

IGI

Funds

3rd Quarterly Report March 2010

Contents

Mission & Vision Statement	1
Fund Manager's Information	2
IGI Income Fund	
Fund's Information	3
Directors' Report to the Unit Holders	4
Condensed Interim Statement of Assets and Liabilities	6
Condensed Interim Income Statement	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Distribution Statement	9
Condensed Interim Statement of Movement in Unit Holder's Fund	10
Condensed Interim Cash Flow Statement	11
Notes to and forming part of the Condensed Interim Financial Information	12
IGI Stock Fund	
Fund's Information	21
Directors' Report to the Unit Holders	22
Condensed Interim Statement of Assets and Liabilities	24
Condensed Interim Income Statement	25
Condensed Interim Statement of Comprehensive Income	26
Condensed Interim Distribution Statement	27
Condensed Interim Statement of Movement in Unit Holder's Fund	28
Condensed Interim Cash Flow Statement	29
Notes to and forming part of the Condensed Interim Financial Information	30
IGI Islamic Income Fund	
Fund's Information	37
Directors' Report to the Unit Holders	38
Condensed Interim Statement of Assets and Liabilities	40
Condensed Interim Income Statement	41
Condensed Interim Statement of Comprehensive Income	42
Condensed Interim Distribution Statement	43
Condensed Interim Statement of Movement in Unit Holder's Fund	44
Condensed Interim Cash Flow Statement	45
Notes to and forming part of the Condensed Interim Financial Information	46

VISION

IGI Funds Limited shall be a trusted provider of fund management solutions and services which focus on best serving the investments interests of its clients.

MISSION

Our vision will be realized by:

Providing solutions to client investment requirements which adhere to the highest ethical standards while meeting long-term objectives and short-term needs.

Attracting and retaining talent that shares our core values of integrity and excellence being responsible corporate citizen.

VALUES

Integrity, Professionalism, Focus on Sustainable Growth.

Fund Manager's Information

Management Company

IGI Funds Limited

Head Office

7th Floor, The Forum, Suite# 701-703, G-20,
Khayaban-e-Jami, Block-9, Clifton, Karachi-75600,
Pakistan

Tel: (92-21) 111-367-444

Fax: (92-21) 35301729

Email: info@igifunds.com.pk

Website: www.igifunds.com.pk

Board of Directors of the Management Company

Mr. Javed Hamid (Chairman)

Ms. Maheen Rahman (Chief Executive Officer)

Mr. Khalid Yacob

Mr. Ahmed Alman Aslam

Mr. Abid Naqvi

Syed Javed Hassan

Syed Wahab Mehdi

Chief Financial Officer

Syed Muhammad Zeeshan

Company Secretary

Ms. Farheen Atique

Audit Committee

Mr. Khalid Yacob (Chairman)

Mr. Abid Naqvi (Member)

Syed Javed Hassan (Member)

IGI

Funds

IGI INCOME FUND

Fund's Information

Trustee

Central Depository Company of Pakistan Limited
 CDC House, 99-8, Block B, S.M.C.H.S
 Main Shahr-e-Faisal, Karachi-74400 Pakistan

Distributors

Al-Habib Capital Markets (Pvt.) Ltd.
 Alfalah Securities (Pvt.) Ltd.
 Allied Bank Limited
 Atlas Capital Markets (Pvt.) Ltd.
 BMA Capital Management Ltd.
 Bulls and Bulls
 Cumberland (Pvt) Ltd.
 Deutsche Bank AG Karachi
 Financial Avenue
 Foundation Securities (Pvt) Ltd.
 Habib Metropolitan Bank Limited
 IGI Insurance Limited
 IGI Investment Bank Limited
 IGI Securities
 Invest Capital and securities (Pvt.) Ltd.
 Invisor Securities
 JS Global Capital Limited
 KASB Securities
 Mybank Limited
 National Clearing Company of Pakistan Limited
 Pak Oman Investement
 Pyramid Financial Consultant (Pvt.) Ltd.
 Siza Commodities (Pvt.) Ltd.
 The Bank of Khyber
 Vector Consulting (Pvt) Ltd.

Auditors

KPMG Taseer Hadi & Co.
 Chartered Accountants
 1st Floor, Sheikh Sultan Trust Building - 2, Beaumont
 Road, Karachi

Legal Advisor

Hassan & Hassan (Advocates)
 PAAF Building, 7D Kashmir Egerton Road, Lahore.

Bankers

Bank Alfalah Limited
 Bank Al-Habib Limited
 Bank of Punjab
 JS Bank Limited
 NIB Bank Limited
 Royal Bank of Scotland
 Standard Chartered Bank

Directors' Report

To our valued Unit Holders,

The Board of Directors of IGI Funds Limited is pleased to present you the Quarterly Report of the IGI Income Fund (the "Fund") for the nine months period ended 31st March 2010.

Economic Review

The State Bank of Pakistan (SBP) kept its key policy rate unchanged in the third quarterly review of the Monetary Policy. An increase in rates would have directly affected the country's economic recovery, while lowering the rate would have fuelled the inflation further. CPI Inflation for the period Jul – Feb 2010, remained at 11.1% while for the month of February 2010, it was 13.0%. It touched the bottom in the month of October 2009, but later fuelled higher in the wake of increase in energy prices, and other administrative problems.

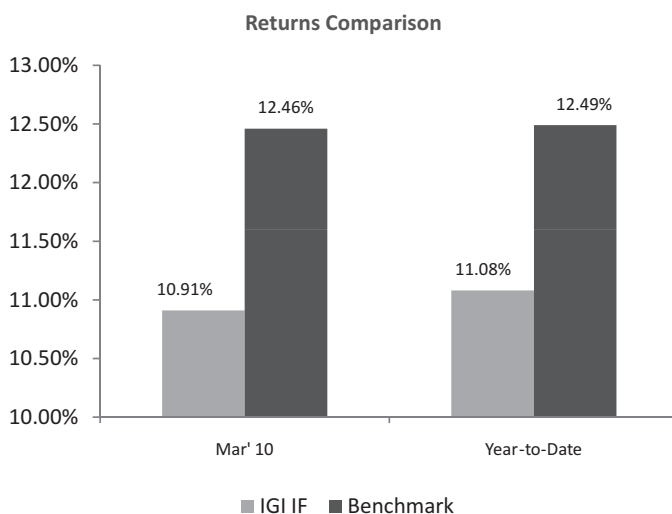
On the budgetary borrowing front, borrowing was curtailed in the nine months under review, compared to the corresponding period last year. The country is restricted to a Pkr73.50bn quarterly ceiling by the IMF. Therefore government focused on retiring funds from SBP, and borrowed instead from scheduled commercial banks. The balance of payments (BoP) recovered significantly, the external current account deficit settled at USD2.60bn for Jul – Feb 2010, as compared to USD8 bn for the same period last year.

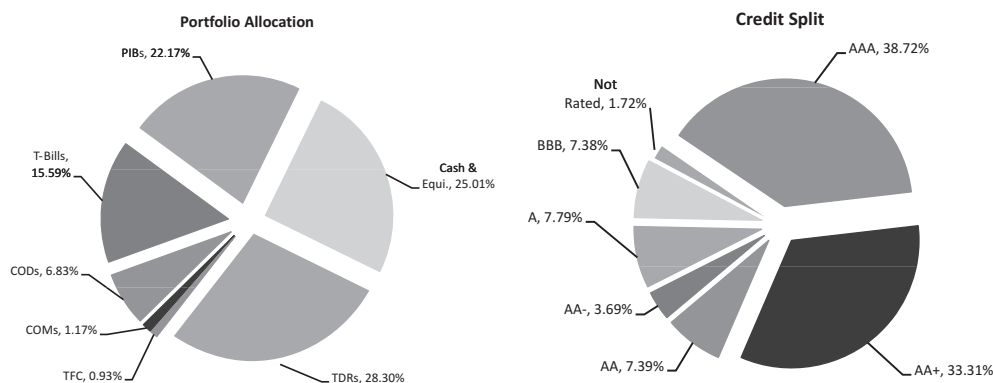
During the period under review, yields on government securities increased substantially. This shows that market participants preferred investment in low-risk government papers in absence of credit demand from private sector. This in turn reduces the risk of additional NPLs.

Fund Operations and Performance

During the period, your Fund continues to perform well with consistent returns and able to generate positive yields representing a year to date return of 11.08% to the unit holders. The net assets of the fund during the period increased by Rs. 973.03 million (47%) to close at Rs. 3,022.63 million (June 2009: 2,049.60 million). The increase in fund size represents the trustworthiness of investor and consistency in the performance of the fund in terms of the return to their investments and quality of services extended to the unitholders.

The graphical illustration and key financial data showing portfolio allocation and performance of the Fund is given below;





Description	(Rupees in millions)	
	For the nine months period ended 31 March 2010	For the nine months period ended 31 March 2009
Net Assets	3,022.63	1,634.79
Net Income	194.13	51.19
Net Assets Value per Unit (Rs.)	103.30	103.42
Issuance of units during the period	4,671.28	2,509.41
Redemption of units during the period	3,833.79	4,607.47

Payout

Your Fund announced Cash and Bonus payouts at the close of current half of the financial year. The Fund has posted Rs. 4.9854 per unit as Cash, translating into 4.9579 units as Bonus for every 100 units held. This is a 90% payout of total earnings as on 31 December 2009 as per NBFC Regulations.

Economic Outlook

The economy is likely to remain on tough grounds as controlling inflation is going to be difficult. With increasing energy prices, the inflation leash is set to be broken beyond 13% for FY10, SBP forecasts at 12%. The passing over of the subsidies and curtailment in the development program is expected to save considerably, and also makeup for any short comings from the collections in revenue targets.

Going forward, curtailment in the direct borrowing from SBP is required to ensure smoother inflows from the IMF. Furthermore, a healthy status of the country is expected to help convince IMF to further advance the agreement favorably.

Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and on behalf of the Board

Maheen Rahman
Chief Executive Officer
27 April 2010

Condensed Interim Statement of Assets and Liabilities (Unaudited)

As at 31 March 2010

	Note	March 2010 (Unaudited)	June 2009 (Audited)
-----Rupees-----			
Assets			
Bank balances	5	667,005,226	668,658,623
Investments	6	1,408,473,724	1,366,957,242
Receivable under reverse repurchase transaction	7	591,203,545	-
Deferred formation cost	8	1,462,381	2,003,531
Security deposits	9	2,600,000	2,600,000
Prepayments and other receivables	10	357,410,560	19,284,160
Total assets		3,028,155,436	2,059,503,556
Liabilities			
Amount payable on redemption of units		107,376	4,935,293
Payable to the Management Company	11	2,968,514	2,402,653
Remuneration payable to the Trustee		322,422	274,413
Annual fee payable to Securities and Exchange Commission of Pakistan		1,286,755	1,843,319
Accrued and other liabilities	14	841,684	450,824
Total liabilities		5,526,751	9,906,502
Net assets attributable to unitholders	Rupees	3,022,628,685	2,049,597,054
Unit holders' funds (as per statement attached)	Rupees	3,022,628,685	2,049,597,054
Number of units in issue	Number	29,261,583	19,247,247
Net assets value per unit	Rupees	103.30	106.49

The annexed notes from 1 to 22 are an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Income Statement (Unaudited)

