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GENERAL INFORMATION

Name of Company

Asian Stocks Fund Limited

Legal Status

Public limited company incorporated in Pakistan on June 13, 1994 under the Companies Ordinance, 1984. The ordinary shares of the Company are listed with all the stock exchanges of Pakistan, namely Karachi, Lahore and Islamabad Stock Exchanges.

Website and Email address

www.safewayfund.com
www.asianstocksfund.com
info@safewayfund.com

Company Registration Number

0032734

National Tax Number

0709734-4

Asset Management Company

Safeway Fund Limited

Custodian

Central Depository Company
of Pakistan Limited

Internal Auditors

Riaz Ahmad & Company
Chartered Accountants
(Engagement Partner: Mr Muhammad Kamran Nasir)

External Auditors

BDO Ebrahim & Co.
Chartered Accountants
(Engagement Partner: Mr. Zulfikar Causer)

Board of Directors

Mr. Pervez Akhtar
Mr. Nihal Cassim
Mr. Abdul Rauf
Mr. Ali Altaf Saleem
Mr. Asif Ali Malik
Mr. Asif Haider Mirza
Mr. Muhammad Naguib Saigal

CFO & Company Secretary

Ms. Tehmeena Khan
Email: tehmeena.khan@safewayfund.com

Share Registrar

Corptech Associates (Pvt) Limited
7/3-G, Mushtaq Ahmed Gurmani Road,
Gulberg-II, Lahore

Bankers

Bank Al Falah Limited
Soneri Bank Limited

Legal Advisors

Ahmed & Qazi Advocates

Credit Rating Agency

JCR-VIS Credit Rating Company

Registered Office

10th Floor, BOP Tower,
10-B, Block E-2,
Gulberg III
Lahore

Karachi Office

9th Floor, Lakson Square Building Number 1
Maulana Deen Muhammad Wafai Road
Karachi.

Phone: 021 - 35620971/2

Fax: 021 - 35620978

Chairman

Chief Executive Officer

Director

Director

Director

Director

Director

DIRECTORS' REPORT

The Directors' of Asian Stocks Fund Limited are pleased to present the quarterly financial statements of the Fund for the quarter and the nine months ended March 31st, 2010.

Financial and Operating Performance

During the quarter ended March 31, 2010, the KSE-100 index rose by 791.51 points or 8.43% to close at 10,178.43 while the KSE-30 index rose by 575.43 points or 5.84% to close at 10,425.35. The Fund's NAV rose from Rs. 7.67 to Rs. 8.00 or 4.30% in the same period. On a year to date basis, the KSE-100 index rose by 42.11%, the KSE-30 rose by 37.69% and the Fund is up by 46.52%. The Fund's earning for the quarter ended March 31, 2010 was Rs. 30.44m, lower than the corresponding period of the prior year of Rs. 64.02m. The earning for the quarter represented a quarterly EPS of Rs. 0.34, and a cumulative year to date earning per share of Rs. 1.86. The performance for the quarter and nine months ended ended March 31, 2010 is shown below:-

Rupees in Thousands	January to March		July to March	
	2010	2009	2010	2009
Income	34,339	93,338	179,106	(161,346)
Operating Expenses	4,016	29,319	11,677	37,990
	30,423	64,019	167,429	(199,336)
Taxation	-	-	-	-
Income/(loss) after tax	30,423	64,019	167,429	(199,336)
Earnings/(loss) per share				
With unrealized appreciation / (diminution)				
on re-measurement of investments	0.34	0.71	1.86	(2.21)
Without unrealized appreciation / (diminution)				
on re-measurement of investments	0.47	(0.61)	1.34	(0.76)

A more detailed analysis of the performance of the Fund is discussed in the Fund Manager's Report. This report has been reviewed by the Board of Directors and forms an integral part of this Directors' Report.

Future Outlook

Going forward, we expect good corporate results for the period ending March 31, 2010 and we hope this serves as a catalyst for the next tier of large caps companies to come closer to their fair values. As there is little room to maneuver, we expect a budget driven by IMF demands for revenue generation and we hope that it is complimented with intelligent fiscal policies. Regardless of an uneventful budget expectation, the silver lining is that the earnings of large cap companies have defied fiscal mis-management and we expect our portfolio companies to achieve their targeted values.

