

Condensed Interim Financial Information

For the period from November 14, 2009 to December 31, 2009



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Lakson Investments Limited
Lakson Equity Fund

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FUND'S INFORMATION

Management Company	Lakson Investments Limited Head Office Lakson Square Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 3569.8000 Fax: (9221) 3568.1653 Web site: www.laksoninvestments.com.pk E-mail: info@laksoninvestments.com.pk
Board of Directors of the Management Company	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani - Chief Executive Officer Mr. A. Aziz H. Ebrahim Mr. Daniel Scott Smaller Mr. Khaleeq Kayani Mr. Mahomed J. Jaffer Mr. Muhammad Abdul Qadir Mr. Zahid Zakiuddin
Chief Financial Officer and Company Secretary of the Management Company	Mr. Amir Mobin
Audit Committee	Mr. Iqbal Ali Lakhani - Chairman Mr. A. Aziz H. Ebrahim Mr. Mahomed J. Jaffer Mr. Zahid Zakiuddin
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, Pakistan.
Auditors	BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block C, Lakson Square Building No. 1, Sarwar Shaheed Road, Karachi - 75530, Pakistan.
Bankers to the Fund	Allied Bank Limited Deutsche Bank AG Habib Metropolitan Bank Limited Soneri Bank Limited
Legal Adviser	Fazleghani Advocates F-72/I, Block 8, KDA-5, Kehkashan, Clifton, Karachi, Pakistan.
Registrar and Distributor	Lakson Investments Limited Lakson Square Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan.
Rating of Management Company	AM3 with positive outlook by PACRA

Report of the Directors of the Management Company

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Statements for the period from 14th November 2009 to 31st December 2009.

Fund Objective

The objective of the 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.

Fund Profile

LEF is an actively managed open end equity fund. LEF maintain an average exposure of 70% of Net Assets in listed equity securities. The asset allocation to different sectors and stocks is made on the basis of relative attractiveness of each sector and individual stocks in that particular sector. The allocations may change from time to time keeping in view the market conditions, opportunities, political and economic factors. LEF is allowed to borrow up to 15% of Net Assets to meet redemptions however LEF did not utilize this facility during the period under review.

Fund performance

The net income for the period from 14th November 2009 to 31st December 2009 was PKR 2.5 million which mainly comprised of income from Bank deposits, T-bills and Capital gains amounting to PKR 1.364 million. The unrealized appreciation mainly due to the valuation of equity securities amounted to PKR 2.104 million. During the period under review LEF recorded a return of 2.05%.

Earning per Unit (EPU)

EPU has not been disclosed as we feel determination of weighted average units for calculating EPU is not practicable for open end funds.

Future Outlook

LEF will keep on taking advantage of the market movements while maintaining an average exposure of 70% in equities. LEF will switch between different sectors and, in same sector, between different stocks based on relative valuations offered by those stocks and sectors.

Acknowledgement

The Board is thankful to its valued investors, the Securities & Exchange Commission of Pakistan, the Trustee of the Fund - Central Depository Company of Pakistan Limited and the Management of the Lahore Stock Exchange for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company.

On behalf of the Board

12th February 2010
Karachi

Babar Ali Lakhani
Chief Executive Officer



TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

The Lakson Equity Fund (the Fund), an open-end Fund was established under a trust deed dated September 02, 2009, executed between Lakson Investments Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from November 14, 2009 to December 31, 2009 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the management company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.



Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2010

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

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INDEPENDENT AUDITORS REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of LAKSON EQUITY FUND (the "Fund") as at December 31, 2009 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of cash flow and condensed interim statement of movement in unit holders' fund, together with the notes forming part thereof (herein after referred to as "condensed interim financial information") for the period from November 14, 2009 to December 31, 2009 ("the period"). Management Company of the Fund is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the period from November 14, 2009 to December 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

KARACHI

DATED: 12 FEB 2010


 **CHARTERED ACCOUNTANTS**
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co. a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**Condensed Interim
Statement of Assets and Liabilities (Un-audited)
As at 31 December 2009**

	Note	2009 Rupees
ASSETS		
Bank balances	4	12,379,147
Investments	5	118,369,731
Dividend and other receivables	6	461,747
Receivable against sale of securities		377,000
Security deposits and prepayments	7	2,665,808
Deferred formation cost	8	1,314,493
Total assets		<u>135,567,926</u>
LIABILITIES		
Payable to Lakson Investments Limited - Management Company	9	1,660,364
Payable to Central Depository Company of Pakistan Limited - Trustee	10	62,680
Annual fee payable to Securities and Exchange Commission of Pakistan	11	15,279
Payable against purchase of securities		9,104,097
Accrued and other liabilities	12	238,837
Total liabilities		<u>11,081,257</u>
NET ASSETS		<u>124,486,669</u>
UNITHOLDERS' FUND (as per statement of movement in Unitholders' Fund)		<u>124,486,669</u>
CONTINGENCIES AND COMMITMENTS	13	
		Numbers
Number of units in issue		<u>1,219,861</u>
		Rupees
Net asset value per unit		<u>102.0498</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Condensed Interim Income Statement (Un-audited)
For the period from 14 November 2009 to 31 December 2009

	Note	For the period from November 14, 2009 to December 31, 2009 Rupees
INCOME		
Income from Government securities		419,447
Capital gain on sale of investments - net		63,807
Mark-up income		880,917
		1,364,171
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading		2,103,827
		<u>3,467,998</u>
EXPENSES		
Remuneration of Lakson Investments Limited - Management Company	9	482,487
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	92,055
Annual fee - Securities and Exchange Commission of Pakistan	11	15,279
Brokerage and settlement charges		184,863
Amortisation of deferred formation cost	8	35,507
Auditors' remuneration		81,441
Listing fee		4,192
Printing charges of accounts		10,480
		906,304
Net income from operating activities		2,561,694
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		(61,121)
Net income for the period		<u><u>2,500,573</u></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Condensed Interim Distribution Statement (Un-audited)
For the period from 14 November 2009 to 31 December 2009

	For the period from November 14, 2009 to December 31, 2009 Rupees
Undistributed income at beginning of the period	-
Net income for the period	2,500,573
Undistributed income carried forward	<u><u>2,500,573</u></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



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

Chief Executive Officer

Director

Condensed Interim Statement of Cash Flow (Un-audited)

For the period from 14 November 2009 to 31 December 2009

	For the period from November 14, 2009 to December 31, 2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES	
Net income for the period	2,500,573
Adjustments for non-cash charges and other items:	
Capital (gain) on sale of investments	(63,807)
Mark-up income	(880,917)
Income from Government securities	(419,447)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss - held for trading'	(2,103,827)
Amortisation of deferred formation cost	35,507
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	61,121
	(870,797)
(Increase) in assets	
Investments - net	(116,105,819)
Security deposits and prepayments	(2,665,808)
Receivable against sale of securities	(377,000)
Deferred formation cost	(1,350,000)
	(120,498,627)
Increase in liabilities	
Payable to Lakson Investments Limited - Management Company	1,660,364
Payable to Central Depository Company of Pakistan Limited - Trustee	62,680
Annual fee payable to Securities and Exchange Commission of Pakistan	15,279
Payable against purchase of securities	9,104,097
Accrued and other liabilities	238,837
	11,081,257
	(110,288,167)
Mark-up income received from banks	742,339
Net cash flow (used in) operating activities	(109,545,828)
CASH FLOW FROM FINANCING ACTIVITIES	
Net receipt from issue of units	141,937,975
Net payments on redemption of units	(20,013,000)
Net cash generated from financing activities	121,924,975
Net increase in cash and cash equivalent during the period	12,379,147
Cash and cash equivalent at the beginning of the period	-
Cash and cash equivalent at the end of the period	12,379,147

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Statement of
Movement in Unit Holders' Fund (Un-audited)
For the period from 14 November 2009 to 31 December 2009**

