

# 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



# Decades of seasoned investment

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# LAKSON INVESTMENTS



We manage your money, as we manage our own



The Lakson Group

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**Economic Review (Monetary and Fiscal)**

The Ministry of Finance ("MoF") released the Economic Survey of Pakistan for FY11 that estimates the real GDP growth at 2.4% for FY11 compared to a 3.8% GDP growth witnessed in FY10. The economy seems to have lost growth momentum as the GDP growth in last three years has averaged just 2.6%. In FY10 economy showed some resilience and signs of stabilization, however, the flash floods at the start of FY11 hampered the economic recovery process and derailed the economy. In terms of GDP growth in FY11, Pakistan lags behind the projected Global GDP growth rate of 4.4%, developing economies growth rate of 6.5% and South Asian growth rate of 8.7%. The Commodity Producing Sector ("CPS") that has 46.7% share in the GDP witnessed a growth of just 0.5% in FY11 compared to a growth of 4.7% in FY10. A 4.0% decline in the production of major crops led to the lowest growth level in the CPS since 1992-93. The Services sector with a share of 53.3% in the GDP posted a growth of 4.1% in FY11 as the Wholesale and Retail Trade segment recorded a rise of 3.9%. The per capita income grew by a meager 0.7% in FY11 and currently stands at USD 1,254. The share of Investments in the GDP witnessed further contraction in FY11 to 13.4% compared to 15.4% in FY10 as the gross fixed capital formation contracted by 0.4% in real terms in FY11. Public sector investment, which acts as a catalyst for economic development, declined further as the Government had to cut its development spending due to rising fiscal deficit.

The State Bank of Pakistan ("SBP") announced the last monetary policy for FY11 and maintained a status quo in its stance by keeping the discount rate at 14.00%. The SBP raised its concerns on the persistent inflation, weak economic growth, lower private investment and large fiscal deficit. The SBP expressed its satisfaction over the external account position as the current account posted a surplus of USD 748 in the 10MFY11 on the back of record remittances and exports. The SBP, however, cautioned that the external account may not be able to repeat the same performance in FY12 due to a decline in international cotton prices, persistence in international oil prices, suspension of the IMF's Stand-By Arrangement ("SBA") and the debt obligations due in FY12. The SBP reiterated that for a sustainable growth Pakistan needs to bring the debt down to manageable levels, contain inflation in single digits, remove the untargeted subsidies, reduce Government borrowing from banking system and increase private investment.

During the month of May '11, the headline inflation (CPI) increased by 13.2% YoY compared to an increase of 13.0% in April '11. The food inflation, with a 40% weight in the CPI basket, stood at 15.88% in May '11 compared to average food inflation of 18.39% in the 10MFY11. After staying in single digits for 9 months, the core inflation rose to 10.2% in May '11 compared to 9.4% in April '11. In the 11MFY11 average inflation stood at 14.0% compared to 11.6% in the 11MFY10. The remittances continue to provide much needed support to the economy with a total inflow of USD 10.1 billion in the 11MFY11 compared to USD 8.1 billion in the 11MFY10, an increase of 25.2% YoY. This is the highest level of remittances in the history of the country. The flow of remittances has picked up in last three months averaging USD 1.0 billion per month in last three months. The forex reserves of the country stand at USD 17.3 billion as on May 28, 2011 compared to USD 17.0 billion at the start of May '11.

**Fixed Income Markets Review**

The money market was very liquid at the start of the month and overnight repo rates averaged 11.8% in the first half of the month. The Government injected PKR 120 billion in the energy sector to address the inter-corporate circular debt issue that improved the overall liquidity of the banking system. The second half of the month, however, presented a completely contrast picture with the overnight repo rates averaging 13.6% as the SBP mopped up all the excess liquidity from the system. The SBP conducted eight Open Market Operations ("OMO") at regular intervals to manage the liquidity in the system. Market yields on T-Bills also witnessed an upward trend in the second half of the month as money market liquidity tightened. T-Bills yields on average increased by 38bps in the second half of May '11 however larger increase was seen on the short dated T-Bills. The 6-month KIBOR (benchmark lending rate) averaged 13.64% in May '11 compared to an average of 13.73% in April '11. The SBP conducted two T-Bill auctions during the month and raised PKR 470 billion against a target of PKR 350 billion while the cut-off yields declined by 2-4bps. A total participation of PKR 740 billion was seen in the T-Bill auctions and the highest participation of PKR 437 billion was seen in 6-month T-Bills. The SBP also conducted a PIB auction with a target of PKR 20 billion and raised PKR 30 billion out of which PKR 26 billion was raised against 3 and 10-year PIBs.

**Equity Market Review**

The equity market reacted negatively to Osama Bin Laden's assassination and consequently worsened bilateral ties between Pakistan and US during the month of May '11. Towards the end of the month, the market recovered on the positive news flow regarding Federal Budget FY12. The KSE-100 Index posted a return of 0.5% during May '11 to close at 12,123. The investors' participation also remained lackluster, as the daily volumes further declined to average at 71 million shares compared to average daily trading of 76 million shares during the preceding month. The rumors of relaxation in Capital Gains Tax ("CGT") and a status quo in the Monetary Policy by the SBP helped in improving investor sentiment. Sector wise performance of the major sectors depicts that 'Fixed Line Telecommunication' sector posted a gain of 4.1% followed by 'Oil & Gas' that posted a return of 2.5%. On the other hand, 'Chemicals', 'Banks' and 'Electricity' sectors were down by 1.6%, 1.2% and 0.7% respectively. Banks were under pressure as there were rumors of increase in corporate tax rate for banks in the budget. Activity through the Margin Trading System ("MTS") also declined during the month and as on May 31, 2011 open position in the MTS stood at PKR 188 million compared to PKR 332 million at the start of May '11. The weighted average lending rate in the MTS stood at 16.6% at the end of the month. Foreign investors were once again major buyers in the market with a net buying of USD 26.4 million.

