



KASB LIQUID FUND

REPORT

for the Third Quarter March 31, 2009
(Un-Audited)

managed by



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FUND INFORMATION

Management Company

KASB Funds Limited

Registered Office:

9th Floor, Trade Centre, I.I. Chundrigar Road,
Karachi-74200, Pakistan

Principal Office:

11th Floor, Trade Centre, I.I. Chundrigar Road,
Karachi-74200, Pakistan

UAN: (92-21) 111 535 535

Fax: (92-21) 263 9188

URL: www.kasb.com

Board of Directors of KASB Funds Limited

Mr. Robert John Richard Owen – *Chairman*

Ms. Naz Khan – *CEO*

Mr. Farid Arshad Masood – *Director*

Mr. Syed Muhammad Rehmanullah – *Director*

Mr. Amir Zahoor Khan – *Director*

Chief Financial Officer

Mr. Muhammad Imran Khalil

Company Secretary

Mr. Irfan Saleem Awan

Audit Committee

Mr. Farid Arshad Masood – *Chairman*

Mr. Robert John Richard Owen – *Member*

Mr. Syed Muhammad Rehmanullah – *Member*

Trustee

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block 'B',

SMCHS, Main Shahra-e-Faisal, Karachi

Bankers to the Fund

KASB Bank Limited

Auditors

KPMG Taseer Hadi & Co. - Chartered Accountants

First Floor, Sheikh Sultan Trust Building No.2,

Beaumont Road, P.O.Box 8517, Karachi

Legal Advisor

Bawaney & Partners

Room No. 404, 4th Floor, Beaumont Plaza, 6-cl-10,

Beaumont Road, Civil Lines, Karachi-75530

Registrar

Noble Computer Services (Pvt.) Limited

2nd Floor, Sohni Centre, BS 5 & 6, Main Karimabad,

Block-4, Federal B. Area, Karachi-75950, Pakistan

Distributors

KASB Funds Limited

KASB Bank Limited

KASB Securities Limited

IGI Investment Bank Limited

Atlas Capital Markets (Private) Limited

Standard Chartered Bank (Pakistan) Limited

Management Company Rating

**AM-DS (AM-Developing Situation) by JCR-VIS
(December 2008)**

MISSION STATEMENT

KASB Liquid Fund seeks to maximize current income, consistent with low levels of risk and high liquidity.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR KASB LIQUID FUND

For The Nine Months Ended March 31, 2009

The Board of Directors of KASB Funds Limited ("KFL" or "the Company"), the Management Company of KASB Liquid Fund ("KLF" or "the Fund"), is pleased to present the condensed interim financial information of the Fund for the nine months ended March 31, 2009.

Investing Activities and Fund's Performance

Financial markets experienced a tough period during the nine months of the ongoing fiscal year stemming from tight market liquidity especially during the second quarter, political wrangling between the two largest political parties and security concerns within the country. As a result, capital markets plunged, investor confidence crashed and panic mounted. After some deliberations, Pakistan finally entered the IMF program to bring the economy back on track and take care of depleting reserves and a balance of payments crisis. Since the entry into the program, economic conditions have improved significantly with rise in foreign exchange reserves to over USD11bn leading to exchange rate stability, decline in current account deficit as well as decline in interest rates with the improvement in market liquidity. Markets have acknowledged this fact and are now on the road to recovery.

Liquidity improved in the system and investors started regaining confidence. For the nine month period, the fund gave a return of -0.78% p.a. due to revaluation on its TFC and Sukuk holdings. However, after a negative return in the second quarter, last quarter saw KLF posting a whopping return of 27.9% p.a on the back of sound performance and revaluation gains on TFC portfolio.

The overall asset allocation of the fund stood at 65% and 31% for TFC/Sukuk and Cash/Placements respectively as compared to the start of the fiscal year's allocation of 48% and 49% as fund size dropped in line with the industry average. The fund restrained from investing in CFS or taking any equity related exposure in the form of Ready Future.

The Fund earned a gross income of Rs. 353.31 million during the nine months under consideration while the net loss of the Fund for the same period was Rs. 87.42 million and the total net assets of the fund stood at Rs. 3,698.38 million at the end of the period translating into a NAV per unit of Rs. 96.95 (Par Rs. 100).

Future Outlook

Within a short period of time, the country's economic managers have managed to turn around the economy albeit with substantial IMF help. The country is regularly meeting IMF's targets or negotiating successfully on unattainable ones. We expect headline inflation to fall significantly in the coming months, thus putting pressure on the policy rate. However, core inflation is likely to come down only gradually. Massive fall in Pakistan's internationally quoted Credit Default Swap spreads from the peak of 5,000bps to 1,500bps in a quarter also hints towards a rating upgrade (the rating was last upgraded in December 2008 to CCC+).

We expect the fund's return to remain healthy going forward and our focus will remain on managing the credit risk in the portfolio. At the same time, lower interest rates are expected to improve the general credit environment in the country leading to better portfolio quality.

Acknowledgement

The Board of Directors of the Management Company thanks the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and Trustee for their dedication and hard work and the unit holders for their confidence in the management.

For and on behalf of the Board

April 27, 2009
Karachi

Naz Khan
Chief Executive

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2009

		(Un-audited) March 31, 2009	(Audited) June 30, 2008
(Rupees in '000)			
Assets			
Bank balances	5	966,070	3,305,884
Receivable against sale of investments		289	-
Placements	6	119,000	100,000
Certificate of Investment	7	50,000	775,000
Receivable against continuous funding system		-	311,893
Investments	8	2,411,613	4,142,803
Dividend and income receivable		156,842	216,809
Advance, deposits, prepayments and other receivables		4,906	5,565
Preliminary expenses and floatation costs		1,265	1,717
Total assets		3,709,985	8,859,671
Liabilities			
Payable against purchase of investments		-	2,967
Payable on redemption of units		-	7,482
Payable to KASB Funds Limited - Management Company		4,822	9,558
Payable to Central Depository Company of Pakistan Limited – Trustee		410	883
Payable to Securities and Exchange Commission of Pakistan		3,860	8,823
Accrued expenses and other liabilities		2,511	1,634
Total liabilities		11,603	31,347
Commitments	9		
Net assets		3,698,382	8,828,324
Unit holders' funds		3,698,382	8,828,324
Number of units in issue		38,147,888	85,473,099
Net asset value per unit		96.95	103.29

