

# **Crosby Phoenix Fund**

**For the third quarter ended**

**March 31, 2010**

**Un-audited**

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Directors of Crosby Asset Management (Pakistan) Limited, the management company of Crosby Phoenix Fund (CPF) are pleased to present the un-audited accounts for the third quarter ended March 31, 2010 together with the Directors' Report.

During the period under review CPF earned a net profit of Rs 26.86 million. The Net Assets of CPF as of March 31, 2010 have increased by 240.06% as compared to June 30, 2009, whereas the NAV per unit has been increased by 7.02%, from the year ended June 30, 2009. During the period under review 4.97 million units worth of Rs. 520.663 million were issued whereas 2.93 million units worth of Rs. 315.60 million were redeemed.

As at March 31, 2010 investments in debt and Government securities stood at carrying cost of Rs. 118.99 million with market value of Rs. 118.57 million whereas the total investments remained at 83.06% of Net Asset Value.

The Board of Directors thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the management company and the Trustee for their dedication and hard work and the Unit Holders for their confidence in the Management.

*On behalf of Board of Directors*

Karachi  
Dated: **April 28, 2010**

**Amer Maqbool**  
Chief Executive

**CROSBY PHOENIX FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2010**

	Note	Unaudited March 31, 2010	Audited June 30, 2009
		----- Rupees -----	
<b>Assets</b>			
Bank balances	5	48,539,738	5,947,408
Placement and certificate of investment	6	-	10,700,000
Investments	7	268,302,695	75,138,352
Mark-up / interest receivable	8	6,151,115	3,668,104
Preliminary expenses and floatation costs	9	801,111	952,778
Deposit and other receivables		<u>234,170</u>	<u>100,000</u>
<b>Total assets</b>		<u>324,028,829</u>	<u>96,506,642</u>
<b>Liabilities</b>			
Payable to the management company	10	491,545	1,142,381
Remuneration payable to the trustee	11	66,492	57,534
Annual fee payable to Securities & Exchange Commission of Pakistan	12	160,888	19,435
Payable against redemption of units		6,035	101,650
Accrued liability		<u>280,743</u>	<u>195,000</u>
<b>Total liabilities</b>		<u>1,005,703</u>	<u>1,516,000</u>
<b>Net assets</b>		<u>323,023,126</u>	<u>94,990,642</u>
<b>Unit holders' funds</b> (as per the statement attached)		<u>323,023,126</u>	<u>94,990,642</u>
		----- Units -----	
<b>Number of units in issue</b>		<u>2,969,027</u>	<u>934,412</u>
		----- Rupees -----	
<b>Net assets value per unit – Rupees</b>		<u>108.79</u>	<u>101.65</u>

The annexed notes from note 1 to 16 form an integral part of these condensed interim financial statements.

**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CROSBY PHOENIX FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Nine months ended March 31, 2010	Quarter ended March 31, 2010
	----- Rupees -----	
<b>Income</b>		
Mark-up / interest income	26,451,984	10,790,474
Net loss on available-for-sale investments	1,472,775	38,473
Element of income and capital gain included in prices of units sold less those in units redeemed – net	3,467,160	97,023
<b>Total income</b>	<b>31,391,919</b>	<b>10,925,970</b>
<b>Expenses</b>		
Remuneration of the management company	3,220,549	1,391,041
Remuneration of the trustee	547,810	194,934
Annual fee to Securities and Exchange Commission of Pakistan	160,887	69,504
Amortization of preliminary expenses and floatation costs	151,667	51,111
Auditors' remuneration	289,305	69,471
Listing fee	15,000	-
Brokerage Expense	2,457	1,101
Settlement charges	4,621	1,579
Bank charges	2,351	688
Others	139,041	59,041
<b>Total operating expenses</b>	<b>4,533,688</b>	<b>1,838,470</b>
<b>Net income for the period</b>	<b>26,858,231</b>	<b>9,087,500</b>
<b>Net income per unit</b>	<b>9.05</b>	<b>3.06</b>

The annexed notes from note 1 to 16 form an integral part of these condensed interim financial statements.

