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FUND'S INFORMATION

Management Company	Arif Habib Investments Limited 23, M.T. Khan Road, Karachi - 74000	
Board of Directors of the Management Company	Mr. Muhammad Shafi Malik	Chairman
	Mr. Nasim Beg	Chief Executive
	Mr. Sirajuddin Cassim	Director
	Mr. S. Gulrez Yazdani	Director
	Mr. Muhammad Akmal Jameel	Director
	Mr. Syed Ajaz Ahmed	Director
	Mr. Samad A. Habib	Director (Subject to the approval of SECP)
	Mr. Muhammad Kashif	Director
Company Secretary & CFO of the Management Company	Mr. Zeeshan	
Audit Committee	Mr. Muhammad Shafi Malik	Chairman
	Mr. Muhammad Akmal Jameel	Member
	Mr. Syed Ajaz Ahmed	Member
	Mr. Samad A. Habib	Director (Subject to the approval of SECP)
Trustee	Central Depository Company of Pakistan Limited (CDC) CDC House, 99-B, SMCHS, Main Shahrah-e-Faisal, Karachi	
Bankers of the Fund	• Habib Metropolitan Bank Limited • Summit Bank Limited	
Auditors	M/s. A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi - 74000	
Legal Advisor	M/s. Bawaney & Partners 404, Beaumont Plaza, Beaumont Road, Karachi – 75530	
Registrar	M/s. Gangjees Registrar Services Private Limited 516, Clifton Centre, Kehkashan, Clifton, Karachi	
Rating	PACRA: AM2 – Management Company (Positive Outlook) – Management Quality rating assigned to the Management Company	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD FROM DECEMBER 22, 2010 TO DECEMBER 31, 2010

The Board of Directors of Arif Habib Investments Limited, the Management Company of the Pakistan Premier Fund (PPF), is pleased to present its report together with the Condensed Interim Financial Statements of PPF for the period from December 22, 2010 to December 31, 2010.

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

Fund Profile
PPFL 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.

Fund Performance during the period
Pakistan Premier Fund Limited (a closed end Company) transferred net assets to the Fund amounting to Rs 1,537.58 on December 22, 2010 the effective date of conversion. The Net Assets of the Fund as at December 31, 2010 stood at Rs 874.74.

The decline was due to the fact that some investors opted to cash out their investments at NAV post conversion; these units were traded at a significant discount to NAV pre conversion. Conversion allowed the investors an exit opportunity and freedom to convert their investments into other open-end funds managed by the Management Company.

The Net Asset Value (NAV) per unit at December 31, 2010 stood at Rs 9.22 as compared to Rs 9.05 on effective date of conversion registering an increase of Re 0.17 per unit during the period.

Explanation with regards to emphasis of matter paragraph included in the Auditor's Review Report
The explanation with regard to emphasis of matter paragraph is provided in note 13 ot the Condensed Interim Financial Statements.

Future Outlook and Fund performance
Future Outlook and Fund Performance is fully explained in Fund Manager Report attached to this report.

Conversion of the Fund into an open end scheme
Details related to conversion of the Fund from closed end scheme into an open end fund are fully explained in Note 2 of Condensed Interim Financial Statements.

Acknowledgement
The Board of Directors of the Management Company is thankful to the valued investors of the Fund for their reliance and trust in Arif Habib Investments Limited. The Board also likes to thank the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (the Trustee of the Fund) and the management of the Lahore Stock Exchange for their continued cooperation, guidance, substantiation and support. The Board also acknowledges the efforts put in by the team of the Management Company for the growth and meticulous management of the Fund.

For and on behalf of the Board

February 19, 2011
Karahci.

Nasim Beg
Chief Executive

REPORT OF THE FUND MANAGER
FOR THE PERIOD ENDED DECEMBER 31, 2010

Objective

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

Profile

Pakistan Premier Fund (PPF) 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. The funds which are not invested in equities are required to be kept in bank deposits and short-term money market instruments/ placements.

PPF is a long only Fund. 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.

Performance Review

PPF NAV increased 6.96% in 2Q FY11 against an increase of 20.06% in the KSE-100 Index. Due to change in status of the Fund from closed end to open end, equity exposure in PPF had been kept low. The Fund remained on average 48% invested in equities during the quarter. Of this average, about 17% underperformed, while 31% of net assets outperformed. Amongst key holdings, Searle, PSMC, Engro were the underperformers, while ABL, NML, POL, PPL, FFC, ICI, Packages outperformed the KSE-100 Index.

