

CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2008
(UN-AUDITED)

WE BALANCED FUND

Managed by



WE Investment Management Limited

WE BALANCED FUND

Vision Statement

Vision

To become investment manager of choice that manages a series of funds which caters to a broad spectrum of investors.

Mission Statement

Mission

To provide superior returns to our shareholders by managing a series of funds in Capital and Money markets through competent professionals who act with integrity and best of professional conduct and strive to achieve investment objectives for the benefit of our clients.

WE BALANCED FUND

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WE BALANCED FUND

FUND INFORMATION

INVESTMENT ADVISER

WE Investment Management Limited
506, Stock Exchange Building, Stock Exchange Road, Karachi

BOARD OF DIRECTORS OF THE INVESTMENT ADVISER

Nessar Ahmed
Asad Javed
Asif Ahmad
Naved Ul Hassan
Azhar Javaid
Maria Faridi

CFO & COMPANY SECRETARY OF THE INVESTMENT ADVISER

Asif Ahmad

AUDIT COMMITTEE

Azhar Javaid
Naved-ul-Hassan
Maria Faridi

INVESTMENT COMMITTEE

Asad Javed
Azhar Javaid
Mohammad Irfan Rasheed

TRUSTEE

Central Depository Company of Pakistan Limited
Suite No. M-13-16, Mezzanine Floor, Progressive Plaza,
Beaumont Road, Karachi

AUDITORS

M. Yousuf Adil Saleem & Co.
Chartered Accountants
A-35, Cavish Court, Block 7 & 8
K. C. H. S. U., Sharah-e-Faisal
Karachi Pakistan.
Tel#: 111-552-626
Fax# 4541314.

BANKERS TO THE FUND

MCB Bank Limited
Bank Al Falah Limited
Dawood Islamic Bank Limited
NIB Bank Limited
Habib Bank Limited

LEGAL ADVISORS

Mohsin Tayebaly & Co.
Advocates & Legal Consultants
2nd Floor Dime Centre,
BC-4 Block 9, Kehkashan, Clifton
Karachi Pakistan
Tel #: 5375658 / 5375659 / 5838077
Fax #: 5870240

TRANSFER AGENT

Nobel Computer Services (Pvt.) Ltd.
2nd Floor, Sohni Centre,
BS 5 & 6, Main Karimabad,
Block 9, Federal B. Area
Karachi Pakistan
Tel #: 6801880/ 6801882
Fax #: 021-6801129

WE BALANCED FUND

DIRECTOR'S REPORT

The Board of Directors of WE Investment Management Limited, the Investment Advisor of WE Balanced Fund, is pleased to present its financial statements for the nine months ended March 31, 2008.

Performance of the Fund

The fund posted profit after taxation of Rs.11.513 million for the period ended March 31, 2008. The earnings per certificate during this period translate into 0.58. Net Asset Value per certificate as on March 31, 2008 was Rs. 10.68. During nine months FY08, fund posted return of 5.8% where the Net Asset Value improved to 10.68 as on March 31st 2008 from 10.09 (adjusted for dividend) at the inception of FY08.

Market Performance

During the quarter (Jan-Mar), KSE-100 index appreciated by 7.4%. The calendar year started off on a sad note owing to December 27th incident which shook investors' confidence on the market but the smooth election process and transition of government gradually decreased the political uncertainty and simultaneously investors' outlook strengthened over the market. In addition to this, the corporate result season also supported the investor sentiment. The higher international oil prices, all time high sales volume of cement sector and foreign inflows in the Special Convertible Rupee Account (SCRA) contributed in the bullish rally and the KSE-100 index crossed 15,000 points level.

The newly elected government is still in its formation phase and we anticipate the new policies that will be announced when the Cabinet is formed will be the next trigger for the market and will ascertain the market trend. Meanwhile the March corporate results and the exponential increase in the international oil prices will continue the bullish investor sentiment.

Acknowledgement

The Board of Directors of the Management Company likes to express its sincere appreciation and gratitude to the Regulatory Authorities especially the Securities and Exchange Commission of Pakistan (SECP) and the Karachi Stock Exchange (Guarantee) Limited (KSE) for their continued professional guidance and support. We would also like to thank our Trustee the Central Depository Company of Pakistan Limited (CDC), our unit holders for their patronage and help and as well as the entire WEi team for their commitment, dedication and efforts.

