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## **Independent Auditors' Report on review of Condensed Interim Financial Information to the Unit Holders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AMZ Plus Income Fund** ("the Fund") as at 31 December 2009 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds and condensed interim cash flow statement for the half year ended 31 December 2009 (here-in-after referred to as the "condensed 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 condensed interim financial information as at and for the half year ended 31 December 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

### *Emphasis of Matter*

Without qualifying our review report we draw attention to note 1.2 of the condensed interim financial information which explains the salient features, terms and conditions of the restructuring of the Fund and transfer of its management rights to Crosby Asset Management (Pakistan) Limited. These conditions indicate the existence of material uncertainty that may cast significant doubts about the Fund's ability to continue as a going concern. However, the restructuring proposal, duly approved by SECP, mandates that any instruments that are not saleable and/or defaulted / doubtful at the end of the restructuring period of three months shall remain in the portfolio of the Fund till such time that a reasonable price is available or till the maturity of the asset and the Fund will also continue as an open-end fund, not open for issue and redemption of units till that time.



KPMG Taseer Hadi & Co.

*Other matters*

The figures for the quarter ended 31 December 2009 in the condensed interim financial information have not been reviewed and we do not express a conclusion thereon.

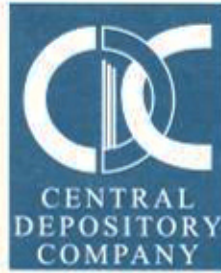
Date: 26 FEB 2010

Karachi

*KPMG Taseer Hadi & Co.*

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Mazhar Saleem





## TRUSTEE REPORT TO THE UNIT HOLDERS

### AMZ PLUS INCOME FUND

#### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

AMZ Plus Income Fund (the Fund), an open-end scheme was established under a trust deed dated December 01, 2005 executed between AMZ Asset Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the management company has in all material respects managed the Fund during the period from July 01, 2009 to December 31, 2009 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 of units is 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.

We would like to draw attention of the unit holders towards note 1.2 of the financial statements which explains the transfer of management rights of the Fund to Crosby Asset Management (Pakistan) Limited. We would also like to highlight that issuance and redemption in the units of the Fund remained suspended during the period from July 01, 2009 to December 31, 2009.

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 26, 2010

## AMZ Plus Income Fund

### Condensed Interim Statement of Assets and Liabilities

As at 31 December 2009

	Note	31 December 2009 (Unaudited) (Rupees in '000)	30 June 2009 (Audited)
<b>Assets</b>			
Bank balances	5	99,735	9,657
Placements	6	100,000	100,000
Investments	7	276,993	304,815
Dividend and profit receivable		12,730	17,988
Deposits, prepayments and other receivables		3,641	3,600
Preliminary expenses and floatation costs		436	630
<b>Total assets</b>		<b>493,535</b>	<b>436,690</b>
<b>Liabilities</b>			
Payable to AMZ Asset Management Limited - Management Company		528	603
Payable to Central Depository Company of Pakistan Limited - Trustee		64	74
Payable to Securities and Exchange Commission of Pakistan		140	1,684
Accrued expenses and other liabilities		73,414	73,382
<b>Total liabilities</b>		<b>74,146</b>	<b>75,743</b>
<b>Net assets</b>		<b>419,389</b>	<b>360,947</b>
<b>Unit holders' funds</b>		<b>419,389</b>	<b>360,947</b>
<b>Contingent liability</b>	11		
		(Number of Units)	
<b>Number of units in issue</b>		<b>4,424,955</b>	<b>4,424,955</b>
		(Rupees)	
<b>Net asset value per unit</b>		<b>94.78</b>	<b>81.57</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For Crosby Asset Management (Pakistan) Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## AMZ Plus Income Fund

Condensed Interim Income Statement (Unaudited)

