

LAKSON MONEY MARKET 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

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road,
Karachi - 75530, Pakistan

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/1, 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

AA(f) : Fund Stability Rating
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 Money Market Fund ("LMMF") - 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 stable and competitive returns with low volatility that are in line with the money markets and consistent with capital preservation. Accordingly, the fund consists of a liquid portfolio of low risk, short-term investments.

Fund Profile

The LMMF is an open end money market fund which invests in Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts and other short term instruments. The weighted average maturity of the portfolio is kept below 3 months. LMMF invests in only those securities that have been assigned at least a "AA" rating by a rating agency in Pakistan and are of less than 6 months maturity. An in-depth credit analysis is conducted before taking any exposure to any counter party to mitigate the credit risk. Short maturity of the portfolio protects the Unit Holders against interest rate movements while enhancing the liquidity of the Fund. LMMF is allowed to borrow up to 15% of Net Assets to meet redemptions, however, LMMF did not utilize this facility during the period under review.

Fund performance

During the 9MFY12 the assets under management of the LMMF increased by 40.70% from PKR 4.16 billion to PKR 5.85 billion. The LMMF yielded an annualized return of 11.42% in the 9MFY12 compared to the Benchmark (average return of all money market funds) return of 11.57% p.a. The LMMF underperformed the average money market fund by 15bps as the LMMF continues to provide the liability related to the Workers Welfare Fund ("WWF") that has a negative impact of approximately 20bps in annualized performance while the majority of the money market funds are not providing this liability. As of March 31, 2012, the LMMF portfolio is invested 75% in T-Bills and 25% in TDRs while the weighted average maturity of the LMMF portfolio stands at 52 days. The Standard Deviation, a measure of the volatility of the fund's performance, of monthly returns of the LMMF since inception is just 1.02%.

Income Distribution

The Chief Executive Officer of the management company under the authority of the Board of Directors has announced interim distributions of PKR 8.1045 per unit (8.1045% of face value of PKR 100/-) during the nine months period ended March 31, 2012 amounting to PKR 437.99 million (PKR 337.41 million of Bonus distribution and PKR 100.58 million of cash distribution).

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.

Fixed Income Market Review

Increasing government borrowing kept the money market tight, however due to declining interest rates the overnight repo rates averaged at 12.02% during the 9MFY12 compared to an average of 12.44% witnessed during 9MFY11. The SBP supported the market liquidity through frequent Open Market Operations ("OMOs") which clocked in a weekly average of PKR 158 billion. The SBP conducted nineteen Treasury Bill ("T-bill") auctions during 9MFY12 and accepted PKR 2.6 trillion worth of bids, meeting its target of PKR 2.5 trillion. The yields for 3M, 6M and 12M T-bills, nevertheless adjusted downwards by 49 bps, 64 bps and 75 bps respectively on YoY basis as they incorporated the impact of 200 bps decline in the discount rate. Similarly, the benchmark 6-month KIBOR also declined by 74 bps YoY to average at 12.56% during 9MFY12. Through seven Pakistan Investment Bond ("PIB") auctions conducted during the 9MFY12 period, the GoP borrowed PKR 159 billion while the banking sector recorded a surge of PKR 329 billion in its deposits to PKR 5.9 trillion by the end of Mar '12.

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.

Acknowledgement

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 the growth and the prudent management of the Fund.

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 2011**

Assets	Note	31 March 2012 (Unaudited)	30 June 2011 (Audited)
		(Rupees)	
Bank balances	6	1,477,377,510	405,093,721
Investments	7	4,416,559,598	3,704,424,065
Placements		-	60,000,000
Mark-up receivables		2,614,762	2,960,195
Prepayment		37,206	-
Deferred formation cost		1,046,325	1,346,251
Total assets		5,897,635,401	4,173,824,232
Liabilities			
Remuneration payable to the Management Company		7,305,123	4,387,474
Remuneration payable to the Trustee		488,180	368,211
Annual fee payable to the Securities and Exchange Commission of Pakistan		3,052,793	2,756,865
Payable against redemption of units		8,067,508	-
Dividend payable		12,771,996	-
Accrued expenses and other liabilities	9	20,589,423	11,786,943
Total liabilities		52,275,023	19,299,493
Net assets		5,845,360,378	4,154,524,739
Unit holders' funds		5,845,360,378	4,154,524,739
		(Number)	
Number of units in issue		58,405,457	41,129,989
		(Rupees)	
Net assets value per unit		100.0825	101.0097