For the half year ended December 31, 2010, the Fund NAV has increased 8.54%, compared to 23.66% of the KSE-100 Index.

	PPF	
	Fund	**BM**
Oct-10	3.25	5.84
Nov-10	3.26	6.00
Dec-10	0.33	7.01
QoQ	6.96	20.06
FY	8.54	23.66

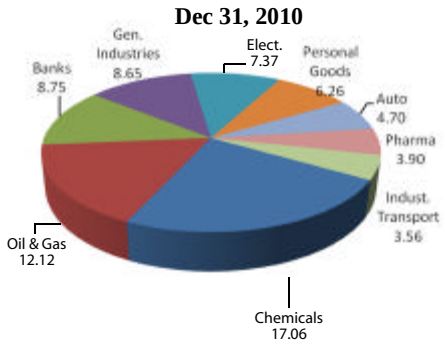
Asset allocation and Investment Activities

Activity in PPF during the quarter was focused towards generating sufficient liquidity to meet redemptions post the conversion of the Fund on December 22. Keeping this in view, equity exposure of the Fund was reduced from a high of 58.30% at the beginning of the quarter, to about 38% in mid December. Exposure was shed across the board, with more reduction in relatively illiquid stocks and those with less upside potential. Post conversion, the fund size has reduced about 43% because of redemptions, increasing the overall equity allocation in the fund to 72.4% as at December end.

With about 11.3% of net assets in cash and near cash, the fund has ample liquidity to meet any further redemption needs. Once the Fund size stabilizes, the PPF will realign its portfolio towards quality undervalued scrips.

Top 10 holdings on Dec 31, 2010	
Packages Limited	8.65
Allied Bank	6.50
Pakistan Oilfields	6.17
Nishat Mills	6.08
Pakistan Petroleum	5.94
ICI Pakistan	5.72
Fauji Fertilizer Company	5.71
Engro Corp	5.63
Pak Suzuki Motor Company	4.70
Searle Pakistan	3.90

Dec 31, 2010



Equity Market Review

The KSE-100 index gained 20% in the second quarter of this fiscal year, with overall 23% gain in the first half ended December 2010. From its August 2010 lows of 9,500, when it fell by 10% amid devastating monsoon floods in the country, the market has shown consistent rising trend with gains of 26% by December end. The rally in domestic equity market has coincided with strong gains in global equities and most importantly emerging market equities. The equities have defied the negative developments on the macroeconomic front with focus turning towards relatively attractive domestic equity valuations. Given the 50% average lower earnings multiples and higher dividend yields, foreigners have been aggressively bidding up the prices, by making net investments of USD 144mn in the second quarter compared to USD 106mn in the preceding quarter. Oil and gas sectors have been at the forefront of strong market performance, with all leading stocks in the exploration, refinery and oil marketing sub sectors showing strong gains. Market heavy weight OGDC, which accounts for 25% of the KSE100 index has risen by 18.30% during the quarter. Fertilizer stocks recorded strong gains amid expectations of improvement in manufacturers' margins and higher profits as fertilizer demand picked up following heavy floods in August. Large banks, after lagging behind the market during the past one year, have rebounded due to expected positive earnings announcement for the accounting year ended December 2010. During the quarter, average daily turnover increased to 124mn compared to that of 62mn in the first quarter of FY11. Volumes have been gradually on the rise, with activity in the month of December picking up amid expectations of introduction of new margin trading system in the near future.

Economic review

1HFY11 continued to bring some key challenges for the restoration of a stable economy; continued rising government expenditure amid falling tax/GDP ratio and high inflation in a soaring interest rate scenario. SBP has responded by using a tight monetary policy, thus raising the discount rate by 150 bps to 14% in the last three consecutive Monetary Policy Statements (MPS).

Fiscal Side

Fiscal account figures released by the Finance Ministry for July – September 2010 posted a deficit of 1.6% (Rs 276 billion) of GDP against a full year target of 4.7%. Given the persistent high government borrowing due to shortfall in revenue collection and higher expenditures on account of floods and electricity sector subsidies, we could see fiscal deficit for FY11 crossing 6.5% of GDP. Tax collection figures for July – November, 2010 showed a growth of 8.8% to Rs 500.07 billion over the corresponding period of last year which is way below the revised target of Rs. 1,604 billion for the full FY11. The delay in the implementation of RGST has reduced the prospects of meeting the revenue targets for the current fiscal year. Furthermore, government has been unable to pass on the rise in international oil prices due to political pressure, which has adversely affected the petroleum levy account of the government. According to some official sources, the subsidy elimination on power of 2% monthly has also been delayed for an indefinite period of time which will result in further slippage of an already fragile fiscal account.

