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**VISION**

The Company 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'S INFORMATION

<b>Management Company:</b>	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
<b>Board of Directors of the Management Company:</b>	<ul style="list-style-type: none"><li>- Ms. Maheen Rahman</li><li>- Syed Ali Sultan</li><li>- Mr. David Burlison</li><li>- Mr. Hanspeter Beier</li><li>- Mr. Amin Dawood Saleh</li><li>- Mr. Muhammad Asif Saad</li><li>- Mr. Abid Naqvi</li></ul>
<b>CFO &amp; Company Secretary Of the Management Company:</b>	- Syed Muhammad Zeeshan
<b>Audit Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Abid Naqvi</li><li>- Mr. Amin Dawood Saleh</li></ul>
<b>Fund Manager:</b>	-Mr. Muddasir Ahmed Sheikh
<b>Trustee:</b>	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	Ernst &Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530.
<b>Legal Advisor:</b>	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	3 Star (Short term) / 3 Star (Long term ) by PACRA

## DIRECTORS' REPORT

For the six month period ended 31 December, 2013

### To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of IGI Stock Fund (IGISF), for the six months ended 31 December, 2013. The Financial Statements of the Schemes prepared by the Management Company present true and fair view of the state of affairs of the Schemes and results of their operations, cash flows and movement in unit holders' funds.

### Economic Review

The economy has shown strong growth in 1QFY14 GDP growth clocking in at 5%, with Large Scale Manufacturing up by 6.8% in 1HFY14. The energy sector circular debt issue has been significantly reduced to a large extent.

While 2QFY14 inflation was higher than the preceding quarter, average CPI remained comfortably below the discount rate of 10% for the 1HFY14.

Six month Current account deficit numbers stood at USD1, 589mn as opposed to USD83mn witnessed in 1HFY13. Lower amount received on account of the Coalition Support Fund (CSF) reimbursements during the period accounted for the bulk of the increased deficit. Some respite has come for the balance of payment position due to improvement witnessed in financial account which stands at negative USD16mn versus a negative USD562mn in the same period last year, due to higher bilateral financing. The IMF's remains satisfied with Pakistan's progress on the reform agenda which has paved the way for reviving assistance from multilateral agencies project based lending from World Bank and ADB is expected to be ramped up from CY14 onwards.

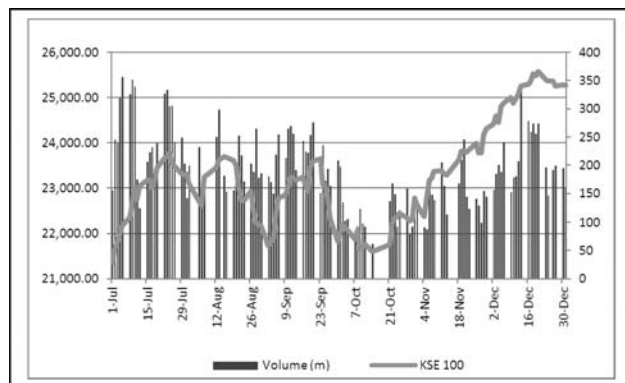
Provisional results compiled by the FBR showed a rise of 16% in revenue collection to reach PKR1, 031bn during 1HFY14 as against a collection of PKR889bn during the same period last year. SBP reserves touched a multi-year low in December 2013 to reach USD3.1bn, which is less than one month of import cover. Consequently, the rupee devalued by 6% in the 1HFY14. The PKR's sudden devaluation appears to be more speculation driven as exports have increased along with remittance flows over the first six months of the fiscal year.

### Capital Markets Review

#### EQUITIES REVIEW

The KSE-100 gave another strong performance in 2QFY14 with a 15.7% return for the period, a sharp increase over the 1QFY14 return of 3.9%, taking the cumulative return for 1HFY14 to 20.3%.

The market rally was quite broad based during the period with some illiquid scrips showing the greatest price appreciation. Food Producers, Personal Goods / Textiles, Cements, Oil & Gas, and Commercial Banks were the leading performers.