	For the period from November 14, 2009 to December 31, 2009 Rupees
Net assets value per unit at beginning of the period	-
Issue of 1,419,784.2285 units	141,937,975
Redemption of 199,923.2186 units	(20,013,000)
	121,924,975
Element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed	61,121
Total recognised income for the period	2,500,573
Net assets at the end of the period	<u>124,486,669</u>
Net assets value per unit at the end of the period	<u>102.0498</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Notes to and Forming Part of The Condensed Interim Financial Statements (Un-audited) For the period from 14 November 2009 to 31 December 2009

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Equity Fund (the "Fund") was established under Trust Deed executed on September 2, 2009 between Lakson Investments Limited as its Management Company and Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a notified entity on September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Management Company of the Fund has been licensed by SECP as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Asset Management Company is located at 44K, Model Town, Lahore.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units can also be redeemed by surrendering them to the Fund.

The Fund primarily invests in listed equity securities and other avenues of investment, which include cash or near cash instruments, cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days maturity and any other investment authorised by SECP.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, requirements of Trust Deed, requirements of Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. In case, the requirements differ, the provisions and directives of Companies Ordinance, 1984, the requirements of Trust Deed, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, and Non-Banking Finance Companies and Notified Entities Regulations, 2008 shall prevail.

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at December 31, 2009 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unitholders' fund and notes thereto, for the period from November 14, 2009 to December 31, 2009. Furthermore, since there are no items of comprehensive income other than those which has been included in the income statement for the period, separate condensed interim statement of comprehensive income are not being presented.

2.2 These condensed interim financial information are being submitted to the unitholders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except that investments are stated at fair values.

2.4 Functional and presentation currency

These condensed interim financial statements are prepared in Pakistani Rupees, which is presentational and functional currency of the Fund.

2.5 Standard or an Interpretation not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Fund's operations or are not expected to have a significant impact on the Fund's condensed interim financial information other than increase in disclosures in certain cases:

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after July 1, 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Fund's condensed interim financial information.

Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after July 1, 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Fund's condensed interim financial information.

IFRIC 15 - Agreement for the Construction of Real Estate (effective for annual periods beginning on or after October 1, 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Fund's operations.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after July 1, 2009) clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment is not likely to have an effect on the Fund's condensed interim financial information.

IFRIC – 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a Fund distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Fund does not distribute non-cash assets to its unitholders, this interpretation has no impact on the Fund's condensed interim financial information.

The International Accounting Standards Board made certain amendments to existing standards as part of its second annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Fund's 2010 financial statements. These amendments are unlikely to have an impact on the Fund's condensed interim financial information.

Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after January 1, 2010). Currently effective IFRSs require attribution of group share-based payment transactions only if they are equity-settled. The amendments resolve diversity in practice regarding attribution of cash-settled share-based payment transactions and require an entity receiving goods or services in either an equity-settled or a cash-settled payment transaction to account for the transaction in its separate or individual condensed interim financial information.

Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual periods beginning on or after February 1, 2010). The IASB amended IAS 32 to allow rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This interpretation has no impact on the Fund's condensed interim financial information.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after July 1, 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on the Fund's condensed interim financial information.

IAS 24 Related Party Disclosures (revised 2009) – effective for annual periods beginning on or after January 1, 2011. The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.

Amendments to IFRIC 14 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after January 1, 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Fund's condensed interim financial information.

Improvements to IFRSs 2008 – Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – (effective for annual periods beginning on or after July 1, 2009). The amendments specify that if an entity is committed to a plan to sell a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale if criteria in IFRS 5 are met. This applies regardless of the entity retaining an interest (other than control) in the subsidiary; and disclosures for discontinued operations are required by the parent when a subsidiary meets the definition of a discontinued operation. This amendment is not likely to have any impact on Fund's condensed interim financial information.

2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

a) Investments stated at fair value

Management has determined fair value of certain investments by using quotation from active market. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matter of judgment (e.g. valuation, interest rates, etc.) and therefore, cannot be determined with precision.