For on behalf of the
Board of Directors

April 23, 2008
Karachi

Asad Javed
Chief Executive Officer

WE BALANCED FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2008

| | Unaudited March 31 2008 | Audited June 30 2007 |
|---|-------------------------------|----------------------------|
| | Note | ----- Rupees ----- |
| ASSETS | | |
| Bank balances | 23,351,135 | 100,069,945 |
| Investment in marketable securities | 4 158,009,666 | 111,670,341 |
| Receivable against Continuous Funding System | 20,388,390 | 27,164,265 |
| Receivable against sale of securities | 19,072,367 | 17,910,502 |
| Dividend and profit receivable | 987,579 | 1,202,673 |
| Security deposits | 3,600,000 | 1,100,000 |
| Preliminary expenses and floatation cost | 1,300,000 | 1,600,000 |
| Other receivables | - | 100,000 |
| Total assets | 226,709,137 | 260,817,726 |
| LIABILITIES | | |
| Fee payable to Investment Adviser | 554,306 | 4,316,344 |
| Preliminary and floatation cost payable to Investment Adviser | 1,600,000 | 2,000,000 |
| Fee payable to SECP | 160,022 | 139,878 |
| Fee payable to Trustee | 36,571 | 39,609 |
| Payable against purchase of marketable securities | 10,396,522 | 30,462,571 |
| Unclaimed dividend | 38,034 | - |
| Accrued expenses and other liabilities | 261,350 | 710,331 |
| Total liabilities | 13,046,805 | 37,668,733 |
| NET ASSETS | 213,662,332 | 223,148,993 |
| CERTIFICATE HOLDERS' FUND | | |
| Issued, subscribed and paid up capital 20,000,000 ordinary certificates of Rs. 10/- each issued as fully paid up in cash. | 200,000,000 | 200,000,000 |
| Unappropriated profit | 13,662,332 | 23,148,993 |
| Total Certificate Holders' Fund | 213,662,332 | 223,148,993 |
| Net Asset Value (Per certificate of Rs. 10/- each) | 10.68 | 11.16 |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

For WE Investment Management Limited
(Investment Adviser)

Chairman

Chief Executive Officer

Director

WE BALANCED FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2008

| Note | Nine months period ended March 31 2008 | For the period from November 10, 2006 to March 31, 2007 | Three months period ended March 31 2008 | Three months period ended March 31 2007 |
|---|---|---|--|--|
| | ----- Rupees ----- | | | |
| INCOME | | | | |
| Capital gain on sale of investment | | | | |
| - at fair value through profit and loss - net | 10,819,030 | 5,598,864 | 2,690,049 | 5,446,007 |
| Dividend income | 2,148,750 | 453,000 | 905,000 | 372,250 |
| (Diminution) / unrealized appreciation on re-measurement of investments to fair value - net | (3,907,771) | (1,708,888) | (1,228,237) | 1,398,779 |
| Income from Certificates of Investment | 2,873,864 | 752,055 | 1,106,467 | 693,150 |
| Income from Musharika certificates | 563,836 | 796,713 | - | 749,863 |
| Income from Continuous Funding System transactions | 917,282 | 1,067,821 | 389,256 | 1,067,821 |
| Profit on Term Finance Certificates | 189,888 | - | 29,597 | - |
| Income on Investment in TDR | 97,315 | - | 97,315 | - |
| Profit on deposit accounts with banks | 5,131,302 | 5,027,367 | 1,167,330 | 2,386,549 |
| | 18,833,496 | 11,986,932 | 5,156,777 | 12,114,419 |
| OPERATING EXPENSES | | | | |
| Fee to Investment Adviser | 4,800,677 | 2,393,275 | 1,591,518 | 1,521,903 |
| Fee to SECP | 160,022 | 84,098 | 53,050 | 50,730 |
| Fee to Trustee | 320,045 | 159,508 | 105,636 | 101,416 |
| Securities transaction cost | 1,537,384 | 871,525 | 530,551 | 398,572 |
| Auditors remuneration | 65,000 | 35,000 | 15,000 | - |
| Amortization of preliminary and floatation cost | 300,000 | 300,000 | 100,000 | 100,000 |
| Fees and subscription | 95,081 | 307,425 | 83,581 | 307,425 |
| Bank commission and charges | 11,948 | 1,375 | 7,215 | 925 |
| Others expenses | 30,000 | 19,000 | - | 19,000 |
| | 7,320,157 | 4,171,205 | 2,486,551 | 2,499,970 |
| Profit before taxation | 11,513,339 | 7,815,727 | 2,670,226 | 9,614,449 |
| Taxation | 6 | - | - | - |
| Profit after taxation | 11,513,339 | 7,815,727 | 2,670,226 | 9,614,449 |
| Profit after taxation carried to distribution statement | | | | |
| Earnings per certificate | | | | |
| With (diminution) / appreciation on re-measurement of marketable securities-net | 0.58 | 0.39 | 0.13 | 0.48 |
| Without (diminution) / appreciation on re-measurement of marketable securities-net | 0.77 | 0.48 | 0.19 | 0.41 |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

