

Half Year Report
December 31, 2012
(Unaudited)



**PAKISTAN
CAPITAL MARKET FUND**

CONTENTS

Fund's Information	273
Report of the Directors of the Management Company	274
Report of the Trustee to the Unit Holders	275
Auditors' Report to the Unit Holders on Review of Condensed Interim Financial Information	276
Condensed Interim Statement of Assets and Liabilities	278
Condensed Interim Income Statement (Un-audited)	279
Condensed Interim Distribution Statement (Un-audited)	280
Condensed Interim Statement of Movement in Unit Holders' Funds (Un-audited)	281
Condensed Interim Cash Flow Statement (Un-audited)	282
Notes to and forming part of the Condensed Interim Financial Informations (Un-audited)	283

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 Officer (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)
Audit Committee	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib Mr. Ali Munir	Chairman Member Member Member
Human Resource Committee	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Trustee	Central Despository Company of Pakistan Limited CDC House, 990B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
Bankers	Standard Chartered Bank (Pakistan) Limited MCB Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi - 75530	
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 - Management Quality Rating assigned by PACRA	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

Dear Investor,

On behalf of the Board of Directors, I am pleased to present Pakistan Capital Market Fund's accounts review for the half year ended December 31st 2012.

ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, CPI inflation continued to maintain its downward trajectory amid lower food inflation and downward adjustments in gas prices with 1H FY13 CPI inflation averaging at 8.3%. Although current account balance remained comfortable during 1H FY13 with a decent surplus of US\$ 250 million courtesy release of two tranches of Coalition Support Fund proceeds by the US worth around US\$ 1.9 billion, weaker financial account coupled with sizeable repayments (including IMF) continued to put significant pressure on the FX reserves, which eventually came down to a level of around US\$ 13.5 billion. On the fiscal front, the government has continued to rely on domestic sources of funding with YTD GoP borrowing from banking system has risen to PKR 644 billion by Dec'28 2012. Despite highlighting concerns on the external and fiscal accounts, the State Bank of Pakistan took comfort from declining inflationary trend and lowered its policy discount rate cumulatively by 250 bps to 9.5% during the period under review.

In the money market, short term market rates remained largely on the higher side amid tight liquidity scenario in the system with few exceptions where the market witnessed floors also. The SBP continued to inject significant amount of liquidity in the system through OMOs during the period. Given a downward trajectory in YoY CPI inflation coupled with SBP monetary easing stance, the yield curve has adjusted significantly downwards during the period. 1 year PKRV adjusted downwards by 267 bps to 9.3%, while longer tenure 10 year PKRV adjusted downwards by 180 bps to 11.5% during the period under review.

EQUITIES MARKET OVERVIEW

The KSE-100 index made an impressive start in FY13 as well and posted a return of 22.5% during the first half of FY13, outperforming most of the regional players. Although the market remained strong as far as returns are concerned, activity remained dull in terms of both volumes and turnover. Foreigners, however, made a strong return to the local market with a cumulative net inflow of around US\$ 157 million during the period under review.

Major interest during the period remained in Construction & Materials, Consumer and Electricity Sectors where strong inherent bottom line growth, healthy payouts and favorable projected impact of fall in interest rates thrived investor interest. Highly levered companies were also remained in the limelight during the period amid aggressive policy rate cut of cumulative 250 bps by the SBP during the period. Strong corporate results as well as healthy payouts by key companies served to keep the positive momentum intact in the market.

FUND PERFORMANCE

During the period under review, the fund delivered a return of 13.4% as against its benchmark return of 12.6%, an outperformance of 0.8%. On the equities front, the overall allocation increased during the period to 58.8% from 41.9% at the beginning of the period. The fund increased its exposure mainly in Construction and Materials, Banks and Electricity sectors, while exposure was reduced in Oil & Gas sector. The fund, on the other hand, has sold its entire Preference Share exposure during the period under review.

On the fixed income side, the fund has reduced its exposure in Government securities from around 31.4 % to 14.3% as of 31st December, 2012. At the same time, the fund's exposure to TFCs declined to 11.9% from 14.8%.

The Net Asset of the Fund as at December 31, 2012 stood at Rs. 374.08 million as compared to Rs 354.05 million as at June 30 2012 registering an increase of 5.66%.

