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COMPANY'S INFORMATION

Board Of Directors

Mr. Amanullah Suleiman
Syed Ajaz Ahmed
Mr. Saleem Chamdia
Mr. Muhammad Iqbal
Mr. Khurshid Zafar
Mr. Salman Umer
Mr. Khurshheed Anwer
Mr. Muhammad Khubaib

Chairman
Chief Executive
Director
Director
Director
Director
Director

Audit Committee

Mr. Amanullah Suleiman
Mr. Khurshid Zafar
Mr. Muhammad Khubaib
Mr. Salman Umer

Company Secretary & CFO

Mr. Muhammad Asif Mehdi Rizvi

Investment Adviser

Arif Habib Investment Management Limited
2/1, R.Y. 16, Old Queens Road,
Karachi - 74000, Pakistan.

Custodian

Deutsche Bank AG, Karachi Branch
242 & 243, Avari Plaza,
Fatima Jinnah Road, P.O. Box 4925
Karachi.

Bankers

- Arif Habib Bank Limited
- Deutsche Bank AG, Karachi Branch
- Bank Al-Habib Limited
- Habib Metropolitan Bank Limited
- MCB Bank Limited
- Faysal Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- Allied Bank Limited
- The Bank Of Panjab

Auditors

A.F. Ferguson & Co. - Chartered Accountants
State Life Building No. 1-C,
I.I. Chundrigar Road, Karachi - 74000

Legal Adviser

M/s. Tasawar Ali Hashmi
Advocate
1011/1012 Chapal Plaza,
Hasrat Mohani Road,
Karachi.

Registered Office

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

Registrar and Share Transfer Office

M/s. THK Associates (Private) Limited
Ground Floor
State Life Building No. 3
Dr. Zia uddin Ahmed Road,
Karachi.

Rating

- PACRA : 4 Star Normal
- PACRA : 5 Star Long Term
- PACRA : AM2 (Investment Adviser)

MISSION STATEMENT

To Provide investors a facility to invest into a range of Pakistan's high quality shares of listed companies that offer value in terms of potentially good dividends yields or growth opportunity.

VISION STATEMENT

To be the top performer in the mutual fund industry. We strive to deliver results and perform to the highest standards. To continue building a firm foundation based on reserch and market analysis enbling us to deliver strong returns and value growth for our shareholders.

**REPORT OF THE DIRECTORS
FOR THE QUARTER ENDED 30TH SEPTEMBER 2008**

The Board of Directors of the Pakistan Premier Fund Limited (PPFL) is pleased to submit its quarterly report together with the Condensed Interim Financial Statements for the quarter ended 30th September 2008.

Company Objective

The objective of the Company is to provide investors long term capital appreciation from its investments in Pakistani equities.

Profile

Pakistan Premier Fund Limited (PPFL) is a closed-end equity fund (Investment Company). The Company takes a long term value investing approach and the portfolio is diversified across all major sectors with stocks having long term positive fundamentals.

The funds which are not invested in equities are required to be kept in bank deposits and short-term money market instruments/ placements.

Under the Non-Banking Finance Companies and Notified Entities Regulations, 2007 the Company is not allowed to borrow.

Company's Performance during quarter ended 30th September 2008

The net assets of the Company as at 30th September 2008 stood at Rs 1,588.91 million which is equivalent to NAV per share of Rs 9.36. During the quarter, PPFL recorded a return of negative 24.4 % compared to KSE-100 Index return of negative 25.3 %.

Reasons for Loss

The Company incurred a net loss of Rs 571 million during the quarter which was mainly due to drop in equity prices. During the September quarter, the KSE-100 index fell 25.3%. The Company booked losses on sale of investments of Rs 47.8 million, while marked to market (unrealized) losses of equity portfolio were Rs 531.7 million as on 30th September 2008.

Loss Per Share (LPS)

LPS for the quarter ended 30th September 2008 is Rs 3.36.

Future Outlook

Pakistan economy is going through a difficult phase. The deterioration in balance of payment situation has resulted in sharp decline in external reserves and fall in Rupee parity. Equity markets the world over have fallen sharply and Pakistani market is no exception, where stock prices are now available at decade low valuation (P/Es at 5-6x). In our view, some of challenges which Pakistan faced in the recent past have moderated especially due to fall in international oil and commodity prices, which had severely impacted the economy in the recent past. In addition, the government has been able to eliminate subsidy on domestic oil prices, hence reducing pressure on fiscal deficit. However, pressure on balance of payment remains and the government needs to

PAKISTAN PREMIER FUND LIMITED

arrange funding for balance of payment support from multilateral agencies and friendly countries.

