



Bachat ka Doosra Naam

September 18, 2013

FORM 25
UNDER SEALED COVER

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

The General Manager
Lahore Stock Exchange (Guarantee) Limited
19, Khayaban-e-Aiwan-e-Iqbal, P.O. Box 1315
Lahore-54000, Pakistan

Dear Sir

Sub: Material information regarding merger of MCB Dynamic Stock Fund (DSF) and Pakistan Premier Fund (PPF) with and into Pakistan Stock Market Fund (PSM)

This is with references to the subject cited above.

In accordance with the requirement of listing regulation under the Code of Corporate Governance, we are pleased to convey that the Board of Directors of MCB Arif Habib Investments Limited (*formerly Arif Habib Investments Limited*)(MCBAH), the Management Company of the above referred funds approved the Merger of DSF and PPF with into PSM, whereby the net assets of DSF and PPF will be transferred to PSM and as consideration the Unit Holders of DSF and PPF will be issues units of PSM based on the swap ratio calculated on the Effective Date of merger.

In this regard, the Board has formally approved the scheme of merger of DSF and PPF with and into PSM.

This decision comes about as all the funds as per SECP's Circular No.7 of 2009 are categorized as Equity Funds and given that the asset allocation and investment strategy of these funds are currently similar. The Management Company as consequences believes that the merger will give the unit holders an opportunity to enjoy better risk adjusted returns due to ease and flexibility in deploying large funds.

It should be noted that the investment amount of the unit holder of all the funds will remain unaffected since the units of PSM will be issued to the unit holders of DSF and PPF (as a consideration) in accordance with the swap ratio to be determined on the basis of the net assets on the Effective Date. The Management Company in due course will be seeking necessary approvals / consents of the respective Trustees, regulatory bodies and unit holders of these funds to finally effectuate the merger.

We will be communicating the Effective Date in due course. You may please inform the members of the exchange accordingly.

Yours truly,


Muhammad Saqib Saleem
Chief Operating Officer & Company Secretary

Copy to:

Mr. Javed Akhtar Malik,
Deputy Director (MFD),
Specialized Companies Division, NBFC Department,
Securities and Exchange Commission of Pakistan (SECP),
NIC Building, Jinnah Avenue, Islamabad.