

# 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" with  
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## Economic Review (Monetary and Fiscal)

The President of Pakistan promulgated three Ordinances to introduce taxation measures to contain the fiscal deficit at 5.3% of GDP, which was agreed with the International Monetary Fund ("IMF") in the talks between the Government officials and the IMF mission. The Government levied a Flood Surcharge of 15% on the Income Tax, increased the Special Excise Duty ("SED") to 2.5% from 1.0% and withdrew the General Sales Tax ("GST") exemption on items like fertilizers, pesticides, tractors, sugar and plant & machinery through these Ordinances. All these taxation measures are expected to generate additional PKR 53 billion in revenues. In addition to these measures the Government curtailed its expenditures by PKR 67 billion to generate a fiscal space of PKR 120 billion on the whole. Despite these taxation measures the tax collection target for the Federal Board of Revenue ("FBR") has been revised downwards to PKR 1,604 billion from the original target of PKR 1,667 billion. The FBR has collected PKR 1,010 billion in the 9MFY11 which means that the FBR will have to collect PKR 594 billion in the 4QFY11 to meet its revised target of PKR 1,604 billion. The IMF mission stressed the need for introducing tax reforms, reducing poorly targeted subsidies, and implementing financial sector reforms to improve governance and promote higher savings, investment and growth.

The State Bank of Pakistan ("SBP") announced the 5<sup>th</sup> Monetary Policy of FY11 and maintained its "wait and see" approach by keeping the discount rate unchanged at 14% for April-May period. The SBP cautioned against the increased risks to macroeconomic stability in the next fiscal year if the Government failed to initiate meaningful economic reforms to address the structural economic weaknesses. The SBP expects Government borrowing to remain high in the wake of high fiscal deficit financing, commodities procurement and settlement of the inter-corporate circular debt issue. Government borrowing from the banking channels kept its upward momentum owing to dismal foreign inflows, with budgetary support financing standing at PKR 391 billion during the 9MFY11 compared to PKR 295 billion in the same period last year. Private sector borrowing also remained in the positive zone during the period, with net credit off-take of PKR 201 billion compared to PKR 124 billion during the same period last year.

The balance of payments ("BOP") numbers continued to show improvement and as per the latest data available the current account balance reported a surplus of USD 53 million in February '11, which takes the current account deficit during 8MFY11 to USD 98 million compared to USD 3.03 billion booked in same period last year. A restrained trade deficit (down 5% YoY in 8MFY11) and services deficit (declined by 44% YoY during 8MFY11) and a 20% YoY increase in remittances helped in improving the overall BOP. The forex reserves of the country recorded a new peak of USD 17.95 billion in March '11 providing stability to the exchange rate. Headline inflation during February '11 cooled down by 129 basis points to 12.91% YoY from 14.19% in January '11, mainly due to a decline in food inflation that witnessed a MoM decline of 2.1% in February '11.

## Fixed Income Markets Review

The money market witnessed tight liquidity situation especially in second half of the month as the overnight repo rates averaged 13.43% in March '11 compared to 12.58% in February '11. Financial institutions had to borrow funds from the discount window of the SBP to meet their daily liquidity requirements. The SBP conducted Open Market Operations at regular intervals however the amount injected was short of market demand as the SBP injected only PKR 196 billion against market demand of PKR 352 billion on cumulative basis. Market yields on Government securities witnessed a downward trend on the expectation of a status quo in the Monetary Policy however the yields on shorter tenures went up due to tight liquidity situation in the market. Market yields on PIBs went down by 17bps on average on different tenures. The 6-month KIBOR (benchmark lending rate) averaged 13.74% in March '11 as compared to an average of 13.76% in February '11. The SBP conducted two T-Bill auctions during the month and raised PKR 378 billion against a target of PKR 320 billion and reduced the cut-off yields from between 5-23bps on different tenures with the highest reduction of 23bps on 3-month T-Bills. The SBP also conducted a PIB auction with a target of PKR 15 billion and raised PKR 25 billion out of which PKR 19 billion was raised against 10-year PIB and the cut-off yield on the 10-year PIB was reduced by 15bps.

## Equity Market Review

The Margin Trading System ("MTS") was launched in March '11 to provide much needed liquidity to the market, however, it failed to improve volumes in the market as the average daily volume stood at 100 million shares in March '11. Interestingly, the average daily volume before the introduction of MTS was 121 million shares in March '11 which declined to 86 million shares after the introduction of MTS. As of March 31, 2011, open positions in the MTS stood at PKR 221 million while the rate has come down to 17.0% from 21.0% at the time of the launch of the MTS. The market recovered in March '11 and the KSE-100 index went up by 4.6% to close at 11,810 compared to a decline of 8.7% in February '11. An interesting fact to note is that the March rally was primarily supported by the local investors as foreigners were the sellers in the market with a net selling of USD 16.2 million in March '11. Since May '09 this was the first month in which the foreigners were the net sellers in the market. The factors that kept foreign investors at bay were the ongoing MENA upheaval and devastating earth quake and tsunami in Japan, making them reposition their investments in other regions as well. The market posted a dismal performance in 1QCY11 as the KSE-100 index was down 1.8% mainly due to the decrease in February '11 (KSE-100 Index down by 8.7%) which makes February '11 the worst February in last 20 years.