For the half year and quarter ended 31 December 2009

	Half year ended		Quarter ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	------(Rupees in '000)-----			
<b>Income</b>				
Financial income	29,267	253,105	11,746	110,530
Capital loss on sale of investments - net	-	(60,796)	-	(53,941)
Unrealized diminution on revaluation of investments classified as 'at fair value through profit or loss' - held for trading	(1,481)	(34,935)	(1,334)	(36,829)
Reversal of provisioning against investments	44,124	-	44,124	-
<b>Total income</b>	<b>71,910</b>	<b>157,374</b>	<b>54,536</b>	<b>19,760</b>
<b>Expenses</b>				
Remuneration of AMZ Asset Management Limited - Management Company	2,799	18,682	1,118	6,515
Remuneration to Central Depository Company of Pakistan Limited - Trustee	373	1,934	149	709
Annual fee - Securities and Exchange Commission of Pakistan	140	1,421	56	448
Auditor's remuneration	166	149	118	75
Impairment recognized against 'available-for-sale' investments	12,046	-	8,211	-
Settlement and bank charges	13	835	3	424
Legal and professional charges	187	93	113	47
Fees and subscription	138	1,119	50	523
Printing and publication charges	-	283	-	182
Financial charges on repurchase transactions	-	6,421	-	5,184
Amortization of preliminary expenses and floatation costs	192	194	96	98
<b>Total expenses</b>	<b>16,054</b>	<b>31,131</b>	<b>9,914</b>	<b>14,205</b>
<b>Net income from operating activities</b>	<b>55,856</b>	<b>126,243</b>	<b>44,622</b>	<b>5,555</b>
Element of income / (loss) and capital (losses) included in prices of units issued less those in units redeemed - net	-	(71,208)	-	(34,551)
<b>Net income / (loss) for the period</b>	<b>55,856</b>	<b>55,035</b>	<b>44,622</b>	<b>(28,996)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For Crosby Asset Management (Pakistan) Limited  
(Management Company )**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## AMZ Plus Income Fund

### Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half year and quarter ended 31 December 2009

	Half year ended		Quarter ended	
	31 December 2009 (Rupees in '000)	31 December 2008	31 December 2009 (Rupees in '000)	31 December 2008
Net income / (loss) for the period	55,856	55,035	44,622	(28,996)
<b>Other comprehensive income</b>				
Net unrealized (diminution) / appreciation in the value of available-for-sale' investments	-	(122,545)	712	(123,233)
<b>Total comprehensive income / (loss) for the period</b>	<b>55,856</b>	<b>(67,510)</b>	<b>45,334</b>	<b>(152,229)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For Crosby Asset Management (Pakistan) Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## AMZ Plus Income Fund

### Condensed Interim Distribution Statement (Unaudited)

For the half year and quarter ended 31 December 2009

	Half year ended		Quarter ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	----- (Rupees in '000) -----			
<b>(Deficit) / undistributed income brought forward</b>	<b>(148,008)</b>	476,485	<b>(136,774)</b>	106,690
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealized capital gains / (losses)	-	(734)	-	932
Net income / (loss) for the period	<b>55,856</b>	55,035	<b>44,622</b>	(28,996)
Final bonus units distribution @ Nil (2008 : Rs. 10.22 per unit) for the half year ended 31 December 2009	-	(271,941)	-	-
Final cash distribution per unit @ Nil (2008: Rs.10.22) for the half year ended 31 December 2009	-	(180,219)	-	-
Quarterly bonus units distribution @ Nil (2008: Nil) for the first quarter ended 30 September 2009	-	(28,329)	-	(28,329)
Quarterly cash distribution @ Nil per unit (2008: Nil) for the first quarter ended 30 September 2009	-	(22,165)	-	(22,165)
Net income / (loss) for the period less distribution	<b>55,856</b>	(448,353)	<b>44,622</b>	(78,558)
<b>(Deficit) / undistributed income brought forward</b>	<b>(92,152)</b>	28,132	<b>(92,152)</b>	28,132

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For Crosby Asset Management (Pakistan) Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## AMZ Plus Income Fund

