



Safeway Mutual Fund Limited

Managed by Safeway Fund Limited

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General Information

Name of Company

Safeway Mutual Fund Limited

Legal Status

Public limited company incorporated in Pakistan in May 1994 under the Companies Ordinance, 1984

Stock Exchange Listing

The ordinary shares of the Company are listed with the Karachi & Islamabad Stock Exchanges

Registered Office

Standard Tower, 6th Floor,
10-B, Block E-2, Gulberg III, Lahore

Website

www.safewayfund.com

Company Registration No.

K - 05334

National Tax Number (NTN)

0698204-2

Investment Advisor

Safeway Fund Limited

Custodian

Central Depository Company of Pakistan Limited

Board of Directors

Mr. Anjum M. Saleem (Chairman)

Ms. Tehmeena Khan (CEO)

Mr. M. Saad Thaniana

Mr. M. Amin

Mr. Faraz Ahmed

Mr. M. Awais Qureshi

Chief Investment Officer

Mr. Nihal Cassim

Internal Auditors

Anjum Asim Shahid Rahman,
Chartered Accountants

Audit Committee

Mr. M. Saad Thaniana (Chairman)

Mr. M. Amin

Mr. M. Awais Qureshi

External Auditors

A.F. Ferguson & Co., Chartered Accountants

Chief Financial Officer

Ms. Tehmeena Khan

Company Secretary & Compliance Officer

Ms. Tehmeena Khan

Share Registrar

Corptech Associates (Pvt.) Limited
Standard Tower, 6th Floor,
10-B, Block E-2, Gulberg III, Lahore.

Bankers

Bank Alfalah Limited

MCB Bank Limited

Soneri Bank Limited

Legal Advisors

Ahmed & Qazi

Credit Rating Agency

JCR - VIS Credit Rating Company

Contact Us

9th Floor, Lakson Square Building Number 1,
Maulana Deen Mohammad Wafai Road,
Karachi- 74200, Pakistan.

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Directors' Report

The Directors' of Safeway Mutual Fund Limited are pleased to present the third quarterly financial statements of the Company for the quarter and the nine months ended March 31st, 2009.

Financial and Operating Performance

During the quarter ended March 31, 2009, the KSE-100 index rose by 995.21 points or 16.97% to close at 6,860.22 while the KSE-30 Index rose by 1,894.64 points or 34.54% to close at 7,379.98. The Fund's NAV rose from Rs. 8.74 to Rs. 9.70 or 10.98% in the same period. On a year to date basis, the KSE-100 index is down by 44%, the KSE-30 index is down by 48.5% and the Fund is down by 39.40%. The Fund's earning for the quarter ended March 31, 2009 was Rs. 68.76m, higher than the corresponding period of the prior year of Rs. 30.17m. During the quarter the Fund also recognized an impairment loss on its available for sale investments of Rs. 15.287m. The earnings for the quarter represented a quarterly EPS of Rs. 1.26, and a cumulative year to date loss per share of Rs. 4.12. The performance for the quarter and nine months ended March 31, 2009 is shown below:-

	Rupees in Thousands	
	3 months Jan- March 2009	3 months July- March 2009
Income	86,643	(197,313)
Operating expenses and bank charges	(17,881)	(27,113)
Profit/(Loss) before tax	68,762	(224,426)
Taxation	-	-
Profit/(Loss) after tax	68,762	(224,426)
Earnings Per Share	1.26	(4.12)

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.

Impairment

As explained more fully in note 3, the investments in equity securities classified as available for sale have been valued at prices quoted on the KSE as of March 31, 2009. Due to the significant and in some cases, prolonged decline in the market prices of these investments, under IAS 39, the unrealized loss on these investments needs to be recognized as an impairment. The Company adopted the methodology permitted by the SECP through SRO 150 (I) 2009 and opted to recognize the full impairment in equity, and not in the income statement on December 31, 2008. Under this SRO, 25% of the impairment arising on these investments, as adjusted for market pricing at March 31, 2009 (Rs. 15.287 million) has been recognized in the income statement during the quarter. The remainder will be recognized in the income statement, after adjustment for market prices, during the next three quarters.

Change in Director

Since the date of our last Director's report, Mr. Latif Khawar resigned as a director of the Company. The Board has co-opted Mr. Amjad Farooq as director to fill in the casual vacancy arising on the resignation of Mr. Latif Khawar. This approval is subject to the approval of the Securities & Exchange Commission of Pakistan.

Future Outlook

Future outlook has been considered in the Fund Manager's Report on Fund Performance.

Credit Ranking

The Fund's last available ranking from JCR - VIS is based on June 2008 performance. In this ranking the Fund was placed as MFR*1 for one year performance and MFR*4 for two year performance.

Acknowledgement

The Board places on record its thanks to the regulatory authorities, the stock exchanges, the Mutual Funds Association of Pakistan, the Investment Advisor, the Custodian and the Bankers of the Company 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

Tehmeena Khan

Tehmeena Khan
Chief Executive

Lahore
April 27th, 2009



Safeway Fund Limited
Asset Management Services

Fund Manager's Report on Fund Performance

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 Investment Advisor's Report on Fund Performance printed in the 2008 Annual Report.

Market Performance and Results of Operations

During the quarter ended March 31, 2009, the KSE-100 index rose by 995.21 points or 16.97% to close at 6,860.22 while the KSE-30 Index rose by 1,894.64 points or 34.54% to close at 7,379.98. The Fund's NAV rose from Rs. 8.74 to Rs. 9.70 or 10.98% in the same period. On a year to date basis, the KSE-100 index is down by 44%, the KSE-30 index is down by 48.5% and the Fund is down by 39.40%.

