

**IGI ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2012**

	Note	(Un-audited) December 31, 2012 ----- (Rupees) -----	(Audited) June 30, 2012 -----
<b>Assets</b>			
Bank balances	5	47,271,817	11,388,201
Investments	6	128,229,492	187,173,684
Deferred formation cost		821,152	1,036,616
Security deposits		100,000	100,000
Accrued profit / return	7	2,893,059	3,718,939
Prepayments		14,877	-
<b>Total assets</b>		<u>179,330,397</u>	<u>203,417,440</u>
<b>Liabilities</b>			
Payable to the Management Company		264,212	335,566
Remuneration payable to the Trustee		50,816	49,177
Annual fee payable to Securities and Exchange Commission of Pakistan		76,887	308,866
Amount payable on redemption of units		-	100,062
Dividend payable to unit holders		824	131
Accrued and other liabilities	8	<u>425,249</u>	<u>410,758</u>
<b>Total liabilities</b>		<u>817,988</u>	<u>1,204,560</u>
<b>Net assets</b>		<u><u>178,512,409</u></u>	<u><u>202,212,880</u></u>
<b>Unit holders' fund</b>		<u><u>178,512,409</u></u>	<u><u>202,212,880</u></u>
<b>Contingency</b>	9		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<u><u>1,772,196</u></u>	<u><u>1,973,147</u></u>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<u><u>100.7295</u></u>	<u><u>102.4824</u></u>

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

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

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

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

**IGI ISLAMIC INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012 (UN-AUDITED)**

	Note	Half year ended		Quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		----- (Rupees) -----		----- (Rupees) -----	
<b>Income</b>					
Profit on bank and other deposits		3,331,710	6,761,589	1,451,624	3,093,875
Income on investments classified as 'held to maturity'		1,843,557	-	556,328	-
Income on investments classified as 'fair value through profit or loss - held-for-trading'		5,883,748	23,062,522	2,950,464	10,248,447
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'		(16,450)	2,323,606	(392,243)	2,663,374
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		509,934	395,129	363,943	292,029
<b>Total income</b>		<b>11,552,499</b>	<b>32,542,846</b>	<b>4,930,116</b>	<b>16,297,725</b>
<b>Expenses</b>					
Remuneration of the Management Company		1,537,848	3,557,763	725,572	1,631,527
Sales tax on management fee		246,049	569,245	116,085	261,044
Remuneration of the Trustee		301,576	403,242	150,788	184,922
Annual fee to the Securities and Exchange Commission of Pakistan		76,887	177,887	36,281	81,573
Brokerage expense		9,000	34,500	-	22,000
Bank and settlement charges		5,899	9,104	4,156	5,633
Amortisation of deferred formation cost		215,464	215,464	107,732	107,732
Auditors' remuneration		224,056	173,348	122,028	98,000
Annual listing fee		15,123	20,056	6,061	10,028
Annual rating fee		85,216	87,952	41,148	43,976
Printing charges		62,928	62,928	31,464	31,464
<b>Total expenses</b>		<b>2,780,046</b>	<b>5,311,489</b>	<b>1,341,315</b>	<b>2,477,899</b>
<b>Net income from operating activities</b>		<b>8,772,453</b>	<b>27,231,357</b>	<b>3,588,801</b>	<b>13,819,826</b>
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		119,254	(5,167,491)	(639,304)	(1,674,699)
<b>Net income for the period before taxation</b>		<b>8,891,707</b>	<b>22,063,866</b>	<b>2,949,497</b>	<b>12,145,127</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>8,891,707</b>	<b>22,063,866</b>	<b>2,949,497</b>	<b>12,145,127</b>

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

For IGI Funds Limited  
(Management Company)

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

\_\_\_\_\_  
Director

**IGI ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012 (UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net income for the period</b>	<b>8,891,707</b>	22,063,866	<b>2,949,497</b>	12,145,127
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><b>8,891,707</b></u>	<u>22,063,866</u>	<u><b>2,949,497</b></u>	<u>12,145,127</u>