**International Markets and Economies**

The second round of quantitative easing program ("QE2") announced by the Federal Reserve ("Fed") of US is coming to an end in June. Apart from an end to USD 600 billion QE2, the US lacks any intention to tighten its monetary policy stance in order to curb inflation numbers that have already reached the level of 3.2% YoY in April '11. An upward trend in inflation numbers and the debt crisis continue to be the key concerns for European Union ("EU") economy as the EU April '11 inflation came out to be 3.3% YoY, continuing the upward trajectory. Moody's downgrade Greece's credit rating from 'B1' to 'Caa1' because of its sovereign debt crisis. Japan continues to struggle after Tsunami and its exports registered a decline of 12.4% YoY in April '11 while its imports increased by 8.9% YoY registering a trade deficit of JPY 465 billion compared to JPY 729 billion surplus in the corresponding month of last year. The GDP of India for the 4<sup>th</sup> quarter ended March '11 grew at slowest pace in last five quarters with official numbers indicating GDP growth rate of 7.8% compared to 8.3% in previous quarter. Considering the high inflation rate and henceforth increased risk of further monetary tightening, the GDP growth numbers are expected to remain under pressure in the year ahead. In other Emerging economies including China and Brazil, economic growth is expected to slowdown considering the priority of these countries to curtail inflation by monetary tightening. China's inflation rate for the month of April remained at 5.3% YoY compared to 5.4% YoY in March, while Brazil's inflation rate for the month of May remained at 6.6% compared to 6.5% in April '11.

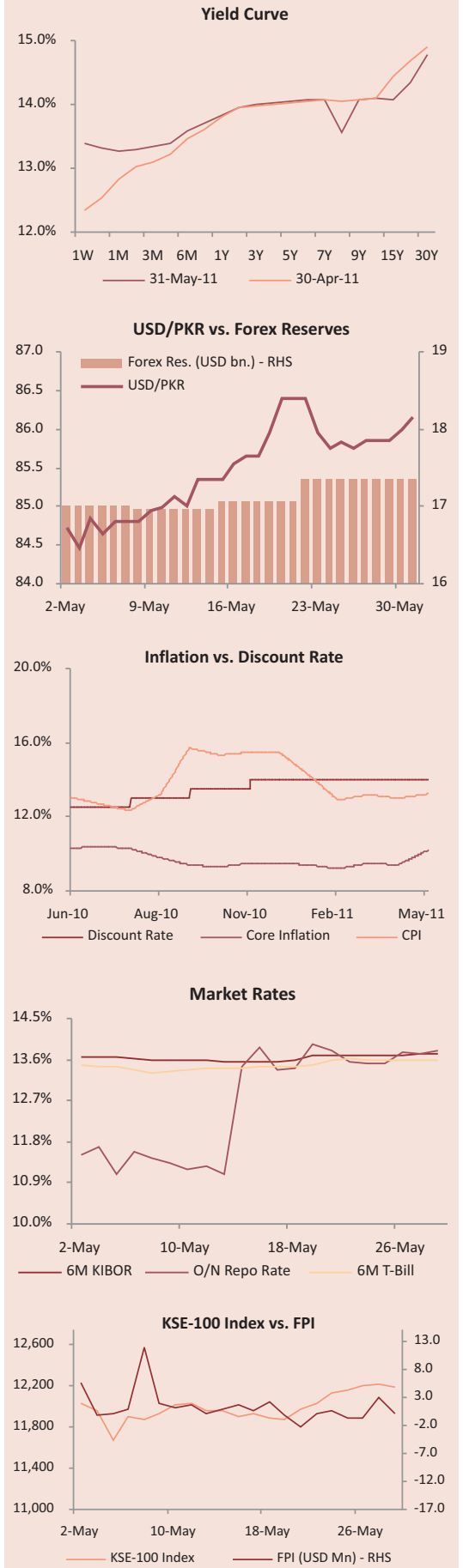
**Political Review**

The assassination of Osama Bin Laden on May 2<sup>nd</sup> by US forces in Abbottabad and the terrorist attacks on PNS Mehran in Karachi were the two main events of the month. Post Osama's assassination an in-camera joint session of the Parliament was called and a briefing was given to the parliamentarians. At the conclusion of the joint sessions a resolution was passed that demanded a review of the country's terms of engagement with US, formation of an independent commission to probe the Abbottabad incident and withdrawal of transit facility to NATO / ISAF forces in Afghanistan on drone attacks and unilateral operations on Pakistan's territory.

**Outlook**

The Government will have to introduce the fiscal reforms to address the large fiscal deficit issue that is causing a decline in the public and private investment resulting in subdued economic growth. The Government will have to increase its revenues by broadening the tax base and stemming the leakages in the tax system as the increased dependence of the Government on the banking system to finance the fiscal deficit is crowding out private sector credit. The SBP will monitor the developments on the fiscal front and in the absence of any improvement in the economic fundamentals the SBP will continue its tight monetary policy stance.