The Net Asset Value (NAV) per unit as at December 31, 2012 was Rs. 8.56 as compared to opening NAV of Rs. 7.55 per unit as at June 30, 2012 registering an increase of Rs. 1.01 per unit

FUTURE OUTLOOK

Despite receiving another tranche of CSF as well as continued lower range of CPI inflation, we believe that further rate cut would be difficult given deteriorating fiscal and external accounts, significant IMF repayments ahead and alarming monetary growth - while the potential return to the IMF would result in a cycle of monetary tightening by 2Q CY13 in our opinion. The Government bond market, which remained active for last few months on the back of soft inflation numbers and expected monetary easing, has started to become inactive or relatively less active with the anticipation of no rate cut and possible rate hikes in the next 4-6 months. In this backdrop, the activities are expected to be concentrated at short-end papers going forward.

On the equities front, investors are pinning hopes on Dec-end results, expecting strong payout from Commercial Banks, Electricity, Chemicals, and Oil & Gas sectors. However, on the account of mounting political uncertainty and precarious macroeconomic position especially on the external front reflected through depleting FX reserves and steady depreciation of Pak Rupee, the market could correct itself in the shorter term. We therefore prefer to remain vigilant of fading triggers on macro front and potential opportunities arising out of micro dynamics in stock and sector allocation.

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
February 04, 2013

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



ISO 27001 Certified

TRUSTEE REPORT TO THE UNIT HOLDERS

PAKISTAN CAPITAL MARKET FUND

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 Pakistan Capital Market 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, 2012 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 22, 2013



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



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditor's Report to the Unit Holders on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Capital Market Fund** ("the Fund") as at 31 December 2012 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this 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 interim financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Emphasis of matter

We draw attention to note 10 to the financial information relating to Workers' Welfare Fund (WWF) which refers to the pending outcome of the litigation regarding contribution to WWF in Honourable Sind High Court. In view of the matters more fully discussed in the above note, provision against WWF amounting to Rs. 5.198 million in aggregate is not being maintained by the Fund. Our conclusion is not qualified in respect of this matter.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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



KPMG Taseer Hadi & Co.

Other matters

The figures for the three months period ended 31 December 2012 and 31 December 2011 in the condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement, have not been reviewed by us and we do not express a conclusion on them.

The condensed interim financial information of the Fund for the six months period ended 31 December 2011 and financial statements of the Fund for the year ended 30 June 2012 were reviewed and audited respectively by another firm of auditors who vide their reports dated 27 January 2012 and 17 September 2012, expressed an unqualified conclusion and opinion thereon respectively but included an emphasis of matter paragraph.

Date: 04 February 2013

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

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

	<i>Note</i>	31 December 2012 (Unaudited) (Rupees in '000)	30 June 2012 (Audited)
Assets			
Balance with banks	6	30,048	26,595
Dividend and other receivables		2,515	4,360
Investments	7	322,542	327,659
Advance against subscription of term finance certificate	9	20,000	-
Advances and deposits		4,142	3,743
Total assets		379,247	362,357
Liabilities			
Payable to Arif Habib Investments Limited - Management Company		740	673
Payable to Central Depository Company of Pakistan Limited - Trustee		64	58
Annual fee payable to Securities and Exchange Commission of Pakistan		159	305
Payable against redemption of units		199	1
Payable against purchase of investment		-	2,798
Accrued expenses and other liabilities		1,224	1,671
Dividend payable		2,783	2,798
Total liabilities		5,169	8,304
Contingencies and commitments	10		
Net assets		374,078	354,053
Unit holders' funds		374,078	354,053
		(Number of units)	
Number of units in issue (face value of units is Rs. 10 each)		43,702,984	46,884,712
		(Rupees)	
Net asset value per unit		8.56	7.55

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



Chief Executive Officer

For Arif Habib Investment Limited
(Management Company)



Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	------(Rupees in '000)-----			
Income				
Capital gain / (loss) on sale of investments - net	17,478	(8,108)	5,747	(8,458)
Dividend income	10,750	9,911	6,866	7,074
Income from government securities and ijarah sukuk	4,501	3,414	1,971	1,440
Income from term finance certificate	3,840	3,274	1,750	1,796
Profit on bank deposits	1,483	1,112	881	506
Income on preference shares	22	749	22	331
Other income	17	59	17	59
Reversal of provision against non-performing investment	208	-	83	-
	38,299	10,411	17,337	2,748
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	17,670	(23,562)	6,611	(26,254)
Total income / (loss)	55,969	(13,151)	23,948	(23,506)

