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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
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 & Company
Chartered Accountants
(Engagement Partner: Mr Zulfikar Causer)

CFO & Company Secretary

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

Share Registrar

Corptec Associates (Pvt) Limited 7/3-G,
Mushtaq Ahmed Gormani 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

D-41, Block 9, Scheme V, Clifton, Karachi
Phone: 021 - 35869233-35
Fax: 021 - 35869236

DIRECTORS' REPORT

The Directors' of Asian Stocks Fund Limited are pleased to present the first quarterly financial statements of the Company for the quarter ended September 30, 2010.

Financial and Operating Performance

The KSE - 100 index began the fiscal year 2011 at 9,721 points and closed at 10,013, an increase of 3.00%. The Fund's NAV registered an increase of almost 2.27% to close at Rs. 7.20 per share as on September 30, 2010. We are pleased to present the performance of the Fund for the period below:-

	Rupees in Thousands	
	3 months July- Sept 2010	3 months July- Sept 2009
Income	17,414	123,210
Operating expenses	3,886	3,464
Income before tax	13,528	119,746
Taxation	-	-
Income after tax	13,528	119,746

Earning per share (Rupee)

With un-realized appreciation on remeasurement of investments	0.15	1.33
Without un-realized appreciation on remeasurement of investments	0.05	0.54

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

Future Outlook

The increased foreign and domestic borrowing by the Government will continue to crowd out business and combined with slow fiscal improvement, slow de-subsidizing and flood rehabilitation costs we see inflation to remain high for the year. Economic growth will remain dull, as the government faces major obstacles in executing reforms and a volatile political front. We expect stock market volumes to remain low, valuations to remain subdued and the market to trade in a narrow range for the remainder of FY 2011.

Credit Ranking

The Fund's last available ranking from JCR - VIS is based on June 2010 performance. In this ranking the Fund was placed as MFR*5 for one year, MFR*4 for two and three years performance, where MFR*5 is the highest ranking and MFR*1 is the lowest ranking.

Dividend

On approval of the Annual Audited Financial Statements for the financial year ended June 30, 2010, the Board of Directors recommended the distribution of a dividend of Rs. 0.82 per share to the shareholders of the Fund. This has been tabled for the approval of the shareholders in the 16th Annual General Meeting to be held on October 28, 2010.

Acknowledgement

The Board places on record its appreciation to the Securities and Exchange Commission of Pakistan, the Karachi, Lahore and Islamabad Exchange, the Mutual Funds Association of Pakistan, Central Depository Company Limited, National Clearing Company Limited, our asset management company, our brokers, Ahmed and Qazi Legal Consultants, BDO Ebrahim & Co. Chartered Accountants, Riaz Ahmad and Co. Chartered Accountants, our bankers and our service providers for their continued guidance and support. The Board also extends its gratitude to our shareholders for their trust reposed in us.

On behalf of the Board of Directors



Nihal Cassim
Chief Executive

Lahore
October 28, 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 printed in the 2010 Annual Report.

Market Performance and Results of Operations

During the quarter ended September 30, 2010, the KSE-100 index rose by 291 points or 3.00% to close at 10,013 while the KSE-30 Index rose by 118 points or 1.23% to close at 9,674. The Fund's NAV rose from Rs. 7.04 to Rs.7.20, an increase of 2.27%.

The Fund's earning for the quarter ended September 30, 2010 was Rs. 13.53m, compared to Rs. 119.74m in the prior year. The earnings for the quarter represented a quarterly EPS of Rs. 0.15.

During the quarter, the market remained range bound whereas the volumes stayed very low, which has had detrimental effects on the overall liquidity of the investor. Local investors have stayed away from the market since the implementation of CGT effective from 1st July, 2010, however foreign investors have continued to show consistent interest in the blue chip companies, as evident by the inflow of \$105mn during the quarter. The overall profits and dividends declared by the companies increased for the period ending June 30, 2010 but failed to attract investor interest who remained largely reluctant to participate. Nonetheless, we expect that receipt of the higher payouts could help ease liquidity constraints of market participants.