The Fund's earning for the quarter ended March 31, 2009 was Rs. 68.76m, higher than the corresponding period of the prior year of Rs. 30.17m. During the quarter the Fund also recognized an impairment loss on its available for sale investments of Rs. 15.287m. The earnings for the quarter represented a quarterly EPS of Rs. 1.26, and a cumulative year to date loss per share of Rs. 4.12.

Many positives have played out over the past three months. On the political front, the democratic forces displayed their street power to restore the judiciary, and on the economic front we have seen the build-up of a strong working team to address the economic issues of the country. Six months ago we had highlighted the delayed response to economic issues as a key factor responsible for the decline in the market. We are optimistic as we see that the fiscal and monetary arms are working intelligently to resolve the twin deficits, the circular debt matter, achieving and surpassing commitments made to the IMF, while still addressing local issues liquidity. Commodity inflation coming down and positive reforms planned on the capital market front further excite us as triggers to steer the economy in the right direction.

Improvements in corporate results will likely follow once the economy shows signs of turning around. We believe that the industrial and financial sectors have begun a difficult CY2009. Comparing and forecasting corporate results has been made difficult due to the SECP's resolution of the impairment recognition issue and the tailor made solution to split up of recognizing a 'floating' impairment over the 4 quarters is blurring corporate results for the year. If indications of economic challenges (discussed below) being addressed are seen, we expect corporate results to lag the economic improvements and then play catch up with a turn around in the economy in 9 to 12 months. All in all if we try and look past the upcoming results which are well discounted in stock prices, we are very optimistic over other asset classes. There had been no significant change to the portfolio composition during the half year period, however portfolio realignment has been made in the last 3 months to concentrate investments in sectors which management believes to be resilient and which suggest a yield to growth balance potential.

We view the following economic challenges and the working of the current economic team lead us to believe that positive steps will be taken to address each issue.

1. Deregulation of energy, food and pharmaceutical prices and passing on the deregulation impact on to wage inflation. We do not support the deregulation of fertilizer prices as yet.
2. Smarter fiscal policy to strongly discourage import of finished goods and incentives for value added production locally.
3. Political and economic consensus to begin work on building a dam to address water and energy issues.



Safeway Fund Limited
Asset Management Services

4. Securing further external assistance to subdue the impact on the crowding out by Government of the private sector.

However, as highlighted 6 months ago, we are still very concerned about the war within Pakistan and the corresponding law and order fears. The government by trial and error (whether it be through use of force, dialogue or Sharia) is trying to resolve the matter. Consensus has recently been reached on implementing Sharia in select areas of the North, but proper implementation will be critical in diffusing the rising concerns on the matter and to prevent dampening of efforts on the economic front.

Declaration by Directors

As required under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Directors of the Investment Advisor state that the financial statements of Safeway Mutual Fund Limited for the quarter and nine months ended March 31, 2009 give a true and fair view of the Fund.

Renewal of License

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

Future Outlook

Over a 12 month horizon we are extremely bullish and expect the markets to surpass the floor prices on the index and in many of our portfolio shares. As we see our economic concerns being addressed we expect to weight the portfolio in to more industrial and financial shares on the back of earnings growth rather than on the back of extremely discounted book value multiples. Towards the end of the year we see considerable fund flow in the market and a re-rating of multiples based on lower cost of money.

Acknowledgement

We extend our gratitude to the stock exchanges, the regulators, CDC, NCCPL and the Board of Safeway Mutual 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



Statement Of Assets And Liabilities

as at March 31, 2009 (Un-Audited)

	Unaudited March 31, 2009	Audited June 30, 2008
Note	(Rupees in thousand)	
ASSETS		
Current assets		
Cash and bank balances	5,133	9,450
Short term investments	515,882	846,114
Receivable against continuous funding system	-	25,997
Receivable against sale of investments	5,192	1,308
Dividend receivable	4,236	4,600
Income tax refundable	910	910
Advances, deposits, other receivables and prepayments	1,186	524
	532,539	888,904
Non current assets		
Long term deposits	2,615	3,615
TOTAL ASSETS	535,154	892,519
Current liabilities		
Remuneration payable to Investment Adviser	5,383	1,706
Payable against purchase of investments	36	3,323
Accrued expenses and other liabilities	522	1,705
Unclaimed dividend	76	74
Provision for taxation	879	879
	6,896	7,687
NET ASSETS	528,258	884,832
SHAREHOLDERS' EQUITY		
Authorized share capital		
60,000,000 (June 30, 2008: 60,000,000) ordinary shares of Rs 10 each	600,000	600,000
Issued, subscribed and paid-up capital		
54,450,000 (June 30, 2008: 54,450,000) ordinary shares of Rs 10 each issued as fully paid in cash	544,500	544,500
Capital Reserves		
Share premium account	33,000	33,000
Unrealized (diminution) / appreciation in fair value of investments classified as 'available for sale'	(45,858)	72,678
	(12,858)	105,678
Revenue reserve		
Unappropriated (loss) / income	(3,384)	234,654
	528,258	884,832
Contingencies and commitments		
	-	-

As per S.R.O. 150(I) / 2009 issued by Securities and Exchange Commission of Pakistan (SECP) on February 13, 2009, 25% impairment loss (amount to Rs. 15.287 million) on equity securities classified as Available for Sale as at March 31, 2009 has been transferred to the income statement while the remaining 75% impairment loss, (amounting to Rs. 45.858 million) has been reported in equity. Had the full 100% impairment loss been charged to the income statement, the loss for the nine months ended March 31, 2009 would have been higher by Rs. 40.858 million while the loss per share would have been higher by Rs. 0.84, and the profit for the three months ended March 31, 2009 would have been reduced to Rs. 22.904 million and a profit per share of Rs. 0.42.