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

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

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

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

**IGI ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012 (UN-AUDITED)**

Note	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- (Rupees) -----		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	8,891,707	22,063,866	2,949,497	12,145,127
<b>Adjustments for:</b>				
Net unrealised diminution / (appreciation) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	16,450	(2,323,606)	392,243	(2,663,374)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	(509,934)	(395,129)	(363,943)	(292,029)
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	(119,254)	5,167,491	639,304	1,674,699
Amortisation of deferred formation cost	215,464	215,464	107,732	107,732
	<b>8,494,433</b>	<b>24,728,086</b>	<b>3,724,833</b>	<b>10,972,155</b>
<b>Decrease in assets</b>				
Investments - net	13,090,400	122,072,484	21,378,764	9,127,484
Accrued profit / return	825,880	2,890,291	(804,177)	-
Prepayments	(14,877)	-	(14,877)	(5,631,702)
	<b>13,901,403</b>	<b>124,962,775</b>	<b>20,559,710</b>	<b>3,495,782</b>
<b>(Decrease) / increase in liabilities</b>				
Payable to the Management Company	(71,354)	(1,413,200)	(71,785)	12,698
Remuneration payable to the Trustee	1,639	(22,284)	1,639	2,693
Annual fee payable to Securities and Exchange Commission of Pakistan	(231,979)	(167,971)	(272,585)	(264,285)
Amount payable on redemption of units	(100,062)	50,998	(30,064)	432,878
Accrued and other liabilities	14,360	55,528	(155,697)	(122,994)
	<b>(387,396)</b>	<b>(1,496,929)</b>	<b>(528,492)</b>	<b>60,990</b>
<b>Net cash generated from operating activities</b>	<b>22,008,440</b>	<b>148,193,932</b>	<b>23,756,051</b>	<b>14,528,927</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid	(2,163)	(73,605)	(1,183)	-
Amounts received on issue of units	41,819,584	318,284,414	375,000	183,584,720
Payment made against redemption of units	(74,289,521)	(624,560,268)	(66,536,073)	(200,270,539)
<b>Net cash used in financing activities</b>	<b>(32,472,100)</b>	<b>(306,349,459)</b>	<b>(66,162,256)</b>	<b>(16,685,819)</b>
Net decrease in cash and cash equivalents during the period	(10,463,660)	(158,155,527)	(42,406,205)	(2,156,892)
Cash and cash equivalents at beginning of the period	76,540,569	240,900,620	108,483,114	84,901,985
<b>Cash and cash equivalents at end of the period</b>	<b>66,076,909</b>	<b>82,745,093</b>	<b>66,076,909</b>	<b>82,745,093</b>

10

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

For IGI Funds Limited  
(Management Company)

Chief Executive Officer

Director

**IGI ISLAMIC INCOME FUND**  
**CONDENSED INTERIM DISTRIBUTION STATEMENT**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012 (UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- (Rupees) -----		----- (Rupees) -----	
<b>Undistributed income brought forward</b>	<b>4,898,089</b>	22,923,479	<b>1,267,534</b>	1,376,362
Total comprehensive income for the period	<b>8,891,707</b>	22,063,866	<b>2,949,497</b>	12,145,127
Final distribution of bonus @ 1.9849 units for every 100 units held, approved on: July 05, 2012 (2011: @ 3.2477 units for every 100 units held, approved on: July 05, 2011)	<b>(3,934,659)</b>	(21,398,120)	-	-
Final distribution of cash dividend @ Rs.1.9946 per unit held, approved on: July 05, 2012 (2011: @ Rs.3.2552 per unit held, approved on: July 05, 2011)	<b>(980)</b>	(6,482)	-	-
Interim distribution of bonus @ 2.3962 units for every 100 units held, approved on: September 27, 2012 (2011: @ 2.5536 units for every 100 units held, approved on: September 29, 2011)	<b>(5,635,943)</b>	(9,994,131)	-	-
Interim distribution of cash dividend @ Rs.2.4069 per unit held, approved on: September 27, 2012 (2011: @ 2.5609 per unit held, approved on: September 29, 2011)	<b>(1,183)</b>	(67,123)	-	-
Interim distribution of bonus @ 1.6668 units for every 100 units held, approved on: December 31, 2012 (2011: @ 2.1018 units for every 100 units held, approved on: December 29, 2011)	<b>(2,923,483)</b>	(7,227,028)	<b>(2,923,483)</b>	(7,227,028)
Interim distribution of cash dividend @ Rs.1.6776 per unit held, approved on: December 31, 2012 (2011: @ Rs.2.1287 per unit held, approved on: December 29, 2011)	<b>(824)</b>	(1,041,255)	<b>(824)</b>	(1,041,255)
<b>Undistributed income carried forward</b>	<b><u>1,292,724</u></b>	<u>5,253,206</u>	<b><u>1,292,724</u></b>	<u>5,253,206</u>