### Condensed Interim Cash Flow Statement (Unaudited)

For the half year and quarter ended 31 December 2009

	Half year ended		Quarter ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
------(Rupees in '000)-----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income / (loss) for the period	55,856	55,035	44,622	(28,996)
<b>Adjustments for:</b>				
Element of (income) / loss and capital losses included in prices of units issued less those in units redeemed - net	-	71,208	-	34,551
Amortization of preliminary expenses and floatation costs	192	194	96	98
Unrealized diminution on revaluation of investments classified as 'at fair value through profit or loss' - held for trading	1,481	34,935	1,334	36,829
	<b>57,529</b>	<b>161,372</b>	<b>46,052</b>	<b>42,482</b>
<b>Decrease / (increase) in assets</b>				
Receivable against sale of investments	-	233,350	-	-
Receivable against Continuous Funding System	-	10,543	-	-
Placements	-	253,556	-	61,556
Investments	28,929	1,093,198	(4,911)	234,979
Dividend and profit receivables	5,258	20,593	(350)	(397)
Deposits, prepayments and other receivables	(41)	1,021	(10)	3,284
	<b>34,146</b>	<b>1,612,261</b>	<b>(5,271)</b>	<b>299,422</b>
<b>(Decrease) / increase in liabilities</b>				
Payable against purchase of investments	-	(276)	-	(39,065)
Payable against redemption of units	-	1,359,317	-	1,359,317
Payable to AMZ Asset Management Limited - Management Company	(75)	(2,331)	(24)	(839)
Payable to Central Depository Company of Pakistan Limited - Trustee	(10)	(206)	(9)	(88)
Payable to Securities and Exchange Commission of Pakistan	(1,544)	(4,350)	56	448
Accrued expenses and other liabilities	32	2,972	(165)	(1,276)
Payable against repurchase transaction	-	(54,989)	-	(113,000)
	<b>(1,597)</b>	<b>1,300,137</b>	<b>(142)</b>	<b>1,205,497</b>
<b>Cash inflows from operating activities</b>	<b>90,078</b>	<b>3,073,770</b>	<b>40,639</b>	<b>1,547,401</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net (payments) / receipts on redemption / issue of units - net	-	(3,370,164)	-	(1,523,035)
Dividend paid	-	(202,384)	-	(22,165)
<b>Net cash (outflows) from financing activities</b>	<b>-</b>	<b>(3,572,548)</b>	<b>-</b>	<b>(1,545,200)</b>
Net increase / (decrease) in cash and cash equivalents during the period	<b>90,078</b>	<b>(498,778)</b>	<b>40,639</b>	<b>2,201</b>
Cash and cash equivalents at the beginning of the period	<b>9,657</b>	<b>1,722,784</b>	<b>59,096</b>	<b>1,221,805</b>
Cash and cash equivalents at the end of the period	<b>99,735</b>	<b>1,224,006</b>	<b>99,735</b>	<b>1,224,006</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For Crosby Asset Management (Pakistan) Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



## AMZ Plus Income Fund

### Condensed Interim Statement of Movement in Unit Holders' Funds (Unaudited)

For the half year and quarter ended 31 December 2009

	Half year ended		Quarter ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	----- (Rupees in '000) -----			
<b>Net assets at the beginning of the period</b>	<b>360,947</b>	<b>4,902,926</b>	<b>371,468</b>	<b>2,996,954</b>
Issue of nil units (2008: 9,588,310) and nil units (2008: 1,643,571) for the half year and quarter respectively	-	983,601	-	168,694
Redemption of nil units (2008: 42,547,208) and nil units (2008: 16,531,890) for the half year and quarter respectively	-	(4,353,765)	-	(1,691,729)
	-	(3,370,164)	-	(1,523,035)
<b>Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net</b>				
- amount representing accrued (income) / loss and realized capital (gains) / losses - transferred to the income statement	-	71,208	-	34,551
- amount representing unrealized capital (gains) / losses - transferred directly to the distribution statement	-	734	-	(932)
	-	71,942	-	33,619
Net income / (loss) for the period less distribution	<b>55,856</b>	(448,353)	<b>44,623</b>	(78,558)
Issue of nil(2008: 2,701,973) annual bonus units	-	271,941	-	-
Issue of nil(2008: 277,414) quarterly bonus units	-	28,329	-	28,329
Net unrealized loss on revaluation of investments classified as 'available-for-sale'	-	(122,545)	-	(123,233)
Net unrealized loss on revaluation of investments classified as 'available-for-sale' transferred to the income statement	<b>2,586</b>	-	<b>3,298</b>	-
<b>Net assets at the end of the period</b>	<b>419,389</b>	<b>1,334,076</b>	<b>419,389</b>	<b>1,334,076</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For Crosby Asset Management (Pakistan) Limited  
(Management Company )

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

# AMZ Plus Income Fund

## Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

### 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 AMZ Plus Income Fund (the Fund) was established under a Trust Deed executed between AMZ Asset Management Limited (AAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 1 December 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Constitutive documents of the Fund (Trust Deed and Offering Document) were amended by the Management Company with the approval of the Trustee and SECP through Supplemental Trust Deed and Offering Document dated 27 May 2008. The Offering Document was further amended vide second supplemental Offering Document and addendum to the Offering Document dated 8 August 2008 and 15 September 2008 respectively.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules. The registered office of the Management Company is situated at Saima Trade Towers, Tower B, I.I. Chundrigar Road, Karachi, Pakistan.

The Fund is an open-ended scheme and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units are offered for public subscription on a continuous basis and the units are transferable and can be redeemed by surrendering them to the Fund. However, presently the Fund is not open for issue and redemption of units as more fully explained in note 1.2 below. The Fund started investing activities from 26 February 2006.