## International Markets and Economies

The earthquake and tsunami in Japan, higher international commodity prices, European sovereign debt crisis and the turmoil in the MENA region raised uncertainties regarding world economic growth. The US economy showed signs of recovery with the unemployment rate falling down to 8.8% in March '11 which is the lowest level in 2 years. The rising unrest in Libya escalated international oil prices with the Brent touching USD 118 per barrel. According to the IMF estimates USD 110 to 120 per barrel price of the Brent oil will have a very limited impact on global economic recovery, however if supply side disruptions increase even further then it can affect global economic recovery process, especially increasing inflation worries and slowing economic growth in the emerging economies which are presently estimated to grow at 6.5%. The impact of natural calamity in Japan on the equity, fixed income and currency markets remained an important consideration for the investors. Japanese Yen appreciated by 4.88% in the first week after tsunami on the expectations of repatriation of Japanese investments in foreign countries, but later the estimated impact of repatriation was largely offset by the expectations of monetary expansion and news that majority of Japanese investments are currency hedged.

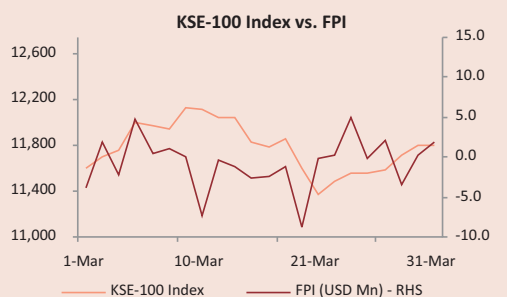
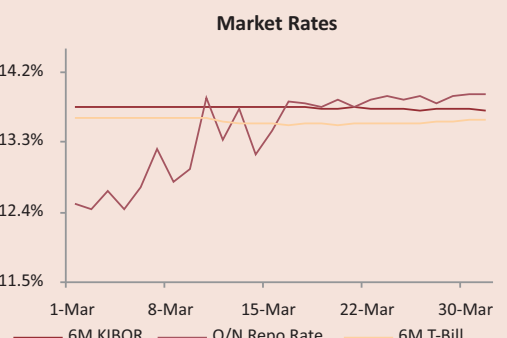
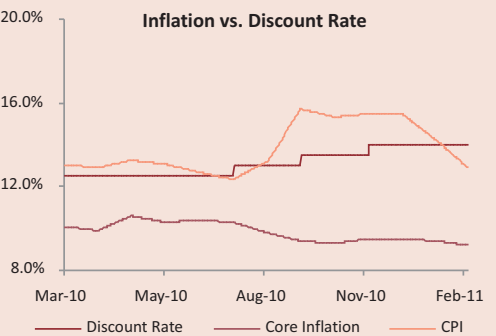
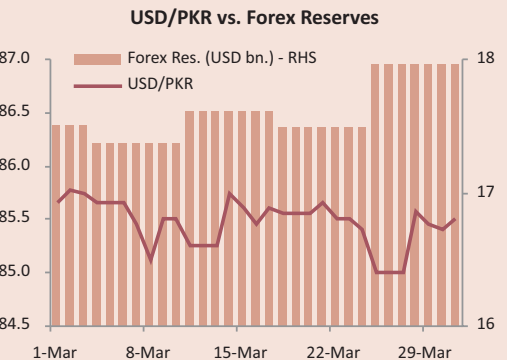
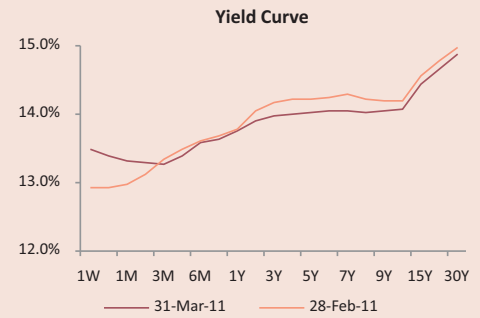
## Political Review

Pak-US bilateral ties improved to some extent after US citizen Raymond Davis was freed on payment of blood money to the relatives of the deceased. Another major development on the political front was the resumption of Pak-India talks, initiated by Indian Prime Minister through invitation to Prime Minister Mr. Yousaf Raza Gilani to watch the Cricket World Cup semi-final between Pakistan and India. The ruling coalition was once again on the verge of collapse as the PPP and MQM were once again at loggerheads, however, both parties were able to iron out their differences.

## Outlook

As the economy moves through a crucial phase of stabilization, a hike in the petroleum products prices besides monthly rise in the power tariff would once again increase the CPI in coming months. If the foreign inflows continue to be dreary in future, it would result in increased Government reliance on internal sources for financing, hence making the containment of the fiscal deficit a difficult task. The ongoing MENA region riots and their repercussions on the foreign flows in the regional markets and commodity prices specifically are the key factors to look for in future. Economic stability in the next fiscal year will largely depend upon the capability of the Government to introduce fiscal and energy sector reforms, better debt management, and improved law and order situation.

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.