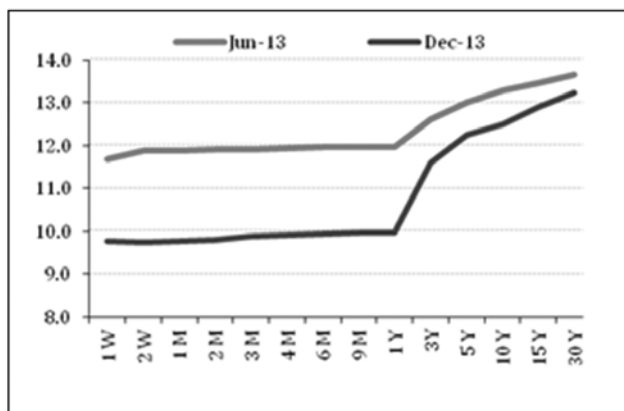


Going forward, the KSE-100 Index will respond to developments on the macro front as well as the upcoming Federal Budget due to be announced in May 2014.

## MONEY MARKET REVIEW

After witnessing monetary easing of 5% (14% to 9%) over the last three years, SBP commenced monetary tightening in FY14 due to inflationary pressures and external side issues. The discount rate was increased by 50bps to 9.5% in September and again by another 50bps in the November monetary policy review.

Thereafter, lower than expected inflation numbers, check on the exchange rate, and a generally improving macro-economic picture have led to a revised outlook on interest rates for the remaining part of the current fiscal year, with expectations of rates staying stable at current levels.

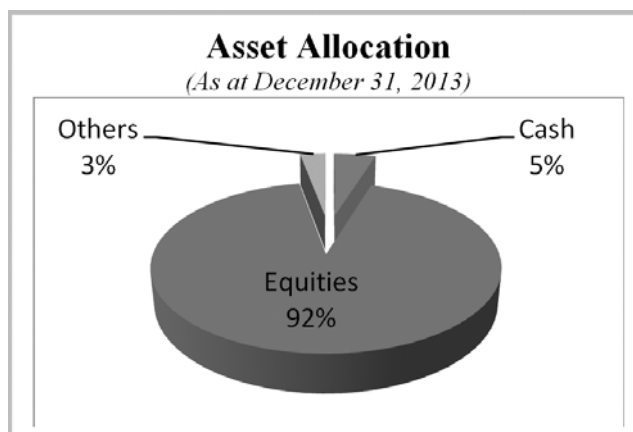


## Fund Operations and Performance

### IGI Stock Fund

During 1HFY14, IGI Stock Fund (IGISF) underperformed the index with a return of 9.42% versus the KSE-100 return of 20.26% during the same period.

Despite improved performance versus the benchmark in 2QFY14 with a 14.09% return during the period as against 15.70% for the index, the fund performance still lagged the benchmark as the KSE 100 rally in 2QFY14 has been driven in a large part by illiquid scripts. The fund performance showed relative improvement in 2QFY14 by reshuffling exposure - shedding positions in Banks, IPPs and Telecom and increasing weights in Textiles, Oil and Chemicals.



The Fund holds a performance rating of '4 Star / 5 Star' Long Term / Short Term assigned by Pakistan Credit Rating Agency (PACRA).

### Key Financial Data

Description	Six month period ended 31 December 2013	Six month period ended 31 December 2012
Net Assets at end of the period	439.21	288.15
Gross income	39.03	51.29
Net Comprehensive Income	52.54	40.37
Net Assets Value per Unit (Rs.)	130.3723	125.6326
Issuance of units during the period	244.93	309.81
Redemption of units during the period	234.01	384.43

**Future Outlook**

Macro indicators rest comfortably at this point with flat/declining oil price forecasted in the medium term, current account deficit set to remain at a nominal 1.5% of GDP, and inflation/interest rates expected to stabilize from 2HCY14 onwards. Pakistan's economy appears set for a fragile turnaround if the full execution of its reform agenda is witnessed.

**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 of Directors

Chief Executive Officer  
Date February 27, 2014



**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**IGI STOCK FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance  
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of IGI Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2013 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 24, 2014



## **AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **IGI Stock Fund** (the Fund) as at 31 December 2013, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund for the half-year then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### **Chartered Accountants**

