

AMZ Plus Income Fund

Financial Statements

For Nine months and Quarter ended March 31, 2011

Managed by

Crosby Asset Management (Pakistan) Limited

10th Floor, Trade Centre, I. I. Chundrigarh Road, Karachi, Pakistan

Vision

Our vision and our values define, guide and help us achieve our goals by providing us with the direction about how we all are expected to proceed and behave and inspiring us to give our very best. Shared with our customers, these help to shape their understanding of why they should prefer to work with us at Crosby

Values

In today's competitive and customer-savvy market place, no one gets two chances to please. To be the best, quality should weave through every function of the company, top to bottom, inside and out.

Mission

To establish and manage mutual funds in Pakistan and create investment plans to cater to the needs of investors and to provide value to investors in terms of service and performance.

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Fund Information

Management Company

Crosby Asset Management (Pakistan) Limited
10th Floor, Trade Centre, I.I. Chundrigarh Road,
Karachi, Pakistan
Telephone: (92-21) 32628844,46 & 47
Fax: (92-21) 32628845
www.crosby.com.pk

Board of Directors of Management Company

Mr. Chan Kok Chung Johnny – Chairman
Mr. Amer Maqbool – Chief Executive Officer
Mr. Shahzad Ashfaq

Audit Committee

Mr. Chan Kok Chung Johnny – Chairman
Mr. Amer Maqbool
Mr. Shahzad Ashfaq

Chief Financial Officer & Company Secretary

Syed Adnan Abdali

Investment Committee

Mr. Amer Maqbool
Mr. Jamshed Aziz Khan
Mr. Hussain Haider
Syed Adnan Abdali
Mr. Hussain Khoja

Fund Manager

Mr. Jamshed Aziz Khan

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal,
Karachi – 74400, Pakistan
Tel: (92-21) 111-111-500,
Fax: (92-21) 34326022-23
www.cdcpakistan.com

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Progressive Plaza 6th floor, Beaumont Road, Karachi 75530,
Pakistan

Legal Advisor

Bawaney & Partners
Room No. 404, 4th Floor, Beaumont Plaza,
6-CL-10, Beaumont Road, Civil Lines, Karachi

Registrar

Crosby Asset Management (Pakistan) Limited
10th Floor, Trade Centre, I.I. Chundrigarh Road,
Karachi, Pakistan

Bankers

Faysal Bank Limited

Management Company Directors Report to Unit Holders

The Directors of Crosby Asset Management (Pakistan) Limited, the management company of AMZ Plus Income Fund (APIF) are pleased to present the un-audited accounts for Nine months and Quarter ended March 31, 2011 together with the Directors' Report.

During the period under review APIF earned a net loss of Rs 0.52 million. The Net Assets of APIF as of March 31, 2011 have decreased by 33.77% as compared to June 30, 2010. During the period under review 2,088 units worth Rs. 0.139 million were issued whereas 497,443 units worth Rs. 28.98 million were redeemed.

As at March 31, 2011 investments in debt and other securities stood at market value of Rs. 23.96 million whereas the total investments are 16.88% of Net Asset Value.

The Board of Directors thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the management company and the Trustee for their dedication and hard work and the Unit Holders for their confidence in the Management.

(On behalf of Board of Directors)

Amer Maqbool

Chief Executive Officer

Karachi: April 28, 2011

Financial Statements

AMZ PLUS INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2011 (UN-AUDITED)

		(Unaudited) March 31, 2011	(Audited) June 30, 2010
		----- Rupees in '000 -----	
Assets			
Bank balances	5	29,071	594
Placements	6	90,000	100,000
Investments	7	23,961	83,705
Markup receivables		500	6,439
Deposits, prepayments and other receivables		100	3,600
Total assets		143,632	194,338
Liabilities			
Payable to Securities and Exchange Commission of Pakistan		-	255
Accrued expenses and other liabilities		1,641	4,138
Total liabilities		1,641	4,393
Net assets		141,991	189,945
Unit holders' funds		141,991	189,945
		(Number of Units)	
Number of units in issue		2,361,875	2,857,230
		(Rupees)	
Net assets value per unit		60.11	66.48

