

FEBRUARY 2011

Monthly Fund Managers' Report



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on an index published by an international
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AH Dow Jones SAFE Pakistan Titans 15 Index Fund - the only fund structured on an index published by an international Independent Index Provider ('Dow Jones Indexes', the marketing name of CME Group Index Service LLC). Aims to provide competitive returns at lower costs, while maintaining exposure to a portfolio primarily holding blue-chip liquid stocks.

- Top Pakistani Stocks in a Single Unit
- Low Transaction Costs
- Optimal Liquidity
- Initial Investment Rs. 5,000
- Aims for Low Tracking Error (1.75%-3.5% per annum)
- High Correlation with KSE-100 (based on 5 years back tested performance)



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**Arif Habib
Investments**
Pakistan Mutual Funds
An Investment Plan for Everyone

Dear Investors,

The scourge of inflation is fast becoming a subject of every discussion. Rising interest rates, the undulations of consumer price index and the state of the economy challenge the individual's capacity to stretch the rupee almost every day. Yet the stock market, often touted as the barometer of the state of the economy, has witnessed a dizzying run to new highs, corporate earnings have shown robust growth and foreign portfolio investments have boosted the sentiments of the equity players. The decline in the Index due to some overdue corrections in February enhances the opportunities offered to equity investors. Preserving the value of your investments and earning real positive returns without taking undue risk is perceived to be either the domain of savvy investment gurus or a matter of sheer luck. This, in fact, is far from the truth.

While high interest rates may have a detrimental effect on the state of the economy, and business in general, the same can also be translated into higher returns on investments for longer periods. In times of high interest rates, Government Bond Funds become choice picks. Long duration Bond Funds provide investment opportunities in low credit risk instruments with the potential of locking in higher returns for longer periods of time. The potential for upside in such a Fund becomes even higher, in a falling interest rate scenario. MetroBank Pakistan Sovereign Fund is one such product offered by Arif Habib Investments, launched in March 2003. It is one of the oldest Government Bond Funds in the market, with a track record of almost eight years.

Another option for investors wishing to beat inflation and earn a real positive return on investment is the AH Dow Jones Index Fund. The Fund invests primarily in blue chip liquid stocks selected on the basis of free float market capitalization and liquidity. The four key sectors covered are Oil, Banking, Fertilizer and Power Generation. These are the very same sectors favoured by foreign portfolio managers while investing in Pakistan. This Fund is particularly unique as it offers an investment avenue for investors with an eye on equities of both short and long term investment horizons. Seasoned equity investors may benefit from the rise and fall of the market on a short term basis, as well as take advantage of the long term benefits of investing in the best-rated blue chip stocks the local equity market has to offer.

Last month we spoke about the benefits of objective based investment. The smart investor, having defined his/her objectives and risk appetite should continue to scan the financial markets for opportunities, two of which have been mentioned above. The recent decline in the stock market has created a window of opportunity for equity funds just as the prevalent high interest rate have done for the Government Bond Funds. Our investment promotion officers are all geared up to answer your queries, and provide you the information you need, to make the correct and profitable investment decision.

Happy Investing

Tariq Hashmi

Director, Marketing, Business Development & Strategy

FEBRUARY IN REVIEW

The KSE 100 Index retreated sharply and lost 8.7% (1,070 points) to close the month of February at 11,289 as popular uprising spread against many governments of North African and Middle Eastern countries. Negative sentiments prevailed as Pak-US diplomatic row over Raymond Davis case intensified and Moody's statement that Pakistan's sovereign debt rating could be at risk if the measures recommended by IMF were not quickly implemented. Pakistani market has fallen by 13% to 11,077 intraday low on Feb 28 from its January intraday peak of 12,768. During this time period, equities across many emerging markets have fallen as foreign funds reduced their exposure in emerging markets given the increased equity risk premium in the wake of deteriorating situation in the North African and Middle Eastern countries. In Pakistan, foreign investors remained net buyers during the month but the net inflow dropped to merely US\$5.5mn compared to US\$63.1mn in January. Average daily turnover dropped by 44% to 95.6mn shares in February from 170.1mn shares in the previous month.

ECONOMIC REVIEW

IMF talks

On the economic front, all eyes are on the progress of the new round of negotiations taking place in Islamabad between IMF and Pakistan in the first week of March 2011. Pakistani Government has so far failed to implement measures pertaining to reducing the fiscal deficit as agreed with the IMF earlier. This has resulted in the suspension of the last two tranches of US\$1.7bn each under the Standby Arrangement. There are reports that the Government will be announcing some new taxation measures in the near future, including; 15% flood surcharge, 1.5% additional Federal Excise Duty and GST on the previously exempted sectors, in order to reduce the fiscal gap, given the delays in the implementation of RGST.

External Side

Major improvement was seen in the trade deficit, as exports for January, 2011 posted an increase of 9.5% MoM to reach US\$ 2.32bn. Total exports from July – January, 2011 have increased by 22.80% YoY to US\$13.4bn which is in line with the FY11 target of US\$20-21bn. On the other hand, imports for January, 2011 fell by 8.2% MoM. Major determinants of this decrease were 1) petroleum group imports, which reduced by 19.7% to US\$0.98bn, and 2) food group imports which dipped by 19.53% MoM to US\$0.445bn. Imports from July- January, 2011 have increased by 17.24% to US\$22.59bn against the same period of the preceding year. Trade deficit for January, 2011 shrank 31.33% MoM and totaled US\$1.115bn. Going forward, rising international oil prices due to the Middle-East crises is likely to push the overall import bill in coming months and, hence, may push the trade deficit higher.

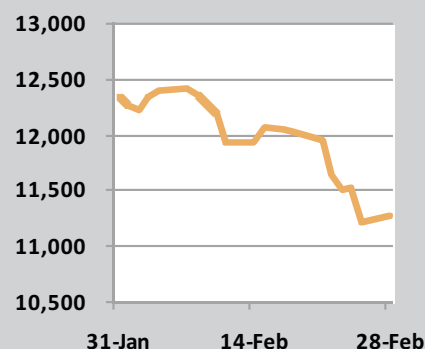
Fiscal Side

According to the Ministry of Finance, budget deficit for 1H FY11 is 2.9% against a full year target of 5.7%. Total revenue for 1H FY11 totalled Rs 989bn (with tax collection of Rs 722bn) while the expenditure for the same period stood at Rs 1.48trn. According to an FBR official, tax collection from July – February 26, 2011 stood at Rs 865bn against a full year target of Rs 1604bn. Given the expected shortfall in tax collection from the existing avenues, as discussed earlier, the Government is considering introduction of new taxes for meeting the target for this fiscal year. Slippages on fiscal side have been the main area of concern as the Government has been unable to take timely steps in this regard. This is reflected in higher net Government sector borrowing which has increased to Rs 299bn by Feb against Rs 224bn in the same period last year.

Inflation

Inflation figures released for January, 2011 posted 14.19% increase YoY. Although this figure is 130 bps lower than the previous month (December, 2010) figure, there has been a MoM increase of 1.3%. Hence, it is easy to assume that this lower figure (14.19%) is merely due to the high base-effect of last year when inflation started surging in January, 2010. The major determinant of the MoM increase was Non-perishable food items which posted an increase of 2.85% over the previous month and has compositional weight of 35.20 in the overall CPI basket. Going forward, although the YoY CPI figures could be lower than the 1H FY11 figures due to high base-effect of previous year, we could still see a further hike in MoM inflation as the increase in international oil prices have been partially passed on to consumers effective from March 1st, 2011.

KSE-100 Index



KSE-100 Index Performance (% increase)

1- Month	-8.66
3 - Months	0.48
6 - Months	15.04
12 - Months	16.89
YTD	-6.10

2011 High
12,681.94 - January 17

2011 Low
11,223.52 - February 25

International / Regional Markets Performance

Market	P/E	FY11	MoM	CY10
		Jul-Feb	Feb-11	Jan-Dec
Dow Jones Industrial Average	14.07	25.09%	2.81%	5.60%
S&P 500	15.60	28.77%	3.20%	5.53%
FTSE 100 Index	13.63	21.91%	2.24%	1.59%
Nikkei 225	51.60	9.02%	3.86%	3.86%
HangSeng Index	13.78	15.94%	-0.47%	1.31%
BSE Sensex 30	20.06	0.69%	-2.75%	13.10%
Shanghai Composite	18.49	21.13%	4.10%	3.45%
KSE-100	7.79	16.12%	-8.66%	-6.10%
Kuala Lumpur Composite	16.48	13.49%	-1.82%	-1.82%
Colombo Allshare	21.29	69.06%	8.68%	17.51%
Chittagong Stock Exchange	N/A	-18.94%	-31.46%	-37.38%

Source: Bloomberg & AHI Universe

Interest rates eased, slightly, in all tenors during February, 2011 after the SBP kept the discount rate unchanged in MPS announced at the end on January 11, with the benchmark 10-yr PIB yields almost remaining stable at 14.20%.

In view of excess liquidity, SBP mopped up Rs. 12.80bn (avg) in 3,6 and 7-days in the band of 12.08% to 12.87%, while injecting Rs. 29.78bn (avg.) in 6 and 7-days in the range of 12.85% to 12.88%. The Market hit the floor five times with an average amount of Rs. 7.9bn. Moreover, average discounting of Rs. 17.0bn was also reported.