Expenses

Remuneration of Arif Habib Investments Limited - Management Company	3,723	3,654	1,881	1,775
Sindh sales tax on remuneration of the management company	596	585	301	284
Remuneration of Central Depository Company of Pakistan Limited - Trustee	372	365	188	177
Annual fee - Securities and Exchange Commission of Pakistan	158	155	80	75
Securities transaction cost	1,305	997	693	571
Bank charges	57	47	24	36
Fees and subscription	197	96	84	48
Legal and professional charges	75	30	60	15
Auditor's remuneration	277	295	148	152
Printing and related cost	283	535	141	447
Provision against term finance certificate	2,894	704	250	703
	9,937	7,463	3,850	4,283

Net operating income / (loss) for the period **46,032** **(20,614)** **20,098** **(27,789)**

Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed **(1,978)** **685** **(1,656)** **289**

Net income / (loss) for the period before taxation **44,054** **(19,929)** **18,442** **(27,500)**

Taxation **-** **-** **-** **-**

Net income / (loss) for the period after taxation **44,054** **(19,929)** **18,442** **(27,500)**

OTHER COMPREHENSIVE INCOME

Net unrealised (diminution) / appreciation in fair value / reclassification adjustment for net gains realised on disposal of investments classified as 'available for sale' **-** **(1,453)** **-** **5,065**

Total comprehensive income / (loss) for the period **44,054** **(21,382)** **18,442** **(22,435)**

Earning / (loss) per unit **12**

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

For Arif Habib Investment Limited
(Management Company)


Chief Executive Officer


Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	----- (Rupees in '000) -----			
Accumulated losses brought forward	(117,912)	(98,639)	(89,822)	(121,855)
Net income / (loss) for the period	44,054	(19,929)	18,442	(27,500)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	7,788	2,301	5,310	4,195
Distributions to the unit holders of the Fund:				
Final distribution at the rate Rs. nil (30 June 2011: Rs. 0.5966) per unit for the year ended 30 June 2012 Distributed on 4 July 2011				
- Bonus units	-	(28,893)	-	-
	-	(28,893)	-	-
Accumulated losses carried forward	(66,070)	(145,160)	(66,070)	(145,160)

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



Chief Executive Officer

For Arif Habib Investment Limited
(Management Company)



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	(Rupees in '000)			
Net assets at beginning of the period	354,053	390,218	372,020	367,527
Issue of nil units (2011: 87,122 units) and nil units (2011: 87,122 units) for the half year and quarter ended respectively	-	637	-	637
Issue of nil bonus units (2011: 3,873,064 units) for half year and quarter ended 31 December 2012	-	28,893	-	-
Redemption of 3,181,728 units (2011: 4,982,615 units) and 2,169,361 units (2011: 1,812,082 units) for the half year and quarter ended respectively	(26,007)	(36,767)	(18,040)	(13,419)
	(26,007)	(7,237)	(18,040)	(12,782)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed :				
-amount representing loss / (income) and capital losses / (gains) transferred to income statement	1,978	(685)	1,656	(289)
-amount representing (income) that forms part of unit holders' fund transferred to Distribution Statement	(7,788)	(2,301)	(5,310)	4,195
	(5,810)	(2,986)	(3,654)	3,906
Net element of loss and capital losses included in prices of units issued less those in units redeemed transferred to distribution statement	7,788	2,301	5,310	(4,195)
Net unrealised (diminution) / appreciation in fair value / reclassification adjustment for net gains realised on disposal of investments classified as 'available for sale'	-	(1,453)	-	5,065
Net income for the period (excluding net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' and capital gains / (loss) on sale of investments)	8,906	11,741	6,084	7,212
Capital gain / (loss) on sale of investments - net	17,478	(8,108)	5,747	(8,458)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	17,670	(23,562)	6,611	(26,254)
Total comprehensive income / (loss) for the period	44,054	(19,929)	18,442	(27,500)
Final distribution at the rate Rs. nil (30 June 2011: Rs. 0.5966) per unit for the year ended 30 June 2012 Distributed on 4 July 2011	-	(28,893)	-	-
- Bonus units	-	(28,893)	-	-
Net assets at the end of the period	374,078	332,021	374,078	332,021

