

PSAF/11191/652/09  
23 February 2009

The General Manager  
Karachi Stock Exchange (Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road, Karachi.



Arif Habib  
Investments

FORM-7

**PAKISTAN STRATEGIC ALLOCATION FUND (PSAF)**  
**FINANCIAL RESULTS FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2008**

We are pleased to inform you that the Board of Directors of Arif Habib Investment Management Limited (Management Company) of PSAF (the Fund) in their meeting held on 23 February 2009 at 4:00 P.M at 2/1, R.Y.16, Old Queens Road, Karachi approved the following:

The financial results of the Fund are as follows:

	Six months ended December 31,		Quarter ended December 31,	
	2008	2007	2008	2007
	----- (Rupees in '000) -----			
<b>Income</b>				
Capital (loss) / gain on sale of Investments	(95,603)	59,097	-	36,877
Income from Continuous Funding System transactions	1,131	-	-	-
Income from term finance certificates	7,653	-	7,653	-
Dividend income	64,875	75,511	41,653	48,485
Profit on bank deposits	12,522	25,590	3,137	6,521
	(9,422)	160,198	52,443	91,883
Unrealised diminution in fair value of investments at fair value through profit or loss - net	(1,346,698)	(17,740)	(751,982)	(27,484)
	(1,356,120)	142,458	(699,539)	64,399
<b>Operating expenses</b>				
Remuneration of Arif Habib Investment Management Limited - Management Company	53,304	52,512	14,878	26,266
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,164	1,527	543	761
Annual fee - Securities and Exchange Commission of Pakistan	1,103	1,760	489	875
Securities transaction cost	1,120	4,216	1	966
Custody, settlement and bank charges	267	371	120	203
Fees and subscription	203	155	102	78
Printing and related costs	305	-	162	-
Auditors' remuneration	265	387	78	242
Amortisation of preliminary expenses and floatation costs	2,448	2,438	1,223	1,219
	(40,177)	(63,356)	(17,596)	(30,602)
<b>Net (loss) / Income for the period</b>	<u>(1,396,297)</u>	<u>79,102</u>	<u>(717,135)</u>	<u>33,797</u>
	----- Rupees -----			
(Loss) / earnings per certificate	<u>(4.65)</u>	<u>0.28</u>	<u>(2.39)</u>	<u>0.11</u>

The investments in equity securities classified as available for sale have been valued at prices quoted on the Karachi Stock Exchange as of December 31, 2008 and the resulting deficit arising therefrom has been disclosed under the head "Unrealised diminution in the fair value of Investments classified as available for sale" in equity. Had the management followed the requirements of IAS 39, an amount of Rs 193.511 million would have been recognized as impairment loss in the condensed interim income statement. This would have resulted in a decrease in the net deficit on revaluation of available for sale securities by Rs 193.511 million with a corresponding increase in the loss for the period and increase in loss per certificate by Rs 0.65.

We will be sending you 300 copies of printed Accounts for distribution amongst the members of the Exchange.

Yours faithfully

*Zeeshan*

Zeeshan

Company Secretary

**Arif Habib Investment Management Limited**

2/1, R.Y.16, Old Queens Road, Karachi-74000

Tel: (92-21) 111-468-378 (111-INVEST), 2470153-62, 2470210-19, Fax: 2470351, 2470337

E-mail: marketing@arifhabib.com.pk Website: www.arifhabib.com.pk

MOK

2