

IGI Islamic Income Fund

Condensed Interim Financial Information

Un-audited

For the six months period ended

31 December 2010

# IGI Islamic Income Fund

## Condensed Interim Statement of Assets and Liabilities (Un-audited)

As at 31 December 2010

	<i>Note</i>	<b>31 December 2010 (Un-audited)</b>	30 June 2010 (Audited)
<b>(Rupees)</b>			
<b>ASSETS</b>			
Balances with banks	5	<b>55,401,100</b>	110,179,030
Investments	6	<b>342,074,505</b>	281,767,807
Deferred formation cost		<b>1,677,153</b>	1,863,984
Income receivable	7	<b>6,330,749</b>	8,819,760
Prepayment		<b>16,661</b>	-
<b>Total assets</b>		<b>405,500,168</b>	402,630,581
 <b>LIABILITIES</b>			
Amount payable on redemption of units		-	36,870
Payable to the Management Company		<b>2,646,707</b>	2,630,657
Remuneration payable to the Trustee		<b>67,841</b>	65,380
Annual fee payable to Securities and Exchange Commission of Pakistan		<b>164,723</b>	166,433
Accrued and other liabilities	8	<b>410,276</b>	714,510
<b>Total liabilities</b>		<b>3,289,547</b>	3,613,850
 <b>Contingency</b>	 9		
 <b>Net assets attributable to unit holders</b>		 <b>402,210,621</b>	 399,016,731
 <b>Unit holders' Funds</b>		 <b>402,210,621</b>	 399,016,731
		<b>(Number)</b>	
<b>Number of units in issue</b>		<b>3,998,534</b>	3,793,919
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>100.59</b>	105.17

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

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**IGI Islamic Income Fund**  
**Condensed Interim Income Statement (Un-audited)**  
*For the six months period ended 31 December 2010*

	Note	Six months	For the period	Quarter ended	
		period ended	ended from 16	31 December	31 December
		31 December	31 December	31 December	31 December
		2010	2009	2010	2009
<b>INCOME</b>					
----- (Rupees) -----					
Profit on bank and other deposits		<b>6,718,241</b>	2,045,500	<b>2,775,434</b>	2,045,500
Income on investments classified as 'held to maturity'		<b>11,634,779</b>	1,169,775	<b>6,408,053</b>	1,169,775
Income on Government of Pakistan Ijara Sukuk		<b>6,276,834</b>	-	<b>3,185,960</b>	-
Element of loss included in prices of units sold less those in units redeemed - net		<b>(777,517)</b>	(134,255)	<b>(810,899)</b>	(134,255)
<b>Total income</b>		<b>23,852,337</b>	3,081,020	<b>11,558,548</b>	3,081,020
<b>EXPENSES</b>					
Remuneration to the Management Company		<b>3,294,313</b>	406,644	<b>1,619,694</b>	406,644
Remuneration to the Trustee		<b>439,274</b>	56,554	<b>215,977</b>	56,554
Annual fee to the Securities and Exchange Commission of Pakistan		<b>164,723</b>	20,333	<b>80,989</b>	20,333
Amortization of deferred formation cost		<b>186,831</b>	36,624	<b>107,732</b>	36,624
Auditors' remuneration		<b>181,796</b>	23,128	<b>68,632</b>	23,128
Bank charges		<b>3,758</b>	948	<b>583</b>	948
Printing charges		<b>62,928</b>	-	<b>31,464</b>	-
Annual listing fee		<b>13,339</b>	-	<b>8,279</b>	-
Stability rating fee		<b>110,952</b>	-	<b>55,476</b>	-
Workers' Welfare Fund	9	<b>(400,510)</b>	-	-	-
<b>Total expenses</b>		<b>4,057,404</b>	544,231	<b>2,188,826</b>	544,231
<b>Net income for the period</b>		<b>19,794,933</b>	2,536,789	<b>9,369,722</b>	2,536,789

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

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

# IGI Islamic Income Fund

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 31 December 2010

	<b>Six months period ended 31 December 2010</b>	For the period ended from 16 September to 31 December 2009	<b>Quarter ended</b>	
			<b>31 December 2010</b>	31 December 2009
	----- (Rupees) -----			
<b>Net income for the period</b>	<b>19,794,933</b>	2,536,789	<b>9,369,722</b>	2,536,789
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>19,794,933</b>	2,536,789	<b>9,369,722</b>	2,536,789

