

**AH DOW JONES SAFE
PAKISTAN TITANS 15 INDEX 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	<table><tr><td>Mian Mohammad Mansha</td><td>Chairman(subject to the approval of SECP)</td></tr><tr><td>Mr. Nasim Beg</td><td>Executive Vice Chairman</td></tr><tr><td>Mr. Yasir Qadri</td><td>Chief Executive (subject to the approval of SECP)</td></tr><tr><td>Syed Salman Ali Shah</td><td>Director (subject to the approval of SECP)</td></tr><tr><td>Mr. Haroun Rashid</td><td>Director (subject to the approval of SECP)</td></tr><tr><td>Mr. Ahmed Jahangir</td><td>Director (subject to the approval of SECP)</td></tr><tr><td>Mr. Samad A. Habib</td><td>Director</td></tr><tr><td>Mr. Mirza Mahmood Ahmad</td><td>Director (subject to the approval of SECP)</td></tr></table>	Mian Mohammad Mansha	Chairman(subject to the approval of SECP)	Mr. Nasim Beg	Executive Vice Chairman	Mr. Yasir Qadri	Chief Executive (subject to the approval of SECP)	Syed Salman Ali Shah	Director (subject to the approval of SECP)	Mr. Haroun Rashid	Director (subject to the approval of SECP)	Mr. Ahmed Jahangir	Director (subject to the approval of SECP)	Mr. Samad A. Habib	Director	Mr. Mirza Mahmood Ahmad	Director (subject to the approval of SECP)
Mian Mohammad Mansha	Chairman(subject to the approval of SECP)																
Mr. Nasim Beg	Executive Vice Chairman																
Mr. Yasir Qadri	Chief Executive (subject to the approval of SECP)																
Syed Salman Ali Shah	Director (subject to the approval of SECP)																
Mr. Haroun Rashid	Director (subject to the approval of SECP)																
Mr. Ahmed Jahangir	Director (subject to the approval of SECP)																
Mr. Samad A. Habib	Director																
Mr. Mirza Mahmood Ahmad	Director (subject to the approval of SECP)																
Company Secretary & Chief Financial Officer of the Management Company	Mr. Muhammad Saqib Saleem																
Audit Committee	Mr. Nasim Beg Mr. Haroun Rashid Mr. Samad A. Habib Mr. Ali Munir																
Trustee	MCB Financial Services Limited 3rd Floor, Adamjee House, I.I. Chundrigar Road, Karachi.																
Bankers	Habib Metropolitan Bank Limited																
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Buliding No.1 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 (Positive Outlook) 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 **AH Dow Jones SAFE Pakistan Titans 15 Index 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 underperformed its benchmark index by delivering 8.7% return as compared to its benchmark return of 9.8%. Earlier in the period, the fund was not able to hold MCB Bank to the tune of index weight of 21% due to group holding restriction of 10% - thereby increasing its tracking error. However towards the end of the first quarter, the SECP made changes in NBFC regulations and Index tracker funds were relaxed to keep index exposure within group companies also. The fund responded immediately and MCB Bank was replenished to the index limit. Overall equity exposure was 94.6% at period-end as compared to 85.5% at the beginning of the period. Fund rebalances constituent allocations every month. This constant tracking of allocation changes allow fund to follow its benchmark index more closely.

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

	<i>Note</i>	31 March 2012 (Unaudited)	30 June 2011 (Audited)
		(Rupees in '000)	
Assets			
Bank balances	5	472	1,682
Investments	6	112,887	108,713
Dividend and profit receivable		2,590	521
Advances, deposits, prepayments and other receivables		2,700	2,600
Preliminary expenses and floatation costs		724	858
Receivable against sale of investments		-	12,734
Receivable against sale of units		-	25
Total assets		119,373	127,133
Liabilities			
Payable to the Management Company	7	113	3,812
Payable to Trustee		59	57
Annual fee payable to Securities and Exchange Commission of Pakistan		83	80
Accrued expenses and other liabilities		486	497
Total liabilities		741	4,446
Net assets		118,632	122,687
Unit holders' fund (as per the statement attached)		118,632	122,687
CONTINGENCY	8		
		(Number of units)	
Number of units in issue (face value of units is Rs. 50 each)		1,955,448	2,114,290
		(Rupees)	
NET ASSET VALUE PER UNIT		60.67	58.03

