

# First Habib Income Fund



## First Quarterly Report September 30, 2009



**Habib Asset Management Limited**  
(An Associate Company of Bank AL Habib Ltd.)



## CONTENTS

	<b>Page No.</b>
Fund's Information	2
Directors' Report	3
Condensed Interim Statement of Assets and Liabilities	4
Condensed Interim Income Statement	5
Condensed Interim Distribution Statement	6
Condensed Interim Statement of Movement in Unit Holders' Funds	7
Condensed Interim Cash Flow Statement	8
Notes to the Condensed Interim Financial Statements	9

## FUND'S INFORMATION

### Management Company

Habib Asset Management Limited

### Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive
Mr. Mohammad Ali Jameel	Director
Mr. Shariq Abdullah	Director
Mr. Mansoor Ali	Director

### CFO and Company Secretary

Mr. Muhammad Shakeel Musani

### Audit Committee

Mr. Mohammad Ali Jameel	Chairman
Mr. Shariq Abdullah	Member
Mr. Mansoor Ali	Member

### Auditors

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

### Internal Auditors

A.F Ferguson & Co.  
Chartered Accountants  
State Life Building, 1-C,  
I.I. Chundrigar Road, Karachi.

### Trustee

Central Depository Company  
of Pakistan Limited  
CDC House, 99-B, Block 'B', S.M.C.H.S,  
Main Shahra-e-Faisal, Karachi.

### Registrar

Gangjees Registrar Services  
(Pvt.) Limited  
516, Clifton Centre, Block-5,  
Khayaban-e-Roomi, Clifton, Karachi.

### Bankers to the Fund

Bank AL Habib Limited  
Bank Alfalah Limited  
My Bank Limited  
JS Bank Limited  
NIB Bank Limited  
Habib Metropolitan Bank Limited

### Legal Advisor

Mohsin Tayebaly & Co.  
Barristers & Advocates,  
2nd Floor, DIME Centre, BC-4, Block 9,  
Kehkashan, Clifton, Karachi.

**Registered Office:** 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

## DIRECTORS' REPORT

The Directors of Habib Asset Management Limited are pleased to present the condensed financial statements of First Habib Income Fund (FHIF), for the quarter ended September 30, 2009.

### Fund's Performance

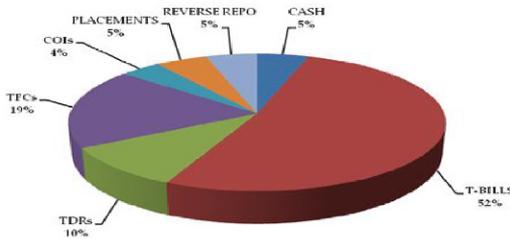
The net assets of the Fund increased from Rs. 1,731.68 million to Rs. 1,975.37 million during the first quarter of the year ending June 30, 2010. The Net Asset Value (NAV) per Unit of the Fund which was Rs. 100.05 (ex-distribution) at the start of the year improved to Rs. 102.77 as at September 30, 2009.

The Fund earned income of Rs. 65.18 million during this 1st quarter which comprised mainly of income on government securities (T-Bills) of Rs. 26.02 million and from Term Finance Certificates of Rs. 18.96 million and also from profit on bank deposits of Rs. 15.59 million.

### Dividend Distribution

The Board of Directors has approved interim cash dividend of Rs. 2.5 per Unit for Unit holders having 'C' class of Units and 2.49 bonus Units for every 100 Units for other Unit holders. The bonus Units have been issued on ex-dividend Net Asset Value (NAV) of Rs. 100.40 per Unit. The distribution shall result in payment of Rs. 23.49 million in cash and Rs. 24.06 million by way of issuing bonus Units.

### Asset Allocation



### Future Outlook

Against the back ground of severe power shortages, rising inflation and continuing acts of violence, there are still certain positive indicators. Foreign direct investment has increased substantially and our Foreign Exchange Reserves stand improved. The global financial crisis appears to be easing and overall we remain confident that the Pakistan Economy will strengthen.

