

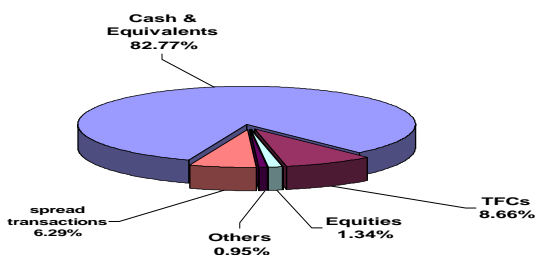
FUND OBJECTIVE

FIGF seeks to provide risk-averse investors an opportunity to earn a consistent market based income with conservative risk profile while maintaining security of principal as its prime objective.

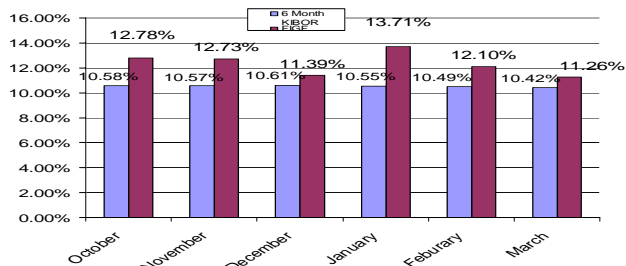
PERFORMANCE

FIGF maintained its position as the best performing hybrid income fund with annualized yield of 12.88% as of March 31st. The fund has been beating its performance benchmark of 6 months KIBOR by approximately 1.7% for the last 6 months. Average annualized yield of income funds in Pakistan for the 9 months ending March was 10.72%. FIGF posted an average annualized yield of 12.88% which clearly demonstrates good fund management strategy and a balanced asset allocation mix. AUM continued to increase during the month as the fund size increased by Rs. 660 Mio which highlights the investors trust in the management and the superior returns exhibited by the fund. On the asset allocation side exposure in TFC's and TDR's reduced and exposure in cash equivalents and spread transactions increased as the fresh inflow was largely placed in corporate accounts and ready-future arbitrage transactions.

ASSET ALLOCATION (%)



FIGF vs KIBOR (6M)



MONEY MARKET REVIEW

The Interbank Money Market remained tight in terms of liquidity during the month of March. Borrowing from the State Bank Discount Window was witnessed throughout the month due to liquidity crunch in the market. The six-month Karachi Inter Bank Offer Rate (KIBOR) decreased by 7bps during this period and remained between the range of 9.92% to 10.42% as compared to the previous month's range of 9.99% to 10.49%.

In the T-Bill auction State Bank of Pakistan raised Rs.45.26 bn versus market's offer of Rs.61.14 bn. SBP marginally increased cutoff yield on all maturities by 4bps. The cutoff yields for 3 month T-bill, 6 month T bill and 12 month T-bill was 8.6869%, 8.8579% and 9.0523% respectively.

Main event of the Month was the PIB auction. Against the aggregate target of Rs.15bn, State Bank received cumulative bids of Rs.56.087bn out of which only Rs.15.20bn were accepted. The cutoff yield of 3-year PIB witnessed a decline of 37bps which settled at 9.3690%. Cutoff yield of 5-year PIB witnessed a decline of 26bps which settled at 9.7652%. Cut off yield of 10 year PIB was also revised downward to 10.198%. Lowest participation was witnessed in the 15 year PIB which settled at 10.98%.

Inflation, as measured by the consumer price index (CPI) declined to 7.4% in February 2007 on a year-on-year (YoY) basis from 8.0% registered in the same month of last year. Core inflation (non-food non-energy) also declined to 5.7% in February 2007 from 7.0% in February 2006.

Governor SBP said Pakistan needed to continue exercising monetary tightening until it saw a more marked decline in inflation. She also added that we have had monetary tightening for a while & will remain in that phase until there's a more forceful decline in the inflation rate.

SBP projections indicate that FY'07 real GDP is likely to grow in the range of 6.6%-7.2%, close to the annual target of 7.0% and above the desired 6.0% long-term growth for the economy. But the central bank said that achieving the upper end of the growth forecast would be dependent on a strong performance by large-scale manufacturing and livestock sectors.

RETURNS

Month on Month	11.26%
FY 06 - 07	12.88%
Since Inception	10.74%

BENCHMARK RATES

KIBOR	T-BILLS
3 Months	3 Month 8.69%
6 Months	6 Month 8.86%
12 Months	12 Months 9.05%

FUND INFORMATION

Fund Type	Open Ended	Registrar	Gangjees Registrar (Pvt.) Ltd.
Fund Launch Date	10 th October 2005	Trustees	Central Depository Company (CDC) of Pakistan Ltd.
Rating	A + by JCR-VIS	Auditors	Ford Rhodes Sidat Hyder & Co, Chartered Accountants
Performance Bench Mark	6 Months KIBOR		

MANAGED BY



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Risk Disclosure:

All investments in mutual funds and securities are subject to market risks. Therefore, the NAV based prices of units cannot be guaranteed. Prices of units and any dividends and returns thereon may go up or down based on market conditions & past performance of the fund is not necessarily indicative of future results. Please consult your legal/financial advisor & read clause 2.6 and 2.7 of the offering document available at our web site for understanding the investment policies & risks.