Monetary Sector

Money supply (M2) for 1HFY11 has grown compared to the same period last year, but this expansion is majorly due to high government borrowing from the SBP. M2 expanded by Rs550 billion as compared to an increase of Rs300 billion in 1HFY10. Net Foreign Assets (NFA) of the banking system increased by Rs131 billion on the back of better external account position. Net Domestic Assets (NDA) also increased by Rs419 billion from July – December 2010 against an increase of Rs295 billion in the same period of preceding year. This growth was merely due to elevated government borrowing which contributed Rs291 billion to NDA.

Inflation

CPI inflation, after starting off at 12.34%, climbed up to 15.46% YoY in December, 2010 due to high government borrowing and structural adjustments (subsidy elimination). The economy also witnessed serious supply side issues due to destruction of crop and infrastructure amid flood crisis. On the other hand Non-

food Non-Energy (NFNE) inflation has been consistent at 9.5% which is 80 bps lower than what it was in July, 2010(10.3%). Going forward, inflation is expected to be persistent due to high government borrowing, elevated prices of agriculture commodities and higher international oil prices. With CPI inflation range of 15%-16% for FY 2011 along with higher fiscal deficit up to 6.5%, interest rates are expected to remain high and a possible further monetary tightening in the form of hike in the discount rate by 100 bps from the existing 14%.

Real Sector

Growth in large scale manufacturing sectors was negative 2.3% in the first five months of this fiscal year compared to the corresponding period of last year mainly due to devastating floods in August 2010. Cement production fell by 11.2%, followed by a negative 10.6% production in petroleum products, -10.1% in textile sector and lastly 5.0% contraction in fertilizer sector, while automobile sector enjoyed a positive growth of 12.9% along with Chemicals sector which produced 1.8% more over the same period of previous year. Overall domestic demand is likely to improve in the coming months due to two factors; first rehabilitation/reconstruction in flood affected areas and second, improvement in agriculture and rural income on account of expected higher wheat and other agriculture outputs/prices. However, prevailing inflationary pressures (15%+), higher interest rates (lending rates in excess of 16%) along with crippling electricity/gas shortages amid increasing tariffs are hurting the prospects of a significant rebound in manufacturing sector growth in the near future.

External Side

External side has seen marked improvement during the first half of this fiscal year, with current account position showing a surplus of US$26 million (against a deficit of USD$2570 million in the same period last year) mainly on account of reduction in trade deficit and higher remittances. Exports have increased by 21% to US$11.071 billion on the back of strong performance of textiles exports. At the same time, imports have increased by 20% to US$19.149 billion mostly due to higher international oil prices. Estimates for total exports and remittances have been revised upward to US$22 billion and US$10 respectively for the fiscal year ending June 2011. Overall, Pakistan's foreign exchange reserves increased from US$16.48bn to US$ 17.197bn from July – January FY11. While external side is expected to be comfortable in the near term, Pakistan still requires to remain under the umbrella of IMF funding support given the weak fiscal position, declining direct foreign investments and vulnerability on account of high external debt.

IMF support and RGST implementation

IMF has stopped the disbursement of last two tranches of US$3.4 billion as the Government of Pakistan reneged on its commitment to implement the reformed general sales tax amid strong opposition from the coalition partners of the government and opposition parties. Given the severity of fiscal situation, the government has no choice but to increase the tax revenue base and therefore, political consensus is likely to be achieved for the implementation of RGST not later than next annual budget of the government. Overall we expect that IMF will disburse the last tranches of the existing Standby arrangement (SBA) and Pakistan will negotiate for another SBA post FY 11.

Future outlook

At present local equities are trading at an average PE of 9.8x, lower than the emerging market PE that is in the range of 14.2x – 23.8x. Therefore, foreign liquidity driven rally may continue in the near future given the relatively lower valuations of Pakistani stocks in general. However, there are lingering serious macroeconomic concerns most particularly rising budget deficit, higher inflation/interest rates, electricity shortages and slow manufacturing sector growth. As a result, equity risk premium for Pakistani equities is expected to remain high compared to other emerging markets. Furthermore, interest rates are expected to increase further during the next quarter amid high inflation numbers, heavy government borrowing and fiscal imbalances.