Change in the Asset Management Company's shareholding

During the period under review, on the basis of required regulatory approvals, the shareholding of the Fund's Asset Management Company Safeway Fund Limited was transferred to the Chief Executive Officer of the Asset Management Company, Mr. Nihal Cassim.

Credit Ranking

JCR-VIS Credit Rating Company Limited has assessed the Fund performance 1 year ranking at 'MFR 2 Star', 2 year average ranking at 'MFR 2 Star' and 3 year average ranking at 'MFR 3 Star' as at December 31, 2009.

 **ASIAN STOCKS FUND LIMITED 3rd QUARTERLY REPORT 2010**

Acknowledgement

The Board places on record its thanks to the regulatory authorities, the stock exchanges, the Mutual Funds Association of Pakistan, the Asset Management Company the Custodian and the bankers of the Fund for their continued cooperation and services. The Board also extends its gratitude to its shareholders for their trust reposed in us.

On behalf of the Board of Directors



Nihal Cassim
Chief Executive

Lahore
April, 22, 2010

FUND MANAGER'S REPORT

Investment Philosophy & Strategy

The investment objective of the Fund is to provide its shareholders a vehicle for long-term capital appreciation. The investment philosophy and strategy, risk management policies and corporate governance policies have been more fully described in the Fund Manager's Report in the 2009 Annual Report.

Market Performance and Results of Operations

During the quarter ended March 31, 2010, the KSE-100 index rose by 791.51 points or 8.43% to close at 10,178.43 while the KSE-30 index rose by 5.84% to close at 10,425.35. The Fund's NAV grew from Rs. 7.67 to Rs. 8.00 or 4.30% during the same period. This quarter's underperformance by about 50% of the KSE-100 index arose as the Fund was underweight on many of the ten largest index companies. Increase in stock prices was on the back of foreign investment of US\$ 141.6 mn which flowed primarily in the larger index companies and such foreign investment has been a regional feature. Pakistan has been a very limited beneficiary on FIPI despite fantastic results by large companies in the oil, banking and fertilizer sectors. Your Fund's portfolio is more heavily weighted in the next set of large cap index companies and we expect improved performance in the next quarter as we believe that these valuations are attractive.

On a year to date basis, the KSE-100 index rose by 42.11%, the KSE-30 rose by 37.69% and the Fund is up by 46.52%. Given the already strong performance this year, the strategy is to be defensive and realize gains when target prices are achieved. This will also protect investors against any adverse movements in the market. By the grace of God, your Fund is one of the top performers in the industry this year.

The most significant changes witnessed during the last quarter include some maturity exhibited through consensus decisions on political and judicial matters, and changes in the country's fiscal management through a change in the Finance Minister. As we have repeatedly noted, we believe that the fiscal managers have lagged in delivering on their responsibilities by not de-subsidizing food prices, fuel and energy prices (which has led to circular debt buildup), and delaying the building of dams required to address the country's water and power needs. Due to these undeliverables, Pakistan is facing a more unreliable water, power, currency inflation environment as compared to other countries and these are affecting the cost of capital available to business.

Future Outlook

Going forward, we expect good corporate results for the period ending March 31, 2010 and we hope this serves as a catalyst for the next tier of large caps companies to come closer to their fair values. As there is little room to maneuver, we expect a budget driven by IMF demands for revenue generation and we hope that it is complimented with intelligent fiscal policies. Regardless of an uneventful budget expectation, the silver lining is that the earnings of large cap companies have defied fiscal mis-management and we expect our portfolio companies to achieve their targeted values.

Declaration by Directors

As required under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Directors of the Asset Management Company state that the financial statements of Asian Stocks Fund Limited for the quarter and nine months ended March 31, 2010 give a true and fair view of the Fund.

Renewal of License

The Asset Management Company is required to renew its license on an annual basis. This renewal request has been submitted to the SECP and a response is awaited.