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

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

Chief Executive

Director

AMZ PLUS INCOME FUND

CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees in '000)-----			
Income				
Markup income	8,677	49,962	2,846	20,695
Capital (loss) / gain on sale of investments - net	(16,130)	-	-	-
Reversal / (Provision) for impairment against investment classified as 'available for sale'	(13,405)	32,078	-	-
Unrealized (diminution) / appreciation on revaluation of investments classified as 'at fair value through profit or loss' - held for trading	-	(3,078)	-	(1,597)
Other Income	2,283	-	-	-
Element of income and capital gains included in prices of units sold less those in units redeemed - net	18,593	1,240	-	1,240
Total income for the period	18	80,202	2,846	20,338
Expenses				
Remuneration of Management Company	-	4,586	-	1,787
Trustee Fee	-	616	-	243
Securities & Exchange Commission of Pakistan - Annual Fee	-	231	-	91
Auditor's remuneration	242	220	142	54
Settlement and bank charges	28	17	24	4
Legal and professional charges	150	240	-	53
Fees, subscription and other charges	120	155	47	17
Amortization of preliminary expenses and floatation costs	-	286	-	94
Total expenses	540	6,351	213	2,343
Net income / (loss) for the period	(522)	73,851	2,633	17,995

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

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

Chief Executive

Director

AMZ PLUS INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees in '000)-----			
Net income / (loss) for the period	(522)	73,851	2,633	17,995
Other comprehensive income				
Net unrealized (diminution) / appreciation in the value of available for sale investment	-	3,140	-	554
Total comprehensive income / (loss) for the period	<u>(522)</u>	<u>76,991</u>	<u>2,633</u>	<u>18,549</u>

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

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

Chief Executive

Director

AMZ PLUS INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees in '000)-----			
Net assets at the beginning of the period	189,945	360,947	139,358	419,389
Issue of units *	139	69,219	-	69,219
Redemption of units **	(28,978)	(125,000)	-	(125,000)
	(28,839)	(55,781)	-	(55,781)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(18,593)	(1,240)	-	(1,240)
Net (loss) / income for the period less distribution	(522)	73,851	2,633	17,995
Net unrealized (loss) on revaluation of investments classified as 'available-for-sale financial assets'	-	3,140	-	554
Net assets at the end of the period	141,991	380,917	141,991	380,917
* Number of units issued	2,088	730,242	-	730,242
** Number of units redeemed	497,443	1,300,458	-	1,300,458

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

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

Chief Executive

Director

AMZ PLUS INCOME FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees in '000)-----			
(Deficit) / Undistributed income brought forward	(161,018)	(148,008)	(164,173)	(92,152)
Net income / (loss) for the period	(522)	73,851	2,633	17,995
(Deficit) / Undistributed income carried forward	<u>(161,540)</u>	<u>(74,157)</u>	<u>(161,540)</u>	<u>(74,157)</u>

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

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

Chief Executive

Director

AMZ PLUS INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees in '000)-----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	(522)	73,851	2,633	17,995
Adjustments for:				
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(18,593)	(1,240)	-	(1,240)
Capital loss on sale of investment	16,130	-	-	-
Amortization of preliminary expenses and floatation costs	-	288	-	96
Unrealized diminution on revaluation of investments classified as held for trading	-	3,078	-	1,597
Reversal of provision / Provision against non-performing assets	13,405	-	-	-
	10,420	75,977	2,633	18,448
Decrease / (increase) in assets				
Placements	10,000	-	10,000	-
Investments	30,209	47,052	-	18,123
Dividend and profit receivables	5,939	4,964	2,610	(294)
Deposits, prepayments and other receivables	3,500	(10)	3,500	31
	49,648	52,006	16,110	17,860
Increase / (decrease) in liabilities				
Payable to Management Company	-	(119)	-	(44)
Payable to Trustee	-	(10)	-	-
Payable to Securities and Exchange Commission of Pakistan	(255)	(1,453)	-	91
Accrued expenses and other liabilities	(2,497)	(69,166)	(129)	(69,198)
	(2,752)	(70,748)	(129)	(69,151)
Cash inflow / (outflow) from operating activities	57,316	57,235	18,614	(32,843)
CASH FLOW FROM FINANCING ACTIVITIES				
(Payments) / receipts on redemption / issue of units - net	(28,839)	(55,781)	-	(55,781)
Net cash (outflow) / inflow from financing activities	(28,839)	(55,781)	-	(55,781)
Net (decrease) / increase in cash and cash equivalents during the period	28,477	1,454	18,614	(88,624)
Cash and cash equivalents at the beginning of the period	594	9,657	10,457	99,735
Cash and cash equivalents at the end of the period	29,071	11,111	29,071	11,111

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

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

Chief Executive

Director

AMZ PLUS INCOME FUND

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

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.