Change in PKRV & KIBOR		
Tenor	28 Feb, 11 (%)	31 Jan, 11 (%)
Overnight	13.00	12.75
KIBOR 6-M}	13.76	13.83
90-Days	13.35	13.62
180-Days	13.60	13.71
365-Days	13.78	13.84
3 -Years	14.18	14.20
5-Years	14.21	14.22
10-Years	14.20	14.22

Treasury Bills

Two T-Bill auctions were conducted during Feb, 2011, with a cumulative target of Rs. 300.0bn, against maturity of Rs. 225.0bn. Substantial amount of participation (Rs. 377.0bn) was seen in 3-month, out of which Rs. 144.0bn was accepted.

The SBP raised Rs. 158.0bn against participation of Rs. 300.0bn in the T-bill auction conducted on 10th Feb, 11. Cut-off yields decreased by 14bps, 2bps and 3bps to 13.53%, 13.70% and 13.86% for 3,6-month and 1-yr paper respectively. The second auction conducted during the month saw 5bps decrease in 3-month T-bill yield however, 6-month and 1-year cut-offs remained unchanged.

Short dated papers remained active in the Secondary market and traded in the wide range of 12.25% to 13.25%. The 3-month paper (24-Feb,'11) was traded in the range of 13.35% to 13.40%, while activity in 70-days to maturity T-bill took place at 13.30% and 13.33%.

T-Bills auctions in February:

Tenor	Cut-off Rates % (27-Jan-11)	Cut-off Rates % (10-Feb-11)	Cut-off Rates % (24-Feb-11)
3-month	13.6699	13.5313	13.4851
6-month	13.7128	13.6899	13.6899
12-month	13.8814	13.8554	13.8554

Pakistan Investment Bonds

PIB auction was held on 15th Feb, 2011 against the maturity of Rs. 15.58bn. Total target was Rs. 20.0bn and participation was Rs. 53.0bn. The Central Bank picked up Rs. 8.50bn in 3- and 5-yrs at previous cut-offs and Rs. 17.60bn was accepted in 10-year at 14.27% cut-off rate. Activity in Term Bonds, during the month, took place in the yield range of 14.20% to 14.26%.

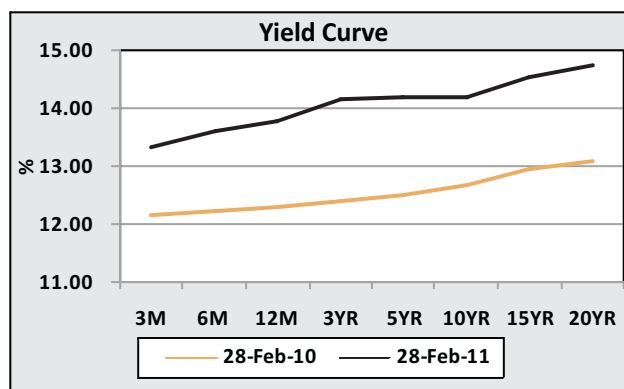
Tenor (Yrs)	Target (Rs. in millions)	Participation Amount (Rs. in millions)	Accepted Amount (Rs. in millions)	Coupon Rate (%)	Current Cut-off (%)	Wt. Avg Yield (%)	Previous Cut-off (%)
3	4,000	11,400	6,900	11.25	14.25	14.20	14.25
5	4,000	2,845	1,595	11.50	14.29	14.26	14.30
7	3,000	950	Rejected	11.75	-	-	-
10	6,000	34,180	17,580	12.00	14.27	14.22	14.36
15	1,000	300	Rejected	12.50	-	-	-
20	1,000	300	Rejected	13.00	-	-	-
30	1,000	3,300	Rejected	13.75	-	-	-

GOP Ijara Sukuk

The SBP has increased Statutory Liquidity Requirement (SLR) of Islamic Banks/Islamic Banking Branches to 14.0% from 9.0%, effective 1st April, 11. During the month, substantial trades were witnessed in GIS-V and -VI at 100.00 and 100.10 in the Secondary market.

Corporate Bonds

In order to curb volatility in TFC prices, once its classification changes from traded to non- traded, it has been decided by MUFAP to cap the price of these TFCs to their previous traded prices. This will eliminate the erroneous price increases in those TFCs whose prices used to get inflated after being classified as non-traded. However, the issue of those TFCs (banking sector in particular) whose prices get hammered by MUFAP matrix once classified as non-traded, despite the presence of bids at higher levels, remains a serious concern. This creates significant distortions in valuing the portfolio as mutual funds are forced to value them at levels lower than the actual market prices. Banking and Telecom sectors' instruments were the most active among listed TFCs during the month. Total traded value for listed TFCs stood at Rs. 245.0mn (Banking) and Rs. 596.0mn (Telecom). Credit spreads over KIBOR for Banking sector TFCs increased to 1.95% from 1.70% a month earlier, whereas in Telecommunications sector, the credit spreads over KIBOR decreased to 10.09% from 11.26%.



PAKISTAN STOCK MARKET FUND (PSM)

FEBRUARY 2011

Star Rating: 4-Star (Long Term) & 4-Star (Short Term) Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PSM NAV fell by 6.26% compared to its benchmark KSE-100's fall of 8.66%. Amongst the top ten holdings, two stocks, namely Packages and ABL underperformed the market with 17.7% and 10.3% price erosion, respectively, and had almost 40% contribution in the total fall in NAV. Overall, equity exposure of the Fund remained mostly unchanged at 98% of Fund size. The Fund witnessed more redemptions in February 11 as investors preferred to book profits after the recent rally in domestic stock prices and selloff in other emerging markets. As of month end, PSM portfolio is trading at 7.31x its 2011 earnings.

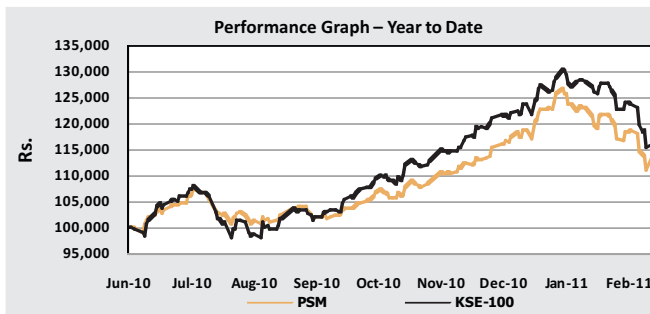
Fund Objective

The objective of the Fund is to provide investors long term capital appreciation from its investments in Pakistan equities.

Fund Profile

Pakistan Stock Market Fund (PSM) is an open-end equity Fund that invests in quality stocks listed in Pakistan.

The Fund is actively managed and fundamental research drives the investment process. Fundamental outlook of sectors/companies and DCF (Discounted Cash Flow) valuations are the primary factors in sectors' allocation and stock selection. Major portion of the Fund's portfolio is high quality liquid stocks. The funds which are not invested in equities are required to be kept in bank deposits and short-term money market instruments/ placements.



Portfolio Characteristics

	PSM	KSE - 100
Net Assets / Market Cap (Rs. bn)	1.24	2,802.44
NAV Rs. per unit / KSE-100 Index	56.60	11,289.33
Price Earning - 2011	7.31	7.79*
* AHI Universe		

Fund Returns (%)

	PSM	KSE - 100
Month on Month	-6.26	-8.66
Quarter on Quarter	2.06	0.48
FY 11 to Date	14.02	16.12
Since Inception	654.88	502.83

Sector Allocation (as % of Net Assets)

	Feb'11	Jan'10
Chemicals	28.0	25.9
Oil & Gas	19.7	25.9
General Industrials	10.2	10.0
Banks	7.9	9.0
Electricity	7.6	6.1
Personal Goods	7.2	6.6
Others	17.1	14.6

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'10
Cash	2.1	1.8
Equity	97.6	98.2
Other assets (net of liabilities)	0.3	-

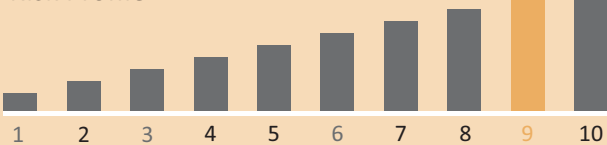
Top Ten Holdings (as % of Net Assets)

Packages Ltd.	10.2%	Nishat Mills Ltd.	6.7%
Engro Corp. Ltd	9.4%	Allied Bank Ltd.	6.0%
ICI Pakistan Ltd.	8.6%	Fauji Fertilizer Co. Ltd.	5.2%
Pakistan Petroleum Ltd.	8.1%	Searle Pakistan Ltd.	4.4%
Pakistan Oilfields Ltd.	8.0%	Hub Power Co. Ltd.	3.8%

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

Risk Profile



FUND INFORMATION

Fund Type	Open-end
Category	Equity
Fund Launch Date	11 th March 2002
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Front-end load	2%
Management Fee	2%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Fridays) except public holidays.
Redemption Days	Daily (Mondays to Fridays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 50.00
Minimum Investment	PKR 5,000

Investment Committee

- Mr. Basharat Ullah (Director, Investments)
- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehanti (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Ms. Nazia Nauman (Head of Equity Funds)
- Mr. Muhammad Imran Khan (Head of Research)

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PAKISTAN PREMIER FUND (PPF-O)

FEBRUARY 2011

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PPF-O's NAV declined 5.4% as compared to KSE 100 Index decrease of 8.66%. Amongst major holdings, ICI, Engro Chemical, FFC, Searle and KAPCO fell, relatively, less than the broader market. On the other hand, Packages and Allied Bank underperformed. No activity was done in the Fund. Equity exposure almost remained unchanged at 84.6% by the month end. As of month end, PPFL portfolio is trading at 7.54x its 2011 earnings.

