



SAFEWAY MUTUAL FUND LIMITED

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SAFEWAY MUTUAL FUND LIMITED

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 and Islamabad Stock Exchanges.

Website and Email address

www.safewayfund.com
info@safewayfund.com

Company Registration number

0032559

National Tax Number

0698204-2

Asset Management Company

Safeway Fund Limited

Custodian

Central Depository Company
of Pakistan Limited

Internal Auditors

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

External Auditors

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

Board of Directors

Mr. Anjum M. Saleem
Ms. Tehmeena Khan
Mr. Amjad Farooq
Mr. Faraz Ahmad
Mr. Mohammad Awais Qureshi
Mr. Mohammad Amin
Mr. Muhammad Saad Thaniana

CFO & Company Secretary

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

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

Share Registrar

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

Bankers

Bank Al Falah Limited
Soneri Bank Limited

Chairman
Chief Executive Officer
Director
Director
Director
Director
Director

**DIRECTORS' REPORT**

The Directors of Safeway Mutual 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. 13.67 to Rs. 14.20 or 3.88% 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 44.90%. The Fund's earning for the quarter ended March 31, 2010 was Rs. 29.34m, lower than the corresponding period of the prior year of Rs. 64.76m. The earning for the quarter represented a quarterly EPS of Rs. 0.54, and a cumulative year to date earning per share of Rs. 3.68. The performance for the quarter and nine months ended March 31, 2010 is shown below:-

Rupees in Thousands	January to March		July to March	
	2010	2009	2010	2009
Income	33,606	86,642	212,834	(197,313)
Operating Expenses	4,288	17,880	12,397	27,113
	29,318	68,762	200,437	(224,426)
Taxation	-	-	-	-
Income/(loss) after tax	29,318	68,762	200,437	(224,426)

Earnings/(loss) per share

With unrealized appreciation / (diminution) on re-measurement of investments	0.54	1.26	3.68	(4.12)
Without unrealized appreciation / (diminution) on re-measurement of investments	0.79	(1.11)	2.80	(1.44)

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 mismanagement 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's 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's performance 1 year ranking at 'MFR 1 Star', 2 year average ranking at 'MFR 1 Star' and 3 year average ranking at 'MFR 3 Star' as at December 31, 2009.



SAFEWAY MUTUAL FUND LIMITED

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

Tehmeena Khan

Tehmeena Khan
Chief Executive

Lahore
April, 22, 2010



SAFEGWAY MUTUAL FUND LIMITED

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. 13.67 to Rs. 14.20 or 3.88% 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 44.90%. 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 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 mismanagement 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 Safeway Mutual 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 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



SAFEWAY MUTUAL FUND LIMITED

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

	Note	Unaudited March 31, 2010	Audited June 30, 2009
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Long term deposits		2,615	2,615
CURRENT ASSETS			
Cash and bank balances		88,894	1,381
Short term investments	4	627,243	529,901
Receivable against sale of investments		37,116	-
Dividend receivable		6,010	1,400
Income tax refundable		31	31
Advance against IPO subscription		13,000	-
Advances, deposits, prepayments and other receivables		547	134
		<u>772,841</u>	<u>532,847</u>
TOTAL ASSETS		775,456	535,462
LIABILITIES			
CURRENT LIABILITIES			
Remuneration payable to Asset Manager		1,269	915
Accrued expenses and other liabilities		788	1,019
		<u>2,057</u>	<u>1,934</u>
NET ASSETS		<u>773,399</u>	<u>533,528</u>
REPRESENTED BY			
Share Capital	5	544,500	544,500
Capital Reserves			
Share premium account		33,000	33,000
Unrealized diminution in available for sale investments	4.3	-	(39,435)
		<u>33,000</u>	<u>(6,435)</u>
Revenue reserve			
Unappropriated profit / (loss)		195,899	(4,537)
CONTINGENCIES AND COMMITMENTS	6		
SHAREHOLDERS EQUITY		<u>773,399</u>	<u>533,528</u>

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

Jenmeena Khar

Chief Executive

[Signature]