Impairment of investment

Management has determined that investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Fund evaluates among other factors, the normal volatility in prices. In addition the impairment may be appropriate when there is an evidence of deterioration in the financial health of the invested industry and sector performance, changes in technology and operational financial cash flows.

b) Other assets

Judgment is involved in assessing the realisability of other assets balances.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these condensed interim financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalent comprise of bank balances and those investments which are readily convertible to known amount of cash subject to an insignificant risk of significant changes of values and have maturities of less than three months from the date of acquisition.

3.2 Investments

3.2.1 All investments are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the income statement / condensed interim income statement.

3.2.2 The Fund classifies its investments in the following categories:**a) Financial assets at fair value through profit or loss - Held for trading**

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.

After initial recognition, above investments are re-measured at fair value determined with reference to the period-end quoted rates. Gains or losses on re-measurement of these investments are recognised in income statement / condensed interim income statement.

b) Held-to-maturity

Investments with fixed maturity where the management has both the intent and ability to hold till maturity are classified as held-to-maturity. These investments are stated at amortised cost. Amortisation of premium / discount, if any, on the acquisition of investments is carried out using the effective yield method.

c) Available for sale

Investments which do not fall under the above categories and which may be sold in response to the need for liquidity or changes in market rates are classified as available-for-sale. After initial recognition, investments classified as available-for-sale are remeasured at fair value, determined with reference to the year-end quoted rates. Gains or losses on re-measurement of these investments are recognised directly in the unitholders' funds until the investment is sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in unitholders' funds is included in income.

3.2.3 Basis of valuation of investments

Fair value of the investments in Federal Government securities comprising Treasury Bills is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

Fair value of the investments in listed equity securities are determined on the basis of quoted market prices available at the Karachi Stock Exchange.

3.2.4 All regular way of purchases and sales of investments are recognised on the trade date i.e., the date the Fund commits to purchase / sell the investments.**3.3 Derivative financial instruments**

Derivative instruments that are held by the Fund primarily comprise of futures contracts in the capital market and are classified in held for trading investments. These are measured at cost initially and at each subsequent measurement at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures contract. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the income currently. All derivatives in a net receivables positions (positive fair values) and reported as financial asset held for trading. All derivatives in a net payable position (negative fair values) are reported as financial liabilities held for trading.

3.4 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

Transactions of sale under repurchase (repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

3.5 Formation cost

This represents expenses incurred on the formation of the Fund. As permitted in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, these expenses are being amortised to the income statement over a period of not less than five years effective from November 14, 2009.

3.6 Other assets

Other assets are stated at cost less impairment losses, if any.

3.7 Accrued expenses and other liabilities

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.8 Unitholders' fund

Unitholders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

3.9 Net asset value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue.

3.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Fund, applicable for the subscription day on which fund(s) have been realised in the bank account. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load (if any).

Units redeemed are recorded at the redemption price, applicable to the units for which the Fund receives redemption applications during subscription hours of that business day. The redemption price represents the net asset value per unit as of the close of the business day plus the allowable purchase load (if any).

3.11 Revenue recognition

- Dividend income on equity securities is recognised when the right to receive dividend is established.
- Gain or losses on sale of securities and unrealised gains or losses arising on revaluation of securities classified as 'Financial assets at fair value through profit or loss - held for trading' are included in the income statement in the period in which they arise.
- Income on reverse repurchase arrangements, commercial paper, reverse repo, and investments in treasury bills are recognised at rate of return implicit in the instrument on a time proportionate basis.
- Element of income / (loss) included in prices of units issued and redeemed is included in the income on the date of the issuance and redemption of units.
- Mark-up on bank balances is recognised on an accrual basis.

3.12 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption, as dividend, an equalisation account called "element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed" is created.

The "element of income and capital gains included in prices of units sold less those in units redeemed" account is credited with the amount representing net income and capital gains accounted for in the last announced net assets value and included in the sale proceeds of units. Upon redemption of units, the element of income included in prices of units sold less those in units redeemed account is debited with the amount representing net income and capital gains accounted for in the last announced net assets value and included in the redemption price.

