

**PAKISTAN  
STRATEGIC ALLOCATION FUND**

# CONTENTS

---

|  |            |
|--|------------|
| <b>Fund's Information</b>  | <b>158</b> |
| <b>Report of the Directors of the Management Company</b>                                     | <b>159</b> |
| <b>Condensed Interim Statement of Assets and Liabilities</b>                                 | <b>160</b> |
| <b>Condensed Interim Income Statement (Un-audited)</b>                                       | <b>161</b> |
| <b>Condensed Interim Distribution Statement (Un-audited)</b>                                 | <b>162</b> |
| <b>Condensed Interim Statement of Movement in Unit Holders' Funds (Un-audited)</b>           | <b>163</b> |
| <b>Condensed Interim Cash Flow Statement (Un-audited)</b>                                    | <b>164</b> |
| <b>Notes to and forming part of the Condensed Interim Financial Information (Un-audited)</b> | <b>165</b> |

## FUND'S INFORMATION

|  |  |   |
|--|--|---|
| <b>Management Company</b>  | Arif Habib Investments Limited<br>8th Floor, Techno City, Corporate Tower,<br>Hasrat Mohani Road, Karachi  |   |
| <b>Board of Directors of the Management Company</b>                              | Mian Mohammad Mansha<br>Mr. Nasim Beg<br>Mr. Yasir Qadri<br>Syed Salman Ali Shah<br>Mr. Haroun Rashid<br>Mr. Ahmed Jahangir<br>Mr. Samad A. Habib<br>Mr. Mirza Mahmood Ahmad | Chairman(subject to the approval of SECP)<br>Executive Vice Chairman<br>Chief Executive (subject to the approval of SECP)<br>Director (subject to the approval of SECP)<br>Director (subject to the approval of SECP)<br>Director (subject to the approval of SECP)<br>Director<br>Director (subject to the approval of SECP) |
| <b>Company Secretary &amp; Chief Financial Officer of the Management Company</b> | Mr. Muhammad Saqib Saleem  |   |
| <b>Audit Committee</b>   | Mr. Nasim Beg<br>Mr. Haroun Rashid<br>Mr. Samad A. Habib<br>Mr. Ali Munir  |   |
| <b>Trustee</b>   | Central Depository Company of Pakistan Limited<br>CDC House, 990B, Block 'B', S.M.C.H.S,<br>Main Shahrah-e-Faisal, Karachi-74400   |   |
| <b>Bankers</b>   | MCB Bank Limited<br>Habib Metropolitan Bank Limited<br>Bank Alfalah Limited<br>Bank Al-Habib Limited<br>Faysal Bank Limited<br>NIB Bank Limited<br>Allied Bank Limited       |   |
| <b>Auditors</b>  | M. Yousuf Adil Saleem & Co.<br>Chartered Accountants<br>Cavish Court, A-35, Block 7 & 8,<br>KCHSU, Shahrah-e-Faisal, Karachi.  |   |
| <b>Legal Advisor</b>   | Bawaney & Partners<br>404, 4th Floor, Beaumont Plaza,<br>Beaumont Road, Civil Lines, Karachi-75530   |   |
| <b>Transfer Agent</b>  | Gangjees Registrar Services (Pvt.) Limited.<br>Room No. 516, 5th Floor, Clifton Centre,<br>Kehkashan, Clifton, Karachi.  |   |
| <b>Rating</b>  | AM2 (Positive Outlook)<br>Management Quality Rating assigned by PACRA  |   |

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

---

Dear Investor,

On behalf of the Board of Directors, I am pleased to present the financial results of **Pakistan Strategic Allocation Fund** for the nine months ended March 31, 2012.

## EQUITIES MARKET OVERVIEW

After remained bearish for the first six months of the period under review, bullish trend returned at the local bourses during the 3Q FY12 and pushed the KSE-100 Index by significant 21% during the quarter together with buoyant volumes. The major impetus to market came primarily from Finance minister's acceptance of SECP's proposal on CGT relaxation and tax amnesty scheme that reignited the investors' interest, particularly of retail investors which were largely sidelined after the imposition of CGT. Average volumes during the third quarter also improved significantly to 196 million shares, also largely contributed by mid to small-cap stocks. In addition to the local participation, foreign investors also made a comeback to the local bourse with a net inflow of US\$16.1 million after two consecutive quarters of net outflows. Strong corporate earnings announcement by key listed companies also served to uphold the momentum in the market despite concerns of macroeconomic imbalances. Sector-wise, Banks, Cement, Oil & Gas and Chemical sectors remained center of major activity although significant interest was also seen in several small-cap stocks.

## FUND PERFORMANCE

During the period, the fund outperformed KSE100 index by delivering 12.3% return as compared to its benchmark return of 10.1%. Substantial changes were made in sector and company allocations during the quarter on the back of changing fundamentals. Overall equity exposure of the fund was declined to 75% from 91.3% at the beginning of the period. On sector level, allocations were increased in Banks, Oil and Gas, Construction & Materials and Fixed Line Telecom while allocations of Chemicals, Electricity and Personal Goods were reduced.

## FUTURE OUTLOOK

Although the external environment, both political and macroeconomic, may remain challenging, market should continue to find support from the earnings season with a focus on Banking, Oil & Gas and Construction Materials Sectors. However, the market could seek correction/profit taking if there is any further delay on the CGT and amnesty related announcement.

## ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,

---

Yasir Qadri  
Chief Executive Officer  
Dated: April 27, 2012

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2012

|   |      | (Unaudited)<br>March 31<br>2012 | (Audited)<br>June 30<br>2011 |
|---|------|---------------------------------|------------------------------|
|   | Note | ----- (Rupees in '000') -----   |                              |
| <b>Assets</b>   |      |                                 |                              |
| Balances with banks   |      | 58,163                          | 42,757                       |
| Investments   | 5    | 411,573                         | 577,894                      |
| Advances, deposits and other receivables                      |      | 2,995                           | 3,122                        |
| Dividend and profit receivable                                |      | 10,716                          | 4,073                        |
| Receivable against sale of investments                        |      | -                               | 4,872                        |
| <b>Total assets</b>   |      | <b>483,447</b>                  | <b>632,718</b>               |
| <b>Liabilities</b>  |      |                                 |                              |
| Payable to the Management Company                             |      | 873                             | 1,124                        |
| Payable to the Trustee  |      | 75                              | 113                          |
| Payable to Securities and Exchange Commission of Pakistan     |      | 385                             | 1,485                        |
| Payable against purchase of investments                       |      | 9,364                           | -                            |
| Unclaimed dividend  |      | 12,391                          | 12,654                       |
| Accrued expenses and other liabilities                        | 6    | 8,175                           | 9,100                        |
| <b>Total liabilities</b>                                      |      | <b>31,263</b>                   | <b>24,476</b>                |
| <b>Contingency</b>  | 8    |                                 |                              |
| <b>NET ASSETS</b>   |      | <b>452,184</b>                  | <b>608,242</b>               |
| <b>Unit holders funds (as per statement attached)</b>         |      | <b>452,184</b>                  | <b>608,242</b>               |
| <b>(Number of Units)</b>                                      |      |                                 |                              |
| Number of units in issue                                      |      | 48,545,187                      | 70,019,863                   |
| <b>----- (Rupees) -----</b>                                   |      |                                 |                              |
| Net assets value per unit (Face value per unit Rs. 10/- each) |      | <b>9.31</b>                     | <b>8.69</b>                  |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Management Company)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

|   | Note | Nine months ended |           | Quarter ended |          |
|---|------|-------------------|-----------|---------------|----------|
|   |      | March 31,         |           | March 31,     |          |
|   |      | 2012              | 2011      | 2012          | 2011     |
| ----- (Rupees in '000') -----   |      |                   |           |               |          |
| <b>Income</b>   |      |                   |           |               |          |
| Capital gain on sale of investments - net   |      | 855               | 121,268   | 6,530         | 39,838   |
| Income from government securities   |      | 3,312             | 52,907    | 512           | 3,539    |
| Income from placements with financial institutions  |      | -                 | 616       | -             | -        |
| Dividend income   |      | 28,250            | 69,876    | 11,390        | 22,230   |
| Profit on bank deposits   |      | 6,940             | 6,898     | 3,163         | 1,312    |
|   |      | 39,357            | 251,565   | 21,595        | 66,919   |
| Impairment loss on financial assets classified as 'available for sale'  |      | -                 | (1,533)   | -             | (1,150)  |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed |      | 2,630             | (154,499) | 2,230         | (34,023) |
| Unrealised appreciation in value of investments   |      |                   |           |               |          |
| 'at fair value through profit or loss' - net  | 5.4  | 23,165            | 147,546   | 62,104        | 18,004   |
| Total income  |      | 65,152            | 243,079   | 85,929        | 49,750   |
| <b>Operating expenses</b>   |      |                   |           |               |          |
| Remuneration of the Management Company  | 7    | 8,106             | 27,076    | 2,260         | 5,044    |
| Sales tax on remuneration of the Management Company   |      | 1,297             | -         | 362           | -        |
| Remuneration of the Trustee   |      | 811               | 1,702     | 226           | 495      |
| Annual fee - Securities and Exchange Commission of Pakistan   |      | 385               | 1,286     | 107           | 239      |
| Securities transaction cost   |      | 2,806             | 4,680     | 1,113         | 583      |
| Conversion cost   |      | -                 | 7,600     | -             | -        |
| Custody, settlement and bank charges  |      | 243               | 605       | 91            | 194      |
| Fees and subscription   |      | 250               | 512       | 50            | 84       |
| Printing and related cost   |      | 399               | 184       | 114           | 52       |
| Auditors' remuneration  |      | 374               | 345       | 123           | 86       |
| Total operating expenses  |      | 14,671            | 43,990    | 4,446         | 6,777    |
| Net income for the period   |      | 50,481            | 199,089   | 81,483        | 42,973   |
| Taxation  | 9    | -                 | -         | -             | -        |
| Net income after taxation   |      | 50,481            | 199,089   | 81,483        | 42,973   |
| <b>Other comprehensive loss for the period</b>  |      |                   |           |               |          |
| Unrealised diminution in value of investments classified as 'available for sale'  | 5.5  | (672)             | (31,935)  | -             | (15,174) |
| Total comprehensive income for the period   |      | 49,809            | 167,154   | 81,483        | 27,799   |
| Earnings per unit   | 10   |                   |           |               |          |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Management Company)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