The annexed notes 1 to 9 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

Income Statement

for the quarter and nine months ended March 31, 2009 (Un-Audited)

	Note	January to March		July to March	
		2009	2008	2009	2008
		(Rupees in thousand)		(Rupees in thousand)	
Income					
Return on investments	5	86,159	37,648	(198,882)	102,062
Other income		484	2,036	1,569	5,715
		86,643	39,684	(197,313)	107,777
Operating expenses					
Administrative and general expenses		583	908	2,705	3,446
Remuneration of investment adviser		2,009	5,240	9,083	15,749
Impairment charge on investments	4.3.1	15,287	3,361	15,287	3,361
		17,879	9,509	27,075	22,556
		68,764	30,175	(224,388)	85,221
Finance cost		2	2	38	5
Income / (loss) before tax		68,762	30,173	(224,426)	85,216
Taxation	6	-	-	-	-
Income / (loss) after tax		68,762	30,173	(224,426)	85,216
Earnings per share	(Rupees)	1.26	0.55	(4.12)	1.57

As per S.R.O. 150(I) / 2009 issued by Securities and Exchange Commission of Pakistan (SECP) on February 13, 2009, 25% impairment loss (amount to Rs. 15.287 million) on equity securities classified as Available for Sale as at March 31, 2009 has been transferred to the income statement while the remaining 75% impairment loss, (amounting to Rs. 45.858 million) has been reported in equity. Had the full 100% impairment loss been charged to the income statement, the loss for the nine months ended March 31, 2009 would have been higher by Rs. 40.858 million while the loss per share would have been higher by Rs. 0.84, and the profit for the three months ended March 31, 2009 would have been reduced to Rs. 22.904 million and a profit per share of Rs. 0.42.

The annexed notes 1 to 9 form an integral part of these financial statements.


 Jehmeera Khan
 CHIEF EXECUTIVE OFFICER


 DIRECTOR



Distribution Statement

for the quarter and nine months ended March 31, 2009 (Un-Audited)

	January to March		July to March	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Unappropriated (loss) / income brought forward	(72,146)	311,897	234,654	365,754
Final dividend for the year ended June 30, 2008 - Rs 0.25 per share	-	-	(13,612)	(108,900)
Net income / (loss) for the period	68,762	30,173	(224,426)	85,216
Unappropriated (loss) / income carried forward	(3,384)	342,070	(3,384)	342,070

As per S.R.O. 150(I) / 2009 issued by Securities and Exchange Commission of Pakistan (SECP) on February 13, 2009, 25% impairment loss (amount to Rs. 15.287 million) on equity securities classified as Available for Sale as at March 31, 2009 has been transferred to the income statement while the remaining 75% impairment loss, (amounting to Rs. 45.858 million) has been reported in equity. Had the full 100% impairment loss been charged to the income statement, the loss for the nine months ended March 31, 2009 would have been higher by Rs. 40.858 million while the loss per share would have been higher by Rs. 0.84, and the profit for the three months ended March 31, 2009 would have been reduced to Rs. 22.904 million and a profit per share of Rs. 0.42.

The annexed notes 1 to 9 form an integral part of these financial statements.

Jameena Khan
CHIEF EXECUTIVE OFFICER

[Signature]
DIRECTOR

Cash Flow Statement

for the nine months ended March 31, 2009 (Un-Audited)

	Note	July to March	
		2009	2008
		(Rupees in thousand)	
Cash flows from operating activities			
(Loss) / Income before tax		(224,426)	85,216
Adjustment for non-cash items:			
- Unrealized diminution in fair value of investments classified as 'held for trading'	4.1	145,782	26,548
- Capital gain on sale of investments classified as 'available for sale'		(2,945)	(43,368)
- Impairment charge on 'available for sale' investments	4.3.1	15,287	3,361
- Dividend income	5	(17,066)	(24,507)
- Mark up Income		(6,446)	(5,715)
- Remuneration of investment adviser		9,083	15,749
Profit before working capital changes		(80,731)	57,284
Effect on cash flow due to working capital changes:			
Decrease in assets			
Short term investments		53,573	120,585
Receivable against continuous funding system		25,997	-
Receivable against sale of investments		(3,884)	(10,223)
Advances, deposits, other receivables and prepayments		(576)	(10,000)
		75,110	100,362
Decrease in liabilities			
Accounts payable and accrued liabilities		(4,470)	(8,588)
		(4,470)	(8,588)
Cash (used in) / generated from operations		(10,091)	149,058
Remuneration of investment adviser		(5,406)	(30,612)
Taxes paid		-	(139)
Mark up received		6,360	5,676
Dividend received		17,430	20,983
Net cash inflow from operations		8,293	144,966
Cash flows from investing activities			
Dividend paid		(13,610)	(108,826)
Long term deposit		1,000	(2,500)
Net cash outflow from investing activities		(12,610)	(111,326)
Net (decrease) / increase in cash and cash equivalents		(4,317)	33,640
Cash and cash equivalents at the beginning of the period		9,450	98,762
Cash and cash equivalents at the end of the period		5,133	132,402

As per S.R.O. 150(I) / 2009 issued by Securities and Exchange Commission of Pakistan (SECP) on February 13, 2009, 25% impairment loss (amount to Rs. 15.287 million) on equity securities classified as Available for Sale as at March 31, 2009 has been transferred to the income statement while the remaining 75% impairment loss, (amounting to Rs. 45.858 million) has been reported in equity. Had the full 100% impairment loss been charged to the income statement, the loss for the nine months ended March 31, 2009 would have been higher by Rs. 40.858 million while the loss per share would have been higher by Rs. 0.84, and the profit for the three months ended March 31, 2009 would have been reduced to Rs. 22.904 million and a profit per share of Rs. 0.42.