The policy of the Fund is to invest in a mix of investment-grade, debt securities, government securities, money market instruments, spread transactions, Continuous Funding System (CFS), and short-term reverse repurchase transactions. The Fund's strategy is aimed at preserving investors' capital while maximizing value and maintaining a stable stream of income.

1.2 During the year ended 30 June 2009, the Fund witnessed erosion in size due to redemptions, decline in asset prices and provisioning against non-performing assets. To secure the interests of the unit holders of the Fund, the Board of Directors of the Management Company suspended the issuance and redemption of units on 17 June 2009 for an unspecified period and informed SECP and the Trustee accordingly. The Board of Directors in their meeting held on 30 June 2009 decided to transfer the management rights of the Fund to another management company subject to all regulatory and other approvals.

Consequent to this decision, the Management Company of the Fund (AMZ Asset Management Limited - AAML) signed a Memorandum of Understanding (MOU) with Crosby Asset Management(Pakistan) Limited (CAML) on 3 November 2009 and agreed in principle that subject to the approval of the Boards of Directors of AAML and CAMPL and the regulatory approval of SECP and the Trustees of the Fund, CAMPL would take over the management of the Fund, as per the understandings contained in the MOU. A meeting of the unit holders of the Fund was held on 8 January 2010, where the following resolutions were passed:

- a) Change in management of the Fund from AAML to CAMPL.
- b) Any regulatory approvals required for the restructuring proposal shall be obtained by AAML and CAMPL.
- c) Approval of restructuring proposal of the Fund with the salient features, terms and conditions mentioned below:
  - i) In the best interest of the Fund and all the unit holders, outstanding redemptions of Rs. 69,219 million were voluntarily withdrawn by the investors. Units of the Fund will be reissued to these investors based on the NAV on 31 December 2009, bringing the total number of units outstanding to 5,155,197.

NAV as at 31 December 2009	Number of units to be reissued	Outstanding redemptions
Rs. 94.789	730241.63 units	Rs. 69,218,873.89

- ii) Sell underlying instruments at best possible market price without forced selling. Complete process within three months and transfer cash generated in the Fund to Crosby Phoenix Fund(CPF), an income fund under the management of CAML on pro-rata basis.
- iii) To enable the Fund's unit holders to start earning immediately, cash generated in the Fund will be transferred into CPF in two parts. The first part will be within the first month of transfer of management rights to CAML (approximately Rs.100 million will be transferred to CPF).The second part will be within/after the completion of the three months restructuring period (roughly Rs.70-80 million may be transferred).
- iv) The cash transferred will be carried out as redemption in the Fund and subsequent investment in CPF at the respective Transfer Date's NAV of the two Funds. The transfer ratio for each investor will be: Number of units held by each investor / Total number of units of the Fund. This ratio will be applied to the transferred amount in each phase ("Transfer ratio per investor" X "total amount transferred") in order to determine the amount to be transferred for each unit holder.

- v) und shall be allocated Class B units of CPF with the back-end load (payable to CPF) if redeemed within three months as per
 

	Back end load applicable
Within first month of transfer into CPF	0.3% of NAV
Within second month of transfer into CPF	0.2% of NAV
Within third month of transfer into CPF	0.1% of NAV
After third month of transfer into CPF	Nil
- vi) Remaining instruments within the Fund's portfolio that are not sellable and / or defaulted /doubtful by the end of the three months restructuring period, shall be valued as per the applicable law and the values may be verified by the Fund's

## AMZ Plus Income Fund

### Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

external auditors if required. These instruments shall remain in the Fund till such time that a reasonable market price is available or the maturity of the underlying assets, where the last instrument within the Fund's portfolio matures on 7 July 2014 or the legal / litigation cases, if any, are resolved.

- vii) The Fund will retain its name within this period and will remain closed for all the unit transactions, however, NAV will be provided on monthly basis and quarterly basis cash payments will be made directly to unit holders whenever recoveries are made. This pay out will be on a pro-rata basis and will be treated as proportionate redemption of units for the equivalent amount.