Acknowledgement

We extend our gratitude to the stock exchanges, the regulators, CDC, NCCPL and the Board of Asian Stocks Fund Limited for their continued guidance and support, and to our team for their hard work and dedication.

For and on behalf of Safeway Fund Limited



NIHAL CASSIM
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT MARCH 31, 2010

	Note	Unaudited March 31, 2010	Audited June 30, 2009
ASSETS			
NON CURRENT ASSETS			
Long term deposit		2,575	2,575
CURRENT ASSETS			
Cash and bank balances		87,805	2,805
Short term investments	4	573,554	485,037
Receivable against sale of investments		38,643	-
Dividends receivable		5,773	1,441
Income tax refundable		1,134	1,134
Advance against IPO subscription		13,000	-
Advances, deposits, prepayments and other receivables		570	163
		720,479	490,580
TOTAL ASSETS		723,054	493,155
LIABILITIES			
CURRENT LIABILITIES			
Remuneration payable to Asset Manager		1,181	838
Accrued expenses and other liabilities		965	1,189
		2,146	2,027
NET ASSETS		720,908	491,128
REPRESENTED BY			
Share capital	5	900,000	900,000
Capital reserve			
Unrealized diminution in available for sale investments	4.3	-	(62,351)
Revenue reserve			
Unappropriated loss		(179,092)	(346,521)
CONTINGENCIES AND COMMITMENTS	6		
SHAREHOLDERS EQUITY		720,908	491,128

The annexed notes 1 to 10 form an integral part of these financial statements.



Chief Executive



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2010**

Note	January to March		July to March	
	2010 (Rupees in thousand)	2009	2010 (Rupees in thousand)	2009
INCOME				
Gain / (loss) on sale of investments - net	38,715	(31,491)	115,023	(55,712)
Unrealized (diminution) / appreciation on investments at fair value through profit or loss	(11,461)	118,511	46,521	(130,630)
Return on sukuk certificate / term finance certificate	-	1,804	389	5,692
Income from continuous funding system	-	18	-	3,154
Dividend income	6,492	4,006	8,968	14,615
Profit on bank account	693	490	8,204	1,265
Other income	-	-	1	270
	34,439	93,338	179,106	(161,346)
OPERATING EXPENSES				
Remuneration to Safeway Fund Limited - Asset Manager	3,511	1,848	9,735	8,237
Annual fee - Securities and Exchange Commission of Pakistan	167	113	462	402
Remuneration of Central Depository Company of Pakistan Limited - Custodian	134	121	506	524
Bank charges	2	2	5	38
Impairment charge on investments 4.3.1	-	26,960	-	26,960
Fees and subscription	114	140	335	835
Auditors' remuneration	-	25	183	190
Printing and related costs	20	40	117	476
Directors' travelling	37	16	149	16
Postage and telegram	1	13	27	96
Advertisement	-	-	55	75
Directors' meeting attendance fee	30	40	96	115
Others	-	1	7	26
	4,016	29,319	11,677	37,990
	30,423	64,019	167,429	(199,336)
Taxation 7	-	-	-	-
Income/(loss) after tax	30,423	64,019	167,429	(199,336)
Earnings/(loss) per share				
With unrealized appreciation / (diminution) on re-measurement of investments	0.34	0.71	1.86	(2.21)
Without unrealized appreciation / (diminution) on re-measurement of investments	0.47	(0.61)	1.34	(0.76)

The annexed notes 1 to 10 form an integral part of these financial statements.