**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CROSBY PHOENIX FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Nine months ended March 31, 2010 ----- Rupees -----	Quarter ended March 31, 2010 -----
Net income / (loss) for the period	26,858,231	9,087,500
Net unrealized gain / (loss) on revaluation of Investment classified as available for sale	(418,459)	(2,927,443)
<b>Total comprehensive income / (loss) for the period</b>	<b><u>26,439,772</u></b>	<b><u>6,160,057</u></b>

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**For Crosby Asset Management (Pakistan) Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CROSBY PHOENIX FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Nine months ended March 31, 2010 ----- Rupees -----	Quarter ended March 31, 2010 -----
Net assets as at beginning of the period	94,990,642	297,499,669
Cash received on issuance of units *	520,663,603	207,374,173
Cash paid on redemption of units **	(315,603,731)	(187,913,750)
	<u>300,050,514</u>	<u>316,960,092</u>
Element included in prices of units sold less those in units redeemed	(3,467,160)	(97,023)
Unrealized gain / (loss) on available-for-sale investments	(418,459)	(2,927,443)
Net income for the period	26,858,231	9,087,500
<b>Net assets as at end of the period</b>	<u><u>323,023,126</u></u>	<u><u>323,023,126</u></u>
	----- Units -----	
* Number of unit issued (includes 18,754 bonus units)	<u>4,969,147</u>	<u>1,914,849</u>
** Number of unit redeemed	<u>2,934,531</u>	<u>1,721,215</u>

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For Crosby Asset Management (Pakistan) Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CROSBY PHOENIX FUND  
CONDENSED INTERIM STATEMENT OF DISTRIBUTION  
FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Nine months ended March 31, 2010 ----- Rupees -----	Quarter ended March 31, 2010 -----
<b>Undistributed income at brought forward</b>	2,802,191	18,704,098
Net income for the period	26,858,231	9,087,500
Distribution of bonus units for the year ended June 30, 2009	(1,868,824)	-
<b>Undistributed income carried forward</b>	<u><u>27,791,598</u></u>	<u><u>27,791,598</u></u>

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For Crosby Asset Management (Pakistan) Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CROSBY PHOENIX FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

		Nine months ended March 31, 2010 ----- Rupees -----	Quarter ended March 31, 2010 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Note		
Net income for the period		26,858,231	9,087,500
<b>Adjustments</b>			
Mark-up / interest income		(26,451,984)	(10,790,474)
Amortization of preliminary expenses and floatation costs		151,667	51,111
Element of loss / (income) and capital loss / (gain) included in prices of units sold less those in units redeemed – net		(3,467,160)	(97,023)
		<u>(2,909,246)</u>	<u>(1,748,886)</u>
<b>(Increase) in assets</b>			
Investments		(193,582,802)	(138,369,946)
Placement		10,700,000	45,000,000
Deposits		(134,170)	40,829
		<u>(183,016,972)</u>	<u>(93,329,117)</u>
<b>Increase / (Decrease) in liabilities</b>			
Payable to the management company		(650,836)	89,094
Remuneration payable to the trustee		8,958	7,040
Annual fee payable to Securities and Exchange Commission of Pakistan		141,453	69,504
Payable against redemption of units		(95,615)	6,035
Accrued liability		85,743	75,796
		<u>(510,297)</u>	<u>247,469</u>
Mark-up / interest income received		23,968,973	12,571,587
<b>Net cash used in operating activities</b>		<u>(162,467,542)</u>	<u>(82,258,947)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issuance of units		520,663,603	207,374,173
Payments against redemption of units		(315,603,731)	(187,913,750)
<b>Net cash inflows from financing activities</b>		<u>205,059,872</u>	<u>19,460,423</u>
Net increase in cash and cash equivalents		42,592,330	(62,798,524)
Cash and cash equivalents at beginning of the period		5,947,408	111,338,262
<b>Cash and cash equivalents at end of the period</b>	5	<u><u>48,539,738</u></u>	<u><u>48,539,738</u></u>

The annexed notes from note 1 to 16 form an integral part of these condensed interim financial statements.