**Engagement Partner:** Shabbir Yunus

**Date:**

**Karachi**



**IGI STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
AS AT 31 DECEMBER 2013

		<b>31 December 2013 (Unaudited)</b>	<b>30 June 2013 (Audited)</b>
	Note	----- <b>(Rupees in '000)</b> -----	
<b>Assets</b>			
Bank balances	5	<b>21,735,297</b>	20,728,218
Investments	6	<b>414,915,000</b>	424,009,922
Deferred formation cost		-	10,045
Security deposits		<b>2,600,000</b>	2,600,000
Receivable against sale of shares		<b>3,843,335</b>	-
Prepayments and other receivables		<b>488,565</b>	615,526
<b>Total assets</b>		<b>443,582,197</b>	447,963,711
<b>Liabilities</b>			
Payable to the Management Company	7	<b>2,223,627</b>	2,749,562
Remuneration payable to the Trustee		<b>71,485</b>	71,480
Annual fee payable to the Securities and Exchange Commission of Pakistan		<b>208,453</b>	252,875
Accrued and other liabilities	8	<b>1,870,203</b>	913,463
<b>Total liabilities</b>		<b>4,373,768</b>	3,987,380
<b>Net assets attributable to unit holders</b>		<b>439,208,429</b>	443,976,331
<b>Unit holders' fund</b>		<b>439,208,429</b>	443,976,331
		<b>(Number of Units)</b>	
<b>Number of units in issue</b>		<b>3,368,880</b>	2,599,028
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>130.3723</b>	170.8240

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director

**IGI STOCK FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013 (UN-AUDITED)

	Note	Half year ended		Quarter ended	
		31 December		31 December	
		2013	2012	2013	2012
		----(Rupees)----		----(Rupees)----	
<b>Income</b>					
Interest income on bank and other deposits		1,298,170	511,173	627,243	292,622
Dividend income from equity securities		7,925,420	11,265,109	3,101,518	7,379,799
Net (loss) / gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		(9,432,306)	27,862,570	(1,364,708)	18,479,470
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'		39,239,589	11,655,878	53,215,326	(6,566,847)
<b>Total income</b>		<b>39,030,873</b>	<b>51,294,730</b>	<b>55,579,379</b>	<b>19,585,044</b>
<b>Expenses</b>					
Remuneration of the Management Company		4,388,096	2,395,304	1,927,586	1,107,965
Sales tax on management fee		814,427	383,248	357,755	177,275
Federal excise duty on management fee	7.1	702,093	-	308,413	-
Remuneration of the Trustee		439,311	352,912	193,233	176,456
Annual fee to the Securities and Exchange Commission of Pakistan		208,442	113,777	91,564	52,626
Brokerage expense, federal excise duty and CVT		2,145,085	1,414,176	535,290	1,006,627
Bank and settlement charges		21,085	9,323	10,006	3,405
Amortisation of deferred formation cost		10,045	130,456	-	65,228
Auditors' remuneration		263,032	260,060	141,500	146,040
Annual listing fee		15,088	16,520	7,544	6,900
Annual rating fee		61,088	62,935	30,544	25,215
Clearing charges		139,678	120,142	58,754	65,142
CDS transaction fee		73,261	19,444	38,387	14,048
Printing charges		73,048	62,928	36,524	31,464
Provision for Workers' Welfare Fund		1,029,737	-	1,029,737	-
<b>Total expenses</b>		<b>10,383,516</b>	<b>5,341,225</b>	<b>4,766,837</b>	<b>2,878,391</b>
<b>Net income from operating activities</b>		<b>28,647,357</b>	<b>45,953,505</b>	<b>50,812,542</b>	<b>16,706,653</b>
Element of income / (loss) and capital gains / losses included in prices of units sold less those in units redeemed - net		23,894,175	(5,579,868)	7,443,721	2,131,468
<b>Net income for the period before taxation</b>		<b>52,541,532</b>	<b>40,373,637</b>	<b>58,256,263</b>	<b>18,838,121</b>
Taxation	10	-	-	-	-
<b>Net income for the period after taxation</b>		<b>52,541,532</b>	<b>40,373,637</b>	<b>58,256,263</b>	<b>18,838,121</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Director

**IGI STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
*FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013 (UN-AUDITED)*

	Half year ended		Quarter ended	
	31 December 2013	2012	31 December 2013	2012
	----(Rupees)----		----(Rupees)----	
<b>Net income for the period</b>	<b>52,541,532</b>	40,373,637	<b>58,256,263</b>	18,838,121
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><b>52,541,532</b></u>	<u>40,373,637</u>	<u><b>58,256,263</b></u>	<u>18,838,121</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director

**IGI STOCK FUND**  
**CONDENSED INTERIM DISTRIBUTION STATEMENT**  
*FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013 (UN-AUDITED)*

