

MCB
ISLAMIC INCOME FUND

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FUND'S INFORMATION

Management Company	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors of the Management Company	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman(subject to the approval of SECP) Executive Vice Chairman Chief Executive (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director Director (subject to the approval of SECP)
Chief Financial Officer & Company Secretary of the Management Company	Mr. Muhammad Saqib Saleem	
Audit Committee	Mr. Nasim Beg Mr. Haroun Rashid Mr. Samad A. Habib Mr. Ali Munir	
Trustee	Central Depository Company of Pakistan Limited CDC House, 990B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
Bankers	MCB Bank Limited Bank Alfalah Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	
Auditors	A.F. Ferguson & Co. - Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi-74000.	
Legal Advisor	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Transfer Agent	Arif Habib Investments Limited 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.	
Rating	AM2 (Positive Outlook) Management Quality Rating assigned by PACRA	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Islamic Income Fund's** accounts review for the first half ended December 31st 2011.

ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, inflationary pressures have remained largely on the lower side during the period with YoY CPI inflation averaging 10.9% amid change in CPI methodology as well as high base-effect of last year. External account, however, has started deteriorating significantly with 1H FY12 current account balance posting a sizeable deficit of US\$ 2.2 billion amid higher trade deficit despite record remittances flows. On the fiscal side, the government posted a budget deficit of 1.2% of GDP during 1Q FY12 with its entire funding coming from the domestic sources. Non-realization of official flows is not only hurting the BOP position, it would continue to affect the funding profile of fiscal deficit - which would have its implications on the monetary mechanism as well as exchange rate. Citing some improvements in key macro variables, the SBP decided to ease its monetary stance by lowering its policy discount rate cumulatively by 200 bps to 12.0% during early part of the period. Significant deterioration in macroeconomic balances, however, has compelled them to keep DR unchanged during the latter part.

In the money market, short term market rates remained on the higher side amid tight liquidity scenario in the system. Due to sizeable depletion in net foreign assets (NFA) of the banking system, market liquidity remained largely tight almost throughout the period - compelling the SBP to constantly inject significant amount of money in the system through OMOs in order to calm down the market.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 11.3% as against its benchmark return of 6.0%, a significant out performance by 5.3%.

Since the launch of fund in June 2011, the fund has gradually been increasing its exposure towards GoP Ijarah Sukuk, which stood at around 72% at period-end, on the back of decent yield as well as capital gains potential. The fund has kept its remaining exposure in cash and bank deposits at decent rates.

FUTURE OUTLOOK

Despite continued improvement on inflation front, fragile external and fiscal accounts would continue to keep a check on the SBP's future monetary direction. We continue to flag realization of foreign flows as the single most important variable especially in the backdrop of sustained oil prices, downward trend in cotton prices and debt repayments including IMF. In our opinion, the absence of foreign flows and government's greater reliance on domestic sources for fiscal funding could result in rebound of inflation and interest rates going forward.

We believe that well-timed accumulation of GoP Ijarah Sukuk should contribute towards healthy fund returns going forward, while the fund would remain cognizant of the changes in the macroeconomic environment in order to deploy assets efficiently in Shariah compliant instruments.

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: January 27, 2012

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

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Islamic Income Fund (the Fund) are of the opinion that Arif Habib Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2011 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, 2012

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Islamic Income Fund** as at December 31, 2011 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2011. 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. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the quarter ended December 31, 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

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 half year ended December 31, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.
Chartered Accountants
Karachi.

Dated: January 27, 2012

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)

As at 31 December 2011

	Unaudited December 31, 2011 ------(Rupees in '000)-----	Audited June 30, 2011
Note		
ASSETS		
Balances with banks	194,901	79,505
Investments	466,682	100,250
Accrued income and prepayments	7,653	2,491
Preliminary expenses and floatation costs	893	993
Total assets	670,129	183,239
LIABILITIES		
Payable to the Management Company	5,650	1,599
Payable to the Trustee	88	20
Payable to Securities and Exchange Commission of Pakistan	127	4
Accrued expenses and other liabilities	562	59
Advance against issue of units	18,901	-
Total liabilities	25,328	1,682
NET ASSETS	644,801	181,557
UNIT HOLDERS' FUND (as per statement attached)	644,801	181,557
CONTINGENCIES AND COMMITMENTS		
	5	
	(Number of units)	
NUMBER OF UNITS IN ISSUE	6,101,479	1,810,991
	(Rupees)	
NET ASSET VALUE PER UNIT	105.68	100.25
	3.3	

