



LAKSON
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The Lakson Group

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. A. Aziz H. Ebrahim
Mr. Mahomed J. Jaffer
Mr. Babar Ali Lakhani - Chief Executive Officer
Mr. Sher Afgan Malik
Mr. Muhammad Abdul Qadir
Mr. Daniel Scott Smaller
Mr. Zahid Zakiuddin

Chief Financial Officer & Company Secretary of the Management Company

Mr. Amir Mobin

Audit Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. A. Aziz H. Ebrahim
Mr. Sher Afgan Malik
Mr. Zahid Zakiuddin

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shakra-e-Faisal,
Karachi, Pakistan.

Auditors

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C,
Lakson Square, Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200.

Bankers to the Fund

Allied Bank Limited
Deutsche Bank AG
Faysal Bank Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
United Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/I, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

Lakson Investments Limited
Lakson Square Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan

Distributors

Alfalah Securities (Pvt.) Limited
Atlas Capital Markets (Pvt.) Limited
IGI Investment Bank Limited
Pyramid Financial Consultants

Rating of Management Company

AM3 with positive outlook by PACRA

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2010

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 quarter ended September 30, 2010.

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 quarter ended September 30, 2010 was PKR 3.90 million which mainly comprised of income from Bank deposits, Dividend income and Capital gains amounting to PKR 3.37 million. The unrealized appreciation mainly due to the valuation of equity securities amounted to PKR 2.07 million. During the period under review LEF recorded a return of 3.04%.

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.

Economic & Market Review

Heavy rains in the Northern areas of the country triggered both flash floods and riverine floods that ravaged 20% of the country's landmass destroying the physical and economic infrastructure that lay in its path. The economic impact of the flood is very severe and international agencies have estimated the losses at USD 9.5 billion. As a result of these floods the GDP is expected to grow by only 2.5% with an inflation of 13.5-14.5% for FY11 as compared to original estimates of 4.5% and 9.5% respectively. Pakistan has received pledges of aid from different sources however the materialization of the commitments is very slow as the international community is demanding the imposition of flood tax on the rich and a cut in expenses that the Government has failed to comply so far. The State Bank of Pakistan ("SBP") announced two monetary policies in the period under review and increased the policy rate by 100bps (50bps each time) to counter ever increasing fiscal imbalances. In 1QFY11 the headline inflation settled at 13.8% on the back of 16.6% food inflation as the supply disruptions due to floods caused an upsurge in the prices of food items. The country received USD 2.6 billion in remittances in 1QFY11 that gave some respite to the external current account position in the wake of declining foreign investment (down 28.5% YoY) and increasing trade deficit (up 22% YoY). The Government could not introduce the Reformed General Sales Tax ("RGST") as consensus could not be created among provinces. The IMF has linked the disbursement of next tranche under the Stand-by Arrangement with the imposition of the RGST and the introduction of energy sector reforms. Forex reserves of the country increased by USD 1.03 billion in 1QFY11 and reached USD 16.99 billion as on October 1, 2010. Money supply (M2) increased by 0.60% in FY11 as of October 1, 2010 mainly due to

Government borrowing for the budgetary support that stood at PKR 133 billion during this period.

In the period under review the KSE-100 index went up by 282.32 points (2.90%) and closed the 1QFY11 at 10,013 making a high of 10,539 and a low of 9,488. Average trading volume during 1QFY11 was only 62 million shares as compared to 132 million shares in the preceding quarter which translates into a QoQ decline of 53%. Volumes witnessed a sharp decline due to imposition of the Capital Gains Tax on July 1st 2010. The Securities and Exchange Commission of Pakistan finally approved the Margin Trading System ("MTS") for the market however differences between the stock exchange members and the Chairman of the KSE still exist on the modalities of the MTS. Political and economic instability also kept the investors away from the market as the differences between the Government and Judiciary, and rising interest rates do not bode well for the market. Foreigners were the major buyers in the market, and they were net buyers of USD 106 million in 1QFY11 while the local investors including financial institutions, companies, mutual funds and individuals were net sellers in the market. Despite the tough economic environment foreigners continued their positive stance on Pakistan and this did not allow the KSE-100 to reflect a general feeling of economic malaise.