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.

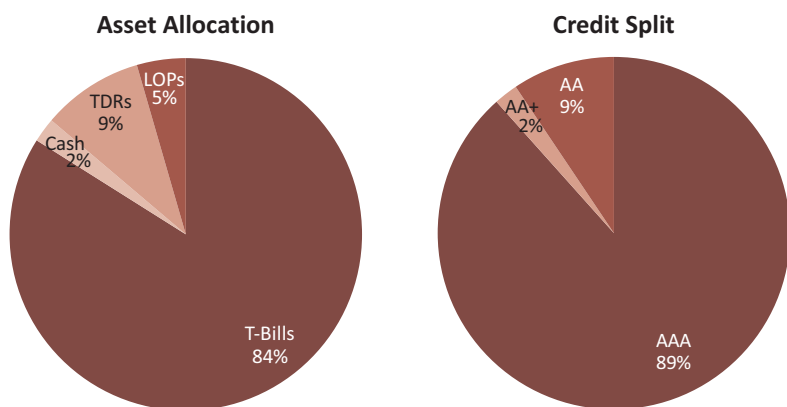
## Performance Review

The Lakson Money Market Fund ("LMMF") yielded an annualized return of 11.65% in May '11 in comparison to the Benchmark (average return of all money market funds) return of 11.70%. The LMMF underperformed the average money market fund by 5bps. The LMMF continues to provide liability related to the Workers Welfare Fund ("WWF") that comes out to approximately 20bps in monthly annualized return. The WWF provisioning hampers the performance but at the same time it protects our investors should the Government ruling be enforced. The yield since inception (13<sup>th</sup> November 2009) of the LMMF stood at 11.30% p.a. compared to a 11.30% p.a. return for the average money market fund. During May '11 the LMMF reduced its exposure in T-Bills to 84% from 90% at the start of the month. As of May 31, 2011 the Weighted Average Maturity ("WAM") of T-Bills portfolio stood at 81 days compared to 62 days at the start of the month as the LMMF increased exposure in 3 and 6-month T-Bills in anticipation of a status quo in the monetary policy.

As of May 31, 2011, the WAM of the LMMF portfolio was 67 days compared to 55 days at the start of the month. The WAM went up as the LMMF increased exposure in T-Bills of relatively longer maturities. The portfolio of the LMMF still offers very high liquidity and as on May 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 0.77%.

## Outlook

The LMMF may increase exposure in the TDRs if the commercial banks offered better risk adjusted yields on TDRs than T-Bills to attract deposits before the half year end. However, the majority exposure will be maintained in the T-Bills as T-Bills yields have also improved since last T-Bill auction. The LMMF will maintain the WAM of the portfolio at current levels as the market rates are expected to remain stable in the short term.



## Asset Allocation

Instruments	Mar-11	Apr-11	May-11	WAM*
	% of Net Assets			
Government Securities (T-Bills)	89%	90%	84%	81
Placements with Banks (TDRs)	10%	10%	9%	13
Placements with DFIs (LOPs)	0%	0%	5%	1
Cash	1%	0%	2%	1

\* Weighted Average Maturity

## Key Interest Rates (Monthly Average)

	Mar-11	Apr-11	May-11	WAM*
KIBOR (1W, 1M, 3M, 6M, 12M)	13.16%	13.33%	13.64%	14.19%
T-Bills (3M, 6M, 12M)	13.11%	13.48%	13.77%	
Repo (O/N, 1M, 3M, 6M, 12M)	12.77%	12.90%	13.40%	13.71%

\* Source: Bloomberg, Reuters

## Disclosures

Leverage as on May 31, 2011	Nil.
Non Performing Assets	Nil.
WAM of Portfolio	67

## Fund Facts

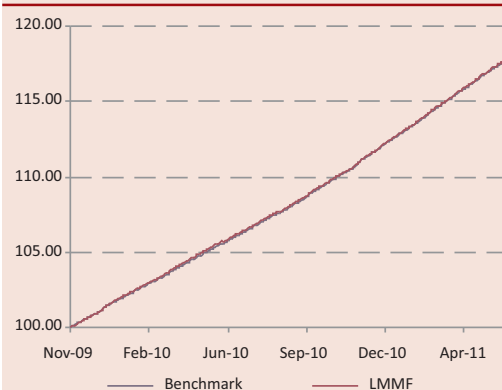
Fund Type	Open-End
Category	Money Market Fund
Net Assets (PKR Mil.)	4,215
NAV (31.05.2011)	100.0620
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	1.25%
Front End Load	None
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average of 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
May-11	11.65%	11.70%
2 Months	12.10%	12.16%
3 Months	12.12%	12.17%
6 Months	12.18%	12.23%
12 Months	11.58%	11.63%
CY11 - YTD	12.24%	12.23%
FY11 - YTD	11.65%	11.72%
Since Inception	11.30%	11.30%

