

LAKSON EQUITY FUND
Quarterly Report (31 March 2012)



LAKSON INVESTMENTS
WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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Fund's Information

Management Company

Lakson Investments Limited
Head Office
Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan.
Phone: (9221) 3569.8000
Fax: (9221) 3568.1653
Web site: www.li.com.pk
E-mail: info@li.com.pk

Board of Directors of the Management Company

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani - Chief Executive Officer
Mr. A. Aziz H. Ebrahim
Mr. Mahomed J. Jaffer
Mr. Sher Afgan Malik
Mr. Muhammad Abdul Qadir
Mr. Daniel Scott Smaller
Mr. Zahid Zakiuddin

Chief Financial Officer & Company Secretary of the Management Company

Mr. Amir Mobin

Audit Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. A. Aziz H. Ebrahim
Mr. Sher Afgan Malik
Mr. Zahid Zakiuddin

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal,
Karachi, Pakistan.

Auditors

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C,
Lakson Square, Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200.

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Deutsche Bank AG
Faysal Bank Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
United Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/I, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

Lakson Investments Limited
Lakson Square Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan

Distributors

Alfalah Securities (Pvt.) Limited
Burj Capital Limited
Elixir Securities (Pvt.) Limited
IGI Investment Bank Limited
Pearl Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited

Rating by PACRA

2 Star (Normal) : Fund Performance Ranking
AM3+ : Management Company Quality Rating

Review Report of the Directors of the Management Company For the nine months period ended 31 March 2012

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Statements for the nine months period ended March 31, 2012.

Fund Objective

The objective of the Fund is to provide long term capital appreciation by investing mainly in equity and related listed securities. Investments will be made in companies of substance, financial strength and demonstrably superior management skills with some exposure given to smaller capitalized value stocks.

Fund Profile

The LEF is an actively managed open end equity fund. LEF maintain an average exposure of 70% of Net Assets in listed equity securities. The asset allocation to different sectors and stocks is made on the basis of relative attractiveness of each sector and individual stocks in that particular sector. The allocations may change from time to time keeping in view the market conditions, opportunities, political and economic factors. LEF is allowed to borrow up to 15% of Net Assets to meet redemptions however LEF did not utilize this facility during the period under review.

Fund performance

During the 9MFY12 the assets under management of the LEF increased by 12.55% to PKR 150 million. The LEF posted an absolute return of 10.14% in the 9MFY12 compared to the KSE-30 Index return of 4.55% and KSE-100 Index return of 10.13%. The LEF outperformed the KSE-30 Index by 559bps and the KSE-100 Index by 1bps. As of March 31, 2012, the LEF is invested 78% in equities.

Earning per Unit (EPU)

EPU has not been disclosed as we feel the determination of weighted average units for calculating EPU is not practicable for open end funds.

Economic Review

Pakistan's economic progress continued to be plagued by rising fiscal deficit, unabated surge in the circular debt and persistent energy crisis. However the low base effect of the Large Scale Manufacturing ("LSM") sector allowed it to post a strong YoY growth of 6.0% in Feb '12, taking 8MFY12 growth to 1.8% YoY. Amongst major sectors, Textiles grew by 0.9% YoY, Pharmaceuticals by 11.1% YoY, Food & Beverages by 10.2% YoY and Paper & Board by 10.3% YoY. Energy sector, which has the third highest weight in the index of 5.5%, however posted a decline of 3.9% YoY during 8MFY12 as circular debt acutely hampered the operating capacity of the entire energy chain.

During 8MFY12, the current account deficit swelled to USD 2.95 billion, driven by rising trade and services' deficit and slowdown in foreign inflows. Trade deficit during the period under review stood at USD 10.5 billion, up 43% YoY as high international oil prices hiked imports by 18% YoY, compared to a timid growth of 5% YoY in exports. Simultaneously, absence of any foreign disbursements led to the services' deficit of USD 1.9 billion compared to a deficit of USD 0.8 billion posted in the same period last year. Foreign Direct Investment ("FDI") too declined by 45% YoY to USD 571 million while Foreign Portfolio Investment ("FPI") recorded net outflow of USD 128 million, compared to the net inflow of USD 312 million in 8MFY11. Overseas remittances continued to be the major supporting factor in the overall Balance of Payments, as they sustained a monthly average of over USD 1.0 billion and grew by 21% YoY to stand at USD 9.7 billion during the 9MFY12. Forex reserves of the country settled at USD 16.5 billion by the end of Mar '12, declining by USD 1.7 billion from the Jun '11 level

of USD 18.2 billion. On the positive side, the government's ability to comfortably manage the repayment of IMF's first tranche of USD 399 million in Feb '12, lent stability to Pak Rupee as it depreciated by just 0.8% during Q3FY12 after posting a depreciation of 4.6% during 1HFY12.