For the nine months period ended 31 March 2010

Note	Nine months period ended		For the quarter ended		
	March 2010	March 2009	March 2010	March 2009	
-----Rupees-----					
Income					
Financial Income	16	209,884,846	233,868,469	78,461,046	53,112,456
Capital loss on sale of term finance certificates, Treasury Bills & Pakistan Investment Bonds		(1,770,861)	(19,034,696)	(2,875,895)	(15,393,880)
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss- held for trading'		(11,872,976)	(46,833,624)	1,949,773	49,309,518
Impairment loss in respect of investments classified as as 'available for sale'		-	-	-	3,546,667
Provision for impairment in valuation of investments classified as 'at fair value through profit or loss - held for trading and interest accrued thereon	6.1.2	(11,686,250)	-	1,376,191	-
Net reversal of impairment in valuation of investments classified as 'held to maturity'	17	22,267,468	(29,900,000)	475,981	(29,900,000)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		14,249,818	(48,728,007)	15,938,081	8,383,291
Total Income		221,072,045	89,372,142	95,325,177	69,058,052
Expenses					
Remuneration to the Management Company		21,446,034	19,951,497	8,011,179	4,219,709
Remuneration to the Trustee		2,466,438	2,335,545	887,496	584,174
Annual fee to the Securities and Exchange Commission of Pakistan		1,286,755	1,471,571	480,673	213,029
Mark-up on borrowings		-	12,432,213	-	3,771,207
Brokerage expense and capital value tax		446,282	214,185	190,202	26,218
Bank and settlement charges		34,699	61,241	11,534	21,300
Amortisation of deferred formation cost		541,150	541,150	177,750	177,750
Auditors' remuneration		239,316	230,468	48,060	104,428
CDS Transaction fee		5,639	11,477	1,973	3,109
National Clearing Company of Pakistan Limited charges		90,000	756,625	44,500	246,600
Annual listing fee		22,468	7,412	7,380	7,412
Printing charges		112,614	172,620	36,990	56,700
Credit rating fee		250,084	-	121,534	-
Total expenses		26,941,479	38,186,004	10,019,271	9,431,636
Net income for the year	Rupees	194,130,566	51,186,138	85,305,906	59,626,416

The annexed notes from 1 to 22 are an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended 31 March 2010

	Nine months period ended		For the quarter ended	
	March 2010	March 2009	March 2010	March 2009
	-----Rupees-----			
Net income for the period	194,130,566	51,186,138	85,305,906	59,626,416
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<u>194,130,566</u>	<u>51,186,138</u>	<u>85,305,906</u>	<u>59,626,416</u>

The annexed notes from 1 to 22 are an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Distribution Statement (Unaudited)

For the nine months period ended 31 March 2010

	Nine months period ended		For the quarter ended	
	March 2010	March 2009	March 2010	March 2009
	-----Rupees-----			
Undistributed income brought forward at the beginning of the year	124,872,679	97,477,364	112,570,584	(5,583,799)
Net income for the period	194,130,566	51,186,138	85,305,906	59,626,416
Final distribution of cash dividend @ Rs.6.2932 per unit for the year ended 30 June 2009, declared on 02 July 2009 (2009: @ Rs.2.65 per unit for every 100 units held, approved on 3 July 2008)	(29,669,137)	(35,236,215)	-	-
Final distribution of bonus @ 6.281 units for every 100 units held, for the year ended 30 June 2009 (2009: @ 2.6479 units for every 100 units held)	(91,457,618)	(59,384,670)	-	-
Interim distribution of cash dividend @ Rs. 4.9854 per unit for the six months period ended 31 December 2009, declared on 03 January 2010 (2009: Nil)	(14,668,819)	-	(14,668,819)	-
Interim distribution of bonus @ 4.9579 units for every 100 units held, for the six months period ended 31 December 2009 (2009:Nil)	(86,644,447)	-	(86,644,447)	-
Undistributed income carried forward Rupees	<u>96,563,224</u>	<u>54,042,617</u>	<u>96,563,224</u>	<u>54,042,617</u>

The annexed notes from 1 to 22 are an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Statement of Movement in Unit Holder's Fund (Unaudited)

For the nine months period ended 31 March 2010

	Nine months period ended		For the quarter ended	
	March 2010	March 2009	March 2010	March 2009
	-----Rupees-----		-----Rupees-----	
Net assets at beginning of the period	2,049,597,054	3,668,171,057	2,144,769,931	1,356,304,350
Amount realized / unrealized on issuance of 45,177,746 units (2009 : 24,566,269 units) and 21,936,481 units (2009 : 10,275,399 units) for the nine months and quarter respectively	4,671,281,379	2,509,412,759	2,268,726,281	1,054,096,459
Issuance of 1,774,527 bonus units in respect of final and interim distribution (2009 : 593,372 units) and 861,672 bonus units (2009 : Nil units) in respect of interim distribution for the nine months and quarter respectively	178,102,065	59,384,670	86,644,447	-
Amount paid / payable on redemption of 36,937,937 units (2009 : 45,058,267 units) and 13,858,563 units (2009 : 8,087,053) for the nine months and quarter respectively	(3,833,792,540)	(4,607,469,352)	(1,445,566,533)	(826,851,540)
	3,065,187,958	1,629,499,134	3,054,574,126	1,583,549,269
Element of income and capital gain included in prices of units sold less those in units redeemed	(14,249,818)	48,728,007	(15,938,081)	(8,383,291)
Net unrealised diminution in fair value of investments classified as 'available for sale'	-	-	-	3,546,667
Impairment recognised through income statement	-	-	-	(3,546,667)
	-	-	-	-
Total comprehensive income for the period before capital gains- realised and unrealised and provision for impairment	197,193,185	146,954,458	84,379,856	55,610,778
Capital loss on sale of term finance certificates, Treasury Bills & Pakistan Investment Bonds	(1,770,861)	(19,034,696)	(2,875,895)	(15,393,880)
Provision for impairment in valuation of investments classified as held for trading and interest accrued thereon	(11,686,250)	(29,900,000)	1,376,191	(29,900,000)
Net reversal of impairment in valuation of investments classified as 'held to maturity'	22,267,468	-	475,981	-
Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss- held for trading'	(11,872,976)	(46,833,624)	1,949,773	49,309,518
Net income for the year	194,130,566	51,186,138	85,305,906	59,626,416
Distributions made during the year				
Final distribution of bonus units	(91,457,618)	(59,384,670)	-	-
Final distribution of cash dividend	(29,669,137)	(35,236,215)	-	-
Interim distribution of bonus units	(86,644,447)	-	(86,644,447)	-
Interim distribution of cash dividend	(14,668,819)	-	(14,668,819)	-
	(222,440,021)	(94,620,885)	(101,313,266)	-
Net income less distributions for the period	(28,309,455)	(43,434,747)	(16,007,360)	59,626,416
Net assets at end of the period	Rupees 3,022,628,685	1,634,792,394	3,022,628,685	1,634,792,394

The annexed notes from 1 to 22 are an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2010

Note	Nine months period ended		For the quarter ended	
	March 2010	March 2009	March 2010	March 2009
-----Rupees-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	194,130,566	51,186,138	85,305,906	59,626,416
Adjustments for:				
Capital loss on sale of term finance certificates	1,770,861	19,034,696	2,875,895	15,393,880
Net unrealised diminution / (appreciation) in fair value of investments classified as 'at fair value through profit or loss- held for trading'	11,872,976	46,833,624	(1,949,773)	(49,309,518)
Impairment loss in respect of available for sale investments	-	-	-	(3,546,667)
Provision for impairment in valuation of investments classified as 'at fair value through profit or loss - held for trading and interest accrued thereon	11,686,250	-	(1,376,191)	-
Provision for impairment in valuation of investments classified as 'held to maturity'	(22,267,468)	29,900,000	(475,981)	29,900,000
Deferred formation cost	541,150	541,150	177,750	177,750
Element of income and capital gains included in prices of units sold less those in units redeemed	(14,249,818)	48,728,007	(15,938,081)	(8,383,291)
	183,484,517	196,223,615	68,619,525	43,858,570
<i>(Increase) / decrease in assets</i>				
Investments - net	(784,276,559)	1,400,448,771	(340,461,705)	14,476,938
Receivable under reverse repurchase transaction	(591,203,545)	-	(489,970,668)	-
Receivable against interest / mark up	13,347,396	(8,471,073)	6,916,952	(486,397)
Receivable against sale of securities	-	31,560,025	-	-
Prepaid / receivable others	(351,473,796)	1,743,172	(321,350,667)	1,239,013
	(1,713,606,504)	1,425,280,895	(1,144,866,088)	15,229,554
<i>Increase / (decrease) in liabilities</i>				
Payable to the Management Company	565,861	(1,700,206)	659,556	87,109
Remuneration payable to the Trustee	48,009	(144,381)	52,768	6,973
Annual fee to the Securities & Exchange Commission of Pakistan	(556,564)	(1,614,563)	480,673	(2,873,105)
Accrued and other liabilities	390,860	(38,435)	320,218	372,394
	448,166	(3,497,585)	1,513,215	(2,406,629)
Net cash from / (used in) operating activities	(1,529,673,821)	1,618,006,925	(1,074,733,348)	56,681,495
CASH FLOWS FROM FINANCING ACTIVITIES				
Distribution paid	(44,337,956)	(35,236,215)	(14,668,819)	-
Amounts received on issue of units	4,671,281,379	2,509,412,759	2,268,726,281	1,054,096,459
Payment against redemption of units	(3,838,620,457)	(4,506,848,101)	(1,445,996,815)	(734,371,689)
Net cash (used in) / from financing activities	788,322,966	(2,032,671,557)	808,060,647	319,724,770
Net increase in cash and cash equivalents during the year	(741,350,855)	(414,664,632)	(266,672,701)	376,406,265
Cash and cash equivalents at beginning of the year	1,740,955,950	1,228,086,058	1,266,277,796	437,015,161
Cash and cash equivalents at end of the year 18 Rupees	999,605,095	813,421,426	999,605,095	813,421,426

The annexed notes from 1 to 22 are an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

IGI Income Fund (the Fund) has been constituted under Trust Deed dated 18 December 2006 between IGI Funds Limited (IGIFL) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee incorporated under the Companies Ordinance, 1984. The Fund has been established under the Rules of business applicable to open ended mutual fund of the Non-Banking Finance Companies. The Fund is an open ended mutual fund listed on Lahore Stock Exchange.

The Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, certificates of investments, certificates of musharika, commercial papers, term deposit receipts, spread transactions, reverse repurchase agreements and transactions under continuous funding system.

2 BASIS OF PRESENTATION

This condensed interim financial information has been prepared in accordance with the requirements of the approved accounting standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's annual financial statements as at and for the year ended 30 June 2009.

This condensed interim financial information is being submitted to the unit holders as required under by the listing regulations of Lahore Stock Exchange and Regulation 38 (g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2009 except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became effective for the financial periods beginning on or after 1 January 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Fund's condensed interim financial information.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of this condensed nine months financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2009.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2009.

5 BANK BALANCES - local currency

This represents balance in deposit accounts with banks and carry profit rates ranging from 5.0% to 11.60% (2009: 5.00% to 14.00%).

		March 2010 (Unaudited)	June 2009 (Audited)
-----Rupees-----			
6 INVESTMENTS			
Financial asset at fair value through profit and loss- Held for trading			
Term finance certificates	6.1	24,729,174	189,977,400
Treasury Bills	6.2	415,671,600	-
Held to maturity			
Certificates of investment	6.3	-	19,274,857
Certificates of musharika	6.4	31,225,910	58,457,658
Certificates of deposit	6.5	182,200,695	232,077,801
Term deposits	6.6	754,646,345	867,169,526
		968,072,950	1,176,979,842
	Rupees	1,408,473,724	1,366,957,242

6.1 Term Finance Certificates

Name of the investee company	Profit / mark-up rate	As at 30 June 2009	Purchased during the year	Sold during the year	As at 31 March 2010	Cost as at 31 March 2010	Market value as at 31 March 2010	% of net assets on the basis of market value	% of total investment on the basis of market value	% of issued debt of issuer on the basis of outstanding principal	
			----- (No. of Certificates) -----				----- (Rupees) -----				
									----- (%age) -----		
Miscellaneous											
Bunnys Limited	6.1.1	14.91%	-	4,022	-	4,022	20,110,000	15,082,500	0.50%	1.07%	15.47%
Pak Hy Oils Limited	6.1.1	14.64%	-	3,000	-	3,000	15,000,000	11,250,000	0.37%	0.80%	3.41%
Vision Developers Private Limited	6.1.1	14.91%	-	2,327	-	2,327	11,635,000	8,726,250	0.29%	0.62%	13.69%
			-	9,349	-	9,349	46,745,000	35,058,750			
Less: provision for impairment against term finance certificates						6.1.2	10,329,576	24,729,174			

6.1.1 Up to 30 June 2009, the Fund was maintaining a provision of Rs. 22.267 million against unsecured Certificate of Deposits (COD) of First Dawood Investment Bank Limited (FDIBL) amounting to Rs. 49 million and interest thereon of Rs. 0.217 million. The provision was made in accordance with the provisioning policy of the Fund. Further, an amount of Rs. 5.392 million has been provided up to 13 November 2009 as per the provisioning policy of the Fund. Subsequently, the Fund opted for settlement with FDBIL and accordingly received Term Finance Certificates (TFC) of Bunnys Limited, Pak Hy Oils Limited and Vision Developers (Private) Limited amounting to Rs. 20.110 million, Rs. 15 million and Rs. 11.635 million respectively in place of unsecured certificate of deposits of FDIBL. Accordingly the aggregate provision of Rs. 27.660 million against COD of FDIBL has been reversed. The TFCs of Bunnys Limited, Pak Hy Oils Limited and Vision Developers (Private) Limited on acquisition have been classified as held for trading investments.