Our economy remained a victim of high inflation this quarter which hovered above 13% mainly due to food price hikes, Ramadan effects, and gradual power tariff hikes. Two discount policy hikes were witnessed as a result of this, bringing the discount rate to 13.5%. The government borrowings remained high to cater the weak fiscal position and increasing deficits of the economy. Meanwhile the catastrophic floods made matters worse by incurring damages approximately worth \$10 billion.

Future Outlook

Going forward we expect that the increased foreign and domestic borrowing by the Government will crowd out the resources meant for private investments, and combined with slow fiscal improvement, slow de-subsidizing and flood rehabilitation costs we see inflation to remain high for the year. Economic growth will remain dull, as the government faces major fiscal pressures and a deteriorating political front. As a result, we expect stock market volumes to remain low, valuations to remain subdued and the market to trade in a narrow range for the remainder of FY 2011.

Acknowledgement

We extend our gratitude to the stock exchanges, the regulators, our consultants, our service providers, the Board of Asian Stocks Fund Limited and of course, 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 SEPTEMBER 30, 2010

	Note	(Un-audited) September 30, 2010	(Audited) June 30, 2010
----- Rupees in '000 -----			
ASSETS			
NON CURRENT ASSETS			
Long term deposits		2,575	2,575
CURRENT ASSETS			
Bank balances		113,632	97,700
Short term investments	4	529,590	536,162
Dividend receivable		1,907	1,400
Income tax refundable		1,134	1,134
Prepayments and other receivable		1,011	758
		<u>647,274</u>	<u>637,154</u>
TOTAL ASSETS		649,849	639,729
CURRENT LIABILITIES			
Remuneration payable to Asset Manager		1,076	1,050
Accrued expenses and other liabilities		677	4,110
		<u>1,753</u>	<u>5,160</u>
NET ASSETS		<u>648,097</u>	<u>634,569</u>
REPRESENTED BY :			
Share capital	5	900,000	900,000
Revenue reserve			
Unappropriated loss		(251,903)	(265,431)
CONTINGENCIES AND COMMITMENTS			
SHAREHOLDERS' EQUITY		<u>648,097</u>	<u>634,569</u>

The annexed notes 1 to 8 form an integral part of these financial statements.



Chief Executive



Director

**CONDENSED INTERIM INCOME
STATEMENT (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Note	July to September 2010	July to September 2009
----- Rupees in '000 -----			
INCOME			
Capital Gain on sale of investments - net		2,228	49,090
Unrealized appreciation on investments at fair value through profit or loss - net		8,881	71,022
Dividend income		3,648	1,611
Other income		2,656	1,487
		17,414	123,210
OPERATING EXPENSES			
Remuneration of Asset Manager		3,293	2,862
Annual fee - Securities and Exchange Commission of Pakistan		156	136
Remuneration of Central Depository Company of Pakistan - Custodian		97	228
Bank charges		2	26
Professional fee and subscription		122	100
Auditors remuneration		122	18
Directors meeting attendance fee		-	40
Travelling		-	52
Legal and Professional charges		28	-
Brokerage and federal excise duties		66	-
Others		-	2
		3,886	3,464
Income before tax		13,528	119,746
Taxation	6	-	-
Income after tax		13,528	119,746
Earnings per share (Rupee)			
With un-realised appreciation on remeasurement of investments		0.15	1.33
Without un-realised appreciation on remeasurement of investments		0.05	0.54

The annexed notes 1 to 8 form an integral part of these financial statements.



Chief Executive



Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

Note	July -	July -
	September	September
	2010	2009
	----- Rupees in '000 -----	
Income for the period	13,528	119,746
Other comprehensive income for the period		
Movement in available for sale of investments	-	62,351
Total comprehensive income for the period	<u>13,528</u>	<u>182,097</u>

The annexed notes 1 to 8 form an integral part of these financial statements.