Management Right of the Fund has been transferred to Crosby Asset Management (Pakistan) Limited from AMZ Asset Management Limited through a tripartite agreement between Crosby Asset Management (Pakistan) Limited AMZ Asset Management Limited and Central Depository Company of Pakistan Limited on January 29, 2010 with the consent of majority of unit holder and approval of SECP.

1.2 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 10th Floor, Trade Centre, I.I. Chundrigarh Road, Karachi.

1.3 The Fund is an open-ended scheme and is listed on the Karachi Stock Exchange (Guarantee) Limited.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention except certain financial instruments which have been included at fair value in accordance with the recognition/ measurement criteria mentioned in the relevant International Accounting Standards applicable to such instruments.

4. ACCOUNTING POLICIES

The accounting policies are consistent with those applied in preparing the financial statements for the period ended June 30, 2010.

		(Unaudited) March 31, 2011	(Audited) June 30, 2010
		(Rupees in '000)	
5 BANK BALANCES			
Cash at bank			
- In deposit accounts	5.1	<u>29,071</u>	<u>594</u>
5.1 Deposit accounts carry profit rates ranging from 8% to 11.25% (June 2010: 8% to 11.25%) p.a.			
6. PLACEMENTS			
Letter of Placement - Orix Leasing Limited	6.1	<u>90,000</u>	<u>100,000</u>
6.1 This carries mark-up rate of 10.41% per annum (30 June 2010: 10.07%) maturing in September 2011.			
7. INVESTMENTS			
Investments - classified as 'available-for-sale'			
Sukuk Certificates	7.2	-	46,340
Preference Share	7.3	<u>21,086</u>	<u>34,490</u>
		<u>21,086</u>	<u>80,830</u>
Investments - classified as 'held to maturity'			
Certificate of Investment	7.4	<u>2,875</u>	<u>2,875</u>
		<u>23,961</u>	<u>83,705</u>
7.1 Cost of investment as at		<u>245,846</u>	<u>299,243</u>

AMZ PLUS INCOME FUND

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

7.2 SUKKUK CERTIFICATES

Name of Security	Note	As at July 01, 2010	Purchased during the period	Sold / Matured during the period	As at March 31, 2011	Market Value as of March 31, 2011	Market	Market	%age of Issue
							Value as percentage of Investment	Value as percentage of Net Asset	
						Rupees in '000	Percentage		
Cables & Electronic Goods									
New Allied Electronics Industries (Pvt) Ltd	7.2.1	192,000	-	-	192,000	60,402			
<i>Provision against New Allied Electronics Industries (Pvt) Ltd</i>						(60,402)			
						-	-	-	8.05
Modaraba									
B.R.R. Guardian Modaraba		10,600	-	10,600	-	-	-	-	-
Total investment in Sukkus						-	-	-	

7.2.1 These certificates are secured against first pari passu charge over all present and future fixed assets with 25% margin and personal guarantee of the sponsoring director.

Owing to financial difficulties, the borrower has defaulted on payment of mark-up and principal. The investment has been classified as non-performing debt security by MUFAP and credit rating of investment has been downgraded. A provision of Rs. 60.402 million has been made against these certificates in accordance with the Circular no.1 of 2009 dated 6 January 2009 issued by the SECP.

7.3 PREFERENCE SHARE

Name of Security	Note	As at July 01, 2010	Purchased during the period	Sold / Matured during the period	As at March 31, 2011	Market Value as of March 31, 2011	Market	Market	%age of Issue
							Value as percentage of Investment	Value as percentage of Net Asset	
						Rupees in '000	Percentage		
First Dawood Investment Bank Limited	7.3.1	3,044,380	-	-	3,044,380	30,444			
<i>Provision against First Dawood Investment Bank Limited</i>						(16,367)			
						14,077	58.75	9.91	4.86
Trust Investment Bank Limited (TIBL)	7.3.2	13,000,000	-	-	13,000,000	130,000			
<i>Provision against Trust Investment Bank Limited</i>						(122,991)			
						7,009	29.25	4.94	14.57
						21,086			

7.3.1 These are 5 years convertible, cumulative, non-voting, non participatory, callable preference shares carrying fixed dividend of 4% per annum on a cumulative basis payable annually. Call option for redemption of preference shares can be exercised by the borrower after two years from the date of issuance of preference shares at par value. A conversion option is also available to the Fund for conversion of preference shares into ordinary shares of FDIBL at par value exercisable at any time after the date of issuance of preference shares until the exercise of call option. Furthermore; the issuer, upon receiving the conversion notice from the investor, has an option to call the preference shares along with cumulative dividend.