|   | Nine months ended<br>March 31, |                  | Quarter year ended<br>March 31, |                  |
|---|--------------------------------|------------------|---------------------------------|------------------|
|   | 2012                           | 2011             | 2012                            | 2011             |
|   | ----- (Rupees in '000') -----  |                  |                                 |                  |
| Accumulated loss brought forward  | (92,629)                       | (506,127)        | (150,382)                       | (236,766)        |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net   |                                |                  |                                 |                  |
| - amount representing unrealised capital (gains) / losses and capital (gains) / losses that form part of the unit holders' fund transferred to distribution statement | 37,133                         | 524,572          | 35,631                          | 65,307           |
| Net income after taxation   | 50,481                         | 199,089          | 81,483                          | 42,973           |
|   | 87,614                         | 723,661          | 117,114                         | 108,280          |
| Final bonus dividend @ Rs. 0.4035 per unit<br>(2010: cash dividend @ 1.1534 per certificate)  | (28,253)                       | (346,020)        | -                               | -                |
| Unallocated loss carried forward  | <u>(33,268)</u>                | <u>(128,486)</u> | <u>(33,268)</u>                 | <u>(128,486)</u> |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited**  
(Management Company)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

|  | Nine months ended<br>March 31, |             | Quarter year ended<br>March 31, |             |
|--|--------------------------------|-------------|---------------------------------|-------------|
|  | 2012                           | 2011        | 2012                            | 2011        |
|  | ------(Rupees in '000')-----   |             |                                 |             |
| Net assets at beginning of the period  | 608,242                        | 2,531,171   | 541,026                         | 1,134,601   |
| Issue of 300,000,000 units at the time of conversion   | -                              | 3,000,000   | -                               | 3,000,000   |
| Cancellation of 300,000,000 certificates at the time of conversion   | -                              | (3,000,000) | -                               | (3,000,000) |
|  | -                              | -           | -                               | -           |
| Amount received on issue of 979,821 units (2011: 785,533 units) and 407,231 units (2011: 127,616 units) for the nine months and quarter respectively                         | 7,979                          | 6,494       | 3,361                           | 1,105       |
| Bonus units issued 3,408,084 (2011: Nil)   | 28,253                         | -           | -                               | -           |
| Amount paid / payable on redemption of 25,862,581 units (2011: 189,020,674 units) and 21,002,709 units (2011: 23,445,781 units) for the nine months and quarter respectively | (211,216)                      | (1,518,773) | (171,456)                       | (203,003)   |
|  | (174,984)                      | (1,512,279) | (168,095)                       | (201,898)   |
|  | 433,258                        | 1,018,892   | 372,931                         | 932,703     |
| Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed :  |                                |             |                                 |             |
| - amount representing accrued (income) / loss and capital (gains) / losses - transferred to income statement   | (2,630)                        | 154,499     | (2,230)                         | 34,023      |
| - amount representing unrealised capital (gains) / losses and capital (gains) / losses that form part of the unit holders' fund transferred to distribution statement        | (37,133)                       | (524,572)   | (35,631)                        | (65,307)    |
|  | (39,763)                       | (370,073)   | (37,861)                        | (31,284)    |
| Net income for the period transferred from distribution statement  | 87,614                         | 723,661     | 117,114                         | 108,280     |
| Unrealised (diminution) / appreciation in value of investments classified as 'available for sale'  | (672)                          | (31,935)    | -                               | (15,174)    |
| Final bonus dividend @ Rs. 0.4035 per unit   |                                |             |                                 |             |
| Net assets at the end of the period  | 452,184                        | 994,525     | 452,184                         | 994,525     |
|  | -----Rupees-----               |             |                                 |             |
| Net assets value per unit (Face value per unit Rs. 10/- each)  | 9.31                           | 8.90        | 9.31                            | 8.90        |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Management Company)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman



# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

|   | Nine months ended            |             | Quarter ended |           |
|---|------------------------------|-------------|---------------|-----------|
|   | March 31,                    |             | March 31,     |           |
|   | 2012                         | 2011        | 2012          | 2011      |
|   | ------(Rupees in '000')----- |             |               |           |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                              |             |               |           |
| Net income for the period   | 50,481                       | 199,089     | 81,483        | 42,973    |
| <b>Adjustments for :</b>  |                              |             |               |           |
| Impairment loss on financial assets classified as 'available for sale'  | -                            | 1,533       | -             | 1,150     |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | (2,630)                      | 154,499     | (2,230)       | 34,023    |
| Unrealised diminution in value of investments<br>'at fair value through profit or loss' - net                           | (23,165)                     | (147,546)   | (62,104)      | (18,004)  |
| Dividend income   | (28,250)                     | (69,876)    | (11,390)      | (22,230)  |
|   | (3,564)                      | 137,699     | 5,759         | 37,912    |
| <b>Decrease / (increase) in assets</b>  |                              |             |               |           |
| Investments   | 188,815                      | 1,535,127   | 85,109        | 93,383    |
| Advances, deposits and prepayments  | 126                          | (167)       | -             | (13)      |
| Profit receivable   | (1,568)                      | 1,880       | (261)         | 904       |
| Receivable against sale of investments  | 4,872                        | 123,684     | -             | (3,582)   |
|   | 192,245                      | 1,660,524   | 84,848        | 90,692    |
| <b>Increase / (decrease) in liabilities</b>   |                              |             |               |           |
| Payable to the Management Company   | (251)                        | 5,040       | (216)         | (604)     |
| Payable to the Trustee  | (38)                         | (58)        | (115)         | (37)      |
| Payable to Securities and Exchange Commission of Pakistan   | (1,100)                      | (1,191)     | 107           | 239       |
| Payable against purchase of investments   | 9,364                        | -           | 9,364         | (209)     |
| Accrued expenses and other liabilities  | (925)                        | (607)       | 719           | (2,563)   |
|   | 7,050                        | 3,184       | 9,859         | (3,174)   |
|   | 195,731                      | 1,801,407   | 100,466       | 125,430   |
| Dividend received   | 23,175                       | 52,112      | 2,797         | 4,466     |
| <b>Net cash generated from operating activities</b>   | 218,906                      | 1,853,519   | 103,263       | 129,896   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |                              |             |               |           |
| Cash received from units sold   | 7,979                        | 6,494       | 3,361         | 1,105     |
| Cash paid on units redeemed   | (211,216)                    | (1,518,773) | (171,456)     | (203,003) |
| Dividend paid   | (263)                        | (343,493)   | -             | (1,240)   |
| <b>Net cash used in financing activities</b>  | (203,500)                    | (1,855,772) | (168,095)     | (203,138) |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   | 15,406                       | (2,253)     | (64,832)      | (73,242)  |
| Cash and cash equivalents at beginning of the period  | 42,757                       | 38,860      | 122,995       | 109,849   |
| <b>Cash and cash equivalents at end of the period</b>   | 58,163                       | 36,607      | 58,163        | 36,607    |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Management Company)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (AHIL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee on May 26, 2004. The Management Company of the Fund obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 Based on shareholders' resolutions of MCB Asset Management Company Limited and Arif Habib Investments Limited the two companies have merged as of 27 June 2011 through operation of an order from the SECP issued under Section 282L of the Companies Ordinance 1984 (Order through letter no.SCD/NBFC-II/MCBAMCL & AHIL/271/2011 dated 10 June 2011). Arif Habib Investments Limited being a listed company is the surviving entity and in compliance of SBP's approval, it is a subsidiary of MCB Bank. However subsequent to the completion of the merger, the SECP issued an order postponing the effective date of the merger to 30 July 2011 (through letter no. SCD/PR & DD/AMCW/MCB-AMCL & AHIL/348/2011 dated 27 June 2011). Since the merger had already taken place and the subsequent order of the SECP could not be complied with, the Company has sought a ruling by the honorable Sindh High Court (SHC). The honorable Sindh High Court (SHC) has held the SECP's subsequent order in abeyance and instructed SECP to treat the companies as merged pending a final ruling. Irrespective of the final ruling, the Fund's assets and NAV remain unaffected.
- 1.3 Formation of the Fund as a closed-end fund was authorised by SECP on May 13, 2004, however with effect from November 11, 2010 the Fund was converted into open-end fund. The registered office of the Management Company is situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.
- 1.4 "The Fund is an open-ended fund listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund."
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset manager rating of 'AM2' dated February 09, 2011 to the Management Company and 3-Star Normal and 4-Star Long Term to the Fund dated September 22, 2011.
- 1.6 The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days maturities.
- 1.7 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.
- 1.8 Title to the assets of the Fund is held in the name of the Trustee.

## 2. STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.
- 2.2 This condensed interim financial information comprise of condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof. The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the information and disclosures made in the annual published financial statement and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2011. Comparative information of the condensed interim income statement, condensed interim cash flow statement,

condensed interim distribution statement and condensed interim statement of movement in unit holders' fund for the nine month ended March 31, 2012 and the quarter ended March 31, 2012 are un-audited and have been included to facilitate comparison.

2.3 This condensed interim financial information is unaudited.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2011.

### 4. STANDARDS AND INTERPRETATIONS ADOPTED WITH NO EFFECT ON THE CONDENSED INTERIM FINANCIAL INFORMATION

#### 4.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. 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 adoption of the revised standard did not have any impact on the Fund's condensed interim financial information.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

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

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 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 this condensed interim financial information.

### 5. INVESTMENTS

#### At fair value through profit or loss

|                          |     |                |                |
|--------------------------|-----|----------------|----------------|
| Listed equity securities | 5.1 | 362,525        | 571,670        |
| Government securities    | 5.2 | 49,048         | -              |
|                          |     | <u>411,573</u> | <u>571,670</u> |

#### Available for sale

|                          |     |                |                |
|--------------------------|-----|----------------|----------------|
| Listed equity securities | 5.3 | -              | 6,224          |
|                          |     | <u>411,573</u> | <u>577,894</u> |

*Note* (Unaudited) (Audited)  
March 31 June 30  
2012 2011  
.....(Rupees in '000').....

5.1 Listed equity securities 'at fair value through profit or loss'  
(Face value of Rs. 10/- each unless stated otherwise)