### Acknowledgment

We are indeed thankful to our valued investors who have placed their faith and confidence in the First Habib Income Fund. We wish to thank the Securities & Exchange Commission of Pakistan for all their support to us. We express our appreciation for Trustee and Lahore Stock Exchange.

On behalf of the Board of Directors

# First Habib Income Fund

## CONDENSED INTERIM STATEMENT OF ASSET AND LIABILITIES AS AT 30 SEPTEMBER 2009

	(Unaudited) 30 September 2009	(Audited) 30 June 2009
Note	2009	2009
	----- (Rupees in '000) -----	
<b>Assets</b>		
Bank balances	4      306,785	635,245
Receivable against reverse repo transactions	5      94,531	-
Placements	6      95,000	-
Investments	7      1,404,749	1,028,240
Certificate of Investments and Deposits	8      71,250	25,000
Advances against investment	10,000	-
Income receivable	14,547	42,116
Advances, deposits, prepayments and other receivables	2,627	2,606
Preliminary expenses and floatation costs	1,397	1,529
<b>Total assets</b>	<b>2,000,886</b>	<b>1,734,736</b>
<b>Liabilities</b>		
Payable to Habib Asset Management Limited - Management Company	2,534	71
Payable to Central Depository Company of Pakistan Limited - Trustee	251	232
Payable to Securities and Exchange Commission of Pakistan	376	1,499
Payable on redemption of units	21,055	-
Accrued expenses and other liabilities	1,298	1,254
<b>Total liabilities</b>	<b>25,514</b>	<b>3,056</b>
<b>Commitments</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>1,975,372</b>	<b>1,731,680</b>
<b>Unit holders' funds (as per statement attached)</b>	<b>1,975,372</b>	<b>1,731,680</b>
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	<b>19,220,456</b>	<b>16,952,168</b>
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	<b>102.77</b>	<b>102.15</b>

The annexed notes 1 to 11 form an integral part of these financial statements.

**For Habib Asset Management Limited  
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	<b>Quarter ended 30 September 2009</b>	<b>Quarter ended 30 September 2008</b>
	----- (Rupees in '000) -----	
<b>Income</b>		
Profit on bank deposits	15,586	13,344
Income on Continuous Funding System Transactions	-	10,611
Income from Term Finance Certificates	18,962	27,174
Income from Certificate of Investments and Deposits	959	15,077
Income on Government Securities	26,021	-
Income from Placements	3,266	1,492
Income on Reverse Repo Transactions	749	-
Gain on sale of investments	3,098	(1,587)
Unrealised (diminution) on investments at fair value through profit or loss	(3,457)	(1,470)
<b>Total income</b>	<b>65,184</b>	<b>64,641</b>
<b>Expenses</b>		
Remuneration of Habib Asset Management Limited - Management Company	7,522	7,580
Remuneration of Central Depository Company of Pakistan Limited - Trustee	754	757
Annual fee - Securities and Exchange Commission of Pakistan	376	505
Brokerage	245	544
Settlement and bank charges	48	761
Annual listing fee	7	7
Auditors' remuneration	94	61
Amortisation of preliminary expenses and floatation costs	132	132
Fee and charges to National Clearing Company of Pakistan Limited	-	252
Financial Charges	-	109
Legal expenses	12	7
Mutual fund rating fee	13	10
Provision against debt securities	3,252	-
<b>Total expenses</b>	<b>12,455</b>	<b>10,725</b>
<b>Net income from operating activities</b>	<b>52,729</b>	<b>53,916</b>
Element of income and capital gains included in prices of units issue less those in units redeemed	(267)	(1,994)
<b>Net income for the period</b>	<b>52,462</b>	<b>51,922</b>
<b>Earnings per unit</b>	-	-

The annexed notes 1 to 11 form an integral part of these financial statements.

**For Habib Asset Management Limited  
(Management Company)**

**Chief Executive**

**Director**

# First Habib Income Fund

---

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	<u>Quarter ended</u> <b>30 September</b> <b>2009</b> ----- (Rupees in '000) -----	<u>Quarter ended</u> 30 September 2008
Undistributed income brought forward	<b>36,466</b>	43,444
Net income for the year / period	<b>52,462</b>	51,922
Distribution during the year (1 July 2008)	-	(41,923)
Distribution during the year (4 July 2009)	<b>(35,602)</b>	-
<b>Undistributed income carried forward</b>	<u><u><b>53,326</b></u></u>	<u><u>53,443</u></u>

The annexed notes 1 to 11 form an integral part of these financial statements.