The annexed notes 1 to 9 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



Statement Of Movement In Equity And Reserves - 'Per Share'

for the quarter and nine months ended March 31, 2009 (Un-Audited)

	January to March		July to March	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Net assets per share as at the beginning of the period	8.74	19.76	16.26	20.61
Dilution due to final dividend for the year ended June 30, 2008 - Rs 0.25 per share	-	-	(0.25)	(2.00)
Capital (loss) / gain on sale of marketable securities	(0.89)	0.45	(1.38)	1.90
Unrealized appreciation / (diminution) in value of investments classified as 'held for trading'	2.38	0.11	(2.68)	(0.49)
Unrealized diminution in the value of investments classified as 'available for sale' recognized in the income statement through impairment	(0.28)	-	(0.28)	-
Other net operating income for the period	0.05	0.01	0.22	0.15
Net income / (loss) for the period	1.26	0.55	(4.12)	1.56
Unrealized diminution in the value of investments classified as 'available for sale'	(0.30)	(0.69)	(2.18)	(0.55)
Net assets per share as at the end of the period	9.70	19.62	9.70	19.62

As per S.R.O. 150(I) / 2009 issued by Securities and Exchange Commission of Pakistan (SECP) on February 13, 2009, 25% impairment loss (amount to Rs. 15.287 million) on equity securities classified as Available for Sale as at March 31, 2009 has been transferred to the income statement while the remaining 75% impairment loss, (amounting to Rs. 45.858 million) has been reported in equity. Had the full 100% impairment loss been charged to the income statement, the loss for the nine months ended March 31, 2009 would have been higher by Rs. 40.858 million while the loss per share would have been higher by Rs. 0.84, and the profit for the three months ended March 31, 2009 would have been reduced to Rs. 22.904 million and a profit per share of Rs. 0.42.

The annexed notes 1 to 9 form an integral part of these financial statements.


 Jhameera Khan
 CHIEF EXECUTIVE OFFICER


 DIRECTOR

Notes To And Forming Part Of The Financial Statements

for the quarter and nine months ended March 31, 2009 (Un-Audited)

1. Legal status and Nature of business

Safeway Mutual Fund Limited ('The Company') is a public limited company incorporated in May 1994 under the Companies Ordinance, 1984 and registered with the Securities and Exchange Commission of Pakistan (SECP) as an Investment Company under the Investment Companies and Investment Advisors Rules, 1971 to carry on the business of a closed end investment company. The Company commenced its business in July 1994 and is listed on Karachi and Islamabad Stock Exchanges. Under Rule 46 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Company is required to be registered as an investment company with the SECP. Application for this registration has been made with the SECP.

The Company has entered into an agreement with Safeway Fund Limited to act as its Asset Management Company. Safeway Fund Limited is licensed as an Asset Management Company under Rule 5 of the Non-Banking Finance Companies (Established and Regulation) Rules, 2003.

The Company primarily invests in shares of listed companies.

2. Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 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 statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2008, except for the following:

The International Accounting Standard Financial Instrument: Recognition and Measurement (IAS-39) requires that an impairment loss on available for sale investments shall be charged to income statement of the period. The SECP vide its S.R.O. 150(II)/2009 dated February 13, 2009 has allowed all the Companies and Mutual Funds to account for the impairment loss as at December 31, 2008 on their "available for sale investments" under "equity" in statement of assets and liabilities instead of charging it to the income statement. The SRO further states that such impairment loss, however, shall be treated as a charge to the income statement for the purposes of dividend distribution. Moreover, the amount of impairment loss taken to equity in the half yearly accounts shall be recorded, after adjustment of price movement if any, in the income statement on a quarterly basis during the calendar year ending on December 31, 2009.

The Company opted for the accounting treatment allowed by SECP vide above referred SRO in respect of its available for sale investments and an impairment loss as at December 31, 2008 amounting to Rs 53.493 million was accounted for in equity under the head "un-realized (diminution) / appreciation in fair value of investments classified as "available for sale" in statement of assets and liabilities. As per the above SRO, 25% of the impairment loss at December 31, 2008, after adjustment of price movements is Rs. 61.15m at March 31, 2009. 25 % of this amount, Rs. 15.287 million has been recognized in these quarterly accounts, and the balance, subject to price movement adjustment, will be recognized during the remainder of the calendar year.

4. Short term investments

- Held for trading
- Available for sale

	March 31, 2009	June 30, 2008
	(Rupees in thousand)	
- note 4.1	415,892	607,056
- note 4.2	99,990	239,058
	515,882	846,114