During 9MFY12, government continued to rely on internal sources to bridge the burgeoning fiscal deficit as it borrowed a net amount of PKR 982 billion compared to net borrowing of PKR 391 billion in the same period last year. However due to net attrition in the Net Foreign Assets ("NFA") the M2 growth was contained at 8.7% during the 9MFY12 as against 9.1% witnessed in 9MFY11. Resultantly, inflation as measured by Consumer Price Index ("CPI") eased to 10.79% YoY during 9MFY12, compared to an average of 13.95% YoY recorded in the same period last year. However despite inflation being well below the annual target of 12% for FY12, concerns on the external accounts and government borrowing compelled the State Bank of Pakistan ("SBP") to maintain status quo in its monetary policy announcement of Feb-Mar period - hence the benchmark Discount Rate was kept stable at 12%, after a cumulative cut of 200 bps during 1HFY12.

Equity Market Review

Pakistan equities rebounded sharply after a sluggish 1HFY12, on the back of tax amnesties announced by the government, healthy corporate result announcements and recovery in global equity markets. In his visit to Karachi Stock Exchange, the Finance Minister announced approval of SECP recommendations with respect to implementation of Capital Gains Tax ("CGT") regime. The most notable of these announcements were, 1) freezing of tax slabs at current levels, 2) creating a centralized mechanism to calculate and deduct CGT and 3) legitimizing all investments made in equity markets up till June '14 as "white" (documented) wealth.

Resultantly, KSE100 gained 21.3% during Q3FY12, the highest return in the last 10 quarters and the best performance amongst all major global equity markets. The return for KSE100 for the period 9MFY12 now stands at 10.1%. Trading activity too surged dramatically as "individuals" returned to the market, leading to a spike of 229% QoQ in average daily trade to 196 million shares. In terms of value, the average daily trade stood at PKR 4.7 billion, a rise of 66% QoQ as most of the activity was concentrated in small capped, speculative stocks. The persistent improvement in US economic outlook and relative ease in European debt crisis also increased appetite for Pakistan equities, as net foreign portfolio investment was recorded at USD 16.1 million during Q3FY12, after posting a net outflow of USD 157.4 million during 1HFY12.

Amongst major listed sectors, cements and commercial banks remained in the limelight throughout the outgoing quarter; the former due to consistent increase in cement retail prices and a resultant expected rebound in profitability for the sector while the banks surged to compensate for their underperformance posted during the last two years.

Future Outlook

The IMF, in its recent report on Article IV Consultations, appreciated Pakistan's economic progress but highlighted challenges faced on account of unresolved structural problems (especially in the energy sector) and difficulties in implementing key policy reforms. Keeping these challenges in mind, the economy will find it difficult to surpass its long term GDP growth average of 5% in the near term. However low base effects from last years' floods should allow the country to achieve GDP growth of 3.6% in FY12 and surpass 4.0% in FY13. At the same time, the government appears to be close to its target of achieving double digit growth in tax revenues; hence materialization of foreign inflows under Coalition Support Fund should significantly ease the fiscal deficit, as well as reduce pressure on foreign reserves.

These foreign inflows will also continue to be the single most important determinant factor for the scope of further monetary easing in the country. For equity markets, the investors continue to wait for the final legislation on the recently announced tax amnesties while the upcoming Federal Budget FY12-13 will also play a key role in sustaining the current momentum.

Acknowledgment

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund-Central Depository Company of Pakistan Limited and the management of the Lahore Stock Exchange for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company.