**For Habib Asset Management Limited  
(Management Company)**

**Chief Executive**

**Director**

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Quarter ended 30 September 2009		Quarter ended 30 September 2008	
	Unit	(Rupees in '000)	Unit	(Rupees in '000)
<b>Net assets at the beginning of the year</b>	<b>16,952,168</b>	<b>1,731,680</b>	18,632,666	1,906,711
Amount received on sale of units	<b>4,609,546</b>	<b>466,155</b>	3,947,699	398,175
Amount paid on redemption of units	<b>(2,475,110)</b>	<b>(252,985)</b>	(3,706,075)	(376,022)
	<b>2,134,436</b>	<b>213,170</b>	241,624	22,153
Element of income and capital gains included in prices of units issued less those in units redeemed	-	267	-	1,994
Issue of bonus units on 1 July 2008@2.2482 units for Class 'A' and 'B' unit holder for every 100 units held on 30 June 2008	-	-	193,157	-
Issue of bonus units on 4 July 2009@2.0989 units for Class 'A' and 'B' unit holder for every 100 units held on 30 June 2009	<b>133,852</b>	-	-	-
Final cash dividend for class 'C' unit holders @ Rs. 2.25 per unit	-	-	-	(22,592)
Final cash dividend for class 'C' unit holders @ Rs. 2.1 per unit	-	(22,207)	-	-
Net income for the period	-	<b>52,462</b>	-	51,922
<b>Net assets at the end of the period</b>	<b><u>19,220,456</u></b>	<b><u>1,975,372</u></b>	<u>19,067,447</u>	<u>1,960,188</u>

The annexed notes 1 to 11 form an integral part of these financial statements.

**For Habib Asset Management Limited  
(Management Company)**

**Chief Executive**

**Director**

# First Habib Income Fund

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Quarter ended 30 September ----- 2009 ----- (Rupees in '000) -----	Quarter ended 30 September 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	52,462	51,922
<b>Adjustments</b>		
Unrealized diminution / (appreciation) on investments at fair value through profit or loss	3,457	1,470
Provision against debt securities	3,252	-
Element of income and capital gains included in prices of units issued less those in units redeemed	267	1,994
Amortisation of preliminary expenses and floatation costs	132	132
	<b>59,570</b>	<b>55,518</b>
<b>Increase / decrease in assets</b>		
Short term investment in Term Deposit Receipt	150,000	150,000
Receivable against Continuous Funding System transactions	-	188,708
Receivable against reverse repo transactions	(94,531)	-
Placements	(95,000)	(175,000)
Investments	(383,218)	30,513
Certificate of Investments and Deposits	(46,250)	35,000
Income receivable	27,569	10,145
Receivable against sale of investments	-	1,315
Advances against investment	(10,000)	-
Security deposits and other receivables	(21)	1,969
	<b>(451,451)</b>	<b>242,650</b>
<b>Increase / decrease in liabilities</b>		
Payable to Habib Asset Management Limited - Management Company	2,463	(5)
Payable to Central Depository Company of Pakistan Limited - Trustee	19	(12)
Payable to Securities and Exchange Commission of Pakistan	(1,123)	(1,734)
Payable on redemption of units	21,055	-
Accrued expenses and other liabilities	44	(554)
	<b>22,458</b>	<b>(2,305)</b>
<b>Net cash outflow from operating activities</b>	<b>(369,423)</b>	<b>295,863</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net receipts from sale and redemption of units	213,170	22,153
Dividend paid	(22,207)	(22,592)
Net increase in cash and cash equivalents during the period	<b>(178,460)</b>	<b>(295,424)</b>
Cash and cash equivalents at beginning of the period	<b>385,245</b>	<b>(41,101)</b>
Cash and cash equivalents at the end of the period	<b>206,785</b>	<b>254,323</b>
Cash and cash equivalents at the end of the period comprise of :		
Bank Balances	106,785	104,323
Term Deposit receipts having maturity of 3 Months or less	100,000	150,000
	<b>206,785</b>	<b>254,323</b>

The annexed notes 1 to 11 form an integral part of these financial statements.