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited
(Management Company)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Note	Half Year ended December 31, 2011 ------(Rupees in '000)-----	Quarter ended December 31, 2011
INCOME			
Profit on bank deposits		5,436	3,500
Capital gain on sale of investments-net		1,459	862
Income from government securities		15,086	9,896
		21,981	14,258
EXPENSES			
Remuneration of the Management Company		2,084	1,368
Sindh sales tax on remuneration of the Management Company	6	334	220
Remuneration of the Trustee		289	138
Annual fee - Securities and Exchange Commission of Pakistan		127	85
Auditors' remuneration		283	226
Amortisation of preliminary expenses and floatation costs		101	51
Brokerage and settlement charges		27	17
Other expenses		155	44
		3,400	2,149
Net income from operating activities		18,581	12,109
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		16,077	14,232
Provision for Workers' Welfare Fund		(73)	-
Net income for the period before taxation		34,585	26,341
Taxation	7	-	-
Net income for the period after taxation		34,585	26,341
Other comprehensive income for the period		-	-
Total comprehensive income for the period		34,585	26,341
Earnings per unit	3.4		

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited
(Management Company)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Half Year ended December 31, 2011	Quarter ended December 31,2011
	------(Rupees in '000)-----	
Undistributed income brought forward	458	8,245
Final distribution for the year ended June 30, 2011:		
Rs 0.2532 per unit (Date of distribution: July 4, 2011)		
4,585 bonus units	(458)	-
Profit during the current period	34,585	26,340
Undistributed income carried forward	<u>34,585</u>	<u>34,585</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited
(Management Company)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Half Year ended December 31, 2011 ------(Rupees in '000)-----	Quarter ended December 31, 2011 ------(Rupees in '000)-----
Net assets at the beginning of the period	181,557	291,007
Issue of 4,873,875 units	505,673	377,655
Issue of 4,585 bonus units	459	-
Redemption of 587,973 units	(60,938)	(35,969)
	445,194	341,686
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(16,077)	(14,232)
Net income for the period after taxation	34,585	26,340
Final distribution for the year ended June 30, 2011: Rs 0.2532 per unit (Date of distribution: July 4, 2011) 4,585 bonus units	(458)	-
Net assets at the end of the period	644,801	644,801

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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

Yasir Qadri
Chief Executive Officer

Nasim Beg
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Half Year ended December 31, 2011 (Rupees in '000)	Quarter ended December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	34,585	26,340
Adjustments for non-cash charges and other items:		
Capital gain on sale of investments	(1,459)	(862)
Amortisation of preliminary expenses and floatation costs	101	51
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(16,077)	(14,232)
	17,150	11,297
(Increase) / decrease in assets		
Investments	(364,974)	(264,969)
Accrued income and prepayments	(5,162)	3,678
	(370,136)	(261,291)
Increase / (decrease) in liabilities		
Payable to the Management Company	4,052	3,978
Payable to the Trustee	68	39
Payable to Securities and Exchange Commission of Pakistan Commission of Pakistan	123	85
Advance against issue of units	18,901	18,901
Accrued expenses and other liabilities	503	(13,633)
	23,647	9,370
Net cash outflow on operating activities	(329,339)	(240,624)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Receipts from issue of units	505,673	377,655
Net Payments on redemption of units	(60,938)	(35,969)
Net cash inflow from/ (outflow on) financing activities	444,735	341,686
Net increase in cash and cash equivalents during the period	115,396	101,062
Cash and cash equivalents at the beginning of the period	79,505	93,839
Cash and cash equivalents at the end of the period	194,901	194,901

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited
(Management Company)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Islamic Income Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and was approved as an Investment Scheme by the Securities and Exchange Commission of Pakistan (SECP) on June 19, 2011. It was constituted under a Trust Deed dated March 7, 2011 between MCB Asset Management Company Limited as the Management Company, a Company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited as the Trustee, also incorporated under the Companies Ordinance, 1984.
- 1.2 Based on shareholders' resolutions of MCB-Asset Management Company Limited and Arif Habib Investments Limited the two Companies have merged as of 27th 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 June 10, 2011). Arif Habib Investments 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 July 30th, 2011 (through letter No.SCD/PR & DD/AMCW/MCB-AMCL & AHI/348/2011 dated June 27, 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 Honourable Sindh High Court (SHC). The honourable 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.

The Management Company of the Fund has been licensed to act as Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the management company is situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.