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
Income					
Mark-up income		512,667,222	336,490,187	176,732,819	124,632,932
Gain / (loss) on sale of held for trading investments - net		2,264,559	(3,756)	140,382	8,214
Unrealised (diminution) / appreciation in the fair value of investments - held for trading- net		(1,176,183)	106,051	(3,048,583)	289,378
Element of income and capital gains in prices of units sold less those in units redeemed - net		5,100,132	2,950,067	457,464	2,845,301
		518,855,730	339,542,549	174,282,082	127,775,825
Expenses					
Remuneration to the Management Company	8	59,020,664	33,213,143	21,255,617	11,719,557
Remuneration to the Trustee		4,044,668	3,230,115	1,423,948	1,006,518
Annual fee to the Securities and Exchange Commission of Pakistan		3,052,793	1,992,789	1,099,429	703,174
Auditors' remuneration		228,801	213,595	71,368	71,583
Fees and subscription		180,328	180,166	59,672	59,178
Printing charges		45,081	51,689	14,918	8,220
Brokerage expenses		61,497	111,353	4,942	14,625
Amortization of deferred formation cost		299,926	299,655	99,248	98,427
Workers' Welfare Fund	9.1	9,036,895	6,004,699	3,004,442	2,281,652
Bank charges		77,209	15,083	30,818	11,947
		76,047,862	45,312,287	27,064,402	15,974,881
Net income for the period		442,807,868	294,230,262	147,217,680	111,800,944

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
Note	------(Rupees)-----			
Net income for the period	442,807,868	294,230,262	147,217,680	111,800,944
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>442,807,868</u>	<u>294,230,262</u>	<u>147,217,680</u>	<u>111,800,944</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
Note	------(Rupees)-----			
Undistributed income at beginning of the period - realised	42,617,483	81,762,049	3,876,558	3,564,344
Accumulated loss at beginning of the period - unrealised	(1,091,670)	(239,118)	1,872,400	(183,327)
Undistributed income at the beginning of the period	41,525,813	81,522,931	5,748,958	3,381,017
Final distribution at the rate of Rs 1.0096 (2010: 2.7909) per unit approved on 4 July 2011 (2010: 6 July 2010)				
- Cash distribution	(9,420,516)	(19,379,979)	-	-
- Issue of bonus units	(32,104,321)	(62,142,937)	-	-
	(41,524,837)	(81,522,916)	-	-
Total comprehensive income for the period	442,807,868	294,230,262	147,217,680	111,800,944
Interim distribution during the period	10			
- Cash distribution	(100,580,807)	(69,592,452)	(38,359,368)	(25,955,889)
- Issue of bonus units	(337,413,311)	(222,119,162)	(109,792,544)	(86,707,409)
	4,813,750	2,518,648	(934,232)	(862,354)
	4,814,726	2,518,663	4,814,726	2,518,663
Undistributed income at end of the period - realised	5,990,909	2,412,612	5,990,909	2,412,612
(Accumulated loss) / undistributed income at end of the period - unrealised	(1,176,183)	106,051	(1,176,183)	106,051
Undistributed income at the end of the period	4,814,726	2,518,663	4,814,726	2,518,663