| Name of the Investee Company          | As at July 1,<br>2011 | Purchases<br>during the<br>period | Bonus/ Rights<br>issue | Sales during<br>the period | As at March<br>31, 2012 | Balance as at March 31, 2012 |                |                               | Market value<br>as<br>percentage of<br>net assets | Market<br>value as<br>percentage of<br>total<br>investments | Paid up<br>value of<br>shares as<br>percentage of<br>total paid up<br>capital of the<br>investee<br>company |
|---------------------------------------|-----------------------|-----------------------------------|------------------------|----------------------------|-------------------------|------------------------------|----------------|-------------------------------|---|---|---|
|                                       |                       |                                   |                        |                            |                         | Cost                         | Market value   | Appreciation/(D<br>iminution) |   |   |   |
|                                       |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
|                                       |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| -----Number of shares -----           |                       |                                   |                        |                            |                         | -----Rupees in '000'-----    |                |                               | ----- % -----                                     |   |   |
| <b>OIL AND GAS</b>                    |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| Attock Petroleum Limited              | -                     | 87,378                            | -                      | 36,000                     | 51,378                  | 20,246                       | 23,287         | 3,041                         | 5.15  | 5.66  | 0.07  |
| Attock Refinery Limited               | -                     | 40,000                            | -                      | 40,000                     | -                       | -                            | -              | -                             | -   | -   | -   |
| National Refinery Limited             | -                     | 23,000                            | -                      | 23,000                     | -                       | -                            | -              | -                             | -   | -   | -   |
| Oil & Gas Development Company Limited | -                     | 208,000                           | -                      | 157,424                    | 50,576                  | 8,433                        | 8,479          | 46                            | 1.88  | 2.06  | 0.00  |
| Pakistan Oilfield Limited             | 165,354               | 70,950                            | -                      | 148,832                    | 87,472                  | 26,918                       | 31,948         | 5,030                         | 7.07  | 7.76  | 0.04  |
| Pakistan Petroleum Limited            | 274,933               | 127,921                           | 22,015                 | 192,650                    | 232,219                 | 35,176                       | 42,447         | 7,271                         | 9.39  | 10.31   | 0.02  |
| Pakistan State Oil Company Limited    | 137,700               | 196,123                           | -                      | 232,567                    | 101,256                 | 25,563                       | 25,246         | (317)                         | 5.58  | 6.13  | 0.06  |
|                                       |                       |                                   |                        |                            |                         | <b>116,336</b>               | <b>131,407</b> | <b>15,071</b>                 | <b>29.06</b>                                      |   |   |
| <b>CHEMICALS</b>                      |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| Engro Corporation Limited             | 330,472               | 378,549                           | 15,456                 | 697,500                    | 26,977                  | 2,668                        | 2,678          | 10                            | 0.59  | 0.65  | 0.01  |
| Fatima Fertilizer Company Limited     | 1,385,385             | 1,350,000                         | -                      | 2,470,000                  | 265,385                 | 6,099                        | 6,295          | 196                           | 1.39  | 1.53  | 0.01  |
| Fauji Fertilizer Bin Qasim Limited    | 508,804               | -                                 | -                      | 508,804                    | -                       | -                            | -              | -                             | -   | -   | -   |
| Fauji Fertilizer Company Limited      | -                     | 525,752                           | 24,749                 | 517,123                    | 33,378                  | 4,062                        | 4,167          | 105                           | 0.92  | 1.01  | 0.00  |
|                                       |                       |                                   |                        |                            |                         | <b>12,829</b>                | <b>13,140</b>  | <b>311</b>                    | <b>2.91</b>                                       |   |   |
| <b>CONSTRUCTION AND MATERIALS</b>     |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| Lucky Cement Limited                  | 478,400               | 326,000                           | -                      | 530,000                    | 274,400                 | 22,122                       | 31,130         | 9,008                         | 6.88  | 7.56  | 0.08  |
| <b>GENERAL INDUSTRIES</b>             |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| Packages Limited                      | 616,575               | -                                 | -                      | 616,575                    | -                       | -                            | -              | -                             | -   | -   | -   |
| <b>AUTOMOBILE AND PARTS</b>           |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| Pak Suzuki Motor Company Limited      | 550                   | -                                 | -                      | 550                        | -                       | -                            | -              | -                             | -   | -   | -   |
| <b>FOOD PRODUCERS</b>                 |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| Engro Foods Limited                   | -                     | 35,000                            | -                      | 25,000                     | 10,000                  | 250                          | 471            | 221                           | 0.10  | 0.11  | 0.00  |
| <b>PERSONAL GOODS</b>                 |                       |                                   |                        |                            |                         |                              |                |                               |   |   |   |
| Nishat Chumia                         | -                     | 246,454                           | -                      | 50,000                     | 196,454                 | 3,910                        | 3,966          | 56                            | 0.88  | 0.96  | 0.12  |
| Nishat Mills Limited.                 | 724,006               | 100,000                           | -                      | 459,113                    | 364,893                 | 18,215                       | 20,102         | 1,887                         | 4.45  | 4.88  | 0.10  |
|                                       |                       |                                   |                        |                            |                         | <b>22,125</b>                | <b>24,068</b>  | <b>1,943</b>                  | <b>5.32</b>                                       |   |   |