6.1.2 TFCs of Bunnys Limited, Pak Hy Oils Limited and Vision Developers (Private) Limited have been re-valued at the rates quoted by MUFAP at 31 March 2010 and accordingly unrealised loss of Rs. 11.686 million has been recorded. In addition a provision of Rs. 10.330 million and Rs. 1.357 million in respect of principal and interest thereon has been made against Pak Hy Oils Limited TFCs in this condensed interim financial information as Pak Hy Oils Limited defaulted on payment of interest on their coupon dates falling on 6 December 2009.

6.2 Treasury Bills

Issue Date	Yield	Purchased during the year	Sold during the year	As at 31 March 2010	Cost as at 31 March 2010	Interest Accrued	Carrying amount as at 31 March 2010	Market value as at 31 March 2010	% of net assets on the basis of market value	% of total investment on the basis of market value
		----- (No. of Certificates) -----		----- (Rupees) -----				---- (%age) ----		
Treasury bills face value - face value of Rs. 100 each issued on										
10 September 2009		1,300,000	1,300,000	-	-	-	-	-		
26 September 2009		1,000,000	1,000,000	-	-	-	-	-		
08 October 2009		5,500,000	5,500,000	-	-	-	-	-		
11 February 2010		9,000,000	9,000,000	-	-	-	-	-		
11 March 2010	12.25%	4,500,000	-	4,500,000	413,070,000	2,804,826	415,874,826	415,671,600	13.75%	29.51%
		<u>21,300,000</u>	<u>16,800,000</u>	<u>4,500,000</u>	<u>413,070,000</u>	<u>2,804,826</u>	<u>415,874,826</u>	<u>415,671,600</u>		

Treasury bill issued on 11 March 2010 will mature on 03 June 2010 and 10 March 2011.

	Note	March 2009	June 2009
-----Rupees-----			
6.3 Certificates of investment - unsecured			
Saudi Pak Leasing Company Limited		-	19,274,857
6.4 Certificates of musharika - unsecured			
BRR International Modaraba	6.4.1	<u>31,225,910</u>	<u>58,457,658</u>

6.4.1 This certificate carry mark up rate of 14% (June 2009: 16%) per annum and will mature on 14 February 2011 (June 2009: 10 July 2008). As at 30 June 2009 Fund had a Musharika arrangement with BRR Guardian Modaraba (BRR). This musharika arrangement was made on 13 April 2009 to reschedule the payment term of Fund's investment in Certificate of Musharika of BRR amounting to Rs 64 million with agreed projected annual pretax profit of 16% and monthly principal repayments of Rs.3 million each. During the nine months period ended 31 March 2010 principal and interest payment were made by BRR as per the schedule. The rate of interest has been reduced to 14% during six months period ended 31 December 2009 due to reduction in KIBOR. As at 31 March 2010 total principal outstanding amounted to Rs. 31 million. No provision has been made against this exposure as the same is not required under the provisioning policy of the Fund.

6.5 Certificates of Deposit - unsecured

IGI Investment Bank Limited	6.5.1	<u>182,200,695</u>	<u>205,127,801</u>
First Dawood Investment Bank		-	<u>26,950,000</u>
		<u>182,200,695</u>	<u>232,077,801</u>

6.5.1 These certificates carries mark-up rate of 12.50% to 14.50% (2009 : 13.00% to 18.00%) and will mature from 1 April 2010 to 27 January 2017 (2009: 29 July 2009 to 30 July 2009).

- 6.6** Term deposit accounts are maintained with various financial institutions and carry profit rates from 11.50% to 12.40% (2009:13.15% to 14.50%) per annum. These deposits will mature between 8 June 2010 to 25 August 2010 (2009 : 02 July 2009 to 11 August 2009).

7 RECEIVABLE UNDER REVERSE REPURCHASE TRANSACTION

This represents a transaction entered by Fund under which 6,000,000 units of Pakistan Investment Bonds with a coupon rate of 12.00% and maturity date of 3 September 2019 were purchased and simultaneously sold on 18 March 2010 and 24 March 2010 with sales settlement date of 19 April 2010 and 26 April 2010 respectively. This has been accounted for a reverse repurchase transaction and accordingly amount paid under this agreement is classified as receivable under reverse repurchase transaction. The difference between purchase and resale price is treated as income from reverse repurchase transaction and accrued over the period of the reverse-repurchase arrangement.

8 DEFERRED FORMATION COST	Notes	March 2010	June 2009
		-----Rupees-----	
Unamortised Cost		2,003,531	2,724,406
Amortised to the income statement during the period		(541,150)	(720,875)
Balance as at 31 March 2010	Rupees	<u>1,462,381</u>	<u>2,003,531</u>

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from 15 April 2007, i.e. after the close of initial period of the Fund.

9 SECURITY DEPOSITS

National Clearing Company of Pakistan Limited	2,500,000	2,500,000
Central Depository Company of Pakistan Limited	100,000	100,000
	<u>2,600,000</u>	<u>2,600,000</u>

10 PREPAYMENTS AND OTHER RECEIVABLES - considered good

Receivable from Unit holders	350,000,000	-
Receivable from IGI Stock Fund	-	76,840
Prepayment	7,532	-
Mark-up / return receivable on:		
- bank balances	5,859,924	10,644,231
- term finance certificates	2,899,778	8,563,089
Provision against accrued interest on TFC	6.1.2	(1,356,674)
		<u>357,410,560</u>
		<u>19,284,160</u>

11 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the management company	11.1	<u>2,968,514</u>	<u>2,402,653</u>
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- 11.1** The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the Management Fee is charged @ 1.25% of the average daily net assets of the Fund.

12 REMUNERATION TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, calculated at the rate of Rs 2 million plus 0.1% per annum on amount exceeding Rs. 1 billion of the daily average net assets of the Fund.

13 ANNUAL FEE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Rule 71 of the Non-Banking Finance Companies and Notified Entities Regulations, 2007, whereby the Fund is required to pay SECP an amount equal to one tenth of 1% of the average daily net assets of the Fund. During the year SECP promulgated Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) on 21 November 2008. Under Rule 62 of Regulations the fund is required to pay annual fee to SECP at the rate of 0.095% of the average daily net assets of the Fund commencing from 21 November 2008.

	March 2010	June 2009
14 ACCRUED AND OTHER LIABILITIES	-----Rupees-----	
Auditors' remuneration	206,316	184,000
Brokerage payable	154,997	79,149
Dividend received on reverse repurchase transactions	52,675	52,675
Printing charges payable	267,304	135,000
Others	160,392	-
	<u>841,684</u>	<u>450,824</u>

15 CONTINGENT LIABILITY

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that the WWF Ordinance is applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance). However, during the period the Mutual Fund Association of Pakistan (MUFAP) has filed a constitutional petition in the High Court of Sindh praying it to declare the CIS are not liable to pay contribution to the WWF on the grounds that CIS are not covered in the definition of Industrial Establishment. The legal proceedings in respect of the aforementioned petition are currently in progress.

The Management Company (a member of MUFAP) based on the advice of the MUFAP's legal counsel, is confident of a favourable decision and accordingly no provision for the aforementioned liability amounting to Rs. 6.321 million has been made in this condensed interim financial information.

16 FINANCIAL INCOME

	Nine months period ended		For the quarter ended	
	March 2010 (Unaudited)	March 2009 (Unaudited)	March 2010 (Unaudited)	March 2009 (Unaudited)
Financial income on;				
Financial asset at fair value through profit and loss- Held for Trading	-----Rupees-----			
- Term finance certificates	10,520,660	80,537,367	5,215,798	27,610,362
- Treasury Bills	16,808,539	-	9,376,183	-
Available-for-sale				
- Application money for subscription of TFCs	-	3,039,981	-	240,705
Held to maturity				
- Commercial papers	-	4,567,827	-	790,640
- Certificates of Investments	810,183	3,540,748	32,536	-
- Certificates of Deposit	17,665,637	5,181,689	4,862,503	1,324,922
- Certificates of musharika	5,937,624	18,432,345	2,129,043	2,837,210
- Letter of Placement	2,282,192	3,957,844	2,282,192	1,378,848
- Term deposits	85,799,020	55,379,393	26,580,936	5,409,727
	112,494,656	91,059,846	35,887,210	11,741,347
- Receivable under reverse repurchase transaction	5,605,477	-	5,564,381	-
Others				
- Bank deposits	64,455,514	59,159,560	22,417,474	13,520,042
- Continuous funding system	-	71,715	-	-
	<u>209,884,846</u>	<u>233,868,469</u>	<u>78,461,046</u>	<u>53,112,456</u>

**17 NET REVERSAL OF IMPAIRMENT IN VALUATION
OF INVESTMENTS CLASSIFIED AS HELD TO MATURITY**

Provision made against COD of FDIBL during the period 6.1.1	5,392,710	-	-	-
Provision made against COI of SPLC	475,981	-	-	-
	5,868,691	-	-	-
Reversal of provision against COD of FDIBL 6.1.1	(27,660,178)	-	-	-
Reversal of provision against COI of SPLC	(475,981)	-	(475,981)	-
	<u>(22,267,468)</u>	<u>-</u>	<u>(475,981)</u>	<u>-</u>

18 CASH AND CASH EQUIVALENTS

Bank balances	667,005,226	602,749,477	667,005,226	602,749,477
Certificate of deposits maturing within 3 months	130,969,189	-	130,969,189	-
Term deposit receipts maturing within three months	201,630,680	210,671,949	201,630,680	210,671,949
	<u>999,605,095</u>	<u>813,421,426</u>	<u>999,605,095</u>	<u>813,421,426</u>

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include IGI Funds Limited being the management company, Central Depository Company of Pakistan Limited being the trustee, IGI Investment Bank Limited being the holding company of the management company, IGI Finex Securities Limited being the subsidiary of holding company of the management company and IGI Insurance Limited being the holding company of the holding company of the management company and Packages Limited being the holding company of IGI Insurance Limited. Tri Pack Films Limited and Tetra Pak Pakistan Limited being the subsidiary of IGI Insurance Limited. Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non - Banking Finance Companies and Notified Entities Regulations, 2007, and the Trust Deed respectively.