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
Note	----- (Rupees) -----			
Net assets at the beginning of the period	4,154,524,739	3,002,595,035	5,782,871,656	3,495,992,974
Cash received on issue of 36,438,837 (2011: 15,251,039) units and 8,327,204 (2011: 4,780,416) units for the nine months and quarter respectively	3,660,286,007	1,543,701,078	836,280,475	493,577,370
Cash paid on redemption of 22,856,392 (2011: 10,138,604) units and 8,790,690 (2011: 3,498,653) units for the nine months and quarter respectively	(2,297,156,781)	(1,029,594,271)	(882,192,601)	(353,560,492)
	1,363,129,226	514,106,807	(45,912,126)	140,016,878
Element of income and capital gains in prices of units sold less those in units redeemed - net	(5,100,132)	(2,950,067)	(457,464)	(2,845,301)
Final distribution at the rate of Rs 1.0096 (2010: 2.7909) per unit approved on 4 July 2011 (2010: 6 July 2010)				
- Cash distribution	(9,420,516)	(19,379,979)	-	-
- Issue of bonus units	(32,104,321)	(62,142,937)	-	-
	(41,524,837)	(81,522,916)	-	-
Issue of 321,043 (2010: 621,429) bonus units as final distribution	32,104,321	62,142,937	-	-
Total comprehensive income for the period	442,807,868	294,230,262	147,217,680	111,800,944
Interim distribution during the period				
- Cash distribution	(100,580,807)	(69,592,452)	(38,359,368)	(25,955,889)
- Issue of bonus units	(337,413,311)	(222,119,162)	(109,792,544)	(86,707,409)
	4,813,750	2,518,648	(934,232)	(862,354)
Issue of 3,371,980 (2011: 2,220,324) bonus units and 1,097,716 (2011: 867,026) bonus units for the nine months and quarter respectively	337,413,311	222,119,162	109,792,544	86,707,409
Net assets as at end of the period	5,845,360,378	3,719,009,606	5,845,360,378	3,719,009,606
Net assets value per unit at the beginning of the period	101.0097	102.7909	100.0996	100.0968
Net assets value per unit at end of the period	100.0825	100.0678	100.0825	100.0678

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

Note	Nine Months Ended 31 March		Quarter Ended 31 March	
	2012	2011	2012	2011
------(Rupees)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	442,807,868	294,230,262	147,217,680	111,800,944
Adjustments for non-cash and others items:				
Amortization of formation cost	299,926	299,655	99,248	98,427
Unrealised diminution / (appreciation) in the fair value of investments - held for trading- net	1,176,183	(106,051)	3,048,583	(289,378)
Element of income and capital gains in prices of units sold less those in units redeemed - net	(5,100,132)	(2,950,067)	(457,464)	(2,845,301)
	439,183,845	291,473,799	149,908,047	108,764,692
(Increase) / decrease in assets				
Investments	(713,311,716)	(1,441,931,635)	(1,547,060,646)	(1,793,087,844)
Placements	60,000,000	375,000,000	-	-
Mark-up receivables	345,433	11,557,064	6,301,519	13,335,550
Prepayment	(37,206)	140,166	59,672	59,179
	(653,003,489)	(1,055,234,405)	(1,540,699,455)	(1,779,693,115)
Increase / (decrease) in liabilities				
Remuneration payable to the Management Company	2,917,649	(637,574)	210,420	442,696
Remuneration payable to the Trustee	119,969	48,180	10,158	(27,808)
Annual fee payable to the Securities and Exchange Commission of Pakistan	295,928	1,117,906	1,099,429	703,174
Payable against redemption of units	8,067,508	49,532,574	8,067,508	50,815,913
Accrued expenses and other liabilities	8,802,480	5,989,916	2,957,522	2,268,087
	20,203,534	56,051,002	12,345,037	54,202,062
Net cash used in operating activities	(193,616,110)	(707,709,604)	(1,378,446,371)	(1,616,726,361)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from issuance of units	3,660,286,007	1,543,701,078	836,280,475	493,577,370
Cash paid against redemption of units	(2,297,156,781)	(1,029,594,271)	(882,192,601)	(353,560,492)
Cash dividend paid	(97,229,327)	(63,016,542)	(37,475,534)	(23,869,518)
Net cash flow from / (used in) financing activities	1,265,899,899	451,090,265	(83,387,660)	116,147,360
Net increase / (decrease) in cash and cash equivalents during the period				
	1,072,283,789	(256,619,339)	(1,461,834,031)	(1,500,579,001)
Cash and cash equivalents at beginning of the period	405,093,721	681,250,007	2,939,211,541	1,925,209,669
Cash and cash equivalents at end of the period	1,477,377,510	424,630,668	1,477,377,510	424,630,668

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 the Condensed Interim Financial Information (Unaudited)
For the nine months period ended 31 March 2012**

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Money Market Fund (the "Fund") was established under the Trust Deed executed on 2 September 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services 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 are transferable and can be redeemed by surrendering them to the Fund.