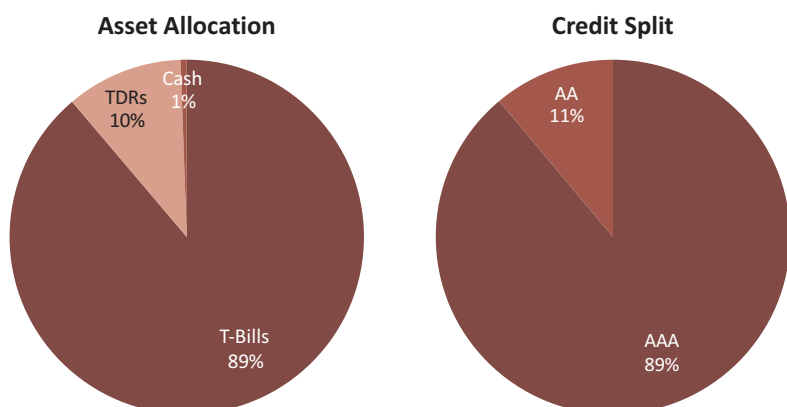
## Performance Review

The Lakson Money Market Fund ("LMMF") yielded an annualized return of 12.17% in March '11 in comparison to the Benchmark (average return of all money market returns) return of 12.14%. The LMMF outperformed the average money market fund by 3bps. The LMMF continues to provide liability related to the Workers Welfare Fund ("WWF") that comes out to approximately 20bps in monthly annualized return. The yield since inception (13<sup>th</sup> November 2009) of the LMMF stood at 11.20% p.a. compared to a 11.19% p.a. return for the average money market fund. During March '11 the LMMF increased exposure in T-Bills to 89% from 64% at the start of the month as the T-Bills offered better yields than the term deposits. The LMMF reduced exposure in TDRs to 10% from 35% at the start of the month and the available liquidity was utilized to increase exposure in T-Bills. As of March 31, 2011 the Weighted Average Maturity ("WAM") of T-Bills portfolio stood at 52 days as the LMMF increased exposure in 3-month T-Bills in anticipation of a status quo in the Monetary Policy. The portfolio of the LMMF has a very low credit risk as 89% of the portfolio comprises of risk free T-Bills with the remaining 11% exposure is in 'AA' or higher rated commercial banks.

As of March 31, 2011, the WAM of the LMMF portfolio was 48 days compared to 42 days at the start of the month. The WAM went up as the maturities from TDRs were invested in T-Bills of relatively longer maturities. The portfolio of the LMMF still offers very high liquidity and as on March 31, 2011, 90% of the portfolio 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 0.74%.

## Outlook

The LMMF will maintain a high exposure in T-Bills as the T-Bills are offering better yields than other instruments of similar maturities. The LMMF will continue to maintain higher exposure in relatively longer term T-Bills as the yields are expected to remain stable till the announcement of next Monetary Policy.



## Asset Allocation

Instruments	Jan-11	Feb-11	Mar-11	WAM*
	% of Net Assets			Days
Government Securities (T-Bills)	47%	64%	89%	52
Placements with Banks (TDRs)	45%	35%	10%	12
Placements with DFIs (LOPs)	8%	0%	0%	0
Cash	0%	1%	1%	1

\* Weighted Average Maturity

## Key Interest Rates (Monthly Average)

	Jan-11	Feb-11	Mar-11	14.25%
KIBOR (1W, 1M, 3M, 6M, 12M)	13.40%	13.41%	13.55%	13.74%
T-Bills (3M, 6M, 12M)	13.28%	13.57%	13.75%	
Repo (O/N, 1M, 3M, 6M, 12M)	13.43%	12.97%	13.21%	13.50%

\* Source: Bloomberg, Reuters

## Disclosures

Leverage as on March 31, 2011	Nil.
Non Performing Assets	Nil.
WAM of Portfolio	48

## Fund Facts

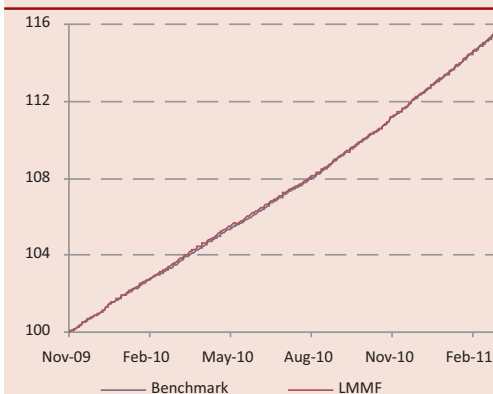
Fund Type	Open-End
Category	Money Market Fund
Net Assets (PKR Mil.)	3,719
NAV (31.03.2011)	100.0678
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	1.25%
Front End Load	None
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average of 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 with Positive Outlook

Fund Performance	LMMF	Benchmark
March-11	12.17%	12.14%
2 Months	12.42%	12.43%
3 Months	12.33%	12.26%
6 Months	11.93%	11.96%
12 Months	11.28%	11.32%
CY11 - YTD	12.33%	12.26%
FY11 - YTD	11.55%	11.60%
Since Inception	11.20%	11.19%

\* 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
Syed Imran Raza Kazmi	Asst. Fund Manager
Muhammad Qasim	Officer Risk & Compliance

## 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

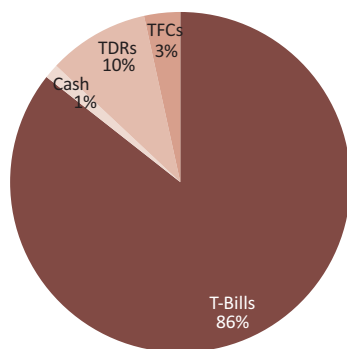
The Lakson Income Fund ("LIF") provided an annualized yield of 12.62% for the month of March '11, underperforming the Benchmark (average return of all income funds) by 989bps that posted an annualized return of 22.51%. The yield since inception (13<sup>th</sup> November 2009) for the LIF stands at an annualized 11.39% compared to a Benchmark return of 8.41%. Income Funds with higher exposures in TFCs posted very high returns as the TFC prices recovered despite a very low activity in the bonds market mainly due to TFC pricing formula adopted by the MUFAP. The LIF increased exposure in T-Bills from 73% at the start of the month to 86% by reducing exposure in TDRs as the T-Bills offered better yields than the TDRs. The LIF increased exposure in relatively longer term T-Bills in expectation of a status quo in the Monetary Policy. The WAM of the T-Bills portfolio of the LIF stood at 52 Days at the end of March '11.