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

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

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

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

**IGI ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012 (UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net assets at beginning of the period</b>	<b>202,212,880</b>	680,474,277	<b>241,085,505</b>	404,222,152
Amount realized / unrealized on issuance of 409,947 units (December 31, 2011: 3,113,932 units) and 3,683 units (December 31, 2011: 1,799,756 units) for the six months and quarter ended respectively	<b>41,819,584</b>	318,284,414	<b>375,000</b>	183,584,720
Issuance of 124,312 bonus units in respect of final and interim distribution (December 31, 2011: 384,503 units)	<b>12,494,085</b>	38,619,263	<b>2,923,483</b>	7,227,028
Amount paid / payable on redemption of 735,211 units (December 31, 2011: 1,615,895 units) and 658,713 units (December 31, 2011: 1,413,514) for the six months and quarter ended respectively	<b>(74,289,521)</b>	(624,560,268)	<b>(66,536,073)</b>	(200,270,539)
	<b>182,237,028</b>	412,817,686	<b>177,847,915</b>	394,763,361
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	<b>(119,254)</b>	5,167,491	<b>639,304</b>	1,674,699
Total comprehensive income for the period before gains - realised and unrealised	<b>8,398,223</b>	19,345,131	<b>2,977,797</b>	9,189,724
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>(16,450)</b>	2,323,606	<b>(392,243)</b>	2,663,374
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>509,934</b>	395,129	<b>363,943</b>	292,029
<b>Total comprehensive income for the period</b>	<b>8,891,707</b>	22,063,866	<b>2,949,497</b>	12,145,127
<b>Distributions made during the period</b>				
Final distribution of bonus units	<b>(3,934,659)</b>	(21,398,120)	-	-
Final distribution of cash dividend	<b>(980)</b>	(6,482)	-	-
Interim distribution of bonus units	<b>(8,559,426)</b>	(17,221,159)	<b>(2,923,483)</b>	(7,227,028)
Interim distribution of cash dividend	<b>(2,007)</b>	(1,108,378)	<b>(824)</b>	(1,041,255)
	<b>(12,497,072)</b>	(39,734,139)	<b>(2,924,307)</b>	(8,268,283)
Net total comprehensive (loss) / income less distributions for the period	<b>(3,605,365)</b>	(17,670,273)	<b>25,190</b>	3,876,844
<b>Net assets at end of the period</b>	<b>178,512,409</b>	400,314,904	<b>178,512,409</b>	400,314,904

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

For IGI Funds Limited  
(Management Company)

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

\_\_\_\_\_  
Director

**IGI ISLAMIC INCOME FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012 (UN-AUDITED)**

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

IGI Islamic Income Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on July 01, 2008. It has been constituted under a Trust Deed, dated July 03, 2008 between IGI Funds Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Fund is an open ended fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange (Guarantee) Limited (LSE). The Fund was launched on December 03, 2009.

The scheme seeks 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 Fund is categorised as a shariah compliant (Islamic) scheme as specified by SECP and is subject to the guidelines prescribed by SECP.

Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a rating of A+ to the scheme as at June 28, 2012.

**2. BASIS OF PRESENTATION**

The condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2012.

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors.

**3. ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2012, except as described in note 3.1 below.

**3.1** During the period, following amendments, interpretations and improvements to the accounting standards became effective:

IAS 1 Presentation of Financial Statements – Presentation of items of comprehensive income

IAS 12 Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on these condensed interim financial statements of the Fund.

**4. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2012.

	Note	(Un-audited) December 31, 2012	(Audited) June 30, 2012
		----- (Rupees) -----	
<b>5. BANK BALANCES</b>			
Bank balances - local currency	5.1	<u>47,271,817</u>	<u>11,388,201</u>
5.1 The deposit accounts with the banks carry profit at the rates ranging from 6% to 11.75% per annum (June 30, 2012: 5% to 11.75% per annum).			
<b>6. INVESTMENTS</b>			
<b>Financial asset classified as 'at fair value through profit or loss' - held-for-trading</b>			
Government of Pakistan Ijarah Sukuk	6.1	<u>92,404,800</u>	<u>122,021,316</u>
<b>Held to maturity</b>			
Commercial papers	6.2	<u>35,824,692</u>	<u>65,152,368</u>
		<u>128,229,492</u>	<u>187,173,684</u>