**For Habib Asset Management Limited  
(Management Company)**

**Chief Executive**

**Director**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2009

### 1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Income Fund (the "Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 6 September 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 3 August 2006 under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by SECP. The registered office of the management company is situated at Imperial Court Building, Dr. Ziauddin Ahmed Road Karachi, Pakistan.

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools.

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3 -' and '3 Star' to the Management Company and the Fund respectively.

### 2. BASIS OF PRESENTATION

This interim financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 30 June 2009.

This condensed interim financial information comprise of the condensed interim statement of assets and liabilities as at 30 September 2009 and the related interim income statement, distribution statement, statement of movement in unit holders' fund, cash flow statement and notes thereto for the period ended 30 September 2009.

The comparatives in the statements of assets and liabilities presented in the condensed interim financial information as at 30 September 2009 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2009.

This condensed interim financial information is unaudited.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2009.

#### 3.1 Estimates and judgements

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

The significant judgements 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 2009.

# First Habib Income Fund

4 BANK BALANCES		(Unaudited) 30 September 2009	(Audited) 30 June 2009
	Note	(Rupees in '000)	
In savings accounts	4.1	106,785	85,245
Term deposit receipts (TDRs)	4.2	200,000	550,000
		<u>306,785</u>	<u>635,245</u>

4.1 Savings accounts carry profit rates ranging from 5% to 11.5% (30 June 2009: 5% to 12.5%) per annum.

4.2 Term deposit receipts have tenor of three months to one year (2009: one month to six months) carry profit rates ranging from 11.50% to 12.00% (30 June 2009: 12.00% to 13.40%) per annum.

## 5 RECEIVABLE AGAINST REVERSE REPO TRANSACTIONS

This Transaction has tenor of 29 days and carry profit rate of 12.05% per annum (30 June 2009: Nil) and is secured against T- Bill.

## 6 PLACEMENTS

Placements represent unsecured placements with commercial Banks and have tenor of 1 day (30 June 2009: Nil) and carry profit rate of 12.25% (30 June 2009: Nil)

## 7 INVESTMENTS - At Fair value through profit and loss - Held for Trading

Term Finance Certificate	7.1	373,851	541,635
Provision	7.1.1	(10,505)	(7,253)
		<u>363,346</u>	<u>534,382</u>
	7.2	<u>1,041,403</u>	493,858
Investment in Government Securities		<u>1,404,749</u>	<u>1,028,240</u>