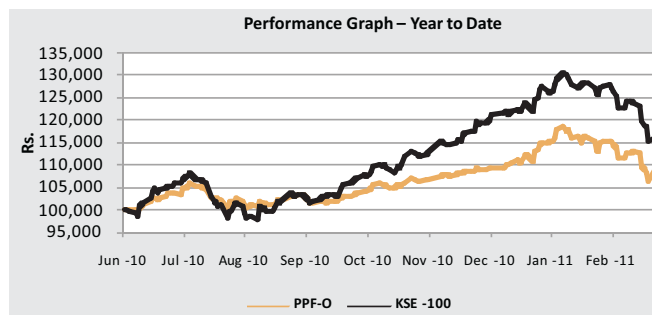
Fund Objective

The objective of the Fund is to provide investors long term capital appreciation from its investments in Pakistani equities.

Fund Profile

Pakistan Premier Fund (PPF-O) is an open-end equity fund. The fund takes a long term value investing approach and the portfolio is diversified across all major sectors, with stocks having long term positive fundamentals.

PPF-O is a long only fund. The funds which are not invested in equities are required to be kept in bank deposits and short-term money market instruments / placements.



Sector Allocation (as % of Net Assets)

	Feb'11	Jan'11
Chemicals	23.1	21.8
Oil & Gas	14.6	14.4
Banks	9.8	10.0
General Industrials	9.3	10.3
Electricity	8.7	8.1
Personal Goods	7.4	7.4
Others	11.7	11.2

Portfolio Characteristics

	PPFL-O	KSE - 100
Net Assets / Market Cap (Rs. bn)	0.70	2,802.44
NAV Rs. Per unit / KSE-100 Index	8.96	11,289.33
Price Earning - 2011	7.54	7.79*
* AHI Universe		

Fund Returns (%)

	PPFL-O	KSE - 100
Month on Month	-5.39	-8.66
Quarter on Quarter	-2.50	0.48
FY 11 to Date	5.48	16.12
Since Inception	264.01	323.37

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	4.0	4.5
Equity	84.6	83.2
T-bills	14.1	15.4
Other assets (net of liabilities)	-2.7	-3.1

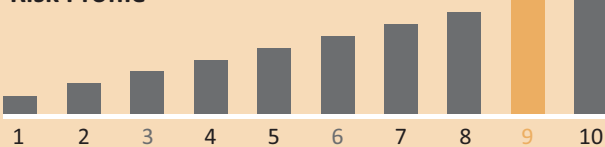
Top Ten Holdings (as % of Net Assets)

Packages Ltd.	9.3%	ICI Pakistan Ltd.	7.3%
Fauji Fertilizer Co. Ltd.	8.2%	Nishat Mills Ltd.	7.3%
Pakistan Oilfields Ltd.	7.7%	Pakistan Petroleum Ltd.	6.9%
Engro Corp. Ltd	7.6%	Searle Pakistan Ltd.	4.7%
Allied Bank Ltd.	7.5%	Kot Addu Power Co. Ltd.	4.5%

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

Risk Profile



FUND INFORMATION

Fund Type	Open-end
Category	Equity
Fund Launch Date	1 st Jan 2003
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	M. Yousaf Adil Saleem & Co., Chartered Accountants (a member firm of Deloitte Touche Tohmatsu)
Front-end load	2%
Management Fee	2%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Fridays) except public holidays.
Redemption Days	Daily (Mondays to Fridays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 10.00
Minimum Investment	PKR 5,000

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- Ms. Nazia Nauman (Head of Equity Funds)
- Mr. Muhammad Imran Khan (Head of Research)

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PAKISTAN STRATEGIC ALLOCATION FUND (PSAF)

FEBRUARY 2011

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

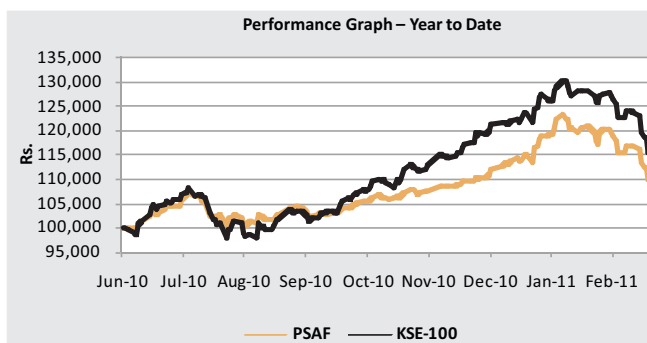
PSAF's NAV was down 5.61% during February 2011 as against a decline of 8.66% in the KSE-100 index. Major holdings of the Fund, such as, ICI, HUBC, ENGRO, PPL and KAPCO fell, relatively, less than the broader market. Major underperformers include PKGS, ABL, POL, UBL and NBP. The Fund lowered its equity allocation early during the month. As a result, overall equity allocation has declined to 86.93% by end - Feb'11 compared to 91.51% in the previous month. As of month-end, PSAF portfolio is trading at 7.16x its 2011 earnings.

Fund Objective

The objective of the fund is to provide investors a mix of income and capital growth over medium to long term, primarily, from investment in Pakistani equities.

Fund Profile

Pakistan Strategic Allocation Fund (PSAF) is an open end strategic allocation fund which primarily invests in equities based on a quantitative model. The Fund takes advantage of equity market volatility and buys equities when they are underpriced and sells equities when they are overpriced. DCF (discounted cash flow) valuations are pivotal for stocks selection in the portfolio. The Fund is mostly invested in liquid stocks. Under the NBFC Rules, it is only allowed to borrow up to 15% of net assets for up to 90 days to meet redemption needs.



Portfolio Characteristics

	PSAF	KSE-100
Net Assets / Market Cap (Rs. bn)	0.94	2,802.44
NAV Rs. Per unit / KSE-100 Index	8.24	11,289.33
Price Earning - 2011	7.16	7.79*
*AHI Universe		

Fund Returns (%)

	PSAF	KSE - 100
Month on Month	-5.61	-8.66
Quarter on Quarter	3.52	0.48
FY 11 to Date	12.95	16.12
Since Inception	95.63	112.19

Sector Allocation (as % of Net Assets)

	Feb'11	Jan'11
Chemicals	24.9	27.7
Oil & Gas	21.0	19.5
Banks	13.0	13.6
Electricity	10.1	12.7
General Industrials	8.7	9.8
Others	9.2	8.2

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	5.2	8.9
Equity	86.9	91.5
T-bills	10.5	7.7
Other assets (net of liabilities)	-2.6	-8.1

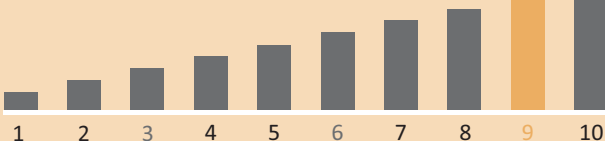
Top Ten Holdings (as % of Net Assets)

Engro Corp. Ltd.	10.5%	Hub Power Co. Ltd.	6.5%
Packages Ltd.	8.7%	Pakistan State Oil Ltd.	5.8%
Pakistan Oilfields Ltd.	7.8%	Allied Bank Ltd.	5.7%
Pakistan Petroleum Ltd.	7.3%	Nishat Mills Ltd.	5.0%
ICI Pakistan Ltd.	7.0%	United Bank Ltd.	4.1%

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

Risk Profile



FUND INFORMATION

Fund Type	Open-end
Category	Equity
Fund Launch Date	11 th September 2004
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	A.F. Ferguson, Chartered Accountants (a member firm of PWC)
Front-end load	2%
Management Fee	2%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Fridays) except public holidays.
Redemption Days	Daily (Mondays to Fridays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 10.00
Minimum Investment	PKR 5,000

Investment Committee

- Mr. Basharat Ullah (Director, Investments)
- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehani (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Ms. Nazia Nauman (Head of Equity Funds)
- Mr. Muhammad Imran Khan (Head of Research)
- Mr. Faisal Khatri (Fund Manager)

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AH Dow Jones SAFE Pakistan Titans 15 Index Fund (AHDJPF)

FEBRUARY 2011

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

AHDJPF's NAV decreased 8.71% in February as against 7.40% decline in its benchmark (Dow Jones SAFE Pakistan Titans 15 Index). Amongst the top holdings, OGDC and MCB underperformed, substantially. These two stocks constitute 45.4% of net assets. On the other hand PPL, FFC, Engro, PSO and POL fell, relatively, less than the broader market. The Fund remained on average 98.5% invested in the benchmark constituents. As of month end, AHDJPF portfolio is 7.72x its 2011 earnings.