TRUSTEE REPORT TO THE UNIT HOLDERS

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

The Pakistan Premier Fund (the Fund), an open-end fund was constituted by virtue of a scheme of arrangement for conversion of Pakistan Premier Fund Limited, a closed- end fund into an open-end fund under a trust deed dated November 12, 2010, executed between Arif Habib Investments Limited, as the Management Company and Central Depository Company of Pakistan Limited, as a Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from December 22, 2010 to December 31, 2010 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 23, 2011

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Pakistan Premier Fund as at December 31, 2010, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the period from December 22, 2010 to December 31, 2010. The Management Company (Arif Habib Investments Limited) is responsible for the preparation and presentation of this condensed 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 condensed 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 condensed interim financial information as of and for the period from December 22, 2010 to December 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter paragraph

Without qualifying our conclusion, we draw attention to note 13 to the condensed interim financial statements which refers to an uncertainty relating to the future outcome of the litigation regarding contribution to the Workers Welfare Fund which litigation is currently pending adjudication at the Honorable High Court of Sindh.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Rashid A. Jafer**

Dated: February 19, 2011
Karachi

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2010

	Note	Unaudited December 31, 2010 (Rupees in '000)
ASSETS		
Balances with banks	4	99,780
Receivable against sale of units		20
Investments	5	831,192
Dividend and profit receivable		2,552
Deposits and prepayments	6	2,833
Advance tax		2,655
Total Assets		939,032
LIABILITIES		
Payable on redemption of units		4,793
Payable to the Management Company	7	2,802
Payable to Central Depository Company of Pakistan Limited - Trustee	8	38
Payable to Securities and Exchange Commission of Pakistan	9	757
Unclaimed dividend		47,931
Conversion cost payable to the Management Company	10	5,680
Accrued expenses and other liabilities		2,292
Total Liabilities		64,293
NET ASSETS		874,739
Unit holders' fund (as per statement attached)		874,739
		(Number of units)
Number of units in issue		94,903,570
		(Rupees)
Net Asset Value per unit	3.10	9.22
CONTINGENCIES AND COMMITMENTS	13	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 22, 2010 TO DECEMBER 31, 2010

	Note	For the period from December 22, 2010 to December 31, 2010 (Rupees in '000)
Income		
Capital loss on sale of investments - net		(10)
Income from government securities		762
Profit on bank deposits		705
Unrealised appreciation in the value of investments 'at fair value through profit or loss'	5.3	15,303
Total income		16,760
Operating expenses		
Remuneration of the Management Company	7	499
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8	38
Annual fee - Securities and Exchange Commission of Pakistan	9	24
Securities transaction cost		7
Settlement and bank charges		4
Fees and subscriptions		6
Auditor's remuneration		204
Printing and related cost		12
Total expenses		794
Net income from operating activities		15,966
Element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed		(529)
Net income for the period before taxation		15,437
Taxation	12	-
Net income for the period after taxation		15,437
Other comprehensive income for the period		-
Total comprehensive income for the period		15,437
Earnings per unit	11	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 22, 2010 TO DECEMBER 31, 2010

	Note	For the period from December 22, 2010 to December 31, 2010 (Rupees in '000)
Loss transferred from Pakistan Premier Fund Limited		(160,470)
Net income for the period		15,437
Element of losses / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net		
- amount representing unrealised capital (gains) losses and capital (gains) / losses that from part of the unit holders' fund - transferred to distribution statement		70,737
Net income carried forward		(74,296)
Net income carried forward		
- Realised gain		(89,599)
- Unrealised gain	5.3	15,303
		(74,296)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE PERIOD FROM DECEMBER 22, 2010 TO DECEMBER 31, 2010

	Note	For the period from December 22, 2010 to December 31, 2010 (Rupees in '000)
Issue of 169,804,687 units against cancellation of 169,804,687 shares of Pakistan Premier Fund Limited upon conversion of Pakistan Premier Fund Limited (closed end fund) into Pakistan Premier Fund (open end scheme) as per scheme of arrangement	14	1,537,577
Issue of 4,400 units for the period from December 23, 2010 to December 31, 2010		40
Redemption of 74,905,517 units for the period from December 23, 2010 to December 31, 2010		(678,844)
		858,773
Element of losses / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net		
- amount representing loss / (income) and capital losses / (gains) - transferred to income statement		529
- amount representing unrealised capital (gains) losses and capital (gains) / losses that from part of the unit holders' fund - transferred to distribution statement		(70,737)
Capital loss on sale of investments		(10)
Net unrealised appreciation in value of investments 'at fair value through profit or loss' - net	5.3	15,303
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (loss) that form part of the unit holders' fund		70,208
Other net income for the period		673
		86,174
Net assets at the end of the period		874,739