**7.1 TERM FINANCE CERTIFICATES**

----- Number of certificates -----					Balance As at 30 September 2009					
Name of the investee company	Status	As at 1 July 2009	Acquired during the period	Sold during the period	As at 30 September 2009	Cost	Market value	Appreciation / (duration)	Market value as a percentage of Net Assets	Market Value as a Percentage of Total Investment
--- (Rupees in '000) ---										
<b>Term Finance Certificates - Held for trading</b>										
Allied Bank Limited	Listed	7,900		5,900	2,000	9,684	9,655	(29)	0.49	0.69
Askari Bank Limited - I issue	Listed	7,990		5,000	2,990	14,424	14,460	36	0.73	1.03
Askari Bank Limited - II issue	Listed	7,190		3,000	4,190	20,055	19,982	(73)	1.01	1.42
Bank AL Habib Limited - II issue	Listed	9,104		9,104	-	-	-	-	-	-
Bank Alfalah Limited - II issue	Listed	3,140			3,140	15,318	15,275	(43)	0.77	1.09
Engro Chemical Pakistan Limited PPTFC - I issue	Unlisted	12,000		5,000	7,000	30,918	30,800	(118)	1.56	2.19
Engro Chemical Pakistan Limited PPTFC - II issue	Unlisted	6,000		-	6,000	26,405	25,800	(605)	1.31	1.84
First Dawood Investment Bank Limited	Unlisted	2,900		-	2,900	11,271	10,875	(396)	0.55	0.77
First International Investment Bank Limited	Listed	5,379		-	5,379	13,150	13,032	(118)	0.66	0.93
Gharibwal Cement Limited		4,450		-	4,450	20,297	19,732	(565)	1.00	1.40
Jahangir Siddiqui & Company Limited	Unlisted	9,400		-	9,400	43,467	42,971	(496)	2.18	3.06
KASB Securities Limited	Unlisted	5,000		-	5,000	22,119	21,233	(886)	1.07	1.51
NIB Bank Limited	Listed	6,600		4,000	2,600	12,082	12,154	72	0.62	0.87
Orix Leasing Pakistan Limited	Listed	5,500		-	5,500	23,475	25,555	2,080	1.29	1.82
Pak American Fertilizers Limited PPTFC - II issue	Unlisted	3,000		3,000	-	-	-	-	-	-
The Royal Bank of Scotland [formerly ABN AMRO Bank (Pakistan) Limited]	Listed	3,090		-	3,090	15,277	15,178	(99)	0.77	1.08
Saudi Pak Leasing Company Limited - III issue	Listed	5,999		-	5,999	20,057	19,414	(643)	0.98	1.38
Sitara Chemicals Limited	Listed	4,000		-	4,000	19,996	19,910	(86)	1.01	1.42
Standard Chartered Bank (Pakistan) Limited	Listed	4,548	2,000	2,000	4,548	22,643	22,637	(6)	1.15	1.61
United Bank Limited - III issue	Listed	4,400	-	-	4,400	21,304	21,598	294	1.09	1.54
United Bank Limited - IV issue	Listed	3,000	-	-	3,000	13,830	13,569	(261)	0.69	0.97
		<u>120,590</u>	<u>2,000</u>	<u>37,004</u>	<u>85,586</u>	<u>375,772</u>	<u>373,851</u>	<u>(1,922)</u>		

**7.1.1 Provision**

Opening balance		<b>7,253</b>	-
Provision for the year	7.1.1.1	<u><b>3,252</b></u>	<u><b>7,253</b></u>
Closing balance		<u><b>10,505</b></u>	<u><b>7,253</b></u>

7.1.1.1 This represents specific provision made against a debt security in accordance with the provisioning policy of the Fund approved by the Board of Directors of the Management Company.

# First Habib Income Fund

## 7.1.3 Significant terms and conditions of Term Finance Certificates outstanding as at period end.

Name of the investee company	Remaining Principal (per TFC) as at 30 September 2009	Mark-up rate (per annum)	Start date	Maturity	Secured / unsecured	Rating
ABN Amro (Pakistan) Limited	4,991	6 Month KIBOR + 1.90 %	10-Feb-05	10-Feb-13	Un-Secured	AA-
Allied Bank Limited TFC - I issue	4,995	6 Month KIBOR + 1.90 %	6-Dec-06	6-Dec-14	Un-Secured	AA-
Askari Commercial Bank Limited - I issue	4,991	6 Month KIBOR + 1.50 %	4-Feb-05	4-Feb-13	Un-Secured	AA-
Askari Commercial Bank Limited - II issue	4,993	6 Month KIBOR + 1.50 %	31-Oct-05	31-Oct-13	Un-Secured	AA-
Bank Al-Falah Limited - II issue	4,991	6 Month KIBOR + 1.50 %	23-Nov-04	23-Nov-12	Un-Secured	AA-
Engro Chemical Pakistan Ltd PP TFC II	5,000	6 Month KIBOR + 1.25 %	18-Mar-08	18-Mar-19	Secured	AA
Engro Chemical Pakistan Ltd PP TFC I	5,000	6 Month KIBOR + 1.70 %	18-Mar-08	18-Mar-19	Secured	AA
First Dawood Investment Bank Limited PP TFC	5,000	6 Month KIBOR + 1.60 %	11-Sep-07	11-Sep-12	Secured	BBB-
First International Investment Bank Limited TFC	2,499	6 Month KIBOR + 2.25 %	11-Jul-06	11-Jul-11	Un-Secured	A+
Gharibwal Cement Limited PP TFC	4,997	6 Month KIBOR + 3.00 %	18-Jan-08	18-Jan-13	Secured	BBB-
Jahangir Siddiqui & Company Limited PP TFC	4,996	6 Month KIBOR + 1.70 %	4-Jul-07	4-Jul-13	Secured	AA+
KASB Securities Limited PP TFC	4,996	6 Month KIBOR + 1.90 %	27-Jun-07	27-Jun-12	Secured	AA-
NIB Bank Limited	4,997	6 Month KIBOR + 1.15 %	5-Mar-08	5-Mar-16	Un-Secured	A+
Orix Leasing Pakistan Limited	4,996	6 Month KIBOR + 1.50 %	25-May-07	25-May-12	Un-Secured	AA+
Sitara Chemicals Limited SUKUK III	5,000	6 Month KIBOR + 1.00 %	2-Jan-08	2-Jan-13	Secured	AA-
Saudi Pak Leasing Company Limited III issue	4,373	6 Month KIBOR + 1.50 %	13-Mar-08	13-Mar-13	Un-Secured	BBB
Standard Chartered Bank Limited - III issue	4,993	6 Month KIBOR + 2.00 %	1-Feb-06	1-Feb-13	Un-Secured	AAA
United Bank Limited - IV issue	4,997	6 Month KIBOR + 0.85 %	14-Feb-08	14-Feb-18	Un-Secured	AA
United Bank Limited - III issue	4,995	6 Month KIBOR + 1.70 %	8-Sep-06	8-Sep-14	Un-Secured	AA