Future Outlook

Pakistan experienced a phase of economic recovery and stabilization after the global financial crisis however the recent flood has derailed the economy and the country is once again facing severe economic challenges in the form of high inflation, low growth, high interest rates, and increasing deficits. Inflation is expected to show persistence in the short term however the situation will improve in a couple of months once the supply of food items improves that was adversely affected by the flood. The Government will have to implement the RGST in order to overcome its fiscal imbalances and we expect the rate of the RGST to be higher than 15% in order to cover the revenue shortfalls caused by the flood and delay in the implementation of the RGST. The Government borrowing from the banking system will remain high in the absence of other sources to finance the fiscal deficit that will force the SBP to continue its tight monetary policy stance. The stock market is expected to remain range bound in the absence of any positive triggers however any major correction is not expected due to continued interest of foreigners in the market despite political and economic uncertainties.

Acknowledgment

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the State Bank 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.

For and on behalf of the Board

Karachi, July 28, 2010

Babar Ali Lakhani
Chief Executive Officer

Condensed Interim Statement of Assets and Liabilities As at 30 September 2010

		30 September 2010 (Unaudited)	30 June 2010 (Audited)
Assets	Note	(Rupees)	
Bank balances	5	27,626,407	20,047,743
Investments	6	99,210,002	105,446,327
Dividend and mark-up receivables		2,042,060	728,411
Deposits and prepayments		2,664,959	2,650,000
Deferred formation cost		1,112,548	1,180,603
Total assets		132,655,976	130,053,084
Liabilities			
Payable to Lakson Investments Limited - Management Company		324,471	1,667,302
Payable to Central Depository Company of Pakistan Limited - Trustee		58,159	58,151
Annual fee payable to Securities and Exchange Commission of Pakistan		31,629	79,068
Accrued expenses and other liabilities	7	227,273	209,111
Total liabilities		641,532	2,013,632
Net assets		132,014,444	128,039,452
Unit holders' funds		132,014,444	128,039,452
		(Number)	
Number of units in issue		1,289,697	1,288,935
		(Rupees)	
Net assets value per unit		102.3608	99.3374

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited) For the quarter ended 30 September 2010

Income	(Rupees)
Capital gain on sale of investments - net	732,613
Dividend income	2,048,898
Mark-up income	587,485
	3,368,996
Unrealised appreciation on revaluation of investments classified as financial assets 'at fair value through profit or loss' - held for trading - net	2,068,062
	5,437,058
Expenses	
Remuneration of the Management Company	998,805
Remuneration of the Trustee	176,439
Annual fee to Securities and Exchange Commission of Pakistan	31,629
Brokerage and settlement charges	79,242
Amortisation of deferred formation cost	68,055
Auditors' remuneration	79,609
Listing fee	5,041
Printing charges	25,205
Workers' Welfare Fund	79,567
	1,543,592
Net Income from operating activities	3,893,466
Element of income in prices of units issued less those of units redeemed - net	5,298
Net Income for the period	3,898,764

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Statement
of Comprehensive Income (Unaudited)
For the quarter ended 30 September 2010**

	(Rupees)
Net income for the period	3,898,764
Other comprehensive income	-
Total comprehensive income for the period	<u><u>3,898,764</u></u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Condensed Interim Distribution Statement (Unaudited)
For the quarter ended 30 September 2010

Undistributed Loss brought forward	(854,038)
Total comprehensive income for the period	3,898,764
Undistributed Income carried forward	<u><u>3,044,726</u></u>
Undistributed income at the end of the period - realised	976,664
Undistributed income at the end of the period - unrealised	2,068,062
Total undistributed income at the end of the period	<u><u>3,044,726</u></u>