Director



SAFEGWAY MUTUAL FUND LIMITED

**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	39,644	(48,340)	145,677	(75,043)
Unrealized (diminution) / appreciation on investments at fair value through profit or loss	(13,554)	129,448	47,730	(145,782)
Return on sukuk certificate / term finance certificate	-	428	389	1,311
Income from continuous funding system	-	30	-	3,566
Dividend income	6,867	4,592	11,156	17,066
Profit on bank account	649	484	7,882	1,292
Other income	-	-	-	277
	33,606	86,642	212,834	(197,313)
OPERATING EXPENSES				
Remuneration to Safeway Fund Limited - Asset Manager	3,777	2,009	10,501	9,083
Annual fee - Securities and Exchange Commission of Pakistan	179	123	499	443
Remuneration of Central Depository Company of Pakistan Limited - Custodian	138	132	531	620
Bank charges	2	1	8	38
Impairment charge on investments 4.3.1	-	15,287	-	15,287
Fees and subscription	114	137	301	798
Auditors' remuneration	-	84	184	249
Printing and related costs	16	24	91	390
Directors' travelling	30	53	123	53
Postage and telegram	1	5	4	11
Advertisement	-	-	55	34
Directors' meeting attendance fee	30	25	90	80
Others	1	-	10	27
	4,288	17,880	12,397	27,113
	29,318	68,762	200,437	(224,426)
Taxation 7	-	-	-	-
Income / (loss) after tax	29,318	68,762	200,437	(224,426)
Earnings/(loss) per share				
With unrealized appreciation / (diminution) on re-measurement of investments	0.54	1.26	3.68	(4.12)
Without unrealized appreciation / (diminution) on re-measurement of investments	0.79	(1.11)	2.80	(1.44)

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

Jenmeera Khan

Chief Executive

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Director



SAFEWAY MUTUAL FUND LIMITED

**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	2009	2010	2009
	(Rupees in thousand)		(Rupees in thousand)	
Income / (loss) for the period	29,318	68,762	200,437	(224,426)
Other comprehensive loss / (income) for the period				
Movement in available for sale of investments	-	(15,921)	39,435	(118,536)
Total comprehensive income / (loss) for the period	<u>29,318</u>	<u>52,841</u>	<u>239,872</u>	<u>(342,962)</u>

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

Jenmeena Khar

Chief Executive

Director



SAFEWAY MUTUAL FUND LIMITED

**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 (Rupees in thousand)	2010 (Rupees in thousand)	2009 (Rupees in thousand)
Unappropriated income / (loss) brought forward	166,581	(72,146)	(4,537)	234,654
Final dividend for the year ended June 30, 2009	-	-	-	(13,612)
Net income / (loss) for the period	29,318	68,762	200,437	(224,426)
Unappropriated income / (loss) carried forward	<u>195,899</u>	<u>(3,384)</u>	<u>195,899</u>	<u>(3,384)</u>

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

Jenmeena Khan

Chief Executive

Director



SAFEWAY MUTUAL FUND LIMITED

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

	<u>July to March</u>	
	<u>2010</u>	<u>2009</u>
	(Rupees in thousand)	
Cash flows from operating activities		
Income / (loss) before tax	200,437	(224,426)
Adjustment for non-cash items:		
- Unrealized (diminution) / appreciation in fair value of investments at fair value through profit and loss	4.1 (47,730)	145,782
- Capital gain / (loss) on sale of investments classified as 'available for sale'	62,646	(2,945)
- Impairment charge on 'available for sale' investments	4.3.1 -	15,287
- Dividend income	5 (11,156)	(17,066)
- Mark up and other income	(8,271)	(6,446)
- Remuneration of asset manager	10,501	9,083
Profit / (loss) before working capital changes	<u>206,427</u>	<u>(80,731)</u>
Effect on cash flow due to working capital changes:		
(Decrease) / increase in assets		
- Short term investments	(72,823)	53,573
- Receivable against continuous funding system	-	25,997
- Receivable against sale of investments	(37,116)	(3,884)
- Advances, deposits, prepayments and other receivables	(13,083)	(576)
- Accounts payable and accrued liabilities	(232)	(4,470)
	<u>(123,254)</u>	<u>70,640</u>
Cash generated / (used in) from operations	<u>83,173</u>	<u>(10,091)</u>
Remuneration of Asset Manager	(10,147)	(5,406)
Mark up received	7,941	6,360
Dividend received	6,546	17,430
Net cash inflow from operations	<u>87,513</u>	<u>8,293</u>
Cash flows from investing activities		
Dividend paid	-	(13,610)
Long term deposit	-	1,000
Net cash outflow from investing activities	<u>-</u>	<u>(12,610)</u>
Net increase / (decrease) in cash and cash equivalents	<u>87,513</u>	<u>(4,317)</u>
Cash and cash equivalents at the beginning of the period	<u>1,381</u>	<u>9,450</u>
Cash and cash equivalents at the end of the period	<u>88,894</u>	<u>5,133</u>

