD 49-50 per bbl mark. Lowering commodity prices have caused CPI to decline, falling to 19.1% in Mar'09 from 21.1% in Feb '09. This resulted in the policy rate being slashed by 100bps to 14%.

Future Outlook

As previously stated, the index remained above the 7,000 index mark throughout April. Going forward, the market is likely to correct itself. Despite positive economic indicators, the political situation in the country is a cause for concern. The recent spate of nationwide violence triggered by anti-government entities has weakened investor confidence and created endless uncertainty.

Therefore, index levels are likely to remain range bound for the coming month. During this period, concentration should fall on the technical and fundamental values of individual scrips.

In addition, the upcoming Budget for FY10 will also pressurize the market index.

Fund Activity

During April, the fund remained bearish in the market, reducing the exposure to 59.5%. IGI SF also divested its placements in MMK instruments to increase liquidity for potential buys, if the strategy altered.

Fund Performance

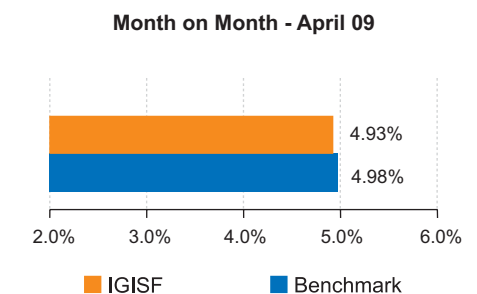
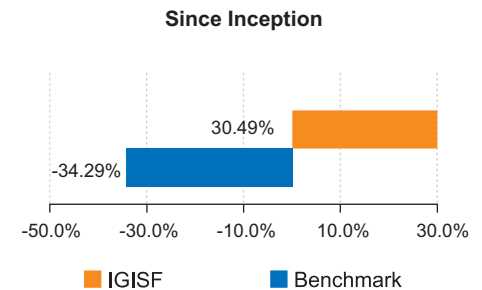
IGISF generated a MTD return of 4.93% against KSE-100's yield of 4.98%. Since Inception, the Fund has a return of 30.49% against a benchmark return of -34.29%. The Fund continues to enjoy a low Standard Deviation of 1.73% and Information Ratio of 0.24.

Fund Strategy

The index is expected to remain range bound for May'09, which will affect investor sentiment.

Therefore, the forward strategy will be to increase exposure in value adding, blue chip scrips during dips. The investment criteria will be dependant upon technical and fundamental aspects of stocks in key sectors. High dividend yielding scrips, trading at a discounted PER to the market will be on the top of our "BUY" list.

Returns Comparison



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