Chief Executive



Director

**CONDENSED INTERIM CASH FLOW
STATEMENT (UN-AUDITED)**

FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Note	July to September 2010	July to September 2009
----- Rupees in '000 -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Income before income tax		13,528	119,746
Adjustments:			
- Unrealized (diminution) on remeasurement of investments at fair value through profit or loss		(8,881)	(71,022)
- Capital loss on investments classified as 'available for sale'		-	111,208
- Dividend Income		(3,648)	(1,611)
- Remuneration of asset manager		3,293	2,862
Profit before working capital changes		<u>4,291</u>	<u>161,183</u>
Effect on cash flow due to working capital changes:			
Increase in assets			
- Short term investments		15,453	68,121
- Prepayments and other receivables		(253)	(41,953)
		<u>15,200</u>	<u>26,168</u>
Decrease in liabilities			
- Accrued expenses and other liabilities		(3,433)	(480)
Cash generated from operations		<u>16,057</u>	<u>186,871</u>
- Dividend received		3,142	2,905
- Remuneration of Asset Manager		(3,267)	(2,647)
Net increase in cash and cash equivalents		<u>15,932</u>	<u>187,129</u>
Cash and cash equivalents at the beginning of the period		<u>97,700</u>	<u>2,805</u>
Cash and cash equivalents at the end of the period		<u><u>113,632</u></u>	<u><u>189,934</u></u>

The annexed notes 1 to 8 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 ENDED SEPTEMBER 30, 2010

	July - September 2010	July - September 2009
	----- Rupees -----	
Net assets per share at beginning of the year	7.04	5.46
Gain on sale of marketable securities - net	0.02	0.55
Unrealised diminution on remeasurement of investments at fair value through profit or loss - net	0.10	0.79
Other net operating income for the period	0.03	0.00
Net income for the period	0.15	1.33
Unrealised diminution in market value of investments classified as 'available for sale'	0.00	0.69
Net assets per share as at September 30, 2010	<u>7.20</u>	<u>7.48</u>

The annexed notes 1 to 8 form an integral part of these financial statements.



Chief Executive



Director

**CONDENSED INTERIM DISTRIBUTION
STATEMENT (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	July - September 2010	July - September 2009
	----- Rupees in '000 -----	
Unappropriated loss brought forward	(265,431)	(346,521)
Net income for the period	13,528	119,746
Unappropriated loss carried forward	<u>(251,903)</u>	<u>(226,775)</u>

The annexed notes 1 to 8 form an integral part of these financial statements.



Chief Executive



Director

**NOTES TO THE INTERIM FINANCIAL
INFORMATION (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 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 been registered as a notified entity under 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 5 Star', 2 years weighted average ranking at 'MFR 4 Star' and 3 years weighted average ranking at 'MFR 4 Star' as at June 30, 2010. Management quality rating to SFL is currently under process.

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.

 **ASIAN STOCKS FUND LIMITED 1st QUARTERLY REPORT 2011**

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 preceeding annual statements for the year ended June 30, 2010.