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

Chief Executive

Director

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

	<u>January to March</u>		<u>July to March</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>(Rupees in thousand)</u>		<u>(Rupees in thousand)</u>	
Net assets per share as at the beginning of the period	13.67	8.74	9.80	16.26
Dilution due to final dividend for the year ended June 30, 2009	-	-	-	(0.25)
Capital gain / (loss) on sale of marketable securities	0.73	(0.89)	2.68	(1.38)
Unrealized (diminution) / appreciation in value of investments at fair value through profit or loss	(0.25)	2.38	0.88	(2.68)
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	0.06	0.05	0.13	0.22
Net income / (loss) for the period	0.54	1.26	3.69	(4.12)
Movement in available for sale of investments	-	(0.30)	0.72	(2.18)
Net assets per share as at the end of the period	<u>14.20</u>	<u>9.70</u>	<u>14.20</u>	<u>9.70</u>

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

Jenmeena Khan

Chief Executive

[Signature]

Director



SAFEWAY MUTUAL FUND LIMITED

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Safeway Mutual Fund Limited is a public limited company incorporated in May 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 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 and Islamabad Stock Exchanges.

The Company has entered into an agreement with Safeway Fund Limited (SFL) to act as its Asset Manager. SFL is duly licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 to act as an Asset Manager.

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

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.



SAFeway MUTUAL FUND LIMITED

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.

		Unaudited March 31, 2010	Audited June 30, 2009
	Note	(Rupees in thousand)	
4. SHORT TERM INVESTMENTS			
Investments in marketable securities at fair value through profit or loss	- note 4.1	627,243	447,637
Available for sale	- note 4.2	-	82,264
		<u>627,243</u>	<u>529,901</u>



SAFeway MUTUAL FUND LIMITED

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 total market value of investments	Market value as a percentage of the paid-up capital of the investee company	
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise												
RELATED PARTIES												
Food Producers												
Shakarganj Mills Limited	-	2,118,785	-	-	2,118,785	16,930	16,930	13,772	(3,158)	1.78	3.05	2.20
						16,930	16,930	13,772	(3,158)	1.78	3.05	2.20
Industrial Metal and Mining												
Crescent Steel and Allied Products Limited	-	1,233,739	-	-	1,233,739	29,766	29,766	33,212	3,446	4.29	2.19	5.29
						29,766	29,766	33,212	3,446	4.29	2.19	5.29
OTHERS												
Fixed Line Telecommunication												
Pakistan Telecommunication Company Limited	831,875	2,285,000	-	2,316,875	800,000	14,367	14,367	16,808	2,441	2.17	0.02	2.68
						14,367	14,367	16,808	2,441	2.17	0.02	2.68
Chemicals												
Engro Corporation Limited	-	682,155	18,875	701,030	-	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	1,407,606	-	1,407,606	-	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-	-
Sitara Peroxide Limited	102,000	-	-	102,000	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-
Bonds												
Maple Leaf Cement Factory Limited - SUKUK Certificate	2,000	-	-	2,000	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-



