

Lakson Outlook

- ♥ Economic and Markets Review
- ♥ FMR Lakson Money Market Fund
- ♥ FMR Lakson Income Fund
- ♥ FMR Lakson Equity Fund
- ♥ Mutual Funds Performance Comparison
- ♥ Markets Information



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Economic Review (Monetary and Fiscal)

The key issues pertaining to Pakistan's macroeconomic stability remained unresolved during the month and the consistent fiscal indiscipline continues to hamper the country's economic growth prospects. In the prevailing situation the budgetary targets for real GDP growth, government borrowing, revenue collection, inflation and the fiscal deficit appear extremely challenging. The Government failed to get the Reformed General Sales Tax ("RGST") approved from the National Assembly which was the prerequisite for disbursement of the remaining two tranches of the Stand-By Arrangement ("SBA") from the International Monetary Fund ("IMF"). The SBA was scheduled to expire on December 31, 2010 however the Government has sought a nine month extension in the SBA from the IMF. The extension has been granted by the IMF providing an opportunity to the Government to implement the RGST and power sector reforms to get the withheld amount of USD 3.6 billion. International commodity prices are witnessing an upward trend and to pass on the impact of high international oil prices the Government has increased the prices for domestic petroleum products. Regrettably this price increase was retracted due to severe opposition from the coalition partners as well as opposition parties. This decision by the Government will reduce the revenue collection by PKR 4-5 billion on month to month basis if the international oil prices stay at current levels.

Inflation continues to show persistence on the back of higher food prices and the December '10 Consumer Price Index ("CPI") clocked in at 15.46% YoY with perishable food items showing the highest increase of 43.52% having 5.14% weight in the CPI. The SBP has updated the Monetary Aggregates data for the 1HFY11 which shows a 9.53% expansion in the Broad Money (M2) on the back of 8.01% growth in the Net Domestic Assets ("NDA") of the banking sector. The government borrowed PKR 339 billion for the budgetary support during 1HFY11 as compared to PKR 128 billion in 1HFY10. Credit to private sector also showed remarkable recovery and witnessed a growth of 5.40% in 1HFY11. The widening gap between Government expenditure and revenue generation and resultant monetization of the fiscal deficit through borrowing from the SBP is also deteriorating the SBP's currency to deposit ratio. During 1HFY11 the currency in circulation, which has a strong positive relationship with the inflation, increased by 16.94%.

Amid a deteriorating fiscal situation, the external account of the country has shown some respite on the back of record remittances, strong growth in textile exports, and receipt of payments under the Kerry Lugar Bill and Coalition Support Fund ("CSF"). Pakistan received USD 5.29 billion in 1HFY11 in remittances as compared to USD 4.53 billion in 1HFY10, up by 16.83% YoY. If the current trend of the remittances continues in the 2HFY11 then the remittances will surpass USD 10 billion mark for the first time. As a result of these developments on the external front foreign exchange reserves stand at USD 17.2 billion at the end of December '10. Large Scale Manufacturing ("LSM") has contracted by 2.30% in 5MFY11 as the inter-corporate circular debt continues to dampen the refining output that has gone down by 10.62% YoY.

Fixed Income Markets Review

The money market was relatively tight in December '10 as the overnight repo rates averaged 12.79% as compared to 12.25% in November '10. Overnight rates were higher due to 50bps increase in the policy rate by the SBP towards the end of November '10. The SBP conducted ten Open Market Operations ("OMOs") during the month and on a net basis injected PKR 28.90 billion in the market to ease off tight liquidity situation due to higher credit demand from the Government as well as the private sector from the banking sector. Market yields on Government securities witnessed an upward trend during the month and went up by 25bps on average as the impact of 50bps increase in the policy rate was incorporated in the yields. The benchmark lending rate 6-month KIBOR averaged 13.60% in December '10 as compared to an average of 13.28% in November '10. The SBP conducted three T-Bill auctions during the month and raised PKR 359 billion against a target of PKR 225 billion and raised the cut-off yields by 26-47bps on different tenures. The SBP also released the auction calendar for T-Bills for 3QFY11 and set a target of PKR 980 for the 3QFY11 against a maturity of PKR 883 billion which means that there will be a net outflow of 97 billion from the system. Commercial banks offered very attractive rates on term deposits during December '10 ranging between 13.50% - 14.00% in order to raise deposits to strengthen their balance sheets on the year end.

Equity Market Review

The KSE-100 Index rose by 787.70 points (7.01%) during the month of December '10 and was able to set a new 52 week high of 12,031 on a closing basis. The KSE-100 index crossed the 12,000 index level for the first time since July 2008 and successfully maintained this level by the end of month on continuous foreign inflows and buying by the local institutional investors. Average daily volumes traded during the month were 140 million shares, compared to 126 million shares in November '10, up 11% MoM. Sectors like Oil & Gas, Electricity, Chemicals, Personal Goods, and Banks were in limelight on the expectation of better corporate result announcements. Urea manufacturers increased the urea prices due to gas curtailment that resulted in a re-rating of this sector as the urea manufacturers are expected to post healthy profits in CY11. Substantial net inflow of USD 72.95 million was seen in December '10 in Foreign Investors Portfolio Investment ("FIPI") that takes the total net inflow in 1HFY11 to USD 250 million.