The SECP vide its letter no. SEC/NBFC-II/DD/CAML/2009/37 dated 19 January 2010 confirmed that based on the application filed by AAML and CAML, it has no objection to the transfer of management rights of the Fund to CAML, under regulation 37 (7) (a) of the NBFC and Notified Entities Regulations, 2008, subject to the following conditions:

- a) CAML, CDC and AAML shall execute a supplemental Trust Deed (STD) to incorporate amendments due to change in Management Company.
- b) CAML shall restructure the Fund in accordance with the proposal approved by the majority unit holders (among other conditions as mentioned above, the said proposal mentions that all investments included in the portfolio of the Fund have been valued and / or provisioned in accordance with circular no.1 of 2009 issued by the SECP on 6 January 2009. The fair values have been determined in accordance with the restructuring proposal duly approved by these).
- c) CAML shall actively pursue the matter of the recovery of assets (performing/non-performing) held in the portfolio of the Fund and shall submit progress report to the Commission, Trustee and the unit holders on monthly basis.
- d) CAML shall submit daily statement of assets and liabilities of the Fund and the provisioning made against non-performing assets to the Commission. Moreover, the provisioning shall be made only in accordance with the circulars / directions issued by the Commission.
- e) CAML shall not charge any fees (except legal & audit fees) to the Fund after completion of the three months restructuring period in accordance with the proposal approved by the majority unit holders. However, during the restructuring period, the management fee charged by CAML shall not be higher than the fee charged by AAML;
- f) The redemption requests from the individual unit holders of the Fund shall be honored by CAML as and when received.

SECP accorded its approval to the supplemental Trust Deed vide its letter no. SEC/NBFC-II/DD/ CAML/ 2009/66 dated 26 January 2010.

A tripartite agreement between CAML, CDC and AAML for the change of management of the Fund was signed on 29 January 2010 and the management rights of the Fund were transferred to CAML effective from the said date.

## 2. BASIS OF PRESENTATION

### 2.1 Statement of compliance

This interim financial information has been prepared in condensed form in accordance with International Accounting Standard 34 "Interim Financial Reporting". They do not include all the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2009.

This condensed interim financial information is being submitted to the unit holders as required under rule 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

This condensed interim financial information is presented in Pak Rupees, which is the functional and presentation currency of the Fund.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2009 except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became effective for the financial periods beginning on or after 1 January 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Fund's condensed interim financial information.

## 4. ESTIMATES AND JUDGEMENTS

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

## AMZ Plus Income Fund

### Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

reasonable expectations of future events, revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2009.

5. BANK BALANCES	31 December 2009 (Unaudited) (Rupees in '000)	30 June 2009 (Audited)
Cash at bank		
- In deposit accounts	5.1 99,725	9,647
- In current accounts	10	10
	<u>99,735</u>	<u>9,657</u>

5.1 These carry profit rates at 10.25% (June 2009: 1.75% to 12%) per annum.

## 6. PLACEMENTS

Orix Investment Bank Pakistan Limited	6.1 100,000	100,000
First Dawood Investment Bank Limited	6.2 30,444	30,444
Provision	(30,444)	(30,444)
	-	-
	<u>100,000</u>	<u>100,000</u>

6.1 This carries mark-up rates ranging from 10.17% to 13.70% (June 2009: 11.52% to 15.15%) per annum and is due to mature in March 2011.

6.2 On 23 September 2008, the Fund made an unsecured placement of Rs. 30 million with First Dawood Investment Bank Limited (FDIBL) maturing on 22 October 2008. Owing to financial difficulties faced by the borrower, the mark-up and the principal balance was rescheduled and was due to be paid on 21 November 2008. However, to date FDIBL has failed to pay its outstanding dues. Hence a provision of Rs. 30.444 million (inclusive of a mark-up of Rs. 0.444 million) has been recognized against it.

Management is continuously monitoring exposure to this investment and is making necessary efforts for the recovery of the amount.

## 7. INVESTMENTS

Investments 'at fair value through profit or loss' - held for trading	7.1 41,121	24,483
Investments - classified as 'available-for-sale financial assets'	7.2 49,872	59,332
Investments - classified as 'held to maturity'	7.3 186,000	221,000
	<u>276,993</u>	<u>304,815</u>

### 7.1 Term Finance Certificates

Quoted	7.1.1 22,371	23,857
Unquoted	7.1.2 18,750	18,750
	41,121	42,607
Provision	7.1.1.2 & 7.1.2.2 -	(18,124)
	<u>41,121</u>	<u>24,483</u>

## AMZ Plus Income Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

### 7.1.1 Term Finance Certificates - Quoted (Certificates of Rs. 5,000 each)

Sector / name of investee company	As at 1 July 2009	Purchased during the period	Sold / matured during the period	As at 31 December 2009	Market value as at	Market value as at	Percentage in relation to		Rating	
							net assets of the Fund	total investments		
	----- (Number of certificates) -----				31 December 2009	30 June 2009	----- (Rupees in '000) -----			
<b>Investment Banks</b>										
Trust Investment Bank Limited	7.1.1.1	5,000	-	-	5,000	<u>22,371</u>	<u>23,857</u>	5.33%	8.08%	BBB

7.1.1.1 At 31 December 2009, the cost of these certificates amounted to Rs. 23.857 million (30 June 2009: Rs. 25.120 million).

