

KASB CASH FUND

QUARTERLY REPORT
September 30, 2010

KASB CASH FUND

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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) 3263 9188
URL: www.kasbfunds.com

Board of Directors of KASB Funds Limited

Mr. Robert John Richard Owen - Chairman
Mr. Muhammad Imran Khalil - Chief Executive
Mr. Syed Muhammad Rehmanullah
Mr. Muzaffar Ali Shah Bukhari
Mr. Masood Karim Shaikh

Chief Financial Officer

Mr. Muhammad Imran Khalil

Company Secretary

Mr. Muhammad Kashif Masood

Audit Committee

Mr. Masood Karim Shaikh - Chairman
Mr. Robert John Richard Owen
Mr. Syed Muhammad Rehmanullah

Trustee

MCB Financial Services Limited
(Formerly: Muslim Commercial Financial
Services Limited), 3rd Floor, Adamjee House,
I.I. Chundrigar Road, Karachi.

Fund Rating

**AA+(f) by JCR-VIS
(Aug 2009)**

Bankers to the Fund

Bank Alfalah Limited
Standard Chartered Bank (Pakistan) Limited

Auditors

KPMG Taseer Hadi & Co. - Chartered
Accountants, First Floor, Shiekh 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
Mezzanine Floor, House of Habib Building
(Siddiqsons Tower) 3-Jinnah Cooperative
Housing Society, Main Shahra-e-Faisal
Karachi-75350

Distributors

KASB Funds Limited
KASB Bank Limited
KASB Securities Limited
IGI Investment Bank Limited
Atlas Capital Markets (Private) Limited
Standard Chartered Bank (Pakistan) Limited

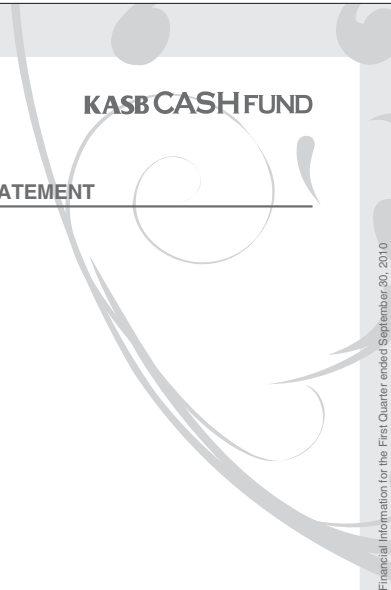
Management Company Rating

**Rated AM3+ by JCR-VIS
(May 2010)**



MISSION STATEMENT

KASB Cash Fund aims to generate reasonable returns consistent with low risk from a portfolio constituted of high quality short term instruments including cash deposits and government securities.



REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY*For the quarter ended September 30, 2010*

The Board of Directors of KASB Funds Limited ("KFL" or "the Company"), the Management Company of KASB Cash Fund ("KCF" or "the Fund"), is pleased to present the condensed interim financial information of the Fund for the quarter ended September 30, 2010.

Investing Activities and Fund's Performance

The devastating floods that recently hit the country have long term ramifications on the economy of the country which was on the stabilization path by the end of FY10. The economy is now confronted with destructive flood and the post flood projections raise significant apprehensions for short-to-medium term economic growth. As the economic impacts of the worst flood in the country's history are being assessed, the real GDP growth is likely to be hurt by 1.5-2.0% for FY11.

At the same time headline inflation is expected to increase significantly going forward due to supply side shocks as more than 20% of the cultivated area has been damaged. The agriculture sector, which accounts for ~ 22% of GDP, has been hit particularly hard. Recently, in this regard, the central bank increased the policy rate by 50bps to 13.5% in its last monetary policy due to consistent fiscal slippages and post-flood higher inflationary expectations.

The international monetary response to the floods has been dreary and the government may ultimately have to resort to deficit monetization which will be another push for inflation. Fiscal deficit is expected to reach over 7% this year against the government target of 4% and the balance of payment position of the country will remain under pressure. Burdened by relief efforts, the government will face significant income-expenditure gap. In this regard, the flood tax is expected to be introduced to raise additional revenue but external aid will be critical to cover flood costs.

The money market remained volatile during the quarter and SBP remained active in carrying out OMOs to stabilize the market rates. Cut-off yields of treasury bills increased significantly after two consecutive raise in discount rate of cumulative 100bps during the last quarter.