As of March 31, 2011, the WAM of the LIF portfolio was 112 days as compared to 120 days at the start of the month. The WAM went down in March '11 as the investments of the LIF in TDRs and CPs matured during the month. Stable yields on T-Bills helped the LIF to post a consistent return in March '11. As of March 31, 2011, 87% 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 1.04% as compared to 6.56% for the Benchmark.

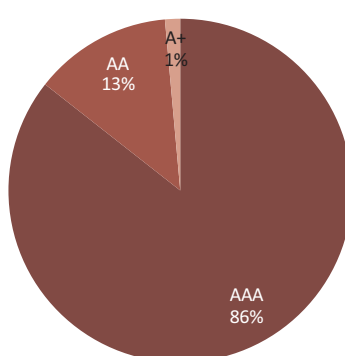
## Outlook

The LIF will increase its WAM by investing in relatively longer term instruments as the yields are expected to remain stable in the short term. The LIF will also increase exposure in debt securities if they offered better risk adjusted returns compared to the Government securities. The LIF will continue to maintain a high exposure in T-Bills in the prevailing economic situation to reduce the overall credit risk.

### Asset Allocation



### Credit Split



## TFCs Portfolio

Name of the Issue	Issue Date	Rating	% of Net Assets
Engro Fertilizer Limited	17-Dec-09	AA	0.49%
NIB Bank Limited	05-Mar-08	A+	1.43%
United Bank Limited	14-Feb-08	AA	1.41%

## Asset Allocation

Instruments	Jan-11	Feb-11	Mar-11	WAM* Days
	% of Net Assets			
Government Securities (T-Bills)	56%	73%	86%	52
Placements with Banks (TDRs)	23%	18%	10%	12
Term Finance Certificates (TFCs)	3%	4%	3%	2,147
Commercial Papers (CPs)	4%	4%	0%	0
Placements with DFLs (LOPs)	10%	0%	0%	0
Cash	4%	1%	1%	1

\* Weighted Average Maturity

## Disclosures

Leverage as on March 31, 2011	Nil.
Non Performing Assets	Nil.
WAM of Portfolio	112

## Fund Facts

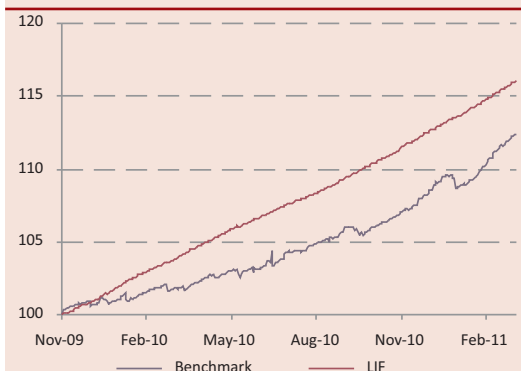
Fund Type	Open-End
Category	Income Fund
Net Assets (PKR Mil.)	1017
NAV (31.03.2011)	100.2461
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	1.50%
Front End Load	1.50%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average of returns 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
Asset Manager Rating	AM3 with Positive Outlook

Fund Performance	LIF	Benchmark
March-11	12.62%	22.51%
2 Months	12.76%	20.96%
3 Months	12.23%	12.66%
6 Months	11.85%	12.29%
12 Months	11.32%	10.39%
CY11 - YTD	12.23%	12.66%
FY11 - YTD	11.36%	11.30%
Since Inception	11.39%	8.41%

\* 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
Syed Imran Raza Kazmi	Asst. Fund Manager
Muhammad Qasim	Officer Risk & Compliance

## 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.

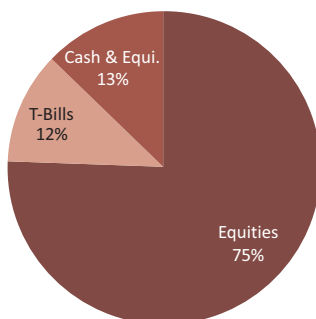
## Performance Review

The Lakson Equity Fund ("LEF") posted a return of 6.48% in March '11 compared to the Benchmark (KSE-100 Index) return of 4.61% translating into an outperformance of 187bps. The LEF has appreciated 21.16% since its inception. Changes made in the sector and stock allocations helped the LEF to outperform the Benchmark. Over last few months the LEF has been able to protect its investors on the downside in the declining market and outperform the market in the bullish phase. The LEF brought its exposure down to 75% in equities during the month compared to 82% at the start of the month as the LEF booked some gains across the board as the index approached 12,000 level in anticipation of a technical correction in the market. Presently the market is trading at a P/E multiple of 8.28x with an average dividend yield of 5.26% and the market continues to trade at a discount to the regional markets. The LEF has a balanced portfolio of growth and high yielding stocks that will offer protection against downward shocks.