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

Name of the Investee Company	Number of shares				Balance as at March 31, 2009				Percentage in relation to			
	As at July 1, 2008	Purchases / Sales / Adjustments during the period	Bonus / Rights	As at March 31, 2009	Cost	Carrying cost	Market value	Appreciation / (diminution)	Net costs of the company (with market value of investments)	Paid up capital of the company (with face value of investments)	Total carrying value of investments	Total value of investments
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise												
RELATED PARTIES												
Food & Personal Care Products												
Shakarganj Foods Limited	100,000	-	-	100,000	364	1,429	345	(1,084)	0.07	3.33	0.07	0.07
OTHERS												
Modaraba												
Modaraba Al Mali	215,500	-	-	215,500	1,797	1,058	287	(771)	0.05	1.17	0.06	0.06
First Fidelity Leasing Modaraba	149,000	-	-	-	1,797	1,058	287	(771)	0.05	1.17	0.06	0.06
Leasing Companies												
Saudi Pak Leasing Company Limited	105,000	-	-	105,000	1,103	725	260	(465)	0.05	0.23	0.05	0.05
Investment Companies and Banks												
Dawood Capital Management Limited	20,000	-	2,000	22,000	723	558	112	(446)	0.02	0.15	0.02	0.02
Dawood Equities Limited	-	13	-	-	-	-	-	-	-	-	-	-
First National Equities Limited	-	2	-	2	-	-	-	-	-	-	-	-
Javed Omer Vohra & Company Limited	40,000	3,537	3,500	47,037	-	-	-	-	-	-	-	-
Arif Habib Securities Limited	-	216,852	-	116,852	2,303	2,303	3,129	826	0.59	0.03	0.61	0.61
Innovative Housing Finance Limited	14,003	-	-	14,003	-	-	-	-	-	-	-	-
JS Investment Limited	-	131	-	131	-	-	-	-	-	-	-	-
Arif Habib Limited	-	315	-	315	-	-	-	-	-	-	-	-
Jahangir Siddiqui & Company Limited	30,000	19,564	60,944	95,508	15,536	12,766	3,225	(9,541)	0.61	0.01	0.63	0.63
Jahangir Siddiqui & Company Limited - Right	-	4,900	-	4,900	-	-	-	-	-	-	-	-
Pervez Ahmed Securities Limited	-	1,464	-	1,464	-	-	-	-	-	-	-	-
					18,562	15,627	6,466	(9,161)	1.22	0.19	1.26	1.26

Name of the Investee Company	Number of shares				Balance as at March 31, 2009				Percentage in relation to				
	As at July 1, 2008	Purchases / Additions during the period	Bonus/ Rights	Sales / Adjustments during the period	As at March 31, 2009	Cost	Carrying cost	Market value	Appreciation/ (diminution)	Net costs of the company (with market investments)	Paid up capital of company (with investments)	Total carrying value of investments	
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise													(Rupees in thousand)
Commercial Banks													
Samba Bank Limited	1,461,500	-	-	-	1,461,500	28,777	15,419	6,635	(8,784)	1.26	0.17	1.29	
Formerly (Crescent Commercial Bank Limited)													
NIB Bank Limited	131,000	7,027	-	38,027	100,000	1,804	1,081	549	(532)	0.10	-	0.11	
United Bank Limited	106,950	309,204	-	55,004	361,150	24,855	20,575	18,538	(2,037)	3.51	0.04	3.59	
National Bank of Pakistan Limited	212,500	214,857	-	158,400	268,957	38,015	32,073	23,695	(8,378)	4.49	0.03	4.59	
BankIslami Pakistan Limited	-	28,514	-	-	28,514	382	382	169	(213)	0.03	0.01	0.03	
Soneri Bank Limited	73,000	51	-	73,051	-	-	-	-	-	-	-	-	
Atlas Bank Limited	-	43,000	-	-	43,000	252	252	129	(123)	0.02	0.01	0.03	
Allied Bank Limited	-	30,083	3,000	83	33,000	2,190	2,190	1,278	(912)	0.24	-	0.25	
JS Bank Limited	-	8,364	-	8,364	-	-	-	-	-	-	-	-	
Bank Al Falah Limited	180,000	1,072,705	903,152	375,000	1,780,857	25,824	25,054	24,950	(104)	4.72	0.22	4.84	
Bank Al Habib Limited	-	88	-	88	-	-	-	-	-	-	-	-	
Meezan Bank Limited	-	29	-	29	-	-	-	-	-	-	-	-	
Askari Bank Limited	-	7,231	-	7,231	-	-	-	-	-	-	-	-	
Habib Bank Limited	-	242	-	242	-	-	-	-	-	-	-	-	
Arif Habib Bank Limited	-	7,050	-	7,050	-	-	-	-	-	-	-	-	
Faysal Bank Limited	-	13,400	-	13,400	-	-	-	-	-	-	-	-	
MCB Bank Limited	-	35,092	-	35,092	-	-	-	-	-	-	-	-	
Saudi Pak Commercial Bank Limited	-	2,363	-	2,363	-	-	-	-	-	-	-	-	
The Bank of Punjab	275,000	680,690	-	200,000	755,690	15,990	10,565	8,381	(2,184)	1.59	0.14	1.62	
Insurance													
Adamee Insurance Company Limited	-	56	-	56	-	-	-	-	-	-	-	-	
EFU General Insurance Company Limited	-	403	-	403	-	-	-	-	-	-	-	-	
Pakistan Reinsurance Company Limited	-	404	-	404	-	-	-	-	-	-	-	-	
Textile Spinning													
Shaheen Cotton Mills Limited	527,900	-	-	-	527,900	4,672	2,112	1,584	(528)	0.30	3.58	0.31	
Haji Muhammad Ismail Textile Mills Limited	226,000	-	-	-	226,000	1,778	452	99	(353)	0.02	1.89	0.02	
D.S Industries Limited	-	738	-	738	-	-	-	-	-	-	-	-	
Nazir Cotton Mills Limited	235	-	-	235	-	-	-	-	-	-	-	-	
						6,450	2,564	1,683	(881)	0.32	5.47	0.33	