	September 30, 2010	June 30, 2010
	----- Rupees in '000 -----	
4. Short term investments		
- Financial assets at fair value through profit or loss - note 4.1	<u>529,590</u>	536,162
	<u>529,590</u>	<u>536,162</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 September 30, 2010			Percentage in relation to				
	As at July 01, 2010	Purchases/ Adjustments during the period	Bonus/ rights	Sales / adjustments during the period	As at September 30, 2010	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market values 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												
RELATED PARTIES												
Bank												
Samba Bank Limited	1,998,008	-	-	-	1,998,008	6,814	4,535	3,616	(919)	0.56	0.14	0.68
						6,814	4,535	3,616	(919)	0.56	0.14	0.68
Food Producers												
Shakarganj Mills Limited	2,108,319	-	-	-	2,108,319	15,968	8,012	8,707	696	1.34	3.03	1.64
Shakarganj Mills Limited - Cum. Red. Pref.	167,500	-	-	-	167,500	1,761	504	586	82	0.09	0.48	0.11
						177,299	8,516	9,294	778	1.43	3.51	1.75
Industrial Metal and Mining												
Crescent Steel and Allied Products Limited	1,090,000	-	-	-	1,090,000	24,810	27,370	26,651	(719)	4.11	1.93	5.03
						24,810	27,370	26,651	(719)	4.11	1.93	5.03
OTHERS												
Fixed Line Telecommunication												
Pakistan Telecommunication Company Limited	800,000	35,000	-	301,809	533,191	9,684	9,524	10,024	500	1.55	0.01	1.89
Wateen Telecom Limited	1,000,000	-	-	-	1,000,000	10,000	6,230	4,160	(2,070)	0.64	0.16	0.79
						19,684	15,754	14,184	(1,570)	2.19	0.17	2.68
Chemicals												
Fatima Fertilizer Company Limited	-	75,000	-	-	75,000	-	-	843	843	0.13	0.00	0.16
Loujee Pakistan PTA Limited	500,000	142,000	-	142,000	500,000	4,781	3,937	4,195	258	0.65	0.03	0.79
						4,781	3,937	5,038	1,101	0.78	0.03	0.95
Banks												
Bank Al Falah Limited	6,352,691	-	-	-	6,352,691	76,110	60,096	52,092	(8,004)	8.04	0.47	9.84
United Bank Limited	708,648	-	-	56,884	651,764	27,372	35,332	33,507	(1,825)	5.17	0.05	6.33
						103,482	95,429	85,599	(9,829)	13.21	0.52	16.16

ASIAN STOCKS FUND LIMITED 1st QUARTERLY REPORT 2011

Name of the Investee Company	No of shares				Balance as at September 30, 2010			Percentage in relation to				
	As at July 01, 2010	Purchases/ Adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at September 30, 2010	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market values 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 '000												
Automobile & Parts												
Pak Suzuki Motor Company Limited	131,864	-	-	-	131,864	26,003	10,453	9,137	(1,316)	1.41	0.16	1.73
						26,003	10,453	9,137	(1,316)	1.41	0.16	1.73
Oil and Gas												
Attock Petroleum Limited	35,000	-	-	-	35,000	10,306	10,141	11,920	1,778	1.84	0.06	2.25
Pakistan Oilfields Limited	300,000	-	-	6,000	294,000	69,230	63,475	69,716	6,242	10.76	0.12	13.16
Pakistan Petroleum Limited	153,234	-	30,646	-	183,880	29,017	28,213	31,703	3,489	4.89	0.02	5.99
Pakistan State Oil Company Limited	228,091	-	-	-	228,091	66,951	59,349	61,288	1,939	9.46	0.13	11.57
						175,503	161,179	174,627	13,448	26.94	0.33	32.97
Financial Services												
Arif Habib Securities Limited	-	250,000	-	-	250,000	6,788	6,788	5,700	(1,088)	0.88	0.07	1.08
Escorts Investment Bank Limited	62,150	-	-	-	62,150	243	180	158	(21)	0.02	0.14	0.03
Innovative Investment Bank Limited	20,000	-	-	-	20,000	-	-	-	-	0.00	0.00	0.00
Invest Capital Investment Bank Limited	467,532	-	-	-	467,532	489	397	262	(136)	0.04	0.16	0.05
						7,520	7,365	6,120	(1,244)	0.94	0.37	1.16
Construction and Materials												
D.G.I Khan Cement Company Limited	2,747,828	-	-	250,000	2,497,828	73,662	58,999	59,748	749	9.22	0.68	11.28
Lucky Cement Limited	815,287	-	-	115,000	700,287	45,351	43,516	48,432	4,916	7.47	0.22	9.15
						119,013	102,515	108,180	5,665	16.69	0.90	20.43
Industrial Transport												
Pakistan National Shipping Corporation Limited	44,100	-	-	-	44,100	2,524	1,759	1,709	(50)	0.26	0.03	0.32
						2,524	1,759	1,709	(50)	0.26	0.03	0.32