**6.1 Government securities - Ijarah Sukuk - held-for-trading**

Particulars	Yield per annum	Face value				Carrying value as at December 31, 2012	Market value as at December 31, 2012	Unrealised gain / (loss) on revaluation	% of net assets on the basis of market value	% of total investment on the basis of market value
		As at July 01, 2012	Purchased during the period	Sold / matured during the	As at December 31, 2012					
----- (Rupees) -----										
----- (%) -----										
GOP Ijara Sukuk - VII	10.28%	83,500,000	-	50,000,000	33,500,000	34,387,750	33,814,900	(572,850)	18.94%	26.37%
GOP Ijara Sukuk - VIII	9.26%	23,000,000	-	20,000,000	3,000,000	3,000,000	3,029,400	29,400	1.70%	2.36%
GOP Ijara Sukuk - IX	9.28%	15,000,000	-	-	15,000,000	15,013,500	15,124,500	111,000	8.47%	11.79%
GOP Ijara Sukuk - X	10.43%	-	40,000,000	-	40,000,000	40,020,000	40,436,000	416,000	22.65%	31.53%
		<u>121,500,000</u>	<u>40,000,000</u>	<u>70,000,000</u>	<u>91,500,000</u>	<u>92,421,250</u>	<u>92,404,800</u>	<u>(16,450)</u>	<u>29.11%</u>	<u>40.52%</u>

**6.2 Commercial papers - Sukuk certificates (secured) - held to maturity**

Name of the investee company	Rate of return per annum	Face value				Balance as at December 31, 2012			% of net assets on the basis of face value	% of total investment on the basis of face value
		As at July 01, 2012	Purchased during the period	Sold during the period	As at December 31, 2012	Carrying value	Maturity	Rating		
----- (Rupees) -----										
----- (%) -----										
Hub Power Company Limited	11.83%	35,000,000	18,000,000	35,000,000	18,000,000	18,805,092	February 15, 2011	AA+	10.08%	14.04%
Engro Fertilizers Limited	-	27,260,000	-	27,260,000	-	-	-	-	-	-
Kot Addu Power Company Limited	10.52%	-	17,000,000	-	17,000,000	17,019,600	June 28, 2013	AA+	9.52%	13.26%
		<u>62,260,000</u>	<u>35,000,000</u>	<u>62,260,000</u>	<u>35,000,000</u>	<u>35,824,692</u>			<u>19.60%</u>	<u>27.30%</u>



(Un-audited)	(Audited)
December 31,	June 30,
2012	2012
----- (Rupees) -----	

## 7. ACCRUED PROFIT / RETURN

Profit receivable on:

- bank balances	365,256	208,479
- Government of Pakistan Ijarah Sukuk	2,527,803	3,510,460
	<u>2,893,059</u>	<u>3,718,939</u>

## 8. ACCRUED AND OTHER LIABILITIES

Brokerage payable	352	7,701
Auditors' remuneration	204,056	250,000
Annual rating fee payable	160,164	86,165
Printing charges payable	49,300	66,772
Withholding tax payable	98	120
Others	11,279	-
	<u>425,249</u>	<u>410,758</u>

## 9. CONTINGENCY

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year 2012, the Honorable Lahore High Court (LHC) in a similar Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company believes that the Fund is not liable to contribute to WWF. Hence, aggregate unrecognised amount of WWF as at December 31, 2012 amounted to Rs.2.182 million (June 30, 2012: Rs.2.004 million). Had the provision been made the net asset value per unit of the Fund would have been lower by Rs.1.230 per unit (1.22%) (June 30, 2012: Rs.1.016 per unit (0.99%)).

## 10. CASH AND CASH EQUIVALENTS

	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances	47,271,817	82,745,093	47,271,817	82,745,093
Commercial papers maturing within 3 months	18,805,092	-	18,805,092	-
	<u>66,076,909</u>	<u>82,745,093</u>	<u>66,076,909</u>	<u>82,745,093</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, IGI Insurance Limited being the associated 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, Key Management personnel of the Management Company and unit holders having 10% or more of units in issue. Transactions with these related parties involve issue and redemption of units and issue of bonus units.

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.

## 11.1 Unit Holders' Fund

## Half year ended December 31, 2012 (Un-audited)

	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus (Units)	Redeemed / conversion out / transfer out	As at December 31, 2012	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus (Rupees)	Redeemed / conversion out / transfer out	NAV as at December 31, 2012
<b>Connected persons</b>										
Gurmani Foundation	1,103,216	-	66,415	98,755	1,070,876	113,060,235	-	6,675,561	10,000,000	107,868,822
<b>Key Management Personnel - Management Company</b>										
Employees	9,895	-	438	10,333	-	1,014,025	-	44,024	1,055,795	-
<b>Unit holder holding 10% or more units</b>										
Hamdard Laboratories Waqf Pakistan	241,835	-	14,920	-	256,755	24,783,838	-	1,499,661	-	25,862,773