Transaction and balances with related parties other than those disclosed elsewhere are as follows:

19.1 Unit Holder's Fund

	Nine months period ended 31 March 2010										
	As at 01 July 2009	Issued for cash	Bonus	Redeemed	As at 31 March 2010	As at 1 July 2009	Issued for cash	Bonus	Redeemed	As at 31 March 2010	NAV as at 31 March 2010
	Units					(Rupees)					
Associated Companies / Undertakings											
IGI Investment Bank Limited	1,878,111	11,424,090	212,118	13,514,319	-	200,000,000	1,170,610,445	21,286,339	1,377,072,203	14,824,581	-
IGI Insurance Limited	-	489,045	-	-	489,045	-	50,000,000	-	-	50,000,000	50,518,349
IGI Finex Securities Limited	1,175,595	-	73,842	1,249,437	-	120,000,000	-	7,398,253	130,791,060	(3,392,807)	-
IGI Finex Securities Limited - Staff Provident Fund	-	990	-	-	990	-	100,000	-	-	100,000	102,267
Packages Limited - Employees Gratuity Fund	500,389	-	57,798	-	558,187	51,014,613	-	5,800,388	-	56,815,001	57,660,717
Packages Limited - Employees Provident Fund	383,679	-	44,317	-	427,996	38,915,136	-	4,447,506	-	43,362,642	44,211,987
Packages Limited - Staff Pension Fund	596,206	-	68,865	-	665,071	98,298,936	-	6,911,064	-	105,210,000	68,701,834
IGI Funds Limited - Management Company	884,315	616,971	94,257	784,557	810,986	91,802,490	64,264,935	9,457,741	81,400,000	84,125,166	83,774,854
IGI Funds Limited - Staff Provident Fund	5,347	-	618	726	5,239	542,926	-	61,978	75,000	529,904	541,189

Other Related Parties

Transactions with employees	1,214	23,101	602	10,223	14,694	1,083,242	2,378,068	60,496	1,126,107	2,395,699	1,517,890
Treet Corporation Limited	47,286	-	5,462	52,748	-	5,000,000	-	548,125	5,330,672	217,453	-
Treet Corporation Limited - Employees Gratuity Fund	28,008	-	3,235	31,243	-	2,852,645	-	324,663	3,157,441	19,867	-
Treet Corporation Limited - Employees Superannuation Fund	37,739	-	4,359	42,098	-	3,852,645	-	437,456	4,254,386	35,715	-
Tri Pack Films Limited - Employees Gratuity Fund	10,788	-	678	11,466	-	1,097,175	-	67,892	1,189,339	(24,272)	-
Tri Pack Films Limited - Employees Provident Fund	21,576	-	2,492	-	24,068	2,194,351	-	250,105	-	2,444,456	2,486,224
Tatra Pak Pakistan Limited - Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-
Tatra Pak Pakistan Limited - Employees Provident Fund	-	-	-	-	-	-	-	-	-	-	-
Tatra Pak Pakistan Limited - Employees Pension Fund	-	-	-	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited	-	-	-	-	-	-	-	-	-	-	-
CDCPL - Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-

Key Management Personnel

Syed Babar Ali - Group Chairman	474,428	-	54,799	-	529,227	50,000,000	-	5,517,452	-	55,517,452	54,669,149
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Nine months period ended 31 March 2009

	As at 01 July 2008	Issued for cash	Bonus	Redeemed	As at 31 March 2009	As at 1 July 2008	Issued for cash	Bonus	Redeemed	As at 31 March 2009	NAV as at 31 March 2009
	Units					(Rupees)					
Associated Companies / Undertakings											
IGI Investment Bank Limited	14,704	10,829,194	389	7,874,464	2,969,823	1,510,587	1,108,523,630	38,967	808,145,948	301,927,236	307,139,101
IGI Insurance Limited	2,070,805	960,799	54,833	2,060,918	1,025,519	212,733,810	100,000,000	5,487,634	209,105,955	109,115,489	106,059,173
IGI Finex Securities Limited	-	1,175,595	-	-	1,175,595	-	120,000,000	-	-	120,000,000	121,580,007
Packages Limited - Employees Gratuity Fund	578,159	-	15,309	-	593,468	59,394,273	-	1,532,121	-	60,926,394	51,750,275
Packages Limited - Employees Provident Fund	663,292	-	17,563	-	680,855	68,140,017	-	1,757,725	-	69,897,742	39,680,048
Packages Limited - Staff Pension Fund	966,840	-	25,601	-	992,441	99,323,537	-	2,562,128	-	101,885,665	61,659,589
IGI Funds Limited - Management Company	1,555,024	966,678	41,175	1,822,932	739,945	159,747,654	97,500,000	4,120,815	183,500,000	77,868,469	76,525,179
IGI Funds Limited - Staff Provident Fund	5,209	-	138	-	5,347	535,107	-	13,804	-	548,911	552,965

Other Related Parties

Transactions with employees	81,078	21,556	1,590	78,444	25,780	8,329,156	2,067,000	159,064	8,005,171	2,550,049	2,301,326
Treet Corporation Limited - Employees Gratuity Fund	27,286	-	722	-	28,008	2,803,052	-	72,307	-	2,875,359	2,896,600
Treet Corporation Limited - Employees Superannuation Fund	27,286	9,730	722	-	37,738	2,803,052	1,000,000	72,307	-	3,875,359	3,902,925
Tri Pack Films Limited - Employees Gratuity Fund	10,510	-	278	-	10,788	1,079,672	-	27,851	-	1,107,523	1,115,705
Tri Pack Films Limited - Employees Provident Fund	21,020	-	557	-	21,577	2,159,345	-	55,702	-	2,215,047	2,231,409
Tatra Pak Pakistan Limited - Employees Gratuity Fund	16,782	-	444	17,226	-	1,723,942	-	44,470	1,714,123	-	-
Tatra Pak Pakistan Limited - Employees Provident Fund	71,628	-	1,897	73,525	-	7,358,288	-	189,813	7,316,379	-	-
Tatra Pak Pakistan Limited - Employees Pension Fund	59,348	-	1,572	60,920	-	6,096,867	-	157,273	6,062,143	-	-
Central Depository Company of Pakistan Limited	201,226	245,990	5,328	452,544	-	20,671,901	25,000,000	533,248	46,720,656	-	-
CDCPL - Employees Gratuity Fund	54,616	-	1,446	56,062	-	5,610,712	-	144,733	5,709,977	-	-

Key Management Personnel

Bazl Ahmed Khan - Chairman Board of Directors	13,805	-	366	14,103	68	1,418,199	-	36,584	1,458,000	(3,217)	6,965
Ali Azam Shirazee - Ex-CEO resigned w.e.f 08 August 2008	97,561	-	2,584	100,145	-	10,022,518	-	258,539	10,246,878	-	-
Adi . J . Cawajji - Director	18,261	1,999	484	12,924	7,820	1,875,914	200,000	48,391	1,300,000	824,305	778,794

Quarter ended 31 March 2010											
	As at 01 January 2010	Issued for cash	Bonus	Redeemed	As at 31 March 2010	As at 01 January 2010	Issued for cash	Bonus	Redeemed	As at 31 March 2010	NAV as at 31 March 2010
	----- Units -----				----- (Rupees) -----						
Associated Companies / Undertakings											
IGI Investment Bank Limited	1,898,948	5,617,996	94,149	7,611,093	-	260,105,570	570,610,445	9,467,013	774,986,168	65,196,860	-
IGI Insurance Limited	-	489,045	-	-	489,045	-	50,000,000	-	-	50,000,000	50,518,349
IGI Finex Securities Limited	-	-	-	-	-	-	-	-	-	-	-
IGI Finex Securities Limited - Staff Provident Fund	-	990	-	-	990	-	100,000	-	-	100,000	102,267
Packages Limited - Employees Gratuity Fund	531,820	-	26,367	-	558,187	54,163,664	-	2,651,337	-	56,815,001	57,660,717
Packages Limited - Employees Provident Fund	407,779	-	20,217	-	427,996	41,329,703	-	2,032,939	-	43,362,642	44,211,987
Packages Limited - Staff Pension Fund	633,655	-	31,416	-	665,071	102,050,977	-	3,159,023	-	105,210,000	68,701,834
IGI Funds Limited - Management Company	780,793	70,683	38,711	79,201	810,986	81,132,597	7,200,000	3,892,569	8,100,000	84,125,166	83,774,854
IGI Funds Limited - Staff Provident Fund	5,683	-	282	726	5,239	576,574	-	28,330	75,000	529,904	541,189
Other Related Parties											
Transactions with employees	11,355	5,971	526	3,158	14,694	2,051,534	612,888	52,855	321,578	2,395,699	1,517,890
Treet Corporation Limited	50,256	-	2,492	52,748	-	5,297,579	-	250,546	5,330,672	217,453	-
Treet Corporation Limited - Employees Gratuity Fund	29,767	-	1,476	31,243	-	3,028,906	-	148,402	3,157,441	19,867	-
Treet Corporation Limited - Employees Superannuation Fund	40,109	-	1,989	42,098	-	4,090,141	-	199,960	4,254,386	35,715	-
Tri Pack Films Limited - Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-
Tri Pack Films Limited - Employees Provident Fund	22,931	-	1,137	-	24,068	2,330,134	-	114,322	-	2,444,456	2,486,224
Key Management Personnel											
Syed Babar Ali - Group Chairman	504,228	-	24,999	-	529,227	52,985,672	-	2,531,780	-	55,517,452	54,669,149

Quarter ended 31 March 2009											
	As at 1 January 2009	Issued for cash	Bonus	Redeemed	As at 31 March 2009	As at 1 January 2009	Issued for cash	Bonus	Redeemed	As at 31 March 2009	NAV as at 31 March 2009
	----- Units -----				----- (Rupees) -----						
Associated Companies / Undertakings											
IGI Investment Bank Limited	1,035,400	4,356,262	-	2,421,839	2,969,823	103,955,865	448,000,000	-	250,028,629	301,927,236	307,139,101
IGI Insurance Limited	2,051,037	-	-	1,025,518	1,025,519	213,697,814	-	-	104,582,325	109,115,489	106,059,173
IGI Finex Securities Limited	-	1,175,595	-	-	1,175,595	-	120,000,000	-	-	120,000,000	121,580,007
Packages Limited - Employees Gratuity Fund	593,468	-	-	93,079	500,389	60,926,394	-	-	9,400,000	51,526,394	51,750,275
Packages Limited - Employees Provident Fund	680,855	-	-	297,177	383,678	69,897,742	-	-	30,000,000	39,897,742	39,680,048
Packages Limited - Staff Pension Fund	992,441	-	-	396,236	596,205	101,885,665	-	-	40,000,000	61,885,665	61,659,589
IGI Funds Limited - Management Company	1,035,194	951,720	-	1,246,969	739,945	107,368,469	96,000,000	-	125,500,000	77,868,469	76,525,179
IGI Funds Limited - Staff Provident Fund	5,347	-	-	-	5,347	548,911	-	-	-	548,911	552,965
Other Related Parties											
Transactions with employees	23,108	2,913	-	241	25,780	2,274,691	300,000	-	24,642	2,550,049	2,301,326
Treet Corporation Limited - Employees Gratuity Fund	28,008	-	-	-	28,008	2,875,359	-	-	-	2,875,359	2,789,317
Treet Corporation Limited - Employees Superannuation Fund	37,738	-	-	-	37,738	3,875,359	-	-	-	3,875,359	3,758,327
Tri Pack Films Limited - Employees Gratuity Fund	10,788	-	-	-	10,788	1,107,523	-	-	-	1,107,523	1,074,377
Tri Pack Films Limited - Employees Provident Fund	21,577	-	-	-	21,577	2,215,047	-	-	-	2,215,047	2,148,853
Key Management Personnel											
Bazl Ahmed Khan - Chairman Board of Directors	68	-	-	-	68	(3,217)	-	-	-	(3,217)	6,772
Adi . J. Cawasji - Director	7,820	-	-	-	7,820	824,305	-	-	-	824,305	778,794

19.2 Other transactions

	Nine months period ended		Quarter ended	
	March 2010 (Unaudited)	March 2009 (Unaudited)	March 2010 (Unaudited)	March 2009 (Unaudited)
-----Rupees-----				
Associated Companies / Undertakings				
IGI Funds Limited - Management Company				
Management fee	<u>21,446,034</u>	<u>19,951,497</u>	<u>8,011,179</u>	<u>4,219,709</u>
Others	<u>24,667</u>	<u>-</u>	<u>24,667</u>	<u>-</u>
IGI Investment Bank				
Interest income from Certificate of deposit	<u>17,665,662</u>	<u>599,994</u>	<u>5,761,105</u>	<u>599,994</u>
Other Related Parties				
IGI Finex Securities Limited				
Brokerage/ Commission	<u>54,415</u>	<u>3,575</u>	<u>25,429</u>	<u>3,575</u>
Central Depository Company of Pakistan Limited				
Trustee fee	<u>2,466,438</u>	<u>2,335,545</u>	<u>887,496</u>	<u>584,174</u>

19.3 Other balances

	March	
	2010	June 2009
Associated Companies / Undertakings		
IGI Funds Limited - Management Company		
Management fee	<u>2,968,514</u>	<u>2,402,653</u>
Other Related Parties		
Central Depository Company of Pakistan Limited		
Trustee fee	<u>322,422</u>	<u>274,413</u>

20 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non - Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The management company has distributed sufficient accounting income of the Fund for the six months period ended 31 December 2009 in order to comply with the above stated clause and regulation and intends to distribute not less than 90% of the said accounting income, if any, arising in the subsequent period to comply with the above clause and regulation. Accordingly, no tax provision has been made in this condensed interim financial information for the nine months period ended 31 March 2010.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair market value of the financial assets and liabilities are not significantly different from their carrying values.

22 GENERAL

22.1 Figures have been rounded off to the nearest rupee.

22.2 This condensed interim financial information is unaudited. Furthermore, the figures for quarter ended and nine months ended 31 March 2010 in this condensed interim financial information has not been reviewed by the auditors.