The annexed notes from 1 to 10 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 (Unaudited)
 For the quarter ended 30 September 2010**

	(Rupees)
Net assets at the beginning of the period	128,039,452
Cash received on issue of 1,200 units	126,000
Cash paid on redemption of 438 units	(44,474)
	81,526
Element of income and capital gains in prices of units issued less those in units redeemed - net	(5,298)
Net income for the period	3,898,764
Net assets as at end of the period	<u><u>132,014,444</u></u>
Net assets value per unit at the beginning of the period	<u><u>99.3374</u></u>
Net assets value per unit at end of the period	<u><u>102.3608</u></u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

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

 Chief Executive Officer

 Director

Condensed Interim Cash Flow Statement (Unaudited)

For the quarter ended 30 September 2010

CASH FLOW FROM OPERATING ACTIVITIES	(Rupees)
Net Income for the period	3,898,764
Adjustments for non-cash charges and other items:	
Capital (gain) on sale of investments	(732,613)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss - held for trading'	(2,068,062)
Amortisation of deferred formation cost	68,055
Element of income in prices of units sold less those of units redeemed - net	(5,298)
	1,160,846
Decrease / (increase) in assets	
Investments - net	9,037,000
Dividend and mark-up receivables	(1,313,649)
Deposits and prepayments	(14,959)
	7,708,392
(Decrease) / increase in liabilities	
Payable to Management Company	(1,342,831)
Payable to Trustee	8
Annual fee payable to Securities and Exchange Commission of Pakistan	31,628
Accrued expenses and other liabilities	18,162
	(1,293,033)
Net cash from operating activities	7,576,205
CASH FLOWS FROM FINANCING ACTIVITIES	
Net receipts from issue of units	126,000
Net payments on redemption of units	(44,474)
Net cash from financing activities	81,526
Cash and cash equivalents at beginning of the period	20,047,743
Cash and cash equivalents at end of the period	27,705,474

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Notes to the Condensed Interim Financial Statements (Unaudited) For the quarter ended 30 September 2010

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 41-K, 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 the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Fund for the quarter ended 30 September 2010 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, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Rules and Regulations). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the requirements of the Trust Deed and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 shall prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: "Interim Financial Reporting".

These condensed interim financial statements comprise of condensed interim statement of assets and liabilities as at 30 September 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim distribution statement, condensed interim statement of movement in unit holder's fund, and notes thereto, for the quarter ended 30 September 2010.

These condensed interim financial statements is being submitted to the unit holders as required under Regulation 38(g) of the NBFC Regulation.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees, which is the Fund's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees.

2.4 Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires 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:

Investment 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, can not be determined with precision.

Impairment of investment

Investments are considered to be 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 Management Company 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.

Other assets

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

Workers welfare fund liability

For details please refer to note 7.1 to these condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2010.

4. FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2010.

	Note	30 September 2010 (Unaudited) (Rupees)	30 June 2010 (Audited)
5. BANK BALANCES			
In profit and loss sharing accounts	5.1	<u>27,626,407</u>	<u>20,047,743</u>
5.1 These carry mark-up at rates ranging from 5% to 11% (30 June 2010 5% to 11%) per annum.			
6. INVESTMENTS - financial assets at fair value through profit and loss - held for trading			
Listed equity securities	6.1	<u>99,210,002</u>	<u>105,446,327</u>