Chief Executive



Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2010**

	January to March		July to March	
	2010 (Rupees in thousand)	2009	2010 (Rupees in thousand)	2009
Income/(loss) for the period	30,423	64,019	167,429	(199,336)
Other comprehensive Income/(loss) for the period				
Movement in available for sale of investments	-	(1,637)	62,351	(98,678)
Total comprehensive income / (loss) for the period	<u>30,423</u>	<u>62,382</u>	<u>229,780</u>	<u>(298,014)</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Chief Executive



Director

**CONDENSED INTERIM DISTRIBUTION
STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2010**

	January to March		July to March	
	2010 (Rupees in thousand)	2009	2010 (Rupees in thousand)	2009
Unappropriated loss brought forward	(209,515)	(394,177)	(346,521)	(121,822)
Final dividend for the year ended June 30, 2009	-	-	-	(9,000)
Net income/(loss) for the period	30,423	64,019	167,429	(199,336)
Unappropriated loss carried forward	<u>(179,092)</u>	<u>(330,158)</u>	<u>(179,092)</u>	<u>(330,158)</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Chief Executive




Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2010**

	Note	July to March	
		2010	2009
(Rupees in thousand)			
Cash flows from operating activities			
Income / (loss) before tax		167,429	(199,336)
Adjustment for non-cash items:			
- Unrealized (diminution) / appreciation in fair value of investments at fair value through profit and loss		(46,521)	130,631
- Capital gain/ (loss) on sale of investments classified as 'available for sale'		111,222	(2,365)
- Impairment charge on 'available for sale' investments	4	-	26,960
- Dividend income		(8,968)	(14,615)
- Mark up and other income		(8,205)	(10,381)
- Remuneration of asset manager		9,735	8,237
Profit/ (loss) before working capital changes		224,692	(60,869)
Effect on cash flow due to working capital changes:			
(Decrease) / increase in assets			
- Short term investments		(90,867)	14,085
- Receivable against continuous funding system		-	24,940
- Receivable against sale of investments		(38,643)	1,310
- Advances, deposits, prepayments and other receivables		(13,119)	(548)
Decrease in accrued expenses and other liabilities		(223)	(12,524)
		(142,852)	27,263
Cash generated / (used in) from operations		81,840	(33,606)
Remuneration of Asset Manager		(9,392)	(4,832)
Taxes paid		-	(1)
Mark up received		7,916	8,491
Dividend received		4,636	15,245
Net cash inflow / (outflow) from operations		85,000	(14,703)
Cash flows from investing activities			
Long term deposit		-	1,000
Dividend paid		-	(8,985)
Net cash outflow from financing activities		-	(7,985)
Net increase / (decrease) in cash and cash equivalents		85,000	(22,688)
Cash and cash equivalents at the beginning of the period		2,805	26,068
Cash and cash equivalents at the end of the period		87,805	3,380

The annexed notes 1 to 10 form an integral part of these financial statements.


Chief Executive


Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN EQUITY AND RESERVES - 'PER SHARE' (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2010**

	January to March		July to March	
	2010 (Rupees in thousand)	2009	2010 (Rupees in thousand)	2009
Net assets per share as at the beginning of the period	7.67	4.74	5.46	8.84
Dilution due to final dividend for the year ended June 30, 2009	-	-	-	(0.10)
Capital gain / (loss) on sale of marketable securities	0.43	(0.35)	1.26	(0.62)
Unrealized (diminution) / appreciation in value of investment at fair value through profit or loss	(0.14)	1.32	0.52	(1.45)
Unrealized diminution in the value of investments classified as 'available for sale' recognized in the income statement through impairment	-	(0.30)	-	(0.30)
Other net operating income for the period	0.04	0.04	0.07	0.16
Net income / (loss) for the period	0.33	0.71	1.85	(2.21)
Movement in available for sale of investments	-	(0.02)	0.69	(1.10)
Net assets per share as at the end of the period	<u>8.00</u>	<u>5.43</u>	<u>8.00</u>	<u>5.43</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Chief Executive



Director

**NOTES TO THE INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2010**

1. LEGAL STATUS AND NATURE OF BUSINESS

Asian Stocks Fund Limited (the Company) is a public limited company incorporated in June 1994 under the Companies Ordinance, 1984 and has been registered with the Securities and Exchange Commission of Pakistan (SECP) as an Investment Company under the Investment Companies and Asset Managers Rules, 1971 to carry on the business of a closed end investment company. The Company has applied to be registered as a notified entity as per section 46 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Company commenced its business in July 1994 and is listed on Karachi, Lahore and Islamabad Stock Exchanges.