\* 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

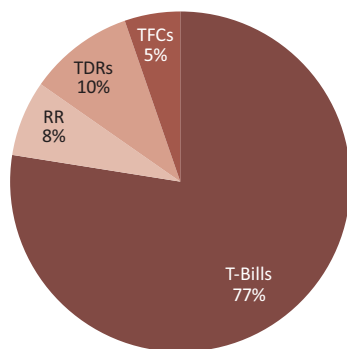
The Lakson Income Fund ("LIF") provided an annualized yield of 10.55% for the month of May '11, underperforming the Benchmark (average return of all income funds) by 18bps that posted a return of 10.73%. The yield since inception (13<sup>th</sup> November 2009) for the LIF stands at an annualized 11.39% compared to a Benchmark return of 8.89% p.a. Return of the LIF in May '11 was lower than previous months as one of the TFCs in the portfolio of the LIF was reclassified as non-traded by MUFAP that caused a drop in its price while in the market it was being traded at higher levels. The LIF reduced its exposure in T-Bills to 77% in May '11 from the level of 79% at the start of the month. The WAM of the T-Bills portfolio of the LIF stood at 92 Days at the end of May '11. The LIF increased its exposure in TFCs from 3% at the start of May '11 to 5% at the end of the month by investing in the TFC of Orix Leasing Pakistan Limited that has been rated 'AA+' by PACRA.

As of May 31, 2011, the WAM of the LIF portfolio was 158 days as compared to 162 days at the start of the month. The WAM went down in May '11 as the WAM of the T-Bills portfolio of the LIF went down. As of May 31, 2011, 84% 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 6.36% for the Benchmark.

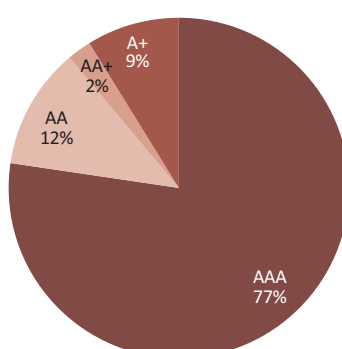
## Outlook

The LIF will continue to increase exposure in high quality TFCs to improve the yield of the fund. The LIF may increase exposure in the TDRs if the commercial banks offered better risk adjusted yields on TDRs than T-Bills to attract deposits before the half year end. The WAM of the T-Bills portfolio will be increased as the market rates are expected to remain stable in the short term.

**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%
Orix Leasing Pakistan Limited	-	AA+	1.97%
United Bank Limited	14-Feb-08	AA	1.41%

## Asset Allocation

Instruments	Mar-11	Apr-11	May-11	WAM* Days
	% of Net Assets			
Government Securities (T-Bills)	86%	79%	77%	92
Placements with Banks (TDRs)	10%	10%	10%	13
Term Finance Certificates (TFCs)	3%	3%	5%	1,727
Reverse Repo (RR)	0%	8%	8%	6
Cash	1%	0%	0%	1

\* Weighted Average Maturity

## Disclosures

Leverage as on May 31, 2011	Nil.
Non Performing Assets	Nil.
WAM of Portfolio	158

## Fund Facts

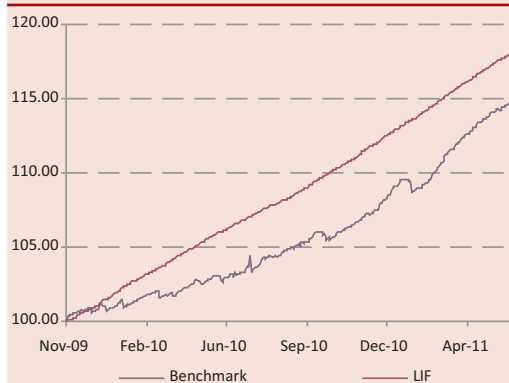
Fund Type	Open-End
Category	Income Fund
Net Assets (PKR Mil.)	1,016
NAV (31.05.2011)	100.1543
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	1.50%
Front End Load	1.50%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average of returns 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+

Fund Performance	LIF	Benchmark
May-11	10.55%	10.73%
2 Months	11.42%	13.26%
3 Months	11.82%	16.08%
6 Months	11.82%	13.74%
12 Months	11.31%	11.28%
CY11 - YTD	11.90%	12.69%
FY11 - YTD	11.37%	11.53%
Since Inception	11.39%	8.89%

\* 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 0.05% in May '11 compared to the Benchmark (KSE-100 Index) return of 0.54% translating into an underperformance of 49bps. The LEF has appreciated 21.98% since its inception. During the month the LEF increased its exposure to 87% in equities compared to 75% at the start of the month. The correction in the market at the start of the month provided the LEF an opportunity to increase exposure in equities. The LEF increased its exposure in Oil & Gas, Banks, Electricity and Chemicals sectors. The LEF rebalanced its portfolio based on the relative valuations of different sectors and the attractiveness of securities in these sectors. Underperformance of the LEF against KSE-100 Index in April '11 is mainly due to outperformance of the index heavyweight stocks like OGDC. Presently the market is trading at a P/E multiple of 7.99x with an average dividend yield of 5.21% and the market continues to trade at a discount to the regional markets. The LEF has a balanced portfolio of growth and high yield stocks that will offer protection against downward shocks.

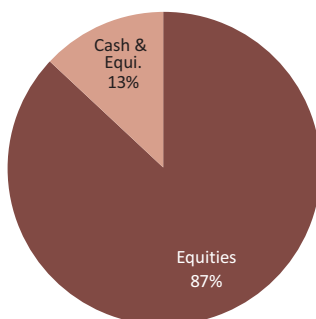
## Outlook

Activity in the market will depend upon the decisions taken by the Government in the Federal Budget and the overall political and law and order situation of the country. The LEF will continue to maintain high exposure in the market as the market has shown strength in the adverse circumstances due to its attractive valuations.