Acknowledgement

The Board is thankful to the Company's valued shareholders, Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the custodian and banker to the Company, Deutsche Bank AG, Karachi Branch and the management of Karachi, Lahore and Islamabad Stock Exchanges for their continued cooperation and support. The Directors also appreciate the efforts put in by the team of the investment adviser for the meticulous management of the Company.

For and on behalf of the Board

Karachi
24th October 2008

Syed Ajaz Ahmed
Chief Executive

PAKISTAN PREMIER FUND LIMITED

REPORT OF THE FUND MANAGER FOR THE QUARTER ENDED 30TH SEPTEMBER 2008

Objective

The objective of the Fund is to provide investors long term capital appreciation from its investments in Pakistani equities.

Profile

Pakistan Premier Fund Limited (PPFL) is a closed-end equity fund. The Fund takes a long term value investing approach and the portfolio is diversified across all major sectors with stocks having long term positive fundamentals.

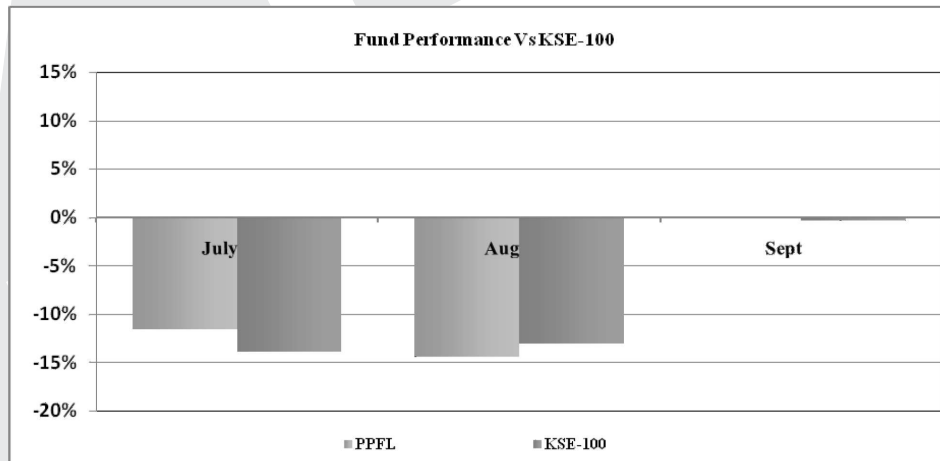
PPFL is a long only Fund. The funds which are not invested in equities are required to be kept in bank deposits and short-term money market instruments/ placements.

Under the NBFC Rules, the Fund is not allowed to borrow.

Asset Allocation and Performance Review for the Quarter Ended 30th Sep 2008

During the quarter ended 30th September 2008 PPFL delivered total return of negative 24.4% compared to KSE-100 Index return of negative 25.3% and internal benchmark return of negative 26.76%. The Fund had beginning and ending equity exposure of 85.97% and 94.28% respectively while the average (month-end) exposure during the quarter was 93.15%. The increase in equity exposure was largely a result of reduction in Fund size as the Fund paid its dividend declared for the outgoing financial year 2008.

On the back of negative developments both on political and economic fronts equity market returns remained negative throughout the quarter that resulted in large valuation knocks for the portfolio. Stocks that contributed the most towards Fund's negative performance were Packages, INIL, OGDC, KAPCO and PICT.



	July	Aug	Sept	FY09 Performance
PPFL	-11.53%	-14.45%	-0.11%	-24.40%
KSE-100	-13.88%	-12.99%	-0.31%	-25.30%
Benchmark	-15.44%	-13.07%	-0.3%	-26.76%

Major Strategies and Policies Employed During the Quarter

Consistent with its objectives of long term value investing, the Fund mostly adopted buy and hold strategy except for those sectors/stocks where fundamentals became negative. Likewise Fund took new exposures

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in sectors/stocks that offer positive fundamentals. Sector wise details of major strategies and policies employed are as under:

- PPFL rebalanced its exposure in the power sector by increasing allocation in Hubco while decreasing exposure in KAPCO. The overall sector exposure in the portfolio increased to 13.37% at the end of the quarter from its beginning level of 10.47%.
- Fund reduced allocation to Fertilizer sector by offloading exposure in FFBL and Engro amid expected slowdown in DAP off-take primarily due to increase in DAP prices, high input cost, expected shrinkage in company's margins and cost overruns due to Rupee devaluation. The overall sector exposure in the portfolio decreased to 3.98% at the end of the quarter from its beginning level of 9.26%.
- Allocation to Oil & Gas Distribution and Oil Marketing sector was also rebalanced. The Fund increased allocation in PPL and PSO and took new exposure in POL. Exposure to OGDC was reduced as its allocation was increasing over and above the authorized limit of 10% in a single stock. Overall exposure in the sector increased to 18.94% at the end of the quarter compared to beginning exposure of 14.86%.
- Fund also increased its holdings in Pak Elektron amid positive company outlook. The overall exposure to the Cables & Electrical Goods sector increased to 5.41% at the end of the quarter compared to beginning exposure of 2.85%.
- Exposure to Auto sector also increased to 3.82% from 2.87% as the Fund increased its allocation to Pak Suzuki, where the price has become attractive on the basis of long term fundamentals.