The Company has entered into an agreement with Safeway Fund Limited (SFL) to act as its Asset Management Company. SFL is duly licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 to act as an Asset Management Company. The previous Asset Management Company, Asian Capital Management Limited was merged into Safeway Fund Limited effective from January 1, 2009. The Company primarily invests in shares of listed companies.

JCR-VIS Credit Rating Company Limited has assessed the Company's performance 1 year ranking at 'MFR 2 Star', 2 year average ranking at 'MFR 2 Star' and 3 year average ranking at 'MFR 3 Star' as at December 31, 2009. Management quality rating to SFL has not yet been assessed pending the formal approval by the SECP of SFL's license.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the Companies Ordinance, 1984, the Non-Banking Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations), directives issued by the SECP and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the requirements of the NBFC Rules and the NBFC Regulations shall prevail.

The disclosures made in these condensed interim financial information, however, are limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting. These condensed interim financial statements are unaudited and are being circulated to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984 and requirements of section 52(b) of the NBFC Regulations.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain financial assets have been included at fair value in accordance with the recognition criteria specified in the relevant IAS applicable to these assets and the requirements of the NBFC Rules and the NBFC Regulations.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are same as those for the preceding annual statements for the year ended June 30, 2009, except for the following:

3.1 Statement of Comprehensive income

IAS 1 (Revised), 'Presentation of financial statements' becomes applicable for the current financial year for the first time. The revised standard prohibits the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company has preferred to present two statements; an income statement and a statement of comprehensive income. The interim financial information has been prepared under revised disclosure requirements.

	Note	Unaudited March 31, 2010	Audited June 30, 2009
(Rupees in thousand)			
4. SHORT TERM INVESTMENTS			
Investments in marketable securities			
at fair value through profit or loss	- note 4.1	573,554	406,269
Available for sale	- note 4.2	-	78,768
		<u>573,554</u>	<u>485,037</u>

4.1 Investments in marketable securities - 'at fair value through profit or loss'

Name of the Investee Company	No of shares				Balance as at March 31, 2010			Percentage in relation to				
	As at July 01, 2009	Purchases/ adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at March 31, 2010	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of paid-up capital of the investee company	Market value as a percentage of total market value of investments
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise												
----- Rupees in thousand -----												
RELATED PARTIES												
Bank												
Samba Bank Limited	-	1,998,008	-	-	1,998,008	6,814	6,814	5,994	(820)	0.83	0.23	1.05
Samba Bank Limited - R	-	1,267,954	-	-	1,267,954	-	-	38	38	0.01	0.23	0.01
						6,814	6,814	6,032	(782)	0.84	0.46	1.06
Food Producers												
Shakarganj Mills Limited	-	2,108,319	-	-	2,108,319	15,968	15,968	13,704	(2,264)	1.90	3.03	2.39
Shakarganj Mills Limited - Cum. Red. Pref.	-	167,500	-	-	167,500	1,761	1,761	838	(923)	0.12	0.48	0.15
						17,729	17,729	14,542	(3,187)	2.02	3.51	2.54
Industrial Metal and Mining												
Crescent Steel and Allied Products Limited	-	1,090,000	-	-	1,090,000	24,810	24,810	29,343	4,533	4.07	1.93	5.12
						24,810	24,810	29,343	4,533	4.07	1.93	5.12
OTHERS												
Fixed Line Telecommunication												
Pakistan Telecommunication Company Limited	1,181,347	2,388,362	-	2,669,709	900,000	16,308	16,308	18,909	2,601	2.62	0.02	3.30
						16,308	16,308	18,909	2,601	2.62	0.02	3.30
Chemicals												
Engro Corporation Limited	-	718,662	17,620	736,282	-	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	1,250,000	-	1,250,000	-	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-	-
Sitara Peroxide Limited	100,000	80,000	-	180,000	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-
Bonds												
Maple Leaf Cement Factory Limited - SUKUK Certificate	2,000	-	-	2,000	-	-	-	-	-	-	-	-