The net "element of income and capital gains included in prices of units sold less those in units redeemed" during an accounting year is recognised in the Income Statement.

3.13 Taxation

The Fund is exempt from taxation on income under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its income excluding realised and unrealised capital gain for the year is distributed amongst the unitholders.

3.14 Financial instruments

All the financial assets and liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial asset and financial liabilities is taken to income directly.

3.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.16 Impairment loss

The carrying amounts of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of such asset is estimated and impairment losses are recognised in the income statement.

3.17 Provisions

A provision is recognised in the balance sheet when the Fund has a present legal or constructive obligation as result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

	Note	2009 Rupees
4. BANK BALANCES		
In profit and loss saving accounts	4.1	<u>12,379,147</u>
4.1 These carry mark-up rates from 5% to 11% per annum.		
5. INVESTMENTS - financial assets at fair value through profit or loss - held for trading		
Listed equity securities	5.1	88,780,701
Government securities	5.2	29,589,030
		<u>118,369,731</u>

5.1 Listed equity securities

Unless stated otherwise the holding are in ordinary shares of Rs. 10 each

Name of the investee company	As at November 14, 2009	Purchased during the period	Bonus / right shares	Disposed during the period	As at December 31, 2009	Balance as at December 31, 2009		Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of the paid-up capital of the investee company	
	(Number of shares)					Cost	Market value	Appreciation / (diminution)			
						(Rupees)					
Commercial Banks											
Allied Bank Limited	-	12,350	-	-	12,350	744,215	725,316	(18,899)	0.58	0.61	0.01
Bank Alfalah Limited	-	139,250	-	-	139,250	1,940,313	1,917,473	(22,840)	1.54	1.62	0.01
Habib Bank Limited	-	27,150	-	7,200	19,950	2,382,029	2,462,628	80,599	1.98	2.08	0.03
MCB Bank Limited	-	26,529	-	1,000	25,529	5,524,396	5,608,211	83,815	4.51	4.74	0.08
National Bank of Pakistan	-	25,000	-	-	25,000	1,851,445	1,859,250	7,805	1.49	1.57	0.02
United Bank Limited	-	47,620	-	4,000	43,620	2,567,403	2,549,588	(17,815)	2.05	2.15	0.02
	-	277,899	-	12,200	265,699	15,009,801	15,122,466	112,665	12.15	12.78	0.17
Insurance											
Adamjee Insurance Company Limited	-	15,450	-	-	15,450	1,841,342	1,904,985	63,643	1.53	1.61	0.17
Textile Composite											
Nishat Mills Limited	-	31,200	-	4,000	27,200	1,862,780	1,901,280	38,500	1.53	1.61	0.17
Cement											
Lucky Cement Limited	-	28,050	-	-	28,050	1,779,446	1,858,032	78,586	1.49	1.57	0.06
Refinery											
National Refinery Limited	-	11,751	-	-	11,751	2,167,555	2,077,812	(89,743)	1.67	1.76	0.26
Power generation and distribution											
Hub Power Company Limited	-	242,405	-	-	242,405	7,442,603	7,533,947	91,344	6.05	6.36	0.07
Kot Addu Power Company Limited	-	30,359	-	-	30,359	1,394,720	1,392,567	(2,153)	1.12	1.18	0.02
	-	272,764	-	-	272,764	8,837,323	8,926,514	89,191	7.17	7.54	0.08
Oil & gas marketing companies											
Attock Petroleum Limited	-	9,400	-	-	9,400	3,145,461	3,267,628	122,167	2.62	2.76	0.57
Pakistan State Oil Company Limited	-	17,600	-	-	17,600	5,190,956	5,234,944	43,988	4.21	4.42	0.31
Shell Pakistan Limited	-	5,157	-	-	5,157	1,267,665	1,291,107	23,442	1.04	1.09	0.19
	-	32,157	-	-	32,157	9,604,082	9,793,679	189,597	7.87	8.27	1.06
Oil & gas exploration companies											
Oil & Gas Development Company Limited	-	52,209	-	-	52,209	5,514,497	5,774,837	260,340	4.64	4.88	0.01
Pakistan Oilfields Limited	-	48,350	-	-	48,350	10,657,260	11,157,730	500,470	8.96	9.43	0.47
Pakistan Petroleum Limited	-	54,596	-	3,000	51,596	9,367,206	9,782,086	414,880	7.86	8.26	0.10
	-	155,155	-	3,000	152,155	25,538,963	26,714,653	1,175,690	21.46	22.57	0.58
Technology and communications											
Pakistan Telecommunications Company Limited	-	150,850	-	-	150,850	2,606,172	2,662,503	56,331	2.14	2.25	0.01
Chemicals and Fertilizers											
Engro Chemicals Pakistan Limited	-	31,200	-	4,000	27,200	4,842,243	4,984,944	142,701	4.00	4.21	0.17
Fauji Fertilizer Bin Qasim Limited	-	171,028	-	-	171,028	4,208,994	4,468,962	259,968	3.59	3.78	0.05
Fauji Fertilizer Company Limited	-	59,850	-	-	59,850	6,206,992	6,160,360	(46,632)	4.95	5.20	0.09
	-	262,078	-	4,000	258,078	15,258,229	15,614,266	356,037	12.54	13.19	0.31
Chemicals											
ICI Pakistan Limited	-	7,377	-	-	7,377	1,197,904	1,242,950	45,046	1.00	1.05	0.09
Sitara Chemicals Industries Limited	-	6,009	-	-	6,009	967,860	961,561	(6,299)	0.77	0.81	0.47
	-	13,386	-	-	13,386	2,165,764	2,204,511	38,747	1.77	1.86	0.56
Total - December 31, 2009	-	1,250,740	-	23,200	1,227,540	86,671,457	88,780,701	2,109,244	71.32	75.00	3.43