Equity Market Review

During the quarter ended September 2008, the KSE-100 index suffered a decline of 25.3%. Concerns over domestic macroeconomic outlook heightened amid rising inflation, rising interest rates, increasing balance of payment deficit, depleting foreign exchange reserves and declining Rupee parity, continued to irk investors. Investors' confidence was shaken further, when the KSE management stepped in to put a floor on share prices effective 27th August 2008, which is still in place till now in the month of October. The downside was capped to avert settlement crises since brokers and their clients were not able to square their long positions. The KSE has fallen almost 40% since its peak in April 2008 and has lost US\$ 35 bn in market capitalization. The floor has led to drying up of liquidity with buyers staying away and sellers unable to sell. Average trade volumes have fallen to less than 3 mn shares at the end of the month; with majority of the shares having zero transactions. Foreign portfolio outflows during July to September reached US\$ 234 mn. Correction in equity prices have been a global phenomenon, with international markets suffering consistent decline for the past several months as the crises in US financial institutions have spread its wings all over the world.

Outlook

The near term outlook for equities remained negative. Despite the official floor mechanism, share prices in the kerb and odd lot market are being traded at 20-25% lower levels. It seems that the index might take a plunge once the market resumes normal functioning later in October. This scenario suggests that stock values may fall to 5-6x earning multiple, which were the levels last seen in late 90s till 2001. Pakistan economy has been jolted in recent months amid historic high inflation, fiscal deficit and rising trade/payment deficits. Given the current domestic economic situation and sharp falls in international markets, Pakistani equities are likely to be adjusted downward, however, this selloff (mostly unwinding of leverage positions) will provide long term buying opportunities to investors as stock prices will be available at decade low levels. In our view, some of challenges which Pakistan faced in the recent past have moderated especially due to fall in international oil and commodity prices, which had severely impacted the economy in the recent past. In addition, the government has been able to eliminate subsidy on domestic oil prices, hence reducing pressure on fiscal deficit. However, pressure on balance of payment remains and the government needs to arrange funding for balance of payment support from multilateral agencies and friendly countries.

PAKISTAN PREMIER FUND LIMITED

Economic Review

Global Financial Crisis:

Financial turmoil across the globe, that started off with subprime mortgage crisis in the US, reached boiling point with the demise of Wall-Street giant Lehman Brothers, the buyout of Merrill Lynch by the Bank of America, and the US treasuries bail-out plan for AIG to name a few. After much deliberation, the U.S Congress finally approved a US\$ 700 bn bail-out package in order to remove troubled assets from the balance sheets of financial institutions. Moreover, monetary institutions in North America, Europe and Asia, in a concerted move, slashed policy rates in order to support a faltering global economy. However, along the backdrop of this turmoil, oil prices declined by over 40 percent to close at just over US\$ 100 a barrel at September end. As of mid October, oil price has further dropped to around US\$70 per barrel on demand concerns.

Real Sector:

Pakistan's real GDP growth is expected at 4.0 – 4.5 percent in FY09, as against a GoP target of 5.5 percent. In a worst case scenario, Large Scale Manufacturing may display stagnant growth or at best a modest 2-3 percent growth. The Services sector in addition to the flat pace of industrial growth, is likely to be affected adversely by low consumer confidence. With respect to agriculture, although increase in DAP subsidy and higher wheat support price are likely to improve agricultural production in FY09, reduced water availability may keep growth restricted to around 3 percent.

Balance of Payments:

The trade deficit widened in Q1 FY09 by US\$ 5.5 bn, an increase of 52.65 percent against the same period last year. Imports were US\$ 10.8 bn (+34.35 YoY) and exports came out to be US\$ 5.27 bn (+19.2% YoY). The deficit continued to widen through each month in Q1 despite imports declining at an average 1 percent MoM, which however fell short of an average decline in exports of 4 percent MoM in Q1FY09. There have been some positive developments concerning the bridging of the financing gap; the World Bank has pledged US\$ 1.4 bn for project loans for FY09, the ADB has dispersed US\$ 500 mn with the IDB also pledging financial support (amount not officially disclosed as yet). As affirmed by government officials, these three institutions are likely to provide support of US\$ 2 - 2.5 bn to help overcome the country's BoP problems. Of particular significance will be the 'Friends of Pakistan' conference scheduled to be held in Abu Dhabi by the end of October where top government officials are expected to negotiate a US\$ 10bn aid package. Remittances continue to provide support to BoP, surging 25 percent in Q1 against the same period last year.