For and on Behalf of the Board

Dated: April 19, 2012

Babar Ali Lakhani
Chief Executive Officer

**Condensed Interim Statement of Assets and Liabilities
As at 31 March 2012**

	Note	31 March 2012 (Unaudited) (Rupees)	30 June 2011 (Audited)
Assets			
Bank balances	5	33,945,861	4,721,215
Investments	6	116,664,646	125,138,266
Dividends and other receivables		3,169,904	806,709
Security deposits and prepayments		2,700,799	2,720,961
Deferred formation cost		707,734	910,601
Total assets		<u>157,188,944</u>	<u>134,297,752</u>
Liabilities			
Payable to the Management Company		434,067	357,927
Payable to the Trustee		61,227	58,646
Annual fee payable to the Securities and Exchange Commission of Pakistan		102,138	148,691
Payable against purchase of investments		5,882,008	-
Accrued and other liabilities	7	1,018,248	738,372
Total liabilities		<u>7,497,688</u>	<u>1,303,636</u>
Net assets		<u>149,691,256</u>	<u>132,994,116</u>
Unit holders' funds		<u>149,691,256</u>	<u>132,994,116</u>
CONTINGENCIES AND COMMITMENTS	8		
		(Number)	
Number of units in issue		<u>1,329,869</u>	<u>1,111,570</u>
		(Rupees)	
Net assets value per unit		<u>112.5609</u>	<u>119.6452</u>

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

**For Lakson Investments Limited
(Management Company)**

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited)
For the nine months period ended 31 March 2012

	Note	Nine Months Ended 31 March		Quarter Ended 31 March	
		2012	2011	2012	2011
(Rupees)-----					
Income					
Income from Government Securities		-	192,785	-	192,785
Capital gain on sale of investments - net		1,762,564	15,844,410	2,645,904	9,178,392
Dividend income		9,252,408	7,443,924	3,835,673	3,501,723
Mark-up income		1,266,688	2,675,085	596,499	1,130,947
		12,281,660	26,156,204	7,078,076	14,003,847
Net unrealised appreciation / (diminution) in the fair value of investments classified as: 'held for trading' - net		7,663,728	9,079,736	23,726,301	(7,710,804)
		19,945,388	35,235,940	30,804,377	6,293,043
Expenses					
Remuneration to the Management Company	8	3,741,475	3,327,586	1,252,943	1,213,969
Remuneration to the Trustee		525,957	525,478	174,044	172,601
Annual fee - Securities and Exchange Commission of Pakistan		102,138	105,373	34,204	38,442
Brokerage, settlement and bank charges		500,610	466,682	276,664	250,754
Amortisation of deferred formation cost		202,867	202,686	67,130	66,576
Auditors' remuneration		199,056	194,370	58,442	45,651
Fees and subscription		90,161	19,122	29,835	9,040
Printing charges		45,081	50,789	14,918	7,586
Workers' Welfare Fund	7.1	290,999	744,138	290,999	226,192
		5,698,344	5,636,224	2,199,179	2,030,811
Net income from operating activities		14,247,044	29,599,716	28,605,198	4,262,232
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		11,902	6,863,027	(986,535)	6,821,158
Net income for the period		14,258,946	36,462,743	27,618,663	11,083,390

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months period ended 31 March 2012**

	Nine Months Ended 31 March		Quarter Ended 31 March	
	2012	2011	2012	2011
	------(Rupees)-----			
Net income for the period	14,258,946	36,462,743	27,618,663	11,083,390
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>14,258,946</u>	<u>36,462,743</u>	<u>27,618,663</u>	<u>11,083,390</u>

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

**For Lakson Investments Limited
(Management Company)**

Chief Executive Officer

Director

**Condensed Interim Distribution Statement (Unaudited)
For the nine months period ended 31 March 2012**

	Nine Months Ended 31 March		Quarter Ended 31 March	
	2012	2011	2012	2011
	------(Rupees)-----			
Undistributed income at the beginning of the period -realised	18,537,681	5,426,472	5,148,307	7,734,775
Undistributed income / (accumulated loss) at the beginning of the period - unrealised	3,299,441	(6,280,510)	(16,062,573)	16,790,540
Undistributed income / (accumulated loss) at the beginning of the period	21,837,122	(854,038)	(10,914,266)	24,525,315
Less: Final distribution as issue of bonus units at the rate of Rs 17.4453 (2010: nil) per unit approved on 4 July 2011	(19,391,671)	-	-	-
	2,445,451	(854,038)	(10,914,266)	24,525,315
Total comprehensive income for the period	14,258,946	36,462,743	27,618,663	11,083,390
Undistributed income at the end of the period	16,704,397	35,608,705	16,704,397	35,608,705
Undistributed income at the end of the period - realised	9,040,669	26,528,969	9,040,669	26,528,969
Undistributed income at the end of the period - unrealised	7,663,728	9,079,736	7,663,728	9,079,736
Total undistributed income at the end of the period	16,704,397	35,608,705	16,704,397	35,608,705