The Fund primarily invests in Government securities, Certificates of Investment, Certificates of Deposits, Term Deposit Receipts, Commercial Papers, reverse repo, etc subject to guidelines given by SECP.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been presented in condensed form in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements 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 statement of comprehensive income, condensed interim cash flow statement, condensed interim distribution statement, condensed interim statement of movement in unit holder's fund, and notes thereto, for the nine months period ended 31 March 2012.

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).

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest rupees.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published financial statements as at and for the period ended 30 June 2011.

4. ACCOUNTING ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount 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 were applied to financial statements as at and for the period ended 30 June 2011.

5. FINANCIAL RISK MANAGEMENT

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

		31 March 2012 (Unaudited)	30 June 2011 (Audited)
	Note	(Rupees)	
6. BANK BALANCES - local currency			
In profit and loss sharing accounts	6.1	27,377,510	5,093,721
In term deposits	6.2	1,450,000,000	400,000,000
		<u>1,477,377,510</u>	<u>405,093,721</u>
6.1	These accounts carry profit rates ranging between 5% to 11.00% (30 June 2011: 5% to 11.50%) per annum.		
6.2	These term deposits carry profit rates ranging between 12.20% to 12.25% (30 June 2011: 13.90%) per annum and will mature between 30 May 2012 to 14 June 2012.		
7. INVESTMENTS			
Held for trading			
Government securities	7.1	<u>4,416,559,598</u>	<u>3,704,424,065</u>

7.1 Government Securities

	Number of holdings at beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Carrying value as at 31 March 2012	Market value as at 31 March 2012	Unrealized (diminution) / appreciation	Market value as percentage of net assets	Market value as percentage of total investment	
	(Number of bills)				(Rupees)			Percentage (%)		
Government Securities										
Treasury Bills - 3 months (face value of Rs. 100,000 each)	7.1.1	22,100	56,235	49,240	29,095	1,542,431,718	1,541,531,570	(900,148)	26.37	34.90
Treasury Bills - 6 months (face value of Rs. 100,000 each)	7.1.2	16,000	101,826	102,101	15,725	2,875,304,063	2,875,028,028	(276,035)	49.18	65.10
Treasury Bills - 12 months (face value of Rs. 100,000 each)	-	-	6,800	6,800	-	-	-	-	-	-
				Total		4,417,735,781	4,416,559,598	(1,176,183)	75.56	100.00
				Total as at 30 June 2011		3,705,515,735	3,704,424,065	(1,091,670)	89.17	100.00

7.1.1 These represent 3 months Government Treasury bills carrying a fixed mark-up rate ranging from 11.5536% to 11.8791% (30 June 2011: 13.7428% to 14.3556%) and will mature between 5 April 2012 and 14 June 2012. The face value of Treasury Bills held as at 31 March 2012 amounted to Rs. 2,909 million.

7.1.2 These represent 6 months Government Treasury bills carrying a fixed mark-up rate ranging from 11.6272% to 11.9999% (30 June 2011: 13.9156% to 14.1353%) and will mature between 19 April 2012 and 26 July 2012. The face value of Treasury Bills held as at 31 March 2012 amounted to Rs. 1,573 million.

8. 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 @ 1.25% 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.

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

9. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		112,842	175,000
Payable to Workers' Welfare Fund	9.1	20,450,035	11,413,140
Brokerage payable		1,915	9,930
Other liabilities		24,631	188,873
		20,589,423	11,786,943

- 9.1 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 20.450 million upto 31 March 2012.