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

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

IGI Islamic Income Fund  
Condensed Interim Cash Flow Statement (Un-audited)  
For the six months period ended 31 December 2010

Note	Six months period ended 31 December 2010	For the period ended from 16 September to 31 December 2009	Quarter ended	
			31 December 2010	31 December 2009
----- (Rupees) -----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
	19,794,933	2,536,789	9,369,722	2,536,789
<b>Net income for the period</b>				
<b>Adjustments for:</b>				
Deferred formation cost	186,831	36,624	107,732	36,624
Profit income on bank and other deposits	-	(2,045,500)	-	(2,045,500)
Element of loss included in prices of units sold less those in units redeemed- net	777,517	134,255	810,899	134,255
	<u>20,759,281</u>	<u>662,168</u>	<u>10,288,353</u>	<u>662,168</u>
<b>Change in:</b>				
Amount payable on redemption of units	(36,870)	-	(5,292,855)	-
Deferred formation cost	-	(2,387,356)	-	(2,387,356)
Profit receivable	2,489,011	-	(1,907,310)	-
Prepayment	(16,661)	-	(16,661)	-
Payable to the Management Company	16,050	2,794,000	(43,673)	2,794,000
Remuneration payable to the Trustee	2,461	56,554	(5,503)	56,554
Annual fee payable to the Securities and Exchange Commission of Pakistan	(1,710)	20,333	80,989	20,333
Accrued and other liabilities	(304,234)	23,128	133,012	23,128
<b>Net cash from operating activities</b>	<u>22,907,328</u>	<u>1,168,827</u>	<u>3,236,352</u>	<u>1,168,827</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of units	146,859,809	512,244,227	89,128,552	512,244,227
Payment against redemption of units	(164,238,369)	(175,776,174)	(143,631,010)	(175,776,174)
<b>Net cash (used in) / from financing activities</b>	<u>(17,378,560)</u>	<u>336,468,053</u>	<u>(54,502,458)</u>	<u>336,468,053</u>
Net increase in cash and cash equivalents during the year	<u>5,528,768</u>	<u>337,636,880</u>	<u>(51,266,106)</u>	<u>337,636,880</u>
Cash and cash equivalents at beginning of the period	289,471,837	-	346,266,711	-
<b>Cash and cash equivalents at end of the period</b>	<u>10</u> <u>295,000,605</u>	<u>337,636,880</u>	<u>295,000,605</u>	<u>337,636,880</u>

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

For IGI Funds Limited  
(Management Company)

Chief Executive

Director

IGI Islamic Income Fund  
 Condensed Interim Distribution Statement (Un-audited)  
 For the six months period ended 31 December 2010

	Six months period ended 31 December 2010	For the period ended from 16 September to 31 December 2009	Quarter ended	
			31 December 2010	31 December 2009
----- (Rupees) -----				
<b>Undistributed income brought forward at the beginning of the period</b>	<b>19,624,990</b>	-	<b>11,013,832</b>	-
Total comprehensive income for the period	<b>19,794,933</b>	2,536,789	<b>9,369,722</b>	2,536,789
<b>Distributions made during the period</b>				
Final distribution of bonus @ 5.0098 units for every 100 units held, approved on: 2 July 2010 (2009: Nil)	(19,036,369)	-	-	-
Interim distribution of bonus @ 2.2703 units for every 100 units held, approved on: 01 October 2010 (2009: Nil)	(9,912,406)	-	(9,912,406)	-
Interim distribution of bonus @ 2.0606 units for every 100 units held, approved on: 29 December 2010 (2009: Nil)	(8,114,012)	-	(8,114,012)	-
	(37,062,787)	-	(18,026,418)	-
<b>Undistributed income carried forward</b>	<b>2,357,136</b>	2,536,789	<b>2,357,136</b>	2,536,789