Name of the Investee Company	Number of shares				Balance as at March 31, 2009				Percentage in relation to			
	As at July 1, 2008		As at March 31, 2009		Cost	Carrying cost	Market value	Appreciation/ (diminution)	Net costs of the company (with market related investments)	Paid up capital of investee company (with related investments)	Total value of investments	Total
	Purchases / Sales / Adjustments during the period	Holdings at the beginning of the period	Purchases / Sales / Rights during the period	Holdings at the end of the period								
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise												
Textile Weaving												
Zephyr Textile Limited	567,500	-	-	-	567,500	-	-	-	-	-	-	-
Textile Composite												
Kohinoor Textile Mills Limited	350,342	-	-	-	350,342	4,859	1,762	(3,087)	0.33	0.24	0.34	0.34
Nishat Mills Limited	25,000	63,222	-	10,000	78,222	3,324	2,372	(952)	0.45	0.05	0.46	0.46
Nishat Mills Limited - R	-	12,500	-	-	12,500	-	-	-	-	-	-	-
Azgard Nine Limited	-	6	-	6	-	-	-	-	-	-	-	-
Dawood Lawrencepur Limited	-	36	-	36	-	-	-	-	-	-	-	-
Nishat Chunian Limited	-	442	-	442	-	-	-	-	-	-	-	-
					14,137	8,183	4,134	(4,049)	0.78	0.29	0.80	0.80
Synthetic & Rayon												
Dewan Salman Fiber Limited	-	23,785	-	23,785	-	-	-	-	-	-	-	-
Jute												
Thal Limited (Ordinary share of Rs 5 each)	90,800	111,700	36,320	10,000	228,820	22,085	12,553	(9,532)	2.38	0.54	2.43	2.43
					26,792	22,085	12,553	(9,532)	2.38	0.54	2.43	2.43
Cement												
Zeal Pak Cement Company Limited	495,000	-	-	-	495,000	2,782	1,356	228	(1,128)	0.04	0.12	0.04
Fauji Cement Company Limited	195,000	29,048	-	224,048	-	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	142,500	1,804	-	144,304	-	-	-	-	-	-	-	-
Lucky Cement Limited	52,500	20,209	-	72,709	-	-	-	-	-	-	-	-
Dewan Cement Limited	-	465	-	465	-	-	-	-	-	-	-	-
DG Khan Cement Company Limited	300,000	853,953	-	52,500	1,101,453	35,801	24,023	(11,778)	4.55	0.43	4.66	4.66
Pioneer Cement Limited	-	500	-	500	-	-	-	-	-	-	-	-
Javedan Cement Limited	54,700	1,000	-	55,700	-	-	-	-	-	-	-	-
Al Abbas Cement Limited	-	138	-	138	-	-	-	-	-	-	-	-
Attock Cement Pakistan Limited	57,000	-	-	57,000	-	-	-	-	-	-	-	-
Laarge Pakistan Cement Company Limited	-	4,152	-	4,152	-	-	-	-	-	-	-	-
Formerly (Pakistan Cement Company Limited)					46,535	37,157	24,251	(12,906)	4.59	0.55	4.70	4.70

Name of the Investee Company	Number of shares				Balance as at March 31, 2009				Percentage in relation to			
	As at July 1, 2008	Purchases / Redemptions during the period	Bonus/ Rights	Sales / Adjustments during the period	As at March 31, 2009	Cost	Carrying cost	Market value	Appreciation/ (diminution)	Net costs of the company (with market investments)	Paid up capital of investee company (with fees related to investments)	Total carrying value of investments (with market investments)
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise	(Rupees in thousand)											
Refinery												
Attock Refinery Limited	37,500	40,200	-	77,700	-	-	-	-	-	-	-	-
Bostcor Pakistan Limited	140,000	7,935	-	7,935	140,000	2,322	1,800	904	(896)	0.17	0.04	0.18
Pakistan Refinery Limited	-	11,300	-	-	11,300	973	973	773	(200)	0.15	0.03	0.15
National Refinery Limited	-	200	-	200	-	3,295	2,773	1,677	(1,096)	0.32	0.07	0.33
Glass and Ceramics												
Balochistan Glass Limited	100,500	-	-	-	100,500	1,412	683	295	(388)	0.06	0.12	0.06
Power Generation & Distribution												
Hub Power Company Limited	400,000	2,421	-	421	402,000	12,113	11,456	8,289	(3,167)	1.57	0.03	1.61
Karachi Electric Supply Corporation Limited (Ordinary share of Rs 3.5 each)	733,500	-	-	40,000	693,500	4,359	3,793	1,734	(2,059)	0.33	0.01	0.34
Kohinoor Energy Limited	92,500	-	-	4,000	88,500	3,350	2,403	2,257	(146)	0.43	0.05	0.44
Kot Addu Power Company Limited	40,000	90	-	5,000	35,090	1,831	1,647	1,273	(374)	0.24	-	0.25
Oil & Gas Marketing Companies												
Sui Northern Gas pipelines Company Limited	298,300	1,058	-	299,358	-	-	-	-	-	-	-	-
Attock Petroleum Limited	-	41,867	-	22,667	19,200	4,542	4,542	5,294	752	1.00	0.03	1.03
Sui Southern Gas Company Limited	-	3,730	-	3,730	-	35,091	33,407	37,265	3,858	7.05	0.11	7.22
Pakistan State Oil Company Limited	40,000	175,487	-	25,300	190,187	39,633	37,949	42,559	4,610	8.05	0.14	8.25
Oil & Gas Exploration Companies												
Oil & Gas Development Corporation Limited	630,000	390,462	-	210,000	810,462	84,996	82,034	58,410	(23,624)	11.06	0.02	11.32
Pakistan Petroleum Limited	300,000	132,615	25,840	212,000	246,455	52,960	50,930	42,703	(8,227)	8.08	0.03	8.28
Pakistan Oilfields Limited	10,800	317,635	9,160	72,500	265,095	32,839	32,034	45,347	12,513	8.58	0.11	8.79
Mari Gas Company Limited	-	88,300	-	88,300	-	170,795	165,798	146,460	(19,338)	27.72	0.16	28.39