10. INTERIM DISTRIBUTIONS DURING THE PERIOD

Dates of distributions	For the period ended 31 March 2012			
	Distribution per unit	No. of bonus units issued	Bonus ----- (Rupees)	Cash -----
30 July 2011	0.9112	343,479	34,347,995	9,954,851
29 August 2011	0.9391	351,201	35,133,028	10,259,659
29 September 2011	0.9619	372,437	37,256,724	10,508,749
28 October 2011	0.9043	367,052	36,794,250	9,879,469
28 November 2011	0.9340	422,781	42,339,552	9,730,549
29 December 2011	0.9352	417,314	41,749,218	11,888,162
31 January 2012	0.9335	405,222	40,543,130	14,185,659
27 February 2012	0.7503	326,835	32,683,477	11,401,713
29 March 2012	0.8350	365,659	36,565,937	12,771,996
	8.1045	3,371,980	337,413,311	100,580,807

Dates of distributions	For the period ended 31 March 2011			
	Distribution per unit	No. of bonus units issued	Bonus ----- (Rupees)	Cash -----
4 October 2010	2.4880	625,215	62,603,421	19,767,045
31 December 2010	2.8270	728,083	72,808,332	23,869,518
30 March 2011	2.9383	867,026	86,707,409	25,955,889
	8.2533	2,220,324	222,119,162	69,592,452

11. 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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.

12. 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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)	
12.1 Balance as at period ended		
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable	<u>7,305,123</u>	<u>4,387,474</u>
Units held as at the period ended 1,267,526 (June 2011: 1,279,569) units	<u>126,857,166</u>	<u>129,248,836</u>
Central Depository Company of Pakistan Limited - Trustee of the fund		
Remuneration payable	<u>488,180</u>	<u>368,211</u>
Directors of the Management Company		
Mr. Babar Ali Lakhani		
Units held as at the period / year end 77,131 (30 June 2011: 60,865) units*	<u>7,719,501</u>	<u>6,147,963</u>

*69,882 (30 June 2011: 54,543) units held in a joint account with spouse Mrs. Zil Lakhani.

*Includes 309 (30 June 2011: Nil) units held by minor son Mr. Hassan Ali Lakhani.

	31 March 2012 (Unaudited) (Rupees)	30 June 2011 (Audited)
Mr. Iqbal Ali Lakhani		
Units held as at the period / year end 1,153,016 (30 June 2011: 2,972,332) units	<u>115,396,688</u>	<u>300,234,299</u>
Mrs. Ronak Iqbal Lakhani (Spouse of Director Mr. Iqbal Ali Lakhani)		
Units held as at the period / year end 2,049,387 (30 June 2011: Nil) units	<u>205,107,767</u>	<u>-</u>
Mr. Mahomed Jaffer		
Units held as at the period / year end 3,878 (30 June 2011: 3,542) units	<u>388,084</u>	<u>357,726</u>
Key Management Personnel, Employees and Connected Persons of the Management Company		
Units held as at the period / year end 1,129,957 (30 June 2011: 1,031,929) units	<u>113,088,953</u>	<u>104,234,884</u>
Siza Services (Private) Limited- Holding Company of the Management Company		
Units held as at the period / year end 193,032 (30 June 2011: 160,981) units	<u>19,319,079</u>	<u>16,260,680</u>
Associated Companies / Undertaking of the Management Company		
Siza (Private) Limited		
Units held as at the period / year end 21,441,650 (30 June 2011: 16,131,818) units	<u>2,145,933,935</u>	<u>1,629,470,083</u>
Accuray Surgical Limited - Employees Contributory Provident Fund Trust		
Units held as at the period / year end 87,020 (30 June 2011: 79,477) units	<u>8,709,186</u>	<u>8,027,914</u>
Hassanali Karabhai Foundation		
Units held as at the period / year end 119,058 (30 June 2011: 64,484) units	<u>11,915,645</u>	<u>6,513,508</u>
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust		
Units held as at the period / year end 832 (30 June 2011: 760) units	<u>83,250</u>	<u>76,737</u>
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust		
Units held as at the period / year end 104,936 (30 June 2011: 95,840) units	<u>10,502,253</u>	<u>9,680,720</u>