6.1 Listed equity securities

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

Name of investee company	As at July 01, 2010	Number of shares			Balance as at September 30, 2010			Market value as a percentage of total investments	Market value as a percentage of the paid-up capital of the investee company		
		Purchased during the period	Bonus / right Shares	Disposed during the period	Cost	Market value	Appreciation / (diminution)				
Chemicals											
Engr Corporation Limited	40,000	-	-	5,000	41,000	7,142,610	(51,516)	5.41	7.20	0.22	
Fajli Fertilizer Bin Qasim Limited	104,802	-	-	35,000	69,802	1,817,644	73,990	1.43	1.91	0.02	
Fajli Fertilizer Company Limited	66,000	-	-	10,000	56,000	5,771,040	99,120	4.45	5.92	0.09	
IC Pakistan Limited	1,000	-	-	10,000	11,000	1,066,000	10,000	0.17	2.18	0.18	
Shara Chemicals Industries Limited	14,099	-	-	14,099	14,099	1,890,234	(210,695)	1.74	2.69	0.18	
	238,304	11,000	-	50,000	199,304	18,845,654	(95,301)	14.20	18.90	-	
Oil and Gas											
Rock Petroleum Limited	19,550	-	-	4,000	14,550	4,955,148	716,535	3.75	4.89	0.85	
Nasir Refinery Limited	10,751	-	-	4,000	6,751	1,364,107	129,687	1.03	1.37	0.17	
Oil & Gas Development Company Limited	28,209	-	-	20,000	8,209	1,163,133	33,000	0.91	1.21	0.00	
Pakistan Oilfields Limited	42,350	-	-	11,000	31,350	10,462,456	848,055	7.61	10.12	0.42	
Pakistan Petroleum Limited	59,596	-	-	11,000	48,596	9,333,222	30,467,873	1,134,651	7.93	10.55	0.09
Pakistan State Oil Company Limited	13,000	-	-	2,000	11,000	4,000,000	4,000,000	0.53	0.71	0.16	
Shell Pakistan Limited	5,657	-	-	2,000	3,657	839,884	709,790	(135,894)	0.83	0.71	0.10
	179,713	4,000	-	41,000	142,713	30,322,803	33,189,927	2,862,124	25.14	33.45	-
Construction and Materials											
IG Khan Cement Limited	85,000	15,000	-	100,000	2,419,145	2,309,000	(72,415)	1.81	2.41	0.07	
Lucky Cement Limited	43,050	5,000	-	48,050	5,018,254	3,323,138	304,884	2.52	3.35	0.10	
	128,050	20,000	-	148,050	5,437,670	5,715,138	277,468	4.33	5.76	-	
General Industries											
Tri Pack Films Limited	3,000	-	-	3,000	-	-	-	-	-	-	
Personal Goods											
Nishat Mills Limited	69,090	-	-	69,090	2,979,161	3,178,140	198,979	2.41	3.20	0.09	
Fixed Line Telecommunications Company Limited											
Pakistan Telecommunications Company Limited	162,850	-	-	12,850	150,000	2,620,000	2,820,000	150,000	2.14	2.84	0.01
Electricity											
Hub Power Company Limited	310,405	-	-	310,405	9,920,544	10,333,382	412,838	7.83	10.42	0.09	
Kor.Addu Power Company Limited	35,359	-	-	35,359	1,475,885	1,452,255	(22,630)	1.10	1.46	0.02	
	345,764	-	-	345,764	11,396,429	11,785,637	390,208	8.93	11.88	-	
Banks											
Allied Bank Limited	68,145	6,000	-	74,145	4,217,003	3,816,985	(400,918)	2.89	3.85	0.05	
Bank Alfiah Limited	224,250	-	-	40,000	184,250	1,743,005	(232,155)	1.14	1.52	0.01	
Bank of China Limited	1,000	-	-	1,000	15,10,850	15,10,850	15,10,850	1.14	1.52	0.01	
Bank of Communications Limited	42,581	-	-	9,000	33,581	1,100,000	1,100,000	0.43	0.56	0.01	
MCB Bank Limited	42,581	1,000	-	43,581	6,704,984	6,511,948	(193,146)	4.93	6.56	0.09	
National Bank of Pakistan	13,750	5,000	-	18,750	1,220,166	1,188,563	(31,603)	0.90	1.20	0.01	
United Bank Limited	142,282	3,000	-	145,282	7,613,162	7,211,898	(401,264)	5.46	7.27	0.06	
	542,432	15,000	-	54,000	593,432	23,118,186	(2,185,959)	36.54	22.01	-	
New Life Insurance											
Adampjee Insurance Company Limited	29,695	-	-	29,695	2,372,037	1,932,848	(439,189)	1.46	1.95	0.16	
Total - September 30, 2010	1,698,898	50,000	-	160,850	1,588,048	97,141,940	96,210,602	75.15	100.00	-	
Total - June 30, 2010	-	2,035,559	46,120	382,781	1,698,989	111,726,837	105,446,327	(6,280,510)	82.35	100.00	