Fund Objective

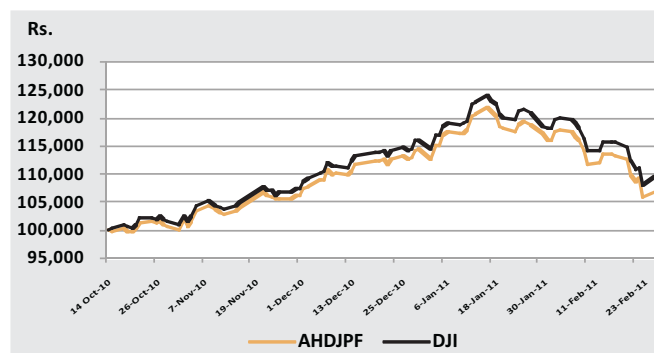
The Fund aims to provide investors with a total return that, before expenses, closely corresponds to the return of the Dow Jones SAFE Pakistan Titans 15 Index by tracking the Dow Jones SAFE Pakistan Titans 15 Index, thus providing exposure to the constituents of Dow Jones SAFE Pakistan Titans 15 Index in a single security.

Fund Profile

AH Dow Jones SAFE Pakistan Titans 15 Index Fund (AHDJPF) is an Open End Index Tracker Fund which aims to provide investors with a total return that closely corresponds to the return of the Dow Jones SAFE Pakistan Titans 15 IndexSM.

The AHDJPF employs a passive management approach to replicate the performance of the constituents of Dow Jones SAFE Pakistan Titans 15 IndexSM. The Fund invests all or substantially all, of its assets in securities that make up the target index. Excess cash, if any, may be kept in daily-return bank deposits or short-term money market instruments. The Fund is not allowed to take leveraged investment positions.

This fund provides a low cost exposure to a portfolio primarily holding blue-chip liquid stocks selected on the basis of free float market capitalization and liquidity.



Portfolio Characteristics

	AHDJPF	BM*
Net Assets (Rs. mn) / Market Cap (Rs. bn)	0.11	7.93
NAV Rs. Per unit / DJ Pakistan Index	53.47	1,313.63
Price Earning - 2011	7.72	7.76*
*Dow Jones SAFE Pakistan Titans 15 Index		

Fund Returns (%)

	AHDJPF	BM*
Month on Month	-8.71	-7.40
Quarter on Quarter	0.58	1.95
FY 11 to Date	6.94	9.67
Since Inception	6.94	9.67

** Dow Jones Safe Pakistan Titans 15 Index

Sector Allocation (as % of Net Assets)

	Feb'11	Jan'11
Oil & Gas	42.9	44.3
Banks	29.4	29.7
Chemical	19.7	18.2
Electricity	4.3	3.9
Others	2.7	3.0

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	1.3	2.0
Equity	98.9	99.0
Other assets (net of liabilities)	-0.2	-1.0

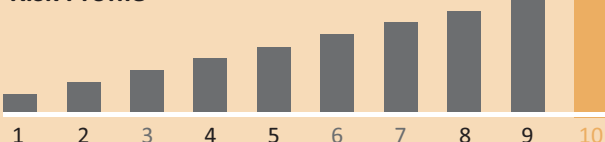
Top Ten Holdings (as % of Net Assets)

Oil & Gas Development Co. Ltd.	24.3%	Pakistan State Oil Ltd.	5.5%
MCB Bank Ltd.	20.4%	Pakistan Oilfields Ltd.	5.0%
Fauji Fertilizer Co. Ltd.	8.5%	Hub Power Co. Ltd.	4.3%
Pakistan Petroleum Ltd.	8.0%	National Bank of Pakistan Ltd.	3.5%
Engro Corp. Ltd.	6.6%	Bank Al-Habib Ltd.	3.4%

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

Risk Profile



FUND INFORMATION

Fund Type	Open-end
Category	Index Tracker Fund
Fund Launch Date	14 th October 2010
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	MCB Financial Services (Pvt.) Ltd.
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Front-end load	2%
Management Fee	1%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Fridays) except public holidays.
Redemption Days	Daily (Mondays to Fridays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 1:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 50.00
Minimum Investment	PKR 5,000

Investment Committee

- Mr. Basharat Ullah (Director, Investments)
- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehanti (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Ms. Nazia Nauman (Head of Equity Funds)
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PAKISTAN CAPITAL MARKET FUND (PCM)

FEBRUARY 2011

Star Rating: 3-Star (Long Term) & 4-Star (Short Term) Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PCM's NAV declined 3.64% in February as compared to 5.10% decline in its benchmark. Amongst major holdings, ICI, KAPCO and Engro fell, relatively, less than the broader market while Packages, POL, PAEL and ABL underperformed. No major activity was done in the Fund and equity exposure at month-end was 64.22%. Investments in TFCs were 11.13% while T-Bills represented 17.8% of net assets. As of month end, PCM equity portfolio is 7.32x its 2011 earnings.

Fund Objective

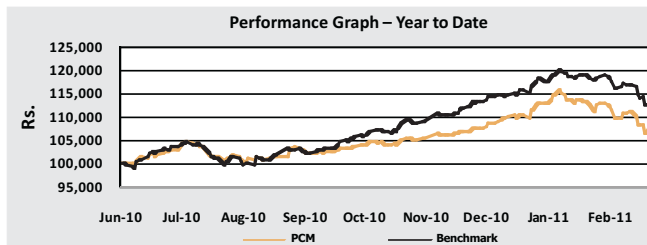
The objective of the Fund is to provide investors a mix of income and capital growth over medium to long-term from equity and debt investments.

Fund Profile

Pakistan Capital Market Fund (PCM) is an open-end, balanced fund that invests in a range of asset classes, such as equity and debt in the market.

The asset allocation to equities and debt is made on the basis of relative attractiveness of each asset class. The investment process is driven by fundamental research. For equities investment, fundamental outlook of sectors/companies and DCF (Discounted Cash Flow) valuations are the primary factors in sectors' allocation and stock selection. For debt investment, interest rate outlook is the key determining factor and allocation to this segment is increased when the yields are comparatively higher compared to the total returns on equities. Investment is made in Corporate Bonds (investment grade) and Government Bonds. Cash is kept in deposits with high-rated banks.

PCM is a long only Fund and can not undertake leveraged investments. Under the NBFC Rules, it is only allowed to borrow up to 15% of net assets for up to 90 days to meet redemption needs.



Portfolio Characteristics

	PCM	KSE-100
Net Assets / Market Cap (Rs. bn)	0.41	2,802.44
NAV Rs. Per unit / KSE-100 Index	7.83	11,289.33
Price Earning - 2011	7.32	7.79*
*AHI Universe		

Fund Returns (%)

	PCM	BM**
Month on Month	-3.64	-5.10
Quarter on Quarter	1.86	1.76
FY 11 to Date	8.49	12.96
Since Inception	137.55	118.82
** 50% KSE-100 Index + 50% 1 Year T-Bill		

Sector Allocation (as % of Net Assets)

	Feb'11	Jan'11
Oil & Gas	18.4	18.1
Chemicals	16.2	15.0
General Industrials	5.6	6.2
Electricity	5.6	5.2
Banks	4.9	5.0
Others	9.5	9.3

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	6.1	6.5
Equity	60.2	58.8
TFCs	11.1	10.4
Preference shares	4.1	3.7
T-bills	17.8	20.0
Other assets (net of liabilities)	0.8	0.6

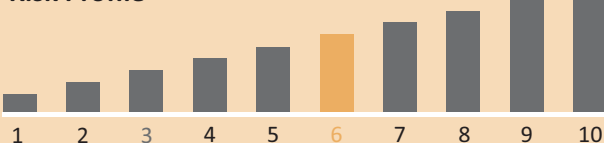
Top Ten Holdings (as % of Net Assets)

United Bank Limited - III [TFC]	8.4%	Pakistan Oilfields Ltd.	5.6%
Pakistan State Oil Ltd.	7.7%	Packages Ltd.	5.6%
Engro Corp. Ltd.	7.0%	Pakistan Petroleum Ltd.	5.0%
ICI Pakistan Ltd.	6.9%	Allied Bank Ltd.	4.9%
Kot Addu Power Co. Ltd.	5.6%	Masood Textiles Ltd. [Pref. Shares]	4.1%

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
Maple Leaf Cement Ltd.	Sukuk	6.53	-	6.53	1.59%	1.58%

Risk Profile



FUND INFORMATION

Fund Type	Open-end
Category	Balanced
Fund Launch Date	24 th January 2004
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	A.F. Ferguson, Chartered Accountants (a member firm of PWC)
Front-end load	2%
Management Fee	2%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Saturdays) except public holidays.
Redemption Days	Daily (Mondays to Saturdays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 10.00
Minimum Investment	PKR 5,000

Investment Committee

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PAKISTAN INT'L ELEMENT ISLAMIC FUND (PIIF)

FEBRUARY 2011

Star Rating: 2-Star (Long Term) & 3-Star (Short Term)

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PIIF's NAV declined by 5.91% compared to its benchmark's fall of 3.82%. Benchmark is the 70:30 weighted average returns of KMI 30 and DJIM. KMI 30 alone declined by 6.66% in February. Underperformance of the Fund was, largely, contributed by 17.7% fall in Packages which is almost 10% of net assets. Other underperforming stocks in the portfolio were POL, PAEL and PSO. Stocks which fell, relatively, less than the broader market include Searle, Hubco and ICI. During the month, the Fund sold its GIS Sukuk holdings and enhanced its equity allocation to 95.24% from 89.04% by increasing exposure in PSO and NML. As of month end, PIIF's portfolio is 6.64x its 2011 earnings.