The annexed notes 1 to 12 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 / Period ended		Quarter ended	
		31 March 2012	16 August 2010 to 31 March 2011	31 March 2012	31 March 2011
------(Rupees in '000)-----					
Income					
Profit on bank deposits		367	373	20	64
Dividend income		7,227	3,610	3,275	2,310
Gain / (loss) on sale of investments - net		(1,546)	953	(1,208)	953
Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss'	6.1	6,251	11,947	22,217	(2,489)
Total income		<u>12,299</u>	<u>16,883</u>	<u>24,304</u>	<u>838</u>
Expenses					
Remuneration of the Management Company	7	1,009	541	337	304
Remuneration to Trustee		528	322	176	173
Annual fee to Securities and Exchange Commission of Pakistan		83	51	28	28
Securities transaction cost		89	299	33	48
Settlement and bank charges		176	106	73	51
Fees and subscriptions		98	52	33	28
Auditor's remuneration		365	280	134	169
Professional charges		186	57	130	34
Printing and related cost		77	81	30	44
Amortisation of preliminary expenses and floatation costs		134	92	36	49
Total expenses		<u>2,745</u>	<u>1,881</u>	<u>1,010</u>	<u>928</u>
Net income / (loss) from operating activities		<u>9,554</u>	<u>15,002</u>	<u>23,294</u>	<u>(90)</u>
Net element of income and capital gains included in prices of units issued less those in units redeemed		(90)	243	(255)	(183)
Net income / (loss) carried forward before Taxation		<u>9,464</u>	<u>15,245</u>	<u>23,039</u>	<u>(273)</u>
Taxation					
Net income / (loss) for the period after taxation		<u>9,464</u>	<u>15,245</u>	<u>23,039</u>	<u>(273)</u>
Other comprehensive income / (loss) for the period		-	-	-	-
Total comprehensive income / (loss) for the period		<u>9,464</u>	<u>15,245</u>	<u>23,039</u>	<u>(273)</u>
Earnings / (loss) per unit	10				

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 / Period ended		Quarter ended	
	31 March 2012	16 August 2010 to 31 March 2011	31 March 2012	31 March 2011
	------(Rupees in '000)-----			
Undistributed income / (loss) brought forward	16,973	-	(1,066)	15,518
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(926)	-	(1,113)	-
Final distribution for the year ended June 30, 2011 @ Rs. 2.2 per unit (June 30, 2010: Nil)	(4,651)	-	-	-
Comprehensive income / (loss) for the period	9,464	15,245	23,039	(273)
Net income / (loss) for the period less distribution	3,887	15,245	21,926	(273)
Undistributed income / (loss) carried forward	<u>20,860</u>	<u>15,518</u>	<u>20,860</u>	<u>15,518</u>

The annexed notes 1 to 12 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 / Period ended		Quarter ended	
	31 March 2012	16 August 2010 to 31 March 2011	31 March 2012	31 March 2011
------(Rupees in '000)-----				
Net assets at the beginning of the period	122,687	-	106,252	123,582
Issuance of 32,482 units (2011: 2,364,919 units) and 6,303 units (2011: 136,183 units) for the nine months and quarter respectively	1,788	120,196	336	8,063
Issue of 67,552 bonus units for the year ended 30 June 2011 (2010: Nil)	3,771	-	-	-
Redemption of 258,876 units (2011: 240,819 units) and 197,239 units (2010: 173,367 units) for the nine months and quarter respectively	(14,517)	(13,747)	(11,250)	(10,104)
	(8,958)	106,449	(10,914)	(2,041)
Cash distribution for the year ended 30 June 2011 @ Rs. 2.2 per unit (30 June 2010: Nil)	-	-	-	-
Element of (income) / loss in prices of units issued less those in units redeemed				
- amount representing element of (income) / loss and capital (gains)/losses -transferred to income statement	90	(243)	255	183
- amount representing element of (income)/loss and capital (gains)/losses that form of part of the unit holder's fund -transferred to distribution statement	926	-	1,113	-
	1,016	(243)	1,368	183
Element of income / (loss) and capital (gains)/losses included in prices of units issued less those in units redeemed- amount representing unrealised income	(926)	-	(1,113)	-
Final distribution for the year ended 30 June 2011 @ Rs. 2.2 per unit (30 June 2010: Nil)				
- Cash distribution	(880)	-	-	-
- Bonus distribution	(3,771)	-	-	-
	(4,651)	-	-	-
Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss'	6,251	11,947	22,217	(2,489)
Net income for the period	3,213	3,298	822	2,216
	9,464	15,245	23,039	(273)
Net assets at the end of the period	118,632	121,451	118,632	121,451
Net asset value per unit at the end of the period	60.67	57.18	60.67	57.18