While the benchmark (20% daily saving account rate + 80% 3-Month deposit rate) of the Fund posted an annualized return of 7.45%, the Fund recorded an annualized return of 10.27% since inception thereby outperforming its benchmark by 2.82% while the three months return for the benchmark and the Fund was recorded at 7.50% and 10.92% respectively. The overall asset allocation of the Fund stood at 97.5% for T-bills and 2.5% for Cash / Cash equivalents at September end.

The Fund earned a gross income of Rs. 16.38 million during the period under consideration while the net income of the Fund for the same period was Rs. 12.18 million and the total net assets of the Fund stood at Rs. 474.73 million at the end of the period translating into a NAV per unit of Rs. 102.7400 (Par Rs. 100).

Income Distribution

The Board of Directors of the Management Company in their held on October 2, 2010 approved an interim dividend distribution of Rs. 2.50 per unit amounting to Rs. 11.55 million in total, for the unit holders of the Fund as at September 30, 2010.

Future Outlook

The short term macroeconomic environment looks difficult with a renewed threat of inflation, higher fiscal deficit, deficit monetization, and lower GDP growth. The government will be under stress to overcome these challenges and generate greater domestic revenue through taxation. The next quarter will remain crucial in terms of government ability to take effective measures for the rehabilitation of flood affectees, keeping food inflation in control and confine the borrowing from SBP by convincing the international community to provide aid / soft loans. As the post-flood inflationary expectations have risen significantly the central bank is expected to continue its monetary tightening stance going forward as well.

KASB CASH FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

For the quarter ended September 30, 2010

KCF continues with its aims to provide consistent returns in the money market category by investing mainly in high credit quality, mostly AAA instruments. With the expectations of increasing trend in interest rates in the economy, the Fund will invest in shorter duration treasury bills to avoid any inconsistency in returns.

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

October 28, 2010
Karachi

Muhammad Imran Khalil
Chief Executive

KASB CASH FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at September 30, 2010

	Note	(Un-audited)	(Audited)
		September 30	June 30
		2010	2010
		(Rupees in '000)	
ASSETS			
Bank balances	6	12,028	116,911
Investments	7	461,133	442,348
Income receivable		243	207
Prepayments and other receivables		707	1,434
Preliminary expenses and floatation costs		2,682	2,857
Total assets		476,793	563,757
LIABILITIES			
Payable on redemption of units		-	10,212
Payable to KASB Funds Limited - Management Company		350	398
Payable to MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited) - Trustee		86	91
Payable to The Securities and Exchange Commission of Pakistan		103	270
Accrued expenses and other liabilities		1,524	1,395
Total liabilities		2,063	12,366
Net assets		474,730	551,391
Unit holders' funds		474,730	551,391
		(Number of units)	
Number of units in issue		4,620,692	5,387,839
		(Rupees)	
Net asset value per unit		102.7400	102.3398

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

KASB CASH FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2010

Note	Quarter ended	From July 20,
	September 30	2009 to
	2010	September 30
	(Rupees in '000)	
Income		
Income from government securities	13,400	17
Income from placements	1,417	-
Income from term deposit receipts	1,370	-
Profit on bank deposits	447	4,530
Capital loss on sale of investments	(80)	-
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	7.3 (171)	-
Total income	16,383	4,547
Expenses		
Remuneration of KASB Funds Limited - Management Company	983	560
Remuneration of MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited) - Trustee	275	101
Annual fee - The Securities and Exchange Commission of Pakistan	103	34
Transaction costs on securities	42	1
Settlement and bank charges	4	5
Legal and professional charges	25	6
Fees and subscription	58	16
Auditors' remuneration	135	120
Amortisation of preliminary expenses and floatation costs	175	93
Provision for Workers' Welfare Fund	8 243	-
Printing and other expenses	30	18
Total expenses	2,073	954
	14,310	3,593
Net realised element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(2,133)	1,639
Net income for the period	12,177	5,232
Earnings per unit	9	

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

KASB CASH FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the quarter ended September 30, 2010

	Quarter ended	From July 20,
	September 30	2009 to
	2010	September 30
	(Rupees in '000)	
Net income for the period	12,177	5,232
Other comprehensive income:		
Net unrealised appreciation / (diminution) in fair value of investments classified as 'available for sale' during the period	-	(2)
Total comprehensive income for the period	12,177	5,230