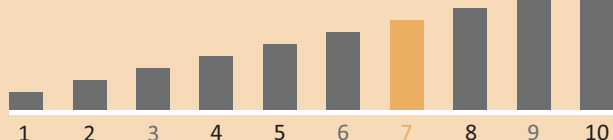
Fund Objective

The objective of the Fund is to provide medium to long term capital appreciation through investing in Shariah compliant investments in Pakistan and Internationally.

Fund Profile

Pakistan International Element Islamic Fund (PIIF) is an open-end asset allocation fund, which seeks to achieve its objective through investing in a portfolio of Shariah compliant investments, diversified across the capital markets of Pakistan as well as keeping a limited exposure internationally. The Fund is managed through an active management strategy with dynamic allocations towards different asset classes. The investment process is driven by fundamental research. The domestic portfolio of the Fund primarily invests in fundamentally strong Shariah compliant equities, high quality Sukuks and other Shariah compliant instruments. For equities, fundamental outlook of sectors/companies and DCF (Discounted Cash Flow) valuations are the primary factors in sectors' allocation and stock selection. Major portion of the Fund's portfolio is high quality liquid stocks.

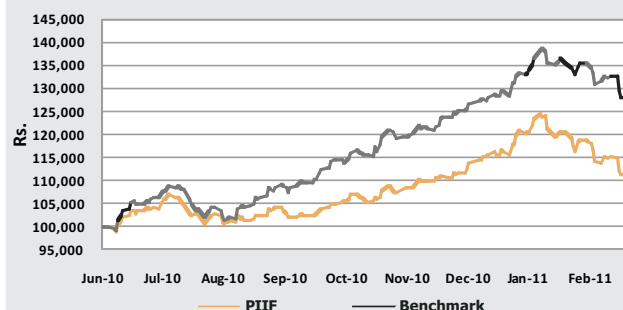
Risk Profile



FUND INFORMATION

Fund Type	Open-end
Category	Islamic Asset Allocation
Fund Launch Date	2 nd May 2006
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Front-end load	Type A: 2% Type B, C & D: None
Back-end load	Type A: None Type B, C & D: Yr 1:3%, Yr 2:2%, Yr 3:1%
Management Fee	Type A & B: 3% Type C & D: 2%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Fridays) except public holidays.
Redemption Days	Daily (Mondays to Fridays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 50.00
Minimum Investment	PKR 5,000
Investment Committee	
<ul style="list-style-type: none"> Mr. Basharat Ullah (Director, Investments) Mr. Zeeshan (Director, Finance) Mr. Ahsan Mehanti (Director, Wealth Management) Mr. Tariq Hashmi (Director, Business Development & Strategy) Ms. Nazia Nauman (Head of Equity Funds) Mr. Zafar Rehman (Head of Debt & Money Market Funds) Mr. Muhammad Imran Khan (Head of Research) 	

Performance Graph – Year to Date



Portfolio Characteristics

	PIIF	KMI - 30
Net Assets / Market Cap (Rs. bn)	0.37	412.11
NAV Rs. Per unit / KMI-30 Index	42.64	18,671.73
Price Earning - 2011	6.64	7.57*
* Shariah-compliant portion of AHI Universe		

Fund Returns (%)

	PIIF	BM*
Month on Month	-5.91	-3.82
Quarter on Quarter	1.38	6.08
FY 11 to Date	12.21	28.84
Since Inception of KMI-30 Index	21.74	51.94
Since Inception of PIIF	23.00	-

* Benchmark Composite returns (70% KMI-30 Index + 30% DJIM-World Index)

Domestic Equity Allocation (as % of Net Assets)

	Feb'11	Jan'11
Oil & Gas	37.3	34.1
Chemicals	16.4	16.8
General Industrials	9.3	10.5
Personal Goods	11.8	8.8
Electricity	7.9	6.9
Others	12.5	12.0

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	2.1	1.8
Equity	95.2	89.0
Govt. Ijara Sukuk	-	7.1
Sukuk	1.9	1.7
Other assets (net of liabilities)	0.8	0.2

Top Ten Holdings (as % of Net Assets)

Pakistan Oilfields Ltd.	13.6%	Packages Ltd.	9.3%
Pakistan State Oil Ltd.	13.1%	Hub Power Co. Ltd.	7.9%
Nishat Mills Ltd.	11.8%	Searle Pakistan Ltd.	6.3%
ICI Pakistan Ltd.	11.1%	Pak Elektron Ltd.	5.5%
Pakistan Petroleum Ltd.	10.6%	Fauji Fertilizer Co. Ltd.	3.6%

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

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PAKISTAN INCOME ENHANCEMENT FUND (PIEF)

FEBRUARY 2011

Fund Stability Rating: AA- (PACRA)

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PIEF delivered an annualized return of 11.02% in February and YTD return of 10% for 8 months FY11. The major investment continued to be T-bills which were 59% of net assets. Exposure in TFCs stood at 28% while the Fund sold World Call Ltd. TFC and acquired UBL-IV TFC at attractive yield. At present, the TFC portfolio is comprised of 10% fertilizer, 8.7% commercial banks, 4.3% real estate and 3.8% investment banks & companies sectors. This month, MUFAP has reintroduced the price capping for valuation of non-traded TFCs which will enable PIEF to deliver more stable returns with minimal volatility in future. 8.5% of net assets were placed in TDR with commercial banks. Investment in GIS Sukuk stood at 3% while bank deposits were under 1% of net assets. At the end of the month, weighted average duration of the Fund was 56 days while weighted average credit quality was AA+. PIEF declared an interim dividend of Re. 0.30/unit during the month, with a cumulative dividend yield of 9.4% for 8 months Fy2011.

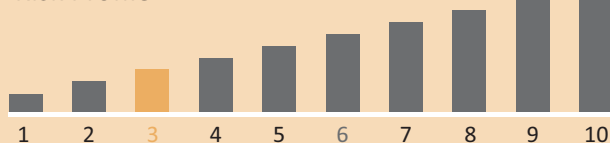
Fund Objective

The objective of the Fund is to deliver return from aggressive investment strategy in the Debt and Fixed Income markets.

Fund Profile

Pakistan Income Enhancement Fund (An Aggressive Fixed Income Fund, referred to as PIEF) is an open-end Fund which primarily invests in Debt and Fixed Income instruments and may also take limited exposure in structured products. The maximum duration of the fund shall not exceed 3 years.

Risk Profile



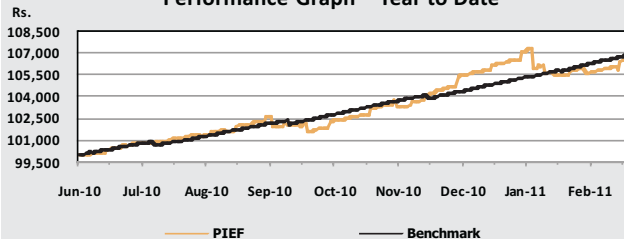
FUND INFORMATION

Fund Type	Open-end
Category	Aggressive Fixed Income Scheme
Fund Launch Date	28 th August 2008
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Front-end load	up to 1.35%
Management Fee	1.5%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Saturdays) except public holidays.
Redemption Days	Daily (Mondays to Saturdays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 50.00
Minimum Investment	PKR 5,000

Investment Committee

- Mr. Basharat Ullah (Director, Investments)
- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehanti (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Mr. Zafar Rehman (Head of Debt & Money Market Funds)
- Mr. Muhammad Imran Khan (Head of Research)

Performance Graph – Year to Date



Portfolio Ratings Profile (% of Net Assets)

	Feb'11
Govt. securities (AAA)	61.4
AA+	0.7
AA	13.6
AA-	6.0
A+	5.9
A	0.8
A- and below	11.6

Portfolio Characteristics

	Feb'11	Jan'11
Duration (Days)	56	40
Avg. Portfolio Maturity (Years)	1.59	1.56
Net Assets (Rs. bn)	1.76	1.70
NAV (Rs. Per unit)	51.02*	50.89*
*Ex-dividend		

Fund Returns (%)

	Feb'11	Jan'11
Month on Month (Annualised)	11.02	-7.06
Benchmark Month on Month*	12.98	10.92
Quarter on Quarter (Annualised)	9.76	11.40
FY'11 to date (Annualised)	10.0	9.68
Since Inception (CAGR)	14.58	14.65
Cumulative Dividend Yield	13.08 ¹	13.29 ¹

¹ Since inception

* Benchmark is 90% 12M KIBOR + 10% 3M PKRV

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	0.7	1.4
T-bills (Govt. securities)	58.5	56.8
Ijara Sukuk	2.9	3.0
Term Finance Certificates	27.8	28.3
TDRs	8.5	8.8
Other assets (net of liabilities)	1.6	1.7

Top Ten TFCs (as % of Net Assets)

Engro Fertilizer Ltd. - PRP 1	9.0	Eden Housing Limited-II (Sukuk)	1.5
Bank Al Falah Ltd.- IV (Floating)	3.2	Bank Al Habib Ltd.II	1.4
Pace Pakistan Ltd.	2.8	United Bank Limited - IV	1.4
KASB Securities	2.1	Askari Commercial Bank Ltd. III	1.2
Askari Commercial Bank Ltd. - II	1.5	Pak Arab Fertilizers Limited	1.1

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

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PAKISTAN INCOME FUND (PIF)

FEBRUARY 2011

Fund Stability Rating: AA- (PACRA)

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PIF delivered an annualized return of 11.06% in February and YTD return of 11.17% for 8 months FY11. The major investment continued to be in T-bills which were 66% of net assets. Exposure in TFCs was reduced to 28% from 31% last month as the Fund booked capital gains in Banking sector TFCs. Present TFC allocation is 12.7% commercial banks, 7% fertilizer, 3.8% investment banks & companies, 2.3% telecommunication and 1.7% real estate sectors. This month, MUFAP has reintroduced the price capping for valuation of non-traded TFCs which will enable PIF to deliver more stable returns with minimal volatility in future. Investment in GIS Sukuk stood at 2.7% while bank deposits were 1.5% of net assets. At the end of the month, weighted average duration of PIF was 64 days while weighted average credit quality was AA+.