These preference shares have been valued at break-up value of 4.62 per share of FDIBL as per the audited accounts for the year ended 30 June 2010 in line with Regulation 66(j) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and as per the discussion of the management of the Fund with SECP.

7.3.2 These are non-listed cumulative, redeemable, convertible and non-voting preference shares carrying dividend equal to one year KIBOR plus 100 basis points per annum on a cumulative basis payable annually. Call option for redemption of preference shares can be exercised by the borrower during a period of three to five years after issuance of the preference shares at issue price. A conversion option is also available to the Fund for conversion of preference shares into ordinary shares of TIBL at the discretion of the Fund between three to five years from the issuance date of preference shares at a conversion ratio defined in term sheet.

These preference shares have been valued on the basis of the break-up value of Rs. 0.54 per share of TIBL as per audited financial statements for the year ended 30 June 2010 in line with Regulation 66(j) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and as per the discussion of the management of the Fund with SECP.

The management is of the view that if an alternate valuation model had been used for the valuation of these preference shares the investments and net assets of the Fund would have been lower and the net loss for the year had been higher. However, the impact of such decline cannot be quantified.

AMZ PLUS INCOME FUND

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

		March 31, 2011	June 30, 2010
		----- Rupees in '000-----	
7.4 CERTIFICATE OF INVESTMENT			
Security Leasing Corporation Limited	7.4.1	25,000	25,000
Provision against Security Leasing Corporation Limited		(22,125)	(22,125)
		<u>2,875</u>	<u>2,875</u>

7.4.1 This represents unsecured certificate of investment of Security Leasing Corporation Limited (SLCL) amounting to Rs. 100 million invested by the Fund on 15 August 2007 for a period of two years. However, on 13 August 2009, the payment plan was rescheduled whereby, Rs. 10 million was payable up-front together with outstanding mark-up amounting to Rs. 5.836 million as of June 2009 and the remaining principal of Rs. 90 million on a weekly basis up to April 2010. However, after March 2010 no payments have been received by the fund and a memorandum of understanding has been signed between the fund and investee company to issue preference shares in lieu of the outstanding amount of Rs. 25 million subject to the approval of SECP. As at 30 June 2010 the entity is rated CCC by JCR-VIS.

The Fund has made a provision of Rs. 22.125 million against these COIs keeping in view the financial difficulties of the SLCL.

7.5 Non compliant investment

Name of Investment	Type of Investment	Value of investment	Provision held (if any)	Value of investment after provision	Percentage of Net Assets	Percentage of Gross Assets
		----- Rupees in '000 -----			----- % -----	
Orix Leasing Pakistan Limited	Placement	90,000	-	90,000	63.38	62.66
New Allied Electronics Industries (Pvt) Ltd	Sukuk	60,402	(60,402)	-	-	-
Security Leasing Corporation Limited	Certificate of	25,000	(22,125)	2,875	2.02	2.00

8 CONTINGENCIES AND COMMITMENTS

There is no contingencies and commitments as of March 31, 2011

9 TRANSACTION WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Crosby Asset Management (Pakistan) Limited (the Management Company), Central Depository Company of Pakistan Ltd. as Trustee, Fauji Fertilizer Company Limited, Pakistan Petroleum Limited and Allied Bank Limited as investor having more than 10% of units outstanding as on March 31, 2011, and Directors and key management personnel of the management company, etc., (refer below for details).

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of NBFCs Regulations, 2008 and the Trust Deed respectively. Transactions with related parties are at arm's length prices. Details of transactions with related parties during the period and balances with them at the year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	For the Nine months Ended March 31,		For the Quarter Ended March 31,	
	2011	2010	2011	2010
	----- Rupees in '000-----		----- Rupees in '000-----	
Transactions for the period				
Remuneration of the management company	-	953	-	953
Trustee fee	-	616	-	243

Unit holding balance

	March 31, 2011	June 30, 2010
	----- Units -----	
Fauji Fertilizer Company Limited	563,610	563,610
Pakistan Petroleum Limited	563,610	563,611
Allied Bank Limited	563,126	563,126

10 GENERAL

14.1 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison.

14.2 Figures have been rounded off to the nearest Thousand rupee.

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **April 28, 2011** by the Board of Directors of the management company.

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