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

For The Nine Months And Quarter Ended March 31, 2009

	Nine months ended March 31,		Quarter ended March 31,	
	2009	2008	2009	2008
	(Rupees in '000)		(Rupees in '000)	
Income				
Income from term finance certificates and sukuk certificates	413,923	141,743	122,665	70,067
Income from continuous funding system	4,669	39,030	-	26,453
Dividend income	84	-	-	-
Income from term deposit receipts	125,711	211,058	26,867	62,437
Income from placements	12,089	104,367	3,213	46,921
Income from certificate of investment	52,580	61,601	5,471	22,397
Income from commercial papers	3,701	15,163	768	6,469
Profit on bank deposits	33,058	131,499	7,117	24,590
Capital (loss) / gain on sale of investments	(169,322)	10,496	(95,856)	1,442
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' – advance against Pre-IPO	8.2.1 (60,000)	-	(15,000)	-
Unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss'	8.4 (63,182)	8,726	89,960	4,872
Total Income	353,311	723,683	145,205	265,648
Expenses				
Remuneration of KASB Funds Limited – Management Company	59,675	84,001	14,601	30,751
Remuneration of Central Depository Company of Pakistan Limited – Trustee	4,964	7,213	1,220	2,614
Annual fee – Securities and Exchange Commission of Pakistan	3,860	6,462	730	2,366
Expense on repurchase transactions	18,644	-	1,771	-
Transaction costs on securities	1,407	4,113	672	2,070
Settlement and bank charges	193	1,198	12	861
Legal and professional charges	474	77	431	19
Fees and subscription	852	138	280	120
Printing and other expenses	154	138	34	-
Auditors' remuneration	674	569	270	171
Amortisation of preliminary expenses and floatation costs	452	452	149	149
Provision against debt securities	10 56,583	-	22,447	-
Provision for doubtful income receivable	10 34,014	-	6,057	-
Total Expenses	181,946	104,361	48,674	39,121
	171,365	619,322	96,531	226,527
Net realised element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(83,941)	53,261	8,932	(7,384)
Net income for the period	87,424	672,583	105,463	219,143

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)

For The Nine Months And Quarter Ended March 31, 2009

	Nine months ended March 31,		Quarter ended March 31,	
	2009	2008	2009	2008
	(Rupees in '000)		(Rupees in '000)	
Undistributed income / (loss) brought forward	262,039	635,088	(171,340)	468,415
Net unrealised element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	1,739	5,212	15,196	(161)
Net income for the period	87,424	672,583	105,463	219,143
Final distribution @ Rs. 2.75 per unit (June 30, 2007: Rs. 10.72 per unit) for the year ended June 30, 2008	(235,051)	(625,486)	-	-
Interim distribution @ Rs. 3 per unit	(166,832)	-	-	-
	(312,720)	52,309	120,659	218,982
Undistributed (loss) / income carried forward	(50,681)	687,397	(50,681)	687,397

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)

For The Nine Months And Quarter Ended March 31, 2009

	Nine months ended March 31,		Quarter ended March 31,	
	2009	2008	2009	2008
	(Rupees in '000)		(Rupees in '000)	
Net assets at the beginning of the period	8,828,324	6,481,037	3,934,328	9,546,778
Issue of 50,278,519 units (2008: 252,371,716 units) and 561,316 units (2008: 53,877,675) for the nine months and quarter respectively	5,114,197	26,211,388	53,972	5,749,555
Issue of 2,703,166 bonus units (2008: 6,232,424 bonus units) and Nil units (2008: Nil units) for the nine months and quarter respectively	272,310	625,486	-	-
Redemption of 100,306,896 units (2008: 227,604,718 units) and 5,784,708 units (2008: 55,193,677 units) for the nine months and quarter respectively	(10,201,230)	(23,678,459)	(552,183)	(5,888,701)
	(4,814,723)	3,158,415	(498,211)	(139,146)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed:				
- amount representing accrued income / (loss) and realised capital gains / (losses) – transferred to the Income Statement	83,941	(53,261)	(8,932)	7,384
- amount representing unrealised diminution / (appreciation) in fair value of investments – transferred directly to Distribution Statement	(1,739)	(5,212)	(15,196)	161
	82,202	(58,473)	(24,128)	7,545
Unrealised (diminution) / appreciation in fair value of investments classified as 'available for sale' at the end of the period	(108,291)	10,864	143,287	10,864
Provision against debt securities	56,583	-	22,447	-
Unrealised (appreciation) / diminution in fair value of investments classified as 'available for sale' at the beginning of the period	(32,993)	(11,192)	-	1,026
Unrealised (diminution) / appreciation in fair value of investments classified as 'available for sale' during the period	(84,701)	(328)	165,734	(1,199)
Distribution during the period:				
- Issue of bonus units	(272,310)	(625,486)	-	-
- Dividend	(129,573)	-	-	-
	(401,883)	(625,486)	-	-
Net income available for distribution (excluding net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss')	150,606	663,857	15,503	214,271
Unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss'	(63,182)	8,726	89,960	4,872
Net unrealised element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised capital gains / (losses)	1,739	5,212	15,196	(161)
Net income (including unrealised element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed)	89,163	677,795	120,659	218,982
Net assets at the end of the period	<u>3,698,382</u>	<u>9,632,960</u>	<u>3,698,382</u>	<u>9,632,960</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For The Nine Months And Quarter Ended March 31, 2009