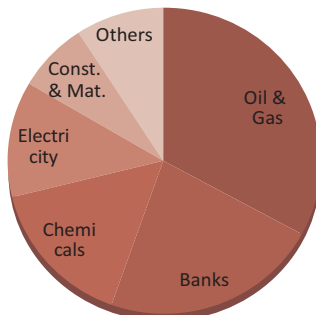
## Outlook

The MTS has been launched and we expect more participation in this product as the general market sentiment improves. In April '11 all the companies will be announcing their quarterly results therefore we expect stock specific activity during the month. Some sectors are expected to post better results and if the results are in line with market expectations we may see a broad based rally.

## Asset Allocation



## Sectorwise Exposure



## Top 10 Holdings (In Alphabetical Order)

Allied Bank Limited	3.33%
Attock Petroleum Limited	3.06%
Engro Corporation Limited	6.56%
Lucky Cement Limited	3.87%
MCB Bank Limited	4.37%
Pakistan Oilfields Limited	7.65%
Pakistan Petroleum Limited	7.15%
Pakistan State Oil	4.22%
The Hub Power Company	6.92%
United Bank Limited	3.99%

Sectorwise Exposure	Feb-11	Mar-11
Oil & Gas	27.78%	25.01%
Banks	17.31%	16.71%
Chemicals	12.90%	11.92%
Electricity	10.21%	9.51%
Construction & Materials	5.34%	5.65%
Others	8.02%	6.62%

## Asset Allocation

	Jan-11	Feb-11	Mar-11
Equities	80%	82%	75%
T-Bills	0%	0%	12%
Cash & Equivalents	20%	18%	15%

## Pakistan vs. Global Markets

Country	Index	1M Return	P/E	Div. Yield
Pakistan	KSE-100	4.61%	8.28	5.26%
India	BSE Sensex 30	9.10%	18.03	1.11%
Malaysia	FTSE KLCI	3.61%	16.31	3.35%
Dubai	DFM General	10.30%	7.47	3.61%
USA	DJIA	0.76%	14.99	2.48%
USA	S&P 500	-0.10%	16.21	2.28%

\* Source: Reuters

## Disclosures

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

## Fund Facts

Fund Type	Open-End
Category	Equity Fund
Net Assets (PKR Mil.)	204
NAV (31.03.2011)	121.1598
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 with Positive Outlook

Fund Performance	LEF	Benchmark
March-11	6.48%	4.61%
2 Months	0.64%	-4.45%
3 Months	2.27%	-1.77%
6 Months	18.37%	17.94%
12 Months	11.50%	16.03%
CY11 - YTD	2.27%	-1.77%
FY11 - YTD	21.97%	21.47%
Since Inception	21.16%	30.25%

\* 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
Muhammad Qasim	Officer Risk & Compliance

Position as of March 31, 2011	Annualized Returns						
	1M	2M	3M	6M	CY11-YTD	FY11-YTD	STDEV
<b>Income Funds</b>							
ABL Income Fund	12.09%	12.32%	12.29%	11.78%	12.29%	11.41%	0.66%
AKD Income Fund	34.05%	32.48%	1.56%	7.13%	1.56%	8.02%	22.67%
Atlas Income Fund	28.65%	17.68%	8.35%	11.93%	8.35%	6.84%	11.03%
Crosby Phoenix Fund	21.19%	19.83%	15.15%	14.05%	15.15%	13.10%	8.68%
Faysal Savings Growth Fund	12.46%	12.22%	12.03%	10.58%	12.03%	10.66%	1.73%
First Habib Income Fund	11.93%	12.16%	11.88%	11.14%	11.88%	10.62%	2.28%
HBL Income Fund	46.45%	31.52%	17.23%	13.34%	17.23%	13.25%	12.09%
IGI Income Fund	11.95%	11.15%	10.82%	10.86%	10.82%	11.18%	0.90%
JS Income Fund	18.90%	17.79%	11.98%	14.76%	11.98%	14.26%	24.61%
<b>Lakson Income Fund</b>	<b>12.62%</b>	<b>12.76%</b>	<b>12.23%</b>	<b>11.85%</b>	<b>12.23%</b>	<b>11.36%</b>	<b>1.04%</b>
MCB Dynamic Cash Fund	24.81%	18.96%	12.95%	11.69%	12.95%	12.77%	6.44%
NAFA Income Opportunity Fund	42.07%	27.97%	6.65%	9.35%	6.65%	6.55%	14.11%
NAFA Income Fund	42.60%	38.07%	14.54%	12.47%	14.54%	2.62%	27.61%
NAFA Savings Plus Fund	11.59%	11.48%	11.08%	10.75%	11.08%	10.37%	0.67%
NIT Government Bond Fund	12.01%	12.30%	12.03%	11.61%	12.03%	11.08%	1.30%
NIT Income Fund	18.17%	17.09%	13.03%	12.58%	13.03%	12.01%	4.37%
Pakistan Income Fund	15.97%	13.90%	7.97%	11.93%	7.97%	11.90%	6.79%
PICIC Income Fund	12.18%	12.30%	12.07%	10.58%	12.07%	N.A.	2.42%
UBL Savings Income Fund	12.18%	12.29%	12.33%	N.A.	12.33%	N.A.	0.61%
<b>Money Market Funds</b>							
ABL Cash Fund	12.14%	12.54%	12.47%	11.99%	12.47%	N.A.	0.67%
Alfalah GHP Cash Fund	11.76%	12.22%	12.03%	11.72%	12.03%	11.37%	0.81%
Askari Sovereign Cash Fund	12.68%	13.02%	12.84%	12.64%	12.84%	12.10%	1.02%
Atlas Money Market Fund	12.09%	12.48%	12.23%	11.78%	12.23%	11.45%	0.83%
BMA Empress Cash Fund	11.68%	12.02%	11.91%	11.49%	11.91%	11.13%	1.00%
Faysal Money Market Fund	11.79%	12.00%	11.72%	N.A.	11.72%	N.A.	0.52%
HBL Money Market Fund	12.40%	12.59%	12.35%	12.11%	12.35%	N.A.	0.63%
IGI Money Market Fund	12.70%	12.68%	12.43%	12.10%	12.43%	11.71%	0.76%
JS Cash Fund	13.04%	13.04%	12.75%	12.28%	12.75%	11.88%	1.11%
<b>Lakson Money Market Fund</b>	<b>12.17%</b>	<b>12.42%</b>	<b>12.33%</b>	<b>11.93%</b>	<b>12.33%</b>	<b>11.55%</b>	<b>0.74%</b>
MCB Cash Management Optimizer Fund	11.87%	12.32%	12.24%	11.83%	12.24%	11.52%	0.73%
NAFA Government Securities Liquid Fund	11.67%	12.00%	11.84%	11.55%	11.84%	11.30%	0.57%
Pakistan Cash Management Fund	12.36%	12.55%	12.39%	12.12%	12.39%	11.87%	0.55%
PICIC Cash Fund	11.76%	12.07%	11.98%	N.A.	11.98%	N.A.	0.37%
UBL Liquidity Plus Fund	12.26%	12.58%	12.43%	12.04%	12.43%	11.68%	0.75%
<b>Aggressive Income Funds</b>							
Alfalah GHP Income Multiplier Fund	23.04%	8.12%	6.80%	-13.95%	6.80%	-9.95%	
Askari Income Fund	3.93%	14.72%	-6.05%	8.65%	-6.05%	-0.19%	
BMA Chundrigar Road Savings Fund	-17.98%	-27.59%	-50.05%	-24.26%	-50.05%	-10.34%	
Faysal Income and Growth Fund	15.28%	6.29%	7.66%	7.39%	7.66%	7.71%	
IGI Aggressive Income Fund	7.79%	3.14%	-2.71%	4.29%	-2.71%	N.A.	
JS Aggressive Income Fund	30.04%	31.63%	-3.15%	5.33%	-3.15%	9.36%	
KASB Income Opportunity Fund	-21.17%	-14.24%	-28.37%	-15.23%	-28.37%	-12.69%	
Pakistan Income Enhancement Fund	19.59%	15.73%	7.66%	12.30%	7.66%	11.19%	
United Growth and Income Fund	5.49%	6.04%	0.94%	-4.93%	0.94%	-3.78%	