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 22, 2010 TO DECEMBER 31, 2010

	Note	For the period from December 22, 2010 to December 31, 2010
		(Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period		15,437
Adjustments		
Unrealised appreciation in the value of investments - 'at fair value through profit or loss'		(15,303)
Net element of loss / (income) and capital loss / (gains) included in prices of units issued less those in units redeemed		529
		663
Decrease / (Increase) in assets		
Receivable against sale of units		(20)
Investments - 'at fair value through profit or loss'		241,531
Profit receivable		(197)
Deposits and prepayments		2
		241,316
Increase / (Decrease) in liabilities		
Payable on redemption of units		4,793
Payable to the Management Company		984
Payable to Central Depository Company of Pakistan Limited - Trustee		38
Payable to Securities and Exchange Commission of Pakistan - Annual Fee		23
Unclaimed dividend		(15,656)
Accrued expenses and other liabilities		(167)
		(9,985)
Net cash used in operating activities		231,994
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payment from issuance / redemption of units		(678,804)
Bank balances transferred from Pakistan Premier Fund Limited upon conversion	14	546,590
Net cash from financing activities		(132,214)
Net increase in cash and cash equivalents during the period		99,780
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		99,780

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

1 LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Premier Fund (the Fund) was constitued by virtue of a scheme of arrangement for conversion of Pakistan Premier Fund Limited (PPFL) into a an Open End Scheme under a Trust Deed executed between Arif Habib Investments Limited (AHIL), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on November 12, 2010 after being approved by the Securities and Exchange of Pakistan (SECP) on November 11, 2010 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

The Management Company (Arif Habib Investments Limited) has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the management company is situated at Arif Habib Centre, 23 M.T Khan Road, Karachi, Pakistan.

The Fund has been categorised as an open end equity scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS) and listed on the Lahore Stock Exchange on January 13, 2011. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' (positive outlook) to the Management Company.

The Fund primarily invests in shares of listed equity securities and cash and near cash instruments which include cash in bank accounts (excluding TDRs), and treasury bills not exceeding 90 days remaining in maturity.

Face value per unit is Rs 10. As per the scheme of arrangement for conversion of closed end fund into an open end scheme, a swap ratio of 1:1 (i.e. for each fully paid-up share of the par value of Rs 10 of Pakistan Premier Fund Limited, each shareholder whose name was entered in the Register of Members of Pakistan Premier Fund Limited on the effective date was issued one unit of the Open End Scheme of the par value of Rs 10 with no Front-end Load and upon issuance of the Units of the Open End Scheme, the shares of Pakistan Premier Fund Limited and the corresponding share certificates were deemed to be cancelled and of no effect) was approved by the shareholders of Pakistan Premier Fund Limited vide their Special Resolution dated September 25, 2010. Hence, the initial issuance of 169,804,687 units of Pakistan Premier Fund was made at the net asset value received against each unit (i.e. Rs 9.05 per unit).

As per clause 2.3.1 of the Trust Deed, the Fund shall become operative from the "effective date" upon conversion of Pakistan Premier Fund limited to an open end scheme. Therefore, these condensed interim financial statements have been prepared from December 22, 2010, i.e., the "effective date" of conversion.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting

standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. In cases where requirements differ, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements.

2.2 These condensed interim financial statements are un-audited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance. Accordingly, the Board of Directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund.

2.3 Standards, amendments to published approved accounting standards and interpretations as adopted in Pakistan, that are not yet effective

The following amendments to existing standards have been published and are mandatory for accounting periods beginning on or after July 1, 2011 or later periods:

IAS 24 (revised), ‘Related party disclosures’, issued in November 2009. It supersedes IAS 24, ‘Related party disclosures’, issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after January 1, 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Fund will apply the revised standard from July 1, 2011. The Fund is currently in the process of assessing the impact, if any, of the revised standard on the related party disclosures.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these condensed interim financial statements.

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements is in conformity with approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (notes 3.1 and 5).

2.5 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. The financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below:

3.1 Financial assets

3.1.1 The management of the Fund classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short-term profit taking exists.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise of cash and bank balances, receivable against sale of investments, deposits and dividend and profit receivable.

3.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss are valued as follows:

a) Basis of valuation of Government Securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

b) Basis of valuation of Equity Securities

The investment of the company in equity securities is valued on the basis of quoted market prices available at the stock exchange.

Net gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets at fair

value through profit or loss are taken to the income statement.

Loans and receivables and held to maturity financial assets are carried at amortised cost.