SAFEWAY MUTUAL FUND LIMITED

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		Market value as a percentage of the total portfolio of the investee company
	As at July 01, 2009	Purchases/ adjustments during the period	Bonus/ rights	Sales/ adjustments during the period	As at March 31, 2010	Cost	Carrying Value	Appreciation/ (diminution)	Market value as a percentage of net assets	
----- Rupees in thousand -----										
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise										
Banks										
Allied Bank Limited	300,000	90,300	-	390,300	-	-	-	-	-	-
Arif Habib Bank Limited	250,000	-	-	250,000	-	-	-	-	-	-
Atlas Bank Limited	250,000	-	-	250,000	-	-	-	-	-	-
Bank Al Falaah Limited	3,060,963	2,095,495	-	5,156,458	63,425	56,777	63,992	7,215	8.27	0.38
MCB Bank Limited	170,000	90,000	-	260,000	-	-	-	-	-	10.20
My Bank Limited	500,000	-	-	500,000	-	-	-	-	-	-
National Bank of Limited	371,215	422,748	-	793,963	-	-	-	(280)	0.87	0.26
Samba Bank Limited	1,461,500	1,282,722	-	2,744,222	26,652	7,016	6,736	(280)	0.01	0.26
Samba Bank Limited - R	-	1,424,838	-	1,424,838	-	-	43	43	0.01	0.26
United Bank Limited	-	831,800	65,650	1,75,300	722,150	30,266	43,076	12,810	5.57	0.06
					120,343	94,059	113,847	19,788	14.72	0.96
										18.15
Automobile & Parts										
Agriaautos Industries Limited	100,000	-	-	100,000	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	144,200	-	-	10,000	134,200	21,967	9,112	10,678	1.566	1.38
						21,967	9,112	10,678	1.566	1.38
										1.70
Oil and Gas										
Attock Petroleum Limited	7,100	32,920	-	40,020	-	-	-	-	-	-
Oil & Gas Development Company Limited	650,000	325,000	-	975,000	-	-	-	-	-	-
Pakistan Oilfields Limited	315,095	621,000	-	616,095	320,000	75,136	74,829	(307)	9.68	0.14
Pakistan Petroleum Limited	200,000	370,000	-	250,000	120,000	22,831	23,450	619	3.03	0.01
Pakistan State Oil Company Limited	200,000	246,438	-	210,000	236,438	69,376	73,246	3,870	9.47	0.14
						167,343	171,525	4,182	22.18	0.29
										27.35
Financial Services										
Al Zammn Leasing Corporation Limited	-	1,095,000	-	1,095,000	-	-	-	-	-	-
Arif Habib Securities Limited	1,127,100	1,162,442	-	2,289,542	-	-	-	-	-	-
Escorts Investment Bank Limited	-	75,110	-	75,110	294	294	255	(39)	0.03	0.17
Innovative Investment Bank Limited	14,003	-	-	14,003	-	-	-	-	-	-
Invest Capital Investment Bank Limited	300,008	1,920,000	-	1,346,309	521	521	832	311	0.11	0.77
Jahangir Siddiqui & Company Limited	95,000	1,450,000	-	1,750,008	-	-	-	-	-	-
Saudi Pak Leasing Company Limited	-	-	-	95,000	-	-	-	-	-	-
					815	815	1,087	272	0.14	0.94
										0.17



SAFEWAY MUTUAL FUND LIMITED

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		
	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 total portfolio capital of the investee company
----- Rupees in thousand -----										
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise										
Construction and Materials										
D.G. Khan Cement Company Limited	1,871,812	-	704,018	2,445,537	84,837	80,083	76,765	(3,318)	9.93	0.80
Fauji Cement Company Limited	-	-	800,000	-	-	-	-	-	-	-
Lucky Cement Limited	257,000	-	1,417,000	810,000	52,952	52,952	65,845	12,893	8.51	0.25
					137,789	133,035	142,610	9,575	18.44	1.05
										22.74
Industrial Transport										
Pakistan National Shipping Corporation Limited	100,000	-	-	100,000	6,706	4,616	4,999	383	0.65	0.08
					6,706	4,616	4,999	383	0.65	0.08
Personal Goods										
Azgard Nine Limited	-	-	325,500	300,000	5,412	5,412	4,182	(1,230)	0.54	0.07
Nishat Mills Limited	525,022	-	1,320,755	-	-	-	-	-	-	-
Shahreen Cotton Mills Limited	527,900	-	534,930	-	-	-	-	-	-	-
Thal Limited (ordinary share of Rs 5 each)	228,820	-	349,991	-	34,694	25,624	28,346	2,722	3.67	0.68
The Crescent Textile Mills Limited	-	-	1,442,063	-	38,441	38,441	41,099	2,658	5.31	2.93
					78,547	69,477	73,627	4,150	9.52	3.68
										11.74
Household Goods										
Pak Elektron Limited - Pref. shares	1,875,000	-	-	1,875,000	18,752	18,750	18,750	-	2.42	1.88
					18,752	18,750	18,750	-	2.42	1.88
Travel and Leisure										
Pakistan Services Limited	54,400	1	269	54,132	23,021	6,120	6,331	211	0.82	0.17
					23,021	6,120	6,331	211	0.82	0.17
Electricity										
Altern Energy Limited	-	-	-	1,680,404	15,125	15,125	19,997	4,872	2.59	0.49
Kohinoor Energy Limited	25,000	-	25,000	-	-	-	-	-	-	-
					15,125	15,125	19,997	4,872	2.59	0.49