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

**Position as of March 31, 2011**
**Absolute Returns**

<b>Equity Funds</b>	<b>1M</b>	<b>2M</b>	<b>3M</b>	<b>6M</b>	<b>CY11-YTD</b>	<b>FY11-YTD</b>
ABL Stock Fund	7.98%	1.64%	5.37%	25.20%	5.37%	30.10%
AKD Opportunity Fund	4.34%	-0.16%	-1.42%	15.10%	-1.42%	20.61%
Alfalah GHP Alpha Fund	5.01%	-1.86%	1.74%	17.16%	1.74%	19.64%
Atlas Stock Market Fund	9.39%	5.36%	11.47%	33.09%	11.47%	42.30%
Crosby Dragon Fund	6.74%	2.40%	6.21%	25.75%	6.21%	29.38%
First Habib Stock Fund	7.19%	0.48%	2.35%	18.26%	2.35%	18.41%
HBL Stock Fund	8.18%	2.79%	7.03%	25.67%	7.03%	29.23%
IGI Stock Fund	9.47%	3.76%	8.12%	24.25%	8.12%	29.69%
KASB Stock Market Fund	5.87%	0.03%	3.20%	20.13%	3.20%	22.57%
<b>Lakson Equity Fund</b>	<b>6.48%</b>	<b>0.64%</b>	<b>2.27%</b>	<b>18.37%</b>	<b>2.27%</b>	<b>21.97%</b>
MCB Dynamic Stock Fund	7.27%	2.24%	5.73%	25.97%	5.73%	31.96%
NAFA Stock Fund	7.27%	1.14%	5.33%	27.10%	5.33%	29.83%
National Investment Unit Trust	7.30%	-1.40%	0.57%	20.56%	0.57%	21.91%
Pakistan Stock Market Fund	9.08%	2.25%	4.63%	22.11%	4.63%	24.37%
United Stock Advantage Fund	9.05%	2.16%	5.86%	30.41%	5.86%	38.09%

**Balanced Funds**

HBL Multi Asset Fund	5.81%	3.24%	6.68%	19.97%	6.68%	21.94%
Faysal Balanced Growth Fund	4.25%	-2.85%	-1.47%	10.54%	-1.47%	14.14%
KASB Balanced Fund	4.08%	-0.98%	-0.94%	9.79%	-0.94%	7.45%
NAFA Multi Asset Fund	5.00%	3.58%	5.72%	18.41%	5.72%	24.54%
Pakistan Capital Market Fund	5.74%	1.88%	3.71%	12.02%	3.71%	14.71%
Unit Trust of Pakistan	7.85%	3.22%	5.37%	18.84%	5.37%	20.49%