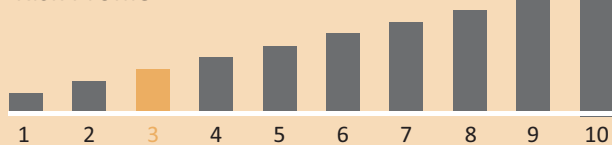
Fund Objective

The objective of the Fund is to deliver returns primarily from Debt and Fixed Income investments without taking excessive risk.

Fund Profile

Pakistan Income Fund (PIF) is an open-end Fund, which invests in Corporate securities, Government securities, money market placements, TDRs and short maturity reverse repurchase transactions. The overall duration of the portfolio is kept below 2 years, in order to keep interest rate risk at a relatively low and manageable level. PIF is a long only fund and cannot undertake leveraged investments. Under the NBFC Rules, it is only allowed to borrow up to 15% of net assets for up to 90 days to meet redemption needs.

Risk Profile

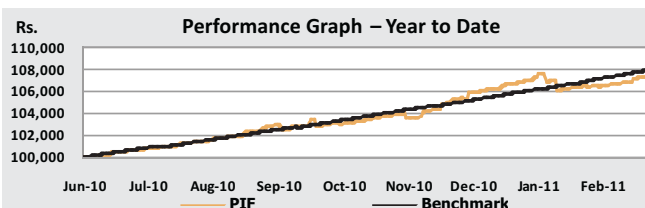


FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Fund Launch Date	11 th March 2002
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Front-end load	up to 1.35%
Management Fee	1.5%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Saturdays) except public holidays.
Redemption Days	Daily (Mondays to Saturdays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 50.00
Minimum Investment	PKR 5,000

Investment Committee

- Mr. Basharat Ullah (Director, Investments)
- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehanthi (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Mr. Zafar Rehman (Head of Debt & Money Market Funds)
- Mr. Muhammad Imran Khan (Head of Research)



Portfolio Ratings Profile (% of Net Assets)

	Feb'11
Govt. securities (AAA)	68.79
AA+	1.51
AA	12.42
AA-	7.20
A+	3.94
A	0.93
A-	0.13
BBB+ and below	5.08

Portfolio Characteristics

	Feb'11	Jan'11
Duration (Days)	64	62
Avg. Portfolio Maturity (Years)	1.42	1.68
Net Assets (Rs. bn)	1.89	1.91
NAV (Rs. per unit)	52.29	51.85

Fund Returns (%)

	Feb'11	Jan'11
Month on Month (Annualised)	11.06	-2.45
Benchmark Month on Month *	13.50	11.76
Quarter on Quarter (Annualised)	11.89	11.81
FY'11 to date (Annualised)	11.17	11.10
Since Inception (CAGR)	10.53	10.52

* Benchmark is 75% 6M KIBOR + 25% 3M PKRV

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	1.5	1.4
T-bills (Govt. securities)	66.0	55.2
Ijara Sukuk	2.7	2.6
Term Finance Certificates	28.0	31.0
Term Deposit Receipts	0.0	7.9
Other assets (net of liabilities)	1.8	1.9

Top Ten TFCs (as % of Net Assets)

Engro Fertilizer Ltd. - PRP 1	6.9	Pace Pakistan Limited	1.7
United Bank Ltd. - III	4.0	Askari Commercial Bank Ltd. - III	1.6
Askari Commercial Bank Ltd. - I	3.7	Telecard Limited	1.6
KASB Securities	2.1	Bank Al-Habib - II	1.4
Bank Al-Falah Ltd. - IV (Floating)	1.9	Trust Investment Bank Limited-IV	1.4

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
Maple Leaf Cement Ltd.	Sukuk	6.53	-	6.53	0.35%	0.35%

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METROBANK-PAKISTAN SOVEREIGN FUND (MSF)

FEBRUARY 2011

Fund Stability Rating: AA (PACRA)

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

MSF delivered an annualized return of 12.74% in February and YTD return of 9.56% for 8 months FY11. The Fund remained invested in short dated T-bills which constituted 82% of net assets. Exposure in PIBs was 9.3% of net assets which has an average maturity of around 8 months. The Fund has invested 5.7% of net assets in sub scheme (12/12) while investment in GIS Sukuk was 2.7%. The Fund size increased by 6.7% to Rs. 1.89 billion due to fresh inflows. The weighted average maturity of MSF portfolio was 93 days while weighted average duration was 65 days at month's end.

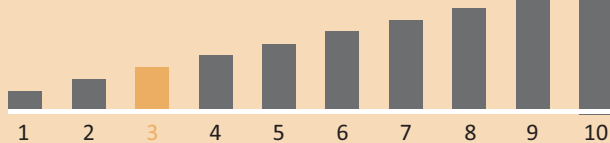
Fund Objective

The objective of the Fund is to deliver income, primarily, from investment in Government Securities.

Fund Profile

MetroBank-Pakistan Sovereign Fund - Perpetual (MSF) is an Open-end Fund, which invests in Bonds and Debt securities issued by the Government of Pakistan as well as Reverse Repurchase transactions (Reverse-REPOs) against Government securities. MSF is a long only fund and does not undertake leveraged investments. Under the NBFC Rules, it is only allowed to borrow up to 15% of net assets for up to 90 days to meet redemption needs.

Risk Profile



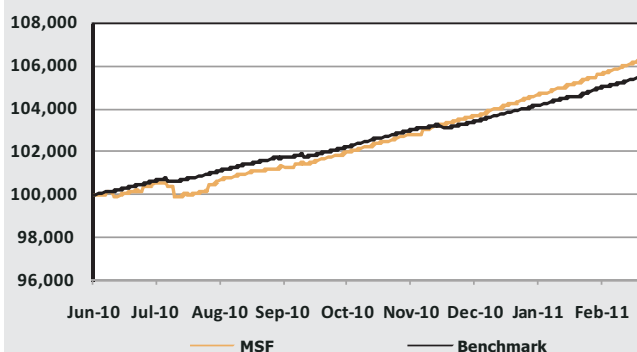
FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Fund Launch Date	1 st March 2003
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjee Registrars Services (Pvt.) Ltd.
Trustees	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	A. F. Ferguson & Co., Chartered Accountants (a member firm of PWC)
Front-end load	0.1%
Management Fee	Lower of 1.5% of net assets or 10% of operating revenue
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Saturdays) except public holidays.
Redemption Days	Daily (Mondays to Saturdays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 50.00
Minimum Investment	100 units

Investment Committee

- Mr. Basharat Ullah (Director, Investments)
- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehanti (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Mr. Zafar Rehman (Head of Debt & Money Market Funds)
- Mr. Muhammad Imran Khan (Head of Research)

Performance Graph – Year to Date



Portfolio Characteristics

	Feb'11	Jan'11
Duration (Years)	0.18	0.15
Avg. Portfolio Maturity (Years)	0.25	0.23
Net Assets (Rs. bn)	1.89	1.77
NAV (Rs. Per unit)	50.61	50.12

Fund Returns (%)

	MSF-Perpetual		MSF 12/12	
	Feb'11	Jan'11	Feb'11	Jan'11
Month on Month (Annualized)	12.74	11.86	12.62	10.52
Benchmark Month on Month* (Annualized)	11.13	8.76	-	-
Quarter on Quarter (Annualized)	12.18	11.59	9.57	8.55
FY'11 to date (Annualized)	9.56	9.06	8.43	7.81
Since Inception (CAGR)	5.51	5.44	5.90	5.83

*Benchmark is 12M PKRV

Portfolio Ratings Profile (% of Net Assets)

	Feb'11
Govt. securities (AAA)	99.21
AA+	0.8

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	0.6	0.3
T-bills (Govt. securities)	81.6	81.0
PIBs (Govt. securities)	9.3	9.8
MSF 12/12 Sub-Fund	5.7	6.0
Ijara Sukuk	2.7	2.8
Other assets (net of liabilities)	0.1	0.1

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

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PAKISTAN CASH MANAGEMENT FUND (PCF)

FEBRUARY 2011

Fund Stability Rating: AAA (PACRA)

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PCF delivered an annualized return of 12.07% in February and YTD return of 11.59% for 8 months FY11. Taking advantage of decreasing yields in short term, the Fund booked gains in short term papers and increased its weighted average duration from 24 to 45 days at month's end. Investment in T-bills was 99.8% of net assets. The net assets slightly increased to 3.08 bn at month's end. PCF declared monthly dividend of Re. 0.42/ unit with a cumulative dividend yield of 10.01% for 8 months FY11.