**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

Chief Executive

Director

**CROSBY PHOENIX FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Crosby Phoenix Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under a Trust Deed, dated August 26, 2008 between Crosby Asset Management (Pakistan) Limited (a wholly owned subsidiary company of Crosby Asset Management South Asia Limited, British Virgin Island) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and First Dawood Investment Bank Limited as the Trustee. The Trust Deed has been approved by the Securities and Exchange Commission of Pakistan (SECP) on August 22, 2008. However, under a Supplemental Trust Deed dated December 04, 2008 the Management Company appointed Central Depository Company of Pakistan Limited (CDC) as the new Trustee. The registered office of the Management Company is situated at 10th Floor, PRC Towers, M. T. Khan Road, Karachi

The Management Company of the Fund is registered with the SECP as Non-Banking Finance Company under the NBFC Rules.

The Fund was listed on the Islamabad Stock Exchange (Guarantee) Limited on 15 April 2009. Units are offered for public subscription on a continuous basis. The units are transferable and can also 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.

As per the offering document, the Fund shall invest in portfolio of fixed income securities and money market instruments of low risk and short duration to generate attractive rates of returns.

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has assigned Management Quality rating of AM4+ to Crosby Asset Management (Pakistan) Limited (CAMPL) and Fund Stability Rating of 'A (f)' (Single A) to Crosby Phoenix Fund.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

**3 BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention, except that certain financial assets have been included at fair value or amortize cost in accordance with the recognition criteria mentioned in the relevant International Accounting Standard applicable to these assets.

**4 ACCOUNTING POLICIES**

The accounting policies and methods of computation applied are consistent with those applied in preparing the financial statements for the period ended June 30, 2009.

**CROSBY PHOENIX FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Note	March 31 2010	June 30 2009
----- Rupees -----			
<b>5 BANK BALANCES</b>			
Cash at bank in local currency	5.1	<u>48,539,738</u>	<u>5,947,408</u>

5.1 This represents cash at bank in local currency kept in PLS saving account. Profit rate on the same range between 5% and 11% per annum.

**6 PLACEMENT AND CERTIFICATE OF INVESTMENT**

Certificate of investment		<u>-</u>	<u>10,700,000</u>
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**7 INVESTMENTS**

**Available for sale**

- Investment in debt securities			
Quoted	7.1	17,376,650	37,041,972
Unquoted	7.2	101,191,940	18,110,480
- Government securities		<u>149,734,105</u>	<u>19,985,900</u>
		<u>268,302,695</u>	<u>75,138,352</u>