4.1 Investments in marketable securities - 'at fair value through profit or loss'

Name of the Investee Company	No of shares				Balance as at March 31, 2010				Percentage in relation to			
	As at July 01, 2009	Purchases/ adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at March 31, 2010	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of the paid-up capital of the investee company	Market value as a percentage of total market value of investments
----- Rupees in thousand -----												
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise												
Banks												
Allied Bank Limited	150,000	125,096	-	275,096	-	-	-	-	-	-	-	-
Arif Habib Bank Limited	250,000	-	-	250,000	-	-	-	-	-	-	-	-
Atlas Bank Limited	250,000	-	-	250,000	-	-	-	-	-	-	-	-
Bank Al Falah Limited	3,326,534	1,830,242	-	5,156,776	63,372	57,230	63,996	6,766	8.88	0.38	11.16	
MCB Bank Limited	145,000	113,800	-	258,800	-	-	-	-	-	-	-	
My Bank Limited	500,000	-	-	500,000	-	-	-	-	-	-	-	
National Bank of Limited	460,943	258,375	-	719,318	29,761	29,761	42,271	12,510	5.86	0.06	7.37	
United Bank Limited	-	661,373	64,422	719,147	93,133	86,991	106,267	19,276	14.74	0.44	18.53	
Automobile & Parts												
Pak Suzuki Motor Company Limited	137,300	4,564	-	10,000	131,864	26,003	9,053	10,492	1,439	1.46	0.16	1.83
Oil and Gas												
Attock Petroleum Limited	-	35,000	-	35,000	-	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	647,192	232,007	-	879,199	-	-	-	-	-	-	-	-
Pakistan Oilfields Limited	310,044	558,396	-	568,440	300,000	70,643	70,152	(491)	9.73	0.13	12.23	
Pakistan Petroleum Limited	-	378,234	-	250,000	128,234	24,409	25,059	650	3.48	0.01	4.37	
Pakistan State Oil Company Limited	150,000	238,091	-	160,000	228,091	66,951	70,660	3,709	9.80	0.13	12.32	
Financial Services												
Al Zamin Leasing Corporation Limited	-	693,000	-	693,000	-	-	-	-	-	-	-	-
Arif Habib Securities Limited	869,000	1,630,000	-	2,499,000	-	-	-	-	-	-	-	-
Escorts Investment Bank Limited	-	62,150	-	62,150	243	243	211	(32)	0.03	0.14	0.04	
Innovative Investment Bank Limited	20,000	-	-	20,000	-	-	-	-	-	-	-	-
Invest Capital Investment Bank Limited	-	1,663,200	-	1,195,668	467,532	489	489	189	0.09	0.63	0.12	
Jahangir Siddiqui & Company Limited	700,005	1,760,000	-	2,460,005	-	-	-	-	-	-	-	-
Construction and Materials												
D.G Khan Cement Company Limited	1,530,857	1,469,000	-	710,000	2,289,857	76,994	73,120	71,879	(1,241)	9.97	0.75	12.53
Fauji Cement Company Limited	-	800,000	-	800,000	-	-	-	-	-	-	-	-
Lucky Cement Limited	193,000	2,058,020	-	1,506,020	745,000	48,587	48,587	60,561	11,974	8.40	0.23	10.56
Total												
						125,581	121,707	132,440	10,733	18.37	0.98	23.09
						732	732	889	157	0.12	0.77	0.16