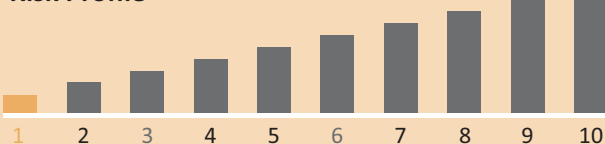
Fund Objective

The Fund aims to deliver regular income and provide high level of liquidity, primarily, from short duration Government Securities Investments.

Fund Profile

Pakistan Cash Management Fund (PCF) is an Open-end Fund, which invests in Government securities, mainly Treasury bills and short-maturity reverse repurchase transactions against Government Securities. The un-invested funds are kept in deposits with minimum AA-rated commercial banks. The overall maturity of the portfolio is kept below 90 days, in order to keep interest rate risk at a relatively low and manageable level and provide high liquidity to investors, comparable to Current Account Deposits with banks. PCF is a long only Fund.

Risk Profile

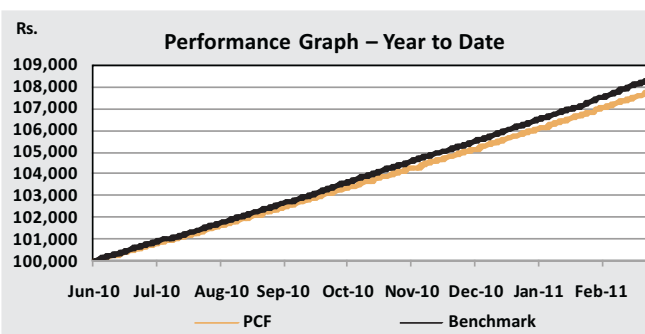


FUND INFORMATION

Fund Type	Open-end
Category	Money Market Scheme
Fund Launch Date	20 th March 2008
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	Habib Metropolitan Bank Ltd
Auditors	A. F. Ferguson & Co., Chartered Accountants (a member firm of PWC)
Front-end load	None
Back-end load	0.1% if redeemed within 3 days
Management Fee	10% of Gross Earning subject to min fee of 0.25% of Net Assets, whichever is higher.
Pricing Mechanism	Backward pricing
Valuation Days	Daily (Mondays to Saturdays) except public holidays.
Redemption Days	Daily (Mondays to Saturdays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 10:00 a.m., Mondays to Saturdays.
Initial Public Offer	PKR 50.00
Minimum Investment	PKR 5,000

Investment Committee

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- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehanti (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Mr. Zafar Rehman (Head of Debt & Money Market Funds)
- Mr. Muhammad Imran Khan (Head of Research)
- Mr. Nadeem Ali Khan (Fund Manager)



Portfolio Characteristics

	Feb'11	Jan'11
Duration (Days)	45	24
Net Assets (Rs. bn)	3.08	3.02
NAV (Rs. Per unit)	50.4580*	50.4117*
* Ex-dividend		

Fund Returns (%)

	Feb'11	Jan'11
Month on Month (Annualised)	12.07	11.46
Benchmark Month on Month*	13.85	11.71
Quarter on Quarter (Annualised)	11.74	11.47
FY'11 to date (Annualised)	11.59	11.42
Since Inception (CAGR)	11.38	11.33
Cumulative Dividend Yield	10.57 ¹	10.59 ¹

¹ Since inception

* Benchmark is 3M PKRV

Portfolio Ratings Profile (% of Net Assets)

	Feb'11
Govt. securities (AAA)	99.8
AA+	0.2

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	0.2	0.3
T-bills (Govt. securities)	99.8	99.7
Other assets (net of liabilities)	-	-

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

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Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

Equity Sub Fund: Equity Sub Fund's NAV decreased by 5.81% as compared to KSE 100 Index decline of 8.66%. Among major holdings, Personal Goods, Oil & Gas, Electricity, Pharmaceutical and Chemicals sectors fell, relatively, less than the broader market. On the other hand, Packages, PAEL, Allied Bank, Habib Metropolitan and Pakistan Tobacco underperformed. Equity exposure in sub fund was 93.11% at month end. No change was made in portfolio allocation during the month. As of month end, PPF-E's portfolio is 6.55x its 2011 earnings.

Debt Sub Fund: Debt Sub Fund delivered annualized return of 10.65% during February. Lower return was due to depressed prices of TFC portfolio. Fresh inflow of money was deployed in short tenure T-Bills. At the month end 13.5% was in TFC, 47.8% in PIBs, 36.3% in T-Bills, while remaining was placed in Banks.

Money Market Sub Fund: Money Market Sub Fund's annualized return was 11.52% during February. New inflows in the sub fund were invested in short-term (3 months) T-Bills during the month. T-Bills represented 99.4% of net assets by the month end.

Fund Objective

The objective of the Fund is to provide a flexible retirement savings plan for individuals with customised investment choices.

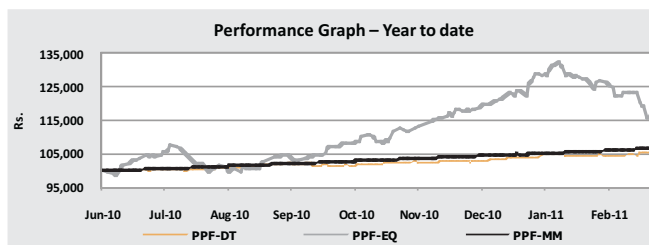
Fund Profile

PPF is a flexible savings cum investment plan under the Voluntary Pension System which facilitates all individuals, who are Pakistani nationals, to save for their retirement in a systematic way and allows special tax rebate on the contributions under this system. The investor has a choice between various allocation schemes that PPF offers, each of which is invested in different proportions in the three Sub-Funds: Equity, Debt and Money Market.

Equity Sub-Fund invests up to 90% of its assets in equity securities. Sector/Stock selection is done on the basis of fundamental outlook and DCF valuations.

Debt Sub-Fund invests in Govt. bonds of duration of less than 5 years.

Money Market Sub-Fund invests in short dated money market instruments including Treasury bills.



PPF-Equity (as % of Net Assets)

	Feb'11	Jan'11
Cash	6.2	5.7
Chemicals	20.3	20.1
Banks	17.7	18.1
Oil & Gas	11.6	11.8
Electricity	8.3	7.8
Personal Goods	7.9	7.8
Other equity sectors	27.3	36.2
Other assets (net of liabilities)	0.7	0.2

PPF-Debt (as % of Net Assets)

	Feb'11	Jan'11
Cash	1.5	2.8
PIBs	47.8	48.2
TFCs	13.5	13.7
T-bills	36.3	33.8
Other assets (net of liabilities)	1.0	1.4

PPF-Money Market (as % of Net Assets)

	Feb'11	Jan'11
Cash	0.5	1.9
T-bills	99.4	98.1
Other assets (net of liabilities)	0.1	-

Fund Returns & Net Assets

	PPF-EQ*	PPF-DT**	PPF-MM**
Month on Month %	-5.81	10.65	11.52
Quarter on Quarter %	1.21	10.47	10.28
FY 11 to date %	18.94	8.25	10.21
Since Inception % (CAGR)	-1.83	7.04	8.72
Net Assets (Rs. mn)	54.75	78.27	66.01
NAV (Rs. Per unit)	98.17	128.36	135.90
* Total Return ** Annualized Return			

PPF-Equity Top Ten Holdings (as % of Net Assets)

Searle Pakistan Ltd.	5.1%	Nishat Mills Ltd.	4.7%
Engro Corp. Ltd.	5.0%	Bank Al-Habib Ltd.	4.6%
Pakistan Petroleum Ltd.	4.7%	Pakistan Oilfields Ltd.	4.6%
Allied Bank Ltd.	4.7%	Hub Power Co. Ltd.	4.4%
ICI Pakistan Ltd.	4.7%	International Industries Ltd.	4.4%

FUND INFORMATION

Fund Type	Open-end
Category	Voluntary Pension Scheme
Fund Launch Date	29 th June 2007
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	MCB Financial Services (Pvt.) Ltd.
Auditors	M. Yousaf Adil Saleem & Co., Chartered Accountants (a member firm of Deloitte Touche Tohmatsu)
Front-end load	3%
Management Fee	1.5%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Fridays) except public holidays.
Redemption Days	Daily (Mondays to Fridays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 100.00
Minimum Investment	PKR 1,000

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Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

Equity Sub Fund: NAV of Equity Sub Fund declined by 6.23% as compared to KMI 30 downward movement of 6.66%. Among major holdings, ICI, Searle Pharma, FFC, PPL and Hubco fell, relatively, less than the broader market. On the other hand Packages, POL, NML and PAEL underperformed. No change was made in the portfolio allocation during the month. By the month-end, equity exposure was 95.4% of net assets as compared to 96.7% a month earlier. As of month-end, PIPF-E's portfolio is 6.96x its 2011 earnings.

Debt Sub Fund: Debt Sub Fund's annualized return during the month was 8.38%. No major change was made in the portfolio. At the month end, the Sub Fund was 73.8% invested in GIS Sukuk, 2.9% in Corporate Sukuk, while the remaining was in banks.

Money Market Sub Fund: Money Market Sub Fund's NAV grew by 6.75% during the month. Portfolio composition remained almost constant. At month-end, the Sub Fund was invested 26.7% in GIS Sukuk, 19.9% in COI(banks) and 50.8% in Bank Deposits.