Currency:

The first quarter of FY09 saw depreciation in the local currency of 14.8 percent against the US\$. Since beginning of the current FY, Rupee devaluation has followed FX reserve depletion, a trend that could persist until the country receives significant foreign inflows. In the medium term, decrease in imports as a result of the commodity meltdown could also provide some stability to the local currency.

Monetary Sector:

Liquidity remained tight in Q1 FY09 declining by RS 93 bn, as a result of contraction in M2 by 1.99% mainly due to the erosion of Net Foreign Assets (NFAs). In response to this, SBP has cut the CRR by 200 bps, which would provide liquidity of Rs 80 bn into the system, though this may only provide some temporary respite. Going forward, foreign inflows and greater confidence in the banking system would be crucial in improving the domestic liquidity situation.

Inflation:

The inflation rate surged 24.52 percent in Q1FY09 as against the same period last year, however the rate increased at a decelerating pace persistently throughout Q1 on a MoM basis. The CPI increased 3.34, 2.14 and 0.97 percent MoM in July, August and September respectively. Disinflation is likely to continue throughout FY09, albeit at a slow pace due to the continued pass-on of subsidies. The full year inflation rate is expected to come between 17-20 percent.

PAKISTAN PREMIER FUND LIMITED

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 30TH SEPTEMBER 2008**

	Note	Unaudited 30 th September 2008	Audited 30 th June 2008
(Rupees in '000)			
Assets			
Bank balances		122,143	333,407
Investments	4	1,501,245	2,079,904
Dividend and profit receivable		12,842	14,617
Deposits and prepayments & others		2,793	2,678
Taxation		2,655	2,655
Total assets		1,641,678	2,433,261
Liabilities			
Remuneration payable to the investment adviser	5	2,648	4,025
Payable against purchase of marketable securities		-	3,167
Accrued expenses and other liabilities		25,357	4,164
Unclaimed dividend		24,762	6,989
Total Liabilities		52,767	18,345
Net assets		1,588,911	2,414,916
Shareholders' equity			
Authorised capital			
200,000,000 (2007: 150,000,000) ordinary shares of Rs 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital			
93,750,000 (2007: 93,750,000) ordinary shares of Rs. 10 each issued as fully paid-up in cash		937,500	937,500
76,054,687 (2008: 76,054,687) ordinary shares of Rs 10 each issued as fully paid bonus shares		760,547	760,547
		<u>1,698,047</u>	<u>1,698,047</u>
Revenue Reserve			
Unappropriated (loss) / profit		(109,136)	716,869
		<u>1,588,911</u>	<u>2,414,916</u>
Net asset value per share as at		<u>9.36</u>	<u>14.22</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Chief Executive

Director

PAKISTAN PREMIER FUND LIMITED

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2008**

	2008	2007
	(Rupees in '000)	
Income		
Capital (loss) / gain on sale of investments	(47,846)	5,757
Unrealised (diminution) / appreciation in fair value of investments - at fair value through profit or loss	(531,669)	17,748
Dividend income	13,044	16,441
Income on term finance certificates	81	119
Profit on bank deposits	6,103	6,523
	<u>(560,287)</u>	<u>46,588</u>
Operating expenses		
Fees and subscription	564	2,248
Remuneration of the investment adviser	8,862	12,982
Securities transaction cost	635	1,497
Legal and professional charges	39	15
Custody fee	464	623
Auditors' remuneration	186	137
Printing and other related cost	164	-
Bank charges	97	98
	<u>11,011</u>	<u>17,600</u>
Net (loss) / income for the period	<u>(571,298)</u>	<u>28,988</u>
	-----Rupees-----	
(Loss) / Earnings per share - basic and diluted	<u>(3.36)</u>	<u>0.17</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Chief Executive

Director

PAKISTAN PREMIER FUND LIMITED

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2008**

	2008	2007
	(Rupees in '000)	
Unappropriated profit brought forward	716,869	1,433,519
Final distribution of bonus shares Nil (2007: 15%)	-	(221,484)
Final cash dividend for the year ended 30 th June 2008 @ 15% i.e. Rs 1.50 per share (2007 : 25% i.e. Rs 2.50 per share) [Announced on 30 th August 2008 and distributed on 12 th September 2008]	(254,707)	(369,141)
Net (loss) / income for the period	(571,298)	28,988
Unappropriated (loss) / profit carried forward	<u>(109,136)</u>	<u>871,882</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Chief Executive

Director

PAKISTAN PREMIER FUND LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2008**