SAFeway MUTUAL FUND LIMITED

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 market value of investments	Market value as a percentage of total paid-up capital of the investee company	
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise												
----- Rupees in thousand -----												
Non Life Insurance												
Adamjee Insurance Company Limited	-	35,070	-	35,070	-	-	-	-	-	-	-	
Real Estate Investment and Services												
Pace Pakistan Limited	-	516,526	-	516,526	-	-	-	-	-	-	-	
Equity Investment Instruments												
Crescent Standard Modaraba	-	634,500	-	634,500	-	-	-	-	-	-	-	
Total	15,174,477	31,665,801	140,099	22,748,616	24,231,761	651,471	579,515	627,243	47,728			

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 2,445,537 shares of D.G. Khan Cement Company Limited, 400,000 shares of United Bank Limited and 4,949,871 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.

4.1.3 The Fund intend to convert its Pak Elektron Limited - preference shares into ordinary shares as permitted by the constitutive documents. However, there is a dis-agreement with the company's management regarding the interpretation of the conversion calculation. This matter is under discussion.



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 value as a percentage of market value of investments	Market value as a percentage of total net assets	Market value as a percentage of the paid-up capital of the investee company
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise											
RELATED PARTIES											
Food Producers											
Shakarganj Mills Limited	2,403,509	-	-	2,403,509	-	-	-	-	-	-	-
Industrial Metal and Mining											
Crescent Steel & Allied Products Limited	1,234,495	-	-	1,234,495	-	-	-	-	-	-	-
OTHERS											
Financial Services											
Invest Capital Investment Bank Limited (Formerly :Al-Zamin Leasing Corporation Limited)	398,000	-	-	398,000	-	-	-	-	-	-	-
Electricity											
Altern Energy Limited	1,480,000	-	-	1,480,000	-	-	-	-	-	-	-
Personal Goods											
Crescent Textile Mills Limited	1,438,278	-	-	1,438,278	-	-	-	-	-	-	-
TOTAL	6,954,282	-	-	6,954,282	-	-	-	-	-	-	-

----- Rupees in thousand -----



SAFEGWAY MUTUAL FUND LIMITED

	Note	Unaudited March 31, 2010	Audited June 30, 2009
(Rupees in thousand)			
4.3 Net unrealized appreciation in the value of investments classified as 'available for sale'			
Market value	- note 4.2	-	82,264
Less: Cost	- note 4.2	-	(161,134)
Add: Impairment charge	- note 4.3.1	-	39,435
		<u>-</u>	<u>(39,435)</u>
4.3.1 Impairment charge			
Opening balance		39,435	-
Add: Impairment charge recognized during the period		-	39,435
Less: Sales of investments		(39,435)	-
Closing balance		<u>-</u>	<u>39,435</u>
5. SHARE CAPITAL			
Authorized share capital			
60,000,000 (June 30, 2009: 600,000,000) ordinary shares of Rs.10 each		<u>600,000</u>	<u>600,000</u>
Issued, subscribed and paid-up capital			
54,450,000 (June 30, 2009: 54,450,000) ordinary shares of Rs.10 each		<u>544,500</u>	<u>544,500</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.0.36 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.



SAFEWAY MUTUAL FUND LIMITED

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.

	January to March		July to March	
	2010	2009	2010	2009
	(Rupees in thousand)		(Rupees in thousand)	
Transactions during the period				
Remuneration to Asset Manager				
Safeway Fund Limited	3,777	2,009	10,501	9,083
Remuneration to Custodian				
Central Depository Company of Pakistan Limited	138	132	498	586
Commission paid				
Cassim Investments (Pvt.) Limited	95	71	624	73
Fees paid to Directors	30	25	90	80
Dividend paid				
Shakarganj Mills Limited	-	-	-	7,304
Crescent Steel & Allied Products Limited	-	-	-	1,990
Safeway Fund Limited	-	-	-	1,548
Asian Capital Management Limited	-	-	-	375
Dividend income				
Crescent Steel & Allied Products Limited	1,234	-	1,234	-
Shakarganj Mills Limited	-	-	-	-
Sale of marketable securities	-	-	92,010	-
Purchase of marketable securities	-	-	86,498	-
			Unaudited	Audited
			March 31,	June 30,
			2010	2009
			(Rupees in thousand)	
Balances outstanding at period end				
Remuneration payable to Asset Manager				
Safeway Fund Limited			1,269	915
Remuneration to Custodian				
Central Depository Company of Pakistan Limited			50	30

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. 4,092,066.
- 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.

Jehmeera Khan

Chief Executive

[Signature]

Director