Name of the Investee Company	Number of shares				Balance as at March 31, 2009				Percentage in relation to			
	As at July 1, 2008	Purchases / Adjustments made during the period	Bonus/ Rights	Sales / Adjustments during the period	As at March 31, 2009	Cost	Carrying cost	Market value	Appreciation/ (depreciation)	Net costs of the company (with market investments)	Paid up capital of the company (with market investments)	Total carrying value of investments (with market investments)
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise												
(Rupees in thousand)												
Engineering												
Dost Steels Limited	-	346	-	346	-	-	-	-	-	-	-	-
Automobile Assembler												
Indus Motor Company Limited	-	41	-	41	-	-	-	-	-	-	-	-
Pak Suzuki Motors	110,000	74,600	-	40,400	144,200	23,604	13,288	7,863	(5,425)	1,49	0,18	1,52
						23,604	13,288	7,863	(5,425)	1,49	0,18	1,52
Automobile Parts & Accessories												
Honda Alias Cars (Pakistan) Limited	-	1,061	-	1,061	-	-	-	-	-	-	-	-
Automobile & Allied Industries												
Agriautes Industries Limited	103,600	5,000	21,720	-	130,320	10,927	8,793	3,644	(5,149)	0,69	0,45	0,71
						10,927	8,793	3,644	(5,149)	0,69	0,45	0,71
Cable & Electrical Goods												
Pak Elektron Limited	-	174,756	-	174,756	-	-	-	-	-	-	-	-
Pak Elektron Limited - Preference shares	2,500,000	-	-	625,000	1,875,000	18,752	18,750	18,750	-	3,55	1,88	3,63
						18,752	18,750	18,750	-	3,55	1,88	3,63
Transport												
Pakistan International Container Terminal Limited	-	812	-	812	-	-	-	-	-	-	-	-
Pakistan National Shipping Corporation Limited	100,000	250,000	-	250,000	100,000	6,706	5,913	4,080	(1,833)	0,77	0,08	0,79
						6,706	5,913	4,080	(1,833)	0,77	0,08	0,79

Name of the Investee Company	Number of shares				Balance as at March 31, 2009				Percentage in relation to			
	As at July 1, 2008	Purchases / Redemptions during the period	Bonus/ Rights	Sales / Adjustments during the period	As at March 31, 2009	Cost	Carrying cost	Market value	Appreciation/ (diminution)	Net costs of the company (with market investments)	Paid up capital of investee company (with market investments)	Total carrying value of investments
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise	(Rupees in thousand)											
Technology and Communication												
Pakistan Telecommunication Company Limited	500,000	506,875	-	175,000	831,875	26,643	22,994	13,876	(9,118)	2,63	0.02	2.69
Eye Television Network Limited	-	4	-	4	-	-	-	-	-	-	-	-
TRG Pakistan Limited	475,000	7,931	-	7,931	475,000	6,884	2,930	637	(2,293)	0.12	0.13	0.12
Worldcall Telecom Limited	147,500	62,516	-	210,016	-	-	-	-	-	-	-	-
Naisel Technologies Limited	10,000	14,200	2,000	-	26,200	1,549	1,358	444	(914)	0.08	0.04	0.09
Telecard Limited	-	2,620	-	2,620	-	35,076	27,282	14,957	(12,325)	2.83	0.19	2.90
Fertilizer												
Fauji Fertilizer Bin Qasim Limited	570,000	2,655	-	155	572,500	24,190	20,531	9,801	(10,730)	1.86	0.06	1.90
Fauji Fertilizer Company Limited	70,000	130,724	-	200,724	-	-	-	-	-	-	-	-
Engro Chemicals Pakistan Limited	80,000	55,287	-	135,287	-	-	-	-	-	-	-	-
Pharmaceuticals												
Abbott Laboratories (Pakistan) Limited	100,900	-	-	100,900	-	-	-	-	-	-	-	-
GlaxoSmithKline Pakistan Limited	80,600	-	-	80,600	-	-	-	-	-	-	-	-
Searle Pakistan Limited	-	3	-	3	-	-	-	-	-	-	-	-
Sitara Peroxide Limited	41,000	61,185	-	185	102,000	5,413	4,756	2,068	(2,688)	0.39	0.19	0.40
Chemicals												
ICI Pakistan Limited	15,000	5,200	-	20,200	-	-	-	-	-	-	-	-
BOC Pakistan Limited	-	18	-	18	-	-	-	-	-	-	-	-
Pakistan PTA Limited	-	2,723	-	2,723	-	-	-	-	-	-	-	-
Paper and Board												
Packagees Limited	10,000	7,700	-	17,700	-	-	-	-	-	-	-	-