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

KASB CASH FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2010

	Quarter ended September 30 2010	From July 20, 2009 to September 30 2009
	(Rupees in '000)	
Undistributed income brought forward	12,419	-
Final distribution @ Rs. 2.25 per unit for the period ended June 30, 2010	(12,123)	-
Net income for the period	12,177 54	5,232 5,232
Undistributed income carried forward	<u>12,473</u>	<u>5,232</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

KASB CASH FUND

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

For the quarter ended September 30, 2010

	Quarter ended September 30 2010	From July 20, 2009 to September 30 2009
	(Rupees in '000)	
Net assets at beginning of the period	551,391	-
Issue of 659,103 units (2009: 6,240,079 units)	66,681	626,204
Issue of 114,627 bonus units (2009: Nil units)	11,473	-
Redemption of 1,540,877 units (2009: 1,555,091 units)	(157,002)	(156,016)
	(78,848)	470,188
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	2,133	(1,639)
Net unrealised appreciation / (diminution) in fair value of investments classified as 'available for sale' during the period	-	(2)
Distribution during the period:		
- Issue of bonus units	(11,473)	-
- Dividend	(650)	-
	(12,123)	-
Net income for the period (excluding unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' and capital losses)	12,428	5,232
Capital loss on sale of investments	(80)	-
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	(171)	-
Net income for the period	<u>12,177</u>	<u>5,232</u>
Net assets at end of the period	<u>474,730</u>	<u>473,779</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

KASB CASH FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2010

	Quarter ended September 30 2010	From July 20, 2009 to September 30 2009
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	12,177	5,232
Adjustments for:		
Net realised element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	2,133	(1,639)
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	171	-
Amortisation of preliminary expenses and floatation costs	175	93
	2,479	(1,546)
Decrease / (increase) in assets		
Preliminary expenses and floatation costs	-	(3,469)
Investments - net	(18,956)	(49,649)
Income receivable	(36)	(2,587)
Prepayments and other receivables	727	(86,526)
	(18,265)	(142,231)
Increase / (decrease) in liabilities		
Payable to KASB Funds Limited - Management Company	(48)	3,989
Payable to MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited) - Trustee	(5)	58
Payable to The Securities and Exchange Commission of Pakistan	(167)	34
Accrued expenses and other liabilities	129	115
	(91)	4,196
Net cash used in operating activities	(3,700)	(134,349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(650)	-
Payable on redemption of units	(10,212)	-
Net (payments) / receipts from sale and redemption of units	(90,321)	470,188
Net cash (used in) / generated from financing activities	(101,183)	470,188
Net (decrease) / increase in cash and cash equivalents during the period	(104,883)	335,839
Cash and cash equivalents at beginning of the period	116,911	-
Cash and cash equivalents at end of the period	12,028	335,839

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For KASB Funds Limited
(Management Company)

Chief Executive

Director

KASB CASH FUND

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

For the quarter ended September 30, 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

KASB Cash Fund (the Fund) was established under a Trust Deed executed on June 8, 2009 between KASB Funds Limited as Management Company and MCB Financial Services Limited (formerly Muslim Commercial Financial Services Limited) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 3, 2009 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to undertake asset management and investment advisory services as non-banking finance company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, 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 management quality rating of AM3+ to the Management Company.

KCF is an open-end money market fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder, except for the units issued to core investors which are not redeemable for a period of two years from the date of issue.

The Fund seeks to generate reasonable returns consistent with low risk from a portfolio constituted of high quality short term investments including cash deposits and government securities.

Title of the assets of the Fund are held in the name of MCB Financial Services Limited (formerly Muslim Commercial Financial Services Limited) as trustee of the Fund.

2. BASIS OF PREPARATION

This financial information has been prepared in condensed form in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting as required under regulation 38 (g) of the Non-Banking Finance Companies & 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 period ended June 30, 2010.

Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the said directives shall prevail.

This condensed interim financial information comprises of the condensed interim statement of assets and liabilities as at September 30, 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim cash flow statement and notes thereto for the quarter ended September 30, 2010.

KASB CASH FUND

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

For the quarter ended September 30, 2010

The comparatives in the statement of assets and liabilities presented in the condensed interim financial information as at September 30, 2010 have been extracted from the audited financial statements of the Fund for the period ended June 30, 2010.

This condensed interim financial information is unaudited and is 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 period ended June 30, 2010.

4. ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information require 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 period ended June 30, 2010.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the period ended June 30, 2010.

