

IGI Income Fund

Fund Manager's Report - March 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)	2.46
Standard Deviation	0.13
Sharpe Ratio	-0.14
Information Ratio	-0.17
Expense Ratio *	2.39%

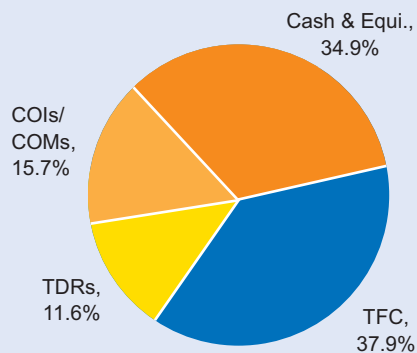
	March '09
Fund Size (PKR mn)	1,635
NAV (PKR)	103.4197
Monthly Return	15.41%

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

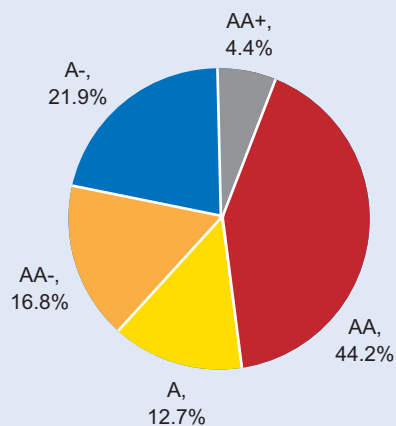
Note: Standard Deviation, Sharpe and Information Ratios have been calculated using Since Inception returns. Sharpe Ratio has been calculated against 3-month T-Bill while Information Ratio is against Benchmark.

Fund Position as at March 31, 2009

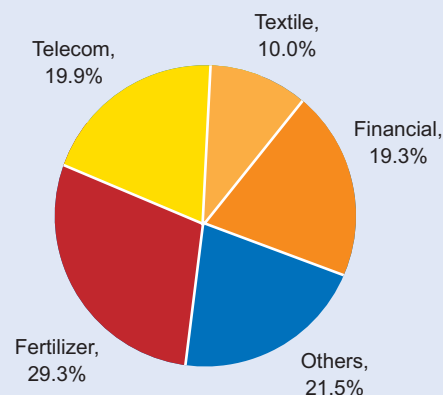
Asset Allocation



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 - March 2009

Environment

All's well - that ends well, is what better explains the recent Quarter-end. Pressure built up towards the March-end, owing to heavy borrowing volumes by fund-hungry counters, trying to bulk up their cash balances/ assets. Despite the timely receiving of the second tranche (US\$ 834 mn), the country is still focusing on the duo - tight monetary stance and increase the tax-to-GDP ratio.

Interest rates are expected to be revised downwards, as exhibited by the T-Bills auction and recent lowering in NSS rates. Excess liquidity presently available in the money market is likely to be consumed through collection of risk-free assets. Bulk of capital is set ready to attract the auctions going forward.

Inflation for the period July '08 - Feb '09 stood at 23.50%, with February inflation (on YoY basis) registering at 21.10%. A tight monetary stance is likely to continue, to avoid the realization of the wage-price spiral, in order to protect the real income.

Future Outlook

In the midst of complexities, the only thing that is clear at this point in time is downward revision of interest rates.

The GDP growth expected as low as 2.5% for FY09, and a laggard growth projected for the next year is going to keep things on a very slow pace.

Therefore placements in safe counters (ratings AA and above) for long periods would be the alternative after the government bonds and T-Bills.

Fund Activity

Multiple placements were executed for one month maturity in the period under review. Taking advantage of the quarter-end, the Fund efficiently deployed cash with good rating counters.

A matured TDR was added to the cash & cash equivalents. And a TFC was offloaded, negating any losses.

Fund Performance

The Fund closed the month with net assets of PKR 1,635 million the NAV stood at PKR 103.4197.

The strategy of holding more than one-third of the portfolio in cash balances helped the Fund search for placement avenues, while few competitors remained cash starved. IGIIF continued to perform well with consistent returns. The Fund has been able to generate positive month-to-date (MTD) and year-to-date (YTD) yields.

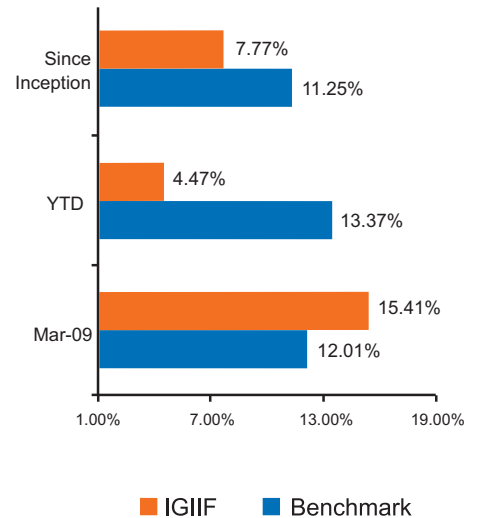
The expense ratio of the Fund lowered compared to past months, signaling a higher yield pass on to the unit holders against lowering expenses.

Fund Strategy

Government bills and bonds are expected to be safe investments going forward. A certain portion of slippages in the KIBOR rates are likely to be seen (discounting factored in for interest rates revision).

The big four banks are likely to attract more deposits, until the economic slowdown is settled. Yields are expected to settle, and therefore windfall profits would be short lived.