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

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

\_\_\_\_\_  
 Chief Executive

\_\_\_\_\_  
 Director

# IGI Islamic Income Fund

## Condensed Interim Statement of Movement in Unit Holders' Fund (Un-audited)

For the six months period ended 31 December 2010

	Six months period ended 31 December 2010	For the period ended from 16 September to 31 December 2009	Quarter ended	
			31 December 2010	31 December 2009
----- (Rupees) -----				
<b>Net assets at beginning of the period</b>	<b>399,016,731</b>	-	<b>446,532,458</b>	-
Amount realized on issuance of 1,450,838 units (2009: 5,134,677 units) and 877,258 units (2009: 5,134,677) for the six months and quarter ended respectively	<b>146,859,809</b>	513,871,049	<b>89,128,552</b>	513,871,049
Issuance of 369,672 units in respect of final and interim distributions (31 December 2009: Nil)	<b>37,062,787</b>	-	<b>18,026,418</b>	-
Amount paid on redemption of 1,615,895 units (2009: 1,752,292 units) and 1,413,514 units (2009: 1,752,292) for the six months and quarter ended respectively	<b>(164,238,369)</b>	(175,776,174)	<b>(143,631,010)</b>	(175,776,174)
	<b>418,700,958</b>	338,094,875	<b>410,056,418</b>	338,094,875
Element of loss included in prices of units sold less those in units redeemed - net	<b>777,517</b>	134,255	<b>810,899</b>	134,255
Total comprehensive income for the period	<b>19,794,933</b>	2,536,789	<b>9,369,722</b>	2,536,789
Distributions made during the period				
Final distribution of bonus units	<b>(19,036,369)</b>	-	<b>-</b>	-
Interim distribution of bonus units	<b>(18,026,418)</b>	-	<b>(18,026,418)</b>	-
	<b>(37,062,787)</b>	-	<b>(18,026,418)</b>	-
<b>Net assets at end of the period</b>	<b>402,210,621</b>	340,765,919	<b>402,210,621</b>	340,765,919

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

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

# IGI Islamic Income Fund

## Notes to the Condensed Interim Financial Information (Un-audited)

*For the six months period ended 31 December 2010*

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

IGI Islamic Income Fund (the Fund) has been constituted under Trust Deed dated 3 July 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 Trust deed was subsequently amended through first supplemental trust deed executed on 23 September 2008. Subsequently, the SECP required the Management Company to make certain amendments in the Trust deed to bring it in line with Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and accordingly, the Trust deed was amended through second supplemented trust deed executed on 16 September 2009.

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.

### **2. BASIS OF PRESENTATION**

#### **2.1 Statement of compliance**

These condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2010.

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 31 December 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement, and notes thereto, for the six months period ended 31 December 2010.

These condensed interim financial information are being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.



## 2.2 Functional and presentation currency

These condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest of rupees.

## 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 2010.

## 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 interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2010.

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 2010.

## 5. BALANCES WITH BANKS - Local Currency

This represents balance in deposit accounts with Islamic banks and carry profit rate of 9% -11.15% per annum (30 June 2010: 9%-10.5% per annum).

## 6. INVESTMENTS

		<b>31 December 2010 (Un-audited)</b>	30 June 2010 (Audited)
<b>(Rupees)</b>			
<b>Financial asset at fair value through profit and loss - held for trading</b>			
- Government of Pakistan Ijarah Sukuk Bonds	6.1	<b>102,475,000</b>	102,475,000
<b>Held to maturity</b>			
- Certificate of musharika - unsecured	6.2	<b>77,194,562</b>	-
- Term deposits receipts	6.3	<b>162,404,943</b>	179,292,807
		<b>239,599,505</b>	179,292,807
		<b>342,074,505</b>	281,767,807

- 6.1** These carry profit rate of 12.64% with maturity on 17 September, 2012. This represents 25.48% of net assets on the basis of carrying amount. The investment is carried at cost and approximate their fair values.
- 6.2** This certificate carry profit rate of 12% per annum and will mature on 1 January 2011. This represents 19.19% of net assets on the basis of carrying amount.
- 6.3** Term deposit accounts are maintained with various financial institutions and carry profit rates from 11.50% to 12.75% per annum. These deposits will mature between 15 January 2011 to 29 March 2011. Term deposits represents 40.38% of net assets on the basis of carrying amount.