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

**For Lakson Investments Limited
(Management Company)**

Chief Executive Officer

Director

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the nine months period ended 31 March 2012**

	Nine Months Ended 31 March		Quarter Ended 31 March	
	2012	2011	2012	2011
	------(Rupees)-----			
Net assets at the beginning of the period	132,994,116	128,039,452	132,671,058	157,345,469
Cash received on issue of 134,680 (2011: 445,903) units and 140 (2011: 387,830) units for the nine months and quarter respectively	14,050,096	52,454,317	15,000	46,319,510
Cash paid on redemption of 106,124 (2011: 51,993) units and 106,124 (2011: 33,187) units for the nine months and quarter respectively	(11,600,000)	(6,200,286)	(11,600,000)	(4,034,012)
	2,450,096	46,254,031	(11,585,000)	42,285,498
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	(11,902)	(6,863,027)	986,535	(6,821,158)
Less: Final distribution as issue of bonus units at the rate of Rs 17.4453 (2010: nil) per unit approved on 4 July 2011	(19,391,671)	-	-	-
Issue of 189,743 (2010: nil) bonus units as final distribution	19,391,671	-	-	-
Total comprehensive income for the period	14,258,946	36,462,743	27,618,663	11,083,390
Net assets as at the end of the period	<u>149,691,256</u>	<u>203,893,199</u>	<u>149,691,256</u>	<u>203,893,199</u>
Net assets value per unit at the beginning of the period	<u>119.6452</u>	<u>119.6452</u>	<u>92.3987</u>	<u>118.4650</u>
Net assets value per unit at the end of the period	<u>112.5609</u>	<u>121.1598</u>	<u>112.5609</u>	<u>121.1598</u>

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

**For Lakson Investments Limited
(Management Company)**

Chief Executive Officer

Director

Condensed Interim Cash Flow Statement (Unaudited)
For the nine months period ended 31 March 2012

	Nine Months Ended 31 March		Quarter Ended 31 March	
	2012	2011	2012	2011
----- (Rupees) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	14,258,946	36,462,743	27,618,663	11,083,390
Adjustments for non-cash charges and other items:				
Capital gain on sale of investments - net	(1,762,564)	(15,844,410)	(2,645,904)	(9,178,392)
Net unrealised (appreciation) / diminution in the fair value of investments classified as: 'held for trading' - net	(7,663,728)	(9,079,736)	(23,726,301)	7,710,804
Amortisation of deferred formation cost	202,867	202,686	67,130	66,576
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	(11,902)	(6,863,027)	986,535	(6,821,158)
	5,023,619	4,878,256	2,300,123	2,861,220
Decrease / (increase) in assets				
Investments - net	17,899,912	(47,733,731)	23,200,762	(65,702,163)
Dividends and other receivables	(2,363,195)	(2,271,333)	(3,039,691)	(2,359,970)
Security deposits and prepayments	20,162	(4,987)	29,834	4,931
Receivable against sale of investments	-	-	6,999,543	1,423,718
	15,556,879	(50,010,051)	27,190,448	(66,633,484)
Increase / (decrease) in liabilities				
Payable to the Management Company	76,140	(1,222,267)	32,312	49,232
Payable to the Trustee	2,581	2,218	1,139	(197)
Annual fee payable to Securities and Exchange Commission of Pakistan	(46,553)	26,305	34,204	38,442
Payable against purchase of investments	5,882,008	3,956,261	5,882,008	3,956,261
Accrued and other liabilities	279,876	783,811	373,796	217,857
	6,194,052	3,546,328	6,323,459	4,261,595
Net cash flow from / (used in) operating activities	26,774,550	(41,585,467)	35,814,030	(59,510,669)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from issuance of units	14,050,096	52,454,317	15,000	46,319,510
Cash paid on redemption of units	(11,600,000)	(6,200,286)	(11,600,000)	(4,034,012)
Net cash flow from / (used in) operating activities	2,450,096	46,254,031	(11,585,000)	42,285,498
Net increase / (decrease) in cash and cash equivalents during the period	29,224,646	4,668,564	24,229,030	(17,225,171)
Cash and cash equivalents at the beginning of the period	4,721,215	20,047,743	9,716,831	41,941,478
Cash and cash equivalents at the end of the period	33,945,861	24,716,307	33,945,861	24,716,307