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 - March 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	0.85
Standard Deviation	0.02
Information Ratio	0.15
Return (since incep.)	24.36%

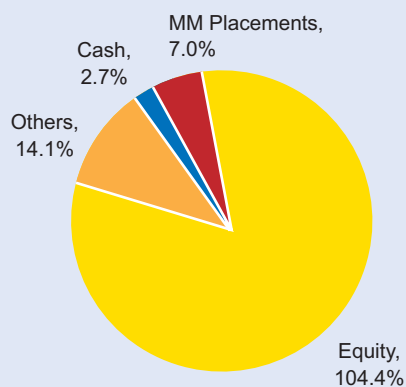
March '09

Fund Size (PKR mn)	214.67
NAV (PKR)	124.36
Monthly Return	18.50%

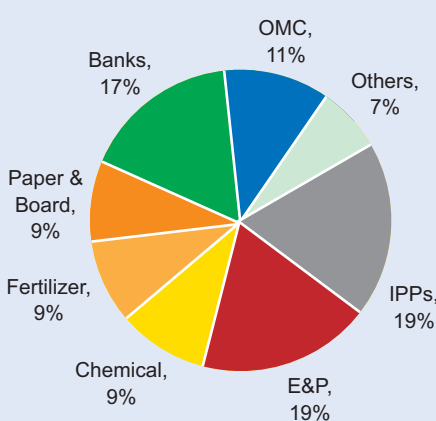
Note: Standard Deviation and Information Ratio have been calculated using daily returns.

Fund Position as at March 31, 2009

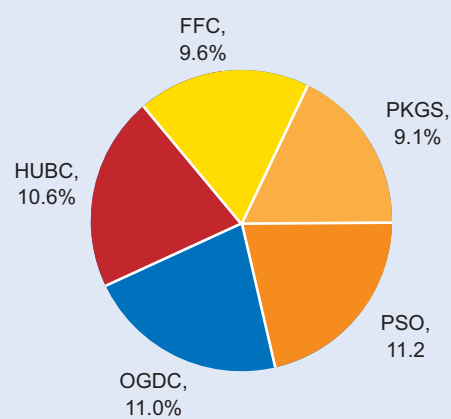
Asset Allocation



Sector Allocation*



Top Five Holding*



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

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IGI
Funds

www.igifunds.com.pk 0800-2-34-34

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 - March 2009

Environment

The market continues to gain momentum in the face of improving economic conditions. The KSE 100 index has appreciated by 17% in 1QCY09, which is the highest amongst emerging markets. The market remained stable in March, absorbing USD 52.4Mn worth of net selling by the foreign sector. The NIT SEF also remained active, supporting the index and volume levels.

The KIBOR continues to fall, losing nearly 230bps from its peak, with inflation expecting to drop to 10% at the end of FY09. Economic growth for FY09 is expected to be around 2.5%, with Forex reserves standing at USD 10Bn. The second tranche from IMF was also received on the last day of the month, with all parameters in place.

Future Outlook

The current index is moving forward with strong support from all sectors. Positive news such as reduction in cyclical debt to IPPs and international interest in national E&P companies for exploration and development in their own countries bodes well for the market.

In addition, slow down in the KIBOR translates into lower financial charges for highly geared companies across all sectors. Talks about raising USD 500Mn by issuing Eurobonds, will further instill confidence in the country's economic standing.

The market is now promoting medium term investment horizons, alongside short term punting. Investors can now diversify their portfolio accordingly. Slight fluctuations will continue to mark the index appreciation as it holds fast above the 7,000 mark.

Fund Activity

The Fund continued strategic accumulation during March, increasing our exposure from 74% to over 90%. In addition, sector allocation favored the E&P and IPP sector over Banks during the same period. IGISF maintained placements in MMK instruments to supplement the NAV with a steady, low risk return on its cash equivalent holding.

Fund Performance

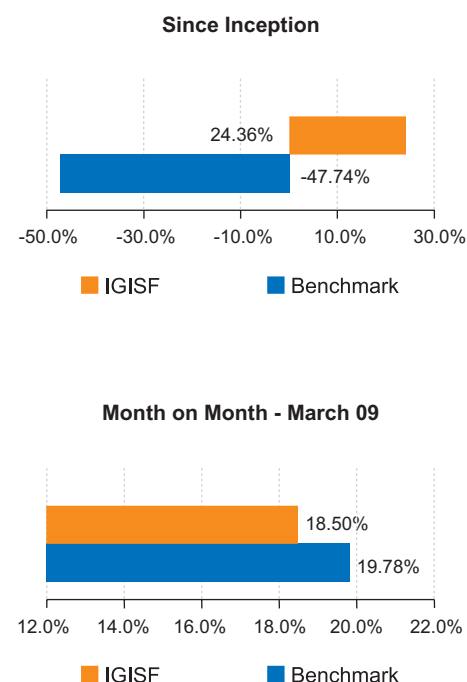
IGISF performed very well in light of the rising index level. The Fund yielded an MTD return of 18.5% against a benchmark return of 19.78%. On YTD basis, the Fund outperformed the index by generating a return of 24.36% vs a loss of 47.74%.

Fund Strategy

The strategy is to reflect the benchmark in our portfolio, in order to capitalise on expected gains. We expect the market to continue a steady hike once it settles above the 7,000 psychological index level.

In the face of a falling KIBOR, we will invest in MMK instruments if the rate of return is significantly above market rate. We will endeavor to park excess liquid funds in such avenues to provide steady support to NAV appreciation.

Returns Comparison



IGI Funds Limited

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