For WE Investment Management Limited
(Investment Adviser)

Chairman

Chief Executive Officer

Director

WE BALANCED FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2008

| | Nine months period ended March 31 2008 | For the period from November 10, 2006 to March 31, 2007 | Three months period ended March 31, 2008 | Three months period ended March 31, 2007 |
|--|---|---|---|---|
| ----- Rupees ----- | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Income / (loss) before taxation | 11,513,339 | 7,815,725 | 2,670,226 | 9,614,449 |
| Adjustments : | | | | |
| Capital gain on sale of marketable securities | (10,819,030) | (5,598,864) | (2,690,049) | (5,446,007) |
| (Diminution) / appreciation on re-measurement of investments to fair value - net | 3,907,771 | 1,708,888 | 1,228,237 | (1,398,779) |
| Amortisation of preliminary expenses and floatation cost | 300,000 | 300,000 | 100,000 | 100,000 |
| | <u>4,902,080</u> | <u>4,225,749</u> | <u>1,308,414</u> | <u>2,869,663</u> |
| Assets | | | | |
| Investments in marketable securities | (39,428,066) | 154,037,391 | (31,262,663) | (48,641,004) |
| Dividend and profit receivable | 215,094 | 1,368,988 | 771,194 | (1,128,515) |
| Security deposits | (2,500,000) | 1,100,000 | - | - |
| Receivable against sale of marketable securities | 5,614,010 | - | (35,639,087) | 4,450,000 |
| Other receivable | 100,000 | - | 21,882 | - |
| | <u>(35,998,962)</u> | <u>(156,506,379)</u> | <u>(66,108,674)</u> | <u>(45,319,519)</u> |
| Liabilities | | | | |
| Fee payable to Investment Adviser | (3,762,038) | 2,393,275 | (2,774,853) | 1,521,903 |
| Preliminary and floatation cost payable to Investment Adviser | (400,000) | - | - | - |
| Annual fee payable to SECP | 20,144 | 84,098 | 53,050 | 50,730 |
| Fee payable to Trustee | (3,038) | 35,183 | 321 | (22,865) |
| Payable against purchase of marketable securities | (20,066,049) | 2,551,113 | 10,396,522 | (8,996,071) |
| Accrued expenses and other liabilities | (419,923) | 196,772 | 183,935 | (183,880) |
| | <u>(24,630,904)</u> | <u>5,260,441</u> | <u>7,858,975</u> | <u>(7,630,183)</u> |
| Cash (used in) / from operations | (60,629,866) | (151,245,938) | (58,249,699) | (52,949,702) |
| Dividend paid | (20,991,024) | - | - | - |
| Net cash (used in) / from operating activities (A) | <u>(76,718,810)</u> | <u>(147,020,189)</u> | <u>(56,941,285)</u> | <u>(50,080,039)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Issue of certificates | - | 200,000,000 | - | - |
| Net cash generated from financing activities (B) | <u>-</u> | <u>200,000,000</u> | <u>-</u> | <u>-</u> |
| Net (decrease) / increase in bank balances (A + B) | (76,718,810) | 52,979,811 | (56,941,285) | (50,080,039) |
| Bank balances at the start of the period | 100,069,945 | - | 80,292,420 | 103,059,850 |
| Bank balances at the end of the period | <u>23,351,135</u> | <u>52,979,811</u> | <u>23,351,135</u> | <u>52,979,811</u> |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

For WE Investment Management Limited
(Investment Adviser)