**Asset Allocation Funds**

Alfalah GHP Value Fund	4.15%	-0.57%	-0.06%	6.61%	-0.06%	5.91%
Askari Asset Allocation Fund	4.22%	-1.44%	0.51%	10.44%	0.51%	12.07%
Faysal Asset Allocation Fund	5.13%	0.20%	9.21%	18.33%	9.21%	22.86%
JS Aggressive Asset Allocation Fund	8.59%	0.65%	2.79%	16.66%	2.79%	20.40%
MCB Dynamic Allocation Fund	3.86%	2.32%	4.30%	13.53%	4.30%	18.37%
Pak Oman Advantage Asset Allocation Fund	2.99%	-2.45%	-0.52%	14.33%	-0.52%	15.10%

**Capital Protected Funds**

Alfalah GHP Principal Protected Fund - II	0.93%	0.49%	1.17%	4.83%	1.17%	6.08%
JS Capital Protected Fund IV	1.15%	1.28%	2.16%	5.57%	2.16%	9.19%
JS Principal Secured Fund I	0.90%	1.72%	2.65%	6.26%	2.65%	17.85%
JS Principal Secured Fund II	1.22%	1.17%	1.96%	6.00%	1.96%	8.39%
KASB Capital Protected Gold Fund	0.57%	1.76%	1.82%	4.51%	1.82%	6.97%
Meezan Capital Protected Fund	1.38%	1.76%	3.32%	8.21%	3.32%	11.59%
MCB Sarmaya Mahfooz Fund I	0.79%	1.25%	2.02%	4.77%	2.02%	N.A.
Pakistan Capital Protected Fund - FIS	1.13%	1.70%	2.18%	4.46%	2.18%	6.84%

**Calculation Formula**

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

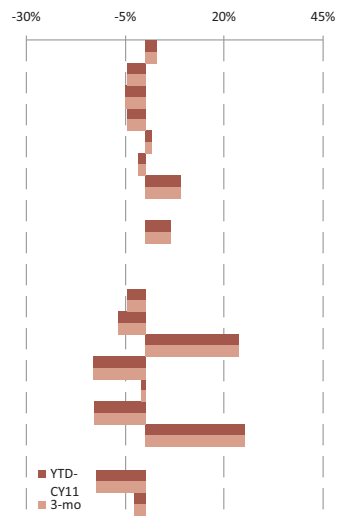


## Equities

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	4.09%	4.09%	-2.68%	206.86%	4.76%	4.76%	1.44%	275.77%
Dubai	DFM	-4.57%	-4.57%	-15.59%	-75.12%	-4.57%	-4.57%	-15.59%	-75.12%
India	BSE Sensex 30	-5.19%	-5.19%	10.94%	72.39%	-4.81%	-4.81%	11.69%	72.27%
Japan	Nikkei 225	-4.63%	-4.63%	-12.04%	-42.82%	-6.89%	-6.89%	-1.14%	-19.08%
Malaysia	FTSE Bursa	1.73%	1.73%	17.00%	66.75%	3.64%	3.64%	26.12%	102.88%
<b>Pakistan</b>	<b>KSE 100</b>	<b>-1.77%</b>	<b>-1.77%</b>	<b>16.03%</b>	<b>2.82%</b>	<b>-1.43%</b>	<b>-1.43%</b>	<b>14.33%</b>	<b>-27.58%</b>
Sri Lanka	Colombo All Share	8.89%	8.89%	94.01%	219.12%	9.44%	9.44%	100.48%	187.68%
UK	FTSE 100	0.15%	0.15%	4.03%	-1.33%	2.91%	2.91%	9.84%	-8.99%
US	DJIA	6.41%	6.41%	13.48%	10.90%	6.41%	6.41%	13.48%	10.90%

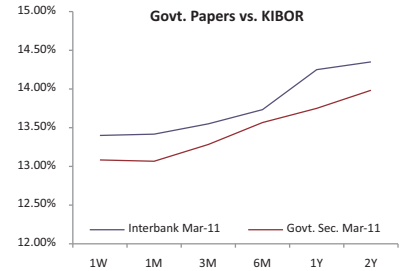
  

KSE Sectors				
Automobile and Parts	-4.65%	-4.65%	-89.95%	-44.36%
Banks	-6.81%	-6.81%	-1.76%	-51.82%
Chemicals	23.85%	23.85%	34.84%	30.18%
Construction & Materials	-13.17%	-13.17%	-21.95%	-70.63%
Electricity	-1.04%	-1.04%	0.35%	9.93%
Fixed Line Tele.	-12.97%	-12.97%	-18.95%	-72.74%
Food Producers	25.12%	25.12%	88.85%	175.01%
Non Life Insurance	0.08%	0.08%	-16.57%	-53.73%
Oil and Gas	-12.57%	-12.57%	11.14%	-19.44%

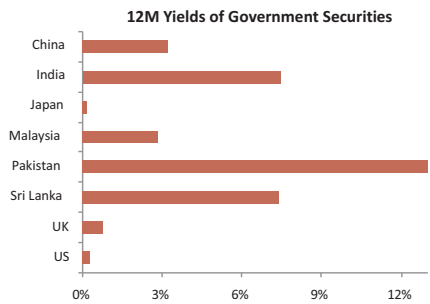


## Fixed Income

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	3.59%	4.17%	4.43%	4.66%	4.15%	4.15%	2.94%	2.35%
Dubai	UAE IBOR	1.58%	2.13%	2.36%	2.57%	2.36%	2.36%	2.42%	2.46%
India	MIBOR	9.91%	10.15%	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%	0.47%	0.55%
Malaysia	KLIBOR	2.87%	3.04%	3.09%	3.19%	3.06%	3.06%	2.92%	2.56%
<b>Pakistan</b>	<b>KIBOR</b>	<b>13.59%</b>	<b>13.52%</b>	<b>13.73%</b>	<b>14.25%</b>	<b>13.75%</b>	<b>13.75%</b>	<b>13.00%</b>	<b>12.82%</b>
Sri Lanka	SLIBOR	8.04%	8.13%	8.23%	8.41%	8.31%	8.31%	9.20%	10.47%
UK	LIBOR	0.62%	0.82%	1.13%	1.60%	1.10%	1.10%	1.03%	1.05%
US	SIBOR	0.25%	0.31%	0.46%	0.79%	0.47%	0.47%	0.54%	0.67%