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Notes to and Forming Part of the Condensed Interim
Financial Information (Unaudited)
For the nine months period ended 31 March 2012**

1 LEGAL STATUS AND NATURE OF BUSINESS

Lakson Equity Fund (the "Fund") was established under Trust Deed executed on September 2, 2009 between Lakson Investments Limited as its Management Company and Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a notified entity on September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Management Company of the Fund has been licensed by SECP as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14-Ali Block, New Garden Town, Lahore.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units can also be redeemed by surrendering them to the Fund.

The Fund primarily invests in listed equity securities and other avenues of investment, which include cash or near cash instruments, cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days maturity and any other investment authorised by SECP.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Fund for the nine months period ended 31 March 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of and directives issued under the Companies Ordinance, 1984, requirements of Trust Deed, requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. In case where requirements differ, the provisions of or directives of Companies Ordinance, 1984, the requirements of Trust Deed, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, and Non-Banking Finance Companies and Notified Entities Regulations, 2008 have been followed.

The disclosures in this condensed interim financial information are presented in accordance with International Accounting Standard 34 "Interim Financial Reporting" and do not contain all the information required for full annual financial statements. Consequently, this condensed interim financial information should be read in conjunction with the financial statement of the Fund as at and for the year ended 30 June 2011.

This condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 31 March 2012 and the related condensed interim income statement, condensed interim statements of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flow, condensed interim statement of movement in unit holders' fund and notes thereto, for the nine months period ended 31 March 2012.

2.2 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38(g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for investments that are stated at fair values.

2.4 Functional and presentation currency

This condensed interim financial information is prepared in Pakistani Rupees, which is presentational and functional currency of the Fund.

2.5 Use of estimates and judgments

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 30 June 2011.

3 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual audited financial statements as at and for the year ended 30 June 2011.

4 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the period ended 30 June 2011.

31 March 2012 (Unaudited)	30 June 2011 (Audited)
(Rupees)	

5 BANK BALANCES

In profit and loss sharing accounts	5.1	<u>33,945,861</u>	<u>4,721,215</u>
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5.1 These carry mark-up at rates ranging from 5% to 11.00% (30 June 2011: 5% to 11.50%) per annum.

6 INVESTMENTS - financial assets at fair value through profit or loss - held for trading

Listed equity securities	6.1	<u>116,664,646</u>	<u>125,138,266</u>
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6.1 Listed equity securities
Unless otherwise stated, the holdings in ordinary shares are of Rs. 10 each