Chairman

Chief Executive Officer

Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2008

| | Nine months period ended March 31 2008 | For the period from November 10, 2006 to March 31, 2007 | Three months period ended March 31, 2008 | Three months period ended March 31, 2007 |
|--|---|---|---|---|
| | ----- Rupees ----- | | | |
| Unappropriated income / (loss) brought forward | 23,148,993 | - | (458,027) | - |
| Net income / (loss) for the period | 11,513,339 | 7,815,727 | 2,670,226 | 9,614,449 |
| Cash dividend @ Rs.1.05 (2006 : Rs.Nil) per certificate announced on August 02, 2007 and distributed on September 26, 2007 | (21,000,000) | - | - | - |
| Unappropriated profit / (loss) carried forward | 13,662,332 | 7,815,727 | 2,212,199 | 9,614,449 |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

For WE Investment Management Limited
(Investment Adviser)

Chairman

Chief Executive Officer

Director

WE BALANCED FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - 'PER SHARE' (UNAUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2008

| | Nine months period ended March 31 2008 | For the period from November 10, 2006 to March 31, 2007 | Three months period ended March 31, 2008 | Three months period ended March 31, 2007 |
|---|---|---|---|---|
| ----- Rupees ----- | | | | |
| Net asset value per share as at start of the period | 11.157 | 10.000 | 10.550 | 10.000 |
| Capital gain on sale of investment - at fair value through profit and loss - net | 0.541 | 0.280 | 0.135 | 0.280 |
| Dividend income | 0.107 | 0.023 | 0.045 | 0.023 |
| (Diminution) / unrealized appreciation on re-measurement of investments to fair value - net | (0.195) | (0.085) | (0.061) | (0.085) |
| Income from Certificates of Investment | 0.144 | 0.038 | 0.055 | 0.038 |
| Income from Musharika certificates | 0.028 | 0.040 | 0.000 | 0.040 |
| Income from Continuous Funding System transactions | 0.046 | 0.053 | 0.019 | 0.053 |
| Profit on Term Finance Certificates | 0.009 | 0.000 | 0.001 | 0.000 |
| Income on Investment in TDR | 0.005 | 0.000 | 0.005 | 0.000 |
| Profit on deposit accounts with banks | 0.257 | 0.251 | 0.058 | 0.000 |
| Operating expenses | (0.366) | (0.209) | (0.124) | (0.209) |
| Net income / (loss) for the period | 0.576 | 0.391 | 0.134 | 0.391 |
| Cash dividend : 10.5% (2006: Nil) | (1.050) | 0.000 | 0.000 | 0.000 |
| Net assets per certificate as at March 31 | 10.683 | 10.391 | 10.683 | 10.391 |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

For WE Investment Management Limited
(Investment Adviser)

Chairman

Chief Executive Officer

Director

WEi WE Investment
Management Limited

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WE BALANCED FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2008

| | Issued, subscribed and paid up capital | Unappropriated profit | Total |
|---|---|--------------------------|--------------------|
| | ----- Rupees ----- | | |
| Balance at November 10, 2006 | - | - | - |
| Issue of certificates during the period | 200,000,000 | - | 200,000,000 |
| Loss for the period ended December 31, 2006 | - | (1,798,722) | (1,798,722) |
| Balance as at December 31, 2006 | <u>200,000,000</u> | <u>(1,798,722)</u> | <u>198,201,278</u> |
| Profit for the six months ended June 30, 2007 | - | 24,947,715 | 24,947,715 |
| Balance as at June 30, 2007 | <u>200,000,000</u> | <u>23,148,993</u> | <u>223,148,993</u> |
| Profit for the six months ended December 31, 2007 | - | 8,843,113 | 8,843,113 |
| Cash dividend for the year ended June 30, 2007 @ 10.50% (Rs. 1.05 per certificate) | - | (21,000,000) | (21,000,000) |
| Balance as at December 31, 2007 | <u>200,000,000</u> | <u>10,992,106</u> | <u>210,992,106</u> |
| Profit for the three months ended March 31, 2008 | - | 2,670,226 | 2,670,226 |
| Balance as at March 31, 2008 | <u>200,000,000</u> | <u>13,662,332</u> | <u>213,662,332</u> |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

For WE Investment Management Limited
(Investment Adviser)

Chairman

Chief Executive Officer

Director

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**WEⁱ WE Investment
Management Limited**

WE BALANCED FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2008

1. STATUS AND NATURE OF BUSINESS

1.1 WE Balanced Fund (the Fund) is a closed end scheme established in Pakistan by a Trust Deed executed on March 18, 2006 under the Trust Act, 1882 (11 of 1882) between WE Investment Management Limited as Investment Advisor and Central Depository Company of Pakistan Limited as Trustee. The Fund is governed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Registered office of the Fund is situated at Karachi, Pakistan. The certificates of the Fund are listed on Karachi Stock Exchange.