	2008	2007
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(571,298)	28,988
Adjustments		
Unrealised appreciation / (diminution) in market value of securities at fair value through profit or loss	531,669	(17,748)
Remuneration of the Investment Adviser	8,862	12,982
Dividend income	(13,044)	(16,441)
	<u>(43,811)</u>	<u>7,781</u>
Decrease / (increase) in assets		
Receivable against sale of marketable securities	-	(11,840)
Investment in marketable securities at fair value through profit or loss	46,990	(79,823)
Profit receivable	1,205	3,825
Deposits and prepayments and others	(115)	(90)
	<u>48,080</u>	<u>(87,928)</u>
(Decrease) / increase in liabilities		
Payable against purchase of marketable securities	(3,167)	(1,775)
Accrued expenses and other liabilities	21,193	37,351
	<u>18,026</u>	<u>35,576</u>
Net Cash from operations	22,295	(44,571)
Remuneration paid to the Investment Adviser	(10,239)	(49,417)
Dividend received	13,614	8,733
Dividend paid	(236,934)	(349,195)
Net cash flow from operating activities	(211,264)	(434,450)
Net decrease in bank balances during the period	<u>(211,264)</u>	<u>(434,450)</u>
Cash and cash equivalents at the beginning of the year	<u>333,407</u>	<u>532,763</u>
Cash and cash equivalents at the end of the period	<u>122,143</u>	<u>98,313</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Chief Executive

Director

PAKISTAN PREMIER FUND LIMITED

**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2008**

	Share capital	Un-appropriated (loss) / profit (Rupees in '000)	Net assets
	-----	-----	-----
Balance as at 30th June 2007	1,476,563	1,433,519	2,910,082
Net income for the period			
Capital gain on sale of marketable securities	-	5,757	5,757
Unrealised appreciation in market value of securities at fair value through profit or loss	-	17,748	17,748
Other income for the year - net of operating expenses	-	5,483	5,483
	-	28,988	28,988
Final Distribution of bonus shares for the year ended 30th June 2007 : 15% i.e. 15 shares for every 100 shares held	221,484	(221,484)	-
Final cash dividend for the year ended 30 th June 2007 : 25 % i.e. Rs 2.50 per share	-	(369,141)	(369,141)
Balance as at 30th September 2007	<u>1,698,047</u>	<u>871,882</u>	<u>2,569,929</u>
Balance as at 30th June 2008	1,698,047	716,869	2,414,916
Net loss for the period			
Capital loss on sale of marketable securities	-	(47,846)	(47,846)
Unrealised diminution in market value of securities at fair value through profit or loss	-	(531,669)	(531,669)
Other income for the year - net of operating expenses	-	8,217	8,217
		(571,298)	(571,298)
Final cash dividend for the year ended 30 th June 2008 : 15 % i.e. Rs 1.50 per share		(254,707)	(254,707)
Balance as at 30th September 2008	<u>1,698,047</u>	<u>(109,136)</u>	<u>1,588,911</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Chief Executive

Director

PAKISTAN PREMIER FUND LIMITED

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND
RESERVES - 'PER SHARE' (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2008**

	2008	2007
	(Rupees)	
Net assets value per share as at 1 st July	14.22	19.71
Dilution due to issue of bonus shares Nil (2007 : 15%)	-	(2.25)
Capital (loss) / gain on sale of marketable securities	(0.28)	0.03
Unrealised (diminution) / appreciation in market value of securities at fair value through profit or loss	(3.13)	0.11
Other net income for the period	0.05	0.03
Net (loss) / income for the period	(3.36)	0.17
Final cash dividend 15% (2007 : 25%)	(1.50)	(2.50)
Net assets per share as at 30 th September	<u>9.36</u>	<u>15.13</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Chief Executive

Director

PAKISTAN PREMIER FUND LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 30TH SEPTEMBER 2008

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Premier Fund Limited (the Company) is a public limited company incorporated on 11th December 1994 under the Companies Ordinance, 1984. The Company is registered under Rule 38 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) as an Investment Company. The Company commenced its business on 11th July 1995 and is listed on all the three Stock Exchanges in Pakistan.

The Company entered into an agreement with Arif Habib Investment Management Limited to act as its Investment Adviser with effect from 26th December 2002. Arif Habib Investment Management Limited is duly licensed under the NBFC Rules to act as an Investment Adviser. The Company primarily invests in shares of listed companies, Term Finance Certificates and short-term reverse repurchase transactions.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard No. 34, "Interim Financial Reporting" and are being submitted to share holders as required by the Companies Ordinance, 1984; Non-Banking Finance Companies Notified Entities and Regulation, 2007 and listing regulations of Karachi, Lahore and Islamabad stock exchanges.