Name of investee company	Number of shares				Balance as at 31 March 2012				Market value as a percentage of total investments	Market value as a percentage of the paid-up capital of the company*	
	As at July 01, 2011	Purchased during the year / period	Bones / right shares	Disposed during the year / period	As at 31 March 2012	Carrying Value	Market value	Appreciation / (diminution)			
											Rupees
Chemicals											
Enpro Corporation Limited	35,000	86,000	26,100	104,000	43,100	4,360,876	4,278,968	(81,908)	2.86	3.67	0.08
Fuji Fertilizer Bin Qasim Limited	50,000	25,000	-	75,000	-	-	-	-	-	-	-
Fuji Fertilizer Company Limited	45,000	109,500	24,250	89,000	89,750	10,254,647	949,743	7,48	7.48	9.60	0.09
ICI Pakistan Limited *	21,000	-	-	21,000	-	-	-	-	-	-	-
Sitara Chemicals Industries Limited	8,000	-	-	8,000	-	-	-	-	-	-	-
	159,000	2,20,500	50,350	297,000	132,850	14,615,523	15,483,358	867,835	10.34	13.27	-
Oil and Gas											
Attock Petroleum Limited	10,000	13,500	-	3,500	20,000	8,049,362	9,065,000	1,015,638	6.06	7.77	1.31
Attock Refinery Limited	15,000	-	-	15,000	-	-	-	-	-	-	-
National Refinery Limited	-	22,000	-	22,000	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	12,000	90,423	47,381	55,042	47,381	7,560,563	7,943,899	383,336	5.31	6.81	0.02
Pakistan Oilfields Limited	34,000	24,000	-	24,000	34,000	12,247,191	12,418,160	170,969	8.30	10.64	0.52
Pakistan Petroleum Limited	56,000	48,373	5,500	45,000	64,873	11,840,064	11,858,136	18,072	7.92	10.16	0.09
Pakistan State Oil Company Limited	31,000	18,000	-	28,000	21,000	5,024,388	5,235,720	(888,668)	3.50	4.49	0.31
	158,000	216,296	5,500	192,542	187,254	45,121,568	46,520,915	1,399,347	31.09	39.87	-
Construction and Materials											
D.G. Khan Cement Company Limited	117,000	295,000	-	312,000	100,000	3,339,622	3,637,000	297,378	2.43	3.12	0.08
Lucky Cement Limited	95,000	80,000	-	95,000	80,000	6,334,202	9,076,000	2,741,798	6.06	7.78	0.28
	212,000	375,000	-	407,000	180,000	9,673,824	12,713,000	3,039,176	8.49	10.90	-
Industrial Metals and Mining											
International Industries Limited	31,348	-	-	31,348	-	-	-	-	-	-	-
Personal Goods											
Nishat Mills Limited	70,000	112,250	-	83,658	98,592	4,896,004	5,431,433	535,429	3.63	4.66	0.15
	260,000	250,727	-	220,727	290,000	3,860,905	3,959,900	(91,005)	2.38	3.06	0.01
Fixed Line Telecommunication											
Pakistan Telecommunications Company Limited	270,000	82,641	-	187,641	170,000	6,334,024	6,397,100	163,076	4.27	5.48	0.06
Hub Power Company Limited	178,410	-	-	178,410	-	-	-	-	-	-	-
Kot Addu Power Company Limited	448,410	82,641	-	361,051	170,000	6,334,024	6,397,100	163,076	4.27	5.48	-
Banks											
Allied Bank Limited	90,000	12,501	6,650	31,000	78,151	4,553,382	5,007,916	454,533	3.35	4.29	0.05
Bank Alfalah Limited	120,450	18,067	18,067	18,067	18,517	3,519,652	3,631,380	381,718	2.56	3.28	0.04
MCB Bank Limited	140,900	59,500	51,000	45,400	60,100	9,356,058	10,343,044	589,886	7.04	9.04	0.11
National Bank of Pakistan	125,306	60,000	10,000	185,306	30,000	464,075	456,200	(8,473)	0.30	0.39	0.00
United Bank Limited	120,000	120,000	-	192,500	87,500	6,275,294	6,299,500	494,206	4.48	5.75	0.05
496,656	232,001	39,817	414,206	374,268	24,799,070	26,946,940	1,749,870	17.73	22.75	0.00	
Total - 31 March 2012	1,835,414	1,509,415	95,667	2,007,532	1,432,964	109,000,918	116,664,646	7,663,728	77.93	100.00	-
Total - 30 June 2011	1,835,414	1,835,414	1,835,414	1,835,414	1,835,414	171,838,825	175,138,266	3,299,442	93.02	100.00	-

6.1.1 Investments include shares with market value aggregating to Rs 3.750 million (30 June 2011: Rs. 3.750 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades.
* Associated undertaking due to common directors.

		31 March 2012 (Unaudited)	30 June 2011 (Audited)
	Note	(Rupees)	
7 ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		119,056	174,999
Brokerage and settlement charges		115,527	70,288
Payable to Workers' Welfare Fund	7.1	754,084	463,085
Other liabilities		29,581	30,000
		<u>1,018,248</u>	<u>738,372</u>

- 7.1** The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it is alleged that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

After 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) vide its letter dated October 06, 2010 to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. However, the FBR vide its letter dated January 04, 2011 has cancelled its earlier letter dated October 06, 2010 ab initio and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

After 30 June 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. Further MUFAP took the opinion of the legal council contesting the case on behalf of mutual fund on the impact of the decision of (LHC). The council vide its letter dated December 12, 2011 opined that in light of recent judgments, there are good chance for the constitutional petition to be decided in favor of mutual fund. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the Sindh High Court (SHC).

In view of above stated facts and considering the vagaries of litigation, the Management Company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs 0.754 million upto 31 March 2012.

8 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at the balance sheet date.