1.2 The objective of the Fund is to generate long term capital appreciation as well as current income by creating balanced portfolio that is invested both in high quality equity securities, high quality TFC's, money market instruments, financing under Continuous Funding System (CFS) and ready future hedges.

1.3 The certificates of the Fund were offered for public subscription on November 06 to 08, 2006. The Fund was deemed to have been constituted on next working day i.e. November 10, 2006.

1.4 These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with approved International Financial Reporting Standards (IFRS) with limited disclosures based on the requirements of International Accounting Standard - 34, "Interim Financial Reporting" as applicable in Pakistan, the requirements of the Companies Ordinance, 1984 (the Ordinance), the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), the Non-Banking Finance Companies and Notified Entities Regulations 2007 (the Regulations), and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved IFRS comprise of such International Accounting Standards and IFRS as are notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance, the Rules, the Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Ordinance, the Rules, the Regulations and the said directives take precedence.

WE BALANCED FUND

2.2. These condensed interim financial statements are unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the fund for the year ended June 30, 2007.

| | | March 31 2008 | June 30 2007 | |
|--------------------|--|------------------|--------------------|--------------------|
| ----- Rupees ----- | | | | |
| 4 | INVESTMENTS | | | |
| | Investment - at fair value through profit or loss | 4.1 | 84,997,926 | 68,273,500 |
| | Investments - held to maturity | | | |
| | Certificates of investment | 4.2 | 40,087,780 | 40,667,124 |
| | Term Finance Certificates (TFC) | 4.3 | 12,923,960 | 2,729,717 |
| | Term Deposit Receipts (TDR) | 4.4 | 20,000,000 | - |
| | | | <u>158,009,666</u> | <u>111,670,341</u> |

WE BALANCED FUND

4.1 INVESTMENTS - AT FAIR VALUE THROUGH PROFIT AND LOSS

The holding are in the fully paid ordinary shares of Rs. 10/- each.