The annexed notes 1 to 12 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/ For the period ended		Quarter ended	
	31 March 2012	16 August 2010 to 31 March 2011	31 March 2012	31 March 2011
------(Rupees in '000)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	9,464	15,245	23,039	(273)
Adjustments				
Dividend income	(7,227)	(3,610)	(3,275)	(2,310)
Unrealised diminution / (appreciation) in the value of investments 'at fair value through profit or loss'	(6,251)	(11,947)	(22,217)	2,489
Amortisation of preliminary expenses and floatation costs	134	92	36	49
Net element of income and capital gains included in prices of units issued less those in units redeemed	90	(243)	255	183
	(3,790)	(463)	(2,162)	138
Decrease / (increase) in assets				
Investments	2,077	(107,407)	11,534	(416)
Profit receivable	11	(18)	16	3
Receivable against sale of investments	12,734	-	-	-
Receivable against sale of units	25	-	-	-
Advances, deposits, prepayments and other receivables	(100)	(3,628)	(85)	28
	14,747	(111,053)	11,465	(385)
(Decrease) / increase in liabilities				
Payable to the Management Company	(3,699)	3,822	5	2
Payable to Trustee	2	59	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan	3	51	28	28
Accrued expenses and other liabilities	(11)	330	(8)	118
	(3,705)	4,262	25	148
Dividend received	5,147	2,170	871	1,573
Net cash generated from / (used in) operating activities	12,399	(105,084)	10,199	1,474
CASH FLOWS FROM FINANCING ACTIVITIES				
Net (payments) / receipts from issuance / redemption of units	(12,729)	106,449	(10,914)	(2,041)
Dividend paid	(880)	-	-	-
Net cash (used in) / generated from financing activities	(13,609)	106,449	(10,914)	(2,041)
Net (decrease) / increase in cash and cash equivalents during the period	(1,210)	1,365	715	(567)
Cash and cash equivalents at the beginning of the period	1,682	-	1,187	1,932
Cash and cash equivalents at the end of the period	472	1,365	472	1,365

The annexed notes 1 to 12 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

AH Dow Jones SAFE Pakistan Titans 15 Index Fund ("the Fund") was established under a Trust Deed executed on 30 March 2010 between Arif Habib Investments Limited as Management Company and MCB Financial Services Limited as Trustee of the Fund. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan ("SECP") on 19 March 2010 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("NBFC Regulations").

Formation of the Fund as open end fund was authorized by SECP on 22 April 2010. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.

Based on shareholders' resolutions of MCB Asset Management Company Limited (MCBAMCL) and Arif Habib Investment Limited (AHIL) the two companies have merged as of 27 June 2011 through operation of an order from the Securities and Exchange Commission of Pakistan (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). AHIL 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 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 Fund is an index tracker scheme and aims to provide investors with a total return that before expenses closely corresponds to the return of the Dow Jones SAFE Pakistan Titans 15 Index by tracking the return of Dow Jones SAFE Pakistan Titans 15 Index, thus providing exposure to the Investments include shares with market value of Rs.45.848 million (30 June 2011: 45.216 million) which have been pledged with National Clearing Company of Pakistan Limited

The Fund invests in local equity stocks in respective weightages of Dow Jones SAFE Pakistan Titans 15 Index to achieve the investment objective. The fund manager monitors the performance of the Fund and the benchmark index on a continuous basis. Upon rebalancing of the Index the Management Company may also rebalance the portfolio within 21 Dealing Days with the objective to minimize the tracking error.