These condensed interim financial statements are unaudited.

3. 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 published accounts of the Company for the year ended 30th June 2008.

4. INVESTMENTS

		Unaudited 30 th September 2007	Audited 30 th June 2008
At fair value through profit or loss - held for trading			
	<i>Note</i>		
		(Rupees in '000)	
- Quoted equity securities	4.1	1,497,971	2,076,634
- Fixed income and other debt securities	4.2	3,274	3,270
		<u>1,501,245</u>	<u>2,079,904</u>

PAKISTAN PREMIER FUND LIMITED

4.1 Quoted equity securities - held for trading

Name of the investee company	Number of shares / Certificates				Balance as at 30 th September 2008			Percentage in relation to			
	As at 1 st July 2008	Purchases during the period	Bonus/ Right issue/ Merger	Sales during the period	As at 30 th September 2008	Cost	Market value	Appreciation/ (Deduction)	Net assets of the company (with market value of investments)	Paid up capital of investee company (with face value of investments)	Market Value as a percentage of total investments
.....(Rupees in '000).....											
SHARES / CERTIFICATES OF LISTED COMPANIES / MODARABAS - Fully paid ordinary shares / certificates of Rs 10 each unless stated otherwise											
INVESTMENT BANKS / COMPANIES / SECURITIES											
Arif Habb Securities Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
INSURANCE											
IGI Insurance Limited	134,250	-	67,125	-	201,375	41,325	23,213	(18,112)	1.46	0.34	1.55
TEXTILE COMPOSITE											
Artistic Denim Mills Limited	146,400	-	-	-	1,46,400	7,229	4,977	(2,252)	0.31	0.17	0.33
Colony Mills Limited	1,425,000	-	-	-	1,425,000	3,385	20,805	17,420	1.31	0.58	1.39
Chenab Limited	1,000,000	-	-	-	1,000,000	18,000	4,000	(14,000)	0.25	0.87	0.27
Reliance Weaving Mills Limited	109,875	-	-	-	109,875	1,203	1,318	115	0.08	0.36	0.09
Nishat Mills Limited	558,180	-	-	-	558,180	55,800	26,073	(29,727)	1.64	0.35	1.74
Kohinoor Mills Limited	547,932	-	-	-	547,932	18,398	12,049	(6,349)	0.76	1.08	0.80
Sapphire Textile Mills Limited	121,440	-	-	-	121,440	5,343	16,516	11,173	1.04	0.60	1.10
Suraj Cotton Mills Limited	234,750	-	-	-	234,750	11,625	10,036	(1,589)	0.63	1.30	0.67
CEMENT											
Attock Cement Pakistan Limited	764,000	-	-	-	764,000	67,614	34,708	(32,906)	2.18	1.06	2.31
Cherat Cement Company Limited	697,091	-	-	-	697,091	30,551	11,084	(19,467)	0.70	0.73	0.74
Lucky Cement Limited	652,000	-	-	-	652,000	82,052	37,666	(44,386)	2.37	0.20	2.51
TOBACCO											
Pakistan Tobacco Company Limited	441,900	-	-	-	441,900	32,059	50,328	18,269	3.17	0.17	3.35
ENGINEERING											
International Industries Limited	1,057,230	-	211,446	-	1,268,676	27,469	97,308	69,839	6.12	1.27	6.48
International Industries Limited (Letter of Right)	-	-	264,307	-	264,307	-	7,057	7,057	0.44	0.26	0.47
CABLE AND ELECTRICAL GOODS											
Pakistan Electron Limited	730,506	786,000	-	-	1,516,506	84,327	61,873	(22,454)	3.89	1.59	4.12
Siemens Pakistan Engineering Company Limited	19,900	-	-	-	19,900	11,961	24,079	12,118	1.52	0.24	1.60