International Markets and Economies

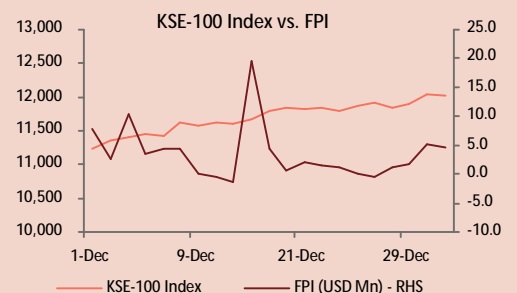
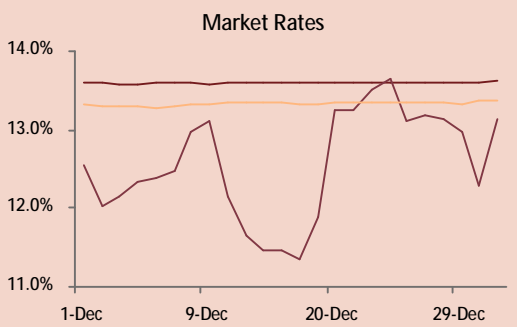
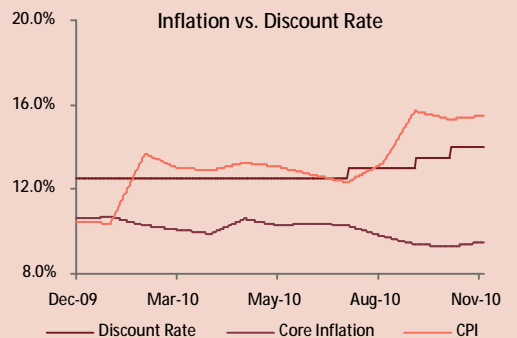
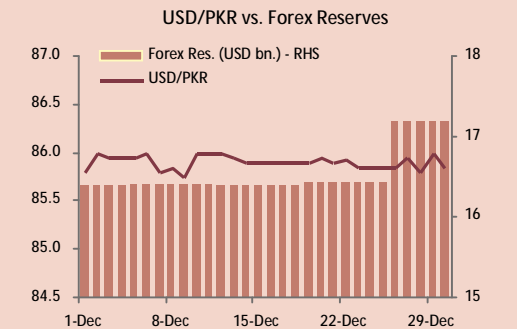
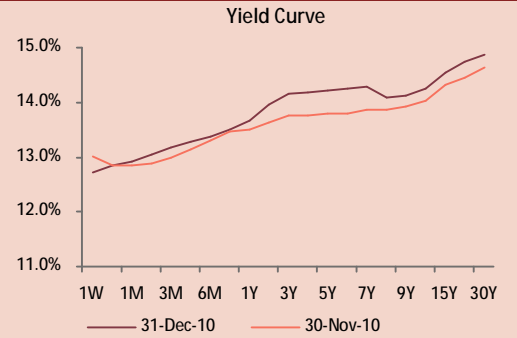
The US payroll numbers for the month of December are released showing an increase of 103,000. This indicates a slight recovery as Jobs created during December account for almost 9.4% of total Jobs created in 2010 however these numbers are below market expectations. The variety of factors including tax cuts, expansionary monetary policy, healthy corporate balance sheets and financial markets stability are supporting the US economic recovery process. China's export numbers for December showed an impressive increase of 17.9% revealing signs of global economic recovery. The People's Bank of China increased the one year lending rate by 25bps to 5.81% as the inflation hit a 28 month high in November '10. Emerging markets are persistently facing the problem of currency escalation because of greater economic growth as compared to struggling developed countries and recently Brazil's central bank announced its intentions of selling USD 1 billion reserve currency swaps in order to curb escalating Real.

Political Review

December '10 was a very tough month for the Government as two of its coalition partners decided to sit on opposition benches on the allegations of corruption and the lack of their involvement in the strategic decisions. Government also faced opposition on the issues of the RGST and petroleum products price increase which shows that the Government is in a very weak position to take any tough decisions related to the economy.

Outlook

Persistent inflation, revenue shortfalls, standstill on implementation of tax and power sector reforms and elevated security related expenditures are continuously raising fiscal imbalances and posing serious threats to economic recovery and fiscal consolidation. Keeping in view the prevailing political situation we feel that the Government is not in a position to take any tough economic decision therefore no major change is expected in the macroeconomic fundamentals of the country. We expect further monetary tightening by the SBP in 3QFY11 as the Government borrowing will remain high in the absence of any major foreign flows resulting in persistence in inflation.



DISCLAIMER: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily an indication of future results.

Investment Objective

The investment objective of the Lakson Money Market Fund is to provide stable and competitive returns in line with the money markets, exhibiting low volatility consistent with capital preservation by constructing a liquid portfolio of low risk short term investments.

Performance Review

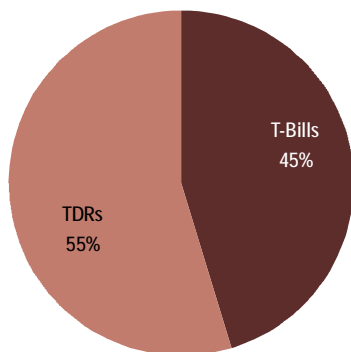
The Lakson Money Market Fund ("LMMF") yielded an annualized return of 11.91% in December '10 in comparison to the Benchmark (average return of all money market returns) return of 11.83%. The LMMF outperformed by 8bps to the average money market fund. The LMMF continues to provide the liability related to the Workers Welfare Fund ("WWF") that comes out to approximately 20bps. The yield since inception (13th November 2009) of the LMMF stood at 10.96% p.a. compared to a 10.96% p.a. return for the average money market fund. During the month the LMMF increased exposure in the TDRs from 37% to 55% as they offered better risk adjusted returns than the T-Bills. Exposure was taken in commercial banks having a minimum rating of 'AA'. Increased exposure in the TDRs helped the LMMF to outperform its Benchmark despite the fact that the LMMF is providing liability related to the WWF that many money market funds in the industry are not providing. Increased exposure in the TDRs also helped the LMMF to avoid mark to market losses in the wake of rising yields on T-Bills. The LMMF did not book any TDR above 3 months maturity as the SBP is expected to further tighten its monetary policy stance. As of December 31, 2010 the Weighted Average Maturity ("WAM") of the TDR portfolio of the LMMF is 48 days which means that the LMMF will have very low reinvestment risk as on the maturity of the TDRs the LMMF will be able to take exposure in T-Bills that are expected to offer very competitive yields due to expectations of further monetary policy tightening.