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


Chief Executive Officer

For Arif Habib Investment Limited
(Management Company)


Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period before taxation	44,054	(19,929)	18,442	(27,500)
Adjustments for non-cash and other items:				
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	(17,670)	23,562	(6,611)	26,254
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	1,978	(685)	1,656	(289)
Dividend Income	(10,750)	(9,911)	(6,866)	(7,074)
Provision against non performing debt securities	(2,894)	704	(5,413)	703
	<u>(29,336)</u>	<u>13,670</u>	<u>(17,234)</u>	<u>19,594</u>
	14,718	(6,259)	1,208	(7,906)
(Increase) / decrease in assets				
Dividend and other receivables	1,845	1,592	12,182	3,541
Investments	25,681	43,468	27,582	(20,401)
Advance against subscription of term finance certificate	(20,000)	-	(20,000)	-
Advances and deposits	(399)	(45)	(421)	(57)
	7,127	45,015	19,343	(16,917)
(Decrease) / increase in liabilities				
Payable to Arif Habib Investments Limited - Management Company	67	17	35	(33)
Payable to Central Depository Company of Pakistan Limited - Trustee	6	(7)	(59)	(3)
Annual fee payable to Securities and Exchange Commission of Pakistan	(146)	(211)	81	75
Payable against redemption of units	198	-	2,996	-
Payable against purchase of investment	(2,798)	9,382	(2,799)	1,516
Accrued expenses and other liabilities	(447)	56	(170)	(3,033)
Dividend payable	(15)	-	(15)	-
	<u>(3,135)</u>	<u>9,237</u>	<u>69</u>	<u>(1,478)</u>
Dividend received	10,750	9,911	6,866	7,948
Net cash (used in) / generated from operating activities	<u>29,460</u>	<u>57,904</u>	<u>27,486</u>	<u>(18,353)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments against redemption of units	(26,007)	(36,767)	(18,040)	(13,419)
Payments received against issuance of units	-	637	-	637
Net cash (used in) / generated from financing activities	<u>(26,007)</u>	<u>(36,130)</u>	<u>(18,040)</u>	<u>(12,782)</u>
Net (decrease) / increase in cash and cash equivalents	3,453	21,774	9,446	(31,135)
Cash and cash equivalents at the beginning of the period	26,595	9,272	20,602	62,181
Cash and cash equivalents at the end of the period	<u>30,048</u>	<u>31,046</u>	<u>30,048</u>	<u>31,046</u>

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

For Arif Habib Investment Limited
(Management Company)


Chief Executive Officer


Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Capital Market Fund (PCMF) 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 27 October 2003. The Investment Adviser of PCMF obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake investment advisory services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Formation of PCMF as a closed-end scheme was authorized by SECP on 5 November 2003.

During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund is listed on all three stock exchanges in Pakistan. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the management company is situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.

The Board of Directors have approved that the Fund should be categorised as "Balanced Scheme" as per the Securities and Exchange Commission of Pakistan Circular 7 of 2009 dated 6 March 2009.

Based on shareholders' resolutions of MCB-AMC and AHI 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). AHI 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 & AHI/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 Honourable 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 Net Assets Value (NAV) remain unaffected.

The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities and secured debt securities, money market transactions and reverse repurchase transactions.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned long-term entity-rating of Arif Habib Investments Limited, the Asset Management Company, "A+" (Single A Plus) while stability rating of "3 Star" to the Fund.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirement of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984, 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). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2012.

2.3 This condensed interim financial information is unaudited and is presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand rupees.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

2.4 This condensed interim financial information is unaudited. However, a limited scope review has been performed by the external auditors of the Fund. 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.

2.5 The comparatives in the condensed interim statement of assets and liabilities presented in this condensed interim financial information as at 31 December 2012 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2012, where as the comparative in condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, and condensed interim cash flow statement are extracted from unaudited condensed interim financial information for the period ended 31 December 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2012.

3.1 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not result in change to the Fund's operations or a change in accounting policy of the Fund.

4. ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2012.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2012.