7.1.1.2 These certificates carry mark-up at 6 months KIBOR plus 1.85 percent with no floor or cap, with maturity in July 2013. These are secured against specific charge against leased assets and associated receivables of the issuer with a margin of 25% being maintained at all times. At the reporting date, profit at the rate of 14.28 % was receivable on these certificates.

The proposal for restructuring of the Fund, as approved by the Unit holders of the Fund, was submitted by Crosby Asset Management (Pakistan) Limited (CAML) to SECP, vide its letter dated 11 January 2010. The said proposal mentioned that all instruments in the portfolio of the Fund were valued and/or provisioned in accordance with Circular 1 of 2009 issued by the SECP on 6 January 2009. SECP vide its letter No. SEC/NBFC-II/DD/CAML/2009/37 dated 19 January 2010 accorded approval to the restructuring plan on certain conditions, as mentioned in note 1.2 to this condensed interim financial information, including the condition that CAML shall restructure the Fund in accordance with the proposal approved by the majority unit holders of the Fund. The management accordingly decided to reverse the provision of Rs. 8.749 million as the said provision was not considered in the restructuring plan while determining the carrying value of these certificates.

### 7.1.2 Term Finance Certificates - Unquoted (Certificates of Rs. 5,000 each)

Sector / name of investee company	As at 1 July 2009	Purchased during the period	Sold / matured during the period	As at 31 December 2009	Market value at 31 December 2009	Market value at 30 June 2009	Percentage in relation to		Rating	
							net assets of the Fund	total investments		
	----- (Number of certificates) -----				----- (Rupees in '000) -----					
<b>Investment Banks</b>										
First Dawood Investment Bank Limited		5,000	-	-	5,000	<u>18,750</u>	<u>18,750</u>	4.47%	6.77%	Non-traded

7.1.2.1 At 31 December 2009, the cost of these certificates amounted to Rs. 18.750 million (30 June 2009: Rs. 25.576 million).

7.1.2.2 These certificates carry a mark-up at 6 months KIBOR plus 1.6 percent with maturity in September 2012. These are secured against first floating pari passu charge on leased assets and associated rental receivables of the issuer with 25% margin. At the reporting date, profit at the rate of 14.28% was receivable on these certificates. During the period, provision amounting to Rs. 9.375 million held against these certificates was

## AMZ Plus Income Fund

### Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

reversed by the Fund in accordance with the restructuring plan, as more fully explained in note 7.1.1.2.

		31 December 2009 (Unaudited) (Rupees in '000)	30 June 2009 (Audited)
<b>7.2</b>	<b>Investments - classified as 'available-for-sale'</b>		
	Sukuk certificates	7.2.1	111,213
	Provision	7.2.1.2	(51,881)
		<u>49,872</u>	<u>59,332</u>

7.2.1	Sector / name of investee company	As at 1 July 2009	Purchased during the period	Sold / matured during the period	As at 31 December 2009	Cost/ market value at 31 December 2009	Cost/ market value at 30 June 2009	Percentage in relation to		Rating	
								net assets of the Fund	total investments		
		----- (Number of certificates) -----				----- (Rupees in '000) -----					
	<b>Cables &amp; electronic goods</b>										
	New Allied Electronics Industries (Private) Limited	7.2.1.2	192,000	-	-	192,000	60,402	60,402	14.40%	21.81%	NPA
	<b>Modaraba</b>										
	B.R.R. Guardian Modaraba	7.2.1.3	10,600	-	-	10,600	49,021	50,811	11.69%	17.70%	A
						<u>109,423</u>	<u>111,213</u>				

7.2.1.1 At 31 December 2009, the cost of these certificates amounted to Rs. 113.799 million (30 June 2009: Rs. 113.799 million).

7.2.1.2 These certificates are secured against first pari passu charge over all present and future assets with a 25% margin, and personal guarantee of the sponsoring director. Owing to financial difficulties, the company has defaulted on payment of mark-up and principal. A provision of Rs. 7.67 million has been made during the period, (increasing the total provision against the investment to Rs. 59.551 million) in accordance with the requirements of circular no.1 of 2009 dated 6 January 2009 issued by the SECP.