**CROSBY PHOENIX FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

Name of Security	As at July 01, 2009	Purchased during the period	Sold / Matured during the period	As at March 31, 2010	Market Value as of March 31, 2010	Market	Percentage
						Value as percentage of Net Assets	
	----- No. of certificates-----				Rupees	-----Percentage-----	
<b>Available for sale – investments in debt securities</b>							
<b>7.1 Quoted</b>							
<b>Leasing Companies</b>							
Orix Leasing Pakistan Limited	2,000	-	2,000	-	-	-	-
<b>Fertilizer</b>							
Engro Chemical Pakistan Limited - III	2,000	-	2,000	-	-	-	-
<b>Investment Companies</b>							
Jahangir Siddiqui & Co. Ltd – III	-	3,000	3,000	-	-	-	-
<b>Commercial Banks</b>							
Standard Chartered Bank (Pakistan) Limited – III	2,000	-	2,000	-	-	-	-
United Bank Limited – IV	2,000	-	2,000	-	-	-	-
United Bank Limited – III	-	3,000	3,000	-	-	-	-
<b>Textile Composite</b>							
Azgard Nine Limited	-	11,600	5,800	5,800	17,376,650	5.38	0.87
<b>Total quoted securities</b>	<b>8,000</b>	<b>17,600</b>	<b>19,800</b>	<b>5,800</b>	<b>17,376,650</b>	<b>5.38</b>	
<b>7.2 Unquoted</b>							
<b>Commercial Banks</b>							
Bank Alfalah Ltd - IV	-	4,000	4,000	-	-	-	-
<b>Fertilizer</b>							
Pak American Fertilizers Limited – Sukuk	2,000	-	2,000	-	-	-	-
Pak American Fertilizers Limited – III	-	5,000	-	5,000	22,902,690	7.09	3.82
<b>Investment Companies</b>							
Jahangir Siddiqui & Co. Ltd – V	2,000	8,000	-	10,000	44,455,800	13.76	3.56
<b>Technology &amp; Communication</b>							
Pakistan Mobile Communication Limited - IV	-	7,000	-	7,000	33,833,450	10.47	1.35
<b>Total unquoted securities</b>	<b>4,000</b>	<b>24,000</b>	<b>6,000</b>	<b>22,000</b>	<b>101,191,940</b>	<b>31.33</b>	
<b>Total debt securities at available for sale</b>	<b>12,000</b>	<b>41,600</b>	<b>25,800</b>	<b>27,800</b>	<b>118,568,590</b>	<b>36.71</b>	

7.3 The cost of investment classified as available for sale is Rs. 118.99 million and gain / (loss) on re-measurement of these investments for the period is Rs. 0.42 million.

7.4 Term Finance Certificates and Sukuk Certificates have nominal value of Rs. 5,000 each unless stated otherwise.

**CROSBY PHOENIX FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED March 31, 2010**

	March 31 2010	June 30 2009
	----- Rupees -----	
<b>8 MARK-UP / INTEREST RECEIVABLE</b>		
On		
- Bank deposits	820,063	186,342
- Investments		
Term finance certificates and sukuk certificates	5,331,052	3,194,327
Certificate of investments	-	287,435
	<u>6,151,115</u>	<u>3,668,104</u>
<b>9 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>		
Opening balance	952,778	-
Preliminary expenses and floatation costs incurred	-	1,000,000
Amortization during the period	(151,667)	(47,222)
Closing Balance	<u>801,111</u>	<u>952,778</u>
<b>10 PAYABLE TO THE MANAGEMENT COMPANY</b>		
Remuneration payable	10.1 491,545	132,381
Deferred formation cost	-	1,000,000
Others	-	10,000
	<u>491,545</u>	<u>1,142,381</u>

**10.1 REMUNERATION PAYABLE**

The management company is entitled to remuneration for services rendered to the Fund under the provisions of the NBFC Regulations, of an amount not exceeding 3 percent of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to 2 percent of such assets of the Fund. The management company has charged remuneration at the rate 1.5% per annum of the average daily net assets of the Fund during the period.

**11 REMUNERATION PAYABLE TO THE TRUSTEE**

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of the Trust Deed at the rate of 0.20% of the average net asset value not exceeding Rupees 1 billion, whereas for net assets value exceeding Rupees 1 billion the Trustee is entitled to an amount of Rupees 2.0 million plus 0.10% per annum of net assets value on amount exceeding Rupees 1 billion.

**12 FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

This represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Fund is required to pay SECP an amount equal to 0.075% of the average daily net assets.



**CROSBY PHOENIX FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED March 31, 2010**

**15 GENERAL**

15.1 As the Fund commenced operation from 02 April 2009, there are no comparative figures to report for nine months ended and quarter ended March 31, 2009

15.2 Figures have been rounded off to the nearest rupee.

**16 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on **April 28, 2010** by the Board of Directors of the Management Company.

**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

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**Chief Executive**

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**Director**