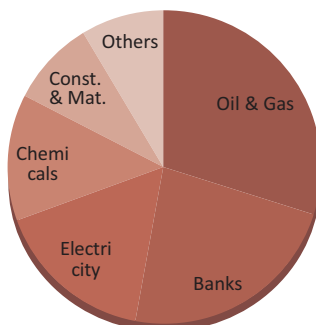
## Top 10 Holdings (In Alphabetical Order)

Allied Bank Limited	3.93%
Fauji Fertilizer Company	4.11%
Kot Adu Power Company	4.63%
Lucky Cement Limited	5.51%
MCB Bank Limited	4.72%
Pakistan Oilfields Limited	8.32%
Pakistan Petroleum Limited	7.80%
Pakistan State Oil	4.88%
The Hub Power Company	9.60%
United Bank Limited	4.76%

## Asset Allocation



## Sectorwise Exposure



Sectorwise Exposure	Apr-11	May-11
Oil & Gas	22.58%	25.19%
Banks	17.23%	20.06%
Electricity	12.66%	14.37%
Chemicals	9.98%	12.14%
Construction & Materials	6.63%	7.58%
Others	6.38%	7.69%

## Asset Allocation

	Mar-11	Apr-11	May-11
Equities	75%	75%	87%
T-Bills	12%	12%	0%
Cash & Equivalents	13%	13%	13%

## Pakistan vs. Global Markets

Country	Index	1M Return	P/E	Div. Yield
Pakistan	KSE-100	0.54%	7.99	5.21%
India	BSE Sensex 30	-3.31%	15.91	1.34%
Malaysia	FTSE KLCI	1.52%	16.32	3.45%
Dubai	DFM General	-4.54%	7.69	3.55%
USA	DJIA	-1.88%	14.09	2.56%
USA	S&P 500	-1.35%	15.51	2.34%

\* Source: Reuters

## Disclosures

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

## Fund Facts

Fund Type	Open-End
Category	Equity Fund
Net Assets (PKR Mil.)	180
NAV (31.05.2011)	121.9809
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+

Fund Performance	LEF	Benchmark
May-11	0.05%	0.54%
2 Months	0.68%	2.66%
3 Months	7.20%	7.39%
6 Months	8.30%	7.91%
12 Months	24.71%	29.99%
CY11 - YTD	2.97%	0.84%
FY11 - YTD	22.79%	24.70%
Since Inception	21.98%	33.70%