## Half year ended December 31, 2011 (Un-audited)

	As at July 01, 2011	Issued for cash / conversion in / transfer in	Bonus (Units)	Redeemed / conversion out / transfer out	As at December 31, 2011	As at July 01, 2010	Issued for cash / conversion in / transfer in	Bonus (Rupees)	Redeemed / conversion out / transfer out	NAV as at December 31, 2011
<b>Connected persons</b>										
IGI Investment Bank Limited	566,736	573,893	33,341	1,173,970	-	58,651,510	58,920,882	3,342,622	120,715,994	-
IGI Finex Securities Limited	-	573,909	-	573,909	-	-	58,905,800	-	58,920,882	-
<b>Key Management Personnel - Management Company</b>										
Employees	3,622	13,407	496	17,151	374	374,786	1,360,261	48,887	1,725,569	37,897

## Quarter ended December 31, 2012 (Un-audited)

	As at October 01, 2012	Issued for cash / conversion in / transfer in	Bonus (Units)	Redeemed / conversion out / transfer out	As at December 31, 2012	As at October 01, 2011	Issued for cash / conversion in / transfer in	Bonus (Rupees)	Redeemed / conversion out / transfer out	NAV as at December 31, 2012
<b>Connected persons</b>										
Gurmani Foundation	1,152,074	-	17,557	98,755	1,070,876	115,816,398	-	1,767,049	10,000,000	107,868,822
<b>Key Management Personnel - Management Company</b>										
Employees	10,333	-	-	10,333	-	1,038,724	-	-	1,055,795	-
<b>Unit holder holding 10% or more units</b>										
Hamdard Laboratories Waqf Pakistan	252,545	-	4,210	-	256,755	25,388,024	-	423,670	-	25,862,773

## Quarter ended December 31, 2011 (Un-audited)

	As at October 01, 2011	Issued for cash / conversion in / transfer in	Bonus (Units)	Redeemed / conversion out / transfer out	As at December 31, 2011	As at October 01, 2010	Issued for cash / conversion in / transfer in	Bonus (Rupees)	Redeemed / conversion out / transfer out	NAV as at December 31, 2011
<b>Connected persons</b>										
IGI Investment Bank Limited	599,801	-	-	599,801	-	60,185,121	-	-	61,783,531	-
<b>Key Management Personnel - Management Company</b>										
Employees	14,857	-	8	14,491	374	1,490,705	-	779	1,457,412	37,897

Half year ended (Un-audited)		Quarter ended (Un-audited)	
December 31,	December 31,	December 31,	December 31,
2012	2011	2012	2011
----- (Rupees) -----			

### 11.2 Other transactions

#### Connected persons

##### **IGI Funds Limited - Management Company**

Remuneration of the  
Management Company  
Sales tax on management fee  
Sales load

<b>1,537,848</b>	3,557,763	<b>725,572</b>	1,631,527
<b>246,049</b>	569,245	<b>116,085</b>	261,044
<b>13,416</b>	163,910	-	83,663

#### Other related parties

##### **Central Depository Company of Pakistan Limited - (Trustee of the Fund)**

Remuneration of the Trustee

<b>301,576</b>	403,242	<b>150,788</b>	184,922
----------------	---------	----------------	---------

(Un-audited)	(Audited)
December 31,	June 30,
2012	2012

----- (Rupees) -----

### 11.3 Other balances

#### Connected persons

##### **IGI Funds Limited - Management Company**

Remuneration payable to the Management Company  
Sales tax payable on management fee  
Sales load payable

<b>227,769</b>	289,223
<b>36,443</b>	46,274
-	69

#### Other related parties

##### **Central Depository Company of Pakistan Limited - (Trustee of the Fund)**

Remuneration payable to the Trustee

<b>50,816</b>	49,177
---------------	--------

## 12. FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted prices in active markets for identical assets.

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2012, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss' - held-for-trading</b>				
Government securities				
- GOP Ijara Sukuks	-	92,404,800	-	92,404,800
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at June 30, 2012, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss' - held-for-trading</b>				
Government securities				
- GOP Ijara Sukuks	-	122,021,316	-	122,021,316
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

During the half year ended December 31, 2012, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

## 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 realized or unrealized is distributed amongst the unit holders. The Management Company intends to distribute not less than 90% of its annual accounting income, if any, to comply with the above clause at year end. Accordingly, no tax provision has been made in these condensed interim financial statements for the half year ended December 31, 2012.

## 14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **11th February 2013** by the Board of Directors of the Management Company.

**15. GENERAL**

**15.1** Figures for the quarters ended December 31, 2012 and December 31, 2011 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

**15.2** Figures are rounded off to the nearest rupee.

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

---

**Chief Executive Officer**

---

**Director**