6. BALANCE WITH BANKS

		31 December 2012 (Unaudited)	30 June 2012 (Audited)
		(Rupees in '000)	
Saving accounts	6.1 & 6.2	27,265	22,433
Current account		2,783	4,162
		<u>30,048</u>	<u>26,595</u>

6.1 These carry mark-up at rates ranging between 6% to 11% per annum (30 June 2012: 6% to 10.5% per annum).

6.2 This includes Rs. 23.767 million (30 June 2012: Rs. 1.2 million) held with a related party carrying profit rates between 6% to 11% (30 June 2012: 6.5% to 11%) per annum.

7. INVESTMENTS

'At fair value through profit or loss'

- Quoted equity securities	7.1	223,016	151,963
- Quoted preference shares	7.2	-	8,333
- Term finance and sukuk certificates	7.3	45,260	53,569
- Government securities	7.4	54,266	113,794
		<u>322,542</u>	<u>327,659</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

7.1 Quoted equity securities - 'at fair value through profit or loss'

Name of the investee company	Number of shares				Balance as at 31 December 2012			Market Value		Paid up value of shares held as a percentage of total paid up capital of the investee company	
	As at 1 July 2012	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at 31 December 2012	Carrying value	Market value	Appreciation / (diminution)	As percentage of net assets		As percentage of total investments
----- (Rupees in '000) -----											
Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.											
OIL AND GAS											
Pakistan State Oil Company Limited	22	40,000	4	-	40,026	8,746	9,294	548	2.48	2.88	0.02
National Refinery Limited	-	15,000	-	(15,000)	-	-	-	-	0.00	-	-
Pakistan Oilfields Limited	24,080	47,101	-	(20,000)	51,181	20,721	22,394	1,673	5.99	6.94	0.02
Oil & Gas Development Company Limited	23,000	109,000	-	(128,800)	3,200	551	616	65	0.16	0.19	0.00
Pakistan Petroleum Limited	162,720	40,000	26,905	(145,100)	84,525	13,266	14,943	1,677	3.99	4.63	0.04
Attock Petroleum Limited	56,117	18,400	-	(56,600)	17,917	8,656	9,173	517	2.45	2.84	0.01
						51,940	56,420	4,480			
CHEMICALS											
Fauji Fertilizer Company Limited	60,000	373,000	-	(285,000)	148,000	16,916	17,337	421	4.63	5.38	0.07
I.C.I. Pakistan Limited	-	44,000	-	(44,000)	-	-	-	-	-	-	-
Engro Corporation Limited	-	35,000	-	(35,000)	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	50,000	-	(50,000)	-	-	-	-	-	-	-
Dawood Hercules Corporation Limited	-	25,000	-	(25,000)	-	-	-	-	-	-	-
Lotte Pakistan PTA Limited	-	125,000	-	-	125,000	906	919	13	0.25	0.28	0.06
Fatima Fertilizer Company Limited	417,538	-	-	(417,538)	-	-	-	-	-	-	-
						17,822	18,256	434			
CONSTRUCTION AND MATERIAL											
D. G. Khan Cement Company Limited	-	182,000	-	(147,000)	35,000	1,923	1,910	(13)	0.51	0.59	0.02
Lucky Cement Limited	89,215	166,000	-	(89,000)	166,215	21,299	25,188	3,889	6.73	7.81	0.08
Fauji Cement Company Limited	-	1,085,000	-	(24,500)	1,060,500	7,201	6,936	(265)	1.85	2.15	0.52
Cherat Cement Company Limited	31,000	170,000	-	(116,000)	85,000	3,783	4,144	361	1.11	1.28	0.04
Kohat Cement Company Limited	-	94,500	-	(77,500)	17,000	1,082	1,201	119	0.32	0.37	0.01
Lafarge Pakistan Cement Limited	-	215,000	-	(215,000)	-	-	-	-	-	-	-
						35,288	39,379	4,091			
ENGINEERING											
Millat Tractors Limited	14,500	9,200	-	(10,200)	13,500	6,591	7,622	1,031	2.04	2.36	0.01
						6,591	7,622	1,031			
FOODS											
Unilever Pakistan Limited *	-	400	-	(400)	-	-	-	-	-	-	-
						-	-	-			
TEXTILE											
Blessed Textile Limited	-	10,000	-	(1,000)	9,000	855	1,061	206	0.28	0.33	0.00
Nishat Mills Limited	-	140,000	-	(35,000)	105,000	5,795	6,704	909	1.79	2.08	0.05
Nishat Chunian Limited	-	427,500	-	(427,500)	-	-	-	-	-	-	-
						6,650	7,765	1,115			
PHARMACEUTICAL AND BIO TECHNOLOGY											
GlaxoSmithKline Limited	57,000	-	-	(57,000)	-	-	-	-	-	-	-
Abbot Laboratory (Pakistan) Limited	61,196	-	-	(61,196)	-	-	-	-	-	-	-
						-	-	-			
ELECTRICITY											
Hub Power Company Limited	394,513	537,000	-	(75,000)	856,513	37,452	38,749	1,297	10.36	12.01	0.42
Kot Addu Power Company Limited	-	236,000	-	-	236,000	11,129	11,655	526	3.12	3.61	0.11
Nishat Chunian Power Limited	551,648	1,658,000	-	(2,209,648)	-	-	-	-	-	-	-
Nishat Power Limited	-	1,179,000	-	(1,016,500)	162,500	3,142	3,169	27	0.85	0.98	0.08
						51,723	53,573	1,850			
BANKS											
MCB Bank Limited	-	35,000	-	(35,000)	-	-	-	-	-	-	-
Askari Bank Limited	101,332	560,000	-	(85,000)	576,332	8,777	9,924	1,147	2.65	3.08	0.28
Bank Alfalah Limited	100,000	600,000	-	(700,000)	-	-	-	-	0.00	-	-
Bank Al Habib Limited	118,530	948,000	-	(600,030)	466,500	14,370	14,802	432	3.96	4.59	0.23
United Bank Limited	63,000	136,000	-	(199,000)	-	-	-	-	-	-	-
Meezan Bank Limited	-	252,000	-	-	252,000	7,496	7,573	77	2.02	2.35	0.12
Pakistan Reinsurance Limited	-	400,000	-	(85,000)	315,000	5,916	7,702	1,786	2.06	2.39	0.15
						36,559	40,001	3,442			
Total as at 31 December 2012						206,573	223,016	16,443			
Total as at 30 June 2012						147,030	151,963	4,933			