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
	(Rupees)	
Century Insurance Company Limited		
Units held as at the period / year end 3,254,924 (30 June 2011: 1,688,168) units	<u>325,760,904</u>	<u>170,521,388</u>
Premier Fashions (Private) Limited		
Units held as at the period / year end 148,859 (30 June 2011: 9,063) units	<u>14,898,158</u>	<u>915,441</u>
Century Enterprises (Private) Limited		
Units held as at the period / year end 19,505 (30 June 2011: 19,248) units	<u>1,952,100</u>	<u>1,944,222</u>
Clover Pakistan Limited		
Units held as at the period / year end 59,469 (30 June 2011: 995,516) units	<u>5,951,760</u>	<u>100,556,735</u>
Lakson Power Limited		
Units held as at the period / year end 3,992 (30 June 2011: 3,646) units	<u>399,508</u>	<u>368,257</u>
Colgate Palmolive (Pak.) Limited		
Units held as at the period / year end 999,729 (30 June 2011: nil) units	<u>100,055,385</u>	<u>-</u>
Siza Commodities (Private) Limited		
Units held as at the period / year end 76,133 (30 June 2011: nil) units	<u>7,619,549</u>	<u>-</u>
Baluchistan Polyproducts (Private) Limited		
Units held as at the period / year end 28,824 (30 June 2011: nil) units	<u>2,884,737</u>	<u>-</u>

Nine Months Ended
31 March
2012 2011
(Unaudited)
(Rupees)

12.2 Transactions related to units of the fund

**Lakson Investments Limited - Management
Company of the fund**

Issue of units - 144,543 (2011: 171,309) units	<u>14,500,000</u>	<u>17,500,000</u>
Bonus - 111,472 (2011: 116,144) units	<u>-</u>	<u>-</u>
Redemption - 268,057 (2011: 34,353) units	<u>27,000,000</u>	<u>3,500,000</u>

	Nine Months Ended 31 March	
	2011	2010
	(Unaudited) (Rupees)	
Directors of the Management Company		
Babar Ali Lakhani		
Issue of units - 30,234 (2011: 32,372) units	<u>3,045,507</u>	<u>3,268,701</u>
Bonus - 6,045 (2011: 4,882) units	<u>-</u>	<u>-</u>
Redemption - 20,012 (2011: 19,723) units	<u>2,009,881</u>	<u>2,007,889</u>
Iqbal Ali Lakhani		
Issue of units - nil (2011: 636,461) units	<u>-</u>	<u>64,000,000</u>
Bonus - 174,344 (2011: 268,287) units	<u>-</u>	<u>-</u>
Redemption - 1,993,660 (2011: nil) units	<u>200,000,000</u>	<u>-</u>
Mrs. Ronak Iqbal Lakhani (Spouse of Director Mr. Iqbal Ali Lakhani)		
Issue of units - 1,993,660 (2011: nil) units	<u>200,000,000</u>	<u>-</u>
Bonus - 55,727 (2011: nil) units	<u>-</u>	<u>-</u>
Mahomed J. Jaffer		
Bonus - 336 (2011: 357) units	<u>-</u>	<u>-</u>
Key Management Personnel, Employees and Connected Person of the Management Company		
Issue of units - 1,048 (2011: 934,119) units	<u>105,600</u>	<u>95,042,609</u>
Bonus - 97,962 (2011: 1,783) units	<u>-</u>	<u>-</u>
Redemption - 982 (2011: 933,892) units	<u>98,748</u>	<u>95,074,901</u>
Siza Services (Private) Limited- Holding Company of the Management Company		
Issue of units - 1,148,789 (2011: nil) units	<u>115,550,000</u>	<u>-</u>
Bonus - 51,905 (2011: 18,391) units	<u>-</u>	<u>-</u>
Redemption - 1,168,645 (2011: nil) units	<u>117,605,200</u>	<u>-</u>
Associated Companies / Undertaking of the Management Company		
Siza (Private) Limited		
Issue of units - 6,107,988 (2011: 2,032,328) units	<u>612,868,344</u>	<u>206,271,000</u>
Bonus - 1,690,768 (2011: 1,522,576) units	<u>-</u>	<u>-</u>
Redemption - 2,488,924 (2011: 147,228) units	<u>255,000,000</u>	<u>15,001,000</u>
Sybrid (Private) Limited		
Issue of units - 69,883 (2011: nil) units	<u>7,000,000</u>	<u>-</u>
Bonus - 1,144 (2011: nil) units	<u>-</u>	<u>-</u>
Redemption - 71,027 (2011: nil) units	<u>7,124,718</u>	<u>-</u>
Accuray Surgical Limited Employees Contributory Provident Fund Trust		
Bonus - 7,543 (2011: 8,045) units	<u>-</u>	<u>-</u>

	Nine Months Ended 31 March	
	2012	2011
	(Unaudited) (Rupees)	
Hassanali Karabhai Foundation		
Issue of units - 47,373 (2011: nil) units	4,760,000	-
Bonus - 7,202 (2011: 6,842) units	-	-
Redemption - nil (2011: 6,195) units	-	621,039
Lakson Business Solutions Limited		
Employees Contributory Provident Fund Trust		
Bonus - 72 (2011: 77) units	-	-
Century Paper & Board Mills Limited		
Employees Contributory Provident Fund Trust		
Bonus - 9,096 (2011: 9,702) units	-	-
Century Insurance Company Limited		
Issue of units - 2,481,849 (2011: 857,489) units	249,516,268	87,500,000
Bonus - 194,059 (2011: 117,083) units	-	-
Redemption - 1,109,154 (2011: nil) units	111,410,583	-
Premier Fashions (Private) Limited		
Issue of units - 671,570 (2011: nil) units	67,590,000	-
Bonus - 24,241 (2011: 917) units	-	-
Redemption - 556,016 (2011: nil) units	55,900,000	-
Century Enterprises (Private) Limited		
Bonus - 1,746 (2011: 1,986) units	-	-
Redemption - 1,489 (2011: 491) units	150,000	50,000
Clover Pakistan Limited		
Issue of units - nil (2011: 494,124) units	-	50,000,000
Bonus - 58,895 (2011: 12,278) units	-	-
Redemption - 994,942 (2011: 506,402) units	100,000,000	51,025,943
Colgate Palmolive (Pakistan) Limited		
Issue of units - 999,729 (2011: 1,976,497) units	100,000,000	200,000,000
Bonus - nil (2011: 83,786) units	-	-
Redemption - nil (2011: 988,249) units	-	101,107,432
Lakson Power Limited		
Issue of units - nil (2011: 3,475) units	-	350,000
Bonus - 346 (2011: 102) units	-	-
Siza Commodities (Private) Limited		
Issue of units - 268,255 (2011: nil) units	27,000,000	-
Bonus - 10,777 (2011: nil) units	-	-
Redemption - 202,899 (2011: nil) units	20,400,000	-
Baluchistan Polyproducts (Private) Limited		
Issue of units - 27,848 (2011: nil) units	2,800,000	-
Bonus - 975 (2011: nil) units	-	-

	Nine Months Ended 31 March		Quarter Ended 31 March	
	2012	2011	2012	2011
	----- (Unaudited) -----			
	----- (Rupees) -----			
12.3 Other transactions during the period				
Lakson Investments Limited - Management Company of the fund				
Remuneration of the management company	<u>59,020,664</u>	<u>33,213,143</u>	<u>21,255,617</u>	<u>11,719,557</u>
Central Depository Company of Pakistan Limited- Trustee of the Fund				
Remuneration	<u>4,044,668</u>	<u>3,230,115</u>	<u>1,423,948</u>	<u>1,006,518</u>

13. GENERAL

- 13.1 This condensed interim financial information was authorised for issue on 19 April 2012 by the board of directors of the Management Company.

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

Chief Executive Officer

Director



A Lakson Group Company

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

UAN +92.21 111-LAKSON
T +92.21 3569.8000
F +92.21 3568.1653
E info@li.com.pk
www.li.com.pk