\* 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 May 31, 2011	Annualized Returns						
	1M	2M	3M	6M	CY11-YTD	FY11-YTD	STDEV
<b>Income Funds</b>							
ABL Income Fund	11.84%	12.35%	12.26%	12.20%	12.32%	11.58%	0.75%
AKD Income Fund	22.00%	24.72%	27.79%	15.35%	10.35%	10.89%	21.78%
Atlas Income Fund	9.86%	12.67%	17.82%	12.27%	10.07%	7.88%	10.55%
Crosby Phoenix Fund	9.45%	13.03%	15.72%	15.24%	14.29%	13.09%	8.33%
Faysal Savings Growth Fund	12.16%	12.21%	12.29%	12.07%	12.10%	10.94%	1.68%
First Habib Income Fund	11.25%	11.63%	11.73%	11.88%	11.78%	10.81%	2.19%
HBL Income Fund	12.09%	9.75%	20.96%	15.49%	14.15%	12.60%	11.50%
IGI Income Fund	11.45%	11.73%	11.81%	11.15%	11.19%	11.28%	0.86%
JS Income Fund	-56.10%	-30.37%	-16.61%	-3.98%	-7.57%	4.40%	26.96%
<b>Lakson Income Fund</b>	<b>10.55%</b>	<b>11.42%</b>	<b>11.82%</b>	<b>11.82%</b>	<b>11.90%</b>	<b>11.37%</b>	<b>1.03%</b>
MCB Dynamic Cash Fund	11.72%	11.86%	16.06%	13.56%	12.51%	12.60%	6.07%
NAFA Income Opportunity Fund	34.76%	33.97%	36.65%	18.10%	16.94%	11.08%	15.92%
NAFA Income Fund	4.94%	9.39%	19.61%	16.88%	12.43%	3.82%	26.08%
NAFA Savings Plus Fund	10.80%	11.36%	11.44%	11.17%	11.19%	10.55%	0.77%
NIT Government Bond Fund	11.27%	11.59%	11.73%	11.71%	11.85%	11.17%	1.25%
NIT Income Fund	10.44%	11.89%	13.97%	13.21%	12.57%	11.98%	4.09%
Pakistan Income Fund	17.22%	19.03%	17.99%	15.22%	12.31%	13.17%	6.84%
PICIC Income Fund	11.79%	12.23%	12.22%	12.02%	12.14%	N.A.	2.25%
UBL Savings Income Fund	11.76%	12.26%	12.23%	12.22%	12.30%	N.A.	0.60%
<b>Money Market Funds</b>							
ABL Cash Fund	11.67%	12.36%	12.29%	12.31%	12.43%	N.A.	0.72%
Alfalah GHP Cash Fund	11.49%	12.10%	11.98%	12.01%	12.06%	11.50%	0.86%
Askari Sovereign Cash Fund	12.20%	12.79%	12.75%	12.75%	12.82%	12.22%	1.06%
Atlas Money Market Fund	11.65%	12.20%	12.17%	12.09%	12.22%	11.59%	0.89%
BMA Empress Cash Fund	11.36%	11.73%	11.71%	11.71%	11.84%	11.24%	0.99%
Faysal Money Market Fund	11.17%	11.14%	11.36%	N.A.	11.48%	N.A.	0.49%
HBL Money Market Fund	11.87%	12.38%	12.39%	12.37%	12.36%	N.A.	0.65%
IGI Money Market Fund	11.86%	12.42%	12.51%	12.36%	12.43%	11.84%	0.80%
JS Cash Fund	11.88%	12.61%	12.75%	12.62%	12.69%	12.01%	1.15%
KASB Cash Fund	11.83%	12.38%	12.22%	12.23%	12.33%	11.71%	0.93%
<b>Lakson Money Market Fund</b>	<b>11.65%</b>	<b>12.10%</b>	<b>12.12%</b>	<b>12.18%</b>	<b>12.24%</b>	<b>11.65%</b>	<b>0.77%</b>
MCB Cash Management Optimizer Fund	11.67%	12.10%	12.02%	12.09%	12.18%	11.63%	0.76%
NAFA Government Securities Liquid Fund	11.44%	11.86%	11.79%	11.80%	11.85%	11.41%	0.63%
Pakistan Cash Management Fund	11.97%	12.37%	12.37%	12.32%	12.38%	11.96%	0.59%
PICIC Cash Fund	11.83%	11.89%	11.85%	N.A.	11.94%	N.A.	0.27%
UBL Liquidity Plus Fund	11.77%	12.40%	12.35%	12.30%	12.42%	11.81%	0.83%
<b>Aggressive Income Funds</b>							
Alfalah GHP Income Multiplier Fund	-21.08%	-2.94%	5.13%	-3.20%	2.75%	-8.72%	
Askari Income Fund	20.32%	33.28%	22.56%	9.57%	8.20%	5.20%	
BMA Chundrigar Road Savings Fund	2.97%	16.49%	3.50%	-18.97%	-29.68%	-5.97%	
Faysal Income and Growth Fund	18.30%	19.67%	18.17%	12.45%	12.36%	9.79%	
IGI Aggressive Income Fund	7.59%	5.96%	6.57%	1.87%	0.70%	N.A.	
JS Aggressive Income Fund	36.61%	37.58%	35.00%	17.54%	11.60%	14.02%	
KASB Income Opportunity Fund	-97.21%	-83.97%	-72.58%	-52.67%	-60.87%	-35.87%	
Pakistan Income Enhancement Fund	17.82%	17.21%	18.00%	14.04%	11.42%	12.26%	
United Growth and Income Fund	3.97%	-8.99%	-4.34%	-6.95%	-3.19%	-4.75%	

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 May 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	-0.86%	-0.17%	7.80%	12.39%	5.19%	29.88%
AKD Opportunity Fund	0.32%	-0.96%	3.34%	3.86%	-2.37%	19.45%
Alfalah GHP Alpha Fund	-0.61%	-0.61%	4.37%	6.50%	1.12%	18.91%
Atlas Stock Market Fund	-0.49%	0.84%	10.31%	18.01%	12.40%	43.49%
Crosby Dragon Fund	-1.26%	-1.03%	5.64%	10.59%	5.12%	28.05%
First Habib Stock Fund	0.61%	1.23%	8.52%	9.85%	3.62%	19.87%
HBL Stock Fund	0.01%	1.09%	9.36%	14.74%	8.20%	30.64%
IGI Stock Fund	-0.83%	0.53%	10.05%	16.30%	8.69%	30.38%
KASB Stock Market Fund	-0.72%	-0.59%	5.24%	8.12%	2.59%	21.85%
<b>Lakson Equity Fund</b>	<b>0.05%</b>	<b>0.68%</b>	<b>7.20%</b>	<b>8.30%</b>	<b>2.97%</b>	<b>22.79%</b>
MCB Dynamic Stock Fund	-0.64%	0.57%	7.89%	12.33%	6.33%	32.71%
NAFA Stock Fund	-0.86%	0.02%	7.29%	12.38%	5.35%	29.85%
National Investment Unit Trust	0.19%	0.70%	8.05%	7.57%	1.27%	22.76%
Pakistan Stock Market Fund	0.41%	-0.87%	8.13%	10.35%	3.71%	23.29%
United Stock Advantage Fund	-1.37%	-0.25%	8.78%	13.91%	5.60%	37.74%

**Balanced Funds**

HBL Multi Asset Fund	0.15%	1.32%	7.20%	12.68%	8.09%	23.55%
Faysal Balanced Growth Fund	-1.58%	1.57%	5.89%	N.A.	0.08%	15.93%
KASB Balanced Fund	-9.95%	-9.26%	-5.56%	-5.18%	-10.11%	-2.50%
NAFA Multi Asset Fund	1.14%	1.26%	6.33%	12.01%	7.05%	26.11%
Pakistan Capital Market Fund	0.25%	0.25%	6.00%	7.97%	3.96%	14.99%
Unit Trust of Pakistan	-3.29%	-3.72%	3.84%	6.09%	1.45%	16.02%