	Half year ended		Quarter ended	
	31 December 2013	2012	31 December 2013	2012
	------(Rupees)-----		------(Rupees)-----	
<b>Undistributed income brought forward</b>				
- Realised gains	138,448,155	44,559,625	58,039,761	9,487,027
- Unrealised gains / (losses)	45,625,221	4,963,408	(13,975,737)	18,222,725
	<b>184,073,376</b>	49,523,033	<b>44,064,024</b>	27,709,752
 Total comprehensive income for the period	<b>52,541,532</b>	40,373,637	<b>58,256,263</b>	18,838,121
 Final distribution of bonus @ 43.3654 units for every 100 units held, approved on: July 05, 2013 (2012: @ 18.2666 units for every 100 units held, approved on July 05, 2012)	<b>(89,959,270)</b>	(19,495,315)	-	-
 Final distribution of cash dividend @ Rs.51.6711 per unit held, approved on: July 05, 2013 (2012: @ 18.7546 per unit held, approved on July 05, 2012)	<b>(44,335,351)</b>	(23,853,482)	-	-
 <b>Undistributed income carried forward</b>	<b>102,320,287</b>	46,547,873	<b>102,320,287</b>	46,547,873
 <b>Undistributed income carried forward at period end</b>				
- Realised gains	63,080,698	34,891,995	49,104,961	53,114,720
- Unrealised gains / (losses)	39,239,589	11,655,878	53,215,326	(6,566,847)
	<b>102,320,287</b>	46,547,873	<b>102,320,287</b>	46,547,873

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited  
(Management Company)**

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

\_\_\_\_\_  
Director

**IGI STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013 (UN-AUDITED)

	Half year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net assets at beginning of the period</b>	<b>443,976,331</b>	280,660,096	<b>352,849,697</b>	211,740,528
Amount realised / unrealised on issuance of 1,945,969 units (December 31, 2012: 2,556,581 units) and 661,196 units (December 31, 2012: 2,290,558 units) for six months and quarter respectively	<b>244,931,013</b>	309,814,572	<b>82,163,862</b>	279,794,302
Issuance of 754,990 bonus units in respect of final distribution (December 31, 2012: 189,881 units)	<b>89,959,270</b>	19,495,315	-	-
Amount paid / payable on redemption of 1,931,107 units (December 31, 2012: 3,241,859 units) and 380,171 units (December 31, 2012: 2,314,892 units) for six months and quarter respectively	<b>(234,010,921)</b>	(384,429,395)	<b>(46,617,672)</b>	(280,096,187)
	<b>544,855,693</b>	225,540,588	<b>388,395,887</b>	211,438,643
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	<b>(23,894,175)</b>	5,579,868	<b>(7,443,721)</b>	(2,131,468)
Total comprehensive income before capital gain - realised and unrealised	<b>22,734,249</b>	855,189	<b>6,405,645</b>	6,925,498
Net (loss) / gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>(9,432,306)</b>	27,862,570	<b>(1,364,708)</b>	18,479,470
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>39,239,589</b>	11,655,878	<b>53,215,326</b>	(6,566,847)
Total comprehensive income for the period	<b>52,541,532</b>	40,373,637	<b>58,256,263</b>	18,838,121
<b>Distributions made during the period</b>				
Final distribution of bonus units	<b>(89,959,270)</b>	(19,495,315)	-	-
Final distribution of cash dividend	<b>(44,335,351)</b>	(23,853,482)	-	-
<b>Net assets at end of the period</b>	<b>439,208,429</b>	228,145,296	<b>439,208,429</b>	228,145,296

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited**  
**(Management Company)**