3.1.5 Impairment

The carrying amounts of the Fund's assets are revalued at each balance sheet date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognised immediately as an expense in the income statement.

3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired, have been realised or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.1.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include payable to the Management Company and other liabilities.

3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.4 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the Statement of Assets and Liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

All reverse repo transactions are accounted for on the settlement date.

3.5 Proposed distributions

Distributions declared subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption request during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the Unit Holder's Fund in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.8 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Taxation

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these condensed interim financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.10 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.11 Revenue recognition

- Realised capital gains / losses arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised capital gains / (losses) arising on marking to market of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.
- Profit on investment is recognised on an accrual basis.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks.

3.13 Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Income Statement within the fair value net gain or loss.

		Note	December 31, 2010 (Unaudited) (Rupees in '000)
4	**BALANCES WITH BANKS**		
	In current accounts		47,931
	In deposit accounts	4.1	51,849
			99,780

4.1 Profit rates received on deposit accounts was 9.5% per annum.

5 INVESTMENTS

At fair value through profit or loss

- Government Securities	5.1	198,175
- Listed equity securities	5.2	633,017
		831,192

5.1 Government Securities - at 'fair value through profit or loss'

Issue date	Tenor	---------- Face value ----------				Balance as at Dec. 31, 2010			Market value as percentage of total	Market value as percentage of net assets
		Transferred from PPFL as on Dec	Purchases during the period	Sales / Matured during the	As at December 31, 2010	Cost	Market value	Appreciation / (Diminution)		
		----------Rupees in '000----------								
TREASURY BILLS										
October 7, 2010	3 Months*	20,000	-	20,000	-	-	-	-	-	-
October 21, 2010	3 Months*	110,000	-	110,000	-	-	-	-	-	-
November 4, 2010	3 Months*	200,000	-	-	200,000	198,168	198,175	7	23.84%	22.66%
November 16, 2010	3 Months*	115,000	-	115,000	-	-	-	-	-	-
					198,168	**198,175**	**7**			

* These securities have been transferred to Pakistan Premier Fund Limited upon conversion as per Scheme of Arrangement.

5.2 Listed Equity Securities - at 'fair value through profit or loss'

Name of the Investee company	Number of shares					Balance as at December 31, 2010			Market value as percentage of investments	Market value as percentage of net assets	Paid up value of shares held as a % of total paid up capital of the investee company
	Transferred from PPFL as on Dec 22, 2010	Purchases during the period	Bonus / Rights issue/ Specie dividend	Sales during the period	As at December 31, 2010	Cost	Market value	Appreciation / (Diminution)			
						Rupees in'000					
SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs. 10 each unless stated otherwise											
OIL & GAS											
Pakistan Oilfields Limited*	182,480	-	-	-	182,480	53,228	54,007	779	6.50%	6.17%	0.08%
Pakistan Petroleum Limited*	239,334	-	-	-	239,334	51,512	51,971	459	6.25%	5.94%	0.02%
						104,740	105,978	1,238			
CHEMICALS											
Engro Corporation Limited*	254,217	-	-	-	254,217	50,167	49,270	(897)	5.93%	5.63%	0.08%
Fauji Fertilizer Company Limited*	396,843	-	-	-	396,843	46,625	49,947	3,322	6.01%	5.71%	0.02%
I.C.I. Pakistan Limited*	347,000	-	-	-	347,000	49,614	50,051	437	6.02%	5.72%	0.25%
						146,406	149,268	2,862			
GENERAL INDUSTRIALS											
Packages Limited*	588,011	-	-	-	588,011	72,966	75,624	2,658	9.10%	8.65%	0.70%
						72,966	75,624	2,658			
INDUSTRIAL TRANSPORTATION											
Pakistan International Container Terminal Limited*	428,329	-	-	-	428,329	31,272	31,161	(111)	3.75%	3.56%	0.39%
						31,272	31,161	(111)			
AUTOMOBILE AND PARTS											
Pak Suzuki Motor Company Limited*	588,488	-	-	-	588,488	40,665	41,088	423	4.94%	4.70%	0.72%
						40,665	41,088	423			
PERSONAL GOODS											
Kohinoor Mills Limited*	547,932	-	-	-	547,932	1,310	1,611	301	0.19%	0.18%	1.08%
Nishat Mills Limited*	828,514	-	-	-	828,514	52,404	53,166	762	6.40%	6.08%	0.24%
						53,714	54,777	1,063			
PHARMA AND BIO TECH											
Searle Pakistan Limited*	567,906	-	-	-	567,906	34,182	34,080	(102)	4.10%	3.90%	1.85%
						34,182	34,080	(102)			
ELECTRICTY											
Hub Power Company Limited*	626,250	-	-	-	626,250	23,528	23,428	(100)	2.82%	2.68%	0.05%
Kohinoor Energy Limited*	530,165	-	-	-	530,165	10,561	11,547	986	1.39%	1.32%	0.31%
Kot Addu Power Company Limited*	725,433	-	-	-	725,433	29,423	29,510	87	3.55%	3.37%	0.08%
						63,512	64,485	973			
BANKS											
Allied Bank Limited*	810,306	-	-	-	810,306	52,265	56,843	4,578	6.84%	6.50%	0.10%
Habib Metropolitan Bank Limited*	679,992	-	-	-	679,992	17,999	19,713	1,714	2.37%	2.25%	0.08%
						70,264	76,556	6,292			
DELISTED COMPANIES**											
Sarhad Ghee Mills Limited	113,000	-	-	-	113,000	-	-	-	-	-	-
Sunflo Citruss Limited	315,000	-	-	-	315,000	-	-	-	-	-	-
						-	-	-			
TOTAL						617,721	633,017	15,296			