6.1.1 Investments include shares with market value aggregating to Rs. 3.329 million (30 June 2010: Rs. 3.196 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades.

	30 September 2010 (Unaudited)	30 June 2010 (Audited)
	(Rupees)	
7. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	69,110	165,000
Brokerage and settlement charges	28,360	18,862
Payable to Workers' Welfare Fund	79,567	-
Others	50,236	25,246
	227,273	209,108

- 7.1** The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 (1969 Ordinance) applies. As a result of this amendment, the WWF Ordinance has become applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income to Workers Welfare Fund (as defined in section 4 & 2(i) of the WWF Ordinance). The Mutual Fund Association of Pakistan (MUFAP) had filed a constitutional petition before High Court of Sindh on the major grounds that CIS are not covered under the definition of industrial establishment, CIS do not have any worker and amendment was made through money bill.

The Honourable High Court of Sindh vide its order dated 25 May 2010 has dismissed the petition on the main ground that the MUFAP (petitioner) cannot be held to be entitled to maintain a petition in respect of its members as MUFAP is not the aggrieved party in respect of its members. Consequently, few CISs have filed constitutional petitions.

However, the Management Company in pursuance of the order passed by the Honourable High Court of Sindh considers it prudent to record the provision for WWF amounting to Rs 79,567 in these condensed interim financial statements.

8. 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 in the financial statements are as follows:

8.1 Transactions relating to the units of the Fund

	As at the beginning of the period	Issued for cash	Redeemed	As at September 30, 2010	As at the beginning of the period	Issued for cash	Redeemed	Net Asset value as at September 30, 2010
	Units							(Rupees)
Associated Companies / Undertakings								
- Lakson Investments Limited (Management Company)	653,993	-	-	653,993	64,965,953	-	-	66,943,247
- SIZA (Private) Limited	503,472	-	-	503,472	50,013,565	-	-	51,535,797
- Directors of the Management Company Daniel Scott Smaller	-	1,201	-	1,201	-	126,000	-	122,889
- Key Management Personnel and Employees of the Management Company	293	230	293	230	29,078	25,000	29,789	23,542

8.2 Other transactions with related parties
**30 September
2010
(Unaudited)
(Rupees)**

 Lakson Investments Limited - (Management Company)
 Remuneration for the period

998,805

 Central Depository Company of Pakistan Limited - (Trustee)
 Remuneration for the period
 Settlement charges for the period

176,439
1,938
8.3 Other balances with related parties
**30 September
2010
(Unaudited)** **30 June
2010
(Audited)**
(Rupees)

 Lakson Investments Limited - (Management Company)
 Remuneration payable at period end
 Preliminary expenses and formation cost payable

324,471
317,302
-
1,350,000

 Central Depository Company of Pakistan Limited - (Trustee)
 Remuneration payable at period end
 Security deposit

58,159
58,151
100,000
100,000
9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 28 October 2010 by the Board of Directors of the Management Company.

10. GENERAL

Lakson Equity Fund was launched on 14 November 2010. Therefore, corresponding figures for the quarter have not been presented.

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

Chief Executive Officer

Director

Lakson Investments Limited

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