4.1 Investments in marketable securities - 'at fair value through profit or loss'

Name of the Investee Company	No. of shares				Balance as at March 31, 2010			Percentage in relation to			
	As at July 01, 2009	Purchases/ adjustments during the period	Bonus/ rights	Sales/ adjustments during the period	As at March 31, 2010	Cost	Carrying cost	Market Value	Appreciation/ (diminution)	Market value as a percentage of paid-up capital of the investee company	Market value as a percentage of total market value of investments
Rupees in thousand											
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise											
Industrial Transport											
Pakistan National Shipping Corporation Limited	34,500	9,600	-	-	44,100	2,524	2,186	2,205	19	0.31	0.03
						2,524	2,186	2,205	19	0.31	0.03
Personal Goods											
Azgard Nine Limited	-	625,500	-	325,500	300,000	5,403	5,403	4,182	(1,221)	0.58	0.07
Nishat Mills Limited	575,030	785,000	-	1,360,030	-	-	-	-	-	-	-
Thal Limited (ordinary share of Rs 5 each)	200,040	54,252	46,708	-	301,000	26,748	21,765	24,378	2,613	3.38	0.59
The Crescent Textile Mills Limited	-	1,295,031	-	-	1,295,031	35,934	35,934	36,908	974	5.12	2.63
						68,085	63,102	65,468	2,366	9.08	3.29
Media											
Southern Networks Limited	50,000	-	-	-	50,000	489	67	-	(67)	-	0.10
						489	67	-	(67)	-	0.10
Electricity											
Atem Energy Limited	-	1,772,766	-	-	1,772,766	15,593	15,593	21,096	5,503	2.93	0.52
Kohinoor Energy Limited	112,000	-	-	112,000	-	-	-	-	-	-	-
						15,593	15,593	21,096	5,503	2.93	0.52
Non Life Insurance											
Adampje Insurance Company Limited	-	46,005	-	46,005	-	-	-	-	-	-	-
Beema Pakistan Company Limited	200,000	-	-	-	200,000	518	460	-	(460)	-	0.48
						518	460	-	(460)	-	0.48
Real Estate Investment and Services											
Pace Pakistan Limited	-	505,001	-	505,001	-	-	-	-	-	-	-
Equity Investment Instruments											
Crescent Standard Modaraba	-	634,500	-	634,500	-	-	-	-	-	-	-
Total	12,094,792	31,377,008	128,750	21,867,720	21,732,830	560,322	527,555	573,554	46,521		

4.1.1 Innovative Investment Bank Limited (formerly International Housing Finance Limited) (IIBL) is an unlisted company so its fair value can not be ascertained reliably. IIBL has made an application for listing to the Karachi Stock Exchange. Based on the prudence principle of accounting the investment in the shares of IIBL has been recorded at NIL value, being the carrying value of investment in CSIBL shares at the time of derecognition. Effective January 28, 2010, the SECP ordered the removal of the Board of Directors of the IIBL and has appointed an administrator.

4.1.2 The fair value of investment in securities of Southern Networks Limited (SNL) and Beema Pakistan Company Limited (BPCL) can not be ascertained reliably. The trading of the said securities has been suspended on Karachi Stock Exchange. Based on the prudence principle of accounting the investment in the shares of SNL and BPCL have been recorded at NIL value.

4.1.3 2,289,857 shares of D.G. Khan Cement Company Limited, 400,000 shares of United Bank Limited and 4,463,534 shares of Bank Al Falah Limited have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the stock exchange.

4.2 Investments in marketable securities - 'available for sale'

Name of the Investee Company	No of shares				Balance as at March 31, 2010			Percentage in relation to			
	As at July 01, 2009	Purchases/ adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at March 31, 2010	Cost	Market Value	Appreciation / (diminution)	Market values as a percentage of net assets	Market value as a percentage of the paid-up capital of the investee company	Market value as a percentage of total market value of investments
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise											
----- Rupees in thousand -----											
RELATED PARTIES											
Banks											
Samba Bank Limited	499,000	-	-	499,000	-	-	-	-	-	-	-
Industrial Metal and Mining											
Crescent Steel and Allied Products Limited	1,089,249	-	-	1,089,249	-	-	-	-	-	-	-
Food Producers											
Shakaganj Mills Limited	2,177,400	-	-	2,177,400	-	-	-	-	-	-	-
Shakaganj Mills Limited (Preference Shares)	167,500	-	-	167,500	-	-	-	-	-	-	-
OTHERS											
Equity Investment Instruments											
Crescent Standard Modaraba	634,500	-	-	634,500	-	-	-	-	-	-	-
Electricity											
Altam Energy Limited	1,459,000	-	-	1,459,000	-	-	-	-	-	-	-
Personal Goods											
Crescent Textile Mills Limited	1,294,370	-	-	1,294,370	-	-	-	-	-	-	-
Financial Services											
Invest Capital Investment Bank Limited (Formerly: Al-Zamin Leasing Corporation Limited)	647,500	-	-	647,500	-	-	-	-	-	-	-
Total	7,968,519	-	-	7,968,519	-	-	-	-	-	-	-