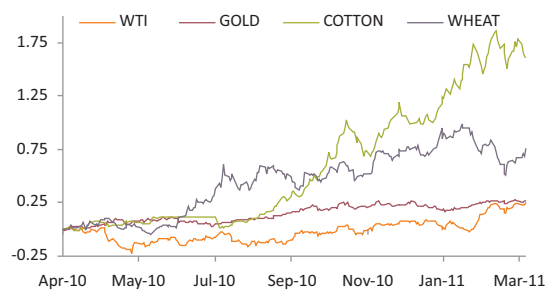


Government Securities		Current Market Yields on				Historic 12-Month Paper Rates			
		3M	12M	5Y	10Y	YTD-CY11	3-mo	1-yr	2-yr
China		2.83%	3.21%	3.52%	3.90%	3.38%	3.38%	2.50%	2.05%
India		7.15%	7.48%	8.00%	7.98%	7.49%	7.49%	6.38%	5.50%
Japan		0.12%	0.16%	0.49%	1.26%	0.17%	0.17%	0.14%	0.16%
Malaysia		2.82%	2.85%	3.67%	4.10%	2.85%	2.85%	2.79%	2.20%
<b>Pakistan</b>		<b>13.27%</b>	<b>13.76%</b>	<b>14.02%</b>	<b>14.08%</b>	<b>13.75%</b>	<b>13.75%</b>	<b>12.92%</b>	<b>12.60%</b>
Sri Lanka		7.01%	7.38%	9.24%	N.A.	7.40%	7.40%	8.13%	9.76%
UK		0.66%	0.78%	2.44%	3.69%	0.77%	0.77%	0.66%	0.64%
US		0.09%	0.27%	2.27%	3.47%	0.26%	0.26%	0.28%	0.34%



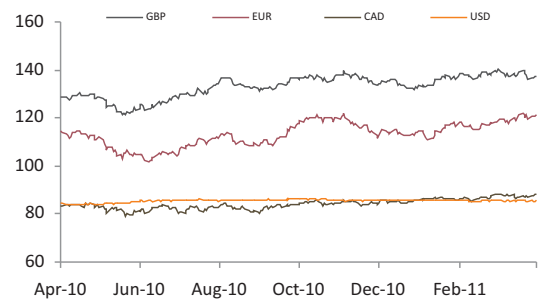
## Commodities

Commodity	Unit	Total Return				Current Prices			
		YTD-CY11	3-mo	1-yr	5-yr	YTD-CY11	3-mo	1-yr	5-yr
Coal	USD/Tonne	7.92%	7.92%	33.07%	154.33%	124.75			
Copper	USc/lbs	-1.28%	-1.28%	21.51%	71.02%	435.75			
Cotton	USc/lbs	31.29%	31.29%	162.97%	286.00%	221.95			
Gold	USD/t oz.	0.74%	0.74%	28.63%	145.51%	1434.00			
Palm Oil	USD/Tonne	-6.24%	-6.24%	45.17%	189.44%	1165.00			
Sugar	USc/lbs	-7.18%	-7.18%	54.81%	40.60%	25.59			
Wheat	USD/Bushel (60lbs)	0.99%	0.99%	77.81%	128.52%	8.63			
WTI	USD/bbl	16.24%	16.24%	27.23%	60.00%	106.24			



## Currencies

Canadian Dollar	CAD	Change Versus PKR in %				Current Exchange Rates			
		YTD-CY11	3-mo	1-yr	5-yr	CAD - PKR	EUR - PKR	CAD - PKR	USD - PKR
Canadian Dollar	CAD	2.45%	2.45%	6.19%	70.88%	88.14			
Euro	EUR	5.53%	5.53%	6.41%	65.99%	121.15			
Indian Rupee	INR	0.00%	0.00%	2.13%	42.22%	1.92			
Japanese Yen	JPY	-2.83%	-2.83%	13.19%	83.93%	1.03			
Pound Sterling	GBP	2.40%	2.40%	7.17%	30.99%	137.10			
Singaporean Dollar	SGD	1.39%	1.39%	12.60%	82.00%	67.83			
US Dollar	USD	-0.35%	-0.35%	1.48%	41.98%	85.50			



Source: Bloomberg, Reuters

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## Transaction Locations:

### Islamabad:

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Fax: 051.2870228

### Lahore:

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Suit No.209, Eden Center  
43-Jail Road, Lahore.  
Tel: 042.759.0500/756.7390  
Fax: 042.756.7881

### Rawalpindi:

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Fax: 051.511.0996

### Faisalabad:

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15-D, Peoples Colony, Faisalabad  
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Fax: 041.855.4453

### Sialkot:

Contact Person: Mr. Nisar Bhatti - Branch Manager  
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Iqbal Town, Defence Road, Sialkot  
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Fax: 052.324.1703

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