## 7.2 Investment in government securities - 'At fair value through profit or loss'

Issue Date	Tenor	Face Value				Balance as at Sept. 30, 2009			Market Value as a Percentage of Net Assets	Market Value as a Percentage of Total Investments
		As at 1 July 2009	Acquired during the period	Sold / Matured during the period	As at 30 September 2009	Cost	Market Value	Appreciation / (diminution)		
----- Number of shares/ certificates ----- --- (Rupees in '000) ---										
12-Feb-09	6 Months	250,000	50,000	300,000	-	-	-	-	-	-
7-May-09	3 Months	50,000	-	50,000	-	-	-	-	-	-
29-Jan-09	6 Months	200,000	-	200,000	-	-	-	-	-	-
23-Apr-09	6 Months	-	100,000	-	100,000	99,314	99,294	(20)	5.03	7.07
7-May-09	6 Months	-	150,000	-	150,000	148,270	148,244	(26)	7.50	10.55
12-Mar-09	1 Year	-	200,000	-	200,000	190,432	189,581	(851)	9.60	13.50
10-Sep-09	3 Months	-	127,000	-	127,000	124,353	124,351	(2)	6.30	8.85
26-Sep-09	3 Months	-	100,000	-	100,000	97,451	97,463	12	4.93	6.94
10-Sep-09	6 Months	-	100,000	-	100,000	94,804	94,790	(14)	4.80	6.75
12-Mar-09	6 Months	-	200,000	200,000	-	-	-	-	-	-
26-Feb-09	6 Months	-	200,000	200,000	-	-	-	-	-	-
26-Mar-09	6 Months	-	300,000	300,000	-	-	-	-	-	-
26-Sep-09	6 Months	-	50,000	-	50,000	47,156	47,181	25	2.39	3.36
12-Feb-09	1 Year	-	200,000	-	200,000	191,957	191,314	(643)	9.68	13.62
27-Aug-09	3 Months	-	50,000	-	50,000	49,201	49,185	(16)	2.49	3.50
		500,000	1,827,000	1,250,000	1,077,000	1,042,938	1,041,403	(1,535)		

## 8. CERTIFICATE OF INVESTMENTS AND DEPOSITS

	(Unaudited) 30 September 2009 (Rupees in '000)	(Audited) 30 June 2009
Saudi Pak Leasing Company Limited	21,250	25,000
Pak Brunei Investment Company Limited	50,000	-
	<u>71,250</u>	<u>25,000</u>

8.1 Certificate of Investments and Deposits have maturity from three months to 6 months (30 June 2009: three months) and carry profit rate ranging from 12.25% to 13.09% (30th June 2009 : 15.24% ) per annum.