5.1.1 Investments include shares with market value aggregating to Rs. 11.782 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades.

5.2 Government Securities

Name of the investee company	As at November 14, 2009	Purchased during the period	Disposed during the period	Matured during the period	As at December 31, 2009	Cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	----- (Face value) -----					Balance as at December 31, 2009				
Treasury Bills - 3 months (Note: 5.2.1)	-	30,000,000	-	-	30,000,000	29,594,447	29,589,030	(5,417)	23.77	25.00

5.2.1 These represent 3 months Treasury bills of Government carrying a fixed mark-up rate of 12.2873% maturing on February 11, 2010. The treasury bills were bought at discounted price which would be redeemed at the face value on maturity at the above mentioned rate and the mark-up shall be received in lump sum on maturity.

	Note	2009 Rupees
6. DIVIDEND AND OTHER RECEIVABLES		
Dividend receivable		323,169
Markup accrued on profit and loss saving accounts		137,288
Others		1,290
		<u>461,747</u>
7. SECURITY DEPOSITS AND PREPAYMENTS		
Security deposit with National Clearing Company of Pakistan Limited		2,550,000
Central Depository Company of Pakistan Limited		100,000
		<u>2,650,000</u>
Prepaid listing fee		15,808
		<u>2,665,808</u>
8. DEFERRED FORMATION COST		
Unamortised cost	8.1	1,350,000
Amortised to the income statement during the period		(35,507)
Closing balance		<u>1,314,493</u>
8.1 This represents expenses incurred on the formation of the Fund. Regulation 60 (2) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 requires that all expenses incurred in connection with the incorporation, establishment and registration of collective investment scheme (formation cost) shall be reimbursable by a collective investment scheme to an asset management company subject to the audit of expenses. The said formation cost shall be amortised by the collective investment scheme over a period of not less than five years or with in the maturity date of collective investment scheme. Accordingly the said expenses are being amortised over a period of five years effective from November 14, 2009, i.e. after the close of initial period of the Fund.		
9. PAYABLE TO LAKSON INVESTMENTS LIMITED - MANAGEMENT COMPANY		
Management fee	9.1	310,364
Formation cost		1,350,000
		<u>1,660,364</u>

- 9.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the Management Fee is charged at the rate of 3% of the average daily net assets of the Fund.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2009 Rupees
Trustee fee	10.1	59,452
CDC settlement charges		3,228
		<u>62,680</u>

- 10.1 The trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed.