7.2.1.3 These Sukuk certificates carry mark-up rate of 6 months KIBOR ask side plus 1.30% per annum, receivable semi-annually in arrears with no floor or cap and will mature in July 2014. These Sukuk are secured against investment properties of the Modaraba. An impairment of Rs. 4.376 million against these certificates has been charged to income during the current period.



## AMZ Plus Income Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

		31 December 2009 (Unaudited)	30 June 2009 (Audited)
		(Rupees in '000)	
<b>7.3</b>	<b>Investments - classified as 'held to maturity'</b>		
	<b>Certificates of investments</b>		
	Trust Investment Bank Limited	170,000	181,000
	Provision	(34,000)	(55,000)
		<b>136,000</b>	<b>126,000</b>
	Security Leasing Corporation Limited	50,000	100,000
	Provision	-	(5,000)
		<b>50,000</b>	<b>95,000</b>
		<b>186,000</b>	<b>221,000</b>

**7.3.1** These certificates carry mark-up rates ranging between 14.49% to 15.26 % (June 2009: 14.68% to 17.67%) per annum.

The Fund invested in unsecured certificate of investment with Trust Investment Bank Limited (TIBL) amounting to Rs. 200 million on 5 June 2007 for a period of one and half year. On maturity date i.e. 6 December 2008, TIBL made only a partial payment of mark-up amounting to Rs. 10 million out of the total mark-up of Rs. 16.812 million. However, subsequent to December 2008, TIBL paid the remaining outstanding mark-up of Rs. 6.812 million. During January 2009, TIBL came up with a repayment plan to pay weekly installments of Rs. 1 million along with the mark-up on outstanding balance. Principal outstanding at the end of one year was agreed to be paid in lump sum.

During the six months period ended 31 December 2009, TIBL paid only Rs.11 million on account of principal amount and Rs. 5.74 million on account of mark-up. Outstanding amount of mark-up of Rs.5.2 million has been suspended by the Fund. The last installment of Rs.1 million was received on 2 October 2009.

During the period, provision amounting to Rs. 21 million held against these certificates was reversed by the Fund in accordance with the restructuring plan as more fully explained in note 7.1.1.2.

The Fund is actively pursuing for the recovery of this investment and various proposals are under consideration with the management of TIBL, including the conversion of the outstanding amount into preference shares.

**7.3.2** The Fund invested in unsecured certificate of investment with Security Leasing Corporation Limited (SLCL) amounting to Rs. 100 million on 15 August 2007 for a period of two years. However, on 13 August 2009, the management of SLCL came up with a repayment plan whereby, SLCL paid Rs.10 million up-front together with outstanding mark-up amounting to Rs. 5.836 million as of June 2009, and agreed to repay the remaining Rs. 90 million on weekly basis upto April 2010. During the six months period ended 31 December 2009, SLCL has paid Rs. 50 million in accordance with the above repayment plan.

During the period, provision amounting to Rs. 5 million held against these certificates was reversed by the Fund in accordance with the restructuring plan as more fully explained in note 7.1.1.2.

## 8. 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 realized or unrealized 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 unrealized capital gains to the unit holders. The management intends to distribute atleast 90% of the net accounting income earned by the year end by this Fund to the unit holders. Accordingly, no provision has been made in this condensed interim financial information.

## 9. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2009.

## 10. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include AMZ Asset Management Limited being the Management Company, AMZ Asset Management Limited Employees Provident Fund, AMZ Securities (Private) Limited, AMZ Ventures Limited, AMZ Technologies (Private) Limited, AMZ Foods (Private) Limited, AMZ-KHN Consulting (Private) Limited, AMZ Access (Private) Limited and AMZ Plus Stock Fund being companies / Fund under common management, Central Depository Company of Pakistan Limited being the trustee of the Fund, Pakistan Petroleum Limited, Fauji Fertilizer Company, Allied Bank Limited being the major unit holder of the Fund and key management personnel of the Management Company.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Trust Deed respectively.