## 9. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include Habib Asset Management Limited being the Management Company, AL Habib Capital Markets (Private) Limited and Bank AL Habib Limited being companies under common management, Central Depository Company Limited being the Trustee of the Fund.

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

Remuneration to management company and trustee is determined in accordance with the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulation 2008 and the Trust Deed respectively.

Details of the transactions with connected persons are as follows:

	Quarter ended 30 September 2009	Quarter ended 30 September 2008
	(Rupees in '000)	
<b>Habib Asset Management Limited - Management Company</b>		
Management fee	7,522	5,537
<b>AL Habib Capital Markets (Private) Limited - Brokerage house</b>		
Brokerage	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	754	620

### 9.1 Sale / Redemption of units for the period ended 30 September 2009

	Sale		Redemption		Bonus	
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)
Habib Asset Management Limited - Management Company	34,466	3,500	227,808	23,200	18,999	1,901
Habib Insurance Company Limited	199,302	20,000	1,029,460	105,000	20,362	2,037
Directors of the Management Company	1,482	150	-	-	457	46
Executives of the Management Company	-	-	1,738	175	95	10
Habib Sugar Mills Limited - Staff Provident Fund	-	-	-	-	3,038	304
Habib Sugar Mills Limited - Employees Gratuity Fund	-	-	-	-	3,038	304
Hyderi Hostel Trust	-	-	11,862	1,200	867	87
Habib Insurance Company Limited - Pakistan Employees Provident Fund	-	-	-	-	1,089	109
Habib Asset Management Limited - Employees Provident Fund	-	-	-	-	72	7
Mrs. Shama Sajjad Habib	-	-	-	-	2,432	243
Mr. Salman Hussain D Habib	-	-	-	-	26	3
Mr. Imran Ali Habib	-	-	-	-	115	12
Mr. Murtaza Habib	-	-	-	-	127	13
Mr. Asghar D Habib	-	-	-	-	127	13
Mr. Qumail Habib	-	-	-	-	127	13

### 9.2 Sale / Redemption of units for the period ended 30 September 2008

	Sale		Redemption		Bonus	
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)
Habib Asset Management Limited - Management Company	752,916	76,290	5,838	600	3,389	339
Bank AL Habib Limited	-	-	-	-	-	-
Habib Insurance Company Limited	396,877	40,000	-	-	10,050	1,006
Trakker Direct Insurance Limited	-	-	-	-	1,141	114
Directors of the Management Company	1,966	200	-	-	23	2
Executives of the Management Company	4,512	560	1,472	150	87	9
Habib Sugar Mills Limited - Staff Provident Fund	-	-	-	-	3,052	305
Habib Sugar Mills Limited - Employees Gratuity Fund	-	-	-	-	3,052	305
Hyderi Hostel Trust	-	-	-	-	1,343	134
Habib Insurance Company Limited - Pakistan Employees Provident Fund	-	-	-	-	1,094	110
Habib Asset Management Limited - Employees Provident Fund	1,956	200	1,737	175	46	5
Mrs. Shama Sajjad Habib	-	-	-	-	2,443	244
Central Depository Company of Pakistan Limited	-	-	-	-	2,441	244

#### 10. DATE OF AUTHORISATION

These financial statements were authorised for issue on 8 October 2009 by the Board of Directors of the Management Company.

#### 11. GENERAL

Figures have been rounded off to the nearest thousand rupees.

**For Habib Asset Management Limited  
(Management Company)**

Chief Executive

Director

## AUTHORISED BRANCHES OF BANK AL HABIB LIMITED

### **Karachi**

Main Branch  
Mackinnons Building, 1.1. Chundrigar Road  
Phones : (92-21) 32412986 &  
(92-21) 111 -786-110  
Fax : (92-21) 32425423 & 32412028  
Telex : 21286 ALHAB PK

Tariq Road Branch  
Shop No. 1 & 2, Plot no 277-278  
Ahmed Chamber, Main Tariq Road, P.E.C.H.S  
Phone : (92-21) 34397632-4  
(92-21) 34397631