7.1.1 Investments include quoted equity security with market value of Rs. 10,080,758 (2012 : Rs. 8,849,138) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

7.2 Listed preference shares - 'At fair value through profit or loss'

Name of the investee company	Number of shares					Balance as at 31 December 2012			Market Value		Paid up value of shares held as a percentage of total paid up capital of the investee company
	As at 1 July 2012	Purchases during the period	Bonus / right issue during the period	Redeemed during the period	As at 31 December 2011	Carrying value	Market value	Appreciation / (diminution)	As percentage of net assets	As percentage of total investments	
----- (Rupees in '000) -----											
TEXTILE											
Masood Textile Mills Limited	8,333	-	-	(8,333)	-	-	-	-	-	-	-
Total as at 31 December 2012						-	-	-			
Total as at 30 June 2012						8,333	8,333	-			

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

7.3 Term finance and sukuk certificates- 'at fair value through profit or loss'

Certificate have a face value of Rs. 5,000 each unless stated otherwise

Name of Investee company	Profit / Mark-up percentage	Number of certificate				Balance as at 31 December 2012			Market Value		Percentage in relation to size of issue
		As at 1 July 2012	Purchases during the period	Sales/Matured during the period	As at 31 December 2012	Carrying Value	Market Value	Appreciation / (diminution)	As a percentage of total investments	As a percentage on net assets	
----- (Rupees in '000) -----											
Listed debt securities											
NIB Bank Limited	11.59%	4,000	-	-	4,000	19,874	20,014	140	6.21	5.35	0.67
United Bank Limited III	12.13%	7,020	-	-	7,020	23,150	23,746	596	7.36	6.35	1.76
						<u>43,024</u>	<u>43,760</u>	<u>736</u>			
Unlisted Sukuk Bonds											
Maple Leaf Cement Factory limited Sukuk - I (Note 7.3.1)	-	2,000	-	-	2,000	5,606	1,500	(4,106)	0.47	0.40	0.13
Maple Leaf Cement Factory limited Sukuk - II	-	75	-	-	75	-	-	-	0.00	0.00	0.13
						<u>5,606</u>	<u>1,500</u>	<u>(4,106)</u>			
Total as at 31 December 2012						<u>48,630</u>	<u>45,260</u>	<u>(3,370)</u>			
Total as at 30 June 2012						55,724	53,569	(2,155)			