22.3 This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on **27 April 2010**.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

IGI

Funds

IGI STOCK FUND

Fund's Information

Trustee

Central Depository Company of Pakistan Limited
 CDC House, 99-8, Block B, S.M.C.H.S
 Main Shahra-e-Faisal, Karachi-74400 Pakistan

Distributors

AI - Habib Capital Markets (Pvt.) Ltd.
 Alfalah Securities (Pvt.) Ltd.
 Allied Bank Limited
 Atlas Capital Markets (Pvt.) Ltd.
 BMA Capital Management Ltd.
 Bulls and Bulls
 Cumberland (Pvt) Ltd.
 Deutche Bank AG Karachi
 Financial Avenue
 Foundation Securities (Pvt) Ltd.
 IGI Insurance Limited
 IGI Investment Bank Limited
 IGI Securities
 Invest Capital and securities (Pvt.) Ltd.
 Invisor Securities
 JS Global Capital Limited
 KASB Securities
 Mybank Limited
 Pak Oman Investement
 Pyramid Financial Consultant (Pvt.) Ltd.
 Siza Commodites (Pvt.) Ltd.
 Vector Consulting (Pvt) Ltd.

Auditors

KPMG Taseer Hadi & Co.
 Chartered Accountants
 1st Floor, Sheikh Sultan Trust Building - 2, Beaumont
 Road, Karachi

Legal Advisor

Hassan & Hassan (Advocates)
 PAAF Building, 7D Kashmir Egerton Road, Lahore.

Bankers

Bank Alfalah Limited
 Faysal Bank Limited

Directors' Report

To our valued Unit Holders,

The Board of Directors of IGI Funds Limited is pleased to present you the Quarterly Report of the IGI Stock Fund (the "Fund") for the nine months period ended 31st March 2010.

Economic Review

The State Bank of Pakistan (SBP) kept its key policy rate unchanged in the third quarterly review of the Monetary Policy. An increase in rates would have directly affected the country's economic recovery, while lowering the rate would have fuelled the inflation further. CPI Inflation for the period Jul – Feb 2010, remained at 11.1% while for the month of February 2010, it was 13.0%. It touched the bottom in the month of October 2009, but later fuelled higher in the wake of increase in energy prices, and other administrative problems.

On the budgetary borrowing front, borrowing was curtailed in the nine months under review, compared to the corresponding period last year. The country is restricted to a Pkr73.50bn quarterly ceiling by the IMF. Therefore government focused on retiring funds from SBP, and borrowed instead from scheduled commercial banks. The balance of payments (BoP) recovered significantly, the external current account deficit settled at USD2.60bn for Jul – Feb 2010, as compared to USD8 bn for the same period last year.

During the period under review, yields on government securities increased substantially. This shows that market participants preferred investment in low-risk government papers in absence of credit demand from private sector. This in turn reduces the risk of additional NPLs.

Equity Market Overview

During the period under review, the equity market has achieved its all time high since the decline in CY2008. This phenomenal and sustainable growth has materialized on the back of fundamentally strong aspects of the bourse, trading at significant discount to competitors. Improvement in key economic indicators and reduction in political noise has contributed to the accretion.

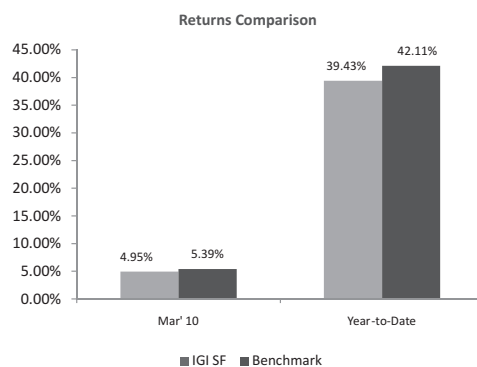
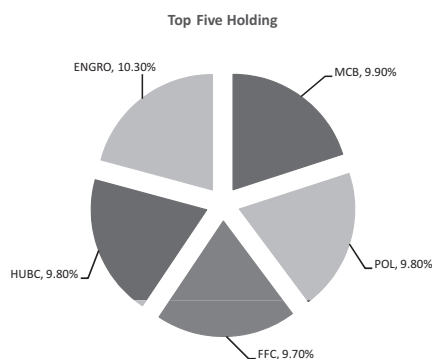
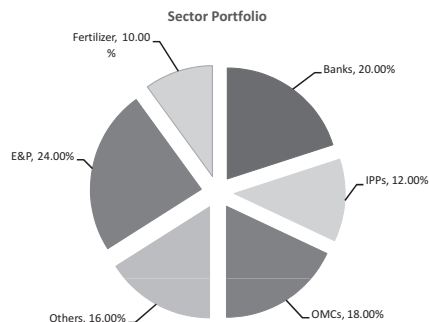
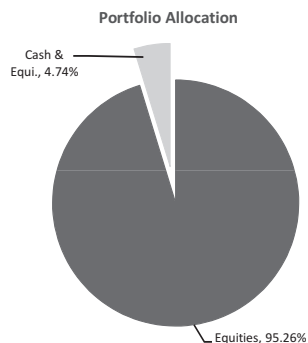
On QoQ basis, the KSE-100 has appreciated 7.94% to close at 10,000+. On 9M basis, this is an appreciation of 86.3% YoY, when the recovering market attracted both domestic and foreign interest on a large scale. Foreign investment has escalated significantly, with accompanied growth in average daily volumes. During 9MFY10, FIPI figures registered a net BUY position of USD 430Mn. This is a 213% appreciation YoY. Subsequently, average daily volumes grew to 172Mn shares during the same period, which is a growth of 116% YoY. On QoQ basis, the FIPI figures have shown a decline of 27%, coming in at a net BUY position of USD 145.25Mn. This decline would have been greater if not for the surge in March'10, when the index surpassed the psychological 10,000 barrier and sustained a position it was previously unable to grasp.

Remittances during the 9 month period, have shown a growth of 6.6% YoY, resting at USD 6.6Bn. The heaviest source of remittances remained the Middle East, where uncertainty and credit pressures prevail. In addition, the undervalued aspects create the attractiveness of the domestic market against regional peers. Currently, the current market PER is at a 45-50% discount to the region with a dividend yield potential of 7-8%.

Fund Operations and Performance

During the period, your Fund performed consistently with the market. The net assets of the fund have increased by Rs. 256.38 million during the period to end at Rs. 505.86 million (June 2009: 249.49) and the net assets value per unit at Rs.150.01. This represents 103% growth in the fund size as compared to the benchmark KSE 100 index with a growth of only 42% during the period.

The graphical illustration and key financial data showing portfolio allocation and performance of the Fund is given below;



Description	(Rupees in millions)	
	For the nine months period ended 31 March 2010	For the nine months period ended 31 March 2009
Net Assets	505.86	214.67
Net Income/(loss)	154.40	42.05
Net Assets Value per Unit (Rs.)	150.01	124.36
Issuance of units during the period	1,643.34	211.68
Redemption of units during the period	1,499.37	146.51

Economic Outlook

The economy will likely remain constrained as controlling inflation is going to be difficult. With increasing energy prices, the inflation collar will rend the 13% mark for FY10 (SBP forecasts at 12%; IMF limit of 11.5%).

GoP intends to settle part of the circular debt, with the help of Islamic banks, as participants in new government Sukuks. The yields on the Sukuks are expected to attract, as treasury bills yields (reference rate for Sukuk coupons) are continuously rising. Furthermore, the instrument would be SLR eligible. In the absence of many Islamic financial instruments, Sukuks will play a pivotal role. On the equity front, the index is poised to summit the 11,000 mark. Risks to this ascension would be retracement in foreign interest, increase in political tension, delay in any pledged inflows (IMF, FoDP) and deterioration of economic indicators (PKR/USD Parity, CPI surges).

Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and on behalf of the Board

Maheen Rahman
Chief Executive Officer
27 April 2010

Condensed Interim Statement of Assets and Liabilities (Unaudited)

As at 31 March 2010

	Note	31 March 2010 (Unaudited)	30 June 2009 (Audited)
-----Rupees-----			
ASSETS			
Bank balances	5	23,172,400	34,095,613
Investments	6	466,152,034	222,288,522
Dividend receivable		8,311,873	1,131,228
Deferred formation cost	7	851,286	1,045,552
Advances and security deposits		6,300,000	6,300,000
Prepayments and other receivables	8	4,353,514	327,995
Total assets		509,141,107	265,188,910
LIABILITIES			
Payable on redemption of units		-	721,319
Payable to the Management Company		2,205,176	1,696,227
Remuneration payable to the Trustee		84,563	57,540
Annual fee payable to Securities and Exchange Commission of Pakistan		315,925	160,423
Accrued and other liabilities	9	672,214	13,066,229
Total liabilities		3,277,878	15,701,738
Contingent liability	10		
Net assets attributable to unit holders	Rupees	505,863,229	249,487,172
Unit holders' funds	Rupees	505,863,229	249,487,172
Number of units in issue	Number	3,372,273	1,877,323
Net assets value per unit	Rupees	150.01	132.90

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Income Statement (Unaudited)

For the nine months period ended 31 March 2010

	Nine months period ended		Quarter ended	
	March 2010	March 2009	March 2010	March 2009
-----Rupees-----				
INCOME				
Capital gain on sale of equity securities	81,956,103	3,699,463	11,184,043	11,385,464
Interest income on bank and other deposits	3,713,717	7,609,183	759,552	1,569,136
Interest income on investments classified as 'held to maturity'	-	855,137	-	475,362
Dividend income on equity securities	20,791,643	5,166,510	11,524,446	4,795,900
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss- held for trading'	24,944,100	36,702,423	17,921,492	37,728,310
Element of income and capital gain included in prices of units sold less those in units redeemed - net	35,644,395	(7,448,470)	(2,238,644)	(8,887,248)
Total income	167,049,958	46,584,246	39,150,889	47,066,924
EXPENSES				
Remuneration to the Management Company	6,651,159	2,219,841	2,410,064	1,044,113
Remuneration to the Trustee	683,050	496,762	241,017	172,620
Annual fee to the Securities and Exchange Commission of Pakistan	315,925	107,738	114,474	48,946
Brokerage expense, federal excise duty and capital value tax	3,990,617	819,976	773,551	680,756
Amortization of deferred formation cost	194,266	183,631	63,810	63,810
Auditors' remuneration	229,316	204,516	48,060	84,060
Printing and advertisement	112,614	372,022	36,990	59,310
Fees & subscription	457,325	119,484	121,864	29,065
Bank charges	17,528	9,776	4,979	4,070
Total expenses	12,651,800	4,533,746	3,814,809	2,186,750
Net Income for the period	154,398,158	42,050,500	35,336,080	44,880,174

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended 31 March 2010

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	-----Rupees-----			
Net Income for the period	154,398,158	42,050,500	35,336,080	44,880,174
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u><u>154,398,158</u></u>	<u><u>42,050,500</u></u>	<u><u>35,336,080</u></u>	<u><u>44,880,174</u></u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Distribution Statement (Unaudited)

For the nine months period ended 31 March 2010

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	-----Rupees-----			
Undistributed income brought forward at the beginning of the period	61,763,927	-	133,308,904	(2,829,674)
Net income for the period	154,398,158	42,050,500	35,336,080	44,880,174
Final distribution of cash dividend @ Rs. 25.31 per unit for the year ended 30 June 2009, approved on 02 July 2009	(6,348,579)	-	-	-
Final distribution of bonus @ 23.53 units for every 100 units held, for the period ended 30 June 2009, approved on 02 July 2009	(41,168,522)	-	-	-
Undistributed income carried forward Rupees	<u>168,644,984</u>	<u>42,050,500</u>	<u>168,644,984</u>	<u>42,050,500</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)

For the nine months period ended 31 March 2010

	Nine months period ended		Quarter ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	-----Rupees-----			
Net assets at beginning of the period	249,487,172	100,000,000	474,861,348	81,140,414
Amount realized on issuance of 12,271,950 units (2009 : 2,011,254 units) and of 2,758,158 (2009: 1,664,457) for nine months and quarter respectively	1,643,343,795	211,681,826	409,277,207	177,008,371
Issuance of 382,678 bonus units in respect of final distributions (2009: NIL)	41,168,522	-	-	-
Amount paid on redemption of 11,159,678 units (2009: 1,285,043 units) and 2,801,499 units (2009: 777,913) for nine months and quarter respectively	(1,499,372,922)	(146,509,394)	(415,850,050)	(97,244,805)
	434,626,567	165,172,432	468,288,505	160,903,980
Element of income and capital gain included in prices of units sold less those in units redeemed - net	(35,644,395)	7,448,470	2,238,644	8,887,248
Total comprehensive income before capital gain/ (loss) - realised and unrealised	47,497,955	1,648,614	6,230,545	(4,233,600)
Capital gain on sale of equities	81,956,103	3,699,463	11,184,043	11,385,464
Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss- held for trading'	24,944,100	36,702,423	17,921,492	37,728,310
	154,398,158	42,050,500	35,336,080	44,880,174
Final distribution of bonus units	(41,168,522)	-	-	-
Final distribution of cash dividend	(6,348,579)	-	-	-
Net assets at end of the period	505,863,229	214,671,402	505,863,229	214,671,402

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Cash Flow Statement (Unaudited)

For the nine months ended 31 March 2010

	Nine months period ended		Quarter ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income for the period	154,398,158	42,050,500	35,336,080	44,880,174
Adjustments for:				
Deferred formation cost	194,266	183,631	63,810	63,810
Capital (gain) on sale of equity securities	(81,956,103)	(3,699,463)	(11,184,043)	(11,385,464)
Net unrealised (appreciation) in fair value of investments classified as 'at fair value through profit or loss - held for trading'	(24,944,100)	(36,702,423)	(17,921,492)	(37,728,310)
Element of income and capital gains included in prices of units sold less those in units redeemed	(35,644,395)	7,448,470	2,238,644	8,887,248
Cash flows from operations before working capital changes	12,047,826	9,280,715	8,532,999	4,717,458
(Increase) / decrease in assets				
Investments - net	(136,963,309)	(175,261,579)	14,120,252	(162,677,045)
Deferred formation cost	-	(7,745)	-	-
Receivables and other deposit	(11,206,164)	(8,629,439)	(4,521,312)	(4,543,479)
	(148,169,473)	(183,898,763)	9,598,940	(167,220,524)
Increase / (decrease) in liabilities				
Payable to the Management Company	508,949	744,977	(5,824)	235,094
Remuneration payable to the Trustee	27,023	59,458	(632)	-
Annual fee to the Securities & Exchange Commission of Pakistan	155,502	107,738	114,474	48,946
Accrued and other liabilities	(12,394,015)	200,428	(193,506)	(1,007,140)
	(11,702,541)	1,112,601	(85,488)	(723,100)
Net cash flows from operating activities	(147,824,188)	(173,505,447)	18,046,451	(163,226,166)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of units	1,643,343,795	211,681,826	409,277,207	177,008,371
Payment against redemption of units	(1,500,094,241)	(100,905,445)	(415,856,050)	(51,640,856)
Distribution paid	(6,348,579)	-	-	-
Net cash generated from / (used in) financing activities	136,900,975	110,776,381	(6,578,843)	125,367,515
Net Increase / (decrease) in cash and cash equivalents	(10,923,213)	(62,729,066)	11,467,608	(37,858,651)
Cash and cash equivalents at beginning of the period	34,095,613	100,000,000	11,704,792	75,129,585
Cash and cash equivalents at end of the period	23,172,400	37,270,934	23,172,400	37,270,934

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Notes to the Condensed Interim financial information (Unaudited)

For the nine months period ended 31 March 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

IGI Stock Fund ("the Fund") has been constituted under Trust Deed dated 10 June 2008 between IGI Funds Limited (IGIFL) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee incorporated under the Companies Ordinance, 1984. The Fund has been established under the Rules of business applicable to open ended mutual fund of the Non-Banking Finance Companies.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units can be redeemed by surrendering them to the Fund except for the units issued to core investors which are not redeemable for a period of two years from the date of initial public offer.

The Fund seeks to generate long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its corpus in debt and money market securities in order to meet liquidity requirements from time to time.

The registered office of the Management Company is situated at 5 F.C.C., Syed Maratib Ali Road, Gulberg, Lahore Pakistan.

2. BASIS OF PRESENTATION

This condensed interim financial information has been prepared in accordance with the requirements of the approved accounting standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's annual financial statements as at and for the year ended 30 June 2009.

This condensed interim financial information is being submitted to the unit holders as required under by the listing regulations of Lahore Stock Exchange and Regulation 38 (g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2009 except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became effective for the financial periods beginning on or after 1 January 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Fund's condensed interim financial information.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2009.

4.1 The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2009.

5. BANK BALANCE - Local Currency

These represent balance in deposit accounts with banks and carry interest rate of 5.00 to 10.50 % (30 June 2009: 9%).

6. INVESTMENTS

This represents Fund's investment in Quoted equity securities and are classified as "Financial assets at fair value through profit and loss - Held for trading".

6.1 Equity Securities

Name of security	As at 01 July 2009	Purchase/ bonus during the period	Sold during the period	As at 31 March 2010	Carrying amount and market value	Percentage of net assets on the basis of market value	Percentage of issued capital of the issuer
	------(Units)-----				(Rupees)	As at 31 March 2010	(Unaudited)
Commercial Bank							
Bank Al-Falah Limited	-	1,295,000	575,000	720,000	8,935,200	1.77%	0.07%
MCB Bank Limited	96,000	1,200,590	1,074,750	221,840	46,373,434	9.17%	0.61%
National Bank of Pakistan Limited	252,400	1,391,614	1,094,014	550,000	37,306,500	7.37%	0.28%
Samba Bank Limited	-	100,000	-	100,000	300,000	0.06%	0.00%
United Bank Limited	381,000	1,778,633	2,159,633	-	-	0.00%	0.00%
Textile composite							
Nishat Mills Limited	-	314,000	250,000	64,000	3,604,480	0.71%	0.15%
Investment Banks and Securities companies							
Jahangir Siddiqui & Company Limited	-	40,000	40,000	-	-	0.00%	0.00%
Cement							
Lucky Cement Limited	147,000	322,100	469,100	-	-	0.00%	0.00%
Insurance							
IGI insurance Limited	38,200	-	38,200	-	-	0.00%	0.00%
Food and personal care products							
Nestle Pakistan Limited	3,400	-	3,400	-	-	0.00%	0.00%
Refinery							
Attock Refinery Limited	55,000	463,364	486,364	32,000	3,688,640	0.73%	0.43%
National Refinery Limited	-	78,401	78,401	-	-	0.00%	0.00%
Power Generation & Distribution							
Kot Addu Power Company Limited	221,400	229,437	450,837	-	-	0.00%	0.00%
The Hub Power Company	841,000	2,250,770	1,761,869	1,329,901	45,575,707	9.01%	0.39%
Nishat Chunian Power Limited	-	1,000,000	-	1,000,000	9,900,000	1.96%	0.27%
Oil & Gas Marketing Companies							
Attock Petroleum Limited	-	256,301	158,315	97,986	34,792,869	6.88%	6.04%
Pakistan State Oil Company Limited	100,400	783,815	739,350	144,865	44,877,728	8.87%	2.62%
Shell Pakistan Limited	19,500	50,000	49,500	20,000	6,021,800	1.19%	0.88%
Oil & Gas Exploration Companies							
Oil & Gas Development Company Limited	267,500	894,000	979,000	182,500	23,699,450	4.68%	0.06%
Pakistan Oilfields Limited	102,500	795,194	702,394	195,300	45,668,952	9.03%	1.93%
Pakistan Petroleum Limited	105,000	678,202	555,202	228,000	44,555,760	8.81%	0.45%
Automobile Assemblers							
Indus Motors	-	69,969	37,000	32,969	6,862,497	1.36%	0.87%
Pak Suzuki Motor Company	-	242,749	138,013	104,736	8,333,844	1.65%	1.01%
Fertilizer							
Engro Chemical Pakistan Limited	97,000	922,471	779,571	239,900	47,936,818	9.48%	1.46%
Fauji Fertilizer Bin Qasim Limited	-	410,000	410,000	-	-	0.00%	0.00%
Fauji Fertilizer Company Limited	197,067	824,762	611,700	410,129	44,987,050	8.89%	0.22%
Technology & Communication							
Pakistan Telecommunication Company Limited	570,000	275,000	715,000	130,000	2,731,300	0.54%	0.01%
Chemical							
Engro Polymer & Chemicals Limited	-	350,000	350,000	-	-	0.00%	0.00%
	3,494,367	17,016,372	14,706,613	5,804,126	466,152,034		

6.1.1800,000, 150,000 and 100,000 shares of Hub Power Company Limited, Faudji Fertilizer Company Limited and Engro Chemical Pakistan Limited respectively were pledged with National Clearing Company of Pakistan Limited as collateral against margin. (30 June 2009: 400,000, 25,000 and 550,000 shares of Hub Power Company Limited, MCB Bank Limited and Pakistan Telecommunication Company Limited respectively).

7. DEFERRED FORMATION COST	31 March 2010 (Unaudited)	30 June 2009 (Audited)
	-----Rupees-----	
Unamortised cost at beginning of the period	1,045,552	1,285,957
Addition during the period	-	7,745
Amortised to the income statement during the period	(194,266)	(248,150)
	<u>851,286</u>	<u>1,045,552</u>

8. PREPAYMENTS AND OTHER RECEIVABLES

Interest receivable on bank and other deposits	256,468	327,995
Prepayment of annual listing fee	4,427	-
Receivable from National Clearing Company of Pakistan Limited (NCCPL) against sale of securities	4,092,619	-
	<u>4,353,514</u>	<u>327,995</u>

9. ACCRUED AND OTHER LIABILITIES

Payable to NCCPL on settlement of securities purchased	-	12,520,155
Auditors' remuneration	206,316	184,000
Brokerage payable	237,727	127,905
Capital value tax	-	19,720
Federal excise duty payable on brokerage	37,901	-
Payable to IGI Income Fund	-	76,840
Others liabilities	190,270	137,609
	<u>672,214</u>	<u>13,066,229</u>

10. CONTINGENT LIABILITY

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that the WWF Ordinance is applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance). However, during the period the Mutual Fund Association of Pakistan (MUFAP) has filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the grounds that CIS are not covered in the definition of Industrial Establishment The legal proceedings in respect of the aforementioned petition are currently in progress.

The Management Company (a member of MUFAP) based on the advice of the MUFAP's legal counsel, is confident of a favourable decision and accordingly no provision for the aforementioned liability amounting to Rs. 4.323 million has been made in this condensed interim financial information.

11. CASH & CASH EQUIVALENT

	Nine months period ended		Quarter ended	
	31 March 2010 (Unaudited)	31 March 2009 (Unaudited)	31 March 2010 (Unaudited)	31 March 2009 (Unaudited)
	-----Rupees-----			
Bank balances	23,172,400	22,121,356	23,172,400	22,121,356
Certificate of deposit maturing within three months	-	15,149,578	-	15,149,578
	<u>23,172,400</u>	<u>37,270,934</u>	<u>23,172,400</u>	<u>37,270,934</u>

12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include IGI Funds Limited being the Management Company, Central Depository Company of Pakistan Limited being the trustee, IGI Investment Bank Limited being the holding company of the Management Company, IGI Finex Securities Limited being the subsidiary of holding company of the Management Company and IGI Insurance Limited and Packages Limited being the associated companies of the holding company of the Management Company and Tri Pack Films Limited, Tetra Pak Pakistan Limited being the associates of IGI Insurance Limited and Key Management personnel. Transactions with these related parties involve issue and redemption of units and issue of bonus units in addition to transactions mentioned in note 12.2.