Shahra-e-Faisal Branch  
19-1-A, Block 6, PECHS, Shahra-e-Faisal.  
Phones : (92-21) 34544383-87  
Fax : (92-21) 34530143

ZamZama Branch  
16-C, Commercial Lane 3, Phase V  
Zamzama Boulevard, DHA  
Phones : (92-21) 35302230-37  
Fax : (92-21) 35863914

Korangi Road Branch  
Speedy Towers Plot No. 131/1  
Phase-1, Defence Housing Authority  
Phones : (92-21) 35386797-99  
Fax : (92-21) 35386796

S.I.T.E Branch  
B/76, S.S. Chambers, S.I.T.E.,  
Phones : (92-21) 32571710-11 & 32571521  
Fax : (92-21) 32571522

Rizvia Society Branch  
0-9, Ishrat Arcade, Rizvia Co-Operative  
Housing Society, Nazimabad.  
Phones : (92-21) 36607992-95  
Fax : (92-21) 36607996

Barkat-e-Hydari Branch  
Al-Burhan Arcade, Block-E, North Nazimabad  
Phones : (92-21) 36670115, 36631793-94  
Fax : (92-21) 36670116

Gulshan Chowranghi Branch  
Plot No. FL-3, Block No.3,  
KDA Scheme No. 24, Gulshan-e-Iqbal.  
Phones : (92-21) 34811971-3  
Fax : (92-21) 34985045

### **Hyderabad**

Qasre Fatima  
90/1-2 Saddar Bazar, Cantonment Area.  
Phones : (92-22) 32785803  
Fax : (92-22) 32781955

### **Lahore**

Main Branch  
87, Shahrah-e-Quaid-e-Azam  
Phones : (92-42) 36305042-45, 111 -786-110  
Fax : (92-42) 36368864 & 36305046  
Telex : 44610 BAHLR PK

### **Gulberg Branch**

3-E, Block E, Ground Floor, Main  
Market, Gulberg II.  
Phones : (92-42) 35750145-47  
Fax : (92-42) 35762501

### **Defence Branch**

82-Y Commercial, Phase III, D.H.A  
Phones : (92-42) 35894113-35894116  
Fax : (92-42) 35893303

### **Allama Iqbal Town Branch 7-Chenab Block, Main Boulevard, Allama Iqbal Town**

Phones : (92-42) 35340918-20  
Fax : (92-42) 35340921

### **Islamabad**

Main Branch  
90-91, Razia Sharif Plaza, Jinnah  
Avenue, Blue Area.  
Phones : (92-51) 2270883-4 &  
(92-51) 111 -786-110  
Fax : (92-51) 2270885

### **Rawalpindi**

City Branch  
C/30, C/32, Iqbal Road, Trunk Bazar,  
Rawalpindi City.  
Phones : (92-51) 5553462-5553664  
Fax : (92-51) 5554493

### **Peshawar**

Peshawar Branch  
105-'106, F.C. Trust Building,  
Sonehri Masjid Road.  
Phones : (92-91) 5279814 &  
(92-91) 111 -786-110  
Fax : (92-21) 5279861

### **Multan**

Hussain Agahi Branch  
Lohari Gate Shopping Centre,  
Hussain Agahi Road.  
Phones : (92-61) 4513893 & 4513577  
Fax : (92-61) 4513793

### **Faisalabad**

Bank Square, Outside Kutchery Bazar  
Phones : (92-41) 2637301-3 &  
(92-41) 111 -786-110  
Fax : (92-41) 2614266  
Telex : 43528 ALHAB PK

### **Sialkot**

Paris Road.  
Phones : (92-52) 4597064 &  
(92-52) 111 -786-110  
Fax : (92-52) 4592747  
Telex : 46426 ALHAB PK





# Habib Asset Management Limited

(An Associate Company of Bank AL Habib Ltd.)

1st Floor, Imperial Court, Ziauddin Ahmed Road, Karachi-75530, Pakistan  
UAN: (92-21) 111-342-242 (111-D-Habib) Fax: (92-21) 35223710 Website: [www.habibfunds.com](http://www.habibfunds.com)