- 1.3 The Fund has been categorized as an Open-End Shariah Compliant (Islamic) Scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange.
- 1.4 According to paragraph 19.3 of the Trust Deed, the first accounting period of the Fund shall commence from the date on which the trust property is first paid or transferred to the Trustee i.e May 01, 2011.
- 1.5 The principal activity of the Fund is to seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium and short term, high quality Shariah Compliant fixed income instruments.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of 'AM2' (positive outlook) to the Management Company. Management Company has initiated the process of obtaining the rating of the Fund which is expected to be completed in the year 2012.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has 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. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IAS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

- 2.2 This condensed interim financial information is unaudited. 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 this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these 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.

Note	Unaudited December 31, 2011	Audited June 30, 2011
	----- (Rupees in '000) -----	

4.1	466,682	100,250
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Government securities	Profit rate	Face Value				Balance as at December 31, 2011			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2011	Purchased during the period	Disposed / Matured during the period	As at Dec 31, 2011	Carrying Value	Market value	Appreciation / (diminution)		
		Rupees in '000								
Government Ijarah Sukuk-8	11.79%	100,000	174,000	125,000	149,000	151,231	151,231	-	23.45	32.41
Government Ijarah Sukuk-5	11.79%	-	285,000	7,500	277,500	280,451	280,451	-	43.49	60.09
Government Ijarah Sukuk-9	11.94%	-	35,000	-	35,000	35,000	35,000	-	5.43	7.50
Total - December 31, 2011						466,682	466,682	-	72.38	100.00
Total: June 30 2011						100,250	100,250	-	55.22	100.00

- 4.2 The above sukuk have been carried at cost by the Fund as in the opinion of the management, there is no external source available for their accurate valuation. Financial Markets Association of Pakistan (FMAP) is currently developing a mechanism for revaluation of these sukuk. Once developed, this mechanism will be forwarded to the Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP) for their consideration. Mutual Funds Association of Pakistan (MUFAP) has also informed the SECP that the mechanism of pricing of these sukuk is currently being studied by MUFAP and has requested SECP to allow status quo to the Funds in valuation of these securities.

5 CONTINGENCIES AND COMMITMENTS

- 5.1 The Finance Act 2008 introduced an amendment to the Worker's 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 exceed 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. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2011.

Subsequent to the year ended June 30, 2010, 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 a response filed by the Ministry in Court.

Subsequent to June 30, 2011, 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 Sindh High Court (SHC). On the basis of this development, the Management Company has stopped making accrual of this liability with effect from August 24, 2011. However, provision made till this date has not been reversed. The aggregate amount of the Fund's liability in respect of WWF amounts to Rs. 0.702 million till December 31, 2011. Out of this amount, an amount of Rs. 0.082 million has been recognised by the Fund including an amount of Rs 0.073 million recognised during the current period.

- 5.2 There were no other contingencies and commitments outstanding as at December 31, 2011 and June 30, 2011.

6 SINDH 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 performance fee of the management company through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

7 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 provision for taxation as the Management Company, on behalf of the Scheme, intends to distribute at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its 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.

8 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Connected persons of the Fund include the Management Company, other collective investment schemes being managed by the Management Company, the Trustee, directors and key management personnel and other associated undertakings.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration of the Management Company and the fee payable to the Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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

8.1 Transactions during the period

	Half Year ended December 31, 2011	Quarter ended December 31, 2011
	(Rupees in '000)	
Details of the Transactions with connected persons during the period are as follows:		
MCB Bank Limited		
Profit received on deposit accounts	658	102
Arif Habib Investments Limited		
Remuneration of the Management Company	2,417	1,587
Issue of 2,532 bonus units	253	-
Central Depository Company of Pakistan Limited - Trustee		
Fee charged during the period	289	138
Key Management Personnel		
Issue of 62,640 units	6,475	4,583
Issue of 17 bonus units	2	-
Redemption of 12,032 units	1,254	1,100
	Unaudited	Audited
	December 31	June 30
	2011	2011
	(Rupees in '000)	

8.2 Amount outstanding as at period end

MCB Bank Limited		
Bank balance	7,480	22,843
Profit receivable on deposit accounts	47	508
Arif Habib Investments Limited		
Remuneration payable to the Management Company	598	51
Units held: 1,002,532 (June 30, 2011: 1,000,000)	105,907	100,253
Preliminary expenses and Formation Costs payable	-	1,000
Sales Load payable	5,052	145
Others	-	403
Central Depository Company of Pakistan Limited-Trustee		
Fee payable	88	20
Key Management Personnel		
Units held : 57,713 (June 30, 2011: 6,794)	6,097	681

9 DATE OF AUTHORISATION FOR ISSUE

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

10 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and better presentation. During the current period, there were no major reclassifications.

11 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

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

Yasir Qadri
Chief Executive Officer

Nasim Beg
Director