	(Un-audited) September 30 2010	(Audited) June 30 2010
	(Rupees in '000)	

6. BANK BALANCES

In deposit accounts	6.1	12,028	16,911
In term deposit receipt		-	100,000
		<u>12,028</u>	<u>116,911</u>

6.1 These deposit accounts carry profit at the rate of 5% to 10.5% per annum (June 30, 2010: 5% to 10.5% per annum).

7. INVESTMENTS

'At fair value through profit or loss'

Designated on initial recognition

- Government securities	7.2	<u>461,133</u>	<u>442,348</u>
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7.1 The cost of the above investments as at September 30, 2010 amounted to Rs. 461.41 million (June 30, 2010: 442.45 million).

KASB CASH FUND

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

For the quarter ended September 30, 2010

7.2 Government securities - designated as at fair value through profit or loss' on initial recognition

Issue date	Face Value				As at September 30, 2010	Market value as at September 30, 2010	Market value as a percentage of net assets
	As at July 01, 2010	Purchases during the period	Sales during the period	Maturities during the period			
----- (Rupees in '000) -----							
Treasury bills							
1 Year							
August 27, 2009	-	110,000	-	110,000	-	-	-
6 Months							
February 25, 2010	-	100,000	-	100,000	-	-	-
March 11, 2010	-	100,000	-	100,000	-	-	-
April 8, 2010	50,000	15,000	50,000	-	15,000	14,972	3.15
April 22, 2010	70,000	-	-	-	70,000	69,543	14.65
May 20, 2010	10,000	-	-	-	10,000	9,839	2.07
June 3, 2010	28,000	-	-	-	28,000	27,412	5.77
July 17, 2010	75,000	-	-	-	75,000	73,074	15.39
July 15, 2010	-	45,000	-	-	45,000	43,425	9.15
						<u>238,265</u>	
3 Months							
April 8, 2010	50,000	-	-	50,000	-	-	-
April 22, 2010	180,000	155,000	-	335,000	-	-	-
May 6, 2010	-	29,000	-	29,000	-	-	-
June 17, 2010	25,000	-	25,000	-	-	-	-
July 15, 2010	-	235,000	140,000	-	95,000	94,819	19.97
August 13, 2010	-	100,000	-	-	100,000	98,388	20.73
August 26, 2010	-	120,000	90,000	-	30,000	29,661	6.25
						<u>222,868</u>	
						<u>461,133</u>	

7.3 Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'

	(Un-audited) Quarter ended September 30 2010	From July 20, 2009 to September 30 2009
	(Rupees in '000)	
Fair value of investments	461,133	-
Less: Cost of investments	(461,409)	-
	(276)	-
Less: Net unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss' at beginning of the period	105	-
	<u>(171)</u>	<u>-</u>

7.4 Net unrealised diminution in fair value of investments classified as 'available for sale'

Fair value of investments	-	49,647
Less: Cost of investments	-	(49,649)
	-	(2)

KASB CASH FUND

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

For the quarter ended September 30, 2010

8. PROVISION FOR WORKERS' WELFARE FUND

In pursuance of the order passed by the Honorable High Court of Sind against the constitutional petition filed by Mutual Funds Association of Pakistan (MUFAP), the Management Company recorded provision for Workers' Welfare Fund (WWF) amounting to Rs. 0.752 million and Rs. 0.243 million for the period ended June 30, 2010 and September 30, 2010 respectively. However, during the period under review, Ministry of Labor has issued certain clarifications regarding applicability of WWF on mutual funds. Moreover, Federal Board of Revenue has also circulated the clarification issued by the Ministry of Labor to its members and the matter is currently under review and discussion.

9. EARNINGS PER UNIT

Earnings per Unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average number of units for calculating EPU is not practicable.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include KASB Funds Limited being the Management Company, KASB Bank Limited being the Holding Company of the Management Company, KASB Securities Limited, KASB Modaraba, KASB Technology Services Limited, KASB Modaraba Management (Private) Limited being the subsidiary companies of KASB Bank Limited, Shakarganj Food Products Limited, New Horizon Exploration and Production Limited and KASB International Limited being the associated companies of KASB Bank Limited, MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited) being the Trustee, other Funds managed by the management company (including KASB Income Opportunity Fund (formerly KASB Liquid Fund), KASB Stock Market Fund, KASB Asset Allocation Fund (formerly KASB Balanced Fund), KASB Islamic Income Opportunity Fund (formerly KASB Islamic Income Fund) and KASB Capital Protected Gold Fund) and directors, key management personnel and officers of the Management Company.