7.3.1 Security listed below have been classified as non performing in accordance with SECP circular 1 of 2009 and the Fund's provisioning policy for non-performing exposure. Accordingly, the carrying values stated above have been arrived at after taking into accounts provisions as under:

Name of Investee Company	Outstanding balance	Provision during the period	Provision upto 31 December 2012	Net Carrying Value
	----- (Rupees in '000) -----			
Maple Leaf Cement Factory Limited Sukuk - I	5,800	(2,894)	(4,300)	1,500

7.4 Government Securities- 'At fair value through profit or loss'

Tenor	Face value				Balance as at 31 December 2012			Market Value	
	As at 1 July 2012	Purchases during the period	Sold / Matured during the period	As at 31 December 2012	Carrying Value	Market Value	Appreciation / (diminution)	As a percentage of total investments	As a percentage on net assets
----- (Rupees in '000) -----									
Market Treasury Bill									
Treasury bills - 3 months	75,000	70,000	(145,000)	-	-	-	-	-	-
Treasury bills - 12 months	-	95,000	(80,000)	15,000	13,950	13,974	24	4.33	3.74
Total - 31 December 2012					13,950	13,974	24		
Total - 30 June 2012					73,783	73,774	(9)		
Government of Pakistan Ijara Sukuk									
15 November 2012	3 Years	40,000	-	40,000	40,020	40,292	272	12.49	10.77
Total - 30 June 2012					40,400	40,020	(380)		
Total of investment in Government Securities - 31 December 2012					53,970	54,266	296		
Total of investment in Government Securities - 30 June 2012					114,183	113,794	(389)		

8. DETAILS OF NON-COMPLIANT INVESTMENTS WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated 6 March 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board of Directors of Management Company has approved the category of the fund as a "Balanced Scheme".

In accordance with clause (iv) of the investment criteria laid down for 'Balanced Scheme' in circular 7 of 2009, the Fund is not allowed to invest in any debt security having a rating lower than A- (A minus). However, as at 31 December 2012, the Fund is non-compliant with the above mentioned requirement in respect of the following:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
Investment in debt securities *	Maple Leaf Cement Factory Limited - Term Finance Certificate (03-Dec-2007)	5,800	4,300	1,500	0.40%	0.40%
Investment in debt securities **	Maple Leaf Cement Factory Limited - Term Finance Certificate (31-Mar-2010)	375	375	-	-	-

* At the time of purchase, the said term finance certificate was in compliance of the said circular (i.e. investment grade) and was subsequently downgraded to non-investment grade.

** This was issued against outstanding mark-up receivable from Maple Leaf Cement Factory Limited against a restructuring agreement. Rated as non investment grade.

9. ADVANCE AGAINST SUBSCRIPTION OF TERM FINANCE CERTIFICATE

This represents advance provided against issue of term finance certificates of Bank Al Falah Limited - V in term of investment agreement dated 28 December 2012. The advance is unsecured and carries mark up at the rate of 10.67% per annum and is expected for issue on 28 January 2013.

10. CONTINGENCIES AND COMMITMENTS

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 for an adjudication.

Subsequent to the year ended 30 June 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 14 December 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.

Subsequent to 30 June 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 High Court of Sindh. 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 31 December 2012 amounted to Rs. 5.198 million (including Rs. 0.881 million for the half year ended 31 December 2012) (NAV per unit: Rs. 0.119).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

11. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the Fund by the year end to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been made in this condensed interim financial information.

12. EARNINGS / (LOSS) PER UNIT

Earnings per unit has not been disclosed as in the opinion of the management determination of weighted average number of outstanding units for calculating earnings per unit is not practicable.