	Nine months ended March 31,		Quarter ended March 31,	
	2009	2008	2009	2008
	(Rupees in '000)		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	87,424	672,583	105,463	219,143
Adjustments:				
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' – advance against Pre-IPO	60,000	-	15,000	-
Unrealised diminution / (appreciation) in fair value of investments classified as 'at fair value through profit or loss'	63,182	(8,726)	(89,960)	(4,872)
Net realised element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	83,941	(53,261)	(8,932)	7,384
Provision against debt securities and doubtful income receivable	90,597	-	28,504	-
Amortisation of preliminary expenses and floatation costs	452	452	149	149
	298,172	(61,535)	(55,239)	2,661
Decrease / (increase) in assets				
Receivable against sale of investments	(289)	-	(289)	-
Placements	(19,000)	(410,000)	(99,000)	834,000
Certificate of investment	725,000	(400,000)	300,000	125,000
Receivable against continuous funding system	311,893	(1,091,374)	-	(252,564)
Investments – net	1,466,724	(2,521,886)	571,986	(917,519)
Term Deposit Receipts with maturity of more than three months	1,800,000	-	-	-
Dividend and income receivable	25,953	(186,634)	(705)	(52,156)
Deposits, prepayments and other receivables	659	(2,432)	1,756	343
	4,310,940	(4,612,326)	773,748	(262,896)
Increase / (decrease) in liabilities				
Payable against purchase of investments	(2,967)	(54)	-	-
Payable on redemption of units	(7,482)	6,081	-	(38,069)
Payable to KASB Funds Limited – Management Company	(4,736)	5,283	(110)	142
Payable to Central Depository Company of Pakistan Limited – Trustee	(473)	640	(10)	176
Payable to Securities and Exchange Commission of Pakistan	(4,963)	4,411	730	2,365
Payable against repurchase transactions	-	-	(148,000)	-
Accrued expenses and other liabilities	877	110	(1,336)	(254,089)
	(19,744)	16,471	(148,726)	(289,475)
Net cash inflow / (outflow) from operating activities	4,676,792	(3,984,807)	675,246	(330,567)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend Paid	(129,573)	-	-	-
Net (payments) / receipts from sale and redemption of units	(5,087,033)	2,532,929	(498,211)	(139,146)
Net cash (outflow) / inflow from financing activities	(5,216,606)	2,532,929	(498,211)	(139,146)
Net (decrease) / increase in cash and cash equivalents during the period	(539,814)	(1,451,878)	177,035	(469,713)
Cash and cash equivalents at the beginning of the period	1,505,884	4,624,755	789,035	3,642,590
Cash and cash equivalents at the end of the period	966,070	3,172,877	966,070	3,172,877

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For The Nine Months And Quarter Ended March 31, 2009

1. Legal Status And Nature Of Business

KASB Liquid Fund ("KLF,"the "Fund") was established under a Trust Deed executed between KASB Funds Limited (KFL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on February 20, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 17, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to undertake asset management and investment advisory services as Non-Banking Finance Company under the NBFC Rules issued by the SECP. The registered office of the Management Company is situated at 9th Floor, Trade Centre, I. I. Chundrigar Road, Karachi, Pakistan. JCR-VIS has assigned a management quality rating of AM-DS to the Management Company.

KLF is an open-ended mutual fund and is listed on The Karachi Stock Exchange (Guarantee) Limited. KLF seeks to maximise current income, consistent with low levels of risk and high liquidity by primarily investing in low duration, liquid investments including money market and other debt instruments as well as fixed income transactions in the capital market.

Due to the extraordinary circumstances in the financial markets and with a view to protect the interest of unit holders, KASB Funds Limited announced temporary suspension of redemption of units of KLF with effect from November 7, 2008 to February 28, 2009.

2. Basis Of Presentation

This interim financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting as required under regulation 38 (g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). This does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2008.

This condensed interim financial information comprises of the condensed interim statement of assets and liabilities as at March 31, 2009 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim cash flow statement and notes thereto for the period ended March 31, 2009.

The comparatives in the statement of assets and liabilities presented in the condensed interim financial information as at March 31, 2009 have been extracted from the audited financial statements of the Fund for the year ended June 30, 2008.

This condensed interim financial information is unaudited and presented in Pak Rupees, which is the Fund's functional and presentation currency and has been rounded off to the nearest thousand rupees.

3. Accounting Policies

The accounting policies and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements for the year ended June 30, 2008.

4. Estimates And Judgements

The preparation of condensed interim financial information requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. The significant judgements made by the management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2008 except for the following:

4.1 Valuation of Debt Securities:

During the period, the management changed the basis for determination of fair value of investments in Term Finance Certificates (TFCs) and Sukuk Certificates in compliance with the requirements of Circular no. 1/2009 dated January 06, 2009 (effective date: January 10, 2009) issued by SECP. These investments are now valued at the rates notified by the Mutual Funds Association of Pakistan (MUFAP) on its website.

Previously, from November 5, 2008 to January 9, 2009, the management changed the basis for determination of fair value of investments in Term Finance Certificates (TFCs) and Sukuk Certificates in compliance with the requirements of Circular no. 26/2008 dated November 05, 2008 issued by SECP.

These investments were valued at the lower of rates notified by the MUFAP on its website or the value as calculated under the said Circular.

Before November 5, 2008, TFCs and Sukuks were being valued at rates notified by MUFAP as required under Regulation 2 (1) (xvi) (b) of the Non-Banking Finance Companies and Notified Entities Regulations, 2007.

5. Bank Balances

	(Un-audited) March 31, 2009	(Audited) June 30, 2008
	(Rupees in '000)	
In current accounts	10	10
In deposit accounts	5.1 206,060	855,874
Term deposit receipts	5.2 760,000	2,450,000
	<u>966,070</u>	<u>3,305,884</u>

- 5.1 Profit rates on deposit accounts range between 11.20% to 12.5% per annum (June 30, 2008: 8.5% to 12.5% per annum).
- 5.2 This represents term deposit receipts placed with a banking company carrying markup ranging from 12.75% to 13.75% per annum (June 30, 2008: 10.55% to 19% per annum) and maturity ranging from 23 to 338 days (June 30, 2008: 7 to 157 days).

6. Placements – Unsecured

These Placements carry profit rates ranging from 16% to 22% per annum (June 30, 2008: 17% per annum) and maturity ranging from 2 to 48 days (June 30, 2008: 10 days).

7. Certificate of Investment – Unsecured

This certificate of investment carries profit rate of 16% per annum (June 30, 2008: 11.31% to 16.4% per annum) having a maturity of 47 days (June 30, 2008: 42 to 231 days).

8. Investments

	(Un-audited) March 31, 2009	Audited June 30, 2008
	(Rupees in '000)	

At fair value through profit or loss

Designated on initial recognition

- Term Finance Certificates – Listed
- Advances against Pre-IPO

8.1	690,756	684,307
8.2	265,000	1,044,017
8.3	7,249	8,204
	-	58
	963,005	1,736,586

Held for trading

- Quoted Equity Securities
- Future Contracts

Available for sale

- Term finance certificates and Sukuk Certificates
- Application money for subscription of Term Finance Certificates
- Commercial Papers – Unsecured

8.5	1,358,058	2,232,572
8.6	90,550	98,800
8.7	-	74,845
	1,448,608	2,406,217
	2,411,613	4,142,803

The cost of these securities as at March 31, 2009 amounted to Rs. 2,634.903 million (June 30, 2008: Rs. 4,101.568 million).