The transactions with connected persons / related parties 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 NBFC Regulations 2008 and the Trust Deed respectively.

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

	(Un-audited)	
	Quarter ended September 30 2010	From July 20, 2009 to September 30 2009
10.1 Transactions		
	(Rupees in '000)	
KASB Funds Limited		
Remuneration	983	560
Sales load	7	237
Investment in the Fund: Nil units (2009: 500,000 units)	-	50,000
Redemption from the Fund: 118,412 units (2009: 99,745 units)	12,000	10,000
Bonus units: 14,356 units (2009: Nil units)	1,437	-
Conversion in the Fund: 41,889 units (2009: Nil units)	4,240	-
Transfer in the Fund: Nil units (2009: 500,000 units)	-	50,096
Transfer out of the Fund: Nil units (2009: 500,000 units)	-	50,096
Units pledged with KASB Bank Limited: 535,702 units (2009: 400,255 units)	53,954	40,261

KASB CASH FUND

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

For the quarter ended September 30, 2010

(Un-audited)

Quarter ended September 30 2010	From July 20, 2009 to September 30 2009
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(Rupees in '000)

KASB Funds Limited Employees' Provident Fund
Redemption from the Fund: 3,492 units (2009: Nil units)
Bonus units: 280 units (2009: Nil units)

350	-
28	-

KASB Bank Limited

Investment in the Fund: Nil units (2009: 500,000 units)
Conversion in the Fund: Nil units (2009: 500,000 units)
Transfer in the Fund: Nil units (2009: 500,000 units)
Transfer out of the Fund: Nil units (2009: 500,000 units)
Dividend paid

-	50,000
-	50,000
-	50,096
-	50,096
646	-

KASB Securities Limited

Brokerage 10.3
Bonus units: 22,003 units (2009: Nil units)

24	-
2,202	-

MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited) - Trustee

Remuneration

275	101
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Directors and Officers of the Management Company

Investment in the Fund: 4,471 units (2009: 2,996 units)
Redemption from the Fund: 16,335 units (2009: 2,996 units)
Bonus units: 652 units (2009: Nil units)
Conversion in the Fund: 13,112 units (2009: 43,587 units)
Conversion out of the Fund: Nil units (2009: 35,546 units)
Transfer in the Fund: 245 units (2009: Nil units)

456	300
1,655	301
65	-
1,329	4,365
-	3,566
25	-

10.2 Balances

(Un-audited) September 30 2010	(Audited) June 30 2010
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(Rupees in '000)

KASB Funds Limited

Receivable from the Management Company
Payable to the Management Company
Units held: 576,443 units (June 30, 2010: 628,373 units)

665	664
350	398
59,224	64,308

KASB Funds Limited Employees' Provident Fund

Units held: 9,262 units (June 30, 2010: 12,473 units)

952	1,277
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KASB Bank Limited

Units held: 287,190 units (June 30, 2010: 287,190 units)

29,506	29,391
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KASB Securities Limited

Brokerage payable
Units held: 1,000,798 units (June 30, 2010: 978,794 units)

13	9
102,822	100,170

KASB CASH FUND

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

For the quarter ended September 30, 2010

	(Un-audited) September 30 2010	(Audited) June 30 2010
(Rupees in '000)		
MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited) - Trustee		
Payable to the Trustee	86	91
KASB Islamic Income Opportunity Fund (formerly KASB Islamic Income Fund)		
Receivable from the Fund	-	720
KASB Income Opportunity Fund (formerly KASB Liquid Fund)		
Receivable from the Fund	-	44
Directors and Officers of the Management Company		
Units held: 31,134 units (June 30, 2010: 29,239 units)	3,199	2,992

- 10.3 The amount disclosed represents the amount of brokerage paid to 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.
11. The Board of Directors of the Management Company approved an interim dividend distribution of Rs. 2.50 per unit for the unit holders of the Fund as at September 30, 2010, out of the distributable income for the period ended September 30, 2010, amounting to Rs. 11.55 million in total, in their meeting held on October 2, 2010.
12. **DATE OF AUTHORISATION FOR ISSUE**
This condensed interim financial information was authorised for issue on October 28, 2010 by the Board of Directors of the Management Company.

For KASB Funds Limited
(Management Company)

Chief Executive

Director