The holding are in the fully paid ordinary shares of Rs. 5/- each. *

The holding are in the fully paid ordinary shares of Rs. 3.5/- each. **

| Name of Investee | At July 01, 2007 | | | | At March 31, 2008 | | | | Balance at March 31, 2008 | | | | Percentage in relation to | | | |
|---|------------------|----------------|--------|---------------|-------------------|------------|--------------|----------------------------|---------------------------|--------------------------|------------------|-------|---------------------------|--|--|--|
| | Purchases | Bonus / Rights | Sales | No. of shares | At March 31, 2008 | Book Value | Market Value | Appreciation/ (Diminution) | Net Assets of the Fund | Investee Paid Up Capital | Total Investment | | | | | |
| INVESTMENT BANKS/COS/SECURITIES | | | | | | | | | | | | | | | | |
| Jahangir Siddiqui & Company Limited | - | - | 3,000 | - | - | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | |
| Arif Habib Securities Limited | - | - | 85,000 | - | - | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | |
| COMMERCIAL BANKS | | | | | | | | | | | | | | | | |
| Askari Bank (Formerly Askari Commercial Bank Limited) | 60,000 | 200,000 | 35,000 | 135,000 | 10,516,250 | 9,490,500 | (1,025,750) | 4.44% | 0.07% | 11.83% | | | | | | |
| Bank Al-Falah Limited | - | 135,000 | - | 135,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Bank of Punjab (BOP) | - | 119,300 | - | 99,300 | 20,000 | 1,350,933 | 1,327,000 | (23,933) | 0.62% | 0.01% | 1.52% | | | | | |
| Habib Bank Limited | - | 10,000 | - | 10,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| MCB Bank Limited | - | 50,500 | - | 50,500 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| National Bank of Pakistan | - | 100,000 | - | 100,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| NIB Bank Limited | - | 2,000,000 | - | 1,100,000 | 900,000 | 18,424,148 | 16,200,000 | (2,224,148) | 7.58% | 0.04% | 20.73% | | | | | |
| PICC Commercial Bank Limited | 10,000 | 250,000 | - | 260,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Soneri Bank Limited | - | 40,000 | - | 30,000 | 12,500 | 2,072,125 | 1,981,250 | (90,875) | 0.00% | 0.00% | 0.00% | | | | | |
| United Bank Limited | - | 3,104,800 | 37,500 | 2,144,800 | 1,067,500 | 32,383,456 | 28,998,750 | (3,384,706) | 13.57% | 0.12% | 36.41% | | | | | |
| INSURANCE | | | | | | | | | | | | | | | | |
| Pakistan Reinsurance Corporation Limited | - | 30,000 | - | 25,000 | 5,000 | 1,950,380 | 1,955,000 | 4,640 | 0.92% | 0.01% | 2.19% | | | | | |
| Adanjee Insurance Company Limited | 5,000 | 35,000 | - | 30,000 | 5,000 | 1,950,380 | 1,955,000 | 4,640 | 0.92% | 0.01% | 2.19% | | | | | |
| CEMENT | | | | | | | | | | | | | | | | |
| Al Abbas Cement Industries Limited | - | 100,000 | - | 100,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| D.G. Khan Cement | - | 120,000 | - | 120,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Fauji Cement Company Limited | 450,000 | 970,000 | - | 1,420,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Lucky Cement Limited | - | 423,800 | - | 423,800 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Pakistan Cement Company Limited | - | 50,000 | - | 50,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Pioneer Cement Company Limited | - | 300,000 | - | 300,000 | 10,280,000 | 9,945,000 | (315,000) | 4.65% | 0.18% | 11.54% | | | | | | |
| Zeal Pak Cement Factory Limited | - | 135,000 | - | 135,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| POWER GENERATION AND DISTRIBUTION | 450,000 | 2,098,800 | - | 2,248,800 | 300,000 | 10,280,000 | 9,945,000 | (315,000) | 4.65% | 0.18% | 11.54% | | | | | |
| Hufo Power Company Limited | 250,000 | 127,000 | - | 177,000 | 200,000 | 7,046,565 | 6,390,000 | (656,565) | 2.99% | 0.02% | 7.93% | | | | | |
| Karachi Electric Supply Corporation Limited ** | 100,000 | 200,000 | - | 300,000 | 200,000 | 7,046,565 | 6,390,000 | (656,565) | 2.99% | 0.02% | 7.93% | | | | | |
| OIL & GAS MARKETING | 350,000 | 327,000 | - | 477,000 | 200,000 | 7,046,565 | 6,390,000 | (656,565) | 2.99% | 0.02% | 7.93% | | | | | |
| Pakistan State Oil Company Limited | - | 25,000 | - | 25,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Sui Southern Gas Company Limited | - | 100,000 | - | 100,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |
| Sui Southern Gas Company Limited | - | 125,000 | - | 125,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | | | | | |

WE BALANCED FUND

| Name of Investee | ---Balance at March 31, 2008--- | | | | -----Percentage in relation to----- | | | | | | |
|---|--|------------|----------------|------------|-------------------------------------|------------|--------------|----------------------------|------------------------|------------------|------------------|
| | At July 01, 2007 | Purchases | Bonus / Rights | Sales | At March 31, 2008 | Book Value | Market Value | Appreciation/ (Diminution) | Net Assets of the Fund | Investee Capital | Total Investment |
| | -----: No. of shares -----: Rupees ----- | | | | | | | | | | |
| OIL & GAS EXPLORATION | | | | | | | | | | | |
| Oil & Gas Development Company Limited | 100,000 | 385,000 | - | 460,000 | 25,000 | 3,387,765 | 3,347,500 | (40,265) | 1,57% | 0.00% | 3.81% |
| Pakistan Oilfields Limited | - | 70,000 | - | 70,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Pakistan Petroleum Limited | - | 125,000 | - | 75,000 | 50,000 | 12,989,845 | 13,052,500 | 62,655 | 6.11% | 0.01% | 14.59% |
| | 100,000 | 580,000 | - | 605,000 | 75,000 | 16,357,610 | 16,400,000 | 42,390 | 7.68% | 0.01% | 18.40% |
| TEXTILE COMPOSITE | | | | | | | | | | | |
| Nishat Mills Limited | - | 50,000 | - | 50,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| SYNTHETIC & RAYON | | | | | | | | | | | |
| Devan Sahnian Fibre | - | 1,000,000 | - | 1,000,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| ENGINEERING | | | | | | | | | | | |
| Crescent Steel & Allied Products | - | 15,000 | - | 5,000 | 10,000 | 839,000 | 844,000 | 5,000 | 0.40% | 0.02% | 0.94% |
| MF SCELLANEOUS | | | | | | | | | | | |
| Pace Pakistan | - | 100,000 | - | - | 100,000 | 3,304,800 | 3,190,000 | (114,800) | 1.49% | 0.05% | 3.72% |
| AUTOMOBILE PARTS & ACCESSORIES | | | | | | | | | | | |
| Agritaco Industries Limited * | - | 5,000 | - | 5,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| TRANSPORT | | | | | | | | | | | |
| Pakistan International Container Terminal Limited | 25,000 | 10,000 | - | 25,000 | 10,000 | 744,950 | 717,500 | (27,450) | 0.34% | 0.01% | 0.84% |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | | | |
| TRG Pakistan Limited | - | 800,000 | - | 300,000 | 500,000 | 6,074,100 | 5,675,000 | (399,100) | 2.66% | 0.14% | 6.83% |
| Southern Network | - | 20,000 | - | 20,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Worldcall Telecom Limited | 50,000 | 332,500 | - | 382,500 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Pakistan Telecommunication Company Limited A' | 50,000 | 1,202,500 | - | 752,500 | 500,000 | 6,074,100 | 5,675,000 | (399,100) | 2.66% | 0.14% | 6.83% |
| FERTILIZER | | | | | | | | | | | |
| Engro Chemicals Pakistan Limited | 40,000 | 132,000 | - | 172,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Engro Chemicals Pakistan Limited @ | 3,000 | 700,000 | - | 3,000 | 50,000 | 2,317,500 | 2,267,500 | (50,000) | 0.00% | 0.00% | 2.00% |
| Sajji Fertilizer Bin Qasim Limited | 80,000 | 125,000 | - | 205,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Fajji Fertilizer Company Limited | 143,000 | 957,000 | - | 1,050,000 | 50,000 | 2,317,500 | 2,267,500 | (50,000) | 0.19% | 0.01% | 2.61% |
| PHARMACEUTICAL | | | | | | | | | | | |
| Seatre Pakistan Limited | 15,000 | 1,500 | - | 16,500 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| CHEMICALS | | | | | | | | | | | |
| ICI Pakistan Limited | 30,000 | - | - | 30,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Pakistan FA Limited | 200,000 | 1,680,800 | - | 1,400,000 | 480,500 | 2,737,275 | 2,746,800 | 9,525 | 0.00% | 0.00% | 3.86% |
| Colgate Ramolva (Pak) Limited | 200,000 | 1,721,400 | - | 1,430,200 | 491,200 | 3,118,853 | 3,142,300 | 23,447 | 1.48% | 0.03% | 3.51% |
| PAPER & BOARD | | | | | | | | | | | |
| Padagees Limited | - | 10,000 | 1,500 | - | 11,500 | 3,799,950 | 4,338,375 | 538,425 | 2.03% | 0.02% | 4.27% |
| GLASS & CERAMICS | | | | | | | | | | | |
| Ghani Glass Limited | 20,000 | - | 500 | 10,000 | 10,500 | 717,435 | 934,500 | 217,065 | 0.44% | 0.03% | 0.81% |
| JUTE | | | | | | | | | | | |
| Thal Limited (formerly Thal Jute Mills Limited) * | - | 2,500 | - | 2,500 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| TOBACCO | | | | | | | | | | | |
| Pakistan Tobacco Company Limited | - | 45,000 | - | 45,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Grand Total | 1,428,000 | 11,478,500 | 39,500 | 10,115,300 | 2,830,700 | 88,894,579 | 84,797,925 | (4,096,654) | 38.81% | 0.65% | 100.00% |
| June 30, 2007 | | | | | | 67,568,591 | 68,273,500 | 704,909 | 31.00% | 0.00% | 100.00% |