<b>7. INCOME RECEIVABLE</b>	<b>31 December 2010 (Un-audited)</b>	30 June 2010 (Audited)
	<b>(Rupees)</b>	
Income / Profit receivable on:		
- Balances with banks	<b>2,671,717</b>	5,262,220
- Government of Pakistan Ijarah Sukuk Bonds	<b>3,659,032</b>	3,557,540
	<b><u>6,330,749</u></b>	<b><u>8,819,760</u></b>

**8. ACCURED AND OTHER LIABILITIES**

Credit rating fee payable	<b>100,000</b>	100,000
Stability rating fee payable	<b>110,952</b>	-
Auditors' remuneration	<b>153,896</b>	210,000
Brokerage payable	-	4,000
Printing charges payable	<b>45,428</b>	-
Workers' Welfare Fund Payable	-	400,510
	<b><u>410,276</u></b>	<b><u>714,510</u></b>

**9. CONTINGENCY - WORKERS' WELFARE FUND**

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. The Central Depository Company of Pakistan on behalf of funds under its trusteeship along with a few Collective Investment Schemes (CISs) filed a petition before the Honourable High Court of Sindh on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 8 July 2010 issued advice and clarifications which stated that WWF Ordinance 1971 does Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions including Mutual Funds because they are ruled and governed by separate laws. Further, in a subsequent letter dated 15 July 2010 the Ministry clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*."

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been withdrawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and that MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. On December 14, 2010, the Ministry filed its response to the constitutional petition pending in the Court. As per the legal counsel who is handling the case, there is contradiction between the above earlier letter and clarification of the Ministry and the response filed by the Ministry before Honourable High Court of Sindh.

In view of the above stated matters, the Management Company is of the view that notwithstanding the show cause notices issued to a number of mutual funds, WWF is not applicable to the Funds and there have been favourable developments supporting Mutual Fund's point of view hence provision in respect of WWF made upto 2 August 2010 amounted to Rs. 0.476 million (including provision upto 30 June 2010 of Rs 0.401 million) has been reversed and the provision for the period from 3 August 2010 to 31 December 2010 amounting to Rs. 0.313 million has not been made.

#### 10. CASH AND CASH EQUIVALENTS

	Six months period ended 31 December 2010	For the period ended from 16 September to 31 December 2009	Quarter ended	
			31 December 2010	31 December 2009
----- (Rupees) -----				
Bank balances	55,401,100	186,467,105	55,401,100	186,467,105
Term deposits receipts maturing within three months	162,404,943	151,169,775	162,404,943	151,169,775
Certificate of musharika maturing within three months	77,194,562	-	77,194,562	-
	<u>295,000,605</u>	<u>337,636,880</u>	<u>295,000,605</u>	<u>337,636,880</u>

#### 11. 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 the IGI Investment Bank Limited and IGI Insurance Limited being the holding company of the IGI Investment Bank Limited and Packages Limited being the holding company of IGI Insurance Limited, 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 shares.

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.