8.1 At fair value through profit or loss – Term Finance Certificates

Name of the Investee Company	Profit / mark-up rate (%)	-----Number of certificates-----				Cost as at March 31, 2009	Market Value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Principal value as a percentage of issued debt capital
		As at July 01, 2008	Purchased during the period	Sales during the period	As at March 31, 2009					
(Rupees in '000)										
Term Finance Certificates – Listed										
Pace (Pakistan) Limited	15.78	30,000	-	-	30,000	149,940	144,002	5.97	3.89	10.00
Trust Investment Bank Limited	17.53	10,000	-	-	10,000	49,990	46,986	1.95	1.27	8.33
WorldCall Telecom Limited	16.40	46,000	27,000	51,000	22,000	96,763	104,093	4.32	2.81	2.75
Pakistan Mobile Communications Limited - III	16.53	120,000	-	35,000	85,000	425,000	395,675	16.41	10.70	7.50
Pakistan Mobile Communications Limited	-	15,000	-	15,000	-	-	-	-	-	-
Jahangir Siddiqui & Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
Allied Bank Limited	-	5,000	-	5,000	-	-	-	-	-	-
Engro Chemicals Pakistan Limited - III	-	10,000	10,000	20,000	-	-	-	-	-	-
United Bank Limited - IV	-	30,000	-	30,000	-	-	-	-	-	-
Pak Arab Fertilizers Limited	-	30,000	-	30,000	-	-	-	-	-	-
NIB Bank Limited	-	10,000	-	10,000	-	-	-	-	-	-
Escorts Investment Bank Limited	-	-	8,000	8,000	-	-	-	-	-	-
						<u>721,693</u>	<u>690,756</u>			

8.2 At fair value through profit or loss – Advances Against Pre-IPO

Name of the investee Company	Profit / mark-up rate (%)	-----Number of certificates-----				Cost as at March 31, 2009	Market Value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Principal value as a percentage of issued debt capital	
		As at July 01, 2008	Purchased during the period	Sales during the period	As at March 31, 2009						
(Rupees in '000)											
Dewan Cement Limited	8.21	16.12	30,000	-	-	30,000	150,000	90,000	3.73	2.43	3.00
Allied Bank Limited - I	16.46	-	20,000	-	20,000	100,000	87,500	3.63	2.37	2.00	
Allied Bank Limited - II	16.16	-	20,000	-	20,000	100,000	87,500	3.63	2.37	2.00	
						<u>350,000</u>	<u>265,000</u>				

8.2.1 This represents investment in advance against term finance certificates of Dewan Cement Limited (DCL). The respective investment in DCL is collateralised against first pari passu charge over plant and machinery and land and buildings, as mentioned in the constitutive documents of the instrument. As per agreement, public offering was expected to be completed within 270 days from the signing of the agreement failing which the Company was required to refund the amount of Rs. 150 million along with interest accrued thereon.

The Fund has made full provision against markup receivable till March 31, 2009 and suspended further accruals of markup on the investment. The investment is valued at 60% of its face value and the Management is continuously monitoring the Fund's exposure to this investment and accordingly, no additional provision in this respect has been made as at March 31, 2009. The above is without prejudice to the Fund's claim against the above company for the entire exposure and unrecognized markup and other charges etc.

**8.3 At fair value through profit or loss – ‘held for trading’
Quoted equity securities**

Name of the investee company	-----Number of Shares-----				Cost as at March 31, 2009	Market value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as Percentage of issued capital of investee company
	As at July 01, 2008	Additions during the period	Sales during the period	As at March 31, 2009					

--- (Rupees in '000) ---

Shares of listed companies

- Fully paid ordinary shares of Rs. 10/- each unless stated otherwise

Chemical

Clariant Pakistan Limited	-	43,400	43,400	-	-	-	-	-	-	
ICI Pakistan Limited	-	6,000	6,000	-	-	-	-	-	-	
Colgate-Palmolive (Pakistan) Limited	-	4,500	1,100	3,400	1,479	890	0.04	0.02	0.01	
Descon Oxychem limited	-	770,185	770,185	-	-	-	-	-	-	
Sitara Chemical Industries Limited	-	22,500	22,500	-	-	-	-	-	-	
Sitara Peroxide Limited	-	65,000	65,000	-	-	-	-	-	-	
Engro Polymer & Chemicals Limited	83.2	-	273,378	-	273,378	4,450	6,162	0.26	0.17	0.05

Commercial Banks

Habib Bank Limited	-	5,110	5,110	-	-	-	-	-	-
MCB Bank Limited	-	7,200	7,200	-	-	-	-	-	-
National Bank of Pakistan	-	37,884	37,884	-	-	-	-	-	-
Soneri Bank Limited	-	50,120	50,120	-	-	-	-	-	-

Engineering

Huffaz Seamless Pipe Industries Limited	-	177,395	177,395	-	-	-	-	-	-
International Industries Limited	-	25,000	25,000	-	-	-	-	-	-

Fertilizers

Fauji Fertilizer Bin Qasim Limited	-	22,712	22,712	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	3,715	3,715	-	-	-	-	-	-
Dawood Hercules Chemicals Limited	-	5,442	5,442	-	-	-	-	-	-

Food & Personal Care Products

Unilever Pakistan Limited (Rs. 50 each)	-	440	440	-	-	-	-	-	-
Murree Brewery Company Limited	-	25,506	25,506	-	-	-	-	-	-
Nestle Pakistan Limited	-	700	700	-	-	-	-	-	-
Gillette Pakistan Limited	-	3,200	100	3,100	381	197	0.01	0.01	0.02

Jute

Thal Limited	-	20,200	20,200	-	-	-	-	-	-
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Miscellaneous

Ecopack Limited	-	938,838	938,838	-	-	-	-	-	-
Tri-Pack Films Limited	-	36,500	36,500	-	-	-	-	-	-