**NOTES TO AND FORMING PART OF THE CONDENSED  
INTERIM FINANCIAL INFORMATION (UN-AUDITED)**

**FOR THE NINE MONTHS AND  
QUARTER ENDED MARCH 31, 2012**

| Name of the Investee Company               | As at July 1, 2011 | Purchases during the period | Bonus/ Rights issue | Sales during the period | As at March 31, 2012 | Balance as at March 31, 2012 |              |                            | Market value as percentage of total investments | Paid up value of shares as percentage of total paid up capital of the investee company |      |
|--|--------------------|-----------------------------|---------------------|-------------------------|----------------------|------------------------------|--------------|----------------------------|---|--|------|
|  |                    |                             |                     |                         |                      | Cost                         | Market value | Appreciation/(D iminution) |   |  |      |
|  |                    |                             |                     |                         |                      |                              |              |                            |   |  |      |
|  |                    |                             |                     |                         |                      |                              |              |                            |   |  |      |
| --- Number of shares ---                   |                    |                             |                     |                         |                      | -----Rupees in '000'-----    |              |                            | ----- % -----                                   |  |      |
| FIXED LINE TELECOMMUNICATION               |                    |                             |                     |                         |                      |                              |              |                            |   |  |      |
| Pakistan Telecommunication Company Limited | 392,088            | 2,681,525                   | -                   | 1,608,418               | 1,465,195            | 16,803                       | 18,036       | 1,233                      | 3.99  | 4.38   | 0.04 |
| ELECTRICITY                                |                    |                             |                     |                         |                      |                              |              |                            |   |  |      |
| Hub Power Company Limited                  | 1,473,768          | 1,145,854                   | -                   | 1,434,412               | 1,185,210            | 41,814                       | 44,599       | 2,785                      | 9.86  | 10.84  | 0.10 |
| Kot Addu Power Company Limited             | 799,084            | 285,000                     | -                   | 1,070,439               | 13,645               | 643                          | 597          | (46)                       | 0.13  | 0.15   | 0.00 |
|  |                    |                             |                     |                         |                      | 42,457                       | 45,196       | 2,739                      | 10.00   |  |      |
| BANKS                                      |                    |                             |                     |                         |                      |                              |              |                            |   |  |      |
| Allied Bank Limited                        | 859,666            | -                           | 31,745              | 542,214                 | 349,197              | 17,136                       | 22,377       | 5,241                      | 4.95  | 5.44   | 0.04 |
| Bank Alfalah Limited                       | -                  | 1,154,285                   | -                   | -                       | 1,154,285            | 18,247                       | 18,699       | 452                        | 4.14  | 4.54   | 0.09 |
| Bank AlHabib Limited                       | -                  | 500,000                     | 75,000              | -                       | 575,000              | 16,250                       | 15,904       | (346)                      | 3.52  | 3.86   | 0.06 |
| Habib Bank Limited                         | -                  | 110,000                     | 11,000              | -                       | 121,000              | 13,289                       | 13,476       | 187                        | 2.98  | 3.27   | 0.01 |
| MCB Bank Limited                           | -                  | 90,000                      | 6,500               | 25,000                  | 71,500               | 10,039                       | 12,544       | 2,505                      | 2.77  | 3.05   | 0.01 |
| Meezan Bank Limited                        | -                  | 100,000                     | 9,375               | 25,000                  | 84,375               | 1,327                        | 2,388        | 1,061                      | 0.53  | 0.58   | 0.01 |
| National Bank Of Pakistan                  | 6,967              | 1,245,000                   | -                   | 951,967                 | 300,000              | 13,711                       | 13,689       | (22)                       | 3.03  | 3.33   | 0.02 |
| Soneri Bank Limited                        | -                  | 1,600,000                   | 200,000             | 1,800,000               | -                    | -                            | -            | -                          | -   | -  | -    |
| United Bank Limited                        | 515,600            | 455,000                     | -                   | 970,600                 | -                    | -                            | -            | -                          | -   | -  | -    |
|  |                    |                             |                     |                         |                      | 89,999                       | 99,077       | 9,078                      | 21.91   |  |      |
| NON LIFE INSURANCE                         |                    |                             |                     |                         |                      |                              |              |                            |   |  |      |
| Adamjee Insurance Company Limited          | -                  | 500                         | -                   | 500                     | -                    | -                            | -            | -                          | -   | -  | -    |
| TOTAL                                      |                    |                             |                     |                         |                      | 322,921                      | 362,525      | 39,604                     | 80.17   |  |      |

5.2 Government Securities 'at fair value through profit or loss'

| Issue Date        | Tenor    | Face Value         |                             |                                   |                      | Balance as at March 31, 2012 |               |                             | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-------------------|----------|--------------------|-----------------------------|-----------------------------------|----------------------|------------------------------|---------------|-----------------------------|--|---|
|                   |          | As at July 1, 2011 | Purchases during the period | Sales / Matured during the period | As at March 31, 2012 | Carrying Value               | Market Value  | Appreciation / (Diminution) |  |   |
| Treasury Bills    |          |                    |                             |                                   |                      |                              |               |                             |  |   |
| June 16, 2011     | 3 Months | -                  | 45,000                      | 45,000                            | -                    | -                            | -             | -                           | -  | -   |
| July 14, 2011     | 3 Months | -                  | 25,000                      | 25,000                            | -                    | -                            | -             | -                           | -  | -   |
| April 7, 2011     | 6 Months | -                  | 10,000                      | 10,000                            | -                    | -                            | -             | -                           | -  | -   |
| April 21, 2011    | 6 Months | -                  | 60,000                      | 60,000                            | -                    | -                            | -             | -                           | -  | -   |
| June 2, 2011      | 6 Months | -                  | 75,000                      | 75,000                            | -                    | -                            | -             | -                           | -  | -   |
| July 28, 2011     | 6 Months | -                  | 75,000                      | 75,000                            | -                    | -                            | -             | -                           | -  | -   |
| September 8, 2011 | 6 Months | -                  | 30,000                      | 30,000                            | -                    | -                            | -             | -                           | -  | -   |
| March 8, 2012     | 3 Months | -                  | 50,000                      | -                                 | 50,000               | 49,057                       | 49,048        | (9)                         | -  | -   |
|                   |          |                    | <b>370,000</b>              | <b>320,000</b>                    | <b>50,000</b>        | <b>49,057</b>                | <b>49,048</b> | <b>(9)</b>                  |  |   |