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

### 11.1 Unit Holder's Fund

	Half year ended 31 December 2010										
	As at 01 July 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2010	As at 01 July 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2010	Net asset value as at 31 December 2010
	(Units)					(Rupees)					
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	500,000	9,965	37,405	536,969	10,401	52,585,000	1,009,964	3,747,600	54,620,500	2,722,064	1,046,237
IGI Finex Securities Limited	-	533,522	10,994	-	544,516	-	54,269,852	1,104,977	-	55,374,829	54,772,864
IGI Funds Limited - Staff Provident Fund	5,340	-	513	-	5,853	561,608	-	51,437	-	613,045	588,753
<b>Transactions with employees</b>	<b>4,204</b>	<b>2,836</b>	<b>302</b>	<b>5,067</b>	<b>2,275</b>	<b>442,135</b>	<b>290,410</b>	<b>30,254</b>	<b>511,505</b>	<b>251,294</b>	<b>228,842</b>
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	401,631	-	29,696	431,327	-	42,239,532	-	2,975,135	43,661,546	-	-
For period from 16 September 2009 to 31 December 2009											
	As at 16 September 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2009	As at 16 September 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2009	Net asset value as at 31 December 2009
	(Units)					(Rupees)					
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	-	1,014,176	-	514,176	500,000	-	101,417,617	-	51,535,878	49,881,739	50,375,000
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	-	-
<b>Transactions with employees</b>	<b>-</b>	<b>4,509</b>	<b>-</b>	<b>-</b>	<b>4,509</b>	<b>-</b>	<b>451,380</b>	<b>-</b>	<b>-</b>	<b>451,380</b>	<b>454,282</b>
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	-	401,631	-	-	401,631	-	40,163,138	-	-	40,163,138	40,464,323
Syed Javed Hassan	-	6,000	-	-	6,000	-	600,000	-	-	600,000	604,500
<b>Unit Holder's Fund</b>											
Quarter ended 31 December 2010											
	As at 01 October 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2010	As at 01 October 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2010	Net asset value as at 31 December 2010
	(Units)					(Rupees)					
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	535,014	-	12,356	536,969	10,401	56,103,764	-	1,238,800	54,620,500	2,722,064	1,046,237
IGI Finex Securities Limited	-	533,522	10,994	-	544,516	-	54,269,852	1,104,977	-	55,374,829	54,772,864
IGI Funds Limited - Staff Provident Fund	5,608	-	245	-	5,853	561,608	-	51,437	-	613,045	588,753
<b>Transactions with employees</b>	<b>1,999</b>	<b>1,181</b>	<b>91</b>	<b>996</b>	<b>2,275</b>	<b>220,434</b>	<b>122,198</b>	<b>9,162</b>	<b>100,500</b>	<b>251,294</b>	<b>228,842</b>
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	421,752	-	9,575	431,327	-	44,254,758	-	959,909	43,661,546	-	-
Quarter ended 31 December 2009											
	As at 01 October 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2009	As at 01 October 2009	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 December 2009	Net asset value as at 31 December 2009
	(Units)					(Rupees)					
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	-	1,014,176	-	514,176	500,000	-	101,417,617	-	51,535,878	49,881,739	50,375,000
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	-	-
<b>Transactions with employees</b>	<b>-</b>	<b>4,509</b>	<b>-</b>	<b>-</b>	<b>4,509</b>	<b>-</b>	<b>451,380</b>	<b>-</b>	<b>-</b>	<b>451,380</b>	<b>454,282</b>
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	-	401,631	-	-	401,631	-	40,163,138	-	-	40,163,138	40,464,323
Syed Javed Hassan	-	6,000	-	-	6,000	-	600,000	-	-	600,000	604,500

## 11.2 Other transactions

	Six months period ended 31 December 2010	For the period ended from 16 September to 31 December 2009	Quarter ended	
			31 December 2010	31 December 2009
	----- (Rupees) -----			
<b>Associated Companies / Undertakings</b>				
<i>IGI Funds Limited - Management Company</i>				
Management fee	3,294,313	406,644	1,619,694	406,644
Sales Load Paid	2,972	-	2,972	-
	<u>3,294,313</u>	<u>406,644</u>	<u>1,619,694</u>	<u>406,644</u>
<b>Other Related Parties</b>				
<i>Central Depository Company of Pakistan Limited</i>				
Trustee fee	439,274	56,554	215,977	56,554
	<u>439,274</u>	<u>56,554</u>	<u>215,977</u>	<u>56,554</u>

## 11.3 Other balances

	31 December 2010 (Un-audited)	30 June 2010 (Audited)
	(Rupees)	
<b>Associated Companies / Undertakings</b>		
<i>IGI Funds Limited - Management Company</i>		
Formation cost paid on behalf of the Fund	2,137,356	2,137,356
Management fee payable	508,765	490,329
Front end load payable	586	2,972
	<u>2,137,356</u>	<u>2,137,356</u>
	<u>508,765</u>	<u>490,329</u>
	<u>586</u>	<u>2,972</u>
<b>Other Related Parties</b>		
<i>Central Depository Company of Pakistan Limited</i>		
Trustee fee payable	67,841	65,380
	<u>67,841</u>	<u>65,380</u>

## 12. 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 declared at period end a sufficient distribution out of accounting income of the Fund for the six months period ended 31 December 2010 in order to comply with the above stated clause and regulation and intends to distribute not less than 90% of its annual accounting income, if any, to comply with the above clause and regulation at year end. Accordingly, no tax provision has been made in this condensed interim financial information for the six months period ended 31 December 2010.

## 13. GENERAL

This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on February 09 2011.

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director