Net assets ranging from Rs. 1 million to Rs. 1,000 million

The Trustee (Central Depository Company of Pakistan Limited) is entitled to remuneration amounting to Rs. 0.7 million or at the rate of 0.20% per annum of the daily average net assets of the Fund, whichever is higher.

Exceeding Rs. 1,000 million

The Trustee (Central Depository Company of Pakistan Limited) is entitled to remuneration of Rs. 2.0 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

11. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Rule 62 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the Fund is required to pay annual fee to SECP at the rate of 0.095% of the average daily net assets of the Fund.

12. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration	81,441
Brokerage and settlement charges	146,916
Others	10,480
	<u>238,837</u>

13. CONTINGENCIES AND COMMITMENTS

Through Finance Act, 2008, an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. Management, based on a legal advice, is of a firm view that Collective Investments Schemes are paper entities and are not establishments, accordingly, the WWF Ordinance is not applicable and therefore no provision is required in the financial statements. However, in a remotely probable event, if the Collective Investments Schemes are considered as industrial establishments, the impact of the NAV per unit will be Rs. 0.041 as of December 31, 2009.

Mutual Fund Association of Pakistan (MUFAP), of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the collective investment schemes are not establishments and as a result are not liable to pay contribution to the WWF. The legal proceedings in respect of the aforementioned petition are currently in progress.

There are no commitments as at the balance sheet date.

14. TAXATION

Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from tax to any income derived by a Mutual Fund, if not less than ninety percent of its accounting income of a year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unitholders. The management company intends to distribute sufficient accounting income of the Fund for the period ending June 30, 2010 in order to comply with the above stated clause. Accordingly, no provision for tax has been made in the condensed interim financial information.

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, SIZA Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, Key Management personnel and other funds being managed by the Management Company. Transactions with these related parties involve issue and redemption of units.

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Constitutive Documents respectively. Security deposit has been placed with CDC under normal terms of the business.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

	2009							Net Asset value as at 31 December 2009	
	As at the beginning of the period	Issued for cash	Redeemed	As at 31 December 2009	As at the beginning of the period	Issued for cash	Redeemed		As at 31 December 2009
	-----Units-----				------(Rupees)-----				
Associated Companies / Undertakings									
- Lakson Investment Limited (Management Company)	-	853,788	199,795	653,993	-	85,378,810	20,000,000	65,378,810	66,739,843
- SIZA (Private) Limited	-	503,472	-	503,472	-	50,347,166	-	50,347,166	51,379,182
Other related parties									
- Key management personnel	-	200	-	200	-	20,000	-	20,000	20,394

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the management company supervises the overall risk management approach within the Fund.

The Fund primarily invests in a portfolio of equity securities. The fund may also invest in cash and / or near cash instruments which include cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days maturity. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to:

- Market Risk
- Credit Risk
- Liquidity Risk

16.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issue or the instrument. Change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan (SECP).

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk (equity price risk).

16.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

16.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. Currently the funds interest rate exposure arises on investment in Government securities and profit and loss sharing bank accounts. The fund's interest bearing investments comprises of those classified as 'fair value through profit or loss - held for trading'. Currently all of fund's investment carry fixed interest rates.

Only Government Securities are held by the Fund at fair value through profit or loss account - held for trading. With a 100 basis points increase / decrease in PKRV rates of the Government Securities and interest rate of fixed interest bearing financial assets as on December 31, 2009, the net assets of the Fund would have been higher / lower by 0.088 million. However, in practice, the actual results may differ from sensitivity analysis.