Oil & Gas Exploration Companies

Pakistan Oilfields Limited	-	29,300	29,300	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	13,707	13,707	-	-	-	-	-	-
Pakistan Petroleum Limited	-	16,805	16,805	-	-	-	-	-	-

Oil & Gas Marketing Company

Pakistan State Oil Company Limited	-	3,000	3,000	-	-	-	-	-	-
Shell Pakistan Limited	-	15,423	15,423	-	-	-	-	-	-

Name of the investee company	-----Number of Shares-----				Cost as at March 31, 2009	Market value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as Percentage of issued capital of investee company
	As at July 01, 2008	Additions during the period	Sales during the period	As at March 31, 2009					

--- (Rupees in '000) ---

Shares of listed companies

- Fully paid ordinary shares of Rs. 10/- each unless stated otherwise

Paper and Board

Packages Limited	-	21,106	21,106	-	-	-	-	-	-
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Power Generation And Distribution

Kot Addu Power Company Limited	-	2,000	2,000	-	-	-	-	-	-
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Technology & Communication

Eye Television Network Limited	-	150,000	150,000	-	-	-	-	-	-
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Netsol Technologies Limited	-	22,038	22,038	-	-	-	-	-	-
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Textile Composite

Nishat Mills Limited	-	28,249	28,249	-	-	-	-	-	-
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Tobacco

Pakistan Tobacco Company Limited	-	15,000	15,000	-	-	-	-	-	-
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Cement

Lucky Cement Limited	54,000	-	54,000	-	-	-	-	-	-
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Investment Banks / Companies / Securities

Jahangir Siddiqui & Company Limited	5,500	-	5,500	-	-	-	-	-	-
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6,310 7,249

8.3.1 The above shares were received under settlement of a lending arrangement with a financial institution and have been disposed of within a period of three months as per direction of SECP.

8.3.2 As per direction of the SECP, the respective shares are required to be disposed of within a period of two months.

8.4 Unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss'

(Un-audited)

March 31, 2009 March 31, 2008

(Rupees in '000)

Fair value of investments	963,005	691,203
Less: Cost of investments	(1,078,003)	(675,917)
	<u>(114,998)</u>	<u>15,286</u>

Unrealised appreciation in fair value of investments at beginning of the period

(8,184)	(6,560)
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Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - advance against Pre-IPO

60,000	-
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Realised on disposal during the period

-	-
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51,816	(6,560)
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<u>(63,182)</u>	<u>8,726</u>
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8.5 Available for sale - Term Finance Certificates and Sukuk Certificates

Name of the Investee Company	Profit / mark-up rate %	-----Number of certificates-----				Cost as at March 31, 2009	Market Value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Principal value as a percentage of issued debt capital
		As at July 01, 2008	Purchased during the period	Sales during the period	As at March 31, 2009					
---(Rupees in '000)---										
Term Finance Certificates										
Listed										
Orix Leasing Pakistan Limited	17.15	10,000	-	5,000	5,000	24,985	25,342	1.05	0.69	1.00
Azgard Nine Limited - II	-	9,000	-	9,000	-	-	-	-	-	-
Allied Bank Limited	-	13,000	-	13,000	-	-	-	-	-	-
Askari Bank Limited	-	4,252	-	4,252	-	-	-	-	-	-
Bank Alfalah Limited - III	-	15,000	-	15,000	-	-	-	-	-	-
						24,985	25,342			
Unlisted										
Azgard Nine Limited - IV	17.91	50,000	2,201	7,801	44,400	221,955	213,767	8.86	5.78	8.88
Engro Chemicals Pakistan Limited	14.17	62,000	2,500	64,140	360	1,800	1,584	0.07	0.04	0.05
Gharibalw Cement Limited	18.70	8,000	-	-	8,000	39,984	36,122	1.50	0.98	10.00
KASB Securities Limited	17.58	10,000	2,232	2,232	10,000	50,045	48,836	2.03	1.32	10.00
New Allied Electronics Industries (Private) Limited	8.5.7	16.69	13,000	-	13,000	59,875	29,792	1.24	0.81	7.22
Orix Leasing Pakistan Limited	16.94	10,000	-	-	10,000	50,000	50,050	2.08	1.35	1.00
Pak American Fertilizers Limited	17.32	40,000	-	-	40,000	199,920	187,705	7.78	5.08	2.90
Pakistan Mobile Communications Limited	15.82	20,000	38,426	48,426	10,000	45,263	45,795	1.90	1.24	1.43
Optimus Limited	17.04	-	10,000	-	10,000	42,102	46,480	1.93	1.26	10.00
Jahangir Siddiqui & Company Limited - V	-	10,000	5,000	15,000	-	-	-	-	-	-
						710,944	660,131			
Sukuk Certificates										
New Allied Electronics Industries (Private) Limited - I										
Pak Elektron Limited	14.20	-	13,401	9,401	4,000	20,113	19,086	0.79	0.52	2.00
Pak American Fertilizers Limited	-	30,000	-	30,000	-	-	-	-	-	-
Karachi Shipyard & Engineering Works Limited	15.60	-	8,000	4,000	4,000	19,927	20,034	0.83	0.54	0.48
Karachi Shipyard & Engineering Works Limited - II	15.17	-	62,076	21,076	41,000	205,350	206,906	8.58	5.59	4.88
Maple Leaf Cement Factory Limited - II	17.37	43,000	11,000	6,400	47,600	232,731	219,127	9.09	5.92	2.98
New Allied Electronics Industries (Private) Limited - II										
Sitar Chemical Industries Limited - III	-	20,000	5,200	25,200	-	-	-	-	-	-
Kohat Cement Company Limited	17.48	20,000	-	12,350	7,650	36,950	27,712	1.15	0.75	1.53
House Building Finance Corporation Limited	-	15,000	-	15,000	-	-	-	-	-	-
Al-Zamin Leasing Modaraba	17.66	14,000	-	-	14,000	70,000	65,499	2.72	1.77	10.00

Name of the Investee Company	Profit / mark-up rate %	-----Number of certificates-----				Cost as at March 31, 2009	Market Value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Principal value as a percentage of issued debt capital
		As at July 01, 2008	Pur-chased during the period	Sales during the period	As at March 31, 2009					
---(Rupees in '000)---										
Security Leasing Corporation Limited	17.67	10,000	10,000	19,500	500	2,189	2,040	0.08	0.06	0.38
Pak Elektron Limited - II	16.00	-	14,000	-	14,000	60,127	61,089	2.53	1.65	6.36
Eden Housing Limited	15.25	-	5,185	-	5,185	21,783	24,592	1.02	0.66	3.55
						722,170	672,585			
						1,458,099	1,358,058			

8.5.1 This represents privately placed term finance certificates of New Allied Electronics Industries (Private) Limited (NAEIL). The respective investment in NAEIL is collateralised against mortgage over property consisting of plot number F-14, Block 5, KDA Scheme, Clifton, Karachi and charge over stocks and receivables of the company by way of hypothecation, Letter of Guarantee by the sponsoring directors of the Company and a standby letter of credit as mentioned in the constitutive documents of the instrument.

On November 15, 2008 and February 15, 2009, owing to the financial difficulties, no payment was made against the markup and principal due amounting to Rs. 4.892 million and Rs. 10.832 million respectively. The Fund has made full provision against markup receivable till March 31, 2009 and suspended further accruals of markup on the investment. However, during the period, upon the enforcement of standby letter of credit by the Trustee of the Issue, a partial payment of Rs. 2.167 million has been received on pro-rata basis against the outstanding markup.

The investment is valued at 50% of its face value and the marked down has been recognized in the income statement as 'provision against debt securities'. The Management is continuously monitoring the Fund's exposure to this investment and accordingly, no additional provision in this respect has been made as at March 31, 2009. The above provision is without prejudice to the Fund's claim against the above company for the entire exposure and unrecognised markup and other charges etc.

8.5.2 This represents sukuk certificates of New Allied Electronics Industries (Private) Limited (NAEIL). The respective investment in NAEIL is collateralised against first exclusive charge by way of equitable mortgage on land, plant, equipment, machinery and other fixed assets of the company with a margin of 33.33% and as mentioned in the constitutive documents of the instrument.

On October 25, 2008, owing to the financial difficulties, NAEIL has paid full markup amounting to Rs. 0.423 million, however, no payment was made against the principal due amounting to Rs. 0.625 million. Moreover on January 25, 2009, no payment was made against the markup and principal due amounting to Rs. 0.399 million and Rs. 0.625 million respectively. The Fund has made full provision against markup receivable till March 31, 2009 and suspended the further accruals of markup on the investment.

The investment is valued at 50% of its face value and the marked down has been recognized in the income statement as 'provision against debt securities'. The Management is continuously monitoring the Fund's exposure to this investment and accordingly, no additional provision in this respect has been made as at March 31, 2009. The above provision is without prejudice to the Fund's claim against the above company for the entire exposure and unrecognised markup and other charges etc.

8.5.3 This represents sukuk certificates of New Allied Electronics Industries (Private) Limited (NAEIL). The respective investment in NAEIL is collateralised against first pari passu charge over all present and future fixed assets (excluding land and building) and current assets of the company, irrevocable guarantee of A+ rated financial institution for each upcoming installment of sukuk and personal guarantees of the sponsoring directors, as mentioned in the constitutive documents of the instrument.

On December 3, 2008, owing to the financial difficulties, no payment was made against the markup amounting to Rs. 3.247 million. The Fund has made full provision against markup receivable till March 31, 2009 and suspended further accruals of markup on the investment. However, during the period, a partial payment of Rs. 2.408 million has been received against the outstanding markup.

The investment is valued at 50% of its face value and the markdown has been recognised in the income statement as 'provision against debt securities'. The Management is continuously monitoring the Fund's exposure

to this investment and accordingly, no additional provision in this respect has been made as at March 31, 2009. The above provision is without prejudice to the Fund's claim against the above company for the entire exposure and unrecognised markup and other charges etc.

8.6 Application money for subscription of Term Finance Certificates

Name of the Investee Company	Profit / mark-up rate (%)	-----Number of certificates-----				Cost as at March 31, 2009	Market Value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Principal value as a percentage of issued debt capital
		As at July 01, 2008	Purchased during the period	Sales during the period	As at March 31, 2009					

-- (Rupees in '000) --

Avari Hotels Limited	18.45	19,760	-	-	19,760	98,800	90,550	3.75	2.45	8.23
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8.6.1 The Fund entered into an agreement with Avari Hotels Limited for subscription (Pre-IPO) of 39,000 TFCs on November 1, 2007. These TFCs, carry markup at the rate of 6 months KIBOR plus 3.25%, receivable semi-annually in arrears and will mature in 7 years after the issue.

8.7 Commercial Papers – Unsecured

Name of the Investee Company	Profit / mark-up rate %	-----Number of Commercial Papers-----				Cost as at March 31, 2009	Market Value as at March 31, 2009	Market value as a percentage of total investments	Market value as a percentage of net assets	Principal value as a percentage of issued debt capital
		As at July 01, 2008	Purchased during the period	Sales during the period	As at March 31, 2009					

-- (Rupees in '000) --

Pak Elektron Limited	-	25	-	25	-	-	-	-	-	-
Pak American Fertilizers Limited	-	50	-	50	-	-	-	-	-	-
Pak Elektron Limited	-	-	50	50	-	-	-	-	-	-
						<u>-</u>	<u>-</u>			

8.8 Unrealised (diminution) / appreciation in fair value of investments classified as 'available for sale'

(Un-audited)

March 31, 2009 March 31, 2008
(Rupees in '000)

Fair value of investments	1,448,608	2,581,193
Less: Cost of investments	(1,556,899)	(2,570,329)
	<u>(108,291)</u>	<u>10,864</u>

Unrealised appreciation in fair value of investments classified as 'available for sale' at the beginning of the period
Provision against debt securities
Realised on disposal during the period

(32,993)	(11,192)
56,583	-
-	-
<u>23,590</u>	<u>(11,192)</u>
<u>(84,701)</u>	<u>(328)</u>

9. Commitments	(Un-audited)	(Audited)
	March 31, 2009	June 30, 2008
	(Rupees in '000)	
Continuous Funding System transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at	-	82,102
Purchase of Listed Term Finance Certificates	-	50,000
Purchase of Privately Placed Term Finance Certificates	96,200	-
Purchase of Sukuk Certificates	-	80,000

10. Provision Against Debt Securities And Doubtful Income Receivable

This represents provision against debt securities and doubtful income receivable on advance against investment in Pre-IPO of Term Finance Certificates of Dewan Cement Limited and Privately Placed Term Finance Certificates and Sukuk Certificates of New Allied Electronics Industries (Private) Limited. (Refer Notes 8.2.1, 8.5.1, 8.5.2 and 8.5.3).

11. Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2008.

12. Transactions With Related Parties / Connected Persons

Related parties / connected persons include KASB Funds Limited (the Management Company), KASB Bank Limited (Holding Company of the Management Company), KASB Capital Limited (amalgamated with KASB Bank Limited w.e.f. December 31, 2008), KASB Securities Limited, KASB Modaraba, Network Leasing Corporation Limited (amalgamated with KASB Bank Limited w.e.f. December 31, 2008) and New Horizon Exploration and Production Limited (associated companies of the Management Company), KASB Islamic Income Fund, KASB Stock Market Fund and KASB Balanced Fund (Funds managed by the Management Company), Central Depository Company of Pakistan Limited (trustee of the Fund) and directors and key management personnel of the Management Company.

The State Bank of Pakistan vide its order dated January 01, 2009 sanctioned the scheme of amalgamation of KASB Capital Limited (previously: the holding company of KASB Funds Limited), and Network Leasing Corporation Limited with and into KASB Bank Limited effect from the close of business on December 31, 2008. The same was approved by the SECP vide its letters dated January 23, 2009. Therefore, consequent to this amalgamation, KASB Bank Limited (being the successor in interest of KASB Capital Limited) has become the holding company of KASB Funds Limited.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of Non Banking Finance Companies and Notified Entities Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them at period end are as follows:

12.1 Transactions	(Un-audited)		(Un-audited)	
	Nine months ended March 31,		Quarter ended March 31,	
	2009	2008	2009	2008
	----(Rupees in '000)----		----(Rupees in '000)----	
KASB Funds Limited				
Remuneration expense	59,675	84,001	14,601	30,751
Investment in the Fund: Nil units (2008: 650,424 units) and Nil units (2008: 74,676 units) for the nine months and quarter respectively	-	68,131	-	8,000

	(Un-audited) Nine months ended March 31,		(Un-audited) Quarter ended March 31,	
	2009	2008	2009	2008
	---(Rupees in '000)---		---(Rupees in '000)---	
Redemption from the Fund: 248,739 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>25,263</u>	-	-	-
Bonus Units: 64,585 units (2008: 34,466 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>6,513</u>	<u>3,459</u>	-	-
KASB Funds Limited Employees' Provident Fund				
Bonus Units: 376 units (2008: 221 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>38</u>	<u>22</u>	-	-
Investment in the Fund: Nil units (2008: 3,766 units) and Nil units (2008: 3,766 units) for the nine months and quarter respectively	-	<u>400</u>	-	<u>400</u>
KASB Capital Limited				
Investment in the Fund: Nil units (2008: 6,813,049 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	-	<u>700,000</u>	-	-
Transfer in the Fund: 31,491 units (2008: 2,387,866 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>2,893</u>	<u>250,000</u>	-	-
Conversion out from the Fund: Nil units (2008: 2,374,846 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	-	<u>250,000</u>	-	-
Redemption from the Fund: Nil units (2008: 3,833,089 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	-	<u>400,000</u>	-	-
Sale of Sukuk Certificates: 71,000 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>369,043</u>	-	-	-
Sale of Term Finance Certificates: 59,640 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>301,967</u>	-	-	-
Purchase of Sukuk Certificates: 41,000 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>210,911</u>	-	-	-
KASB Securities Limited				
Brokerage expense	12.3	<u>274</u>	<u>137</u>	<u>89</u>
Sale of Term Finance Certificates: 25,600 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>129,862</u>	-	-	-
Purchase of Term Finance Certificates: 20,000 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>100,300</u>	-	-	-
KASB Securities Limited Employees' Provident Fund				
Investment in the Fund: Nil units (2008: 40,022 units) and Nil units (2008: 40,022 units) for the nine months and quarter respectively	-	<u>4,300</u>	-	<u>4,300</u>

	(Un-audited) Nine months ended March 31,		(Un-audited) Quarter ended March 31,	
	2009	2008	2009	2008
	----(Rupees in '000)----		----(Rupees in '000)----	
Bonus Units: 2,481 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	250	-	-	-
KASB Bank Limited				
Bank charges	50	34	4	13
Profit accrued on bank deposits	26,913	38,170	2,586	8,265
Term Deposit Receipts	300,000	-	-	-
Income accrued on Term Deposit Receipt	3,154	-	-	-
Dividend Paid	645	-	-	-
Repurchase Transaction	50,000	-	-	-
Expense accrued on Repurchase Transaction	849	-	-	-
Bonus Units: Nil units (2008: 270,773 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	-	27,175	-	-
Transfer in the Fund: 699,180 units (2008: 2,805,735 units) and 475,586 units (2008: Nil units) for the nine months and quarter respectively	64,413	288,317	44,299	-
Transfer out of the Fund: Nil units (2008: 5,193,600 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	-	538,261	-	-
Redemption from the Fund: Nil units (2008: 305,735 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	-	32,185	-	-
Sale of Term Finance Certificates: 66,926 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	299,996	-	-	-
Purchase of Term Finance Certificates: 47,926 units (2008: Nil units) and 47,926 units (2008: Nil units) for the nine months and quarter respectively	222,120	-	222,120	-
KASB Bank Limited Employees' Provident Fund				
Bonus Units: 4,870 units (2008: 7,582 units) and 2,566 units (2008: Nil units) for the nine months and quarter respectively	491	761	-	-
Redemption from the Fund: 89,094 units (2008: Nil units) and 89,094 units (2008: Nil units) for the nine months and quarter respectively	8,466	-	8,466	-
Central Depository Company of Pakistan Limited				
Remuneration Expense	4,964	7,213	1,220	2,614
CDS charges	104	784	2	580
Investment in the Fund: 916,663 units (2008: 950,725 units) and Nil units (2008: 562,166 units) for the nine months and quarter respectively	94,425	100,000	-	60,000
Bonus Units: 24,405 units (2008: 20,765 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	2,454	2,084	-	-
Redemption from the Fund: 1,833,325 units (2008: 562,272 units) and Nil units (2008: 562,272 units) for the nine months and quarter respectively	189,464	60,000	-	60,000

	(Un-audited) Nine months ended March 31,		(Un-audited) Quarter ended March 31,	
	2009	2008	2009	2008
	---(Rupees in '000)---		---(Rupees in '000)---	
New Horizon Exploration and Production Limited				
Bonus Units: 5 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>1</u>	-	-	-
Directors and officers of the Management Company				
Investment in the Fund: 295,248 units (2008: 117,634 units) and 3,732 units (2008: 22,456 units) for the nine months and quarter respectively	<u>30,294</u>	<u>12,218</u>	<u>355</u>	<u>2,392</u>
Redemption from the Fund: 281,805 units (2008: 70,422 units) and 1,730 units (2008: 43,728 units) for the nine months and quarter respectively	<u>29,067</u>	<u>7,431</u>	<u>193</u>	<u>4,678</u>
Conversion in the Fund: 37,902 units (2008: 46,125 units) and 4,331 units (2008: 9,474 units) for the nine months and quarter respectively	<u>3,870</u>	<u>4,835</u>	<u>412</u>	<u>1,013</u>
Conversion out from the Fund: 86,764 units (2008: 61,113 units) and 4,331 units (2008: 12,656 units) for the nine months and quarter respectively	<u>8,793</u>	<u>6,381</u>	<u>419</u>	<u>1,353</u>
Bonus Units: 13,459 units (2008: 14,825 units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>1,358</u>	<u>1,488</u>	-	-
Transfer in the Fund: 5,118 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>523</u>	-	-	-
Transfer out of the Fund: 108,391 units (2008: Nil units) and 1,305 units (2008: Nil units) for the nine months and quarter respectively	<u>9,731</u>	-	<u>120</u>	-
KASB Balanced Fund				
Sale of Sukuk Certificates: 25,500 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>132,068</u>	-	-	-
Purchase of Sukuk Certificates: 10,000 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>51,826</u>	-	-	-
Repurchase Transaction	<u>48,000</u>	-	-	-
Expense accrued on Repurchase Transaction	<u>2,035</u>	-	<u>473</u>	-
KASB Stock Market Fund				
Sale of Sukuk Certificates: 11,600 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>60,068</u>	-	-	-
Purchase of Sukuk Certificates: 5,200 units (2008: Nil units) and 5,200 units (2008: Nil units) for the nine months and quarter respectively	<u>24,238</u>	-	<u>24,238</u>	-
KASB Islamic Income Fund				
Sale of Sukuk Certificates: 14,750 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>75,548</u>	-	-	-

	(Un-audited)		(Un-audited)	
	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2009	2008	2009	2008
	----(Rupees in '000)----		----(Rupees in '000)----	
KASB Modaraba				
Sale of Sukuk Certificates: 6,401 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>33,040</u>	-	-	-
Sale of Term Finance Certificates: 4,433 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>23,388</u>	-	-	-
Purchase of Sukuk Certificates: 2,401 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>12,269</u>	-	-	-
Purchase of Term Finance Certificates: 4,433 units (2008: Nil units) and Nil units (2008: Nil units) for the nine months and quarter respectively	<u>23,529</u>	-	-	-

12.2 Balances

KASB Funds Limited

Payable to the Management Company
Units held: 576,662 units (June 30, 2008: 1,212,816 units)

	(Un-audited) March 31, 2009	(Audited) June 30, 2008
	(Rupees in '000)	
	<u>4,822</u>	<u>9,558</u>
	<u>55,567</u>	<u>125,223</u>

KASB Funds Limited Employees' Provident Fund

Units held: 6,873 units (June 30, 2008: 6,497 units)

	<u>662</u>	<u>671</u>
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KASB Capital Limited

Units held: 31,491 units (June 30, 2008: Nil units)

	<u>3,035</u>	<u>-</u>
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KASB Securities Limited

10,000 units of Term Finance Certificates (June 30, 2008: 10,000 units)
Income receivable on Term Finance Certificates
Brokerage payable

	<u>48,836</u>	<u>50,770</u>
	<u>2,293</u>	<u>87</u>
	<u>51</u>	<u>13</u>

KASB Securities Limited Employees' Provident Fund

Units held: 45,389 units (June 30, 2008: 42,908 units)

	<u>4,374</u>	<u>4,301</u>
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KASB Bank Limited

Bank
Profit receivable on bank deposits
Term Deposit Receipt
Income receivable on Term Deposit Receipt
Units held: 811,314 units (June 30, 2008: 112,134 units)

12.4

	<u>104,373</u>	<u>849,833</u>
	<u>1,693</u>	<u>10,168</u>
	<u>-</u>	<u>300,000</u>
	<u>-</u>	<u>1,377</u>
	<u>78,178</u>	<u>11,578</u>

KASB Bank Limited Employees' Provident Fund

Units held: Nil units (June 30, 2008: 84,224 units)

	<u>-</u>	<u>8,696</u>
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New Horizon Exploration and Production Limited

Units held: 94 units (June 30, 2008: 89 units)

	<u>9</u>	<u>9</u>
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Central Depository Company of Pakistan Limited

Payable to the Trustee
Security deposit

	<u>410</u>	<u>883</u>
	<u>100</u>	<u>100</u>

	(Un-audited) March 31, 2009 (Rupees in '000)	(Audited) June 30, 2008
Units held: Nil units (June 30, 2008: 892,257 units)	<u>-</u>	<u>92,126</u>
Directors and officers of the Management Company		
Units held: 99,888 (June 30, 2008: 174,621 units)	<u>9,625</u>	<u>18,030</u>
KASB Stock Market Fund		
Payable to the fund	<u>419</u>	<u>-</u>
Receivable from the fund	<u>-</u>	<u>355</u>
KASB Balanced Fund		
Receivable from the fund	<u>-</u>	<u>279</u>

- 12.3** The amount disclosed represents the amount of brokerage transactions with connected person and not the purchase or sale values of securities transacted through them. The purchase or sale values have not been treated as transactions with connected persons as ultimate counter parties are not connected persons.
- 12.4** The rate of return on these deposits is 12.5% per annum (June 30, 2008: 8.5% to 12.5% per annum).

13. Date Of Authorisation For Issue

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 27, 2009.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