The Fund shall strive to remain fully invested in accordance with the stated index; however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index during the year based on monthly average investment calculated on daily basis. The uninvested amount shall be kept in:

- (a) Cash and / or near cash instruments where near cash instruments include cash in bank account (excluding TDRs); and
- (b) Treasury Bills not exceeding 90 Days maturity.

The duration of the Fund is perpetual. It offers and redeem units on a continuous basis.

Title to the assets of the Fund are held in the name of MCB Financial Services 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 approved accounting standards as applicable in Pakistan for

interim financial reporting, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules"), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("NBFC Regulations 2008") 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 2008 and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations 2008 and the said directives shall prevail.

The comparatives in the statement of assets and liabilities presented in this condensed interim financial information as at 31 December 2011 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2011, where as the comparative condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund are stated from unaudited condensed interim financial information for the half year ended 31 December 2010.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements are unaudited.

The Directors of the asset management company declare that this condensed interim financial information give a true and fair view of the Fund.

2.2 Basis of measurement

This condensed interim financial information has been prepared on the basis of historical cost convention except that investments have been included at fair value.

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

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

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

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

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

During the period the Fund has revised the calculation of element of income and capital gains included in the prices of units issued less those in the units redeemed ("element"). As per the revised calculation element to the extent that it is represented by income / (loss) earned / (incurred) during the period is recognised in the income statement and the element represented by income/ (loss) earned / (incurred) carried forward from prior year is included in the distribution statement. Previously the entire element was recorded in the income statement.

The revised calculation, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged

on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund. Had the calculation not been changed, the net income for the year ended 31 March 2012 would have been lower by Rs. 0.926 million.

3.1 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. Management is currently considering the impact of said disclosures on 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.

3.2 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 01 July 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.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 30 June 2011.

5. BANK BALANCES

		31 March 2012 (Unaudited)	30 June 2011 (Audited)
		(Rupees in '000)	
Deposit accounts	5.1	<u>472</u>	<u>1,682</u>

5.1 These balances in deposit accounts are maintained with Habib Metropolitan Bank (a connected person) carrying profit rates ranging from of 5% to 9.5% per annum (30 June 2011: 5% to 10.5% per annum).

6. INVESTMENTS - 'At fair value through profit or loss' (held for trading)

Investment in shares listed in Pakistan	6.1	<u>112,887</u>	<u>108,713</u>
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6.1 Investment in shares listed in Pakistan