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

\_\_\_\_\_  
 Director

**IGI STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December		31 December	
Note	2013	2012	2013	2012
	----(Rupees)----		----(Rupees)----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	52,541,532	40,373,637	58,256,263	18,838,121
<b>Adjustments for:</b>				
Net loss / (gain) on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	9,432,306	(27,862,570)	1,364,708	(18,479,470)
Net unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	(39,239,589)	(11,655,878)	(53,215,326)	6,566,847
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	(23,894,175)	5,579,868	(7,443,721)	(2,131,468)
Amortisation of deferred formation cost	10,045	130,456	-	65,228
	(1,149,881)	6,565,513	(1,038,076)	4,859,258
<b>Decrease / (increase) in assets</b>				
Investments - net	38,902,205	49,876,295	(35,061,222)	3,758,340
Receivable against sale of shares and other receivable and prepayments	(3,716,374)	45,638,861	(21,281)	2,718,034
	35,185,831	95,515,156	(35,082,503)	6,476,374
<b>Increase / (decrease) in liabilities</b>				
Amount payable on redemption of units	-	-	-	-
Payable to the Management Company	(525,935)	1,101,021	483,360	925,724
Remuneration payable to the Trustee	5	2,068	625	1,918
Annual fee payable to the Securities and Exchange Commission of Pakistan	(44,422)	(158,251)	91,575	(219,402)
Accrued and other liabilities	956,740	103,995,546	(13,118,189)	103,608,714
	386,388	104,940,384	(12,542,629)	104,316,954
<b>Net cash generated from / (used in) operating activities</b>	<b>34,422,338</b>	<b>207,021,053</b>	<b>(48,663,208)</b>	<b>115,652,586</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash dividend paid	(44,335,351)	(23,853,482)	-	-
Amount received on issuance of units	244,931,013	309,814,572	82,163,862	279,794,302
Payment made against redemption of units	(234,010,921)	(384,429,395)	(46,617,672)	(280,096,187)
<b>Net cash (used in) / generated from financing activities</b>	<b>(33,415,259)</b>	<b>(98,468,305)</b>	<b>35,546,190</b>	<b>(301,885)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>1,007,079</b>	<b>108,552,748</b>	<b>(13,117,018)</b>	<b>115,350,701</b>
Cash and cash equivalents at beginning of the period	20,728,218	9,854,686	34,852,315	3,056,733
<b>Cash and cash equivalents at end of the period</b>	<b>21,735,297</b>	<b>118,407,434</b>	<b>21,735,297</b>	<b>118,407,434</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Director

**IGI STOCK FUND**  
**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE HALF YEAR ENDED DECEMBER 31, 2013 (UN-AUDITED)*

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

IGI Stock 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 June 06, 2008. It has been constituted under a Trust Deed, dated June 10, 2008 between IGI Funds Limited, 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 Limited (LSE). The Fund was launched on July 15, 2008.

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 Fund is categorised as an equity scheme as specified by SECP and is subject to the guidelines prescribed by SECP.

During the current period, on October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities & Exchange Commission of Pakistan (SECP) sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Towers, I. I. Chundrigar Road, Karachi.

The '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 5-star rating to the Fund in its rating report dated November 27, 2013.

**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, 2013.

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, basis of accounting estimates applied and methods of computation adopted 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, 2013, except as described in note 3.1.

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

**3.1** The Fund has adopted the following revised standards, amendments and interpretations of IFRSs which became effective during the current period:

IAS 19 – Employee Benefits –(Revised)

IFRS 7 – Financial Instruments : Disclosures – (Amendment)  
– Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

**Improvements to Accounting Standards Issued by the IASB**

IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information

IAS 16 – Property, Plant and Equipment – Clarification of Servicing Equipment

IAS 32 – Financial Instruments : Presentation – Tax Effects of Distribution to Holders of Equity Instruments

IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

**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, 2013.

		<b>(Un-audited) December 31, 2013</b>	(Audited) June 30, 2013
	Note	----- (Rupees) -----	
<b>5. BANK BALANCES</b>			
Bank balances - local currency	5.1	<u><b>21,735,297</b></u>	<u>20,728,218</u>

**5.1** The deposit accounts with the banks carry profit at rates ranging from 6% to 8.50% per annum (June 30, 2013: 6% to 8.50% per annum) and include balance of Rs.0.856 million (June 30, 2013: Rs.0.182 million) with Bank Alfalah Limited, a related party.

		<b>31 December 2013 (Unaudited)</b>	30 June 2013 (Audited)
	Note	-----(Rupees in '000)----	
<b>6. INVESTMENTS</b>			
<b>Financial assets classified as 'at fair value through profit or loss' - held-for-trading</b>			
Equity securities - quoted	6.1	<u><b>414,915,000</b></u>	<u>424,009,922</u>