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non - Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Front end load is charged to unit holder and is payable to the Management Company according to provisions of the offering document of the fund. Security deposit are placed with CDC under normal terms of the business.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

12.1 Unit Holders' Fund

Nine months period ended 31 March 2010

	As at 1 July 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2010	As at 1 July 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2010	Net Asset value as at 31 March 2010
	----- Units -----				----- (Rupees) -----						
Associated Companies /											
Undertakings											
IGI Investment Bank Limited	876,223	11,706,862	206,155	10,957,552	1,831,688	86,903,451	1,607,014,111	22,178,161	1,473,964,579	242,131,144	274,771,517
IGI Insurance Limited	76,764	-	18,060	94,824	-	4,859,428	-	1,942,972	11,158,931	(4,356,531)	-
IGI Finex Securities Limited Packages Limited -	-	869,301	-	869,301	500,000	-	119,423,167	-	122,990,903	(3,567,736)	75,005,000
Employees Provident Fund IGI Investment Bank Limited	50,000	-	11,764	-	61,764	5,000,000	-	1,265,555	-	6,265,555	9,265,218
- Group Provident Fund Packages Limited - Management	3,057	10,997	719	-	14,773	400,000	1,536,585	77,386	-	2,013,971	2,216,098
Staff Pension Fund	-	69,290	-	-	69,290	-	10,244,034	-	-	10,244,034	10,394,193
Packages Limited - Employees Gratuity fund	-	69,764	-	-	69,764	-	10,243,670	-	-	10,243,670	10,465,298
Other Related Parties											
Transactions with employees	575	7,547	-	7,256	-	74,825	1,146,078	-	1,130,225	90,678	-
Key Management Personnel											
Syed Babar Ali - Group Chairman	503,474	-	118,456	-	621,930	50,000,000	-	12,743,480	-	62,743,480	93,295,719

Quarter ended 31 March 2010

	As at 01 January 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2010	As at 01 January 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2010	NAV as at 31 March 2010
	----- (Units) -----				----- (Rupees) -----						
Associated Companies /											
Undertakings											
IGI Investment Bank Limited	1,402,082	3,189,545	-	2,759,939	1,831,688	171,160,555	480,799,007	-	409,828,418	242,131,144	274,771,517
IGI Insurance Limited	-	-	-	-	-	-	-	-	-	-	-
IGI Finex Securities Limited Packages Limited -	500,000	-	-	500,000	-	68,097,264	-	-	71,665,000	(3,567,736)	-
Employees Provident Fund IGI Investment Bank Limited	61,764	-	-	-	61,764	6,265,555	-	-	-	6,265,555	9,265,218
- Group Provident Fund Packages Limited - Management	14,773	-	-	-	14,773	2,013,971	-	-	-	2,013,971	2,216,098
Staff Pension Fund	69,290	-	-	-	69,290	10,244,034	-	-	-	10,244,034	10,394,193
Packages Limited - Employees Gratuity fund	69,764	-	-	-	69,764	10,243,670	-	-	-	10,243,670	10,465,298
Other Related Parties											
Transactions with employees	-	2,465	-	1,599	866	-	358,535	-	239,788	118,747	129,909
Key Management Personnel											
Syed Babar Ali - Group Chairman	621,930	-	-	-	621,930	62,743,480	-	-	-	62,743,480	93,295,719

Nine months period ended 31 March 2009

	As at 1 July 2008	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2009	As at 1 July 2008	Issued for cash	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2009	Net Asset value as at 31 March 2009
	----- Units -----				----- (Rupees) -----						
Associated Companies /											
Undertakings											
IGI Investment Bank Limited	1,000,000	388,791	-	492,406	896,385	100,000,000	37,768,355	-	47,832,196	89,936,159	111,474,435
Packages Limited - Employees Provident Fund	50,000	-	-	-	50,000	5,000,000	-	-	-	5,000,000	6,218,000

Quarter ended 31 March 2009

	As at 01 January 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2009	As at 01 January 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2009	NAV as at 31 March 2009
	----- (Units) -----				----- (Rupees) -----						
Associated Companies /											
Undertakings											
IGI Investment Bank Limited	515,500	380,885	-	-	896,385	52,958,358	36,977,801	-	-	89,936,159	111,474,435
Packages Limited - Employees Provident Fund	50,000	-	-	-	50,000	5,000,000	-	-	-	5,000,000	6,218,000

12.2 Other transactions**Associated Companies*****IGI Funds Limited -
Management Company***

	Nine months period ended		Quarter ended	
	31 March 2010 (Unaudited)	31 March 2009 (Unaudited)	31 March 2010 (Unaudited)	31 March 2009 (Unaudited)
Formation cost paid	-	7,745	-	-
Management fee	6,651,159	2,219,841	2,410,064	1,044,113
Load on units	35,972	29,802	490	15,710
Security deposit paid	-	100,000	-	-
Printing charges paid	21,667	202,000	-	-

IGI Investment Bank Limited

Interest accrued in respect of certificate of deposit	-	855,137	-	475,362
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Other Related Parties***IGI Finex Securities Limited***

Brokerage / Commission	563,003	180,839	70,402	166,010
Capital value tax	-	21,117	-	17,547
FED	90,800	-	11,984	-

***Central Depository Company
of Pakistan Limited***

Trustee fee	683,050	496,762	241,017	172,620
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IGI Insurance Limited

Dividend income	38,200	-	-	-
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12.3 Other balances

	Nine months period ended	
	31 March 2010 Unaudited	30 June 2009 (Audited)

Associated Companies***IGI Funds Limited -
Management Company***

Formation cost payable	1,293,702	1,293,702
Management fee payable	845,585	372,608
Front end load payable	65,889	29,917

	Nine months period ended	
	31 March	30 June
	2010	2009
	Unaudited	(Audited)
	-----Rupees-----	
<u>Other Related Parties</u>		
Central Depository Company of Pakistan Limited		
Trustee fee payable	<u>683,050</u>	<u>57,540</u>
Security deposit placed	<u>100,000</u>	<u>100,000</u>
IGI Finex Securities Limited		
Brokerage / Commission	<u>28,900</u>	<u>38,145</u>
Capital value tax	<u>-</u>	<u>6,616</u>
FED	<u>5,354</u>	<u>-</u>

13. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit or certificate holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit / certificate holders. The Management Company intends to distribute not less than 90% of the said accounting income to comply with the above stated and regulation. Accordingly, no tax provision has been made in this condensed interim financial information for the nine months period ended 31 March 2010.

14. GENERAL

14.1 Figures have been rounded off to the nearest rupee.

14.2 This condensed interim financial information is unaudited. Furthermore, the figures for quarter ended and nine months ended 31 March 2010 in this condensed interim financial information has not been reviewed by the auditors.

14.3 This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on **27 April 2010**.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

IGI

Funds

IGI ISLAMIC INCOME FUND

Fund's Information

Trustee

Central Depository Company of Pakistan Limited
 CDC House, 99-8, Block B, S.M.C.H.S
 Main Shahra-e-Faisal, Karachi-74400 Pakistan

Distributors

Al-Habib Capital Markets (Pvt.) Ltd.
 Alfalah Securities (Pvt.) Ltd.
 Allied Bank Limited
 Atlas Capital Markets (Pvt.) Ltd.
 BMA Capital Management Ltd.
 Bulls and Bulls
 Cumberland (Pvt) Ltd.
 Deutche Bank AG Karachi
 Financial Avenue
 Foundation Securities (Pvt) Ltd.
 IGI Insurance Limited
 IGI Investment Bank Limited
 IGI Securities
 Invest Capital and securities (Pvt.) Ltd.
 Invisor Securities
 JS Global Capital Limited
 KASB Securities
 Mybank Limited
 National Clearing Company of Pakistan Limited
 Pak Oman Investment
 Pyramid Financial Consultant (Pvt.) Ltd.
 Siza Commodities (Pvt.) Ltd.
 Vector Consulting (Pvt) Ltd.

Auditors

KPMG Taseer Hadi & Co.
 Chartered Accountants
 1st Floor, Sheikh Sultan Trust Building - 2, Beaumont
 Road, Karachi

Legal Advisor

Bawany & Partners
 Room No. 404, 4th Floor
 Beaumont Plaza, 6-CL-10,
 Beaumont Road, Civil Lines Karachi-75530.

Shariah Advisor

Bank Islami Pakistan Limited.
 11th Floor, Executive Tower,
 Dolmen City, Marine Drive, Clifton,
 Block-4, Karachi.

Bankers

Bank Alfalah Limited
 Al Baraka Islamic Bank
 Dubai Islamic Bank

Directors' Report

To our valued Unit Holders

The Board of Directors of IGI Funds Limited is pleased to present you the Quarterly Report of the IGI Islamic Income Fund (the "Fund") for the period from 16th September 2009 to 31st March 2010.

Economic Review

The State Bank of Pakistan (SBP) kept its key policy rate unchanged in the third quarterly review of the Monetary Policy. An increase in rates would have directly affected the country's economic recovery, while lowering the rate would have fuelled the inflation further. CPI Inflation for the period Jul – Feb 2010, remained at 11.1% while for the month of February 2010, it was 13.0%. It touched the bottom in the month of October 2009, but later fuelled higher in the wake of increase in energy prices, and other administrative problems.

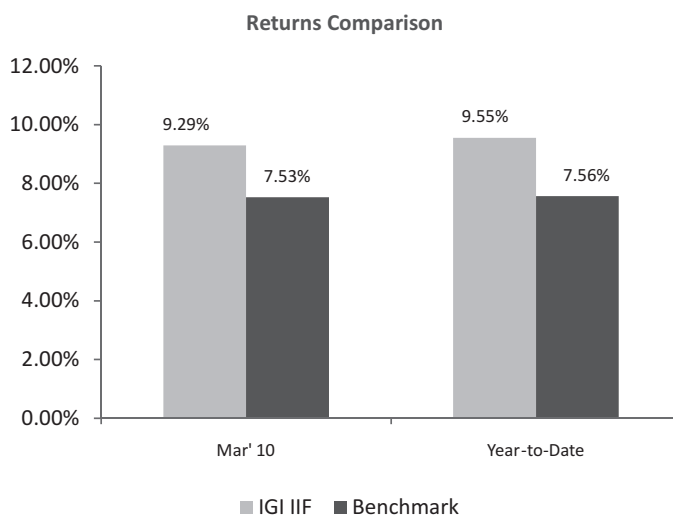
On the budgetary borrowing front, borrowing was curtailed in the nine months under review, compared to the corresponding period last year. The country is restricted to a Pkr73.50bn quarterly ceiling by the IMF. Therefore government focused on retiring funds from SBP, and borrowed instead from scheduled commercial banks. The balance of payments (BoP) recovered significantly, the external current account deficit settled at USD2.60bn for Jul – Feb 2010, as compared to USD8 bn for the same period last year.

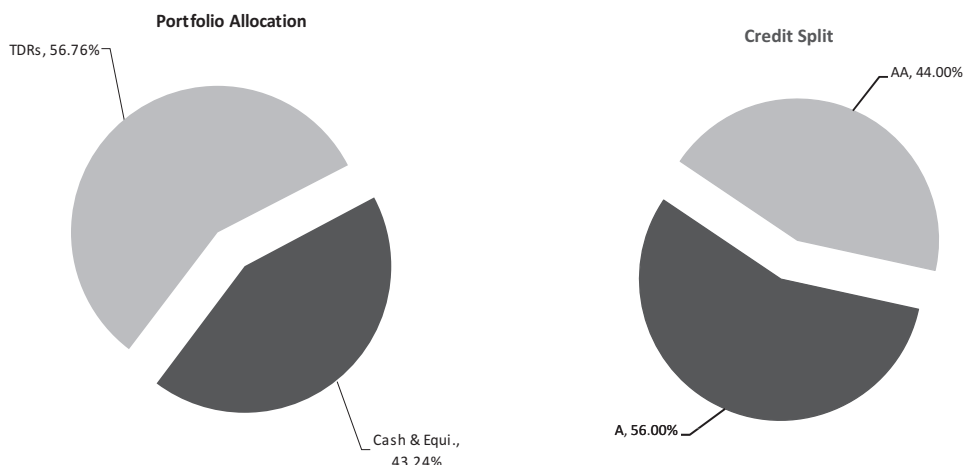
During the period under review, yields on government securities increased substantially. This shows that market participants preferred investment in low-risk government papers in absence of credit demand from private sector. This in turn reduces the risk of additional NPLs.

Fund Operations and Performance

During the period, your Fund outperformed by generating a year to date return of 9.55% as compared to the benchmark return of 7.56%. The net assets of the fund during the Quarter increased by Rs. 67.03 million (20%) to close at Rs. 407.80 million (December 2009: 340.77 million).

The graphical illustration and key financial data showing portfolio allocation and performance of the Fund is given below;





Description	(Rupees in millions)
	For the period from 11 September 2009 to 31 March 2010
Net Assets	407.80
Net Income	10.41
Net Assets Value per Unit (Rs.)	102.99
Issuance of units during the period	685.61
Redemption of units during the period	288.94

Economic Outlook

The economy is likely to remain on tough grounds as controlling inflation is going to be difficult. With increasing energy prices, the inflation leash is set to be broken beyond 13% for FY10, SBP forecasts at 12%.