5.3 Listed equity securities - 'available for sale'  
(Face value of Rs. 10/- each unless stated otherwise)

| Name of the Investee Company     | As at July 1, 2011 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at March 31, 2012 | Balance as at March 31, 2012 |      |                            | Market value as a percentage of total investments | Paid up value of shares as a percentage of total paid up capital of the investee company |  |
|----------------------------------|--------------------|-----------------------------|----------------------|-------------------------|----------------------|------------------------------|------|----------------------------|---|--|--|
|                                  |                    |                             |                      |                         |                      | Cost less impairment         | Rate | (Diminution)/ Appreciation |   |  |  |
| AUTOMOBILE AND PARTS             |                    |                             |                      |                         |                      |                              |      |                            |   |  |  |
| Pak Suzuki Motor Company Limited | 83,820             | -                           | -                    | 83,820                  | -                    | -                            | 0.00 | -                          | -   | -  |  |
| PERSONAL GOODS                   |                    |                             |                      |                         |                      |                              |      |                            |   |  |  |
| Kohinoor Mills Limited           | 934,626            | -                           | -                    | 934,626                 | -                    | -                            | 0.00 | -                          | -   | -  |  |
|                                  |                    |                             |                      |                         |                      | -                            |      | -                          |   |  |  |

|   | (Unaudited)<br>March 31,<br>2012 | (Audited)<br>June 30<br>2011 |
|---|----------------------------------|------------------------------|
|   | ----- (Rupees in '000) -----     |                              |
| <b>5.4 Net unrealised (diminution) / appreciation in value of investments<br/>at fair value through profit or loss</b>                    |                                  |                              |
| Market value of investments   | 411,573                          | 571,670                      |
| Less: Cost of investments   | (371,978)                        | (532,080)                    |
|   | 39,595                           | 39,590                       |
| Realised on disposal during the period  | 23,160                           | (165,441)                    |
| Net unrealised (appreciation) / diminution in value of investments at fair value<br>through profit or loss at the beginning of the period | (39,590)                         | 198,654                      |
|   | 23,165                           | 72,803                       |
| <b>5.5 Net unrealised appreciation / (diminution) in value of investments<br/>classified as 'available for sale'</b>                      |                                  |                              |
| Market value of investments   | -                                | 6,224                        |
| Less: Cost less impairment  | -                                | (7,524)                      |
|   | -                                | (1,300)                      |
| Impairment loss on financial assets classified as<br>'available for sale'- transferred to Income Statement                                | -                                | 1,972                        |
|   | -                                | 672                          |
| Less: Net unrealised appreciation in value of investments<br>at the beginning of the period   | (672)                            | (37,298)                     |
|   | (672)                            | (36,626)                     |
| <b>6. ACCRUED EXPENSES AND OTHER LIABILITIES</b>  |                                  |                              |
| Auditors' remuneration  | 248                              | 290                          |
| Legal and professional  | 43                               | 70                           |
| Brokerage payable   | 778                              | 436                          |
| Others  | 463                              | 704                          |
| Conversion cost payable   | 6,643                            | 7,600                        |
|   | 8,175                            | 9,100                        |

**7. SALES TAX ON REMUNERATION OF THE MANAGEMENT COMPANY**

During the current period, the provincial government has levied General Sales Tax at the rate of 16% on the remuneration of the Management Company through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

**8. CONTINGENCY**

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

Subsequently, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the period, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company believes that the Fund is not liable to contribute to WWF and hence no provision has been recognised by the Management Company. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs. 10.985 million (June 2011: Rs. 9.975 million).

## 9. TAXATION

The income of the Fund is exempt from income tax under 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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 10. EARNINGS PER UNIT

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

## 11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons of the Fund include the Management Company, other collective investment schemes being managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel and other associated undertaking.

Remuneration to the Management Company and Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Trust Deed of the Fund. All other transactions with connected persons are in the normal course of business and are carried out on agreed terms.

Detail of transactions with connected persons during the period and balances with them at period end are as follows:

|  | Unaudited         |         |                |         |
|--|-------------------|---------|----------------|---------|
|  | Nine months ended |         | Quarter ended  |         |
|  | March 31, 2012    |         | March 31, 2012 |         |
|  | 2012              | 2011    | 2012           | 2011    |
|  | (Rupees in '000') |         |                |         |
| <b>11.1 Transactions during the period</b>       |                   |         |                |         |
| <b>Management Company</b>                        |                   |         |                |         |
| Remuneration                                     | 8,106             | 27,076  | 2,260          | 5,044   |
| Dividend paid                                    | -                 | 18,026  | -              | -       |
| Redemption of Nil units (2011: 14,127,000 units) | -                 | 114,529 | -              | 114,529 |
| <b>Trustee</b>                                   |                   |         |                |         |
| Remuneration                                     | 811               | 1,702   | 226            | 495     |
| CDS charges for conversion                       | -                 | 5,731   | -              | 5,731   |
| CDS eligibility charges                          | -                 | 51      | -              | 17      |
| Other charges                                    | 25                | 153     | 12             | 10      |
| <b>Arif Habib Limited - Brokerage house</b>      |                   |         |                |         |
| Brokerage *                                      | 271               | 836     | 179            | 65      |
| <b>Summit Bank Limited</b>                       |                   |         |                |         |
| Redemption of Nil units (2011: 2,237,000 units)  | -                 | 18,411  | -              | -       |
| Dividend paid                                    | -                 | 2,580   | -              | -       |
| Mark up income during the period                 | 1,389             | 2,466   | 12             | 310     |
| Bank charges                                     | 4                 | 48      | -              | -       |
| <b>MCB Bank Limited</b>                          |                   |         |                |         |
| Mark up income during the period                 | 4,256             | -       | 2,361          | -       |