As of December 31, 2010, the WAM of the LMMF portfolio is 45 days as compared to 22 days at the start of the month. The WAM has gone up as the LMMF switched from the T-Bills to the TDRs. The portfolio of the LMMF still offers very high liquidity and as on December 31, 2010, 44% of the portfolio comprises of liquid instruments that can be liquidated within six (6) business days keeping in view the present market situation. The Standard Deviation, a measure of the volatility of the fund's performance, of monthly returns of the LMMF is just 0.53% since its inception as compared to 0.60% for the Benchmark despite the fact that on average majority of the portfolio of the LMMF comprises of marketable instruments that are subject to interest rate movements.

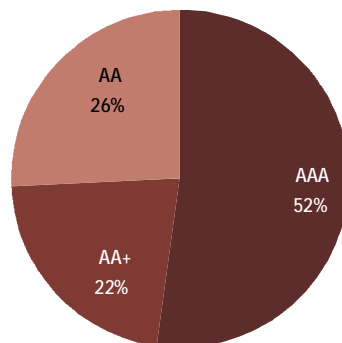
Outlook

The LMMF will increase exposure in T-Bills and will utilize maturities from the TDRs to buy short term T-Bills to avoid losses on an increase in policy rate by the SBP. The WAM of the LMMF portfolio is expected to go down as the focus will be on short dated T-Bills. Yields on the T-Bills are expected to remain high due to the Government borrowing to finance the ever growing fiscal deficit.

Asset Allocation



Credit Split



Asset Allocation

Instruments	Oct-10	Nov-10	Dec-10	WAM*
	% of Net Assets			Days
Government Securities (T-Bills)	76%	63%	45%	43
Term Deposits (TDRs)	14%	37%	55%	48
Money Market Placements (LOPs)	10%	0%	0%	0
Cash	0%	0%	0%	0

* Weighted Average Maturity

Key Interest Rates (Monthly Average)

	Oct-10	Nov-10	Dec-10	
KIBOR (1W, 1M, 3M, 6M, 12M)	12.84%	13.23%	13.39%	14.10%
T-Bills (3M, 6M, 12M)	13.10%	13.33%	13.63%	
Repo (O/N, 1M, 3M, 6M, 12M)	12.45%	12.79%	13.06%	13.60%

* Source: Bloomberg, Reuters

Disclosures

The LMMF does not have any borrowing as on December 31, 2010

Fund Facts

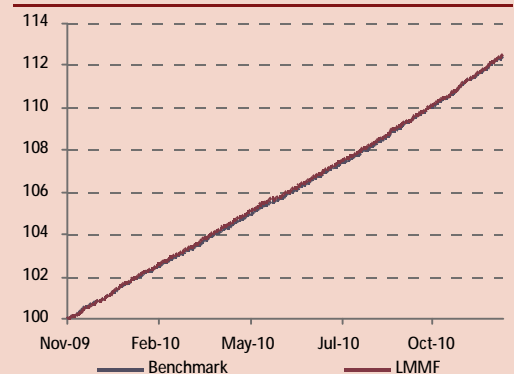
Fund Type	Open-End
Category	Money Market Fund
Net Assets (PKR Mil.)	3,496
NAV (31.12.2010)	100.0968
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	1.25%
Front End Load	None
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average of returns earned by Money Market Funds in the industry.
Dealing Days	Mon - Sat
Cut-Off Time	04:00 PM (Mon-Fri) 12:00 PM (Sat)
Fund Rating	'AA' by PACRA

Fund Performance	LMMF	Benchmark
December-10	11.91%	11.83%
2 Months	11.61%	11.60%
3 Months	11.54%	11.61%
4 Months	11.40%	11.53%
6 Months	11.17%	11.25%
FY11 - YTD	11.17%	11.25%
Since Inception	10.96%	10.96%

* All returns have been calculated by Morning Star Method

** Since Inception returns are from November 13, 2009

LMMF vs. Benchmark



Investment Committee

Iqbal Ali Lakhani	Chairman
A. Aziz H. Ebrahim	Director
Babar Ali Lakhani	CEO
Muhammad Umair Chauhan	CIO
Amir Mobin	CFO
Syed Imran Raza Kazmi	Asst. Fund Manager

Investment Objective

The investment objective of the Lakson Income Fund is to provide competitive total return through investment in a diversified portfolio of fixed income securities. Investments will be made in a variegated mix of short term, medium term and longer term maturities depending on the assessment by the Investment Team of interest rate trends and prospective returns.

Performance Review

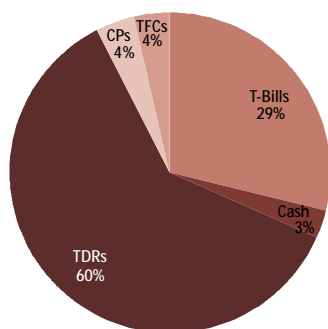
The Lakson Income Fund ("LIF") provided an annualized yield of 11.41% for the month of December '10, underperforming the Benchmark (average return of all income funds) return of 21.56% by 1,015bps. The yield since inception (13th November 2009) for the LIF stands at an annualized 11.20% compared to a Benchmark return of 7.63%. The LIF grew by 30% during the month to PKR 957 million despite the fact the income funds in the industry are facing redemptions. Some of the income funds posted very high returns due to their very high exposure in TFCs that witnessed an increase in prices due to pricing methodology adopted by the MUFAP however the LIF continued to post consistent returns with a sharply lower standard deviation. The LIF increased exposure in TDRs from 28% to 61% as it utilized the available liquidity to take advantage of the rising yields on the TDRs. The LIF also switched some funds from the T-Bills to the TDRs as they offered better risk adjusted returns. Exposure was taken in commercial banks having a minimum rating of 'AA'.

As of December 31, 2010, the WAM of the LIF portfolio is 111 days as compared to 126 days at the start of the month. The WAM has gone down as the LIF continued to focus on short term instruments to avoid interest rate risk in anticipation of a hike in the discount rate. As of December 31, 2010, 34% of the portfolio of the LIF can be liquidated within six (6) business days keeping in view the prevailing market conditions. In a situation where the income funds are providing very volatile returns, the standard deviation of annualized monthly returns of the LIF is only 1.00% as compared to 6.45% for the Benchmark.

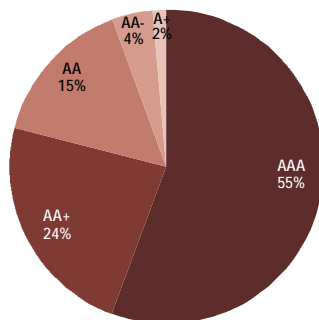
Outlook

The LIF will increase exposure in T-Bills and TFCs whenever attractive opportunities arise in the market however exposure will only be taken on counterparties with superior credit quality. Maturities from the TDRs will be invested in the short dated T-Bills to avoid losses keeping in view the prevailing interest rates scenario. The LIF will only invest in floating rate TFCs in the present circumstances to take advantage of the rising KIBOR as a result of tight monetary policy stance of the SBP.

Asset Allocation



Credit Split



TFCs Portfolio

Name of the Issue	Issue Date	Rating	% of Net Assets
Engro Fertilizer Limited	17-Dec-09	AA	0.52%
NIB Bank Limited	05-Mar-08	A+	1.51%
United Bank Limited	14-Feb-08	AA	1.49%

Asset Allocation

Instruments	Oct-10	Nov-10	Dec-10	WAM*
	% of Net Assets			
Government Securities (T-Bills)	56%	55%	29%	49
Term Deposits (TDRs)	15%	28%	61%	33
Term Finance Certificates (TFCs)	5%	5%	3%	2,232
Commercial Papers (CPs)	6%	5%	4%	83
Money Market Placements (LOPs)	8%	0%	0%	0
Reverse Repo against TFCs (RR)	8%	7%	0%	0
Cash	2%	0%	3%	1

* Weighted Average Maturity

Disclosures

The LIF does not have any borrowing as on December 31, 2010

Fund Facts

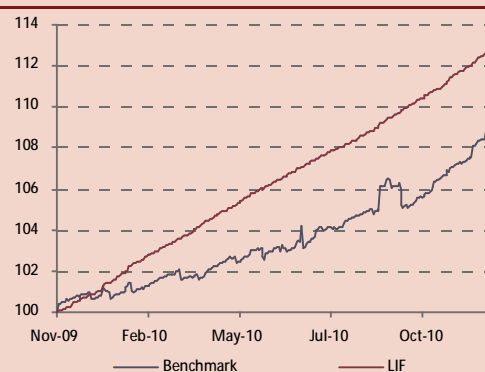
Fund Type	Open-End
Category	Income Fund
Net Assets (PKR Mil.)	957
NAV (31.12.2010)	100.2454
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	1.50%
Front End Load	1.50%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average of returns earned by the Income Funds in the industry
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM (Mon-Fri) 12:00 PM (Sat)
Fund Rating	'AA-' by PACRA

Fund Performance	LIF	Benchmark
December-10	11.41%	21.56%
2 Months	11.32%	17.92%
3 Months	11.48%	10.93%
4 Months	11.46%	12.09%
6 Months	10.94%	11.16%
FY11 - YTD	10.94%	11.16%
Since Inception	11.20%	7.63%

* All returns have been calculated by Morning Star Method

** Since Inception returns are from November 13, 2009

LIF vs. Benchmark



Investment Committee

Iqbal Ali Lakhani	Chairman
A. Aziz H. Ebrahim	Director
Babar Ali Lakhani	CEO
Muhammad Umair Chauhan	CIO
Amir Mobin	CFO
Syed Imran Raza Kazmi	Asst. Fund Manager

Investment Objective

The investment objective of the Lakson Equity 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.

Performance Review

The Lakson Equity Fund ("LEF") went up by 5.18% in December '10 compared to the Benchmark (KSE-100 Index) gain of 7.01% translating into an underperformance of 183bps. The LEF has appreciated 18.47% since its inception in November '09. The LEF reduced its exposure in equities to 71% in December '10 as compared to 74% in November '10 as the LEF booked some gains in Oil & Gas, Banks and Chemical sectors as some of the investee companies reached their target prices set by the in-house research team at Lakson Investments.

The LEF has kept a low exposure in equities due to prevailing political and economic conditions being far from optimal. The market is currently trading at a P/E of 9.30 with a dividend yield of 4.82%, while the P/E and dividend yield of the portfolio of the LEF is 8.45x and 5.63%. The LEF is following an investment discipline based on in depth fundamental analysis of the stocks and the LEF switches positions from the fundamentally overvalued stocks to undervalued stocks keeping in view the prevailing market situation.

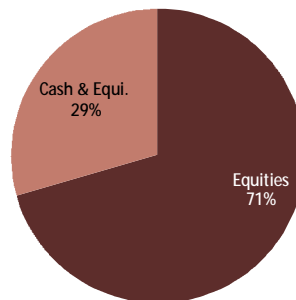
Outlook

Market has been performing well on expectation of better corporate results and liquidity injected by international investors in the market however some of the stocks are now trading at stretched valuations and are expected to witness a correction. Introduction of Margin Trading System can be a potential trigger for the market in the near term however economic and political problems can check the progress of the market.

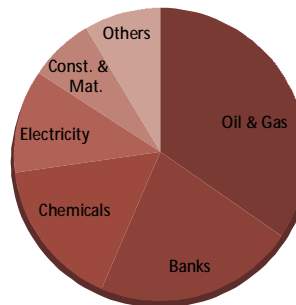
Top 10 Holdings (In Alphabetical Order)

Attock Petroleum Limited	5.41%
Engro Corporation Limited	5.17%
Fauji Fertilizer Company	2.96%
Lucky Cement Company Limited	3.09%
MCB Bank Limited	5.08%
Pakistan Oilfields Limited	6.58%
Pakistan Petroleum Limited	6.49%
Pakistan State Oil	5.18%
The Hub Power Company	7.38%
United Bank Limited	5.06%

Asset Allocation



Sectorwise Exposure



Sectorwise Exposure % of Net Assets

Oil & Gas	24.53%
Banks	15.21%
Chemicals	11.64%
Electricity	8.22%
Const. & Mat.	5.00%
Others	5.90%

Asset Allocation

	Oct-10	Nov-10	Dec-10
Equities	71%	74%	71%
Cash and Equivalents	29%	26%	29%

Pakistan vs. Global Markets

Country	Index	1M Return	P/E	Div. Yield
Pakistan	KSE-100	7.01%	9.30	4.82%
India	BSE Sensex 30	5.06%	20.24	1.05%
Malaysia	FTSE KLCI	2.27%	16.74	3.15%
Dubai	DFM General	-2.30%	9.22	3.39%
USA	DJIA	5.19%	14.52	2.58%
USA	S&P 500	6.53%	15.94	2.28%

* Source: Reuters

Disclosures

The LEF does not have any borrowing as on November 30, 2010

Fund Facts

Fund Type	Open-End
Category	Equity Fund
Net Assets (PKR Mil.)	157
NAV (31.12.2010)	118.4650
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	BDO Ebrahim & Co.
Management Fee	3.00%
Front End Load	3.00%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	KSE-100 Index
Dealing Days	Mon-Fri
Cut-Off Time	04:00 PM

Fund Performance	LEF	Benchmark
December-10	5.18%	7.01%
2 Months	10.96%	13.44%
3 Months	15.73%	20.06%
4 Months	16.63%	22.52%
6 Months	19.26%	23.55%
FY11 - YTD	19.26%	23.55%
Since Inception	18.47%	32.59%

* Since Inception returns are from November 13, 2009

LEF vs. Benchmark



Investment Committee

Iqbal Ali Lakhani	Chairman
A. Aziz H. Ebrahim	Director
Babar Ali Lakhani	CEO
Muhammad Umair Chauhan	CIO
Amir Mobin	CFO
Syed Imran Raza Kazmi	Asst. Fund Manager

Position as of January 12, 2011	Annualized Returns					
	1M	2M	3M	6M	FY11	STDEV
Income Funds						
ABL Income Fund	12.03%	11.52%	11.41%	11.12%	11.06%	0.39%
AKD Income Fund	16.27%	29.82%	22.98%	10.92%	11.13%	19.22%
Askari Islamic Income Fund	23.12%	21.20%	19.44%	14.14%	13.64%	6.18%
Atlas Income Fund	14.03%	11.99%	12.98%	6.84%	6.25%	9.92%
Atlas Islamic Income Fund	10.09%	9.94%	9.71%	9.33%	9.32%	0.90%
BMA Chundrigar Road Savings Fund	16.17%	39.22%	52.10%	20.62%	17.92%	52.53%
Crosby Phoenix Fund	21.02%	15.15%	13.46%	12.46%	12.16%	8.75%
Faysal Islamic Savings Growth Fund	14.83%	11.77%	10.85%	10.12%	10.05%	2.09%
Faysal Savings Growth Fund	11.89%	11.61%	11.39%	10.08%	10.09%	1.81%
First Habib Income Fund	11.50%	10.39%	11.05%	10.04%	10.10%	2.38%
HBL Income Fund	27.62%	20.47%	19.49%	13.64%	13.17%	8.13%
IGI Income Fund	10.35%	10.93%	10.67%	11.33%	11.25%	0.87%
IGI Islamic Income Fund	9.94%	9.82%	9.94%	9.89%	9.83%	0.59%
JS Income Fund	13.67%	13.66%	17.29%	14.83%	15.21%	26.53%
Lakson Income Fund	11.69%	11.62%	11.47%	11.05%	11.01%	1.00%
MCB Dynamic Cash Fund	14.49%	15.88%	14.58%	13.00%	12.78%	5.58%
Meezan Islamic Income Fund	-4.51%	1.81%	6.41%	8.42%	9.22%	7.70%
Meezan Sovereign Fund	11.85%	11.67%	11.11%	10.91%	10.88%	0.76%
NAFA Income Opportunity Fund	21.76%	18.88%	20.30%	6.71%	7.35%	8.22%
NAFA Income Fund	47.83%	27.45%	18.69%	1.44%	-1.54%	27.14%
NAFA Savings Plus Fund	11.03%	10.56%	10.46%	10.09%	10.04%	0.45%
NIT Government Bond Fund	11.60%	11.11%	11.29%	10.76%	10.68%	1.28%
NIT Income Fund	13.19%	11.60%	11.27%	11.44%	11.37%	3.78%
Pak Oman Advantage Islamic Income Fund	9.35%	9.16%	8.92%	5.76%	5.98%	21.78%
Pakistan Income Fund	21.52%	23.22%	19.15%	14.76%	14.63%	6.27%
PICIC Income Fund	11.67%	11.48%	11.45%	N.A.	N.A.	2.99%
UBL Savings Income Fund	12.22%	11.60%	11.71%	N.A.	N.A.	0.61%
Money Market Funds						
ABL Cash Fund	12.09%	11.62%	11.62%	N.A.	N.A.	0.33%
ABL Islamic Cash Fund	10.61%	10.30%	9.97%	N.A.	N.A.	0.68%
Alfalah GHP Cash Fund	11.93%	11.52%	11.47%	11.13%	11.12%	0.59%
Askari Sovereign Cash Fund	12.58%	12.24%	12.10%	11.85%	11.81%	0.87%
Atlas Money Market Fund	11.59%	11.35%	11.39%	11.14%	11.12%	0.57%
BMA Empress Cash Fund	11.67%	11.23%	11.15%	10.87%	10.83%	0.93%
Faysal Money Market Fund	11.25%	N.A.	N.A.	N.A.	N.A.	N.A.
HBL Money Market Fund	12.47%	12.00%	11.93%	11.57%	N.A.	0.57%
IGI Money Market Fund	12.32%	12.01%	11.84%	11.39%	11.40%	0.63%
JS Cash Fund	12.06%	11.96%	11.87%	11.60%	11.51%	0.86%
KASB Cash Fund	11.89%	11.66%	11.52%	11.28%	11.27%	0.59%
Lakson Money Market Fund	12.24%	11.80%	11.63%	11.28%	11.24%	0.53%
MCB Cash Management Optimizer Fund	12.02%	11.50%	11.53%	11.25%	11.24%	0.57%
Meezan Cash Fund	11.13%	10.93%	10.79%	10.51%	10.47%	0.37%
NAFA Government Securities Liquid Fund	11.79%	11.46%	11.37%	11.14%	11.10%	0.41%
Pakistan Cash Management Fund	12.16%	11.89%	11.90%	11.69%	11.66%	0.40%
UBL Liquidity Plus Fund	12.13%	11.73%	11.71%	11.38%	11.38%	0.50%
Aggressive Income Funds						
Alfalah GHP Income Multiplier Fund	-33.01%	-11.34%	-7.38%	-16.77%	-15.91%	18.97%
Askari Income Fund	-1.63%	11.26%	26.36%	2.45%	2.49%	24.99%
JS Aggressive Income Fund	17.98%	37.06%	29.13%	15.97%	15.57%	22.62%
KASB Islamic Income Opportunity Fund	13.08%	18.97%	14.78%	0.00%	-3.37%	23.46%
KASB Income Opportunity Fund	13.59%	11.23%	17.60%	-4.91%	-3.77%	25.33%
Pakistan Income Enhancement Fund	23.00%	23.70%	23.23%	14.10%	13.91%	6.01%
United Growth and Income Fund	-20.97%	-11.71%	-7.22%	-5.21%	-5.23%	11.37%
United Islamic Income Fund	-42.76%	-25.18%	-14.77%	-0.54%	-7.14%	23.11%

N.A. = Not Available STDEV = Standard Deviation of monthly returns since November '09

Calculation Formula

Annualized Return = (Ending NAV / Beginning NAV) ^ (365 / No. of Days) - 1

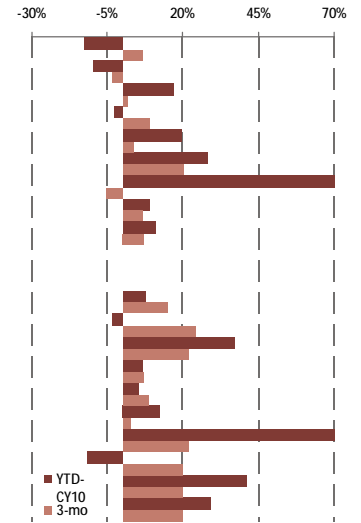
Equity Funds	Absolute Returns				
	1M	2M	3M	6M	FY11
ABL Stock Fund	7.67%	14.66%	19.30%	22.60%	27.76%
AKD Index Tracker Fund	5.68%	12.34%	16.94%	19.39%	24.41%
AKD Opportunity Fund	8.16%	10.80%	13.57%	18.44%	22.73%
Alfalah GHP Alpha Fund	5.98%	12.72%	16.10%	18.33%	21.61%
Alfalah GHP Islamic Fund	4.53%	8.38%	6.51%	7.84%	8.63%
Atlas Islamic Stock Fund	8.07%	13.56%	18.91%	28.18%	34.26%
Atlas Stock Market Fund	8.18%	14.01%	19.51%	27.67%	33.61%
Crosby Dragon Fund	7.22%	13.60%	18.84%	22.38%	26.88%
First Habib Stock Fund	7.33%	12.01%	15.24%	14.99%	18.93%
HBL Stock Fund	7.55%	14.13%	17.93%	20.84%	25.55%
IGI Stock Fund	7.67%	15.19%	17.09%	19.50%	24.80%
JS Islamic Fund	10.32%	18.75%	21.85%	26.23%	32.31%
JS KSE-30 Index Fund	7.31%	14.73%	19.47%	22.48%	28.58%
KASB Stock Market Fund	6.88%	12.07%	16.79%	17.28%	22.81%
Lakson Equity Fund	5.15%	11.22%	14.70%	17.61%	22.04%
MCB Dynamic Stock Fund	6.44%	13.34%	18.89%	23.90%	29.24%
Meezan Islamic Fund	8.24%	14.87%	19.19%	25.04%	31.53%
NAFA Stock Fund	7.65%	15.10%	20.12%	23.32%	27.81%
National Investment Unit Trust	6.80%	12.78%	18.71%	18.36%	23.61%
Pak Oman Advantage Stock Fund	3.27%	8.87%	13.30%	15.15%	17.67%
Pakistan Stock Market Fund	8.45%	13.87%	17.31%	18.80%	22.84%
United Stock Advantage Fund	10.20%	16.40%	22.48%	30.07%	36.05%
Balanced Funds					
HBL Multi Asset Fund	5.15%	10.24%	12.81%	14.33%	17.77%
Faysal Balanced Growth Fund	4.44%	10.43%	15.54%	16.43%	19.27%
KASB Balanced Fund	4.17%	8.09%	11.98%	8.64%	10.20%
Meezan Balanced Fund	5.06%	8.17%	12.09%	10.05%	13.15%
NAFA Islamic Multi Asset Fund	5.39%	10.80%	14.23%	17.30%	21.23%
NAFA Multi Asset Fund	5.35%	10.58%	13.54%	17.43%	20.80%
Namco Balanced Fund	4.32%	7.96%	12.86%	14.00%	19.35%
Pakistan Capital Market Fund	5.12%	7.67%	9.14%	10.96%	13.15%
United Composite Islamic Fund	6.83%	11.35%	16.52%	23.89%	26.84%
Unit Trust of Pakistan	5.65%	10.36%	13.81%	16.04%	17.67%
Asset Allocation Funds					
Alfalah GHP Value Fund	2.18%	6.27%	8.62%	6.19%	6.82%
Askari Asset Allocation Fund	4.00%	5.25%	8.27%	9.13%	13.39%
Askari Islamic Asset Allocation Fund	2.56%	4.60%	7.26%	10.07%	11.11%
Dawood Islamic Fund	-3.34%	-3.80%	-0.01%	13.99%	22.79%
Faysal Asset Allocation Fund	5.25%	9.85%	12.33%	11.71%	15.79%
JS Aggressive Asset Allocation Fund	5.89%	10.80%	14.77%	16.25%	21.13%
MCB Dynamic Allocation Fund	3.47%	5.97%	8.25%	12.79%	15.61%
Pakistan International Element Islamic Fund	7.74%	12.06%	14.84%	16.54%	20.56%
Pak Oman Advantage Islamic Fund	5.37%	11.15%	16.84%	16.56%	18.87%
Capital Protected Funds					
Alfalah GHP Principal Protected Fund	1.36%	2.25%	3.22%	5.10%	5.04%
Alfalah GHP Principal Protected Fund - II	1.43%	2.76%	3.62%	5.23%	5.37%
JS Capital Protected Fund IV	1.23%	2.48%	3.50%	6.53%	7.55%
JS Principal Secured Fund I	1.69%	2.62%	3.47%	15.00%	15.22%
JS Principal Secured Fund II	1.14%	2.47%	3.70%	6.02%	6.80%
KASB Capital Protected Gold Fund	0.62%	1.03%	1.78%	5.05%	5.09%
Meezan Capital Protected Fund	1.77%	3.38%	4.60%	7.61%	8.90%
MCB Sarmaya Mahfooz Fund I	0.77%	1.55%	2.38%	4.84%	4.87%
Pakistan Capital Protected Fund - FIS	0.76%	1.73%	2.33%	4.35%	4.76%

Calculation Formula

Absolute Return = (Ending NAV / Beginning NAV) - 1

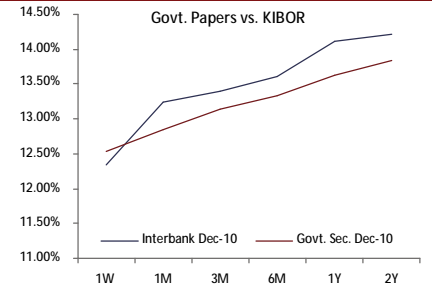
Equities

Markets	Index	Total Return				Total Return, in USD and %				YTD-CY10	3-mo	1-yr	5-yr
		YTD-CY10	3-mo	1-yr	5-yr	YTD-CY10	3-mo	1-yr	5-yr				
China	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
Dubai	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
India	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
Japan	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
Malaysia	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
Pakistan	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
Sri Lanka	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
UK	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
US	CSI 300	-12.51%	6.56%	-12.51%	238.76%	-9.37%	8.21%	-9.37%	314.87%				
KSE Sectors													
Automobile and Parts		7.69%	14.99%	7.69%	-37.33%	6.06%	15.86%	6.06%	-56.31%				
Banks		-3.34%	24.15%	-3.34%	-44.87%	-4.81%	25.09%	-4.81%	-61.56%				
Chemicals		36.91%	21.60%	36.91%	19.96%	34.84%	22.52%	34.84%	-16.36%				
Construction & Materials		6.60%	6.96%	6.60%	-58.89%	4.99%	7.77%	4.99%	-71.34%				
Electricity		5.37%	8.70%	5.37%	10.51%	3.77%	9.52%	3.77%	-22.95%				
Fixed Line Tele.		12.38%	2.82%	12.38%	-68.58%	10.68%	3.60%	10.68%	-78.09%				
Food Producers		70.01%	21.49%	70.01%	127.11%	67.43%	22.41%	67.43%	58.34%				
Non Life Insurance		-11.55%	19.99%	-11.55%	-40.68%	-12.89%	20.90%	-12.89%	-58.64%				
Oil and Gas		41.07%	19.71%	41.07%	14.41%	38.94%	20.62%	38.94%	-20.24%				
Personal Goods		29.14%	19.94%	29.14%	-19.32%	27.19%	20.85%	27.19%	-43.75%				

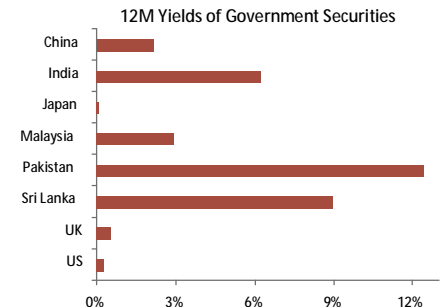


Fixed Income

Money Market		Current Interbank Rates on				Historic 6-month Interbank Rates			
		1M	3M	6M	12M	YTD-CY10	3-mo	1-yr	2-yr
China	SHIBOR	6.22%	4.62%	3.56%	3.63%	2.42%	2.99%	2.42%	2.05%
Dubai	UAE IBOR	1.64%	2.14%	2.38%	2.59%	2.40%	2.39%	2.40%	2.61%
India	MIBOR	8.54%	9.00%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Japan	TIBOR	0.18%	0.34%	0.45%	0.49%	0.50%	0.45%	0.50%	0.59%
Malaysia	KLIBOR	2.85%	2.98%	3.02%	3.14%	2.75%	3.00%	2.75%	2.50%
Pakistan	KIBOR	13.37%	13.46%	13.62%	14.12%	12.67%	13.37%	12.67%	12.88%
Sri Lanka	SLIBOR	8.37%	8.48%	8.65%	8.88%	9.61%	8.92%	9.61%	11.66%
UK	LIBOR	0.59%	0.76%	1.05%	1.51%	0.97%	1.03%	0.97%	1.19%
US	SIBOR	0.27%	0.31%	0.47%	0.79%	0.53%	0.47%	0.53%	0.82%

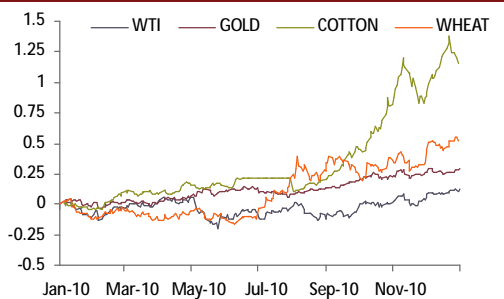


Government Securities		Current Market Yields on				Historic 12-Month Paper Rates			
		3M	12M	5Y	10Y	YTD-CY10	3-mo	1-yr	2-yr
China		3.10%	3.28%	3.56%	3.90%	2.14%	2.50%	2.14%	1.78%
India		7.15%	7.28%	7.87%	7.91%	5.77%	6.73%	5.77%	5.16%
Japan		0.12%	0.16%	0.40%	1.12%	0.13%	0.14%	0.13%	0.18%
Malaysia		2.83%	2.85%	3.37%	4.04%	2.48%	2.89%	2.48%	2.26%
Pakistan		13.17%	13.68%	14.22%	14.25%	12.60%	13.32%	12.60%	12.57%
Sri Lanka		7.29%	7.51%	9.31%	N.A.	8.67%	7.44%	8.67%	11.00%
UK		0.60%	0.58%	2.19%	3.40%	0.64%	0.65%	0.64%	0.66%
US		0.12%	0.26%	2.01%	3.30%	0.30%	0.25%	0.30%	0.38%



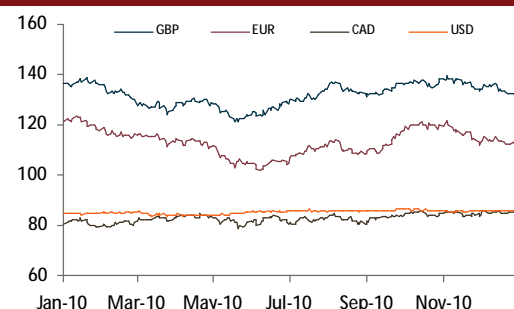
Commodities

Commodity	Unit	Total Return				Current Prices			
		YTD-CY10	3-mo	1-yr	5-yr	YTD-CY10	3-mo	1-yr	2-yr
Coal	USD/Tonne	49.09%	31.12%	49.09%	228.59%	122.4			
Copper	USc/lbs	30.79%	19.22%	30.79%	97.91%	441			
Cotton	USc/lbs	115.49%	49.07%	115.49%	197.62%	169.05			
Gold	USD/t oz.	29.43%	8.31%	29.43%	174.03%	1,419			
Palm Oil	USD/Tonne	59.29%	36.16%	59.29%	224.84%	1,243			
Sugar	USc/lbs	9.97%	17.22%	9.97%	102.27%	27.57			
Wheat	USD/Bushel (60lbs)	52.23%	22.28%	52.23%	119.59%	8.55			
WTI	USD/bbl	15.07%	14.27%	15.07%	49.61%	91.38			



Currencies

Canadian Dollar	CAD	Change Versus PKR in %				Current Exchange Rates			
		YTD-CY10	3-mo	1-yr	5-yr	YTD-CY10	3-mo	1-yr	2-yr
Canadian Dollar	CAD	7.08%	2.38%	7.08%	67.18%	CAD - PKR	86.03		
Euro	EUR	-5.13%	-2.60%	-5.13%	62.03%	EUR - PKR	114.81		
Indian Rupee	INR	5.49%	-1.03%	5.49%	44.36%	INR - PKR	1.92		
Japanese Yen	JPY	16.48%	1.92%	16.48%	89.29%	JPY - PKR	1.06		
Pound Sterling	GBP	-1.95%	-1.45%	-1.95%	30.04%	GBP - PKR	133.88		
Singaporean Dollar	SGD	11.20%	1.78%	11.20%	85.94%	SGD - PKR	66.90		
US Dollar	USD	1.54%	-0.75%	1.54%	43.43%	USD - PKR	85.80		



Source: Bloomberg, Reuters

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