PAKISTAN PREMIER FUND LIMITED

Name of the investee company	Number of shares / Certificates				Balance as at 30 th September 2008			Percentage in relation to			
	As at 1 st July 2008	Purchases during the period	Bonus/ Right issue/ Merger	Sales during the period	As at 30 th September 2008	Cost	Market value	Appreciation/ (Diminution)	Net assets of the company (with market value of investments)	Paid-up capital of Investee company (with face value of investments)	Market Value as a percentage of total investments
(Rupees in '000)											
TRANSPORT											
Pakistan International Container Terminal Limited	813,220	-	-	-	813,220	47,269	50,176	2,907	3.16	0.89	3.34
						47,269	50,176	2,907			
CHEMICALS											
BOC Pakistan Limited	31,000	-	-	-	31,000	5,009	5,487	478	0.35	0.12	0.37
						5,009	5,487	478			
PAPER AND BOARD											
Century Papers & Board Mills Limited	600,710	-	-	-	600,710	27,290	19,192	(8,098)	1.21	0.85	1.28
Packages Limited	722,717	-	-	-	722,717	68,982	102,438	33,456	6.45	0.86	6.82
Security Papers Limited	63,769	-	-	-	63,769	5,325	3,630	(1,695)	0.23	0.15	0.24
						101,597	125,260	23,663			
FOOD AND PERSONAL CARE - PRODUCTS											
Sunflo Cit-Russ Limited*	315,000	-	-	-	315,000	-	-	-	-	-	-
Nestle Pakistan Limited	49,200	-	-	-	49,200	58,634	66,420	7,786	4.18	0.11	4.42
Unit.lever Pakistan Limited (Rs.50 each)	3,680	-	-	-	3,680	4,177	8,630	4,453	0.54	0.01	0.57
						62,511	75,050	12,239			
SUGAR AND ALLIED INDUSTRIES											
Colony Sugar Mills Limited	306,271	-	-	-	306,271	3,063	14,701	11,638	0.93	0.31	0.98
						3,063	14,701	11,638			
VANASPATI AND ALLIED											
Sathad Ghee Mills Limited*	113,000	-	-	-	113,000	-	-	-	-	-	-
AUTOMOBILE ASSEMBLER											
Indus Motor Company Limited	152,992	-	-	-	152,992	32,496	21,924	(10,572)	1.38	0.19	1.46
Pak Suzuki Motor Company Limited	322,150	140,000	-	-	462,150	62,665	38,723	(23,942)	2.44	0.56	2.58
						95,161	60,647	(34,514)			
COMMERCIAL BANKS											
Allied Bank Limited	664,056	-	-	-	664,056	42,502	38,436	(4,066)	2.42	0.10	2.56
National Bank of Pakistan	348,920	-	-	-	348,920	81,770	32,456	(49,314)	2.04	0.04	2.16
						124,272	70,892	(53,380)			
REFINERY											
Pakistan Refinery Limited	-	16,000	-	16,000	-	-	-	-	-	-	-

PAKISTAN PREMIER FUND LIMITED

Name of the investee company	Number of shares / Certificates				Balance as at 30 th September 2008			Percentage in relation to			
	As at 1 st July 2008	Purchases during the period	Bonus / Right issues / Merger	Sales during the period	As at 30 th September 2008	Cost	Market value	Appreciations/ (Diminution)	Net assets of the company (with face value of investments)	Investee company (with face value of investments)	Market Value as a percentage of total investments
(Figures in '000)											
POWER GENERATION AND DISTRIBUTION											
Kohinoor Energy Limited	603,000	-	-	-	603,000	22,262	13,610	(8,652)	0.86	0.36	0.91
Hub Power Company Limited	991,500	200,000	-	-	1,191,500	36,332	25,569	(10,763)	1.61	0.10	1.70
Kot Adda Power Company Limited	4,428,800	-	-	100,000	4,328,800	207,782	173,152	(34,630)	10.90	0.49	11.53
						266,376	212,331	(54,045)			
OIL AND GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	30,000	115,000	-	-	145,000	61,776	40,599	(21,177)	2.56	0.08	2.70
						61,776	40,599	(21,177)			
OIL AND GAS EXPLORATION COMPANIES											
Pakistan Petroleum Limited	455,010	-	45,501	-	500,511	101,463	96,924	(4,539)	6.10	0.06	6.46
Oil and Gas Development Company Limited	1,885,360	-	-	325,000	1,560,360	184,179	147,245	(36,834)	9.27	0.04	9.81
Pakistan Oilfield Limited	-	65,900	-	-	65,900	23,855	16,046	(7,809)	1.01	0.03	1.07
						309,497	260,315	(49,182)			
TECHNOLOGY AND COMMUNICATION											
Pakistan Telecommunication Company Limited - "A"	2,000,000	-	-	-	2,000,000	91,200	63,000	(28,200)	3.96	0.05	4.20
TRG Pakistan "A"	1,950,000	-	-	-	1,950,000	25,439	7,449	(17,990)	0.47	0.52	0.50
NetSol Technologies Limited	-	100,000	-	-	100,000	7,539	5,700	(1,839)	0.36	0.17	0.38
						124,178	76,149	(48,029)			
FERTILIZER											
Fuji Fertilizer Bin Qasim Limited	1,503,200	-	-	1,503,000	200	8	5	(3)	0.00	0.00	0.00
Eagro Chemicals Pakistan Limited	305,028	-	-	305,028	-	-	-	-	-	-	-
Fuji Fertilizer Company Limited	632,692	-	-	-	632,692	58,087	63,769	5,182	3.98	0.13	4.21
						58,085	63,274	5,179			
Total as at 30th September 2008						1,757,445	1,497,971	(259,474)			

* These securities are delisted and are valued at Re.1 in the book of accounts.