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	Note	Unaudited March 31, 2010	Audited June 30, 2010
(Rupees in thousand)			
4.3 Net unrealized appreciation in the value of investments classified as 'available for sale'			
Market value	- note 4.2	-	78,768
Less: Cost	- note 4.2	-	(205,319)
Add: Impairment charge recognized in income statement	- note 4.3.1	-	64,200
		<u>-</u>	<u>(62,351)</u>

4.3.1 Impairment charge

Opening balance	64,200	1,849
Add: Impairment charge recognized during the period	-	62,351
Less: Sales of investments	(64,200)	-
Closing balance	<u>-</u>	<u>64,200</u>

5. SHARE CAPITAL

Authorized share capital		
100,000,000 (June 30, 2009: 100,000,000) ordinary shares of Rs.10 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		
90,000,000 (June 30, 2009: 90,000,000) ordinary shares of Rs.10 each	<u>900,000</u>	<u>900,000</u>

6. CONTINGENCIES AND COMMITMENTS

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. Management, based on a legal advice, is of a firm view that Collective Investment Schemes are paper entities and are not establishments, accordingly, the WWF Ordinance is not applicable and therefore no provision is required in the financial statements. However, in a remotely probable event, if the Collective Investment Schemes are considered as industrial establishments, the impact on the NAV per share will be Rs.0.19 as of March 31, 2010.

Mutual Funds Association of Pakistan (MUFAP), of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the Collective Investment Schemes are not establishments and as a result are not liable to pay contribution to the WWF. The legal proceedings in respect of the aforementioned petition are currently in progress.

7. PROVISION FOR TAXATION

The company intends to avail the tax exemption under clause 99 of the Second Schedule to the Income Tax Ordinance, 2001 by at-least ninety percent of its accounting income for the period as reduced by capital gains, whether realized or un-realized, to its shareholders. Accordingly, no current tax liability for the period has been recognized in these financial statements.

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8. TRANSACTIONS WITH CONNECTED PERSONS

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

Transactions during the period:

	January to March		July to March	
	2010 (Rupees in thousand)	2009	2010 (Rupees in thousand)	2009
Remuneration to Asset Manager				
Safeway Fund Limited	3,511	1,848	9,735	1,848
Asian Capital Management Limited	-	-	-	6,389
Remuneration to Custodian				
Central Depository Company of Pakistan Limited	167	121	472	490
Commission paid				
Cassim Investments (Pvt.) Limited	108	78	603	80
Fees paid to Directors	30	40	96	115
Dividend paid				
Shakarganj Mills Limited	-	-	-	3,753
Crescent Steel & Allied Products Limited	-	-	-	906
Samba Bank Limited	-	-	-	2,681
Safeway Fund Limited	-	-	-	18
Asian Capital Management Limited	-	-	-	922
Dividend income				
Crescent Steel & Allied Products Limited	1,090	-	1,090	-
Shakarganj Mills Limited	-	146	-	146
Sale of marketable securities	-	-	86,498	-
Purchase of marketable securities	-	-	92,004	-
			Unaudited	Audited
			March 31,	June 30,
			2010	2009
			(Rupees in thousand)	

Balances outstanding at period end:

Remuneration payable to Asset Manager Safeway Fund Limited	1,181	838
Remuneration to Custodian		
Central Depository Company of Pakistan Limited	46	32

9. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on April 22, 2010 by the Board of Directors of the Company.

10. GENERAL

- 10.1 The net gain on sale of investments includes brokerage commission and federal excise duty amounting to Rs. 3,976,670.
- 10.2 The bifurcation of undistributed income into realized and unrealized income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.
- 10.3 Figures have been rounded off to the nearest thousand rupees.
- 10.4 Corresponding figures have been re-arranged wherever necessary, for the purpose of comparison. However no significant rearrangements have been made.



Chief Executive



Director