* These securities have been transferred to Pakistan Premier Fund upon conversion as per Scheme of Arrangement.

** These securities are delisted and are valued at Nil in the books of accounts.

		Note	December 31, 2010 (Unaudited) (Rupees in '000)
5.3	**Net unrealised appreciation / (diminution) on re-measurement of financial assets at 'fair value through profit or loss' - held for trading**		
	Market value of investments		831,192
	Less: Carrying value of investments		(815,889)
			15,303
6	**DEPOSITS AND PREPAYMENTS**		
	Deposit with Central Depository Company of Pakistan Limited		300
	Deposit with National Clearing Company of Pakistan Limited		2,500
	Prepaid expense - CDC Annual Fee		33
			2,833
7	**PAYABLE TO ARIF HABIB INVESTMENTS LIMITED - MANAGEMENT COMPANY**		
	Management fee	7.1	2,317
	Other payable		485
			2,802

7.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter of an amount equal to 2 percent of such assets of the Fund. In the current period, the Management Company has charged remuneration at the rate of 2 percent of the average annual net assets of the Fund.

		Note	(Unaudited) December 31, 2010 (Rupees in '000)
8	**PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**		
	Trustee fee	8.1	38

8.1 Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure:

Net Assets	**Tariff per annum**
Upto Rs. 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Asset Value whichever is higher.
Exceeding Rs. 1,000 million	Rs. 2 million plus 0.10% per annum of Net Asset Value exceeding Rs. 1,000 million

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme being an equity fund is required to pay as an annual fee to the SECP, an amount equal to 0.095% of the average annual net assets of the scheme.

10 CONVERSION COST PAYABLE

Conversion cost include all costs of conversion of Pakistan Premier Fund Limited into an Open End Scheme, including preparation, execution and registration of Constitutive Documents, registration of the Open End Scheme as a Notified Entity, approval of the SECP for publication of the Offering Documents and other such ancilliary matters. These have been charged to the Pakistan Premier Fund Limited in terms of conditions imposed by SECP while granting approval to the conversion undertaken. The conversion cost shall be reimbursed by the Fund to the Management Company over a period of five years as per Article XIV of the Scheme of arrangement.

11 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

12 TAXATION

No provision for taxation has been made as Fund is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13 CONTINGENCIES AND COMMITMENTS

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The Mutual Funds Association of Pakistan (MUFAP), on behalf of its members filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that mutual funds are not establishments and as a result are not liable to pay contribution to the WWF. The honourable court has rejected the petition on technical grounds stating that MUFAP is not the aggrieved party in this case and required the aggrieved parties to approach the courts for the said petition. In response a petition has been filed with the SHC by some of the mutual funds through their Trustees alongwith few investors. However, subsequent to filing of the petition, the Ministry of Labour and Manpower (the Ministry) issued a letter which states that mutual funds are not liable for WWF. Further, in a subsequent letter dated July 5, 2010 the Ministry clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income of Mutual Fund(s), the product being sold, is exempted under the law ibid."

There have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds for the recovery of WWF. On December 14, 2010, the Ministry filed its response contesting the said petition. The legal proceedings in respect of the aforementioned petition are currently in progress.