Name of the Investee Company	Number of shares			Balance as at March 31, 2012			Market value as percentage of net assets	Market value as percentage of total investment	Par value as percentage of issued capital of
	As at 1 July 2011	Purchase during the period	Bonus / right issue during the period	As at 31 March 2012	Carrying value	Market value			
SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs. 10 each unless stated otherwise ----- (Rupees in '000)-----									
<u>Oil and gas producers</u>									
Pakistan State Oil Company Limited	22,271	3,871	-	21,904	5,778	(317)	4.60%	4.84%	0.013%
Pakistan Oilfields Limited	19,196	2,973	-	18,937	6,825	92	5.83%	6.13%	0.008%
Pakistan Petroleum Limited	45,291	7,719	4,854	49,282	9,008	(246)	7.59%	7.98%	0.004%
Oil and Gas Development Company Limited	188,669	3,347	-	111,851	17,126	1,627	15.81%	16.61%	0.003%
					38,983	40,139	1,156	33.83%	
<u>Chemicals</u>									
Dawood Hercules Chemicals Limited	50,273	7,641	-	-	-	-	0.00%	0.00%	0.000%
Fauji Fertilizer Company Limited	83,341	11,927	41,639	123,655	12,447	2,990	13.01%	13.67%	0.010%
Fauji Fertilizer Bin Qasim Limited	53,024	7,307	-	52,356	2,224	(48)	1.83%	1.93%	0.006%
Fatima Fertilizer Co. Ltd.	-	116,885	-	116,885	2,677	2,773	2.34%	2.46%	0.006%
Engro Corporation Limited	42,695	6,622	12,756	54,924	6,815	(1,362)	4.60%	4.83%	0.011%
					24,163	25,839	1,676	21.78%	
<u>Construction and materials</u>									
Lucky Cement Limited	40,286	5,538	-	39,819	2,834	4,517	3.81%	4.00%	0.012%
					2,834	4,517	1,683	3.81%	
<u>Electricity</u>									
Hub Power Company Limited	125,888	19,062	-	125,200	4,700	11	3.97%	4.17%	0.011%
					4,700	4,711	11	3.97%	
<u>Banks</u>									
Bank AL-Habib Limited	126,416	19,740	18,786	145,506	3,728	297	3.39%	3.57%	0.014%
Habib Bank Limited	27,072	4,250	2,695	29,489	3,111	173	2.77%	2.91%	0.002%
MCB Bank Limited	61,023	80,390	12,311	135,828	23,118	711	20.09%	21.11%	0.015%
National Bank of Pakistan	73,187	9,881	7,201	79,212	3,636	(22)	3.05%	3.20%	0.004%
United Bank Limited	38,578	6,139	-	38,193	2,363	2,929	2.47%	2.59%	0.003%
					35,956	37,681	1,725	31.77%	
Total					106,636	112,887	6,251	95.16%	

6.1.1 Investments include shares with market value of Rs.45,848 million (June 30, 2011: 45,216 million) which have been pledged with National Clearing Commission of Pakistan Limited for guaranteeing settlement of the Fund's trades in term of Circular No. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

7. PAYABLE TO THE MANAGEMENT COMPANY

- 7.1 During the period, the Fund has reimbursed Rs. 1 million in respect of preliminary expenses and floatation costs and Rs. 2.64 million in respect of account opening deposit to bank, central depository company of Pakistan and National Clearing Company of Management Company.
- 7.2 During the current period the Sindh 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 1 July 2011. Accordingly the Management fee charged during the period includes General Sales Tax.

8. CONTINGENCY

Provision for Worker's Welfare Fund

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.

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 14 December 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal council 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. 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 liability of WWF as at March 31, 2012 amounts to Rs. 0.53 million

9. 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 Regulation, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains 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. No provision for taxation has been made in this condensed interim financial statement due to loss for the period.

10. EARNINGS PER UNIT

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

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, other associated undertaking and investors holding 10% or more of units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules 2003, the NBFC Regulations 2008 and Trust Deed respectively. Other transactions are at agreed rates.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

11.1 Transactions during the period with connected persons / related parties

	Unaudited			
	Nine months / period ended		Quarter ended	
	31 March 2012	16 August 2010 to 31 March 2011	31 March 2012	31 March 2011
	------(Rupees in '000)-----			
Arif Habib Investments Limited - Management Company				
Remuneration for the period	1,009	541	337	304
Front end load for the period	3	54	2	50
Mark up on core investment	-	475	-	83
Arif Habib Limited				
Brokerage for the period	10	60	1	19
MCB Financial Services Limited -				
Remuneration for the period	528	322	176	173
Cash Dividend Received By				
Allied Bank Limited - more than 10% unit holder	880	-	-	-

11.2 Balance outstanding as at the period end

	(Unaudited)	Audited
	31 March 2012	30 June 2011
	(Rupees in '000)	
Arif Habib Investments Limited - Management Company		
Remuneration payable	113	102
Payable against formation costs	-	3,710
MCB Financial Services Limited		
Remuneration payable	59	57
MCB Bank Limited		
Investments in listed securities	23,829	12,163

11.3 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.

12. DATE OF AUTHORISATION FOR ISSUE

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

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

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman