

## NEWSLETTER – JULY 2010

Dear Investor,

Another eventful Fiscal year came to an end on June 30, 2010 and it is the result of hard work and perseverance on the part of your asset management company, especially our teams at KASB FUNDS who have worked relentlessly to ensure that your interests are judiciously looked after. We are pleased to be a contributing part of the recovering and fast strengthening Mutual Funds Industry.

### Final Dividend Announcement for the FY10

The Board of Directors of the Management Company approved the final distribution in their meeting held on July 3, 2010. The Management Company is pleased to announce the final dividend distribution of:

- PKR 11.5 per unit (Par PKR 50) for KASB Stock Market Fund (KSMF),
- PKR 2.75 per unit (Par PKR 50) for KASB Balanced Fund (KBF),
- PKR 2.90 per unit (Par PKR 100) for KASB Capital Protected Gold Fund (KCPGF) and
- PKR 2.25 per unit (Par PKR 100) for KASB Cash Fund (KCF).

The above is in addition to the interim dividend distributions total amounting to PKR 6.25 per unit by KCF and PKR 3.50 per unit by KIIF during the financial year 2010.

### Capital Gain Tax

With reference to the recent amendments by Federal Government in Tax Laws under the Finance Act 2010, we would like to inform our investors that effective from 1st July, 2010 the units of all collective investment schemes (Mutual Funds) are subject to Capital Gains Tax. The profit arising from the sale of units held for a period of less than one year shall be subject to such taxes and the collective investment schemes are required to withhold the respective tax.

A capital gains tax (CGT) is a tax charged on capital gains, the profit realized on the sale of capital assets e.g. stocks and shares.

In Pakistan, Capital Gains Tax rates applicable for the current year are as follows;

Units held for the period of:	Capital Gains Tax rate
Less than 6 months	10.0%
6 months to 12 months	7.50%
More than 12 months	Nil

The above rates will apply whenever the investors redeem their units. Capital gains tax also applies on the units purchased prior to 1st July, 2010. Hence, investors who have already held units for a period of over a year will "Not" be charged with capital gains tax on such units.

Capital gains tax is applicable in most developed economies and encourages longer term savings & investments over shorter term speculations which are important for the progress of any economy. Major countries around the world have been practicing the implementation of capital gains tax on long term and short term holdings e.g. in China - 20%, France - 19% and United Kingdom- 28% etc.

For more information or an investment advice, call your friendly investment advisor on 111-535-535. You can also email us on [funds.ir@kasb.com](mailto:funds.ir@kasb.com) or visit our website at [www.kasbfunds.com](http://www.kasbfunds.com)

Regards,  
Marketing Team