Based on the advice of the legal counsel handling the case, the Management Company is of the view that notwithstanding the show cause notices issued to a number of mutual funds, WWF is not applicable to the mutual funds due to the clarification issued by the Ministry and which creates vested right, hence no provision of Rs 10.54 million (including Rs 10.234 million of Pakistan Premier Fund Limited, the net assets of which have been transferred to Pakistan Premier Fund) has been made in respect of WWF.

There were no other contingencies and commitments outstanding as at December 31, 2010.

14 NET ASSETS TRANSFERRED FROM PAKISTAN PREMIER FUND LIMITED

The entire PPFL undertaking as on the Effective Date (December 22, 2010) have been transferred to Pakistan Premier Fund (Open End Scheme) by virtue of Article VI of the Scheme of Arrangement for conversion of the Company into an Open End Scheme duly sanctioned by SECP via letter No. SCD/NBFC/MF-RS/PPFL/776/2010 dated October 8, 2010. Conversion was effected by the issuance of units of Pakistan Premier Fund to the shareholders based on the swap ratio of 1:1 i.e. for each fully paid share of the par value of Rs 10 of the Company on the Effective Date. Upon issuance of the units of the Open End Scheme the share certificates of the Company are deemed to be cancelled and of no effect.

Details of the assets and liabilities transferred on the Effective Date (December 22, 2010) are as follows:

PAKISTAN PREMIER FUND

ASSETS	**(Rupees in '000)**
Bank balances	546,590
Receivable against sale of investments	-
Investments	1,057,420
Dividend and profit receivable	2,355
Deposits and prepayments	2,835
Advance tax	2,655
Total Assets	**1,611,855**
LIABILITIES	
Payable to the Management Company	1,818
Payable to Securities and Exchange Commission of Pakistan	734
Accrued expenses and other liabilities	2,459
Unclaimed dividend	63,587
Conversion cost payable	5,680
Total Liabilities	**74,278**
NET ASSETS	**1,537,577**
	(Number of units)
Number of units in issue	169,804,687
	(Rupees)
14.1 Net Asset Value per unit transferred from PPFL	9.05

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Arif Habib Corporation, Arif Habib Investments Limited (AHI) being the Management Company (AMC), Arif Habib Securities Limited being the holding Company of AHI, Arif Habib Limited and Thatta Cement Limited being Company under common control, Summit Bank Limited (formerly Arif Habib Bank Limited) being Company under common directorship, Deutsche Bank A.G being the custodian, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

Remunerations to the Management Company and trustee are determined in accordance with the provisions of NBFC regulations and Trust Deeds of the Fund. All other transactions with connected persons are in the normal course of business and are carried out on agreed terms.

Details of transactions with connected persons and balances with them at period end are as follows:

Transactions during the period with connected persons / related parties

	For the period from December 22, 2010 to December 31, 2010
	(Rupees in '000)
Arif Habib Investments Limited - Management Company	
Remuneration for the period	499
Issue of 16,975,034 units on conversion of Fund into an open end scheme	153,624
Redemption of 16,900,000 units	152,945

	For the period from December 22, 2010 to December 31, 2010 (Rupees in '000)
Central Depository Company of Pakistan Limited	
Remuneration for the period	38
CDS Eligibility charges	2
Arif Habib Limited - Brokerage house	
Brokerage payable at period end	118
Summit Bank Limited	
Issue of 2,183,298 units on conversion of Fund into an open end scheme	19,759
Redemption of 2,183,298 units	19,759
Arif Habib Corporation	
Issue of 40,721,548 units on conversion of Fund into an open end scheme	368,530
Redemption of 40,721,548 units	368,937
Trustee - AHI Employee Provident Fund	
Issue of 213,772 units on conversion of Fund into an open end scheme	1,935
Redemption of 213,772 units	1,935
Trustee - AHI Employee Stock Beneficial Ownership Trust	
Issue of 50,000 units on conversion of Fund into an open end scheme	453
Redemption of 50,000 units	453
Directors and executives of the Management Company	
Issue of 695,925 units	6,298
Redemption of 600,000 units	5,433

* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ulimate counter-parties are not connected persons.

Amounts outstanding as at period end	**December 31, 2010 (Rupees in '000)**
Arif Habib Investments Limited - Management Company	
Units held: 75,034	692
Remuneration payable at the end of period	2,317
Conversion cost payable	5,680
Other Payable	485
Central depository Company of Pakistan Limited	
Remuneration payable	38
Security deposit	300
Summit Bank Limited	
Balance with bank	38,653
Directors and executives of the Management Company	
Units held: 95,925	884

16 DATE OF AUTHORISATION FOR ISSUE OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were authorised for issue on February 19, 2011 by the Board of Directors of the Management Company.

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**