WE BALANCED FUND

| | March 31 2008 | June 30 2007 |
|---|--|-------------------|
| ----- Rupees ----- | | |
| 4.2 Certificates of investment | | |
| First Dawood Investment Bank Limited | 20,069,041 | - |
| Grays Leasing Limited | - | 20,604,110 |
| Al Zamin Leasing Corporation | <u>20,018,739</u> | <u>20,063,014</u> |
| | <u>40,087,780</u> | <u>40,667,124</u> |
| | | |
| 4.2.1 | These certificates are unsecured and carry mark-up rates ranging from 10.5% - 11.4% (2007: 11.50% to 12.25%) per annum and have maturity period of 3 months. | |
| | | |
| 4.3 Term Finance Certificates | | |
| Bank Al Habib Limited | 2,598,960 | 2,729,717 |
| Engro Chemical Pakistan | 10,325,000 | - |
| | <u>12,923,960</u> | <u>2,729,717</u> |
| | | |
| 4.3.1 | These are un-secured and carry mark-up at a rate six months average KIBOR Plus 195 basis points per annum receivable semi-annually in arrears and will mature in February 2015. | |
| 4.3.2 | These are un-secured and carry mark-up at a rate six months average KIBOR Plus 155 basis points per annum receivable semi-annually in arrears and will mature in September 2015. | |
| | | |
| 4.4 Term Finance Certificates | | |
| NIB Bank @ 9.35% | 15,000,000 | - |
| NIB Bank @ 9.30% | <u>5,000,000</u> | - |
| | <u>20,000,000</u> | <u>-</u> |
| | | |
| 5. TRANSACTIONS WITH CONNECTED PERSONS | | |
| We Investment Management Limited | | |
| Fee payable to investment adviser | 554,306 | 4,196,344 |
| Preliminary expenses and flotation costs | 1,300,000 | 2,000,000 |
| Payable to investment advisor | 120,000 | 120,000 |
| | | |
| We Financial Services Limited | | |
| Brokerage paid | 198,015 | 162,346 |
| | | |
| First Dawood Investment Bank Limited | | |
| Return on money market placement | - | 308,219 |

WE BALANCED FUND

6. TAXATION

The Fund is exempt from tax under clause 99 part I of Second Schedule to the Income Tax Ordinance 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its certificate holders. Accordingly, no provision for tax has been made in these condensed interim financial statements as the management intends to avail the tax benefits at the year end.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause II of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

7. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 23, 2008 by the Board of Directors of the Investment adviser.

8. FIGURES

Figures have been rounded off to the nearest Rupee.

For WE Investment Management Limited
(Investment Adviser)

Chairman

Chief Executive Officer

Director

WE BALANCED FUND

STATEMENT OF INCOME AND EXPENDITURE OF THE INVESTMENT ADVISOR IN RELATION TO THE FUND FOR THE NINE MONTHS ENDED MARCH 31, 2008 (UN-AUDITED)

| | Nine months period ended March 31 2008 | For the period from November 10, 2006 to March 31, 2007 |
|--|---|--|
| INCOME | | |
| Advisory Fee - WE Balanced Fund | 4,800,592 | 2,393,275 |
| Total Income | 4,800,592 | 2,393,275 |
| OPERATING EXPENSES | | |
| Staff Salaries | 2,845,461 | 1,110,348 |
| Fees & Subscription | 746,884 | 168,460 |
| Conveyance & Travelling | 264,506 | 90,146 |
| Repair & Maintenance - General | 71,075 | 3,815 |
| Software Support Service Charges | 225,000 | |
| Computer Supplies, Stationery & Printing | 101,463 | 25,020 |
| Incorporation Expenses | - | 3,688,731 |
| Insurance Expenses | 19,938 | 6,948 |
| Legal Fee | 30,000 | 50,000 |
| Amortization of Software | 225,000 | - |
| Advertisement | 7,200 | - |
| Depreciation Expense | 192,911 | - |
| CFS Phone Line Bill | 7,780 | - |
| Finance Lease Charges | 60,954 | 17,125 |
| Total Expenses | 4,798,172 | 5,160,593 |
| Gain / (Loss) for the Period | 2,420 | (2,767,318) |

Revenue and Expense not relating to the fund has not been included in the above statement.



WE Investment Management Limited

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Karachi 75400, Pakistan

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