## AMZ Plus Income Fund

### Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

10.1 Details of transactions with related parties and balances with them at the period end are as follows:

	Half year ended				Quarter ended			
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Units)		(Rupees in '000)	(Units)		(Rupees in '000)		
<b>Units issued / transferred to:</b>								
<b>Management Company</b>								
AMZ Asset Management Limited	-	398,875	-	40,500	-	63,242	-	6,500
<b>Trustee</b>								
Central Depository Company of Pakistan Limited	-	244,054	-	25,000	-	-	-	-
<b>Other related parties</b>								
Directors and executives of the management company and their close family members	-	11,316	-	1,153	-	-	-	-
<b>Units redeemed / transferred by:</b>								
<b>Management Company</b>								
AMZ Asset Management Limited	-	478,101	-	49,000	-	439,175	-	45,000
<b>Trustee</b>								
Central Depository Company of Pakistan Limited	-	611,076	-	62,883	-	611,076	-	62,883
<b>Associated Companies</b>								
AMZ Asset Management Limited Employees Provident Fund	-	3,111	-	319	-	3,111	-	319
<b>Other related parties</b>								
Directors and executives of the management company and their close family members	-	120,475	-	12,361	-	112,963	-	11,594
<b>Bonus units distributed to:</b>								
<b>Management Company</b>								
AMZ Asset Management Limited	-	56,076	-	5,663	-	13,075	-	1,335
<b>Trustee</b>								
Central Depository Company of Pakistan Limited	-	43,194	-	4,342	-	10,296	-	1,051
<b>Associated Companies</b>								
AMZ Asset Management Limited Employees Provident Fund	-	335	-	34	-	52	-	5
<b>Other related parties</b>								
Directors and executives of the management company and their close family members	-	11,872	-	1,198	-	1,915	-	196
The Bank of Punjab Employees Provident Fund Trust	-	33,495	-	3,371	-	5,249	-	536
<b>Cash dividend distributed:</b>								
The Bank of Punjab	-	-	-	113,547	-	-	-	16,594
					<b>31 December 2009</b>		<b>30 June 2009</b>	
					(Unaudited)		(Audited)	
					(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<b>Units held by:</b>								
<b>Management Company</b>								
AMZ Asset Management Limited					<b>6,392</b>	605,834	6,392	521,395

10.2 Other transactions and balances with related parties

	31 December 2009	30 June 2009
	(Unaudited)	(Audited)
<b>AMZ Asset Management Limited</b>		
Balance at beginning of the period / year	604	4,688

## AMZ Plus Income Fund

### Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended 31 December 2009

Remuneration during the period / year	2,799	24,535
Sales Load during the period / year	-	51
Amount paid during the period / year	(2,873)	(28,670)
Balance as at end of the period / year	<u>530</u>	<u>604</u>

#### Central Depository Company of Pakistan Limited - Trustee

Balance at the beginning of the period / year	74	468
Remuneration for the period / year	373	2,647
CDS Charges for the period / year	-	29
	<u>447</u>	<u>3,144</u>
Amount paid during the period / year	(383)	(3,070)
Balance at end of the period / year	<u>64</u>	<u>74</u>

#### The Bank of Punjab

##### Interest receivable - bank deposits

Balance at beginning of the period / year	-	2
Interest income accrued during the period / year	-	1,041
Interest received during the period / year	-	(1,043)
Balance at end of the period / year	<u>-</u>	<u>-</u>

##### Interest receivable - TDRs

Balance at beginning of the period / year	-	41,077
Interest income accrued during the period / year	-	107,191
Interest received during the period / year	-	(148,268)
Balance at end of the period / year	<u>-</u>	<u>-</u>

##### Term deposit receipts

Balance at beginning of the period / year	-	1,170,000
Placements made during the period / year	-	2,510,000
Placements matured during the period / year	-	(3,680,000)
Balance at end of the period / year	<u>-</u>	<u>-</u>

##### Bank balances

Balance at beginning of the period / year	-	3,227
Amounts deposited in the Bank	-	1,377,222
Amounts withdrawn from the Bank	-	(1,380,449)
Balance at end of the period / year	<u>-</u>	<u>-</u>

##### Bank charges

	<u>-</u>	<u>1</u>
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## 11. CONTINGENT LIABILITY

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that the WWF Ordinance is applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5million in a tax year, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance). However, during the period the Mutual Fund Association of Pakistan (MUFAP) has filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the grounds that CIS are not covered in the definition of Industrial Establishment. The legal proceedings in respect of the aforementioned petition are currently in progress.

The Management Company (a member of MUFAP) based on the advice of the MUFAP's legal counsel, is confident of a favorable decision, and accordingly no provision for the aforementioned liability amounting to Rs. 1.204 million has been made in this condensed interim financial information.

## 12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on **26 February 2010** by Board of Directors of the Management Company.

## 13. GENERAL

13.1 This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, the figures for the quarters ended 31 December 2009 and 31 December 2008 in this condensed interim financial information have not been reviewed by the auditors.

13.2 Figures have been rounded off to the nearest thousand rupees.

For Crosby Asset Management (Pakistan) Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director