ASIAN STOCKS FUND LIMITED 1st QUARTERLY REPORT 2011

Name of the Investee Company	No. of shares				Balance as at September 30, 2010				Percentage in relation to			
	As at July 01, 2010	Purchases/ Adjustments during the period	Bonus/ rights	Sales/ adjustments during the period	As at September 30, 2010	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market values 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												
Personal Goods												
Thal Limited (Ordinary shares of Rs.5 each)	331,000	-	-	-	331,000	29,265	31,425	35,139	3,714	5.42	0.65	6.64
The Crescent Textile Mills Limited	1,295,031	-	-	-	1,295,031	35,934	27,934	26,691	(1,243)	4.12	2.63	5.04
						65,199	59,359	61,830	2,471	9.54	3.28	11.67
Media												
Southern Networks Limited	50,000	-	-	-	50,000	489	-	-	-	0.00	0.10	0.00
						489	-	-	-	0.00	0.10	0.00
Electricity												
Altern Energy Limited	2,056,821	-	-	-	2,056,821	18,511	21,247	22,625	1,378	3.49	0.60	4.27
						18,511	21,247	22,625	1,378	3.49	0.60	4.27
Non Life Insurance												
Beema Pakistan Company Limited	2,000,000	-	-	-	2,000,000	518	-	-	-	0.00	0.48	0.00
						518	-	-	-	0.00	0.48	0.00
Real Estate Investment and Services												
Pace Pakistan Limited	362,221	-	-	-	362,221	1,953	1,293	982	(312)	0.15	0.13	0.19
						1,953	1,293	982	(312)	0.15	0.13	0.19
Total	24,025,325	502,000	30,646	871,693	23,686,278	594,533	520,709	529,590	8,881			

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 SECP has passed an order for liquidation of IIBL.

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 1,289,857 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.

 **ASIAN STOCKS FUND LIMITED 1ST QUARTERLY REPORT 2011**

	September 30, 2010	June 30, 2010
	----- Rupees '000 -----	
5. SHARE CAPITAL		
5.1 Authorized share capital		
100,000,000 (2010: 100,000,000) ordinary shares of Rs. 10 each	<u>1,000,000</u>	<u>1,000,000</u>
5.1 Issued, Subscribed, and paid-up share capital		
90,000,000 (2010: 90,000,000) ordinary shares of Rs. 10 each fully paid in cash	<u>900,000</u>	<u>900,000</u>

6. 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 distributing at-least ninety percent of its accounting income for the period as reduced by capital gains, whether realised or un-realised to its shareholders. Accordingly, no current tax liability for the period has been recognised in these financial statements.

7. TRANSACTION WITH CONNECTED PERSONS

Related parties include Safeway Fund Limited being the Asset Manager, Central Depository Company of Pakistan Limited being the Custodian, associated companies of the Management Company and Key Management Personnel.

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

Transactions and balances with related parties are as follows:

	July - September 2010	July - September 2009
	----- Rupees '000 -----	
7.1 Transactions during the period		
Remuneration to Asset Manager		
Safeway Fund Limited	3,293	2,862
Remuneration to Custodian		
Central Depository Company of Pakistan Limited	97	161
Commission Paid		
Cassim Investments (Private) Limited	15	195
Fees paid to Directors	-	40
Dividend income		
Crescent Steel and Allied Products Limited	1,090	-
Sale of marketable securities	-	86,498
Purchase of marketable securities	-	92,004

 **ASIAN STOCKS FUND LIMITED 1st QUARTERLY REPORT 2011**

	July - September 2010	July - September 2009
	----- Rupees '000 -----	
7.2 Balance outstanding at the period end		
Remuneration payable to Asset Manager		
Safeway Fund Limited	1,076	1,053
Remuneration payable to Custodian		
Central Depository Company of Pakistan Limited	43	51

8. Date of Authorization for Issue

These financial statements were authorized for issue on October 28, 2010 by the Board of Directors of the Company.

8. General

- 8.1 Figures have been rounded off to the nearest thousand rupees.
- 8.2 Corresponding figures have been re-arranged wherever necessary, for comparison purposes. However, no significant re-arrangements have been made.
- 8.3 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.



Chief Executive



Director