The government intends to settle part of the circular debt, by the help of Islamic banks, as participants in new government Sukuks. The yields on the Sukuks are expected to be attractive, as treasury bills yields (reference rate for Sukuk coupons) are continuously rising. Furthermore, the instrument would be SLR eligible. In absence of many Islamic financial instruments available, these Sukuks are likely to play an instrumental role.

Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and on behalf of the Board

Maheen Rahman
Chief Executive Officer
27 April 2010

Condensed Interim Statement of Assets and Liabilities

As at 31 March 2010

	Note	31 March 2010 (Unaudited)
ASSETS		
Bank balances	5	174,846,786
Investments	6	229,509,041
Deferred formation cost	7	2,233,012
Prepayments & other receivables	8	4,790,413
Total assets		411,379,252
LIABILITIES		
Amount payable on redemption of units		312,371
Payable to the Management Company	9	2,972,971
Remuneration payable to the Trustee		67,910
Annual fee payable to Securities and Exchange Commission of Pakistan		90,947
Accrued & other liabilities	10	138,016
Total liabilities		3,582,215
Net assets attributable to unit holders	Rupees	407,797,037
Unit holders' funds	Rupees	407,797,037
Number of units in issue	Number	3,959,456
Net assets value per unit	Rupees	102.99

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For IGI Funds Limited
(Management Company)

Chief Executive

Director

Condensed Interim Income Statement (Unaudited)

For the period from 16 th September 2009 to 31 March 2010

	Nine months period ended 31 March 2010	Quarter ended 31 March 2010
	-----Rupees-----	
INCOME		
Profit on bank and other deposits	6,782,463	4,736,963
Income on investments classified as 'held to maturity'	6,845,343	5,675,568
Element of income and capital gain included in prices of units sold less those in units redeemed - net	<u>(720,871)</u>	<u>(586,616)</u>
Total income	12,906,935	9,825,915
EXPENSES		
Remuneration to the Management Company	1,819,021	1,412,377
Remuneration to the Trustee	245,089	188,535
Annual fee to the Securities and Exchange Commission of Pakistan	90,947	70,614
Amortization of deferred formation cost	154,344	117,720
Auditors' remuneration	97,468	74,340
Fees & subscription	86,730	86,730
Bank charges	3,541	2,593
Total expenses	2,497,140	1,952,909
Income for the period	<u>10,409,795</u>	<u>7,873,006</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive_____
Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period from 16 th September 2009 to 31 March 2010

	Nine months period ended 31 March 2010	Quarter ended 31 March 2010
	-----Rupees-----	
Net Income for the period	10,409,795	7,873,006
Other comprehensive income during the period	-	-
Total comprehensive income for the period	<i>Rupees</i> <u>10,409,795</u>	<u>7,873,006</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Distribution Statement (Unaudited)

For the period from 16 th September 2009 to 31 March 2010

	Nine months period ended 31 March 2010	Quarter ended 31 March 2010
	-----Rupees-----	
Undistributed income brought forward at the beginning of the period	-	2,536,789
Total comprehensive income for the period	10,409,795	7,873,006
Undistributed income carried forward	<i>Rupees</i>	
	<u>10,409,795</u>	<u>10,409,795</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)

For the period from 16 th September 2009 to 31 March 2010

	Nine months period ended 31 March 2010	Quarter ended 31 March 2010
	-----Rupees-----	
Net assets at beginning of the period	-	340,765,919
Amount realized on issuance of 6,821,585 units (Quarter ended 31 March 2010: 1,696,132 units)	685,608,325	171,737,276
Amount paid on redemption of 2,862,129 units (Quarter ended 31 March 2010: 1,109,838 units)	<u>(288,941,954)</u>	<u>(113,165,780)</u>
	396,666,371	399,337,415
Element of income and capital gain included in prices of units sold less those in units redeemed - net	720,871	586,616
Total comprehensive income for the period	10,409,795	7,873,006
Net assets at end of the period	Rupees <u>407,797,037</u>	<u>407,797,037</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Condensed Interim Cash Flow Statement (Unaudited)

For the period from 16 th September 2009 to 31 March 2010

	Note	Nine months period ended 31 March 2010	Quarter ended 31 March 2010
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the period		10,409,795	7,873,006
Adjustment for:			
Deferred formation cost		154,344	117,720
Profit on bank and other deposits		(6,782,463)	(4,736,963)
Element of income and capital gains included in prices of units sold less those in units redeemed		720,871	586,616
Cash flows from operations before working capital changes		4,502,547	3,840,379
Movement in:			
Deferred formation cost		(2,387,356)	-
Payable to the Management Company		2,972,971	178,971
Remuneration payable to the Trustee		67,910	11,356
Annual fee to the Securities & Exchange Commission of Pakistan		90,947	70,614
Accrued & other liabilities		138,016	114,888
Prepayments & other receivables		1,992,050	1,992,050
		2,874,538	2,367,879
Net cash flows from operating activities		7,377,085	6,208,258
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units		685,608,325	173,364,098
Payment against redemption of units		(288,629,583)	(112,853,409)
Net cash generated from / (used in) financing activities		396,978,742	60,510,689
Net increase in cash and cash equivalents		404,355,827	66,718,947
Cash and cash equivalents at beginning of the period		-	337,636,880
Cash and cash equivalents at end of the period	13 Rupees	404,355,827	404,355,827

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

Notes to the Condensed Interim Financial Information (Unaudited)

For the period from 16th September 2009 to 31 March 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

IGI Islamic Income Fund ("the Fund") was constituted under Trust Deed dated 03 July 2008, between IGI Funds Limited (IGIFL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee incorporated under the Companies Ordinance, 1984. The Fund has been established under the rules of business applicable to open ended mutual Funds. Fund is an open ended Islamic mutual Fund listed on Lahore Stock Exchange. The Fund offers units for public subscription on continuous basis. These can be redeemed by surrendering them to the Fund at the option of the unit holder, except for the units issued to core investors which are not redeemable for a period of two years from the date of initial public offer.

The scheme seek to provide good total return through a combination of current income and long term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificate of investments, Musharika and morabaha arrangements and debt securities.

The registered office of the Management Company is situated at 5 F.C.C., Syed Maratib Ali Road, Gulberg, Lahore Pakistan.

2. BASIS OF PRESENTATION

This condensed interim financial information has been prepared in accordance with the requirements of the approved accounting standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's financial statements as at and for the half year ended 31 December 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the half year ended 31 December 2009, except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became effective for the financial periods beginning on or after 1 January 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Fund's condensed interim financial information.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the half year ended 31 December 2009.

- 4.1** The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the half year ended 31 December 2009.

5. BANK BALANCE - Local Currency

This represents balance in deposit accounts with banks and carry profit rate of 5% -10.75% per annum.

**31 March
2010
(Unaudited)
(Rupees)**

6. INVESTMENTS - held to maturity

Term deposits held with

- Dubai Islamic Bank Limited

50,326,508

- Bank Alfalah Limited

179,182,533

229,509,041

6.1 Term deposit accounts are maintained with various financial institutions and carry profit rates from 11.35% to 11.50% per annum. These deposits will mature between 05 April 2010 to 21 April 2010. Term deposits are only investment of the Fund and represent 56.28% of net assets on the basis of carrying amount.

7. DEFERRED FORMATION COST

Formation cost incurred

2,387,356

Amortised to the income statement during the period

(154,344)

2,233,012

8. PREPAYMENTS & OTHER RECEIVABLES

Prepaid listing fee

48,818

Profit on bank deposits

4,741,595

4,790,413

9. PAYABLE TO MANAGEMENT COMPANY

Remuneration payable to the Management Company

509,309

Formation cost payable

2,387,356

Others payable

76,306

2,972,971

10. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration

97,468

Credit rating fee

40,548

138,016

11 CONTINGENCY

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that the WWF Ordinance is applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance). However, during the period the Mutual Fund Association of Pakistan (MUFAP) has filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the grounds that CIS are not covered in the definition of Industrial Establishment. The legal proceedings in respect of the aforementioned petition are currently in progress.

The Management Company (a member of MUFAP) based on the advice of the MUFAP's legal counsel, is confident of a favourable decision and accordingly no provision for the aforementioned liability amounting to Rs. 0.223 million has been made in this condensed interim financial information.

**31 March
2010
(Unaudited)
(Rupees)**

12 CASH AND CASH EQUIVALENTS

Bank balances	174,846,786
Term deposits receipts maturing within three months	229,509,041
	404,355,827

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include IGI Funds Limited being the Management Company, Central Depository Company of Pakistan Limited being the trustee, IGI Investment Bank Limited being the holding company of the Management Company, IGI Finex Securities Limited being the subsidiary of holding company of the Management Company and IGI Insurance Limited and Packages Limited being the associated companies of the holding company of the Management Company and Tri Pack Films Limited, Tetra Pak Pakistan Limited being the associates of IGI Insurance Limited and Key Management personnel.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

13.1 Unit Holder's Fund

For the period 31 March 2010

	As at 01 July 2009	Issued for cash/ conversion in/ transfer in	Redeemed/ conversion out/ transfer out	As at 31 March 2010	As at 01 July 2009	Issued for cash/ conversion in/ transfer in	Redeemed/ conversion out/ transfer out	As at 31 March 2010	Net asset value as at 31 March 2010
	----- (Units) -----				----- (Rupees) -----				
Associated Companies / Undertakings									
IGI Investment Bank Limited	-	1,014,176	514,176	500,000	-	101,417,617	51,535,878	49,881,739	51,495,000
IGI Insurance Limited	-	251,021	251,021	-	-	25,102,055	25,189,912	-	-
IGI Funds Limited - Management Company	-	499,500	499,500	-	-	50,000,000	50,064,935	-	-
Transactions with employees	-	11,168	4,742	6,426	-	451,380	-	451,380	661,814
Key Management Personnel									
Syed Babar Ali - Group Chairman	-	401,631	-	401,631	-	40,163,138	-	40,163,138	41,363,977
Syed Javed Hassan	-	6,000	6,000	-	-	600,000	606,837	-	-

Quarter ended 31 March 2010

	As at 01 January 2010	Issued for cash/ conversion in/ transfer in	Redeemed/ conversion out/ transfer out	As at 31 March 2010	As at 01 January 2010	Issued for cash/ conversion in/ transfer in	Redeemed/ conversion out/ transfer out	As at 31 March 2010	Net asset value as at 31 March 2010
	----- (Units) -----				----- (Rupees) -----				
Associated Companies / Undertakings									
IGI Investment Bank Limited	500,000	-	-	500,000	49,881,739	-	-	49,881,739	51,495,000
Transactions with employees	4,509	6,659	4,742	6,426	451,380	682,704	481,000	653,084	661,814
Key Management Personnel									
Syed Babar Ali - Group Chairman	401,631	-	-	401,631	40,163,138	-	-	40,163,138	41,363,977
Syed Javed Hassan	6,000	-	6,000	-	600,000	-	606,837	-	-

13.2 Other transactions

Associated Companies / Undertakings	31 March 2010 (unaudited) (Rupees)
IGI Funds Limited - Management Company	
Management fee	<u><u>1,819,021</u></u>
Other Related Parties	
Central Depository Company of Pakistan Limited	
Trustee fee	<u><u>67,910</u></u>

13.3 Other Balances

Associated Companies / Undertakings	
IGI Funds Limited - Management Company	
Formation cost paid on behalf of the Fund	<u><u>2,387,356</u></u>
Management fee payable- Refer note 9	<u><u>509,309</u></u>

14 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit or certificate holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit /certificate holders. The Management Company intends to distribute not less than 90% of the said accounting income to comply with the above stated clause and regulation. Accordingly, no tax provision has been made in this condensed interim financial information for the period ended 31 March 2010.

15. GENERAL

15.1 Figures have been rounded off to the nearest rupee.

15.2 This condensed interim financial information is unaudited. Furthermore, the figures for quarter ended and nine months ended 31 March 2010 in this condensed interim financial information has not been reviewed by the auditors.

15.3 This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on **27 April 2010**.

**For IGI Funds Limited
(Management Company)**

Chief Executive

Director

IGI Funds Limited

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