4.2 Fixed income and other debt securities - held for trading of Rs 5,000

Name of the investee company	Profit/Mark-up Rate (%)	Number of certificates				Balance as at 30 th September 2008			Market value as a percentage of net assets	Market value as a percentage of total investments	
		As at 1 st July 2008	Purchases during the period	Sales during the period	Redemptions during the period	As at 30 th September 2008	Cost	Market value			Appreciations/ (Diminution)
Al-Zamin Leasing Modaraba	9.5	1,000	-	-	-	1,000	3,400	3,274	(126)	0.21	0.22
Total Term Finance Certificates						3,400	3,274	(126)			
Grand Total						1,760,845	1,501,245	(259,600)			

4.3 Investments include shares with market value aggregating to Rs 991,76,192 which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Company's trades in term of circular no. 11 dated 23rd October 2007 issued by the Securities and Exchange Commission of Pakistan.

PAKISTAN PREMIER FUND LIMITED

	Unaudited 30 th September 2008	Audited 30 th June 2008
4.3 Net unrealised appreciation in fair value of marketable securities at fair value through profit or loss - held for trading	(Rupees in '000)	
Fair value of marketable securities classified as fair value through profit or loss - held for trading	1,501,245	2,076,842
Less: Cost of marketable securities classified as fair value through profit or loss - held for trading	<u>(1,760,845)</u>	<u>(1,768,479)</u>
	(259,600)	308,363
Add: Realised on disposal during the period / year	36,294	218,571
Less: Net unrealised (appreciation) in fair value of investment classified at fair value through profit or loss - held for trading at the beginning of the period / year	<u>(308,363)</u>	<u>(789,010)</u>
Net unrealised appreciation in market value during the period / year	<u><u>(531,669)</u></u>	<u><u>(262,076)</u></u>

5. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include Arif Habib Investment Management Limited being the Investment Adviser, Arif Habib Limited and Arif Habib Bank Limited being companies under common management and Deutsche Bank A.G brief Custodian of the Company. Custodian charges payable are determined in accordance with the provision of custodial services agreement.

Remuneration payable to the Investment Adviser is determined in accordance with the provisions of Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non Banking Finance Companies and Notified Entities Regulation, 2007.

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

Details of transactions with connected persons and balances with them at period / year end are as follows:

	Unaudited 30 th September 2008	Audited 30 th June 2008
Arif Habib Investment Management Limited - Investment Adviser	(Rupees in '000)	
Balance at the end of the period / year	<u>2,648</u>	<u>4,025</u>
Arif Habib Bank Limited		
Balance at the end of the period / year	<u>92,823</u>	<u>321,656</u>
	Unaudited 30th September 2008	
	2007	
	(Rupees in '000)	
Arif Habib Investment Management Limited - Investment Adviser		
Remuneration to the Investment Adviser	<u>8,862</u>	<u>12,982</u>
Arif Habib Limited		
Brokerage	5.1	<u>83</u>
Arif Habib Bank Limited		
Mark up income during the period	<u>5,550</u>	<u>87</u>

5.1 The amount disclosed represent 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.

6. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These condensed financial statements have been authorised for issue on 24 October 2008 by the board of directors of the Company.

7. GENERAL

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

PAKISTAN PREMIER FUND LIMITED

**STATEMENT OF INCOME AND EXPENDITURE
IN RELATION TO THE INVESTMENT COMPANY
FOR THE QUARTER ENDED 30TH SEPTEMBER 2008**

	2008	2007
	(Rupees in '000)	
Revenue		
Investment adviser's remuneration	8,862	12,982
Return on bank deposits	16	275
Markup on term finance certificates	23	-
Dividend income	26,991	39,233
Other income	130	33
	<u>36,022</u>	<u>52,523</u>
Operating expenses		
Staff salary	5,126	5,583
Technical and professional services	2,795	4,024
Staff training	69	91
Marketing and advertisement	361	1,183
Rent, rates and taxes	342	307
Communication cost	183	132
Directors' fee	-	35
Printing, stationery and other supplies	142	127
Insurance	133	105
Repair and maintenance	144	157
Fees and subscription	121	53
Legal and professional fee	145	126
Travelling, conveyance and others	86	78
Financial charges	113	15
Depreciation	332	266
	<u>10,092</u>	<u>12,282</u>
Net income / (loss) for the period	<u>25,930</u>	<u>40,241</u>

Note : Above mentioned expenses are allocated proportionately on Investment Adviser's fee of the Company during the period. Expenses directly related to the Company is allocated to the Company.