9. REMUNERATION TO THE MANAGEMENT COMPANY

The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding three percent per annum of the average annual net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the Management Fee is charged @ 3% of the average annual net assets of the Fund. Effective from 1 July 2011, through The Sindh Sales Tax on Services Act, 2011, sales tax @ 16% is imposed on the Fund management services.

Remuneration of the Management Company charged to the Fund during the period, includes the imposed tax.

10 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per Regulation 63 of the NBFC Regulations the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.

11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, SIZA Services (Private) Limited being Holding Company of the Management Company, associated companies of the Management Company, key management personnel and other funds being managed by the Management Company.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively. Other transactions are in normal course of business, at contracted rates and terms determined in accordance with the market rates.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
	(Rupees)	
11.1 Balance as at period ended		
Lakson Investments Limited - Management Company of the fund		
Remuneration payable	<u>434,067</u>	<u>357,927</u>
Units held as at the period / year ended 682,646 (30 June 2011: 603,854) units	<u>76,839,233</u>	<u>72,248,266</u>
Central Depository Company of Pakistan Limited- Trustee of the Fund		
Remuneration payable	<u>59,290</u>	<u>57,534</u>
Settlement charges payable	<u>1,937</u>	<u>1,112</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
Director of the Management Company		
Mr. Daniel Scott Smaller		
Units held as at the period / year ended 1,639 (30 June 2011: 1,378) units	<u>184,520</u>	<u>164,838</u>

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
	(Rupees)	
Key Management Personnel, Employees and Connected Person of the Management Company		
Units held as at the period / year ended 336 (30 June 2011: nil) units	<u><u>37,797</u></u>	<u><u>-</u></u>
SIZA (Private) Limited - Associated company of the Management Company		
Units held as at the period / year ended 589,413 (June 30, 2011: 503,472) units	<u><u>66,344,877</u></u>	<u><u>60,237,967</u></u>
11.2 Transactions related to units of the fund		
Lakson Investments Limited - Management Company of the fund		
Issue of bonus units - 103,077 (2011: nil) units	<u><u>-</u></u>	<u><u>-</u></u>
Redemption of units - 24,285 (2011: 50,139) units	<u><u>2,600,000</u></u>	<u><u>6,000,000</u></u>
Directors of the Management Company		
Mr. Daniel Scott Smaller		
Issue of units - 26 (2011: 1,378) units	<u><u>2,596</u></u>	<u><u>147,250</u></u>
Issue of bonus units - 235 (2010: nil) units	<u><u>-</u></u>	<u><u>-</u></u>
Key Management Personnel, Employees and Connected Persons of the Management Company		
Issue of units - 284 (2011: nil) units	<u><u>27,500</u></u>	<u><u>-</u></u>
Issue of bonus units - 336 (2011: nil) units	<u><u>-</u></u>	<u><u>-</u></u>
Redemption of units - nil (2011: 522) units	<u><u>-</u></u>	<u><u>57,610</u></u>
SIZA (Private) Limited - Associated company of the Management Company		
Issue of bonus units - 85,942 (2011: nil) units	<u><u>-</u></u>	<u><u>-</u></u>

	Nine Months Ended 31 March		Quarter Ended 31 March	
	2012	2011	2012	2011
	----- (Unaudited) -----			
	----- (Rupees) -----			
11.3 Other transactions during the period				
Lakson Investments Limited - Management Company of the fund				
Remuneration for the period	<u>3,741,475</u>	<u>3,327,586</u>	<u>1,252,943</u>	<u>1,213,969</u>
Sales load for the period	<u>-</u>	<u>5,824</u>	<u>-</u>	<u>5,824</u>
Central Depository Company of Pakistan Limited- Trustee of the Fund				
Remuneration for the period	<u>525,957</u>	<u>525,478</u>	<u>174,044</u>	<u>172,601</u>
Settlement charges	<u>8,298</u>	<u>7,463</u>	<u>4,244</u>	<u>3,010</u>
ICI Pakistan Limited - Associated undertaking due to common directors				
Dividend received during the period	<u>56,000</u>	<u>101,712</u>	<u>-</u>	<u>-</u>

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 19 April 2012 by the Board of Directors of the Management Company.

13 GENERAL

13.1 Figures have been rounded off to the nearest rupee.

**For Lakson Investments Limited
(Management Company)**

Chief Executive Officer

Director



A Lakson Group Company

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