Fund Objective

The objective of the Fund is to provide a flexible retirement savings plan for individuals with customized investment choices in Shariah compliant assets.

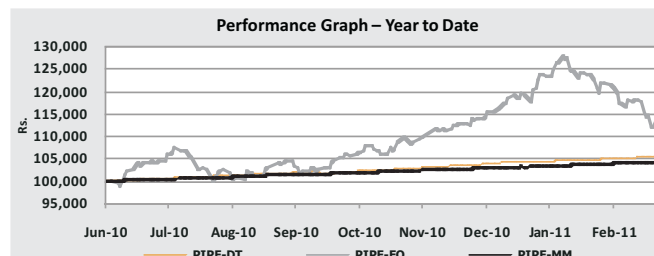
Fund Profile

PIPF is a flexible savings cum investment plan under the Voluntary Pension System which facilitates all individuals, who are Pakistani nationals, to save for their retirement in a systematic way and allows special tax rebate on the contributions under this system. The investor has a choice between various allocation schemes that PIPF offers, each of which is invested in different proportions in the three Sub-Funds: Equity, Debt and Money Market.

Equity Sub-Fund invests upto 90% of its assets in equity securities. Sector/Stock selection is done on the basis of fundamental outlook and DCF valuations and meeting Shariah compliance criteria.

Debt Sub-Fund invests in Sukuk and other Shariah compliant Debt instruments of duration of less than 5 years.

Money Market Sub-Fund invests in short dated Shariah compliant Money Market instruments.



PIPF-Equity (as % of Net Assets)

	Feb'11	Jan'11
Cash	4.1	3.2
Oil & Gas	23.3	23.9
Chemicals	18.1	17.9
General Industrials	11.4	12.5
Pharma & Biotech	9.4	8.9
Personal Goods	9.0	9.3
Automobile & Parts	8.1	8.0
Other equity sectors	16.2	16.3
Other assets (net of liabilities)	0.5	0.1

PIPF-Debt (as % of Net Assets)

	Feb'11	Jan'11
Cash	18.7	18.8
Govt. Ijara Sukuk	73.8	74.5
Sukuk	2.9	3.0
Other assets (net of liabilities)	4.5	3.7

PIPF-Money Market (as % of Net Assets)

	Feb'11	Jan'11
Cash	50.8	31.3
Govt. Ijara Sukuk	26.7	26.8
COIs	19.9	39.6
Other assets (net of liabilities)	2.6	2.3

Fund Returns & Net Assets

	PIPF-EQ*	PIPF-DT**	PIPF-MM**
Month on Month %	-6.23	8.38	6.75
Quarter on Quarter %	2.03	8.09	6.61
FY 11 to date %	14.76	8.21	6.43
Since Inception % (CAGR)	3.09	8.57	6.22
Net Assets (Rs. mn)	37.32	43.92	38.10
NAV (Rs. Per unit)	103.09	131.47	122.25
* Total Return ** Annualized Return			

PIPF-Equity Top Ten Holdings (as % of Net Assets)

Pakistan Oilfields Ltd.	10.1%	ICI Pakistan Ltd.	6.5%
Packages Ltd.	9.1%	Pak Electron Ltd.	6.0%
Pakistan Petroleum Ltd.	8.9%	Fauji Fertilizer Co. Ltd.	5.8%
Nishat Mills Ltd.	7.8%	Hub Power Co. Ltd.	5.7%
Searle Pakistan Ltd.	7.4%	Agriauto Industries Ltd.	4.9%

FUND INFORMATION

Fund Type	Open-end
Category	Islamic Voluntary Pension Scheme
Fund Launch Date	15 th November 2007
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	MCB Financial Services (Pvt.) Ltd.
Auditors	M. Yousaf Adil Saleem & Co., Chartered Accountants (a member firm of Deloitte Touche Tohmatsu)
Front-end load	3%
Management Fee	1.5%
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Fridays) except public holidays.
Redemption Days	Daily (Mondays to Fridays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 100.00
Minimum Investment	PKR 1,000

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Email: marketing@arifhabib.com.pk

Asset Manager Rating: AM2 (Positive Outlook) - (PACRA)

PERFORMANCE REVIEW

PCPF-FIS delivered an annualized return of 7.39% in February and YTD return of 8.49% for 8 months FY11. PCPF-FIS invested 70.3% of net assets in TDR with Habib Metropolitan Bank as capital protection segment of the Fund. Investment in T-bill was 7.3%, while 8.7% of net assets were invested in Term Finance Certificates (TFCs) of bank and investment bank and sukuk of electronic sector with a minimum rating of A. Cash in bank was 5.6% at the end of February 2011. Funds under management were Rs. 256.7 million at month's end.

Fund Objective

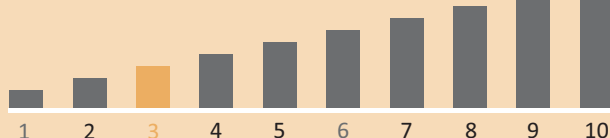
The objective of the Fund is to provide 100% capital protection (net of front-end load) and maximise the return earned from Fixed Income, Money and Debt Market Instruments.

Fund Profile

Pakistan Capital Protected Fund-Fixed Income Securities (PCPF-FIS) is an Open end Fund. Consistent with the objective of PCPF-FIS, about 81.85% of the Fund is invested in bank deposits with Habib Metropolitan Bank that will yield a future value at maturity equivalent to the initial size of the Fund (plus Fund expenses), providing 100% protection of total initial investment (net of all expenses and front end load) to the investors.

The remaining Fund is invested in fixed income securities aimed at providing investors an opportunity to earn high return relative to bank deposits. Under the NBFC rules, the Fund is not allowed to borrow.

Risk Profile

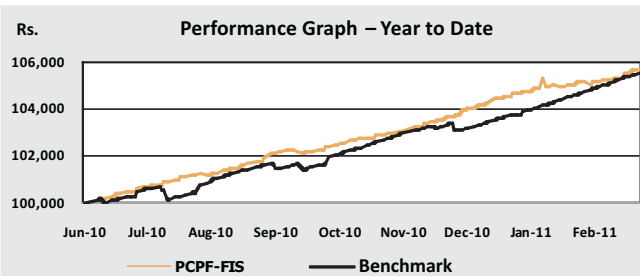


FUND INFORMATION

Fund Type	Open-end
Category	Capital Protected Fund
Fund Launch Date	16 th February 2010
Currency	PKR
Fund Manager	Arif Habib Investments Limited
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Trustees	MCB Financial Services (Pvt.) Ltd.
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Front-end load	3% of the initial investment (during initial period)
Management Fee	1.5% per annum of the average net assets of the Fund
Pricing Mechanism	Forward pricing
Valuation Days	Daily (Mondays to Saturdays) except public holidays.
Redemption Days	Daily (Mondays to Saturdays) except public holidays.
Subscription Days	Each valuation day.
Cut-off Time	Before 5:00 p.m., Mondays to Fridays, and before 12:15 p.m. on Saturdays
Initial Public Offer	PKR 10.00
Minimum Investment	PKR 5,000

Investment Committee

- Mr. Basharat Ullah (Director, Investments)
- Mr. Zeeshan (Director, Finance)
- Mr. Ahsan Mehanti (Director, Wealth Management)
- Mr. Tariq Hashmi (Director, Business Development & Strategy)
- Mr. Zafar Rehman (Head of Debt & Money Market Funds)
- Mr. Muhammad Imran Khan (Head of Research)
- Mr. Muhammad Nadeem Ali Khan (Fund Manager)



Portfolio Characteristics

	Feb'11	Jan'11
Duration (Days)	383	407
Avg. Portfolio Maturity (Years)	1.2	1.3
Net Assets (Rs. bn)	0.26	0.26
NAV (Rs. Per unit)	10.65	10.59

Fund Returns (%)

	Feb'11	Jan'11
Month on Month (Annualised)	7.39	5.59
Benchmark Month on Month*	11.79	10.67
Quarter on Quarter (Annualised)	8.55	8.62
FY'11 to date (Annualised)	8.49	8.59
Since Inception (CAGR)	9.89	10.07

* Benchmark is PKRV Yield (for 2.5 Years) + 200bps (For Investment Segment only)

Portfolio Ratings Profile (% of Net Assets)

	Feb'11
Govt. securities (AAA)	7.3
AA+	76.0
AA	0.0
AA-	1.0
A+	4.3
A	3.4
A-	0.0
BBB+ and below	8.0

Asset Allocation (as % of Net Assets)

	Feb'11	Jan'11
Cash	5.6	5.7
T-bills (Govt. securities)	7.3	7.3
Ijara Sukuk	0.0	0.0
Term Finance Certificates	8.7	8.8
Term Deposit Receipts	70.3	70.7
Other assets net of liabilities	8.1	7.5

Top Ten TFCs (as % of Net Assets)

			8.7
Pak Electron Limited -I (Sukuk)	4.3	Escorts Investment Bank Limited	3.4
Bank Al-Falah Ltd -IV (Floating)	1.0		

Non-compliant Investments

Name of investment	Type	Value before (Rs mn)	Provision (Rs mn)	Value after (Rs mn)	% of net assets	% of gross assets
-	-	-	-	-	-	-

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any Fund. All investments in mutual funds are subject to market risks. The NAV-based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not, necessarily, indicative of future results.

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Asset Manager Rating
'AM2' Positive Outlook (by PACRA)



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