**Asset Allocation Funds**

Alfalah GHP Value Fund	-0.21%	0.15%	4.31%	3.43%	0.10%	6.08%
Askari Asset Allocation Fund	-0.49%	-0.62%	3.58%	2.56%	-0.11%	11.38%
Faysal Asset Allocation Fund	-0.14%	-0.21%	4.91%	N.A.	8.98%	22.60%
JS Aggressive Asset Allocation Fund	0.04%	0.43%	9.06%	7.75%	3.23%	20.92%
MCB Dynamic Allocation Fund	0.32%	1.15%	5.05%	8.36%	5.50%	19.73%
Pak Oman Advantage Asset Allocation Fund	0.12%	0.64%	3.65%	3.95%	0.12%	15.84%

**Capital Protected Funds**

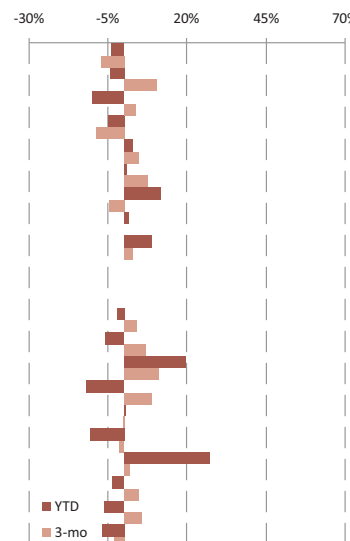
Alfalah GHP Principal Protected Fund - II	0.68%	1.25%	2.19%	4.08%	2.44%	7.41%
JS Principal Secured Fund I	0.90%	1.74%	2.65%	6.24%	4.44%	19.90%
JS Principal Secured Fund II	0.88%	1.62%	2.85%	4.80%	3.60%	10.14%
KASB Capital Protected Gold Fund	0.56%	1.88%	2.46%	4.70%	3.73%	8.97%
MCB Sarmaya Mahfooz Fund I	0.69%	1.25%	2.05%	4.11%	3.29%	N.A.
Pakistan Capital Protected Fund - FIS	1.58%	1.67%	2.82%	4.99%	3.89%	8.63%

**Calculation Formula**

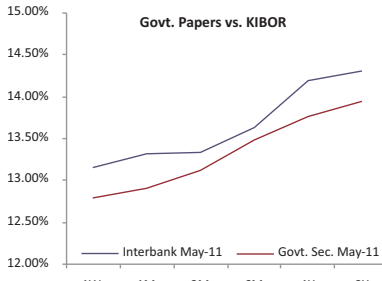
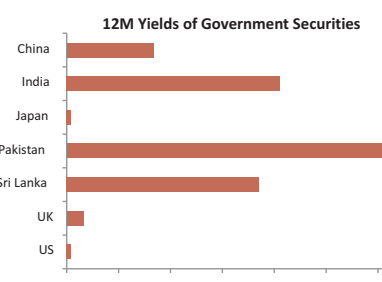
Absolute Return = (Ending NAV / Beginning NAV) - 1



## 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	-4.05%	-7.35%	8.23%	120.03%	-2.40%	-6.03%	14.04%	172.54%		
Dubai	DFM	-4.33%	10.58%	-1.24%	-67.37%	-4.34%	10.58%	-1.23%	-67.38%		
India	BSE Sensex 30	-9.78%	3.81%	9.20%	77.94%	-10.46%	4.29%	12.36%	82.90%		
Japan	Nikkei 225	-5.23%	-8.76%	-0.77%	-37.33%	-5.65%	-8.49%	11.02%	-13.47%		
Malaysia	FTSE Bursa	2.59%	4.50%	21.27%	67.98%	5.04%	5.85%	31.33%	102.55%		
<b>Pakistan</b>	<b>KSE 100</b>	<b>0.84%</b>	<b>7.39%</b>	<b>29.99%</b>	<b>23.70%</b>	<b>0.43%</b>	<b>7.01%</b>	<b>28.70%</b>	<b>-13.56%</b>		
Sri Lanka	Colombo All Share	11.79%	-4.87%	75.07%	236.60%	13.03%	-3.92%	81.61%	205.29%		
UK	FTSE 100	1.53%	-0.07%	15.45%	4.65%	7.05%	1.12%	30.64%	-7.92%		
US	DJIA	8.57%	2.81%	24.00%	12.55%	8.57%	2.81%	24.00%	12.55%		
<b>KSE Sectors</b>											
Automobile and Parts		-2.06%	4.10%	-1.44%	-40.91%	-2.46%	3.74%	-2.42%	-58.71%		
Banks		-5.96%	6.62%	16.48%	-42.84%	-6.34%	6.25%	15.33%	-60.06%		
Chemicals		19.63%	10.89%	48.70%	50.98%	19.14%	10.51%	47.24%	5.50%		
Construction & Materials		-11.93%	8.55%	6.50%	-61.19%	-12.29%	8.17%	5.45%	-72.88%		
Electricity		0.54%	-0.23%	12.64%	28.19%	0.13%	-0.58%	11.53%	-10.42%		
Fixed Line Tele.		-10.73%	-1.46%	-13.97%	-58.49%	-11.09%	-1.80%	-14.82%	-70.99%		
Food Producers		27.43%	2.03%	77.08%	149.93%	26.91%	1.67%	75.33%	74.64%		
Non Life Insurance		-3.45%	4.52%	-7.90%	-48.89%	-3.85%	4.15%	-8.81%	-64.28%		
Oil and Gas		-6.35%	5.86%	23.22%	10.11%	-6.73%	5.49%	22.01%	-23.06%		
Personal Goods		-6.94%	-3.06%	23.41%	-9.74%	-7.31%	-3.39%	22.19%	-36.93%		