\* 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 ultimate counter-parties are not connected persons.



|   | Unaudited         |          |                   |           |
|---|-------------------|----------|-------------------|-----------|
|   | Nine months ended |          | Quarter ended     |           |
|   | March 31          | March 31 | March 31          | March 31  |
|   | 2012              | 2011     | 2012              | 2011      |
|   | (Rupees in '000') |          |                   |           |
| <b>Arif Habib Corporation</b>   |                   |          |                   |           |
| Redemption of Nil units (2011: 45,403,658 units)  | -                 | 355,283  | -                 | -         |
| Dividend paid   | -                 | 52,369   | -                 | -         |
| <b>Trustee - Arif Habib Investments Employee Provident Fund</b>   |                   |          |                   |           |
| Redemption of Nil units (2011: 380,902 units)   | -                 | 3,017    | -                 | -         |
| Dividend paid   | -                 | 439      | -                 | -         |
| <b>Trustee - Arif Habib Investments Employee Stock Beneficial Ownership Trust</b>   |                   |          |                   |           |
| Redemption of Nil units (2011: 61,000 units)  | -                 | 483      | -                 | -         |
| Dividend paid   | -                 | 70       | -                 | -         |
| <b>Directors and executives of the Management Company</b>   |                   |          |                   |           |
| Issue of Nil units (2011: 555,763 units) and Nil units<br>(2011: 555,763 units) for the nine months and quarter respectively            | -                 | 4,360    | -                 | -         |
| Dividend paid   | -                 | 300      | -                 | -         |
| Bonus units issued: 1,996 units (2011: N/A)   | 17                | -        | -                 | -         |
| Redemption of 1,049 units (2011: 540,941 units) and Nil<br>units (2011: 60,000 units) for the nine months and quarter<br>respectively   | 8                 | 4,293    | -                 | 523       |
| <b>Nishat Mills Limited</b>   |                   |          |                   |           |
| Dividend paid   | -                 | 577      | -                 | -         |
| Bonus units issued: 24,336 units (2011: N/A)  | 201               | -        | -                 | -         |
| <b>Mohammad Aslam Motiwala (holding 10% or more)</b>  |                   |          |                   |           |
| Dividend paid   | -                 | 14,823   | -                 | -         |
| Bonus units issued: 625,522 units (2011: N/A)   | 5,186             | -        | -                 | -         |
| Redemption of 13,477,023 units (2011: Nil units) and 13,477,023<br>units (2011: Nil units) for the nine months and quarter respectively | 106,603           | -        | 106,603           | -         |
| <b>Habib Bank Limited (holding 10% or more)</b>   |                   |          |                   |           |
| Dividend paid   | -                 | 8,651    | -                 | -         |
| Bonus units issued: 365,048 units (2011: N/A)   | 3,026             | -        | -                 | -         |
|   |                   |          | (Unaudited)       | (Audited) |
|   |                   |          | March 31          | June 30   |
|   |                   |          | 2012              | 2011      |
|   |                   |          | (Rupees in '000') |           |
| <b>Balances outstanding as at the period end</b>  |                   |          |                   |           |
| <b>11.2 Management Company</b>  |                   |          |                   |           |
| Remuneration payable  |                   |          | 873               | 1,124     |
| Conversion cost payable   |                   |          | 6,643             | 7,600     |
| <b>Trustee</b>  |                   |          |                   |           |
| Remuneration payable  |                   |          | 75                | 112       |
| Other payables  |                   |          | -                 | 1         |
| Security deposit  |                   |          | 300               | 300       |
| <b>Arif Habib Limited - Brokerage house</b>   |                   |          |                   |           |
| Brokerage payable   |                   |          | 164               | 66        |
| <b>Summit Bank Limited</b>  |                   |          |                   |           |
| Balance with bank   |                   |          | 5,142             | 31,468    |
| Accrued mark-up   |                   |          | 29                | 144       |
| <b>MCB Bank Limited</b>   |                   |          |                   |           |
| Balance with bank   |                   |          | 41,449            | -         |
| Accrued mark-up   |                   |          | 1,078             | -         |
| <b>Directors and officers of the Management Company</b>   |                   |          |                   |           |
| Units held: 41,947 (June 30, 2011: 50,000 units)  |                   |          | 391               | 356       |

|   | (Unaudited)<br>March 31<br>2012 | (Audited)<br>June 30<br>2011 |
|---|---------------------------------|------------------------------|
|   | ----- (Rupees in '000) -----    |                              |
| <b>Nishat Mills Limited</b>   |                                 |                              |
| Units held: 524,336 (June 30, 2011: 500,000 units)                        | 4,882                           | 4,345                        |
| <b>Muhammad Aslam Motiwala - more than 10% of total outstanding units</b> |                                 |                              |
| Units held: Nil (June 30, 2011: 12,851,501 units)                         | -                               | 111,680                      |
| <b>Habib Bank Limited - more than 10% of total outstanding units</b>      |                                 |                              |
| Units held: 7,865,048 (June 30, 2011: 7,500,000 units)                    | 73,224                          | 65,175                       |

## 12 ACCOUNTING ESTIMATES AND JUDGEMENTS

"The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were consistent as those that applied to financial statements as at and for the year ended June 30, 2011.

## 13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 27, 2012 by the Board of Directors of the Management Company.

## 14 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

**For Arif Habib Investments Limited  
(Management Company)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman