

# 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



The Lakson Group

Rated "AM3+" by PACRA



**LAKSON INVESTMENTS**

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

## Business Principles

Our investors' interests always come first. We believe that if we serve our clients well, our own success will follow.

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Integrity and honesty are at the heart of our business. We expect our people to maintain high ethical standards.

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Our commitment to our clients, integrity, professional excellence, entrepreneurial spirit and teamwork will set us apart.

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Our firm shares bonuses with all employees - not just top management, but also those who perform standard administrative and clerical duties.

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Our goal is to provide superior returns to our shareholders. Profitability is critical to achieving superior returns, building our capital, and attracting and keeping the best people.

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Our business is highly competitive and we will aggressively seek to expand our client relationships. However, we are always fair competitors and never denigrate other firms.

**Dear Investors,**

I hope this letter finds you in the best of spirits and health. This message is the first of a series of letters that will accompany each monthly Lakson Outlook. To begin with, I would like to thank our investors and stakeholders for the trust and confidence they have placed in Lakson Investments by giving us the fiduciary responsibility that comes with managing their investments.

Less than two years ago, Lakson Investments opened for business with just over PKR 1 billion under management in open end mutual funds. With the grace of God, the firm has grown over 350% since inception, and we presently manage over PKR 6 billion in open end mutual funds and over PKR 2 billion in separately managed accounts.

Over the course of the year, we changed the tagline of our logo from 'Partner with Confidence' to 'We Manage Your Money as We Manage Our Own.' We did this after processing feedback from our clients as to why they invest with us. Our clients are aware that we invest their funds side by side with our own funds and thereby apply the same research-based investment discipline and non-conflicted approach to investment management that we have been applying to our own investments for decades.

This is a time of great change and growth at Lakson Investments. In recent months, we have been working on a rebranding campaign which begins with this edition of Lakson Outlook. Our website has been through a thorough redesign which can be viewed at [www.laksoninvestments.com.pk](http://www.laksoninvestments.com.pk). We have added several promising new members to our team, bolstering our research, sales, marketing, and back office departments. We hope the upcoming months will be ones in which we cross new milestones, while adhering to the values and principles that differentiate us as a firm and unify us as a team.

As part of the Lakson Group's effort to reduce its environmental footprint, our firm would like to send out the Lakson Outlook in electronic format, using email attachments or html links ("e-Outlook"). If you would like to opt-in to this service and help us with our environmental preservation efforts, please email us at [e-outlook@laksoninvestments.com.pk](mailto:e-outlook@laksoninvestments.com.pk), and provide us with the names and emails of people you'd like to have the e-Outlook sent to.

Yours sincerely,



Babar Ali Lakhani  
Chief Executive Officer

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# Economic & Markets Review

## Economic Review (Monetary and Fiscal)

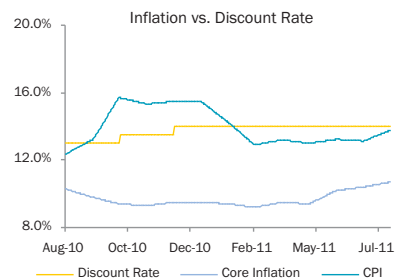
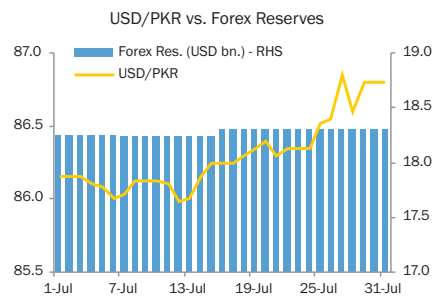
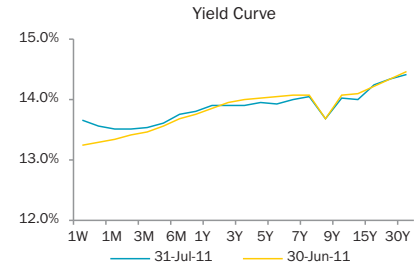
The State Bank of Pakistan ("SBP") announced the first monetary policy of FY12 and surprised the market with a 50bps cut in the discount rate bringing it down to 13.50%. The SBP has based its decision on the expectation that the inflation will settle around 12% in FY12 which is the target set by the Government. The SBP believes that no adjustment in the discount rate would entail further tightening of monetary policy in real terms. The SBP additionally draws comfort from the fact that the Government has been able to contain its borrowing from the SBP in FY11 and has expressed commitment to continue its zero borrowing from the SBP even in FY12.

The SBP updated the external account position for FY11 and reported a Balance of Payments surplus of USD 2.5 billion compared to a surplus of USD 1.3 billion in FY10, up 96.9% YoY. The current account posted a surplus of USD 542 million compared to a deficit of USD 3.9 billion in FY10 on the back of record remittances and exports. The trade deficit on services widened by USD 445 million to stand at USD 2.1 billion as US didn't make payments related to Coalition Support Fund ("CSF"). As against the current account, the financial account deteriorated in FY11 due to a decline in both Foreign Direct Investment ("FDI") and loans. The IMF team was expected to meet Pakistani officials in July '11 to make a progress on the stalled Stand-By Arrangement ("SBA") however no meetings were held as the IMF is not pleased with the economic performance due to lower revenue collection and higher fiscal deficit. During FY11 the IMF didn't make any disbursement as the SBA was stalled in May '11. The current SBA will expire in September '11 and first repayment of USD 1.2 billion is due in February '12 for which Pakistan may request for a fresh loan programme.

The SBP also updated the money supply data for FY11 which depicted a growth of 15.89% in money supply compared to a growth of 12.46% in FY10. Higher growth in money supply was mainly fuelled by a high Government borrowing for the budgetary support that stood at PKR 590 billion in FY11 compared to a net borrowing of PKR 330 billion in FY10. In the absence of foreign flows the Government had to rely on the banking system for financing the fiscal deficit that resulted in the crowding out of the private sector credit that stood at PKR 121 billion. During the month of July '11, the headline inflation (CPI) increased by 13.77% YoY compared to 13.13% in June '11. On MoM basis the CPI went up by 1.8% on the back of 3.16% increase in the food inflation.

## Fixed Income Markets Review

The money market liquidity remained extremely tight during the month and the overnight repo rates averaged 13.71% compared to 12.46% in June '11. The deposits of the banking sector witnessed an unprecedented growth in June '11 however this trend reversed in July '11 causing a tight liquidity situation in the market. The SBP conducted six Open Market Operations ("OMO") and injected PKR 146 billion in the market on net basis to ease off the tight liquidity situation. Market yields on shorter tenure T-Bills went up due to tight market liquidity however a slight decline was seen in the yields of the PIBs. The 6-month KIBOR (benchmark lending rate) averaged 13.80% in July '11 compared to an average of 13.78% in June '11. The SBP conducted two T-Bill auctions during the month and raised PKR 264 billion against a target of PKR 210 billion while the cut-off yields went up by 5, 5 and 1bps on 3, 6 and 12 month T-Bills respectively. Monetary Policy was announced on July 30, 2011 therefore the impact of the monetary easing will be witnessed in August '11.



The SBP cut the discount rate by 50bps in the first monetary policy of FY12.

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.

**Equity Market Review**

The KSE-100 Index declined by 2.45% in July '11, to close at 12,190. Average daily volumes declined during the month averaging 58 million shares in July '11 compared to 75 million shares in June '11. The market declined on low volumes as international investors were the major sellers in the market with a net selling of USD 30 million. Uncertainty on the international front regarding escalation of debt ceiling in US and the ongoing debt crisis in Europe compelled the investors to reduce their exposure in risk assets and as a result Pakistani markets also experienced some outflows. Another reason for a greater decline in KSE-100 Index was a correction in the stock price of Nestle Pakistan, second largest market capitalized stock in the market, that declined by 23% during July '11. Among major sectors buying interest was seen in Oil & Gas, Construction & Materials, and Electricity while selling was witnessed in Personal Goods, Banks and Chemicals.

**International Markets and Economies**

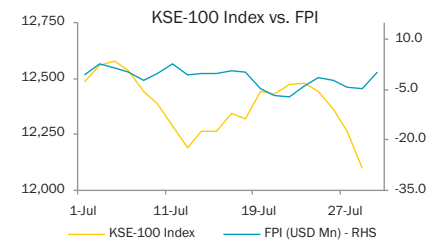
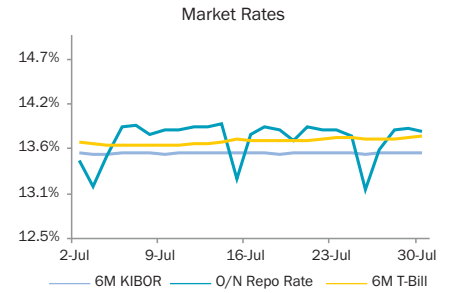
The global markets remained concerned over the sovereign debt issue of US as it approached to the debt ceiling of USD 14.3 trillion. Merely one day before the threat of the default the House of Representatives approved the legislation to increase the debt limit by USD 2.1 trillion and cut federal spending by USD 2.4 trillion. In addition to the concerns over fiscal slippages and mounting debt burden, the economic numbers are also indicating slow-down in the recovery process of the world's largest economy. European countries continued to struggle amidst deeply penetrated sovereign debt issue, as Spain faces risk of rating downgrade by Moody's while the sovereign rating of Ireland has been downgraded to Baa3 (Junk status). Brazil increased its policy rate by 25bps to 12.50% in order to ease price pressure on Latin America's largest economy. China also increased interest rate to curb inflationary concerns, increasing one year lending rate to 6.56% from 6.31% while one year deposit rate is increased to 3.50% from 3.25%..

**Political Review**

Law and order situation of Karachi worsened during the month that compelled the Government to start negotiations with MQM which is the largest political party in Karachi. As a result Governor Sind rejoined his office that helped in reducing political uncertainty to some extent. Pak US relations seem to be heading towards nowhere. Though there have been efforts to make the relations work, there has not been evident success.

**Outlook**

Pakistan is facing tough economic challenges in the form of a widening energy deficit, low growth, a high fiscal deficit, low tax collection and declining private investment. External accounts that portrayed an improved image of the economy in FY11 are expected to come under pressure in FY12 as the developments on the international front are not very encouraging. The Government needs to accelerate the fiscal consolidation process by introducing fiscal reforms as the country will be affected by the adverse developments on the international front.



US House of Representatives approved the legislation to increase the debt limit by USD 2.1 trillion

# Lakson Money Market Fund

## 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.

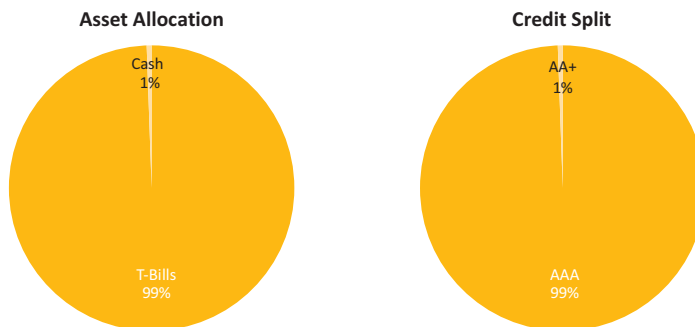
## Performance Review

The Lakson Money Market Fund ("LMMF") yielded an annualized return of 12.08% in July '11 in comparison to the Benchmark (average return of all money market funds) return of 12.17%. The LMMF underperformed the average money market fund by 9bps. The LMMF continues to provide liability related to the Workers Welfare Fund ("WWF") that comes out to an approximate 20bps reduction in monthly annualized performance. The LMMF also started charging 16% sales tax which was imposed by Sind Government through provincial budget. The yield since inception (13th November 2009) of the LMMF stood at 11.38% p.a. compared to a 11.39% p.a. return for the average money market fund. During July '11 the LMMF increased its exposure in T-Bills to 99% from 89% at the start of the month. As of July 31, 2011 the Weighted Average Maturity ("WAM") of T-Bills portfolio stood at 63 days compared to 78 days at the start of the month.

As of July 31, 2011, the WAM of the LMMF portfolio was 61 days compared to 70 days at the start of the month. The WAM went down as the maturities from TDRs were used to increase exposure in T-Bills of shorter maturities as they offered high yields due to tight money market liquidity situation. The portfolio of the LMMF still offers very high liquidity and as on July 31, 2011, entire portfolio of the LMMF comprised 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 since inception is just 0.77%.

## Outlook

The LMMF will maintain a high exposure in T-Bills as they are offering better yields than other instruments of similar maturity. We expect the pressure on liquidity to ease off in August that will result in a decline in yields on the shorter tenures. The SBP cut the discount rate by 50bps therefore the yields on all instruments are expected to witness an adjustment during August.



## Asset Allocation

Instruments	May-11	Jun-11	Jul-11	WAM*
	% of Net Assets			
Government Securities (T-Bills)	84%	89%	99%	63
Placements with Banks (TDRs)	9%	10%	0%	0
Placements with DFIs (LOPs)	5%	1%	0%	0
Cash	2%	0%	1%	1

\* Weighted Average Maturity

## Key Interest Rates (Monthly Average)

	May-11	Jun-11	Jul-11	WAM*
KIBOR (1W, 1M, 3M, 6M, 12M)	13.71%	13.69%	13.57%	13.80%
T-Bills (3M, 6M, 12M)	13.45%	13.70%	13.87%	14.25%
Repo (O/N, 1M, 3M, 6M, 12M)	13.71%	13.37%	13.41%	13.58%

\* Source: Bloomberg, Reuters

## Disclosures

Leverage as on July 31, 2011	Nil.
Non Performing Assets	Nil.
WAM of Portfolio	61 Days

## Fund Facts

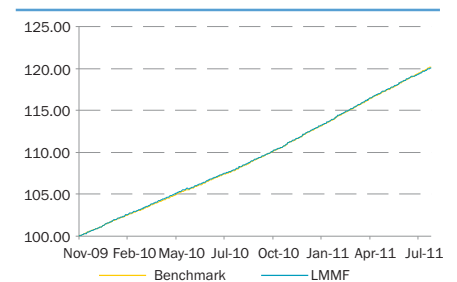
Fund Type	Open-End
Category	Money Market Fund
Net Assets (PKR Mil.)	4,899
NAV (31.07.2011)	100.0613
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	1.25%
Front End Load	None
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average of 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
Asset Manager Rating	AM3+

## Fund Performance

	LMMF	Benchmark
July-11	12.08%	12.17%
2 Months	12.11%	12.19%
3 Months	11.96%	12.02%
6 Months	12.21%	12.27%
12 Months	11.80%	11.88%
CY11 - YTD	12.20%	12.22%
FY12 - YTD	12.08%	12.17%
Since Inception	11.38%	11.39%

\* All returns have been calculated by Morningstar 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
Hifza Zia	Head of Research
Syed Imran Raza Kazmi	Portfolio Manager
Muhammad Qasim	Officer Risk & Compliance

# Lakson Income Fund

## 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.

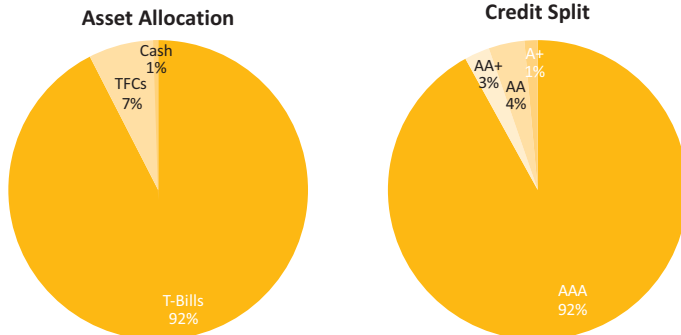
## Performance Review

The Lakson Income Fund ("LIF") provided an annualized yield of 11.37% for the month of July '11, outperforming the Benchmark (average return of all income funds) by 274bps that posted a return of 8.62%. The yield since inception (13th November 2009) for the LIF stands at an annualized 11.46% compared to a Benchmark return of 8.35% p.a. The LIF continues to provide liability related to the Workers Welfare Fund ("WWF") that comes out to approximately 20bps in monthly annualized return. The LIF also started charging 16% sales tax which was imposed by Sind Government through provincial budget. The LIF increased its exposure in T-Bills to 92% in July '11 from the level of 83% at the start of the month. The WAM of the T-Bills portfolio of the LIF stood at 64 Days at the end of July '11.

As of July 31, 2011, the WAM of the LIF portfolio was 213 days as compared to 232 days at the start of the month. The WAM went down in July '11 as the maturities from the TDRs were used to increase exposure in short dated T-Bills that offered very attractive yields due to tight liquidity situation in the money market. As of July 31, 2011, 93% of the portfolio of the LIF comprised of liquid instruments that 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 1.03% as compared to x.xx% for the Benchmark.

## Outlook

The LIF will increase exposure debt securities to improve the yield of the fund. The LIF will increase the duration of its T-Bills portfolio as the yields on relatively longer tenures are expected to remain stable and the SBP is not expected to reverse its monetary policy stance in the short term.



## TFCs Portfolio

Name of the Issue	Issue Date	Rating	% of Net Assets
Bank Al Habib Limited	30-Jun-11	AA	2.00%
Engro Fertilizer Limited	17-Dec-09	AA	0.51%
NIB Bank Limited	05-Mar-08	A+	1.45%
Orix Leasing Pakistan Limited	30-Jun-11	AA+	2.00%
United Bank Limited	14-Feb-08	AA	1.48%

## Asset Allocation

Instruments	May-11	Jun-11	Jul-11	WAM*
	% of Net Assets			
Government Securities (T-Bills)	78%	83%	92%	64
Placements with Banks (TDRs)	10%	10%	0%	0
Term Finance Certificates (TFCs)	5%	7%	7%	2,195
Reverse Repo (RR)	7%	0%	0%	0
Cash	0%	0%	1%	1

\* Weighted Average Maturity

## Disclosures

Leverage as on July 31, 2011	Nil.
Non Performing Assets	Nil.
WAM of Portfolio	213 Days

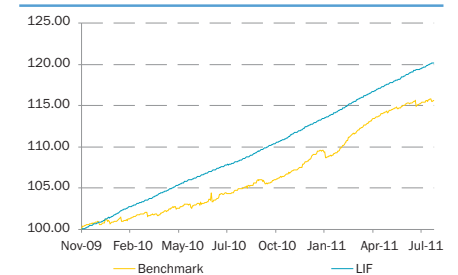
## Fund Facts

Fund Type	Open-End
Category	Income Fund
Net Assets (PKR Mil.)	1,001
NAV (31.07.2011)	100.2225
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 - Sat
Cut-Off Time	04:00 PM (Mon-Fri) 12:00 PM (Sat)
Fund Rating	'AA-' by PACRA
Asset Manager Rating	AM3+

Fund Performance	LIF	Benchmark
July-11	11.37%	8.62%
2 Months	12.14%	7.30%
3 Months	11.60%	7.75%
6 Months	12.10%	12.95%
12 Months	11.62%	10.50%
CY11 - YTD	11.97%	10.73%
FY12 - YTD	11.37%	8.62%
Since Inception	11.46%	8.35%

\* All returns have been calculated by Morningstar 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
Hifza Zia	Head of Research
Syed Imran Raza Kazmi	Portfolio Manager
Muhammad Qasim	Officer Risk & Compliance

# Lakson Equity Fund

## 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") declined by 0.73% in July '11 compared to the Benchmark (KSE-100 Index) decline of 2.45%. The LEF outperformed the Benchmark by 172bps as the KSE-100 Index was under pressure due to a correction in the stock price of Nestle Pakistan. The LEF has appreciated 18.78% since its inception. During the month the LEF reduced its exposure to 91% in equities compared to 94% at the start of the month. A recovery in the prices of Banks and Electricity sectors provided an opportunity to the LEF to book some gains. The LEF increased its exposure in Construction & Materials sector on expectation of better result announcements while the exposure in Electricity sector was reduced. Presently the market is trading at a P/E multiple of 7.87x with an average dividend yield of 5.43% and the market continues to trade at a discount to the regional markets.

## Outlook

Market is expected to track the performance of international markets as the foreign investors are expected to continue to reduce exposure in risk assets. Trading volumes in our market are expected dry up if foreign selling prolongs in the market.

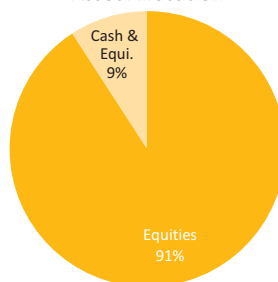
## Fund Facts

Fund Type	Open-End
Category	Equity Fund
Net Assets (PKR Mil.)	146
NAV (31.07.2011)	101.4587
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
Asset Manager Rating	AM3+

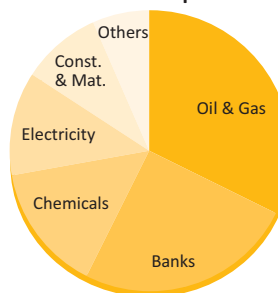
## Top 10 Holdings (In Alphabetical Order)

Fauji Fertilizer Company Limited	6.04%
Kot Addu Power Company	4.48%
Lucky Cement Limited	6.53%
MCB Bank Limited	6.00%
National Bank of Pakistan	4.64%
Pakistan Oilfields Limited	7.88%
Pakistan Petroleum Limited	8.24%
Pakistan State Oil	5.68%
The Hub Power Company Limited	6.60%
United Bank Limited	5.42%

## Asset Allocation



## Sectorwise Exposure



Sectorwise Exposure	Jun-11	Jul-11
Oil & Gas	29.64%	29.58%
Banks	23.48%	22.36%
Chemicals	13.97%	13.56%
Electricity	13.33%	11.08%
Construction & Materials	7.08%	8.34%
Others	6.59%	5.91%

## Asset Allocation

	May-11	Jun-11	Jul-11
Equities	87%	94%	91%
Cash & Equivalents	13%	6%	9%

## Pakistan vs. Global Markets

Country	Index	1M Return	P/E	Div. Yield
Pakistan	KSE-100	-2.45%	7.87	5.43%
India	BSE Sensex 30	-3.44%	16.18	1.19%
Malaysia	FTSE KLCI	-1.92%	13.90	3.39%
Dubai	DFM General	-0.70%	7.75	3.64%
USA	DJIA	-2.18%	13.41	2.64%
USA	S&P 500	-2.15%	14.58	2.44%

\* Source: Reuters

## Disclosures

Leverage as on July 31, 2011	Nil.
Non Performing Assets	Nil.

## Fund Performance

	LEF	Benchmark
July-11	-0.73%	-2.45%
2 Months	-2.63%	0.55%
3 Months	-2.58%	1.10%
6 Months	-1.33%	-1.37%
12 Months	10.80%	15.89%
CY11 - YTD	0.26%	1.40%
FY12 - YTD	-0.73%	-2.45%
Since Inception	18.78%	34.45%

\* 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
Hifza Zia	Head of Research
Syed Imran Raza Kazmi	Portfolio Manager
Muhammad Qasim	Officer Risk & Compliance

## Mutual Funds Performance Comparison

Position as of July 31, 2011

Income Funds	Annualized Returns						
	1M	2M	3M	6M	CY11-YTD	FY12-YTD	STDEV
ABL Income Fund	13.52%	13.01%	12.61%	12.56%	12.51%	13.52%	0.90%
AKD Income Fund	9.75%	14.74%	17.24%	23.78%	11.56%	9.75%	20.73%
Atlas Income Fund	1.22%	0.91%	3.85%	10.11%	7.35%	1.22%	10.27%
Crosby Phoenix Fund	12.29%	12.39%	11.35%	15.01%	13.75%	12.29%	7.92%
Faysal Savings Growth Fund	12.00%	11.90%	11.99%	12.11%	12.05%	12.00%	1.62%
First Habib Income Fund	11.51%	11.91%	11.69%	11.90%	11.82%	11.51%	2.13%
HBL Income Fund	11.26%	17.06%	15.36%	18.98%	14.98%	11.26%	11.14%
IGI Income Fund	11.50%	11.68%	11.60%	11.52%	11.33%	11.50%	0.83%
JS Income Fund	12.22%	5.37%	-21.55%	-4.97%	-4.02%	12.22%	25.72%
<b>Lakson Income Fund</b>	<b>11.37%</b>	<b>12.14%</b>	<b>11.60%</b>	<b>12.10%</b>	<b>11.97%</b>	<b>11.37%</b>	<b>1.03%</b>
MCB Dynamic Cash Fund	10.64%	13.11%	12.64%	14.55%	12.68%	10.64%	5.83%
NAFA Income Opportunity Fund	14.51%	-17.65%	-2.26%	12.21%	5.84%	14.51%	18.69%
NAFA Income Fund	-47.47%	-54.84%	-39.44%	-12.09%	-13.25%	-47.47%	31.28%
NAFA Savings Plus Fund	11.50%	11.60%	11.32%	11.48%	11.31%	11.50%	0.84%
NIT Government Bond Fund	12.29%	11.84%	11.64%	11.91%	11.85%	12.29%	1.22%
NIT Income Fund	13.04%	13.21%	12.23%	14.02%	12.75%	13.04%	3.87%
Pakistan Income Fund	11.18%	8.30%	11.23%	13.66%	11.14%	11.18%	6.67%
PICIC Income Fund	12.13%	12.27%	12.10%	12.27%	12.18%	12.13%	2.09%
UBL Savings Income Fund	12.27%	12.14%	12.01%	12.23%	12.26%	12.27%	0.53%
<b>Money Market Funds</b>							
ABL Cash Fund	12.24%	12.21%	12.02%	12.37%	12.36%	12.24%	0.65%
Alfalah GHP Cash Fund	11.61%	11.84%	11.72%	12.05%	11.99%	11.61%	0.83%
Askari Sovereign Cash Fund	12.72%	12.71%	12.54%	12.84%	12.79%	12.72%	1.05%
Atlas Money Market Fund	12.15%	12.21%	12.02%	12.30%	12.22%	12.15%	0.90%
BMA Empress Cash Fund	11.61%	11.79%	11.64%	11.84%	11.82%	11.61%	0.98%
Faysal Money Market Fund	11.48%	11.53%	11.41%	11.55%	11.50%	11.48%	0.40%
HBL Money Market Fund	12.65%	12.47%	12.27%	12.48%	12.39%	12.65%	0.62%
IGI Money Market Fund	12.67%	12.60%	12.33%	12.56%	12.47%	12.67%	0.79%
JS Cash Fund	12.32%	12.38%	12.21%	12.67%	12.60%	12.32%	1.10%
KASB Cash Fund	12.39%	12.27%	12.12%	12.36%	12.32%	12.39%	0.94%
<b>Lakson Money Market Fund</b>	<b>12.08%</b>	<b>12.11%</b>	<b>11.96%</b>	<b>12.21%</b>	<b>12.20%</b>	<b>12.08%</b>	<b>0.77%</b>
MCB Cash Management Optimizer Fund	11.79%	11.83%	11.77%	12.08%	12.08%	11.79%	0.74%
NAFA Government Securities Liquid Fund	11.84%	11.99%	11.80%	11.95%	11.89%	11.84%	0.65%
Pakistan Cash Management Fund	12.27%	12.40%	12.25%	12.44%	12.39%	12.27%	0.60%
PICIC Cash Fund	12.61%	12.58%	12.32%	12.18%	12.12%	12.61%	0.38%
UBL Liquidity Plus Fund	12.22%	12.24%	12.08%	12.41%	12.37%	12.22%	0.83%
<b>Aggressive Income Funds</b>							
Alfalah GHP Income Multiplier Fund	12.48%	52.54%	21.87%	16.91%	14.97%	12.48%	
Askari Income Fund	16.23%	11.90%	14.70%	19.70%	9.24%	16.23%	
BMA Chundrigar Road Savings Fund	45.26%	22.65%	15.49%	1.51%	-17.47%	45.26%	
Faysal Income and Growth Fund	13.63%	11.14%	13.55%	12.31%	12.01%	13.63%	
IGI Aggressive Income Fund	10.95%	-23.25%	-13.57%	-5.57%	-6.70%	10.95%	
JS Aggressive Income Fund	34.34%	-49.89%	-29.74%	-3.51%	-11.36%	34.34%	
KASB Income Opportunity Fund	6.47%	-33.95%	-78.29%	-55.57%	-54.67%	6.47%	
Pakistan Income Enhancement Fund	12.74%	13.25%	14.77%	15.38%	11.94%	12.74%	
United Growth and Income Fund	9.26%	-29.09%	-19.33%	-12.05%	-11.49%	9.26%	

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

Source: AMC websites and FMR

## Mutual Funds Performance Comparison

Position as of July 31, 2011

Absolute Returns

Equity Funds	1M	2M	3M	6M	CY11-YTD	FY12-YTD
ABL Stock Fund	0.10%	-0.43%	-1.29%	1.03%	4.73%	0.10%
AKD Opportunity Fund	-2.74%	-2.58%	-2.27%	-3.67%	-4.89%	-2.74%
Alfalah GHP Alpha Fund	-1.03%	-3.71%	-4.29%	-6.08%	-2.63%	-1.03%
Atlas Stock Market Fund	-0.99%	-3.35%	-3.83%	2.67%	8.63%	-0.99%
Crosby Dragon Fund	0.35%	-1.66%	-2.90%	-0.34%	3.38%	0.35%
First Habib Stock Fund	-1.40%	-2.62%	-2.02%	-0.94%	0.90%	-1.40%
HBL Stock Fund	-0.59%	-2.45%	-2.44%	1.36%	5.55%	-0.59%
IGI Stock Fund	1.80%	1.75%	0.90%	6.13%	10.59%	1.80%
KASB Stock Market Fund	-2.24%	-5.86%	-6.53%	-6.38%	-3.42%	-2.24%
<b>Lakson Equity Fund</b>	<b>-0.71%</b>	<b>-2.61%</b>	<b>-2.56%</b>	<b>-1.31%</b>	<b>0.28%</b>	<b>-0.71%</b>
MCB Dynamic Stock Fund	-0.51%	-0.88%	-1.52%	1.92%	5.39%	-0.51%
NAFA Stock Fund	-0.84%	-1.97%	-2.81%	-0.83%	3.27%	-0.84%
National Investment Unit Trust	-1.28%	-0.29%	-0.10%	-1.00%	0.98%	-1.28%
Pakistan Stock Market Fund	-1.51%	-3.27%	-2.87%	-1.96%	0.32%	-1.51%
United Stock Advantage Fund	-1.01%	-2.57%	-3.90%	-0.72%	2.88%	-1.01%
<b>Balanced Funds</b>						
HBL Multi Asset Fund	0.45%	0.46%	0.61%	5.08%	8.58%	0.45%
Faysal Balanced Growth Fund	-1.74%	-6.78%	-8.25%	-8.01%	-6.71%	-1.74%
KASB Balanced Fund	-3.15%	-6.35%	-15.67%	-15.86%	-15.82%	-3.15%
NAFA Multi Asset Fund	0.81%	0.16%	1.30%	5.06%	7.22%	0.81%
Pakistan Capital Market Fund	-1.74%	-2.63%	-2.39%	-0.55%	1.23%	-1.74%
Unit Trust of Pakistan	-0.15%	-2.55%	-5.75%	-3.16%	-1.14%	-0.15%
<b>Asset Allocation Funds</b>						
Alfalah GHP Value Fund	-0.53%	0.03%	-0.17%	-0.38%	0.13%	-0.53%
Askari Asset Allocation Fund	-1.08%	0.77%	0.28%	-1.29%	0.67%	-1.08%
Faysal Asset Allocation Fund	-1.11%	-2.73%	-2.87%	-2.74%	6.01%	-1.11%
JS Aggressive Asset Allocation Fund	-0.27%	-3.81%	-3.77%	-2.77%	-0.71%	-0.27%
MCB Dynamic Allocation Fund	-0.90%	-15.17%	-14.90%	-12.21%	-10.50%	-0.90%
Pak Oman Advantage Asset Allocation Fund	0.08%	-0.57%	-0.45%	-2.39%	-0.45%	0.08%
<b>Capital Protected Funds</b>						
Alfalah GHP Principal Protected Fund - II	0.19%	0.52%	1.21%	2.28%	2.97%	0.19%
JS Principal Secured Fund I	0.83%	1.73%	2.65%	5.29%	6.25%	0.83%
KASB Capital Protected Gold Fund	1.13%	1.41%	1.97%	5.12%	5.19%	1.13%
Pakistan Capital Protected Fund - FIS	0.39%	1.19%	2.78%	4.62%	5.12%	0.39%

Calculation Formula: Absolute Return = (Ending NAV / Beginning NAV) - 1

Source: AMC websites and FMR

# Markets Information

## Equities

Markets	Index	Total Return				Total Return, in USD and %			
		YTD-CY11	3-mo	1-yr	5-yr	YTD-CY11	3-mo	1-yr	5-yr
China	CSI 300	-4.99%	-6.91%	3.60%	129.62%	-2.73%	-6.13%	9.01%	184.30%
Dubai	DFM	-7.63%	-7.83%	-0.41%	-63.93%	-7.63%	-7.83%	-0.41%	-63.93%
India	BSE Sensex 30	-11.27%	-4.91%	1.84%	69.37%	-10.26%	-4.80%	6.88%	78.14%
Japan	Nikkei 225	-3.87%	-0.17%	3.10%	-36.38%	1.66%	5.64%	16.14%	-4.97%
Malaysia	FTSE Bursa	1.97%	0.90%	13.81%	65.50%	6.02%	0.80%	22.17%	104.10%
<b>Pakistan</b>	<b>KSE 100</b>	<b>1.40%</b>	<b>1.10%</b>	<b>15.89%</b>	<b>16.12%</b>	<b>0.23%</b>	<b>-1.05%</b>	<b>14.02%</b>	<b>-19.29%</b>
Sri Lanka	Colombo All Share	3.16%	-6.95%	32.63%	211.72%	4.54%	-6.57%	36.68%	183.37%
UK	FTSE 100	-1.44%	-4.20%	10.60%	-1.91%	3.74%	-5.82%	15.79%	-13.75%
US	DJIA	4.89%	-5.21%	16.03%	8.56%	4.89%	-5.21%	16.03%	8.56%

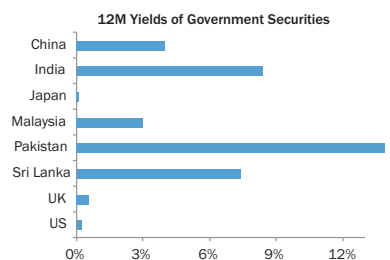
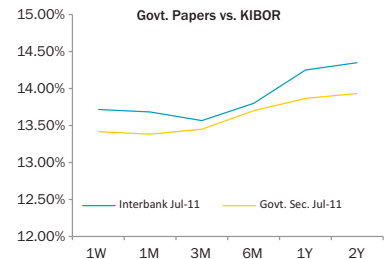
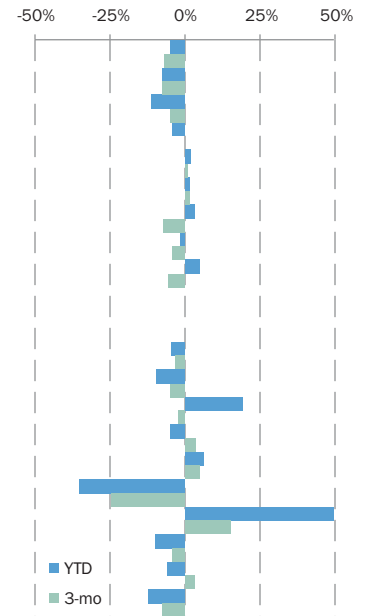
## KSE Sectors

Automobile and Parts	-4.50%	-2.95%	-10.36%	-49.14%	-5.60%	-5.02%	-11.81%	-64.65%
Banks	-9.40%	-4.85%	-1.07%	-45.48%	-10.45%	-6.88%	-2.66%	-62.10%
Chemicals	18.94%	-2.19%	35.07%	54.27%	17.57%	-4.27%	32.90%	7.23%
Construction & Materials	-5.00%	3.64%	0.53%	-59.72%	-6.09%	1.43%	-1.09%	-72.01%
Electricity	6.07%	4.78%	9.71%	23.51%	4.85%	2.54%	7.94%	-14.15%
Fixed Line Tele.	-35.46%	-24.76%	-38.94%	-70.03%	-36.21%	-26.37%	-39.92%	-79.17%
Food Producers	49.68%	15.15%	89.20%	198.70%	47.96%	12.69%	86.15%	107.61%
Non Life Insurance	-9.79%	-3.95%	-16.66%	-53.82%	-10.83%	-6.00%	-18.00%	-67.90%
Oil and Gas	-5.78%	3.07%	8.73%	-1.52%	-6.87%	0.87%	6.98%	-31.55%
Personal Goods	-11.97%	-7.54%	0.04%	-16.65%	-12.98%	-9.51%	-1.57%	-42.07%

## Fixed Income

Money Market		Current Interbank Rates on				Historic 6-month Interbank Rates			
		1M	3M	6M	12M	YTD-CY11	3-mo	1-yr	2-yr
China	SHIBOR	6.27%	6.00%	5.26%	5.23%	4.58%	4.97%	3.83%	2.92%
Dubai	UAE IBOR	1.00%	1.50%	1.70%	1.97%	2.15%	1.91%	2.27%	2.31%
India	MIBOR	9.05%	9.41%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Japan	TIBOR	0.18%	0.34%	0.45%	0.48%	0.45%	0.45%	0.45%	0.51%
Malaysia	KLIBOR	3.11%	3.29%	3.38%	3.50%	3.19%	3.33%	3.10%	2.75%
<b>Pakistan</b>	<b>KIBOR</b>	<b>13.77%</b>	<b>13.63%</b>	<b>13.81%</b>	<b>14.24%</b>	<b>13.74%</b>	<b>13.74%</b>	<b>13.50%</b>	<b>12.92%</b>
Sri Lanka	SLIBOR	8.14%	8.22%	8.33%	8.46%	8.31%	8.31%	8.69%	9.52%
UK	LIBOR	0.63%	0.83%	1.12%	1.59%	1.10%	1.11%	1.07%	0.98%
US	SIBOR	0.19%	0.26%	0.43%	0.77%	0.44%	0.42%	0.47%	0.52%

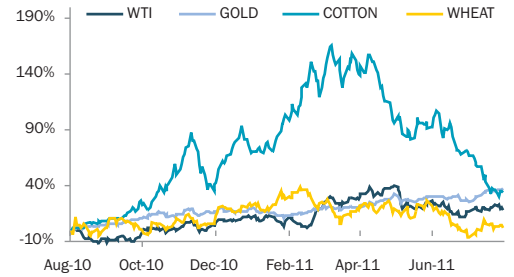
Government Securities	Current Market Yields on				Historic 12-Month Paper Rates			
	3M	12M	5Y	10Y	YTD-CY11	3-mo	1-yr	2-yr
China	3.21%	3.95%	3.86%	4.12%	3.42%	3.50%	2.99%	2.44%
India	8.40%	8.38%	8.41%	8.45%	7.78%	8.09%	7.29%	6.14%
Japan	0.10%	0.13%	0.37%	1.08%	0.15%	0.14%	0.14%	0.15%
Malaysia	2.73%	3.00%	3.49%	3.88%	2.96%	2.96%	2.93%	2.37%
<b>Pakistan</b>	<b>13.53%</b>	<b>13.90%</b>	<b>13.92%</b>	<b>14.01%</b>	<b>13.80%</b>	<b>13.83%</b>	<b>13.54%</b>	<b>12.92%</b>
Sri Lanka	7.13%	7.36%	8.44%	N.A.	7.41%	7.42%	7.51%	8.71%
UK	0.56%	0.56%	1.40%	2.87%	0.70%	0.62%	0.67%	0.62%
US	0.10%	0.21%	1.35%	2.79%	0.22%	0.17%	0.23%	0.29%



## Markets Information

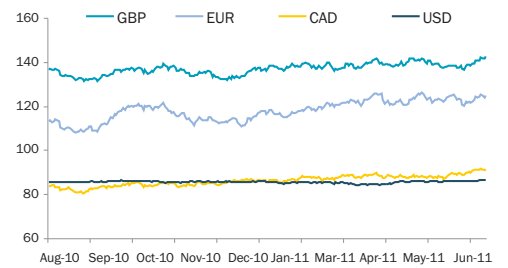
### Commodities

Commodity	Unit	Total Return				Current Prices
		YTD-CY11	3-mo	1-yr	5-yr	
Coal	USD/Tonne	2.90%	-3.14%	23.65%	124.43%	118.95
Copper	USc/lbs	2.78%	7.42%	35.06%	23.11%	454
Cotton	USc/lbs	-21.35%	-31.77%	36.43%	118.47%	105.72
Gold	USD/t oz.	14.31%	3.80%	37.73%	156.26%	1,627
Palm Oil	USD/Tonne	-7.85%	-3.78%	35.10%	144.92%	1,145
Sugar	USc/lbs	3.70%	25.62%	53.54%	87.97%	28.59
Wheat	USD/Bushel (60lbs)	-16.29%	-14.75%	5.30%	81.37%	7.155
WTI	USD/bbl	4.70%	-15.68%	21.37%	28.32%	95.7



### Currencies

Commodity	Unit	Change Versus PKR in %				Current Exchange Rates
		YTD-CY11	3-mo	1-yr	5-yr	
Canadian Dollar	CAD	5.64%	1.03%	9.57%	70.41%	CAD - PKR 90.88
Euro	EUR	8.85%	-0.64%	12.12%	62.25%	EUR - PKR 124.97
Indian Rupee	INR	2.60%	2.60%	6.49%	51.54%	INR - PKR 1.97
Japanese Yen	JPY	6.60%	7.62%	14.14%	101.79%	JPY - PKR 1.13
Pound Sterling	GBP	6.48%	0.45%	6.41%	26.49%	GBP - PKR 142.55
Singaporean Dollar	SGD	7.82%	3.92%	14.84%	88.77%	SGD - PKR 72.13
US Dollar	USD	1.17%	2.18%	1.64%	43.88%	USD - PKR 86.80



Source: Bloomberg, Reuters



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### Transaction Locations:

#### Islamabad:

Contact Person: Mr. Ali Kazmi - Branch Manager  
Office No.6, Mezzanine floor, Kashmir Plaza,  
Jinnah Avenue, Blue Area, Islamabad.  
UAN: 051.111-111-717  
Fax: 051.2870228

#### Lahore:

Contact Person: Mr. Rao Ashraf - Branch Manager  
Suit No.209, Eden Center 43-Jail Road, Lahore.  
Tel: 042.759.0500/756.7390  
Fax: 042.756.7881

#### Rawalpindi:

Contact Person: Mr. Tariq Aziz - Branch Manager  
Suite No.3, 1 st Floor, Majeed Plaza  
Bank Road, Rawalpindi  
Tel: 051.551.2251/52  
Fax: 051.511.0996

#### Faisalabad:

Contact Person: Mr. Shahbaz Choudhry - Branch Manager  
1 st Floor, FM Plaza 15-D, Peoples Colony, Faisalabad  
Tel: 041.324.1704/07  
Fax: 041.855.4453

#### Sialkot:

Contact Person: Mr. Nisar Bhatti - Branch Manager  
1 st Floor, Karim Plaza Iqbal Town, Defence Road, Sialkot  
Tel: 052.324.1704/07  
Fax: 052.324.1703

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# DECADES OF SEASONED INVESTMENT



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