The following table analyses the Fund's interest rate exposure categorized on the basis of the earlier contractual repricing and maturity date.

On-balance sheet financial instruments	December 31, 2009					
	Yield / effective interest rate	Total	Exposed to interest rate risk			Net exposed to interest rate risk
			Up to three months	More than three months and up to one year	More than one year	
%	(Rupees)					
On-balance sheet financial instruments						
Financial assets						
Bank balances	5 to 11	12,379,147	12,379,147	-	-	-
Investments						
- Listed equity securities		88,780,701	-	-	-	88,780,701
- Government securities		29,589,030	29,589,030	-	-	-
Dividend and other receivables		461,747	-	-	-	461,747
Receivable against sale of securities		377,000	377,000	-	-	-
Security deposits		2,650,000	50,000	-	-	2,600,000
		134,237,625	42,395,177	-	-	91,842,448
Financial liabilities						
Payable to Lakson Investments Limited - Management Company		1,660,364	-	-	-	1,660,364
Payable to Central Depository Company of Pakistan Limited - Trustee		62,680	-	-	-	62,680
Annual fee payable to Securities and Exchange Commission of Pakistan		15,279	-	-	-	15,279
Payable against purchase of securities		9,104,097	-	-	-	9,104,097
Accrued and other liabilities		238,837	-	-	-	238,837
		11,081,257	-	-	-	11,081,257
On balance sheet gap		123,156,368	42,395,177	-	-	80,761,191

16.1.3 Price Risk

The Fund is exposed to equity price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities as financial assets at fair value through profit or loss - held for trading. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the constitutive documents. The Fund's constitutive documents / NBFC Regulations also limit individual equity securities to no more than 10% of net assets, or issued capital of investee company and sector exposure limit to 25% of net assets.

In case of 5% increase / decrease in KSE 100 index on December 31, 2009, net income for the period would increase / decrease by Rs. 4.439 million and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss-held for trading.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2009 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 index.

16.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, and credit exposure arising as a result of dividends receivable on equity securities. For banks and financial institutions, only reputed institutions are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

The maximum exposure to credit risk before any credit enhancement as at December 31, 2009 is the carrying amount of the financial assets. None of these assets are impaired nor past due.

Concentration on credit risk

Concentration on credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

16.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in active market and can be readily disposed. The Fund invests primarily in listed equity securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements. The present settlement system for listed equity securities is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six business days from the date of the redemption request.

The Fund has ability to borrow, with prior approval of trustee, for meeting redemption. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings, no such borrowings have arisen during the period.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

The table below analyses the Fund's liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	December 31, 2009			
	Total	Upto three months	Over three months and up to one year	Over One Year
Liabilities				
Payable to the Lakson Investments Limited - Management Company	1,660,364	1,660,364	-	-
Payable to the Central depository Company of Pakistan Limited -Trustee	62,680	62,680	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan	15,279	-	15,279	-
Payable against purchase of investments	9,104,097	9,104,097	-	-
Accrued and other liabilities	238,837	196,916	41,921	-
	<u>11,081,257</u>	<u>11,024,057</u>	<u>57,200</u>	<u>-</u>

16.4 UNITHOLDERS' FUNDS RISK MANAGEMENT

Management's objective when managing unitholders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unitholders' and to ensure reasonable safety of unitholders' funds.

The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units and the Fund is not subject to any externally imposed minimum fund maintenance requirement.

17 FAIR VALUE OF FINANCIAL INVESTMENTS

The Fund is of the view that the fair market value of the financial assets and liabilities are not significantly different from their carrying values as its assets and liabilities are essentially short term in nature and / or frequently repriced.

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 12, 2010 by the Board of Directors of the Management Company.

19 GENERAL

19.1 Figures have been rounded off to the nearest rupee.

19.2 As this is the first year of the operation of the Fund, comparative figures have not been disclosed in these condensed interim financial statements.

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

Chief Executive Officer

Director

Lakson Investments Limited

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