6.1 Equity securities - quoted

Name of security	As at July 01, 2013	Purchases / bonus shares received during the period	Sold during the period	As at December 31, 2013	Carrying value as at December 31, 2013	Market value as at December 31, 2013	Net assets on the basis of market value	Investment on the basis of market value	Investee company paid up capital
	------(Shares)-----				------(Rupees)-----		------(%)-----		
<b>Banks</b>									
Bank Al-Falah Limited	1,000,000	370,000	500,000	870,000	16,679,544	23,524,800	5.36%	5.67%	0.06%
MCB Bank Limited	22,700	177,700	200,400	-	-	-	-	-	-
National Bank of Pakistan	-	980,000	980,000	-	-	-	-	-	-
United Bank Limited	113,000	540,000	423,000	230,000	30,371,344	30,486,500	6.94%	7.35%	0.02%
					47,050,888	54,011,300	12.30%	13.02%	0.08%
<b>Electricity</b>									
Kot Addu Power Company Limited	316,500	354,000	670,500	-	-	-	-	-	-
The Hub Power Company Limited	644,367	105,000	432,000	317,367	19,850,402	19,270,524	4.39%	4.64%	0.03%
Nishat Chunian Power Limited	991,726	-	991,726	-	-	-	-	-	-
Nishat Power Limited	973,500	164,000	1,137,500	-	-	-	-	-	-
					19,850,402	19,270,524	4.39%	4.64%	0.03%
<b>Oil and gas</b>									
Pakistan State Oil Company Limited	128,500	114,000	122,000	120,500	38,733,467	40,032,510	9.11%	9.65%	0.05%
Oil & Gas Development Company Limited	125,000	105,500	90,000	140,500	34,257,739	38,828,580	8.84%	9.36%	0.00%
Pakistan Oilfields Limited	17,800	103,650	55,800	65,650	31,085,805	32,674,662	7.44%	7.88%	0.03%
Pakistan Petroleum Limited	58,000	159,000	128,000	89,000	18,381,152	19,042,440	4.34%	4.59%	0.00%
					122,458,163	130,578,192	29.73%	31.48%	0.08%
<b>Chemicals</b>									
Fauji Fertilizer Bin Qasim Limited	-	698,500	70,000	628,500	24,957,320	27,534,585	6.27%	6.64%	0.07%
Engro Corporation Pakistan Limited	-	295,000	205,000	90,000	14,928,745	14,254,200	3.25%	3.44%	0.02%
					39,886,065	41,788,785	9.52%	10.08%	0.09%
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	-	1,425,000	1,425,000	-	-	-	-	-	-
<b>Construction and material</b>									
Attock Cement Pakistan Limited	85,500	240,500	326,000	-	-	-	-	-	-
Lucky Cement Limited	147,846	185,000	188,000	144,846	36,648,206	43,434,970	9.89%	10.47%	0.04%
D.G.Khan Cement Company Limited	366,500	360,000	486,500	240,000	17,330,835	20,575,200	4.68%	4.96%	0.05%
Dewan Cement Limited	1,183,000	-	1,183,000	-	-	-	-	-	-
Fecto Cement Limited	279,500	378,000	657,500	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	529,500	1,223,000	979,500	773,000	20,140,461	21,203,390	4.83%	5.11%	0.15%
Kohat Cement Company Limited	135,000	358,500	425,000	68,500	6,677,475	6,697,245	1.52%	1.61%	0.04%
					80,796,977	91,910,805	20.92%	22.15%	0.28%
<b>Food products</b>									
Engro Foods Limited	124,500	-	124,500	-	-	-	-	-	-
<b>Personal goods</b>									
Nishat Chunian Limited	-	1,288,000	728,000	560,000	31,309,980	33,712,000	7.68%	8.13%	0.28%
Nishat Mills Limited	396,000	365,000	418,000	343,000	34,322,862	43,643,320	9.94%	10.52%	0.10%
					65,632,842	77,355,320	17.62%	18.65%	0.38%
	<u>7,638,439</u>	<u>9,989,350</u>	<u>12,946,926</u>	<u>4,680,863</u>	<u>375,675,411</u>	<u>414,915,000</u>			

6.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

	(Un-audited) December 31, 2013	(Audited) June 30, 2013
Note	----- (Number of Shares) -----	
Oil & Gas Development Company Limited	50,000	50,000
Nishat Power Limited	-	100,000
Nishat Mills Limited	25,000	25,000
Nishat Chunian Power Limited	-	550,000
Lucky Cement Limited	-	40,000
Engro Foods	-	100,000
Pakistan State Oil Company Limited	40,000	-
Hub Power Company Limited	300,000	395,000
	<u>415,000</u>	<u>1,260,000</u>

	<b>(Un-audited)</b>	(Audited)
	<b>December 31,</b>	June 30,
	<b>2013</b>	2013
Note	--- (Number of Shares) ---	
<b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>		
Remuneration payable to the Management Company	<b>714,892</b>	714,744
Sales tax payable on management fee	<b>181,861</b>	124,575
Federal excise duty payable on management fee	7.1 <b>765,931</b>	63,838
Sales load payable	<b>560,943</b>	1,846,405
	<u><b>2,223,627</b></u>	<u>2,749,562</u>

**7.1** As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. In view of the pending decision, as a matter of abundant caution, the remuneration of the Management Company charged to the Fund during the period includes the imposed FED.