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related party 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 Trustees, directors and key management personnel and other associated undertakings.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms / at contracted rates.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

13.1 Details of transactions with the connected persons / related parties during the period are as follows:

		Unaudited			
	Note	Half year ended		Quarter ended	
		31 December		31 December	
		2012	2011	2012	2011
		----- (Rupees in '000) -----			
Arif Habib Investments Limited					
- Management Company of the Fund					
Remuneration for the period		<u>3,723</u>	<u>3,654</u>	<u>1,881</u>	<u>1,775</u>
Sindh sales tax on remuneration to management company		<u>596</u>	<u>585</u>	<u>301</u>	<u>284</u>
Arif Habib Limited- Brokerage House					
Brokerage expense		<u>57</u>	<u>35</u>	<u>25</u>	<u>11</u>
Summit Bank Limited (Formerly Arif Habib Bank Limited)					
Profit on bank deposits		<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
MCB Bank Limited					
Bank charges		<u>8</u>	<u>7</u>	<u>3</u>	<u>7</u>
Profit received		<u>395</u>	<u>132</u>	<u>194</u>	<u>132</u>
Dividend income		<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>
Nishat Mills Limited					
Dividend income		<u>490</u>	<u>330</u>	<u>490</u>	<u>330</u>
Nishat Chunian Power Limited					
Dividend income		<u>1,202</u>	<u>13</u>	<u>1,202</u>	<u>13</u>
Central Depository Company of Pakistan Limited-Trustee of the Fund					
Remuneration for the period		<u>372</u>	<u>365</u>	<u>188</u>	<u>177</u>
CDC settlement charges		<u>24</u>	<u>3</u>	<u>10</u>	<u>(1)</u>
Next Capital Limited					
Brokerage paid during the period	13.4	<u>36</u>	<u>17</u>	<u>14</u>	<u>4</u>
Arif Habib Limited					
Brokerage paid during the period	13.4	<u>57</u>	<u>30</u>	<u>25</u>	<u>9</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

13.2 Balance outstanding as at the period / year end are as follows:

	<i>Note</i>	31 December 2012 (Unaudited) (Rupees in '000)	30 June 2012 (Audited)
Arif Habib Investments Limited - Management Company of the Fund			
Remuneration payable to the Management Company		<u>638</u>	<u>580</u>
Sales tax payable on remuneration of Management Company		<u>102</u>	<u>93</u>
Central Depository Company of Pakistan Limited of the Fund			
Remuneration payable to the Trustee		<u>64</u>	<u>58</u>
CDC Settlement charges payable		<u>2</u>	<u>-</u>
Security deposit		<u>200</u>	<u>300</u>
Next Capital Limited			
Brokerage payable	<i>13.4</i>	<u>1</u>	<u>13</u>
MCB Bank Limited			
Bank balances		<u>23,767</u>	<u>1,200</u>
Profit receivable on bank balances		<u>26</u>	<u>-</u>
Nishat Power Limited			
162,500 shares held by the Fund (30 June 2012: nil shares)		<u>3,169</u>	<u>-</u>
Nishat Mills Limited			
105,000 shares held by the Fund (30 June 2012: nil shares)		<u>6,704</u>	<u>-</u>
Nishat Chunian Power Limited			
Nil shares held by the Fund (30 June 2012: 551,648 shares)		<u>-</u>	<u>8,181</u>
Arif Habib Limited			
Brokerage payable	<i>13.4</i>	<u>9</u>	<u>82</u>

13.3 Transactions during the period with connected persons / related party in the units of the Fund:

	Unaudited			
	Half year ended 31 December 2012		Half year ended 31 December 2011	
	Units	(Rs. in '000)	Units	(Rs. in '000)
Bonus units issued to:				
Key management personnel	<u>-</u>	<u>-</u>	<u>180</u>	<u>1</u>
Units redeemed by:				
Key management personnel	<u>1,283</u>	<u>10</u>	<u>-</u>	<u>-</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

- 13.4** 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.

	Half year ended		Half year ended	
	31 December (Unaudited)	30 June 2012 (Audited)	31 December (Unaudited)	30 June 2012 (Audited)
	Units		(Rupees in '000)	
Units held by:				
Bank Alfalah Limited	11,275,972	11,275,972	96,522	85,134
Key management personnel	-	2,626	-	40

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 04, 2013 by the Board of Directors of the Management Company.



Chief Executive Officer

For Arif Habib Investment Limited
(Management Company)



Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

Arif Habib Investments Limited (A subsidiary of MCB Bank Limited)

8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.

UAN: (+92-21) 11-11-622-24 (11-11-MCB-AH), 111-468378 (111-INVEST), Peshawar 091-5852961,
Bachat Center: 0800-622-24 (0800-MCB-AH), Fax: (+92-21)32276898, 32276908, URL: www.mcbah.com