Name of the Investee Company	Number of shares			Balance as at March 31, 2009			Percentage in relation to				
	As at July 1, 2008	Purchases / Adjustments during the period	Sales / Adjustments during the period	As at March 31, 2009	Cost	Carrying cost	Market value	Appreciation / (diminution)	Net costs of the company (with market investments)	Paid up capital of investee company (with long term investments)	Total carrying value of investments (with market investments)
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise	(Rupees in thousand)										
Miscellaneous											
Pakistan Services Limited	55,800	-	1,400	54,400	23,136	29,376	6,669	(22,707)	1.26	0.17	1.29
Pace (Pakistan) Limited	-	12,320	12,320	-	-	-	-	-	-	-	-
Tri Pack Films Limited	-	46	46	-	-	-	-	-	-	-	-
					23,136	29,376	6,669	(22,707)	1.26	0.17	1.29
Bonds											
ORIX Leasing Pakistan Limited (Term finance certificates of Rs. 5000 Each	1,212	-	1,212	-	-	-	-	-	-	-	-
Maple Leaf Factory Limited (SUKUK certificates of Rs. 5000 Each	2,000	-	-	2,000	10,006	10,064	9,213	(851)	1.74	0.02	1.79
Pak-Arab Fertilizers Limited (Term finance certificates of Rs. 5000 Each	862	-	862	-	10,006	10,064	9,213	(851)	1.74	0.02	1.79
Close-end Mutual Funds											
JS Value Fund Limited	-	498	498	-	-	-	-	-	-	-	-
Pakistan Premier Fund Limited	-	500	500	-	-	-	-	-	-	-	-
PIICC Growth Fund Limited	-	653	653	-	-	-	-	-	-	-	-
TOTAL	13,994,504	6,424,903	1,067,636	15,825,054	648,427	561,674	415,892	(145,782)			



4.2 Investments in marketable securities - 'available for sale'

Name of the Investee Company	Number of shares			Balance as at March 31, 2009			Percentage in relation to			
	As at July 1, 2008	Purchases/ Adjustments during the period	Bonus/ Rights	As at March 31, 2009	Cost	Market value	Appreciation/ (depreciation)	Net assets of the company (with impact of investments)	Paid up capital of the company investee (with impact of investments)	Total carrying value of investments
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise										
(Rupees in thousand)										
RELATED PARTIES										
Engineering										
Crescent Steel & Allied Products Limited	1,121,864	446	112,186	1,234,496	43,639	18,135	(25,504)	3.43	2.19	3.52
OTHERS										
Leasing Companies										
Al-Zamin Leasing Corporation Limited *	398,360	-	-	398,360	2,470	805	(1,665)	0.15	0.80	0.16
Power Generation & Distribution										
Altren Energy Limited	1,479,500	500	-	1,480,000	22,278	15,555	(6,723)	2.94	0.43	3.02
Textile Composite										
Crescent Textile Mills Limited	1,588,078	-	149,800	1,438,278	22,278	15,555	(6,723)	2.94	0.43	3.02
Sugar and Allied Industries										
Shakarganj Mills Limited	2,403,509	-	-	2,403,509	50,525	47,276	(3,249)	8.95	2.92	9.16
TOTAL	6,991,311	946	112,186	6,954,643	161,135	99,990	(61,145)	3.45	3.46	3.53



		March 31, 2009	June 30, 2008
		(Rupees in thousand)	
4.3 Net unrealized (diminution) / appreciation in the value of investments classified as 'available for sale'			
Market value	- note 4.2	99,990	239,058
Less: Cost	- note 4.2	(161,135)	(166,380)
Add: Impairment charge	- note 4.3.1	15,287	-
		<u>(45,858)</u>	<u>72,678</u>
4.3.1 Impairment charge			
Opening balance		-	16,292
Add: Impairment charge recognized during the period/year		15,287	3,361
Less: Sales of investments		-	(19,653)
Closing balance		<u>15,287</u>	<u>-</u>

As per S.R.O. 150(I) / 2009 issued by Securities and Exchange Commission of Pakistan (SECP) on February 13, 2009, 25% impairment loss (amount to Rs. 15.287 million) on equity securities classified as Available for Sale as at March 31, 2009 has been transferred to the income statement while the remaining 75% impairment loss, (amounting to Rs. 45.858 million) has been reported in equity. Had the full 100% impairment loss been charged to the income statement, the loss for the nine months ended March 31, 2009 would have been higher by Rs. 40.858 million while the loss per share would have been higher by Rs. 0.84, and the profit for the three months ended March 31, 2009 would have been reduced to Rs. 22.904 million and a profit per share of Rs. 0.42.

	January to March		July to March	
	2009 (Rupees in thousand)	2008	2009 (Rupees in thousand)	2008
5. Return on investments				
(Loss) / gain on sale of shares	(48,340)	24,417	(75,043)	103,497
Gain / (loss) on remeasurement of 'held for trading' investments	129,449	6,172	(145,782)	(26,548)
Income from continuous funding system	30	-	3,566	-
Dividend income	4,592	6,808	17,066	24,507
Return on TFCs'	428	251	1,311	606
	<u>86,159</u>	<u>37,648</u>	<u>(198,882)</u>	<u>102,062</u>

**6. Provision for taxation**

In view of the available tax losses, no provision for taxation has been made during the period.

7. Transactions with connected persons

	January to March		July to March	
	2009 (Rupees in thousand)	2008	2009 (Rupees in thousand)	2008
Remuneration to Investment Adviser				
Safeway Fund Limited - Investment Adviser	2,009	5,240	9,083	15,749
Dividend paid				
Shakarganj Mills Limited	-	-	7,304	58,430
Crescent Steel & Allied Products Limited	-	-	1,990	15,888
Safeway Fund Limited	-	-	1,548	11,145
Asian Capital Management Limited	-	-	375	3,000
Al-Zamin leasing Corporation Limited (Formerly: Crescent Leasing Corporation Limited)	-	-	-	3,199
Dividend income				
Crescent Steel & Allied Products Limited	-	1,122	-	3,194
Shakarganj Mills Limited	-	-	-	1,938
Payment for services - Director fees	25	-	80	15

8. Date of authorization for issue

These financial statements have been authorized for issue on April 27, 2009 by the Board of Directors of the Company.

9. General

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

9.2 Corresponding figures have been re-arranged wherever necessary, for the purpose of comparison. However no significant rearrangements have been made


Jehmeena Khan
CHIEF EXECUTIVE OFFICER


DIRECTOR

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