	<b>(Un-audited)</b>	(Audited)
	<b>December 31,</b>	June 30,
	<b>2013</b>	2013
Note	----- (Rupees) -----	
<b>8. ACCRUED AND OTHER LIABILITIES</b>		
Auditors' remuneration	<b>243,032</b>	264,000
Brokerage expense, Federal excise duty and Capital value tax payable	<b>368,006</b>	445,289
Clearing charges payable	<b>30,432</b>	37,008
Printing charges payable	<b>78,048</b>	55,000
Capital gain tax payable	<b>59,860</b>	2,166
Annual rating fee payable	<b>61,088</b>	110,000
Provision for Workers' Welfare Fund	8.1 <b>1,029,737</b>	-
	<u><b>1,870,203</b></u>	<u>913,463</u>

## 8.1 Provision for Workers' Welfare Fund

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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in a similar case whereby the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. However, during March 2013, the larger bench of the Honourable High Court of Sindh issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled the judgement passed by a single-member Lahore High Court issued in August 2011.

MUFAP's legal counsel is of the view that the stay granted to mutual funds in respect of recovery of WWF remains intact and the constitutional petition filed by the mutual funds / Collective Investment Schemes to challenge the Workers' Welfare Fund contribution has not been affected by the Judgment passed by the larger bench of the Honourable High Court of Sindh.

However as a matter of abundant caution, with effect from July 01, 2013, the Fund has commenced making provision in respect of contribution to WWF prospectively. Accordingly, a provision for WWF amounting to Rs.1.030 million has been made in these financial statements.

The aggregate unrecognised amount of WWF upto June 30, 2013 amounted to Rs.8.729 million. As per the Share Purchase Agreement (SPA) signed by IGI Investment Bank Limited (the Bank) and Alfalah GHP Investment Management Limited (AGIML), the Bank has agreed to indemnify AGIML against unrecognised WWF contribution exposure in the Fund upto June 30, 2013.

## 9. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business and at contractual rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules 2003, the NBFC Regulations 2008 and Trust Deed respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

9.1 Unit Holders' Fund

Half year ended December 31, 2013 (Un-audited)										
	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2013	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	NAV as at December 31, 2013
	Units					Rupees				
<b>Connected persons</b>										
Nil	-	-	-	-	-	-	-	-	-	-
<b>Key Management Personnel - Management Company</b>										
Employees	3,226	26,625	1,399.00	31,125	125	551,006	3,415,242	166,669	3,923,497	16,297
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Limited - Employees Provident Fund Trust Packages Limited - Management Staff Pension Fund Packages Limited - Employees Provident Fund	-	1,023,741	-	-	1,023,741	-	130,000,000	-	-	133,467,469
Management Staff Pension Fund Packages Limited - Employees Provident Fund	625,788	-	88,927.00	-	714,715	106,899,627	-	10,595,912	-	93,179,038
Employees Provident Fund	398,831	-	-	-	398,831	68,129,898	-	-	-	51,996,515

Half year ended December 31, 2012 (Un-audited)										
	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2012	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2012
	Units					Rupees				
<b>Connected persons</b>										
Packages Limited - Employees Provident Fund Packages Limited - Management Staff Pension Fund Packages Limited - Employees Gratuity Fund	486,556	398,831	-	486,556	398,831	59,080,464	50,000,000	-	57,854,673	50,106,169
Employees Provident Fund Trust Packages Limited - Management Staff Pension Fund Packages Limited - Employees Gratuity Fund	677,710	-	20,884	698,594	-	82,291,614	-	2,144,219	84,580,899	-
Employees Provident Fund	337,049	-	21,027	183,462	174,614	40,926,554	-	2,158,878	23,000,000	21,937,270
<b>Other related parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	-	39,494	-	-	39,494	-	5,000,000	-	-	4,961,732
Tri Pack Films Limited - Employees Provident Fund	-	39,494	-	-	39,494	-	5,000,000	-	-	4,961,732
<b>Key Management Personnel - Management Company</b>										
Employees	-	3,299	-	125	3,174	-	382,096	-	15,000	398,759
<b>Unit holder holding 10% or more units</b>										
Tahira Nisar Manno	-	550,083	-	345,555	204,528	-	66,141,942	-	41,185,721	25,695,338
The Nishat Mills Limited - Employees Provident Fund Trust	-	397,664	-	-	397,664	-	50,000,000	-	-	49,959,515