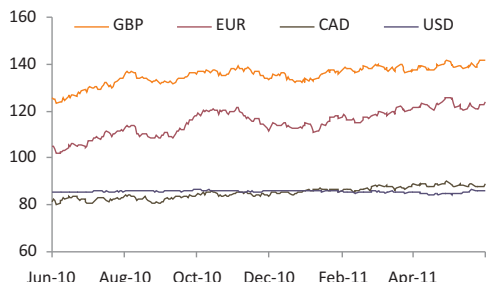
## Fixed Income

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	4.63%	4.61%	4.71%	4.89%	4.35%	4.57%	3.37%	2.61%	
Dubai	UAE IBOR	1.32%	1.77%	2.02%	2.28%	2.29%	2.25%	2.38%	2.40%	
India	MIBOR	8.90%	9.70%	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%	0.46%	0.53%	
Malaysia	KLIBOR	3.10%	3.23%	3.30%	3.46%	3.11%	3.15%	3.01%	2.65%	
<b>Pakistan</b>	<b>KIBOR</b>	<b>13.66%</b>	<b>13.50%</b>	<b>13.74%</b>	<b>14.20%</b>	<b>13.72%</b>	<b>13.71%</b>	<b>13.26%</b>	<b>12.83%</b>	
Sri Lanka	SLIBOR	8.04%	8.18%	8.29%	8.44%	8.30%	8.27%	8.95%	9.94%	
UK	LIBOR	0.63%	0.83%	1.11%	1.59%	1.10%	1.12%	1.06%	1.00%	
US	SIBOR	0.19%	0.26%	0.41%	0.74%	0.46%	0.45%	0.53%	0.59%	
<b>Government Securities</b>										
		Current Market Yields on				Historic 12-Month Paper Rates				
		3M	12M	5Y	10Y	YTD-CY11	3-mo	1-yr	2-yr	
China		3.10%	3.38%	3.42%	3.84%	3.35%	3.30%	2.74%	2.24%	
India		8.20%	8.24%	8.49%	8.41%	7.65%	7.76%	6.83%	5.78%	
Japan		0.11%	0.16%	0.43%	1.16%	0.16%	0.16%	0.15%	0.15%	
Malaysia		2.90%	N.A.	3.57%	4.02%	N.A.	N.A.	N.A.	N.A.	
<b>Pakistan</b>		<b>13.33%</b>	<b>13.82%</b>	<b>14.04%</b>	<b>14.09%</b>	<b>13.77%</b>	<b>13.77%</b>	<b>13.25%</b>	<b>12.69%</b>	
Sri Lanka		7.11%	7.41%	9.05%	N.A.	7.42%	7.43%	7.83%	9.20%	
UK		0.60%	0.64%	1.97%	3.30%	0.74%	0.70%	0.67%	0.63%	
US		0.05%	0.16%	1.69%	3.06%	0.28%	0.21%	0.25%	0.32%	

## Commodities

Commodity	Unit	Total Return				Current Prices		
		YTD-CY11	3-mo	1-yr	5-yr			
Coal	USD/MT	1.30%	-5.79%	34.12%	123.05%	117.10		
Copper	USD/MT	-3.90%	-6.47%	34.90%	12.40%	424.20		
Cotton	USD/Pound	-2.54%	-23.83%	81.34%	197.65%	164.75		
Gold	USD/t oz.	8.00%	8.88%	26.35%	138.68%	1537.35		
Palm Oil	MYR/MT	-2.82%	-0.21%	52.85%	194.51%	1207.50		
Sugar	USD/Pound	-16.72%	-20.75%	54.72%	49.58%	22.96		
Wheat	USD/Bushel	-0.29%	-3.37%	69.52%	119.37%	8.52		
WTI	USD/bbl	12.39%	5.77%	38.77%	43.78%	102.72		

## Currencies

		Change Versus PKR in %				Current Exchange Rates		
		YTD-CY11	3-mo	1-yr	5-yr			
Canadian Dollar	CAD	3.39%	0.66%	8.93%	62.76%	CAD - PKR	88.95	
Euro	EUR	8.04%	4.67%	18.16%	60.85%	EUR - PKR	124.04	
Indian Rupee	INR	-0.52%	0.53%	3.80%	46.92%	INR - PKR	1.91	
Japanese Yen	JPY	0.00%	0.95%	12.77%	89.29%	JPY - PKR	1.06	
Pound Sterling	GBP	5.88%	1.55%	14.28%	25.90%	GBP - PKR	141.75	
Singaporean Dollar	SGD	4.44%	3.47%	14.56%	83.29%	SGD - PKR	69.87	
US Dollar	USD	0.41%	0.35%	1.00%	43.11%	USD - PKR	86.15	

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

## Lakson Investments Limited

Lakson Square Building No.2, Sarwar Shaheed Road  
Karachi- 74200, Pakistan  
UAN: + 92. 21 111.534.111 Fax: + 92. 21 3568.1653  
[www.laksoninvestments.com.pk](http://www.laksoninvestments.com.pk)