Quarter ended December 31, 2013 (Un-audited)										
	As at October 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2013	As at October 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2013
	Units					Rupees				
<b>Connected persons</b>										
Nil	-	-	-	-	-	-	-	-	-	-
<b>Key Management Personnel - Management Company</b>										
Employees	817	3,108	-	3,800	125	93,393	360,000	-	472,628	16,297
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Limited - Employees Provident Fund Trust Packages Limited - Management Staff Pension Fund Packages Limited - Employees Provident Fund	630,972	392,769	-	-	1,023,741	72,101,303	50,000,000	-	-	133,467,469
Management Staff Pension Fund Packages Limited - Employees Provident Fund	714,715	-	-	-	714,715	81,670,639	-	-	-	93,179,038
Employees Provident Fund	398,831	-	-	-	398,831	45,574,492	-	-	-	51,996,515

Quarter ended December 31, 2012 (Un-audited)

	As at	Issued	Bonus	Redeemed/	As at	As at	Issued	Bonus	Redeemed /	Net asset
	October 01, 2012	for cash / conversion in / transfer in		conversion/ out / transfer out	December 31, 2012	October 01, 2012	for cash / conversion in / transfer in		conversion out / transfer out	value as at December 31, 2012
	Units					Rupees				
<b>Connected persons</b>										
Packages Limited - Employees Provident Fund	486,556	398,831	-	486,556	398,831	55,981,736	50,000,000	-	57,854,673	50,106,169
Packages Limited - Management Staff Pension Fund	698,594	-	-	698,594	-	80,378,368	-	-	84,580,899	-
Packages Limited - Employees Gratuity Fund	358,076	-	-	183,462	174,614	41,199,303	-	-	23,000,000	21,937,270
<b>Other related parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	-	39,494	-	-	39,494	-	5,000,000	-	-	4,961,732
Tri Pack Films Limited - Employees Provident Fund	-	39,494	-	-	39,494	-	5,000,000	-	-	4,961,732
<b>Key Management Personnel - Management Company</b>										
Employees	-	3,299	-	125	3,174	-	382,096	-	15,000	398,759
<b>Unit holder holding 10% or more units</b>										
Tahira Nisar Manno	-	550,083	-	345,555	204,528	-	66,141,942	-	41,185,721	25,695,338
The Nishat Mills Limited - Employees Provident Fund Trust	-	397,664	-	-	397,664	-	50,000,000	-	-	49,959,515

Half year ended (Un-audited)		Quarter ended (Un-audited)	
December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
(Rupees)			

## 9.2 Other transactions

### Connected persons

#### Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	4,388,096	-	1,927,586	-
Sales tax on management fee	814,427	-	357,755	-
Federal excise duty on management fee	702,093	-	308,413	-
Sales load	1,681,323	-	773,858	-

#### IGI Funds Limited

Remuneration of the Management Company	-	2,395,304	-	1,107,965
Sales tax on management fee	-	383,248	-	177,275
Sales load	-	2,284,735	-	2,050,765

#### IGI Finex Securities Limited

Brokerage expense	-	210,560	-	49,243
Federal excise duty	-	33,690	-	7,879

### Other related parties

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

Remuneration of the Trustee	439,311	352,912	193,233	176,456
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	(Un-audited) December 31, 2013	(Audited) June 30, 2013
	----- (Rupees) -----	
<b>9.3 Other balances</b>		
<i>Connected persons</i>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Remuneration payable to the Management Company	<u>714,892</u>	<u>-</u>
Sales tax payable on management fee	<u>181,861</u>	<u>-</u>
Federal excise duty payable on management fee	<u>765,931</u>	<u>-</u>
Sales load payable	<u>560,943</u>	<u>-</u>
<b>IGI Funds Limited</b>		
Remuneration payable to the Management Company	<u>-</u>	<u>714,744</u>
Sales tax payable on management fee	<u>-</u>	<u>124,575</u>
Federal excise duty payable on management fee	<u>-</u>	<u>63,838</u>
Sales load payable	<u>-</u>	<u>1,846,405</u>
<i>Other related parties</i>		
<b>Central Depository Company of Pakistan Limited - (Trustee of the Fund)</b>		
Remuneration payable to the Trustee	<u>71,485</u>	<u>71,480</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

## 10. 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, 2013.

## 11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 27 February 2014 by the Board of Directors of the Management Company.

## 12. GENERAL

**12.1** Figures for the quarters ended December 31, 2013 and December 31, 2012 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

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

**For Alfalah GHP Investment Management Limited  
(Management Company)**

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

\_\_\_\_\_  
Director